QLD Major Projects and Pipeline Report

26th October 2022

QUEENSLAND MAJOR CONTRACTORS ASSOCIATION

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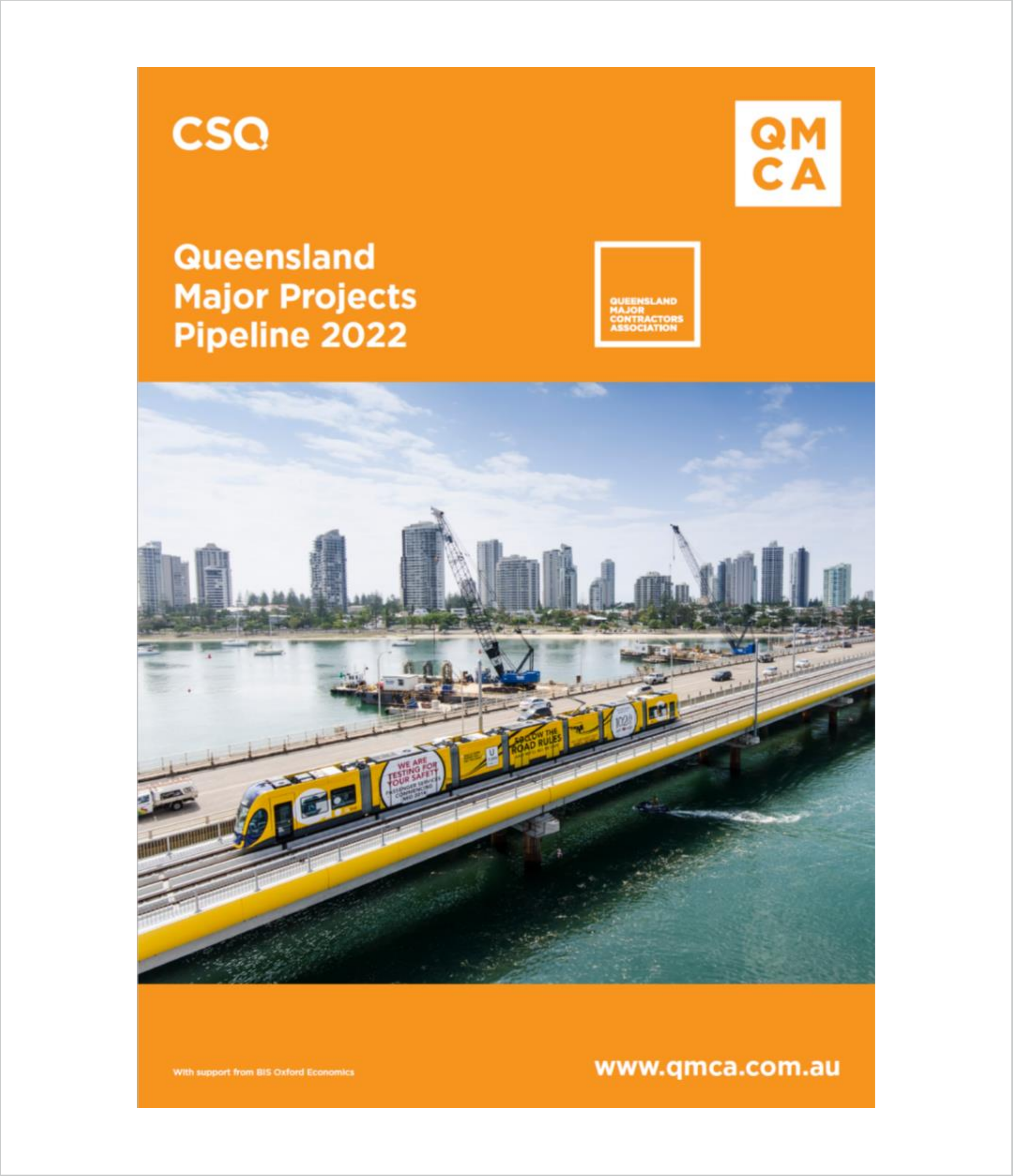
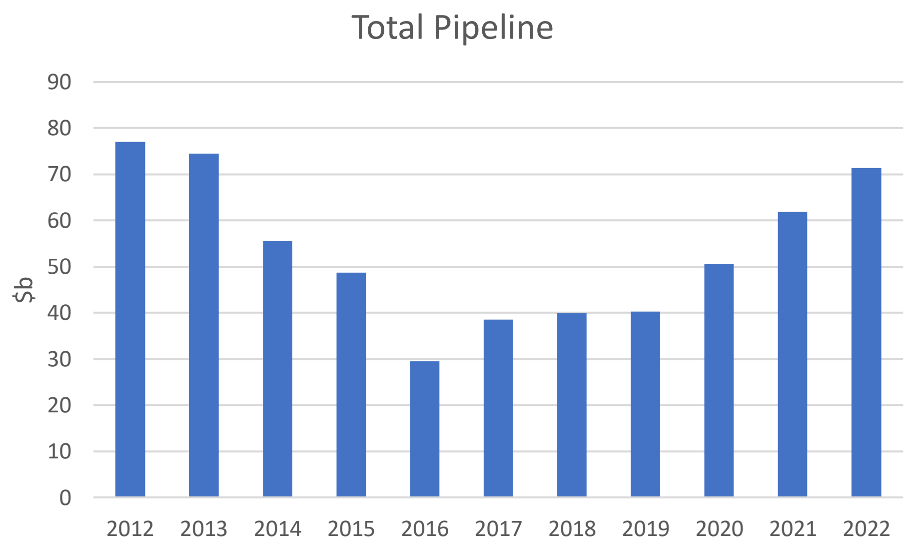
Outline

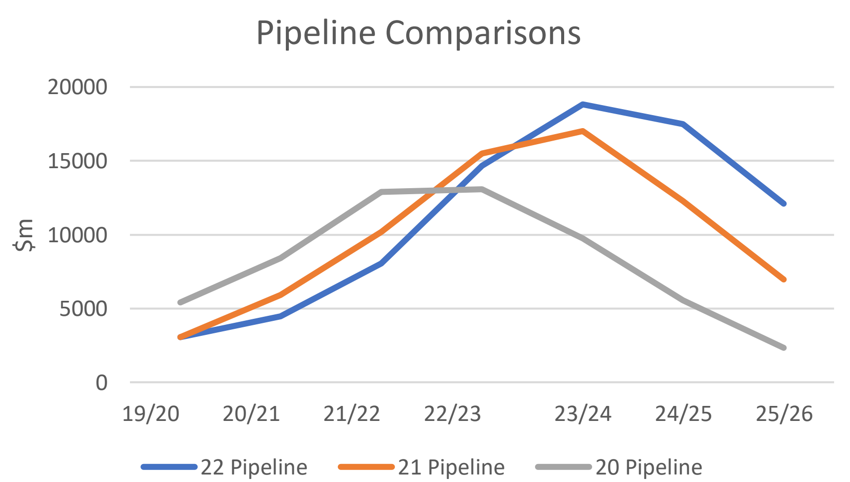
- Key messages from the 2022 Major Projects & Pipeline
- Outlook by sector & region
- Challenges
- Recommendations



