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# Managing NSW Utilities

WEDNESDAY 9 DECEMBER 2020



## ABOUT ROADS AUSTRALIA

[Roads Australia](#) (RA) is the peak body for roads within an integrated transport system, representing an industry that contributes \$207 billion annually to the economy and supports 1.3 million jobs.

RA brings industry, government and communities together to lead the evolution of Australia's roads, integrated transport and mobility.

The nation's only roads champion, RA's 150+ members includes all of Australia's road agencies, major contractors and consultants, motoring clubs, service providers and other relevant industry groups.

RA's current policy focus extends across five activity streams: Safety; Capacity; Transport Reform; Customer Experience; and Sustainability with Diversity and Inclusion an underlying commitment across each stream.

Register for [upcoming policy events](#) to contribute to the debate.

## BACKGROUND

Quantifying the cost and time required to manage utilities is a key issue for industry and governments delivering infrastructure projects. These risks are a theme within RA's [Procurement Reform Report](#) (released in September 2020), and are also a key current focus for state governments dealing with a significant infrastructure pipeline as Australia seeks to recover from the COVID pandemic.

To help RA members better understand some of the challenges and potential solutions, RA convened a webinar in partnership with [Transport for New South Wales](#) (TfNSW) and [Infrastructure NSW](#) (INSW) to highlight some of the issues and examine areas where a more collaborative approach has paid dividends.

## EVENT SUMMARY

Over 130 people joined the Policy Webinar on Wednesday 9 December 2021 to hear from the following speakers:

- [Tim Parker](#), Executive Director, Projects Division, [Sydney Metro](#)
- [Paul Croke](#), Director of Motorways, Infrastructure and Place, [Transport for NSW](#); and
- [Marina Grobbelaar](#), Deputy CEO and Head of Assurance, [Infrastructure NSW](#)

The discussion was hosted by [Kay Salvair Smith](#), RA Capacity Policy Stream Deputy Chair and Partner, [MinterEllison](#) Consulting.

## POLICY INSIGHTS

The webinar commenced with **Kay Salvair Smith** providing an overview of RA's work around procurement issues generally, as well as why the management of utilities is an increasingly vital issue in NSW given the scale of the state's infrastructure pipeline and the number of major transport infrastructure projects recently completed or currently underway (including Sydney Light Rail and the Sydney Metro).



Ms Salvair Smith also noted that a more collaborative approach to utilities management is a key focus within the NSW Government's [10 Point Commitment to Industry](#). This document specifically notes that as a general principle, risks (including risks around utilities) should be managed by the party best able to manage them and should be shared where necessary.



**Tim Parker**, Executive Director, Projects Division, Sydney Metro, began by reflecting on the now-widespread recognition across government that the management of utilities-based risks have not always been managed as effectively as possible, and that projects such as Sydney Metro have been instructive in convincing many parties as to the benefits of a partnership-based model. Governments are now certainly convinced of the need to work more closely with industry to address these issues.

He noted the complexity of many contemporary projects and the political imperative for governments to avoid lengthy project delays and significant cost overruns would also spur more collaborative approaches moving forward. Mr Parker highlighted the Sydney Metro West from St Marys to Aerotropolis (new Western Sydney Airport) will be an especially complex project, and the lessons learned on the first section of Sydney Metro will be invaluable in managing utilities more effectively.

Mr Parker promoted the [Practice Notes](#) that have been developed by Infrastructure NSW and the Construction Industry Leadership Forum

(CILF), and noted that other organisations (including Sydney Metro) are increasingly producing their own utility management guidelines. These documents generally set out options available to government and to industry to address the principle of adopting a fair and reasonable approach to managing unknown site condition risks and utilities risks.

He emphasised the importance of undertaking proper investigations into utility locations early in the process. If you can move utilities prior to the commencement of other construction, the downstream benefits for the entire project can be significant. The cost of utilities relocations should naturally be considered when developing business cases – but it is even more critical to consider the value of such relocations. Industry is increasingly recognising this, and the value of investing in proper investigations (rather than quick and inexpensive options) early in the life of a project.

There is also now a greater maturity in the industry's attitude towards utilities, with parties willing to consider options to 'build around' rather than simply assuming they will need to be relocated. The sophistication of digital approaches to planning and engineering offers scope for additional progress in this area – although there is still a lot of relevant data and maps not currently available digitally, so further investment will be required to make that happen.

