

**Infrastructure
Australia
Statement of
Intent**

2017 – 2019

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Introduction

Infrastructure Australia is an independent statutory body with a mandate to prioritise and progress nationally significant infrastructure.

Infrastructure Australia provides independent research and high quality advice to all levels of government, as well as investors and owners of infrastructure, on Australia's requirements for nationally significant infrastructure.

Infrastructure Australia advocates for reforms on key issues including funding and financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks.

The strategy and operational functions of Infrastructure Australia are guided by the *Infrastructure Australia Act 2008* (no.17 as amended) and other Commonwealth guiding legislation including the *Public Governance, Performance and Accountability Act 2013*.

Infrastructure Australia is responsible to the Minister for Urban Infrastructure, the Hon Paul Fletcher MP.

The Minister issued a Statement of Expectations to Infrastructure Australia on 1 July 2017 providing guidance on the Australian Government's expectations relating to the strategic direction, operation and performance of Infrastructure Australia.

This Statement of Intent, in conjunction with the Corporate Plan, responds to the Government's expectations by identifying the key objectives and related initiatives to be delivered by Infrastructure Australia for the period 1 July 2017 – 30 June 2019.

This Statement of Intent outlines:

- The specific priorities Infrastructure Australia will be accountable for delivering in the period 1 July 2017 – 30 June 2019;
- How Infrastructure Australia will continue to establish itself as a trusted collaborator and advisor to governments and industry, on the planning, funding and financing, delivery and maintenance of infrastructure; and
- The governance and performance arrangements that will enable Infrastructure Australia to demonstrate that it is efficiently and effectively performing its statutory functions.

Infrastructure Australia Priorities 2017 - 2019

Policy leadership

Statement of Expectations, 1 July 2017

I expect the Board to:

- *continue to develop a strong capability to provide robust and independent advice to government on infrastructure policies and reform, across the transport, water, telecommunications and energy infrastructure sectors, including social infrastructure (excluding Defence), with a focus on building productive cities and regions;*
- *promote best practice in reforming strategic infrastructure planning, improved asset utilisation (enhanced use of technology and network optimisation), and project identification for the infrastructure priority list, the development of business cases whole of life asset management, and improved asset utilisation (enhanced use of technology and network optimisation); and*
- *support the development of policy on funding and financing, including having regard for the work of the Infrastructure and Project Financing Agency and the Northern Australian Infrastructure Facility.*

I expect Infrastructure Australia to deliver on:

Australian Infrastructure Plan

- *maintain the currency of the data and analysis of the current Australian Infrastructure Plan (the Plan);*
- *support governments in the implementation of recommendations from the Plan; and*
- *provide input into key infrastructure reform initiatives announced through the Australian Government's response to the Plan, including:*
 - *Contributing to an independent inquiry to examine how the productivity and efficiency of Australia's freight supply chain can be lifted to inform the development of a national freight and supply chain strategy; and*
 - *Contributing to a study into the potential benefits and impacts of road user charging for light vehicles, including support for the study process and secretariat if required.*

Infrastructure Australia is well placed to bring a strategic focus to the nation's key future infrastructure challenges and opportunities, as well as providing leadership in policy reform.

We will produce quality research, analysis and advice on key issues including funding and financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks, to inform future decision making.

Infrastructure Australia will play an active role in ongoing research and collaboration initiatives that promote and develop effective data and information sharing, analysis and benchmarking. In particular, Infrastructure Australia will undertake initiatives to maintain the currency of its data to inform future Audits, plans, priority lists and project evaluations.

We will continue to keep the data and analysis of the *Australian Infrastructure Plan* up to date through our ongoing infrastructure *Reform Series*, and other initiatives.

In particular, Infrastructure Australia will contribute to the key infrastructure reform initiatives announced through the Australian Government's response to the Plan, including contributing to the Inquiry into National Freight and Supply

Chain Priorities, which will inform the development of a strategy to improve productivity and efficiency of Australia's freight supply chains, and a study into the potential benefits and impacts of road user charging for light vehicles.

