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Executive Officer
Public Accounts and Estimates Committee
Parliament House
Spring Street
East Melbourne 3002

Dear Executive Officer,

Committee for Melbourne has long held the remit of acting as one of the Guardians of brand image Melbourne. Founded 26 years ago, the Committee is an apolitical membership based organisation that looks strategically at issues that impact beyond the short-term electoral cycles.

It is therefore our pleasure to submit a response to the Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Public Accounts and Estimates Committee and to contribute ideas towards the improvement of the infrastructure delivery in this state.

Given the broad nature of our membership, and subsequently the lens through which we view Melbourne, our submission addresses a number of high level themes and provides a set of future priorities and opportunities for consideration.

A handwritten signature in blue ink, appearing to read "Andrew Macleod".

Andrew Macleod
Chief Executive Officer
Committee for Melbourne

Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Projects Public Accounts and Estimates Committee

Submission from Committee for Melbourne

Background

Committee for Melbourne is a not-for-profit, non partisan, member network that unites Melbourne's leaders and organisations to ensure the city's economic, social and environmental fabrics remain inclusive, progressive and sustainable.

Founded in 1985 by a group of thought leaders, the Committee plays a key role in retaining Melbourne's most liveable city status.

The Committees members represent over 150 of Melbourne's major companies, academic institutions and civic organisations who discuss key issues affecting Melbourne's appeal. Their expertise, leadership, insight and passion has supported some of our city's best initiatives and contributed to Melbourne's development as a globally acknowledged city.

Melbourne Beyond 5 Million (2010)

Melbourne is a thriving, cosmopolitan city that has grown significantly and inevitably will continue to grow. Our ongoing challenge, therefore, is to ensure that we get better as we get bigger. Whilst no-one can be certain of the rate of growth, it is inevitable that Melbourne's population will increase to more than five million and this may well exceed eight million by the late part of this century.

However, the issue is not the actual population number but whether we are ready to respond to the challenges of growth.

For Melbourne to continue to improve, we as a community need to debate, discuss and agree on strategies to make our city better and agree on how best to plan for the growth and the make-up of our infrastructure.

There are a number of physical infrastructure and connectivity challenges that we must meet and overcome today, tomorrow and well beyond in order to continue to deliver a world class city of the future.

For more than 12 months, more than 160 members of Committee for Melbourne were involved in the 2010 Shaping Melbourne Taskforce, deliberating on the issue of “getting better as we get bigger” under three themes:

1. Governance and the Melbourne proposition;
2. Density and localised economies; and
3. Physical infrastructure and connectivity.

The third of these reports is the most pertinent and of relevance to the Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Projects. Our response to this inquiry draws on the insights in this report and the key recommendations and conclusions that were reached.

Melbourne Beyond 5 Million, Volume 3 - Physical Infrastructure & Connectivity

We have attached several copies of this report to our submission - for reference by members of the Public Accounts and Estimate Committee.

The following sections of the report are particularly relevant to the Committee’s terms of reference:

Section 2 – Is Melbourne Infrastructure Ready?

Section 3 – Better Management of Infrastructure

Section 8 – Infrastructure Delivery

Conclusion

This report examined Melbourne’s required infrastructure needs to ensure that “we get better as we get bigger”. The report concludes that in relation to Melbourne’s infrastructure status and needs:

- Intelligent long-term planning and investment in urban infrastructure is essential and such investment underpins the productivity of metropolitan Melbourne;
- Whilst for some infrastructure categories, forward planning may be adequate for a population of five million, there are significant challenges and likely shortfalls across all categories for a population well beyond this number; and
- Melbourne has no readily available baseline and monitoring information regarding the status of its metropolitan infrastructure.

Committee for Melbourne believes that Government should be actively involved in the provision and redevelopment of infrastructure, and take the following steps:

- Allocate responsibility for coordinated long-term planning;
- Integrate land-use planning and the provision of infrastructure;
- Set aside land where planned infrastructure requires dedicated sites or corridors;
- Identify future infrastructure needs for up to a 50 year horizon;
- Assess the capacity and condition of existing infrastructure and its ability to meet current and future needs;
- Overcome infrastructure gaps at minimum cost, including taking into account sustainability/environmental dimensions;

- Achieve greater transparency in communicating progress on meeting the future infrastructure requirements of Melbourne and Victoria through structured communication and through open and regular reporting on the progress achieved;
- Explore the case for creating a permanent statutory body reporting to Parliament – a Victorian Infrastructure Commission – with the aim of providing independent advice on the condition and performance of Victoria’s infrastructure, and on long-term planning for future infrastructure needs; and
- Explore and resolve the respective roles of the public and private sectors in infrastructure delivery, with particular regard to finance and risk.

