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2025 QLD Major Projects and Pipeline Report

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Agenda

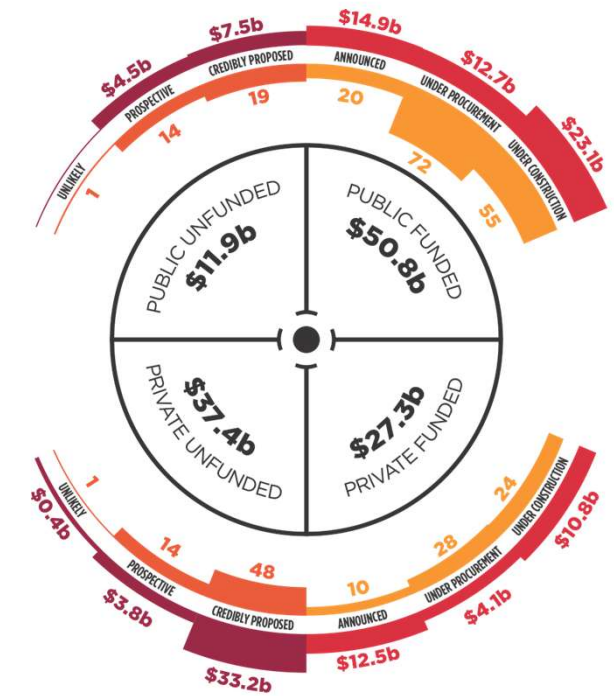
- Pipeline headlines
- Key issues:
 - Costs
 - Capacity
 - Productivity
- Solutions & Recommendations:
 - Productivity Improvements
 - Streamlined procurement (and collaborative)
 - Coordination of works



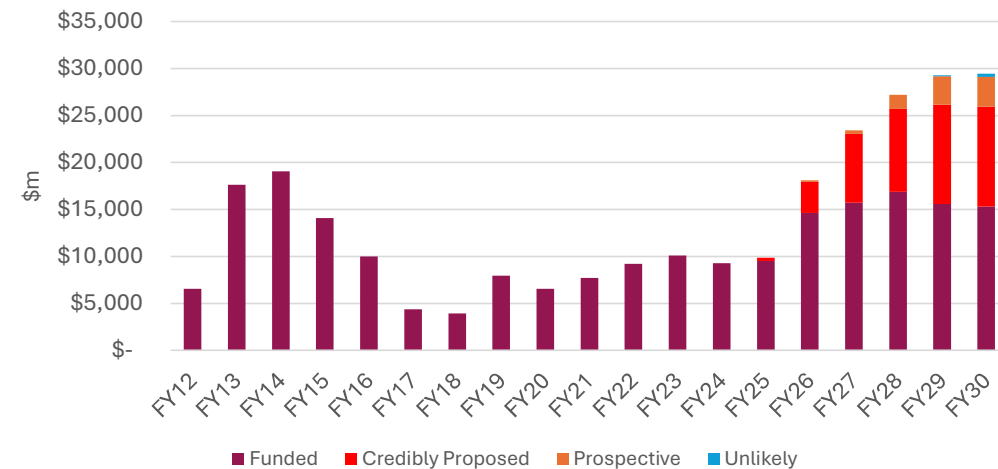


QMPPR Headlines

- Total 5 year pipeline now:
 - \$120b
 - \$127b with the Olympics Infrastructure
- Funded profile on average 2025-2030:
 - \$14.5b/yr (w/o Games)
 - \$15.6b/yr (incl. Games)
- Key issues affecting
 - Procurement & project approvals
 - Labour
 - Industry output (supply chain and productive capacity)



