

*In reply please quote
Enquiries to Andrew Gehling
Telephone 08 8463 7127*

Via email to: admin@aila.org.au

Australia Institute of Landscape Architects
ACT Chapter

NATIONAL CONDITIONS OF CONTRACT FOR CONSTRUCTION PROCUREMENT

The Council of Australian Governments (COAG) Infrastructure Working Group (IWG), chaired by the Hon Anthony Albanese, Minister for Infrastructure and Transport, and including representatives from the Commonwealth and all State and Territory jurisdictions, has been progressing a work program of regulatory reforms aimed at cutting red tape and promoting efficiencies in delivery of infrastructure.

Its recent achievements include:

- Agreement amongst states and territories on a single national prequalification system for the construction industry commencing from 1 January 2011.
- COAG approval of national commercial guidelines for PPP's to encourage private sector participation in infrastructure delivery and create greater national consistency in the use of this form of contract.
- Development of draft national Alliance Contracting documentation

Also it is continuing to consider ways to streamline major infrastructure project approvals processes.

The IWG has recently agreed to examine the potential benefits of achieving greater national consistency in the use of contract instruments for more traditional forms of contract such as "Construct only", "Design and Construct", "Managing Contractor", "Design, Construct and Maintain" and "Relationship", but not including "Alliancing" or "PPP". This might be achieved through agreement by jurisdictions to make greater use of a selected suite of contract standards that are already in common use and by adoption of a set of agreed contracting principles to guide government construction procurement.

A sub-group of the IWG has been established to progress this work. As a first step, the IWG sub-group seeks industry views on the effects of reducing variation in contractual arrangements for construction procurement. The SA Department for

Transport, Energy and Infrastructure is providing secretariat support to this sub-group.

Your views are sought on the extent to which current variation in contract conditions between jurisdictions and between government agencies impedes industry performance, efficiency and competition. Specific examples to illustrate any significant time or cost impacts on the administration of contracts and/or delivery of construction projects believed to arise from this variability would be appreciated.

Comments on the merits of promoting greater national consistency in the selection of general and special conditions of contract are also sought. While the sub-group does not expect a detailed response at this stage, your initial views on any particular contract standards and contracting practices which either work well, or have particular negative impacts in terms of delivering efficient outcomes for both government and industry, would also be useful.

Please provide your response to the Subgroup, by Friday 25 February 2011, to Andrew Gehling by email at andrew.gehling@sa.gov.au, or at

Office of Major Projects and Infrastructure
SA Department for Transport, Energy and Infrastructure
GPO Box 1533
Adelaide SA 5001

If you have any queries please contact Andrew Gehling by email or phone on 08 8463 7127 .

Yours sincerely,

Bruce Wilson

Chair IWG Subgroup

31 January 2011