



Department of
**Primary Industries and
Regional Development**

Whose outcome is it anyway?

Using matrices to serve many masters

Linda Leonard

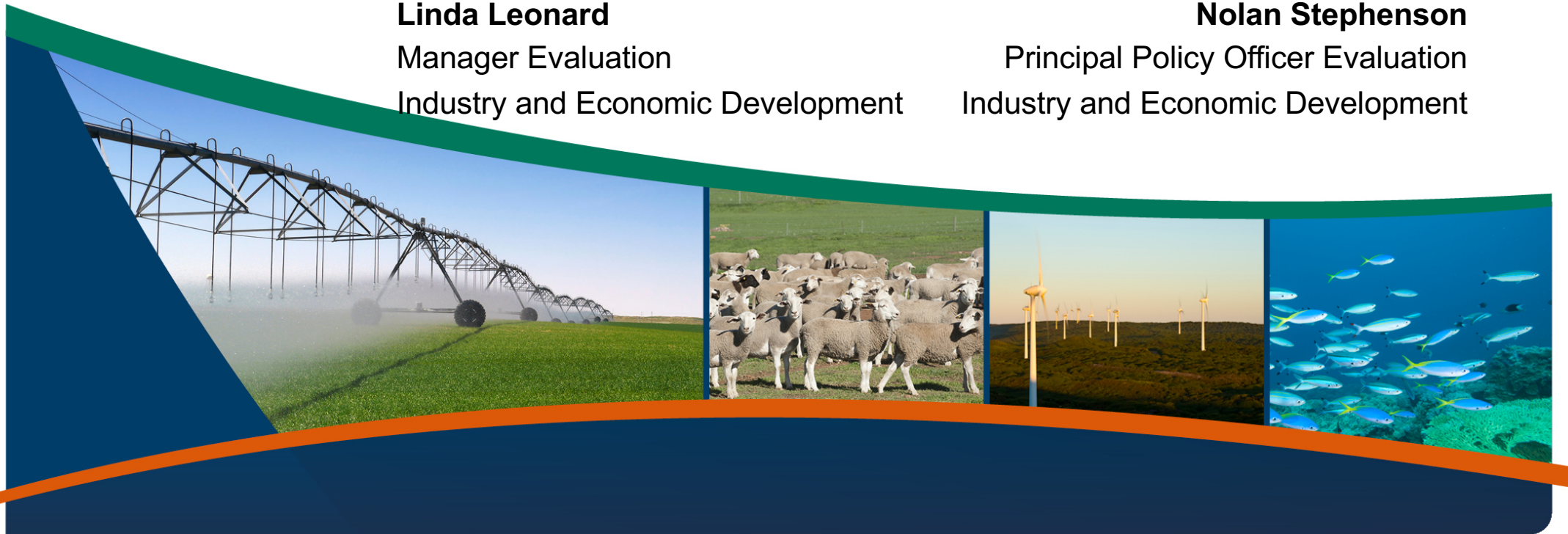
Manager Evaluation

Industry and Economic Development

Nolan Stephenson

Principal Policy Officer Evaluation

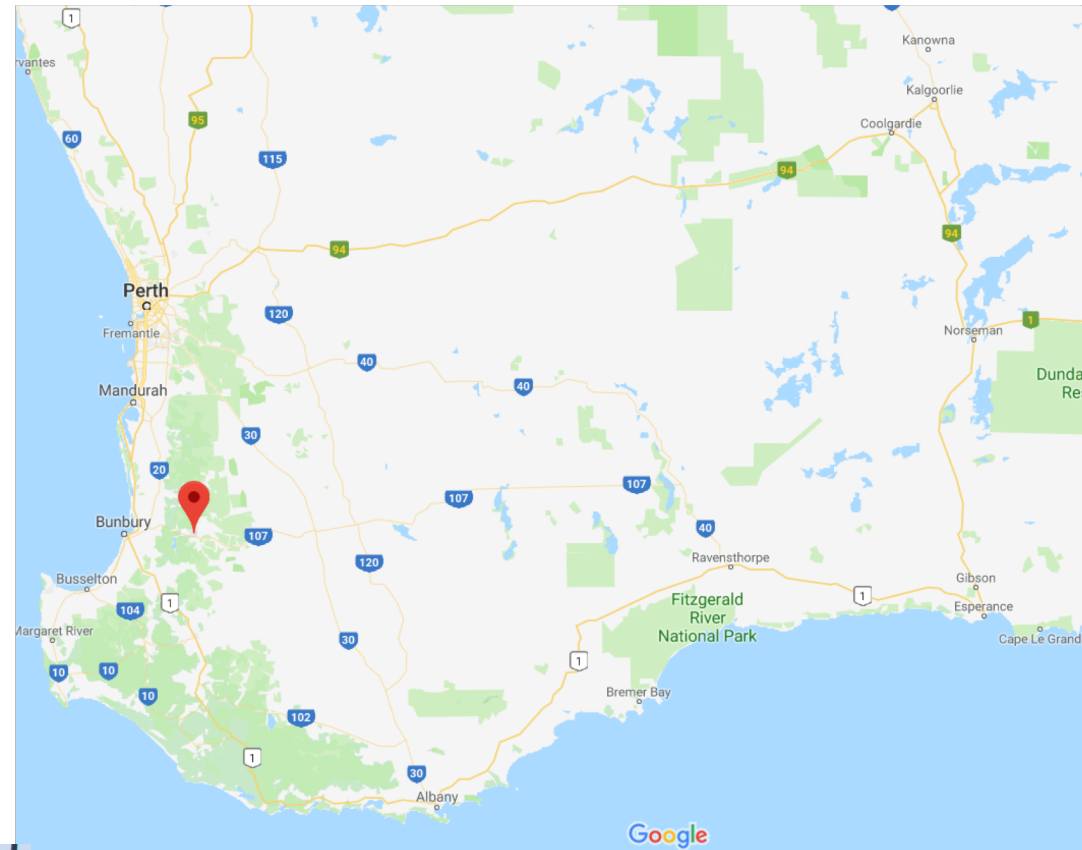
Industry and Economic Development



