

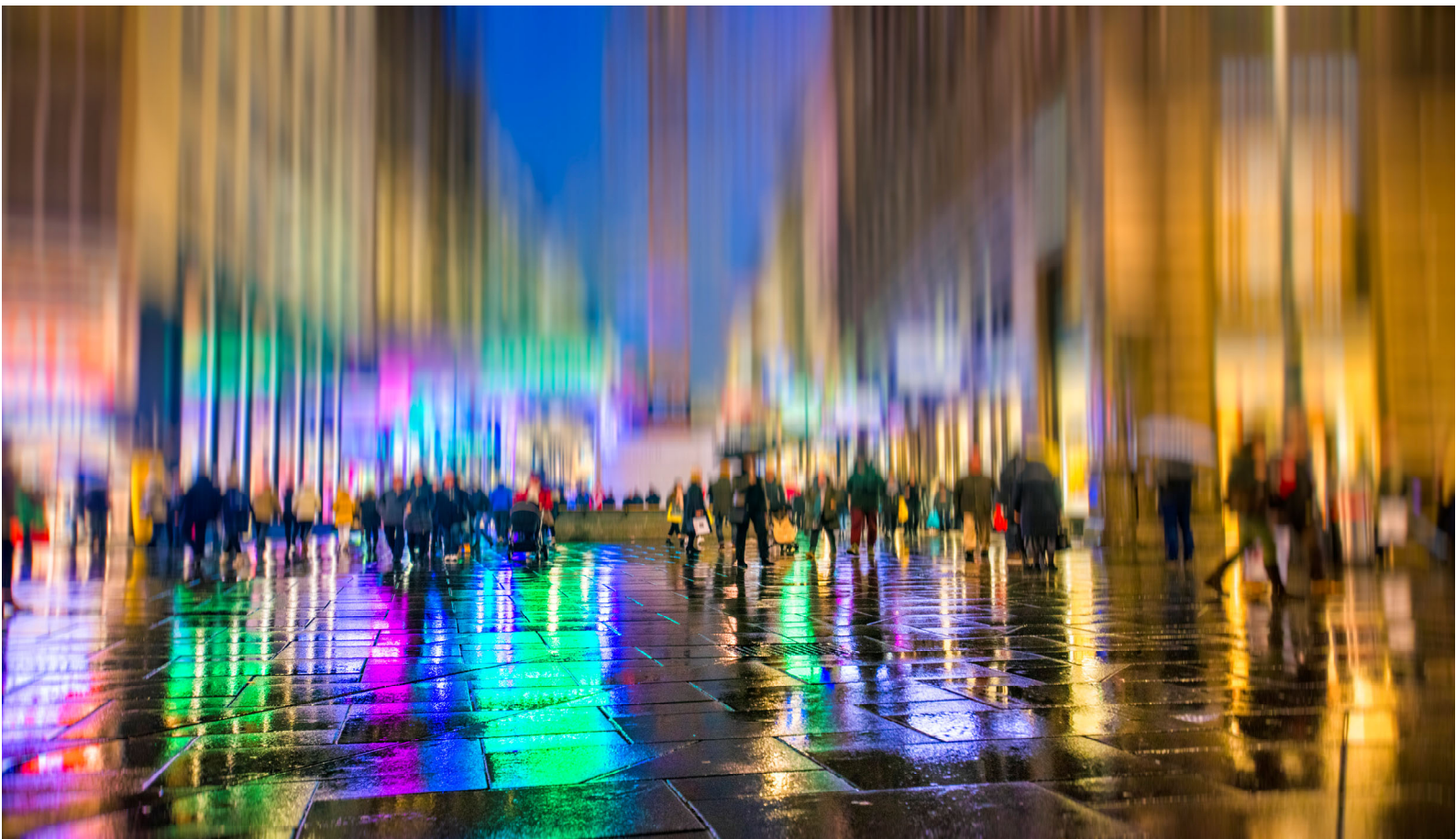


THE UNIVERSITY OF  
**SYDNEY**

—  
John Grill Centre  
for Project  
Leadership

# Customer Stewardship in social infrastructure

Roundtable Report No. 1



Better Infrastructure Initiative



Global  
Leadership  
Partner

## Acknowledgements

We would like to express our appreciation for the participating organisations and executives who gave their time to attend and provide valuable insights at the '*Building customer stewardship in social infrastructure*'. We would also like to extend a special thank you to the National Australia Bank, whose funding made this Roundtable possible.

# The Customer Stewardship Roundtable Series

Research by the Better Infrastructure Initiative at the John Grill Centre, University of Sydney on customer stewardship has been funded and championed by our global leadership partner, National Australia Bank.

Over the past four years, the Better Infrastructure Initiative has drawn on strong industry collaboration to develop its customer stewardship frameworks. This has involved the transport, construction, energy, and water sectors as well as embracing investor communities and regulators to inform guiding principles.

The Customer Stewardship Roundtable Series is an opportunity to deepen the conversation on customer centred infrastructure and how the practices and principles of customer stewardship can be better understood and

highlighted in the many areas of infrastructure, to help develop an industry wide community of practice.

The first of the Roundtables was convened on 31 May 2019, Sydney. Participants that provided comments for this paper are listed in the table below. They make up a diverse group of participants from public and private sectors spanning health, education, housing and recreation to discuss the challenges and opportunities for customer stewardship with a specific focus on social infrastructure.

