Mr VATSKALIS (Housing):

The Strategic Housing Program announced by both governments in mid-April is a key plank of this overall agenda and the focus of this statement today. Under the memorandum of understanding, the Territory and Commonwealth governments resolved to invest nearly $1bn in housing in the bush. A total of $647m, which includes a $100m from the Territory, will be directed through the Strategic Indigenous Housing and Infrastructure Program over the next five years. The Strategic Housing Program will roll out the overwhelming majority of new houses, upgrades, repair work and the serviced lots and related infrastructure under the MOU. To ensure the strategic goals I outlined earlier are to be achieved and this massive program delivered in a timely fashion, the Territory and Commonwealth jointly canvassed a wide range of contracting models. We have agreed to implement what is called a Strategic Alliance model.

Alliance contracting has a strong track record with large-scale projects that have a complex mix of objectives. It has been used successfully in Australia on the eastern seaboard and South Australia for nearly a decade. I will highlight a key example from Queensland.

The Queensland government commissioned the Split Rock Inca Alliance to deliver the Inca and Wooroona Creeks roads project in north-west Queensland. The Alliance was made up of Queensland Roads, Seymour Whyte Constructions and a group representing the Indjiandji-Dhidhanu people. It has since won the Project Management Award at the 2007 Queensland Engineering Excellence Awards, and also received a Premier’s Innovation in Skilling Award last year. There are several parallels between the Split Rock Inca Alliance and the Strategic Housing Program; most notably, the focus on indigenous engagement, employment and training objectives.

Alliance contracting is based on: cooperation between stakeholders and contractors; achieving outcomes rather than focusing on self-interest; a distribution of risk rather than allocating it to individual stakeholders; fast-tracking projects; and in the case of remote housing, supporting real development in communities. This contracting model has a record of government and the private sector working collaboratively to reduce and manage risks, achieving significant time and budgetary savings, and delivering other objectives that are normally difficult to quantify.