



**AUSTRALIAN OWNED
CONTRACTORS**

MEDIA RELEASE

For immediate release

13 August 2019

AUSSIE MID-TIER CONTRACTORS WELCOME PM'S COMMENTS

Australian Owned Contractors (AOC) has welcomed Prime Minister Scott Morrison's comments today calling for more smaller local contractors to be involved in nation-building infrastructure projects.

Over the past 18 months, AOC has been advocating for Australian owned mid-tier construction companies to have more opportunities to deliver major public infrastructure projects across the country.

Recent analysis by the AOC shows that 97 per cent of Australia's largest infrastructure projects (\$500m+) are delivered by Tier One contractors, with nearly 80 per cent of this work going to overseas-owned firms.

The AOC estimates this equates to over \$38 billion of a \$50 billion infrastructure spend awarded to foreign-owned companies.

Australian owned mid-tier contractors have the physical and technical capacity to play a significant role in building public infrastructure but have been "risky out" of the market.

AOC director and Georgiou chairman John Georgiou said Governments across Australia needed to look at ways to increase competition and support the growth and capability of the local mid-tier construction sector.

"There is currently no pathway to growth for the Australian mid-tier sector. We are being locked out of opportunities to work on the nation's largest infrastructure projects," he said.

"There is more than \$100b in infrastructure spend over the next 10 years coming from the Federal Government – and under the current market conditions, Australian mid-tier contractors are likely to see minimal to no benefit.

"We want to build our businesses, build expertise and capability, work on the country's major infrastructure projects, employ more people and deliver more training and apprenticeship opportunities for young people."

Mr Georgiou said Australia had a proud history of developing Tier One construction companies such as Lendlease, John Holland (now foreign owned) and Leightons (now CPB and foreign owned).

"However, unless there is a policy from Government for more local mid-tier participation in the head contracts of major infrastructure projects, this work will continue to be dominated by foreign multinationals and Australia will never produce another Tier One construction business ever again," he said.

“Our members strongly support the breaking up of public infrastructure projects into smaller packages which allows our members to bid for them.

“When projects cannot be broken up for technical or other reasons and become major public infrastructure projects (\$500m+), AOC members still want to be involved in the delivery of these projects.

“This is when governments should have an ‘industry capability’ criteria for these projects that sets a requirement to include a mid-tier contractor in the delivery consortium.”

Mr Georgiou said the AOC look forward to working with the Federal and State governments on providing more opportunities for mid-tier construction companies to deliver major public infrastructure projects across the country.

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ABOUT AUSTRALIAN OWNED CONTRACTORS

Australian Owned Contractors advocates for Australian owned mid-tier construction companies to have more opportunities to deliver major public infrastructure projects across the country.

Australian Owned Contractors is made up of 12 local mid-tier construction companies across Australia:



Members of Australian Owned Contractors are:

- Majority Australian owned and controlled – at least 51% owned by Australian shareholders
- Have revenue in excess of \$250 million
- Companies that have participated in Federal and State Government funded infrastructure

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