## Participants that provided comments in this paper

<b>Monica Barone</b>	Chief Executive Officer City of Sydney	<b>Les Hosking</b>	Non-executive Director, AGL Adjunct Professor, The University of Sydney
<b>Leanne Bloch-Jorgensen</b>	Head of Thought Leadership and Insights, Corporate & Institutional Banking, National Australia Bank	<b>Daniel Khong</b>	Associate Director, Origination, Capella Capital
<b>Garry Bowditch</b>	Executive Director, Better Infrastructure Initiative John Grill Centre for Project Leadership	<b>David Lamming</b>	Chief Investment Officer, Plenary Group
<b>Amy Brown</b>	Deputy Secretary, Commercial and Economic Group Department of Premier and Cabinet – NSW	<b>Kate Munnings</b>	Chief Operating Officer, Ramsay Health Care
<b>Peter Colacino</b>	Executive Director – Policy & Research, Infrastructure Australia	<b>Fiona McIntyre</b>	Acting General Manager, Resources Infrastructure and Government, National Australia Bank
<b>Campbell Hanan</b>	Head of Office and Industrial, Mirvac	<b>Patricia Pascuzzo</b>	Co-founder and Managing Director, Customer Stewardship Australia
		<b>Bruno Zinghini</b>	Executive Director, Western Region, Health Infrastructure, NSW

## What is customer stewardship?

Customer stewardship is defined by the Better Infrastructure Initiative as “the collective management principles and practices that focus on long-term customer outcomes”.

The purpose of these principles and practices is to create the ways and means for an organisation to better govern itself by having greater accountability to customers and stakeholders.

Customer stewardship seeks to encourage greater dynamism, innovation and customer centricity in the way capital is allocated and managed in infrastructure. When customer stewardship is active, a number of outcomes are expected to emerge including improved community and customer trust, more effective regulation, new investment pathways for owners, operators and investors that can expect longer term increases in enterprise values.

Therefore, championing the role of the customer in infrastructure enables our economies and societies to continue their adaptation and change with less impediments. This is not only the source of future prosperity and social inclusion but the reason for investing in infrastructure in the first place.

The Better Infrastructure Initiative’s ‘customer stewardship five pillars of practice’ are detailed in Appendix 1. It was originally published in the Initiative’s Policy Outlook Paper No. 5, ‘Customer Stewardship: Infrastructure’s missing link’.

The Better Infrastructure Initiative’s applied research and thought leadership program has been heavily engaged with industry and government. This has led to the establishment of a new independent company, Customer Stewardship Australia.

The mission of Customer Stewardship Australia is the practical implementation of customer stewardship where it independently assesses and benchmarks performance of asset owners and operators wanting to excel at lifting the long-term value of their enterprise while consistently strengthening customer loyalty and community trust.

*“We know our customers are trying to understand their customers better and deliver improved outcomes. A framework that creates rigour around this is welcome”*

*Fiona McIntyre,  
National Australia Bank*

*“The Customer Stewardship Australia Accreditation and Assessment System is designed for asset owners and operators of infrastructure that have an ambition to continuously improve their customer stewardship capabilities and practices. Lifting enterprise value and securing the trust and buy-in of customers and stakeholders is key.*

*We believe our independent validation is valuable in attracting institutional infrastructure investors and receiving more favourable responses from regulators, policymakers and customers alike.”*

**Patricia Pascuzzo**  
**Customer Stewardship Australia**

## Executive summary

Social infrastructure does a great deal of the heavy lifting to ensure the quality of life in our cities and regions; its proximity and accountability to customers and the community make it an important area of learning for customer stewardship.

The impact of social infrastructure is much more than what results from its stand alone assets, such as schools, hospitals and convention centres. Together they form an ecosystem of facilities, places, spaces and programs to not only deliver services but to create a sense of place.

Embedding customer stewardship principles and practices in social infrastructure will help the sector better leverage its great talents and capabilities in order to have an even more positive effect over the medium to long term.

Infrastructure as an investment has the power to be transformative to the cities and the regions it serves; bestowing a mix of intergenerational benefits that are both economic and social. However, in the case of Australia and for many OECD nations these benefits may not be sufficiently forthcoming in both size and timeliness; reflecting a combination of factors including the cost of not having customers more centrally involved in infrastructure governance processes throughout the long life of these assets.

Research by the Better Infrastructure Initiative at the John Grill Centre for Project Leadership, University of Sydney is focused on this customer centricity through building customer stewardship. Policy Outlook Papers No. 1 – 5 can be found here, [sydney.edu.au/john-grill-centre/our-research/infrastructure/](https://sydney.edu.au/john-grill-centre/our-research/infrastructure/)

The research aims to strengthen the chain of responsibility, accountability and transparency for long term customer outcomes. The underlying premise of the research is that if our infrastructure services are vested in customer outcomes over the long term, wider social and economic benefits will result, including better returns, smarter use of capital and regulation that together help to rebuild and extend trust.

This Roundtable explored current customer stewardship practices and the scope for it to be expanded across social infrastructure. Through the invaluable understanding and collective experience of participants, key insights have been produced (page 6).

*“The customer stewardship research is not just theory. We’ve been building and testing the concepts with industry”*

*Leanne Bloch-Jorgensen  
National Australia Bank*

*“We want to be as meaningful as we can with our investment. The customer experience is integral to how we achieve that.”*

David Lamming  
Plenary Group

# Key roundtable insights

**The customer stewardship challenge** is for owners and operators of infrastructure, both government and private sectors alike to better self-govern themselves with less regulation and through more accountability to customers and stakeholders.