Scenario

Collie

- 213 km South of Perth
- 59 km East of Bunbury
- 7,587 people
 - ♂ 50.3%
 - ♀ 49.7



- Economy is largely based on coal
- Coal production to decline from 6.9 million tonnes per annum in 2016 to 4 Mtpa by 2040
- Transform and diversify economy

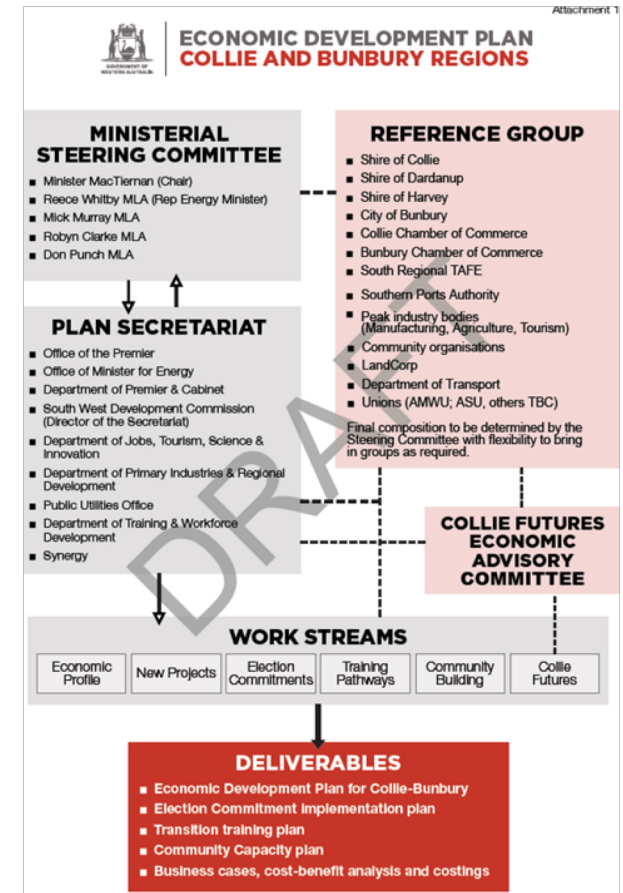
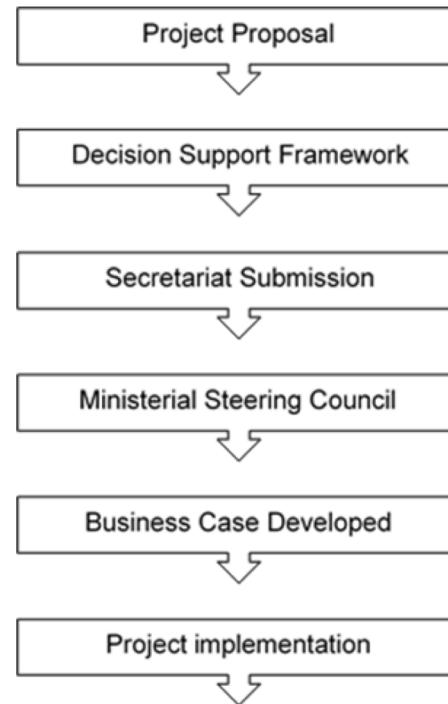
Challenge

