



A Co-operative venture of the municipalities of:
Cockburn, East Fremantle, Fremantle, Kwinana, Melville & Rockingham

21 August 2020

Mr John Langoulant AO
Chair
Infrastructure Western Australia
Dumas House, 2 Havelock St, West Perth, WA 6005
Via e-mail: enquiries@infrastructure.wa.gov.au

Dear John,

RE: SUBMISSION - INFRASTRUCTURE WESTERN AUSTRALIA DISCUSSION PAPER

Background

The South West Group is a Voluntary Regional Organisation of Councils (VROC) established in 1983 and comprising six member Councils in the South West Metropolitan Region including City of Cockburn, Town of East Fremantle, City of Fremantle, City of Kwinana, City of Melville and City of Rockingham.

The South West Group partners and collaborates with State and Federal Government, industry, business and community on activities that benefit and facilitate further economic development in the South West Metropolitan Region. The Vision for South West Metropolitan Region is to be the “*Economic Gateway to the West*”.

Part of our role is to advocate for the needs of our member councils. This involves advocating for investment in infrastructure that will unlock the economic potential of our region – more information can be found on our website here: <http://www.southwestgroup.com.au/regional-advocacy/advocacy-priorities/>.

Submission

Please accept this letter as the South West Group’s submission to the Infrastructure Western Australia Discussion Paper. As well as addressing most of the 22 questions posed in the discussion paper, we’ve prepared additional commentary that are intended to be constructive suggestions for how IWA can be as effective as possible.

IWA principles

The table below plots IWA's principles and provides commentary on what those principles are expected to look like in practice, based on the views of our member councils.

IWA PRINCIPLE AND DESCRIPTION DISCUSSION PAPER 2020	FOR THIS TO BE ACHIEVED, WHAT DOES THAT LOOK LIKE IN PRACTICE FOR SOUTH WEST GROUP MEMBER COUNCILS?
<p><u>Open, consultative and engaging</u> <i>It is critical that we capture the rich knowledge, expertise and perspectives of stakeholders within government, industry, academia and the community, and engage with stakeholders in an open and meaningful way. Maintaining a strong relationship with State Government agencies will be particularly important</i></p>	<ul style="list-style-type: none"> • IWA initiates engagements with all stakeholders directly, including Local Government stakeholders • There is structured engagement of the Local Government sector and records are maintained from roundtables, workshops etc. • IWA 'road shows' are greatly valued by South West Group member councils and IWA is encouraged to make the roadshows a regular and structured program – these will need to be tailored to specific regions and based on the regional context • Consultation on key issues is undertaken early enough to genuinely shape the discussion / outcome
<p><u>Objective and rigorous</u> <i>The Strategy will be based on rigorous and objective evidence wherever possible. Determining the State's greatest infrastructure needs and highest priorities from a wide range of stakeholder inputs and other analysis will be approached through the application of robust methodologies.</i></p>	<ul style="list-style-type: none"> • IWA engages with stakeholders when developing its assessment criteria, and that the selection criteria be published and regularly reviewed. The <i>State Black Spot Program Development and Management Guidelines</i> are considered to be a fair and transparent example of how this can be done effectively • IWA publishes all details of all projects, assessments, business cases, analysis, financial modelling etc. • IWA provides information upon request from any party without undue delay or redaction or removal of information
<p><u>Improvement over time</u> <i>Given the wide range of infrastructure matters for IWA to consider and address in the Strategy, IWA will focus on working with stakeholders to achieve improvement over time (for example, planning and delivery models). The scope and focus of IWA's first Strategy will be refined through consultation with stakeholders</i></p>	<ul style="list-style-type: none"> • The Government of the day is required to respond to the Infrastructure Strategy and general IWA advice with detailed justification, particularly when IWA advice is <u>not</u> taken by Government • IWA develops a staged process (similar to IA) that requires the submitting organisation to undertake a proportionate level of rigour/work commensurate with the stage in the process (i.e. stage one is a fairly simple opportunity/problem statement, while later stages are more robust business cases)
<p><u>Affordable and deliverable</u> <i>In order to be effective and relevant, IWA's recommendations must be affordable and deliverable. IWA will consider responsible and sustainable fiscal management in developing the Strategy. This includes the capacity and capability of government and the private sector to deliver the scale and scope of recommendations within certain timeframes. The IWA Act requires us to consider funding and financing options, as well as the affordability of our recommendations in the Strategy</i></p>	<ul style="list-style-type: none"> • 'Affordable' needs to be clearly defined based on the level of risk the opportunity or problem presents • Full life cycle costing should be part of the definition of 'affordable' • The scope of 'deliverable' should not be limited by the policy positions of the Government of the day

