

BUSINESS NSW

18 August 2022

Submitted by email

Dear Ms Lockwood and Mr Mrdak,

BUSINESS NSW SUBMISSION TO THE INDEPENDENT REVIEW OF INFRASTRUCTURE AUSTRALIA

Business NSW is grateful for the opportunity to submit further information for consideration by the independent review of Infrastructure Australia.

Timely, cost-effective delivery of infrastructure is crucial for the business community. Improving the nation's productivity demands faster transport links, more reliable digital connectivity, and greener, cheaper energy supplies. Earlier this year, Business NSW released *Down to the Wire*, a report which assesses the impacts of the infrastructure boom on the Riverina Murray region of NSW.

The report makes a number of recommendations which are pertinent to the performance, role and functions of Infrastructure Australia, and one which directly addresses this review.

Business NSW encourages Infrastructure Australia to be empowered to advise on the sequencing of infrastructure investments, both to ensure that highest-value projects are prioritised, and to manage workloads within particular geographic areas or skill types. This is particularly important when, as Infrastructure Australia has reported on extensively, the infrastructure delivery pipeline is reaching capacity. As a result it is insufficient to determine whether a project's benefit-cost ratio exceeds 1 (i.e. that benefits exceed costs); it is also necessary to know that a project offers a ratio of benefits to costs that exceeds the other projects that are competing for allocations of the limited pool of resources and delivery capacity. In other words, Infrastructure Australia's role would place a greater emphasis on prioritisation, beyond testing whether the BCR>1 test is met.

Business NSW has also called for Infrastructure Australia (and its state-based counterpart Infrastructure NSW) to be empowered to revisit and reassess business cases for major infrastructure projects when there is a material change in estimated costs.

Further to these recommendations, Business NSW has advocated the creation of a 'regional infrastructure coordinator' for the Riverina Murray, and potentially other regional areas where multiple major infrastructure projects are in development. This role may sit best with a state-based agency or with Infrastructure Australia – our concern is less where in the institutional architecture it sits and more that key responsibilities, including pipeline scheduling, portfolio management, macro resource alignment and reporting to local governments be carried out with clear understanding of the needs of each region affected.

The full report is attached to this letter for submission to this review.

If you have any questions about our submission or would like to discuss in more detail, please feel free to contact Business NSW by simon.moore@businessnsw.com or 0415 819 091.

Yours sincerely

Simon Moore

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