



REPORT for Infrastructure WA: PEER REVIEW OF STATE INFRASTRUCTURE STRATEGY

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DISCLAIMER

This report has been prepared by van Dommelen Advisory Pty Ltd for Infrastructure WA for the sole purpose of a peer review of the suitability of the State Infrastructure Strategy (**SIS**) Evaluation Framework and its application for the second Long List assessment (known as Step 2B) and the Short List evaluation (known as Step 3A). The report is not intended for and should not be relied upon by any other person or entity.

The scope of the peer review is limited to the scope outlined in this report and does not include performance of subsequent steps in SIS evaluation process. Van Dommelen Advisory is not responsible for the data inputs to the evaluation or performance of the subsequent evaluation stage (Step 3B) and therefore accepts no responsibility or liability for or in connection with the suitability of the Recommended Options in the SIS or any future projects, programs or other initiatives delivered as a consequence of the SIS.

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1. EXECUTIVE SUMMARY

Infrastructure WA (**IWA**) was established on 24 July 2019 to provide advice and assistance to the State Government on infrastructure needs and priorities for Western Australia over the short, medium and long-term. As part of this remit IWA is preparing the inaugural State Infrastructure Strategy for Western Australia.

Van Dommelen Advisory (**VDA**) was engaged by IWA in January 2021 to conduct a peer review of the State Infrastructure Strategy (**SIS or Strategy**) Evaluation Framework and participate in the evaluation review workshops for the first Short List evaluation (Step 3A in the methodology). The peer review was conducted between January and April 2021.

The initial SIS Evaluation Framework was developed by IWA to be consistent with WA Treasury and Infrastructure Australia frameworks. The framework was jointly refined with input from Deloitte, and was peer reviewed by Deloitte¹ and found to be “*consistent with the process applied by other infrastructure bodies to select preferred projects / initiatives to support an infrastructure strategy.*” The framework was approved for use by the IWA Board in November 2020 with acknowledgement that “*minor technical details of [the] evaluation framework may be further refined.*”² The evaluation framework has since been deployed for use and minor refinements have been incorporated as outlined in this report.

The Peer Reviewer has formed the view that the SIS Evaluation Framework (with refinement) remains broadly consistent with the processes used by other infrastructure bodies and is sound and suitable for evaluating and prioritising responses for the Strategy.

The Peer Reviewer has also participated in the evaluation review workshops for the first Short List evaluation (Step 3A) and found that these were an effective forum to discuss and review the preliminary evaluation of responses. The discussion and evaluation were informed by a diverse set of expertise and experience in attendance and was free from bias. The responsible analysts and workshop participants brought a consistent and diligent approach to the assessment. The workshop process has delivered a diverse mix of Preferred Responses for further consideration in the subsequent stages of the evaluation process.

The Peer Reviewer's observations through this engagement have led to a small number of recommendations for consideration by IWA in completing the SIS evaluation and finalising the Strategy.

1.1. RECOMMENDATIONS

The following recommendations arise from the Peer Review:

1. **Recommendation 1 – Definition of Responses:** Where necessary, further work should occur to ensure that all Recommended Responses in the Strategy are clearly articulated and easily understood for consumption by a diverse audience.
2. **Recommendation 2 – Interfaces:** Further work should occur to ensure that the significant interfaces and dependencies for all Recommended Responses are identified and clearly articulated for all parties. This should occur as part of Step 3B as interfaces and dependencies could affect project prioritisation and order.
3. **Recommendation 3 – Costs and Funding:** Further work should occur to examine cost and funding options for all Recommended Responses through a detailed business case prior to any investment decision. There has been limited exploration of funding options / sources in Step 3A of the assessment however it is anticipated that this will be some further consideration of this in the later stages of SIS development. It should also occur in greater detail in a subsequent detailed business

¹ Deloitte (December 2020) Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project

² IWA Board Papers (November 2020) Item 3.5 Attachment 1 - SIS evaluation framework overview

case, that may be completed after the SIS is released and prior to any investment decision.

4. **Recommendation 4 – Triple Bottom Line – Economic Impact:** Further work should occur to examine the economic feasibility for all Recommended Responses in greater detail in a subsequent detailed business case, that may be completed after the SIS is released and prior to any investment decision.
5. **Recommendation 5 – Triple Bottom Line – Social Impact:** Further work should occur to examine the social impacts (benefits and disbenefits) for all Recommended Responses in greater detail in a subsequent detailed business case, that may be completed after the SIS is released and prior to any investment decision.
6. **Recommendation 6 – Triple Bottom Line – Environmental Impact:** Further work should occur to examine the environmental impacts (benefits and disbenefits) for all Recommended Responses, in greater detail in a subsequent detailed business case, that may be completed after the SIS is released and prior to any investment decision. This work may include field work to inform optimal design concept and de-risk approval timeframes, and confirmation of approval pathways and timelines.
7. **Recommendation 7 – Deliverability – Stakeholder Support:** Further work should occur to ensure that the level of stakeholder support and potentially adversely impacted stakeholders is known and understood for all Recommended Responses. Further evaluation of this Deliverability risk should occur as part of Step 3B (and prior to release of the SIS through ongoing stakeholder engagement) as it is critical for IWA to understand the magnitude of this risk when recommending responses in the Strategy. Further work should also occur in greater detail in a subsequent detailed business case, that may be completed after the SIS is released and prior to any investment decision.
8. **Recommendation 8 – Deliverability – Implementation risks:** Further work should occur to ensure that the implementation risks are better understood for all Recommended Responses. Further evaluation of this Deliverability risk should occur as part of Step 3B (and prior to release of the SIS through ongoing stakeholder engagement) as it is critical for IWA to understand the magnitude of these risks when recommending responses in the Strategy. Further work should also occur in greater detail in a subsequent detailed business case, that may be completed after the SIS is released and prior to any investment decision.
9. **Recommendation 9 – Urgency / Timeframe:** It is noted and supported that further work will occur as part of Step 3B (and prior to release of the SIS through ongoing stakeholder engagement) to further prioritise the Recommended Responses and suggest time horizons based on the portfolio affordability and analysis.

