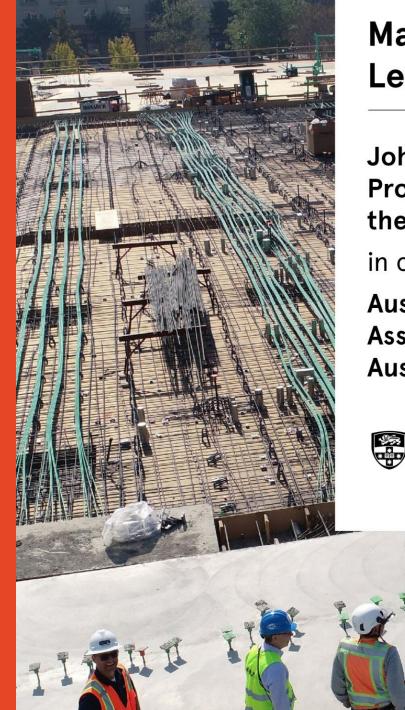
Reform Roadmap

Major Projects Leadership Forum

Synthesis report and call to action



Major Projects Leadership Forum

John Grill Institute for Project Leadership at the University of Sydney in collaboration with Australian Constructors Association and Consult Australia





Background

The John Grill Institute for Project Leadership in collaboration with the Australian Constructors Association and Consult Australia launched the Major Projects Leadership Forum (MPLF) in February 2024. The inaugural Forum was attended by more than 50 of Australia's leaders in major projects.

In drawing together New South Wales and Australia's most senior leaders in the sector, our objective was to examine the performance of major projects in 2024, and how we can unlock a step change in relation to productivity, collaboration, and outcome realisation.

The MPLF is a response to the growing ask of the major projects field to deliver social and ecological outcomes alongside acting as an economic lever. It is also an acknowledgement that collectively we are falling short.

While the levels of investment are at record highs, the public dialogue focuses on the sectors' stalled progress. Productivity and profits are sliding, the social license of the sector is under question

There is a critical need for change to grow the capacity and capability of the sector to deliver on the ambitions of the government and community.

We strongly encourage you to seize this opportunity and strive to reshape the sector. We look forward to working together to bring this commitment to life and to drive collective impact.









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Key recommendations

The Major Projects Leadership Forum has identified a roadmap to effective industry change, each activity is critical to realising holistic industry transformation. However, recognising that the impact of some actions will outweigh others, and that implementation can be dependent on other parties, the following ten recommendations have been identified as priorities:

Outcomes - measuring and reporting on social value

- 1. Developing best practice
- 2. Measuring intangibles
- 3. Telling the story

Productivity – shifting the focus from productivity on site to efficiency of service provision

- 1. Service delivery
- 2. Pipeline
- 3. Procurement

Collaboration - engendering the behaviours to increase the likelihood of success

- 1. Cultural shift
- 2. Leadership education
- 3. Transparency and accountability



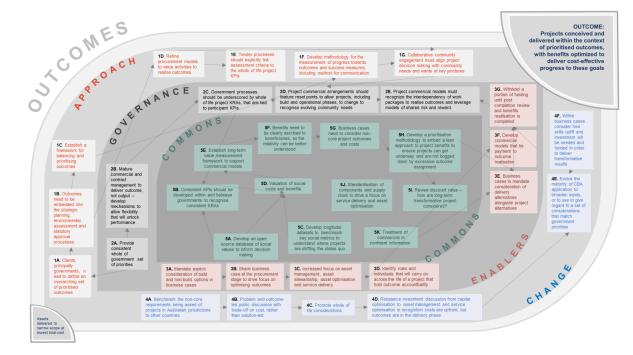


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Key recommendations - Outcomes

Outcomes - measuring and reporting on social value

- 1. **Developing best practice:** Build a focus on major project resilience evolving thinking from key project risks, including their spatial and temporal frequency as well as their consequence. Define best practice strategies to identify, quantify, plan, mitigate, manage, and recover from risks, including the commercial frameworks to manage them.
- 2. *Measuring intangibles:* In line with the longstanding efforts to quantify and monetise economic benefits and carbon, collaborative steps should be taken to normalise the valuation of social outcomes across a breadth of ecological, social and governance metrics. This approach should inform project decision-making and delivery, resetting the time-cost-quality paradigm to a new cost to provide-service efficiency-social outcome paradigm.
- **3. Telling the story:** Shift project post-mortems (such as post completion reviews and benefits realisation reports) to embrace narrative-based story telling understanding the reason for decisions and measuring social value against the potential social costs. Understanding successes and failures should be free of blame and shared widely to avoid repetition.

