



State Infrastructure Strategy Supplement

A review of the 2022–23 State Budget
against selected Strategy recommendations

July 2022





Purpose

The final State Infrastructure Strategy (Strategy) was submitted by Infrastructure WA (IWA) to the WA Government in early 2022.

While the Strategy sets a long-term vision for infrastructure in WA and responds to existing and emerging challenges and opportunities, it is based on temporal evidence, meaning that it is a point-in-time document.

Since the final Strategy was provided to the Premier, the 2022–23 State Budget has been delivered. The intent of this supplement is to provide an update on contextual factors and budget funding that relate to the Strategy's recommendations, to ensure that the Strategy is supported by current information when it is tabled in Parliament.

In preparing this information, IWA has not taken a position on the adequacy of the investments and policy announcements in the 2022–23 State Budget. The material contained in this supplement does not alter IWA's positions or recommendations in the final Strategy, rather it provides additional context in light of the 2022–23 State Budget that may also help to inform the WA Government as it develops its response.

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The Strategy sets a **long-term vision** for infrastructure in WA.

WA Government and market capacity

The last few years have proven that there can be rapid, unpredictable and dramatic changes to economic, societal and environmental circumstances.

The 2022–23 State Budget has shown that this can occur in only a matter of months, with substantial positive change to WA's economic position realised since the 2021–22 State Budget (handed down in September 2021). With an anticipated operating surplus of \$5.7 billion, the WA Government is well positioned to invest in future-building initiatives, including those related to the Strategy. A record Asset Investment Program of \$33.9 billion will be directed towards building, maintaining and improving WA's infrastructure over the forward estimates period.

Delivering the Asset Investment Program will not be without its challenges. The domestic economy is growing at its fastest rate in a decade, and access to labour and materials, and associated cost increases, are having an acute impact on the infrastructure agenda – an issue which has increased substantially in the short period of time since the Strategy was finalised. Efforts have been made in the 2022–23 State Budget to manage these impacts, such as changing infrastructure delivery time frames, increasing project contingencies, and amending procurement measures to share the impact of changing materials costs with contractors.

It is clear, however, that these pressures will continue to affect the capacity of both the WA Government and its industry partners for some years to come, and may influence the WA Government's response to the Strategy recommendations.



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With an **anticipated operating surplus of \$5.7 billion**, the WA Government is well positioned to invest in future-building initiatives, including those related to the Strategy.

Significant initiatives

This supplement identifies significant 2022–23 State Budget initiatives that may relate to recommendations of the Strategy and the WA Government's intended response, and which are characterised by new investment or substantial increases to existing funding. This supplement intentionally does not address all infrastructure sectors and cross-cutting themes of the Strategy, or seek to replicate the full suite of priorities outlined in the 2022–23 State Budget.

Digital connectivity and capability

Initiative

- Regional Digital Connectivity Program: additional \$48.6 million
- Digital Capability Fund: additional \$400 million

Strategy recommendations (completion time frame)

1. Elevate WA's focus on accelerating digital transformation and connectivity infrastructure (2032)
4. Develop digital capabilities within state government agencies and government trading enterprises (GTEs) (2024)
80. Prioritise and fund digital technology initiatives identified in the *WA Health Digital Strategy 2020–2030*, subject to business cases, with the electronic medical records program being the priority (2032)

Relationship to Strategy recommendations

IWA recognises that embracing digital technologies and embedding digital functionality in our infrastructure will enable data-informed decision-making, support more flexible service delivery and foster a more agile government. IWA also advocates that reliable and fit for purpose digital connectivity throughout the state should be seen as essential infrastructure

for supporting access to government services and enabling economic development and social equity.

The Strategy highlights the commercial challenges of delivering equitable access to digital connectivity across WA's large geographic area and dispersed population. It acknowledges the work done to date by the WA Government through leveraging Australian Government grant co-investment programs and recommends that ongoing multi-year investment be established, guided by a statewide plan for digital connectivity.