It is anticipated that the portfolio affordability and analysis will be iterative (as proposed in the Deloitte report³), however VDA proposes some potential additional considerations as follows:

- For the first stage of this analysis (Selection of Preferred Responses):
 - Further consideration of interfaces and dependencies, environmental impacts and implementation risks as these may impact timing and priority (or order) of projects. Government should be informed where a longer lead time is required to accommodate upfront de-risking; and
 - Consideration of funding sources and options (as this impacts affordability).
- For the second stage of this analysis (Identification of a balanced portfolio):

³ Deloitte (December 2020) Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project

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- Ensuring that consideration of the pipeline of responses and balanced investment across key areas (sectors) and Agencies also takes into consideration the market capacity (overall, and in each region) and the capacity of Agencies and GTEs to deliver.

2. BACKGROUND

2.1. REQUIREMENT FOR STATE INFRASTRUCTURE STRATEGY

Infrastructure WA was established on 24 July 2019 to provide advice and assistance to the State Government on infrastructure needs and priorities for Western Australia over the short, medium and long-term.

The *Infrastructure Western Australia Act* (2019), which commenced in July 2019, sets out the functions and responsibilities of IWA, which includes inter alia the preparation of a State Infrastructure Strategy which identifies Western Australia's significant infrastructure needs and priorities over at least the next 20 years⁴. The Act requires that the Strategy be refreshed at least every five years⁵. It also requires IWA to make a draft of the proposed strategy publicly available and undertake public consultation on the proposed strategy⁶.

IWA is targeting release of a draft Strategy for public consultation by around mid-2021, and submission of a final Strategy to the Premier by around the end of 2021.

The Strategy will be used to inform future priorities and planning undertaken by State Government agencies and Government Trading Enterprises, as well as other functions undertaken by IWA⁷ (e.g. review of business case proposals, review and coordination of proposals to Infrastructure Australia, provision of advice to State agencies).

For the Strategy to be successful and widely supported it should present a bipartisan view and be informed by robust independent advice and wide-reaching consultation and engagement between Government, communities and industry in metropolitan and regional areas.

2.1. SCOPE OF THE STATE INFRASTRUCTURE STRATEGY

The community expects that the Strategy will outline the State's significant infrastructure needs and priorities for at least the next 20 years, including recommending significant projects, programs and other initiatives to meet those needs.⁸

More specific requirements for content and preparation of the Strategy are set out in the *Infrastructure Western Australia Act* (2019), Part 3 Clause 14:

14. Content and preparation

- (1) *Infrastructure WA must include in the State Infrastructure Strategy —*
 - (a) *the identification of Western Australia's significant infrastructure needs and priorities over at least the next 20 years; and*
 - (b) *the economic, social and environmental objectives against which Western Australia's infrastructure needs were assessed; and*
 - (c) *recommendations about —*
 - (i) *significant projects or programmes, or other options, intended to meet those infrastructure needs and priorities; and*

⁴ *Infrastructure Western Australia Act* (2019), Part 3 Clause 14(1)

⁵ *Infrastructure Western Australia Act* (2019), Part 3 Clause 13(2)

⁶ *Infrastructure Western Australia Act* (2019), Part 3 Clause 13(4)

⁷ Infrastructure WA. 2020. A Stronger Tomorrow: State Infrastructure Strategy Discussion Paper. [ONLINE] Available at: https://www.infrastructure.wa.gov.au/sites/default/files/2020-06/40681C%20InfrastructureWA_Strategy_2pp%20Summary_WEB.pdf. [Accessed 29 March 2021].

⁸ Media statement: Hon Mark McGowan BA LLB MLA - Premier; Treasurer; Minister for Public Sector Management; Federal-State Relations (19 February 2019) '*Infrastructure WA Bill next step to growing the economy and creating jobs*', Tuesday; and *Infrastructure Western Australia Act* (2019), Part 3 Clause 14(1)

- (ii) *funding and financing options, when appropriate, for the projects, programmes and options; and*
- (d) *the relative priority of the recommendations.*
- (2) *When preparing a State Infrastructure Strategy, Infrastructure WA must do the following —*
 - (a) *assess the current state of infrastructure in Western Australia;*
 - (b) *identify significant current, and expected future, deficiencies in Western Australia's infrastructure;*
 - (c) *identify the areas in which those deficiencies are contributing to, or may contribute to, significant economic, social or environmental costs;*
 - (d) *assess the short, medium and long-term options available to meet Western Australia's infrastructure needs and priorities, including reform of policy, pricing, regulation and technology;*
 - (e) *consider both investing in new infrastructure and making better use of existing infrastructure;*
 - (f) *consider the affordability of the recommendations in subsection (1)(c), including by reference to the financial targets set out in the most recently released Government Financial Strategy Statement under the Government Financial Responsibility Act 2000.*

2.1. CONSULTATION AND COMMUNITY ENGAGEMENT FOR THE STRATEGY

Infrastructure WA has consulted widely with industry and the community for development of the Strategy thus far.

