



2021

IAQ

**Dept. State Development,
Infrastructure, Local
Government and Planning**

Queensland Treasury

**Funding and Finance
Project**



Project Overview

IISC Funding and Finance Working Group

- Consider how Govt can enable private sector involvement and investment to support infrastructure delivery in a post COVID-19 environment – catalytic infrastructure opportunities to support economic recovery

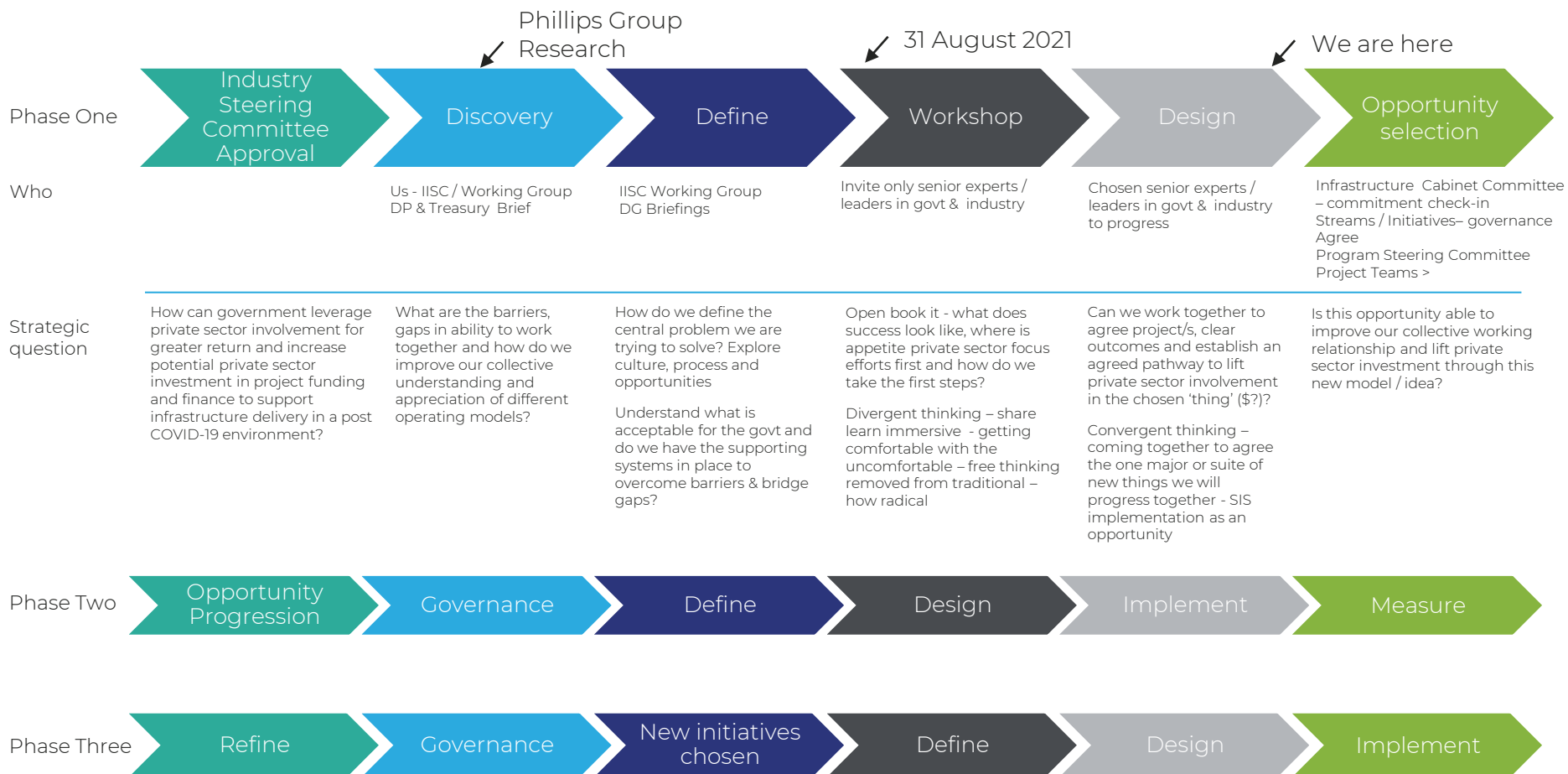
Goal: Build common understanding of the drivers of private sector infrastructure investment in Queensland to enhance collaboration and attract new investment for Queensland's economic, social and environmental sustainability

Why: Growing gap between infrastructure service needs and the sustainability of the Queensland Government to keep increasing spend – deep private liquidity to be used more effectively

How: Identify agreed pathways for industry and government to collaborate and innovate to meet increasing demand for infrastructure responses

What: Harness opportunities and initiatives that address the goal and facilitate infrastructure delivery

Project Outline



Discovery Phase

Depth interviews

21 in-depth interviews conducted - 9 private sector and 12 public sector interviews across different industries and subsectors
Interview themes developed to inform the survey.