The Strategy also identifies the need to improve digital capabilities within government, including the development of robust frameworks to protect the privacy and security of data, creation of digital platforms to enable data sharing, improvement of asset information management and strengthening data science skills within the public sector. Taking a digital-first approach to infrastructure is outlined in the Strategy as a critical step in making WA's infrastructure more resilient, responsive and efficient.

The investment of \$48.6 million in the Regional Digital Connectivity Program in the 2022–23 State Budget acknowledges the importance of digital connectivity for regional WA communities. This investment responds to the increasing demand for high-speed connectivity across the state and aligns with the intentions of the Strategy to improve access to services.

A further \$400 million investment in the Digital Capability Fund signifies ongoing support for digital transformation in the sector and provides capacity to upgrade legacy information and communications technology systems that present significant risk to service delivery. The scale of alignment of this investment with Strategy outcomes will be dependent on the nature of the projects that are funded through the Digital Capability Fund.

The WA Government's investment of \$38.1 million in Stage 1 of an electronic medical records system demonstrates the importance of investment in digital solutions that enhance service delivery. This investment is consistent with the Strategy as it will progress implementation of the electronic medical records program, including an initial rollout at 5 hospitals and regional sites.

Remote Aboriginal communities

Initiative

- Remote Communities Fund: \$350 million

Strategy recommendations (completion time frame)

9. Improve the quality and resilience of infrastructure and services provided in remote Aboriginal communities and town-based reserves (2032)
75. Improve Aboriginal housing outcomes and enable options for housing infrastructure (2026)

Relationship to Strategy recommendations

IWA recognises the gap between the life outcomes of Aboriginal and non-Aboriginal people, with the Strategy making a range of recommendations to support self-determination, empowerment and improve outcomes for Aboriginal people and communities.

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The establishment of the **\$350 million Remote Communities Fund** recognises the importance of improving infrastructure and services in remote communities to improve economic and social outcomes for Aboriginal people.

The Strategy highlights the vital role of remote Aboriginal communities in supporting wellbeing and providing cultural security and a deep connection to country, while upholding customs, cultures and traditional authority structures. The poor living conditions and environmental health experienced in some remote Aboriginal communities is acknowledged. The Strategy recommends improvements to the quality and resilience of infrastructure and services in these communities to ensure they are safe, reliable, equitable and fit for purpose. These recommendations include the acceleration of the current program to progress the regularisation of water and wastewater services to the Water Corporation, and power services to Horizon Power.

The Strategy reflects on the importance of access to safe, good-quality housing in achieving outcomes in health, education and employment, and recommends ongoing and sustained investment in Aboriginal housing. In line with the Strategy, it is important that Aboriginal social and affordable housing activities correspond with Target 9 of the National Agreement on Closing the Gap to increase the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88% by 2031. It is vital that these activities be Aboriginal-led and build the capacity of Aboriginal Community Controlled Organisations where possible.

The establishment of the \$350 million Remote Communities Fund recognises the importance of improving infrastructure and services in remote communities to improve economic and social outcomes for Aboriginal people. The fund, which targets water, electricity, municipal services and housing, aligns with the Strategy's recommendations.

Climate action

Initiative

- Climate Action Fund: additional \$500 million

Strategy recommendations (completion time frame)

10. Implement the WA Government's policy for net zero emissions by 2050 (2025)
11. Strengthen and expand WA Climate Policy programs to develop carbon farming and sequestration markets (2026)
12. Implement a statewide approach to climate change adaptation for existing infrastructure (2025)
58. Address the loss of fuel excise revenue (2032)
64. Implement further measures that support the State Electric Vehicle Strategy (2032)

Relationship to Strategy recommendations

IWA recognises that climate change is one of the most significant issues affecting our community, with clear plans for the abatement of greenhouse gas emissions from infrastructure needing to be an urgent focus for all state agencies and GTEs. The Strategy recommends formalising the net zero emissions by 2050 ambition as a firm target and setting interim emission reduction targets to provide clear and shared goals for the public sector, industry and the community. Support and augmentation of a number of actions in the WA Climate Policy are also recommended, including the preparation of net zero transition plans by state agencies and GTEs, sectoral emissions reduction strategies that more fully consider how government policies and processes may influence emissions profiles across industry, and unlocking further opportunities for carbon farming and sequestration.

