

Statement of Expectations

For the Board of Infrastructure South Australia

For the period 1 December 2018 to 30 June 2020

The Statement of Expectations outlines my expectations for the operations, performance and strategic direction of Infrastructure SA (ISA).

This Statement of Expectations reflects the governance and performance requirements specified in the *Infrastructure SA Act 2018*, which came into effect on 26 November 2018.

The South Australian Government expects that ISA will efficiently and effectively perform its statutory functions to deliver high quality advice on the State's requirements for significant infrastructure.

I expect Infrastructure SA to support the achievement of the Government's aspirations and policy commitments, particularly with respect to economic growth and delivery of public services. Timely investment in, and more efficient use of, productive infrastructure is a critical foundation to increasing private sector investment and exports, promoting entrepreneurship and innovation, unlocking regional production and job opportunities and encouraging people to visit, study and live in South Australia.

I expect the Board to:

- Ensure ISA acts in accordance with the *Infrastructure SA Act 2018* (the Act).
- Consult and establish productive working relations with key public and private sector infrastructure stakeholders.
- Promote best practice infrastructure planning, asset management, infrastructure project prioritisation and project assurance.
- Keep me informed of ISA's actions regarding the initiatives and activities stated below, and alert me to events or issues that may impact on its operations or have broader impacts on the delivery of key infrastructure projects in South Australia.

Over the period of this Statement of Expectations, I expect the Board to deliver on the following initiatives.

20-Year State Infrastructure Strategy for South Australia

I expect ISA to progress development of the first 20-Year State Infrastructure Strategy (the Strategy) with the goal of submitting it for the State Government's consideration by 31 March 2020.

The Strategy should provide the overarching framework and vision to inform the government on South Australia's current and future infrastructure needs as well as guidance on strategies to most effectively address those needs. The Strategy will be comprehensive in the scope of infrastructure covered.

Contributions from State Government agencies into the Strategy will be critical. ISA should develop and disseminate appropriate guidance material for agencies to ensure consistency regarding the quality and level of information submitted as a contribution to the Strategy. The guidance material should seek strategies from agencies that consider maximising the use of existing assets. ISA should also encourage agencies to align planning horizons across government to be consistent with the Strategy.

Consistent with the Act, ISA should collaborate with relevant stakeholders and invite submissions to the Strategy.

Statement of Capital Intentions

I expect ISA to progress development of the first five-year Statement of Capital Intentions (Statement), to be updated annually, with the aim of completing the Statement by 30 June 2020.

ISA is expected to disseminate guidance to State Government agencies on its information requirements and to work collaboratively with agencies to finalise a 10 year pipeline of major infrastructure projects for ISA to review and prioritise into the Statement for consideration by the government. Guidance material should consider the Department of Treasury and Finance and Infrastructure Australia guidelines regarding submission of infrastructure funding bids to minimise any additional burden for agencies.

The Statement will identify the specific major infrastructure projects which ISA advises should be undertaken in the State as a priority within the next five years and should:

- be guided by the 20-Year State Infrastructure Strategy;
- be based on consideration of the prioritised project plans of all relevant State Government agencies; and
- include projects that have been assessed on merit, based on a business case and cost benefit analysis.

Evaluation of Infrastructure Proposals

ISA is expected to review and evaluate project proposals where State Government funding of \$50 million or more is sought. ISA's advice to State Government on these proposals will assist in the development of the government's investing program.

As a priority, I ask that ISA work with relevant State Government agencies to provide advice to the Government on the following 10 major projects:

- Completion of the North-South road corridor through metropolitan Adelaide;
- A grain/minerals port on Eyre Peninsula to ensure the optimum location for this facility;
- The GlobeLink upgrade of major export infrastructure;
- An extension of tram services in the CBD;
- Completion of the Gawler Rail Electrification (noting that the Government has decided to fund this project);
- An extension of the O-Bahn between Tea Tree Plaza Interchange (current terminus) and Golden Grove;
- Grade separations at major metropolitan area intersections to enable removal of level crossings – prioritising projects based on their capacity to reduce traffic congestion and boost productivity;
- Infrastructure development on Le Fevre Peninsula including light rail, commercial, retail residential and recreational development to accommodate the needs of the Naval Shipbuilding Program at Osborne;
- Sealing the Strzelecki Track; and
- An underground rail link in the CBD between the northern and southern train lines.

Project monitoring and assurance

ISA is required to develop an infrastructure assurance framework to monitor delivery and performance of projects with a capital value of \$50 million or more, including an ex-post evaluation. I may also refer other projects to ISA from time to time for such evaluations.

Development of the framework should be undertaken in consultation with the Department of Treasury and Finance and other relevant agencies, being mindful of the need to not unduly burden agencies with reporting obligations.

Provision of advice

The Government expects ISA to provide robust and independent advice relating to economic and social infrastructure planning, delivery and use. This will include, but not be limited to, advice on:

- economic or regulatory impediments to the efficient delivery of major projects or infrastructure projects in specific sectors;
- submissions that may be made by the State and its agencies to the Commonwealth Government and other bodies;
- appropriate funding models for infrastructure;
- reviews of completed infrastructure projects; and
- other relevant issues, which I or the Government may request.

Annual Report

An Annual Report, that has regard to the requirements specified under section 19 of the *Infrastructure SA Act 2018*, including the disclosure of its strategies and plans and reporting on the progress of their implementation, is required.



Hon Steven Marshall MP
PREMIER OF SOUTH AUSTRALIA

24/12/2018