

Terms of Reference for the Independent Strategic Review of the Infrastructure Investment Program

Context

The Australian Government is committed to delivering a pipeline of land transport infrastructure projects that is sustainable, aligned to market capacity and comprised of nationally significant projects.

In recent years, the Infrastructure Investment Program (IIP) has drifted away from a focus on projects of national significance. In addition, current market capacity issues and an inflationary environment have created budgetary pressures and deliverability challenges for infrastructure projects across the nation. In light of this, the Government commenced reviewing the IIP in the October 2022-23 Budget. While a number of projects were cancelled or deferred, further reform of the IIP is necessary to ensure a credible and sustainable pipeline of projects.

The Government has decided to maintain its commitment to an infrastructure investment pipeline of \$120 billion over ten years to provide certainty to the market and ensure a rolling program of sustainable investment. However, the Government is commissioning an independent strategic review of the IIP. The review will be undertaken by Mr Reece Waldock AM, Ms Clare Gardiner-Barnes and Mr Mike Mrdak AO. The review will ensure that federally funded infrastructure projects meet government policy objectives and deliver benefits for Australians.

The review is not designed to consider projects already under construction nor will it consider the Commonwealth's 2022 election commitments.

Objectives

The review will:

- a) assess projects funded under the IIP and make recommendations on the merits of projects continuing, having regard to:
 - i. the draft Infrastructure Policy Statement;
 - ii. the *National Land Transport Act 2014* (Cth);
 - iii. a project's business case (including cost benefit analysis);
 - iv. any relevant advice from Infrastructure Australia;
 - v. deliverability in the current market and macroeconomic conditions;
 - vi. complementary policy objectives, such as the transition to a net zero economy, urban planning, regional development and resilience, and increasing the availability of housing supply; and
 - vii. the implications of ceasing, deferring or bringing forward projects having regard to matters such as industry capability, and the impact on regional and remote Australian communities.
- b) make recommendations for transitioning the IIP to a sustainable 10-year rolling pipeline that targets appropriately costed, nationally significant infrastructure projects, as well as assessing:
 - i. strategies for smoothing the pipeline to manage peaks and troughs;
 - ii. whether Commonwealth-state funding arrangements are commensurate with the level of Commonwealth agency in project delivery; and
 - iii. the merits of funding such projects through Commonwealth debt or other arrangements.

- c) make recommendations on reforms to ongoing and terminating infrastructure investment sub-programs, including whether sub-programs:
 - i. are appropriate for delivering the Government's strategic priorities, including supporting safety, resilience and maintenance outcomes; and
 - ii. could be delivered more efficiently and effectively, having regard to the constitutionality of programs.
- d) consider other relevant projects or matters as agreed in consultation with relevant jurisdictions.

Deliverables

The review will be undertaken within 90 days and the reviewers will engage with relevant government and industry stakeholders. Secretariat support for the review will be provided by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The reviewers will provide a report to the Minister for Infrastructure, Transport, Regional Development and Local Government following the conclusion of the review. The Minister will then work closely with state and territory infrastructure and transport Ministers to agree projects for ongoing federal investment.