

PROTECTING COST CERTAINTY

Taking action to deliver value across the project lifecycle



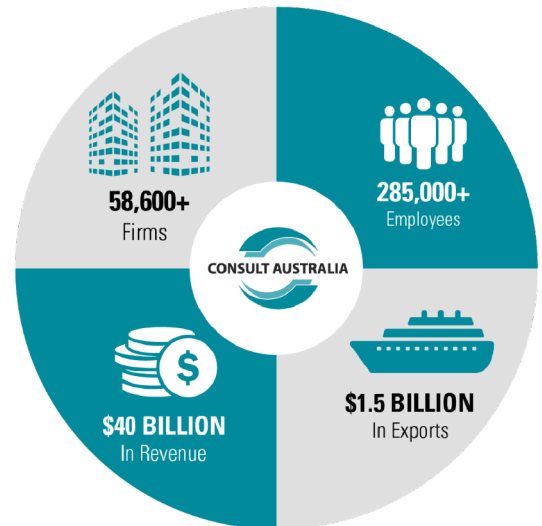
About us

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering.

For more than 70 years, we have championed this sector. Our members, ranging from Australia's most innovative small and medium sized firms to global corporations, deliver the solutions to the nation's most complex challenges helping shape, create and sustain our built and natural environment.

Our vision is for a thriving, competitive consulting industry that supports a prosperous economy and better outcomes for our members' clients including for governments and the communities they serve.

Consult Australia's advocacy is proudly member-led. A full membership list is available on our [website](#).



Centre for Contracting & Risk

This report reflects Consult Australia's focus and depth of experience over 70 years on critical contracting and risk issues.

The [Centre for Contracting & Risk](#) brings together advocacy, education and empowering resources to help industry and government navigate the challenging interplay between contracts, risk and professional indemnity insurance.

Project advisory firm [WT](#), a Consult Australia member, assisted with the development of this report, demonstrating its commitment to the success of the broader industry.



Empowering
growth.

We acknowledge the Traditional Custodians of the land on which we work and live which includes the lands of the Gadigal, Kurna, Turrbal, Whadjuk and Wurundjeri people.

We pay our respect to Elders past and present.

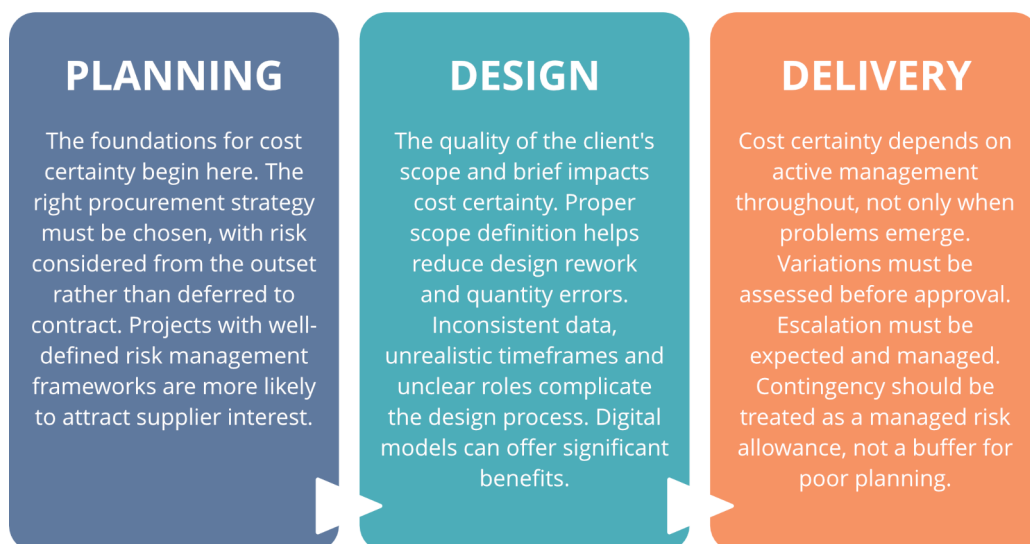
About protecting cost certainty

Few issues attract more scrutiny from governments, clients and the community than the cost of infrastructure projects.

Cost overruns are not inevitable. They are the result of decisions or the absence of decisions made at every stage of a project. When risk is poorly understood at planning, scope is underdeveloped at design, and costs are not actively managed during delivery, the outcome is predictable. Budget certainty erodes, costs blow out followed by claims and disputes.