**Many organisations already champion the role of customer (and community).** The Better Infrastructure Initiative's research shows many organisations already champion the role of the customer (and community), but too often these happen behind the scenes and are not fully understood or recognised by customers and stakeholders. The aim of the Customer Stewardship Australia Accreditation and Assessment process is to recognise and independently verify these endeavours.

**Stewardship must be fit for purpose, not one size fits all.** The importance of culture and market mechanisms to reward stewardship excellence will help shift the emphasis from physical assets to people and services.

**Securing the right type of capital that is long term** and judges performance beyond financial returns is essential in fulfilling a good stewardship model for social infrastructure.

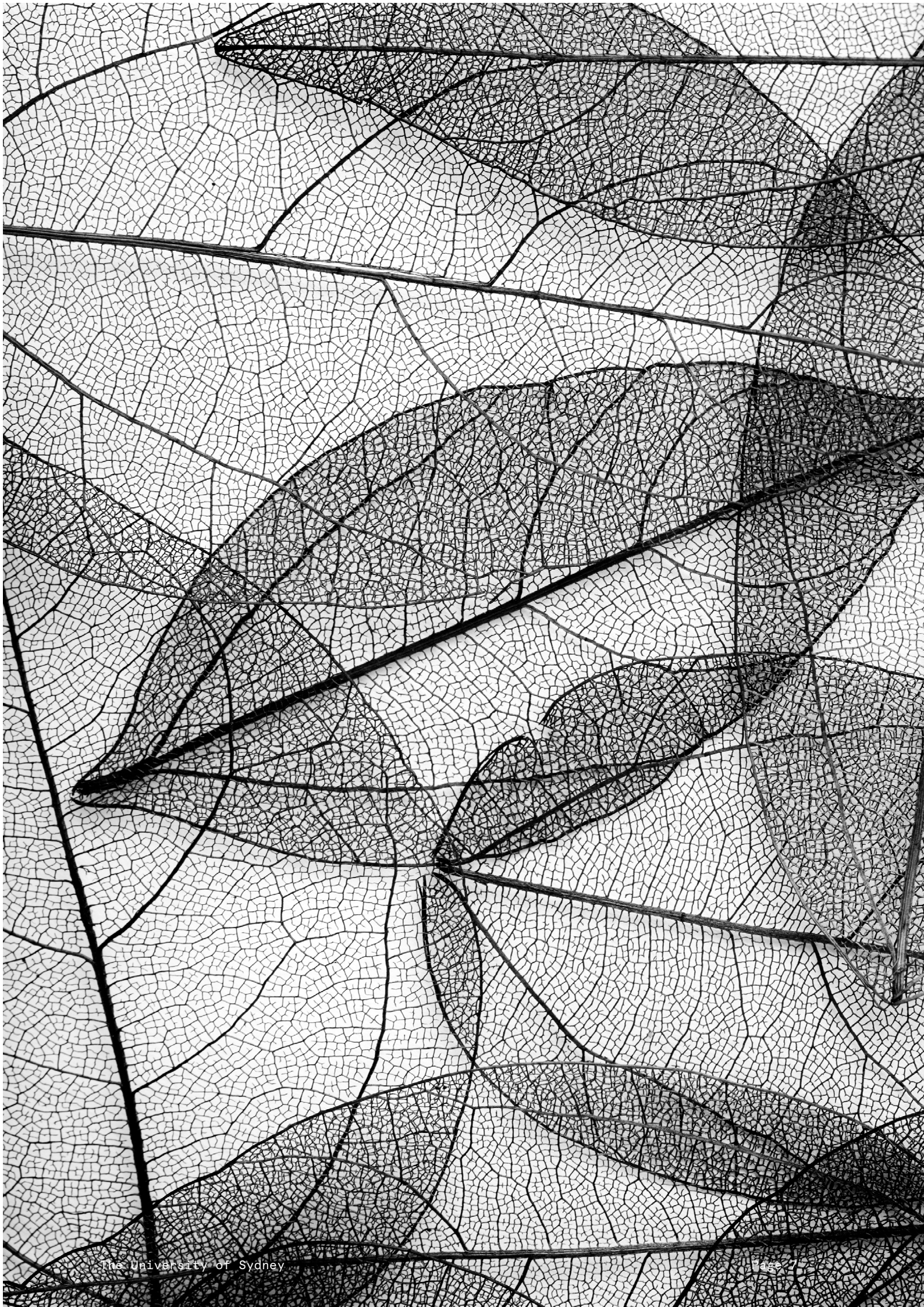
**Dominant themes shaping future uncertainties** for social infrastructure include climate change and the evolving expectations of different demographic groups such as millennials. These themes are challenging building and service design.

**Potential redundancy and obsolescence of social infrastructure assets** are front of mind, along with local government funding shortages to keep key economic corridors livable, functional and resilient.

**Owners and operators of infrastructure need to think deeply about the future and build mechanisms to adapt to medium and long-term change.** New technologies and shifting customer preferences are two real factors impacting owners and customers alike; building a mechanism for adaptation is one area of focus of customer stewardship research and practice.

**Regulatory and procurement practices are not always aligned to customer stewardship outcomes;** there is a risk of over regulation or poorly-targeted regulation if strong customer stewardship practices by owners and operators are not understood, measured and valued.





