



## QUEENSLAND MAJOR CONTRACTORS ASSOCIATION 2023 ANNUAL REPORT

The 2022/23 financial year has seen some great initiatives commenced by the QMCA and a reshaping of our strategy and vision for the industry. In 2022, we undertook a review of the strategy that refocused the purpose and vision as:

- QMCA purpose: Shaping the future of the Construction Industry in Queensland
- QMCA vision: A safe, attractive and rewarding industry

Following on from this in 2023 we undertook an update session that reaffirmed the vision and purpose and has assisted in helping shape focus areas as QMCA looks forward to the next phase of the organisation's development. This includes creating sub board committees on key issues and the working groups will report into these sub committees.

The key focus areas for the organisation going forward to align with a safe, attractive and rewarding industry are:

- Capability
- Capacity
- Culture
- Collaboration



Our current Working Groups are:

- Technology & Innovation
- Safety & Industrial Relations
- Industry & Culture
- Resources & Energy
- Young Professionals
- Olympics

Some of these have been quite active than others and some are only in the formative stages of development.

**The QMCA returned a profit for the third year running.** The profit of \$120k and has enabled the QMCA to start replenishing the bank balance, allowing us to invest in other programs for the longer term. \$50,000 has been moved to the long-term deposit to enable the QMCA to continue to provide for programs for the industry over the longer term.

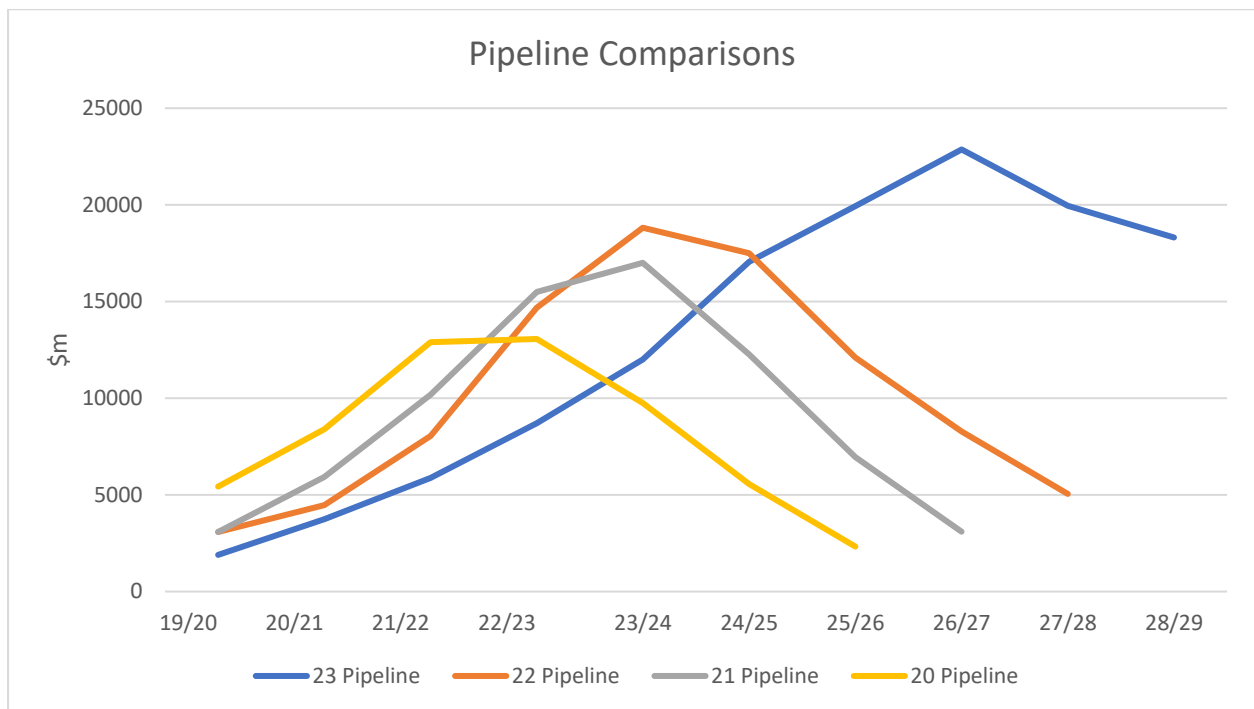
**We have continued to work closely with other industry Associations (CCF, CA and IAQ) along with CSQ and TMR on the further development of the collaborative contracting model that can be used across the entire TMR program.** This program has moved to an industry led taskforce within the structure of TMR and we are pushing the release of the collaborative procurement approach quicker and so that it covers the entire program.

