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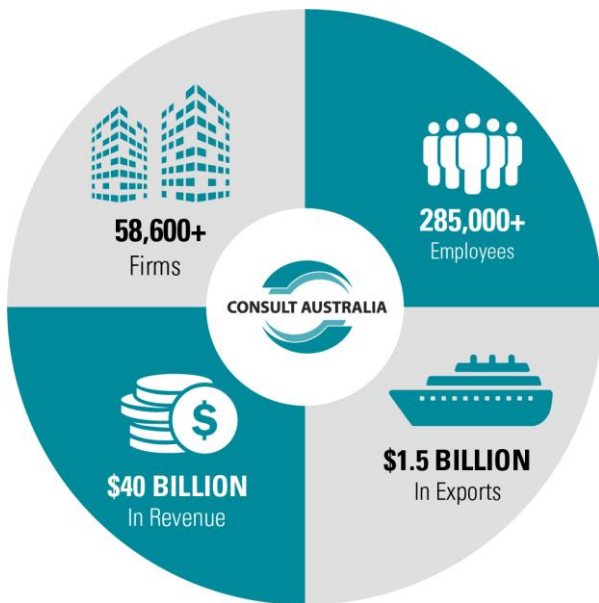
Inquiry into Financial Support for State and Territory Infrastructure Projects

**SUBMISSION TO SENATE STANDING COMMITTEE
ON FINANCE AND PUBLIC ADMINISTRATION**

Consult Australia

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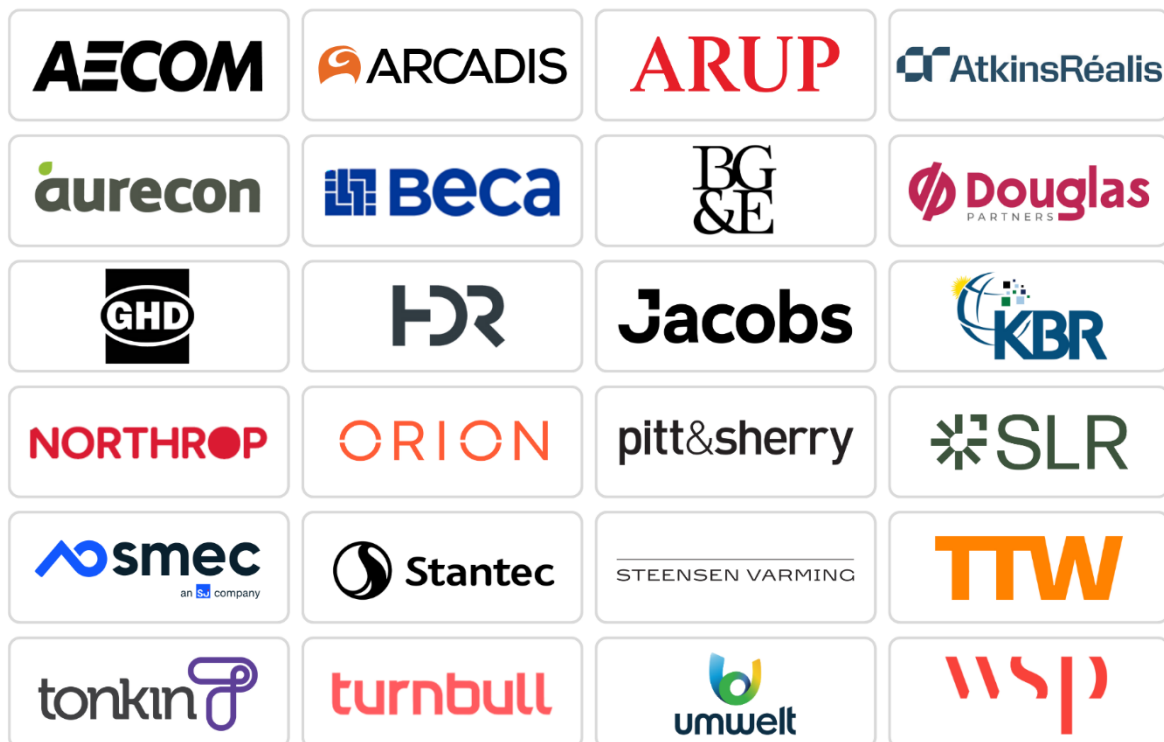
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About us

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia’s top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy; the services we provide unlock many more jobs across the construction industry and the broader community.

Our members include:



A full membership list is available on our [website](#).

Executive summary

Federal funding for infrastructure should be understood not only as a capital contribution to individual projects, but as one of the Australian Government's most significant economic policy levers. Decisions about which projects are funded, how they are prioritised and sequenced, and the governance conditions attached to funding all materially influence national productivity, inflationary pressures, workforce development, regional growth and long-term fiscal outcomes.

