**Impact analysis and its importance**

VIDEO TRANSCRIPT | IMPACT ANALYSIS 101

When designing a new policy proposal or changing how a program or service might be delivered, how might businesses, individuals and the community be impacted? How might they go about their lives differently?

Australia's impact analysis framework is centred around seven core questions. You can check these out in our Seven Questions video. These questions are fundamental to good policy. And no doubt you are already doing this type of thinking as part of your work.

It is an Australian Government requirement that all policy proposals coming forward for decision are subject to impact analysis.

Decision makers expect to have the best possible analysis in order to make a decision. So when a Minister is seeking a decision, for example, asking Cabinet or the Prime Minister to agree to a change in policy or program setting, we want to make sure they are equipped with a comprehensive understanding of the likely impacts.

You must clearly explain the problem a policy will address, who will be impacted and how, and why government action is required. If these are not addressed, you may need to reconsider your proposal.

High quality analysis is not only a government requirement, but ensures you get the policy setting right the first time around. It means we do not have to revise or tweak a measure, a program or a policy setting later because it didn't actually address the problem or it only partially worked. Impact analysis ensures the public service offers up policy solutions that best address the problem, maximise the benefits and reduce any unintended costs.