The Strategy notes that emerging and new technologies, such as electric vehicles and renewable energy sources, will play a key role in reducing emissions, but widespread adoption needs strategic alignment, enabling policy and infrastructure. For example, the Strategy supports WA working with other jurisdictions to design an alternative to fuel excise for low and zero emissions vehicles to ensure a consistent and equitable approach to contributions for road and other relevant infrastructure.

The Strategy also calls for stronger pre-emptive action on planning for the impacts of climate change on infrastructure. State agencies and GTEs must apply a critical lens to their existing asset base to determine at-risk assets and the investment needs required to support adaptation and resilience.

Expansion of the Climate Action Fund through an additional commitment of \$500 million in the 2022–23 State Budget reflects the importance of the issue and the need for system-wide action to address climate change mitigation and adaptation. Its intended application aligns with a number of recommendations in the Strategy, principally:

- allocation of funding for the preparation of sectoral emissions reductions strategies, with centralised coordination through the Department of Water and Environmental Regulation
- Department of Water and Environmental Regulation assistance to state agencies to estimate emissions and assess opportunities for reductions
- funding for a climate risk advisory service and a health sector adaptation plan
- strengthened carbon farming policy capability
- investment in electric vehicle charging infrastructure for public and private use
- application of a state-based charge for electric and low emissions vehicles to address the forecast loss of fuel excise revenue.

The 2022–23 State Budget has also included, for the first time, environmental performance outcomes on emission reduction for a number of state government entities, including Synergy and DevelopmentWA.

This is a positive step toward transparent reporting and accountability on climate action, as recommended in the Strategy. More details on the steps Synergy is taking to meet this target are outlined in the energy transition section.

The 2022–23 State Budget funds the commencement of many climate-related actions that are aligned with the Strategy. The continuation and further expansion of initiatives for mitigation and adaptation across the full suite of state agencies and GTEs, and subsequent flow through to future infrastructure planning and investment decision-making processes, will be of keen interest to IWA.

Industrial and technological precincts

Initiative

- Industrial Land Development Fund: additional \$50 million

Strategy recommendation (completion time frame)

31. Facilitate and coordinate investment in industrial and technological precincts (2026)

Relationship to Strategy recommendation

Availability of serviced industrial land is a critical enabler of economic growth and diversification. The Strategy identifies the importance of focusing effort and funding towards making land in the state's strategic industrial areas, general industrial estates and technological precincts ready for development through coordinated land assembly, approvals, enabling infrastructure and common user facilities.

In the 2021–22 State Budget, the WA Government established the Industrial Land Development Fund with an initial allocation of \$50 million. This investment has doubled in the recent budget and is expected to apply to discounted lease rates and contributions to capital works.

DevelopmentWA's budget includes \$107.8 million to be invested through the Industrial Lands Authority to provide land and infrastructure for strategic and general industries throughout WA.

Asset management

Initiative

- Asset Management Reform Program: \$5.04 million

Strategy recommendation (completion time frame)

41. Improve asset management practices across the public sector (2026)

Relationship to Strategy recommendation

Asset management has been identified as a particular challenge across the public sector as it has highly variable practices, systems and infrastructure outcomes. The Strategy highlights the absence of centralised asset management policy guidance, practical support, funding and incentives as contributing factors to the underperformance of state agencies in this area. In response, IWA recommends that the Department of Finance's asset management functional support remit be expanded further.

The WA Government has allocated \$5.04 million to expand the Department of Finance's Building Asset Management Framework pilot across the WA Government's non-residential building asset base, with a particular focus on realising further efficiencies in office accommodation. This investment affirms the role of the Department of Finance as a functional leader for asset management. While this is a relatively small investment compared to other initiatives discussed in this supplement, it enables the continuation of important work that has the capacity to unlock significant benefits through the application of sound lifecycle asset management.