<p><i>Forward looking and open to change</i> <i>Our state is experiencing rapid change, which creates both challenges and opportunities. IWA will consider the impact of change (including population growth, social change and disruptive technologies and events) and how infrastructure and services should best adapt and respond. IWA will challenge established thinking where appropriate</i></p>	<ul style="list-style-type: none"> • Contemporary principles of sustainability should be embedded in all aspects of IWA’s work • IWA should embrace the possible catalytic nature of infrastructure investment in shaping development of WA • Communication across agencies and levels of Government to share each ‘players’ roles and responsibilities within the State context would be welcomed
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Desired real world change

We recommend that IWA articulate the ‘real world’ objectives it wishes to influence. That is, what actual change in Western Australia is desired by 2040? Possible statements could include:

- *More diverse economy less reliant on extraction and exportation of finite resources, thereby reducing risk of major economic fluctuations*
- *State infill targets have been exceeded to create a more sustainable urban form and Perth’s urban footprint has not increased from 2020 levels*
- *Greater value-adding for major sectors (e.g. energy metals)*
- *Greater housing diversity and affordability (inc. homelessness) resulting in greater home ownership rates*
- *Greater amount of local content in major public and private construction projects*
- *Climate change mitigation and adaptation infrastructure in place*
- *The State is run on 100% clean energy*
- *Arts and culture are valued and receive sufficient public funding comparable to other cities*
- *The State’s ecological assets have been regenerated and biodiversity has been improved.*

The above statements (or similar) should be reflected in IWA’s assessment criteria to ensure proposed infrastructure projects result in the desired real world change. These statements could be used within the “Imagining the Future” section of the State Infrastructure Strategy.

Responses to 22 targeted questions

1. What do you think the implications of the pandemic for infrastructure will be in the recovery phase and over the medium and long-term? Do you see any new opportunities or challenges?

- Invest in industries that ensure WA is as self-reliant as possible in the scenario of a repeat pandemic or another global event that causes similar disruptions. This means increased self-sufficiency for:
 - Water
 - Food
 - Energy
 - Medical
 - Security
 - ICT and
 - Critical resources.

- Opportunity and greater community appetite for Government to invest in enabling infrastructure that would typically be seen as the domain of the private sector. For example, it could invest in manufacturing technology or infrastructure to ensure Western Australia is self-sufficient of critical medical supplies. Similarly, it could invest in infrastructure that could assist WA in moving along the critical mineral value chain/s.
- Opportunity to improve alignment of Federal, State and Local Government partnership projects so there is a known body of infrastructure projects of varying degrees of urgency that are deliverable.

2. Are there early learnings resulting from the pandemic around the resilience of our economy and our infrastructure that we should consider as we develop the Strategy?

- Over reliance on finite resources and export markets for our economic prosperity. There is little value adding that occurs in Western Australia. In the same way that the UAE is transitioning away from a dependence on oil with a clear plan, WA should have a clear plan to transition from the increasing reliance on the mining sector which in itself relies heavily on a trading relationship with China and other nations.
- WA should build the capacity to be self-reliant (if required) for water, energy, food, medicine etc. – planning for a scenario where global tensions continue to escalate and / or international trade is restricted for whatever reason.
- Local Governments are working closest to the community and have effective programs to engage with the public and support State Government in implementing their COVID responses and messaging.
- The Local Government sector is well equipped with a pipeline of costed infrastructure projects prepared as part of their ten-year financial plans. These projects could have been accelerated if additional funding was provided by State and Federal Governments, creating local employment opportunities and circulating money into the State economy.
- Most community facilities have proved to be not fit for purpose in respect to catering for the separation levels required to manage COVID19
- There is opportunity to undertake many public and private functions remotely and the systems and technology available has proved to be adequate to the functions required

