



Foundations for a Stronger Tomorrow: State Infrastructure Strategy

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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

This document can be made available in alternative formats and languages on request. Please call Infrastructure WA on 08 6552 5229 or email enquiries@infrastructure.wa.gov.au

Background

What is the State Infrastructure Strategy?

The <u>State Infrastructure Strategy</u> (Strategy) provides a statewide perspective of Western Australia's infrastructure needs and priorities over the next 20 years.

Under the <u>Infrastructure Western Australia Act 2019</u> (IWA Act), Infrastructure WA (IWA) is tasked with preparing the Strategy at least every 5 years.

The Strategy considers economic, social and environmental objectives to make recommendations relating to infrastructure planning, delivery and operation. The Strategy's recommendations include a focus on both new projects and programs as well as non-build solutions (e.g. planning, policy, regulation, pricing, technology, procurement, skills and governance reforms).

Why does WA need a State Infrastructure Strategy?

Infrastructure shapes and influences every aspect of our society – from where we live, to how we work, our social interactions, our economic structures and our environmental footprint.

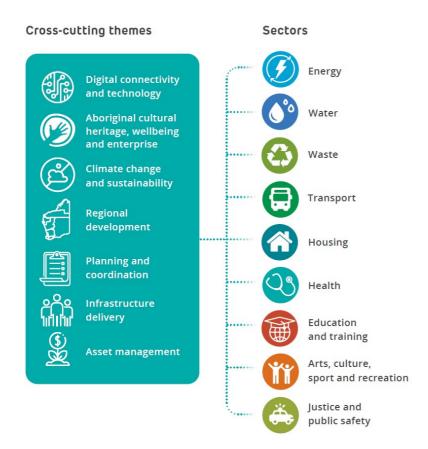
Each year, the WA Government invests billions of dollars in infrastructure to meet the needs of the community, economy and environment – commonly referred to as the triple bottom line. This investment is made in new and existing infrastructure that will serve us for decades to come, even when society may look and operate quite differently to how it does today. That's why government infrastructure investment needs to be considered as part of a strategic plan, with a long-term outlook.

The Strategy provides this foundation. It is based on sound evidence and highlights the needs and priorities where funding is best placed to maximise this triple bottom line value for Western Australians. The experience of other jurisdictions also indicates that having such a strategy will also help WA better position itself to attract federal infrastructure funding.

What is covered in the State Infrastructure Strategy?

Infrastructure is planned, delivered and managed by all levels of government, private industry and the community. The Strategy encompasses infrastructure planned, owned and delivered by state government agencies and government trading enterprises (GTE). Infrastructure owned and operated by the private sector or other levels of government has also been considered in some cases, particularly infrastructure which has a direct or indirect financial or government policy implication.

WA's first State Infrastructure Strategy *Foundations for a Stronger Tomorrow* details new major projects and programs, along with a significant number of non-build solutions such as policy, planning, regulation, pricing, asset management, technology, procurement and government reforms. In doing so, the Strategy covers 9 specific infrastructure sectors and 7 cross-cutting themes as illustrated on the following page.



What time periods does the State Infrastructure Strategy cover?

The Strategy covers a 20-year horizon, divided into 0 to 5, 5 to 10 and 10 to 20 year periods (refer to diagram below). As the inaugural Strategy is strongly focussed on addressing key requirements that frame and guide infrastructure processes (e.g. strategic planning, legislation and regulation, policy and decision-making tools), it is largely focussed on initiatives over the 0 to 5 and 5 to 10 year periods.

Strategy time frames



Methodology

How was the State Infrastructure Strategy developed?

The IWA Act outlines requirements in relation to the Strategy's content and preparation. In addition to these requirements, the Strategy's 2042 Vision (Vision), objectives and guiding principles have steered development of the first Strategy.

IWA applied a hybrid top-down, bottom-up approach in developing the Strategy. This included a bottom-up assessment predominantly addressing the 0 to 10 year period, and a strategic top-down assessment focusing more on the 10 to 20 year time frame.

The bottom-up assessment involved the review and analysis of existing infrastructure-related strategies and plans, as well as stakeholder feedback and other relevant material. The top-down approach included an assessment of the global context in which WA sits and applying scenario planning to identify global megatrends. Six strategic opportunity areas were identified to form the basis of the Vision for the Strategy. Work was also undertaken to regionalise the Vision using targeted stakeholder engagement, expert analysis and prioritisation.