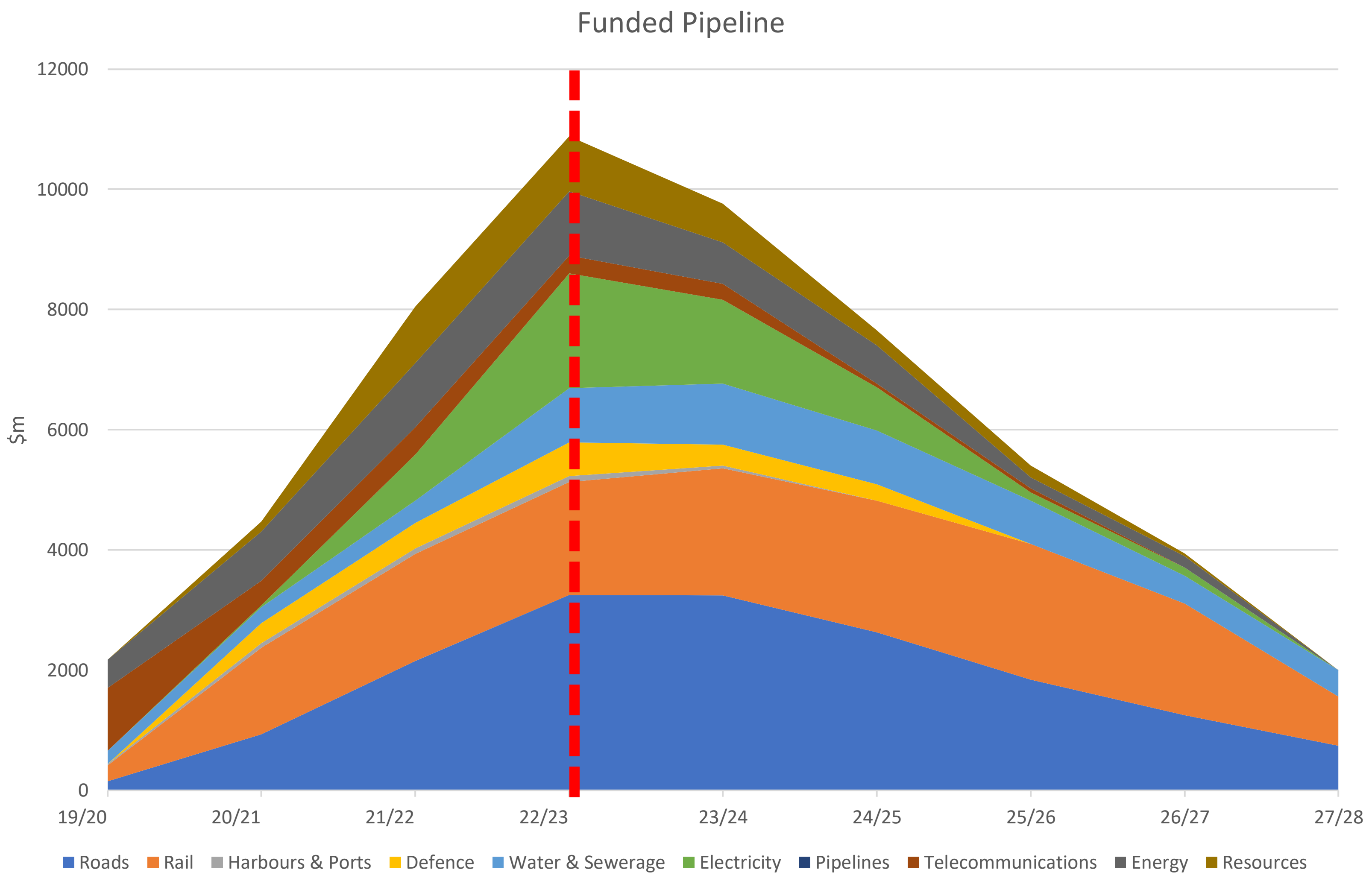
Key Messages

- Total pipeline $71.3b
- Funded project activity has increased to $37.6b
- Total pipeline could see a peak of ~$19b spend in 23/24
- Funded works peak this FY. The need for approvals to further progress other projects is vital.
- Trend of 'megaprojects' concentration of works continues