Online survey

Two online surveys - public sector and private sector. Wider sample of industry responses - 49 private sector respondent from a total of 79. Five key themes of common agreement across both sectors

Five key themes from the discovery phase

Risk sharing

- Increased risk sharing on projects

Early project and pipeline involvement

- Private sector to be involved early – and access more project detail to attract investment

Innovation within contracts and projects

- Current PPPs considered limited; potential for new generation of innovative PPP

Collaboration

- Shared view - though public sector values 'strong partnerships'.

Government policy and shared values alignment

- Outline of how projects align to government's values and objectives

Workshop Phase

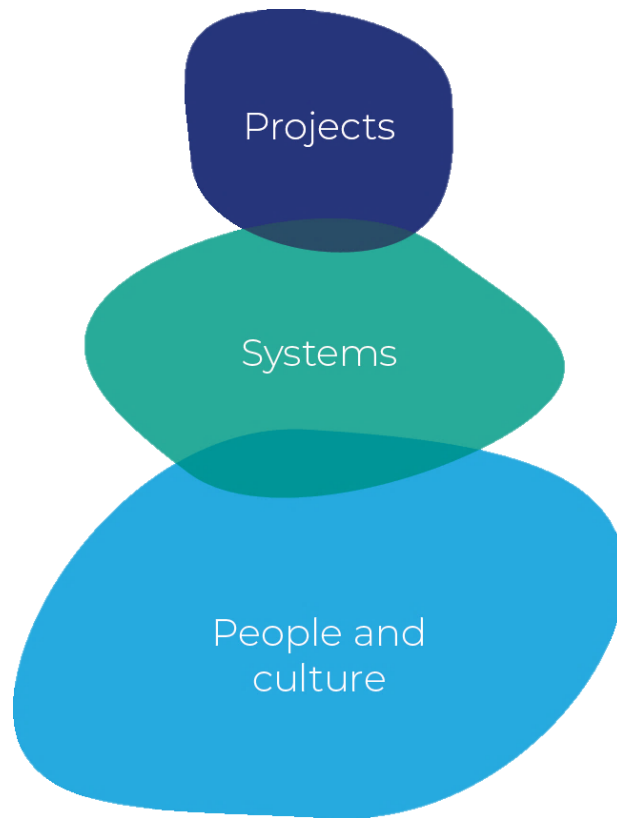
Objectives and approach

- Improve understanding of barriers and opportunities
- Agree on the best / biggest value place to 'start' a new approach
- Forge the beginnings of a new way to work together in a collective partnership.

Key Outcomes

- Strong alignment across participants, tangible positive energy and real intent for change
- Main themes synthesized into three intersecting guiding principles
- Alignment in the competing values framework demonstrating strong likelihood of success

