

CONSOLIDATED CONSTRUCTIONS

91. Hon DERRICK TOMLINSON to the parliamentary secretary representing the Minister for Planning and Infrastructure:

- (1) Will the minister confirm that contracts for the construction of the Gosnells civic centre complex and the Gosnells and Armadale train stations are on hold because an administrator has been appointed to the contractor, Consolidated Constructions?
- (2) What provisions are in the three contracts to ensure their completion if the contractor, Consolidated Constructions, is placed in liquidation?
- (3) Will the minister advise what delay is anticipated as a result of the uncertainty about Consolidated Constructions?

Hon KEN TRAVERS replied:

I thank the member for some notice of this question.

The Gosnells civic centre complex does not fall within the responsibilities of this portfolio. With regard to the Gosnells and Armadale train stations -

- (1) Yes.
- (2) The clauses within the Australian Standard 4000 contracts used by the Public Transport Authority provide for the principal's rights in regard to completion of the works.

A number of clauses are quoted in the answer and I seek leave to have them incorporated into *Hansard*.

Leave granted.

The following material was incorporated -

Clause 39.2 Contractor's default

If the Contractor commits a substantial breach of the Contract, the Principal may, by hand or by certified post, give the Contractor a written notice to show cause.

In this clause, some of the substantial breaches include, but are not limited to:

- wrongful suspension of work;
- substantial departure from a construction program without reasonable cause or the Superintendent's approval.

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Clause 39.4 Principal's rights

If the Contractor fails to show reasonable cause by the stated date and time, the Principal may by written notice to the Contractor:

- a) take out of the Contractor's hands the whole or part of the work remaining to be completed and suspend payment until it becomes due and payable pursuant to subclause 39.6; or
- b) terminate the Contract.

Clause 39.5 Take out

The Principal shall complete work taken out of the Contractor's hands and may:

- a) use materials, equipment and other things intended for work under construction (WUC); and
- b) without payment of compensation to the Contractor:
 - i) take possession of, and use such of the construction plant and other things on or in the vicinity of the site as were used by the Contractor; and
 - ii) contract with such of the Contractor's subcontractors and consultants,

as are reasonably required by the Principal to facilitate completion of WUC.

If the Principal takes possession of construction plant or other things, the Principal shall maintain them and, subject to subclause 39.6, on completion of the work, shall return such of them as are surplus.

The Superintendent shall keep records of the cost of completing the work.

Clause 39.6 Adjustment on completion of work taken out

When work taken out of the Contractor's hands has been completed, the Superintendent shall assess the cost thereby incurred and shall certify as moneys due and payable accordingly the difference between that cost (showing the calculations therefor) and the amount which would otherwise have been paid to the Contractor if the work had been completed by the Contractor.

If the Contract is indebted to the Principal, the Principal may retain construction plant or other things taken under subclause 39.5 until the debt is satisfied. If after reasonable notice, the Contractor fails to pay the debt, the Principal may sell the construction plant or other things and apply the proceeds to the satisfaction of the debt and the costs of sale. Any excess shall be paid to the contractor.

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- (3) At this stage, it is expected there will be a delay of four weeks.