

**Senate Finance and Public  
Administration Committees**

PO Box 6100  
Parliament House  
Canberra ACT 2600

**Submitted Online**

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**Submission to the Senate Committee on Finance and Public Administration Inquiry into financial support for State and Territory Infrastructure Projects**

The Engagement Institute welcomes the opportunity to make a submission to the Senate Standing Committee on Finance and Public Administration inquiry into financial support for state and territory infrastructure projects.

The Engagement Institute is the peak body for the community and stakeholder engagement profession, representing approximately 16,000 practitioners across Australia and New Zealand. Our members work across government, industry and the not-for-profit sector, including in major infrastructure, energy, transport, health, and First Nations engagement. The Institute champions engagement practices that are purposeful, ethical and effective, and recognises engagement as a professional discipline requiring specialised skills and expertise. We work to lift standards across the engagement profession and to support governments to use engagement as a tool for assurance, risk management and improved decision-making.

This submission focuses on how Commonwealth funding arrangements for state and territory infrastructure projects can more effectively embed community engagement as a strategic discipline, rather than treating it as a compliance activity undertaken late in project delivery.

This submission addresses Terms of Reference (a), (b), (d) and (e) and makes three core recommendations:

1. Commonwealth funding agreements for infrastructure projects should require reporting on community engagement strategy and plans, with engagement integrated into strategic project planning and decision-making.
2. Senior, strategic engagement professionals should be included as technical experts on advisory bodies involved in project prioritisation and strategic planning, alongside legal, financial and engineering expertise.
3. The Commonwealth should require independent certification, such as EngageMark, to ensure that funded proponents demonstrate organisational commitment and maturity in community engagement practice.

Together, these measures would support more informed project prioritisation, reduce delivery risk, improve public trust, and ensure that infrastructure investments deliver enduring public value. Delivery risk and public value are centrally important to Commonwealth value-for-money considerations.

### **Why language matters in Commonwealth funding**

Language plays a critical role in shaping how funding requirements are interpreted and implemented. The Engagement Institute encourages the use of contemporary engagement language in Commonwealth funding frameworks to better reflect current professional practice and policy intent.

The term “consultation” is often used broadly, but within the engagement profession it has a specific and limited meaning.

Different stages of an infrastructure project require different forms and levels of engagement. Using the broader term “engagement” better reflects this flexibility and avoids narrowing expectations about the role communities can play in shaping outcomes.

Funding frameworks should therefore:

- Use “engagement” rather than “consultation” where possible.
- Recognise that engagement approaches will vary by project and context.
- Focus on purpose and outcomes rather than prescribed methods.

### **Engagement as a strategic input to infrastructure planning**

Large-scale infrastructure projects funded by the Commonwealth have significant and long-lasting impacts on communities, including changes to land use, amenity, access, environmental conditions and economic activity. Community engagement is therefore not ancillary to infrastructure delivery, but a core input into whether projects are socially sustainable, timely and successful.

In practice, engagement is often approached narrowly as an exercise undertaken to satisfy regulatory or funding requirements, rather than as an intentional process designed to shape decisions and better manage risks. Where engagement lacks clarity of purpose, communities may perceive participation as tokenistic or disconnected from decision-making. This undermines trust, increases opposition, and can delay or derail projects.

The Engagement Institute operates from the following definition of engagement:

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*Engagement is an intentional process with the specific purpose of working across organisations, stakeholders, and communities to shape the decisions or actions of members of the community, stakeholders, or organization in relation to a problem, opportunity or outcome.*

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This definition emphasises that engagement is not limited to information provision or feedback collection. It is concerned with how and where community input influences decisions, and with transparency about those opportunities. When applied effectively, engagement improves decision quality by incorporating local knowledge early, reduces the risk of community opposition emerging late in delivery, and lowers the likelihood of costly redesign, delay or dispute.

For infrastructure projects, best practice engagement involves identifying the aspects of a project where community knowledge and perspectives can meaningfully interact with technical, financial and environmental inputs to shape outcomes. This may include project scope, design features, mitigation measures, community benefits, staging or operational arrangements.

Embedding engagement early and strategically reduces the risk of later conflict, improves the quality of decisions, and supports the development of social licence. For the Commonwealth, this translates directly into reduced delays, lower cost escalation, and greater confidence that funded projects will proceed as planned.

### **Recommendation 1 - Require reporting on community engagement plans in funding agreements**

The Engagement Institute recommends Commonwealth funding agreements for state and territory infrastructure projects include requirements for proponents to prepare and report on community engagement plans.

The purpose of this requirement is to ensure engagement is embedded in strategic project planning from the outset, rather than added late in delivery. The focus should be on how engagement informs decisions and manages risk, rather than on prescribing specific engagement techniques (for example surveys or online forms, townhalls and pop-ups). This approach embeds engagement as a governance and assurance mechanism, while preserving flexibility for proponents to tailor engagement to project context.

Funding agreements commonly require proponents to provide project plans, milestones, risk registers and reporting against key performance indicators. Engagement should be treated in a similar way, as a core component of project planning.

Requiring proponents to report on their engagement plans would:

- Encourage state and territory governments to consider engagement early and strategically in project conception and prioritisation.
- Make explicit how and when engagement will inform key decisions.
- Improve accountability and transparency in how community input is considered.
- Reduce the likelihood of engagement being sidelined or treated as a downstream activity.
- Provide the Commonwealth with greater assurance that community-related risks are being actively managed, supporting value-for-money assessments.