Outcomes of the Design Phase



U N D E R S T A N D I N G O U R

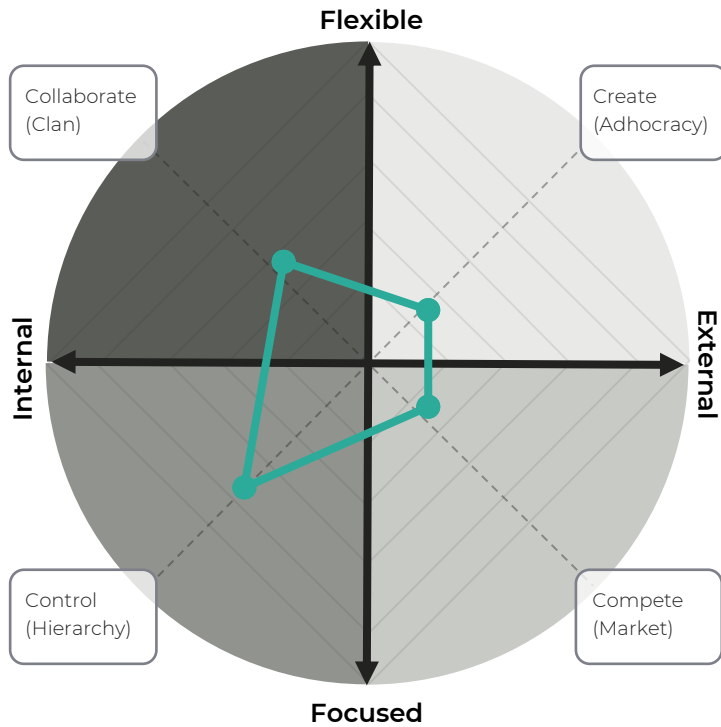
Guiding Principles

- ✓ Identify service needs areas where there is alignment between the public and private sectors and scope to achieve mutually beneficial outcomes. Identify pilots (projects) that we can target to create a new approach that generates opportunity for uplift, is supported by the government as a priority and achieves the goal.
- ✓ Develop and implement the initiatives and pathway to progress and scale the approach to projects if successful, helping to deliver on the outcomes of the SIS.
- ✓ Build trust and understanding to effectively collaborate and innovate between the public and private sectors. Ultimately, winning the trust of Queenslanders to support more private sector investment partnerships in infrastructure delivery and operations.