When federal infrastructure funding is deployed strategically, it can support steady economic activity, improve market capacity, lift productivity and strengthen resilience. Conversely, when funding decisions are made without adequate regard to cumulative impacts, market conditions or delivery capability, infrastructure investment can inadvertently amplify cost escalation, constrain labour markets and reduce value for money.

From this perspective, the effectiveness of federal financial support depends not only on project-level performance, but on whether federal funding agreements are designed to shape better economic outcomes across the system as a whole. This submission addresses the inquiry's terms of reference through that lens.

The scope of this Senate inquiry includes transparency, consistency and accountability of federal funding decisions as well as federal oversight mechanisms used to track progress and performance. Consult Australia contends that there are limitations to the current approach to Australia's infrastructure program. For example, while the Federal Government is committed to a 10-year infrastructure investment pipeline, more immediate certainty for business is limited at a state and territory level. Longer-term there is no mechanism to support the coordination and sequencing of the national pipeline between jurisdictions

For Consult Australia members, the Australian Government's current role and approach for Australia's infrastructure program misses the opportunity through federal funding agreements to govern and deliver broader benefits from their investments.

Consult Australia recommends the Federal Government leverage its funding commitments to:

- improve business case development and assessment of project viability
- increase transparency by publishing full business cases and reporting on project benefit realisation
- improve planning and coordination between state and territory governments on project releases, accounting for the impact on the market, including competing projects by other agencies
- support greater use of programmatic approaches to enable participation by various businesses with varying skills and sizes
- set minimum requirements on procurement for early engagement with industry and front-end planning.

Recommendations

IMPROVE BUSINESS CASES AND PROJECT VIABILITY ASSESSMENT

The Federal Government should leverage its funding commitments to improve business case development and assessment of project viability.

The adequacy of business cases underpinning federally supported infrastructure projects is a critical determinant of whether public funds deliver value. Consult Australia supports the long-standing findings of the Australian Sustainable Built Environment Council's (ASBEC's) [Bang for buck report](#), which identified systemic weaknesses in infrastructure business case development across Australia, including:

- inconsistent methodologies
- over-reliance on benefit–cost ratios
- limited options analysis
- and poor treatment of non-market benefits such as resilience, sustainability and social outcomes.

Since the publication of the Bang for buck report in 2017, there have been genuine improvements in infrastructure planning and assurance practices across Australia. Infrastructure Australia has refined its assessment framework, and several states have strengthened independent assurance processes, published clearer pipeline information and increased attention to resilience, sustainability and broader outcomes in project development. These reforms have lifted the overall quality of project scrutiny and transparency in some jurisdictions.

However, progress has been uneven and has not fundamentally resolved the structural challenges identified in the report, particularly the dominance of project-level benefit–cost ratios in decision-making, inconsistent treatment of non-market benefits, limited options analysis and the lack of systematic post-completion evaluation. Industry continues to observe business cases that prioritise speed and political commitment over rigour, with insufficient investment in early problem definition, options analysis and whole-of-life costing including deliverability. This undermines the Australian Government's ability to make transparent, evidence-based funding decisions and weakens confidence in the prioritisation of projects across jurisdictions.

INCREASE TRANSPARENCY AND PUBLIC REPORTING

The Federal Government should leverage its funding commitments to increase transparency by publishing full business cases and reporting on project benefit realisation.

Transparency in infrastructure decision-making extends beyond announcing funding commitments. Consistent with ASBEC's findings on public communication of business cases, Consult Australia suggests that full business cases for federally supported projects should be published, alongside clear reporting on benefits realisation over time.

Public reporting focused solely on project milestones and expenditure provides limited insight into whether promised economic, social and community outcomes are being delivered. Stronger transparency would improve public trust, support better decision-making and provide valuable feedback to inform future investments.

IMPROVE PLANNING AND COORDINATION

The Federal Government should leverage its funding commitments to improve planning and coordination between state and territory governments on project releases, accounting for the impact on the market, including competing projects by other agencies.

Consult Australia's submissions to the 2023 [Infrastructure Investment Program Review](#) and 2025 federal productivity inquiry highlighted the opportunity to provide greater certainty through planning and coordination.

State and territory governments have increasingly invested in pipeline transparency (e.g. in [Qld](#), [ACT](#), and [Vic](#)) to support industry confidence and capacity.

Nonetheless, in the absence of a more coordinated infrastructure pipeline, the Commonwealth lacks visibility over cumulative market impacts arising from its own funding decisions. This limits its ability to assess whether projects are deliverable, affordable and appropriately timed, particularly when multiple jurisdictions draw on the same national labour and skills base for competing projects.

