

'IBODIES'

Call for greater independence to aid Infrastructure Victoria

The industry association for consulting firms in the built environment has called for greater separation between politics, planning and projects in a major new report, 'Infrastructure Governance in Australia,' published today [30/01/18].

The report by Consult Australia presents a model infrastructure body or 'IBody' for adoption by all jurisdictions following a comprehensive review of their existing governance procedures. Its four key recommendations include: independence locked in by statute; long-term planning; assessment in line with Infrastructure Australia guidelines; and a published pipeline of priority projects.

Danielle Bolton, Victoria State Manager for Consult Australia, said: "As Infrastructure Victoria is implementing many of the recommendations in this report, their contribution to developing a standardised approach with closer links to Infrastructure Australia, would be beneficial to all jurisdictions."

The report highlights those state and territories without an independent infrastructure body including the ACT, Northern Territory and South Australia. It also draws comparison between those that do, including Infrastructure Victoria, Infrastructure NSW, and Building Queensland who each have a different definition of *long-term*: 30 years, 20 years and 15 years respectively.

Bolton added: "The definition of *long-term* is not the only difference. Reporting mechanisms into government differ too. Some infrastructure bodies report to the government of the day, which is what we call *independence-on-a-leash*. It risks the clash of short political and long-term economic cycles with decades of foresight required for infrastructure potentially lost in the weeks of a campaign trail. Only Victoria specifies in legislation that the Minister cannot direct or control the activities of its infrastructure body so it would be useful to share this experience with other states and territories."

"A standardised approach across all jurisdictions would buffer this, locking in independence through statute so only Parliament could make changes. This also gives industry more certainty that what is planned to happen will, so they can skill their workforce in anticipation."

The report 'Infrastructure Governance in Australia' is available at www.consultaustralia.com.au

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NOTES TO EDITOR

1. About the report

Consult Australia has launched its Thought Leadership Paper entitled, 'Infrastructure Governance in Australia', which proposes the following model for independent infrastructure bodies ('lbodies') in all jurisdictions.

2. Recommendations for Victoria

Infrastructure Victoria was established under the Infrastructure Victoria Act 2015. The Act needs to be reviewed to ensure that its functions and structure are based on four core components, independence, planning, assessment, and prioritisation.

Independence

- 1) The Victoria Government (via the Minister) must not be allowed to direct or control its activities, as set out in the Infrastructure Victoria Act 2015.
- 2) All strategies and plans prepared by Infrastructure Victoria must be responded to by the Government within a specified period. The strategy, plans, and Government response must be presented to Parliament, thus promoting bipartisan support and accountability to Parliament.
- 3) If the Government wants to deliver an infrastructure project that is not included in the pipeline, or change the order of priority, it must seek Parliamentary approval.
- 4) The Board of Infrastructure Victoria must maintain a balance of representatives from the public and private sectors. However, it should be clarified that the private sector representatives must have appropriate skills relevant to infrastructure strategy/planning/delivery, including design and construction.

Planning

- 5) Infrastructure Victoria must continue to be responsible for developing:
 - Long-term infrastructure strategies, and
 - Shorter-term plans to underpin and deliver against the aims of the strategy
- 6) The strategies and plans must be developed with a formal process of engagement across all stakeholders, political, public sector, business, interest groups, community groups etc. The other lbodies should also be included to ensure that the strategy and plans have cross-jurisdictional alignment and interconnectedness.
- 7) The plans will have consistent assessment components (objectives) formed around productivity, livability, and sustainability (including integrated land-use) that can be reported and measured against.

Assessment

- 8) Infrastructure Victoria must provide project implementation plans for major infrastructure projects (as defined in the legislation).
- 9) Project evaluation and benefit realisation must be embedded within the decision-making processes, as a condition of funding and as a core component of project scoping.
- 10) Infrastructure Australia, Infrastructure Victoria, and the other I-bodies, must work together to develop national guidelines for business case development, consistent with Infrastructure Australia's assessment guidelines.

Prioritisation

- 11) Infrastructure Victoria must assess and publish a pipeline of priority infrastructure projects.
- 12) The methodology for the assessment of priority projects should be based on an agreed framework of assessment principles.
- 13) Infrastructure Victoria must have responsibility for the review, evaluation, oversight, and monitoring of infrastructure delivery (but not project delivery).

3. About Consult Australia

Consult Australia is the industry association representing consulting firms operating in the built and natural environment sectors. These services include design, engineering, architecture, technology, survey, legal and management solutions for individual consumers through to major companies in the private and public sector including local, state and federal governments. We represent an industry comprising some 48,900 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms with combined revenue exceeding \$40 billion a year.

4. For more information and to arrange an interview

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