



Australian Government

Infrastructure Policy Statement

Document purpose

The Australian Government is committed to focusing on delivering nationally significant land transport projects in partnership with our stakeholders, and taking a strategic view of its investments and the infrastructure pipeline.

This Policy Statement:

- defines nationally significant transport infrastructure;
- sets out three strategic themes that will guide our investment decisions in nationally significant infrastructure; and
- outlines how the Government will put these themes into action, and leverage the unique opportunities to deliver our policy objectives.

Transport infrastructure should not be an end in itself – when properly planned and targeted, it is an enabler that helps us unlock a range of significant economic, social and environmental objectives.

While this document is a statement of Government intent, it may be updated over time.

What are ‘nationally significant’ infrastructure projects?

The Government considers nationally significant transport infrastructure projects to comprise projects which require a clear role for the Commonwealth, and include at least two of the following characteristics:

- an Australian Government contribution of at least \$250 million; and/or
- alignment with Government priorities as articulated in this document; and/or
- situated on or connected to the National Land Transport Network and/or other key freight routes, such as those identified in the National Freight and Supply Chain Strategy; and/or
- supporting other emerging or broader national priorities such as housing, defence, the development of critical mineral resources and Closing the Gap.

Achieving outcomes through infrastructure investment

The Government has identified three strategic themes for our infrastructure investment reform agenda – Productivity and Resilience, Liveability and Sustainability – which encapsulate the benefits we want our investments to provide.

Theme 1: Productivity and Resilience

Productivity

The Government will seek to invest in infrastructure proposals that improve national productivity.

Strong population growth has put pressure on urban transport systems. Road congestion and public transport crowding will continue to increase in Australian cities, with the cost of gridlock forecast to more than double—to \$39.8 billion from 2016 to 2031¹—impairing productivity and global competitiveness. Urban freight volumes are forecast to grow by nearly 60 per cent to 2040², putting increased pressure on freight networks.

The Government will seek to invest in projects that improve the ability of Australians to move around their cities, towns and regions, including prioritising investments that increase the role of mass transit in the urban commuter task to help develop more productive central business districts and precincts. Through targeted investment in infrastructure, we can ensure that our growing population is able to move faster and more safely to their destination.

Regional Australia contributes approximately two-thirds of Australia’s export earnings through industries such as agriculture, tourism, resources, retail and manufacturing³. The regions help drive productivity by getting products from our farm gate to our manufacturing centres or our ports to meet the increasing demand from international markets. The Government will continue to support nationally significant projects in regional Australia that provide the connections between our regions, communities and major gateways. We will also prioritise investments in regional networks that help grow economies and communities.

Cross-portfolio linkages: National Urban Policy; Urban Precincts and Partnerships Program; Net Zero by 2050; Population and Housing Priorities; Regional Investment Framework; Aviation White Paper; and National Housing Accord.

Resilient supply chains and land transport infrastructure

Australia’s climate is changing, resulting in increasing frequency and severity of extreme weather events, with increased risk of bushfires, droughts, storms and floods which can have a significant, damaging and disruptive impact on our land transport network and associated supply chains. Regional communities are particularly reliant on roads, which serve as their connection to services, goods and social support—without these connections, regional communities can be cut-off.

The Government will seek to invest in projects that improve the resilience of critical road and rail corridors, including through upgrading existing assets that are vulnerable to risks, enhancing networks to achieve greater redundancy, as well as building to a higher standard where appropriate to create more resilient infrastructure after disasters.

¹ Infrastructure Australia 2019 [Urban Transport Crowding and Congestion](#) accessed 25 May 2023

² Transport and Infrastructure Council 2019 [National Freight and Supply Chain Strategy](#) DITRDCA, Australian Government, 2019, accessed 25 May 2023

³ Bureau of Communications, Arts and Regional Research, March 2023

To support more efficient supply chains, the Government will also seek to invest in infrastructure projects that contribute to the goals of the National Freight and Supply Chain Strategy, including:

- improved efficiency and international competitiveness;
- safe, secure and sustainable operations; and
- innovative solutions to meet freight demand.

