

The Hon Catherine King MP  
Minister for Infrastructure, Transport, Regional Development and Local Government  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Minister

On 1 May 2023, you announced the 90-day Independent Strategic Review of the Infrastructure Investment Program (IIP). You asked us to engage with key government and industry stakeholders, and provide recommendations for how the Australian Government can better provide lasting benefits for Australians through its infrastructure investments.

We are pleased to present our report into the IIP. We offer 15 recommendations across each of the Terms of Reference for this Review.

Through the Review, it has become clear that the ten-year pipeline of projects cannot be delivered within your Government's \$120 billion commitment and the current jurisdiction commitments under the National Partnerships Agreements.

The number of projects in the IIP tripled between 2015 and 2022, with the majority of new projects added before the COVID-19 pandemic, and then a range of smaller COVID stimulus projects were added. With the COVID stimulus package being designed to provide an opportunity for shovel ready, short-term projects to get underway quickly, most of these projects will be completed within the next twelve months.

Since 2015, Australia has also experienced unprecedented cost increases, while industry has faced complex local and global constraints in its capacity to deliver infrastructure projects. As a consequence, the Australian Government is funding many projects that have large cost and delivery pressures and are at significant risk of delay. It is our view that many projects in the pipeline could not be considered 'nationally significant' as they are small scale and do not address national priorities.

We have paid particular attention to the merits of continuing to fund specific infrastructure projects that are not yet under construction, and how to improve the delivery of funding for local roads and targeted road infrastructure through the sub-programs. Our report also makes recommendations for how the Australian Government can position itself to deliver a more sustainable and credible infrastructure investment pipeline in the future.

Given the 90-day Review timeframe, our report has had to be informed by data and analysis from your Department and relies on the available advice, data and information from the states, territories and local government. We have not been able to independently review the advised project cost escalations, or the reported status or delivery issues for each project in the IIP within the timeframe.

In line with your letter to the states and territories on 22 June 2023, we have maintained the confidentiality of any sensitive information provided for our use. For this reason, we expect that the report and our comments on specific IIP projects will not be publicly released in full. The executive summary and recommendations do not include sensitive material and we believe can be released without breaching any confidentiality.

We would like to express our appreciation to the team of officers in your Department for their outstanding support throughout the Review process. They have provided us with high quality

support and analysis in a very tight timeframe. We also acknowledge the constructive engagement we received from all levels of government and across industry.

When announcing this Review, you undertook to work closely with state and territory infrastructure and transport Ministers to agree ongoing infrastructure investments. We believe our report offers practical recommendations to support this engagement, particularly through the current National Partnership Agreement arrangements which will form the basis of the next steps from this Review, while also informing how the Australian Government manages its investments in infrastructure moving forward.

We hope this work assists you in reshaping Australia's land transport investment programs to ensure they best meet our nation's investment priorities.

Yours sincerely,



Ms Clare Gardiner-Barnes



Mr Mike Mrdak AO



Mr Reece Waldock AM