On 26 June 2020 IWA published 'A Stronger Tomorrow - State Infrastructure Strategy Discussion Paper'. This document was designed to serve as a tool to encourage constructive conversation with industry, the community and all levels of government in the early stages of the development of the Strategy.

During a formal eight-week consultation period between 26 June 2020 and 21 August 2020, IWA undertook a broad-reaching program of engagement to obtain the views of as many people as possible. This included:

- *"releasing the Discussion Paper via an online event in collaboration with Infrastructure Partnerships Australia;*
- *creating and sharing a short video to encourage people to have their say on infrastructure planning;*
- *briefing industry and government representatives and undertaking outreach with other key groups including younger people (tomorrow's infrastructure users) and Aboriginal stakeholders;*
- *hosting a state-wide workshop series, which included 12 in-person events and three online events to gain a better understanding about different stakeholders infrastructure priorities and their local impacts;*
- *surveying nearly 600 Western Australians about their vision for the future of the State and its infrastructure needs; and*
- *inviting formal submissions and projects/program responses".⁹*

IWA's 'Discussion Paper: Consultation Outcomes Report' provides a summary of all feedback received from this wide-ranging consultation process and the state-wide workshop

⁹ [ONLINE] Available at: <https://infrastructure.wa.gov.au/discussionpaper> [Accessed 29 March 2021].

series and online feedback form. The report identifies the key themes raised through the consultation and reflects the sentiments of participants in the engagement process.

3. PEER REVIEWER SCOPE OF SERVICES

VDA was engaged by IWA in January 2021 to conduct a peer review of the SIS Evaluation Framework and participate in the evaluation review workshops for the first Short List evaluation (Step 3A in the methodology).

3.1. PRECEDING ACTIVITIES

Prior to VDA's engagement, a range of important precursor activities had been progressed by IWA in preparedness for developing the SIS Evaluation Framework and conducting the evaluation. These underpin the framework and included:

- Initial discussions with State Government agencies, GTEs and key stakeholders across Western Australia to gather information and perspectives to inform a preliminary strategy;
- Publication of *'A Stronger Tomorrow - State Infrastructure Strategy Discussion Paper'* (June 2020) outlining the process and principles for development of the Strategy, IWA's objectives for the Strategy, a preliminary assessment of the infrastructure assets and key issues and opportunities for ten market sectors, and an overview of IWA's proposed "hybrid approach" involving a "detailed bottom-up assessment of the short to medium-term outlook over the next 10 years, followed by a strategic top-down assessment that is largely focussed on the long-term outlook from 11 to 20 years". The paper also discussed the concept of applying a range of future plausible scenarios in developing the Strategy (e.g. future disruptive events similar to COVID-19, changes to employment patterns, increasing use of digital technologies in services delivery). The paper invited public feedback submissions via an online form;
- Subsequent and ongoing consultation with industry, the community and all levels of government for the purposes of:
 - Encouraging participation in development of the Strategy;
 - Obtaining feedback for refinement of IWA's objectives for the Strategy;
 - Further understanding the current state of existing infrastructure assets (i.e. baseline assessment) and gaps in infrastructure provision; and
 - Further understanding the challenges and opportunities faced by each market sector, and the risks or threats to realising the opportunities (i.e. critical dependencies);
- Review of substantial available documentation identified as relevant to the Strategy to further inform the baseline assessment, gap analysis, and challenges and opportunities. Examples include:
 - Relevant infrastructure audit reports, including the Australian Infrastructure Audit (2019 and 2015) published by Infrastructure Australia;
 - Strategic Asset Plans prepared by Agencies, GTEs and local governments;
 - Existing and draft government policies and reports;
 - Peak body and industry reports; and
 - Legislation and regulations;
- Development of a more detailed set of existing and potential future Challenges and Opportunities (**CHOPS**) that the Strategy would need to address;
- Development of a preliminary Evaluation Framework to assess a long list of prospective infrastructure projects, programs and other initiatives which had been tabled by Agencies and Government enterprises for inclusion in the Strategy or identified by IWA as a potential project, program or other initiative to address an infrastructure gap, challenge or opportunity;
- Publication of IWA's Discussion Paper: *'Consultation Outcomes Report'* (December 2020) which provides a summary of all feedback received from IWA's wide-ranging

consultation process following the release of its earlier publication ('A Stronger Tomorrow'), state-wide workshop series and online feedback form.

- Development of a Long List of potential projects, programs and initiatives comprising build and non-build options that could be implemented over the short, medium and long term to address the CHOPS (e.g., building new infrastructure, making better use of existing infrastructure through asset improvements, technology initiatives, pricing, regulation or policy reform). This Long List predominantly comprised potential projects, programs and initiatives nominated in submissions made to IWA, however it also included some potential solutions proposed and defined by IWA to address identified CHOPS; and
- Completion of a two-stage Long List assessment addressing strategic alignment and benefits which had resulted in a Preliminary Short List and draft recommendations for further discussion and analysis at the evaluation review workshops. The initial Long List comprised nearly 2000 responses however this included numerous duplicates and or responses which formed part of or were amalgamated into another response.

