

Major Infrastructure Proposal Assessment Frequently Asked Questions

Click below for FAQs on the Major Infrastructure Proposal Assessment (MIPA) function.

Function overview and purpose

- What is Major Infrastructure Proposal Assessment?
- What is the purpose of MIPA?
- What criteria will be used to determine which infrastructure proposals Infrastructure WA assesses?
- What asset classes of infrastructure are included?
- When will the assessment and reporting of major infrastructure proposals begin?
- What does this mean for state government agencies and government trading enterprises?
- What does this mean for the 2022-23 State Budget process?
- Does Infrastructure WA make budgetary or approval decisions for infrastructure investment?

MIPA Interim Guidelines

- What is the purpose of the MIPA Interim Guidelines?
- What do the MIPA Interim Guidelines include?
- Why are they interim guidelines?
- How can I provide feedback on the Interim Guidelines?

How does MIPA align with existing processes and requirements?

- Department of Treasury's Strategic Asset Management Framework
- Department of Finance's Gateway review process
- Infrastructure Australia's requirements
- Department of Finance's Market-led Proposals Policy

MIPA process

- What is the MIPA process?
- What is the role of the Premier and the Expenditure Review Committee in the MIPA process?
- What is the role of the Department of Treasury in the MIPA process?

MIPA approach

- How will IWA work with proponents to assess major infrastructure proposals?
- What information is required in proposals?
- What are the assessment criteria?
- Will IWA's assessments be made publicly available?

2022 and beyond

- How will MIPA be applied in 2022?

Acknowledgement of Country

Infrastructure WA acknowledges the Traditional Custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Alternative formats

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Function overview and purpose

What is Major Infrastructure Proposal Assessment?

Major Infrastructure Proposal Assessment (MIPA) is a legislated function of Infrastructure WA (IWA). The MIPA function is established under Section 8(1)(b) of the *Infrastructure Western Australia Act 2019* (the Act), which requires IWA to review and assess major infrastructure proposals valued at \$100 million or more. IWA is required to provide a proposal assessment report to the Premier prior to a government investment decision.

What is the purpose of MIPA?

- Improving the quality of major infrastructure proposals, optimising project or program value, and improving risk management.
- Improving proponent application of Strategic Asset Management Framework and Infrastructure Australia's requirements.
- Improving linkages between major infrastructure proposals, Strategic Asset Plans, the State Infrastructure Strategy and the future annual 10-year State Infrastructure Program.
- Enhancing the external transparency of major infrastructure proposal decision-making.

What criteria will be used to determine which infrastructure proposals Infrastructure WA assesses?

The IWA Act defines a 'major infrastructure proposal' as a proposal for an infrastructure project or for a program of infrastructure projects, where:

- the project has an estimated capital cost of \$100 million or more
- the program of projects has a combined capital cost of \$100 million or more, or
- a proposal is nominated by the Premier as a major infrastructure proposal.

The MIPA function applies to all major infrastructure proposals of state agencies and government trading enterprises whether or not:

- funding is sought from the WA Government, or
- the proposal is intended to result in the infrastructure being held by the WA Government or state agency, or
- the proposal is a jointly funded proposal.

MIPA will apply where the WA Government's contribution for a major infrastructure proposal is less than \$100 million, such as in the case of a jointly funded proposal.

Infrastructure programs of work will be exempt in 2022.

What asset classes of infrastructure are included?

Consistent with the Strategic Asset Management Framework, 'infrastructure projects and programs' include all asset classes, such as buildings, plant and equipment, rail, roads, ports, utilities. This could also include leased and/or acquired information communication technology, but excludes proposals through the Digital Capability Fund which are assessed by the Office of Digital Government.

Where there is uncertainty whether a project or program will have an estimated capital cost of \$100 million or more, or whether the proposal will be subject to a MIPA assessment, the proponent agency should seek to engage with IWA at an early stage to seek advice.

When will the assessment and reporting of major infrastructure proposals begin?