IWA then identified potential responses to key issues and needs. The evaluation methodology of potential responses considered triple bottom line (economic, social and environmental) outcomes, in addition to the affordability and deliverability of recommendations. Responses were tested with targeted stakeholders and the IWA Board prior to finalisation of the recommendations in the Strategy.

Who had input into the Strategy?

Over more than 2 years, IWA carried out extensive consultation and engagement on the Strategy with federal, state and local governments, private industry and peak bodies, regional stakeholders (including the Regional Development Commissions) and the community.

The draft Strategy was released for public comment on 21 July 2021, which included an intensive consultation period. Over an 8-week period, IWA invited feedback from the community and visited each of WA's 10 regions. 193 formal submissions were received and considered, which was followed by further consultation with key stakeholders to refine content and test its final recommendations.

Prior to the release of the draft, the conversation started with *A Stronger Tomorrow: State Infrastructure Strategy Discussion Paper*, which was released in June 2020. Its release was also followed by an extensive engagement program across all regions of the state. Hundreds of people provided their perspectives on a wide range of infrastructure issues and potential solutions during this process. Formal working groups and peer reviews were also used to inform the development and analysis of the recommendations contained in the Strategy.

How does the Strategy fit with other government planning frameworks and strategies?

In keeping with the requirements of the IWA Act, relevant government strategies, plans, policies, priorities and forecasts were considered by IWA in developing the Strategy. For example, IWA considered the economic development framework set out in Diversify WA and strategic land use frameworks such as Perth and Peel@3.5million and regional planning and infrastructure strategies.

Sector-specific strategies and plans also informed the Strategy's content and recommendations including, but not limited to:

- Energy Transformation Strategy
- Western Australian Renewable Hydrogen Strategy
- Sustainable Health Review: Final Report to the Western Australian Government
- Perth and Peel@3.5million: The Transport Network
- Revitalising Agricultural Region Freight Strategy
- Waste Avoidance and Resource Recovery Strategy 2030.

Whole of government and cross-sectoral policies and plans were also considered including, but not limited to, the Western Australian Climate Policy and the Strategic Asset Management Framework.

Findings and recommendations

What are the Strategy's findings and recommendations?

Throughout the development of the Strategy and the extensive consultation process, a number of findings described as core themes were identified that underpin IWA's recommendations. These core themes include:

- Managing demand for infrastructure through prevention, early intervention and pricing
- Improving the quality and consistency of strategic infrastructure planning and processes
- Addressing climate change
- Implementing data sharing and other tools to support infrastructure planning and investment decision making
- Optimising the existing infrastructure asset base
- Identifying major infrastructure project and programs.

These core themes are addressed through a series of headline recommendations, most of which are supported with sub-recommendations. Several recommendations build on existing work underway within government, with many addressing gaps in thinking, planning, governance and delivery that need to be dealt with.

Many recommendations focus on non-build initiatives that improve fundamental elements of the infrastructure system, such as policy, planning and legislative frameworks, while many major projects and programs are also outlined across the economic, social and environmental spheres.

Current status and next steps

When did the WA Government respond, and what was included?

The WA Government Response to the Strategy was published on 3 February 2023 following the Strategy's tabling in Parliament on 3 August 2022 by the Premier. The response outlines the extent to which each recommendation is supported (for example, in full, in part or not supported), and reasons why any recommendation is not fully supported. Click here for access to WA Government Response.

What has happened since the WA Government responded to the Strategy in Parliament?

In line with the IWA Act, State government agencies and Government Trade Enterprises have had to align their strategies, plans and policies with, and implement, the Strategy's recommendations to the extent that they are supported in the WA Government Response to the Strategy.

Who is responsible for implementing the final recommendations?

Supported recommendations will, if not already, transition to delivery and implementation by nominated lead state government agencies and GTEs.

IWA will provide support as necessary to assist state government agencies and GTEs in implementing relevant recommendations. There are also a number of recommendations that IWA will take a lead role in implementing.

What is the process for recommendations that are not supported in part or full by the WA Government?

Recommendations that are not supported by the WA Government, do not become government policy and therefore will not be progressed for implementation by a state government agency or GTE. IWA will continue to review outcomes as part of its monitoring and reporting role, and consider through its ongoing collaboration with government, and as part of future Strategy development whether recommendations not supported should be revisited.

For partially supported recommendations, can IWA confirm the WA Government has supported the sub recommendations where it makes no further comment?

