



Australian Elevators Association Limited

Email from Simon Draper CEO Infrastructure NSW

From: **Simon Draper** <Simon.Draper@infrastructure.nsw.gov.au>

Date: Thu, 26 Mar 2020 at 08:37

Subject: Infrastructure Construction Update on COVID-19

To: Simon Draper <Simon.Draper@infrastructure.nsw.gov.au>

All,

The Commonwealth and NSW Governments have announced further measures to control COVID-19 over recent days. They introduce further restrictions on social gathering, travel, and restrictions on some types of service businesses.

Policy has moved quickly and that naturally creates an expectation that it will continue to do so. Further measures may well be introduced and, if that happens, we will adapt accordingly. However, we should avoid pre-empting the decisions of National Cabinet and NSW Cabinet, who face a difficult task. The benefits of new measures may take weeks to be revealed. The infections that our health services are currently detecting occurred over recent weeks, prior to the new public health orders, so we should not expect these new measures to reduce the infection rate over just a few days.

To be clear, there are no specific restrictions on construction projects, or on travelling to and from work. Some public health orders, such as the order on gatherings, provide specific exemptions for workplaces including construction sites. There is no list of permitted essential activities. If a particular activity is not explicitly controlled under a public health order, it can continue. The best source of information is the NSW Health website where public health orders can be found.

Our job is to continue with our projects, and to be innovative about our work. Governments have been clear that they seek to both control the infection rate of the virus, and also maintain economic activity and jobs as much as possible. For us, that means continuing to pursue and deliver the NSW infrastructure program with as little disruption as practicable. We understand the challenges of managing projects at this time while observing good public health practices for our people and the wider community. Each project will need its own continuity plan that fits its circumstances, and we will share ideas and good practices between projects.

After discussion among NSW Government agencies, the following principles will guide our conduct for projects and businesses affected by the virus or related control measures:

1. Contractors are encouraged to **talk to their NSW Government agency clients as soon as possible** to allow a cooperative approach to mitigation. Conversely, agencies should reach out to contractors.
2. Each project will be managed on a **case by case** basis to address the particular circumstances, and each will require information the causes behind potential delays, and solutions tailored to the circumstances;

3. Government clients will **work cooperatively with contractors** to seek solutions that maximize the chance of achieving good project outcomes for client, contractor, subcontractors, employees and suppliers;
4. For projects **in delivery**, Government clients recognise that COVID-19 may introduce delivery **risks that could not have been foreseen, mitigated or priced** at the time contracts were executed (noting the commercial arrangements vary);
5. For projects **not yet contracted**, Government clients will consider industry feedback and an approach that recognises the risks created by COVID-19 over the upcoming period;
6. **As a matter of reciprocity, contractors** will be expected to:
 - a. seek Government flexibility and cooperation **only for matters related to COVID-19**, and not for pre-existing project performance issues or unrelated delays
 - b. propose changes **only to the extent required** to mitigate the effects of COVID-19
 - c. **mitigate** delays and costs, demonstrate flexibility in doing so, and promptly provide information on anticipated delays and strategies
 - d. protect and utilise **insurance arrangements** that can mitigate impacts
 - e. act **cooperatively with other contractors** on the project
 - f. treat **subcontractors, consultants and suppliers** in a similar manner, and reflect changes in arrangements in those contracts;
7. Discussions and problem solving should occur between **client agencies (project teams) and contractor project teams**, with escalation according to usual mechanisms.

We will follow our own advice and be looking for opportunities to talk to industry as often as possible.

Simon

Simon Draper

Chief Executive Officer

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