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Infrastructure SA
via [online](#) portal

Roads Australia Submission to the 20-Year State Infrastructure Strategy Discussion Paper

Introduction

Roads Australia (RA) is Australia's peak body for roads within an integrated transport system. We bring industry, government and the community together to lead the evolution of Australia's roads, integrated transport and mobility networks.

The nation's only roads champion, Roads Australia's 150+ members include all of Australia's road agencies, major contractors and consultants, motoring clubs, service providers and other relevant industry groups. Roads Australia strives to achieve a robust integrated transport system that values and invests in all land transport modes, including roads, vehicles, freight, public transport, rail, cycling and walking. Roads Australia upholds the principles of a safe, inclusive, sustainable, economic and socially valuable roads industry for all Australians.

Roads Australia and Infrastructure SA

Roads Australia welcomes the creation of Infrastructure SA (ISA) to provide independent strategic advice to support South Australia's infrastructure investment and is pleased to make a submission on the Agency's 20 Year Infrastructure Strategy Discussion Paper.

We note that Roads Australia hosted Mr Tony Shepherd, Chair ISA, at a Boardroom luncheon on 23 April where he advised our members of the development of the Discussion Paper and invited Roads Australia to provide a submission. We are pleased to provide a conduit to connect our members with the important work of ISA now and in the future.

As a national peak body, Roads Australia's submission will cover high level principles which we consider important to enable the optimisation of SA's infrastructure outcomes over the next 20 years.

Procedural Harmonisation

Roads Australia is aware that there are a number of projects in the current pipeline that will need to be assessed by ISA. These include the ten major infrastructure projects identified in the Government's Strong Plan for SA listed on the ISA website,¹ as well as the projects listed on South Australia's Infrastructure Pipeline Priorities Map², the 2019 Infrastructure Australia Priority List,³ and the Commonwealth's urban congestion fund website.⁴

We recognise that underpinning the development of the ISA 20-year strategy is a desire to adopt a best practice approach. Roads Australia considers that harmonisation with the business case development and assessment process established by Infrastructure Australia (IA), will support ISA to efficiently discharge its role of providing independent strategic advice that integrates planning and development considerations when making infrastructure decisions.

The IA business case development and assessment process requires:

- the definition of a base case;
- a description of options;
- the level of alignment with other jurisdiction transport and land use plans, appropriate modelling and projections; and
- a rigorous cost benefit analysis,⁵ with a view to producing evaluation summaries that are in a similar fashion to that produced by Infrastructure Australia for the Gawler Rail Line project.⁶

This harmonisation will enhance the ease with which industry engages with and understands ISA processes and would confirm the rigour with which ISA is approaching its first *Statement of Capital Intentions* report to prioritise potential major projects for government decisions over a 5-year time horizon.⁷ Roads Australia considers this approach will deliver the quality analysis anticipated in the *Premier's Statement of Expectations* for the Board of ISA, published on 24 December 2018.⁸

¹ <https://infrastructure.sa.gov.au/project-pipeline>

² Contained in the publication *Building Our Future: Delivering the Right Infrastructure for a Growing Nation* (2019) <https://investment.infrastructure.gov.au/files/budget-2019-20/Building-Our-Future-Delivering-the-Right-Infrastructure-for-a-Growing-Nation-2019.pdf> :35

³ https://www.infrastructureaustralia.gov.au/policy-publications/publications/files/IA18-4005_Priority_List_2019_ACC_L.pdf: pp.38-40

⁴ https://investment.infrastructure.gov.au/key_projects/initiatives/urban_congestion_fund.aspx

⁵ As established by Infrastructure Australia (2018) *Assessment Framework for Initiatives and Projects to be Included in the Infrastructure Priority List* https://www.infrastructureaustralia.gov.au/policy-publications/publications/files/IFA_Infrastructure_Australia_Assessment_Framework_Refresh_v26_lowres.pdf

⁶ https://www.infrastructureaustralia.gov.au/projects/files/Evaluation_summary-Gawler_Rail_Line_Final.pdf

⁷ The objective of the document as expressed in SA Government *State Budget 2019-20 Budget Paper 4 Agency Statement* (2019): 34. A target has been set to publicly release the first annual statement during 2019-20.