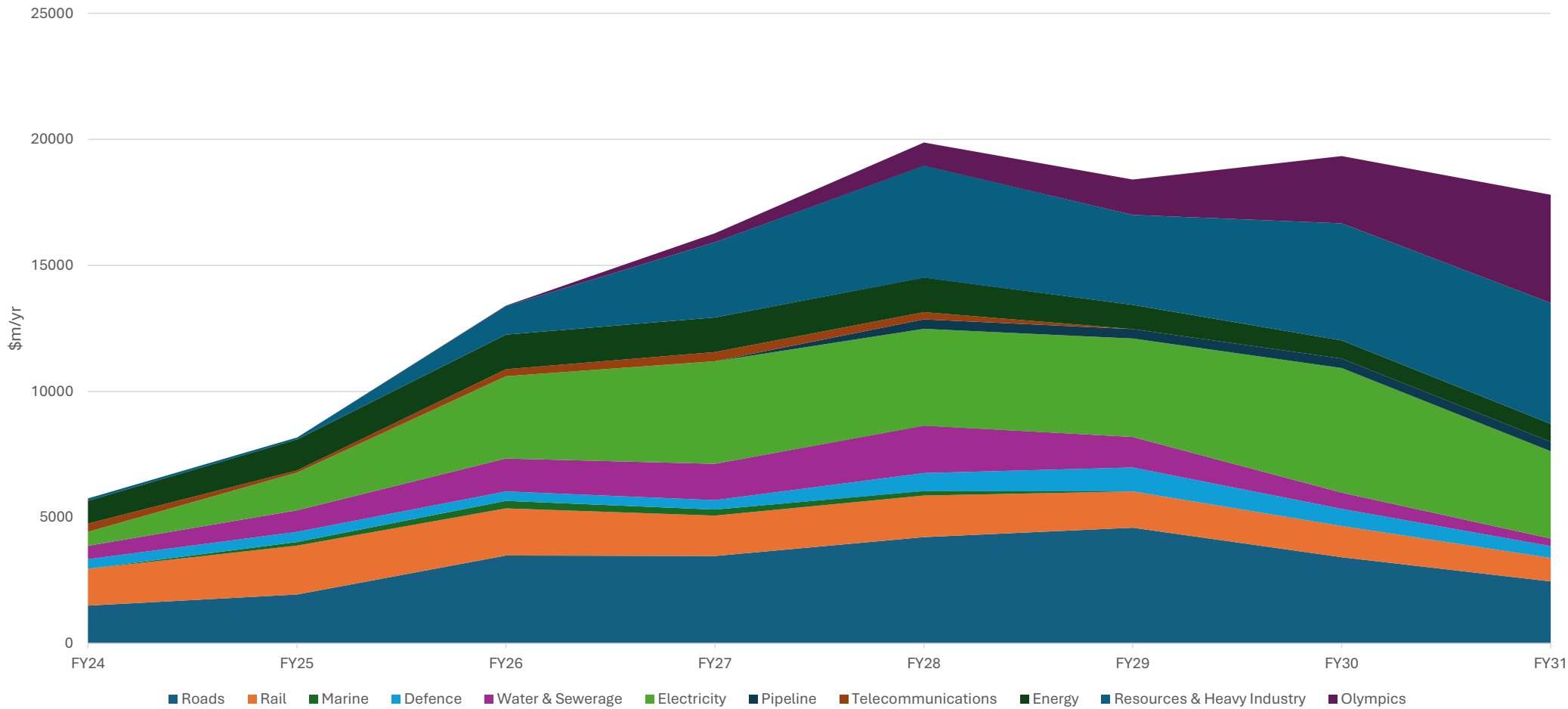
2025 QMPPR Outlook





2025 Pipeline Outlook

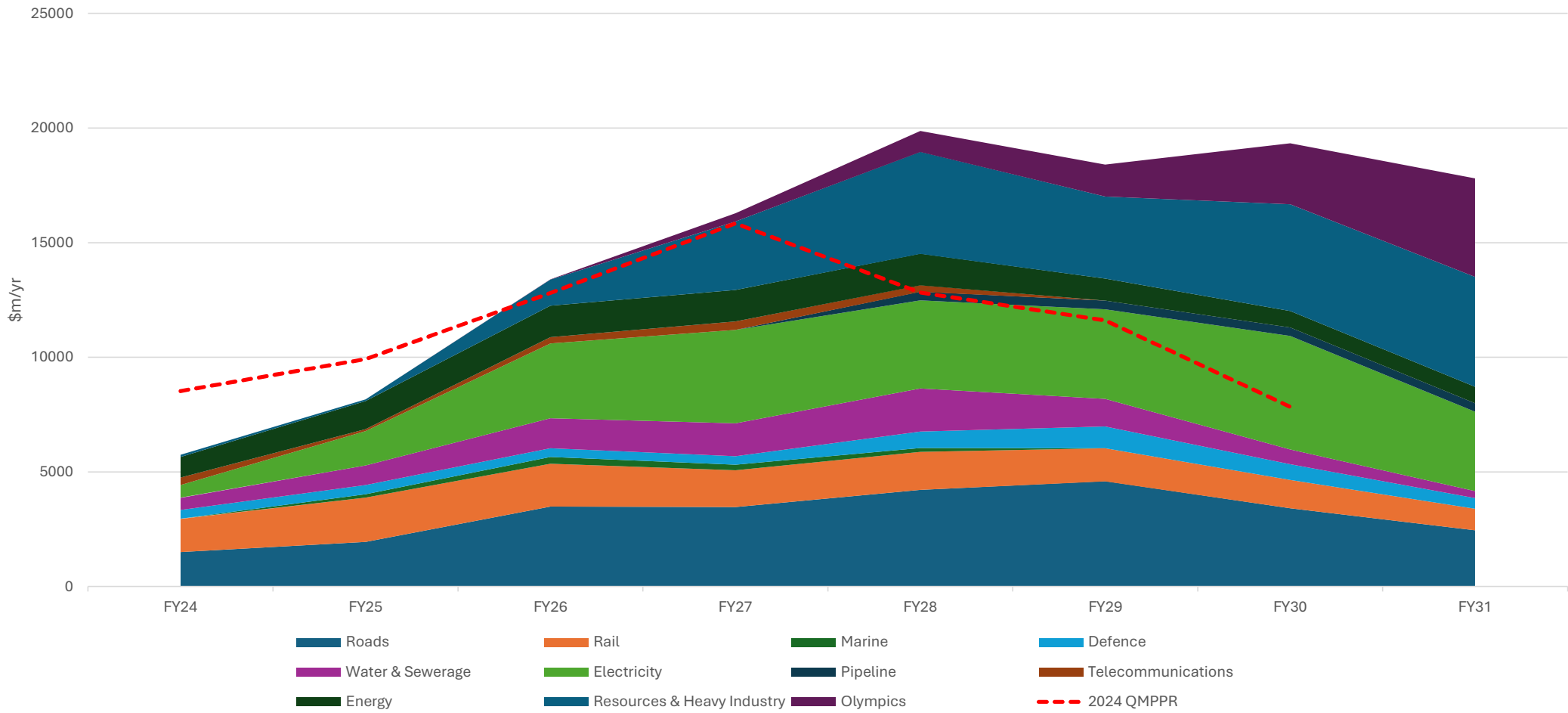
