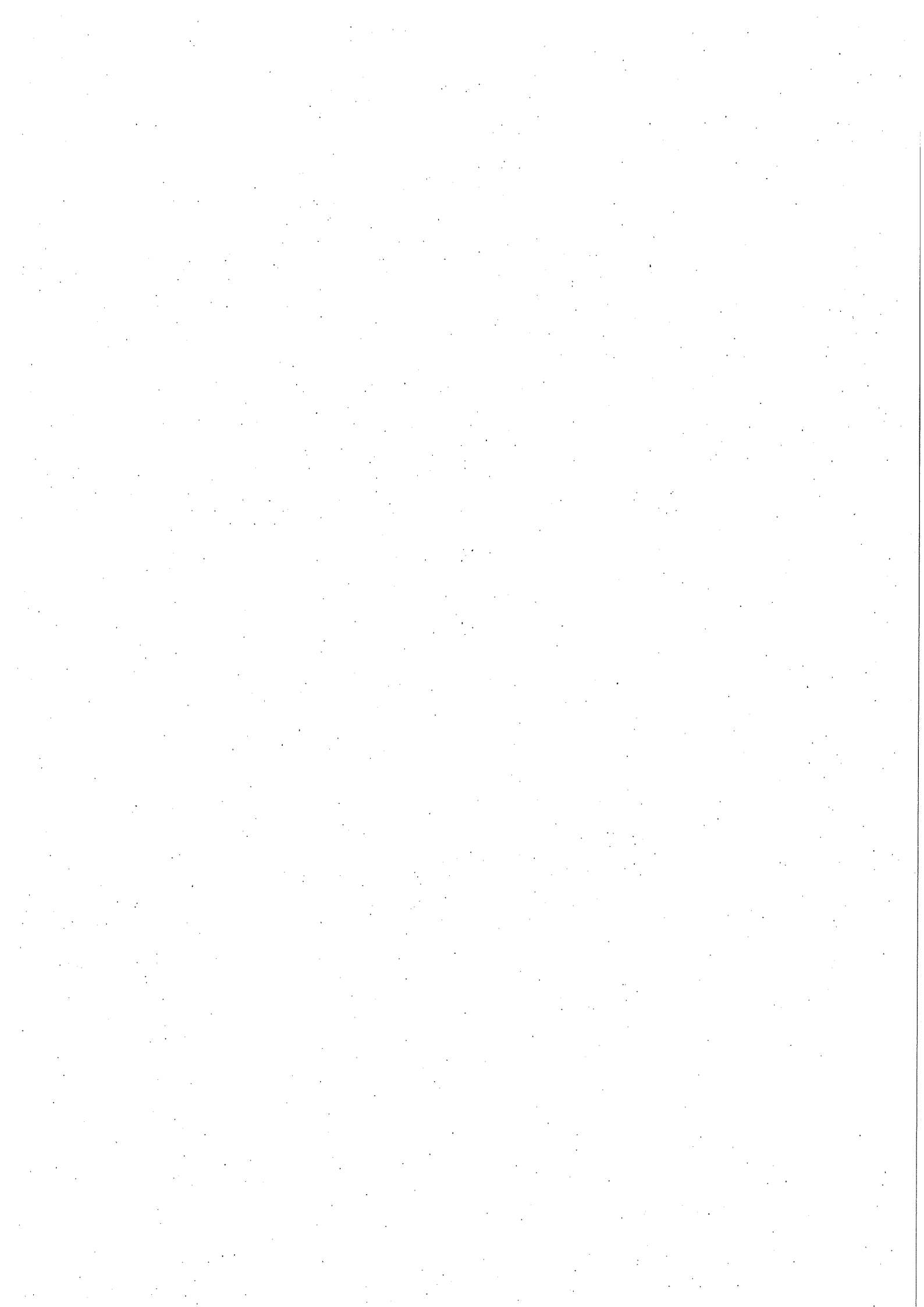


REDACTED

**ROUNDTABLE,
& G-DRIVE**

**QTBS &
ESTIMATE
BRIEFS**





ACT
Government

Commerce and Works

Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- SSP met with Fulton Hogan to discuss the Majura Parkway project on 13 May 2014. Fulton Hogan provided an assurance that work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014.

Background

- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.

- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burrarmarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).





Question Time Brief

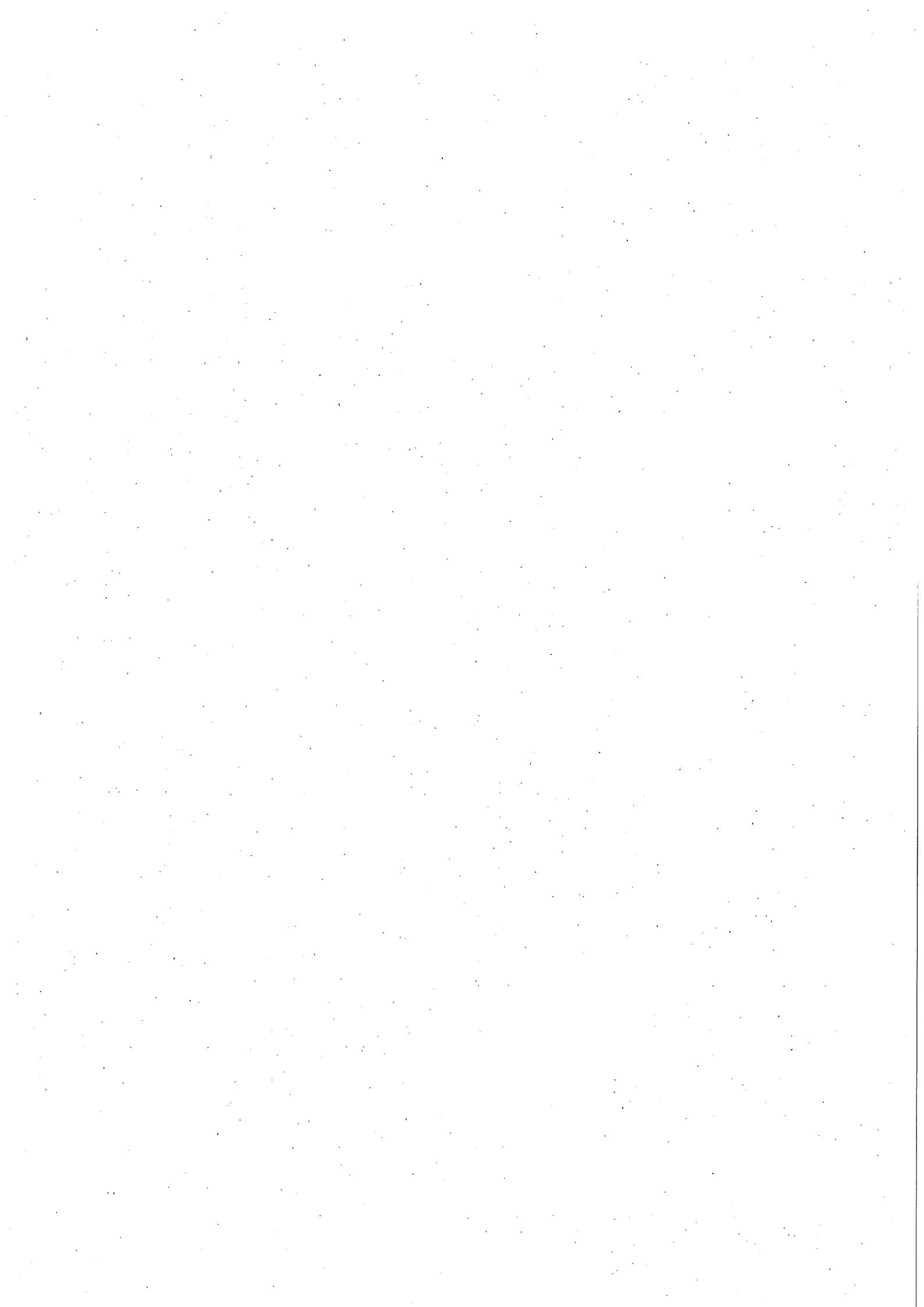
SUBJECT: PROCUREMENT: MAJURA PARKWAY
ISSUE: Potential dispute between contractors

Key Points:

- There has been some discussion of contractor difficulties on the Majura Parkway site. Talk of these issues arises from time to time and is not unusual on major projects.
- This is essentially an issue between the head contractor, with whom the Territory has a contract, and a subcontractor. It is the role of the head contractor to resolve the matter and determine the best way to complete the work as the contractor responsible for delivering Majura Parkway in accordance with the time and cost set out in the contract.