Committee for Melbourne believes that we need strong strategic leadership on the following matters:

- A long-term, integrated approach to land-use planning and infrastructure provision which assesses the future needs of Melbourne for periods of at least 50 years would result in:
 - Land requirements and corridors to enable the future provision of infrastructure;
 - Infrastructure that is more adaptable to changes over time;
- A coordinated whole-of-government approach to the planning of Melbourne’s long term infrastructure needs; and
- Equitable allocation of funding on a prioritised basis among the various infrastructure categories is required.

Committee believes that Melbourne and Victoria should benchmark the State’s performance against international best practice in infrastructure, considering:

- The infrastructure needs for future generations;
- Methodologies and practice in long term infrastructure master planning;
- The need for resilience and redundancy in critical infrastructure systems to maintain service in unforeseen outages/shutdowns;
- Planning for the refurbishment or replacement of ageing infrastructure;
- Maintaining a nationwide vision to drive the development of state and regional infrastructure plans; and
- Governance and funding arrangements which transcend whichever political party is in power.

Finally, the Committee finds that:

- Healthy infrastructure supports a strong economy which leads to improved quality of life;
- Innovative financing arrangements are effective in reducing major infrastructure backlogs;
- Infrastructure investment at all levels should be prioritised and executed according to well-conceived plans; and
- Without strong and healthy infrastructure a nation/state will fall behind and lose its competitive edge.

The Committee calls for a 50 year plan for greater metropolitan Melbourne, creating or delegating in turn an infrastructure body to oversee this plan.

Terms of Reference

- (a) *The competencies and skills that public sector managers require for the effective evaluation, decision making and oversight of significant infrastructure projects and protection of the public interest.*

Committee for Melbourne believes that greater skills are required and that this can best be achieved via the establishment of an infrastructure overseeing body.

- (b) *The extent to which Government policies such as the National Public Private Partnership Policy and Guidelines and the Partnerships Victoria Requirements specify these requisite competencies and skills, and support the Department of Treasury and Finance's application of these across the public sector;*

Committee for Melbourne believes that these arrangements do provide important support for the Department of Treasury and Finance's contribution, but that an even greater level of contribution to the infrastructure needs of Victoria would result if these contributions were either overseen or delivered by a specialist infrastructure body.

- (c) *Strategies in place within the public sector for the development of such requisite competencies and skills and for their ongoing refinement and enhancement through knowledge-building from the sharing of best practice examples and guidance in the public sector;*

Committee for Melbourne considers that Government could make better use of practices implemented by other jurisdictions, as demonstrated by the establishment of such bodies as:

- Infrastructure Australia
- Infrastructure NSW, New South Wales
- Ministry of Infrastructure, Ontario, Canada
- Office of the Coordinator General, Queensland
- Infrastructure Planning Commission, UK
- Infrastructure Canada including its British Columbia Infrastructure Plan
- Infrastructure Canada eg Quebec.

- (d) *Whether particular significant infrastructure projects have been developed and implemented in a manner which aligns with the public interest and maximises transparency and accountability for the life-cycle of the project;*

Committee for Melbourne notes that in the case of some projects delivered via the PPP process, commercial issues have tended to restrict the degree to which public transparency and accountability are able to be delivered.

- (e) *Relevant infrastructure delivery strategies and practices, including in public-private partnerships, in relation to enhancing public sector expertise in place in other Australian jurisdictions and relevant jurisdictions outside Australia; and*

Please refer to our response to Terms of Reference (c) in relation to this issue.

(f) The merits of centralisation versus decentralisation of available skilled experts in the Victorian public sector during the life-cycle stages of public-private partnership projects, including considering any benefits that may be derived from greater flexibility to contract specialist services from external sources.

Committee for Melbourne believes that Melbourne and Victoria would benefit from a more centralised degree of oversight across all major infrastructure categories to ensure long-term land use planning and associated infrastructure needs are effectively coordinated.

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