

## CEO INTERVIEW

MICHAEL BATCHELOR, AECOM's Chief Executive – Australia New Zealand



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#### AECOM'S CHIEF EXECUTIVE – AUSTRALIA NEW ZEALAND

**AECOM is a multidisciplinary design, planning, engineering and project consultancy firm with a global presence across the energy, infrastructure, transport, government, environmental management, and built asset construction sectors. Michael Batchelor was appointed AECOM's Chief Executive – Australia New Zealand in October 2012, following more than 20 years with the company. Willow Aliento asked him about the opportunities and challenges he sees ahead for AECOM, and for our region as a whole.**

**WA:** What are the things you are most hoping to see AECOM achieve in the future?

**MB:** One of the greatest opportunities AECOM has to make a real difference to society is in urban development – helping cities to operate better than they do and to become better places to live.

Our people retain a broad range of skills that we try hard to bring together to help create cities that are better planned; these cities are living, they're breathing, and they work to increase the health and wealth of communities.

Our people are extremely passionate about issues like environmental sustainability and health, and are driven to achieve results not just for our clients but society as a whole, both now and into the future.

**WA:** What do you regard as the most pressing areas of need in terms of Australia's infrastructure?

**MB:** Transport infrastructure is one such pressing area, as freight movement remains a significant issue in sectors like agriculture, mining and resources. I think health infrastructure will also face growing pressures, and the need for additional physical and social infrastructure will also intensify

as urbanisation increases. Ensuring we can maximise the return on any infrastructure investment is crucial, but this is of course easier said than done. Considerable foresight is required in terms of thinking through what residents of cities will require ten, 20, even 50 years from now.

I do think, though, that AECOM can help governments and clients address these areas of need. For example, we are currently assessing the feasibility of an east coast high-speed rail network for the Australian Government, work which includes the identification of possible land corridors and construction cost estimates, as well as financing viability and possible economic returns.

**WA:** What do you see as the main challenges ahead in terms of meeting those needs?

**MB:** The high cost base of infrastructure and uncertainties around future and longer term funding are challenges, but so too is the ability and capacity of governments to deliver regulatory, pricing and planning reforms. For example, one of AECOM's current flagship projects is the New South Wales Government's North West Rail Link project. As lead technical advisor, we are drawing on our engineering and design work for New

York's new Second Avenue Subway to deliver engineering, rail systems and design services for the project, which includes 23 kilometres of rail network (including 15 kilometres of tunnels) and eight new railway stations.

**WA:** What types of innovation will be required to resolve these challenges?

**MB:** In terms of innovative thinking, decision makers are going to need to think differently and consider ideas which may not have been used in Australia or their particular industry before, to ensure innovative processes and outcomes cross-pollinate. For example, AECOM currently uses its Sustainable Systems Integration Model (SSIM) multi-attribute decision-making platform across our work in areas like design, planning and building engineering. SSIM helps clients clarify the environmental and financial complexities of their projects, and evaluates the sustainability merits of alternative urban form solutions.

**WA:** What do you see as the main challenges ahead for the energy sector?

**MB:** The primary challenge for the energy sector in the short term is keeping energy affordable for households and businesses while meeting reliability targets. In the longer term, the impact of non-conventional energy sources is both a challenge and an opportunity.

**WA:** Where do you think the main areas of business growth will be for AECOM over the next decade?

**MB:** I see great opportunities for AECOM to become more involved at the construction phase of projects, and for us to further build our program, cost and consultancy capabilities. The breadth and depth of AECOM's capabilities and skills are unique. Traditionally, we've been planners and designers, but more and more, our work integrates both project management as well as engineering, environment and construction services. I can also foresee greater collaboration with our teams in the

Asia-Pacific region and globally. AECOM's people in Australia and New Zealand have recently been involved in designing the Padma Bridge in Bangladesh, provided engineering services for the largest geothermal plant in Indonesia, and contributed resources to the \$7 billion New Doha Port project in Qatar.

**WA:** How high a priority is R&D for AECOM?

**MB:** Contributing to leading thinking across our industry through research and development is a major priority for AECOM. We actively encourage our people to innovate and research new solutions to a broad and complex range of challenges, both at a company and individual level. For example, AECOM recently trained more than 200 of our people across Australia and New Zealand in the facilitation of ideas and innovation sessions. These professionals are now able to assist a group of people to innovate by choice, instead of by chance, and have facilitated sessions across all types and sizes of AECOM projects.

AECOM is also currently involved in the Sustainable Warburton Project, a research, design and planning project to create new and improved urban spaces with the aim of transforming how Indigenous people live, that could be applied to Indigenous communities across Australia and around the world. We are leading the project – which forms part of AECOM's wider Corporate Social Responsibility program – alongside the University of Western Australia and the Shire Council of Ngaanyatjaraku in the town of Warburton, 920km north east of Kalgoorlie.

**WA:** How do you think a balance can be struck between cost considerations and sustainable design?

**MB:** I think the industry needs to develop a sound basis for investment decision-making that considers the long-term sustainability of our infrastructure. In our experience, sustainable design, in all senses of the phrase, can often be incorporated in projects for relatively low incremental cost. Through taking a wider definition of "cost" and "benefit", sustainable design becomes an imperative, rather than an optional, approach.

**WA:** Is sustainability affordable?

**MB:** In my opinion, affordability is a question of balancing the environmental costs, risks and benefits with other design criteria such as durability, safety and fit for purpose.

New construction processes and materials are transforming the way we think about infrastructure and are providing an increasing number of choices for building 'greener', more efficient and cost-effective structures. Over time, the costs associated with maintaining these structures are reduced so, in that regard, yes, I think sustainability is affordable. But thinking sustainably also requires a new approach to design that is cross-disciplinary, and which integrates urban planning, engineering, science and community engagement. AECOM draws on a range of professionals to assist our clients to evaluate their options for building more sustainable, resilient and, importantly, affordable communities. The Australian Green Infrastructure Council has used several of our projects as pilot examples for its "Infrastructure Sustainability" (IS) rating tool being adopted by government delivery agencies. The tool will ultimately allow benchmarking of projects and facilitate informed policy decisions.

**WA:** What would you like to see happen in the industry as a whole?

**MB:** I'd like to see a willingness to challenge conventional thinking and frameworks, as this can often lead to longer-term relationships between suppliers and clients, increased transparency, and exploration of unanticipated opportunities and markets. For example, integrating skills across disciplines encourages far more creative and efficient solutions to client problems.