Our members advise that projects are becoming larger and more complex, and this is not expected to change. When risk and scope are mismanaged on projects of this scale, the cost consequences are significantly greater.

This report is a companion piece to Consult Australia's [Unravelling Risk](#) report which explores the underlying reasons for claims and disputes in Australia's construction industry, especially as it impacts design, advisory and engineering consulting businesses. Protecting Cost Certainty takes that analysis further to examine how risks should be assessed and managed to support cost certainty. This report sets out what is required to deliver cost certainty at each stage of a project, and where current practice falls short.



Five actions help protect cost certainty by improving how risk is managed, how scope is defined and how decisions are made across the lifecycle:

1. Put risk first

Cost certainty starts with how risk is identified and managed from the outset.

2. Scope for success

Cost certainty depends on the client having complete and verified scope before going to market.

3. Communicate clear roles and responsibilities

Cost certainty requires clear accountability for decisions that affect cost.

4. Value variations

Cost certainty is protected when changes are identified early and managed transparently.

5. Strengthen cost management processes

Cost certainty is maintained through active, disciplined cost management.

Collectively, these actions build cost certainty across the project lifecycle. No single action is sufficient on its own. Cost certainty is built through decisions at each stage and protected by clear governance, active management and a collaborative culture when circumstances change.

Consult Australia is committed to working with government and industry to protect cost certainty for infrastructure project delivery.

Cost certainty is not achieved at the end of a project. Cost certainty is built through the decisions made at every stage and protected by clear governance, active management and a collaborative culture when circumstances change.

Actions

Cost certainty is built and maintained across planning, design and delivery. Each section of this report highlights where the system can and should work better. Five actions help protect cost certainty for infrastructure projects. Responsibility for these actions sits with all parties across the lifecycle including clients, consultants and constructors.

1. Put risk first

Cost certainty starts with how risk is identified and managed from the outset. Risk is too often considered late in the process, typically at contract stage rather than embedded from the outset of project planning. Risk identification and allocation must begin during planning, before procurement strategy is set and tenders are issued.

To put risk first:

- embed risk discussions from the start of planning, not at the contract stage.
- choose procurement models that allocate risk to the party best placed to manage it.
- engage specialists early to assess risk profiles and inform procurement strategy.
- price the risk register and avoid a box-ticking exercise.
- use collaborative contracting models that require all parties to identify and communicate risk transparently.

2. Scope for success

Cost certainty depends on the client having complete and verified scope before going to market. Consult Australia's [Unravelling Risk](#) report identifies scoping as a critical reform thread. Incomplete or ambiguous scope is one of the primary drivers of quantity growth, variations, claims and disputes.

To scope for success:

- ensure scope is complete and verified before going to market.
- engage technical expertise during the planning phase to assess scope completeness and flag data gaps.
- use industry briefings or consultant-led back-briefs to stress-test scope before tender.
- include functional specifications alongside design brief and scope to reduce ambiguity.
- treat incomplete scope as a costed risk rather than an accepted unknown starting position.

3. Communicate clear roles and responsibilities

Cost certainty requires clear accountability for decisions that affect cost. Ambiguity about who is responsible for what creates uncertainty.

To communicate clear roles and responsibilities:

- ensure responsibility for quantity take-off on the schedule of rates is clearly assigned and consistent with the contract model.
- require manual verification of quantities extracted directly from digital models.
- manage the transition from design to construction effectively, including through building information modelling (BIM).
- set clear roles and requirements for design and constructability reviews.
- improve communication with designers on interface issues to enable better design coordination and integration.

- check that quantity assumptions and variances are reasonable, drawing on collective experience and available data.
- ensure effective governance across the project lifecycle (i.e. through independent advice and health reviews).

4. Value variations

Cost certainty is protected when changes are identified early and managed transparently. Consult Australia's [Unravelling Risk](#) report identifies variation management as a critical reform thread. Even with rigorous scoping, changes will occur during a project. Design evolves as more information becomes available. Legislative and policy requirements change. Stakeholders shift priorities. These are the realities of complex infrastructure delivery.

To value variations:

- adopt a collaborative, early-warning approach to variations rather than end-of-project negotiation.
- assess variations for cost and program impact before approval, not after.
- keep the client's forecast final cost current by updating as each variation is resolved.
- treat mandatory legislative or policy changes that arise during construction as a client decision, not a cost overrun attributable to any party.
- consider NEC-style compensation event processes to bring discipline and transparency to variation management.

