

QUARTERLY PROJECT REPORT

Project Number:	IRP2	Project Title:	Comprehensive Economic Evaluation Framework
Project Leader/s:	Dr. Sayed Iftekhhar		
Report for Quarter ending:	Q3 FY16/17 January-March 2017		

1. Progress executive summary

Key developments & overall summary of project status (~250 words)

IRP2 is progressing well and is on track. It now has the full project team appointed, with members based out of either UWA, Monash or from independent consultancies. A brief summary of key developments by individual work packages are presented below –

WP1 (Stakeholder engagement): In collaboration with Mark Siebentritt (consultant) and Mellissa Bradley (PSC member) we are developing a Stakeholder Engagement strategy. A draft outline has been prepared which shall be circulated for discussion in the next PSC meeting. IRP2 project team also has participated in various events. Currently, we are organizing a joint session with WSAA in their networking event in May as part of our need assessment work. We have started to update and restructure the review report on non-market valuation studies, with identification of new themes such as liveability and green infrastructure valuation. We already have received feedback from our Steering Committee on the table of content of the report.

WP2 (Non-market valuation and benefit transfer tool): The designing of the non-market valuation database and benefit transfer tool has been commenced.

WP3 (Cost-benefit analysis tool): A review of cost-benefit analysis tool has been started. We have received information from the PSC on different CBA tools currently used by different groups.

WP4 (Financial models and policies): We have sent a draft working document that outlines some thoughts on marginal cost pricing principles for water supply to the Economic Regulation Authority in Western Australia. Adoption of marginal cost pricing for water services would increase the relative cost effectiveness performance of a number of decentralised technologies. This is a small first step in a long process.

WP5 (Case studies): Two of the five Case Studies (WP5.1 Case Study on 'Greening the Pipeline in Melbourne' and WP5.3 Case Study on 'Converting an open drain into a living Stream') are underway, with contact made with the stakeholders and initial scoping workshops completed. We agreed the main issues, key challenges and scope of work. We are also currently facilitating the organization of the Subiaco Synthesis Workshop (WP5.2).

WP6 (Heat island mitigation): Urban climate modeller (Dr Kerry Nice) has been appointed, appropriate modelling approaches identified, and model setup initiated. Kym Whiteoak (RMCG) has commenced a broad review of the economic literature relevant to benefits of UHI mitigation. The scenario development led by Dr Sarah Lloyd (e2designlab) has been put on hold while discussions are held with relevant stakeholders about the most appropriate location for the major case study. This question should be resolved by the end of April. As a consequence, the first milestone (*Landscape scenarios development for Study Site 1*) will be delayed by two months. We seek approval for this. It is not envisaged that this will impact subsequent milestones.

Key findings for quarter (~150 words)

Two papers that were written based on Program A1.2 research and findings have recently been completed, with a request to publish currently with the CRC to approve.

Research translation and utilisation activities (~150 words)

(Summarise the application of research outputs by end-users in research case studies, trials, pilot studies, etc)

None this quarter.

Key communication and stakeholder engagement activities (~100 words)

(Note that details must be reported in Section 3)

We engaged the stakeholders when organising the two workshops, including collated their views on the agenda. Communications have therefore included presentations, discussions, telephone calls and emails. A written summary

report was provided to all attendees at the completion of the workshops. We have also been consulted with one of our key Stakeholders, Water Corporation, to discuss ideas for Subiaco, which is a part of the WP5.2 case study.

We have had two Project Steering Committee meetings this quarter via teleconference keeping them informed and consulted as we proceed. We provided the members with a written summary report from each meeting.

We attended the 61st Annual Conference of the Australian Agricultural and Resource Economics Society in Brisbane, 7-10 February 2017. Sayed Iftekhhar (IRP2) and Maksym Polyakov (IRP2) co-organised a mini-symposium on economics of urban water and presented results of evaluation of amenity value of water sensitive urban infrastructure. UWA's David Pannell (IRP2) was on a panel of experts to provide discussion on presentations. Ben White (UWA) also presented findings non-point source pollution from Tranche 1

We are submitting regular items to the WaterSENSE newsletter and have updated the IRP2 webpages on the CRC WSC website for public access. We encouraged our broader team to communicate IRP2 activities, and recently Mellissa Bradley wrote an article in the Water sensitive SA newsletter, which is available online to the public.