- Investigate opportunities for:
 - Industry development
 - Employment
 - Community development
- Attract and retain people
- Grow the economy



Decision Framework

- Several players
- Good decision making
- Benefit whole community
- Meet all stakeholders' needs



Evaluation Design

Maturity scale – effort to maturity

▪ **Develop**

- idea, project at infancy, needs effort and follow through

▪ **Trial**

- early stage requiring prefeasibility, prototyping, piloting or research

▪ **Pursue**

- bring into play, seed funding, market or supply chain issues

▪ **Establish**

- regulatory approvals, work up commercial potential

▪ **Capture**

- immediate opportunity, project is at a mature stage and is ready for implementation



Evaluation Design

Assessment criteria – stakeholder outcome perspective

- **Commercial**
 - industry/proponent perspective
- **Strategic**
 - government perspective
- **Community**
 - community perspective



Evaluation Design

Applied program logic and rubrics

- Program logic
 - Desired outputs and outcomes
 - The changes being sought
 - Government
 - Industry
 - Community

- Rubrics
 - Describe success for each criteria
 - Stakeholder perspective



Commercial

- Funding availability
- Commercial Viability
- Leverage / Co-Investment
- Technical soundness



Strategic

- Aligns with State Government Priorities and Policy Agenda
- Local content
- Capacity Building & Career Improvement Opportunities
- Demonstrated Benefits / Impacts



Community

- Engagement
- Confidence



Decision Support Framework

Scale - Ease of Implementation	Develop (idea, project at infancy, needs effort and follow through)	Trial (early stage requiring prefeasibility, prototyping, piloting or research)	Pursue (bring into play, seed funding, market or supply chain issues)	Establish (regulatory approvals, work up commercial potential)	Capture (immediate opportunity, project is at a mature stage and is ready for implementation)
Criteria					
Commercial					
Funding availability (the extent to which funding has been secured)	The project is in an early stage of development and funding for capital and operating project costs has not been secured	Funding may not be adequate to deliver the project outcomes with negotiations in progress with funding sources	Funding for capital and operating project costs secured	Funders are committed to capital and operating project costs and are strongly engaged in delivering the project outcome including contributions to ongoing operations	Long term financial sustainability demonstrated including securing of funding for capital and operating project costs and funding for ongoing maintenance of the project outcome
Commercial Viability including demonstrated need for the project outcome	It is difficult to see how the project outcome will be viable	Feasibility assessment into commercial viability of the project is in progress. The need for the project outcome is not yet demonstrated	While the project is likely to be viable, the need for the project outcome is doubtful	There is commitment from the proponents and investors to deliver a project outcome to meet the needs of the market and/or community	There is a clear and demonstrable need for the project outcome and an established commercialisation strategy
Leverage / Co-Investment including in-kind contributions	Largely reliant on Government support with limited leverage and co-investment opportunities	Opportunities for co-investment identified	Project funding jointly shared between Government and investors	Over 50% of funding is from non-governments sources. It supports and provides opportunities for investors to share in the delivery of the project outcome	Majority of funding is from non-government investors with Government support largely providing as seed funding to attract investment
Technical soundness (complexity and availability of beneficial technology)	Reliant on other technologies to succeed	New knowledge and technology transfer brings a high level of innovation into the sector	The project has a sufficient level of expertise to deliver the project outcome	Builds on existing technology	Government and other services are in place to support the technical development
Strategic					
Aligns with State Government Priorities and Policy Agenda	Limited alignment to State Government Strategic priorities	Partial alignment to aspects of Government Strategic priorities	Alignment to State Government Strategic priorities in a single jurisdiction	Broad alignment to Government strategic priorities across multiple jurisdictions	Clear alignment to State Government Strategic priorities
Local Content	Support for regional suppliers and contractors to connect with procurement opportunities	Engagement, education and connection of regional suppliers and contractors to identify and engage in upcoming tenders and processes	Increased capacity and capability of regional suppliers and contractors to successfully compete for sector contracts	Increased capability and capacity of businesses including Aboriginal businesses to successfully compete for sector contracts	Industries, local businesses, community and regions capitalise on market opportunity with increased supply and contracts to maximise local content and support the WA economy
Capacity Building & Career Improvement Opportunities	Limited sustainable job creation opportunities with the focus on capacity building and vocational training	There are some new employment opportunities	Direct job creation for duration of project implementation	Direct job creation opportunities leading to local capacity building	Direct and indirect job creation leading to sustainable employment, capacity building and vocational training opportunities
Demonstrated Benefits / Impacts including economic and community benefits	Limited growth through community and economic impact with current economic base supported and maintained	Broadening of the local economic base is expected to provide indirect local community and economic impacts	Community and economic benefits are reliant on development of supply chain and market access mechanisms to generate impact to the local economies	The project provides opportunity to value add through industry development leading to direct local economic and community impacts	Investment provides opportunities to value add leading to direct and indirect community and economic impacts for the broader regional economy
Community					
Engagement (level of involvement)	Community is aware of project outcomes	Community is interested in the services and opportunities the project may provide	Community leadership is driving local engagement	Community is active and engaged in delivering the project	Community is participating in delivering the project and highly supportive of the project outcome
Confidence (level of success)	The community is confident about project outcomes	The community is involved with communication initiatives	Community believes that the project is likely to generate benefits and is supportive at the local level	The community is confident that the project will generate benefits to meet broader regional needs	Community is certain that the project outcome and the proponent will generate positive benefits for the local community and the broader region

