



GTA consultants



Shovel-Ready Projects

Are you prepared for stimulus packages?

As governments at all levels grasp with the challenge of driving economic momentum and recovery in the face of COVID-19 impacts, focus is turning to stimulus packages and 'shovel-ready' projects.

Our clients are seeking guidance on exactly what a 'shovel-ready' project looks like. How are these projects identified and prioritised? What are the attributes of 'good' projects that create enduring value, and more than simply jobs and short-term economic activity?

What is a shovel-ready project?

A 'shovel-ready' project (or an SRP) is one that can come to market in a short timeframe. To allow this, a SRP is typically one of the following:

- Renewal of an existing asset (like for like)
- Project or activity that is regularly delivered and could be considered as business as usual
- Project that has gone through preliminary development stages and is procurement ready
- Bringing forward of work projects or programs already in train.

The feasibility of a SRP in a stimulus environment is enhanced by:

- Fast-tracked development and design stages
- Simplified approvals
- Scope that is known to market or that has been subject to market sounding
- Risks that are reduced or appropriately addressed

Why is having SRPs ready so important?

With a range of stimulus funding being announced and or anticipated, governments of all levels and community organisations need a clear appreciation of the requirements of their communities and stakeholders. That is, identified and prioritised projects and schemes that can be brought forward to meet these needs and qualify for stimulus funding.

Whilst the allocation of stimulus programs and funding will have principles of fairness and equality of access, the reality is stimulus packages will not necessarily be distributed evenly. Decisions to allocate funding are not easy, particularly when rapid progress is expected, so it is likely governments will look for projects that have proven business cases, which will facilitate funds being allocated quickly.

Given this, each applicant needs to be able to make a strong case for each investment. The better prepared and considered a portfolio of potential SRPs, the better the chance of securing early and easy funding and the flow of benefits back into the community.



What do 'good' SRP projects look like?

In a transport and community infrastructure context, the key attributes that should be considered are:

Rapid readiness – Which projects are already identified and scoped (or can be easily) - What is in-process and can be brought forward?

Scalability and/or programmability – Can existing or planned projects be expanded, or the number brought to market increased? Can projects be bundled into programs for efficiencies of scale and replicability?

Pragmatism – can simplifying projects and/or applying standardised approaches - such as using 'kit of parts' solutions - help bring them forward to market?

Job creation – What projects that create quick and broad activity 'on the ground' provide short-term employment and economic flow-on?

Local procurement – What projects can be delivered by local consultants and contractors (not just large Tier 1 or 2 players) and draw on local supply-chains?

Multiplier effect – What projects invested in now bring high and enduring value over their lifetime?

Social and environmental outcomes – Are there projects that generate strong social and environmental outcomes for the community? E.g. increased active travel infrastructure or improved connectivity and mobility?

Can SRPs be developed in a short timeframe?

They must be.

For Australia to build itself out of COVID-19, the conversion of turning ideas and concepts into projects quickly is critical, as the number of SRPs that currently 'sit on the shelf' is not big enough.

In a letter to Australia's Mayors and Councillors the Deputy Prime Minister recognised the inability to respond to calls for SRPs to allocate stimulus towards: "At this stage we are only seeking to obtain an early indication of potential projects that could be fast-tracked within the next six months "

Without a doubt, COVID-19 will redefine what a 'very short time' means. Developing SRPs is not a question of 'can' but a question of 'must' to allocate stimulus effectively.

At GTA, we see 5 key steps to rapidly develop SRPs.

Step 1: Ramping up 'Business as Usual' is essential in unusual times

Rolling out the plans that are 'on-the-shelf' is an essential first step to unlocking stimulus. In many areas of Australia, for those that are on the edge of the major cities (regional and growth areas) this is an opportunity to align local transport networks with current and future demands. It is also an opportunity to focus on neglected maintenance and system updates.

“ Governments will look to projects that have proven business cases, facilitating allocation of stimulus package funds ”

Step 2: Turning strategic plans and feasibility studies into SRPs

We know that plans can be formulated and deployed quickly in theory. However, there are two major barriers – formal approval processes and a lack of available resources.

As there is likely to be much to do, resources are likely to be stretched, and initiatives need to be coordinated as a lack of co-ordination is likely to get in the way of what is possible. The result is resources applied thinly across initiatives leading to delays or projects not getting done at all.

The COVID-19 stimulus can be used to turn strategic plans and feasibility studies into SRPs. This process builds on current trends. Over recent years, GTA has been responding to clients' needs to be able to quickly develop plans (often in a matter of days) that can then enable project definition and lead to a business case.

Step 3 - Challenge delivery models and processes

A highly sequential step-by-step approach to project delivery will lead to delays. Fast tracking SRPs will require a look at running tasks in tandem and not sequentially as well as considering alternative methods of procurement and delivery. These do not compromise on procedures and quality if planned carefully. GTA's understanding of the whole-of-project life cycle enables us to advise on methods and approaches to unblock sequential logjams in project delivery.

Step 4 – Align with future needs

'Good' SRPs mean creating projects that align with your organisations' and communities' aspirations and use resources wisely. COVID-19 has created a backdrop that is not 'normal' and may lead to long-term changes in behaviour and needs. GTA is at the forefront of considering these changes and their implications.

Step 5 - Invest early to maximise benefit

There is nothing easy about this time and much is changing quickly. Most people are being asked to work in a completely different environment and respond to new challenges. Early investment in strategy, prioritisation, delivery, and innovative tender processes may be counterintuitive, but it is essential to direct stimulus investment in SRPs that create long-term outcomes.

¹ <https://alga.asn.au/councils-given-extra-time-to-find-shovel-ready-local-road-projects/>



Taking the next step

GTA has a national team of 150 and a strong grasp of the steps to be prepared in response to stimulus programs. GTA is well-placed to assist governments and community organisations to set their agenda as well as align and leverage stimulus investment to enable communities to thrive through transport.

Led by seasoned senior practitioners, we work with all three levels of government, assembling the right combination of technical expertise for each assignment. Importantly we bring a comprehensive understanding of government sector requirements, organisational needs and those of the community.



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