Background

- On 17 April 2014, Hewatt Pty Ltd ("Hewatt") wrote to Fulton Hogan Pty Ltd ("Fulton Hogan") to formally request a release from its contract in relation to the Majura Parkway project.
- Hewatt's component of the Majura Parkway work site was shut down for the Easter/Anzac day period.
- Fulton Hogan and Hewatt met last week in Sydney and made some agreements about going forward. Shared Services Procurement ("SSP") understands that Hewatt will finish milestone 1 (main roadworks north of the river) but be replaced on subsequent milestones (southern approaches & traffic switches). SSP further understands that the agreed way forward will enable Hewatt to remain operational to complete this stage of the project.
 - However, SSP understands Fulton Hogan is reallocating work amongst subcontractors so they are less exposed if Hewatt leave site in the future.
 - The impact on jobs is expected to be minimal because the work still needs to be done, although there may be some organisational disruption.
- It is recommended that the issue be treated as an internal site issue and not be raised unless the matter becomes public.





Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

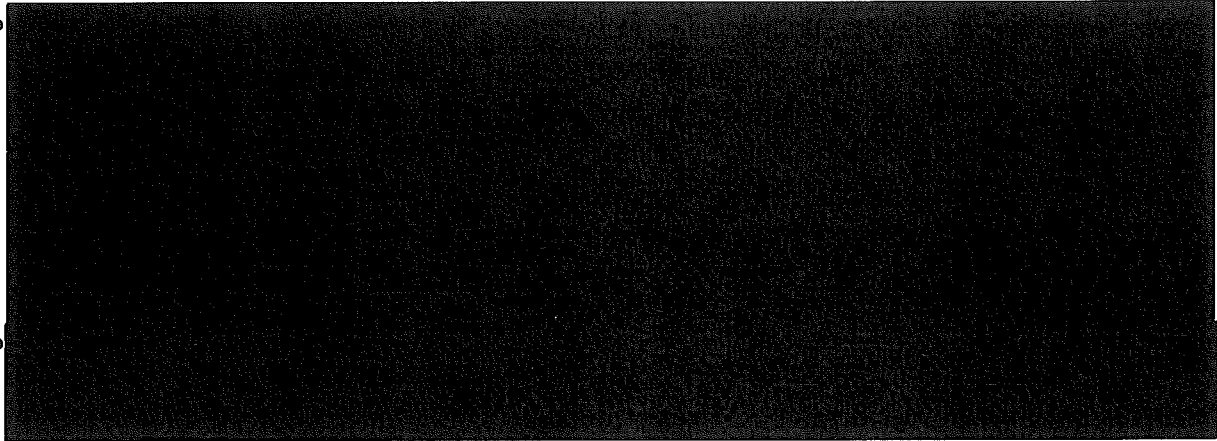
Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- SSP met with Fulton Hogan to discuss the Majura Parkway project on 13 May 2014. Fulton Hogan provided an assurance that work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014.

Background

- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.

- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).





Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

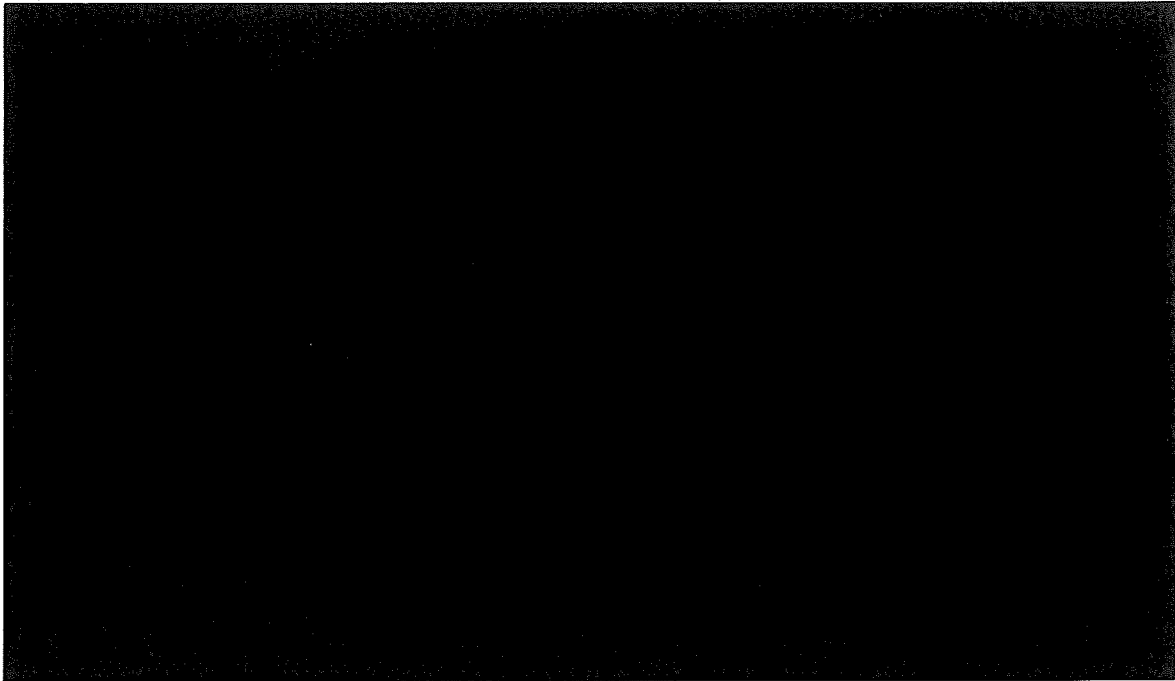
Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- SSP met with Fulton Hogan to discuss the Majura Parkway project on 13 May 2014. Fulton Hogan provided an assurance that work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014.

Background

- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.

- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabel Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).





ACT
Government

Commerce and Works

8

Question Time Brief

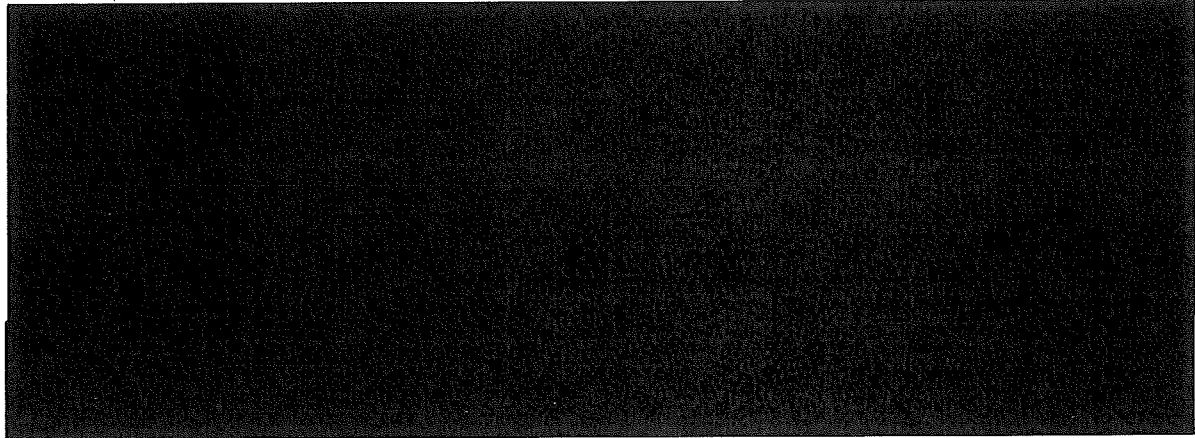
SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- SSP met with Fulton Hogan to discuss the Majura Parkway project on 13 May 2014. Fulton Hogan provided an assurance that work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014.
- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as

signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).





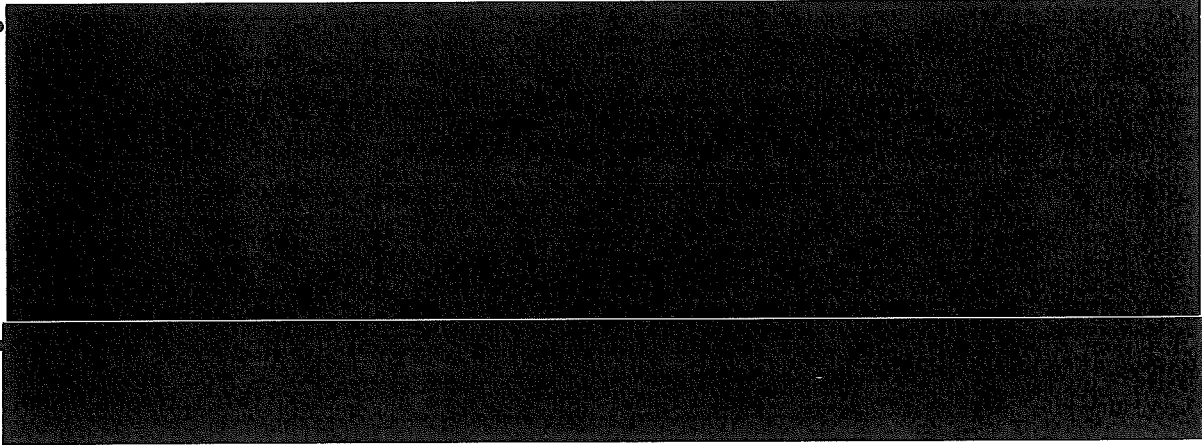
Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY
ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014. Work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project. Consequently, liability for any non-payment of sub-contractors rests with Fulton Hogan, including liability for any non-payment of any contractors sub-contracted to a sub-contractor (i.e. sub-sub-contractors).
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as

signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).