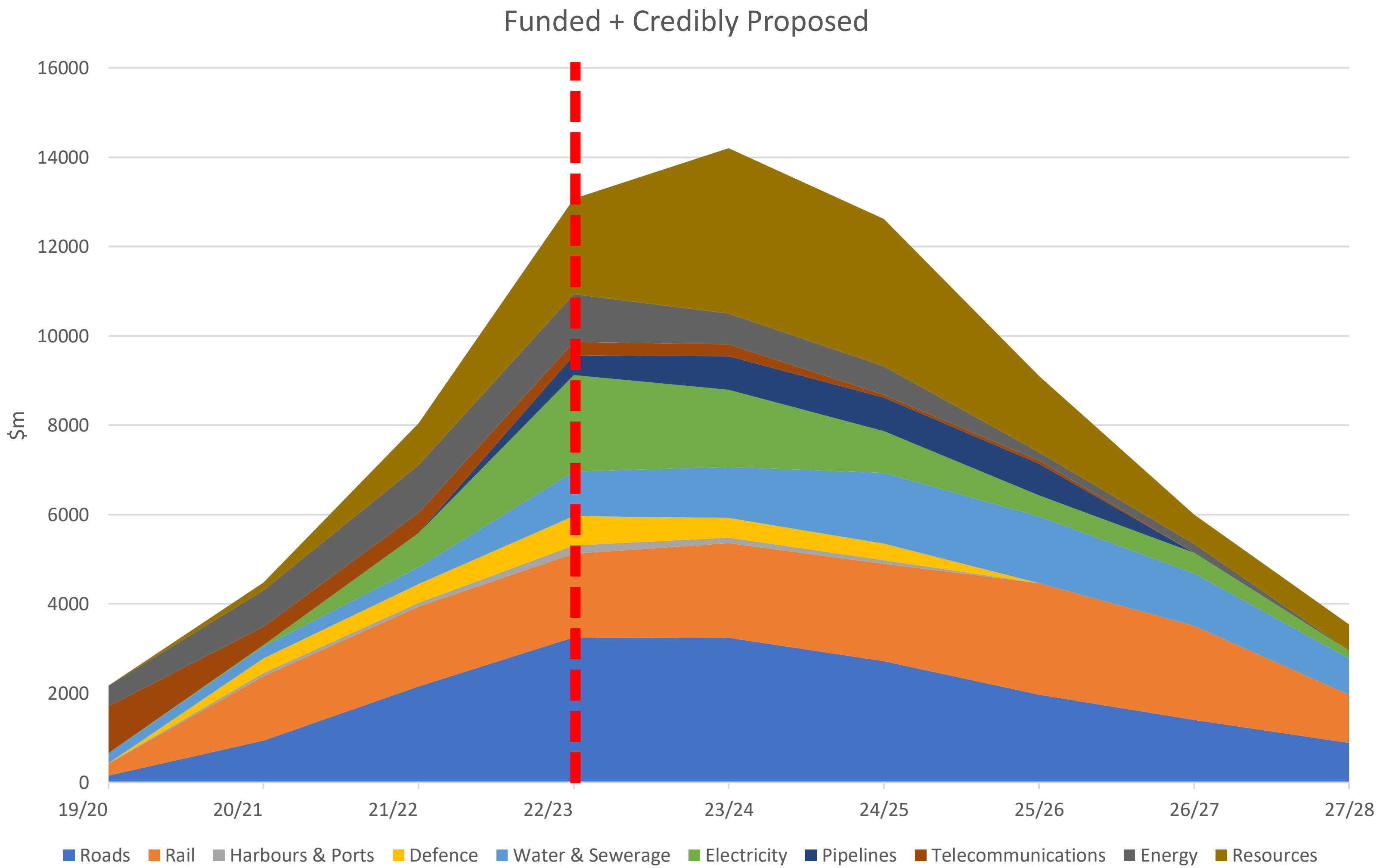


QLD Major Projects Outlook



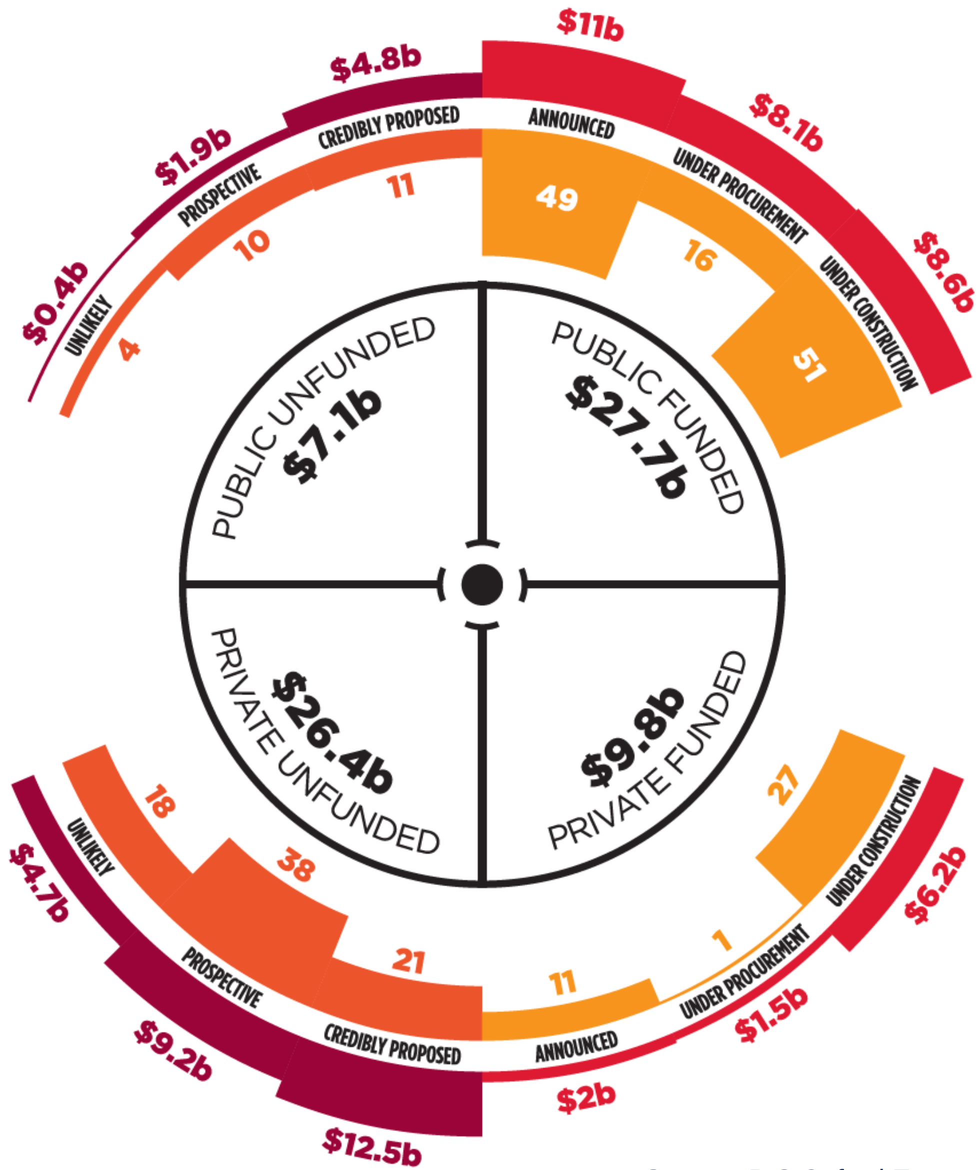
Source: BIS Oxford Economics

QLD Major Projects Outlook



Source: BIS Oxford Economics

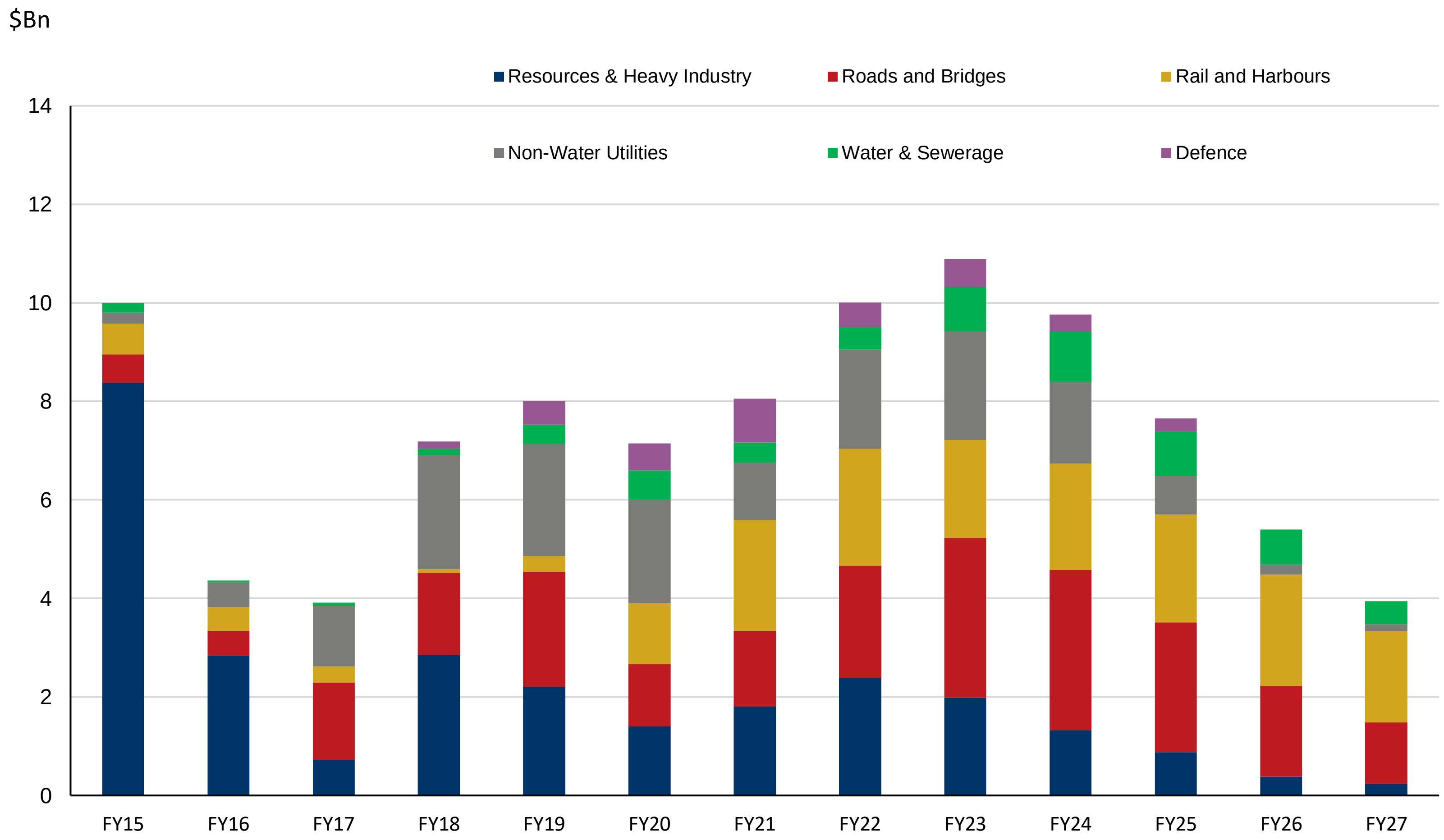
Pipeline funding



Source: BIS Oxford Economics

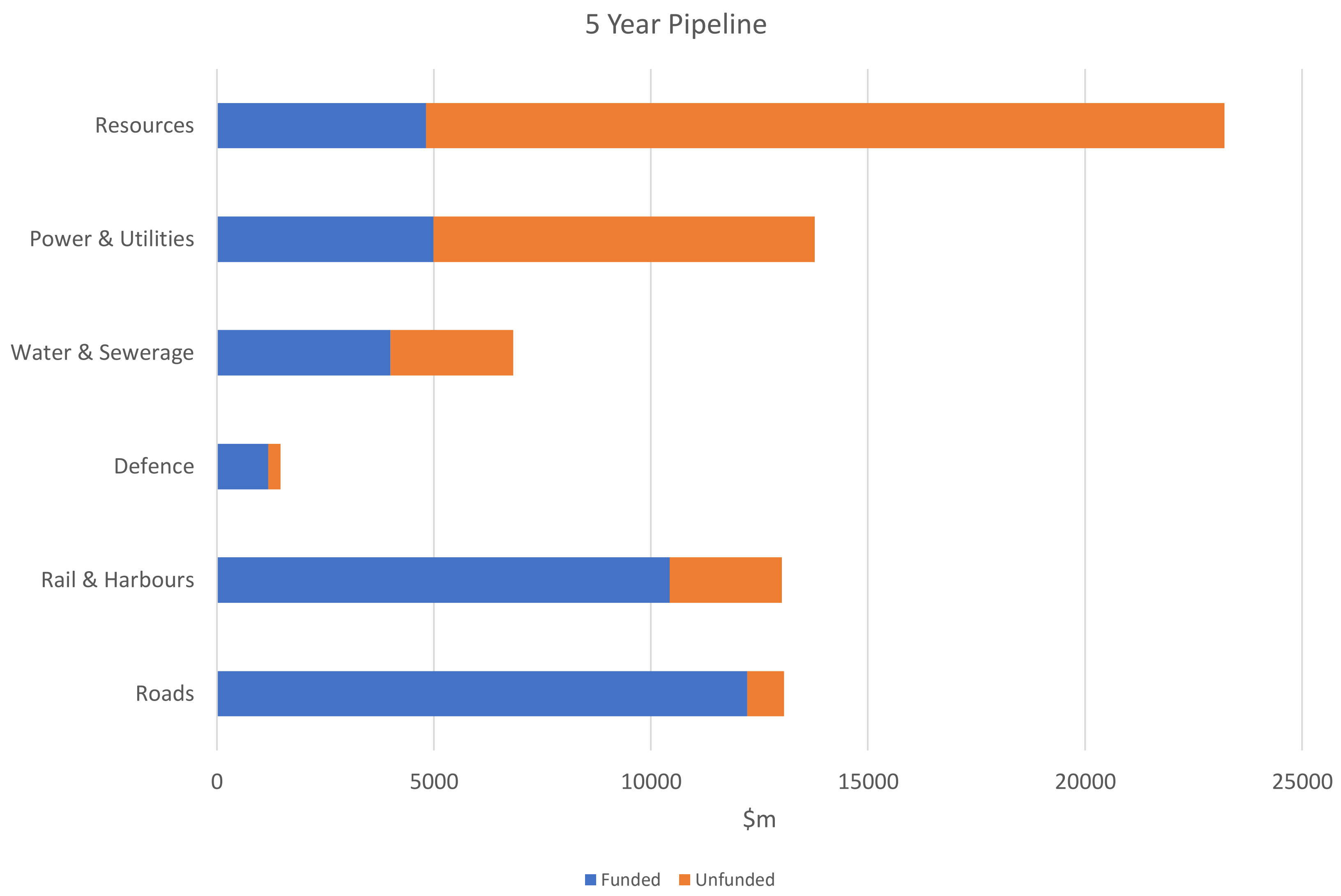
