

Queensland Government Submission

House of Representative Committees:
Inquiry into Infrastructure Planning and
Procurement

The Department of State Development, Infrastructure and Planning leads a coordinated Queensland Government approach to planning, infrastructure and development across the state.

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Introduction

The Queensland Government welcomes the opportunity to make this submission on the House of Representatives Environment Committee (the Committee) *Inquiry into Infrastructure Planning and Procurement*.

The Queensland Government recommends that the House of Representatives Standing Committee on Infrastructure and Communications note the following submission on infrastructure planning and procurement with particular attention to:

- Queensland's Project Assurance Framework and Value for Money Framework.
- The improvements to the planning system that identifies state planning interests in infrastructure in a coherent manner and enables these interests to be addressed by developers, local governments and the state.
- Development of whole of government strategies to guide infrastructure planning and procurement including *Governing for Growth*, the *Queensland Plan* and actions arising from the Queensland Commission of Audit including the development of a long term State Infrastructure Plan.
- The integration of planning for public infrastructure in Queensland by local and state government through the Queensland planning system.
- The work of the Queensland Infrastructure Finance Working Group in identifying and exploring various methods for maximising the pool of potential infrastructure capital.

These key matters and others are developed in more detail in this submission.

Key Responses

What initiatives are operating around Australia at local and state government levels that might lower the cost of planning approvals and reduce timeframes for delivery of projects?

The Queensland Government is implementing a number of strategies to lower the cost of planning approvals, and reduce timeframes for the delivery of infrastructure projects. These strategies are being developed and delivered within the context of improved efficiencies across government. The following points highlight Queensland Government's initiatives in lowering the cost of planning approvals, and reducing timeframes for delivery of projects.

- **Implementing reform** - the Queensland Government's *Governing for Growth – Economic Strategy and Action Plan* released in February 2014 outlines:
 - simplifying business regulation
 - minimising impediments to business growth
 - fostering economic growth and resilience
 - enabling infrastructure for economic growth
 - driving productivity in the public sector; and
 - communicating the importance of economic development.
- **The Queensland Government's Project Assurance Framework (PAF) Guidance Material** –provides a comprehensive overview of the various traditional and Public Private Partnership (PPP) delivery models and their relative merits. The Queensland Government has established the PAF as the minimum standard in evaluating major infrastructure projects with a whole of life cost exceeding \$100 million. In accordance with the Queensland Government's PAF, an assessment is undertaken during the project planning phase to determine whether potential value for money may be achieved through delivery as a PPP. It is planned that these guidelines will be streamlined to complement the National PPP Policy and Guidelines, and replace the series of separate guidance documents which previously comprised Queensland's Value for Money (VFM) Framework.
- **Benchmarking project** – This project is complementary to, and will inform further red tape reduction reforms by comparing land acquisition processes in other jurisdictions both within Australia and abroad and identifying best practice standards and opportunities to improve on current processes.

- **Planning policies and securing land access for project investigations** – The Office of Coordinator-General is supportive of a robust planning approach to identify the most cost effective alignments for projects, and deliver the best use of land taken. Statutory planning tools or powers available to the Coordinator-General to achieve this include: State Development Areas and private infrastructure facility (PIF) provisions. Accessing land for carrying out investigative work and studies necessary for seeking project approvals can be costly to proponents and take time. The Coordinator-General can grant an Investigator's Authority under the *State Development and Public Works Organisation Act 1971* (SDPWO Act) to secure land access for investigating a site's potential for a PIF. The Coordinator-General's Office is investigating how to expand these powers to allow proponents to access land to more effectively undertake investigations for major projects (other than PIFs).
- **The role of the Coordinator-General** - Queensland's Coordinator-General has implemented a 43 Point Fast Tracking Action Plan to achieve an ambitious target of reducing approval path times for environmental impact statements (EIS) for major projects by fifty per cent (50%). The measures delivered include:
 - Establishing a Proponent Service Delivery Charter to identify key deliverables, assessment methodologies, milestones and contact personnel
 - Moving to performance based and outcomes focused requirements to reduce the need for prescriptive conditions
 - Encouraging the use of generic Terms of Reference, with additional modules as required
 - Establishing standard conditions for common issues and impacts
 - Adhering to strict deadlines on timeframes on comments on EIS report, supplementary report
- **Project Planning and/or Management** - the Coordinator-General draws planning powers for projects from the SDPWO Act, for instance:
 - In accordance with section 82 of the SDPWO Act, the Coordinator-General can acquire land for multiple purposes within an SDA.
 - Under section 153B of the SDPWO Act, the Coordinator-General can register Critical Infrastructure Easements over existing public infrastructure corridors.