Energy transition

Initiative

- Synergy/Water Corporation (green power infrastructure): \$3.8 billion
- Collie Transition Package (including the Collie Industrial Transition Fund): additional \$547.4 million

Strategy recommendations (completion time frame)

10. Implement the WA Government's policy for net zero emissions by 2050 (2025)
31. Facilitate and coordinate investment in industrial and technological precincts (2026)
43. Evolve the Whole of System Plan and ensure energy implementation actions are transparent (2023)
45. Accelerate a dedicated program of energy storage, microgrids, virtual power plants and standalone power systems (2032)

Relationship to Strategy recommendations

There are few infrastructure sectors that are currently subject to as much significant change as energy. The rise of renewable and distributed energy resources, and a desire to decarbonise the sector, are some of the driving forces behind this rapid transformation. The Strategy argues that this evolution of the technological and operating environment needs to be embraced and accelerated to position WA as a leader in clean energy and assist the state's emission reduction outcomes. Strategic planning and modelling driven by the lowest cost pathway to achieve the net zero emissions target by 2050 should guide energy infrastructure investment and decision-making. This will require updates to the Whole of System Plan modelling for the South West Interconnected System and the establishment of a plan for the North West Interconnected System.

The Strategy also supports the objectives of the *Distributed Energy Resources Roadmap*, and recommends scaling up the coordination and investment required on battery and other energy storage solutions, such as pumped hydro and hydrogen, as well as standalone power systems.



In June 2022, the WA Government announced a significant policy commitment to phase out coal from Synergy's energy generation portfolio by 2030. It also committed to not commissioning any new natural gas-fired power stations in the South West Interconnected System after 2030. This process will dramatically reduce the WA Government's own Scope 1 and 2 emissions, and contribute to the decarbonisation of other users drawing electricity from the South West Interconnected System. This marks a significant shift in the energy sector, moving towards wider emission reduction policy settings and transitioning away from a reliance on increasingly costly infrastructure. Decommissioning of the Collie and Muja power stations is expected to commence immediately following their closure in 2027 and 2029 respectively, at an estimated cost of \$300 million.

To ensure system reliability is maintained with the transition and energy costs are managed effectively, the WA Government has identified that an estimated \$3.8 billion of infrastructure investment will be required for renewable energy generation and storage, and grid modularisation. It has foreshadowed potential future investment in wind generation, pumped hydro, hydrogen and battery storage to achieve a more diverse energy profile and to firm up power supply in the intervening years. Standalone power systems will also play an important role, with Western Power receiving an additional \$50 million in funding for 69 standalone power systems in the 2022–23 State Budget, and Horizon Power continuing its standalone power system program for 50 locations.

These commitments have strong synergies with a number of the recommendations in the Strategy and signal major investment in supporting the energy transition in a managed way. It is noted, however, that closure of the coal-powered infrastructure will affect the Collie community and those who have relied on coal-related industries. To this end, the WA Government continues to support local economic diversification and skills development through the implementation of Collie's Just Transition Plan. Additional funds have been allocated

to assist with this process, including the \$200 million Collie Industrial Transition Fund, which will in part be used to facilitate development readiness of industrial land for new industries.

Climate-independent water supply

Initiative

- Third desalination plant: \$1.35 billion

Strategy recommendation (completion time frame)

51. Plan and deliver climate-independent infrastructure that provides fit for purpose and sustainable water services (2024)

Relationship to Strategy recommendation

The Strategy draws attention to the drying climate and the direct impact this is having on WA's water supply. In particular, the south-western portion of the state is experiencing significant declines in rainfall, resulting in the need to develop climate-independent water sources to cater for further water supply needs. Desalinated seawater already constitutes almost half of the water supplied in the Integrated Water Supply Scheme, and demand forecasts estimate a new source will be required within 10 years.