Funded Works





2025 Pipeline Outlook

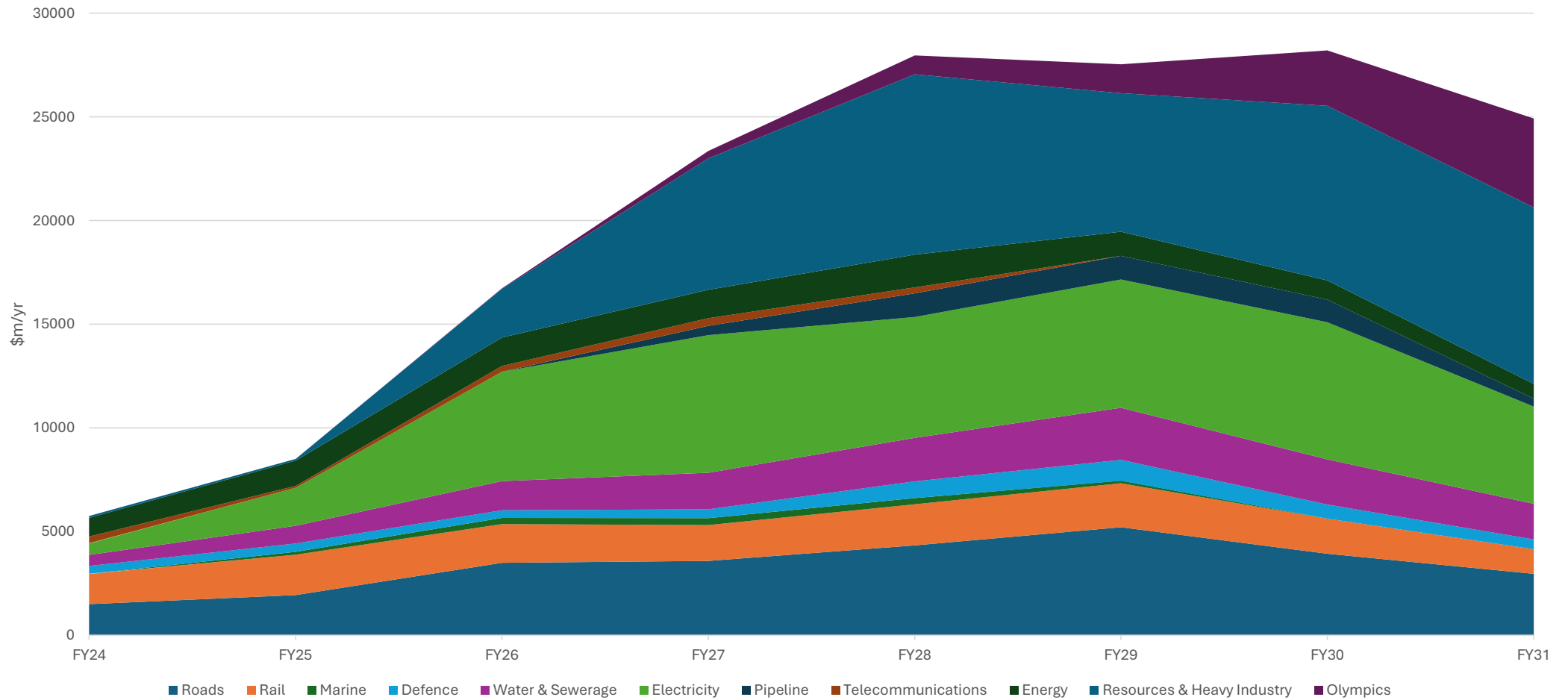
Funded Works





