



Australian Government
Infrastructure Australia

Infrastructure Australia
Level 21, 126 Phillip Street, Sydney NSW 2000
GPO Box 5417, Sydney NSW 2001
Telephone (02) 8114 1900 Facsimile (02) 8114 1932
www.infrastructureaustralia.gov.au

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Mr Tim Watling
Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Watling

Thank you for the invitation to provide a submission to the Committee's inquiry into the decision to commit funding to the Perth Freight Link project.

About Infrastructure Australia

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

We provide independent research and advice to all levels of government as well as investors and owners of infrastructure on key issues including financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks.

IA was established in July 2008 to provide advice to the Australian Government under the *Infrastructure Australia Act 2008* (the IA Act).

On 1 September 2014, an amended IA Act came into effect to give IA new powers, and to create an independent board with the right to appoint its own Chief Executive Officer.

Under the Act, Infrastructure Australia has responsibility to strategically audit Australia's nationally significant infrastructure, and develop 15 year rolling Infrastructure Plans that specify national and state level priorities.

Infrastructure Priority List

In addition to our work developing Audits and Infrastructure Plans, IA also has responsibility under sections 5(c) and 5A of the IA Act to determine which nationally significant projects should be on the Infrastructure Priority List. This is a rigorous prioritisation process that ensures there is a highly credible pipeline of nationally significant infrastructure projects.

IA does not make decisions regarding the funding of projects. We independently assess initiatives and projects that are submitted to us by public and private sector proponents. We then publically release a brief of our findings and the project's respective rating on the Infrastructure Priority List.

Infrastructure Australia's methodology for assessing initiatives and projects rests on three discrete components:

1. The initiative's strategic fit and profiling – the extent to which the proposal addresses national infrastructure priorities and is supported by data rich evidence of the scale and causes of underlying problem(s) to enable consideration of effective and targeted solutions;
2. Economic viability – the proposal's lifetime benefits must significantly outweigh its lifetime costs to society; and
3. Deliverability – the proposal must have a clear and robust delivery plan to ensure its successful realisation

The upcoming 15 year Plan will include an updated Infrastructure Priority List.

Project Assessments process

IA follows the same governance process for every project we assess. This is as below:

- a) *a State or Territory government or private proponent provides a submission to IA for assessment of an infrastructure project;*
- b) *IA undertakes an initial review of the submission and seeks clarification and/or further information from the State or Territory government or private proponent;*
- c) *the submission and any additional information provided is further evaluated by IA and further information is requested from the State or Territory government or private proponent if needed;*
- d) *the submission is evaluated by senior IA staff;*
- e) *IA's CEO prepares a recommendation for consideration by the IA Board;*
- f) *the IA Board evaluates the submission and makes a determination to approve, modify or reject the recommendation in respect of the submission;*
- g) *on completion of the Board's evaluation, a project evaluation summary is provided to the proponent for a fact and commercial in confidence check; and*
- h) *after this feedback process is complete, the final project evaluation summary is made available publicly by release on the IA website.*

Perth Freight Link

IA assessed a submission on the Perth Freight Link from the Western Australian Government, and it was evaluated by the IA Board on 7 May 2015. The project assessment brief was published on the IA website on 17 August 2015 along with five other projects that had been assessed by the Board in the same quarter. This was announced with a news item on our home page.

IA assessed the project to be included on the Infrastructure Priority List at Threshold. As stated in the summary available on our website, IA considers that the proponent provided good evidence that access to port gateways in Perth is a nationally significant problem. IA has a high level of confidence that the proposed solution will deliver net economic benefits.

Should you or the Committee require further information from Infrastructure Australia, please do not hesitate to contact me

Yours sincerely

Philip Davies

Chief Executive Officer