

President's Message

How the IVMA has developed

It has now been 12 months since I was given the privilege of becoming President of IVMA.

In doing so, I succeeded Roy Barton who had been our long-term President and, more importantly, an internationally recognised champion of Value Management as a means of best assuring value for money predominately in infrastructure delivery.

With that as a background, I thought it appropriate to reflect on IVMA as an organisation and the value management (VM) journey in Australia over the last 50 years or so.

Some of the key aspects are:

- IVMA had a fledgling start in the 1970s on the back of benefits identified in the US by way of Value Engineering (VE). In America, VE had commenced at General Electric Co. during World War II because of shortages in materials and skilled labour
- The forerunner of IVMA was the Institute of Value Engineers Australia Inc, which was established in 1977. Not much is known of the organisation's activities and by the late 80s it was largely dormant
- In the late 1980s there was spike in the interest in VM due to the emerging boom in the civil, building and construction sectors. In government, the interest was driven by a need for ensuring capital investment decision-making would

deliver best value for money (VfM) outcomes. VM was quickly identified as a highly effective VfM assurance tool

- The outcome of the VfM interest was that a group of architects, engineers, and academics that was responsible for developing best government capital works procurement practice rekindled and renamed the association as The Institute of Value Management, Australia Incorporated. At this time the IVMA was registered under the Associations Incorporation Act 1991
- In 2014, in recognition of the increasing demands on the IVMA outstripping the operating model possible under the Associations Incorporation Act 1991, the IVMA moved into its current form and structure as the Institute of Value Management Australia Limited.

While the above history is important, the real benefit of the IVMA is the intellectual capital of its members, particularly at the Board level.

To illustrate, the current Member Directors who comprise the Board/Management team of IVMA are:

- Ted Smithies, President
- Colin Davies
- John Bushell
- Mark Neasbey
- Anne-Marie Turnbull
- Gerrard Young
- Alan Butler, Secretary/Treasurer
- Dr Roy Barton, *ex officio* as immediate past President

The exciting addition to the Board at the recent AGM was Anne-Marie Turnbull who has joined the Board as an Appointed Director, with a three-year term.

Anne-Marie's VM perspective is founded on her study facilitation of significant water infrastructure projects, including CTGM Brookfield Tunnel to Burmi Creek Concept Design (Hunter Water), Black Mountain DN450 Options Assessment (Icon Water), and Lower Molonglo Secondary Treatment Upgrade Project Tender Design (Seymour Whyte Vinci).

The final point I would make about the Board is that it is sometimes a daunting experience to chair a Board meeting given the intellectual 'horsepower' that sits around the 'virtual' table.

The context in which I make this point is that it is obvious that effective facilitated VM outcomes requires a considerable degree of skill; but then delivering high quality outcomes always does.

Ted Smithies

President, Institute of Value Management Australia

See '2025 Annual General Meeting' article – Page 9

Ongoing Value for Money Labs – Part 2

*This is a continuation of the **Ongoing Value for Money Labs** article on p2 of the SPRING 2025 Value Times. Summaries of the two Value for Money (VfM) Labs addressed here were reported shortly after their completion in the **Value Management Workshops via Video Conferencing** article on p3 of the SPRING 2022 Value Times.*

We now have greater appreciation of the potential of VfM Labs and, following an update on the two projects, I reflect on what I believe is the potential to expand this technique significantly further with enhanced results.

Whilst I have reported on these studies already, with the benefit of time I thought that it might be helpful to reiterate some key learnings from them.

Lab C: The Research Facility

A proposal had been submitted to the Board of the research facility for its consideration but was referred back to the proposer for some 'robust' re-testing.

This was largely driven by significant increases in estimated costs compared to earlier budget estimates.

The proposal entailed building new facilities and purchasing new imported specialised equipment to scan agricultural products being imported or exported.

The scanning was to detect or confirm the absence of any diseases or pests that would breach quarantine regulations or compromise the markets for these products.

A significant component of the estimated cost increase was for the scanning equipment (more than double the original allowance).

The key research team and Senior Executives agreed to a series of five VfM Lab sessions over a period of four weeks.

This approach ensured the involvement of the key Executives and for a structured approach to testing the project rationale with a specific focus on delivering value for money.