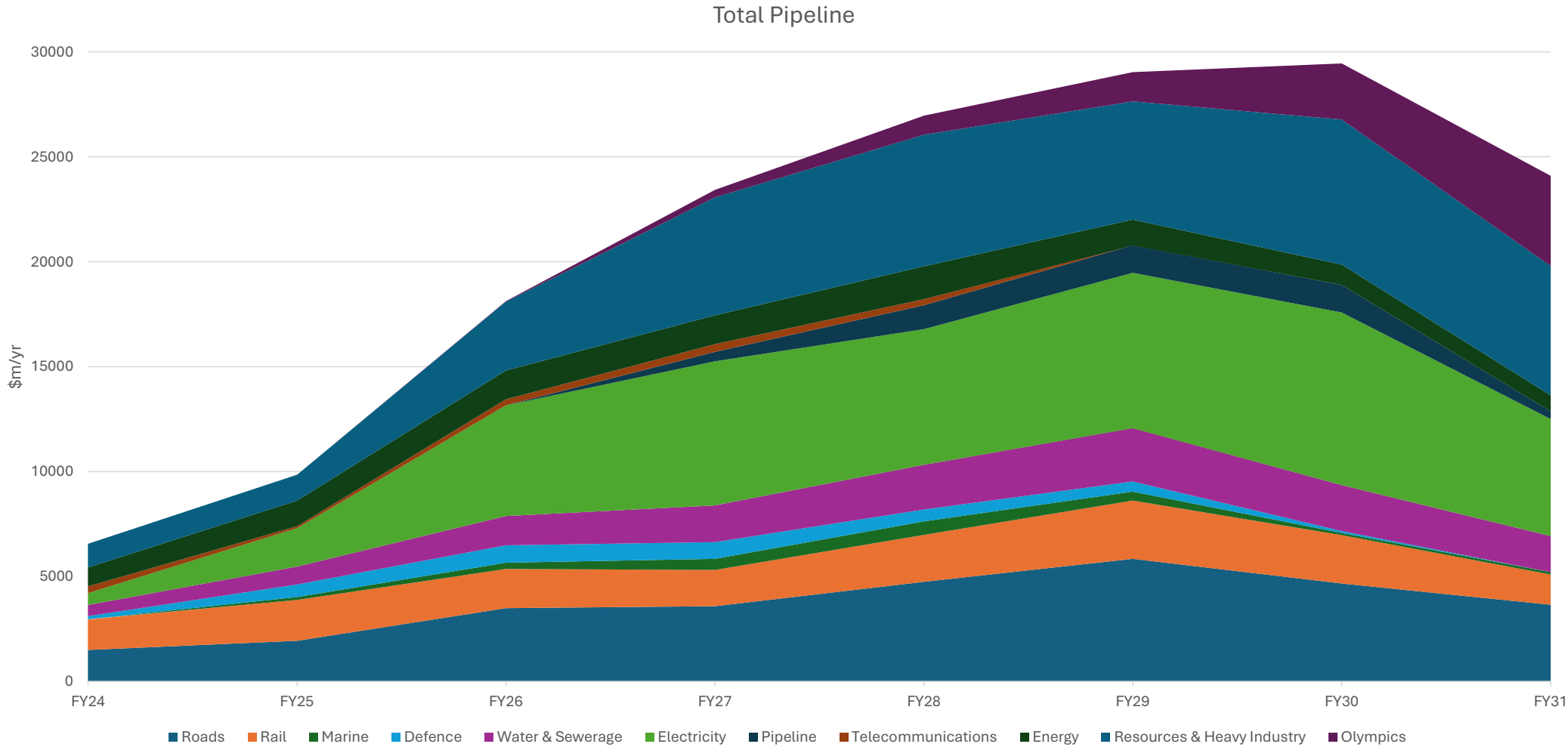
2025 Pipeline Outlook

Funded + Credibly Proposed





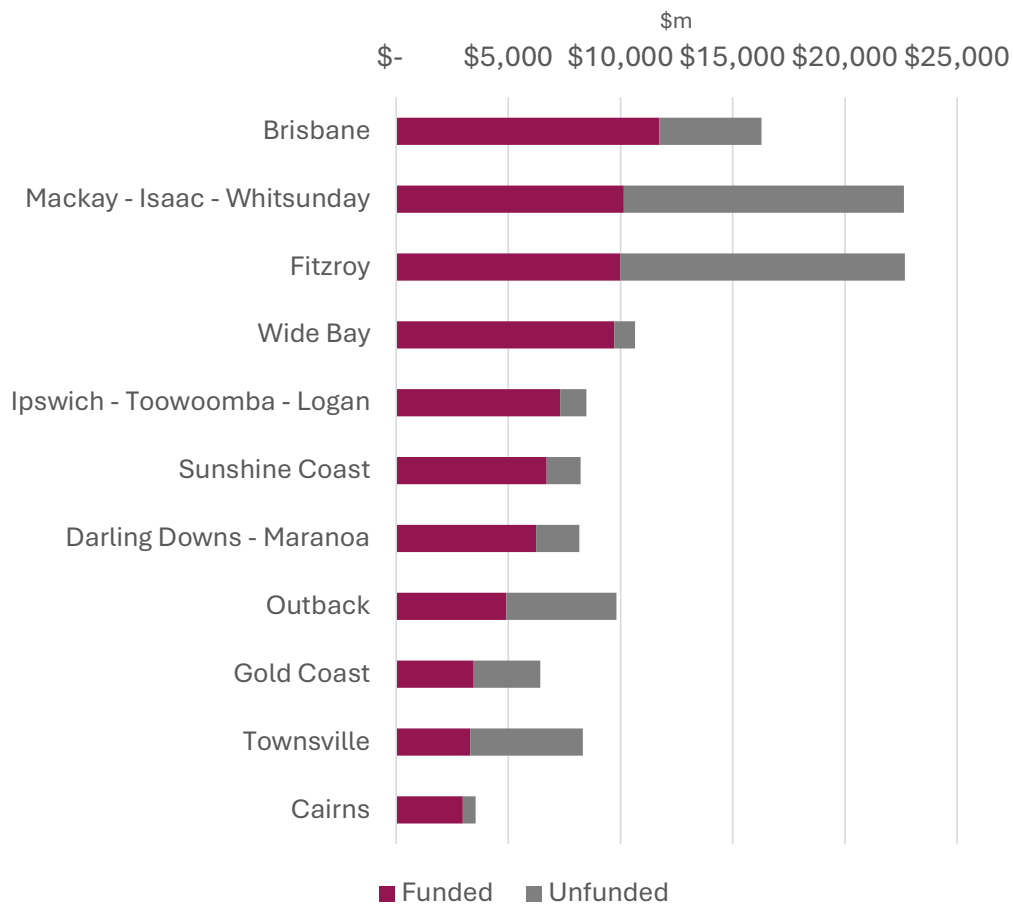