Such initiatives seek to reduce the costs of land acquisition through effective project planning, whereby the use of land can be maximised, or the most cost effective routes for projects identified.

- **Legislative amendments** – For example, the Transport Legislation Amendment Bill 2014 was introduced into Parliament on 3 April 2014 and includes amendments aimed at facilitating multi-modal transport projects, streamlining project procurement and delivery, facilitating commercial design, delivery and operation, and streamlining related environmental management approvals (such as allowing Compliance Management Plans to be approved to ensure projects holistically meet their environmental performance obligations without the need to obtain a series of individual and duplicated approvals). Legislative changes such as these are leading to improved planning and operation of transport infrastructure.
- **A single state assessment agency** - The Queensland Government has created a 'one-stop' State Assessment and Referral Agency (SARA) with responsibility for assessment of all State interest triggers in development. Additionally, multiple State Planning Policies were reformed into a single State Planning Policy that simplifies and clarifies state interests including planning for infrastructure. Infrastructure for energy, water supply, land transport, aviation and ports is specified through the State Planning Policy as a matter to be addressed by:
 - local governments in developing or amending planning schemes and assessing developments (prior to schemes being amended)
 - developers in preparing development applications
 - the state government in developing regional plans or where the Minister has called in a planning decision.
- **Streamlining Environmental Assessment processes** - The Queensland and Australian Governments have agreed to make an approvals bilateral agreement under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) to accredit Queensland's project/development assessment frameworks to the effect that additional Commonwealth project approval will not be required.
 - This agreement will have a positive impact on the timeliness and cost of delivery of infrastructure projects in Queensland. It is expected that the agreement will initially accredit the environmental impact assessment (EIA) processes of the SDPWO Act, Sustainable Planning Act 2009 (SPA) and the Environmental Protection Act 1994 (EP Act). A second stage will aim to accredit Queensland's non-EIA development assessment arrangements.
 - A draft approvals bilateral agreement has been prepared and is currently the subject of discussions between State and Commonwealth officials. It is expected that a draft agreement will be released for public consultation in April 2014 with a view to having it concluded and in operation in September 2014.
 - An approvals bilateral agreement is the natural extension of the current EPBC Act assessment bilateral agreement which has been in place for over 10 years and refreshed on several occasions. This agreement deals with the three EIA processes referred to above. Under this agreement proponents only have to prepare one environmental impact statement for both national and State decision-makers.

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- **Streamlining Resource Approvals Assessment Processes** - The resources industry is a key driver of the Queensland economy, with an instrumental role in the development of the State's economic and social infrastructure, job creation, and the delivery of a range of broader, positive economic benefits for the people of Queensland.
 - Recognising the significance of the resource sector, the Queensland Government established the Resources Cabinet Committee (RCC) to address issues for resource companies dealing with government regulation and to reduce red and green tape to facilitate investment in the sector. By directly engaging with industry representatives through RCC meetings, the Queensland Government is working to develop a relationship with industry that will support ongoing resource investment.
 - The Streamlining Approvals Project is a key initiative that is driving and will continue to drive business and system transformation for resource permit approvals, to bring about a more seamless system and establish more efficient tenure management processes, making it easier for resource companies to continue operations on schedule.
 - The Queensland Government has also committed to a program of work to Modernise Queensland's Resources Acts (MQRA). Under this program, Queensland will have modernised its mining and petroleum tenures administration legislation for all resource types through the phased development of a common resources Act. Additional reforms are currently being considered that will reduce red and green tape associated with gaining regulatory approvals. For example, the passage of the *Mines Legislation (Streamlining) Amendment Act 2012*, the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012*, the *Mining and Other Legislation Amendment Act 2013* and the *Land, Water and Other Legislation Amendment Act 2013* all contribute to a significant reduction of the regulatory burden faced by the resources industry.

