

Infrastructure Western Australia Bill 2019

Second Reading Speech

I move that this Bill be read a second time.

The Bill I lay before the House today fulfils another commitment the McGowan Labor Government made to the people of Western Australia under its comprehensive Plan for Jobs.

For the past two years my government has worked hard to build a stronger, more diverse and more resilient economy. It has been committed to creating a pipeline of secure jobs for Western Australians. We must also provide business and industry the long-term certainty they need to invest.

Today, we take one big step forward in delivering on this, by introducing the *Infrastructure Western Australia Bill 2019*.

Infrastructure is key to driving our economy and creating jobs. Be it roads, rail lines, electricity and water services, schools, hospitals, or cultural and sporting facilities – infrastructure is a catalyst for transforming and shaping our State and enhancing the liveability of our communities.

Therefore, the government's decision-making in relation to infrastructure should be based on robust and evidence-based planning, and not on short-term political gains. Quality infrastructure planning and decision-making, based on sound analysis, should not be left solely to politics. Indeed, it should be something every member of this place, regardless of their political persuasion, should get behind.

It is clear that infrastructure decision-making in this State has, at times, been based on inadequate planning or information, resulting in poor outcomes, costly project delays or cancellations. Infrastructure investment has long been held hostage to political cycles. This reduces certainty and undermines the confidence of stakeholders, which ultimately impacts investment in this State. We need to ensure that taxpayers' money is invested wisely, to maximise the value and return of our infrastructure program.

As the Special Inquiry into Government Programs and Projects highlighted, this lack of a comprehensive and long term infrastructure plan has led to too many projects being undertaken on an ad hoc basis and without adequate planning.

We are not sitting on our hands – this Bill addresses a number of the key findings of the Special Inquiry and implements several recommendations.

The lack of coordinated strategic planning and agreed infrastructure priorities has also meant that WA has at times missed out on our fair share of Commonwealth infrastructure funding. With a more strategic, evidence based and bipartisan approach, we can continue turning this around and secure the greater share of the funding from Canberra that we so rightly deserve.

The need for co-ordinated, long term infrastructure planning was something this side of the House identified in Opposition. That's why more than four years ago, we committed to

establishing Infrastructure Western Australia and delivering a 20-year State Infrastructure Strategy. This was at the heart of WA Labor's 'Plan for Jobs'.

Our State is forecast to continue to experience population growth and change into the future. While this growth will bring enormous opportunities, it will also bring challenges and increase demand on our resources, our natural environment, our infrastructure and our services. The State's capacity to meet this demand will be tested. We therefore need to get smarter about how we plan, deliver, operate and maintain our infrastructure and services. We need to look to new initiatives and models, in order to meet our future infrastructure needs.

Through providing independent and expert advice, Infrastructure WA will help us to better plan for our future. Its advice will support better decision-making on infrastructure. And it will hold the Government of the day to account.

This Bill outlines what will be the key roles for Infrastructure WA. These include assessing and reporting to Government on major infrastructure proposals, providing advice on the state's infrastructure priorities, as well as providing advice on other matters such as funding and financing of infrastructure.

However, its immediate task – and indeed one of its most important tasks - will be to develop a 20-year State Infrastructure Strategy. Long-term strategic and integrated planning is the cornerstone of effective infrastructure policy. For too long, our State has suffered from the lack of a long-term strategy for infrastructure, to support our economy, enable job creation, and build better communities.

This ends now. Infrastructure WA's State Infrastructure Strategy will identify the State's infrastructure needs and priorities over the next 20 years for a broad range of infrastructure sectors. It will recommend significant projects and programs needed to meet those needs. In preparing the Strategy, Infrastructure WA will not only look at investment in new infrastructure, but also look at how we can get more out of the infrastructure we already have. It will also look at how other options, such as policy and regulatory reform, can help us to meet our future infrastructure needs in a smarter and more efficient way. The Strategy will be integral to the work of Infrastructure Western Australia as it will underpin many of its functions and be the basis for its assessments and advice.

This Strategy will help to address the politics in infrastructure planning. It will provide the certainty that industry needs to invest and create jobs. It will ensure we maximise the value to the State of every dollar spent on infrastructure. It will deliver a clear blueprint and vision for infrastructure over a 20-year horizon.

A long-term strategy is something business and industry have not only called for; it is something they have demanded. Therefore, Infrastructure Western Australia should not be distracted from this task.