5. Strengthen cost management processes

Cost certainty is maintained through active, disciplined cost management across the life of the project. Cost certainty is not produced by the contract alone or protected by contingency alone. Protecting cost certainty requires disciplined processes for cost planning, quantity review, risk pricing and budget reporting that are applied consistently from planning through to final account. This requires strong communication between all parties throughout planning, design and delivery.

To strengthen cost management processes:

- engage cost consultants actively in the bill of quantities review process and set clear expectations for the level of detail required.
- ensure the quantity surveyor role in quantity take-off is clearly scoped and adequately resourced.
- involve clients and project managers in the risk process as active participants who contribute experience and judgement.
- price risk register items, as an unpriced risk is an unmanaged risk.
- produce regular, clear cost reports throughout delivery (monthly at a minimum) that keep the client informed and enable timely decisions.
- engage cost consultants at design milestones to review cost implications before the project proceeds to the next phase.

Action across the project lifecycle

The table below indicates where the actions are important across the project lifecycle. In the majority of cases, the actions remain important across various stages.

RECOMMENDATION	PLANNING	DESIGN	DELIVERY
1. Put risk first	<input checked="" type="radio"/>		
2. Scope for success	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
3. Communicate clear roles and responsibilities	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
4. Value variations		<input checked="" type="radio"/>	<input checked="" type="radio"/>
5. Strengthen cost management	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Where cost certainty is lost

Consult Australia's members provide the technical disciplines and professional services that shape infrastructure delivery. Every discipline contributes to project decisions that determine, track and influence cost certainty. Quantity surveying plays a central role in this work, engaged throughout the project lifecycle.

Cost overruns in infrastructure projects is not a new challenge. Infrastructure Australia's 2021 report, [A National Study of Infrastructure Risk](#) raised the impact of optimism bias on planning and major cost overruns. In 2023 the Australian Government identified over \$32.8 billion in cost overruns across its \$120 billion program and commissioned the [Infrastructure Investment Program review](#). Recommendations of the review led to 82 projects being ceased, specific risk mitigation on 56 projects and delivery postponed for 36 projects.

Industry continues to observe business cases that prioritise speed and political commitment over rigour, with insufficient investment in early problem definition, options analysis and whole-of-life costing including deliverability.

Cost certainty is anchored before a project reaches the market

The decisions made during planning determine if a project has a realistic chance of being delivered on time and within budget. Consult Australia has long supported earlier and stronger engagement with industry at the earliest stages of projects to improve project outcomes, identify efficiencies and manage risks in scope, cost, timeframes or scheduling against broader pipeline delivery. Decisions to invest properly in planning, engage the right expertise, manage risk as a commercial discipline, assess feasibility and budget, and go to market only when the foundations are in place heavily influence overall cost certainty for a project.

Professional services provide critical input for these decisions. Technical expertise, such as quantity surveying, evaluates risk, identifies gaps in scope or information before a project goes to market, and advises on feasibility, budget implications, procurement strategy and timing for market engagement.