Mr Parker also underscored the need for industry to adopt a more sophisticated approach to managing utilities-based risks, saying that it is unrealistic to assume that government will shoulder all responsibility. Contractors need to be confident that they have appropriate resources in place to investigate and manage risks – and if they are not confident in their capacity to do so, they should reconsider bidding for work on projects.

**Paul Croke**, Director of Motorways, Infrastructure and Place, Transport for NSW (TfNSW) discussed a number of major projects coming into focus as 2021 commences, including the Western Harbour Tunnel, Warringah Freeway upgrade and the Northern Beaches Link. He noted TfNSW would be using the benefit of its experience on other major projects (including WestConnex) to encourage early investigation of utilities-based risks and a collaborative-based approach.



He further noted that there are many instances in which contractors are the party best placed to manage risks, and that early engagement with utilities companies is critical. One of the most critical challenges to effective risk-management is discovering which party has accurate information about the location of utilities, and then ensuring such information is shared effectively with relevant parties in project delivery.

Mr Croke explained that this is partly a legacy of the way these issues have been managed historically, as they have tended to be siloed, with a lack of visibility across all project parties. Although this is changing for the better, there is still significant room for improvement.

Industry and governments alike need to be alert to the fact that ensuring appropriate documentation and standards are in place for managing risks, are just as important as delivering the projects themselves.

The reason that tunnelling has been a successful feature of many major transport infrastructure projects rests partly on the fact that there has been reliable information as to where utilities are located – and that information has been accessible.

Mr Croke also stressed the centrality of early access, early investigations and early discussions between all relevant parties are the key pillars of success. He pointed out that whilst it may sound simple, it is not always easy to implement. It will be important to develop case studies that clearly demonstrate the efficacy of a collaborative approach in order to bring more people along on the journey.

**Marina Grobbelaar**, Deputy CEO and Head of Assurance, Infrastructure NSW (INSW) provided context as to the role the agency plays in providing assurances to government that a project is ready to progress to the next stage, with proactive monitoring and reporting on issues, including the management of utilities-based risks and strategies that are in place to mitigate them.

She highlighted elements of the Practice Notes that INSW has developed to encourage a more effective approach to these issues and noted that INSW is currently seeking industry feedback on their content.



The Practice Notes place an especially significant emphasis on early engagement and consultation on utilities and other risks.

Ms Grobbelaar also noted that other relevant documentation is currently being revised to enhance focus on the management of utilities, with additional utilities-specific content being incorporated into workbooks.

She also reflected on the opportunities presented by digitally-based approaches and expects this will have a significant influence on project delivery in the future. However, if these potential benefits are to be realised, there is a need to urgently ramp-up the industry's digital skills base. This is something that governments and industry need to be actively considering and exploring in partnership with education service providers.

Ms Grobbelaar also touched upon the changing nature of transport infrastructure projects over the past two decades, and their increased complexity. She reflected on the fact that more and more, projects are not being delivered on green-fields sites, but instead in established areas.





This generally necessitates a great deal more risk management and negotiation prior to the commencement of construction work. Echoing a theme touched upon by other presenters, she noted the importance of considering 'value' as distinct from 'cost' when undertaking investigations.

As part of this, it is important that governments are prepared to identify the 'no regrets' expenditure they are prepared to incur.

Specific to the subject of utilities, RA is planning to hold additional events, including a roundtable to further identify appropriate strategies to address the current challenges. This is likely to include agency representatives, industry stakeholders and utility owners, as well as experts who can discuss the possible role that standard [AS 5488.1:2019](#) may play.

Further details will be made available on the RA website.



## EVENT OUTPUTS & NEXT STEPS

An overview of the events and the broad themes addressed by each speaker was circulated via RA's [LinkedIn](#) feed. This included noting Infrastructure NSW's [request for industry feedback](#) on its Practice Notes in the update, as well as circulating the request to all registered participants in the webinar.

As part of RA's ongoing commitment to pursuing the recommendations contained in our Procurement Reform Report around the allocation and management of risk issues, we are continuing to meet with ministers and senior departmental and regulatory figures in all states and territories to highlight the need for partnership-based approaches and highlight examples of good practice.