The provisional investment of \$1.35 billion to contribute to funding a new desalination plant aligns with the Strategy's intention to ensure long-term water security through the timely planning and delivery of climate-independent infrastructure that provides fit for purpose and sustainable water services. It is noted the funds are provisional on the approval of a business case, which will be assessed by IWA as part of its Major Infrastructure Proposal Assessment function.

Freight movement, productivity and safety

Initiative

- Road network improvements
 - Thomas Road (South Western Highway to Tonkin Highway dual carriageway): \$290 million
 - Moorine Rock to Mount Holland road upgrades to support the Covalent Lithium mine: \$120 million
 - Mid-West and Great Southern Secondary Freight Program: \$34.5 million
 - Toodyay Road: \$80 million
 - Various Great Northern Highway upgrades: \$110 million
 - Tanami Road: \$500 million (\$235 million beyond forward estimates, resealing project not part of the Asset Investment Program)
 - Outback Way: \$500 million (\$210 million beyond forward estimates, resealing project not part of the Asset Investment Program)
 - Regional Road Safety Program (extension to 2023–24): \$175 million
- Regional freight rail improvements
 - WA Agricultural Supply Chain Improvements: \$175 million (plus an additional \$200 million of investment in rapid loading bins and elevators by CBH Group)

Strategy recommendations (completion time frame)

60. Progress targeted expansion and improvement of the road network (2032)
69. Support long-term investment decision-making for the state's freight rail network over the remainder of the lease period (2023)

Relationship to Strategy recommendations

The Strategy recognises that the efficiency of freight movement contributes to productivity and economic growth and that roads are often the only form of transport infrastructure connecting communities across WA. However, the Strategy also notes that there are challenges to sustaining the historic levels of investment in road infrastructure in terms of enabled greenhouse gas emissions, increasing congestion, and impacts on community and environmental values.

The Strategy calls for efforts to be focused on increasing the resilience of critical transport infrastructure, more targeted investment in safety, regional productivity and embracing technological solutions. It also suggests a more forward-looking and coordinated approach to freight rail planning, improvements and the associated funding regimes. In this context, IWA recommends a refresh of the state regional transport plan to assist in prioritising further new transport infrastructure investment in regional WA.

The road investment announcements in the 2022–23 State Budget have a focus on further road network capacity and safety improvements in regional areas. In line with the Strategy's recommendation for continuation of regional road safety programs as part of the implementation of the Road Safety Strategy for Western Australia 2020–2030, funding has been extended for a further year. This funding will include low-cost, high-impact road treatments on regional roads, including rumble strips and shoulder sealing.

Resilient transport networks, including road networks in regional settings (within the context of regional maintenance and freight productivity programs to provide fit for purpose road networks), have also been considered. This includes the sealing of the Outback Way and Tanami Road to the WA border, with \$500 million allocated to each, as well as Great Northern Highway upgrades. These initiatives will result in safety and connectivity benefits for regional and remote communities.

Thomas Road investments for the duplication of the carriageway between the South Western Highway to Tonkin Highway reflect the importance of Tonkin Highway, Thomas Road and Anketell Road as key freight links to Westport.

Further planning for this corridor is underway as part of Westport project development.

Funding announced for WA Agricultural Supply Chain Improvements are consistent with the associated recommendation in the Strategy. The benefits of this investment are linked to a \$200 million program of funding from CBH in rapid loading infrastructure, illustrating the need for a consistent approach for government consideration of state funding contributions that facilitate private investment, as per the Strategy.

Port investment

Initiative

- Lumsden Point port upgrades: \$78.1 million
- Port Hedland Inner Harbour Dredging: \$15 million
- Additional funding for Westport feasibility and planning studies: \$18.4 million
- Geraldton Port Maximisation Project (PMaxP): \$332 million

Strategy recommendations (completion time frame)

66. Complement Westport's preparations by conducting further strategic planning (2024)
68. Support expansion of the direct shipping services to the state's north (2032)

Relationship to Strategy recommendations

The Strategy acknowledges that there are significant benefits and travel time savings to be gained through the greater use of northern ports to import and export general cargo, relieving some pressure on Fremantle Port and associated road freight heading to northern WA. The future of Fremantle Port and the Westport program is also considered, with the Strategy recommending that significant strategic planning is required as

part of the next stage of Westport project development, with time frames and resourcing being a challenge.