Cost certainty drifts in the move from design to delivery

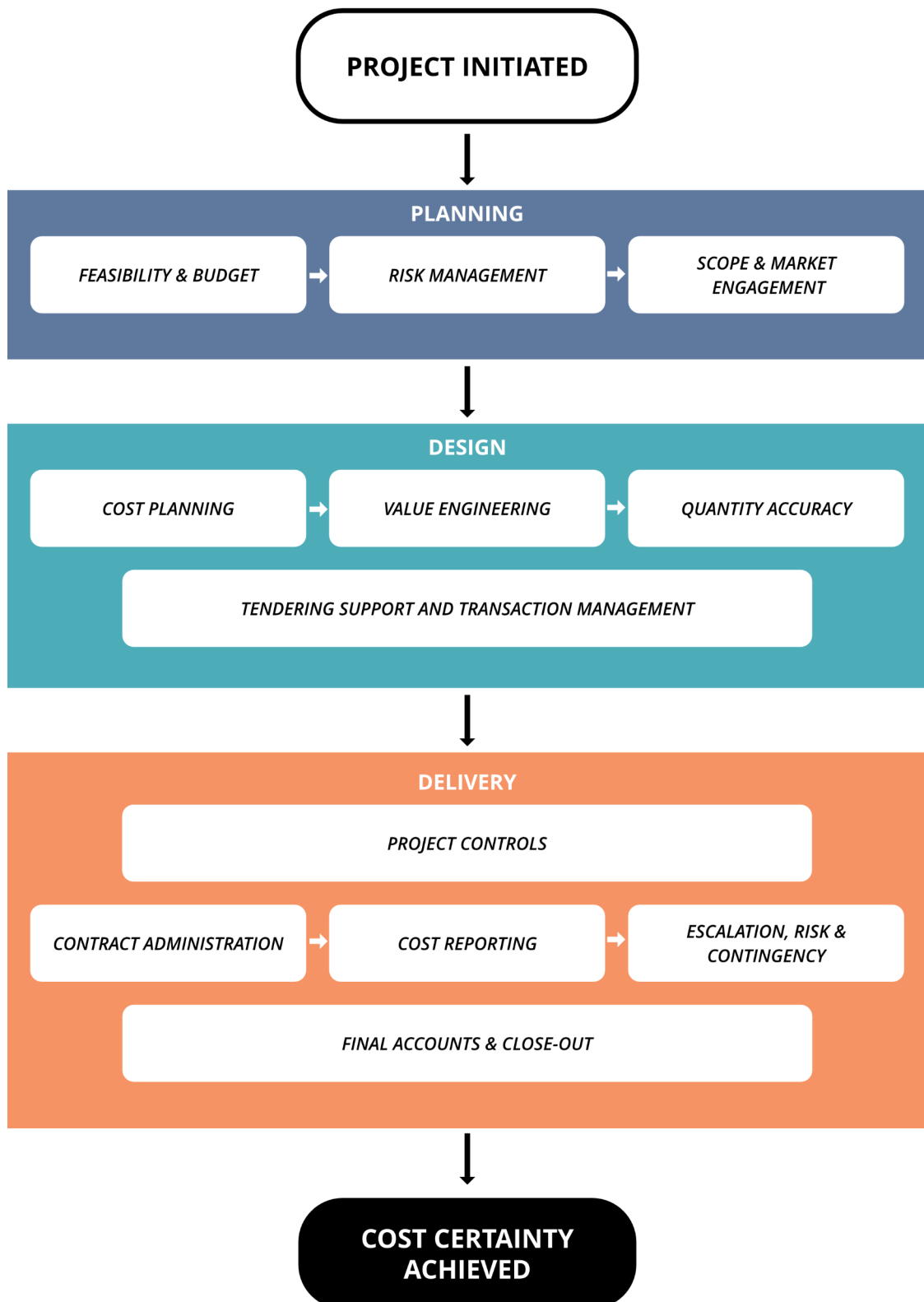
Without strong early and ongoing engagement in cost management, cost certainty is hard to recover once a project moves from design to delivery. The design will progress based on client direction with the designer exploring and testing design options and responding to scope changes. The cost and program implications of any proposed change needs to be assessed before a decision is made, not after. Technical expertise can support design decisions through this stage by translating cost implications for the client.

Contingency is not a substitute for scope clarity

Contingency can provide a deliberate allowance for known risks and residual uncertainty that is reviewed and updated at each design milestone. Setting contingency requires robust risk assessment. Professional services provide the essential context to inform contingency. Past project data can assist, but only when applied with appropriate interpretation. Rigid design requirements can make setting contingency more difficult, particularly if there is an unwillingness to explore alternative solutions, potential outcomes and the associated cost impacts.

The five actions in this report respond to these risks and leverage the knowledge and expertise of professional services in protecting cost certainty. Every party to the project has a responsibility to take forward the actions at every stage of the project lifecycle.

Figure 1. Engaging the right expertise at the right stage



Planning

Put risk first | Scope for success | Communicate clear roles and responsibilities | Strengthen cost management

To protect cost certainty, the focus throughout the planning stage should be on risk and scope management, market engagement and data management. Projects that engage the right expertise early through the planning phase are better placed to attract competitive tenders, manage supply chain risk, and achieve greater cost certainty.

Unravelling Risk

Consult Australia's [Unravelling Risk](#) report recommends embedding risk discussions from the outset. Risk items (including geotechnical conditions, authority approvals, escalation, latent conditions, stakeholder engagement, and supply constraints) each carry a cost, time and likelihood component. For each risk item, a decision is needed: manage the risk by taking action to reduce or allocate to the party best placed to carry the risk and price accordingly. Too often risk items are left unexamined and unpriced, to be absorbed by the supplier when the impacts of risk items arise, leading to disputes and cost overruns.