13 May 2014

Minister responsible:**Directorate:****Contact Officer:**

Treasurer

Commerce and Works

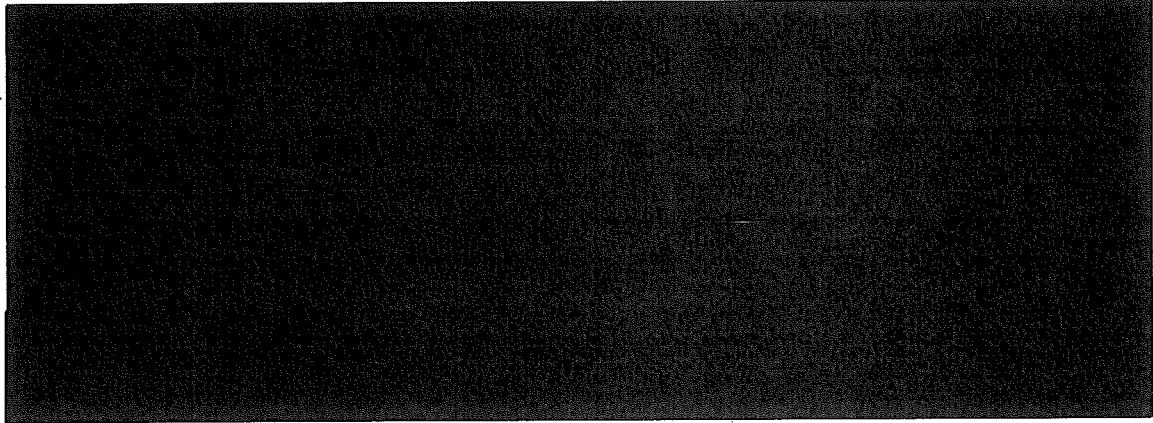
Jill Divorty

KEY POINTS

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government. Currently, there are no Hewatt employees working on site at Majura Parkway, and the Horse Park Drive work site is closed. SSP understands that Hewatt has removed some of its equipment from a number of sites.
- SSP met with Fulton Hogan to discuss the Majura Parkway project on 13 May 2014. Fulton Hogan provided an assurance that work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Shared Services Procurement met with PPB on Monday 12 May 2014. PPB and the Territory discussed the possibility that Hewatt complete works on Horse Park Drive while in administration, and both parties are considering this approach.
- Fulton Hogan is still reviewing their way forward on the Majura site, and the Territory expects an update on this in the near future.
- The first meeting of Hewatt's creditors will be held in Canberra on 20 May 2014.
- Under the terms of the Territory's contract with Fulton Hogan, the contractor bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Fulton Hogan has also indemnified the Territory against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. According to Fulton Hogan, approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works

Chief Ministers' Talkback Brief Hewatt in Administration

between the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).





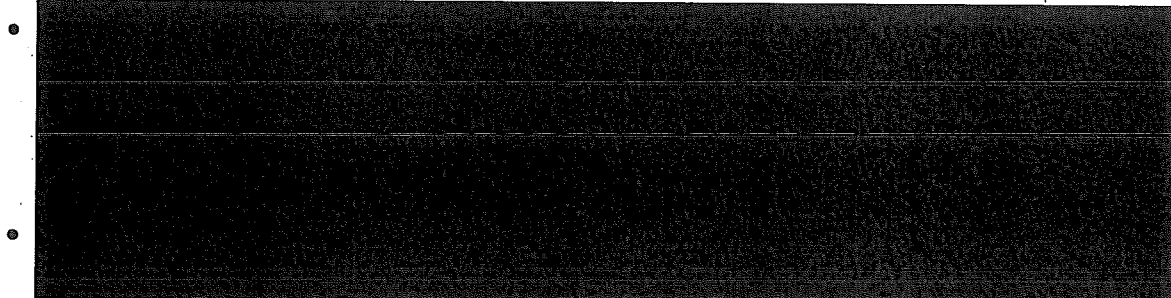
Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB Advisory").
- The administrators are currently in contact with ACT government officials. The first meeting of creditors will be held in Canberra on 20 May 2014.
- Following a preliminary review of Hewatt's position PPB Advisory has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government.
- Currently, there are no Hewatt employees working on site at Majura Parkway, and both Horse Park Drive work sites are closed.
- SSP understands that Hewatt has removed some of its equipment from a number of sites.
- SSP understands some of Hewatt's employees may be in discussion with Fulton Hogan on site at Majura Parkway with the view to their potential engagement by Fulton Hogan to complete the works.
- Work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. Approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- The two contracts relating to work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The Government is looking to use existing subcontractors or other local contractors to complete the project. There is likely to be some minor time delay associated with this change of contractors.







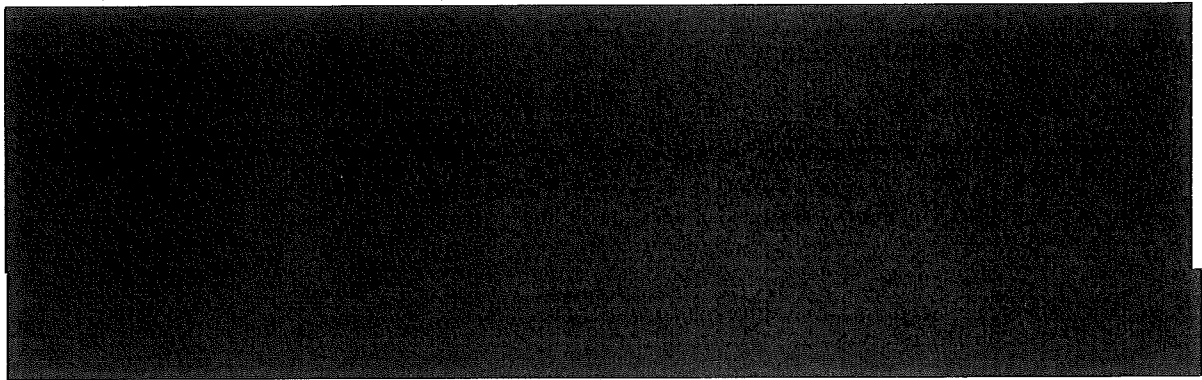
Question Time Brief

SUBJECT: **PROCUREMENT: MAJURA PARKWAY**

ISSUE: **Contractors Issues**

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB Advisory").
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two work sites at Horse Park Drive.
- Following a preliminary review of Hewatt's position PPB Advisory has stood down most of Hewatt's employees, and committed to working constructively with all stakeholders including employees, unions, subcontractors and government.
- Shared Services Procurement will meet with PPB Advisory as soon as possible. The first meeting of creditors will be held in Canberra on 20 May 2014.
- Currently, there are no Hewatt employees working on site at Majura Parkway, and both Horse Park Drive work sites are closed.
- SSP understands that Hewatt has removed some of its equipment from a number of sites.
- SSP understands some of Hewatt's employees may be in discussion with Fulton Hogan on site at Majura Parkway with the view to their potential engagement by Fulton Hogan to complete the works.
- Work on the Majura Parkway is continuing regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. Approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- The two contracts relating to work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The Government is looking to use existing subcontractors or other local contractors to complete the project. There is likely to be some minor time delay associated with this change of contractors.





