



QLD Major Projects and Pipeline Report

14th October 2021

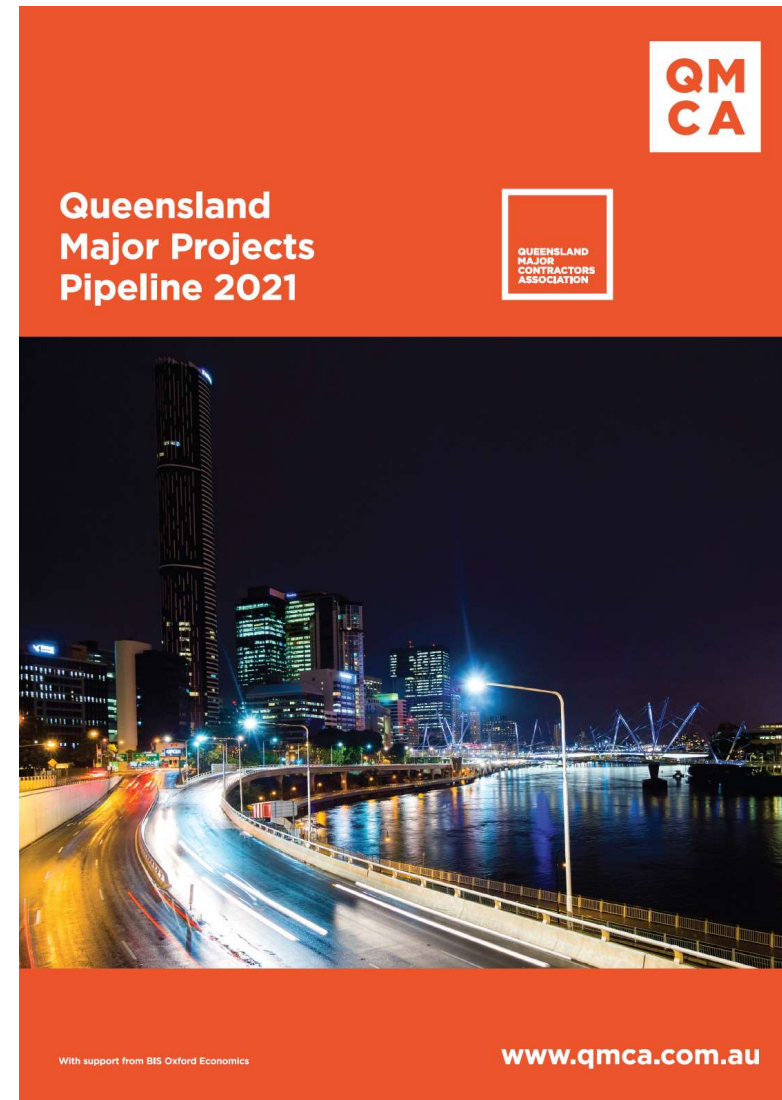


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Outline

- Key messages from the 2021 Major Projects & Pipeline (MPP)
- Outlook by sector (and region)
- Challenges, Opportunities and Risks
- Recommendations



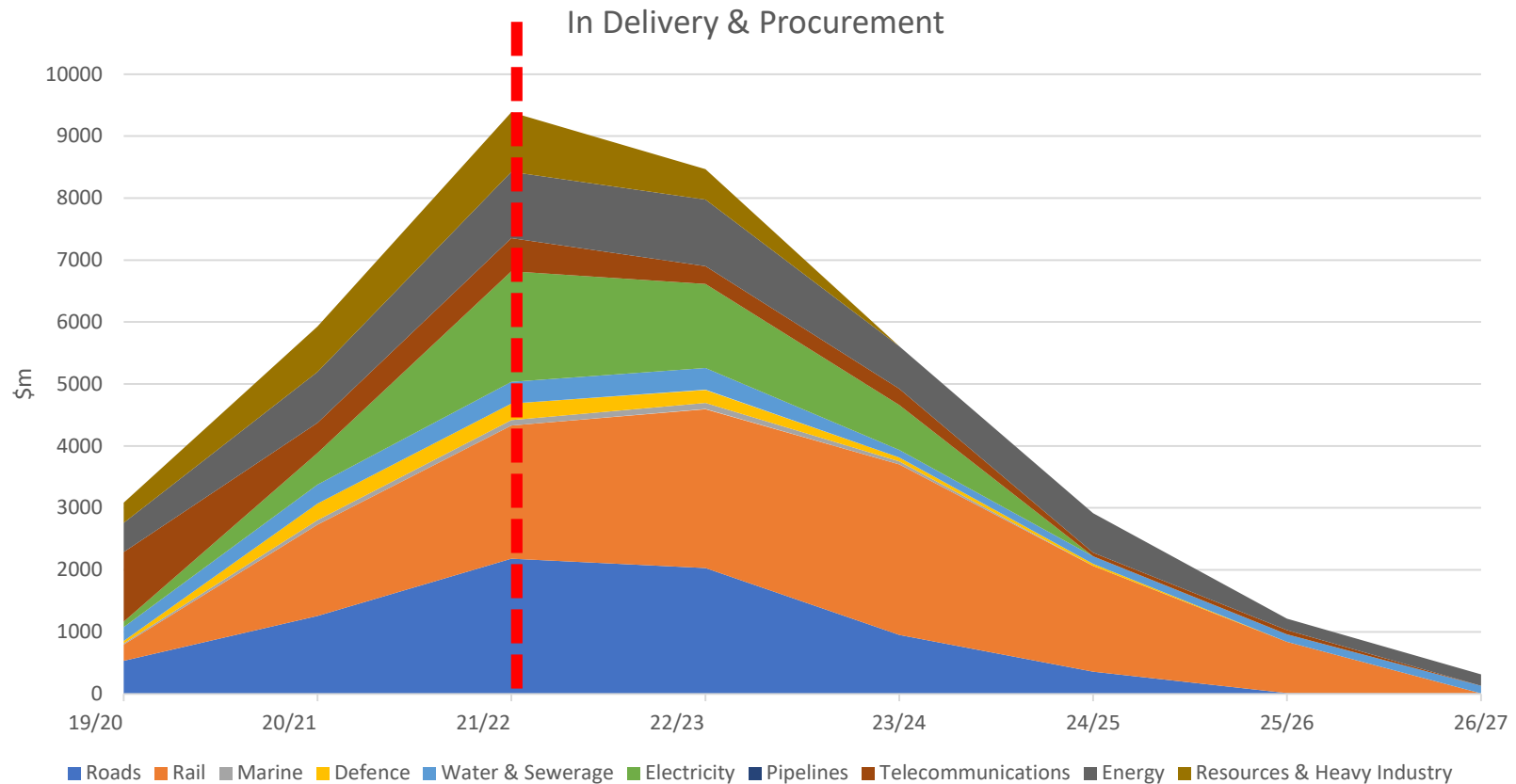


Key Messages

- Total pipeline is \$61.9bn
- Funded project activity has increased to \$35.5b
- Public sector still doing the heavy lifting
- Funded works currently peak in 2022/23 – but could surge higher in 2023/24
- Funded work is increasingly concentrated in ‘megaprojects’



