



**An Australian Government Initiative**



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Senate Finance and Public Administration Committees  
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Canberra ACT 2600

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**Re: Financial support for state and territory infrastructure projects**

Regional Development Australia Southern NSW & ACT (RDASNA) welcomes the opportunity to contribute to the Inquiry into financial support for state and territory infrastructure projects.

RDASNA is part of a national network of 50 Regional Development Australia committees and works with all levels of government, industry and community to strengthen economic and social outcomes. We facilitate regional projects, collaboration, communication and advocacy across our region, which encompasses the ACT and nine NSW Local Government Areas, including Bega Valley, Eurobodalla, Goulburn Mulwaree, Hilltops, Queanbeyan-Palerang, Snowy Monaro, Upper Lachlan, Wingecarribee and Yass Valley.

This submission outlines RDASNA's insights and recommendations on how federal assessment, prioritisation and oversight processes can better reflect the realities of integrated cross-border regions such as Southern NSW and the ACT, supporting more equitable, efficient and effective infrastructure investment outcomes.

We appreciate the opportunity to provide this submission and welcome the chance to engage further with the Committee on the matters raised.

Kind regards,

Olivia West  
CEO

## Introduction

The RDASNA region covers nine NSW local government areas and the ACT, forming a single, functionally integrated economic region where housing markets, workforce movement, service demand and industry activity operate across the ACT–NSW border rather than within jurisdictional boundaries. RDASNA’s NSW footprint also includes communities along the New South Wales–Victoria border, where infrastructure demand and benefit can similarly extend beyond a single jurisdiction. In the ACT–NSW context, Infrastructure Australia’s Regional Strengths and Infrastructure Gaps reporting highlights that population growth, housing pressures and limited land supply in the ACT are contributing to increased demand for housing, transport and enabling infrastructure in surrounding NSW communities.

This regional reality is formally recognised through the 2024 ACT–NSW Memorandum of Understanding for Regional Collaboration, which commits both governments to a “connected and borderless Canberra Region” and establishes mechanisms for joint planning, data sharing and coordinated service delivery. However, Commonwealth assessment, prioritisation and funding frameworks have not adapted to reflect this cross-border context, continuing to assess project viability and benefits largely within separate state and territory boundaries.

As a result, NSW border communities experiencing growth and service demand linked to the ACT are required to justify infrastructure investment using localised metrics that do not fully reflect the drivers of demand. These communities face increasing pressure on housing, water, transport and community services, while local governments are constrained by fragmented data, differing regulatory frameworks and limited capacity to prepare complex business cases that span multiple jurisdictions.

This submission identifies opportunities for the Australian Government to better integrate cross-border dynamics into federal funding, assessment and oversight processes, ensuring that infrastructure investment is directed to where pressures are most acute and where uplift delivers the greatest regional and national benefit.

RDASNA notes that the Inquiry timeframe was scheduled over the Christmas and New Year period, resulting in a significant constraint on regional stakeholder engagement.

### ToR a - The criteria and processes used by the federal government to assess, prioritise and allocate infrastructure funding

Federal infrastructure funding frameworks are not suited to regions where population growth, service demand, labour markets and infrastructure use operate across jurisdictional boundaries. In the Southern NSW and ACT region, Infrastructure Australia’s Regional Strengths and Infrastructure Gaps reporting highlights that ACT population growth, constrained land supply and rising housing costs are driving significant spillover into surrounding NSW local government areas, increasing demand for housing, transport and enabling infrastructure beyond the ACT boundary.

In multiple border LGAs and key commuter corridors, a substantial proportion of residents commute to Canberra for work, intensifying pressure on transport networks, utilities and community infrastructure in NSW. Despite this, the Infrastructure Australia Assessment Framework and the Commonwealth Grants Rules and Principles continue to require project viability and benefits to be assessed primarily within discrete jurisdictional catchments, limiting the ability to reflect cross-border demand and shared regional benefits.

This misalignment persists despite formal cross-border arrangements established by the ACT and NSW Governments. The 2024 ACT–NSW Memorandum of Understanding for Regional Collaboration commits both governments to a more coordinated, borderless approach to planning and service delivery, supported by joint priority-setting and data sharing. However, these arrangements have no recognised pathway into

Commonwealth assessment processes, meaning regional priorities identified through ACT–NSW governance structures carry little weight in federal decision-making.

The consequences are practical and immediate. NSW border councils must demonstrate project merit using local population and economic metrics, even if underlying demand is driven by ACT-based employment, residents or service use. Traditional cost–benefit analysis undervalues projects that relieve ACT housing pressure, support cross-border commuter flows, or address region-wide transport, water and service constraints. This systematically reduces the competitiveness of Southern NSW proposals compared to projects assessed within single-jurisdiction or metropolitan contexts.

Modernising federal assessment and prioritisation frameworks to explicitly recognise cross-border settlement patterns, shared catchments and existing ACT–NSW governance arrangements would produce more accurate assessments of need, improve national productivity outcomes and support more efficient infrastructure investment across the integrated Southern NSW and ACT region.

