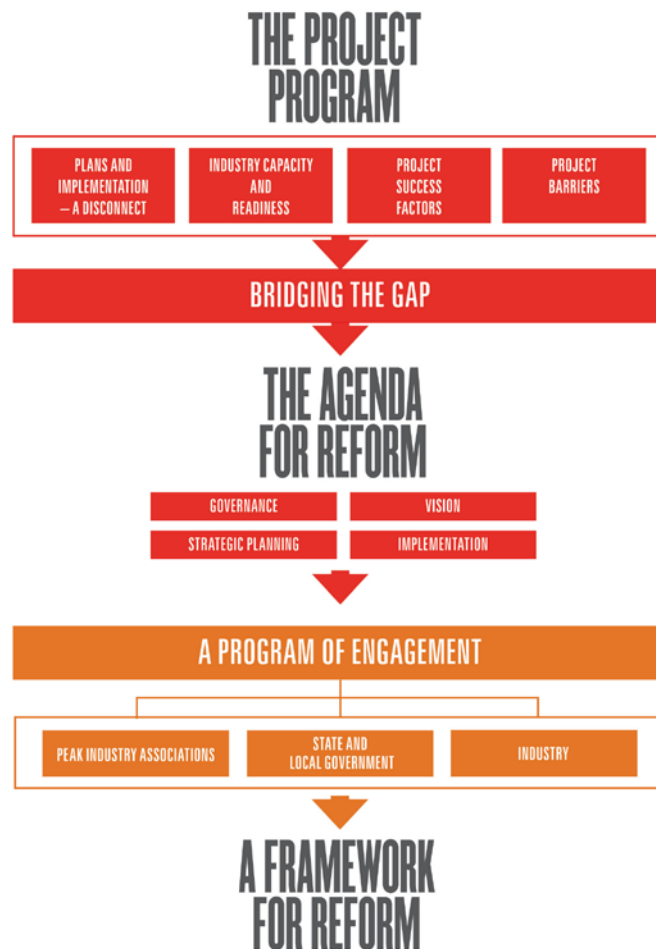


Submission by The Warren Centre to the Productivity Commission's study on: Major Project Development Assessment Processes

Summary

The Warren Centre for Advanced Engineering commenced **The Urban Reform Project** in 2010 with a group of industry experts from major planning, finance, development, legal, and engineering organisations, all of whom were united by a view that a new approach is required to deliver successful infrastructure projects. The ideas and key concerns identified from the network were collated into the Handbook for Reform which outlines the key success factors and barriers in bringing projects to fruition, including decision making and procurement processes. It is designed to help bridge the gap between planning and delivery of infrastructure. The Handbook for Reform outlined the Agenda for Reform.



The Agenda For Reform

The Warren Centre Project Team collaborated with industry to identify the key issues and then to form a reform agenda.

The team established a Colloquium of 25 senior representatives from across the Infrastructure Industry. This group was asked to put forward the issues which they saw as inhibiting successful projects and those which could facilitate implementation and then debated the key issues. The result of this deliberation was a comprehensive list of factors which ranged from issues of project organisation, to the soundness and reality of the project, decision making, financing to issues of appropriate regulation, a culture of collaboration and political commitment.

The factors were prioritised and grouped into four key headings which then formed the basis of the Agenda for Reform:

- Governance
- Vision and Policy
- Strategic Planning
- Implementation

The second part of the project sought to use the Agenda for Reform to identify a Framework for Reform through a series of case studies. These case studies cover:

- Connectivity (major intercity transport and freight);
- Resilience (the capacity of cities including to withstand shocks); and
- Planning for Growth.

Each case study assesses a number of infrastructure examples against the principles identified in the Handbook for Reform – being governance, vision, strategy and implementation. Each case study is scoped by a small group of experienced industry professionals, across a broad range of disciplines, to produce a summary.

Connectivity

The first case study has been completed examining major infrastructure related to connecting people, goods and services. Five infrastructure case studies emphasising CONNECTIVITY have been assessed by teams of experts in planning, engineering and finance. The case studies included:

- Two major proposals as yet unrealised – a Greater Sydney Airport and a High Speed Rail service connecting the major eastern cities
- Two regional infrastructure initiatives – the Regional Rail Plan in Victoria and the South East Queensland (SEQ) Regional Plan
- The completed WestLink (M7) Motorway project in Sydney's west.

The lessons from the Connectivity Case Study support the Agenda for Reform and are expected to echo across the other case studies of Planning for Growth and Resilience.

Lessons from the Connectivity Case Study

1. All projects require extensive inter-government and inter-agency cooperation and strong political leadership.

Successful projects show strong and highly visible government leadership assisted by a professional and independent public service, free from short term political interference. Both the M7 and the SEQ case studies demonstrate the importance and effectiveness of strong leadership & inter-governmental cooperation.

2. A long term vision and commitment, focussed on outcomes not outputs, is essential. The project's objectives must be clearly understood and articulated.

A clearly communicated shared vision for the future, supported by strong and independent advice in policy formulation is essential. Vision and policy need to address change over the life of the project with bipartisan support. Unclear objectives and lack of vision have impeded both the High Speed Rail and Greater Sydney Airport projects.

3. The project must be part of a strategic plan which incorporates land use and community requirements, and recognises their importance in shaping sustainable communities and the economy.

Integrated planning, effective funding frameworks, detailed project briefs and alignment with project deliverables, quality data and special skills are essential. But strategic planning should be responsive to changes in demand, context, technology and standards over the life of the project. Regional Rail, M7 and SEQ all have a strong strategic planning base and have had a significant impact on the future.

4. Continuous and extensive community and stakeholder consultation is required as well as the flexibility to modify the project in response to submissions.

Successful projects are characterised by genuine consultation which incorporates appropriate information to ensure informed debate, as demonstrated by the M7.

5. Most major projects are long term and multi-jurisdictional, so the policy and regulatory framework needs to be established at an early stage and be able to adjust to changing circumstances.

SEQ has shown the benefits of establishing long term plans which provide for regular reviews and updates. The Greater Sydney Airport and High Speed Rail have both suffered from the absence of an adequate policy and regulatory framework.

6. Alternative procurement processes should be widely considered and, once decided, be adaptable.

The M7, SEQ and Regional Rail all have used a variety of procurement and funding mechanisms. Whilst the SEQ debt funding was criticised, its use has created economic wealth and delivered economic infrastructure which will benefit future generations, replacing the legacy that our current generation has enjoyed.

Conclusion

The Warren Centre recognises the challenges in major project development particularly where these include the challenges of multi-jurisdictional support and public and private participation. The Warren Centre, through the Urban Reform Project has identified that it is possible to have successful infrastructure projects when there is commitment to best practice governance, vision and policy, strategy and implementation.

More information about the Warren Centre's Urban Reform Project can be found at <http://thewarrencentre.org.au/urbanreform/>