'Across Australia, the construction labour force remains in high demand, enabling contractors to be increasingly selective about the projects they tender for. In this environment, projects where clients proactively identify, manage and mitigate risks prior to tender are more attractive. Greater risk transparency encourages stronger supplier interest, resulting in a more competitive tender environment and cost benefits for clients.'

Sam Mendoza, National Infrastructure Sector Lead, WT

Early engagement of the right expertise with clear roles and reporting lines will support risk and cost certainty. Ambiguity about who is responsible for cost advice, scope definition and risk identification creates gaps that multiply over time. Projects that establish these responsibilities clearly at the planning stage (including who holds each role, who they report to, and how information flows to decision-makers) consistently outperform those that do not. Without this structure, even the best expertise cannot be applied effectively.

A consultant can support the client in the development of a procurement approach that reflects the risk profile of the project. Where a client has not yet decided on a procurement model, the market briefing provides an opportunity to shape that choice. In this context, specialists can work with clients to signal intent and risk appetite to get more competitive responses, and a more informed basis for client investment decisions. This is especially valuable in a constrained market where suppliers assess risk profiles before deciding to bid. A project that cannot demonstrate how its risks are understood and managed is less attractive to suppliers.

CASE STUDY: NEC4 contracts—a procurement approach that focuses on risk

Collaborative contracting models, such as the NEC4 suite of contracts, are designed to make risk visible and allocate it appropriately between parties. NEC4 provide contracts with different pricing options to suit client and project requirements. Each pricing option has a different approach to payment and risk. Under NEC4, every party has a contractual obligation to identify and communicate risk. Visibility of risk changes the culture of a project as risk management moves from a defensive exercise to a collaborative one.

For more information see NEC, [Delivering Better Project Outcomes in Australia \(2024\)](#)

Scope and market engagement

Change in scope remains the highest cause of claims or disputes in Oceania in HKA's [November 2025 CRUX report](#), accounting for 48% of construction claims, compared to 33.5% globally. These results show a failure to invest in scope definition before projects go to market. A project that goes to market without clear scope forces suppliers to price for uncertainty. Where scope is deliberately left open to invite supply chain input, this should be made explicit.

Consult Australia's [Unravelling Risk](#) report outlines how to get the best quality scope. The best quality scope has:

- input from a wide range of stakeholders, including consultants and constructors, through market briefings or by engaging a consultant to reverse-engineer a project brief.
- realistic timeframes and budgets, verified background information, and sufficient clarity to support appropriate risk allocation.

A project that goes to market without these components is not fully ready.

In articulating scope, the quality of the brief and completeness of investigations impacts risk and cost. Consult Australia members report that brief quality varies across clients. Not all project briefs include associated functional specifications which can help to clarify design requirements and expectations. When investigations are not completed before the designer comes on board due to time constraints or the need for constructor input, the likelihood of risk being unpriced and unmanaged increases.

Ideally clients have a project brief that clearly defines the scope of works, backed up with detailed functional specification, previous works, business case and budget. Market engagement in the planning stage helps the client understand if the project requirements are well understood before pricing begins and if the market can deliver them.

Where political pressure to make early announcements results in cost figures being published before they have been properly developed, market engagement is even more important. The budget should reflect how the project will be delivered. A budget that does not account for the chosen procurement model, the risk profile of the work, or current market conditions provides no cost certainty.

The earlier the market is engaged, the better the cost outcome. Industry briefings, direct market engagement, and clear tender documentation all contribute to a more informed market response. Where ambiguity exists in tender documents, the cost of seeking clarification is far lower than the cost of pricing for the unknown. For cost certainty, an informed market is in all parties' interest.

Managing investigations

Consult Australia notes that in most cases the client holds (or should hold) the relevant data. Contracts typically reinforce the expectation that clients provide all necessary information. In practice consultants are increasingly asked to scope and manage investigations on the client's behalf. This carries significant risk, liability and insurance implications that need to be considered and managed, and can impact cost. This issue can be mitigated by clearly defining the responsibilities and boundaries for investigations in the contract.



CASE STUDY: The value of the back-brief

Scope is not always fully defined when a project goes to market. In some cases, this is deliberate. A client may issue a tender with limited scope definition precisely because they are seeking the knowledge and expertise of the market to help shape the project.

A Consult Australia member recently experienced this on a government bid for a health project. The scope of works was undefined. Project durations were largely unknown. Yet tenderers were required to submit a fixed price bid.