The VfM Lab sessions were as follows:

- Session 1: clarified the Value Statement and the main Givens and Assumptions based on a draft prepared by the facilitators from the briefing information.
- Session 2: expanded and confirmed the principal options, including possible alternative locations (the key options were presented in table format as advised by the lead researcher prior to the session with further options being added during the online Lab session).
- Session 3: tested and clarified the functional performance requirements and captured some additional ideas for consideration (the facilitators prepared a draft set of requirements from the briefing information and shared them with the participants in advance of the session).
- Session 4: clarified the key risks and captured evaluation comments against each option.

IVMA LinkedIn Group

To all members of IVMA.

Some of you are members of the IVMA's former LinkedIn Group: this was a private or closed group.

Last October the IVMA Board decided to make it public (i.e. open), to help broaden the IVMA's visibility and influence. This necessitated setting up a new LinkedIn group.

If you haven't already done so, please join the new IVMA LinkedIn group at the following address:
<https://www.linkedin.com/groups/14776106/>

We have started posting regular content that we hope will be of interest and invite others with an interest in VM and VfM also to post.

Gerrard Young
IVMA Board Member



Scan the QR code
to join the new
IVMA LinkedIn
group

Ongoing Value for Money Labs – Part 2

Continued from page 2

It was important to manage the potential resentment that the research team might otherwise have exhibited

- Session 5: confirmed the preferred option and issues plus the key actions arising that required Executive direction.

It was important to manage the potential resentment that the research team might otherwise have exhibited due to the project being reviewed internally, but using external facilitators, rather than simply being approved. (The team had already contributed several months of effort to present its recommendations to the Board.)

The leadership from the Executive and the facilitation approach were very important in reassuring the team and securing their positive approach to the sequence of workshops.

The steps adopted reflected the Value Management Work Plan with the addition of risk identification to ensure a rigorous approach.

All pertinent information was available internally, including the latest cost planning information.

All existing and some possible new locations for the new equipment and associated facilities were to be considered and compared for their ability to deliver value for money.

The VfM Labs allowed the key stakeholders the opportunity to transparently outline the case for the new scanning arrangements, whilst the Executive could probe and challenge requirements and options.

It was particularly important for all participants to be clear on the limitations and operational cost impacts inherent in all the existing facility locations.

The study group tested assurances being

given that existing assets were optimised and considered possible collaboration or collocation with a university campus.

Outputs of each session, including actions arising or needing to be addressed before the next session, were promptly shared with the participants — both to ensure accuracy in what was recorded and to help in prompting and preparing for subsequent sessions.

The advancing ages and family/lifestyle arrangements of the specialist staff involved emerged as a significant factor; something not explicitly addressed in the earlier submissions to the Executive about the project.

They were not willing to move back into the capital city or its outer suburbs — so the metropolitan sites were agreed to be inappropriate for these ongoing and enhanced research functions.

The broader context of the purposes of each of the other potential site options or business models for internal or outsourced services were also raised and considered in respect of their potential to deliver value for money.

What do you provide to the decision-makers?

Processes such as this must take into consideration who the audience is for the output, what they will do with it and hence what is the most appropriate way to deliver the information to them.

They need to be able to clearly recognise the essence of the issues involved and where they have choice or where specific recommendations are being proposed.

The Board must also be confident that it has been demonstrated that the rationale presented has been subject to rigorous scrutiny.

A key output from this process was presentation of a matrix of the options and the analysis compared to the Value Statement. A one-page A3 table was presented to the Board that clearly demonstrated a robust review process and a strong rationale for proceeding thus fostering effective, informed decision-making.

Lab D: The Future University Campus

This study was initiated by a CEO and University Board wishing to consult its more than 500 faculty and alumni on future academic courses and facility implications in a way that would inform a process to evaluate site and facility design options.

Their objective was to identify the strategic direction of the University with the full participation of its key stakeholders.

This was of necessity a conceptual level study without consideration of any specific site nor any specific design at this time.

It was imperative that each faculty develop a vision around the courses that it would deliver within the next five to ten years and that would drive the location and physical format of facilities needed to support them.

To achieve this aim, we planned and executed a series of 22 VfM Labs over a 6-month period which permitted about 300 faculty members to be actively engaged in this discovery process.

