



INFRASTRUCTURE VICTORIA

RESPONSE TO *LAYING THE FOUNDATIONS*

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INTRODUCTION

As a long-term advocate for the establishment of an independent infrastructure planning body for infrastructure in Victoria, Consult Australia welcomes the release of Infrastructure Victoria's (IV) first consultation document "Laying the Foundations".

Consult Australia is the industry association for consultants in the built and natural environment. We represent an industry comprising roughly 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms. Collectively, our industry is estimated to employ over 240,000 people, and generate combined revenue exceeding \$40 billion a year.

As an organisation that represents professional services firms consulting on the built and natural environment, we are delighted to have the opportunity to provide feedback in the development of Infrastructure Victoria's objectives and needs, and congratulate IV on the collaborative approach it is taking to developing Victoria's 30-year infrastructure strategy.

The following response has been developed by a sub-committee representing Consult Australia's members from across Victoria. We are happy to provide further clarification or meet to discuss the comments made below further.

Our response is structured in two parts. The first provides direct responses to the questions asked on page 34 of the consultation document; the second provides some more general issues that we consider should inform how IV progresses with the 30-year infrastructure strategy.

In addition to this submission, Consult Australia looks forward to further supporting the broader work of Infrastructure Victoria. Through our member firms, Consult Australia is uniquely positioned share valuable industry expertise across a range of issues critical to the successful design and delivery of infrastructure around Australia. Our expertise on infrastructure funding and financing¹ (including most recently our work on value capture²), procurement³, stakeholder engagement⁴, and packaging of works⁵ all support better public policy and value for money outcomes for government.

Once the foundations are laid, we look forward to a long and productive working relationship with IV, and a more prosperous, productive and liveable Victoria as a result.

¹ [Transporting Australia's Future](#): A new and sustainable funding approach to transport development in Australia

² [Value Capture Roadmap](#): an alternative infrastructure funding method and a decision-making tool to help fill the infrastructure funding gap in Australian cities.

³ [More for Less](#): The economic benefits of better procurement.

⁴ [Valuing Better Engagement](#): An economic framework to quantify the value of stakeholder engagement for infrastructure delivery

⁵ [Breaking Up is Hard to Do](#): Factors to consider in packaging works for major projects.

RESPONSES TO CONSULTATION GUIDE QUESTIONS

What is most important to you in planning Victoria’s infrastructure for the next 30 years?

We consider that the focus for the planning of Victoria’s infrastructure for the next 30 years should be to:

- Promote Economic Prosperity over this period and beyond
- Maintain or improve Victoria’s (not just Melbourne’s) liveability
- Build Victoria’s sustainability and resilience to foreseen and unforeseen future events.

How could the objectives be improved?

IV, in its publication “From the Ground Up” identified the change and uncertainty that faces any organisation seeking to predict what the future is likely to be in 30 years. For this reason we consider that simplifying or grouping the objectives could allow more flexibility in assessing options that are not currently anticipated or understood.

On the basis of our three areas of focus noted in 2.1 above we believe that the objectives can be simplified by combining a number of them. The table below provides one suggestion how this might be done.

Respond to population growth and change	Maintain or Improve Victoria's Liveability
Support healthy, safe and vibrant communities	
Reduce disadvantage	
Protect and enhance natural environments	
Enable workforce participation	Grow Economic Prosperity
Lift Victoria’s productivity	
Support Victoria’s changing globally integrated economy	
Promote sustainable production and consumption	Enhance Sustainability and Resilience
Support climate change mitigation and adaptation	
Build resilience to shocks	

While these three objectives may look broad they are tangible and measurable outcomes that have the breadth to be measures of a wide range of infrastructure development ideas and opportunities.

Should any objectives be added, removed or combined?

See 2.2 above

How could the infrastructure needs be improved and in particular what needs don't appear that you would like to see included?

Our view is that the infrastructure needs are too narrow, and because of this, point to a predetermined outcome. A higher level approach again would allow the flexibility to compare diverse and innovative approaches to addressing the same objective. It should also ensure the needs maintain relevance for a longer period.

Some examples to illustrate these comments are:

- The needs against Draft Objective 1 – Respond to changing population growth and change could be combined into one: 'Align infrastructure needs with population growth trends'. This would cover a broad range of projects as diverse as health, education, water, power and cultural infrastructure. It would be a yard stick that could be applied to these projects by posing the question "does this project align with population growth trends?"
- The need "Move people to and from airports efficiently" is narrow and can only be satisfied by project linking to the State's airports. A need that could be used as a more general measure would be "Ensure connectivity between different transport modes" or "enhance to interstate and international connectivity", which could include freight, High Speed Rail, ports as well as airports.

What needs to you think are most important and least important?

At this stage of the consultation, given the comments above, we have not progressed to prioritise the needs as stated. In general Consult Australia supports needs that reflect the need to develop a prosperous economy as we believe this is fundamental to support liveability, inclusion and developing resilience and sustainability.

Can you think of any examples to illustrate your points?

See examples provided above.

What evidence might support our views or help improve the strategy?

We see one of the key challenges for IV to be comparing projects that rate well against different objectives. For example how can a project that improves the resilience of a town against sea level change can be compared with a project that provides a health care response in an outer suburban area experiencing population growth.

We note that at the industry briefing that accompanied the launch of the *Laying the Foundations* document reference was made to developing a robust and widely accepted Benefit Cost Analysis. We believe that this tool, if it is robust enough to be applied to the broad range of projects, will be the basis for evidence required to rank projects.

OTHER COMMENTARY

Key Principles

In reviewing the document our members also noted the following points:

- We see it is critical that IV's strategy is forward looking and not applied retrospectively to infrastructure projects currently beyond the business case phase. We see little value in re-litigating decisions made in the past, and consider that any use of the IV guidelines to challenge projects that are underway not only counter-productive to our industry but potentially damaging to IV's reputation. We call on IV to be clear about the scope of its strategy when it is launched and to resist any pressure to apply it retrospectively.
- We note the guiding principle in the Laying the Foundations document to consider non-build solutions first. We would recommend this be further expanded to consider also prioritising more efficient use of existing infrastructure over construction of new.
- We also note commentary in the Setting the Scene section of the document around the importance of robust, integrated strategic plans for Victoria's growth. We consider IV is well placed to advocate the benefit of such plans and advocate broad support for robust state, regional and municipal plans that inform the direction of infrastructure development (not the other way round). If this can be done in parallel, or preferably in advance with development of the strategy it could provide a firmer foundation for the 30-year infrastructure strategy.
- We see that IV is advocating for strong governance of projects. The 30-year strategy should be cascaded down through government to enhance the efficiency and effectiveness of the planning and delivery of projects once there is a strategic imperative established.
- The document appears to emphasise new infrastructure solutions. Equal emphasis should be put on leveraging existing assets to meet objectives through better asset management and operational optimisation.

Further Engagement

We trust the above commentary is of use. As we have previously communicated, Consult Australia, as one of the leading advocates for the formation of IV, is keen to develop a close and supportive working relationship with IV as it undertakes the vitally important task of producing Victoria's 30-year infrastructure strategy.

With a membership that includes employers of diverse disciplines from planning through sustainability, economics and engineering, and a focus on business-friendly policy that supports the future of Victoria and Australia, we are able and would be keen to further engage with IV should you wish to discuss any of the ideas set out above further. You can contact our State Manger Zeina Iesa (zeina@consultaaustralia.com.au) who will be able to assist in the first instance.

Finally thank you once again for the opportunity to provide feedback on Laying the Foundations and we look forward to the next opportunity to engage.