

**Cynulliad Cenedlaethol Cymru / National Assembly for Wales**

**Pwyllgor yr Economi, Seilwaith a Sgiliau / Economy, Infrastructure and Skills Committee**

**Comisiwn Seilwaith Cenedlaethol i Gymru / National Infrastructure Commission for Wales**

**Gan/From: Building Queensland**

**1. What principles do you believe represent good practice in establishing an independent infrastructure advisory body?**

Good practice in establishing an independent advisory body should consider the following:

Clearly defined and documented roles and responsibilities for the statutory body

Clear governance structures and reporting requirements such as who the body reports to and how often this reporting occurs. An additional consideration is whether any reporting should be published –in part or in full.

Transparency in the operations of the body.

Building Queensland was established as an independent statutory body on 3 December 2015 under the Building Queensland Act 2015. In the supporting Second Reading Speech the Deputy Premier stated that:

"This bill will provide the highest level of transparency and accountability in advice to government about infrastructure, without compromising commercial-in-confidence material. Building Queensland will be an independent agency, free from political interference, which will advise the Government objectively on infrastructure projects and investments. Building Queensland will provide robust assessment of the economic, fiscal, service delivery, community or social benefits of projects before their consideration for funding by Government."

In addition, under the Building Queensland Act 2015, the independence of Building Queensland's functions are supported by its Board. The Board has eight members, consisting of five appointed members and three Directors-General (from the Department of the Premier and Cabinet, the Department of Infrastructure, Local Government and Planning and Queensland Treasury).

A Board quorum consists of five members where the majority are appointed members. This structure ensures that the Board's independence is maintained at all times.

The Board provides an independent view on infrastructure matters, separating project development and the identification of priorities for consideration of government.

## **2. For what reasons was your body established through legislation, and what impact has this had to the independence of your organisation?**

Building Queensland was established as an independent statutory body to provide consistency and independence to infrastructure development across Queensland Government. This role is distinct from the functions of individual Government departments.

The legislation provides clarity around Building Queensland's role and functions, as well as how its advice is provided to Government.

As a statutory body, Building Queensland provides whole-of-government consistency in project development, for example, through the development and implementation of the Business Case Development Framework. The Framework is a suite of documents that assist the development of quality Business Cases, from the initial 'needs identification' stage (Strategic Assessment of Service Requirement) through to a detailed analysis of the preferred option (Business Case). The Framework has been designed for projects with a capital value of \$50 million or greater.

Building Queensland is applying the Business Case Development Framework by leading and assisting with the development of infrastructure projects, in line with the functional responsibilities set out in the Building Queensland Act 2015. Building Queensland's responsibilities are:

- assisting with the preliminary preparation (or pre-Business Case) activities for projects that are likely to have a capital value greater than \$50 million
- assisting with business case development for projects that have a capital value between \$50 million and \$100 million or if the net present value of financial commitments entered into by the State is between \$50 million and \$100 million
- leading business case development for projects over \$100 million or if the net present value of financial commitments entered into by the State is over \$100 million.

We undertake these activities for all Government Departments and Government Owned Corporations.

When Building Queensland completes the development of a Business Case, it provides advice to Government on the productivity gains anticipated from the proposal, timeframes for delivering the proposal; and a cost-benefit analysis for the proposal.

Building Queensland also provides an independent view of unfunded priority proposals under development, for Queensland Government consideration. Building Queensland does this through the development of the Infrastructure Pipeline, which is updated on a six-monthly basis. The Government uses this advice to inform their decisions regarding further project development and, ultimately, investment decisions regarding future infrastructure delivery.

**3. To what extent do you consider that the arguments for setting up statutory bodies to advise on infrastructure in other countries, or was your decision related to factors in Australia/Queensland?**

Building Queensland was established in the context of Queensland's, and Australia's, infrastructure development environment, taking into account the roles of local, state and Commonwealth Governments, and the responsibilities and functions of existing departments and other advisory bodies.

The establishment of advisory bodies in other locations would need to be considered in the context of that local situation, including the responsibilities of existing organisations and the roles of all levels of government.

You will note there are other infrastructure bodies set up in Australia like Infrastructure Australia, Infrastructure New South Wales, Infrastructure Victoria and Infrastructure Tasmania albeit with slightly different remits.

**4. For what reasons do you look at both economic and social infrastructure as part of your remit, whereas Infrastructure Australia concentrates on economic infrastructure?**

Building Queensland's consideration of both economic and social infrastructure is consistent with the State Government's broader role in infrastructure service delivery which includes economic and social infrastructure. This is consistent with the State Governments broader responsibility to provide both economic and social infrastructure for the community.

**5. How do you work with Infrastructure Australia where your responsibilities interact?**

Building Queensland interacts regularly with similar bodies in other jurisdictions across Australia. These entities include Infrastructure Victoria, Infrastructure New South Wales, Infrastructure Tasmania and Infrastructure Australia.

On individual projects, Building Queensland assists with any inquiries from Infrastructure Australia on Business Cases where BQ has been involved. This only applies to projects over \$100 million that are seeking Federal Government funding.

More generally, the CEO of Building Queensland attends regular meetings with key representatives of these organisations every few months. These visits include a site visit to a major infrastructure project in the hosting jurisdiction, providing insights into the implementation of major projects.

Regular engagement at the CEO and officer level with these peer organisations provides an opportunity to discuss emerging project and policy issues for infrastructure across Australia, such as project development processes and cost benefit methodologies. This forum also provides the opportunity for constructive conversation regarding lessons learnt and opportunities for improvement in infrastructure development and implementation.

Yours sincerely

David Quinn Chief Executive Officer Building Queensland