3. What elements should a well-developed 20-year Strategy include?

- We recommend that IWA articulate the ‘real world’ objectives it wishes to influence. That is, what actual change in Western Australia is desired by 2040? Possible statements could include:
 - *More diverse economy less reliant on extraction and exportation of finite resources, thereby reducing risk of major economic fluctuations*
 - *State infill targets have been exceeded to create a more sustainable urban form and Perth’s urban footprint has not increased from 2020 levels*
 - *Greater value-adding for major sectors (e.g. energy metals)*
 - *Greater housing diversity and affordability (inc. homelessness) resulting in greater home ownership rates*

- *Greater amount of local content in major public and private construction projects*
 - *Climate change mitigation and adaptation infrastructure in place*
 - *The State is run on 100% clean energy*
 - *Arts and culture are valued and receive sufficient public funding comparable to other cities*
 - *The State's ecological assets have been regenerated and biodiversity has been improved.*
- Infrastructure provision should not enable the continued sprawl of the metropolitan area. That is, the footprint should be set now and infill should be the focus. It is logical economical, sustainable and financial in terms of per capita cost of infrastructure.

4. Are there any additional or alternative principles that should guide the development of the Strategy?

- Basic sustainability principles should be fundamental to the assessment process – these have been addressed in earlier sections of this submission.
- It should be supported by a long-term financial / investment plan, in the same manner that Local Governments are required to prepare ten-year financial plans. Forward estimates are insufficient to provide certainty.
- Partnering and shared funding opportunities.

5. Are there other strategic issues that we have not addressed that should form part of these objectives?

- How will the State Government ensure genuine inter-agency alignment of strategic objectives, planning, delivery programs, resources etc.
- With reference to “climate change and increased resilience”, the State must take a greater role in coordinating and funding coastal adaptation measures required to respond to sea level rise hazards.

6. What are the macro trends that you see as important over the 20-year timeframe? What risks or opportunities do they provide to the Strategy?

- “Imagining the Future” section misses the opportunity to define the real world change IWA aims to influence by 2040, or to answer the question “what sort of society do we want to live in?” There is no bold vision.
- Clearly climate change is a macro trend that must be addressed through a clear focus on green energy infrastructure.
- Global tensions that may escalate and lead to restrictions in international trade and/or conflicts

- Lack of trust of Government to make the correct decisions in the long-term interest of its communities

7. How can regions work together to identify and deliver large-scale opportunities, projects and programs which extend across regional boundaries?

- n/a for SWG – no response provided

8. What do you think are the greatest infrastructure needs and priorities across the regions and Perth?

- Improved public transport connections within Perth's urban footprint; used as a catalyst to accelerate development in strategically chosen locations
- More efficient Port infrastructure and landside logistics
- Clean / green energy infrastructure

9. How can declining population in some regions be slowed or reversed?

- n/a for SWG – no response provided

10. Should Western Australia have a second major city of more than 200,000 people? Which of the State's existing centres should become a second major city and why?

- n/a for SWG – no response provided

11. What, if any, other infrastructure sectors should be addressed in the Strategy?

- Waste management
- Coastal infrastructure
- Essential utilities, considering the ability of the market to use small-scale producers, and the rate of technological change.

12. How should the Strategy address private sector infrastructure requirements?

- n/a for SWG – no response provided, best left to private sector stakeholders to respond to

13. How can the Strategy assist to coordinate and integrate across infrastructure sectors? What interdependencies do you consider most important?