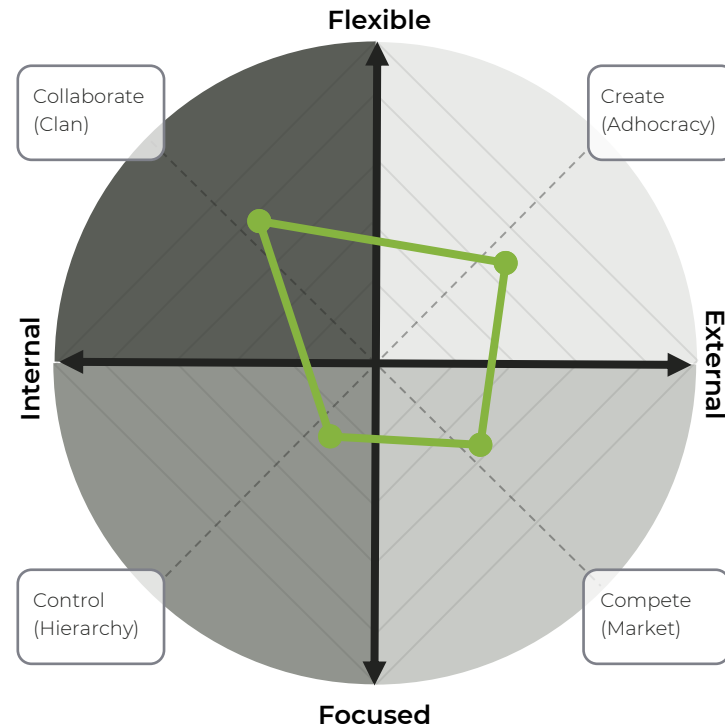
We are closer than we think

The Competing Values Framework - Results

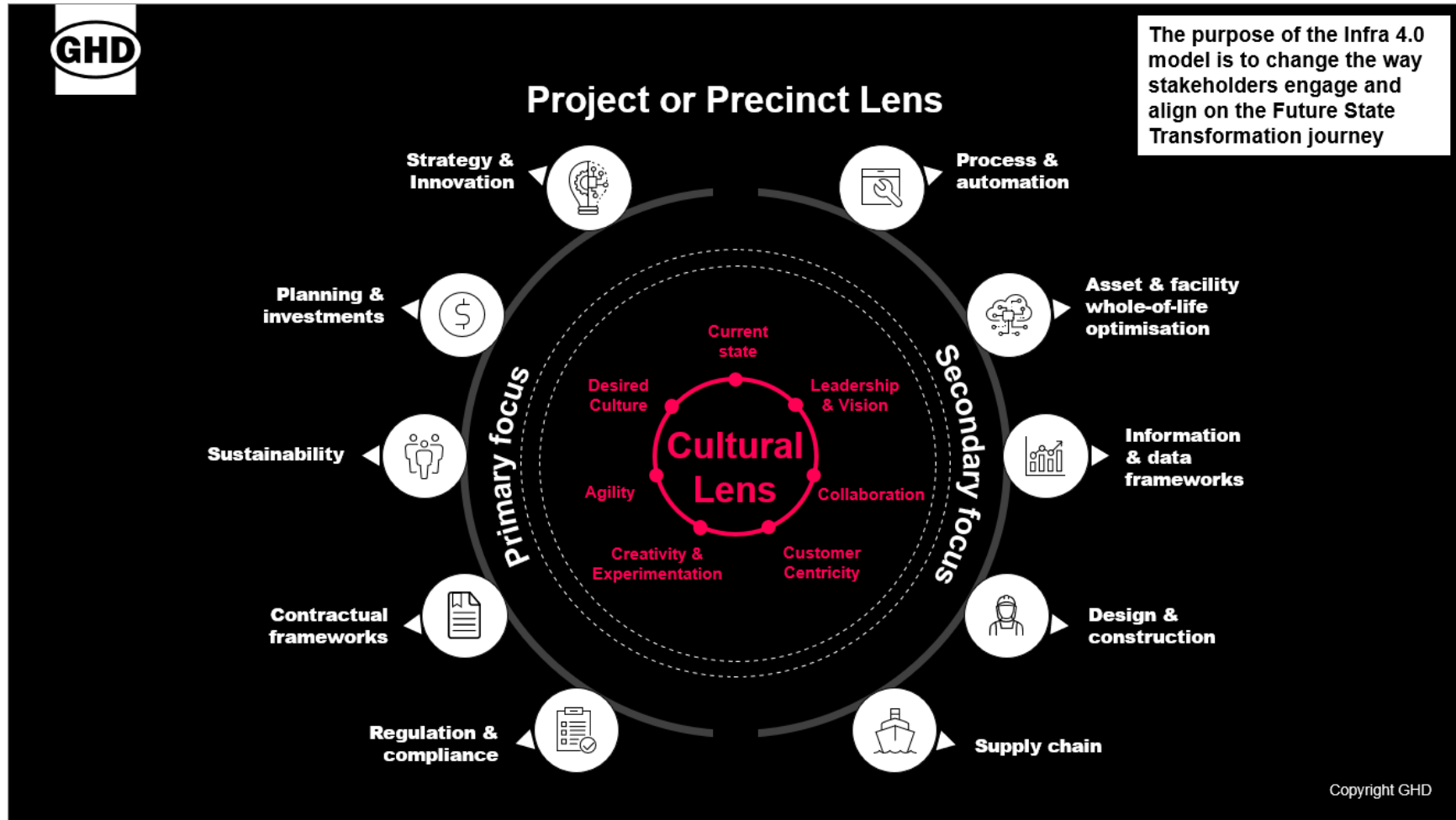
Government



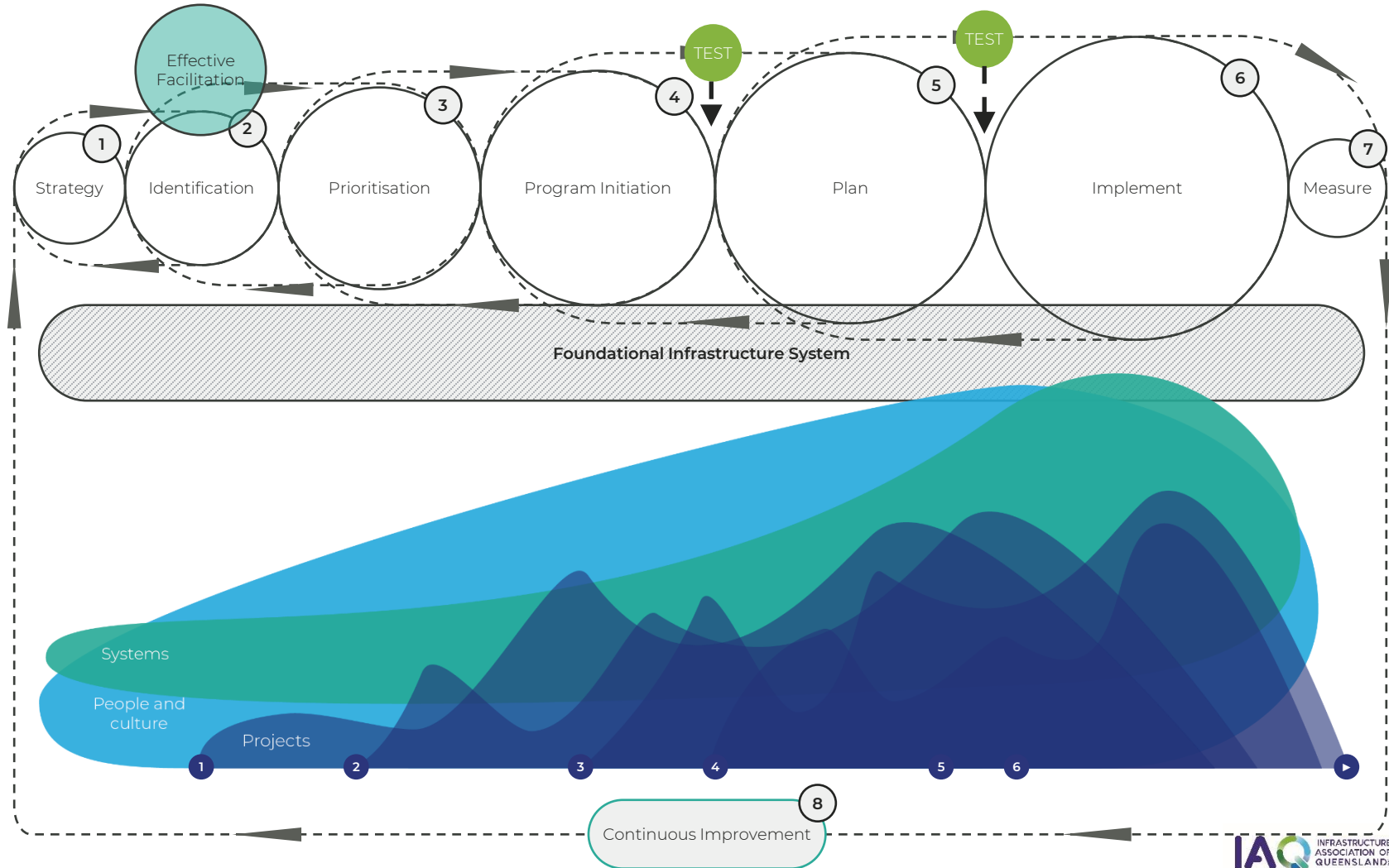
Private



Transformation framework



Proposed Transformation journey



Opportunity Ideas from Workshop Exploration

Program		
<p>Establish a longitudinal work program (including systems change) that facilitates increased investment in Queensland public infrastructure and supports implementation of the SIS. The work program will comprise key step change initiatives and pilot projects to drive systemic and cultural changes to Queensland's infrastructure funding and finance system.</p>		
Indicative development areas		Sectors/Areas of interest
<p>Risk</p> <ul style="list-style-type: none"> • Early discussion on definition, allocation and pricing • Incentives • Digital by Default a 'game changer' <p>Service need and pipeline involvement</p> <ul style="list-style-type: none"> • Early (pre-pipeline) involvement to lift innovation and manage risk <p>Innovation</p> <ul style="list-style-type: none"> • Hybrid PPPs – explore on project basis and informed by mutual benefit • Procurement – Collaborative approach & continuous improvement 	<p>Collaboration</p> <ul style="list-style-type: none"> • Joint leadership initiatives e.g. joint think tanks • Industry Govt interchanges of people • Private sector representation to ICC/DG Groups • Formal Govt engagement in existing industry network • Leadership capability uplift joint program (2032 Games) <p>Govt policy and shared values</p> <ul style="list-style-type: none"> • IISC engagement • Private sector build understanding of Govt needs • Inconsistency in Govt policy across agencies 	<ul style="list-style-type: none"> • Social <ul style="list-style-type: none"> • health • Housing • Education • Energy • Transport • Precincts • 2032 Games • State Infrastructure Strategy implementation
