Sydney
WATER

Sydney Water's Infrastructure Pipeline and Supply Chain Expo 2024

Major Projects - Q&A feedback

Context

On Wednesday 15 March, we held the Sydney Water Infrastructure Pipeline and Supply Chain Expo 2024.

The expo included a Major Projects Industry Briefing and Interactive Workshop. During the workshop we asked participants to share feedback on how we can work together to deliver successful projects.

Here's what we heard…

Cost overruns

What happens to cause this?

Poor planning and monitoring
- Incomplete design
- Insufficient investigation scope
- Inaccurate and insufficient budget allocation
- Lack of cost monitoring
- Unrealistic deadlines
- Poor identification of risk and opportunities
- All risk on contractor
- Latent conditions
- Incorrect contract model
- Lack of experience and technical skills
- Outdated standards

Delays and disruptions
- Supply chain delays
- Uncontrollable events
- Labor shortages
- Late change in scope/scope creep
- Slow decision making
- Slow awarding of contracts
- Ambiguous performance specs
- Not working directly with contractors

Cost overruns

How do we think about things differently to change this outcome?

What else would you address to reduce cost overruns?

Better planning and monitoring

- Better planning and risk management
- Better site investigations
- Engage experts
- Have delivery people involved in design
- Reflect risk in concept designs
- More rigor in determining budget
- Reasonable cost estimations
- Track spend regularly
- Realistic program allowing for disruptions

Communication

- Shared language around spending
- Communication and understanding

Accountability

- Shared risk/benefit
- Shared ownership over budget and business cases

Leverage opportunities

- Procuring directly from contractor delivering the work to cut margin on margin
- Create incentive to innovate
- Upskill project managers and incentivise on time completion
- Insourcing

Collaboration

How do we incentivise collaboration and what gets in the way?

Culture
- A commercial framework underpinned by a **collaborative culture**.
- Asset owner's willingness to **bear the cost** of collaboration.
- **True desire to collaborate** from all parties.
- Strong **definition** of what collaboration is and what is required.
- A **no-blame culture** where frank discussions are not penalised.
- **Transparency** from both sides.

Reward
- **Shared risk/reward** through collaborative contracting.
- Good collaboration results in a **pathway to further work**.
- **Team focussed incentives** to reduce competition between peers.
- Drivers that **reward** in budget performance and timely delivery.
- **Reward the risks and investment** taken by all stakeholders in the project.

Access
- **Co-locate project teams**.
- **Increased design/planning budget** with onsite engineers and design capability.
- Access to decision makers
- **Seek lessons learnt** from Sydney Metro West and Western Sydney Airport.

Leadership

How do we create more optimistic realists?

What should we focus on in terms of project leadership qualities?

Improve culture
- **Collaboration and respect**
- **In person meetings** (less teams/emails/zoom/etc.) to build relationships and trust
- **Diverse views** within a team is important, however, positive leaders
- Synergy between the visionary optimists and the black and white realists. **Integrated culture** so that the younger cohort can learn from **both types of leaders**.
- Objective leadership backed by **facts and data** that focuses on **continuous improvement.**

Build and leverage capabilities
- **Leadership and mentoring opportunities** on site, in office and outside of work.
- Balance of **on the ground experience** and paper-based competencies.
- **Recognise skills** in the people you have and **retain them**. Promote them with **good succession planning.**
- **Delegate trust and authority** to the project level.
- **Alliances**
- Leadership qualities: **emotional intelligence, trustworthy, open to advice, collaborative, walks the walk**

Data

What do you think we need to do to improve our odds of winning?

Capture and manage useful data

- **Greater investment** in data collection and sharing.
- Capture **quality data** that is not just finance focused.
- **Define metrics** early to ensure you're collecting the right data.
- Use previous data to **streamline processes**.
- **Cross organisational** data sharing
- **Capture lessons learnt** for all projects, throughout the project cycle. Start with past lessons learnt.
- **Capture 'people' knowledge** in processes, so the knowledge doesn't leave when the person does.
- Engineers understand that part of what they do is **manage data**.
- Project **de-briefing and evaluation**.
- **Independent post project reviews**. Allow team members to talk and share lessons.
- **Post-project advisory board** – fresh set of eyes analysing the project.
- Engagement with **subject matter experts** delivering the work.
- **Shared outcomes**.

What could we do differently?

Of all the things you think we could do differently, what would you put at the top of the list?

Most common responses
- **Culture** – Bring back P2P interaction rather than digital/computer-based interactions.
- **Early planning and collaboration** – Bring SME's and design and project teams together earlier.
- **Risk sharing and ownership** - not risk allocation.

Other responses
- Genuine trust and collaboration
- Strong industry engagement
- Share lessons learnt
- Quarterly update of pipeline
- Agility

- Diversity
- Project management
- Engage lower tiers
- Bring back data from the alliances
- Retainers for key suppliers
- Remove consortiums
- Embrace change

Let's keep the conversation going!

For any questions or feedback contact:
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