The 2022–23 State Budget includes \$78.1 million towards upgrades to Port Hedland's Lumsden Point port infrastructure to cater for general freight, in addition to funding previously allocated to Dampier Cargo Wharf extensions. It is noted that substantial funding has been allocated to the expansion of Geraldton Port in the current budget. While this initiative was not specified in the Strategy, it does align with the intended outcome of Recommendation 68 to reduce overall freight travel times, costs and pressures.

A further \$18.4 million has also been allocated for planning studies from the existing \$400 million Westport budget provision. This funding will enable feasibility studies into the relocation of car and livestock shipping operations from Fremantle, as well as the Future of Fremantle Planning Study, which will look at long-term precinct outcomes for the Inner Harbour. Additional funds have also been allocated for public realm improvements to Victoria Quay. These initiatives broadly align with the Strategy's recommendations.



Public transport and personal mobility

Initiative

- High Capacity Signalling Program: additional \$382.8 million
- Canning Bridge Bus Interchange relocation: \$202 million
- Nicholson Road and Garden Street Grade Separation related to the Nicholson Road METRONET Station: \$80 million

Strategy recommendation (completion time frame)

61. Plan and invest in the future development of new heavy rail infrastructure (2032)

Relationship to Strategy recommendation

Connectivity, accessibility and increasing public transport patronage are highlighted as key aspects of a more balanced transport system in the Strategy. Substantial investment in the passenger rail network through METRONET is underway. The Strategy focuses on complementary investment to support the efficiency of operations, including improvements to the accessibility of stations from surrounding areas, and further investigations into the elements of the Rail Growth Plan.

Consistent with Recommendation 61, the 2022–23 State Budget has allocated a further \$382.8 million to the High Capacity Signalling Program, which will help support the efficient operation of the existing heavy rail network, along with other targeted investments.

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Connectivity, accessibility and increasing public transport patronage are highlighted as key aspects of a more balanced transport system in the Strategy.

Housing policy, financing and funding mechanisms

Initiative

- 50% land tax concession for build to rent
- Stamp duty rebate for off-the-plan apartments
- Density bonus for private projects including 5% social housing
- Keystart reforms: METRONET housing finance product, income eligibility increase, Pilbara purchase price limit increases
- Spot purchase program: additional \$91.3 million

Strategy recommendations (completion time frame)

25. Prepare and implement an urban consolidation action program (2025)
72. Prioritise further investment in social and affordable housing (2032)
73. Enable and diversify social and affordable housing providers and housing choice (2024)
74. Respond to the need for affordable and available housing in regional areas (2024)

Relationship to Strategy recommendations

Stable housing is a foundational element of wellbeing, as it is intrinsically linked to the health, education and economic opportunities of the WA community. Considerable importance is placed in the Strategy on housing infrastructure, urging sustained and increased investment in social and affordable housing that is grounded in, and aligned with, a thorough understanding of place-based needs. The Strategy calls on the WA Government to couple this with policy reforms that facilitate and incentivise the provision of social and affordable housing by community housing organisations and the private sector, including institutional investors. Purchaser incentives, planning incentives, government

financing mechanisms and using government land to best effect are proposed as mechanisms to enact progress on housing that is appropriate, affordable and accessible.

Recent budgets have allocated significant funding to the provision of new and upgraded social housing, with investment from these allocations ongoing. In light of the difficulties of a heated housing construction market, the social housing spot purchase program has been expanded in the 2022–23 State Budget and new initiatives focus on policy and taxation settings that encourage social and affordable housing provision. The introduction of land tax concessions for build-to-rent products, density bonuses for social housing provision, stamp duty rebates for off-the-plan apartments and reforms to Keystart products and lending requirements are broadly consistent with a number of recommendations across the Strategy. IWA considers the sustained application of these initiatives to be important, along with continued investment in addressing the state’s considerable social and regional housing needs.