The preceding activities outlined above address key requirements for the Strategy required by the *Infrastructure Western Australia Act* (2019), Part 3 Clause 14(2). While the Peer Reviewer did not participate in the performance of these activities, it was evident from the outputs supplied by IWA as background and inputs for the SIS evaluation that the activities were comprehensively performed. This is important to the integrity of the subsequent stage (Step 3A) of the evaluation which is the subject of this peer review.

3.2. SCOPE OF PEER REVIEW SERVICES

The scope of the peer review services included:

- Kick off meeting with IWA representatives to obtain a briefing on:
 - IWA's vision and objectives;
 - Proposed market sectors for the evaluation;
 - Key contextual considerations including:
 - global drivers of change; and
 - Western Australia's comparative strengths;
 - Identified opportunity areas to promote economic growth in WA;
 - Identified major risks / threats to realising the opportunities / IWA's vision; and
 - The preliminary SIS Evaluation Framework as approved by the Infrastructure WA Board;
- Pre-reading of key SIS Evaluation Framework and evaluation materials, comprising:
 - Peer-review of SIS evaluation framework and associated Board paper;
 - List of challenges and opportunities;
 - Long List of responses; and
 - Short List analysis and assessment results, including draft recommendations;
- Active participation in multiple Evaluation Review Workshops, providing critical independent challenge of material and analysis presented to inform finalisation of the Short List assessment and recommendations; and
- Preparation of this report summarising key observations on the SIS Evaluation Framework, including conclusion on validity of process.

4. CONFIDENTIALITY AND CONFLICTS OF INTEREST

Confidentiality and disclosure of actual, potential or perceived conflicts of interest were critical requirements for the assessment process. The Peer Reviewer completed declarations and provided updates to disclosures during the course of the engagement.

IWA has advised that confidentiality and conflict of interest declarations were completed by all consultant participants providing input and participating in the evaluation for the Strategy.

5. SIS METHODOLOGY

5.1. PLANNED METHODOLOGY

In December 2020 Deloitte completed a review of the evaluation framework and methodology to assess and recommend initiatives and projects for the Strategy. This report, titled *“Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project”* examined the proposed evaluation framework and identified key observations and considerations for IWA based on the insights and methodologies used by infrastructure bodies in other jurisdictions¹⁰.

The report recommended an approach which was *“aligned to practices employed in other infrastructure bodies, with changes proposed to improve the suitability for IWA’s needs”*. Specifically, the proposed changes included:

- Adding a filtering process into the Long List evaluation
- Adding portfolio analysis into the Short List evaluation, and
- Adjustments to the criteria and scoring methodology.

The planned methodology was documented in a paper to the IWA Board titled *“Item 3.5 Attachment 1 - SIS evaluation framework overview”* and approved at their meeting held in November 2020. This paper acknowledged that *“minor technical details of [the] evaluation framework may be further refined.”*¹¹

The Peer Reviewer participated in Step 3A of the process outlined in the methodology. Step 3A was carried out by a combination of peer review of the Step 2B assessment together with further inputs from stakeholders, ongoing analysis by sector leads (analysts), expert consultancy inputs and facilitated evaluation review workshops.

5.2. METHODOLOGY REFINEMENTS

The Peer Reviewer reviewed the SIS Evaluation Framework and associated Board paper and attended a meeting with IWA representatives on 13 January 2021 to discuss potential refinements to the methodology. Refinements incorporated into the assessment template and approach following the meeting included:

- Introduction of a 4-point scale (Very High, High, Medium and Low, None, or Negative) in lieu of the then-proposed 3-point rating scale¹², where:
 - Very High would provide an opportunity to identify state-significant responses that have the potential to be transformational. It is expected that higher cost responses should make a greater contribution to economic, social and/or environmental outcomes. Very High may also reflect the durability of impact, such as strong benefits over the long-term, whereas ‘High’ could be selected for benefits over a shorter period. A Very High rating on one criterion could be viewed as so significant that it forms the basis of being recommended in the SIS almost regardless of its impact on other criteria.
 - Responses that have a negative impact should be rated as ‘Low/None/Negative’ with a note to confirm that the impact is negative, preferably with a brief note for discussion in the workshop.

¹⁰ Deloitte (December 2020) Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project

¹¹ IWA Board Papers (November 2020) Item 3.5 Attachment 1 - SIS evaluation framework overview

¹² IWA’s approach departed from the proposed scoring of 0 to 5 and -5 to 5 as shown in the Deloitte methodology on the basis that the varied levels of response definition did not allow for such a precise / granular evaluation to be undertaken.

- Provision of guidance on what is 'Recommended' or 'Recommended in Part' based on two tests, where the response would be required to pass both tests to be recommended.
 - Strategic Alignment Test, where the response passes the test if (1) the Significance rating is High or Very High, AND (2) the SIS Objectives & Vision rating is Medium, High or Very High
 - Triple Bottom Line Test, where the response passes the test if (1) One or more Triple Bottom Line impacts are Very High, OR (2) No more than one of the Triple Bottom Line impacts are rated as Medium or Low/None/Negative.
- Incorporation of the deliverability assessment into the evaluation template for Long List assessment #2 (Step 2B) on the basis that the completed template would serve as the input for the Step 3A Short List assessment (which required deliverability assessment).
- IWA proposed to have each analyst identify a few Long List responses which they considered may have merit but were "borderline" and did not quite pass the Long List assessment #2 filtering process. These responses were included in the assessment spreadsheet for the Short List assessment process (Step 3A) to enable evaluation by a wider group that could bring a broader perspective and more diverse skills to the assessment.