Assessment Scales

Scale - Ease of Implementation	Develop (idea, project at infancy, needs effort and follow through)	Trial (early stage requiring prefeasibility, prototyping, piloting or research)	Pursue (bring into play, seed funding, market or supply chain issues)	Establish (regulatory approvals, work up commercial potential)	Capture (immediate opportunity, project is at a mature stage and is ready for implementation)
Numeric Scale	1	2	3	4	5

Criteria	Weighting
Commercial	20%
Strategic	45%
Community	25%



Sectors
AgriBusiness
Agriculture
Aquaculture
Education
Energy
Forrestry
Health
Housing
Renewable Energy
Tourism
Water



Impact
Foundational - Contributes to the development of other projects or programs
Tranformational
Immediate



Testing of the framework

Criteria	Commercial				Strategic				Community	
	Funding availability (the extent to which funding has been secured)	Commercial Viability including demonstrated need for the project outcome	Leverage / Co-Investment including in-kind contributions	Technical Soundness (complexity and availability of beneficial technology)	Aligns with State Government Priorities and Policy Agenda	Local Content	Capacity Building & Career Improvement Opportunities	Demonstrated Benefits / Impacts including economic and community benefits	Engagement (level of involvement)	Confidence (level of success)
Project 1	The project is in an early stage of development and funding for capital and operating project costs has not been secured	Feasibility assessment into sustainability of the project outcome is in progress. The need for the project outcome is not yet demonstrated	Largely reliant on Government support with limited leverage and co-investment opportunities	Reliant on other technologies to succeed	Alignment to State Government Strategic priorities in a single jurisdiction	Support for regional suppliers and contractors to connect with procurement opportunities	There are some new employment opportunities	Limited growth through community and economic impact with current economic base supported and maintained	Community is aware of project outcomes	Community believes that the project is likely to generate benefits and is supportive at the local level
Project 2	The project is in an early stage of development and funding for capital and operating project costs has not been secured	Project outcome is likely to be sustainable and the need for the project is unsure	Largely reliant on Government support with limited leverage and co-investment opportunities	Builds on existing technology	Alignment to State Government Strategic priorities in a single jurisdiction	Support for regional suppliers and contractors to connect with procurement opportunities	There are some new employment opportunities	Limited growth through community and economic impact with current economic base supported and maintained	Community is interested in the quality of services on offer	The community is involved with communication initiatives
Project 3	The project is in an early stage of development and funding for capital and operating project costs has not been secured	Project outcome is likely to be sustainable and the need for the project is unsure	Largely reliant on Government support with limited leverage and co-investment opportunities	Government and other services are in place to support the technical development	Alignment to State Government Strategic priorities in a single jurisdiction	Increased capacity and capability of regional suppliers and contractors to successfully compete for sector contracts	Direct and indirect job creation leading to sustainable employment, capacity building and vocational training opportunities	Broadening of the local economic base is expected to provide indirect local community and economic impacts	Community is active and engaged in delivering the project	Community believes that the project is likely to generate benefits and is supportive at the local level

Weighted scores

Projects	Total Commercial	Total Strategic	Total Community	Total Score	Rank	Impact	Government Mandate	Sector
Project 1	1.50	3.15	1.00	5.65	3	Immediate - Contributes to direct benefits in the short to medium term	No	Aquaculture
Project 2	2.70	3.15	1.00	6.85	2	Immediate - Contributes to direct benefits in the short to medium term	Yes	Renewable Energy
Project 3	3.00	5.85	1.75	10.60	1	Transformational - Contributes to development across sectors and localities	No	Tourism

Conclusions

Traps & Pitfalls

- Success descriptions
 - Workshopped
 - Consensus
 - Ownership
- Gaming the framework
 - Removed scale & weightings
 - Random order
- Lack of information
 - Project proposal form
- Assessment
 - Project assessment form



Considerations

- Individual V Group assessment
 - Consistency & bias
 - Consensus
- Overall process
 - Roles
 - Expectations



Thank you

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Important disclaimer

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