### **Recommendation 1: Modernise federal infrastructure assessment and prioritisation frameworks**

#### **ToR c - How the viability and appropriateness of state and territory projects receiving federal funding is assessed, including the adequacy of business cases, rural and regional distribution impacts, and use of independent assessments**

Commonwealth processes for evaluating the viability and business case adequacy of state and territory infrastructure projects rely heavily on population-based demand modelling, jurisdiction-specific economic metrics and traditional cost–benefit frameworks. These methods assume that service catchments, workforce movement and infrastructure use predominantly occur within state or territory boundaries. In the RDASNA region, this assumption does not hold. The ACT and surrounding NSW LGAs operate as a single interconnected system, with significant cross-border commuting, housing demand spillover and shared reliance on services and infrastructure.

Under current federal practice, infrastructure proposals in NSW border LGAs must demonstrate viability using only local inputs, even when demand originates from ACT residents, ACT-based employment or ACT-driven growth pressures. This is reinforced by the Infrastructure Australia Assessment Framework, which requires benefits to be quantified within defined jurisdictional catchments, and by the Commonwealth Grants Rules and Principles, which provide no mechanism for recognising multi-jurisdictional benefits. As a result, the full cross-border demand profile and shared benefit streams cannot be reflected in a single-jurisdiction business case.

The 2024 ACT–NSW Memorandum of Understanding for Regional Collaboration provides a framework for identifying cross-border priorities and coordinating planning across jurisdictions. However, there is no corresponding mechanism within Commonwealth viability assessments to incorporate these regional priorities or shared service arrangements. Without such recognition, projects that are essential to the integrated Southern NSW and ACT region frequently appear less competitive under current assessment settings.

In practice, infrastructure that supports housing supply, workforce accessibility, transport efficiency and core services across the integrated region can appear “lower value” than projects assessed within a single metropolitan or single-jurisdiction catchment. This misalignment delays regionally critical investment and exacerbates existing pressures.

### **Case Study: Parkwood (Ginninderry) Cross-Border Urban Release**

The Parkwood development on the ACT–NSW border illustrates the challenges faced by infrastructure projects that span multiple jurisdictions. While the development area and its associated infrastructure needs extend across the ACT–NSW boundary, Commonwealth assessment processes do not currently provide a clear pathway for recognising multi-jurisdictional catchments or shared benefit streams.

This cross-border context is formally acknowledged through an ACT–NSW–local governance framework established to coordinate planning and service considerations for the Parkwood development; however, these arrangements are not reflected within Commonwealth assessment or viability frameworks.

As a result, enabling infrastructure on the NSW side is typically assessed using NSW-only metrics, even where infrastructure demand and usage are shaped by broader cross-border housing and workforce movement. This highlights how existing assessment frameworks can struggle to reflect cross-border demand drivers and shared regional benefits in practice.

The Parkwood example illustrates the broader challenges facing infrastructure projects in integrated regions. A more suitable approach would enable viability assessments to explicitly consider cross-border demand, shared catchments and jointly identified priorities, supported by clear Commonwealth guidance for assessing multi-jurisdictional benefits.

RDA Southern NSW & ACT acknowledges the inherent jurisdictional complexity involved in infrastructure planning and service delivery in cross-border regions. In projects such as Parkwood, where infrastructure demand and usage extend across jurisdictional boundaries, there is a heightened risk that responsibility for service provision is implicitly assumed to sit with one jurisdiction or the other, rather than being clearly defined. Without clear Commonwealth governance settings and assessment guidance for cross-border infrastructure, this can result in services being under-provided, inconsistently delivered, or unnecessarily duplicated. Greater flexibility within Commonwealth assessment frameworks, supported by explicit guidance on cross-jurisdictional roles and shared service catchments, would help mitigate these risks and ensure infrastructure investment delivers reliable and efficient outcomes for communities.

### **Recommendation 2: Establish a cross-border viability assessment pathway**

#### **ToR d- How the economic, social, cultural and community impacts of federally supported infrastructure projects are considered during assessments**

Commonwealth assessment processes place strong emphasis on quantifiable economic benefits, yet give limited weight to broader social, cultural and community impacts, particularly where these extend across jurisdictional boundaries. In the Southern NSW and ACT region, housing availability, transport access, water security and service capacity directly affect liveability, workforce participation and community wellbeing across the border.

NSW residents rely heavily on ACT health, education, employment and community services, while ACT systems increasingly absorb demand generated by population growth in surrounding NSW local government areas. The 2024 ACT–NSW Memorandum of Understanding explicitly acknowledges this interdependence and identifies improving service access and community resilience as shared priorities. However, the Infrastructure Australia Assessment Framework and the Commonwealth Grants Rules and Principles provide no clear method for identifying or valuing cross-border social, cultural or community benefits.