The first two VfM Labs were limited to the Board and Executive Team so they could agree the program and methodology for the study and create a preliminary Value Statement focused on the future university.

It was also necessary to capture the key Givens and Assumptions that would help to inform future thinking.

This ensured that the Board and Executive

Ongoing Value for Money Labs – Part 2

Continued from page 3

would be aligned and helped to elicit clarity on the priorities, directions and principles guiding them when looking for a new long-term campus.

This conceptual approach helped to avoid having the faculty participants focusing on buildings rather than what was really needed; creative thinking about the future course offerings, how they would be delivered and what was needed to support them, including the nature of facilities and infrastructure.

This necessitated a focus on the students and alumni, and their life-long learning ethos supported through the future university.

The faculty Lab sessions were limited to about 25 participants so that the online video sessions could be effectively facilitated but, more importantly, that the individuals could experience effective engagement.

Each Lab session was organised to have a couple of faculties/schools or admin units represented along with a core project team.

The sessions were scheduled to suit the academic calendar and participant availability — both for workshop engagement and post-workshop actions to prepare information for the pre-session information pro-formas.

Three principal steps were required of the faculty participants:

- Step 1: Participate in a briefing on the expectations of the Board and CEO — including a preliminary Value Statement.
- Step 2: To create, within their faculty, a high-level summary of their strategies for course offerings (looking 3-5 years ahead). To consider - how were their course offerings expected to change over the coming 5-10 years and what key implications they would generate for future facility requirements? The facilitation team assisted this process by providing some pro-formas to help

structure the thinking and presentation of the faculty strategies. These were to be signed off by the relevant Dean or Head of School or the head of the administration unit.

- Step 3: Presentation at a second VfM Lab of their strategies, and testing and clarifying them. (These were not individual faculty sessions. Each VfM Lab had a couple of faculties/schools or admin units and a core project team that ensured consistency of approach and corporate knowledge capture for project planning and delivery.)

The core project team was involved throughout to capture and understand the outputs and evolve a brief for the evaluation of potential sites and campus facility requirements based on the future thinking that was emerging.

In addition to the faculty, a couple of VfM Labs were held for student representatives and alumni to elicit their campus experiences and reflections on what a future campus should entail for their life-long learning needs.

The facilitation team consolidated the outputs into an integrated report and held a VfM Lab with the project team to capture key actions arising and affirming the inputs that could be taken into consideration for consulting briefs for the evaluation of site options etc.

The final VfM Labs were with the University Executive and Board to re-visit and affirm the Value Statement and the next steps towards identification and evaluation of site options and briefing of the government minister.

The success of the process was very much dependent on both the Board and the CEO sustaining a united approach to the consultations, both in setting directions from the outset, participating in sessions with the faculty and in actively reviewing and providing feedback to each of the faculties as their outputs emerged.

Executive Engagement not Just Presence

In the VfM Lab studies to-date, Executive engagement has emerged as an especially important benefit to the whole project or program development process.

This is because a maximum 90-minute window per session has been found to be a realistic and manageable period for both Board and Corporate Executives to commit to in their otherwise hectic diaries.

Beyond just making a brief appearance for a VfM Lab session (which can be very helpful in securing key participants to be both involved and on time) we have witnessed a significant commitment of the Board and Executive team members being actively engaged in the full 90-minute Lab sessions.

It is important that this participation is scheduled well in advance to allow them to manage other tasks around the VfM Labs including their timetable for making decisions on the Lab outputs.

They demonstrate a genuine appreciation of the methodology — including the importance of their presence as well as the opportunity of listening to the exchanges of information, perspectives, and of the group-learning that the sessions foster.

They can also immediately affirm key tasks and actions needed to support the Executive to make the best possible value-based decisions.

Senior Executives become more aware of resource priorities and team performance in alignment to corporate priorities that allows them to overtly support team members in their efforts to create a best value for money solution.

Even where we have needed several Executives or Board members to attend more than one VfM Lab session — they were all logged-in in the waiting room ready for the start of the sessions and remained

active listeners and questioners throughout whilst also allowing the participants to share their insights and ideas.

No one was late and because the preparations were done in the lead-up to, or in between sessions, there was no wasted time in promptly starting on the agenda.

