

ICE submission to the Infrastructure Australia Review

August 2022

Introduction

Established in 1818 and with over 96,000 members worldwide, the Institution of Civil Engineers (ICE) exists to improve lives by ensuring the world has the engineering capacity and infrastructure systems it needs to allow our planet and those who live on it, to thrive. As part of this, we deliver insights on infrastructure for societal benefit using the professional engineering knowledge of our global membership and their networks.

Our input to this review is guided by the ICE-led Enabling Better Infrastructure (EBI) Programme¹. The EBI programme supports national policymakers by designing guidance and providing shared insight to support the prioritisation and planning of infrastructure to meet sustainable development targets. In 2019 it assessed global policy best practice in strategic infrastructure planning and prioritisation (SIPP) to create 12 principles² for countries starting their SIPP journey.

Best practice in planning and prioritising strategic infrastructure interventions is constantly evolving. In response, a second phase of EBI has progressed to build a collaborative network of national and regional policymakers to strengthen the planning and prioritisation of infrastructure in a changing world. Australia's involvement in that network would be to the world's benefit.

Alongside EBI, ICE has a strong legacy in providing advice and insight on developing more robust SIPP processes. Before the UK had a process, the institution regularly reviewed infrastructure needs to advise policymakers through our State of the Nation reports³. In 2014 an ICE-led programme produced a National Needs Assessment⁴, a detailed look at the long-term infrastructure requirements for the UK. This Assessment served as the blueprint for the UK National Infrastructure Commission's (NIC) work.

More recently, we reviewed⁵ the NIC's functions, delivery and efficiency and outlined what needed to change to deliver a strategic infrastructure plan more effectively for the public.

The insight offered in this submission will enable the review team to assess IA's functions and position within Australia's infrastructure policy ecosystem. ICE experts are available to follow up on any issues raised.

The value of strategic infrastructure planning and prioritisation

Strategic infrastructure planning is essential for achieving better outcomes from infrastructure investments, building in time and space at the start of infrastructure system development for careful consideration of priorities and options. This allows long-term issues such as climate action and resilience to be factored in rather than bolted on as an afterthought, ensuring environmental sustainability is a core part of deliberations.

¹ ICE (2019) [Enabling Better Infrastructure](#)

² ICE (2019) [Enabling Better Infrastructure: 12 guiding principles for prioritising and planning infrastructure](#)

³ ICE (2014) [State of the Nation: Infrastructure 2014](#)

⁴ ICE (2016) [National Needs Assessment - A Vision for UK Infrastructure](#)

⁵ ICE (2021) [ICE policy position statement: evolving the UK strategic infrastructure planning system](#)

SIPP also allows transparency on infrastructure system capacity gaps and how these can be met, ensuring socio-economic sustainability for the public. EBI summarised the long-term primary outcomes of a SIPP process as follows:

- maximising the infrastructure system's contributions to meeting national objectives via a package of investments and other measures that is greater than the sum of its parts
- improving public confidence in the process via transparent and inclusive decision-making
- growing investor and supply-chain confidence, unlocking private finance options and supply-chain investment in delivery capability
- improving project delivery and benefits realisation via better coordination of the national strategy with any sectoral or regional plans
- improving the affordability of future investments via supporting sustainable economic growth.

Established in 2008, Infrastructure Australia was a pioneering innovation in infrastructure policy to achieve the goals above. ICE regularly draws on IA's outputs to advise other countries on evolving best practices in SIPP. The EBI report⁶ featured IA and its processes as an example for other countries of how to manage SIPP within a federal system.

Similar bodies with the same functions have since been developed at the state level in Australia and worldwide, including the UK's National Infrastructure Commission and New Zealand Infrastructure Commission, demonstrating the widely recognised value of having an independent infrastructure advisor.

Based on how well the IA model has been replicated elsewhere, this demonstrates that IA is best placed to provide advice on nationally significant infrastructure and to deliver the benefits of a strategic infrastructure planning and prioritisation process, this role should continue.

Infrastructure bodies provide independent and impartial advice to policy and decision-makers, not making decisions on their behalf but informing them of the critical trade-offs, opportunity costs and alternatives so that they can make better political decisions. This advice should not be limited to governments but should be accessible to all key parties in the infrastructure policy ecosystem.

The review team should consider which other policy and political actors would benefit from having formal access to IA's advice, especially where this would improve the transparency and stability of decision-making.

Global best practice in infrastructure governance/advisory bodies

Each country will need to model their own infrastructure bodies to fit its unique characteristics. EBI's 12 principles provide guidance on the core components of an effective SIPP process within which an infrastructure body could sit. Questions reviewers should consider as part of their assessment of Infrastructure Australia are set out below, drawing on the 12 principles.

From strategic objectives to a national infrastructure strategy

What economic, social, and environmental goals does Australia have as a national vision? Are these clear enough for IA to use to guide its long-term work? The regularly published Ministerial Statement of Expectations provides some overview, with each building on the last. This Statement could be strengthened to set out long-term political objectives.

Addressing gaps in infrastructure provision is just one side of the coin; unleashing the transformative effects of infrastructure through proactive investment is the other; this needs clear political guidance. The Sustainable Development Goals can help to articulate outcomes beyond economic growth. This proactive list will then form the basis of a national infrastructure strategy, or 'national investment plan', supplementing state-level national interventions with one for the Commonwealth.

⁶ ICE (2019) [Enabling Better Infrastructure: 12 guiding principles for prioritising and planning infrastructure](#)

The other aspects of a national infrastructure strategy, such as a focus on implementation, deliverability, and regulatory change, are well developed by IA.

Prioritising investment proposals

IA's prioritisation assessments are heavily driven by benefit-cost ratios, with the legislation establishing Infrastructure Australia setting out the requirement for such analysis. While the Act does allow for a review to ensure these analyses 'take into account social, environmental and economic costs and benefits adequately', the 2021 Infrastructure Priority List still focuses heavily on economic benefits as the primary determining factor for 'value'. A deeper assessment of social and environmental benefits and costs from investments is needed. In addition, an approach to quantify these for the purposes of the Priority List would improve how investments are prioritised in line with Australia's new climate goals.

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