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Of those initiatives that the Committee has considered, are any able or appropriate to be implemented on a broader basis, including at Federal level?

To enable more efficient, timely and value for money delivery of infrastructure, the following Queensland Government initiatives are relevant for consideration on a broader basis.

Procurement Processes

A dedicated unit has been established in Queensland Treasury and Trade to ensure procurement processes, including contract development, are delivered both efficiently and effectively. This unit is *Projects Queensland*. Projects Queensland objectives are to:

- enhance focus on time-effective infrastructure delivery
- encourage private investment in infrastructure
- enhance the infrastructure assessment and procurement processes within government
- enhance the approach to capital prioritisation by government
- develop and retain commercial skills within government; and
- remove duplication of effort across agencies.

Red Tape Reduction

The Queensland Government has established a whole-of-Government framework for measuring and reducing the burden of regulation and promoting a culture of reducing red tape across agencies. As a part of this process, the Coordinator-General is reviewing processes to simplify and streamline requirements; including those associated with land acquisition processes to deliver cost and time savings where possible.

The resources sector, one of the four pillars of the Queensland's economy, is a key focus of regulatory reform. Red tape reduction efforts and reforms to resources sector regulation contribute to the broad framework for measuring and reducing the burden of regulation. The Streamlining project, Modernise Queensland's Resources Acts (MQRA), and additional reforms currently being considered by the Queensland Government will reduce red and green tape and the costs and time delays of regulatory approvals

One Stop Shop

This is a joint initiative between the Queensland and Australian Governments to make an approvals bilateral agreement under the EPBC Act to accredit Queensland's project/development assessment frameworks to the effect that Commonwealth project approval will not be required. Similar agreements could be developed between the Australian Government and other jurisdictions.

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Are local, state and federal governments adequately considering the infrastructure challenges that they face and do they have long term plans in place to deal with those challenges?

Infrastructure plays a key role in the Queensland Government's reform agenda, including boosting economic opportunities and productivity by reforming the way infrastructure is planned, prioritised, funded and used. This is outlined in the Queensland Government's *Infrastructure for Economic Development* policy paper released in October 2013.

The Queensland Government recognises that it has the primary role in the provision of economic infrastructure, and to this end has introduced the following initiatives:

- preparing an annual State Infrastructure Plan to prioritise and progress key transport, energy, and water projects;
- revising its PAF to ensure only those options that offer the best value for money solutions are progressed; and
- improving its procurement and project management systems to ensure all projects meet both budget and timeframe.

Additionally, the Queensland Government has undertaken governance and legislative changes, and provided policy direction to promote the efficient provision of economic infrastructure. The Queensland Government has:

- established a dedicated Department of State Development, Infrastructure and Planning (DSDIP) to drive efficiency and ensure a coordinated approach to planning
- established Infrastructure Queensland, comprising public and private sector members, to advise on infrastructure issues
- established Projects Queensland within Queensland Treasury and Trade to enhance infrastructure delivery capability
- restored the role of the Coordinator-General to cut project approval times; and
- made supporting and enabling legislative changes through the passage of the *Sustainable Planning and Other Legislation Amendment Act 2012* (SPOLA), including creating SARA for all State interest triggers in development and reformed the land use planning and development approvals system.

The Queensland Government has also provided greater clarity and guidance to potential infrastructure providers and users by:

- developing clear policy preferences for infrastructure development for the Bowen, Galilee and Surat Basins;
- releasing the *Economic Directions Statement Queensland Airports 2013-2023*, which articulates the Queensland Government's view of the critical role of airports in supporting

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economic growth, to facilitate informed planning and investment decisions and to assist in strengthening collaboration between the private sector and governments;

- releasing the draft *Queensland Ports Strategy* for comment, which recommends establishing Priority Port Development Areas and the prohibition of capital dredging for the development of deep water port facilities outside of these areas, as well as providing guidance for leading practice master planning for Queensland ports; and
- allocating funding from the Australian Government's Regional Infrastructure Fund to establish the *North Queensland Resources Supply Chain Steering Committee*, to develop a strategy to improve the efficiency and productivity of the supply chain through better coordination of infrastructure stakeholders, including: owners, operators and current and potential users; and
- implementing reforms identified through the review of the infrastructure charges framework to facilitate development and investment opportunities in Queensland and support local government financial sustainability.