## Roundtable conversation

Garry Bowditch facilitated the Roundtable conversation with opening remarks delivered by David Lamming from the Plenary Group. The key themes and main points are elaborated in this section.

### Stepping beyond contracts – it's all about the relationships

A rich fabric of opinions and perspectives from participants confirmed that responsible owners and operators of infrastructure are faced with all sorts of strategic and operational scenarios, for which a legalistic contractual centred approach is ill suited. It was generally agreed that there is no substitute for owners and operators in having deep and high quality relationships; these are crucial in being able to deal with complexity and nuance across multiple customer and stakeholder groups. It is these relationships, which help navigate towards solutions and outcomes that all stakeholders can be both happy with and contribute to their respective successes.

*"It's not about the contract. We need to be the best stewards."*

*David Lamming, Plenary Group*

For Plenary Group, it doesn't end with the contract. Despite securing long term concession agreements which may underpin a project and enable it to proceed, it is the quality of relationships that are essential to the project's success and customer outcomes over time. "Our focus is over the long-term and that means we have to be aligned to final users and stakeholders", notes David Lamming.

The finance and governance arrangements are obviously important and contained in the contractual terms, however it is the aligned interests of the relationship partners that provide the real navigation. Infrastructure delivery and ownership should not just be about the contract. David continues,

*"Focusing exclusively on the contract is not really where we want to be, and is not where we think the government wants to be."*

*Our relationships are at many levels, and this is particularly critical when we are dealing with government to procure, deliver and operate infrastructure."*

*David Lamming,  
Plenary Group*

The importance of relationships from a government perspective was strongly endorsed by Amy Brown, who acknowledged that it is the customer who loses when key relationships aren't strong.

*“When the relationship doesn't work between government and the private sector counter party, the person who suffers is the customer.”*

*Amy Brown, Department of Premier and Cabinet - NSW*

Relationships are critical not just at project inception but also where adaptation is required. Infrastructure owners and operators are faced with all sorts of scenarios, including expanding projects where demand levels or service requirements change over time. In these situations, it is the depth of the relationships that are crucial in being able to find an acceptable position that all stakeholders can be happy with.

And given social infrastructure often involves concession periods of up to 40 years, there is a need to ensure a meaningful role for capital over that period and that the right customer experiences are delivered while giving governments what they require from the infrastructure. Customer stewardship provides assurance that quality long term outcomes for customers and stakeholders is consistently applied within an organisation across all key decisions no matter how challenging the circumstances.

Appendix 2 details a case example of customer stewardship in respect of social infrastructure that appeared in Policy Outlook Paper No. 5, 'Customer Stewardship: Infrastructure's missing link'.

### **Power of transparency**

Customer stewardship encourages owners and operators of infrastructure to be more accountable to long-term goals; where capital allocation decisions and operational performance inform the quality of governance and is both transparent and open to regular review.

The Better Infrastructure Initiative identified scope for improvement in the quality and quantity of reporting by infrastructure organisations on their customer centered initiatives. Based on a review of large infrastructure entities operating in Australia, the Better Infrastructure Initiative found that many organisations were working diligently towards a better infrastructure future, but their endeavours are too often not well understood or acknowledged.

Based on a sample of 25 organisations, the research found that ASX Listed entities and Government Trading Enterprises typically had a higher level of transparency to their activities, while unsurprisingly Unlisted and Foreign Listed entities had far less information in the public domain to inform customer performance.

Redressing this through better customer stewardship reporting and making information more readily accessible is an important stepping-stone to elevating and highlighting the strong performance of many unlisted infrastructure entities. It will also help with making more room for those practicing stewardship to do more, knowing that they have accountability and transparency mechanisms to deliver long-term outcomes.

*“Creating something that rates performance when you're a private company is helpful”*

*David Lamming,  
Plenary Group*

## Insight for investors and taking a long term view

Customer stewardship benchmarks and performance data have the potential to deliver substantive information to infrastructure investors because of the focus on owner and operator teams, providing insight into who is best placed to deliver superior, sustainable and responsible long-term investment outcomes. Customer stewardship is grounded in taking a long-term sustainable view.

Customer stewardship is an important complement for Environmental, Social and Governance (ESG) considerations. It can provide additional data to inform decision making through its empowerment of the community and customer voice.

**Daniel Khong** from Capella noted that social infrastructure in particular requires this long term view and that the different lifecycle stages including development and ongoing operations require owners to have the right mindset to their investment, where they remain engaged and active.

## Future-ready infrastructure services – how do we build-in adaptation?

Several participants pressed the point that all actors in infrastructure should seek to make better decisions earlier about what infrastructure is needed for the future, and what changes should be taken now to ensure it will function effectively in the future.

Customer stewardship not only recognises but seeks to champion owners and operators that work beyond business as usual frameworks. In fact, the point of differentiation with customer stewardship becomes clear when there is both ambition and capability to shape and improve the broader eco-system the entity operates in.

That is, operating beyond traditional organisational boundaries and realising the limitations of managing an asset as if it is ‘an island unto itself’.

The mindset of a customer stewardship practitioner is constantly synthesizing the information of customers and stakeholders that flow from being better connected to its ecosystem and understanding adaptation needs sooner. A practical example of this in action in social infrastructure is the interplay of creating assets, for example schools, hospitals, housing and leisure centres and the cumulative effect of these to defining place, and how they work together towards place making.



