



**AUSTRALIAN OWNED
CONTRACTORS**

MEDIA RELEASE

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WIN FOR LOCAL CONTRACTORS ON BUNBURY OUTER RING ROAD

Australian Owned Contractors (AOC) today congratulated Main Roads and the WA State Government for providing local mid-tier contractors with a significant opportunity to participate in the head contract of the \$852 million Bunbury Outer Ring Road project.

In its expressions of interest document for the project, Main Roads states its preference for Tier Two and Tier Three contractors to be included in the head contract.

Main Roads has also included an “industry sustainability” criteria – with a weighting of 10 per cent – which asks respondents to outline how they will include Tier Two and Tier Three contractors in the delivery consortium.

The agency states in the tender document that one of the key objectives of the Bunbury projects is to increase the capability of Tier Two and Tier Three road and bridge construction contractors.

AOC director John Georgiou said Main Roads and the WA State Government had provided an opportunity for Australian mid-tier contractors to be involved in this major public infrastructure project through the “industry sustainability” criteria.

“This is a significant win for Australian mid-tier contractors,” Mr Georgiou said.

“Opportunities for AOC members to participate in this major project would have been extremely limited if Main Roads had not stated its preference for mid-tier contractors to be included and the development of the ‘industry sustainability’ criteria.

“The Tier One contractors who will lead on this project will now have to look at teaming up with Tier Two and Tier Three contractors.

Decmil Chief Executive Scott Criddle explained the outcome works towards increasing the capability of the mid-tier construction sector.

“It is our vision to see an Australian mid-tier contractor taking a strategic stake of between 15 and 25 per cent in the delivery consortium for the Bunbury Outer Ring Road project, which will support the growth and capability of the local mid-tier construction sector,” he said.

“AOC congratulates Main Roads and the WA State Government on this initiative, and we hope that other governments and agencies around the country emulate this model for major infrastructure projects across the country.”

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.

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

Group Executive Director of Operations at The BMD Group, Scott Power 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.

“AOC members strongly support the breaking up of public infrastructure projects into smaller packages which allows our members to bid for them,” Mr Power said.

“However, 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 sustainability’ criteria – just like what Main Roads has done for the Bunbury project – that sets a requirement to include a mid-tier contractor in the delivery consortium.”

Mr Power said the AOC looked 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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