A further refinement was incorporated early in the evaluation review workshops process for Step 3A. Feedback was received from IWA's Chair and Deputy Chair to focus the workshops on identifying a smaller number of more strategic/significant recommendations (indicatively three recommendations per sector with some exceptions anticipated). It was proposed that other less significant recommended responses could still be reported up to Board (though as a separate category), or where fitting could be amalgamated with other responses to form a more strategic / significant response. Given the intent to have fewer recommendations (or Preferred Responses) as an output of Step 3A, evaluation review participants adopted an approach to recommend that where a response / project already has funding / significant traction and is progressing, the Strategy should support the response / project through the narrative and preserve the recommendations for new ideas / initiatives.

5.3. SUITABILITY OF THE SIS EVALUATION FRAMEWORK

A previous review of the framework undertaken by Deloitte¹³ found that "*The Initial Draft is consistent with the process applied by other infrastructure bodies to select preferred projects / initiatives to support an infrastructure strategy.*"

The Peer Reviewer is of the opinion that the SIS Evaluation Framework, with refinement as outlined above, is sound and suitable for evaluating and prioritising responses for the Strategy. The framework is transparent and robust with its use of commonly accepted criteria for evaluation and prioritisation of infrastructure proposals (e.g. strategic fit, triple bottom line performance, deliverability risk, affordability, interdependency). Further, the methodology incorporates a scoring approach which accommodates the variability in available data for the responses and acknowledges the need for strategic judgement to be exercised.

¹³ Deloitte (December 2020) Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project

6. SIS EVALUATION

6.1. INFORMATION SUPPLIED TO THE PEER REVIEWER

IWA supplied the following information to the Peer Reviewer for participation in the assessment:

- One page overview titled '*Understanding the Vision: The conclusions of the State Infrastructure Scenario Planning (in a nutshell)(draft version)*' presenting:
 - The ten market sectors to be addressed in the Strategy;
 - The objectives that the Strategy should support;
 - Identified global drivers of change;
 - Western Australia's comparative strengths;
 - Six identified opportunity areas to promote economic growth in WA; and
 - The greatest risks to achieving the vision;
- Sector summaries presenting the 'Sector Baseline #1 Assessment Results' dated 10 July 2020. For each sector these summaries included:
 - An overview of the sector;
 - A description of how the sector is structured (for planning, regulation, legislation, asset management)
 - Key issues for the sector;
 - Details of relevant strategic plans;
 - Unfunded future major projects;
 - Scope of the asset base;
 - Value of the asset base;
 - Capital expenditure trends; and
 - Next steps, identifying considerations and actions for IWA to progress the Strategy in relation to the sector;
- Excel spreadsheet dated 18 January 2021 documenting the identified CHOPS for each sector;
- Presentation slides for each sector-based evaluation review workshop providing an overview of the sector and the sector-specific and cross-sectoral¹⁴ challenges and opportunities faced by the sector; and
- Spreadsheets prepared by IWA analysts for each sector and cross sectoral theme documenting the draft evaluation (Long List assessment #2) of relevant responses, being 17 assessments as follows:
 - Ten sector assessments: Energy; Justice and Public Safety; Education; Arts, Culture, Sport & Recreation (**ACSR**); Health; Waste; Transport; Digital & Telecommunications, Housing; and Water;
 - Six cross-sectoral theme assessments: Digital; Climate Change and Sustainability; Energy; Planning and Coordination; Regional; and Aboriginal; and
 - An assessment against Economic and Vision Opportunities (**VOPS**).

6.2. EVALUATION REVIEW WORKSHOPS

The purpose of the Evaluation Review Workshops was to support Steps 2B and 3A of the SIS Evaluation Framework as endorsed by the IWA Board.

The Step 2B Long List assessment #2 was prepared by IWA analysts with input from agencies and expert advisors as required. This was completed using a bespoke assessment template (excel spreadsheet) developed by IWA as a tool to evaluate the triple bottom line benefits of responses. The strategic alignment test from the Step 2A Long List assessment #1 was retained with this analysis for context and Deliverability criteria were

¹⁴ Cross-sectoral challenges and opportunities are those which were identified as being commonly experienced across multiple sectors.

incorporated for further context and to inform the Step 3A evaluation undertaken with the Peer Reviewer present at the evaluation review workshops.

Evaluation review workshops for the Step 3A Short List assessment were conducted in two tranches. The first tranche of workshops addressed the ten market sectors and were facilitated by Ms Nicole Walton of Aurecon. The second tranche of workshops addressing six cross-sectoral themes and economic and vision opportunities (VOPS) were facilitated by Marcus Rooney (IWA Consultant). For each workshop, IWA analysts gave a short presentation or contextual briefing at the outset and led discussion to outline the responses and the associated draft evaluation to all participants.

Responses evaluated through the process were categorised as:

- 'Recommended'
- 'Recommended in part'
- 'Further investigation', where further information, consultation or investigations were deemed necessary to determine whether a response is a good idea / has strong merit; and
- 'Not recommended' where the response did not pass the threshold tests described in section 5.2.

The outputs of the Step 3A Short List assessment is known as the "Preferred Responses" in the methodology approved by the IWA Board.

6.3. PEER REVIEWER'S OBSERVATIONS

The Peer Reviewer's observations from the evaluation review workshops are set out below.