⁸ https://infrastructure.sa.gov.au/_data/assets/pdf_file/0004/91246/Statement-of-Expectations-from-the-Premier.pdf.pdf

In addition, Roads Australia suggests that any plan be presented in a manner similar to the Infrastructure Victoria (IV) 30-year Infrastructure Strategy document.⁹ This document commences with a clear vision, followed by seven guiding principles, ten objectives and clear identified needs that the strategy seeks to address.¹⁰ Our members have found this approach valuable and we look forward to the development of a comprehensive ISA strategy that includes, in particular, a statement of the social, economic and environmental objectives to be achieved over the 20 year period.¹¹

Sustainability

The discussion paper acknowledges that a high-quality infrastructure plan will support economic growth, social wellbeing, and sustainable environmental management.¹²

To support these objectives, Roads Australia recommends that ISA adopts the Infrastructure Sustainability Ratings Scheme developed by the Infrastructure Sustainability Council of Australia (ISCA).¹³ The Scheme is Australia's "only comprehensive rating system for evaluating sustainability across the planning, design, construction and operational phases of infrastructure programs, projects, networks and assets.

The Infrastructure Sustainability Ratings Scheme evaluates the sustainability performance of the quadruple bottom line (governance, economic, environmental and social) of infrastructure development"¹⁴ and aims to:

- "provide a common national language for sustainability in infrastructure;
- provide a framework for consistent application and evaluation of sustainability in tendering processes;
- help in scoping whole-of-life sustainability risks for projects and assets, enabling smarter solutions that reduce risks and costs;
- foster efficiency and waste reduction, reducing costs;
- foster innovation and continuous improvement in the sustainability outcomes from infrastructure; and
- build an organisation's credentials and reputation in its sustainability"¹⁵ outcomes".¹⁶

⁹ http://www.infrastructurevictoria.com.au/wp-content/uploads/2019/03/IV_30_Year_Strategy_WEB_V2.pdf

¹⁰ pp.12-13

¹¹ Something anticipated by paragraph 21(2)(a) of the *Infrastructure SA Act 2018*

¹² DP:4

¹³ Infrastructure sustainability can be defined as *infrastructure that is designed, constructed and operated to optimise environmental, social and economic outcomes over the long term*. Source: <https://www.isca.org.au>

¹⁴ Infrastructure sustainability Council of Australia (2019) https://www.isca.org.au/is_ratings

¹⁵ www.isca.org.au

¹⁶ Infrastructure sustainability Council of Australia (2019) https://www.isca.org.au/is_ratings

Roads Australia considers that the use of the Scheme as one of the tools used to develop the 20-year strategy will assist SA to transition into a low carbon economy.

Market Capacity

Roads Australia recognises sustainability means ensuring that there is sufficient capacity for the infrastructure industry to deliver priority projects to the South Australian community. This includes developing market capacity, improving procurement processes and adopting market responsive approaches to risk allocation and improved skills and training.

On 9 November 2018 the Transport and Infrastructure Council of COAG (TIC) approved the adoption of high-level principles so as to foster the sustainable development of the infrastructure sector.¹⁷ They include:

- collaborative-based approaches to procurement, project management and risk allocation promotes safer and more productive delivery;
- undertaking best practice on bidding, contracting and procurement streamlines processes and reduces costs;
- rewarding safety performance as well as improvements in security and timeliness of contract payments builds industry confidence and accountability;
- publication of the pipeline of projects stimulates industry preparedness and increases competition in bidders;
- joined up approaches for development and delivery of training maximises workforce participation;
- industry diversity, including greater female participation in the workforce, improves results; and
- packaging procurement activities to match market appetite and capabilities maximises market responses and value for money.

