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Procurement & Risk Sharing

CRC Construction Innovation's "2004 Clients Driving Innovation" Conference



Ross Williams

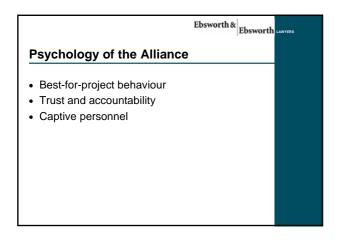
27 October 2004

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Historical Benefits of Alliance Contracting

- Collective share of pain/gain
- Collective control of construction costs
- Non-litigious



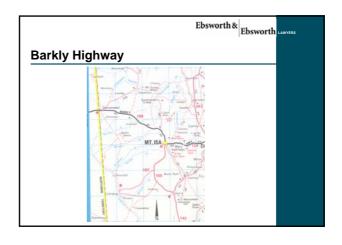
Alliance Drivers

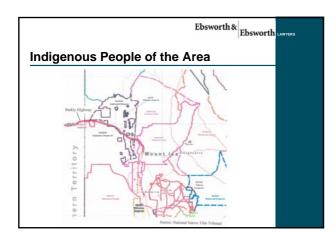
- Traditionally
- Time
- Quality
- Budget and savings
- Emerging drivers
- Balancing unequal bargaining position
- Dampening cultural diversity
- Building confidence in KPIs which are difficult to measure
- Communication
- · Understanding priorities from diverse backgrounds

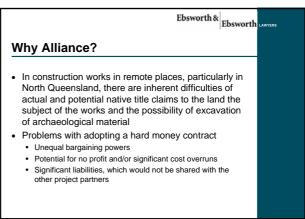
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The Project

- Construction of the Nowranie Creek Section, Barkly Highway, Mount Isa to Camooweal, Queensland
- Participants
 - State of Queensland (Main Roads Department)
 - Leighton Contractors
 - Myuna Pty Ltd (Indjilandji and Dithanoo peoples)
- Work
 - Construction of highway upgrade, including several new bridges







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Why Alliance? (cont)		Examples of Provisions
 Main Roads as principal of the project, made a philosophical decision to enhance the opportunities of the indigenous people of the region The Dugalunji people saw the project as having many benefits Provision of work for a large labour force Injection of funds into the local economy Training and skills for the people Enhanced prospects for the people 		 Cultural recognition provisions Community liaison Environmental management Consultation provisions Training requirements Indigenous Traditional Owner (ITO) group employment management plan Specially created vehicle to perform as alliance partner

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Myuna Pty Ltd

- Specially designed vehicle. Represents combined interests of ITO groups
- The Department entered into an agreement with the Indjilandji and Dithanoo peoples, to enhance the employment and training opportunities for ITO groups from the region and to provide opportunities for ITO groups to tender for the supply of products (particularly locally produced products) and provision of labour and services required for the project