Key Issues or Risks Anticipated	Risk Management Activities
Lack of support from local end users	Building on the successes of industry engagement in Tranche 1 in getting broad support and buy-in. Secure commitments of support during project development and negotiation. To achieve those commitments, ensure that the project is well designed to meet end user needs.
Case Study stakeholders expectation of faster progress than the project can deliver	Create a work plan and communicate a timeline, keep stakeholders updated on progress of the development of the tool to be tested.
Expectations beyond the scope of the project from end users	Convey the scope and outputs of the project through interactive engagement and clear communication. Invite end users to invest additional resources to generate additional outputs (if required)
Lack of integration with the other CRC projects and failure to learn from each other	Establish a well-designed plan for engagement with other projects to ensure smooth information exchange.

2. Milestones and deliverables

Milestones and deliverables description	PA milestone due date; also add Annual Workplan due date if revised	Status update and list any actual outputs	Management response <i>How are delivery delays or issues being managed?</i>	% Complete	Status*
Commonwealth Milestones					
<i>Under review</i>					
Project Agreement Milestones					
WP1: Working paper on existing non-market values of water sensitive systems and practices	June-17			40%	😊

WP1:Stakeholder engagement strategy (SES)	June-17	Draft SES		40%	😊
WP1: Stakeholder needs assessment report	Sept-17			20%	😊
WP1:Training sessions	Sept-18 & Dec-19			0%	😊
WP2: Database on existing non-market values of water sensitive systems and practices	Dec-17 Dec-18 Dec-19	Draft Design		10%	😊
WP2: Benefit-transfer guidelines	June-18			5%	😊
WP3: Report on existing BCA tools and lessons for our tool	June-17	Draft Report		40%	😊
WP3: Benefit: Cost Analysis tool (draft version for testing)	Sept-17			5%	😊
WP3: Benefit: Cost Analysis tool (revised version)	Dec-18			0%	😊
WP3: Guidelines for Benefit: Cost Analysis tool	Dec-19			0%	😊
WP4: Review of existing finance models and policies for selected cases	Mar-19			0%	😊
WP4: Finance models and policies for selected cases (tested and finalised)	Sept-19			0%	😊
WP5: Integrated economic valuation report: Final report (WP 5.1) Greening pipeline	Jun-17 Jun-18 Jun-19	Workshop completed		10%	😊
WP5: Integrated economic valuation report: Final report (WP 5.2) Wastewater Precinct	Sept-17 Sept-18	Subiaco Synthesis Workshop is being planned		5%	😊
WP5: Integrated economic valuation report: Final report (WP 5.3) Living stream	Mar-19	Workshop completed		5%	😊
WP5: Integrated economic valuation report: Final report (WP 5.4) Arden Macaulay	Jun-18 Dec-18			5%	😊
WP5: Integrated economic valuation report: Final report (WP 5.5) Breakout Creek Wetlands	Mar-19 Sept-19			0%	😊
WP6: Landscape scenarios development for Study Site 1 (Sunbury, Melbourne) and report	Aug-17	Two-month delay requested. Discussions with Melbourne Water and stakeholders about most appropriate case study location will be resolved by the end of April	In discussion with Melbourne Water and stakeholders about most appropriate Case Study location.	10%	😐

WP6: UHI modelling and heat mitigation for Study Site 1 (Sunbury, Melbourne) scenarios and report	Dec-17	Modelling approaches identified and model setup initiated		20%	😊
WP6: Integrated economic valuation of Study Site 1 (Sunbury, Melbourne). Report	Mar-18	Appropriate literature review well underway		10%	😊
WP6: UHI modelling and heat mitigation for Study Sites 2-4 (Sydney, Brisbane and Perth) and report (subject to funding)	Jun-18			0%	😊
Overall Project status					😊

*

- 😊 - on-track to meet milestone as per agreed timeframe and budget;
- 😐 - unlikely or not on-track to achieve milestone by agreed timeframe and budget;
- 😞 - will not achieve milestone within agreed timeframe and/or budget