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IIP Review - Land Transport Infrastructure Division  
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## **Infrastructure Investment Program Strategic Review**

Thank you for this opportunity to make a submission to the Infrastructure Investment Program (IIP) Strategic Review. Roads Australia is pleased to make the following points.

### **Introduction**

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

The nation's only roads champion, RA's 150+ members include all of Australia's road agencies, major contractors and consultants, service providers and other relevant industry groups. RA 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. RA upholds the principles of a safe, inclusive, sustainable, economic and socially valuable roads industry for all Australians.

RA welcomes the Commonwealth Government's strategic review into Australia's public infrastructure pipeline.

Of particular interest to RA and its members is the review's objective to transition the IIP to a sustainable 10-year rolling pipeline, that targets appropriately costed, nationally significant, infrastructure projects.

### **The value roads provide to Australia justifies continuing the level of investment**

We know roads are a vital part of all our lives and a significant enabler of economic activity in Australia. RA has commissioned independent research to quantify the value of road infrastructure investment. The [2021 value of roads report](#) found that activity associated with the roads industry contributes \$236 billion per year of value to the economy and supports 1.4 million jobs.



Government investment in roads can contribute to economic growth and productivity by improving transportation infrastructure, facilitating trade, reducing transportation costs, and boosting economic activity. It can also lead to improved social and environmental outcomes when a more contemporary value-for-money assessment is applied to projects, through increased innovation, better connected and more resilient communities and greater employment opportunities.

Any changes to the current level of investment by the Commonwealth in roads – and more broadly the transport system, should consider the impact this would have on the broader social and economic wellbeing of the nation.

### **Coordination between infrastructure pipeline and market capacity**

Infrastructure Australia, in their most recent review of Australia's infrastructure market report, the [2022 Infrastructure Market Capacity report](#), highlighted a substantial divergence between the existing infrastructure pipeline and the ability of the private sector to effectively deliver the entirety of this investment.

RA has been reviewing the challenges and opportunities arising from Australia's infrastructure boom over recent years. Our 2020 [Procurement Reform Report](#) called for greater collaboration between government and industry to ensure project needs are properly addressed by current and future capacities. This coordination is fundamental to ensure a viable, balanced and reliable long-term pipeline of projects.

### **RA supports the creation of a sustainable and long-term pipeline**

In order for public-private coordination to be truly effective we must address major issues faced by the infrastructure sector, including labour capacity, industry and government action on decarbonisation and hyper-escalation of material costs.

In 2022 RA produced the [Procurement Reform Report Update](#) to support government action on these issues. This update reiterated the call for a national pipeline of infrastructure projects that meets the industry's capacity to deliver. It also called for a sustainable and guaranteed long-term pipeline that would provide industry with the confidence to invest in and deliver future projects.

Support for the creation of a long-term pipeline has also been expressed by other infrastructure industry associations.

### **Reform of the migration system and promoting diversity as part of effective infrastructure delivery**

Along with managing the demand on labour, RA reports regularly include areas for improvement around the supply of labour.

RA acknowledges the Commonwealth Government's interest in reforming Australia's migration system. RA made a [submission](#) to the Commonwealth Employment White Paper which included a recommendation to complement the existing local workforce with skilled migration. A more efficient migration system, focused at addressing current bureaucratic problems while maintaining the integrity of the labour system, would be a key part of an effective and efficient long-term infrastructure plan.

Consequently, it becomes important to align the labour demands of the infrastructure pipeline with a modern migration strategy that recognises differing needs across industries.

The industry is undertaking work to promote itself as an attractive employer of choice to widen and deepen the available talent pool. Initiatives like the Culture in Construction Taskforce pilot projects are starting to show positive outcomes in this space.

### **Prioritise projects where collaborative contracting and technological innovation are possible**

The [5-year Productivity Inquiry report](#) released earlier this year by the Productivity Commission outlines the benefits of an increased focus on collaborative contracting across major infrastructure as well as other steps that could be taken to improve the construction of infrastructure.

Technology and innovation also have the potential to increase productivity in the design and construction of projects as well as ongoing operations and maintenance. The [2021 Australia Infrastructure Plan](#) called for government and industry to move to a “digital by default” operating model.

### **Decarbonising our transport system**

According to [a report](#) jointly published by the Infrastructure Sustainability Council, Climateworks Australia and the Australian Sustainable Built Environment Council, 70% of greenhouse gas emissions in Australia are attributable to, or influenced by, infrastructure. Operationally, in 2020 the transport sector contributed around 18% of Australia’s emissions or 94 MtCO<sub>2</sub>e, predominantly related to road-based transport.

Our industry relies heavily upon the use of fossil fuels, not only during the operational lifecycle of the assets but also in the construction of infrastructure.

There is a need to re-think and re-shape the way we plan, design, build and operate transport infrastructure in Australia. The priority list of projects, to be produced as an outcome of the review, is a golden opportunity to implement decarbonisation focused thinking as part of decision-making.

In some cases, it may be more productive to deliver the solution to an infrastructure demand through a low or no-build program. This is also another step that can assist in reducing carbon emissions from construction and was raised in a joint report that RA was involved in with the Infrastructure Sustainability Council and the Australasian Railway Association called [Journey to Net-Zero](#).

### **Conclusion**

This review provides an opportunity to rethink the way in which infrastructure projects are funded, planned, designed and constructed. The current capacity constraints facing the transport and construction industries make it important to reassess current practice and undertake meaningful reform to drive productivity, derive ongoing value from infrastructure development and leverage existing assets for greater benefit. This needs to be balanced with maximising long-term certainty for industry, providing investment confidence and stability for all stakeholders.

We look forward to continuing our role in strengthening collaboration between industry and government to ensure Australians are provided with high quality infrastructure that addresses community needs and expectations.

Should you wish to discuss this further, I can be contacted on 0418 986 206 or [ehssan@roads.org.au](mailto:ehssan@roads.org.au).

Yours sincerely

A handwritten signature in black ink, consisting of a stylized cursive 'E' followed by a horizontal line and a checkmark-like 'V'.

Ehssan Veiszadeh  
**Chief Executive Officer**