As detailed in the Bureau of Infrastructure and Transport Research Economics' Road and Rail Supply Chain Resilience Review – Phase 1, Australia's freight task has increased significantly over the last 40 years and that growth is expected to continue⁴. In particular, regional freight is a significant economic driver, supporting the carriage of vast quantities of commodities. The nature of our freight is also changing as businesses, technology and consumer behaviours evolve. Recent disruptions to the freight network have highlighted the importance of efficient and resilient supply chains.

Ensuring reliable links between producers and markets, including through international gateways and intermodal terminals, is a critical part of improving the efficiency and competitiveness of our national supply chains. The Government will seek to invest in projects that improve the efficiency of the supply chains by removing bottlenecks and improving network resilience.

Cross-portfolio linkages: National Freight and Supply Chain Strategy; National Rail Action Plan; National Urban Policy; Net Zero by 2050; Population and Housing Priorities; Buy Australian Plan; National Partnership Agreement on Disaster Risk Reduction; National Emergency Management Agency; Strategic Fleet; and Regional Investment Framework

Theme 2: Liveability

Equity and Connectivity

The Government will seek to invest in land transport projects that advance equity for Indigenous Australians and vulnerable communities, and improve the prosperity, accessibility and liveability of our communities. This includes through projects which better connect people and where they live and work, while also providing better opportunities in lower socioeconomic areas. Projects should also create and support local jobs both during construction but also as a result of the project

In achieving this aim, the Government will seek investments that ensure the planned development of cities, suburbs and regions, by linking strategic planning, population and employment growth, the supply and availability of housing, and land transport infrastructure investment.

Cross-portfolio linkages: Regional Investment Framework; Precincts and Partnerships Program; National Urban Policy Framework; Net Zero Economic Taskforce; Net Zero by 2050; Closing the Gap; Population and Housing Priorities; and Australia's Disability Strategy.

⁴ Bureau of Infrastructure and Transport Research Economics (BITRE), [Road and Rail Supply Chain Resilience Review – Phase 1 report](#), BITRE, Australian Government, 2023, accessed 25 May 2023.

Safety

The Government is also committed to improving the safety of the nation's transport networks, both for users and those that work on the networks. We will prioritise infrastructure investments that enhance operational safety, including through the road safety measures agreed with the states and territories in the National Road Safety Strategy 2021-30 and Action Plan 2023-25, and via reform to rail interoperability to improve rail safety by reducing reliance on human factors.

Cross-portfolio linkages: National Population and Planning Framework; Net Zero by 2050; National Housing Accord; Housing Australia Future Fund; National Housing Infrastructure Facility; Regional Investment Framework; National Road Safety Strategy; National Freight and Supply Chain Strategy; National Emergency Management Agency; and Closing the Gap.

Theme 3: Sustainability

Reduce transport and infrastructure emissions

Achieving the Government's commitment to cut emissions by 43 per cent by 2030 and achieve Net Zero by 2050 will require reduced emissions across our national transport task and will require a concerted effort to decarbonise⁵. This includes reducing emissions in through decarbonising transport operations, as well as in the design, construction and operation of transport infrastructure.

The Government will seek to invest in projects that encourage and enable integrated and more sustainable approaches to land use that can allow people opportunities to work closer to where they live and reduce the need for long commutes, particularly by private vehicle. The Government will look to support commuters to choose more efficient, affordable and sustainable modes of transport, including walking and cycling; as well as investing in infrastructure that encourages more sustainable approaches to land use and town planning, more efficient and less polluting freight networks, supporting changes to the way transport industries operate and contributing to our decarbonisation agenda.

The Government will also work with our state and territory counterparts to encourage the use of lower emissions materials in infrastructure construction and encourage projects that facilitate the take-up of low or zero emission transport technologies, consistent with our National Electric Vehicle Strategy.

