



**The Hon. Matt Kean MP**  
Treasurer  
Minister for Energy

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Ms Joanna McAndrew  
State Manager NSW  
Australian Institute of Architects  
Tusculum, 3 Manning Street Potts Point, NSW 2011  
[nsw@architecture.com.au](mailto:nsw@architecture.com.au)

Dear Ms McAndrew

Thank you for your correspondence of 21 June 2022, regarding the Infrastructure Advisory Standard Commercial Framework.

We note and acknowledge the Australian Institute of Architects' concerns in relation to the proposed Infrastructure Advisory Standard Commercial Framework and will address the points raised in the order in which they appear.

The recent Supplier Input Panel Process market engagement requested data from participating Infrastructure Advisory suppliers in Financial Years 2019/20 and 2020/21. The data has been reviewed against recent tender submissions and feedback from NSW government agencies. Draft standard capped rates, discount structures and disbursements have been shared with participating suppliers for feedback. Feedback received regarding the Standard Commercial Framework being below market, using aged data, not being robust or fair will be taken into consideration.

On 1 June 2022, the Treasury project team met with the Australian Institute of Architects and other peak bodies. The meeting was observed by an appointed independent Probity Advisor. At this meeting the project team explained market engagement was in progress. As such, answers to questions had been structured for confidentiality and probity reasons, and they could not go into any further detail.

Feedback received on the timing of implementing standard Terms and Conditions in proximity to the Standard Commercial Framework will also be taken into consideration as part of the feedback process. Proposed capped resource rates, shared in draft for feedback with participating suppliers, are the maximum that can be charged, and consider all levels of risk.

Discounts have been included in the Standard Commercial Framework, as they have been in other NSW Government advisory/performance and management schemes. Discounts represent the sharing of benefits pertaining to the size of an engagement for both suppliers and buyers and are best practice for procurements.

We acknowledge that there are current resource constraints in the Infrastructure Advisory sector. Feedback on a supplier preferencing work in other jurisdictions because of the NSW Government Standard Commercial Framework will be taken into consideration.

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Treasury has sought supplier feedback through a structured market engagement exercise and will review that feedback in consultation with the Construction Leadership Group. Please be assured that all matters for the implementation of the Standard Commercial Framework, as well as Terms and Conditions, are being considered through a robust governance process.

Thank you for bringing these matters to my attention.

Yours sincerely,



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15.8.22