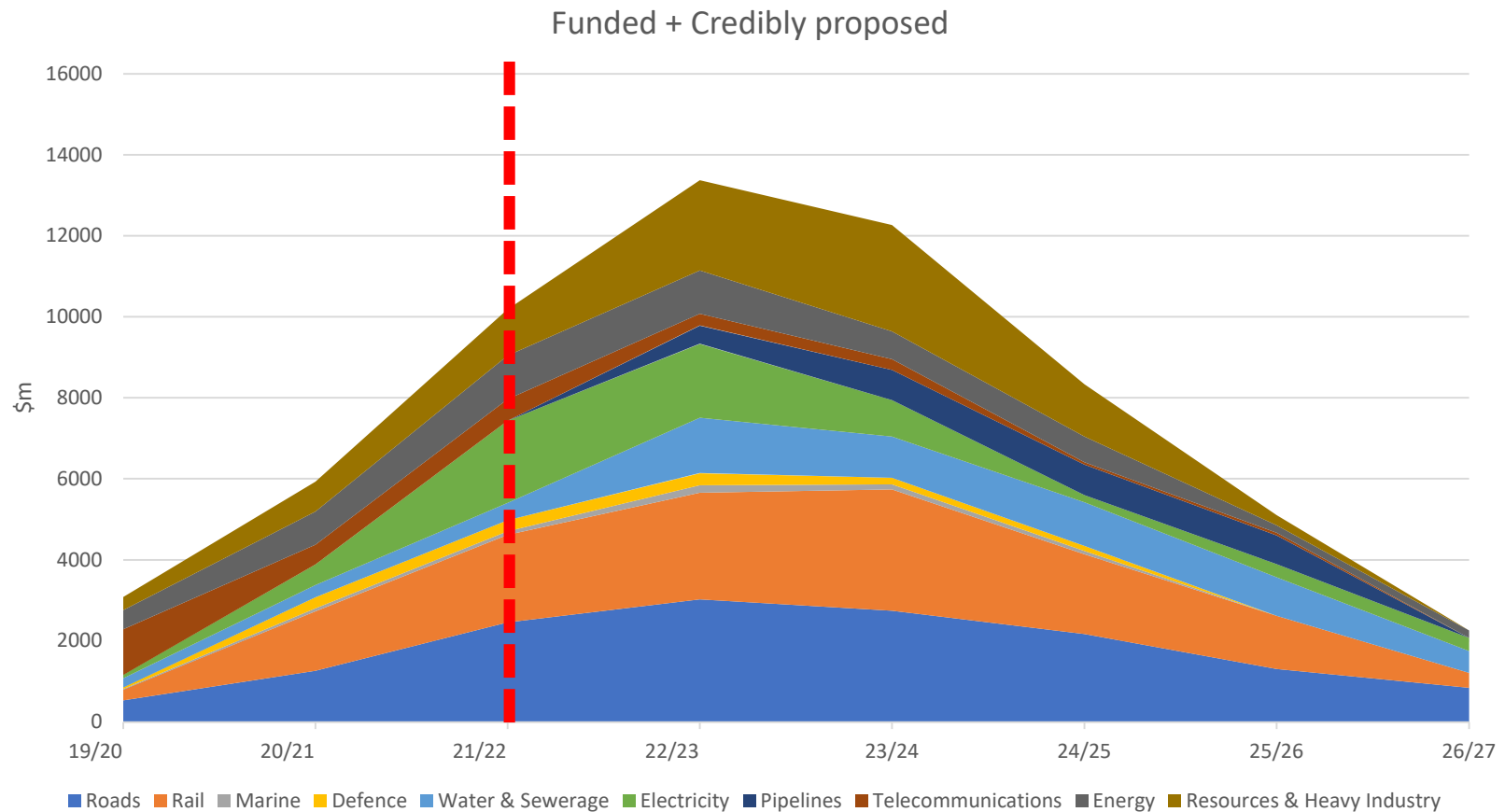
QLD Major Projects Outlook



Source: BIS Oxford Economics



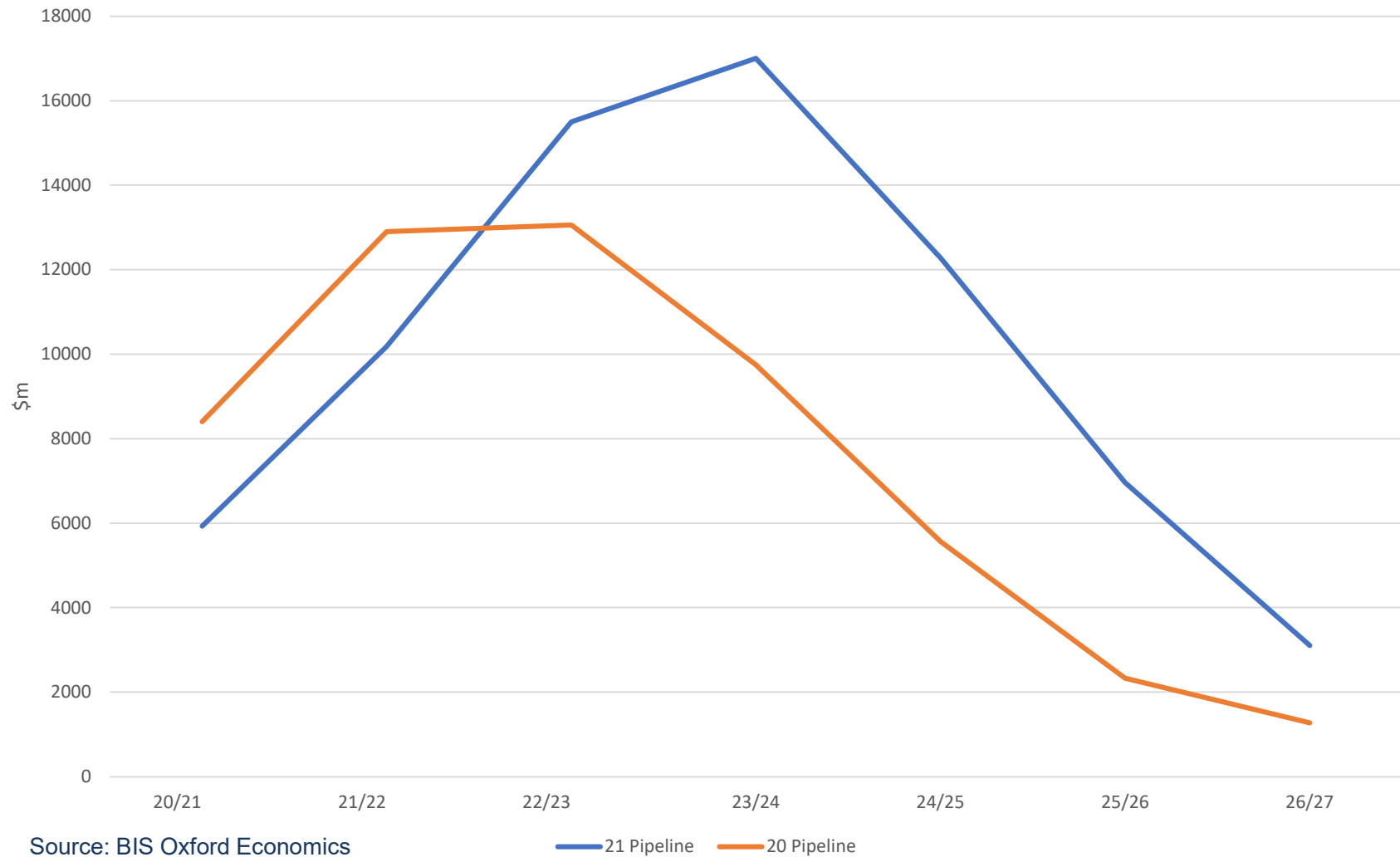