To respond, the member drew on lessons learnt from comparable health projects and applied sector-specific knowledge to estimate the scope, project durations and procurement requirements. This experience-based assessment formed the foundation of a detailed back-brief: a structured response that demonstrated a clear understanding of the project, its constraints, and a credible approach to delivery.

This example illustrates the value of this expertise in promoting cost certainty. When scope is incomplete, a consultant's ability to draw on past project data, apply professional judgement, and communicate that reasoning clearly to the client directly supports cost certainty.

Data and information management supports cost accuracy

Inconsistent information complicates planning and weakens cost certainty. When data is incomplete, contradictory or withheld at the planning stage, assumptions need to be made instead of working from facts.

Data gaps that exist at the planning stage should be identified, disclosed and resolved before the project goes to market. Where that is not possible, the gap and its implications should be clearly communicated. Concealed or undisclosed data gaps do not reduce risk. They transfer risk invisibly to suppliers who cannot price what they do not know.

Consult Australia views effective data and information management as a cost certainty tool. A single point of truth supports transparency, improves planning, reduces rework and disputes. The resulting feedback loop enables lessons learnt and outturn outcomes to inform planning assumptions, risk analysis, contingency setting and future procurement strategies.

Building data and information management capability

Technology already in use across the industry can support disciplined data and information management on infrastructure projects. Capturing cost, quantities, productivity and program performance across projects creates benchmarks that improve future estimating, assurance and decision-making. To build this capability, Consult Australia member, WT, recommends projects have:

- an agreed framework of data standards, covering work breakdown structures, asset classifications, cost codes, and measurement rules.
- clear governance over data quality and version control.
- a secure platform that integrates key sources, including briefs, design models, schedules, risk registers, change and variation logs, and actuals, with access provided to approved personnel.

Consult Australia's [Digital by Default](#) campaign continues its advocacy for data and information management capability.

Design

Scope for success | Communicate clear roles and responsibilities | Value variations | Strengthen cost management

To protect cost certainty, the focus in design includes managing variations, quantity accuracy and tracking progress. Design is not a linear process: scope evolves, assumptions are revised, stakeholders change and new information comes to light. Strong cost management throughout the design stage is essential.

Variation management

Managing variations during design requires clarity. Consult Australia's [Unravelling Risk](#) report recommends all parties avoid the blame game and value the variation process with a focus on achieving the best outcome for the project. All parties should be transparent about issues arising that may lead to a variation.

Consult Australia members identify several factors that contribute to design changes and variations:

- **Poorly managed scope changes** can lead to late variations being actioned under constrained timeframes, without corresponding adjustments to contract end dates.
- **Constructability reviews** are often not undertaken early enough or with sufficient rigour during the design stage. Issues are only raised during construction, when they are more expensive to resolve.
- **Interface issues** are not always clearly communicated, leading to gaps in coordination, integration challenges and downstream delivery risks.
- **Construction commencing before design completion** can result in ongoing design changes during delivery.
- **Stakeholder changes** can introduce new priorities and directions, requiring design revisions and rework.
- **Unrealistic program scheduling** can leave insufficient time for adequate review and coordination.

CASE STUDY: Scope creep, stakeholder change and the cost of late decisions

Change in scope is [reported by HKA](#) as a leading cause for claims in Oceania. Claims in respect of scope often relate to where the scope has changed over the life of the project because it was not well defined at the commencement. The tendency for projects to go to market without proper scope is more likely for government-funded projects when there is political pressure to announce early with details (such as cost) that haven't been fully developed. Scope creep/change is also a regular occurrence on highly technical and complex projects with long timelines.

Under stakeholder pressure, well-defined concepts can quickly accumulate additions that were not in the original scope or budget. When a client team changes during design, new personnel bring new priorities. What was locked in with the previous team gets reopened and the cost consequences can be significant.

Clearly identifying stakeholder requirements from the outset, prioritising must-haves over nice-to-haves and locking in scope early are among the most effective strategies for preventing cost blowout.

Managing scope well during design is one of the highest-value investments a client can make. Poor scope management in design carries into delivery, where problems become harder and more expensive to resolve.

Quantity accuracy

Changes in quantities through the development of a design should be expected and managed proactively. Quantity surveying and cost consulting are specialist roles. Cost estimates involve professional judgement, and different valuers will often reach different conclusions based on their interpretation of available data. Industry accepted standards and guidance, like that provided through professional bodies such as the [Australian Institute of Quantity Surveyors](#) (AIQS) or the [Royal Institute of Chartered Surveyors](#) (RICS), aim to minimise subjectivity and inconsistencies in measurement and cost estimates. The goal is not to eliminate variation between estimates but to manage variation transparently and within acceptable tolerances.

