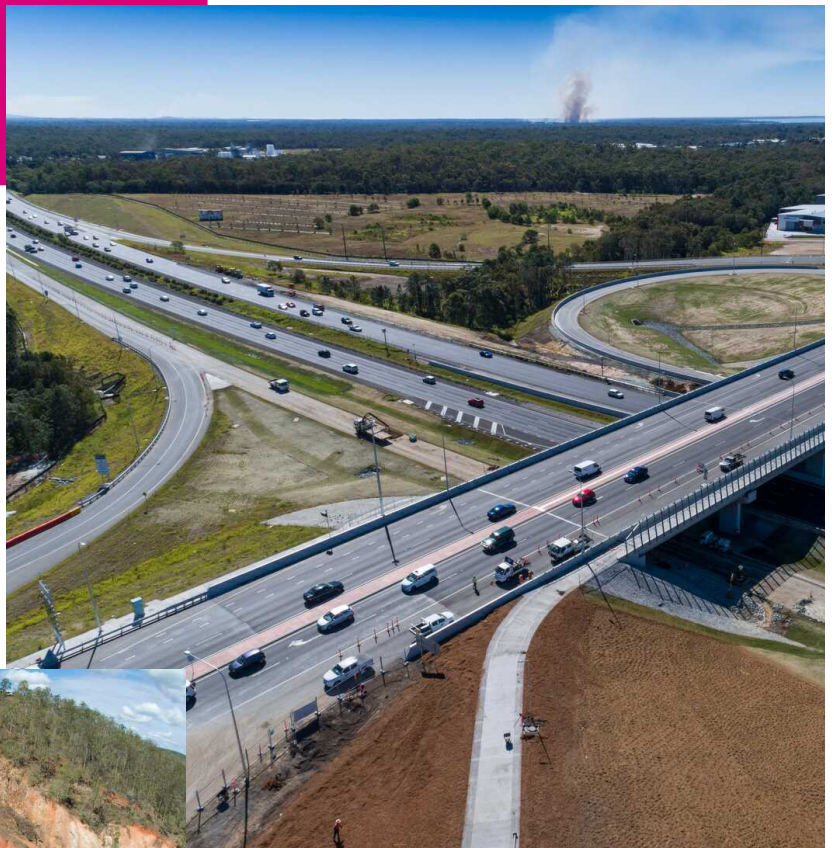
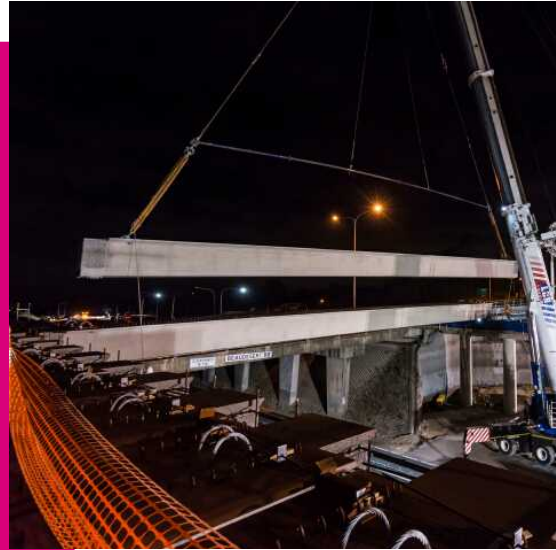




Queensland Major Contractors Association

Annual Report 2019 - 2020







John Kirkwood - Chair QMCA

Chair's Report

Just when we thought we could not get a more interesting year than 2019 along came 2020 and everything we knew, or thought we knew, was thrown on its head. However, as we know, every challenge presents opportunities, and as a result of COVID-19, we spent a lot more time talking to our Industry Partners and Clients working through the new challenges that COVID-19 threw at us.

For added interest, we also had a change of CEO within QMCA with Jon Davies leaving to work with another Industry Association. I would like to take this opportunity to thank Jon for all his efforts over the last 2 years and in particular during the 2020 year of the COVID-19.

In a similar vein, we had the excitement of welcoming Andrew Chapman as CEO of the QMCA who I know has reached out to many of our stakeholders. Andrew is well known to many in the industry, and this has made the transition from Jon to Andrew pretty seamless. Jon's ongoing relationship with members of the QMCA has also ensured that, through his new role, we are presenting a united Industry voice.

One of the great impacts of COVID-19 has been the curtailing of our regular breakfasts and I am sure you will be delighted to hear that we will be reinvigorating them in 2021. In closing, I would like to thank the Board of QMCA for their continued support of our Association and of me, and I look forward to all of our stakeholders continued engagement in 2021.





Andrew Chapman - CEO

CEO's Report

I have been in the role with the QMCA now since the start of August and I would like to firstly thank Jon Davies for his outstanding leadership and direction he created for the QMCA over the past two years. The position that the organisation holds in the market place, and with key clients and stakeholders is a direct result of the hard work and foundation that Jon has created over this period of time.

2020 has certainly been an interesting year. Since the start of the year, we have seen bushfires, localised flooding and then a pandemic which has induced an economic downturn. The recovery from the economic downturn will take sometime; however the construction industry has been identified time and time again by all levels of government as a crucial element in the economic recovery. As a result, we have seen various forms of stimulus works being brought to market and projects being brought forward to help drive growth and jobs.

From the start of 2020, the sector was somewhat downbeat with little work in the marketplace or being brought to market by clients- to now where there is now an air of optimism. The challenge is that much of the funding is associated with projects that will be concluded by 2022/23, and this places further challenges for the long-term sustainability of the industry.

This year the construction industry in QLD has faced many challenges, and the least of which has been how we respond to COVID and remain operating. In that space Jon Davies undertook a mountain of work along with our Chair, John Kirkwood, in liaising with Government to achieve an outcome that enabled the industry to keep operating, sustaining employment in a critical industry through the period of "shut down" in March-May.

The election has been run and won and now we await to see how the returned ALP state government will deliver a budget and remain committed to ensuring that the engineering and construction industry has ongoing work; particularly bringing projects to market in a timely and efficient manner.

There are many issues affecting our industry over the short to medium term, and these include:

- Industrial relations and on-going changes and union and political interference in the space
- Commercial/ contracting frameworks and the appropriate apportionment of risk
- Funding of the program that delivers value for money and enables the private sector to invest in works as well.
- Management of COVID arrangements that allow the construction sector to continue to operate
- Digital and technology that can provide productivity enhancements
- A committed and funded and approved pipeline of works that delivers certainty for the sector beyond the typical 2-year timeframe
- The transition to a "greener" energy generation and consumption marketplace and the changing demand for associated infrastructure
- Sustainability in the way that the industry operates, uses materials and recycling
- Engagement with local communities, capacity strengthening of local sub-contractors, suppliers and industry



These are issues and challenges that we need to respond to and continually improve to deliver value for clients, stakeholders and the community. As an organisation, these are some of the defining issues that we will be focussing on through our working groups over the coming year.

Hopefully 2021 will see the bulk of the health pandemic behind us, and we can focus on economic recovery. Our sector is vital to this and it is important that there is not only a committed and funded long term pipeline but critically a balanced Industrial Relations framework. These are major issues that the QMCA is engaging with government and other stakeholders on.

Advocacy & Industry Engagement

Throughout the year, the QMCA has maintained an active engagement program advocating for key issues of relevance to the sector with key clients and stakeholders. These parties include:

- Infrastructure Australia (IA)
- Reserve Bank of Australia (RBA)
- QLD Government (DPC, DSD, DTMR, DNRME, DPWH, Treasury)
- Brisbane City Council (BCC)
- State Opposition
- Federal Government
- Sunwater
- SEQ Water
- CleanCo

In addition to this the organisation liaises with and works closely with other industry associations to jointly push certain issues and topics with the community and stakeholders, these other organisations include:

- Infrastructure Association of QLD (IAQ)
- Qld Resources Council (QRC)
- Committee for Brisbane (CfB)
- Property Council of Australia (PCA)
- Qld Master Builders Association (QLD MBA)
- Civil Contractors Federation (CCF)
- Toowoomba and Surat Basin Enterprise (TSBE)
- Townsville Enterprise Limited (TEL)
- Regional Development Australia (RDA)

Engagement and advocacy jointly with other industry groups will be maintained over the forthcoming year as well on key issues as this provides greater strength in the arguments with government.



Events

The QMCA has long prided itself with an engaging series of events. With some signature events such as the Major Projects and Pipeline Report and the QMCA awards, coupled with relevant industry breakfast topics, the events program offers benefits for all of the membership.

COVID restrictions have affected the ability to run the usual face to face events that our associate members and other stakeholders enjoy and gain a lot from (Beit learnings and knowledge sharing to networking). Due to the COVID restrictions, we resorted to running virtual events and whilst they were popular they didn't provide that level of engagement that many were after.

Despite this over the last year the following events have been run:

- QMCA BreakFast Event - Healthy Breakfast, Brisbane, February
- Queensland Major Projects and Pipeline Report- Brisbane, October
- Queensland Major Projects and Pipeline Report – Toowoomba, October

Virtual Events have also been run including:

- Virtual Event - Queensland Major Projects Pipeline Report Launch, March
- Virtual Breakfast - COVID-19 What Construction Needs to Know, April
- Virtual Breakfast - Construction 4.0, May
- Virtual Breakfast - Local Content, September

Given the easing of restrictions, we are recommencing the face to face events. We understand that the face to face events provide significant value for our members, not only with knowledge sharing but also with networking. Events going forward will be based on three tiers:

- Tier 1: Major industry events:
 - Breakfasts, lunches or dinners
 - 3 per year (Major Projects and Pipeline, Awards and one other event)
- Tier 2: Industry Breakfasts
 - Key topics of interest
 - 6-8 events per year
- Tier 3: Networking Events
 - Informal networking drinks
 - 3-4 per year

In addition to this, we will be looking to do some private boardroom style events with the new ministers of relevance throughout the next 6 months for Executive Members.



Working Groups

There are six main working groups within the QMCA structure, and these involve a range of people from across the membership of the organisation. Involvement in the working groups is open to anyone from across the association's member companies (associate, general and executive). We welcome members to encourage their employees to get involved in the relevant working groups and help contribute to developing key initiatives and programs that can benefit the engineering and construction industry in QLD.

Safety

The safety working group has focussed on the industry's response to COVID and how this can be effectively managed safely and efficiently to ensure that the construction industry remains operable in QLD.

Industrial Relations

The Industrial Relations working group has been very active over the past 12 months, with changes to the IR regime in QLD and nationally in relation to COVID 19 and how this affects site works. Some of the key activities and initiatives included:

- There has been a significant focus on input into the Federal Government's Workplace Reform including submitting papers on Co-operative Workplaces and the Code for Tendering and Performance of Building Work
- Provided input and feedback (not entirely positive) to the State Government on the changes that they have made to industrial relations frameworks by the introduction of procurement policies in QLD ("Best Practice Principles, Ethical Supplier Mandate & Minimum Conditions")
- On-going liaison and involvement with government on Industrial Relations issues such as politicisation of the QBCC, right of entry to site issues and other industry changes.
- Engagement with the ABCC on Industrial Relations issues experienced in Queensland as a result of State Government policies.



Technology, Design and Innovation

The Technology, Design and Innovation group has been focussed on a range of issues and has overseen the creation of an important initiative in the form of the “Building Bridges” collaboration framework with Consult Australia. The building bridges initiative spawned from a joint industry workshop between QMCA and Consult Australia to repair the poor working relationships between contractors and consultants. Championed by former QMCA CEO, Jon Davis and Kent Kieseker, alongside Consult Australia, a Charter for the Civil Infrastructure Industry has been developed that sets out a framework for how culture and relationships should operate between consultants and contractors on construction projects. Better working relationships deliver better outcomes for our collective clients, less stress between parties and greater innovation as well as safer projects.

The charter is built around 5 key principals:

- Developing people
- Accountability
- Recognition
- Co-operation
- Relationships

The next step will be to create a scorecard and commercial framework that can be used to review the health of the relationship against these principals on projects and report monthly, much in the same way that projects are able to report monthly on financials, schedule and safety. The aim is to promote and build a sustainable industry that is attractive to future generations of skilled resources.



CHARTER for the QLD Civil Infrastructure Industry



Purpose: This Charter has designed to articulate a framework for industry participants to define the values, behaviours and working relationships desired to promote a sustainable industry focussed on building better communities. Our vision is for a prosperous, thriving and sustainable industry that is attractive to the future generation of skilled resources. This Charter will improve and close the divide between construction and design that has over recent times resulted in sub-optimal and adversarial processes adopted to resolve outcomes.





Resources and Energy

The Resources and Energy working group had been focussed on developing close working relationships with other industry organisations such as Qld Resources Council, APPEA and key clients such as DNRME, SunWater and SEQ Water.

Recent engagement with new clients and stakeholders in the energy sector offers greater opportunity to promote and gain a foothold at the table for the construction sector members with regard to the long term planning and development of infrastructure needs to support these areas.

The ongoing development of transitional energy sources such as gas and the development of emerging renewable sources such as wind, solar, and pumped hydro will require critical infrastructure for their connectivity and access to grid and new customers. Similarly, the increased focus on water security for Queensland has promoted the development of regional water storage and transportation options. The QMCA members are pleased to be able to offer our support in the planning of these significant regional developments.

Future Industry

The Future Industry Group identified four key priority initiatives that it has been working on over the past year:

1. Construction 4.1– the case for an urgent COVID-19 reboot of the construction Industry
2. Social Responsibility
3. Talent Attraction and Retention
4. Environmental Sustainability

Subcommittees were formed to look at each of these initiatives to

- Identify the key aspects of their initiative to focus on,
- Engage with relevant industry stakeholders to identify the issues,
- Agree on the steps forward to advance their initiative,
- Draft outputs/ submissions for presentation to the QMCA board for ratification,
- Present findings to the industry through QMCA functions.

Actions have included:

- Liaising with a wide range of clients, contractors and industry associates such as Universities,
- The publication and distribution of the QMCA Sustainability Framework document.

Other key initiatives are currently in the development phase before being presented to the board/industry over the forthcoming year.

Commercial

The commercial working group have been quite active over the past year. Some of the key achievements have included:

- Development of a paper on the potential Commercial Impacts of COVID-19 on our Industry and what can be done by Government to provide commercial relief to Contractors and the supply chain
- Development of a paper addressing what Government can do to keep Contractor's, subcontractors and their staff employed by:
 - ensuring tendering continues unimpeded, acceleration of pipeline,
 - use of collaborative contracts to fast track delivery,
 - contractual protection put in place to protect Contractors and the supply chain from pandemic impact risks,
 - continuation of planning and design so next wave of projects is ready to go.
- Investigation into and subsequent promotion of the NEC Contract suite as a more collaborative form of standard contract for adoption on Civil Infrastructure Projects
- Completion of the 2019 Report into the Cost of Tendering in Queensland
- Comment paper to Government on the Ethical Supplier Mandate (demerit scheme)
- Feedback to TMR on Selection Criteria for upcoming EOI's on the M1 and Bruce Highway in regard to Ethical Supplier Mandate and Best Practice Principles





The Year Ahead

With the outcome of the state election now there is a fixed term of government in the state for the next 4 years, bringing QLD into line with other eastern states. The focus for this term of government should be around ensuring we have a committed and funded pipeline of work, beyond the typical 2-3 year timeframe; much like NSW and VIC have done with their long term pipeline of works. This will enable our industry certainty to invest in resources, skills and technology to deliver this program of work. As an organisation, we will continue to engage and challenge all levels of government to ensure that there is a viable pipeline of works over a 5+ year period.

Coupled with that we will maintain a focus on other key issues including:

- Collaborative contracting to ensure that businesses in the sector can be sustainable
- Better risk apportionment and management frameworks
- Industrial relations- trying to get the balance back
- Promoting the profession and industry through involvement with various organisations such as Constructionarium and CSQ
- Developing key initiatives and programs to support the members and construction sector including special initiatives to be announced
- Development jointly with other industry bodies and stakeholders of potential project opportunities
- New and emerging industry development (resources, energy etc.)
- Providing events that are relevant to the industry and enable good collaboration and development

Further development of the Charter between contracting and consulting parts of the industry

I would like to take this opportunity to thank the current board and Chair for their support and engagement. I would also like to express our gratitude to Jon Davies for his excellent stewardship of QMCA for nearly two years.

Finally, I would like to thank all the members of the QMCA for their ongoing support and involvement in this organisation, through a very tough and challenging year. May 2021 bring on some welcome changes for our industry and brighter times on the horizon.



Executive General Members

The following organisations are Executive General Members as at 30 June 2020:





Ordinary Members

The following organisations are Ordinary General Members as at 30 June 2020:

- FKG Civil Pty Ltd
- Golding

Associate Members

The following organisations are Associate Members as at 30 June 2020:

- AECOM (Aust) Pty Ltd
- Allroads Pty Ltd
- Arcadis
- ARTC Inland Rail
- Aston Consult Pty Ltd
- Aurora Marketing Pty Ltd
- BAM International Australia Pty Ltd
- Benext Pty Ltd T/A Hughes et al
- Bennett and Bennett Group
- BlueScope Steel Limited
- Boral Construction Materials
- Bothar Boring & Tunnelling (Aus)
- Cbus
- Coates Hire Operations Pty Ltd
- CV Energy Services
- Dial Before You Dig (Qld) Pty Ltd
- DWF Law Australia
- ECS - Estimating & Construction Support Pty Ltd
- Endeavour Programme
- Energy Power Systems Australia
- E7
- Forsroc
- GHD Pty Ltd
- GRC Quantity Surveyors
- Hastings Deering Australia Ltd
- Hawthorne Civil Pty Ltd
- HKA Global Pty Ltd
- Holcim Australia Pty Ltd
- Holding Redlich
- HWL Ebsworth Lawyers
- Infrabuild Construction Solutions
- J. F. Hull Holdings Pty Ltd
- Kennards Hire Pty Ltd
- Madsen Giersing Pty Ltd
- Maxibor Australia Pty Ltd
- Protech Group (Aust) Pty Ltd
- RIB Software Pty Ltd
- Roblawmax Recruitment Pty Ltd
- SEE Civil Pty Ltd
- SMEC Australia Pty Ltd
- Struber Pty Ltd
- Vortex Group
- Wagners
- WSP Australia Pty Ltd





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