To ensure the Strategy remains current, Infrastructure WA will be required to submit a new strategy at least every five years. And to ensure transparency, the Premier of the day will need to table both the Strategy and the Government's response in Parliament. In this regard, Western Australia will be one of only two Australian jurisdictions in which there is a legislative requirement for the strategy and the Government's response to be tabled in Parliament.

The response will outline Government's level of support for each of the Strategy's recommendations and provide an explanation in cases where any recommendation is not supported in full. Infrastructure WA will monitor Government's progress in implementing the recommendations, and publicly report on this each year. In doing so, it will hold the Government of the day to account.

Importantly, Government agencies, including Government trading enterprises, will be required to align their own strategies, plans and policies with the recommendations of the Strategy that are supported by Government. This will ensure there is greater alignment and coordination among agencies. This will also encourage agencies to focus on achieving whole-of-Government objectives. This is another reason why the development of the State Infrastructure Strategy is important and will be the immediate priority for Infrastructure WA once it is established.

Another key role for Infrastructure WA will be to independently scrutinise and assess proposals for major infrastructure that meet the criteria for assessment as outlined in the Bill. It is intended that Infrastructure WA will assess high value and complex proposals, and rigorously analyse key elements of major proposals using a triple-bottom-line approach.

Infrastructure WA will be required to report back to Government on the outcomes of its assessment prior to a decision being made by Government to implement the proposal. A summary of Infrastructure WA's assessment of the proposal will be made public. This represents another way we are improving the transparency of Government decision-making.

While Infrastructure WA will assess major infrastructure proposals, it is not intended to duplicate the already rigorous, independent and transparent Infrastructure Australia process that is required for most major infrastructure proposals that have more than \$100 million in funding from the Commonwealth.

Once established, Infrastructure WA will assist in reviewing and coordinating the provision of information and submissions to Infrastructure Australia. This will ensure that the information provided to Infrastructure Australia, including business cases are strategically aligned, coordinated, robust and of a consistently high quality. This is aimed squarely at improving the State's share of Federal infrastructure dollars.

In order to perform its functions effectively, Infrastructure WA and State agencies will need to work closely together and share information. State agencies will be obliged to cooperate with Infrastructure WA. Infrastructure WA will be able to request and use existing information held by agencies, although it will be required to protect any information which has been deemed to be confidential or commercially sensitive. Infrastructure WA will generally not be able to publish this information unless consent has been provided. Other legislation such as freedom of information laws will not be affected by these provisions.

The Bill also requires Government to prepare an annual State Infrastructure Programme, addressing a timeframe of 10 years. This will be done with input from Infrastructure WA. The Programme will provide an overview of the State's infrastructure investment by sector, consistent with the Budget and forward estimates. The Programme will also look beyond the forward estimates and identify emerging issues and challenges. Collectively, this

information will provide a long called-for investment pipeline for stakeholders, providing greater certainty for the private sector, and assisting State agencies in their forward planning.

Infrastructure WA will perform a range of other functions, such as providing advice and assistance to agencies in preparing infrastructure strategies, plans or policies.

The Bill establishes Infrastructure WA as a statutory authority. Its board will comprise of up to 10 members, combining the expertise of both the public and private sectors. However, the number of government employees must not exceed the number of non-government employees. In the case where there are an equal number of votes, the presiding member – who must be a non-government employee - will have the casting vote. This is designed to ensure the independence of the Infrastructure WA Board and harness private sector expertise, while maintaining an important strong connection to Government through representation of key agencies. Board members will be suitably qualified and of high standing, and will be expected to demonstrate the highest level of integrity.

While the establishment of Infrastructure WA will support more informed decision-making, the Government of the day will always be the ultimate decision-maker. What Infrastructure WA will do however, is make governments more accountable for their decisions.

Infrastructure WA will place a strong focus on engagement with stakeholders. This Bill as drafted, ensures that it will work collaboratively with Government, the community and industry on infrastructure matters. In fact, this Bill obliges Infrastructure WA to undertake public consultation on its draft State Infrastructure Strategy. Everyone will have an opportunity to have their say.

This Bill is more than ticking a box and delivering an election commitment. This is about creating a new institution that will live beyond the life of my Government and will be working for West Australian's for many administrations to come.

In Western Australia, we so often fall into the trap of the short term: limiting our thinking to the next financial year, next economic upswing, the next election. Infrastructure WA will help us look beyond that and deliver opportunity and jobs for future generations of West Australians.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and I table the explanatory memorandum.