2025 Pipeline Outlook



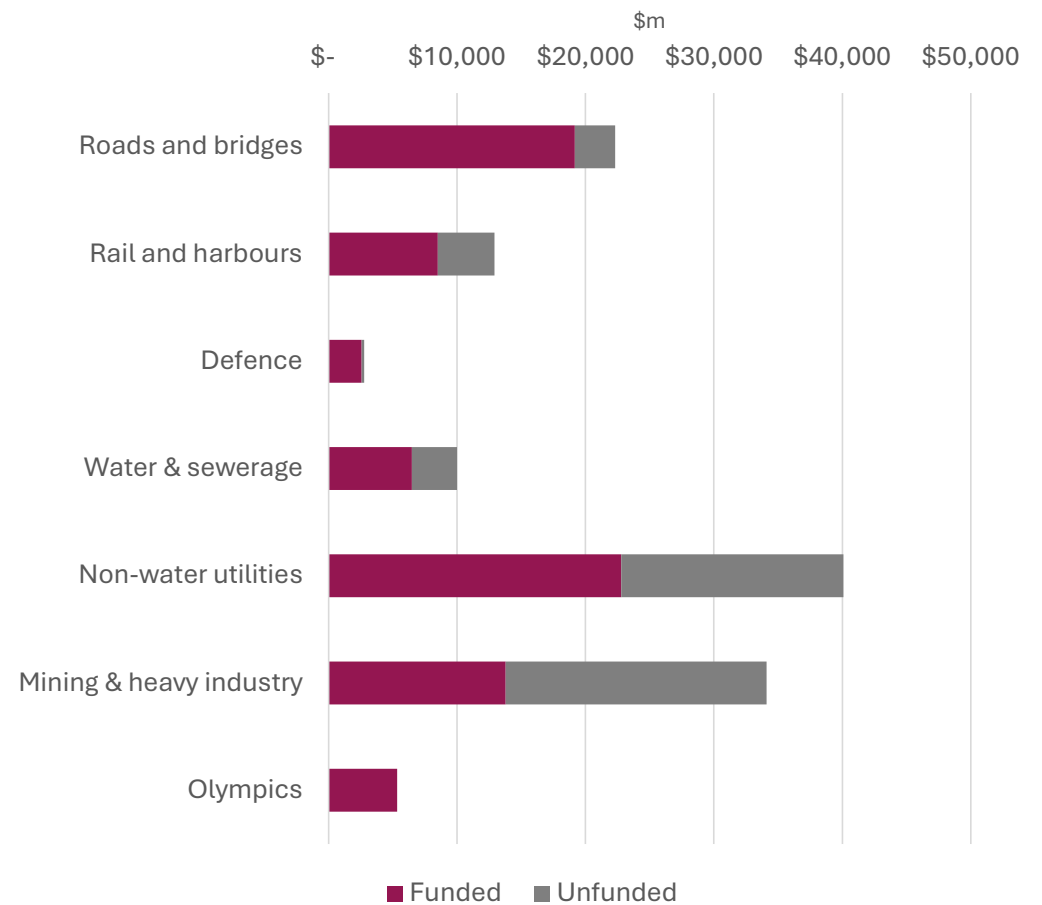


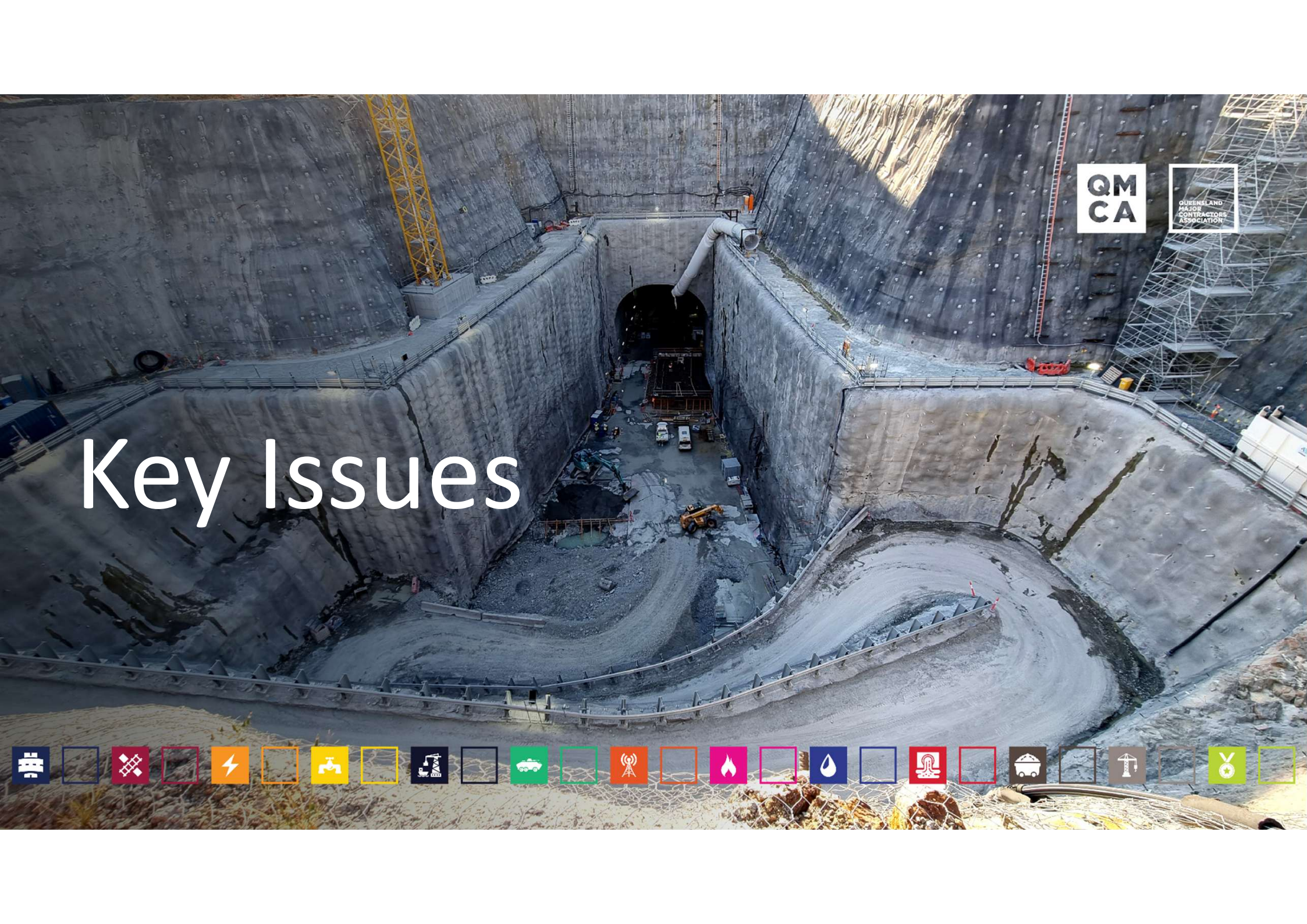
Where and What?

2025 QMPPR – Regional Breakdown



2025 QMPPR – Sector Breakdown





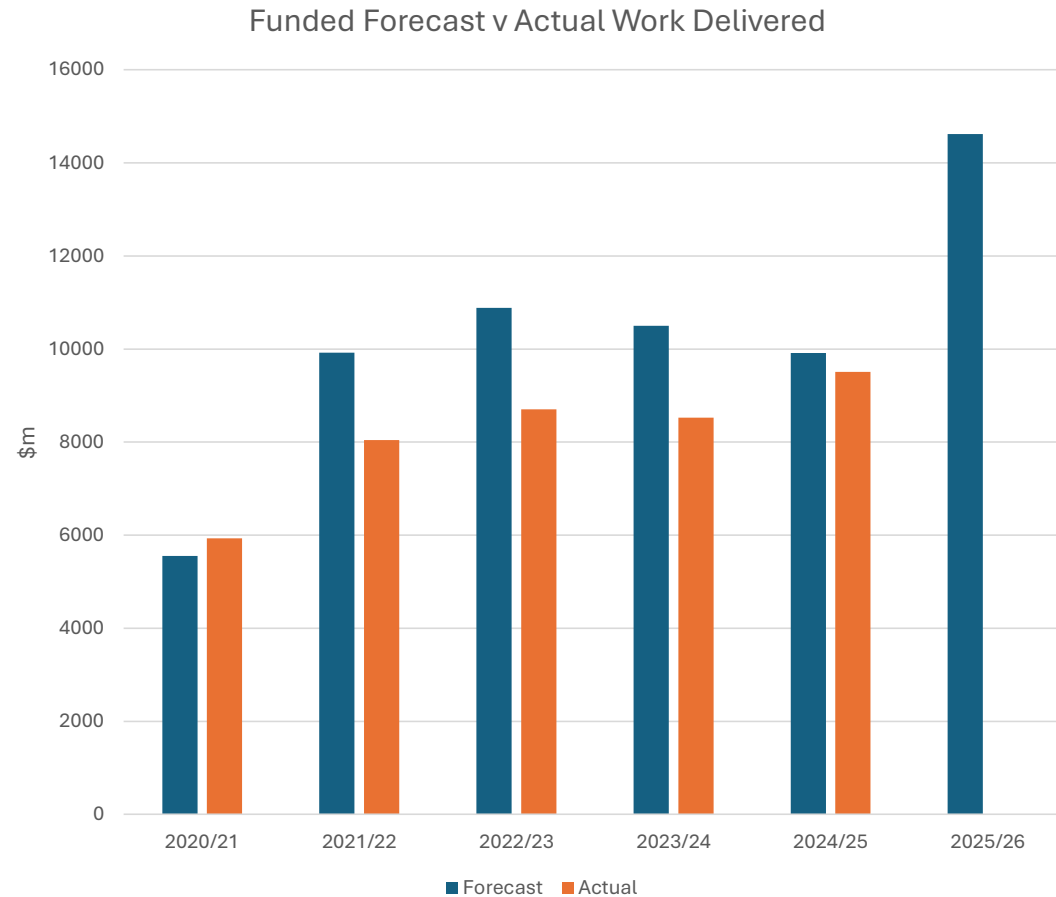
Key Issues





What has been delivered

- From FY21-FY24 ~87% of projected work each year was delivered
- FY25 saw close to 12% uplift in delivery
- FY25 delivered 96% of the projected work
- To deliver FY26 will require 53% uplift
- To deliver the average of the total pipeline over the forward 5 years: 167% lift