In effect, customer stewardship is seeking to shift the focus from the asset to the combined effect of assets and services that ensure places are not only livable today but can evolve and adapt to the future.

Customer stewardship is seeking to identify those owners and operators that are prepared to adopt a medium to long-term view and will make the necessary early decisions to ensure better options and adaptation for the future.

There are many sources of future uncertainty with climate change and changing demographics being highlighted as front of mind for ensuring adaptation can take place.

Climate change and increasing frequency of extreme temperature days present real and present challenges in keeping buildings cool and regions liveable in these circumstances. Western Sydney and the new airport precincts will be particularly exposed to these events.

For Mirvac's Head of Office and Industrial, **Campbell Hanan** this is embedded in how projects are planned and delivered.

*“Climate change is a real risk in the CBD. Our buildings aren't designed to deal with climate extremes. The other big influence on future thinking is around millennials. They will be the dominant force in the workforce in the next five years. Their impact on place making, and what makes a good sense of place will be defining; therefore decisions made now in respect of a destination will be key in helping mitigate the risk that it is not tomorrow's dead zone.”*

*Campbell Hanan,  
Mircvac*

And the importance of place making is not limited to millennials. Social infrastructure is crucial to creating successful communities and place making. This link has not always been apparent in infrastructure decision-making. The theme of place making is echoed by **Peter Colacino**, Infrastructure Australia.

*“Place making has been identified by Infrastructure Australia as a priority for future infrastructure projects.”*

*Peter Colacino,  
Infrastructure Australia*

Participants underlined the point that making good decisions and instilling a mindset of stewardship to infrastructure today can help avoid unnecessary redundancy and obsolescence in the future.

**Monica Barone**, City of Sydney, noted civil, transport and social infrastructure required to support the growing population and workforce in the Eastern Economic Corridor could require significant additional investment that the local governments in the Corridor are unlikely to be able to fund. Without these investments a key national economic corridor will be at risk of being neither livable nor viable over the long term.

The customer stewardship challenge is that policy, funding and planning regimes are not yet equipped to take account of the practical and design issues that should be addressed today.

## Delivering for greater expectations

A consensus was evident that customer and community expectations were growing in respect of social infrastructure, ranging from issues of access and carbon abatement to global attractiveness measures including livability.

Customer stewardship is an important lever to help industry adjust and adapt to these changes in a way that can benefit customers, community and investor stakeholders alike; provided there is an incentive mechanism for customer stewardship to take hold.

Benchmarking an organisation's capability with peers to adjust and adapt to customer and strategic changes is key to the customer stewardship framework. Access to information and community of practice made up of other infrastructure organisations can help accelerate

organisational learning. Having stronger incentive mechanisms for customer stewardship to take hold will be important to the future.

**Kate Munnings**, Ramsay Health Care, noted that public and private hospitals are at the front line in managing the changing needs of customers, doctors and the ongoing impact of new technologies. Ramsay Health Care is spending a lot of time thinking about the future hospital, across many dimensions including digitally and beyond the physical hospital, where the hospital may go to the patient in their home.



*“Ramsay Health Care is designing healthcare differently by developing digital solutions that solve the pain points of consumers, as well as the pain points of doctors and staff.”*

*Kate Munnings,  
Ramsay Health Care*

## Creating frameworks for benchmarking different sectors

**Bruno Zinghini** noted that the engagement with consumers for hospital services are different to say transport services, and there are differences in the level of engagement that vary according to type of infrastructure. It is important that the customer stewardship framework is able to allow for these differences by enabling the availability of like for like benchmarking for particular sub-sectors in infrastructure. It is also important for activating industry wide change, that customer stewardship can be measured and applied across the entire sector, which is an important feature of the Customer Stewardship Australia approach.

## Less regulation, more head room for innovation and growth

The research of the Better Infrastructure Initiative suggests that customer stewardship is not practiced consistently, however there are many organisations that seek to take a rigorous long-term customer-centred view of their operations and investments.

However, without the evidence of the customer-centered approach such as that espoused by Customer Stewardship Australia, there is a risk of regulation being applied to the lowest common denominator, penalising the good performers.

*“Customer stewardship is about sending the right signals to the market, that superior performance will be rewarded with less regulation, and more scope to grow your organisation.”*