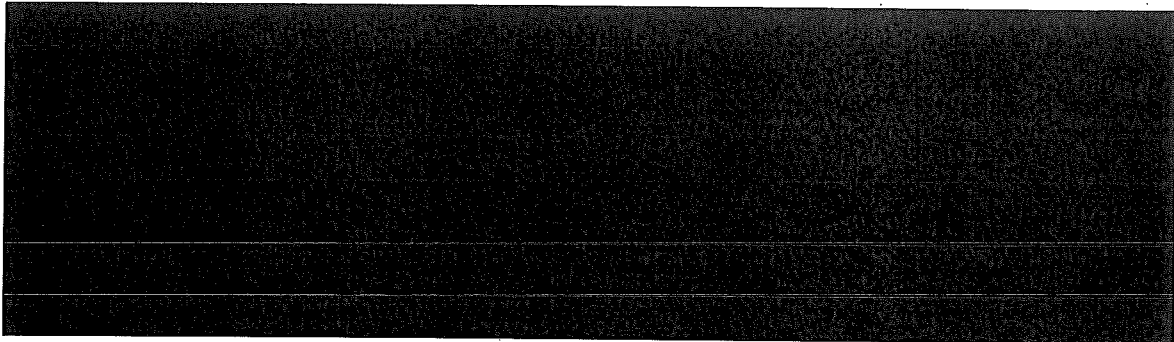
Question Time Brief

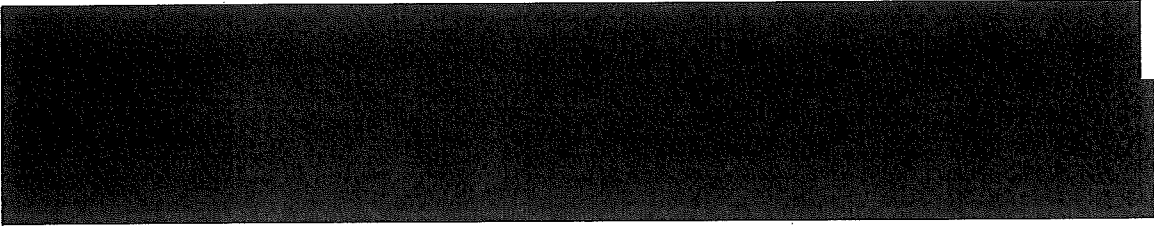
SUBJECT: PROCUREMENT: MAJURA PARKWAY

ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan").
- Work on the Majura Parkway is continuing. This is regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan, and despite media speculation that the project may be in crisis.
- On 7 May 2015, SSP was informed by industry sources that Hewatt has stood down its workers on the Majura Parkway site, as well its two ACT Government sites on Horse Park Drive, pending resolution of its financial position.
- There are some media reports to suggest that workers have been told to report to work tomorrow on the Majura Parkway site, as a result of a deal between Fulton Hogan and Hewatt. SSP is unable to confirm at this time if this is indeed the case.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. Approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- The remaining two contracts relating to work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. If Hewatt is unable to complete these works, the Government will look to use existing sub-contractors or other local contractors to complete the project. There is likely to be some minor time delays associated with this disruption and potential change of contractors.





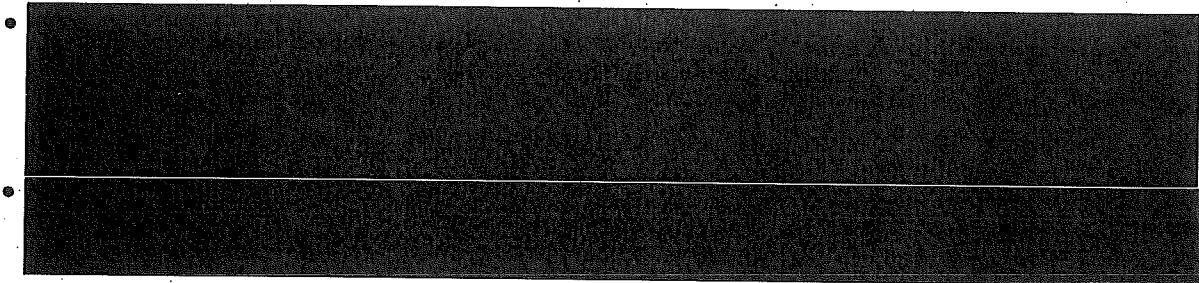


Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY
ISSUE: Contractors Issues

Key Points:

- Hewatt Pty Ltd ("Hewatt") is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan").
- Work on the Majura Parkway is continuing. This is regardless of whether or not Hewatt continues as subcontractor for the earthworks under the head contract with Fulton Hogan, and despite media speculation that the project may be in crisis.
- On 7 May 2015, SSP was informed by industry sources that Hewatt has stood down its workers on the Majura Parkway site, as well its two ACT Government sites on Horse Park Drive, pending resolution of its financial position.
- There are some media reports to suggest that workers have been told to report to work tomorrow on the Majura Parkway site, as a result of a deal between Fulton Hogan and Hewatt. SSP is unable to confirm at this time if this is indeed the case.
- Fulton Hogan retains its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory. Approximately 95 per cent of earthworks have already been completed. However, there is the possibility that the remaining earthworks will be undertaken by another subcontractor.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- The remaining two contracts relating to work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive) and the extension to Moncrieff Group Centre is \$16,903,438 (GST inclusive).





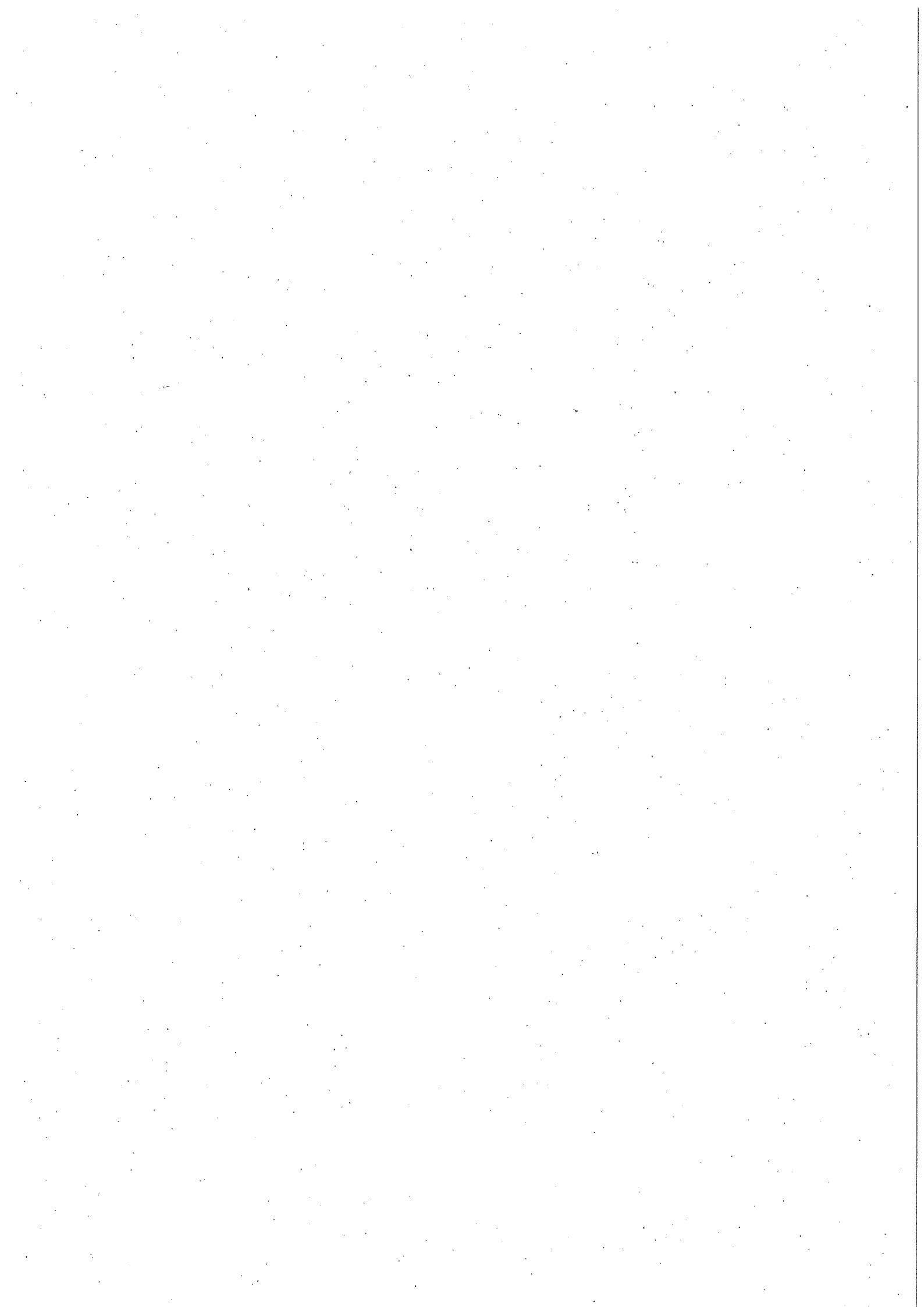
Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY – PAYMENT OF SUB-CONTRACTORS

ISSUE: Liability for potential non-payment of sub-contractors on the Majura Parkway project

Key Points:

- The Territory's Head Contractor on the Majura Parkway project is Fulton Hogan Pty Ltd ("Fulton Hogan"). The Head Contractor is employed under a GC-21 contract, which is designed to provide strong protection to both sub-contractors and the Government.
- Under the Head Contract, Fulton Hogan bears overall responsibility for the acts and omissions of all sub-contractors on the Majura Parkway project. Consequently, liability for any non-payment of sub-contractors rests with Fulton Hogan. This includes liability for non-payment of any contractors sub-contracted to a sub-contractor.
 - Clause 28.1 of the Head Contract states that the Head Contractor is "solely responsible for all Subcontractors ... and is liable for their acts and omissions as if such acts or omissions were those of the Contractor".
- The Territory is also indemnified against any legal claim resulting from non-payment of sub-contractors on the Majura Parkway project, including the non-payment of any contractors sub-contracted to a sub-contractor.
 - Clause 28.2 of the Head Contract states that the Head Contractor "indemnifies the Principal [i.e. the Territory] against all claims ... actions, loss or damage and all other liability arising out of any acts or omissions of Subcontractors".
- The Head Contractor is required to undertake the project in accordance with the ACT Government's Compliance with Industrial Relations and Employment Obligations Strategy ("IRE Strategy"). The IRE Strategy requires contractors to obtain an Ethical Suppliers Declaration with every payment claim from their sub-contractors, stating that the sub-contractor has in turn paid all amounts due to its own sub-contractors at that date. Fulton Hogan is consequently responsible for ensuring each of its sub-contractors comply with their payment obligations to their own sub-contractors.
- The Head Contract also "cascades" responsibility for complying with the IRE Strategy down from the Head Contractor to sub-contractors, and to any contractors sub-contracted to a sub-contractor.
 - Sub-contracts with a value of \$200,000 or greater contain provisions requiring the sub-contractor to comply with the IRE Strategy; "cascading" this obligation down from Fulton Hogan to the sub-contractor.
 - All sub-contracts with a value less than \$200,000 contain provisions requiring the contractor to pay each claim to the sub-contractor in full within 15 days of its being made.



Question Time Brief

SUBJECT: PROCUREMENT: MAJURA PARKWAY

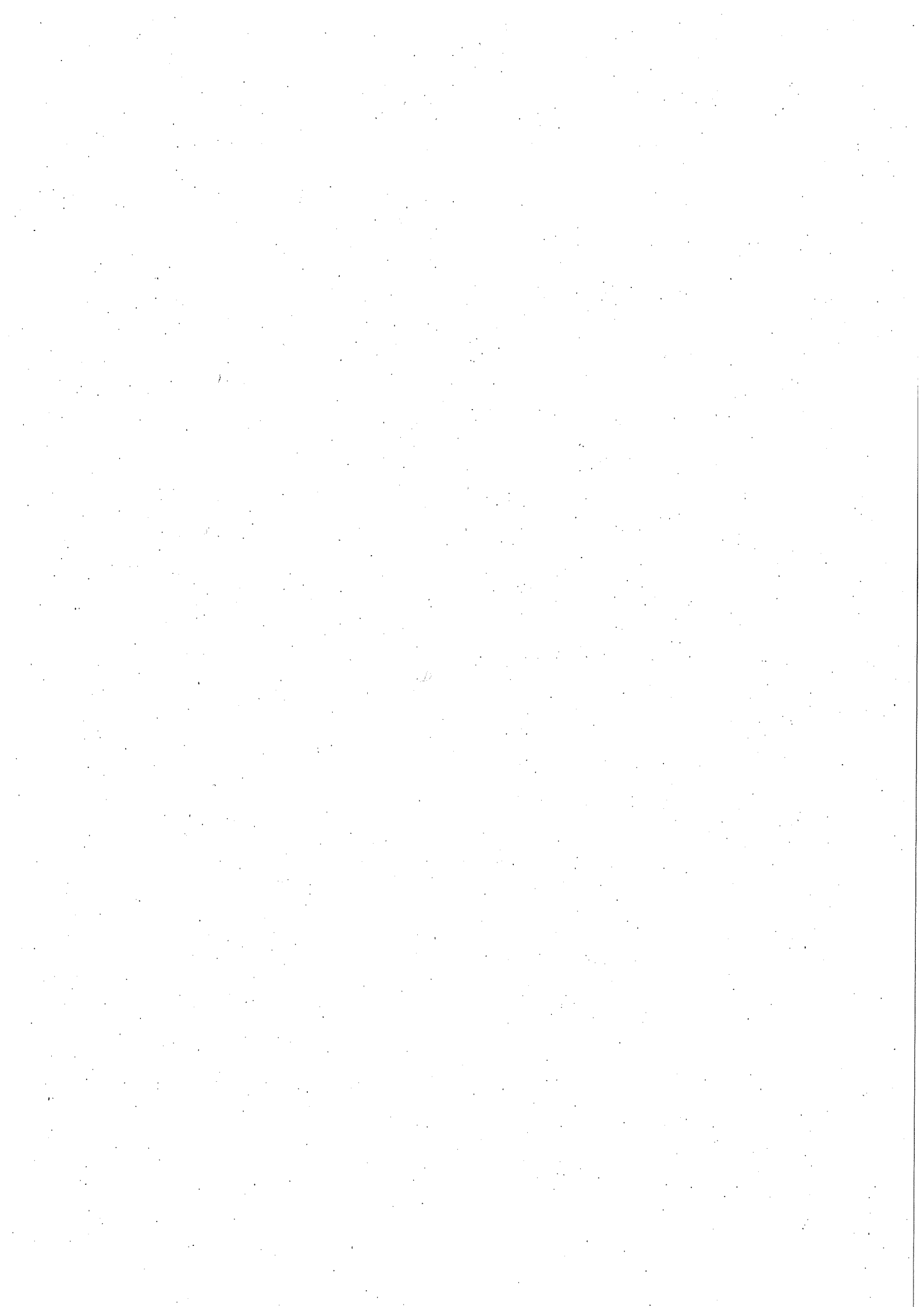
ISSUE: Contractors Issues

Key Points:

- There has been some discussion of contractor difficulties on the Majura Parkway site. Talk of these issues arises from time to time and is not unusual on major projects.
- This is essentially between the head contractor, with whom the Territory has a contract, and a subcontractor. It is the role of the head contractor to resolve the matter and determine the best way to complete the work as the contractor responsible for delivering Majura Parkway in accordance with the time and cost set out in the contract.
- On 5 May 2014, rumour attracted media attention with the *Canberra Times* reporting that the Majura Parkway project was facing crisis due to the major earthworks contractor threatening to abandon the project.
- Work is in fact, progressing on the Majura Parkway in accordance with the scheduled works. This includes the subcontractor commencing planned night works on site on Monday, 5 May 2014 in accordance with the scheduled works.
- The head contractor, Fulton Hogan Pty Ltd ("Fulton Hogan") has given its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory.
- On 5 May 2014, Fulton Hogan and its subcontractor, Hewatt Pty Ltd ("Hewatt") issued a joint media statement advising that work is progressing well on the Majura Parkway and that they are committed to working together to achieve the best possible outcome for the project and the local community.

Background

- On 17 April 2014, Hewatt wrote to Fulton Hogan to formally request a release from its contract in relation to the Majura Parkway project.
- A planned shutdown occurred on the Majura Parkway work site for the Easter/Anzac day period.
- Fulton Hogan and Hewatt have met on several occasions and made some agreements about going forward.
- Shared Services Procurement ("SSP") understands that Fulton Hogan will attempt to assist Hewatt to finish milestone 1 (main roadworks north of the river) but may replace Hewatt on subsequent milestones (southern approaches & traffic switches).