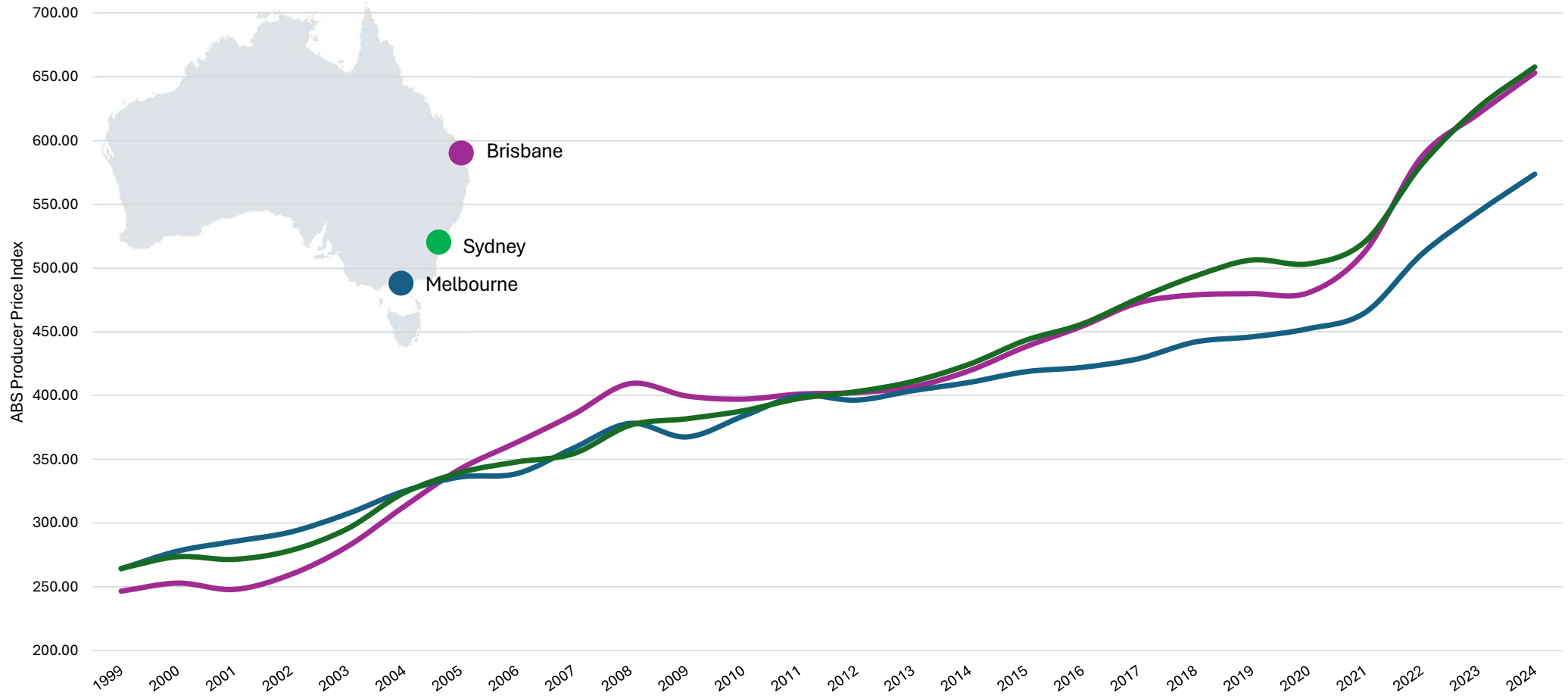
Key Issues that will affect the pipeline

- Input cost escalation
- Market capacity:
 - Labour
 - Supply chain
- Procurement approach
- Industry productivity