Cross-portfolio linkages: Net Zero by 2050; Recycling Modernisation Fund; National Electric Vehicle Strategy; Powering Australia Plan; Emissions Reduction Fund; Regional Investment Framework; Jet Zero and Aviation White Paper.

Implementation: putting this statement into action

Working in partnership with states, territories, and stakeholders

Delivering high quality, nationally significant infrastructure requires strong partnerships. In particular, state and territory governments are the Government's primary funding and delivery partners for its investments in land transport infrastructure. The Government is committed to deep collaboration, shared planning, and

⁵ Clean Energy Finance Corporation (CEFC), [Clean energy and greener infrastructure](#), CEFC, May 2021, accessed 25 May 2023.

transparency about expectations to build a sustainable land transport investment agenda that works in the interest of all Australians.

State, territory and local governments are primarily responsible for our land transport networks through their ownership, operation and maintenance of assets, and as co-investors, driving the planning, identification and delivery of infrastructure projects. Industry, business, other asset owners, managers and government agencies are also important stakeholders. Collaborative partnerships with these groups help the Government to prioritise, plan and deliver projects to ensure they achieve the broadest benefits possible at the right cost.

Achieving policy outcomes

This Infrastructure Policy Statement will embed strategic direction in decision-making by prioritising investment proposals that are supported by evidence, long-term strategic plans and robust business cases based on established methodologies, and supported by co-investment from the relevant jurisdiction. A revitalised Infrastructure Australia, which will contribute its expertise to appraise projects as part of the Government's Budget process, will also be involved in the delivering this approach.

In addition, this Statement outlines other criteria the Government will consider when identifying projects suitable for Commonwealth investment.

Considerations for project delivery

The delivery of major infrastructure projects presents a unique opportunity for the Government to pursue its policy goals beyond those enabled by the project itself. The below criteria articulate those priorities which are specifically applicable during the delivery phase of projects.

Equal funding split

The Australian Government's funding for nationally significant land transport infrastructure projects will be provided on a 50:50 basis with state and territory delivery partners. This ensures more proportional risk sharing and allows the Commonwealth to contribute to a greater number of projects across jurisdictions. The Government may consider funding a greater share of projects on the National Land Transport Network in jurisdictions with less capacity to raise revenue on a case-by-case basis.

Use of recycled materials

The Government expects project procurement practices to encourage sustainable resource management and support the circular economy. States and territories should aim to maximise, where appropriate, the proportion of recycled materials used in project design and construction, as well as potentially recycling or reusing materials during the project's lifecycle.

First Nations participation and heritage management

The Government is committed to leveraging its infrastructure investments to increase employment opportunities for First Nations job-seekers and businesses, consistent with the Indigenous Employment and Supplier-use Infrastructure Framework. The Government also expects that any potential impacts during project delivery to Indigenous heritage sites will be mitigated, including involving First Nations communities in decision-making process regarding heritage protection.

Women's participation

The Government expects state delivery partners and contractors to enable workplace cultural change and support increased women's workforce participation in the construction of Government funded projects.

Decarbonisation and embodied carbon

The Government is committed to achieving net zero emissions by 2050. Work is underway across jurisdictions to help drive decarbonisation in the construction sector. As emissions reduction techniques emerge, the Government expects them to be factored into project delivery.

Local employment and procurement

Consistent with the Buy Australia Plan, project delivery partners should aim to maximise opportunities for Australian businesses and workers on major projects to help build domestic industry capability.

Infrastructure resilience

The Government expects the resilience of road and rail corridors to be a key consideration in the identification and delivery of projects, noting increasingly frequent severe weather events and natural hazards. Project design should involve risk management and disaster resilience measures.

Construction industry sustainability

The Government expects project procurement practices to support the long-term sustainability of the construction industry given its critical importance to infrastructure investment pipeline delivery. Such practices could include adoption of collaborative models of procurement.

Increased access to data

The Government expects that data will be made available by jurisdictions for the purposes of policy and project proposal decisions and evaluations.