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Department of Infrastructure and Regional Development  
111 Alinga Street  
CANBERRA ACT 2600

Email: [media@infrastructure.gov.au](mailto:media@infrastructure.gov.au)

To Whom It May Concern

### **OVERVIEW OF PROJECT APPRAISAL PAPER**

The Australian Sustainability Built Environment Council (ASBEC) welcomes the Australian Government's consideration and consultation regarding the important issues raised in the Overview of Project Appraisal paper, and is pleased to respond to the paper as the Department develops its Project Appraisal Framework.

ASBEC is the peak body of key organisations committed to an efficient, productive and sustainable built environment in Australia. Membership consists of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment. Collectively, ASBEC's membership has direct reach to more 300,000 professionals in the built environment sector and represents an industry worth more than \$600 billion in value.

ASBEC has identified a number of areas associated with infrastructure project identification and appraisal which we strongly recommend be adopted to ensure that the most productive and sustainable projects are selected and progressed. This will also facilitate best practice in project sustainability governance.

The issues and recommendations are detailed below:

- All federal, state and local infrastructure decision-making must be informed and underpinned by respective (minimum) 30-year socio-economic master plans which take into account optimising current asset stock, along with issues such as:
  - Demographic trends
  - Economic shift to knowledge and service based economy
  - Climate impacts
  - Cumulative environmental impacts and costs
  - Whole of life costs
  - Wider economic benefits
- The business case for all infrastructure investments (brown and greenfield) must demonstrate shared value and value creation benefits across the social – economic – environmental triple bottom line and should be quantified where practicable.



- All projects which have been considered worthy of funding should be required to achieve certification using the appropriate industry best practice sustainability performance and assurance rating tools throughout the project planning, delivery and operational phases. Rating tools provide verification that benchmarks are achieved and will ensure that the proposed direct and indirect project/asset outcomes are ultimately delivered. These industry best practice rating tools include:
  - The Infrastructure Sustainability Council of Australia's (ISCA) IS rating tool applicable to the planning, procurement, design, construction and operations of all infrastructure asset classes (big and small).
  - The Green Building Council of Australia's (GBCA) Green Star - Communities rating tool which is applicable to development projects on a community and precinct scale.
- A whole-of-government approach to project appraisal, supporting consistency and best practice across the states and territories is critical. This project appraisal framework should be integrated with the existing work undertaken by Infrastructure Australia, and those relevant state and territory departments and agencies advising and overseeing infrastructure prioritisation, funding and delivery. Clear recommendations and next steps facilitating this whole-of-government approach should be included in the framework to support its implementation.

We encourage you to work with industry to identify and achieve best practice in infrastructure delivery and welcome a meeting to discuss this further.

Yours Sincerely



Antony Sprigg  
**Chair, ASBEC Infrastructure Working Group**  
Chief Executive Officer,  
Infrastructure Sustainability Council of Australia



Jonathan Cartledge  
**Chair, ASBEC Cities and Regions Policy Task Group**  
Director of Policy & Government Relations,  
Consult Australia