

2021 Assessment Framework

Overview

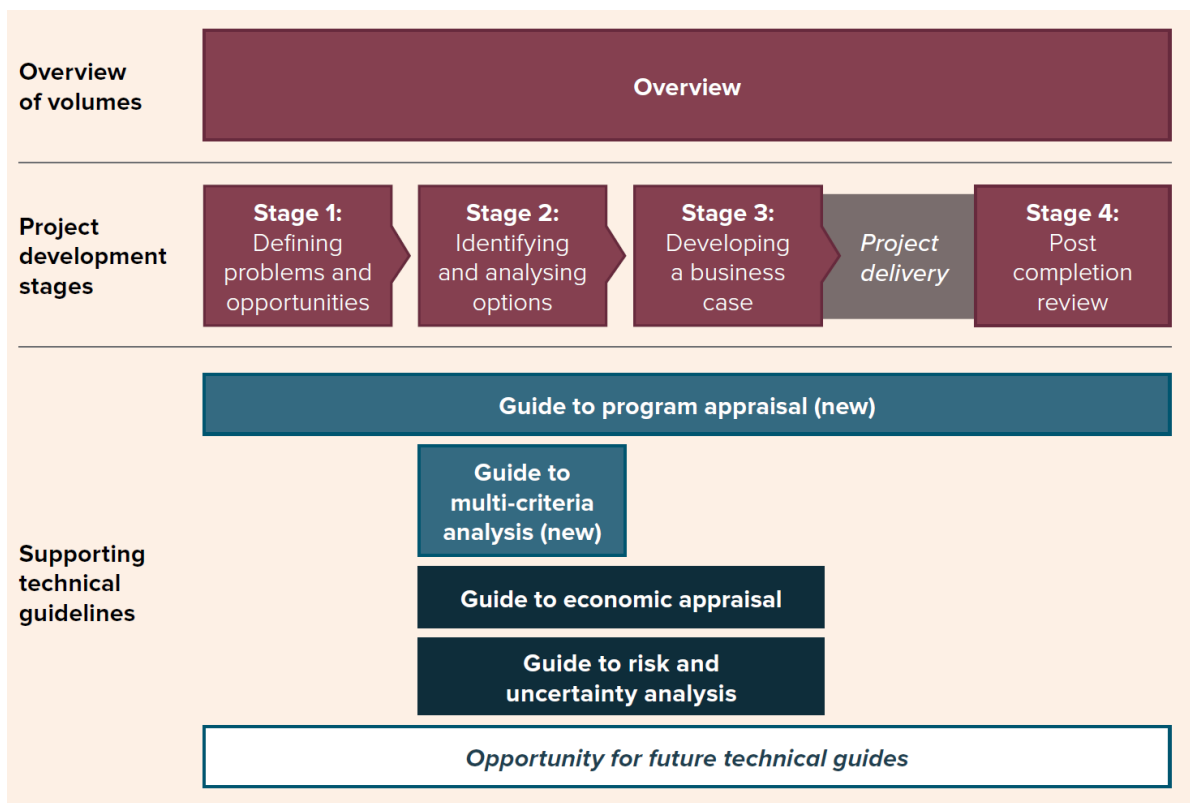
Infrastructure Australia has completed a major refresh of the Assessment Framework. The new Assessment Framework provides a contemporary approach for making decisions about infrastructure.

The Assessment Framework is designed to help you develop high-quality infrastructure proposals for submission to Infrastructure Australia and outlines how we assess proposals for inclusion on the *Infrastructure Priority List* (Priority List).

Key changes in the 2021 Assessment Framework

The 2021 edition responds to input from stakeholders, aligns with state and territory approaches, and builds on our own research and experience from assessing infrastructure proposals.

An updated suite of documents to improve usability and alignment



Relevant changes include:

- A simpler, four-stage process that aligns with state and territory frameworks.
- A clear and transparent definition of what makes a proposal nationally significant.
- Removing duplication. After Stage 1, there are no templates to complete, only detailed checklists to help you with your submissions.
- Standardising the terminology in the Priority List. We use the term 'proposal' across all stages of submission, rather than the two terms 'initiatives' and 'projects'.
- Improved guidance on options analysis, including the use of multi-criteria analysis, rapid and detailed cost-benefit analysis.
- Encouraging wider application of post completion reviews to better gather and share lessons for future proposals.
- Recommending, but not requiring, that a business case includes at least two options in addition to the base case.
- Identifying in the Priority List which stage each proposal has reached, in line with the Assessment Framework stages.

New guidance areas

Using the 2021 Assessment Framework, we aim to provide leadership in areas of emerging practice, by providing **new guidance on:**

- stakeholder endorsement
- regional and remote area proposals
- quality of life
- equity and distributional effects
- sustainability
- resilience
- employment numbers
- place
- programs.

An updated approach to assessment

While the Assessment Framework retains the use of cost-benefit analysis (CBA), it now explicitly recognises and promotes broader social factors alongside the CBA result. Key updates include:

- Enabling a more holistic view of each proposal by elaborating 15 themes the Assessment Criteria.
- Expanding our criteria for national significance to better consider alignment with strategic policy goals and potential outcomes for disadvantaged communities.
- New guidance on capturing quality-of-life benefits quantitatively and qualitatively in your proposal.
- New guidance on calculating benefits for proposals in regional and remote areas, with a focus on health and education benefits.
- Analysing equity and distributional effects as a supplement to economic analysis.

Strategic Fit

'Is there a clear rationale for the proposal?'

- Case for change
- Alignment
- Network and system integration
- Solution justification
- Stakeholder endorsement

Societal Impact

'What is the value of the proposal to society and the economy?'

- Quality of life
- Productivity
- Environment
- Sustainability
- Resilience

Deliverability

'Can the proposal be delivered successfully?'

- Ease of implementation
- Capability and capacity
- Project governance
- Risk
- Lessons learnt

Stronger supporting guidance

To strengthen technical advice, a number of separate technical guides now support the Assessment Framework, including guides for:

- Program development and appraisal.
- Multi-criteria analysis of options.
- Economic appraisal, which contains an updated methodology for social cost-benefit analysis and responds to a third-party review published in March 2020.
- Risk and uncertainty analysis, including guidance on real options analysis.
- New worked examples throughout that complements technical guidance.

When is the 2021 Assessment Framework in effect?

Acknowledging submissions may already be in development:

- **Stage 1** submissions are expected to adopt the new guidance **immediately**.
- **Stage 2 and Stage 3** submissions are expected to align with the new guidance **from 1 January 2022**.

We are here to help

If you have any questions, please get in touch. You can email Infrastructure Australia at mail@infrastructureaustralia.gov.au or call us on **02 8114 1900**.