

Valuing Better Engagement

An economic framework to quantify the value of stakeholder engagement for infrastructure delivery



'Governments and infrastructure investors could be saving millions of dollars on both private and public projects by improving their use of stakeholder engagement.'

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Consult Australia has long-recognised the importance of stakeholder engagement. Increasingly, this field is rightly identified as critical to achieving a range of strategic and operational objectives for public and private-sector clients alike.

Commissioned by Consult Australia from PwC, *Valuing Better Engagement* establishes a high level economic framework to help project managers and organisations to:

- Identify the benefits of conducting project specific stakeholder engagement; and
- Assess the value of stakeholder engagement in a defensible and repeatable manner.

Engagement is a broad term that can encompass public participation, community, stakeholder or public relations, consultation, government and media relations. The level of engagement appropriate for each situation can range from a one-way transfer of information, through to consultation and actively involving or empowering stakeholders in the decision making process.

Traditionally, the quantification of benefits from engagement has been challenging. *Valuing Better Engagement* provides project managers and engagement practitioners with a practical and defensible tool to calculate the savings and benefits of stakeholder engagement, allowing them to justify spend.

'More than ever members of our society expect to be engaged on matters that impact them or in which they hold an interest. Failure to manage these expectations can bring projects to a grinding halt. The solution is engagement activities that are specifically tailored for the project from its earliest stages through to completion. To enable this, engagement must be an appropriately resourced and integrated part of the project management with the support of senior managers from across the project disciplines.'

Guide to Procuring Engagement Services. (2014). Consult Australia

VALUING BETTER ENGAGEMENT:

- Provides a clear, defensible and conservative first step in ascribing value to the engagement processes already being undertaken by project teams on most capital projects.
- Is conservative by design, with the information required to measure the quantifiable elements available for most major capital projects.
- Has been developed from a project owner perspective to ensure it is realistic and relevant.
- Highlights the range of benefits stakeholder engagement can deliver from more accurate problem and solution definition, including reduced unplanned risk contingency pre-construction from improved risk pricing, and risk mitigation resulting in unused risk contingency.

Valuing Better Engagement includes recommendations that provide a useful first step in making the framework implementable across all projects. The report recommends:

- Standardised processes and record retention policies governing stakeholder engagement activity; and
- Standardised processes and record retention policies supporting risk analysis throughout the project.

These recommendations are relevant for project proponents, advisors, engagement professionals and government where there is a role and a responsibility to influence project design and delivery.

Any application of the Framework should be supported by a discussion of the overall community benefits of the project and more qualitative consideration of value stemming from engagement to better contextualise the economic benefits quantified through Valuing Better Engagement.

SEE ALSO:

Consult Australia's [Guide to Procuring Engagement Services](#). The Guide explores the benefits and risks associated with effective engagement, and explains the procurement process for engagement services in detail across eight steps.

Both reports are proudly supported by the International Association for Public Participation Australasia (IAP2).

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