Funded work remains high

Total Funded Pipeline

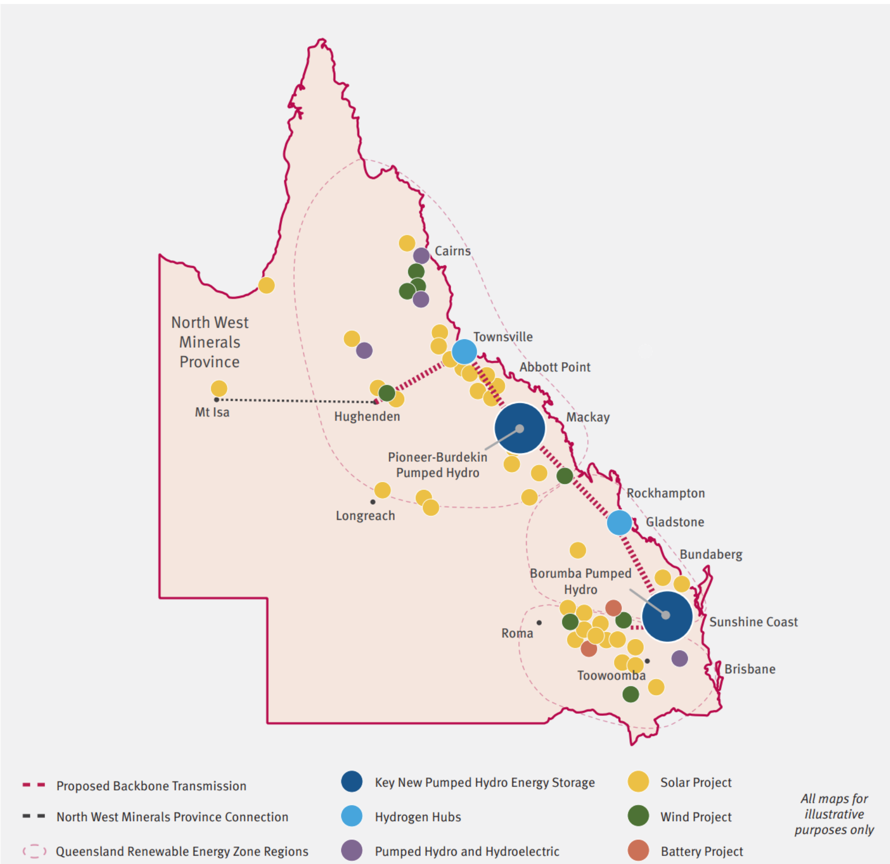


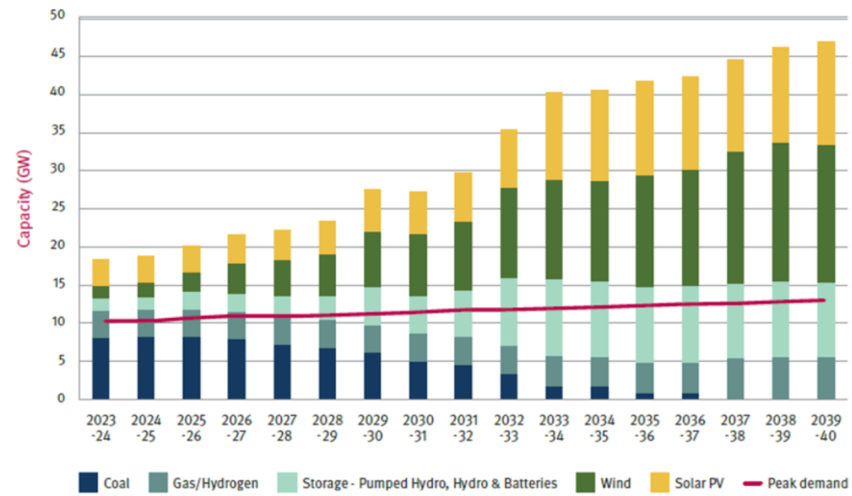
Source: BIS Oxford Economics

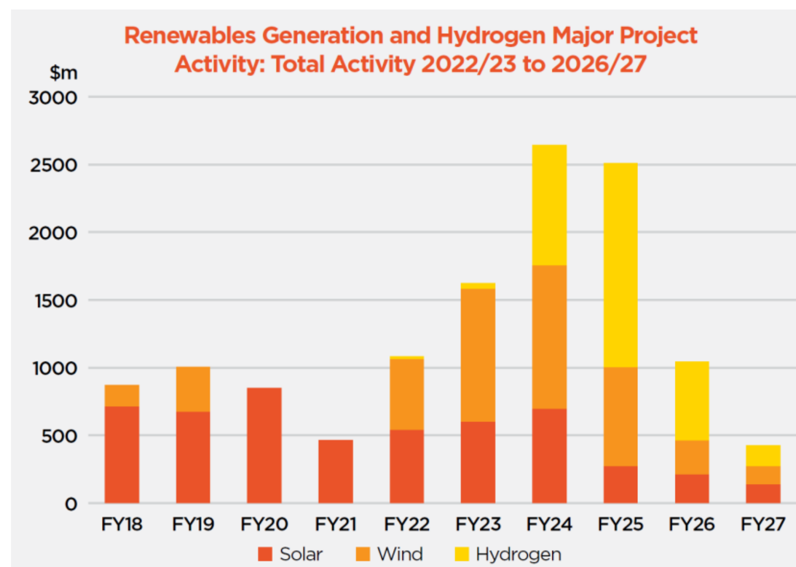
Sector Analysis



QLD’s Energy Plan

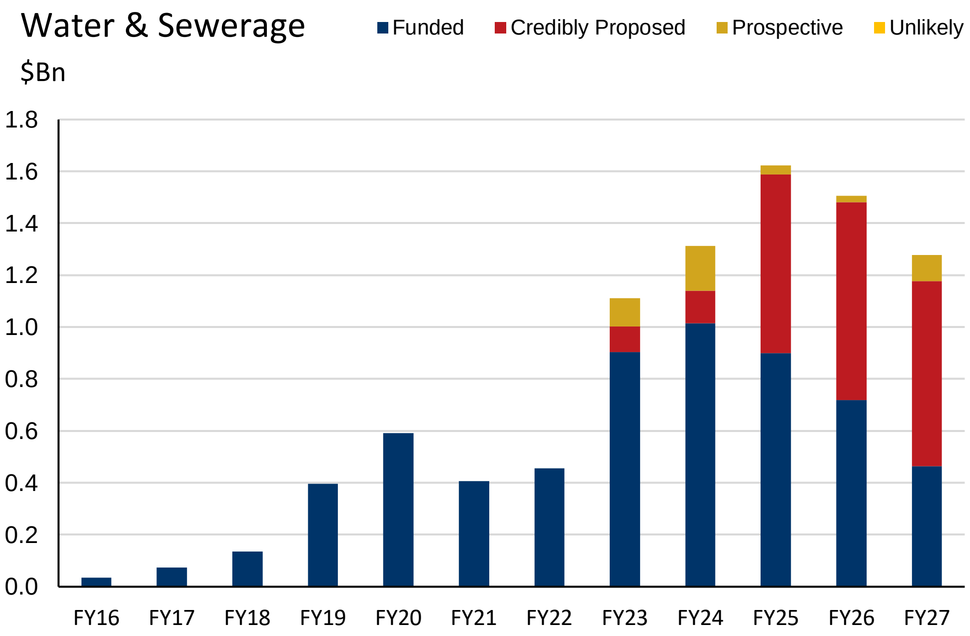






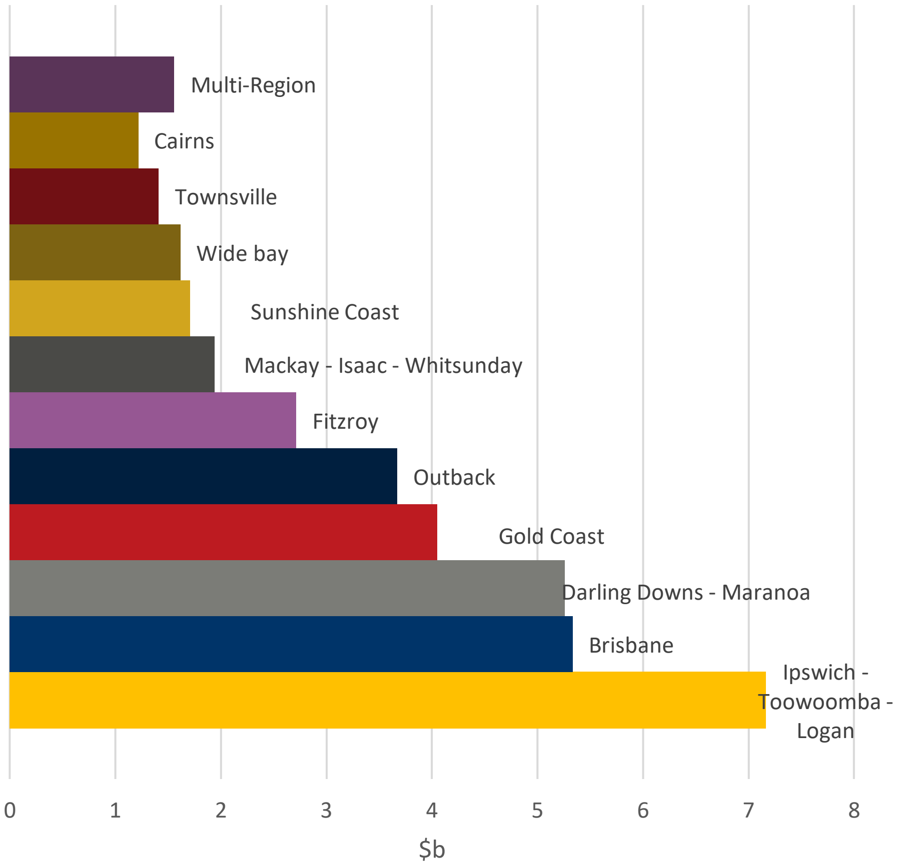