*Garry Bowditch, John Grill Centre*

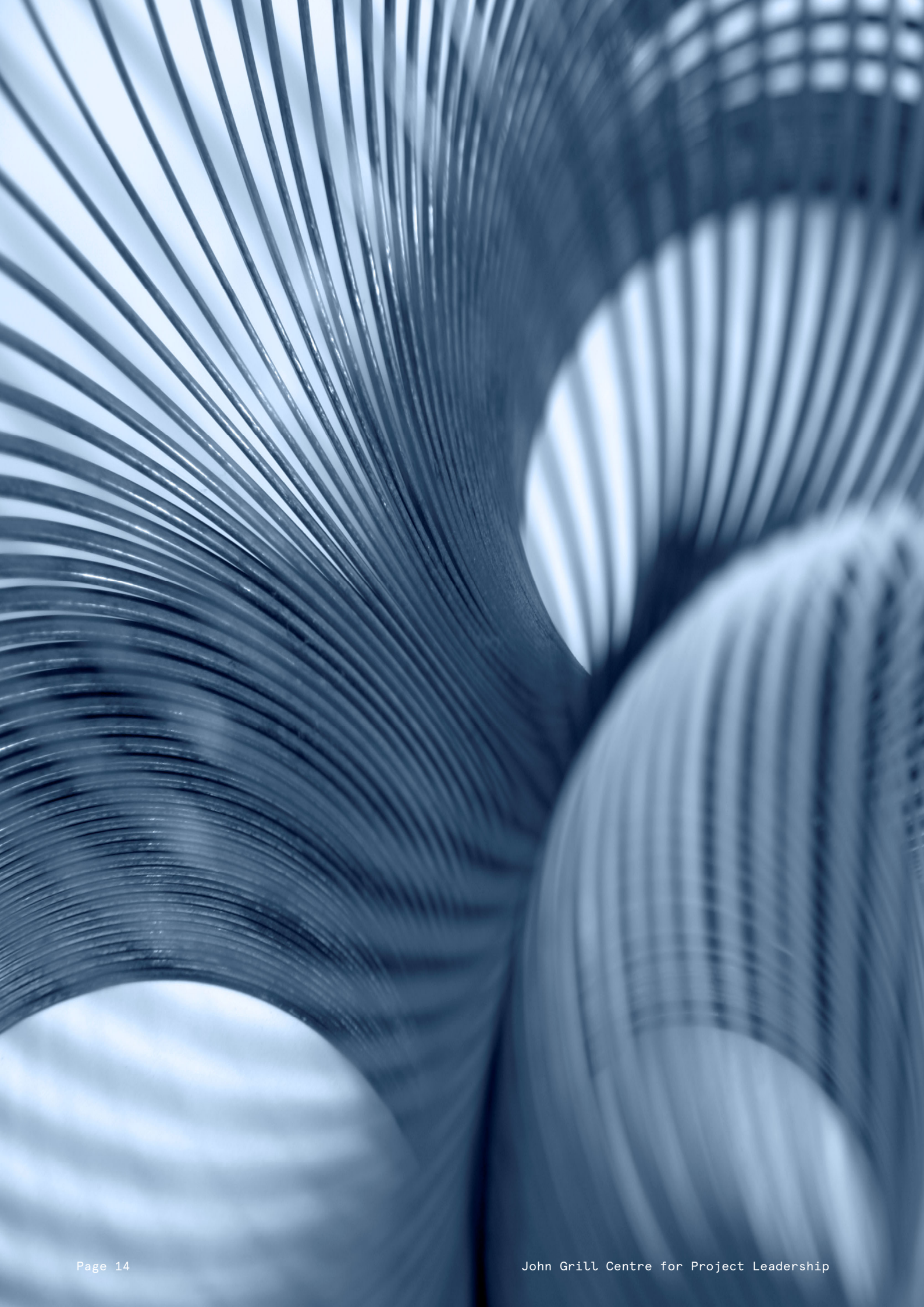
Too often regulation impacting infrastructure is set to the lowest common denominator of industry actors that can act as a penalty on better performers. **Kate Munnings** highlighted the potential benefits of creating an incentive mechanism for regulatory relief should customer stewardship credentials and track record be independently substantiated. This would be a powerful signal to encourage owners and operators that are already performing well and to a higher standard to keep moving forward with continuous improvement measures, with less risk of volatile regulatory change or overreach.

*“Additional regulation should not be applied to organisations where top performance is demonstrable, and where they do not have the problems that are evident with lower performing organisations.”*

*Kate Munnings, Ramsay Health Care*

Over regulation has become a bigger challenge in the health sector, particularly as owners and operators have to adhere to additional supervision as a result of other operators' under performance. An example is the prevention of infection where more onerous sterilisation standards being applied to all operators at very significant cost, even when top tier operators have not had a problem with infection control.

In the customer stewardship framework discussed, market based rewards for excellence need not be just about money, in fact it can be in the form of regulation that enables owners and operators more discretion to collaborate with customers that seek responsible ways of securing better outcomes as well as returns. In these circumstances where customer stewardship is active, over time there would be a stronger case for governments to consider less regulation, as the quality of customer relationships and track record of performance would make additional regulation unnecessary.





## Last word

Social infrastructure owners and operators are continuing the task of adapting their assets and services to a changing society and economy. These endeavours need to be shared more widely so that the sector can contribute its expertise and learning across the whole economy.

The many examples raised by the participants about the profound differences we can expect in the future such as taking the hospital to the patient's home was reflected on by Les Hosking, Chair of our Customer Stewardship Expert Reference Group.

Les Hosking noted that this is a trend that goes across just about everything in infrastructure, because of the growing importance of technology that enables disintermediation from traditional asset owners and operators.

For example, Dr Google is having a big impact on health care, where patients attend hospital as an absolute last step. Another example is the supply of electricity where solar and batteries at home provide a degree of self-sufficiency and customers may only expect to access the central energy network as a means of last resort. Transport is being similarly affected with ride sharing platforms and better land use than can reduce the need for car parks and road space.

Owners and operators of infrastructure will need to be thinking and planning more deeply about these issues for which customer stewardship can help in that process.