This model, when implemented will ensure greater sustainability of the industry through the changes to the CPA and the better approach to procurement. We have also been trying to get BCC to adopt a similar approach to collaborative contracting.

**The pipeline in QLD has grown substantially and with some \$92b in the forward 5 year pipeline it does indicate strong growth ahead for the industry.** Having said this there are significant challenges to the ability to deliver this pipeline and chief amongst these are addressing the dropping productivity, some of the industry's making and some due to the intrusion of government into the IR space with the BPIC policy and guidelines.

We have seen major investments such as Inland Rail in Queensland be delayed until post 2030 and this, along with the current "90 day review" of investments by the Commonwealth Government has led to a stagnant transport market in QLD, for the majority of 2023, which will extend into 2024. The funded work in the forward 5 years are expected to see delivery of around \$10.5-12b/ year. This is a 25-30% lift from current levels of industry output. Unfunded projects see a further lift to \$19b p.a. These are levels not experienced since the 2011-25 resources and energy boom.

The State Government's Energy plan outlines the transition to greater renewable energy penetration in the generation mix and a potential retirement of the coal plants (despite these being the youngest and most efficient fleet in the country). This plan includes some \$90b+ (\$120b+ with BPIC) investment including 2500km+ of transmission line, 8GW of additional solar PV, 17GW of wind generation and two large pumped hydro projects (to be developed by the new Hydro QLD GOC). There are other proposed pumped hydro projects in QLD such as Big T (Toowoomba) and the underway Genex Kidston Pumped Hydro project that add additional storage capacity. The two projects being developed by QLD Hydro are to be developed by 2032. This will create significant further demand for engineering and construction resources in the pipeline in future years.



The key challenges for delivering the pipeline include:

1. Capacity: Sustaining and growing capacity
2. Capability: Developing appropriate capability, skills and technology adoption
3. Costs: Managing risks from cost escalation
4. Productivity: Reversing the trend and delivering VFM
5. Sustainability: Moving toward lower environmental impact in delivery

Whilst the pipeline continues to grow there are still many issues affecting our industry over the short to medium term, and these include:

- **Industrial relations** and the federal governments changes to the industrial relations laws and attempt to bring back Pattern bargaining. The “Best Practice Industrial Relations” (BPIC) remains an ongoing issue for the industry. We have been actively engaging with industry clients such as Sunwater, SEQ Water, Stanwell and TMR to try and lessen the impact of this ill thought through policy. This remains the biggest risk and concern to the industry in QLD. Whilst some members continue to find ways to navigate the issues of BPIC there seems an increased boldness by sections of the state government to push this issue with little cause for concern about the industry wide impacts.
- **Capacity and capability gaps.** The QMPPR his rightly identified the significant gap in capacity and capability to deliver on all the investment proposals. We are now working with CSQ and others through the resourcing the future working group to identify ways that we can improve the interest in the industry, attract new workers and arrest the “brain drain” of people leaving the industry. We need an immediate lift of 25-30% in the size of the workforce to deliver the funded projects.
- **Commercial/ contracting frameworks and the appropriate apportionment of risk.** The recent suggested changes to the TMR CPA contract have gone a long way to addressing this, however many other clients need to also address with industry this issue. Having said that the application of the revised CPA and procurement approach even within TMR is sporadic;

we continue to try and address this for a more consistent approach by TMR to ensure industry sustainability.