- Needless to say that effective coordination across State agencies is vital to the success of IWA and whether the *Infrastructure Strategy* itself results in any positive real world change. IWA can oversee or provide commentary or advice on the performance of State agencies in fulfilling their role in delivering on the bigger picture. This includes the need to account for the opportunity cost of inaction or continuing on an unsustainable course.
- Transport infrastructure and land-use planning are highly interdependent and should be much more integrated in their strategies and delivery; despite acknowledging the myriad problems with ongoing sprawl we seem to 'sleepwalking' towards that outcome with minimal investment in high quality public transport solutions and/or lasting solutions to vehicle congestion.
- Electro-mobility principles should be considered and strategies developed to meet infrastructure needs.
- From a governance and coordination perspective, the Westport taskforce is considered by the South West Group to be a strong model to follow with regards to coordinating and integrating various stakeholders towards a common outcome.
- Local Government can play a key supporting role in the coordination and integration of infrastructure needs analysis and provision, with opportunities for partnering and co-contributions for infrastructure with demonstrated community benefit at the local level.

14. Do the opportunities and challenges identified in this section reflect the most important and/or pressing matters in each sector?

- The opportunities and challenges are considered a good first draft. Further stakeholder input through the initial consultation process being undertaken by IWA will provide greater clarity regarding aspects and scope of work required, which will build confidence and strengthen the opportunities for future partnerships.
- A more comprehensive and ongoing stakeholder engagement process will further strengthen the quality of input into infrastructure requirements and will provide useful content for future iterations.

15. Are there particular aspects of infrastructure provision in these sectors which you think IWA should focus on?

- Clearly presenting an integrated infrastructure plan geospatially will be important to communicating the value of IWA.
- Adoption of smart city technology and the use of data gathered will provide much needed information to assist decision making regarding the provision of future infrastructure and services.

16. In what way do you think the core sectors may change (for example, emergence of new sectors, or shifts in the importance or significance of sectors) over the life of the Strategy?

- Investment in green / clean energy production and distribution
- Battery manufacturing.
- Medicine, medical devices, personal health products (PEE, face masks, hand sanitizer, air cleansers etc.).
- Food production.
- Construction technology.

17. What are your thoughts on the proposed methodology to develop the Strategy?

- The 'bottom-up' approach is needed to gather all intelligence and ideas from State agencies and stakeholders. However, the pattern of urban form of the Perth metropolitan area is unsustainable, so the fundamental principles that these infrastructure ideas/projects are based on is questionable. Therefore, IWA may wish to focus less on the 'bottom-up' and more on establishing a vision and determining the path to achieve it.
- We appreciate the need for the strategy to be grounded in the reality of the State and National finances; however, there is a risk that this pragmatism could limit the thinking and vision of IWA or simply be framed by Government policy or political party promises, thereby rendering IWA meaningless.

18. What approaches can IWA take to compare and assess priorities across different sectors, regions and issues? What prioritisation criteria should be applied?

- We recommend that IWA articulate the 'real world' objectives it wishes to influence and assess priorities based on those objectives. This includes developing selection criteria based on these objectives. Possible statements could include:
 - *More diverse economy less reliant on extraction and exportation of finite resources, thereby reducing risk of major economic fluctuations*
 - *State infill targets have been exceeded to create a more sustainable urban form and Perth's urban footprint has not increased from 2020 levels*
 - *See above for remainder.*

19. To what extent should IWA consider the potential for infrastructure to directly promote new economic development and diversification (including in the regions), as opposed to improvements in core service delivery?

- Very much so – economic diversification is vital to the long-term success of the State. Despite recognition of this for some time, we’ve regressed and become more reliant on the mining industry and a trading relationship with China. This has created a major risk for Western Australia’s prosperity that needs to be addressed via economic strategy.

20. What is an appropriate significance threshold to apply, to enable a focus on larger and more strategic infrastructure? Should it vary across different regions and/or sectors and, if so, how?

- A financial threshold is less important than the extent to which the project contributes to the real world objectives. For example, \$100 million to provide services in areas beyond Perth’s current urban footprint would not be desirable from a vision, strategic objectives perspective.

21. What specific scenarios should IWA consider from a top-down perspective, particularly as part of its 11 to 20 year outlook?

- The four scenarios in the discussion paper are reasonable as a starting point but should be reviewed regularly.

We trust this submission is helpful. If you require any further information, please contact South West Group Director, Tom Griffiths on 0406 420 854 or director@southwestgroup.com.au.

Kind regards,

Logan Howlett

His Worship the Mayor
Logan K Howlett JP

Chair of the South West Group in 2020, and representing the following Local Governments:

