

Collaborating is the only way Forward

The construction industry enters a new era facing an environment of unprecedented uncertainty. Volatile material prices, persistent supply chain disruptions, labour shortages, climate-related risks, and tightening financing conditions have collectively exposed the limits of traditional contracting models. In this landscape, the long-standing reliance on aggressive risk transfer and adversarial contractual positions is no longer sustainable. Increasingly, one conclusion is becoming unavoidable: collaborating is the only way forward.

Uncertainty has Redefined Risk in Construction

The risks confronting construction projects today are no longer isolated, predictable, or easily priced. Extreme weather events, global geopolitical tensions, regulatory changes, and ESG-driven obligations are systemic in nature. Attempting to transfer these risks unilaterally to contractors through rigid, lump-sum contracts has led to inflated pricing, frequent disputes, project delays, and, in some cases, contractor insolvencies.

Traditional contracting models assume that risk can be neatly allocated to the party “best able to manage it”. In practice, many modern risks are beyond the control of any single party. The result is a cycle of defensive behaviour, claim-driven project management, and deteriorating trust outcomes that undermine project performance precisely when resilience is most needed.

Collaborative Contracting as a Response to Volatility

Collaborative contracting offers a pragmatic response to this new reality.

Rather than seeking to eliminate risk through contractual rigidity, it acknowledges uncertainty and manages it collectively. Models such as alliance contracting, early contractor involvement, CIDB 2022 form style frameworks, and relational contracting place emphasis on transparency, shared objectives, and early issue resolution.

Under collaborative arrangements, risks are openly discussed and jointly mitigated rather than concealed behind contractual silos. This approach allows project teams to respond more quickly to unforeseen events, make informed decisions based on real-time data, and avoid the paralysis that often accompanies contractual deadlock.

In uncertain conditions, speed, adaptability, and trust are as valuable as technical expertise. Collaborative contracting creates the governance structures necessary to support all three.

Enhancing Project Resilience Through Collaboration

One of the most significant advantages of collaborative contracting is its ability to enhance project resilience. More realistic costing, shared risk registers, and joint decision-making forums reduce the likelihood of late-stage surprises. Problems are addressed when they arise, not after positions have hardened into disputes.

This approach also improves cost certainty. While collaborative contracts may appear less rigid at the outset, they often deliver more predictable outcomes by avoiding the hidden contingencies and adversarial behaviours embedded in traditional pricing. In volatile markets, this transparency is increasingly attractive to financiers and investors who prioritise cash-flow stability over nominal risk transfer.

The Power of a Mindset Shift

At the heart of collaborative contracting lies a fundamental shift in mindset. It requires parties to move away from a “win-lose” mentality toward a shared commitment to project success. For the private sector, this is not about relinquishing

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contractual rights, but about exercising them more intelligently.

When stakeholders adopt a collaborative mindset, disputes are no longer viewed as commercial opportunities but as project failures. Resources previously spent on claims, legal fees, and expert reports can instead be invested in innovation, safety, and quality improvements. Senior management time is redirected from dispute management to value creation.

Importantly, collaboration fosters repeat relationships and reputational capital. In an industry increasingly driven by long-term frameworks, PPPs, and ESG considerations, trust and performance history are becoming decisive competitive advantages.

Commercial and ESG Benefits for the Private Sector

Collaborative contracting aligns closely with emerging ESG expectations. Transparent governance structures support stronger compliance and accountability. Shared responsibility for safety and community engagement enhances social outcomes. Environmentally sustainable solutions are more likely to be implemented when design and construction decisions are made collectively rather than defensively.

From a commercial perspective, collaborative projects tend to experience fewer delays, lower dispute

costs, and better whole-of-life asset performance. These outcomes directly support bankability and long-term returns, key considerations for private investors and concessionaires.

A Necessary Evolution, Not a Passing Trend

Collaborative contracting is not a theoretical ideal or a temporary policy experiment. It is a practical evolution driven by necessity. As uncertainty becomes the defining characteristic of the construction industry, contracts designed for certainty and control will continue to fail.

The question facing the industry is no longer whether collaboration works, but whether it can afford not to adopt it. Those who persist with adversarial models risk higher costs, strained relationships, and diminished competitiveness. Those who embrace collaboration position themselves to navigate uncertainty with resilience, agility, and confidence.

Conclusion

In a world where construction risks are increasingly shared, complex, and unpredictable, isolation is no longer a viable strategy. Collaboration is not a sign of weakness; it is a mark of commercial maturity. By changing mindsets and embracing collaborative contracting, the construction industry can move beyond survival mode and toward sustainable, value-driven delivery.