

QUEENSLAND

Level 5, 825 Ann Street
Fortitude Valley QLD 4006
PO Box 55
Fortitude Valley QLD 4006

T. 07 3733 0785
E. qld@consultaaustralia.com.au
W. www.consultaaustralia.com.au
ABN. 25 064 052 615



Driving business success for consulting firms in the built and natural environment

Submission No 010

11.1.3

24 June 2015

24 June 2015

Research Director
Infrastructure, Planning and Natural Resources Committee
Parliament House
George Street
Brisbane Qld 4000
Via email: ipnrc@parliament.qld.gov.au

Dear Research Director,

RE: Building Queensland Bill 2015

Consult Australia welcomes the opportunity to provide this submission to the Committee's Inquiry considering the *Building Queensland Bill 2015*.

Consult Australia is the industry association that represents the business interests of consulting firms operating in the built and natural environment. Our member firms' services include, but are not limited to: design, engineering, architecture, technology, surveying, legal, and management solutions. We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms. Collectively, our industry is estimated to employ over 240,000 people and generate combined revenue exceeding \$40 billion a year.

Consult Australia welcomes the commitment to establish Building Queensland (BQ) as an independent statutory body to provide expert and transparent advice to governments and congratulate them on the quick appointment of David Quinn. The Government's announcement of Building Queensland represents a step-change in policy that will provide certainty for business and better value for money outcomes for the tax-payer. This will both build certainty in a pipeline of projects supporting private sector investment, and build trust with the community that the infrastructure being considered will meet their needs. We support the vision that BQ becomes a centre of excellence for the provision of contemporary and relevant advice to government.

Bipartisan support for BQ—and for the delivery by BQ of independent, expert and transparent advice—regarding Queensland's infrastructure needs, is critical in this context.

For ease of reference, our areas of support, concern and recommendations are highlighted in bold.

Establishing BQ as a body corporate

Consult Australia welcomes the establishment of BQ as a body corporate under the Commonwealth Authorities and Companies Act 1997 alongside the associated creation of a Chief Executive and Board reporting directly to the Minister. This reflects and

reinforces its critical role in providing independent, expert and **transparent** advice to governments.

Safeguarding independence and transparency

The constitution of BQ as a body corporate does not in itself safeguard the independence and transparency of the expert advice it provides. Of far greater importance to BQ being able to achieve the Bill's stated objectives is the preservation of governance and reporting structures that enables BQ to provide transparent, expert advice independent of perceived, potential or actual political influence. This is critical to BQ's credibility both in the eyes of the public and for decision makers. This is also crucial for those businesses planning long-term investment looking for certainty in the infrastructure pipeline across political cycles and party politics.

To that end, **functions of BQ (Section 9 - 17) and the conditions under which the Minister may give directions to BQ (Section 18) are of greatest concern to Consult Australia.**

Section 18 (3) empowers the Minister to direct BQ 'not to exercise its functions under section 10(1), 12(1),13(1)(a) or (b), or 14(1).

This power undermines the ability for BQ to fulfill many of its general functions as set out in the Bill. In particular, it could compromise the exploration of impediments to infrastructure delivery, as well the evaluation and prioritisation of infrastructure needs.

The advice intended to be provided by BQ is to help support a more informed and confident public policy debate regarding the infrastructure that governments choose to fund. BQ's advice also supports a stronger evidence base for use by governments (only as they see fit) when making decisions regarding infrastructure investment. The decisions made, and the quality of the policy debate will only be as good as the quality of the advice received.

In forming this advice it is critical that BQ has absolute freedom to consider *all* options and proposals available to meet the infrastructure needs of Queensland. Just the possibility that BQ may be able to be directed by the Minister to not perform some of its absolute core functions serves only to diminish the credibility of the organisation and the value of advice it provides.

Consult Australia strongly recommends that Section 18(3) be removed from the Bill.

We note the provisions in Clauses 13 and 15 that allow for Ministerial direction in certain instances.

Delivering infrastructure plans

Consult Australia supports those functions of the Bill that the preparation, maintenance and publishing of an 'infrastructure pipeline document'. It is noted that the Bill does not require prioritisation of projects. **Consult Australia would promote that prioritisation of projects should be included in the Bill.** We recommend that the Bill include direction for the:

- Development and publishing of a 10 year fully funded priority plan and delivery schedule for infrastructure across Queensland (inclusive of short, medium and longer-term deliverables for 2, 5 and 10 years). This Priority Plan should be supported by the parallel development of a new 30 year Infrastructure Plan for Queensland and associated regional and local infrastructure plans.
- Establishment of a Value Capture Unit within Building Queensland to identify opportunities to fund new infrastructure by leveraging the consequent increase in surrounding property values.

In addition Consult Australia recommends:

- Investing in early feasibility and design studies, outsourced to support Queensland industry, to help ensure a continuous supply of a wide range of 'shovel ready' projects ready to proceed as soon as funds are made available.
- Prioritising the design and delivery of the infrastructure schedule, accounting for the availability of skills, the economic cycle, and climate and demographic change.
- Reviewing the methodology supporting Cost Benefit Analysis of projects to ensure wider economic and social benefits are captured over the long-term and weighted appropriately.
- In consultation with business, develop policies and guidelines that facilitate unsolicited development proposals from the private sector.

We note and support Clauses 12 and 16 which specifically state that advice must be published on the BQ website.

The specification in subsection 14(2) states that BQ must give a copy of the 'infrastructure pipeline document' or an update to the document to the Minister every 6 months. **Consult Australia recommends that Section 14 be strengthened to include a provision that the infrastructure pipeline document be published on its website. As noted above we would also recommend that this document does include prioritisation of projects relative to others.** Including prioritisation would add greater transparency to the project selection process and would ensure that Governments would be required to justify their decision making process should these priorities not be fulfilled in order. Prioritisation of projects at the scale being dealt with by Building Queensland should be best for the State's economy. We recognise that sometimes Government may adopt an alternate strategy, but when this occurs appropriate justification should be a necessary part of the process.

Cost Benefit vs Business Case

Consult Australia recommends that 'Wider Economic Benefits' (WEBs) be used to complement cost-benefit analyses and that these be published.

Consultation by Building Queensland

Consult Australia welcomes the specification in Section 20 that BQ may consult with appropriate entities. Consult Australia recommends that these sections also specify 'designers of infrastructure' in Section 20(c). Ultimately it is the designers (engineers, planners, architects etc.) who are charged with finding commercially viable solutions to the varied challenges faced in meeting infrastructure needs. Their early engagement is critical to

delivering value for money and maximising productivity. Too often, risks crystallise and inefficiencies are built-in to projects due to a lack of effective early consultation with designers and related professions.

I look forward to your consideration of these important issues as you continue to review this Bill. Consult Australia would be pleased to expand further on the points made in this submission as that would assist the Committee's deliberations. To discuss this further please contact me [REDACTED]

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stacey Rawlings', written in a cursive style.

Stacey Rawlings
Queensland Manager