QLD Major Projects Outlook



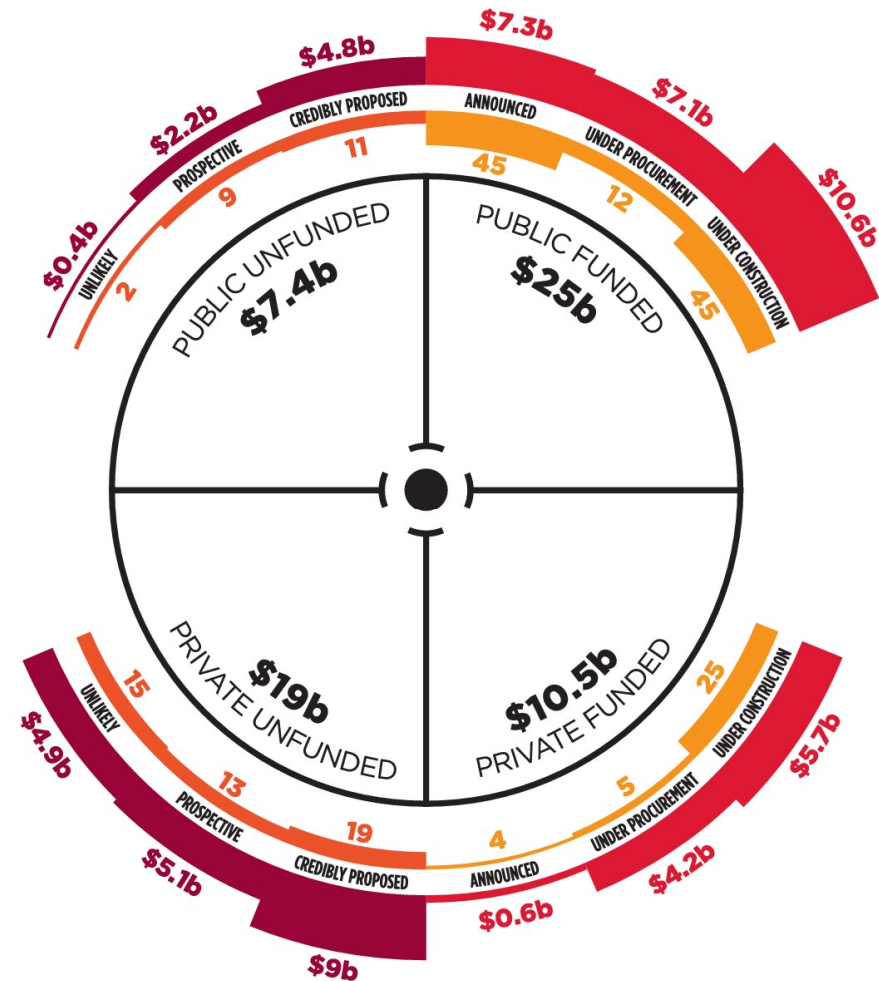
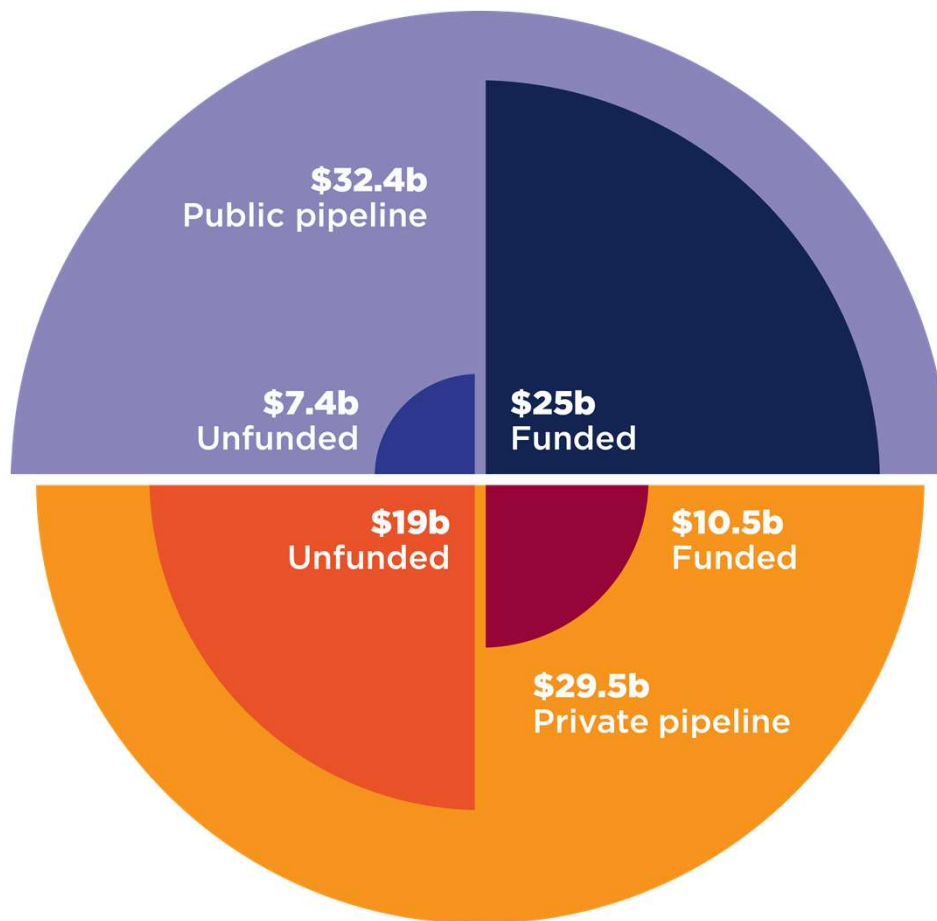
Source: BIS Oxford Economics