Question Time Brief

SUBJECT: **PROCUREMENT: MAJURA PARKWAY**

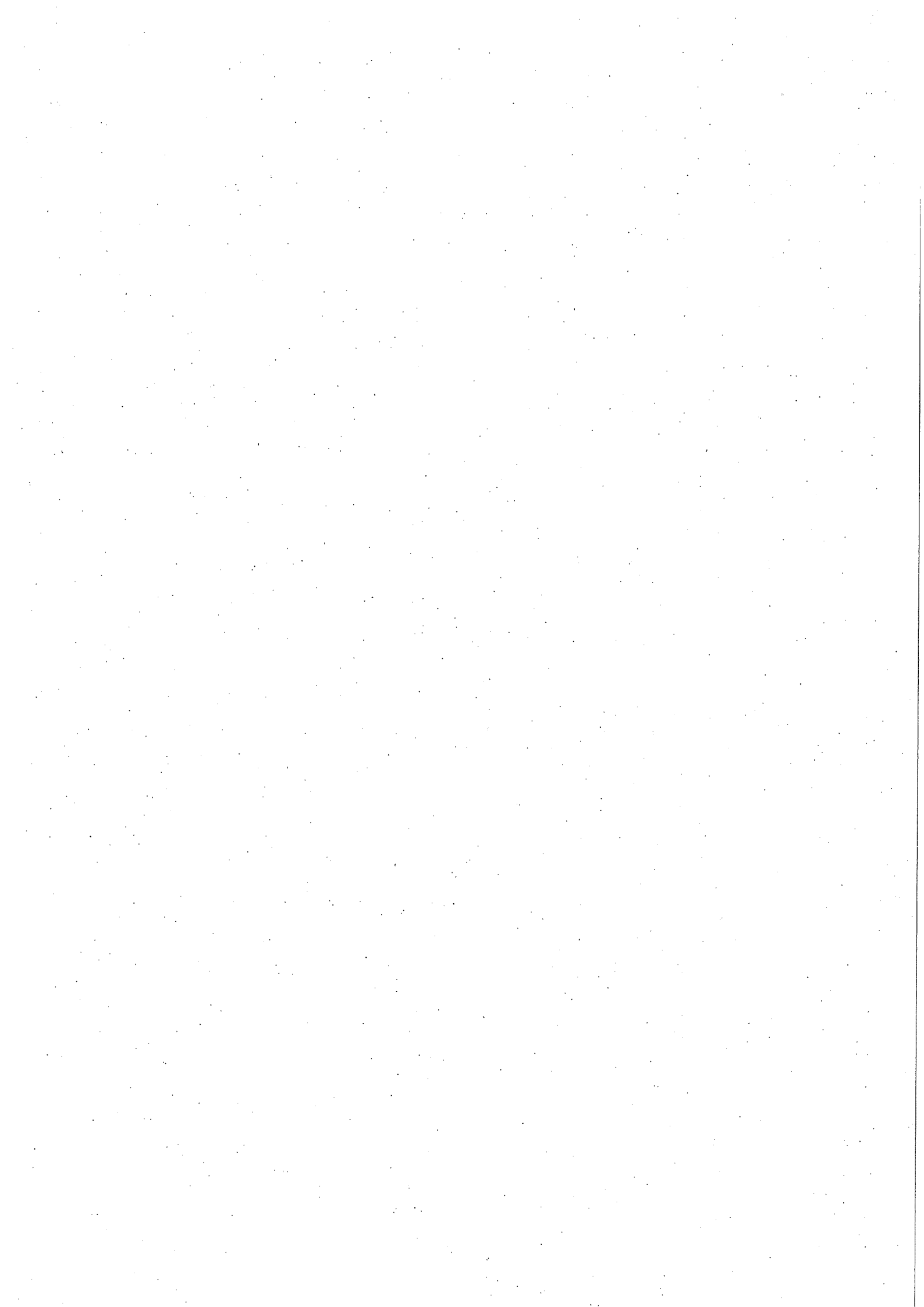
ISSUE: **Contractors Issues**

Key Points:

- There has been some discussion of contractor difficulties on the Majura Parkway site. Talk of these issues arises from time to time and is not unusual on major projects.
- This is essentially between the head contractor, with whom the Territory has a contract, and a subcontractor. It is the role of the head contractor to resolve the matter and determine the best way to complete the work as the contractor responsible for delivering Majura Parkway in accordance with the time and cost set out in the contract.
- On 5 May 2014, rumour attracted media attention with the *Canberra Times* reporting that the Majura Parkway project was facing crisis due to the major earthworks contractor threatening to abandon the project.
- Work is in fact, progressing on the Majura Parkway in accordance with the scheduled works. This includes the subcontractor commencing planned night works on site on Monday, 5 May 2014 in accordance with the scheduled works.
- The head contractor, Fulton Hogan Pty Ltd ("Fulton Hogan") has given its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory.

Background

- On 17 April 2014, Hewatt Pty Ltd ("Hewatt") wrote to Fulton Hogan to formally request a release from its contract in relation to the Majura Parkway project.
- A planned shutdown occurred on the Majura Parkway work site for the Easter/Anzac day period.
- Fulton Hogan and Hewatt have met on several occasions and made some agreements about going forward.
- Shared Services Procurement ("SSP") understands that Fulton Hogan will attempt to assist Hewatt to finish milestone 1 (main roadworks north of the river) but may replace Hewatt on subsequent milestones (southern approaches & traffic switches).





ACT
Government

Commerce and Works

24

Question Time Brief

SUBJECT: **PROCUREMENT: HEWATT IN ADMINISTRATION**
ISSUE: **Update on Hewatt's entry into voluntary administration**

Key Points:

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a sub-contractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- PPB has committed to working constructively with all stakeholders including employees, unions, sub-contractors and government. SSP is in regular contact with PPB.
- The inaugural creditors meeting for the Hewatt Group (Hewatt Pty Ltd, Hewatt Grader Hire Pty Ltd and Carmelina Management Pty Ltd) was conducted by PPB on 20 May 2014. The second creditor's meeting will be held on 13 June 2014 and it is anticipated that a listing of creditors and quantum of debts will be made available at that time. SSP understands the most probable outcome is that the Hewatt Group of companies will be placed into liquidation.
- Although SSP understands that the contract between Fulton Hogan and Hewatt has not been terminated, Hewatt is no longer working on the Majura Parkway project. SSP understands that PPB and Fulton Hogan continue to maintain regular contact.
- Work on the Majura Parkway project is continuing, and Fulton Hogan has reallocated work to other sub-contractors where appropriate.
- Fulton Hogan has taken on a number of previous Hewatt employees through a labour hire company, while other former Hewatt staff have been employed by other sub-contractors and continue to work on the Majura Parkway project. SSP understands that over 50 staff previously employed or sub-contracted by Hewatt on Majura Parkway continue to work on-site.
- SSP is in regular contact with Fulton Hogan regarding the Majura Parkway project. Fulton Hogan continues to retain its assurance that the project will be completed according to the program and budget established in its existing contract with the Territory.
- Hewatt recommenced work on the Horse Park Drive project on 20 May 2014. By completing this project while in administration, it is anticipated that a number of Hewatt employees will retain their employment for longer than would occur if Hewatt withdrew from this project. SSP also understands that sub-contractors are likely to benefit financially from continuing works on this project while Hewatt is in administration.

Background

- The Government has no contractual liability for payment of contractors who are owed monies by Hewatt. The legal entitlement to payment of any contractors who are owed monies by Hewatt rests with the Administrator.
- According to Fulton Hogan, approximately 95 per cent of earthworks on the Majura Parkway project have already been completed.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabei Drive is valued at \$9,007,966 (GST inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST inclusive).



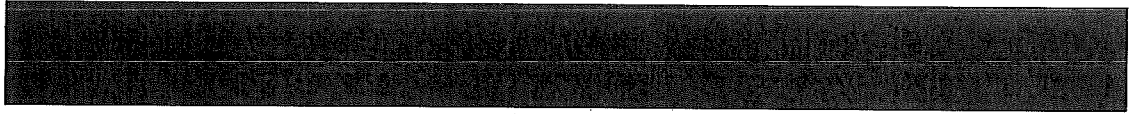
Chief Ministers' Talkback Brief Hewatt in Administration

23 May 2014

Minister responsible:	Directorate:	Contact Officer:
Treasurer	Commerce and Works	Jill Divorty

KEY POINTS

- Hewatt Pty Ltd ("Hewatt") entered into voluntary administration on 8 May 2014. The administrators are PPB Advisory Pty Ltd ("PPB").
- Hewatt is engaged as a sub-contractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- PPB has committed to working constructively with all stakeholders including employees, unions, sub-contractors and government. SSP is in regular contact with PPB.
- The inaugural creditors meeting for the Hewatt Group (Hewatt Pty Ltd, Hewatt Grader Hire Pty Ltd and Carmelina Management Pty Ltd) was conducted by PPB on 20 May 2014. The second creditor's meeting will be held on 13 June 2014 and it is anticipated that a listing of creditors and quantum of debts will be made available at that time. SSP understands the most probable outcome is that the Hewatt Group of companies will be placed into liquidation.
- Although SSP understands that the contract between Fulton Hogan and Hewatt has not been terminated, Hewatt is no longer working on the Majura Parkway project. SSP understands that PPB and Fulton Hogan continue to maintain regular contact.
- Work on the Majura Parkway project is continuing, and Fulton Hogan has reallocated work to other sub-contractors where appropriate.
- Fulton Hogan has taken on a number of previous Hewatt employees through a labour hire company, while other former Hewatt staff have been employed by other sub-contractors and continue to work on the Majura Parkway project. SSP understands that over 50 staff previously employed or sub-contracted by Hewatt on Majura Parkway continue to work on-site.
- SSP is in regular contact with Fulton Hogan regarding the Majura Parkway project. Fulton Hogan continues to retain its assurance that the project will be completed according to the program and budget established in its existing contract with the Territory.
- Hewatt recommenced work on the Horse Park Drive project on 20 May 2014. By completing this project while in administration, it is anticipated that a number of Hewatt employees will retain their employment for longer than would occur if Hewatt withdrew from this project. SSP also understands that sub-contractors are likely to benefit financially from continuing works on this project while Hewatt is in administration.