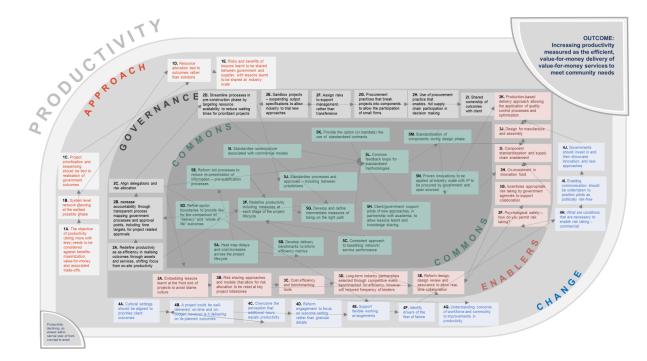


Sign on to the agenda and join us in building a theory of change related to outcomes

Key recommendations - Productivity

Productivity – shifting the focus from productivity on site to efficiency of service provision

- 1. Service delivery: Major projects sector productivity should be redefined to recognise the role of physical assets in service delivery. A definition of major projects productivity should focus on efficiency of service delivery, with measurement focused on value for money services.
- 2. *Pipeline:* Clarity of the major project pipeline from early concept planning to operation, and maintenance and operations and eventual decommissioning, allows resources to be targeted to project delivery. A clear and reliable pipeline allows industry to investment in the development of the work force and innovation in delivery methods.
- **3. Procurement:** Procurement policies can be the vehicle to advance a number of outcomes beyond the core scope of a project, including sustainability and health. These goals can promote industry health, however, ultimately reduce productivity at a project level using traditional measures. New measures of productivity should be tailored to evaluate the cost to provide government outcomes against alternative approaches.

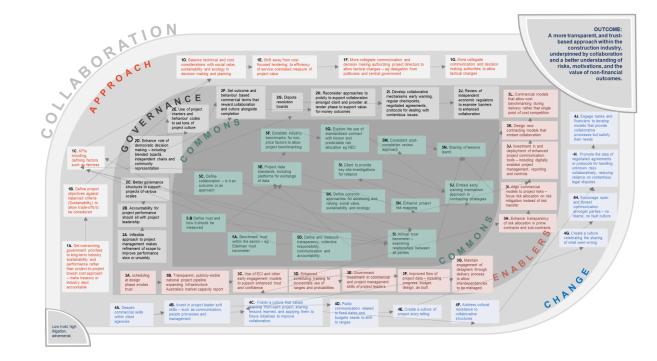


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Key recommendations - Collaboration

Collaboration – engendering the behaviours to increase the likelihood of success

- 1. *Cultural shift:* Promote and embrace a cultural shift to define, measure and build trust in project delivery, including by developing governance models that shift from hierarchical, closed and undemocratic structures to a flatter, more open, more democratic structures.
- 2. Leadership education: Tailor project leader training and education to the development of collaborative leadership skills.
- **3. Transparency and accountability:** Refine project operating models, contract frameworks and organisation designs to incorporate processes that embed a 'no-surprise' culture including early warnings, regular checkpoints, negotiated agreements, protocols for dealing with contentious issues (Outside litigation). Consideration should be given to the use of standardised contracts, such as NEC, to enable this approach.



Sign on to the agenda and join us in building a theory of change related to collaboration

Call to action

The John Grill Institute for Project Leadership, the Australian Constructors Association and Consult Australia call on all organisations in the sector to signal their commitment to join in shared ownership of the challenges facing the sector as well as the necessary interventions to drive a step change in outcomes realisation, productivity and collaboration.

By backing the direction of these reforms, and taking action to implement a change, we demonstrate our dedication to the health of the industry and set ourselves apart from our peers. By pooling our expertise, resources, and influence, we can drive positive change and set new standards of excellence for the major projects sector.

Our collective support sends a powerful message to policymakers, regulators, and other stakeholders about the importance of investing in the implementation of these reforms to deliver social value.

We call on like-minded organisations and leaders to declare their commitment to reforms being developed in the roadmap to the host organisations and to join as signatories to a declaration of shared action.

Together, we have the opportunity to shape a more resilient, efficient, and sustainable future for all.





Professor Jennifer Whyte Director, John Grill Institute for Project Leadership Mr Jon Davies Chief Executive Officer, Australian Constructors Association



Mr Jonathan Cartledge Chief Executive Officer, Consult Australia

Sign on to this roadmap for change

<u>Click here to sign on</u>

With thanks to the Major Project Leadership Forum attendees

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- Sam Barr, Global Infrastructure Hub
- Camilla Barrow, Laing O'Rourke
- Alice Boyd, Office of the Treasurer of NSW
- Jonathan Cartledge, Consult Australia
- Professor Stewart Clegg, John Grill Institute for Project Leadership, University of Sydney
- Kerryn Coker, Arup
- Peter Colacino, Modifica Advisory
- Jeremy Conway, Infrastructure WA
- Professor Lynn Crawford, John Grill Institute for Project Leadership, University of Sydney
- Professor Deanna D'Alessandro, Net Zero Initiative, University of Sydney
- Jon Davies, Australian Constructors Association
- Kate Drews, Surbana Jurong Group
- Camilla Drover, Transport for NSW
- Adrian Dwyer, Infrastructure Partnerships Australia
- David Fanjul, Ghella ANZ
- John Fitzgerald, Infrastructure Australia
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