Total pipeline rising strongly



Pipeline funding

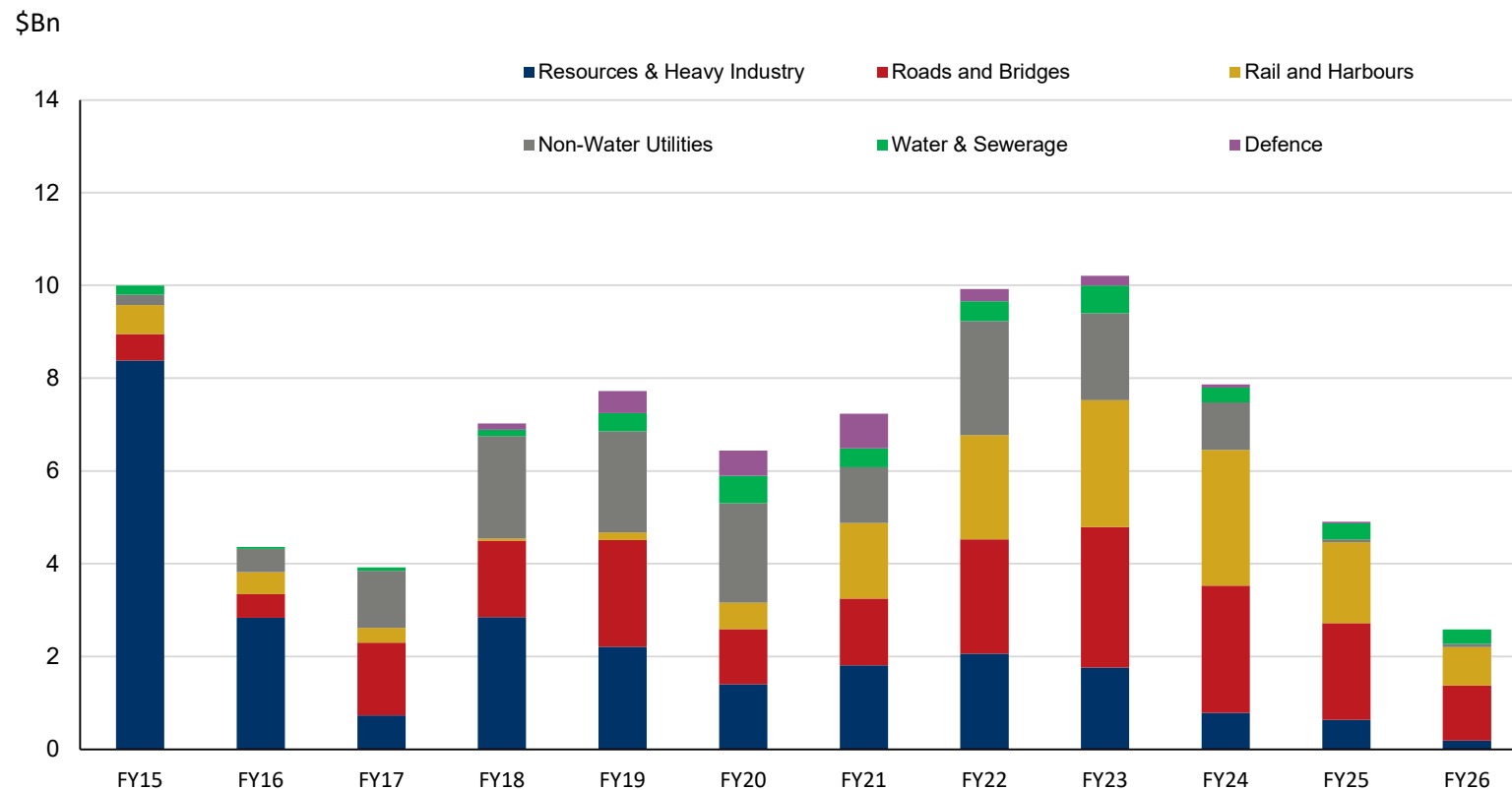


Source: BIS Oxford Economics



Funded work accelerating

Total Funded Pipeline



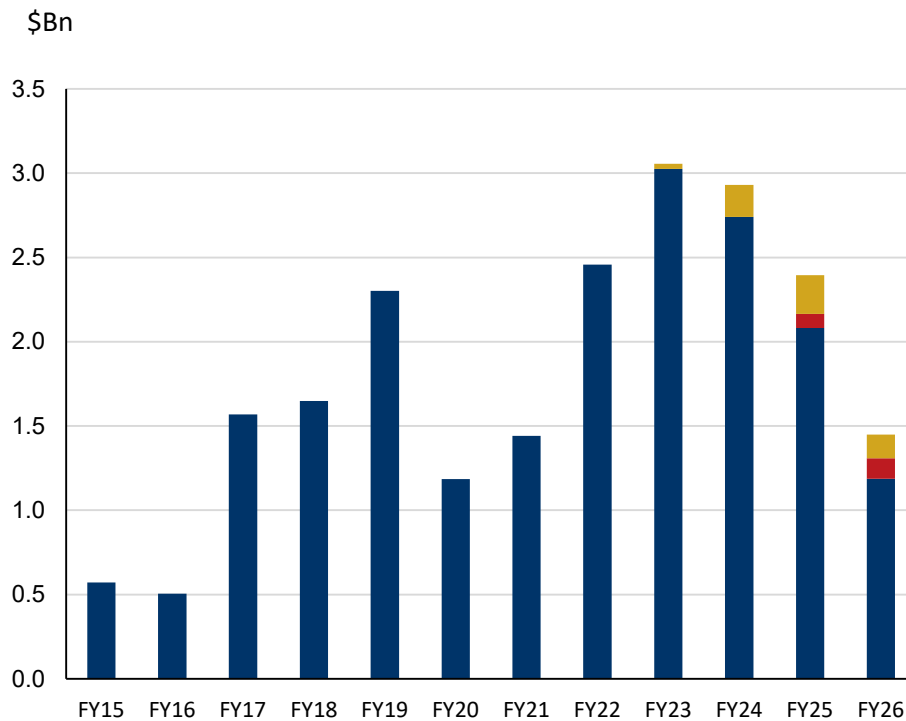
Source: BIS Oxford Economics



Road & Rail investment is strong

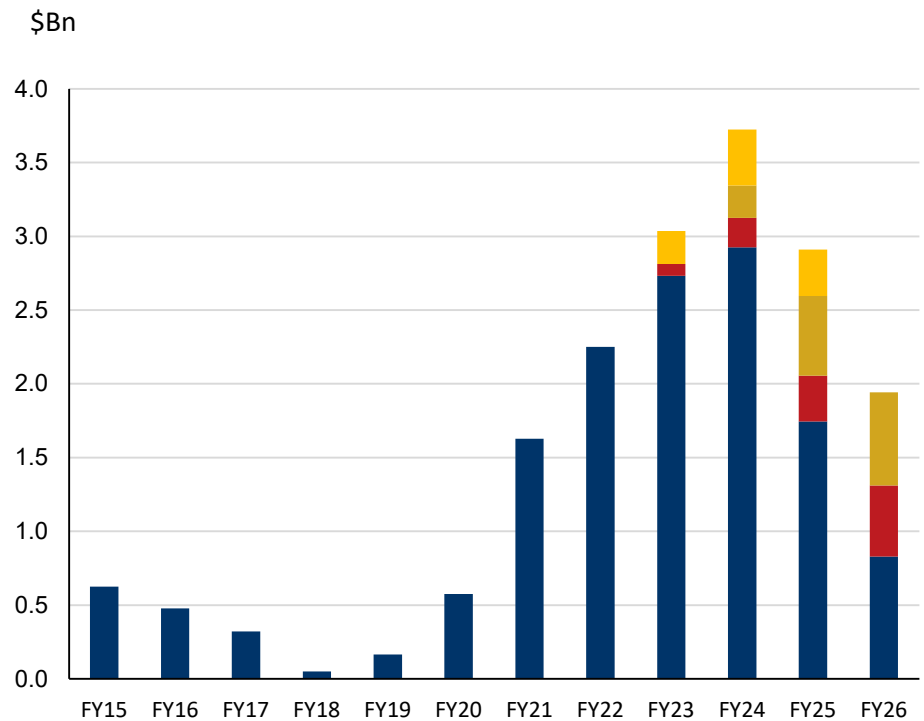
Roads & Bridges

Funded Credibly Proposed Prospective Unlikely



Rail & Harbour

Funded Credibly Proposed Prospective Unlikely

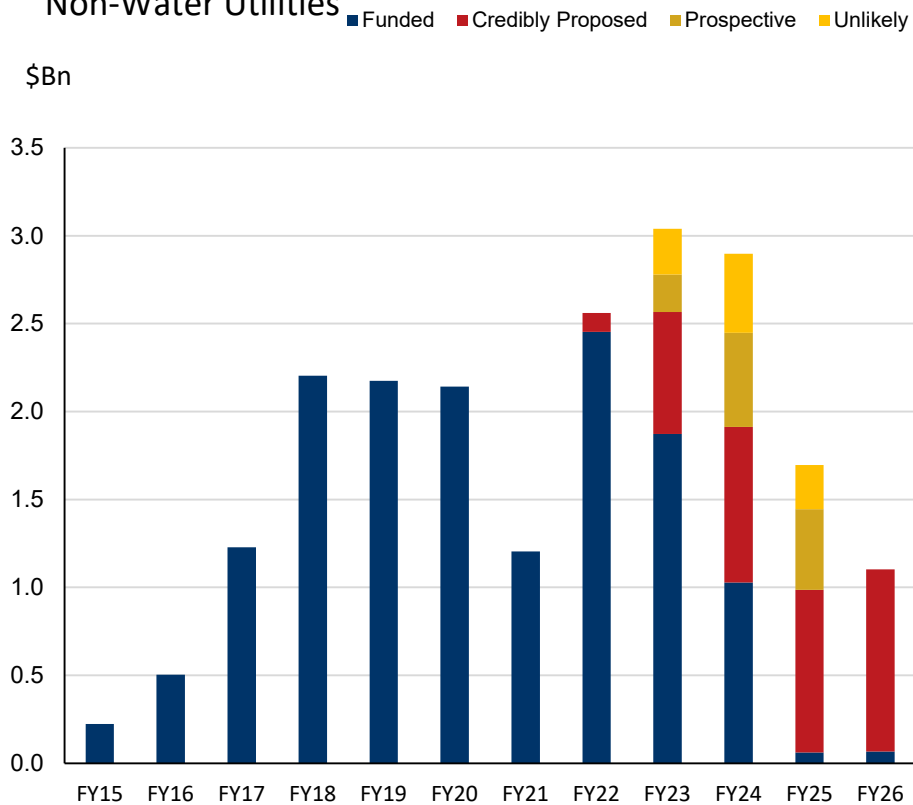


Source: BIS Oxford Economics



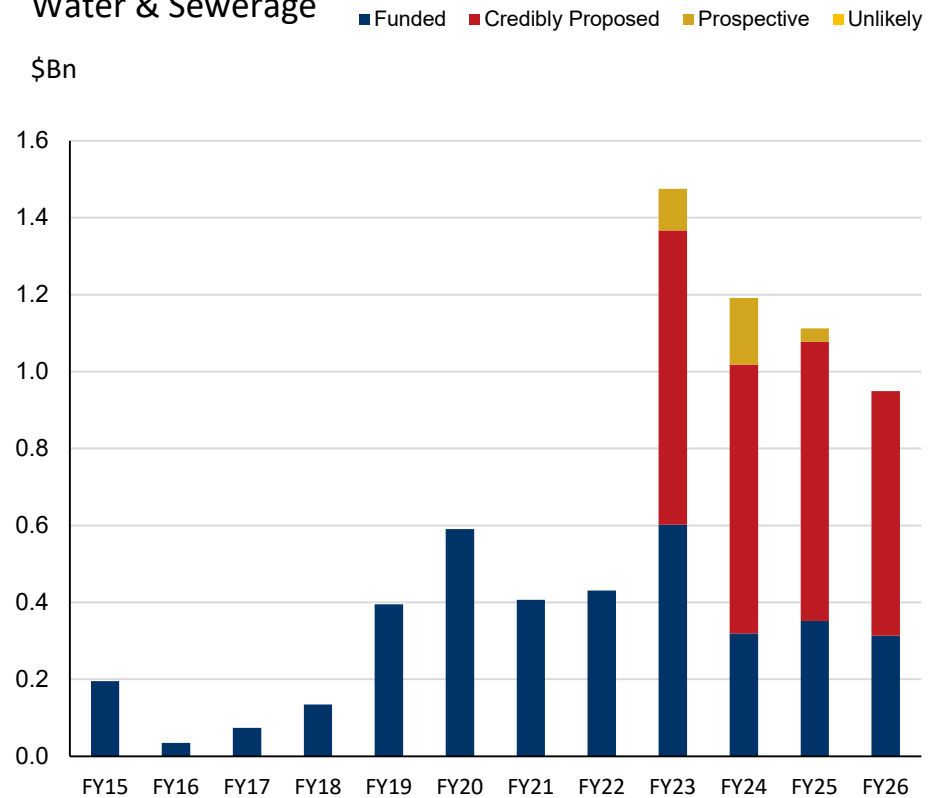
Power & Utility Services

Non-Water Utilities



includes electricity, telecommunications and pipelines

Water & Sewerage

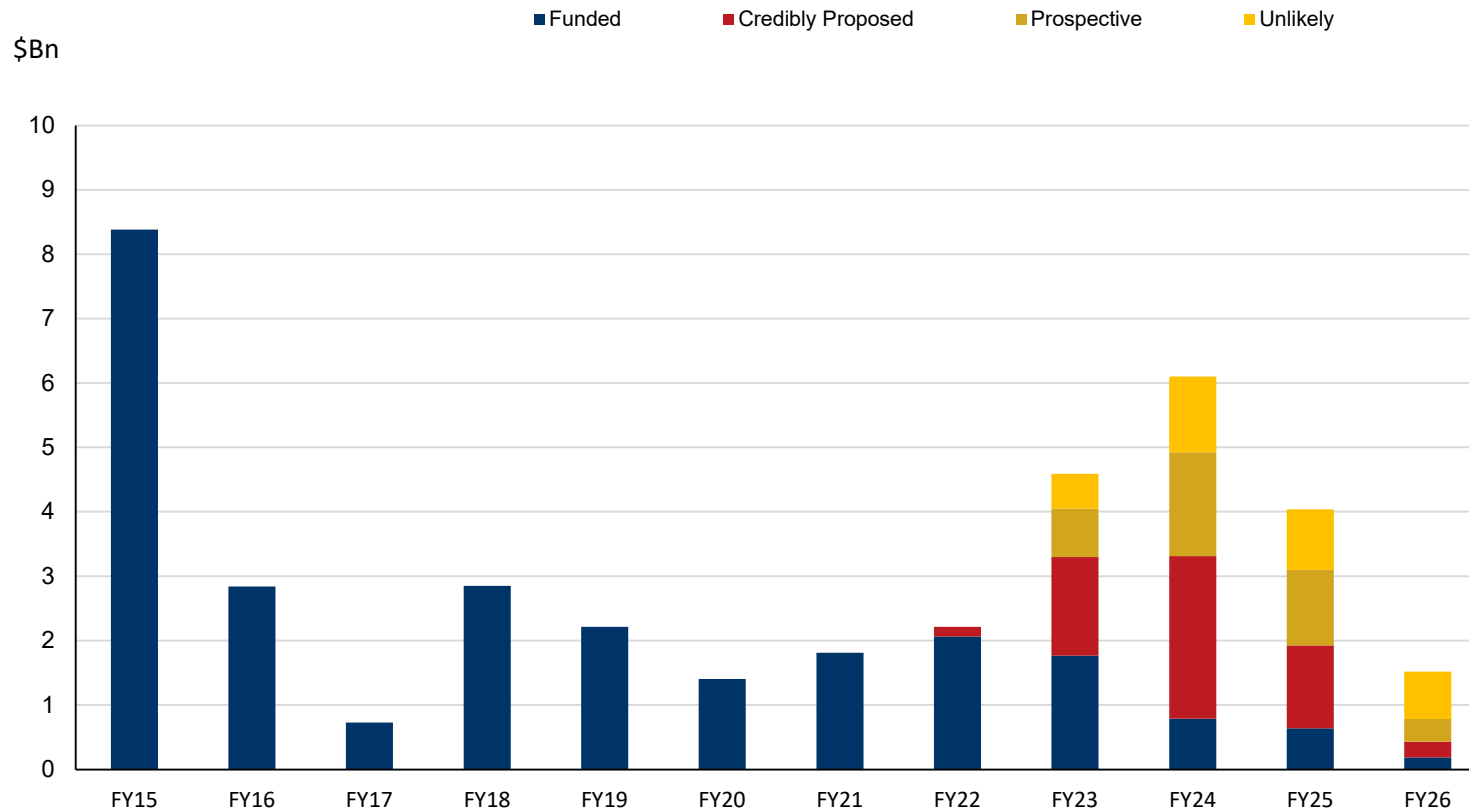


Source: BIS Oxford Economics



Resources Sector Uncertainty

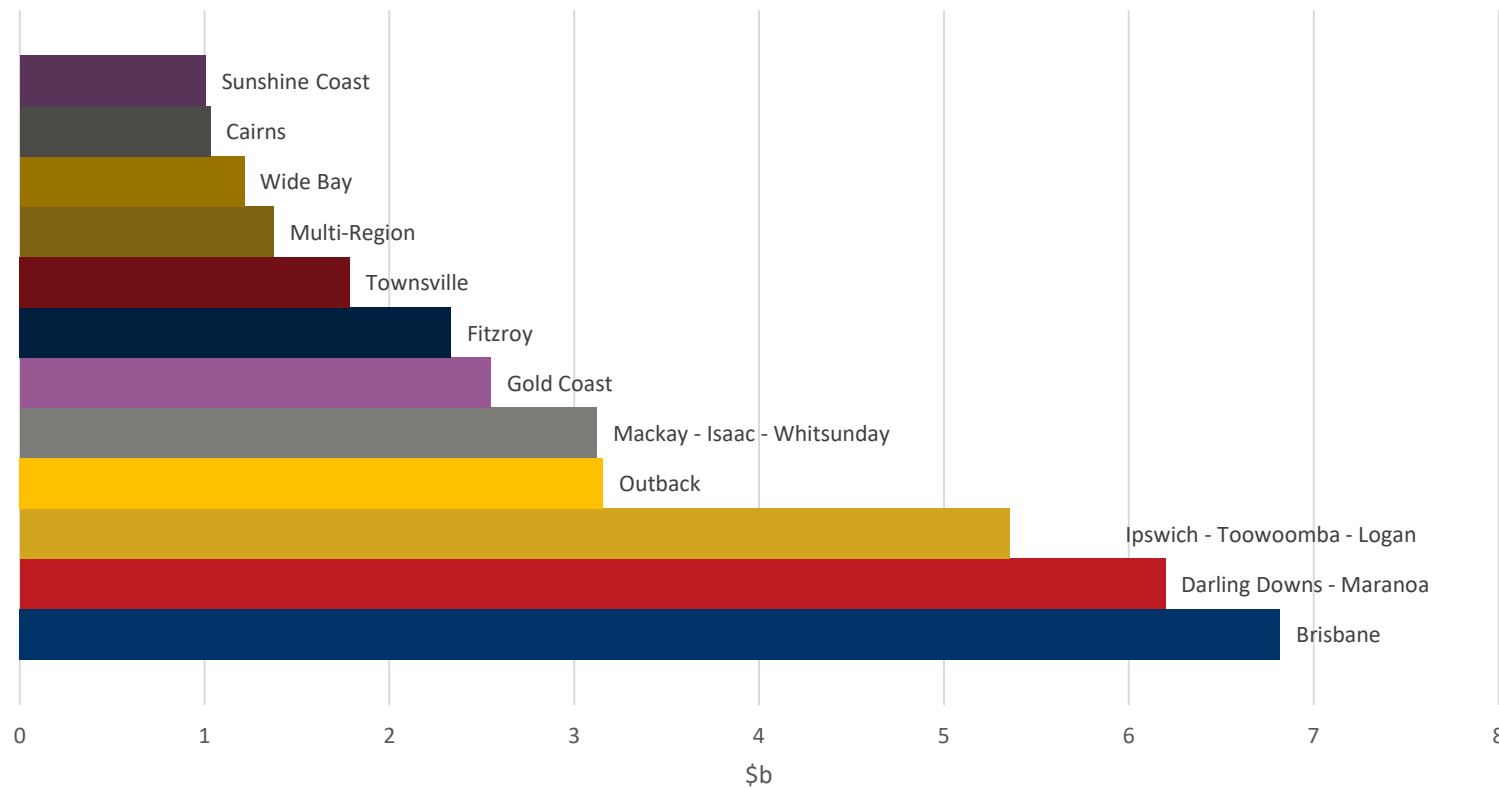
Resources & Heavy Industry



Source: BIS Oxford Economics



Brisbane & SEQ have largest and most secure pipeline

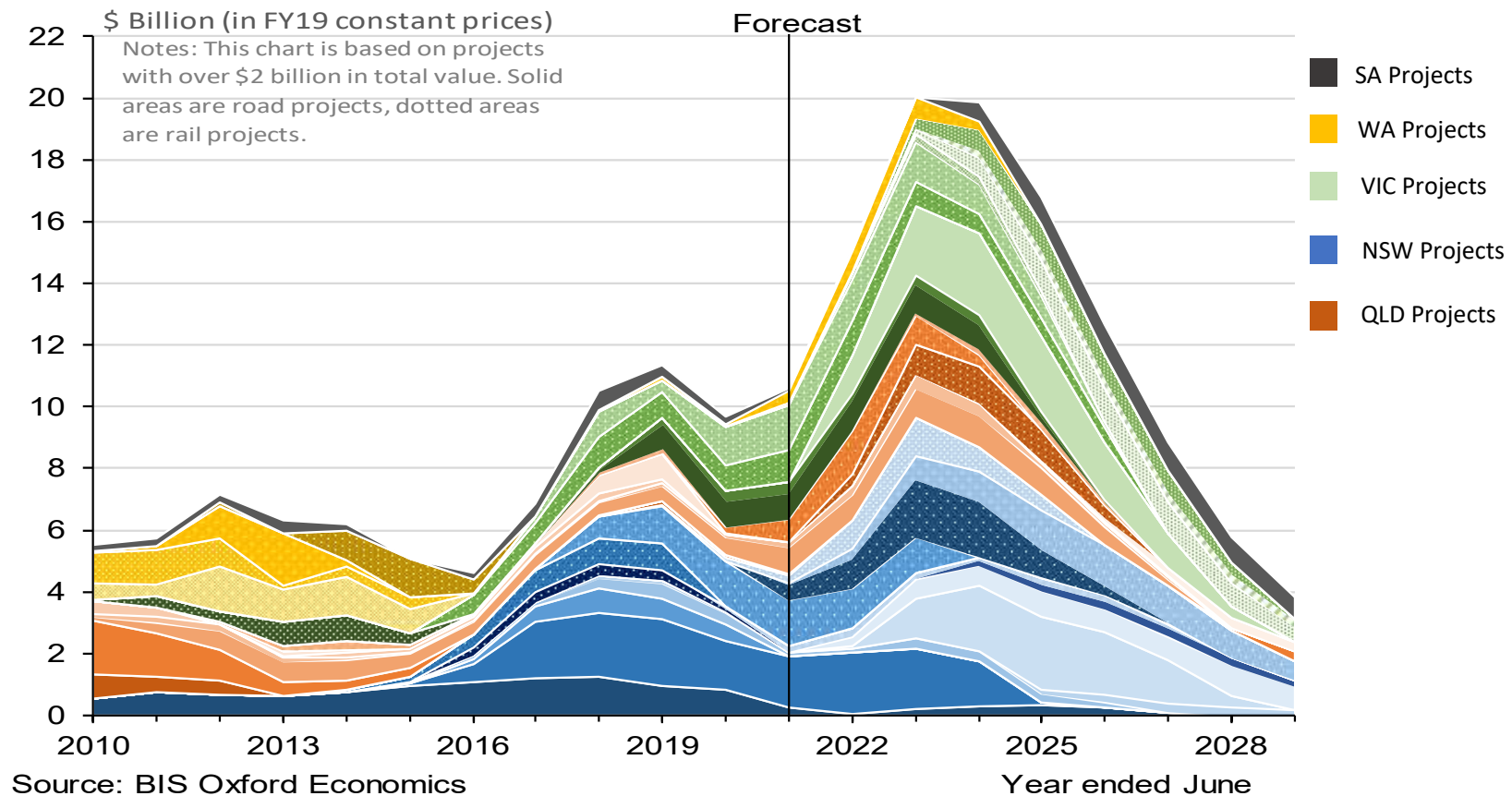


Source: BIS Oxford Economics



Industry Challenges

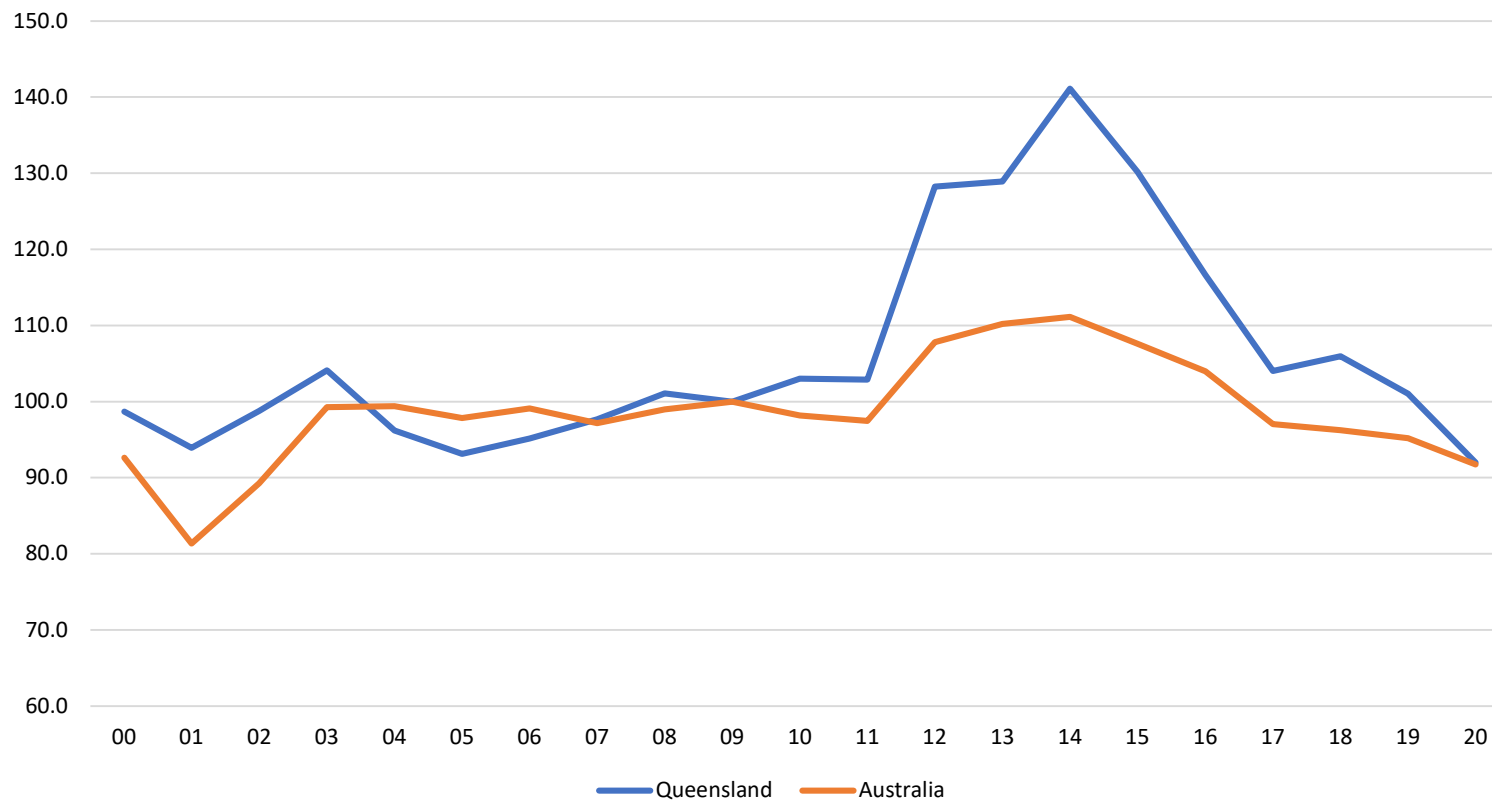
- Capacity & Capability





Industry Challenges

- Falling Productivity

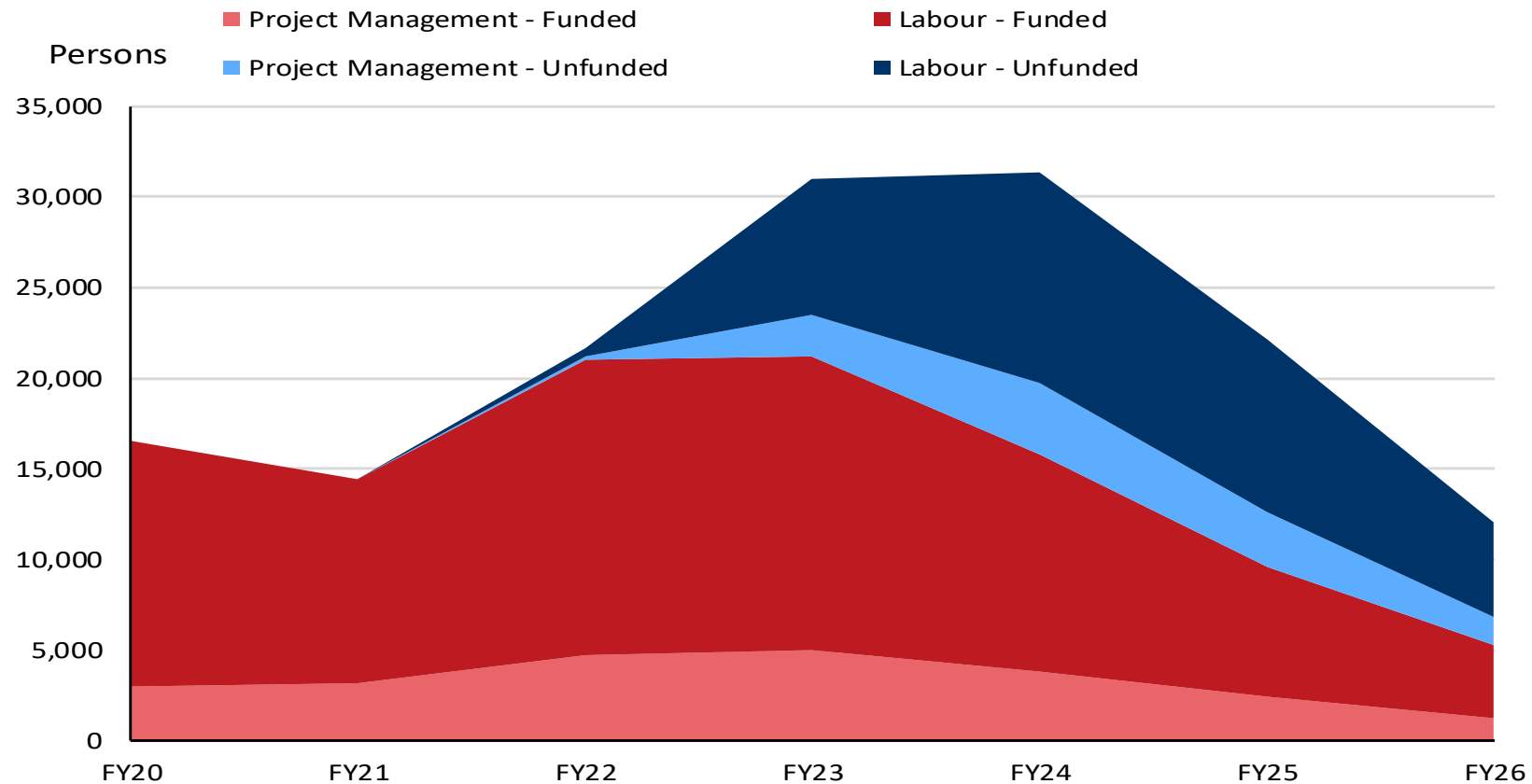


Source: BIS Oxford Economics



Industry Challenges

- Securing skills and labour



Source: BIS Oxford Economics



Industry Challenges

- Capacity & Capability
- Falling Productivity
- Securing skills and labour
- Transitioning to net zero emissions/ de carbonising the economy
- Project approval timeframes
- Global economic markets
- Construction material supply costs

