



## The Hon Warren Truss MP

Deputy Prime Minister  
Minister for Infrastructure and Regional Development  
Leader of The Nationals  
Member for Wide Bay

28 FEB 2014

*Reference: 01513-2014*

Dr Andrew Southcott  
Chair  
Joint Committee of Public Accounts and Audit  
Australian Parliament  
Parliament House  
CANBERRA ACT 2600

Dear Dr Southcott *Andrew,*

Thank you for your letter dated 12 February 2014 regarding Joint Committee of Public Accounts and Audit (JCPAA) Report 423 tabled on 4 July 2011.

I share your concerns about the long-time taken to respond to Recommendation 1 of the JCPAA Report 423, and appreciate the Committee's patience on this matter.

The recommendation was prepared following the Committee's review of report 02 2010-11 by the Australian National Audit Office, and reads as follows:

*The Committee recommends that in future Infrastructure Australia provide clear and consistent advice on the level of funding and necessary conditions it recommends for priority projects.*

The Government supports that part of the recommendation dealing with conditions for recommended projects. Infrastructure Australia's June 2011 report to the Council of Australian Governments included recommended conditions for the funding of projects assessed as 'Ready to Proceed'. I have attached a copy of the report.

In relation to the level of infrastructure funding, Infrastructure Australia's June 2011 report commented on the overall challenges facing governments and the community at large in funding the development of Australia's infrastructure networks. Ultimately, though, the overall level of funding for infrastructure projects is a policy matter for governments to determine, having regard to budget and other expenditure priorities.

On the issue of funding levels for particular projects, the Government agrees with Infrastructure Australia's response to recommendation No. 3(b) in the Australian National Audit Office's report:

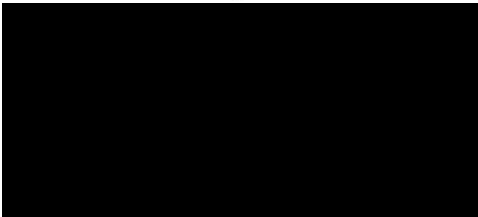
*"While we agree that making the case for public funding and its exact form is important, the split between jurisdictions will be influenced by a wide variety of factors. Funding is obviously a matter for the Government to decide taking into account these factors in considering competing budget priorities." (ANAO report 02 2010-11, p. 156)*

In line with recommendations 3(a) and (c) from the Australian National Audit Office, Infrastructure Australia's June 2011 report to the Council of Australian Governments also provided:

- advice on the relative priority of projects assessed as 'Ready to Proceed'
- suggestions as to which projects on Infrastructure Australia's infrastructure priority list should be considered for feasibility (project development) funding.

I thank you again for taking the time to write and inform me of your concerns on this matter.

Yours sincerely



WARREN TRUSS

Enc

**Attachment A2 - Australian National Audit Office – Report 02 2010-11 Recommendation No. 3  
and Infrastructure Australia Response**

**“Recommendation No. 3**

5.88 ANAO recommends that Infrastructure Australia, where reporting the results of future infrastructure project prioritisation processes, provide clear advice on:

- (a) the relative priority of projects recommended for funding consideration having regard to the results of its appraisal of their economic merits and other factors taken into account in the prioritisation process;
- (b) the level and form of Commonwealth funding it recommends for priority projects that are ready to proceed, together with any conditions it suggests should be attached to this funding; and
- (c) any other projects it would support being considered for planning and/or design work funding.

5.89 Infrastructure Australia agreed with part (a) and part (c) and agreed with qualification with part (b). In respect to part (b), Infrastructure Australia commented that:

While we agree that making the case for public funding and its exact form is important, the split between jurisdictions will be influenced by a wide variety of factors. Funding is obviously a matter for the Government to decide taking into account these factors in considering competing budget priorities.”

Source: Australian National Audit Office Report No. 02 2010-11, pp. 155 - 156

In its June 2011 report to the Council of Australian Governments, Infrastructure Australia:

- included recommendations about the relative priority of projects assessed as ‘Ready to Proceed’ (p.72)
- suggested conditions that be applied to funding for ‘Ready to Proceed’ projects (pp. 100 – 102)
- recommended a number of projects for project development funding (p.103).