*“There is a need for an independent assessment to show who is competent and effective in navigating the complexities of the future with their customers. Just like a Standard and Poors credit rating, Customer Stewardship Australia is seeking to do the same to bring transparency and accountability about capabilities and performance to customers in infrastructure”*

*Les Hosking*

# Appendix 1

## Customer stewardship: The five pillars of practice

*Appendix 1 was originally published in Policy Outlook Paper No. 5, 'Customer Stewardship: Infrastructure's missing link' produced by the Better Infrastructure Initiative at the John Grill Centre for Project Leadership, University of Sydney.*

### **Connectedness**



Customer stewardship requires infrastructure to work as a coherent system that is connected and integrated, functioning as part of a seamless, interdependent network. Connectedness is important because infrastructure customers, communities and the economy rely more than ever on highly functional interdependent networks to support economic and social well-being over the long term. Connectedness must bridge both the physical and technology dimensions of infrastructure assets and service provision.

### **Informed choice**



Customer stewardship requires infrastructure that ensures informed choice for customers and stakeholders. Informed choice is important because it equips customers and stakeholders with the necessary information to choose wisely and with an understanding of the consequences of their decision. For owners and operators this is valuable in informing the allocation of capital and other resources efficiently and effectively today and in planning for the future

### **Adapting**



Adaptable infrastructure is important because these asset and service networks must be dynamic parts of our society. Customer stewardship requires infrastructure that can change, be repurposed, and made more resilient to meet long-term economic, social and environmental challenges and opportunities of the future.

### **Transparency**

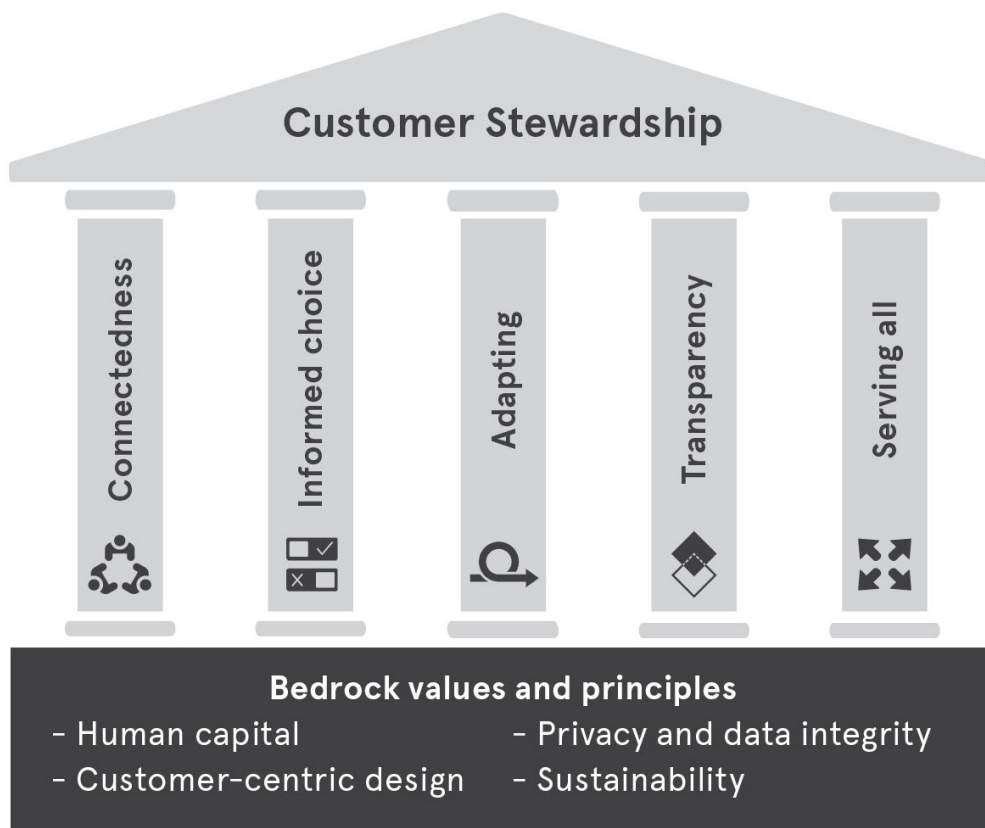


Transparency is important so infrastructure can be an agent of change pursuing continuous improvement, rather than being a static asset. It can help identify under and exemplary performance and inform follow up actions with investors, operators, market disruptors, regulators and customers. Customer stewardship requires infrastructure that is accountable to long term goals throughout its life cycle; where operational performance and governance of data and payment systems are open to regular review.

### **Serving all**



Lifting economic and social inclusion, along with enhanced environmental outcomes should be done through open and contestable mechanisms. Serving all in society is important because infrastructure must continue to demonstrate that it can address economic, social and environmental challenges for all, not just those that can afford to pay for it.



Source: Better Infrastructure Initiative, John Grill Centre for Project Leadership, University of Sydney

# Appendix 2

## What good customer stewardship in social infrastructure looks like in practice

*Appendix 2 was originally published in Policy Outlook Paper No. 5, 'Customer Stewardship: Infrastructure's missing link' produced by the Better Infrastructure Initiative at the John Grill Centre for Project Leadership, University of Sydney.*

### Melbourne Convention and Exhibition Centre

#### Adapting



#### Stewardship challenge

Built on industrial land consisting of old factories and warehouses, the 50,000-square-metre Melbourne Convention Centre project was a public-private partnership between the Plenary Conventions consortium – comprising Plenary Group, Brookfield Multiplex, and BGIS<sup>1</sup> – and the Victorian Government completed in 2009. As the State's long-term asset management partner, infrastructure specialist Plenary faced a choice whether to passively manage the asset or respond to changes in conference demand and Melbourne's population growth by adapting the project to ensure it met future demands.