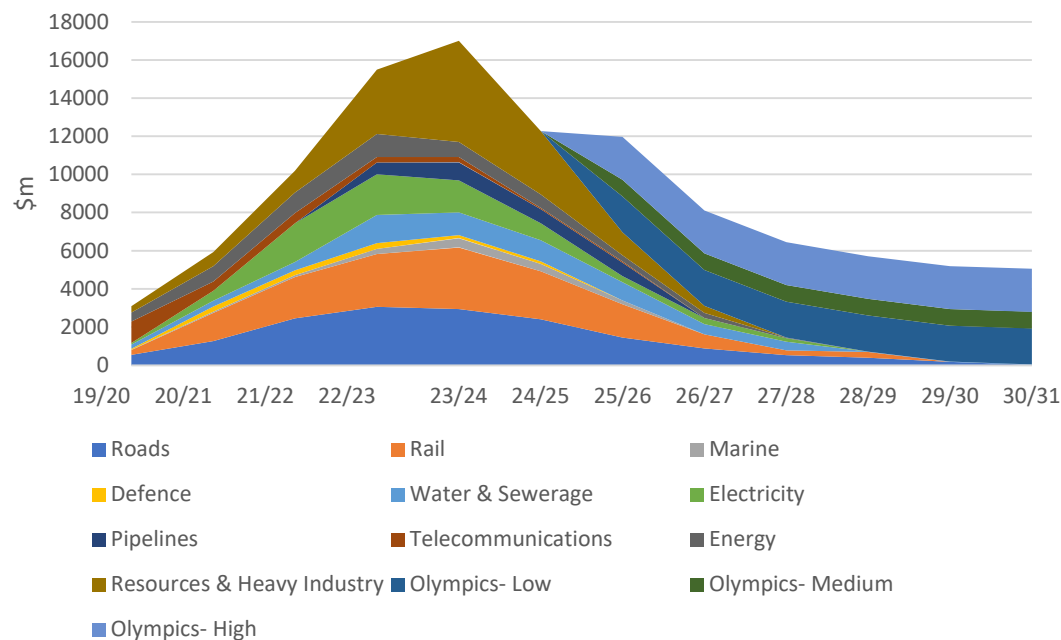
resilience &
adaptability



Opportunities

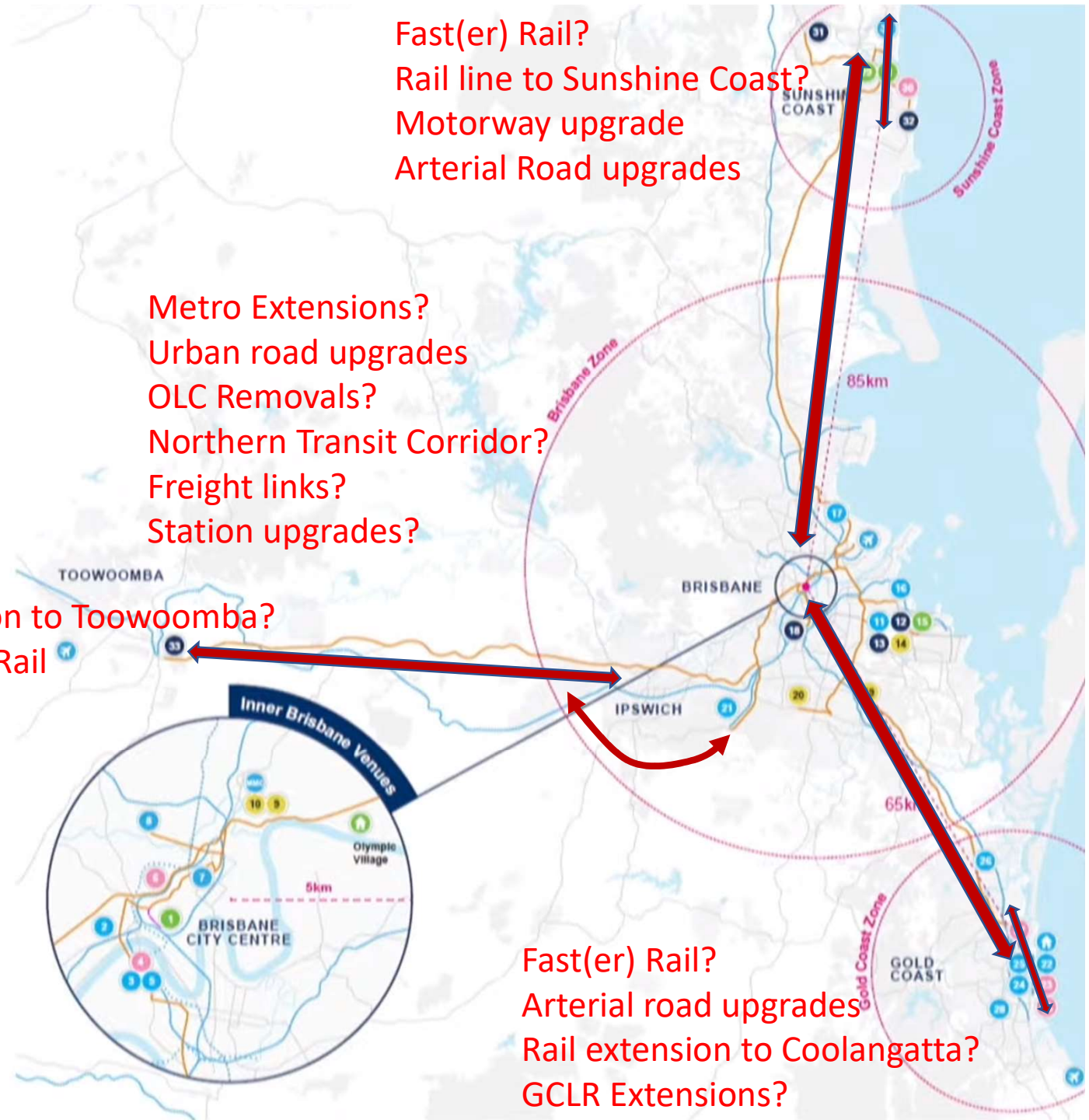
- Olympic Infrastructure:
 - Upside for SEQ
 - SEQ City Deal is critical

Olympic Infrastructure Impacts?





Olympics Legacy Infrastructure?





Opportunities

- Legacy infrastructure as part of the Olympics
- Regional economic infrastructure investment:
 - Energy & Water security
 - Agricultural processing & infrastructure
- Renewable energy generation and energy storage:
 - BAU (solar & wind) and new technologies (solar thermal, etc)
 - Pumped hydro & other energy storage solutions
- New energy and minerals projects
 - Base & exotic metals and processing
 - Hydrogen and other energy solutions
- Existing resources (gas & met coal) still have a way to run



Opportunities

- Funding solutions:
 - Asset recycling, private sector operating leases, PPP's
 - Private sector co-investment
 - “Good debt” infrastructure investment
- Collaborative contracting to deliver productivity improvements, surety of outcomes for clients and less risk
- Use of digital engineering and technology in the procurement process



Recommendations

- Governments continue to seek consistent, collaborative, long-term value approaches to tendering and procurement.
- Focus on medium term development of the funded pipeline
- Finalise the SEQ City Deal in 2021 to accelerate infrastructure development and deepen the regional pipeline.
- Queensland Government to transition to more stable revenue streams, including debt and asset recycling measures and direct private investment either in partnership or alongside Government investments.



Recommendations

- Queensland Government to review policies that may be constraining growth in private infrastructure provision.
- Government and industry to develop a plan to reduce carbon emissions in Queensland and identify opportunities for investment in the future low carbon economy
- National and State Governments to include resilience/ adaptation work in infrastructure audits.



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<https://qmca.com.au/2021qmppr/>