Chief Ministers' Talkback Brief Hewatt in Administration

Background

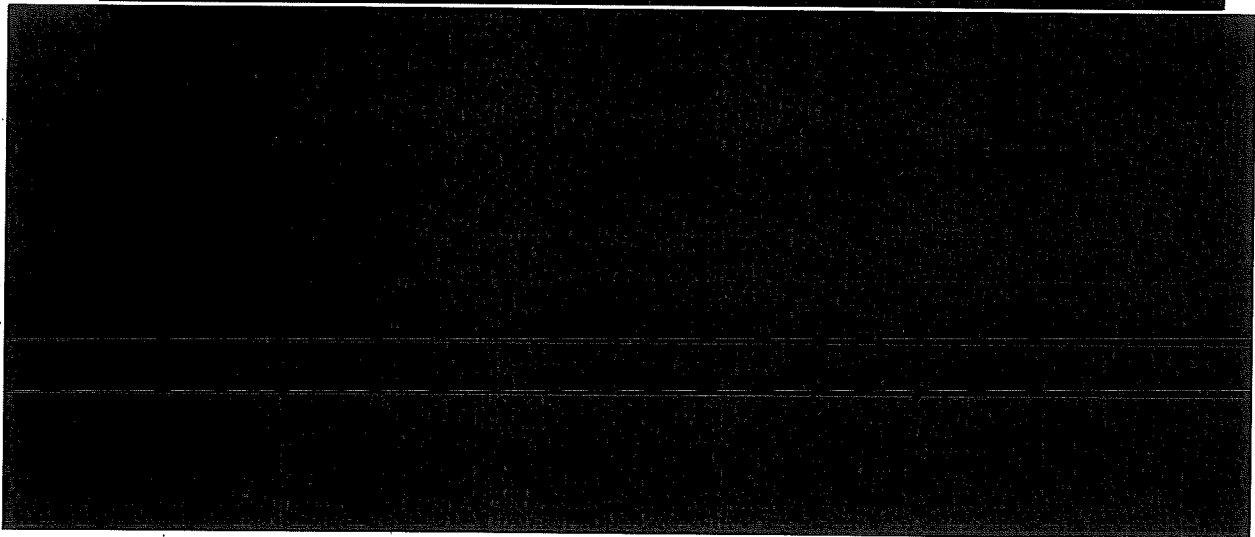
- The Government has no contractual liability for payment of contractors who are owed monies by Hewatt. The legal entitlement to payment of any contractors who are owed monies by Hewatt rests with the Administrator.
- According to Fulton Hogan, approximately 95 per cent of earthworks on the Majura Parkway project have already been completed.
- The awarded value of the Majura Parkway contract between the Territory and Fulton Hogan is \$268,276,814 (GST Inclusive). The Commonwealth Government is contributing \$144 million towards the cost of the Majura Parkway project.
- Both contracts between the Territory and Hewatt for work on Horse Park Drive have been substantially completed, including laying of pavement. Only finishing touches such as signage, road marking and landscaping remain incomplete. The contract for works between the extension from Burramarra Avenue to Mirrabell Drive is valued at \$9,007,966 (GST Inclusive), and the contract for works on the extension to Moncrieff Group Centre is valued at \$16,903,438 (GST Inclusive).

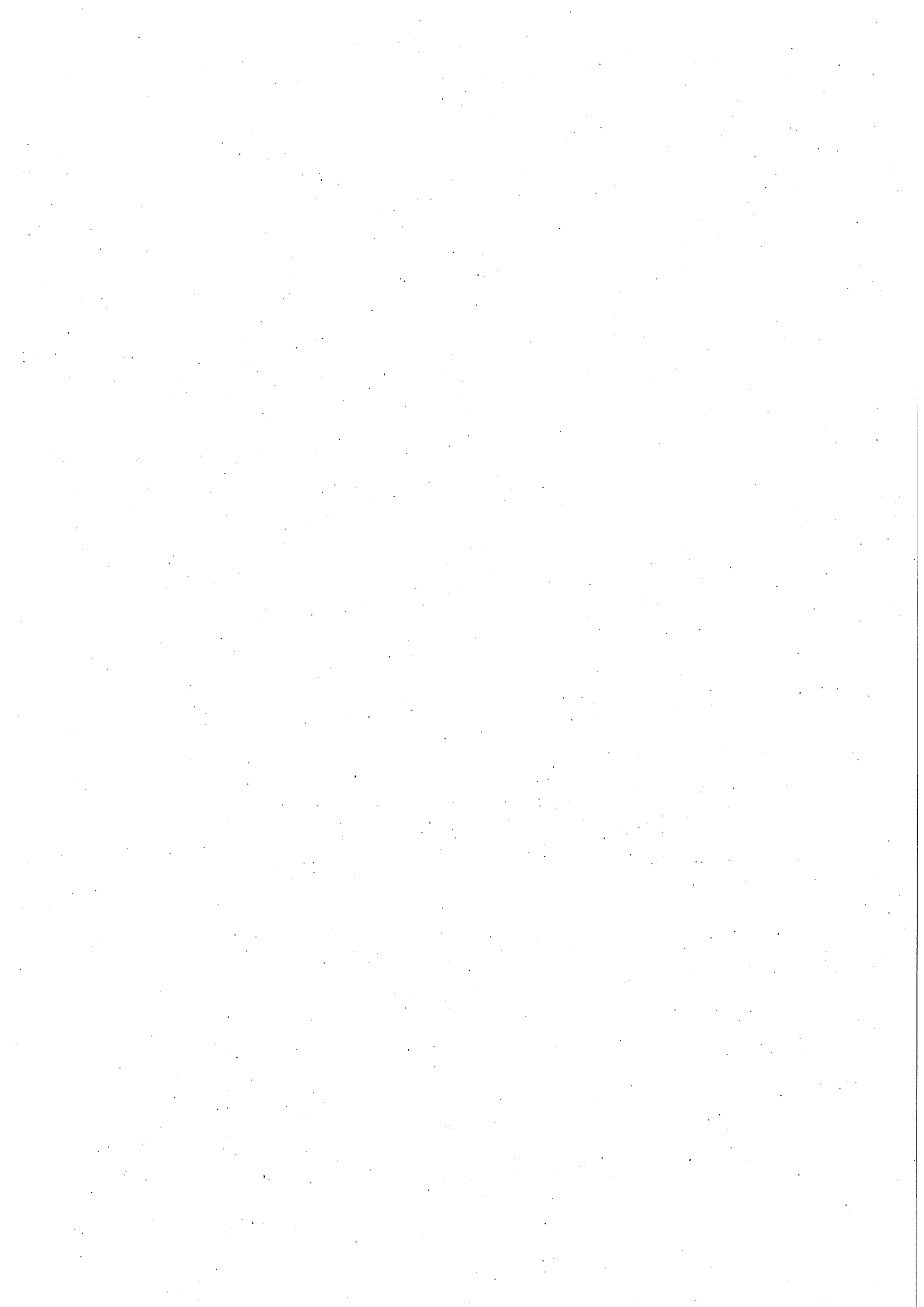


Hewatt Pty Ltd ("Hewatt")

- Hewatt entered into voluntary administration on 8 May 2014 and appointed PPB Advisory Pty Ltd as the Administrator.
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- PPB has committed to working constructively with all stakeholders including employees, unions, sub-contractors and government. SSP is in regular contact with PPB.
- Although SSP understands that the contract between Fulton Hogan and Hewatt has not been terminated, Hewatt is no longer working on the Majura Parkway project. Work on the Majura Parkway project is continuing, and Fulton Hogan has reallocated work to other sub-contractors where appropriate.
- Fulton Hogan has taken on a number of previous Hewatt employees through a labour hire company, while other former Hewatt staff have been employed by other sub-contractors and continue to work on the Majura Parkway project. SSP understands that over 50 staff previously employed or sub-contracted by Hewatt on Majura Parkway continue to work on-site.
- The awarded value of the Majura Parkway contract with Fulton Hogan is \$268,276,814 (GST inclusive). Fulton Hogan continues to retain its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory.
- Hewatt (in Administration) recommenced work on the Horse Park Drive project on 20 May 2014. It is anticipated that a number of Hewatt employees will retain their employment for longer than would occur if Hewatt withdrew from this project.