#### Stepping up

Completed on time and on budget in 2009, the A\$1.4 billion Melbourne Convention Centre project, part of the Melbourne Convention and Exhibition Centre (MCEC), is recognised as an architectural and commercial success. With a 6-Star Green Star Design rating by the Green Building Council of Australia, it is also one of the greenest convention centres in the world.

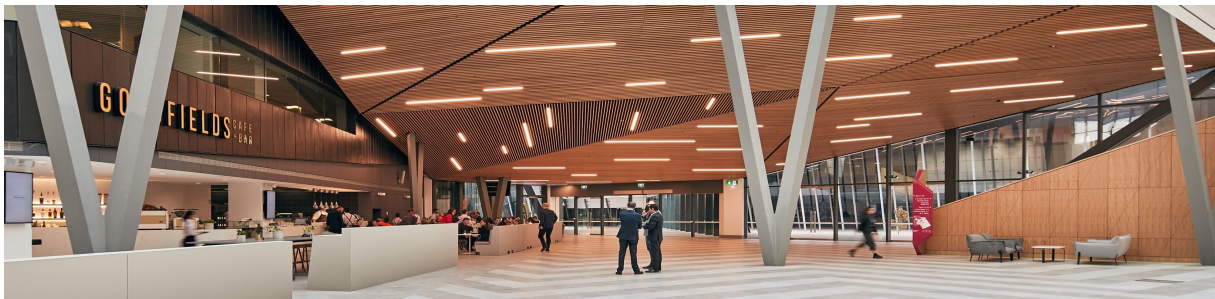
Developed to increase Melbourne's business tourism market, the project facilitated the urban renewal of a former industrial site into an active tourism, mixed-use retail, hotel, residential and food and beverage precinct.

The project is a great example of value capture in global PPP infrastructure markets. While delivering the project for the Victorian Government, public-private partnership (PPP) partner Plenary attracted A\$1 billion of complementary commercial development that included a five-star hotel and more than 100,000 square metres of food and beverage, and retail development.

An architectural and commercial success. The Melbourne Convention and Exhibition Centre is recognised for continuing to adapt to changing markets through the A\$350million expansion of the Centre and broader South Wharf precinct.



South Wharf precinct. Photo: Peter Glenane.



Melbourne Convention and Exhibition Centre. Photo: Peter Bennetts

A main feature of the project is its main hall, a flexible space that can be used as a 5500-seat auditorium. The largest operable walls in the southern hemisphere and a unique retractable seating system allow the hall to be divided into three separate theatres, one with capacity for up to 2500 people. The hall is celebrated as a ‘building within a building’, wrapped by more than 16,000 square metres of foyer and event space, and banquet and meeting rooms.

The project has won a host of design and infrastructure awards including the 2010 National Architecture Award, 2010 Victorian Architecture Medal, and 2008 National Infrastructure Award for Government Partnership Excellence. It has also been awarded gold certification by leading tourism certification group EarthCheck and won the 2010 Urban Development Institute of Australia National Environmental Excellence Award, setting the global standard for sustainable convention centre design.

In mid-2016 the Victorian Government, Plenary and other private partners commenced a more than A\$350 million expansion of MCEC and the broader South Wharf precinct – one of the first expansions of an operating PPP in Australia.

The project included a 20,000-square-metre expansion of MCEC, a new 347-room, four-star quality Novotel Melbourne South Wharf hotel and a new 1150-space multi-level car park.

Completed in July 2018, the expansion increased MCEC’s total size to more than 70,000 square metres, ensuring it remained the largest business tourism and events destination in Australia.

Up to 1300 people worked on site during construction of the original Melbourne Convention Centre project, and around 700 people were employed during construction of the expansion. More than 2400 new ongoing jobs have since been created by the private sector investment in the mixed-use retail, office, hotel, residential and food and beverage precinct.

Plenary plays a key role in the ongoing asset management of MCEC as special purpose vehicle (SPV) and asset manager. Plenary’s operational model provided ability to innovate through a risk and-reward sharing mechanism between Plenary and services provider Brookfield GIS. This cost effective but hands-on approach allows significant savings to be returned to the State while ensuring Plenary is incentivised to maintain the centre to a high standard throughout its life.

#### **Where to next?**

Proactive management of the asset identified the opportunity to adapt the asset to new needs, ensuring that a precinct served a wider community. The whole South Wharf precinct demonstrates the success that can be achieved when the public and private sectors work in true partnership to deliver critical pieces of public infrastructure.

Peter King, Chief Executive, Melbourne Convention and Exhibition Centre, says “customer experience was front of mind when planning the design – we wanted to ensure our facilities suited the needs of our customers, rather than constraining them to fit within our space. Everything we do at MCEC is based around the fact we are here to connect and inspire.

We will fulfil our obligation to connect and with the help of our wonderful new spaces - we will inspire. Our business has benefited from the partnership approach Plenary takes and we look forward to continuing this good work into the future.”

<sup>1</sup> Brookfield Global Integrated Solutions. More information: <https://apac.bgis.com/>

*“An infrastructure future based on relationships, reciprocity and participation first (stewardship) is where we must all seek to go.*

*Without it means risking underperformance for customers, community and investors alike.”*

Garry Bowditch  
John Grill Centre for Project Leadership

## Get in touch

For more information about customer stewardship.



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