Consult Australia submits that federal funding agreements should be used to help coordinate and sequence infrastructure planning and better understand the costs and impacts of delivery in this context. This could be supported with greater transparency of sequencing, delivery timeframes and market impacts as a condition of funding. This would materially improve the transparency, consistency and effectiveness of federal investment decisions.

Expanding federal oversight to an integrated and coordinated pipeline of projects with transparency and cross-jurisdictional sequencing will ensure:

- government clients can utilise industry feedback more effectively on barriers experienced by industry
- industry can predict, prepare, and plan the resources required to meet demand, including the creation and maintenance of a dynamic workforce moving across sectors
- industry can attract workers to regional areas based on a longer-term view of the pipeline in the region
- all parties benefit from increased productivity.

SUPPORT GREATER USE OF PROGRAMMATIC APPROACHES

The Federal Government should leverage its funding commitments to support greater use of programmatic approaches to enable participation by various businesses with varying skills and sizes.

Programmatic approaches to infrastructure delivery offer a proven mechanism to improve value for money, reduce procurement overheads and strengthen delivery capability. A successful example highlighted by industry is the [Victorian Level Crossing Removal Project](#).

Where federal funding supports large portfolios of similar projects, the Australian Government should explicitly encourage programmatic delivery models through funding agreements and assessment criteria.

Industry experience demonstrates that poorly sequenced, project-by-project procurement, particularly in overheated markets, leads to duplicated tendering, reduced competition over time and diminished productivity. The [independent review of Queensland Health's Capital Expansion Program](#) provides a clear example of how inadequate market assessment and sequencing can undermine delivery effectiveness and value with the independent review report finding:

There has been much evidence provided to the Review from other parts of Queensland Government and industry providing feedback that launching procurement of all CEP projects all at once was ill advised and would be ineffective given prevailing market conditions. It should have been patently clear to HIQ [Health Infrastructure Queensland] that the national health infrastructure market was already beyond saturation point and, in addition, the broader Queensland construction market was significantly overheated.

The impact of this procurement on our industry meant some consultants had to bid for the same project multiple times with multiple constructors as well as bid on multiple projects released concurrently. For example, one business completed fifteen tenders for similar work, constraining market capacity. This demonstrates the productivity opportunity of programmatic approaches.

SET STANDARDS TO UPLIFT PROCUREMENT

The Federal Government leverage its funding commitments to set minimum requirements on procurement for early engagement with industry and front-end planning.

The Australian Government is uniquely positioned to drive better procurement behaviours (with associated improvements in project outcomes) through the conditions attached to its financial contributions. Consult Australia submits that federal funding agreements should set minimum expectations for:

- early and structured market engagement to inform scope, packaging and delivery models
- demonstrable investment in front-end planning and options development.
- use of collaborative contracting models
- adoption of risk-based approaches to liability
- selection based on value so lowest price doesn't automatically win
- reinforcing [model client](#) behaviours.

Effective planning and market engagement enables assessment of the project's value to the economy and the community. Good front end planning is a necessity for problem identification during project origination and design. Consult Australia has long supported earlier and stronger engagement with industry at the earliest stages of projects to improve project outcomes, identify efficiencies and manage risks in scope, cost, timeframes or scheduling against broader pipeline delivery.

Investments in time and resources to support due diligence at the earliest stages should be a fundamental requirement of federal funding agreements to uplift procurement capability and provide greater certainty for business. Embedding all these requirements would strengthen accountability, improve consistency across jurisdictions and materially reduce the risk of cost escalation and delivery failure.

CONCLUSION

This inquiry presents an opportunity to strengthen the Australian Government's role as a steward of national infrastructure investment. While states and territories are responsible for delivery, the Australian Government retains powerful levers through funding criteria, assessment processes and governance arrangements that shape how infrastructure investment affects the economy.

Consult Australia submits that improving the effectiveness of federal financial support requires a stronger focus on infrastructure as an economic lever. In practical terms, this means:

- more rigorous and transparent business case assessment that captures economic, social and system-wide impacts, not only project-level metrics

- national coordination of project sequencing to manage cumulative market and workforce impacts
- greater use of programmatic delivery models to improve productivity and reduce delivery risk
- clearer procurement and governance expectations embedded in federal funding agreements.

Together, these measures would materially improve value for money, reduce the risk of cost escalation and delays, and ensure that federal infrastructure funding supports sustained economic, social and community outcomes. They would also strengthen transparency, accountability and public confidence in infrastructure decision-making.

Contact

We would welcome any opportunity to further discuss the issues raised in this submission.



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Thanks to our Industry Champions

For their outstanding leadership and engagement on behalf of the industry.



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