That commitment demonstrates the VfM Labs' efficiency and effectiveness in utilising the Board and Executive participants time to deliver best value for money for the organisation and its clients and customers.

Conclusion on VfM Labs to-date

Four years of conducting VfM Labs has demonstrated that the technique can deliver 'step-change' benefits when compared to conventional (typically 2-day) value management workshops.

With appropriate preparation and feedback mechanisms, VfM Labs have the potential to deliver best value for money on projects, programs processes and products for the following reasons:

- Breaking the Lab process into segments of a typical duration of 90 minutes has proven to be a most effective use of participants' valuable time as this is the duration that most people can concentrate on intensive screen-based activities
- Participation by senior and highly specialised participants can be secured relatively easily and cost-effectively for targeted 90-minute VfM Lab sessions
- Participants are not constrained by geography and online sessions will deliver significant savings when compared with traditional workshop studies by avoiding travel time and costs
- Participants need not be constrained by time zones because, within reason, they can participate at different times of day in different locations
- The ability to host participants in several remote locations results in senior people with significant managerial and technical

Breaking the Lab process into segments of 90 minutes has proven to be a most effective use of participants' valuable time

expertise being willing and able to participate in VfM Labs.

- This provides the opportunity for the client and facilitator to pick the most appropriate expertise available, irrespective of location, and in some cases, employer
- It can also provide the opportunity for highly specialised technical or managerial expertise outside the stakeholder organisations to provide their very specific expertise to the Lab(s).
- This also provides the opportunity to introduce participants from different divisions of the organisation, different organisations or different countries to participate in VfM Lab(s)
- In extreme cases arrangements can be made for a distant time zone participant to prepare a paper or video to be shown to all participants and to then be provided with these participants' feedback by summarised chat feed, written summary or action plan
- This ability opens the possibility of the introduction of one or more 'wildcard' participants who have wide generic experience of particularly difficult issues, but who are not directly related to the industry or project under study. These participants can be particularly useful catalysts in the Idea Generation phase of the study.

The VfM Lab process is therefore an ideal methodology for facilitating complex, inter-disciplinary strategic planning sessions where several streams of activities may need to occur simultaneously before a consolidation session is convened.

It can also provide an ideal methodology for 'blue sky' investigations where there is uncertainty regarding success, but where the 'prize' can be very beneficial if realised.

Skills in Facilitation Management of study participants in a location, or even several locations, distant from the study facilitation team opens several possibilities for an even greater diversity of participants and their locations.

Further, with the use of pre-prepared videos or statements, it is possible that people outside the time-zone of most participants could provide useful input to the VfM Lab process.

This could potentially mean that remote participants with specialised technical, materials, systems, processes, design, manufacturing or construction techniques could provide critical, system changing knowledge and wisdom applicable to the entity under study.

What Lies Ahead?

Despite some people wishing to retreat, in our globalised world this geography-independent methodology for managing valuable human resources will become increasingly important if we are to survive and prosper in an increasingly challenging future world.

Mark Neasbey

IVMA Accredited VMS Facilitator and Accredited VM Course deliverer

A Retired Value Management Facilitator Reminisces

This is the second part of David Baguley's Reminisces. The first part is on page 5 of the Spring 2025 Value Times

A surprising study outcome

Sometimes, of course, you experience surprising study outcomes.

In a VM review of services for a new Bowen Basin coal mine, it emerged that providing underground electrical power to mining equipment was a high-cost item.

Underground cables are expensive as they must be armoured to protect them from potential impact from heavy machinery transiting the tunnels.

Complicating the issue is that as mining work progresses to new areas, the cable locations must be changed and the cable lengths extended.

A transmission engineer on the team proposed that, where the coal seam ran parallel with the landform above and was not excessively deep, it would be quicker and more economical to run the power cables on poles on the surface then drill down at suitable intervals to provide the power to the coalface and associated tunnels.

The inclusion of a 'wildcard' transmission engineer on this mine study identified a solution that would not otherwise have been considered.

My most satisfying study

Some VM study results are particularly satisfying, particularly if they are successful in meeting diverse objectives.

Sugar mills burn green cane waste to produce electricity to power the operations during the cane crushing season. However, out-of-season, the power plant is idle.