Health and mental health

Initiative

- Emergency Department Package: \$251.7 million
- Mental health facilities: \$40.2 million
- Business cases for the statewide reconfiguration of mental health services and Graylands Hospital redevelopment

Strategy recommendations (completion time frame)

- 76. Alleviate demand on hospitals and support budget sustainability (2023)
- 78. Increase investment in community-based services (2025)
- 79. Support refocusing the health system through targeted investment in hospitals to modernise facilities and address capacity gaps (2032)

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The Strategy recommends **increasing focus on person-centric, preventative and community-based care and innovative digital technologies**, rather than simply expanding hospitals, to improve the effectiveness, capacity and affordability of the health system.

Relationship to Strategy recommendations

The Strategy highlights a range of challenges facing the public health system, notably the current pressures exacerbated by the COVID-19 pandemic, and longer-term trends increasing demand for services, such as an ageing population and rising prevalence of chronic disease. The Strategy acknowledges that the WA Government is taking action to address these challenges and is aligned to the Sustainable Health Review and *Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015–2025*, which identify reforms and priorities to transform the health system. Accordingly, the Strategy recommends increasing focus on person-centric, preventative and community-based care and innovative digital technologies, rather than simply expanding hospitals, to improve the effectiveness, capacity and affordability of the health system.

The Emergency Department Package is consistent with the Strategy as it targets reforms that improve access to emergency care and address the root causes of ambulance ramping by investing in system-wide approaches to coordinate and streamline patient flow, and implement alternative models of care to support treatment of patients. The Strategy also notes that mental health is a part of the health system that is under significant pressure. The new investment in a number of community-based mental health facilities, such as step up/step down facilities, and the development of business cases to inform the planning and investment decisions regarding the Graylands Hospital site, forensics services and the Selby Older Adult Mental Health Service is also consistent with the Strategy.

Demand management and early intervention

Initiative

- Kimberley Youth and Community Justice Response package: \$40.4 million
- Expand the Target 120 program from 11 to 20 locations across WA: \$11.1 million
- Expand the Earlier Intervention and Family Support Strategy, including trials in the South West region and Halls Creek: \$23.9 million

Strategy recommendation (completion time frame)

91. Reduce demand for police, courts and corrective services, and associated infrastructure by establishing and implementing cross-agency stretch targets, measures to achieve these targets and publicly report progress against these targets each year (2023)

Relationship to Strategy recommendation

The Strategy highlights the strong links that exist between preventative spending in demand management and investment to expand infrastructure capacity. Preventative spending has the potential to divert, delay or avoid the need for more costly and, in some cases, less effective services and facilities. Often, preventative spending and early intervention must be directed across a number of sectors and community service delivery areas, such as housing, justice and regional services. In this regard, the Strategy encourages ongoing and sustained attention through the establishment and implementation of cross-agency stretch targets to reduce demand for police, courts and corrective services, and associated infrastructure.

The Kimberley Youth and Community Justice Response package and the expansion of the Target 120 program in the 2022–23 State Budget are examples of programs that work together to enhance safety and support vulnerable youth who are in, or at risk of coming into, contact with the justice system.

Delivery of these programs is shared by a number of state agencies, including the departments of the Premier and Cabinet, Communities, Justice, and Primary Industries and Regional Development. This approach aligns with the Strategy, empowering cross-agency collaboration to deliver broad social benefits. The success of these programs will work towards achieving shared outcomes, such as Closing the Gap targets.

Conclusion

The 2022–23 State Budget does not presuppose the acceptance, or otherwise, of the Strategy's recommendations by the WA Government. IWA is of the view, however, that positive alignment of investment and action between the Strategy and the 2022–23 State Budget is evident in a number of areas. This is welcomed and IWA looks forward to this being reflected in the WA Government's formal response to the Strategy.





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