As a result, infrastructure projects that would significantly improve regional liveability, such as enabling housing supply, strengthening access to employment centres, expanding early childhood and community facilities, or upgrading water and waste systems, are systematically undervalued in federal assessments.

Projects that relieve pressure on ACT services by expanding capacity in NSW also receive limited recognition, despite their clear regional benefit. The longer-term consequences of failing to address these pressures, including reduced workforce mobility, declining service equity and overstretched health and education systems, remain largely unaccounted for.

Embedding consideration of cross-border social, cultural and community impacts into federal assessment processes would ensure that the real costs and benefits experienced by communities are more accurately captured, supporting infrastructure investment that strengthens wellbeing, resilience and service equity across integrated regions.

### **Recommendation 3: Strengthen the treatment of cross-border social, cultural and community impacts**

#### **ToR e – Federal oversight mechanisms used to track progress and performance of a state or territory project receiving federal funding and opportunities to improve governance, oversight and public reporting**

The Southern NSW and ACT region operates within established cross-border governance arrangements between the ACT and NSW Governments, including shared priority-setting and cross-border coordination mechanisms under the 2024 Memorandum of Understanding. While these arrangements support collaboration between jurisdictions, they currently have no recognised interface with federal infrastructure oversight frameworks, including those applied through the Infrastructure Australia Assessment Framework and the Commonwealth Grants Rules and Principles.

Commonwealth programs continue to monitor infrastructure projects primarily within jurisdictional boundaries. In cross-border contexts, this limits visibility of region-wide risks, dependencies and sequencing issues, and can result in inconsistent milestones, reporting requirements and accountability settings for projects that serve shared catchments. These constraints increase the risk of delays, fragmented reporting and duplicated effort across ACT and NSW agencies.

Local governments face similar challenges. The Commonwealth Grants Rules and Principles provide no guidance on how proponents should report progress, outcomes or performance for infrastructure projects serving multi-jurisdictional populations. As a result, councils lack a clear or consistent method for demonstrating alignment with Commonwealth objectives where benefits accrue across borders. Infrastructure that supports shared service catchments is therefore monitored in a piecemeal manner, obscuring regional outcomes and reducing the effectiveness of federal oversight.

Aligning federal oversight and reporting mechanisms with existing ACT–NSW cross-border governance arrangements would support more coherent monitoring, earlier identification of shared risks and clearer accountability for infrastructure investment that underpins the economic and social wellbeing of the Southern NSW and ACT region.

### **Recommendation 4: Align federal oversight and reporting with cross-border governance**

## **Recommendation Summary**

#### **Recommendation 1: Modernise assessment and prioritisation frameworks**

The Australian Government should modernise infrastructure assessment and prioritisation frameworks, including the Infrastructure Australia Assessment Framework and relevant Commonwealth grant guidelines, to recognise cross-border settlement patterns, shared regional catchments and multi-jurisdictional benefit streams in integrated regions such as Southern NSW and the ACT.

#### **Recommendation 2: Establish a cross-border viability assessment pathway**

The Australian Government should establish a dedicated viability assessment pathway for multi-

jurisdictional regions to ensure cross-border demand, shared service catchments and region-wide impacts can be appropriately considered in infrastructure business cases.

**Recommendation 3: Strengthen the treatment of social, cultural and community impacts**

The Australian Government should strengthen the consideration of social, cultural and community impacts in infrastructure assessments by explicitly recognising cross-border service dependence, regional liveability outcomes and shared community benefits.

**Recommendation 4: Align federal oversight and reporting with cross-border governance**

The Australian Government should align federal oversight, monitoring and reporting arrangements with existing cross-border governance structures to improve transparency, accountability and region-wide performance tracking for multi-jurisdictional projects.

**Recommendation 5: Develop a national settlement strategy for cross-border regions**

Building on the above reforms, the Australian Government should develop a national settlement strategy for cross-border regions to better align infrastructure investment, assessment processes and oversight with real-world population growth patterns and shared regional catchments.

## Closing Statement

The integrated nature of the Southern NSW and ACT region presents distinct challenges and opportunities that current federal funding, assessment and oversight frameworks are not well designed to fully accommodate. Modernising these frameworks to recognise cross-border settlement patterns, shared regional catchments and established ACT–NSW governance arrangements would enable more accurate assessments of need, fairer access to funding, and more effective infrastructure outcomes for the communities that rely on this region every day.

A national settlement strategy for cross-border regions would provide a coherent federal policy framework to support these reforms. By aligning infrastructure investment, land-use planning and service delivery with real population movements and functional economic relationships across jurisdictional boundaries, such a strategy would ensure that federal decision-making better reflects the realities of regional growth.

RDASNA welcomes the Inquiry’s focus on strengthening the transparency, consistency and effectiveness of federal infrastructure funding processes. We stand ready to support the Australian Government in progressing these reforms and in contributing to a national approach to cross-border settlement that enhances economic resilience, service equity and liveability across the Southern NSW and ACT region.

Thank you for the opportunity to contribute to this important work.