

# Protecting Cost Certainty: Actions

Cost certainty is built and maintained across planning, design and delivery. This report highlights where the system can and should work better. Five actions help protect cost certainty for infrastructure projects. Responsibility for these actions sits with all parties across the lifecycle including clients, consultants and constructors.

## 1. Put risk first

Cost certainty starts with how risk is identified and managed from the outset. Risk is too often considered late in the process, typically at contract stage rather than embedded from the outset of project planning. Risk identification and allocation must begin during planning, before procurement strategy is set and tenders are issued.

### *To put risk first:*

- embed risk discussions from the start of planning, not at the contract stage.
- choose procurement models that allocate risk to the party best placed to manage it.
- engage specialists early to assess risk profiles and inform procurement strategy.
- price the risk register and avoid a box-ticking exercise.
- use collaborative contracting models that require all parties to identify and communicate risk transparently.

## 2. Scope for success

Cost certainty depends on the client having complete and verified scope before going to market. Consult Australia's [Unravelling Risk](#) report identifies scoping as a critical reform thread. Incomplete or ambiguous scope is one of the primary drivers of quantity growth, variations, claims and disputes.

### *To scope for success:*

- ensure scope is complete and verified before going to market.
- engage technical expertise during the planning phase to assess scope completeness and flag data gaps.
- use industry briefings or consultant-led back-briefs to stress-test scope before tender.
- include functional specifications alongside design brief and scope to reduce ambiguity.
- treat incomplete scope as a costed risk rather than an accepted unknown starting position.

## 3. Communicate clear roles and responsibilities

Cost certainty requires clear accountability for decisions that affect cost. Ambiguity about who is responsible for what creates uncertainty.

### *To communicate clear roles and responsibilities:*

- ensure responsibility for quantity take-off on the schedule of rates is clearly assigned and consistent with the contract model.
- require manual verification of quantities extracted directly from digital models.
- manage the transition from design to construction effectively, including through building information modelling (BIM).
- set clear roles and requirements for design and constructability reviews.
- improve communication with designers on interface issues to enable better design coordination and integration.
- check that quantity assumptions and variances are reasonable, drawing on collective experience and available data.
- ensure effective governance across the project lifecycle (i.e. through independent advice and health reviews).

## 4. Value variations

Cost certainty is protected when changes are identified early and managed transparently. Consult Australia's [Unravelling Risk](#) report identifies variation management as a critical reform thread. Even with rigorous scoping, changes will occur during a project. Design evolves as more information becomes available. Legislative and policy requirements change. Stakeholders shift priorities. These are the realities of complex infrastructure delivery.

### *To value variations:*

- adopt a collaborative, early-warning approach to variations rather than end-of-project negotiation.
- assess variations for cost and program impact before approval, not after.
- keep the client's forecast final cost current by updating as each variation is resolved.
- treat mandatory legislative or policy changes that arise during construction as a client decision, not a cost overrun attributable to any party.
- consider NEC-style compensation event processes to bring discipline and transparency to variation management.

## 5. Strengthen cost management processes

Cost certainty is maintained through active, disciplined cost management across the life of the project. Cost certainty is not produced by the contract alone or protected by contingency alone. Protecting cost certainty requires disciplined processes for cost planning, quantity review, risk pricing and budget reporting that are applied consistently from planning through to final account. This requires strong communication between all parties throughout planning, design and delivery.

### *To strengthen cost management processes*

- engage cost consultants actively in the bill of quantities review process and set clear expectations for the level of detail required.
- ensure the quantity surveyor role in quantity take-off is clearly scoped and adequately resourced.
- involve clients and project managers in the risk process as active participants who contribute experience and judgement.
- price risk register items, as an unpriced risk is an unmanaged risk.
- produce regular, clear cost reports throughout delivery (monthly at a minimum) that keep the client informed and enable timely decisions.
- engage cost consultants at design milestones to review cost implications before the project proceeds to the next phase.