Austa Energy was looking for opportunities to invest in embedded energy generation in already established industrial plants such as sugar and paper mills.



Green Waste as an energy source

This combined study identified opportunities to achieve this environmentally and financially desirable outcome.

The team challenged the need to restrict energy production to only the sugar-crushing season when bagasse, the dry pulpy residue left after the extraction of juice from sugar cane, was available.

The boilers in a sugar mill are capable of being fired with different types of biomass which is a naturally self-sustaining fuel source.

The prime alternative biomass source was identified as the green waste produced in Queensland's southeast corner and normally transferred to land fill or burnt.

The result of the VM study was that the sugar mill constructed a \$50 million co-generation plant by adding a 30 MW turbo-alternator and boiler.

The plant will export 'green power' all year round, will utilise recycled sewage effluent in the process and provide a solution for waste disposal.

This initiative also presents an opportunity to extend the sugar-crushing season to

take advantage of local conditions.

To achieve this triple-bottom-line outcome required a structured process to enable the incubation and acceptance of new ideas that challenged conventional thinking and the courage of the developers to fund such a project.

This project demonstrated that a commercially viable project can also deliver significant environmental, social and economic benefits to the local and global communities.

Involve the decision-makers at critical junctures

Coffs Harbour Council was evaluating a new water supply source and the design consultants had developed several options but they needed key stakeholders to agree on selection criteria.

It was widely known that the Mayor had expressed a preference for the new water source location to be within the Shire boundaries.

Key stakeholders included all Councillors, including the Mayor, several State Government departments and Council officers.

Facilitation was used to ensure this diverse group agreed on and then weighted the selection criteria to evaluate and rank the options.

The team then rigorously evaluated each option against the criteria and recommended the best value for money option.

The Weighted Evaluation found that the site that best met the criteria was outside the Shire. This result was accepted by the Mayor and senior Council management.

Decision-makers need to be involved in the establishment and weighting of key decision matrices because they are then better able to understand the evaluation process and accept the results.

The workers know best

Gladstone Power Station, the largest in Queensland, was coming up for a half-life refit.

Traditionally, power companies engage specialist consultancy organisations to audit the power station plant and make recommendations on the necessary modifications to extend its life and maintain performance.

A multi-discipline team of designers, project managers, senior operations and maintenance staff at the power station conducted a key studies workshop to identify areas of focus for the VM program.

A series of studies was then set up to complete the review.



Gladstone Power Station, Queensland

Decision-makers need to be involved in the establishment and weighting of key decision matrices

Teams comprising design specialists, operations engineering staff, plant operators and experienced maintenance fitters and electricians critically reviewed each area of the plant.

In many cases, external specialists were added to the team to provide knowledge of the latest industry developments.

There were two unique components to the program. First was a site presentation by each team, open to all relevant staff. Having to present recommendations to, and answer questions from their peers in operations and maintenance helped to ensure recommendations were well considered and practical.

Secondly, in plant areas where major changes were possible, every effort was made to have an opinion leader from the workforce, including Union delegates, as part of the review team. Technology

upgrades often fail because of lack of acceptance by operations staff so this person would help communicate any changes to the workforce.

My team conducted a program of VM studies, encompassing all plant areas over a six-month period and the teams generated a comprehensive set of plant upgrade recommendations.

A few years later, this power station was put on the market and the plant specialists who carried out the pre-purchase plant audit stated in their report that “the recently completed plant upgrade was well-focused and appeared to deliver a value-for-money outcome”.

Having all the relevant stakeholders represented in a VM study generates a very strong commitment to successfully achieving all the agreed outcomes economically.

Continued on page 8

A Retired Value Management Facilitator Reminisces

Continued from page 7

Primary Purpose, again!

The importance of identifying the Primary Purpose of a project or program cannot be over-emphasised.

The General Manager of a Regional Electricity Board wanted to achieve agreement between his planners, designers and operations staff as to the size, design and location of a proposed new substation for a large Queensland country town.

A budget of \$2 million had been set to construct a new substation to augment existing substations supplying the town but the planning and operational sections of the power authority could not agree on the power supply strategy.

The VM study group found that the existing substations had enough capacity to supply the town's needs for the next five years but that the capacity of the power lines linking the substations restricted supply to certain areas of the town.