1. The table in Attachment 1 indicates the number of responses assessed for each sector, cross-sectoral theme and the economic and vision opportunities. This is reflective of the total number of items assessed and not the number of unique responses. For example, some responses were grouped by theme and had several components (denoted a, b, c etc) to indicate that elements of the overall response could be recommended and incorporated or removed.
2. The tranche 2 evaluation review workshops addressing the cross-sectoral themes and the economic and vision opportunities brought a strategic and future-oriented lens to the evaluation by considering the broader challenges and opportunities that impact across multiple infrastructure sectors. Importantly, this also ensured that specific focus was given to the unique challenges and opportunities of each region in WA so that potential responses could be evaluated in a strategic and integrated manner to leverage the strengths of each region and promote equitable access to social services and infrastructure.
3. The Perth metropolitan area and the Peel and South West regions entered a 5-day snap lockdown at 6pm on Sunday 31 January 2021 after a locally transmitted case of coronavirus was detected. In preference to deferring the first few scheduled workshops, it was decided to proceed using Microsoft Teams. Discussion over this forum was well-facilitated and effective, with good contribution by all participants. This was aided by the Facilitator establishing and scribing the outcomes on a MIRO board which was shared on screen, with participants also having the ability to directly add commentary onto the board. This format was retained beyond the lockdown for Workshop 4, with all subsequent workshops conducted at IWA.
4. Workshop documentation was complete and issued as pre-reading for participants prior to each workshop. It was evident that participants had read or were familiar with the content at the workshops.
5. The briefings and discussion of responses and their evaluation was pitched at an appropriate pace that allowed all participants opportunity to provide input. The evaluation of responses was not rushed or unreasonably paced. Priority was given to allocating sufficient time to robustly discuss and evaluate each response in preference to strictly managing time and overall workshop duration. On several

occasions the participants agreed to extend the duration of a workshop or schedule an additional workshop to enable fair consideration of all responses.

6. Workshops were well attended, with a diverse mix of skills and experience present in the room and excellent participation by all.
7. It was evident to the Peer Reviewer that information collected through IWA's consultation processes had substantively informed identification of the challenges and opportunities for each sector, and definition and analysis of potential responses evaluated for the Strategy. Such information was referenced in the analysis of responses and was frequently raised to support analyses during the Evaluation Review Workshops.
8. Expert consultants were engaged by IWA to prepare analyses and reports and assist with the evaluation for some sectors and cross-sectoral themes. The advice of the expert consultants was valuable to the evaluation process and was respected and upheld in determining which responses should be recommended.
9. An inherent complexity in undertaking a fair evaluation was that the responses varied significantly in their level of definition. Some responses were well defined and detailed in the information presented (e.g. business case completed) while others were highly conceptual (e.g. outputs from an ideation process, with much less certainty around viability). This variability in available data and in some cases lack of data meant that some subjective assessment and reliance on expert advice was necessary to complete the MCA and determine which responses are most strategic and should be recommended, or at least further investigated. Observations connected to this point are that:
 - Description: For a very small number of responses the description of the response was not able to be clearly articulated and understood. Where uncertainty remained following the discussion the response was categorised as 'Further investigation required' with an action for the analyst to clarify the intent with the relevant Agency / stakeholders. Where necessary, further work should occur to ensure that all Recommended Responses in the Strategy are clearly articulated and easily understood for consumption by a diverse audience.
 - Interfaces: Identification of interfaces was not addressed for all evaluations, and where addressed the details provided did not appear to give full consideration to the criterion. Further work should occur to ensure that the interfaces and dependencies for all Recommended Responses are identified and clearly articulated for all parties. This should occur as part of Step 3B as interfaces and dependencies could affect project prioritisation and order.
 - Costs and Funding: This information was unable to be completed or completed as a high-level response for some responses. Further work should occur to examine cost and funding options for all Recommended Responses through a detailed business case prior to any investment decision. There has been limited exploration of funding options / sources in Step 3A of the assessment however it is anticipated that this will be considered again with the portfolio affordability and analysis in Step 3B.
 - Assessment 1: Strategic Alignment – Significance: There were no apparent difficulties with completing this assessment.
 - Assessment 1: Strategic Alignment – SIS vision and objectives: There were no apparent difficulties with completing this assessment.
 - Assessment 2: Triple Bottom Line Impact – Economic: There were no significant difficulties with completing this assessment, however for a relatively small number of responses this was assessed as 'Unknown'. Some expert judgement was required where the capital and opex were unknown however the assessments were supported by workshop participants. Further work should occur to examine the economic feasibility for all Recommended Responses through a detailed business case prior to any investment decision.

