



Infrastructure Western Australia

Frequently Asked Questions



What is Infrastructure WA?

The establishment of Infrastructure WA (IWA) is a key election commitment under the Government's Plan for Jobs. IWA will be an independent body tasked with providing expert advice to Government on the State's infrastructure needs and priorities. IWA's advice will support the Government in its infrastructure decision-making, to grow the economy and create jobs by building the right projects, in the right place, at the right time.

To achieve this, IWA will be responsible for:

- delivery of a State Infrastructure Strategy addressing infrastructure needs and priorities over a 20-year horizon;
- assessing major infrastructure proposals;
- providing advice and assistance to State agencies in preparing infrastructure strategies, plans and policies, and advice on preparing infrastructure proposals;
- coordinating the provision of information and submissions to Infrastructure Australia;
- providing advice to the Premier on infrastructure priorities, and the funding and financing of infrastructure;
- reviewing and reporting to the Premier on completed infrastructure projects;
- promoting public awareness of matters relating to infrastructure; and
- any other infrastructure related functions requested by the Premier.

Why do we need IWA?

IWA's key objective will be to improve infrastructure planning and decision-making to maximise the value to Western Australia from every dollar spent on infrastructure. IWA will help to tackle a number of issues experienced over recent years, including:

- Lack of a long-term infrastructure strategy, leading to a piecemeal approach and short-term focus;
- Siloed decision-making, resulting in a lack of strategic alignment and coordination;
- In some cases, fragile political consensus and short-term considerations causing uncertainty for investors;
- Lack of transparency, consultation and engagement, hindering consensus;
- Difficulties in considering innovative solutions and ideas; and
- Issues with infrastructure delivery, from business case development to construction.

Establishing IWA implements key recommendations of the Special Inquiry into Government Programs and Projects. It also responds to strong calls from stakeholders to establish such a body.

How independent is IWA from government?

IWA will operate at 'arms-length' from government in undertaking most of its functions. As outlined in the *Infrastructure Western Australia Bill 2019* (IWA Bill), the Premier cannot give a direction to IWA about the particular performance of a function or the content of any strategy, advice, report, guideline or other document prepared by IWA. Directions must be tabled in Parliament within 14 days of the direction being given.

IWA will be governed by a board with at least 50 per cent independent members, and led by an independent Chairperson. This is essential to fostering a bipartisan approach to infrastructure planning and decision-making. The IWA Bill provides for the Chairperson or presiding member (who must always be non-government) to hold a casting vote in the event where there is an equality of votes.

What is Government's role in relation to IWA?

The IWA Bill sets out various roles and requirements of Government, including:

- Tabling the State Infrastructure Strategy in Parliament within a set timeframe;
- Providing a response to the State Infrastructure Strategy detailing the extent of support for each of the recommendations;
- Preparing an annual State Infrastructure Programme;
- State agencies to align strategies, plans and policies with the State Infrastructure Strategy recommendations (to the extent they are supported by Government) and State Infrastructure Programme; and
- State agencies to cooperate with IWA, including by providing IWA with the information required to perform its functions.

How will the State Infrastructure Strategy be developed and how often will it be reviewed?

IWA will develop the strategy in consultation with Commonwealth, State and Local Governments, industry and the community. Consideration will be given to current relevant State government strategies, plans, policies, priorities and forecasts when developing the Strategy. Further information on the required content of the Strategy is outlined in the IWA Bill.

The IWA Bill requires IWA to undertake public consultation on the draft strategy. The Strategy will be reviewed every five 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 or the amended Strategy).

Will government be required to follow the advice in IWA's State Infrastructure Strategy?

IWA's advice will not be binding on government. IWA's Strategy will include recommendations which the government must respond to, indicating the extent to which each recommendation is supported (i.e. in part, in full or not supported), and reasons why a recommendation is not fully supported. Government must table its response in Parliament within 6 months of the Strategy being tabled in Parliament.

State agencies are required to align their strategies, plans and policies with and implement the Strategy's recommendations (to the extent that they are supported as outlined in Government's response to the Strategy).

What is the State Infrastructure Programme?

The IWA Bill requires Government to prepare a State Infrastructure Programme on an annual basis, which must be made publicly available within 3 months of the State Budget being handed down. The Programme is a short to medium term (10-year) plan which will provide an overview of the State's infrastructure investment consistent with the Budget and forward estimates (i.e. 1-4 years). The Programme will also look beyond the forward estimates (i.e. 5-10 years) and identify emerging issues and challenges over this period, and potential options to address these issues and challenges.

It is expected that the State Infrastructure Programme will align with the recommendations of the State Infrastructure Strategy (to the extent that they are supported by the Government). Government must seek the advice of IWA in preparing the Programme.

What types of infrastructure will IWA address?

IWA's role is to provide a comprehensive view of the State's infrastructure needs, addressing a broad range of infrastructure types in its long-term strategy, focussing on infrastructure that enhances economic, social and environmental outcomes for the State. It is intended that the needs of all sectors will be considered including water, digital, health, energy, education, transport, cultural, recreational, justice, agriculture, housing, safety and environmental infrastructure.

Which infrastructure proposals will IWA assess?

IWA's assessment role will be limited to any major infrastructure proposal (a single project or programme of multiple projects) which have an estimated capital cost of \$100 million or more, and any other specific proposals referred to IWA for assessment by the Premier. IWA will also have the discretion to exempt infrastructure proposals from the assessment process. The regulations may provide further detail on the circumstances where an exemption may be provided, and any conditions imposed.

