Australian Government
Department of Infrastructure, Transport, Cities and Regional Development

Infrastructure Investment Program – Overview and Governance Arrangements

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AUSTRALIAN GOVERNMENT INVESTMENT

- Investing **$100 billion** over 10 years from 2019-20
- Investment Strategy
  - Reduce Congestion in our Cities
  - Better Connect Our Regions
  - Improve Safety On Our Roads
  - Meet Our National Freight Challenge

INFRASTRUCTURE INVESTMENT PROGRAM

- Major urban motorways / national highways
- Urban passenger rail
- Urban arterials
- Regional highways
- Black Spots
- Bridges Renewal
- Heavy Vehicle Safety & Productivity
- Roads to Recovery
- Northern Australia Road programs

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RECENT INITIATIVES

- Urban Congestion Fund
- Commuter Carparks
- Roads Of Strategic Importance
- Local & State Government Road Safety Packages
- Faster Rail Agency and projects
- Major Project Business Case Funding

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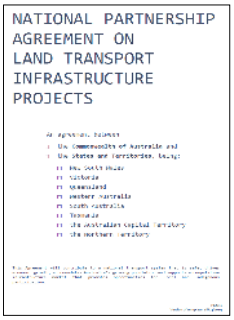
FRAMEWORK FOR INVESTMENT

- **Federal Financial Relations Framework (FFRF)**
  - States and Territories responsible for transport infrastructure
- ***National Land Transport Act 2014***
  - Legislative basis for investment
- **National Partnership Agreement**
  - Primary governance arrangements


NATIONAL PARTNERSHIP AGREEMENT ON LAND TRANSPORT INFRASTRUCTURE PROJECTS

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ROLLING PIPELINE OF INVESTMENT

- **Restructured in the 2018-19 Budget to be a 10-year rolling pipeline of investment currently out to 2029-30**
- **Key drivers**
  - Signal for industry and private sector investors
  - Commonwealth taking a longer term view
  - More strategic planning horizon

- **New commitments typical considered at Budget**

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HOW DECISIONS ARE MADE

- **Investment priorities continually assessed**
  - Infrastructure Australia Infrastructure Priority List
  - Major Project Business Case Fund
  - Traffic modelling and forecasts
  - State and territory infrastructure and transport plans
- **Commonwealth perspective**
  - It's not a per capita distribution
  - It's not all about the benefit cost ratio

HOW DECISIONS ARE MADE

- **Infrastructure Australia**
  - Prepares Audit and Infrastructure Priority List
  - Assess business cases seeking >$100 million
  - Advisory, not binding
- **Infrastructure and Project Financing Agency**
  - Alternative funding and financing opportunities
  - Aim to maximise the reach of grant funding
- **Ultimately government make decisions**

GOVERNANCE

- **Focus on delivery**
  - Monitoring thousands of projects
  - States are project managers
- **National Partnership Agreement**
  - Sets out roles and responsibilities
  - Outcomes and outputs focused
  - Financial governance (e.g. cost savings/increases)
  - Project governance (e.g. milestones/reporting)
  - Detailed requirements in Notes on Administration

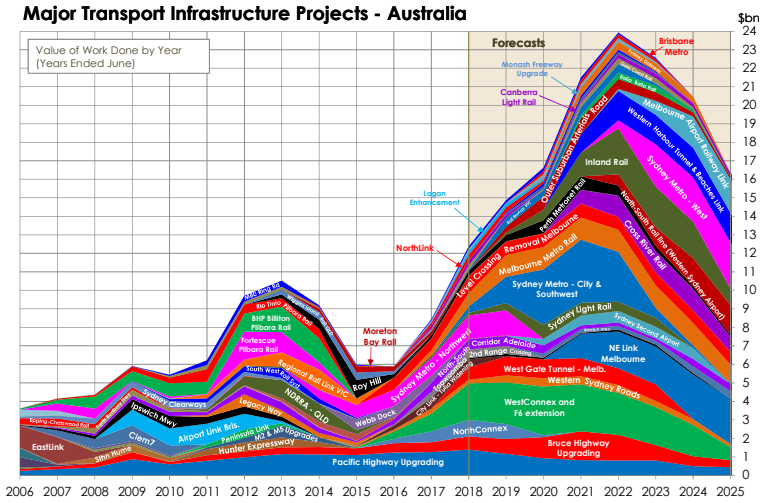
GOVERNANCE

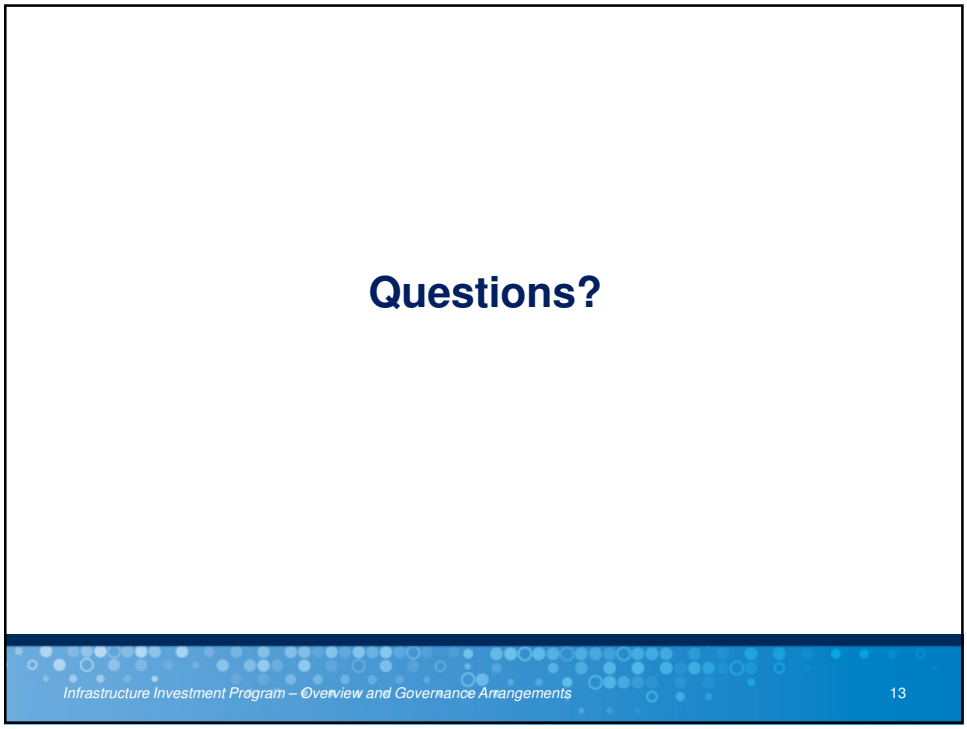
- **Project development and governance**
  - Milestone schedules; pay on need
  - Steering committees for key projects
  - New Project Specific Agreements
  - Update funding profiles at Budget / MYEFO

RISKS AND CHALLENGES

- **Managing the market**
  - Capacity and skills shortages leading to cost pressure
  - Commonwealth has a role with sequencing
- **Delivering the right projects**
  - Need caution with arguments for more spending
- **Size and scale**
  - 10 years is a long time; proper planning is critical
  - $100 billion is significant financial exposure

RISKS AND CHALLENGES




Questions?
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