- Assessment 2: Triple Bottom Line Impact – Social: There were no apparent difficulties with completing this assessment using judgement. Further work should occur to examine the social impacts (benefits and disbenefits) for all Recommended Responses through a detailed business case.
- Assessment 2: Triple Bottom Line Impact – Environmental: There were no apparent difficulties with completing this assessment using judgement. Further work should occur to examine the environmental impacts (benefits and disbenefits) for all Recommended Responses, including field work to inform optimal design concept and de-risk approval timeframes, and confirmation of approval pathways and timelines.
- Assessment 3: Deliverability – Stakeholder Support: There were no significant difficulties with completing this assessment, however for a relatively small number of responses (including some recommended responses) this was assessed as 'Unknown'. Further work should occur to ensure that the level of stakeholder support and potentially adversely impacted stakeholders is known and understood for all Recommended Responses. Further evaluation of this Deliverability risk should occur as part of Step 3B as it is critical for IWA to understand the magnitude of this risk when recommending responses in the Strategy.
- Assessment 3: Deliverability – Implementation risks: There was some difficulty with completing this assessment and it is noted that for some recommended responses this was assessed as 'Unknown'. Further work should occur to ensure that the implementation risks are better understood for all Recommended Responses. Further evaluation of this Deliverability risk should occur as part of Step 3B as it is critical for IWA to understand the magnitude of these risks when recommending responses in the Strategy.
- Urgency / Timeframe: There was limited difficulty with completing this aspect of the assessment, however the urgency or timeframe could be impacted when interfaces, environmental impacts, implementation risks and cost (affordability) are better understood. It is noted and supported that further work will occur as part of Step 3B to further prioritise the Recommended Responses and suggest time horizons based on the portfolio affordability and analysis. It is anticipated that this portfolio affordability and analysis will involve two stages which are iterative as proposed in the Deloitte report¹⁵, however VDA proposes some potential additional considerations in as follows:
 - For the first stage of this analysis (Selection of Preferred Responses):
 - Further consideration of interfaces and dependencies, environmental impacts and implementation risks as these may impact timing and priority (or order) of projects. Government should be informed where a longer lead time is required to accommodate upfront de-risking; and
 - Consideration of funding sources and options (as this impacts affordability).
 - For the second stage of this analysis (Identification of a balanced portfolio):

¹⁵ Deloitte (December 2020) Deliverable 12: Evaluation Framework Peer Review - State Infrastructure Strategy Scenario Planning Project

- Ensuring that consideration of the pipeline of responses and balanced investment across key areas (sectors) and Agencies also takes into consideration the market capacity (overall, and in each region) and the capacity of Agencies and GTEs to deliver.

The Peer Reviewer considers that the evaluation workshop process was conducted in a fair and objective manner, with due time allocated for evaluation of Responses and without evidence of bias.

The evaluation review workshops were well attended, with a diverse mix of skills and experience present in the room and excellent participation by all.

IWA analysts issued briefing information and preliminary assessments as pre-reading in advance of the evaluation review workshops and it was evident from the discussion that participants had read or were familiar with the content at the workshops. The analysts should be commended for the extent and depth of research and consultation undertaken when compiling, defining, and refining the Responses and completing the preliminary assessments.

Expert consultants were engaged by IWA to prepare analyses and reports and assist with the evaluation for some sectors and cross-sectoral themes. The advice of the expert consultants was valuable to the evaluation process and was respected and upheld in determining which responses should be recommended.

It was evident to the Peer Reviewer that information collected through IWA's consultation processes had substantively informed identification of the challenges and opportunities for each sector, and definition and analysis of potential responses evaluated for the Strategy. Such information was referenced in the analysis of responses and was frequently raised to support analyses during workshops.

7. CONCLUSION

The Peer Reviewer considers that the SIS Evaluation Framework is sound and suitable for evaluating and prioritising responses for the Strategy. The rationale for reaching this conclusion is set out in section 5.3 of this report.

IWA's application of the framework for the second Long List assessment (Step 2B) and the Short List evaluation (Step 3A) has been undertaken in a manner which is consistent with the methodology.

The evaluation review workshops conducted as part of Step 3A were an effective forum to discuss and review the preliminary evaluation of responses. The discussion and evaluation were informed by a diverse set of expertise and experience in attendance and was free from bias. The responsible analysts and workshop participants brought a consistent and diligent approach to the assessment. The workshop process has delivered a diverse mix of Preferred Responses for further consideration in the subsequent stages of the evaluation process.

ATTACHMENT 1 – EVALUATION REVIEW WORKSHOP SCHEDULE

| Evaluation Review Workshop 1 – Energy and Justice & Public Safety | | | |
|---|----------|---|--|
| 2 February 2021 (via Microsoft Teams) | | | |
| No. of responses: | | Participants: | |
| Energy Justice | 15 14 | Nicole Walton Lance Glare Andrew Wilkinson Lauren Aitken Ali Cheetham Marcus Rooney Megan Waddell Beth Beere Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Consultant, IWA (Coordinator) Principal Policy Officer - Planning and Strategy, IWA Principal Policy Officer - Planning and Strategy, IWA Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 2 – Education and Arts, Culture, Sport & Recreation (ACSR) | | | |
|---|----------|--|---|
| 4 February 2021 (via Microsoft Teams) | | | |
| No. of responses: | | Participants: | |
| Education ACSR | 15 11 | Nicole Walton Philip Helberg Lance Glare Andrew Wilkinson Lauren Aitken Liliana Pelle Ali Cheetham Marcus Rooney Megan Waddell Emma Dickinson Ryan Victa Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Consultant, IWA (Coordinator) Principal Policy Officer - Planning and Strategy, IWA Principal Policy Officer - Planning and Strategy, IWA Senior Policy Officer - Planning and Strategy, IWA Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 3 – Health, Waste and Transport | | | |
|--|-----------------|--|---|
| 5 February 2021 (via Microsoft Teams) | | | |
| No. of responses: | | Participants: | |
| Health Waste Transport | 12 15 196 | Nicole Walton Lance Glare Andrew Wilkinson Liliana Pelle Ali Cheetham Jakub Laszkiewicz Marcus Rooney Megan Waddell Beth Beere Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Consultant, IWA (Coordinator) Principal Policy Officer - Planning and Strategy, IWA Principal Policy Officer - Planning and Strategy, IWA Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 4 – Transport and Digital & Telecommunications | | | |
|---|---------------|---|---|
| 12 February 2021 (via Microsoft Teams) | | | |
| No. of responses: | | Participants: | |
| Transport Digital Telecoms | 196 8 4 | Nicole Walton Lance Glare Andrew Wilkinson Liliana Pelle Ali Cheetham Jakub Laszkiewicz Geraldine Thomas Marcus Rooney Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Senior Policy Officer – Planning & Strategy, IWA Consultant, IWA (Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 5 – Housing | | | |
|--|--|--|--|
| 15 February 2021 (Dumas House) | | | |