How will IWA assess major infrastructure proposals?

IWA will develop guidelines outlining how it will assess major infrastructure proposals, which will be made publicly available. IWA must provide a report on its assessment of each proposal to the Premier, prior to an investment decision being made by government, and a summary of this advice will be made public within 6 months. The purpose of IWA's assessment is to ensure that government's investment decisions are informed by IWA's expert advice, and to improve the quality of proposals over time. This will assist in helping to prevent costly budget blowouts, delays and cancellations.

How does the \$100m threshold apply to IWA's broader functions?

The proposed \$100m capital cost threshold only applies to IWA's function to assess major infrastructure proposals. A monetary threshold will not apply to IWA's other functions. For example, the State Infrastructure Strategy will deal with infrastructure priorities that are of strategic importance to the State or region/s, regardless of their capital cost.

Note that the IWA Bill provides flexibility to alter the cost threshold from \$100 million, providing the ability to prescribe in the regulations another amount. Note also that the Premier has the ability to nominate a proposal (which doesn't meet the cost threshold) to be assessed by IWA.

Will IWA make decisions on investing in infrastructure?

No, IWA is an advisory body and will not have decision making authority. Government is, and will continue to be responsible for making investment decisions for public infrastructure. IWA will provide advice prior to Government making investment decisions on major infrastructure proposals.

How does IWA's role relate to the work of Infrastructure Australia?

One of IWA's objectives is to improve the consistency and quality of business cases submitted to Infrastructure Australia (IA), to assist in strengthening the State's position for Commonwealth funding. IWA will review and report to the Premier on proposals prior to their submission to IA. IWA will also coordinate the State's input to IA under the direction of the Premier, for example the State's input to IA on the national Infrastructure Priority List.

Which agencies will the legislation apply to and what are the obligations on these agencies?

IWA will apply to all State Government agencies, statutory authorities and government trading enterprises. These State agencies will be required to cooperate with IWA to enable it to effectively perform its functions. State agencies will be required to provide information to IWA if requested to do so, and align their strategies, plans and policies with the recommendations of the Strategy (to the extent they are supported by Government) and the relevant aspects of the Government's State Infrastructure Programme.

Will IWA have a role in delivering infrastructure projects?

While it is not intended that project delivery will be a core function of IWA, the IWA Bill provides an intentionally broad power to account for instances where the Premier may task IWA with performing additional functions. Existing agencies are already well placed to deliver infrastructure projects in Western Australia so it is reasonable to expect that IWA will rarely, if at all, perform a project delivery function.

When will IWA commence?

IWA is being established through legislation to ensure its longevity and to clearly define its statutory role. It is anticipated that IWA will formally commence in the third quarter, 2019. IWA's first priority will be to develop the State Infrastructure Strategy.

Why is a staged commencement of some IWA functions proposed?

A staged commencement of some functions will allow IWA to focus on preparing the State Infrastructure Strategy as its first priority. The State Infrastructure Strategy will identify the key challenges and priorities over the long-term in the State, and will underpin many other IWA functions as the basis for its assessments and advice.

It is anticipated that the assessment of major infrastructure proposals will commence after the State Infrastructure Strategy is finalised, which is expected to take approximately 18 months to prepare following formal commencement. Government's preparation of the State Infrastructure Programme will also commence at a similar timeframe.

What is the purpose of the annual report on implementation?

IWA is required to report annually on implementation of the recommendations of the State Infrastructure Strategy. The report is intended to provide an update of Government's progress in implementing the Strategy and improve accountability. In preparing the report, IWA is to take into account the current Government response to the Strategy and the State Infrastructure Programme.

Who will be on IWA's Board?

IWA's board will have a maximum of 10, and a minimum of 6 members, comprising both government and non-government members. The board will include as a minimum:

- An independent (non-government) Chairperson;
- Three government ex-officio members, these being the Under Treasurer, and Directors General of the Departments of the Premier and Cabinet and Planning, Lands and Heritage; and
- At least two other non-government members (including the Deputy Chairperson).

The remaining four positions may be filled as is considered appropriate, ensuring that the number of government members does not exceed the number of non-government members as per the provisions of the IWA Bill. The Chairperson and the Deputy Chairperson will be non-government employees. The IWA Bill requires that appointed Board members have appropriate expertise in the areas of infrastructure policy, planning, strategy, funding, financing or delivery. The Board collectively, must also have expertise across a broad range of infrastructure sectors.

Will IWA publish all of its advice and reports?

IWA, with the approval of the Premier, has the ability to make advice that it has prepared through the performance of its functions publicly available. IWA is required, or may make the following documents publicly available:

- draft State Infrastructure Strategy (and any amendment to the Strategy);
- Guidelines for assessment of major infrastructure proposals;
- Annual reports on Government's progress in implementing the accepted Strategy recommendations;
- Summary of assessment of a major infrastructure proposal (if not published by the Premier); and
- Annual work programme.

In addition, Government is required to make the following documents publicly available:

- Final State Infrastructure Strategy;
- Government's response to the State Infrastructure Strategy (and any amended response to the Strategy);
- Annual State Infrastructure Programme;
- Any direction from the Premier to IWA; and
- Statement of grounds for suspending or removing a board member or the CEO from office.

Any information or advice made publicly available must accord with the restrictions on the disclosure of information, including sensitive information, as outlined in the Bill.

How can I keep informed?

For the latest news on Infrastructure Western Australia and to subscribe for updates, please visit www.dpc.wa.gov.au/infrastructurewa