The MIPA function commenced on 1 January 2022 and will be implemented in 2 phases. MIPA currently only applies to individual project proposals. Assessment of infrastructure programs will be phased in from 2023.

What does this mean for state government agencies and government trading enterprises?

As at 1 January 2022, agencies and government trading enterprises must submit their major infrastructure proposals (which meet the above criteria in question 3) for IWA's assessment, prior seeking an investment decision. IWA's assessment report must then be attached to the Expenditure Review Committee (ERC) submission for that major infrastructure proposal.

IWA encourages agencies and government trading enterprises to make contact throughout the early stages of concept and proposal development. Prior to formal assessment, the MIPA process will also involve the annual consideration of the pipeline of early-stage proposals, as well as liaison through the business case development process.

Where there is uncertainty whether the proposal will have an estimated capital cost of \$100 million or more, the proponent agency should seek to engage with IWA at an early stage to seek advice on the need to prepare appropriate proposal content.

What does this mean for the State Budget process?

Major infrastructure proposals that could be put forward for consideration as part of future State Budget processes are required to undergo prior assessment by IWA. Proponent agencies and Government Trading Enterprises should seek to liaise early with IWA and the Department of Treasury with regards to this requirement.

Does Infrastructure WA make budgetary or approval decisions for infrastructure investment?

No. IWA does not have decision-making authority on infrastructure investments. Government is, and will continue to be, responsible for making investment decisions for public infrastructure. IWA will provide advice prior to government making investment decisions on major infrastructure proposals.

MIPA Interim Guidelines

What is the purpose of the MIPA Interim Guidelines?

The [MIPA Interim Guidelines](#) (Interim Guidelines) provide state agencies and government trading enterprises (proponents) with guidance on how to navigate the new requirements of the MIPA function.

What do the MIPA Interim Guidelines include?

The Interim Guidelines set out the steps under which proposals will be progressively assessed, including the roles of IWA and proponent agencies throughout the process. The Interim Guidelines also outline the content requirements for proposals.

Why are they interim guidelines?

While the MIPA function formally commenced on 1 January 2022, IWA recognises that proponents have had limited opportunity to engage with IWA on the new process and requirements. The Interim Guidelines have been developed as a starting point and IWA will work collaboratively to refine the MIPA process throughout 2022.

In 2022, the Interim Guidelines will only apply to individual project proposals, and not infrastructure programs. The assessment of infrastructure program proposals will be phased in from 2023. IWA will be collaborative and pragmatic in carrying out assessments and will engage with agencies regarding advice on the need to prepare a MIPA compliant proposal.

The Interim Guidelines will be refreshed in early 2023. This refresh will also enable updates including those relating to the whole of government response to recommendations in the State Infrastructure Strategy.

How can I provide feedback on the Interim Guidelines?

Feedback can be provided any time to the IWA team via proposals@infrastructure.wa.gov.au.

How does MIPA align with existing processes and requirements?

Department of Treasury's Strategic Asset Management Framework

The required content in proposals to be assessed by IWA are based on the Department of Treasury's Strategic Asset Management Framework (SAMF). The current exposure drafts of the SAMF Business Case Guidelines and Template is due to be finalised by Treasury in 2022.

Department of Finance's Gateway review process

In 2022, proponents are required to comply with both the MIPA and Gateway review requirements. While there is some potential alignment in the timing and intent of the respective processes, there is no formal interface between the MIPA function and Gateway review process.

Infrastructure Australia's requirements

The Infrastructure Australia Assessment Framework (IAAF) is designed to help proponents develop high-quality infrastructure proposals for submission to Infrastructure Australia (IA). While the overall intent of the IAAF process aligns with MIPA, the individual stages of IAAF do not match the individual steps of the MIPA process, as set out in the MIPA Interim Guidelines.

IWA is responsible for coordinating all state government submissions to IA. If a proposal is going to be assessed by IA, or has already undergone an IA Stage 3 assessment, IWA may determine on a case-by-case basis to only review the proposal under its IA review functions, rather than also assessing it under the MIPA process. The general intent is to remove unnecessary duplication between IWA and IA in the review of major infrastructure proposals, where appropriate.