Consult Australia members identify several factors that contribute to quantity growth beyond normal design progression:

- **Scope of service** does not always include a comprehensive quantity check. Quantity surveying is a specialist role, and separately contracting for this service may be more appropriate.
- **Lack of data** leads to increased assumptions. Where there is insufficient investigation data, e.g. geotechnical or survey information, assumptions must be made.
- **Insufficient checks** between the client and designer. Where quantities are assumed, the client and designer should verify them against collective experience and judgement.
- **Quantities extracted from BIM models** without manual checks can contain errors that are difficult to identify during standard reviews.
- **Stage of design** can impact quantities (with or without scope change). Quantities will change as the design progresses and more information becomes available. Quantities at feasibility stage will differ from those at detailed design.

Progress assessment

Assessing design completion before construction is an important step in determining overall project cost. Design and construction can sometimes run concurrently, particularly where program pressure is high. This makes early and rigorous design tracking even more important. Engagement with a quantity surveyor will enable teams to track if the design stays within budget, flag cost trends and consider trade-offs between design options.

When stakeholders can see the cost and program implications of every proposed change clearly mapped out, they'll be far more empowered in their decision-making. Tracking every change is what makes that visibility possible.

WT, [From Vision to Legacy](#) report

Consult Australia members also report two broader factors that affect design progress independent of consultant performance: design review process and project manager experience. The quality of design outcomes can be compromised when design timeframes are set by working backwards from fixed project delivery dates, or when there is insufficient time and resources for design review and action of comments.

Variability in the experience of client project managers also influences design outcomes. Where there is limited ability to challenge or influence client inputs, avoidable design iteration can occur that impacts progress.

BIM has changed how designs are produced, managed and used. This has changed the role of the quantity surveyor. The quantity surveyor is shifting from manual quantification to interpreting and validating model-derived data for stakeholders.

CASE STUDY: Getting cost certainty from BIM

BIM creates new efficiencies in design and construction, but those efficiencies do not materialise automatically. They depend on how well the BIM framework is developed, implemented and maintained.

Quantities extracted directly from a model without manual checks can produce errors that are difficult to detect in standard reviews. A scope of service that includes independent quantity validation by a quantity surveyor can mitigate this risk.

Well-governed BIM models produce more competitive tender responses reflected in reduction in contingencies as contractors have less uncertainty to price in for errors, variations and rework.

BIM governance is a cost management tool. Projects that invest in independent BIM oversight, including milestone reviews and manual quantity validation, are better placed to go to market with confidence and attract competitive responses.

Learn more about getting the most from your [BIM investment](#).

See Consult Australia's [Digital by Default](#) recommendation, which calls to embed requirements through procurement with an outcome-led approach.



Delivery

Communicate clear roles and responsibilities | Value variations | Strengthen cost management

Planning and design decisions shape the budget and delivery tests it. Cost certainty can be maintained or lost once construction begins.

In delivery, the role of a quantity surveyor shifts to active cost management: monitoring expenditure, assessing claims, reporting against the approved budget, and advising the client on decisions that carry cost consequences.

Cost escalation

Cost escalation is one of the most persistent challenges in infrastructure delivery. Labour shortages, materials price volatility, exchange rate movements and rising energy costs all contribute to cost escalation.

Traditional construct-only contracts with detailed bills of quantities are designed for an environment where scope is fixed, quantities are certain, and the constructor is pricing a known body of work. That model still has its place, but is increasingly ill-suited to complex, long-duration projects where scope evolves and market conditions shift materially between tender and completion.

The industry has responded by moving toward more flexible arrangements. Schedules of rates, which establish unit costs without fixing quantities, are now commonly used on projects where scope may change. A schedule of rates allows clients and suppliers to price variations against an agreed baseline, rather than negotiating each change from scratch.

Flexibility comes with its own risks. Where schedules of rates lack detail, or where quantity take-offs have not been independently checked, gaps emerge. A bill of quantities review process may not be sufficiently detailed and more collaborative involvement by consultants can improve outcomes. Prioritising and resourcing the quantity take-off is important as this produces the detailed listing of project needs (labour, equipment and materials) that informs costing.