Such a requirement would not need to be prescriptive about the form of engagement. Instead, proponents should be required to articulate:

- The purpose of engagement at different stages of the project.
- The decisions or outcomes that engagement is intended to inform.
- How engagement will be integrated with other technical and strategic inputs.
- How engagement outcomes will be considered and reported.

Engagement should not only inform project delivery, but can also play a role in project prioritisation. Community perspectives enable earlier identification of local needs, risks, opportunities and trade-offs that may not be evident from technical assessments alone. Early engagement supports better option selection and refinement before significant public resources are committed.

Requiring engagement planning and reporting in funding agreements would signal that community input is a legitimate and valued input into infrastructure decision-making.

### **Recommendation 2 - Include senior engagement professionals as technical experts on advisory bodies**

The Engagement Institute recommends that senior, strategic engagement professionals be included as technical experts on advisory bodies involved in infrastructure project prioritisation and strategic planning.

Infrastructure advisory bodies routinely include expertise in engineering, finance, economics, planning and law. Engagement expertise is often absent or consulted only on an ad hoc basis. This reflects a

persistent misapprehension that engagement is primarily a communications or implementation function, rather than a strategic discipline.

In practice, skilled engagement professionals bring expertise in:

- Designing the engagement strategy and processes that align engagement with decision-making.
- Managing risks associated with community opposition and social licence.
- Understanding stakeholder dynamics and power relationships.
- Integrating qualitative community input with quantitative technical data.

Treating engagement as technical expertise ensures it is considered alongside other critical inputs, rather than after key decisions have been made.

At the Commonwealth level, this recommendation applies to reference groups, panels or advisory bodies that inform decisions about infrastructure funding, program design or project prioritisation. Including senior engagement professionals on these bodies would improve the quality of advice provided to decision-makers, ensure engagement risks and opportunities are identified early, and support more realistic assessments of project readiness and deliverability. This, in turn, reduces the Commonwealth's exposure to funding projects that face avoidable delays, cost overruns or delivery failure arising from social licence risks.

For state and territory governments, engagement expertise should be embedded in strategic project planning processes in a manner comparable to legal or financial advice. This includes providing engagement advice during business case development, options analysis and strategic planning stages, rather than confining engagement input to statutory consultation phases.

### **Recommendation 3 - Require independent certification of engagement capability**

The Engagement Institute recommends that the Commonwealth require independent certification to ensure that organisations receiving infrastructure funding demonstrate a genuine commitment to community engagement.

The Engagement Institute in 2025 launched its certification tool, EngageMark, an independently audited certification that assesses organisational engagement maturity, standards and commitment to engagement. Organisations are assessed and awarded a rating of gold, silver or bronze based on their engagement capability.

EngageMark provides assurance that an organisation has:

- Appropriate systems, governance and capability for engagement.
- Skilled personnel and professional standards.
- Processes that support purposeful and ethical engagement.
- Proven track record in delivering benefits and impacts that demonstrate best practice engagement.

Independent certification could operate in a similar manner to the Australian Government Building and Construction Work Health and Safety Accreditation Scheme. It would function as a prequalification or eligibility requirement, rather than an ongoing compliance burden.

By requiring an EngageMark certification in contracts, Governments can manage social licence risks by ensuring they do business with organisations with best practice engagement.

Requiring certification would:

- Signal the importance of engagement as a professional discipline.
- Reduce risk by ensuring proponents have baseline engagement capability.
- Incentivise organisations to invest in engagement.
- Reduce delivery risk to the Commonwealth.

Certification could be applied flexibly, either as a standalone requirement or in conjunction with existing engagement-related criteria in funding programs.

## Conclusion

The Commonwealth has a significant opportunity to use its role as a funder of state and territory infrastructure projects to lift engagement practice across Australia.

By requiring engagement planning and reporting in funding agreements, recognising engagement as technical expertise, and using independent certification to assess engagement capability, the Commonwealth can improve infrastructure decision-making and prioritisation, reduce delivery risk and delays, build trust and social licence with communities, and ensure that public investment delivers enduring public value.

If engagement continues to be treated inconsistently across funding programs, the opportunity cost is borne through increased delivery risk, avoidable delays, and diminished public confidence in major infrastructure investments. Lifting engagement standards through proportionate, assurance-focused

mechanisms will support more reliable project delivery and better outcomes for communities and governments alike.

The Engagement Institute would welcome the opportunity to appear at a hearing to outline how engagement processes can elevate decision-making for infrastructure projects.

Thank you for the opportunity to provide comment.

Sincerely

Marion Short  
Chief Executive Officer

## About Engagement Institute

The Engagement Institute (formerly IAP2 Australasia) is Australasia's leading voice for community and stakeholder engagement. As the peak body and a trusted authority in community and stakeholder engagement, we support and empower engagement professionals to do what they do best.

We challenge outdated ways of thinking, embedding engagement at the heart of decision-making and delivering better outcomes.

As a proud affiliate of the International Association for Public Participation (IAP2). We have grown from a collective of passionate practitioners united by a shared vision for more meaningful engagement and evolved into a dynamic and influential network of over 15,000 members.

With engagement experts, industry specialists, and advocates all committed to positive progress, our reach extends across industries, communities, and landscapes. Our vision is **'meaningful engagement, shaping better futures'**.

Through collaboration and innovation, we're pushing the industry forward, driving better decisions and creating lasting impact.