Source: QLD Government

Water & Sewerage- projects starting to flow

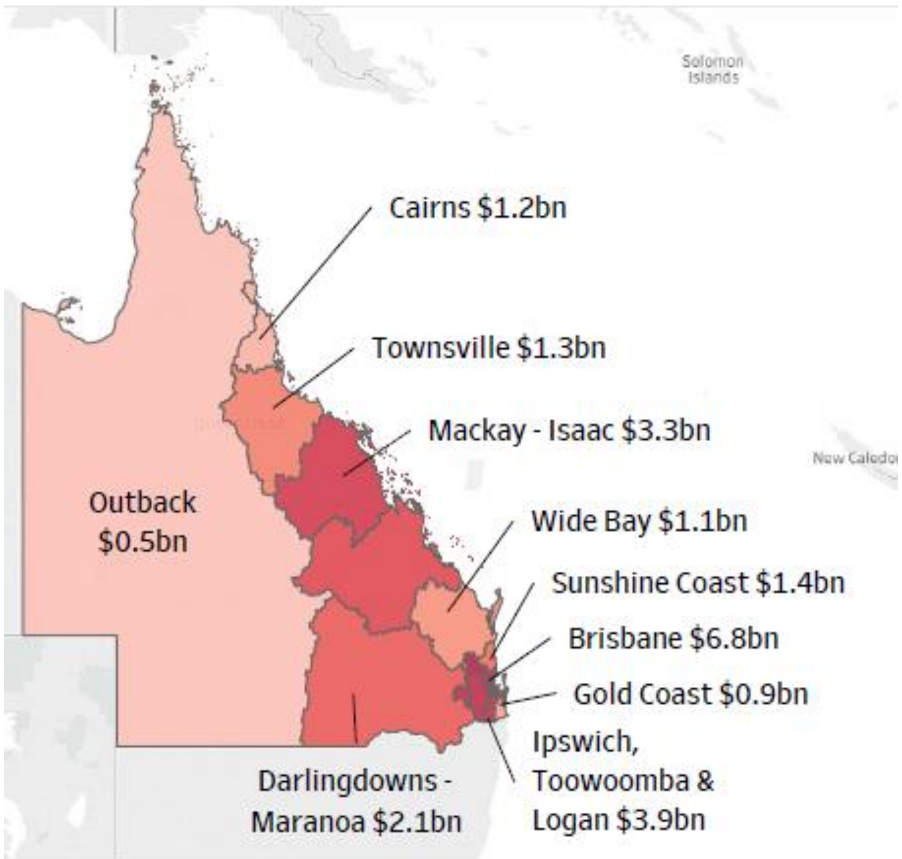


Regional Analysis

Total Pipeline



Funded Pipeline



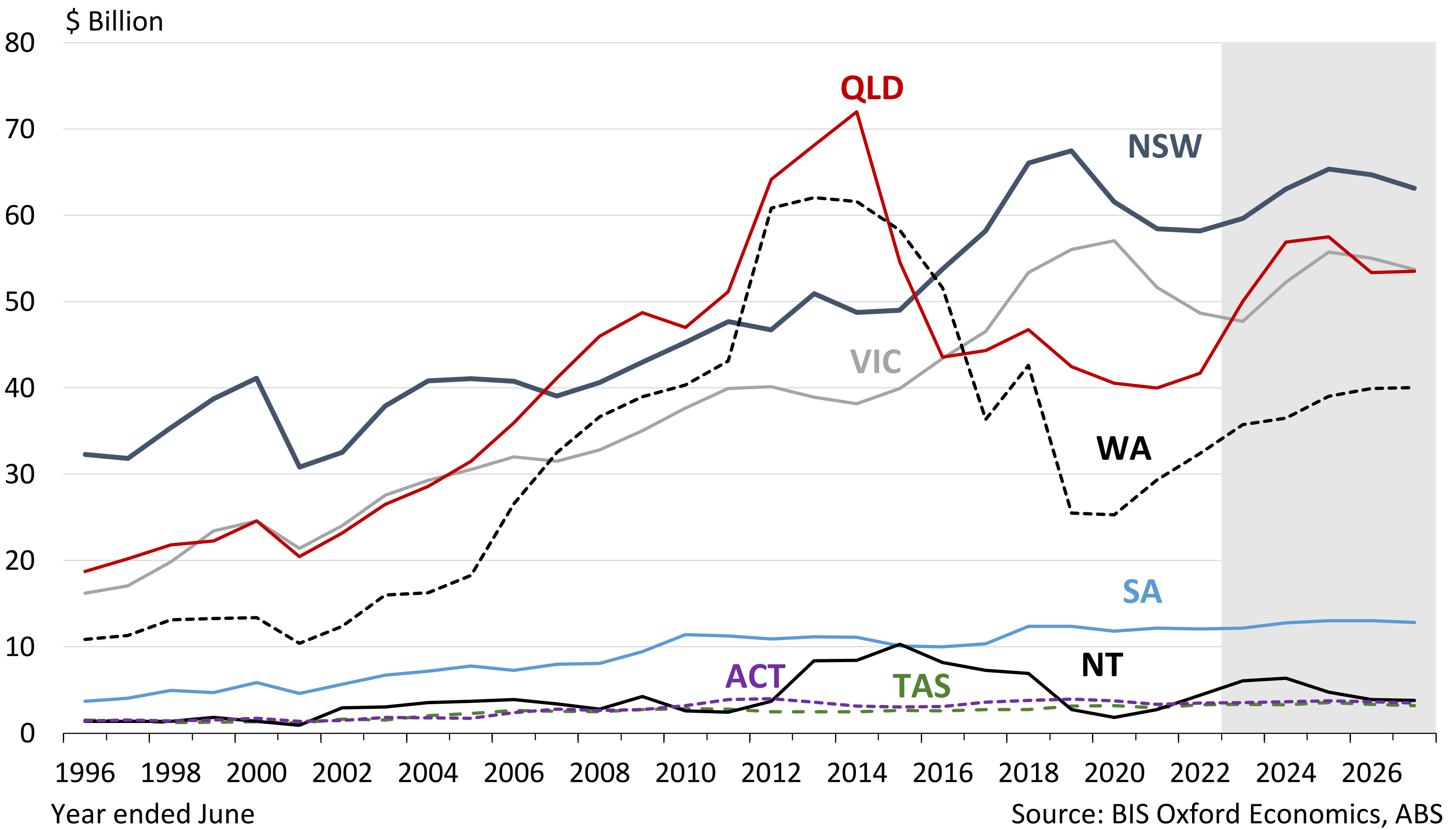
Source: BIS Oxford Economics

Industry Challenges

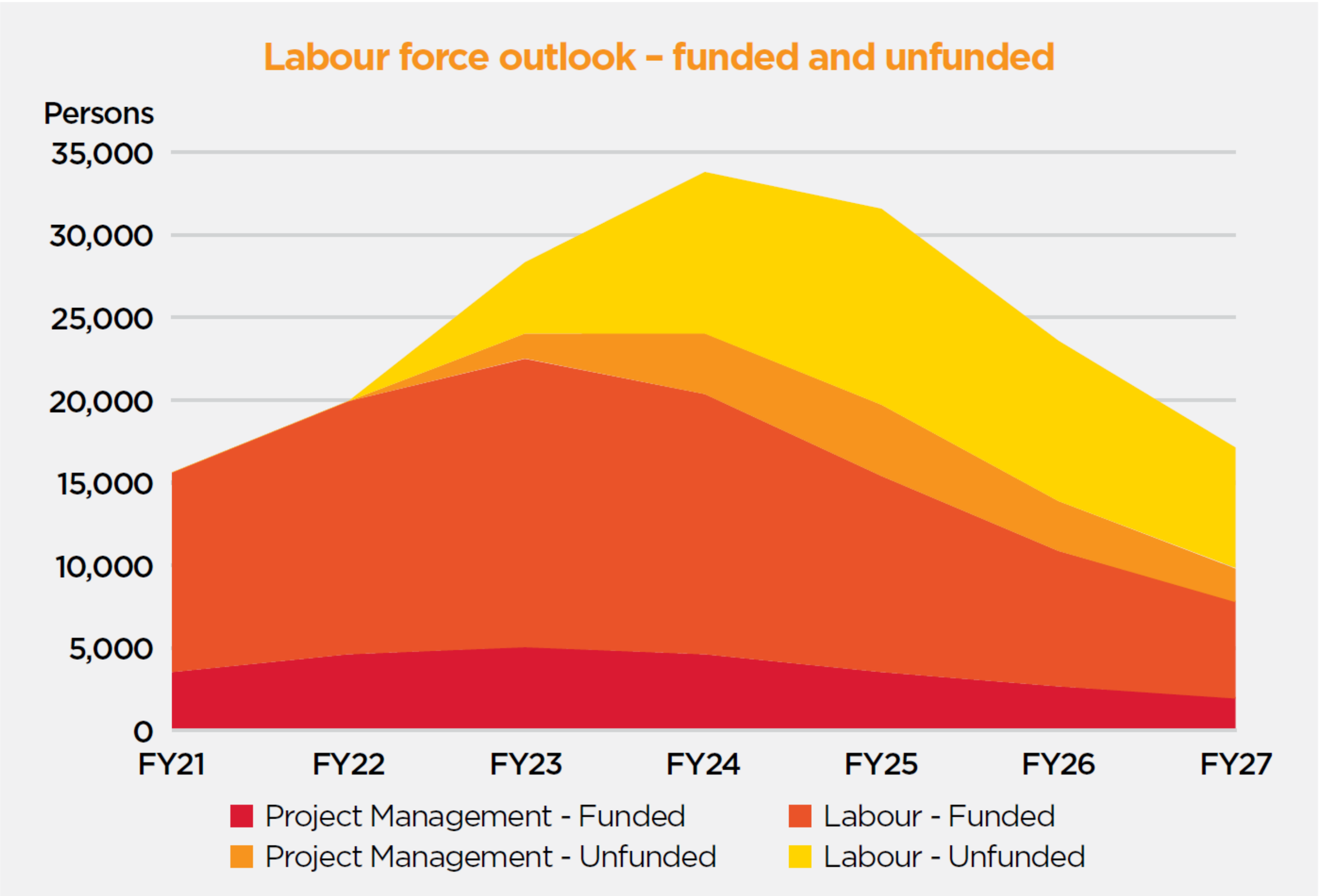
- 4 critical challenges:

1. Capacity: Sustaining and growing capacity
2. Capability: Developing appropriate capability, skills and technology adoption
3. Costs: Managing risks from cost escalation
4. Carbon: Transitioning towards a low emissions industry and future

Capacity & Capability



Capacity & Capability



Source: BIS Oxford Economics, QMCA and IAQ member knowledge

Costs


Forecast
9.0
7.0
5.0
3.0
1.0
-1.0
-3.0
-5.0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Engineering Construction Implicit Price Deflator (Australia)
Queensland Road Bridge Index

Carbon/ sustainability

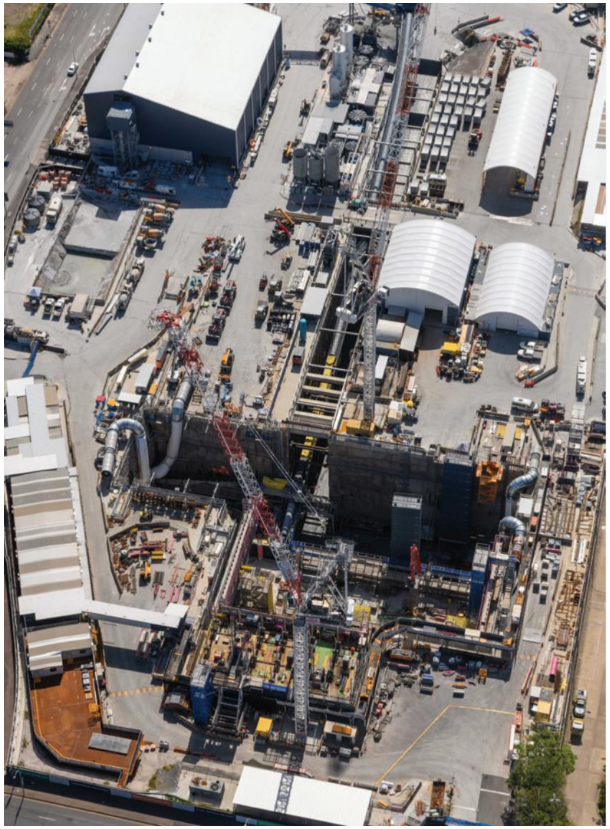
- Reducing the “carbon footprint” of delivery:
  - Reducing transport requirements for materials, or utilising less carbon-intensive transport
  - Utilising spatial technologies to minimise idling and distance travelled by construction equipment
  - BE and HFC plant
- Increasing the use of sustainable materials, recycling & waste reduction

The Enablers

- Collaboration & Community

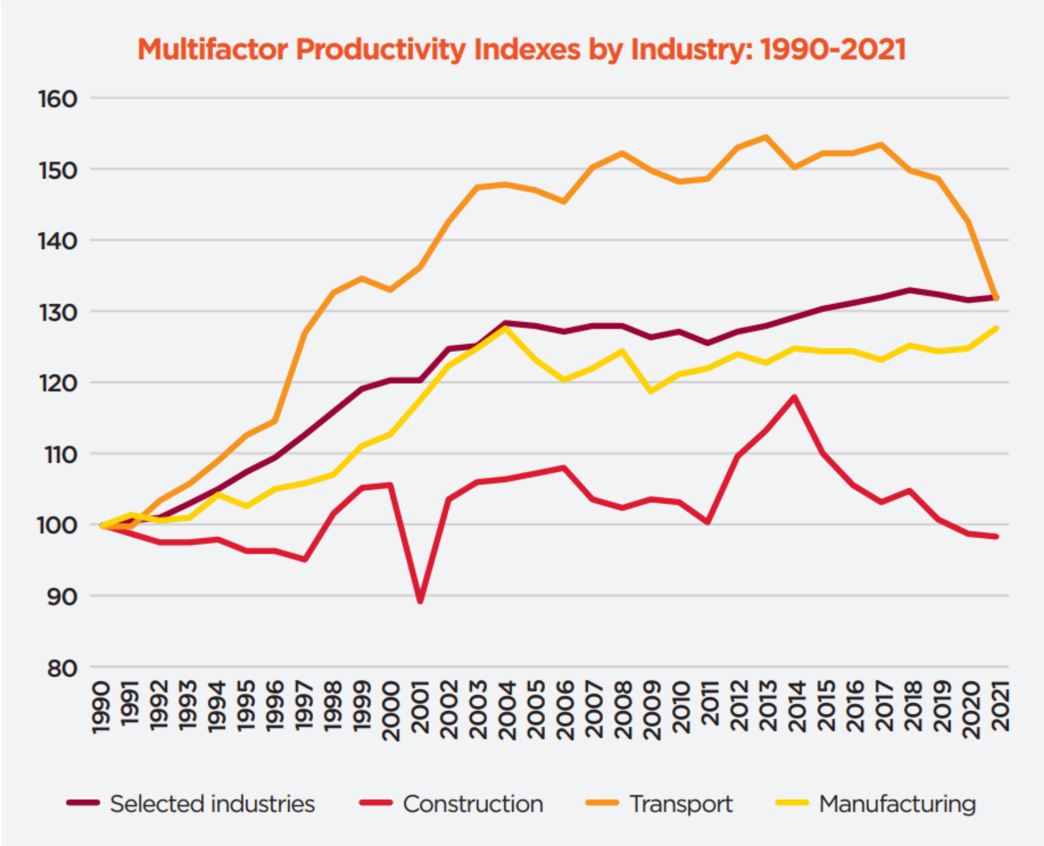
Recommendations

- Increasing supply:
  - Materials and supply chain
  - Labour and skills
  - Plant and equipment
  - Funding:
    - Co investment,
    - Asset recycling
    - Private sector financing and operations



Recommendations

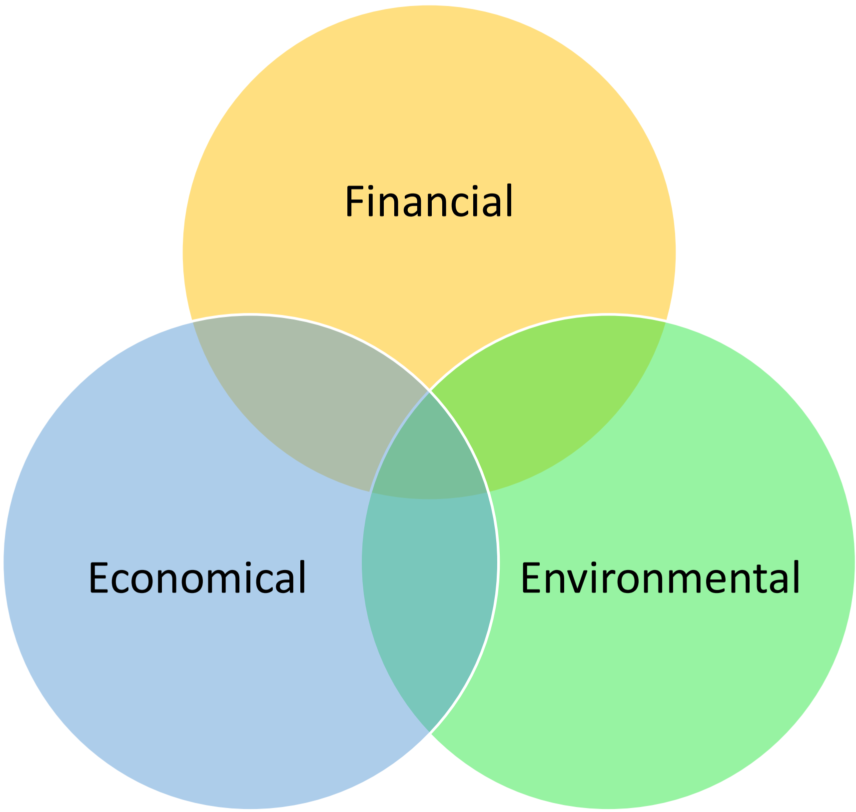
- Boosting productivity:
  - Collaborative contracting
  - Digital engineering and technology
  - Use of alternative approaches and materials
  - IR frameworks that work!