It was recommended that several critical power lines be upgraded to allow full power transfers at a cost of less than \$200,000.

Growth forecasts showed that this work would postpone the need for a new substation by more than 5 years. All stakeholders were happy with a solution that delivered a budget saving of 90%.

Function Analysis focused attention on why the substation was needed and then how else the same Primary Purpose could be achieved. The focus became how to deliver reliable power for the next five years, not how to improve the substation design.

Learnings from one project can inform a whole system

The results of a VM study on a proposed new ambulance station near Cairns demonstrated how a single project can have network wide implications if the opportunity is recognised.

The key issue to emerge was that the real requirement was not just an ambulance

station but also a co-located regional training centre. Initially this inflated the estimated cost of the project.

In the Function Analysis section of the study, the basic functions of the ambulance station were identified as *house vehicles* and *provide sleeping facilities* for ambulance paramedics.

The results of the study prompted a review of the design of generic ambulance stations throughout Queensland.

The lesson learned here is not to miss the opportunity for a study on a single facility or project to provide critical inputs to 'big picture', sometimes systemic, reforms.

Follow the physics

The VM study reviewed the cooling water system in Stanwell Power Station at the concept design stage.

A major electrical power use and operational cost in coal-fired power station operation is that of pumping large quantities of water around the facility to transfer heat.

The group recommended changes to the traditional power station layout to maximise the use of gravity to move the water where possible. This reduced the electricity demand and reduced a capital and operational cost that did not add value to the electricity output.

Value management provided a forum where traditional practices can be challenged and alternative, less energy-intensive solutions can be developed and implemented.

Moving supplies can be unnecessarily expensive

In the late 1980s a new base load power station was commissioned in Central Queensland, strategically located 1.2 kilometres from the contracted coal mine to minimise coal transport costs.

Not only did the cost of coal represent 75% of the power station's operating budget but the variability of coal supply impacted the station's availability target.

Meeting contractual requirements for coal quality and delivery rates, together with the actual characteristics of the coal, presented the mine and power station operators with challenges.

The implementation of design procedures for receiving, handling, milling and burning of coal, management of dust and control of quality and tonnages at the facility highlighted significant operational problems.

For the mine, the discontinuous nature of mining operations resulted in extra costs for stockpiling and re-handling of coal to achieve agreed delivery arrangements.

A total of 37 recommendations covering coal production, coal handling, coal analysis and communications were presented for joint consideration of the mine and power station management.

More than 30 of these recommendations were approved and implemented without impacting on commercial arrangements.

For example, it was found that the lack of co-ordination between the two organisations had resulted in additional production, stockpiling and re-handling costs, most of which could be avoided by simple changes to operating procedures including the facility receiving coal on night shift.

The VM study group found that contractual arrangements predominantly reflected risk-based analysis to protect each party and did not necessarily result in optimal operation.

Re-defining coal quality, in terms of minimisation of operational impact, permitted greater flexibility for both organisations.

David Baguley

Chair Appointments and Accreditations Committee, IVMA

2025 Annual General Meeting

The 2025 AGM for IVMA was held on 21 October 2025. Most members participated using Zoom (online) while we received five Proxies. A quorum was established and Ted Smithies chaired the AGM.

Two existing Member Directors, Ted Smithies and Roy Barton, had stood down as required in the Constitution. Ted was re-elected but Roy Barton chose not to stand this year due to recent ill health.

Previous Member Director Mark Neasbey was nominated and his nomination was successful.

In addition, IVMA received a nomination from one of our Corporate Associate members, but her nomination was withdrawn after discussions with the Secretary regarding some of the essential IVMA Constitutional requirements.

The Board subsequently discussed this situation and the actual industry experiences cited by this Associate.

So, on 8 October 2025, the IVMA Board convened a special Board meeting and agreed unanimously to invite Anne-Maree Turnbull to become an Appointed Director for a period of three years.

It was felt that, during this time, her education and experiential situation will be actively addressed and she will be assisted so that she may achieve the grade of Ordinary Member.

Anne-Maree accepted the Board position and attended the 2025 AGM in person.

Copies of the formal reports to 30/6/25 (President Barton's and Secretary Butler) are available to IVMA Members on request.

Alan Butler
Hon Secretary, IVMA