Systemic Barriers & Opportunities		
<p>Culture (people)</p> <p>Build trust and understanding to effectively collaborate & innovate between the public and private sectors. Ultimately, winning the trust of Queenslanders to support more private sector investment partnerships in infrastructure delivery and operations.</p>	<p>Clear and effective facilitation & governance (systems)</p> <p>Develop and implement the pathway to progress the initiative/s and scale the approach if successful.</p>	

Next Steps

1. IISC to **note** work completed to date and **endorse** recommended next steps:
 - I. IISC members review priority areas for input / feedback
 - II. IISC nominates members and exemplar projects and processes to drive change within context of **State Infrastructure Strategy** implementation
 - III. IISC endorses Funding and Finance Working Group to continue to oversee and champion the program through Phases 2 and 3.

Pilots (projects & approaches)	Choose a sector/s pilot project to establish and test of a new F&F model and set appropriate boundaries
Systems	Facilitation of Early Involvement Multi agency & private sector nominees create 'think-tank' advisory group to design and test early involvement on a PAF gate 0 project or a problem to be solved
People & Culture	Building Trust & Understanding Leverage strategic opportunities to develop Empathic & Strategic Leadership Capability across the Infrastructure Sector (Public Private Sports Community) including Diversity Initiatives – Skills & Capacity Design & Test People Interchange Program