

INFRASTRUCTURE PROJECTS

Lendlease dispute causes more delays for Art Gallery

Lisa Visentin, Alexandra Smith and Linda Morris

The \$344 million expansion of the Art Gallery of NSW is already delayed, with the state government still searching for a developer one year after it called for expressions of interest to build the project.

The Berejiklian government is evaluating bids from four parties to construct the Sydney Modern expansion, after it was forced back to the market amid a costings disagreement in the tender process with construction giant Lendlease.

When the project was given planning approval in November, the Art Gallery released a statement saying construction would “commence in early 2019”.

Lendlease last week submitted a new bid for the project. It was one of three companies shortlisted after expressions of interest were sought in August 2018. Of those three, it is understood only Lendlease tendered for the project.

Infrastructure NSW, the agency overseeing the project, would not respond to questions on why a new tender was required, or when the agency had decided to seek further bids. In a statement, the agency said “a competitive tender process has been under way over recent months” and “we have received four bids from the market which are now being evaluated. The NSW government has been focused on getting a value-for-money outcome for the people of NSW as well as the individuals who have donated money to the delivery of the project,” it said. It also said construction would “commence in 2019”.

While the government has budgeted \$344 million for the construction, \$100 million of this has been provided through private philanthropy, which



Construction firm won't bid to rebuild stadium

One of the construction firms handpicked by the NSW government to bid to rebuild the Sydney Football Stadium says they are not interested in completing the project.

Builder A W Edwards was among a handful of companies - including Multiplex and John Holland - which Infrastructure NSW had last week invited to bid for the project.

It came after the NSW government last week announced Lendlease would not be constructing the stadium because it was unable to complete the \$729 million project within budget.

A W Edwards' business development manager John Devlin said the company - which built the Victor Trumper and Don Bradman stands at the SCG - had decided against making an offer.

“We were honoured to be asked and considered our position with our current workload, pipeline of work and allocation of resources,” Mr Devlin said. “We decided to advise Infrastructure NSW that we will not be submitting a bid for the new stadium. It would be a large project and we decided not to pursue it.”

Megan Gorrey, Alexandra Smith

the Art Gallery has described as the “largest public-private partnerships of its kind in the Australian arts”. However, revelations of the government's difficulties in finding a builder comes a week after it parted ways with Lendlease because it could not meet requirements to rebuild the Sydney Football Stadium on budget by 2022.

Labor leader Jodi McKay accused the government of having a “pattern of behaviour” when it came to delivering

Bids from four parties to construct the Sydney Modern expansion, pictured above, are being evaluated.

big projects, citing the example of the Sydney light rail, which is delayed and \$1 billion over budget. Premier Gladys Berejiklian denied her government had a problem delivering big infrastructure projects, saying it was the government's responsibility to “get the best price and the best product to make sure that we do the best thing by our best citizens”. “We have over 1000 projects on the go,” Ms Berejiklian told ABC Radio yesterday.