It is clear the South Australian government is aware of the importance of an infrastructure pipeline. Roads Australia considers it is vital that the 20-year strategy sets a pathway for maintaining workforce levels so as to encourage the development of appropriate procurement models for each prioritised project.

In this context, as discussed on page 23 of the discussion paper, it will be important to ensure that funding and financing models for proposed projects are consistent with growing and maintaining market capacity. It will also be important for Infrastructure SA to regularly publish a list of the proposed projects and their anticipated timelines, so that industry can be aware of upcoming pipeline of work.

¹⁷ https://www.transportinfrastructurecouncil.gov.au/communique/files/10th_Council_Communique_9_November_2018v2.pdf

Planning and land use

As populations continue to grow and become more urbanised, government and developers seek smarter ways to accommodate more people in developed areas.¹⁸ At the same time, we note the freight task is anticipated to increase, with a continuing trend to bigger and more productive freight vehicles and a 24/7 operating environment. For these reasons, Roads Australia urges all governments to look at improving the integration of land use and infrastructure planning.

TIC has identified that a national approach is essential to ensure freight systems and infrastructure across state and territory borders enable the efficient delivery of goods wherever they are required across Australia. To support this, it has committed to developing a 20-year National Freight and Supply Chain Strategy which will form the basis of an integrated approach to improving the connectivity of all freight modes and supply chains.

As South Australia develops its 20 year infrastructure strategy, as well as its action plan to implement the National Freight and Supply Chain Strategy, Roads Australia recommends harmonisation of approaches with other jurisdiction as far as possible to support the efficient movement of people and freight.

Electric and Autonomous Vehicles

As the Strategy has a 20 year timeframe, it is important that infrastructure planning work accommodates the use of electric and autonomous vehicles on South Australian infrastructure.

Roads Australia recently submitted a response¹⁹ to the SA Electric Vehicle Discussion Paper. Our key infrastructure recommendations included: upgrading the government fleet to electric vehicles (EV's), supporting the supply of electric charging stations in regional and remote areas, support the electricity grid to operate with certainty (including price signals, storage and decentralised grids), and pursue nationally consistent EV regulation, standards and policies and safety assurance regimes.

Autonomous vehicles will clearly require a deeply planned approach that caters to connected vehicles to unlock the safety, journey reliability and other benefits from the technology.

¹⁸ DP:20

¹⁹

https://www.roads.org.au/Portals/3/Policy/SA%20EV%20Strategy%20Discussion%20and%20Survey%20Paper_2%20July%202019.pdf?ver=2019-07-04-152959-170

Conclusion

In summary, Roads Australia's recommends:

1. That procedural harmonisation be established with the business case development and assessment process established by Infrastructure Australia (IA), to support ISA to efficiently discharge its role of providing independent strategic advice that integrates planning and development considerations when making infrastructure decisions.
2. That the Strategy be presented in a manner similar to Infrastructure Victoria's 30-year Infrastructure Strategy.
3. that the Infrastructure Sustainability Ratings Scheme developed by the Infrastructure Sustainability Council of Australia (ISCA) be adopted.
4. that the Strategy includes provision for developing market capacity, improving procurement processes and adopting market responsive approaches to risk allocation and improved skills and training.
5. That the 20-year strategy sets a pathway for maintaining workforce levels so as to encourage the development of appropriate procurement models for each prioritised project.
6. That the strategy seek to improve the integration of land use and infrastructure planning.
7. That infrastructure planning work accommodates the use of electric and autonomous vehicles on South Australian infrastructure.

Roads Australia trusts this submission assists ISA in developing a 20-year infrastructure strategy that will assist the orderly delivery of infrastructure in SA for the decades to come, while delivering economic growth, social wellbeing, and sustainable environmental management.

For more information about this submission please contact Natalie Collard at natalie@roads.org.au or 03 9821 5255.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M Kilgariff', is written over a light blue rectangular background.

MICHAEL KILGARIFF

Chief Executive Officer