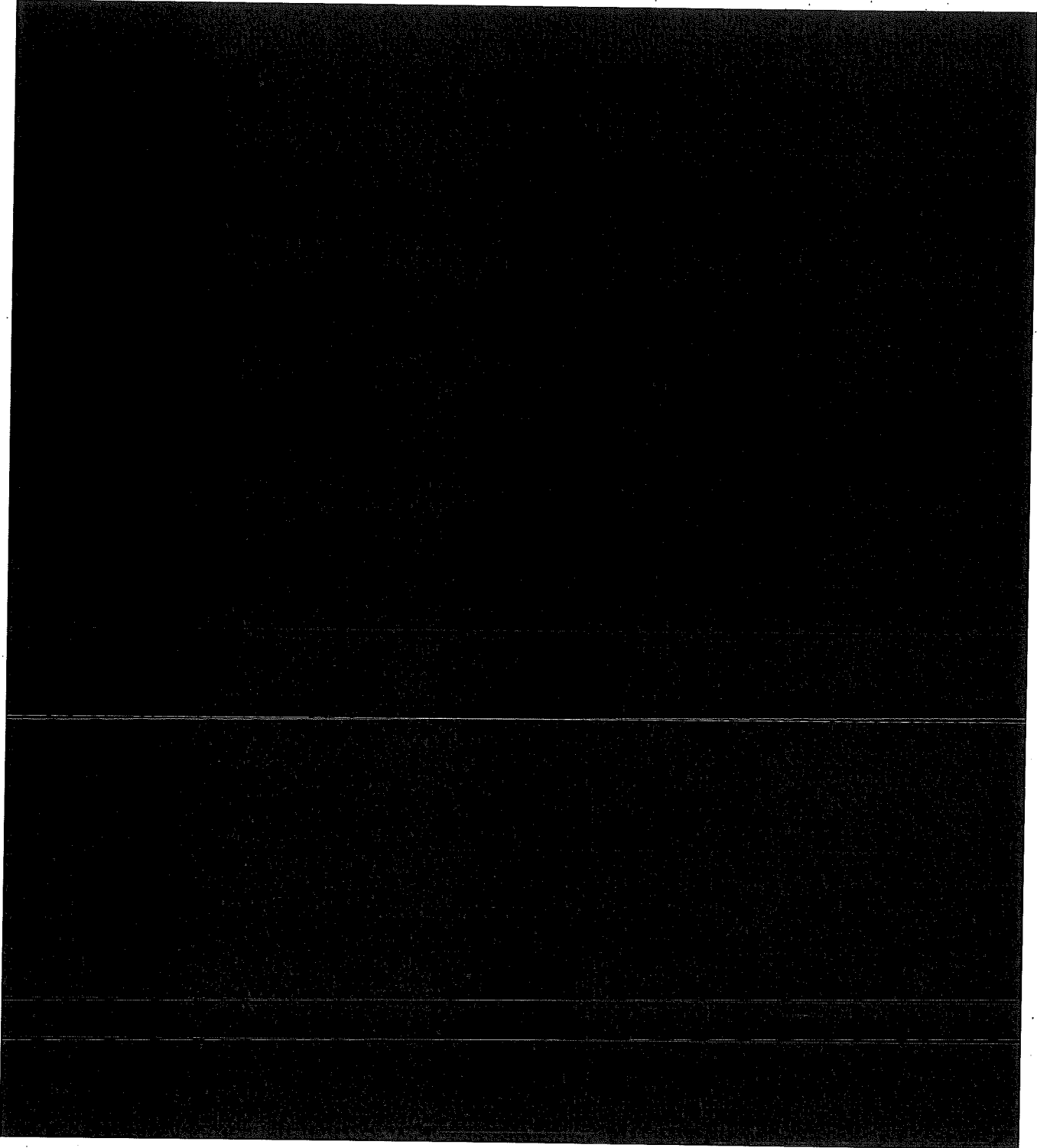
-
-

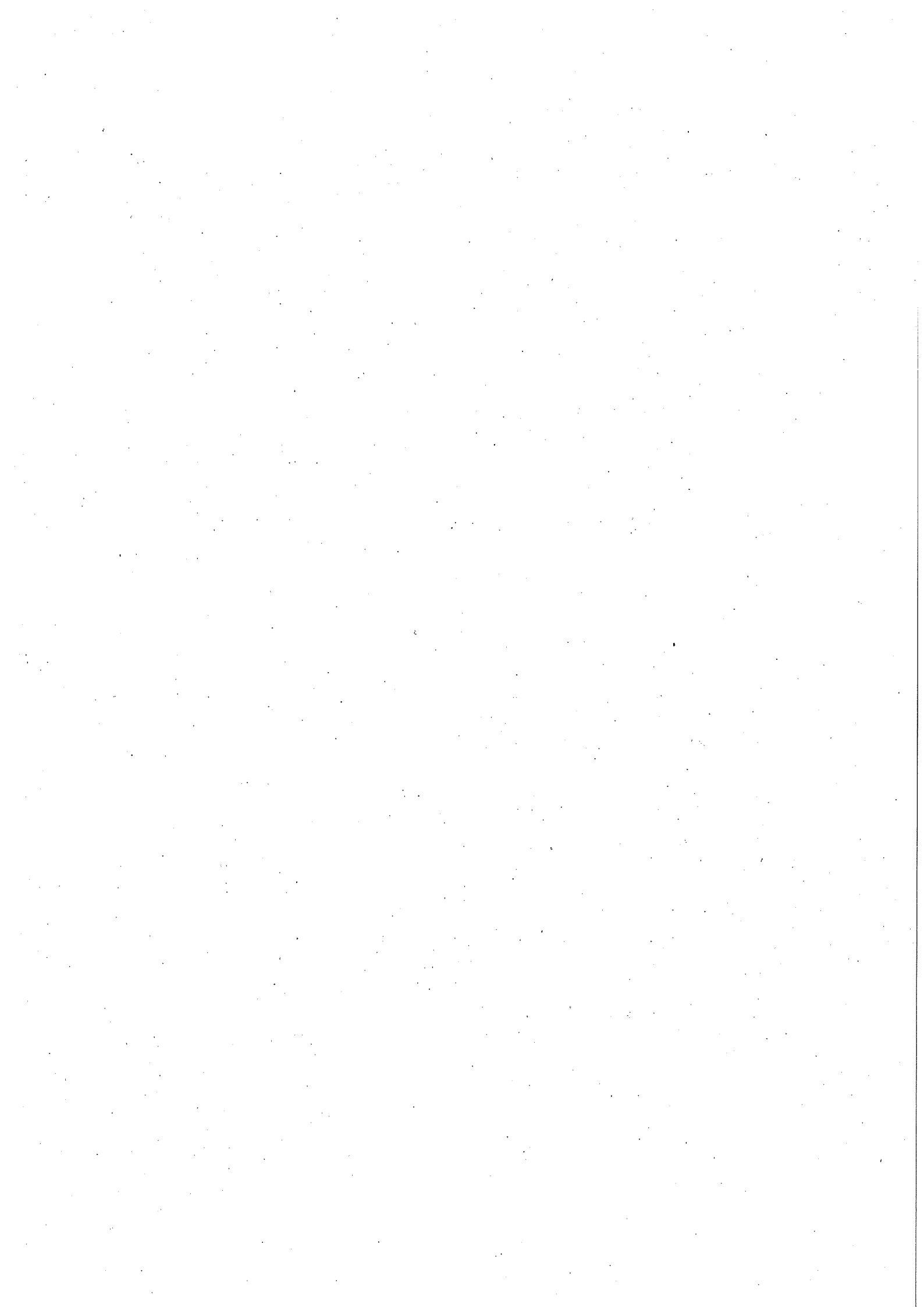




Earlier Administration

- Urban was placed in to voluntary administration on 9 October 2012, and subsequently entered into a Deed of Company Arrangement ("DCA") on 30 November 2012 with the effect that day to day control reverted to Urban's Directors.
- Urban emerged from administration after reaching agreement on a dispute with Lend Lease to whom it was subcontractor at that time for work on the Commonwealth Government's ASIO building project. Urban claimed to be owed \$6 million by Lend Lease.





Hewatt Pty Ltd ("Hewatt")

- Hewatt entered into voluntary administration on 8 May 2014 and appointed PPB Advisory Pty Ltd as the Administrator.
- Hewatt is engaged as a subcontractor on the Majura Parkway project by Fulton Hogan Pty Ltd ("Fulton Hogan"), as well as being directly engaged by the ACT Government on two contracts at Horse Park Drive.
- PPB has committed to working constructively with all stakeholders including employees, unions, sub-contractors and government. SSP is in regular contact with PPB.
- Although SSP understands that the contract between Fulton Hogan and Hewatt has not been terminated, Hewatt is no longer working on the Majura Parkway project. Work on the Majura Parkway project is continuing, and Fulton Hogan has reallocated work to other sub-contractors where appropriate.
- Fulton Hogan has taken on a number of previous Hewatt employees through a labour hire company, while other former Hewatt staff have been employed by other sub-contractors and continue to work on the Majura Parkway project. SSP understands that over 50 staff previously employed or sub-contracted by Hewatt on Majura Parkway continue to work on-site.
- The awarded value of the Majura Parkway contract with Fulton Hogan is \$268,276,814 (GST inclusive). Fulton Hogan continues to retain its assurance that the Majura Parkway project will be completed according to the program and budget established in its existing contract with the Territory.
- Hewatt (In Administration) recommenced work on the Horse Park Drive project on 20 May 2014. It is anticipated that a number of Hewatt employees will retain their employment for longer than would occur if Hewatt withdrew from this project.