| No. of responses: | | Participants: | |
|-------------------|----|---|--|
| Housing | 16 | Nicole Walton Lance Glare Andrew Wilkinson Ali Cheetham Marcus Rooney Emma Dickinson Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Consultant, IWA (Coordinator) Principal Policy Officer - Planning and Strategy, IWA Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |
| | | Social housing expert advisor: | |
| | | Amanda Shipton | Director, Align Strategy + Projects |

| Evaluation Review Workshop 6 – Water | | | |
|--------------------------------------|----|--|---|
| 19 February 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Water | 36 | Nicole Walton Lance Glare Andrew Wilkinson Liliana Pelle Geraldine Thomas Marcus Rooney Stephanie Glew Nadia van Dommelen | Aurecon (Facilitator) A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Senior Policy Officer – Planning & Strategy, IWA Consultant, IWA (Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |
| | | Water and wastewater expert advisor: | |
| | | Fabiana Tessele | Director, Tessele Consultants |

| Evaluation Review Workshop 7 – Digital | | | |
|--|---|---|--|
| 4 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Digital | 8 | Philip Helberg Lance Glare Andrew Wilkinson Liliana Pelle Lauren Aitkin Geraldine Thomas Ali Cheetham Jakub Laszkiewicz Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Senior Policy Officer – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |
| | | Telecommunications and digital technologies expert advisors: | |
| | | Brad Davies Tom Goerke Michael Hart | Managing Director, Vector Consulting Vector Consulting Director, Grex Consulting |

| Evaluation Review Workshop 8 – Climate Change and Sustainability | | | |
|--|----|--|---|
| 9 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Climate Change and Sustainability | 18 | Philip Helberg Lance Glare Andrew Wilkinson Lauren Aitkin Ali Cheetham Megan Waddell Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer - Planning and Strategy, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 9 – Energy | | | |
|--|----|---|--|
| 16 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Energy | 16 | Philip Helberg Lance Glare Andrew Wilkinson Liliana Pelle Ali Cheetham Jakub Laszkiewicz Megan Waddell Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Principal Policy Officer - Planning and Strategy, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |
| | | Energy sector expert advisors: | |
| | | Ben Haddock Joe Strydom | Associate, Arup Principal and Group Leader Infrastructure WA, Arup |

| Evaluation Review Workshop 10 – Planning and Coordination | | | |
|--|----|---|---|
| 17 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Planning and Coordination | 14 | Philip Helberg Lance Glare Andrew Wilkinson Liliana Pelle Lauren Aitkin Ali Cheetham Jakub Laszkiewicz Beth Beere Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Principal Policy Officer - Planning and Strategy, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 11 – Regional | | | |
|---|----|--|--|
| 19 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Regional | 70 | Philip Helberg Lance Glare Andrew Wilkinson Liliana Pelle Lauren Aitkin Geraldine Thomas Ryan Victa Ali Cheetham Jakub Laszkiewicz Megan Waddell Beth Beere Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Senior Policy Officer – Planning & Strategy, IWA Senior Policy Officer, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Principal Policy Officer - Planning and Strategy, IWA Principal Policy Officer - Planning and Strategy, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

| Evaluation Review Workshop 12 – Aboriginal | | | |
|---|----|--|--|
| 29 March 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Aboriginal | 14 | Philip Helberg Lance Glare Andrew Wilkinson Liliana Pelle Lauren Aitkin Ali Cheetham Jakub Laszkiewicz Marcus Rooney Megan Waddell Beth Beere Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Principal Policy Officer, IWA Consultant, IWA (Facilitator and Coordinator) Principal Policy Officer - Planning and Strategy, IWA Principal Policy Officer - Planning and Strategy, IWA Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |
| Aboriginal policy and engagement advisors: | | | |
| | | David Edelman Tracey Ninnette Shaye Hayden Adrian Duca Craig Ward Melissa Moore Kate Alderton | DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate DPC Aboriginal Engagement Directorate |

| Evaluation Review Workshop 13 – Economic Vision & Opportunities (VOPS) | | | |
|---|---|---|--|
| 7 April 2021 (Dumas House) | | | |
| No. of responses: | | Participants: | |
| Economic and vision and opportunities | 9 | Philip Helberg Lance Glare Andrew Wilkinson Lauren Aitken Ali Cheetham Marcus Rooney Stephanie Glew Nadia van Dommelen | Chief Executive Officer, IWA A/Deputy Chief Executive Officer, IWA Director – Planning & Strategy, IWA Director – Planning & Strategy, IWA Principal Policy Officer, IWA Consultant, IWA (Facilitator and Coordinator) Project Officer, IWA van Dommelen Advisory (Peer Reviewer) |

Creative thinking,
problem-solving,
outcomes-focussed,
easy to work with.