Department of Finance's Market-led Proposals Policy

Under the Market-led Proposal (MLP) Policy, business cases for major infrastructure proposals should be referred to IWA for advice during stage 2 (business case evaluation) of the MLP evaluation process.

Where the MLP is also a major infrastructure proposal then IWA's review of the MLP business case will be consistent with these MIPA Interim Guidelines.

MIPA process

What is the MIPA process?

The MIPA process comprises of 3 steps which sets out how IWA will fulfil its legislated function to assess and report on major infrastructure proposals to the Premier prior to an investment decision. For further details refer to [MIPA: 3-step process](#).

What is the role of the Premier and the Expenditure Review Committee in the MIPA process?

State Cabinet's Expenditure Review Committee (ERC) is the primary investment decision making body for the WA Government, of which the Premier is a member. Its primary function is to formulate the annual State Budget. IWA's assessment report will help support ERC deliberations.

Formal assessment of proposals by IWA must take place prior to submission to ERC. IWA's MIPA assessment report must be attached to the proponent's ERC submission seeking a final investment decision. The formal assessment report is provided to the Premier, along with the proponent's Minister and proponent. As per the legislation, the Premier is required to publicly release IWA's summary assessment report within 6 months of receiving the report.

IWA, in consultation with the Premier, has prepared and developed the Interim Guidelines and will continue this engagement when finalising the Guidelines in 2023.

What are the roles of the Department of Treasury and the Department of the Premier and Cabinet, in the MIPA process?

Close ongoing engagement will continue between IWA and central agencies regarding all aspects of the MIPA function.

MIPA approach

How will IWA work with proponents to assess major infrastructure proposals?

IWA will work closely with proponents throughout development of a business case, so that the formal assessment process is streamlined. Proponents and IWA are required to negotiate timeframes for reporting on proposals. IWA may engage with the proponent through the assessment process, and may seek further information for clarification.

What information is required in proposals?

Step 1: the proponent should prepare and submit an early-stage proposal to IWA either as an Application for Conditional Approval as per the [SAMF guidelines](#), or an [IA Stage 1 submission](#) as per the IAAF guidelines.

Steps 2 and 3: content requirements are the same as those set out in SAMF documents, specifically the recently released exposure drafts of the [Business Case Guidelines](#) and the [Business Case Template](#). A refresh of these documents is due to be finalised by Treasury in early 2022.

The MIPA Interim Guidelines also identify good practice business case content, based on relevant State Infrastructure Strategy recommendations and IAAF requirements. These are non-mandatory, except for when a proposal is also intended for submission to IA. In this instance, any additional mandatory requirements set out in IAAF must be followed.

What are the assessment criteria?

The MIPA Interim Guidelines have adopted the 3 assessment criteria and 15 underlying themes from the IAAF. The 3 assessment criteria are strategic fit, societal impact and deliverability. These are consistent with SAMF requirements.

The primary focus of the Step 2 and Step 3 assessments are to assess whether a major infrastructure proposal is suitable to inform an investment decision. For each MIPA assessment criteria, two main factors will be assessed:

- Does the proposal contain information to address the MIPA content requirements and assessment criteria?
- Is the content of sufficient quality relative to a proposal's scale, complexity and risks to inform an investment decision by government?

Will IWA's assessments be made publicly available?

As per the IWA Act, the Premier is required to make IWA's summary assessment report publicly available within 6 months of it being submitted, however if this does not occur within this timeframe, IWA is required to publish the summary report.

2022 and beyond

How will MIPA be applied in 2022?

IWA will be collaborative and pragmatic in carrying out the MIPA function, particularly during 2022, recognising that proponents have so far had limited opportunity to engage with IWA on the new process and requirements. Throughout 2022 the MIPA function will apply only to project proposals, and not programs.

The processes and requirements of MIPA will be refined over time in collaboration with stakeholder agencies and government trading enterprises.

Updating of the MIPA guidelines will be progressed in 2022.