Australian Infrastructure Audit

Statement of Expectations, 1 July 2017

I expect Infrastructure Australia to:

- *develop the second Australian Infrastructure Audit (the Audit). The Audit should:*
 - *identify and measure gaps in Australia's infrastructure, including current gaps and gaps expected to emerge as projected future demand exceeds available capacity;*
 - *identify opportunities to support economic growth through better use of existing infrastructure and strategic investment in additional capacity; and*
 - *be completed by 30 June 2019.*

Infrastructure Australia will scope and deliver an Australian Infrastructure Audit by 30 June 2019.

The 2015 Australian Infrastructure Audit found that there is a lack of access to consistent and reliable data on the utilisation and operation of Australia's infrastructure networks to inform decision making.

Infrastructure Australia will undertake quality research and analysis which maintains and adds value to the infrastructure evidence base.

Building on the findings of the 2015 Audit, the 2019 Australian Infrastructure Audit will:

- identify and measure gaps in Australia's infrastructure, including current gaps and gaps expected to emerge as projected future demand exceeds available capacity; and
- identify opportunities to support economic growth through better use of existing infrastructure and strategic investment in additional capacity.

Infrastructure Australia will play an active role in ongoing research and collaboration initiatives that promote and develop effective data and information sharing, analysis and benchmarking. In particular, Infrastructure Australia will undertake initiatives to maintain the currency of its data to inform future Audits, plans, priority lists and project evaluations.

Evaluation of Infrastructure Proposals

Statement of Expectations, 1 July 2017

I expect Infrastructure Australia to:

- *evaluate project proposals that are nationally significant or where Commonwealth funding of \$100 million or more is sought;*
- *Recognising Infrastructure Australia's role to provide advice to governments to inform future infrastructure priorities, the Australian Government's focus for Infrastructure Australia is to perform evaluations of projects where Commonwealth funding has yet to be committed.*
- *In particular, Infrastructure Australia is expected to:*
 - *review the cost-benefit analysis provided by proponents for economic infrastructure proposals (transport, water, energy, communications) and social infrastructure proposals (excluding any Defence proposals);*
 - *undertake these in a timely manner;*
 - *publish its findings in a timely manner;*
 - *ensure the findings inform the Infrastructure Priority List as appropriate; and*
 - *approve a methodology or methodologies (if required for different sectors) that enables proposals to be compared.*

Infrastructure Australia will undertake evaluations of project proposals that are nationally significant or where funding of more than \$100 million is sought from the Commonwealth. This includes infrastructure proposals across all sectors, but excludes defence proposals.

The evaluations will be undertaken routinely and summaries of any proposals evaluated will be displayed on Infrastructure Australia's website as soon as is practicable after the assessment is complete, and by the end of the following quarter after completion of the assessment.

Infrastructure Australia will also continue to engage jurisdictional stakeholders and their advisors to increase understanding of Infrastructure Australia's Assessment Framework and Infrastructure Australia's application of the framework. This will necessarily include presentations and briefing to relevant officials and their advisors as well as development and provision of further template and guidance material for proponents to utilise in preparing initiative and project submissions.

In addition, Infrastructure Australia will continue to work with relevant committees and working groups to refresh national guidance materials as outlined below.

To allow comprehensive comparisons, Infrastructure Australia will continue to work with stakeholders to periodically review the assessment framework and supporting material that Infrastructure Australia requires proponents to use when submitting proposals to Infrastructure Australia for evaluation.

These ongoing reviews will be informed by any relevant findings from Infrastructure Australia's other activities.

Infrastructure Priority Lists

Statement of Expectations, 1 July 2017

I expect Infrastructure Australia to:

- *maintain the top down infrastructure priority list of nationally significant proposals that:*
 - *ensures a proposal is included in the list based on assessed merit (including in relation to the cost benefit analysis); and*
 - *is updated regularly to ensure relevance and currency.*

Infrastructure Australia will develop a regularly updated Infrastructure Priority List.

The Priority List will be consistently updated with additions as projects are evaluated and added to the List, or removals if a project is under delivery.

Every 12 months all entries on the Priority List will be reviewed and updated and new initiatives and projects will be added.

Establishment of corporate capacity

Statement of Expectations, 1 July 2017

I expect Infrastructure Australia to:

- *continue to develop a strong capability to provide robust and independent advice to all levels of government and across all sectors of infrastructure, including social infrastructure (excluding Defence).*

Infrastructure Australia will continue to develop its corporate capabilities in 2017-19 to support the governance and corporate structures. This will include further review and implementation of systems, structures and processes that will enable the organisation to fulfil its duties as an independent statutory body that provides high quality advice on infrastructure matters.

