

MAIN ROADS TERM NETWORK CONTRACTS, KIMBERLEY AND GASCOYNE

191. Hon TOM STEPHENS to the Minister for Transport:

I refer to the minister's answer yesterday on the Main Roads term network contracts for the Kimberley and Gascoyne and ask -

- (1) Will the minister confirm that negotiations with BGC Contracting Pty Ltd are proceeding on the basis of a Main Roads' initiated and scheduled on-road works regime?
- (2) Will the minister confirm that all other six term network contracts are fully outcome-based or fixed-price contracts?
- (3) Will the minister explain why BGC is being dealt with on a different basis from any other company with a term network contract?

Hon M.J. CRIDDLE replied:

- (1) Yes.
- (2) The five term network contracts that have been awarded are outcome-based contracts. TNC 4 - Goldfields-Esperance - has a small component of Main Roads' initiated works. Of the three contracts still to be awarded, which are all in negotiation stage, one is an outcome-based format.
- (3) The formats of TNC 1 and TNC 2 are different from the other six TNCs because of the view that the isolation and the potential for major weather effects may have led to a premium being placed under the outcome-based format. A decision was made before issuing the request for proposal documents in late 1999 to seek tenders based on both the outcome-based and the mixed model. Examination of the tenders received revealed that it would be more economical for the mixed-contract format to be adopted and negotiations with the preferred proponent - BGC Contracting Pty Ltd - have proceeded on that basis. BGC Contracting Pty Ltd was one of a number of tenderers for TNC 1 and TNC 2 and all tenderers were dealt with on the same basis.