

## **SA Government turns its back on local Civil Construction sector by persisting with contract bundling - favouring interstate-overseas majors**

South Australia faces the prospect of its multi-billion dollar a year civil construction sector being relegated to little more than “sub-contractor status” on two pending major projects.

At immediate risk is who wins control of building the \$90 million duplication of the Port Wakefield Rd and the planned \$160 million Joy Baluch Bridge at Port Augusta.

The industry’s anger reached flash point this week when told the Government, despite an election commitment to disaggregate work, would “bundle” contracts for both projects into one single major contract.

The sector says this will immediately favour a contract award to interstate contractors with national footprints, deeper pockets and international partners, at the expense of spreading the work across multiple local firms without such clout.

This would relegate SA firms to little more than sub-contractor status on these key works and rob the State’s civil workforce of further building its expertise and experience.

The industry’s voice, the Civil Contractors Federation (SA), (CCF (SA)), said today that despite several months of lobbying for a more equitable and SA business friendly contract award approach, SA Transport Minister, the Hon. Stephan Knoll, confirmed to the Federation this week “bundling” was here to stay.

“If ignoring industry pleas on the land tax issues hasn’t been enough, one of the State’s biggest industry employers, and potentially a major economic driver, has been dealt a sickening blow by this Government,,” CCF (SA) Chief Executive, Mr Phil Sutherland said today.

“The health of the infrastructure industry in SA is already under pressure yet it would appear its future matters less to this Government than adopting some allegedly risk-adverse approach of handing all responsibilities for these major build opportunities, to one provider.

“This Minister is captive to his bureaucrats, and prepared to lock out South Australian firms with track records of high quality, on-time and on-budget infrastructure construction outcomes,” Mr Sutherland said.

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“With something like \$11 billion worth of proposed SA civil projects alone on the books over the next decade, how will SA’s civil sector, under these regimes, control its destiny?”

“In any which way you look at it, it is a blatant slap in the face to numerous SA businesses from their own Government, and is unacceptable at every level.

“We want to be a leading participant, not a by-stander, in our own construction backyard.”

Mr Sutherland said the CCF (SA) called on the Government to immediately rescind its out-of-touch contractual approach, disaggregate the two pending contracts and bring fresh opportunity to the sector to build a stronger and higher skillset in this industry in SA.

The CCF (SA)’s rallying cry comes barely a month after it called publicly on the Government to stimulate the sector by pressing the go button on ten “action now” projects.

This would stem the slow rate at which mooted projects were actually coming to market.

As well as the well-known projects already underway, the Top 10 action list includes a State-wide road maintenance program, which already has an \$800 million backlog; a continuous schedule of upgrading 350 railway level crossings; immediately giving the State’s 68 councils \$3 million each to spend on local infrastructure projects; and to undertake a water and sewerage pipe replacement program, with many parts of the system already 100 years old.

## **MORE INFORMATION:**

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**ABOUT THE CIVIL CONTRACTORS FEDERATION:** The Civil Contractors Federation (South Australian Branch) has 600 company members who in turn employ up to 40,000 South Australians. Members are involved in a variety of projects and activities (from small to very large) including the development and maintenance of civil or “horizontal” infrastructure such as roads, bridges, sewer, water and drainage pipelines, dams, wharves, commercial and housing land development. Members are also involved in the preparatory works for mining and other resource developments. South Australia’s prosperity is dependent upon functional, efficient and cost effective civil infrastructure. Healthy, well-functioning and productive countries depend on infrastructure that civil contractors construct and maintain. Civil contractors play a prime role in working with both public sector and private sector clients in

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infrastructure delivery. **This is the business of civil construction which has historically played a pivotal role in the growth and prosperity of South Australia.**

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