



Jeremy Conway

Chief Executive

21 August 2019
GMUSG Conference

infrastructure.sa.gov.au

Why we need an infrastructure plan

The quality of SA's infrastructure is critical to its economic performance and social capital.

Yet there is no long-term integrated infrastructure strategy for SA at present.

We must have the **right economic and social infrastructure** in the **right places** at the **right time** to ensure our prosperity into the future.

Asset lifecycles versus political cycles

Assets often have a life of over 50 years, yet planning tends to occur along budget or political cycles.

This puts effective economic, social and environmental outcomes at risk, and damages business and consumer confidence.

Funding gaps & emerging trends

Global pressures and megatrends:

- Climate change
- Digital disruption
- Aging and urbanised populations.

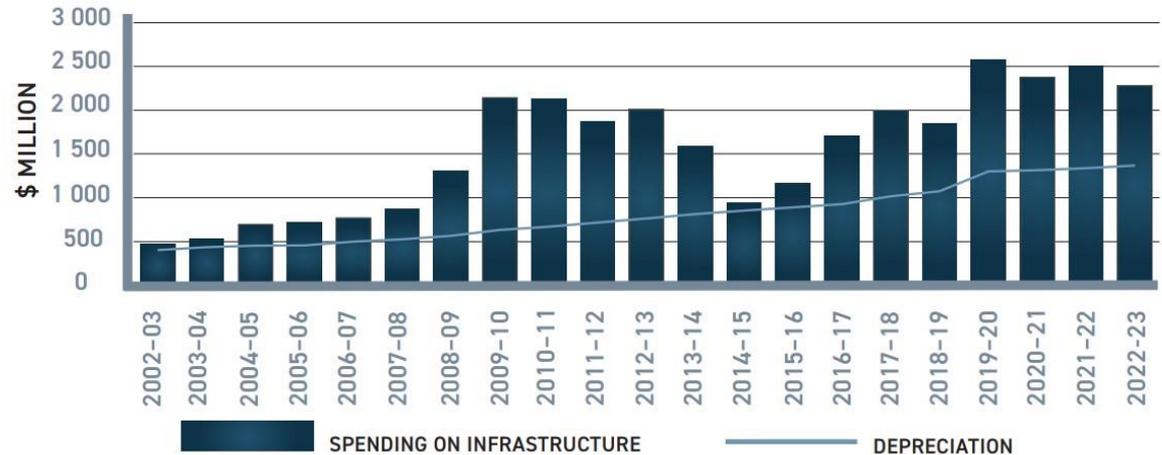
A more considered, holistic approach towards infrastructure planning is needed.

Funding gaps & emerging trends

All States have a gap between infrastructure demand and available funding. Historical estimates refer to this as sizeable.

New funding and financing models are key.

GENERAL GOVERNMENT SECTOR INFRASTRUCTURE SPENDING⁽²⁾⁽³⁾



2. General government sector purchases of non-financial assets excluding the Royal Adelaide Hospital financial lease of \$2.8 billion in 2016-17.

3. 2019-20 includes TAFE SA purchasing TAFE SA sites currently held by Renewal SA.

Growth agenda

The Premier is pursuing a 3% annual growth target for the State as part of the government's response to the Joyce report.

By supporting a modern economy through efficient access to markets, and supporting a skilled, stable and resilient society, infrastructure has a key role to play in South Australia's growth and prosperity.

Infrastructure SA

ISA operates independently to provide strategic advice that integrates planning and development.

Established 26 November 2018 under the *Infrastructure SA Act 2018* as a key commitment of the Government.

Infrastructure SA Board established under the Act as the governing body, combining expertise from public and private sectors.

Reports directly to the Premier.

Four key functions

**Develop
20-Year State
Infrastructure
Strategy.**

**Prepare an annual
Capital Intentions
Statement
(5-year timeframe).**

**Develop project
assurance framework
and evaluate projects.**

**Advise the Premier
on infrastructure
planning, delivery
and use.**

Scope of Strategy

ISA's definition of infrastructure:

The physical assets and structures that enable the services necessary to sustain or enhance the economy and liveability of South Australia.

That includes the following sectors:

- Transport
- Energy
- Water supply & waste
- Health
- Education & training
- Culture, Sports & Tourism
- Justice
- Housing
- Digital & technology
- Key industries: resources, manufacturing, agriculture

Strategy consultation

Key agencies providing input on their sectors.

One-on-one meetings with business leaders, industry associations, RDAs and local councils.

Discussion paper released for public consultation

- Submissions open 8 weeks
- 104 responses received.

Strategy outcomes

Identify the challenges and opportunities for infrastructure provision and management.

Make recommendations to optimise existing infrastructure.

Facilitate coordination and collaboration between proponents to maximise efficiencies.

A path to having the right infrastructure at the right place at the right time.

Capital Intentions Statement

ISA has a legislative obligation to prepare an annual Capital Intentions Statement (CIS).

Major government infrastructure projects to be undertaken in the State as a priority within five years.

- anticipated capital expenditure of greater than \$50 million
- not already included in the State budget forward estimates.

Consistent with the objectives and recommendations articulated in the 20-Year State Infrastructure Strategy.

Timings

The 20-Year State Infrastructure Strategy and the first Capital Intentions Statement will be released in early 2020.

The Strategy will be updated every five years.

The Capital Intentions Statement will be updated annually.

Project assurance

- ✓ Independent assurance over public sector projects to provide confidence the capital program delivers value for money.
- ✓ High value, high risk framework to focus effort.
- ✓ Monitoring of projects over their lifecycle but with a focus on the front-end business case stage.

Questions welcome.



Thank you

Infrastructure SA

Level 15, Wakefield House, 30 Wakefield Street, Adelaide SA 5000

GPO Box 2343, Adelaide SA 5001

E infrastructure@sa.gov.au

infrastructure.sa.gov.au