Source: ABS Data

Recommendations

- Ensuring long term sustainable growth:
  - Economically,
  - Financially and
  - Environmentally



Get your Copy

- Grab your copy of the Executive Report & Pipeline on the way out
- Head to the following site for the full report:

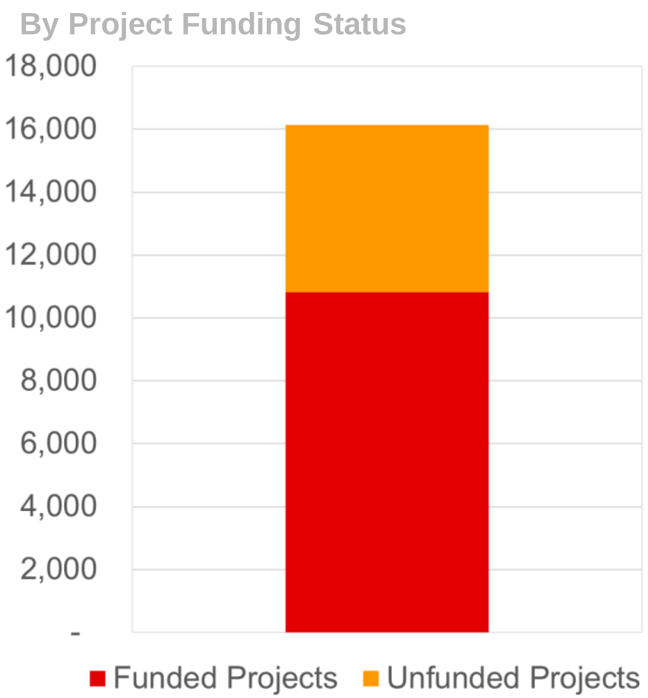
2022 Queensland Major Projects Pipeline:

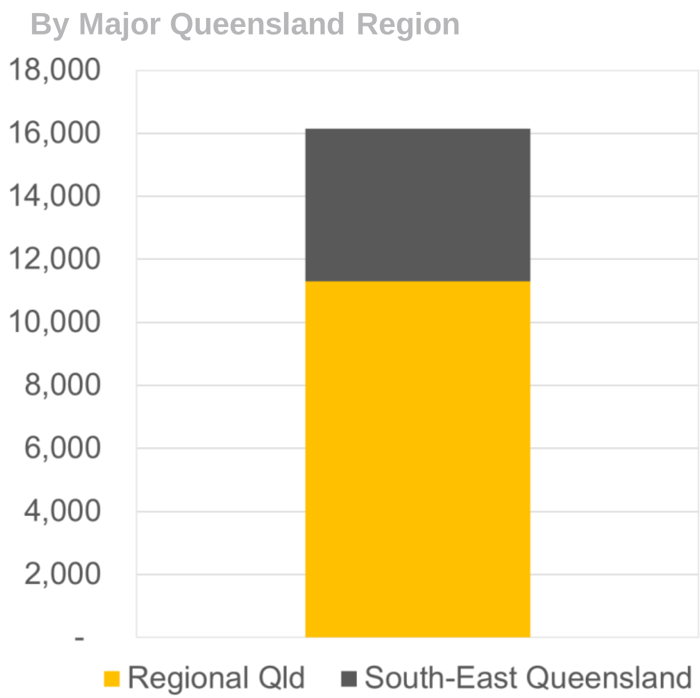
Labour Requirements and Challenges

CSQ | STRONGER FUTURES IN CONSTRUCTION

Future Demand

QMCA Civil Pipeline, Average Construction Labour Requirements, 2022/23 – 2026/27

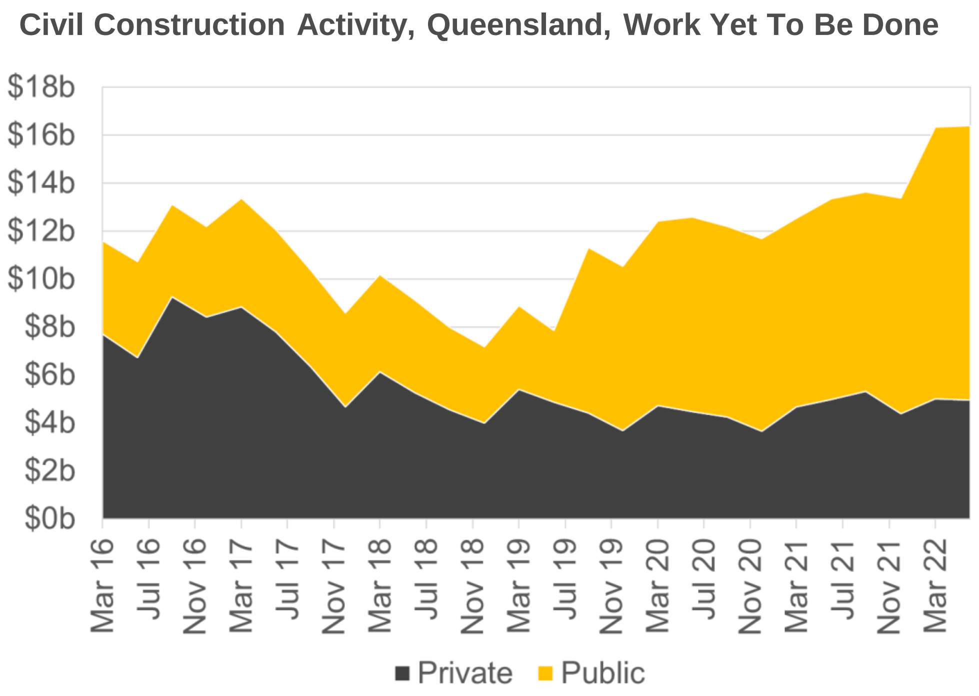




Source: CSQ for QMCA and BIS Oxford Economics (2022)

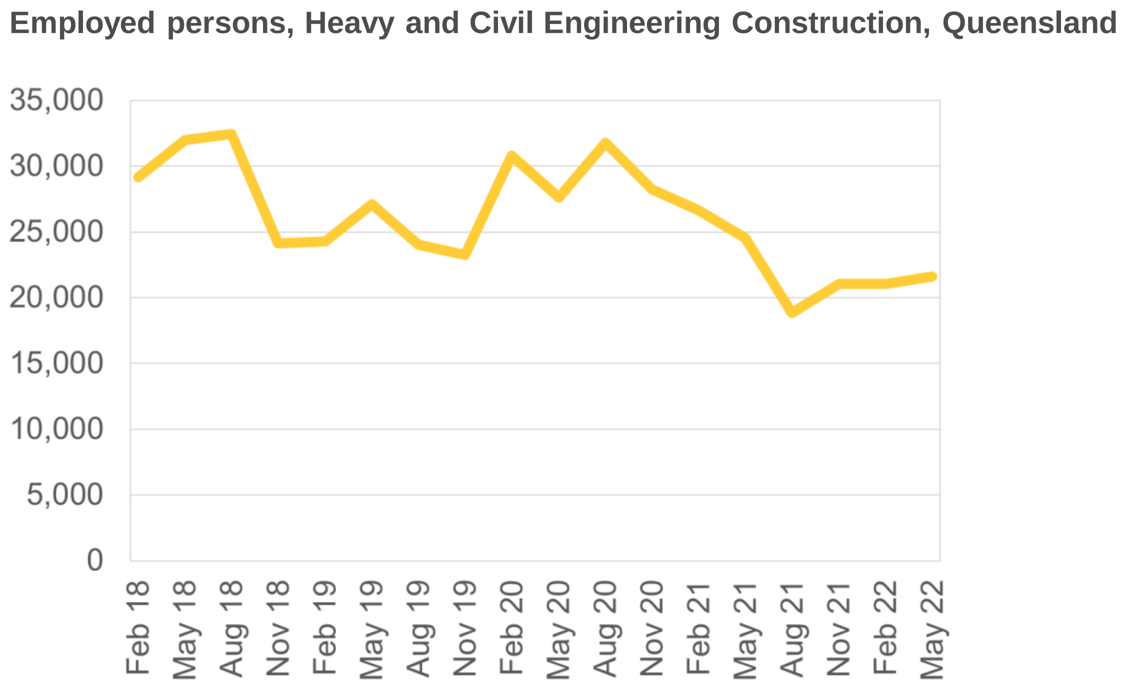
CSQ

Current Demand



Source: ABS (2022); CSQ (2022)