Further actions underway include:

- development of *Total Asset Management Plans* in accordance with the Queensland Government Commission of Audit (QCoA) recommendation, that each agency adopt a framework that provides a sound basis for decision making based on best-practice relating to investment, management and disposal of assets
- development of an infrastructure framework for the *North West Minerals Province*
- finalisation of the 30 year electricity and water strategies
- creation of an *Economic Infrastructure Prioritisation Framework* to ensure scarce infrastructure dollars are spent in the best way possible across all economic infrastructure asset classes
- revision of the PAF, including revision of assessment guidelines for financing and funding models
- assessment of asset lifecycle management options and greater supply chain integration; and
- in addition to the Queensland Transport and Roads Investment Program (QTRIP), available, which provides a 4-year program of works, projects and expenditure across Queensland, the Queensland Government's is developing a *Transport Coordination and Delivery Plan* which will outline the strategy and direction to deliver transport objectives over a 10-year time horizon, thereby supporting:
 - criteria for making decisions about spending on transport
 - long-term objectives and performance indicators for the transport system
 - guiding principles that inform policy, planning and decision making; and
 - a simple governance structure with clear accountabilities.

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For governments that are engaging in long term planning for future infrastructure investment, are they taking steps to protect the land and corridors that are needed to deliver those infrastructure projects in the future?

Existing legislation that empowers the protection or acquisition of land for corridors, includes:

- *State Development and Public Works Organisation Act 1977*
- *Sustainable Planning Act 2009*
- *Electricity Act 1996*
- *Transport Planning and Coordination Act 1994*
- *Transport Infrastructure Act 1994*

The SPA and the *Sustainable Planning Act Regulation 2009* provide the state's planning and development control framework, especially State Planning Policy and the Integrated Development Assessment System. Corridor protection is identified in the State Planning Policy as a State interest for planning and development assessment. The regulation requires certain development applications to be referred to the state for assessment and conditioning. This allows the relevant agencies to identify and protect future corridors through planning and development assessment.

Future planning for transport corridors and infrastructure is managed through the State Planning Program. Planning is undertaken at area, corridor, route and link level. These studies identify future transport needs and modal choice down through the identification of future corridors, specific routes and works on specific links. This planning informs and provides input to TMR investment decisions and other planning processes such as regional plans and local government transport and land use planning. Legislation allows TMR to declare existing and future transport corridors for each mode (road, rail, busway, light rail), and existing infrastructure is protected from interference and damage through legislation.

Additionally, to support the corridor protection under the planning system, TMR has recently finalised an *Approved Planning Policy* which details governance arrangements for deciding the appropriate level of protection that should be applied to protect future planning. The level of protection is determined by a range of factors including timing of the works, funding commitment, and willingness to accept *Early Acquisition requests* from affected landowners.

What is industry doing to reduce the regulatory and other costs that it faces in competing for infrastructure projects?

Not applicable.

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How can Australia increase or deepen the competitive market for infrastructure provision and funding in Australia?

Australia could increase or deepen the competitive market for infrastructure provision and funding by evaluating and considering the feasibility, suitability and acceptability of the following:

- superannuation, as a private source of equity investment to fund infrastructure
- facilitating the development of an infrastructure bond market as a source of debt funding for infrastructure projects
- infrastructure bank concept where governments could take on an financing assistance role
- demand risk insurance for projects where revenue and profitability is dependent on patronage use
- consideration of recycling suitable assets to enable the release of funds for new infrastructure
- value capture opportunities related to infrastructure investment; and
- institutional developments required to support new infrastructure finance markets.