

# **Inquiry into the Infrastructure Australia Amendment Bill**

## **Submission by the Moving People 2030 Taskforce to the Senate Standing Committees on Rural and Regional Affairs and Transport**

**January 2014**



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*Infrastructure Australia Amendment Bill*

**Submission by the Moving People 2030 Taskforce**

**About the Moving People 2030 Taskforce**

The Moving People 2030 Taskforce (Moving People Taskforce) brings together a broad cross-section of national organisations to outline our vision for an integrated and multi-modal system that will safely and efficiently move Australians and our goods for a more prosperous nation.

The Taskforce was assembled to identify the outcomes we want for Australia's economy, environment and society by 2030 and the role a world class transport system will play in delivering them.

The Membership of the Moving People 2030 Taskforce is:

- Australasian Railway Association
- Bus Industry Confederation of Australia
- Cycling Promotion Fund
- Heart Foundation
- International Association of Public Transport Australia and New Zealand (UITPANZ)
- Planning Institute of Australia

**About this Submission**

This submission highlights elements of the proposed Infrastructure Australia Amendment Bill that the Moving People Taskforce seeks further clarification on within this inquiry. The UITPANZ has been consulted on the contents of this submission.

**Overview**

The Moving People Taskforce supports the role of Infrastructure Australia as an advisory body to the Commonwealth Government.

We support the commitment from the Government to strengthen the role of Infrastructure Australia and the process of reform being undertaken to make Infrastructure Australia more effective in its role.

The Moving People Taskforce is concerned that the independence of Infrastructure Australia will be diminished by the proposed amendments. This independence has been its major strength in providing fearless and frank advice in assessing Australia's transport infrastructure priorities.

Although the Moving People Taskforce believes in the overall merits of the proposed reforms to Infrastructure Australia by the Commonwealth Government, there are a number of areas in the proposed Bill that we seek clarification on.

**Points for Clarification**

The points that we seek clarification on are contained in the following table. They relate primarily to sections 4 and 5 of the proposed Bill.

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Relevant Provisions	Points for Clarification
Section 4	<p>This section re-establishes Infrastructure Australia as a Body Corporate (Statutory Body) under the <i>Commonwealth Authorities and Companies Act 1997</i>.</p> <p><b>We seek clarification on the impact, if any, that this change will have on the function of Infrastructure Australia.</b></p>
Section 5	<p>This section gives Infrastructure Australia power to:</p> <ul style="list-style-type: none"> <li>• Conduct audits of nationally significant infrastructure, evaluate proposals according to the audits and provide advice to governments re these proposals</li> <li>• Develop priority lists based on the audits and additional research and develop plans according to the priority lists</li> <li>• Identify impediments to investment, promote investment</li> <li>• Undertake or commission research and any other functions</li> </ul> <p>We are supportive of the above powers but seek clarification on the detail provided in the subsections of Section 5. Our concern is whether the subsections of Section 5 limit the powers of Infrastructure Australia which are defined above.</p>
Section 5A (1), (2) and (3) – Evaluating Infrastructure Proposals	<p>The provision gives Infrastructure Australia power to evaluate proposals for investment in <i>nationally significant infrastructure</i> and <i>other infrastructure determined by the Minister</i>. A determination of the Minister is a legislative instrument.</p> <p>We believe this has the potential to allow Infrastructure Australia to drive efficiency across Commonwealth capital expenditure in infrastructure but also provides for the Minister to determine classes of projects that may or may not be evaluated. This could undermine the role of Infrastructure in identifying “priority” infrastructure projects. The Minister can, in effect, identify the Government’s own priorities and disregard Infrastructure Australia’s advice.</p> <p><b>We seek clarification on the class of projects referred to in this proposed amendment. Does this refer to social infrastructure projects in the areas that cross over into non-transport portfolio areas or will this include classes of projects that the Government has determined do not fit within the policy approach of the current Government?</b></p>
Section 5B (b) (i) and (ii)	<p>Section 5B gives Infrastructure Australia power to develop infrastructure plans. The plans will specify priorities for nationally significant infrastructure and specify productivity gains from each proposals and any complementary infrastructure required to maximise productivity gains and timeframes in delivering the projects. A plan will cover a period of 15 years (with a 5 year review).</p> <p><b>We seek clarification on whether Infrastructure Australia will investigate the whole of network benefits of proposed infrastructure projects including congestion reduction, environmental, health and safety benefits to ensure a full externalities based project assessment process.</b></p>
Section 5D(1)(a),(b) and (c)	<p>Section 5D addresses functions that Infrastructure Australia can only undertake when directed by the Minister. These functions include:</p> <ul style="list-style-type: none"> <li>• Review and provide advice on proposals to facilitate the harmonisation of policies, and laws relating to development of and investment in, infrastructure.</li> </ul> <p><b>We seek clarification on whether Infrastructure Australia, in addition to the duties specified above, will continue to continue in a policy development and research capacity. We believe Infrastructure Australia’s work in the areas of infrastructure financing, infrastructure reforms, procurement reforms and urban transport planning have been valuable additions and would urge that this work continue.</b></p> <ul style="list-style-type: none"> <li>• Publish proposals (under 5A) or evidence and reasons contained in the audits, lists, evaluations, plans or advice</li> </ul> <p><b>We seek clarification on whether Infrastructure Australia will publish all materials related to policy and research work undertaken and advice provided to the Commonwealth Government on proposed projects. Will this amendment make provision for the Minister to determine what is published and what is not published?</b></p>

## **Potential from Reform**

The Moving People Taskforce believes establishment of Infrastructure Australia by the Australian Government was a positive and needed step towards addressing our infrastructure challenges in the future.

We believe that the reform process being undertaken by the Commonwealth Government holds significant potential to make Infrastructure Australia an even more effective and valuable body.

The Moving People Taskforce believes the definition of “national significance” in Infrastructure Australia’s assessment process needs to take into account the importance of our cities and regions to the national economy and the national cost of social and environmental externalities such as congestion even when it is experienced at a local level. We believe there is scope for Infrastructure Australia to address a number of gaps not only in nationally significant infrastructure development, but also small to medium scale local infrastructure projects.

As Infrastructure Australia stated in its 2012 report to COAG, these smaller scale projects, built within a framework of strong strategic planning principles have the potential to improve the liveability and viability of our major cities, towns and regions.<sup>1</sup>

## **Conclusion**

The Moving People Taskforce encourages the inquiry to seek clarification on the matters referred to in this submission and for the Commonwealth Government, in seeking to strengthen the role of Infrastructure Australia to consider extending its reach to include small to medium scale projects under the value of \$100 million.

## **Hearing Availability**

If invited to appear before the Committee Bryan Nye, Chief Executive of the Australasian Railway Association Michael Apps, Executive Director of the Bus Industry Confederation will be available to represent the Moving People Taskforce and the comments provided in this submission.

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<sup>1</sup> Infrastructure Australia, 2012, Progress and Action, June 2012 Report to the Council of Australian Governments, Australian Government Canberra.