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Ross Donaldson (left), Basil Georgiou, Neill Stevens, Jason Thomson and Angus Leitch at this morning's panel discussion. *Photo: Steve Coghlan.*

## Terminations a trend to take note of

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There's been a big rise in the exercise of contract termination for convenience clauses in the past four years, according to [Jackson McDonald](#) [7] lead partner of projects, infrastructure and construction [8] [Basil Georgiou](#) [8].

It comes as two major political parties have contract alterations in their policy platform, with the Nationals hoping to amend state agreements with BHP Billiton and Rio Tinto to hike the levy on iron ore production, while the Labor Party have promised to tear up the Roe 8 road project contract.

Roe 8, for example, reportedly has a termination for convenience clause which a Labor government would enforce to end the contract.

The clauses aren't just used in the public sector.

Speaking at the [Consult Australia](#) [9] and Australian Institute of Project Mangement breakfast on risk management, [Mr Georgiou](#) [8] said use of terminations for convenience clauses had in his experience been a trend in private industry too.

"I've been practicing in Perth for 30 years," he said.

“I think in the past four years I’ve looked at more termination for convenience clauses to advise on their effect than I have for the previous 26 years.

“It’s not just governments that may look at these things.

“Recently in the resource industry, contracts were written when money flowed more freely.

“Some of the players in WA thought that they could renegotiate their contracts,

“They had the right to do so, there were termination for convenience clauses in them.”

Whether it be usage by a company or by government, [Mr Georgiou](#) [8] said it was something that should be appropriately planned for.

## Infrastructure WA

[Aurecon](#) [10] regional manager [11][Angus Leitch](#) [11] offered a potential solution, calling for governments to prioritise infrastructure commitments based on good, long term planning.

[Mr Leitch](#) [11] highlighted the recent *Building the West* report authored by the state’s Infrastructure Coalition of eight industry associations.

That report called for the development of a state authority, Infrastructure WA, to make decisions on prioritisation of projects.

It's a move that has frequently been highlighted as an industry priority, including recently by Chamber of Commerce and Industry of WA chief executive Deidre Willmott, and by a number of executives last year at a *Business News* policy lunch.

Other states, including New South Wales and Victoria, have a similar body, while the national equivalent is Infrastructure Australia.

Labor WA have pledged to introduce a similar body if the party wins government in the upcoming March 11 state election.

*Matt Mckenzie facilitated the panel discussion this morning for [Consult Australia](#) [9].*

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