- Funding of the program that delivers value for money and enables the private sector to invest in works as well. The mechanisms that exist with the QLD Government for this are cumbersome and unproductive and need to change. We continue to raise this with the state government but there appears a reluctance to actually consider this as a solution.
- Digital and technology that can provide productivity enhancements. Productivity in the industry is at its lowest in the last 20 years and BPIC will not help with this either. Digital tools and technology offers improvements, but understanding these and client acceptance has a long way to go. The technology forum held in June enabled a sharing of technology ideas and solutions in two areas (materials technology and innovation and operational technology). The event was well attended and has enabled presenters and attendees from companies to connect and explore the application of their solutions that could deliver improvements to operations. We are looking to follow this up again in 2024.
- A committed and funded and approved pipeline of works that delivers certainty for the sector beyond the typical 2-year timeframe. The Olympics provides us with this opportunity, and we are working with the state and federal governments to ensure that a ten year infrastructure plan is developed and released. Unfortunately, over the past years we continue to see little to no movement from the state government on any plan for the Olympics “legacy” infrastructure development. Time is running out and we need to get this work scoped well and procured appropriately so that it can be delivered without overloading the market at the back end of this decade.
- The transition to net zero and the associated energy infrastructure needed offers great opportunities for the industry, particularly with large scale pumped hydro and transmission projects as well as solar and wind generation.
- Sustainability in the way that the industry operates, uses materials and recycling. There is still much to be done in this area with specifications and acceptance and indeed trialling new approaches.
- Engagement with local communities, capacity strengthening of local sub-contractors, suppliers and industry

### ***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)
- Commonwealth Government
- QLD Government (DMTR, DPC, DILGP, DTMR, DEPW, Treasury)
- Councils including Brisbane City Council (BCC), Sunshine Coast, Gold Coast and Toowoomba Regional Council
- State Opposition
- Sunwater
- SEQ Water
- Stanwell Corporation
- CS Energy
- QLD Hydro
- PowerLink
- EnergyQLD
- Queensland Rail
- ARTC Inland Rail

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:

- Civil Contractors Federation (CCF)
- Australian Constructors Association (ACA)
- Australian Industry Group (AiGroup)
- Qld Master Builders Association (QLD MBA)
- Committee for Brisbane (CfB)
- Infrastructure Association of QLD (IAQ)
- Australian Flexible Pavements Association (AfPA)
- Qld Resources Council (QRC)
- Property Council of Australia (PCA)
- Toowoomba and Surat Basin Enterprise (TSBE)
- Townsville Enterprise Limited (TEL)
- Gladstone Engineering Alliance (GEA)
- 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.

### ***Working Groups***

The QMCA has set of active working groups that are attempting to address key issues in the industry and develop industry positions, create thought leadership and promote knowledge and understanding in the industry.

#### *Innovation and Technology Working Group*

Hollie Hynes from Laing O'Rourke has continued to lead this working group, who have overseen and delivered a very successful Technology Forum in June and are currently developing a small paper on a potential roadmap toward automation in the sector.

#### *Safety & Industrial Relations*

The Safety and IR working group is undergoing a reset with the forum to remain in place as a way to share IR issues and union activity. There are some strategic initiatives that the group does continue to undertake and these include:

- The development of a "performance based BPIC" for major water and energy investment projects, in conjunction with QLD Hydro and others.
- Continued liaison and responses to the state government over the BPIC and its implementation and arrangements,.

#### *Industry & Culture*

The scope of this working group is still being defined, however, it will focus on issues associated with the well documented shortage of resources for the construction sector, coupled with a very large pipeline of work over the next 5+ years. Attracting talent to the industry and especially highlighting how attractive this industry for people in schools etc is important to attracting new talent and interest for the construction industry. Key issues to address:

- Resourcing- how do we as an industry meet the resource needs of the future? What solutions can we develop?
- Defining the new jobs of the future

- Capability and skills
- Industry attraction

This group will develop and manage the jobs and skills summit planned for around May 2024.

#### *Olympics Working Group*

We established an Olympics Working Group in late 2022 and this group has been developing a white paper on the infrastructure needed to support the Olympics in 2032 as well as creating a lasting legacy for economic growth. The paper is focussed around:

- What we as an industry think is needed for not only the Olympics but for the future growth of the region
- How should this be delivered (procurement approach)
- What is the industry capacity (spare capacity to deliver over the next decade)
- What can be done and when should it be done- a generic program

This paper will be launched 13<sup>th</sup> December at our Olympics breakfast.

#### *Young Professionals Working Group*

We have established and kicked off the QMCA Young Construction Professionals group with significant support from Joel Martin from 4020 Consult. This is a forum for young people in our industry to engage with one another but to also provide an avenue for them to develop different ideas and concepts that can help drive change within the construction industry including culture change.

The YCP group are working on three key initiatives:

- Training and Education
- Culture of the industry including diversity of work
- ESG (Environmental, social, governance)

The YCP Group will be also starting to do some events to connect with the young(er) members of the industry too.

#### *Energy & Resources*

The Energy & Resources working group has helped focus and develop events such as the energy storage roundtable with AON. This group will continue to engage with the State Government on the Energy Plan and the ability to deliver this as well as providing road maps for industry capability uplift to deliver the program.

#### *Events*

The events working group, now led by Aurora Marketing, continue to be exceptionally active in the past year, with some very interesting and thought-provoking topics and speakers. We have held some very successful events including our Women in Construction breakfast held annually on International Women in Engineering Day. This year we had 500 attendees at this event, and we received some excellent feedback regarding it.

Through this active group we have been able to host a range of events including

- QMCA Innovation & Excellence Awards in March 2023

- QMPPR:
  - 2022 Series:
    - Brisbane – October 2022
    - Toowoomba – November 2022
    - Townsville – November 2022
  - 2023 Series (November 2023):
    - Brisbane
    - Townsville
    - Toowoomba
    - Gladstone
- Roundtable lunches:
  - Energy Storage- Feb 2023
  - Employer of Choice- June 2023
  - Sustainable business growth- August 2023
  - Breakfast with Brisbane City Council leadership- October 2023
- Special Events:
  - Technology Forum- June 2023
- Breakfast events:
  - Olympics- November 2022
  - Best Practice Collaboration with Consult Australia- November 2022
  - Economic Outlook- Feb 2023
  - Nuclear Energy – May 2023
  - Women in Construction- June 2023
  - Critical Minerals and the Resources Sector- September 2023
  - Bulk Water Infrastructure – October 2023
- Networking events:
  - Networking drinks- December 2022 & July 2023
  - Golf Day- August 2023
  - Joint trivia night with NAWIC – October 2023

### ***Initiatives***

This year the QMCA has undertaken a number of important initiatives, these include:

- Technology Forum
- Development of an Olympics Infrastructure white paper

Future initiatives for 2024 include:

- Technology Forum- second event
- Jobs and skills summit
- Industrial relations: Development of an online training package for managing industrial relations issues and navigating BPIC
- Safety lessons forum
- Sustainability, net zero construction and the circular economy

### ***Membership***

The QMCA maintains three levels of membership and this year there has been growth in all three levels. The organisations intent is to remain relevant providing services, advocacy, knowledge and solutions as well as networking opportunities for all members and thereby attracting new members.

Membership Level	No	Companies
Executive	15	Acciona, Bielby, BMD, Clough, CPB, CMC, Decmil, Fulton Hogan, Georgiou, Ghella, John Holland, Laing O'Rourke, Martinus Rail, McConnel Dowell, Seymour Whyte
General	4	FKG, Golding, McIlwain, See Civil
Associate	38	AON insurance, ARTC Inland Rail, AdBri, AECOM, Aurora Marketing, BAM, Bennett + Bennett, BlueScope, Brady Marine & Civil, CBUS, Civil Project Partners, CMW GeoSciences, Construction sciences, CV Services Group, Before You Dig, DSS+, EJ Australia, Freo Group, Gadens, GHD, Hughes et al, Hembrows, HWL Ebsworth, Jacon Equipment, JF Hull, JC Projects, Kennards Hire, Lewis Woolcott, Lidiar Group, Madsen Giersing, Octant AI, Piper Alderman, Protech, Silverstrand, SMEC, Social Beast, Stellar, WSP, 4020 Consult,

### ***Closing Comments***

The QMCA cannot operate without the **ongoing support and services provided by Lorelei Broadbent from Agenda Management** as the company secretariat and **James Flaherty from Social Beast, as our media manager**. Thank you to Lorelei and James for your ongoing support and assistance throughout the year.

This organisation also cannot likewise operate without the fantastic financial and personal support and engagement from our sponsors. We have two main organisational sponsors in **ARTC-Inland Rail** and **CBUS**. We are exceptionally grateful for the support they provide and the partnership approach.

Equally we have had and continue to have many great event sponsors and we are grateful for their ongoing support.

Lastly we are grateful to Michael Creedon and the team at **MinterEllison** for their support as our probity auditors.