CASE STUDY: Managing escalation risk — Brisbane 2032

Queensland's infrastructure program ahead of the 2032 Brisbane Olympic and Paralympic Games illustrates what cost escalation risk looks like in practice, and what active management during delivery requires.

WT's [From Vision to Legacy](#) report estimates a construction footprint of approximately \$120 billion across Queensland's building and infrastructure sectors. Building-sector escalation in Brisbane is forecast to reach its peak in 2028, with labour among the primary drivers.

In this environment, a fixed-price construct-only contract is unlikely to attract competitive bids. Contractors will price significant risk premiums into their offers or decline to bid. The client ends up bearing the cost of risk that was assumed to have been transferred.

[WT identifies](#) mitigations relevant to the delivery phase: locking in project labour agreements early with productivity clauses; standardising specifications to allow like-for-like alternatives; and adopting fuel adjustment formulas and foreign exchange adjustment mechanisms with transparent pass-through provisions. Each of these is a mechanism for managing escalation risk within the contract, rather than absorbing through contingency.

The quantity surveyor has a direct role in this: advising on appropriate contract structures at procurement, modelling escalation scenarios and their budget impact, and monitoring actual escalation against forecasts during delivery. Where escalation runs above forecast, early advice gives the client options. Late advice does not.

For more information see WT's [From Vision to Legacy](#) report.



Active project & contingency management

Cost certainty in delivery requires active project management. Contingency set during design becomes a managed allowance in delivery. Experience across the industry points to several practices that protect cost certainty during delivery:

- **Variation management** to assess cost and program impact before approving variations. The quantity surveyor is well placed to assess the reasonableness of contractor claims and negotiate on the client's behalf. [HKA reports](#) uncontrolled variations as one of the most common causes of cost overrun.
- **Program monitoring** as delay costs money. Early identification of program slippage, before extension of time claims or additional preliminaries arise, gives the client options.
- **BIM model management** to continue the benefits from design into delivery. [WT identifies](#) the delivery phase as a particularly risky time for BIM as models can fall behind the reality of what is happening on site, and the benefits built up during design can erode quickly if the model is not actively maintained. An independent BIM adviser helps protect against model drift and removes any risk of bias. A well-maintained model reduces information requests, limits rework and supports a smoother handover at practical completion.
- **Subcontractor and supply chain risk** can result in financial stress or delivery risk, leading to project disruption and cost escalation. Early visibility of these risks gives the client and contractor the best chance of managing them before they affect the program.
- **Legislative and specification changes** that happen mid-project can carry cost and program consequences that are best assessed before a decision is made to adopt them.

Managing funding adjustments

Even well-managed projects encounter circumstances that require a funding adjustment. Unforeseen ground conditions, mandatory regulatory changes or significant scope additions may all justify additional funding not included in the original approved budget.

What distinguishes projects that manage these circumstances well is not the absence of cost pressures, but the presence of a defined, transparent process for responding to them. Adjustments absorbed through contingency drawdown, deferred scope or end-of-project reconciliation are a sign that governance has broken down.

A sound funding adjustment process should be established before construction begins and documented in the project governance framework. Where this process is not in place, funding adjustments tend to be deferred, disputed or managed informally. The result is reduced accountability and increased financial risk that often surfaces only at final account, when options for mitigation have closed.

CASE STUDY: NEC4 contracts—compensation events

The NEC4 suite of contracts demonstrates what this looks like in practice. Under NEC4, changes to the scope of work are handled through 'compensation events'—a defined process for assessing and agreeing the cost and time implications of scope changes. The program and budget are updated as each event is resolved, so there are no surprises at final account. This is a more disciplined approach than end-of-project negotiation and gives the client a continuously accurate forecast of the final cost.

For more information see NEC, [Delivering Better Project Outcomes in Australia \(2024\)](#)

Next steps

Take action to deliver value through planning, design and delivery.

Five actions help protect cost certainty for infrastructure projects:

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Cost certainty is maintained through active, disciplined cost management.

Responsibility for these actions sits with all parties across the lifecycle including clients, consultants and constructors.

We invite you to actively support the reforms in [Unravelling Risk](#) and Protecting Cost Certainty. Together these reports provide a clear pathway for government and industry to strengthen collaboration and transparency on risk and cost, supporting better outcomes on projects.

Thanks to our Industry Champions

We acknowledge their outstanding leadership and engagement on behalf of the industry.



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Jacobs

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Stantec

COLLABORATIVE LEADERSHIP COMMITTED TO THE SUCCESS OF OUR INDUSTRY

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