



**AUSTRALIAN OWNED
CONTRACTORS**

MEDIA RELEASE

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‘NEW DEAL’ ESSENTIAL FOR AUSTRALIAN INFRASTRUCTURE AND ECONOMIC RECOVERY

An appeal for a ‘New Deal’ to boost domestic supply chains, support local workforces and enhance the economic recovery in civil construction in all States and Territories is being coordinated by Australian Owned Contractors (AOC).

Last week AOC wrote to transport authority heads across the nation to enlist aid in future-proofing Australian-owned participation in major infrastructure projects and to question the monopoly of large foreign multinationals.

AOC represents 12 Mid-Tier Australian construction companies comprising over 12,000 employees and subcontractors and is calling for action and change to procurement processes for big taxpayer-funded projects.

AOC Chief Executive Officer Brent Crockford said the strength of the civil construction industry would be instrumental in economic recovery and could be boosted further with key practical action by government.

“We believe it is in the national interest for State Governments and delivery agencies to pursue a ‘New Deal’ for nationwide infrastructure with greater opportunity for Australian owned and controlled contractors,” Mr Crockford said.

“The growing trend to bundle big infrastructure projects into large multi-billion-dollar tender packages effectively cuts out Australian project leadership and has led to offshore domination and concentration.

“Simply by breaking up procurement packages, local competition can be strengthened with greater skills development and domestic company growth, leading also to a reduction in the cost blowouts, project delays, company losses and litigation we’ve seen in recent years.”

AOC has called for action on a ‘New Deal’ for Australian infrastructure where:

- Major infrastructure projects are packaged appropriately, from a size and risk perspective, to maximise participation of Australian-owned Mid-Tier companies;
- Industry sustainability criteria is included in projects in excess of \$500 million to encourage and maximise local Mid-Tier participation in these jobs to encourage Australian owned participation;
- Reform of local industry participation plans is pursued, so that foreign-owned businesses cannot circumvent procurement intentions and conditions by simply applying to have an ABN; and
- An overall industry strategy is developed to build capability and capacity in local Mid-Tier contractors, providing opportunity both for local contractor growth and more head contract work on key Australian infrastructure projects.

Mr Crockford said that in the COVID-19 context many Australian business sectors were questioning reliance on overseas suppliers, not for knee-jerk reasons, but as a sensible future-proofing measure.

“As governments help to kick start the economy by giving the green light to more infrastructure works, now is the time to pursue practical and innovative change to procurement process and policy,” Mr Crockford said.

“That’s why we have written to the leaders of government agencies that procure Australia’s biggest infrastructure projects to ask them to incorporate the huge benefits of more head contract participation by Mid-Tier Australian owned contractors.”

Mr Crockford said the impending sale of Lendlease Engineering to Acciona of Spain put a further spotlight on the issue, leaving the nation without a single Australian owned Tier One civil construction business.

“Apart from the obvious dangers of market domination by foreign owned businesses, this sale also effectively wipes out our nation’s once proud history of Australian grown, nurtured and owned top tier construction firms,” he said.

“We need action to encourage more work and less barriers for our Mid-Tier contractors for taxpayer-funded infrastructure if we are to have any hope of growing domestic skills and growing these Australian-owned businesses into Tier One players like their proud forebears.”

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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