This is correct, where the response partially supports a recommendation and makes no further comment in relation to a sub recommendation then IWA understands based on the wording in the WA Government Response that it is considered supported.

How will the supported recommendations be funded?

The amount of public infrastructure that can be delivered is largely dependent on the fiscal capacity of government.

Under the IWA Act, IWA is required to consider the affordability of its recommendations. However, given the time frames, uncertainty regarding future fiscal and economic conditions, variable funding and revenue sources for different sectors, and the limited availability of cost estimates for many proposals, measuring budget capacity for infrastructure delivery over a 20-year time frame is difficult. Some non-build recommendations may also have associated costs. In many instances state government agencies and GTEs may be able to address these as part of their core activities, from within existing budget allocations.

Beyond this budget cycle, some greater flexibility and capacity is available to the WA Government to determine new infrastructure priorities. Where IWA has recommended a build response, further planning and business case development is generally required to prove up the investment and delivery case for each project or program. Robust business cases are a critical step in ensuring the quality of the state's investment prioritisation process with better cost estimates, and support the development of a more reliable capital investment pipeline. Ultimate project and program investment decisions will also need to consider evolving government priorities, the total Asset Investment Program and private sector capacity to deliver.

Who monitors the implementation of supported/partially supported recommendations?

The IWA Act requires IWA, in consultation with relevant state agencies and GTEs, to prepare annual reports on the WA Government's progress in implementing the recommendations in the Strategy, taking into account the current Government Response and the State Infrastructure Programme. These reports, to be released annually, support accountability and transparency, outline changing circumstances and identify emerging infrastructure opportunities and challenges for the State. These reports will be made publicly available via the Infrastructure WA website.

Read the 2023 <u>Implementation Progress Report</u>. It is noted that the reporting period for this first report addresses the period from February 2023 (when the Government Response was delivered) to 30 June 2023. Once fully established, the reporting period for the implementation progress report will be 12 months.

How are the implementation progress reports developed?

The Department of the Premier and Cabinet (DPC) in consultation with IWA, has developed a monitoring and reporting framework that supports ongoing collection of data to monitor implementation progress and embed an annual reporting regime within the government. The Government Response identifies a range of actions that address the Strategy's recommendations. These form the baseline of activity for monitoring and reporting purposes. The framework will guide lead agencies and GTEs on their reporting responsibilities and track progress of implementation of the Strategy's supported recommendations.

DPC is responsible for collating and reviewing information provided by lead agencies with implementation commitments in the WA Government Response. IWA receives the collated data and prepares the implementation progress report annually. This report provides status updates on government activities relating to the Strategy's supported recommendations.

How often will the State Infrastructure Strategy be reviewed and updated?

Under the IWA Act, an updated Strategy must be prepared at least every 5 years, or earlier if directed by the Premier. IWA may amend the Strategy at any time, however, amendments are to be treated in the same way as preparation or review of a Strategy in full (i.e. the process for acceptance, tabling and responding to the Strategy). The next Strategy will be released in 2027.

What is the State Infrastructure Program and what is its relationship with the Strategy?

The IWA Act requires the WA Government to prepare a 10-year rolling State Infrastructure Program (SIP) on an annual basis, which is to be made publicly available within 3 months of the State Budget being handed down. Click here for the WA Government SIP which was released on 11 August 2023.

The SIP is a 10-year program, providing an overview of the WA Government's proposed significant infrastructure investment consistent with the State Budget and forward estimates (0 to 4 years). It also looks beyond the forward estimates (5 to 10 years) and provides an overview of expected significant infrastructure needs and challenges over this period, and potential options to address them. The SIP aims to support greater transparency, improved decision-making and better infrastructure coordination over this timeframe.

The SIP is required to take into account the recommendations in the Strategy, to the extent that they are supported by the WA Government. The WA Government is required to seek IWA's advice in preparing the SIP.

Further information

How can I provide feedback?

IWA's door is always open and stakeholders are welcome to contact us through email, phone or LinkedIn.

Online www.infrastructure.wa.gov.au/stateinfrastructurestrategy

Email iwaconsultation@infrastructure.wa.gov.au

• Phone 08 6552 5229

LinkedIn www.linkedin.com/company/infrastructurewa

Further details on the Strategy can be found on IWA's website www.infrastructure.wa.gov.au/stateinfrastructurestrategy.

How can I keep informed of Infrastructure WA's activities?

For the latest news on IWA and to subscribe for updates, please visit www.infrastructure.wa.gov.au.