

Government must lead by example on infrastructure procurement

Response to Infrastructure Australia's Delivering Outcomes report

Consult Australia, the industry association for consulting businesses in design, advisory, and engineering, welcomes the Delivering Outcomes report published today by Infrastructure Australia, which outlines a clear roadmap for improving the way infrastructure is planned and delivered in Australia.

As the representative body for an industry that employs around 285,000 engineers, designers and related professionals, who are critical to the design and delivery of infrastructure projects, Consult Australia has been a long-time advocate for governments to become smarter buyers, releasing its Model Client Paper in 2018.

Today's environment is one in which various stakeholders including governments, insurers, constructors, and designers too often engage in various forms of contractual dispute, rather than embracing productive behaviour built on fair appropriation of risk.

Nicola Grayson, Chief Executive of Consult Australia, said:

"We applaud Infrastructure Australia for involving Consult Australia in the development of the Delivering Outcomes report. Effective industry wide collaboration is critical for driving genuine reform. Ignoring the recommendations in the report will leave Australia languishing on the world stage as one of the most challenging and expensive places to deliver infrastructure projects."

"It is time to take this issue out of the too hard basket and fast track reform," said Ms. Grayson. "We now have clear direction from the leading infrastructure advisory body that governments across Australia can follow. The key recommendations will enable governments to become model clients and drive collaboration, innovation, productivity and better outcomes for taxpayers."

Red flags have been evident for some time of industry distress due to poor procurement practice. The early warning signs for the recent collapse of contractor ProBuild can be traced back to the Western Road Upgrade in Victoria. This project alone cost WBHO (Probuild's South African parent company) \$141m to bail out. This week, John Holland reported a "significant write-down" on Melbourne's West Gate Tunnel, where costs have soared by more than \$3 billion from the original \$6.7bn fixed price due to a dispute between the government, John Holland, and CIMIC about who pays to dispose of contaminated soil. The contractors already announced they would not make any profit on the project.

MEDIA STATEMENT

FOR RELEASE MONDAY 21 MARCH 2022



“A tenet of being a model client is going slow to go fast, which means spending critical time working in partnership with designers upfront on developing the scope before it goes to market and early engagement with contractors on constructability. This delivers far great efficiencies and significantly reduces the pain points that we currently see during delivery.

“If we want to deliver the major infrastructure projects that will enhance liveability and productivity, designed by the world’s best engineers, and built by innovative local and international contractors, we must address these contracting issues as a matter of urgency and make long term changes that will create a more sustainable industry,” said Ms. Grayson.

The upcoming federal election is the ideal time to remind government at all levels that they have a responsibility, to take a more collaborative approach to the procurement and delivery of major projects, where risk is shared, and goals are aligned.

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NOTES TO EDITOR

1. About Consult Australia

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

2. About Nicola Grayson

Nicola Grayson is the Chief Executive of Consult Australia. Nicola is responsible for implementing the organisation's strategy, building ongoing external relationships, and for leading Consult Australia's advocacy and government relations agenda on behalf of members.

Nicola is a member of and former chair of the International Federation of Consulting Engineers (FIDIC) Risk, Liability, and Quality Committee. In Australia she chairs the Australian Sustainable Built Environment Council's Urban Resilience Task Group and sits on numerous government forums representing the Consult Australia membership. Nicola is the Convenor for Consult Australia's Champions of Change leadership group for gender diversity and inclusion, a member of the Champions of Change Coalition.

Nicola is a government relations specialist, and has represented industry associations in the United Kingdom, the European Union, and Australia. Nicola has worked across a range of sectors including general insurance, consumer finance, alcohol, and education, in addition to consulting engineering. She has an Honours Degree in Law from the United Kingdom and is a member of the Australia Institute of Company Directors.

3. For interview

For more information and to arrange an interview, please contact Nicola Grayson directly on +61499 878 839 or email nicola@consultaustalia.com.au.