Effective working relationships

Statement of Expectations, 1 July 2017

I expect the Board to:

- *consult and establish productive working relationships with key infrastructure stakeholders, including all levels of Government (Commonwealth, state, territory and local governments) and other relevant bodies and organisations, including state infrastructure advisory bodies and industry*

Stakeholder Engagement

Infrastructure Australia will establish itself as a trusted collaborator and advisor to governments and industry, on the planning, funding and financing, delivery and maintenance of infrastructure through:

- **Establishing productive working relationships; and**
- **Providing policy leadership on key infrastructure challenges.**

Infrastructure Australia's success will be dependent on effective and influential relationships characterised by high levels of trust and collaboration. To this end, Infrastructure Australia will establish productive working relationships with all levels of government and industry. This includes engaging closely with government departments, agencies and entities as well as state, territory and local governments, investors in infrastructure, owners of infrastructure and the community – as the end users of infrastructure.

Where relevant, Infrastructure Australia will consult and engage with other infrastructure stakeholders including industry and peak bodies, academics, and other organisations.

Infrastructure Australia will work with key infrastructure stakeholders and other relevant entities within the portfolio to establish strong working relationships including formal and informal pathways for information sharing (where appropriate) to enable the delivery of timely, comprehensive and coordinated advice to Government.

Governance & Performance Arrangements

Statement of Expectations, 1 July 2017

I expect the Board to:

- ensure Infrastructure Australia acts in accordance with the *Infrastructure Australia Act 2008 (No. 17, 2008 as amended)* and the *Public Governance, Performance and Accountability Act 2013 (and associated regulations)*, as well as other relevant legislation and legal instruments;
- ensure Infrastructure Australia operates in accordance with the Government's intended and publicly stated commitments in regard to its functions;
- consult and establish productive working relationships with key infrastructure stakeholders, including all levels of Government (Commonwealth, state, territory and local governments) and other relevant bodies and organisations, including state infrastructure advisory bodies and industry;
- keep me informed of Infrastructure Australia's actions in relation to the initiatives and activities stated below, and alert me to events or issues that may impact on the operations of Infrastructure Australia, including the provision of timely quarterly reports of progress against the Statement; and
- provide a progress update on initiatives and activities stated below to the Ministerial Transport and Infrastructure Council as required.

Governance

The Infrastructure Australia Board was formed in September 2014. Under the *Infrastructure Australia Act 2008*, The 12 person Board is responsible for strategic and governance oversight of the entity to ensure the proper, efficient and effective performance of Infrastructure Australia's functions. The Board is the Accountable Authority under the *Public Governance, Performance and Accountability Act 2013*.

The Board has established two committees to assist it in satisfying its corporate governance obligations;

- The Audit, risk and compliance committee – oversees the frameworks and measures relating to finances, risk and corporate compliance requirements; and
- The HR and Administration committee – oversees IA's administrative frameworks and governance measures that relate to its employment, procurement and contracting practices.

Accountability and reporting

The Infrastructure Australia Board oversees the performance of the entity and ensures that accountability obligations to the Australian Government are met. This includes:

- Development of a Corporate Plan on an annual basis;
- Publication of an Annual Report to deliver to the Minister for Urban Infrastructure, for tabling in Parliament;
- Identification and appropriate management of risk;
- Any other reporting requirements requested by the shareholder Minister; and
- Resourcing and capability development.

Infrastructure Australia places a high priority on developing the relevant capability to provide high quality advice to governments and the community on the necessary reforms and capital initiatives to contribute to economic development and sustain quality of life for Australians.

Across 2017-19 Infrastructure Australia will focus on building capacity to deliver on our objectives across the following three areas:

- **Being outcome-driven:** In order to provide high quality advice to Government, Infrastructure Australia must utilise appropriate internal and external resources. A focus on outcomes will ensure the appropriate selection of those resources.
- **Building productive and trust-based stakeholder engagement:** Infrastructure Australia will build long term strategic relationships across all levels of government and industry to contribute to and inform Infrastructure Australia's work program.
- **Fostering a high performance internal culture:** Infrastructure Australia will attract, engage, enable, develop and retain talented resources in order to fulfil its purpose, this will include appropriate consideration of secondments from within and outside of the public service.



Infrastructure Australia

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