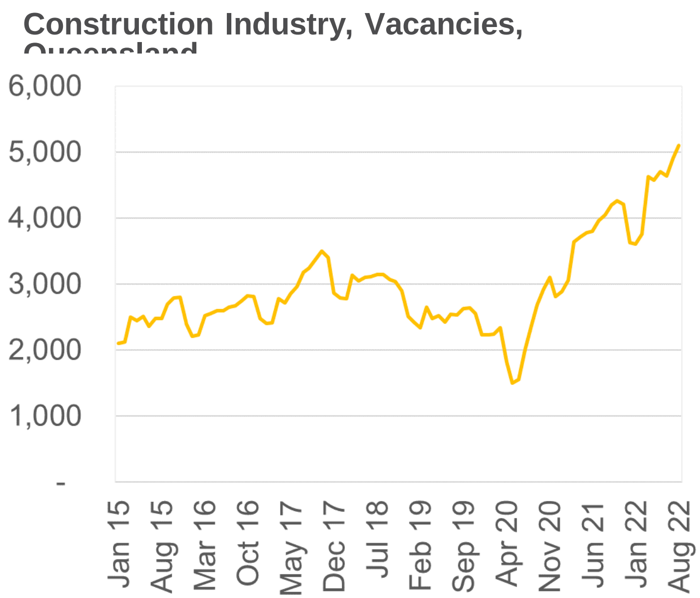
But Workforce Not Responding

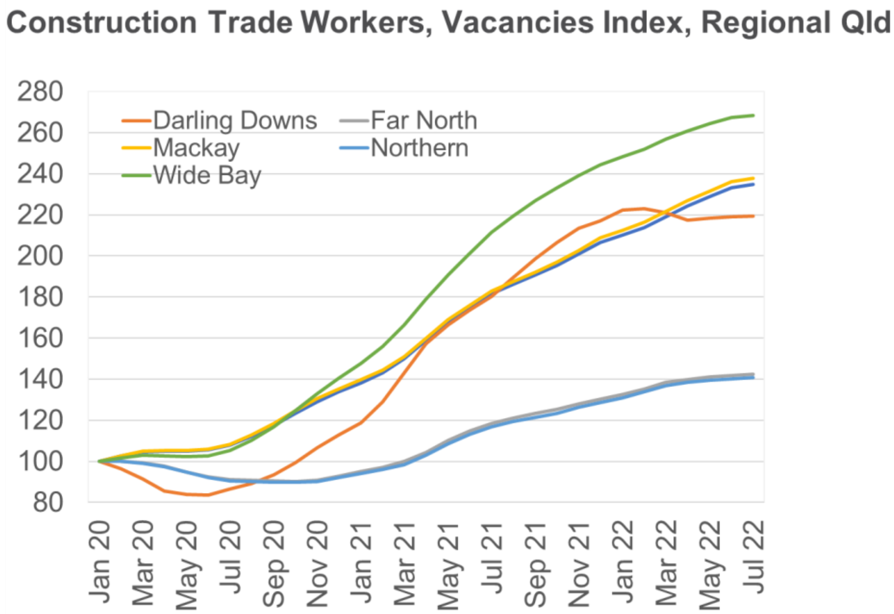


Source: ABS (2022); CSQ (2022)

CSQ

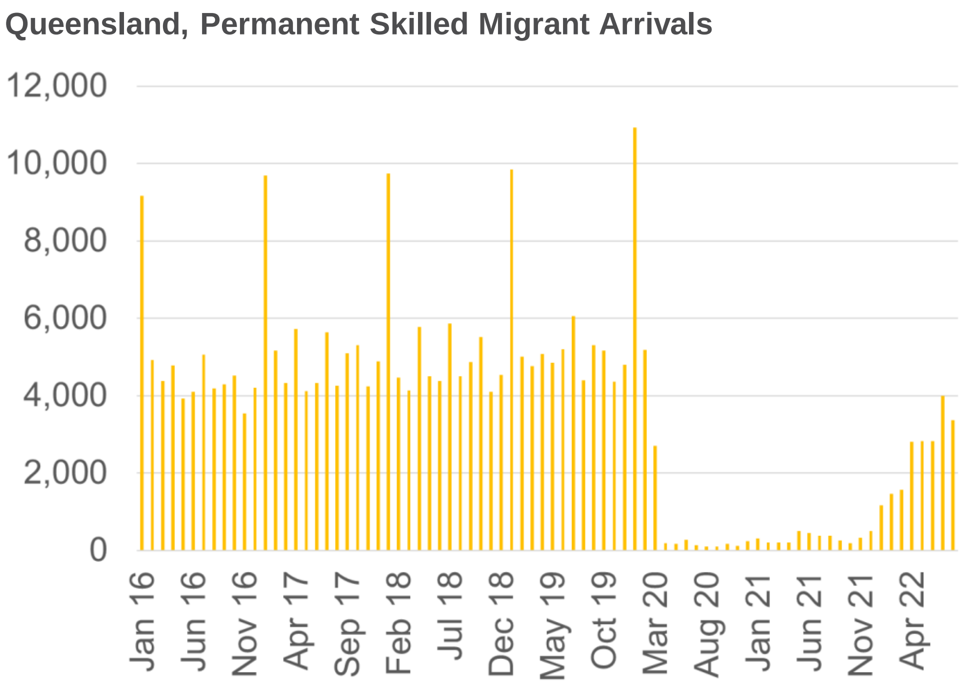
Clear Shortages Opening Up





Source: ABS (2022); CSQ (2022)

A Core Problem



Source: ABS (2022); CSQ (2022)

CSQ

And We Are Just Getting Started

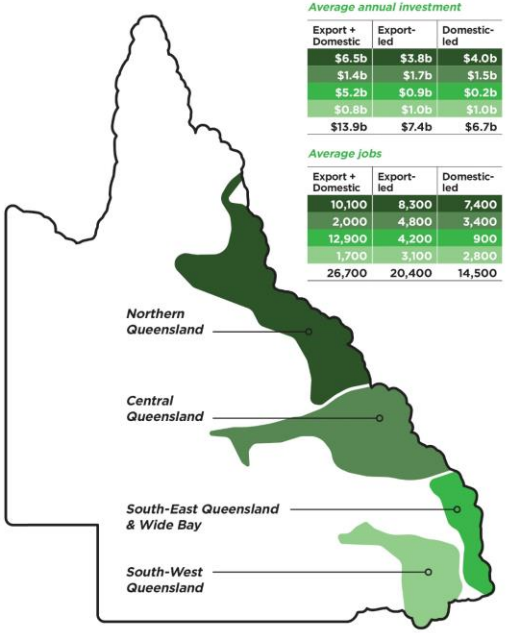
Renewables, CAPEX and Labour Demand

Average annual investment

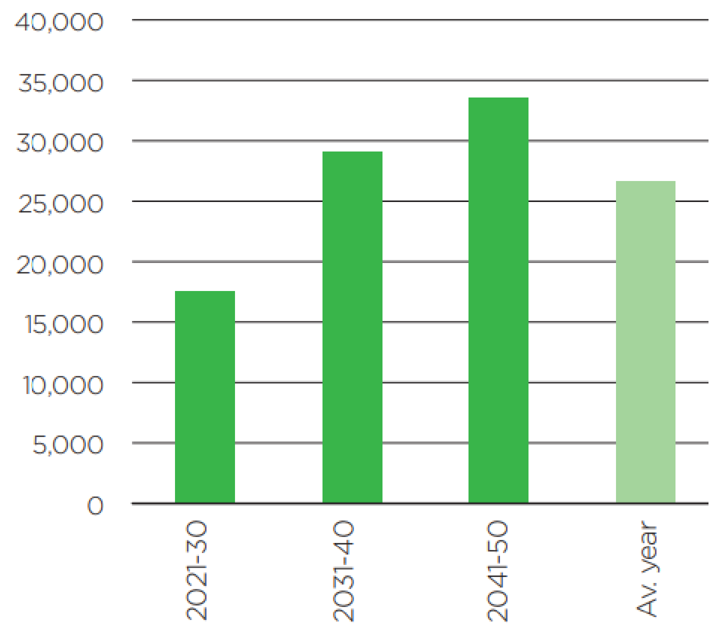
Export + Domestic	Export-led	Domestic-led
$6.5b	$3.8b	$4.0b
$1.4b	$1.7b	$1.5b
$5.2b	$0.9b	$0.2b
$0.8b	$1.0b	$1.0b
$13.9b	$7.4b	$6.7b

Average jobs

Export + Domestic	Export-led	Domestic-led
10,100	8,300	7,400
2,000	4,800	3,400
12,900	4,200	900
1,700	3,100	2,800
26,700	20,400	14,500



Renewables, Labour Demand, Qld



Source: CSQ (2022). Graph is most ambitious scenario (Export & Domestic Hydrogen Industry)

CSQ

What are the challenges to obtaining a skilled workforce to build the pipeline?

“Smaller pool of talent than ever before”

“Regional pipeline with thin labour markets”

“Demand and competition for labour and skills already at a high – we are full”

CSQ

So, What is Next?

Can not keep using past practices to fix future solutions.

Migration – Domestic & International is NOT the sole answer.

Poaching staff with more $$..No

Make your business attractive, be open to new tailored solutions. Provide next career steps at front end

Open to working with other businesses.

CSQ