

Explanatory Statement: BAF Evaluation Criteria

Section 120(1) of the *Nation-Building Funds Act 2008* (the Act) provides that the Minister for Infrastructure, Transport, Regional Development and Local Government (the Infrastructure Minister) may, by legislative instrument, formulate criteria (*BAF evaluation criteria*) to be applied by Infrastructure Australia in giving advice under subsections 116(1), 117(1), 118(1) or 119(1) of the Act.

Under s. 52(1) of the Act, the Infrastructure Minister can recommend to the Finance Minister the authorisation of payments from the Building Australia Fund (BAF) for the creation or development of transport infrastructure. Pursuant to s. 52(2), the Infrastructure Minister must not recommend payments from the BAF unless Infrastructure Australia has advised the Infrastructure Minister that the payment satisfies the BAF Evaluation Criteria.

Similar arrangements apply under s. 52 to advice from Infrastructure Australia in relation to communications, energy and water infrastructure, where Infrastructure Australia provides advice, through the Infrastructure Minister, to the Minister for Broadband, Communications and the Digital Economy (the Communications Minister), the Minister for Resources and Energy (the Energy Minister), and the Minister for Climate Change and Water (the Water Minister).

In accordance with s. 120(3), prior to formulating the criteria the Minister consulted the Communications, Water, Energy Ministers and the responsible Ministers (the Finance Minister and the Treasurer).

The BAF Evaluation Criteria reflect the Government's overarching principles that projects financed from the Funds should:

- address national infrastructure priorities;
- demonstrate high benefits and effective use of resources;
- efficiently address infrastructure needs; and
- demonstrate they achieve established standards in implementation and management.