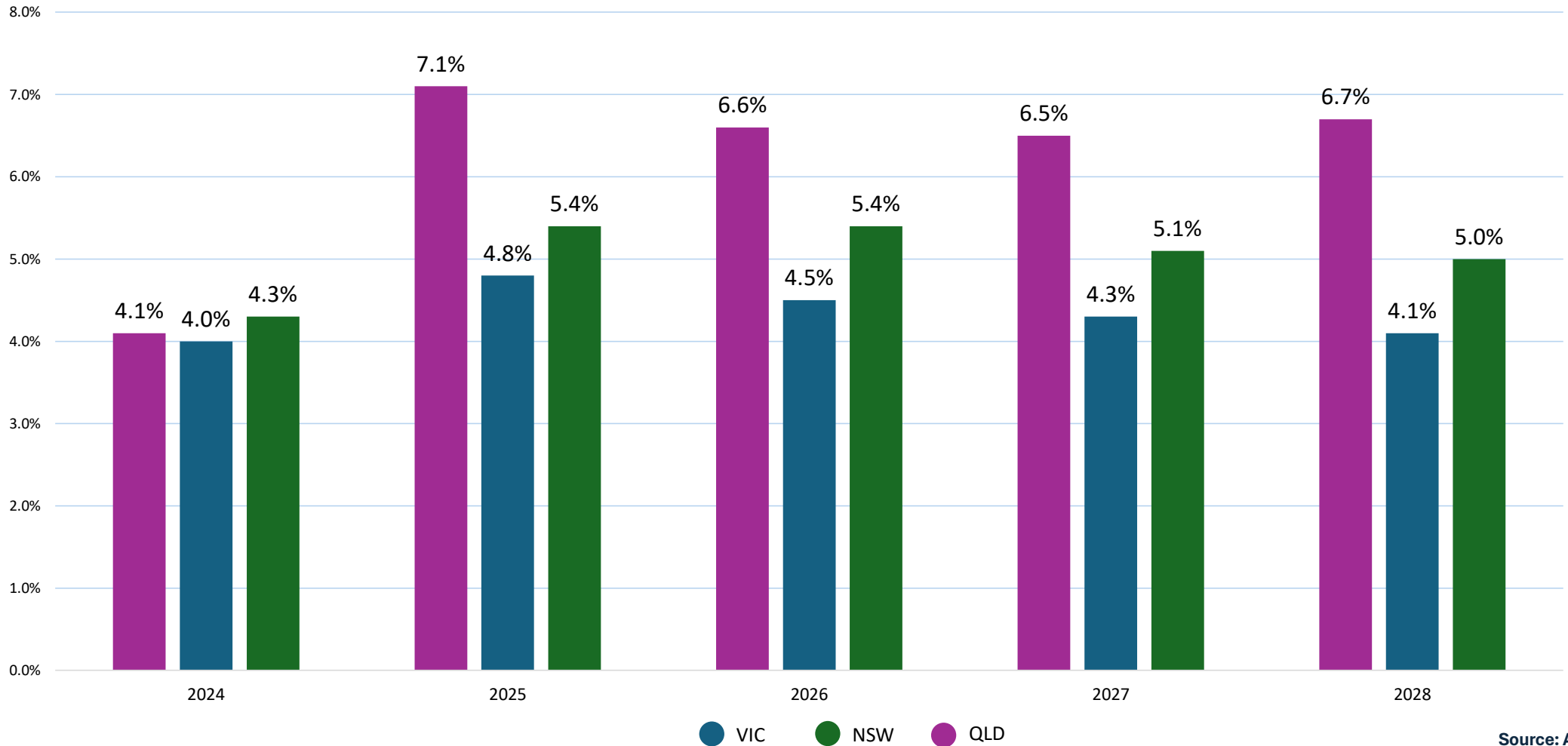
Construction Costs



Source: ABS / Arcadis



Civil Infrastructure Cost Forecast



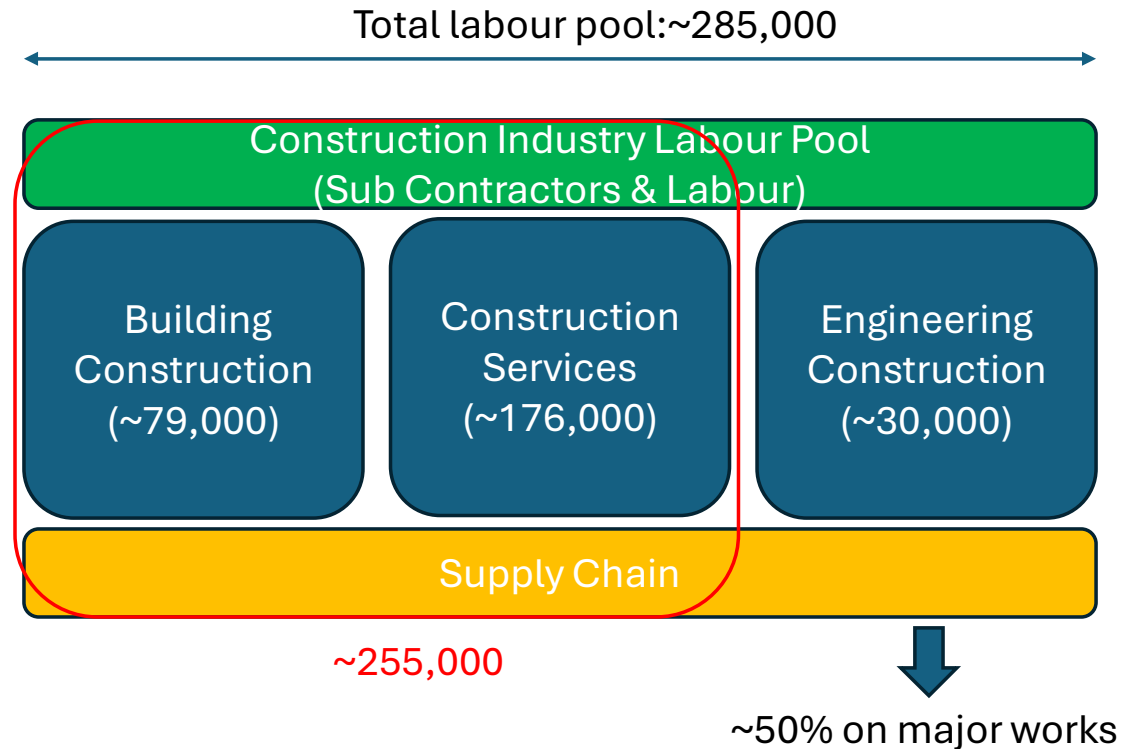


Capacity



- Labour:

- 285,000 currently employed across the entire building & construction industry
- A large proportion of the supply chain, sub contractors and labour pool is shared
- Engineering Construction accounts for ~30,000
- Need up to 41,000 people to deliver the entire pipeline & 25,000 for the funded works
- Currently ~15,500

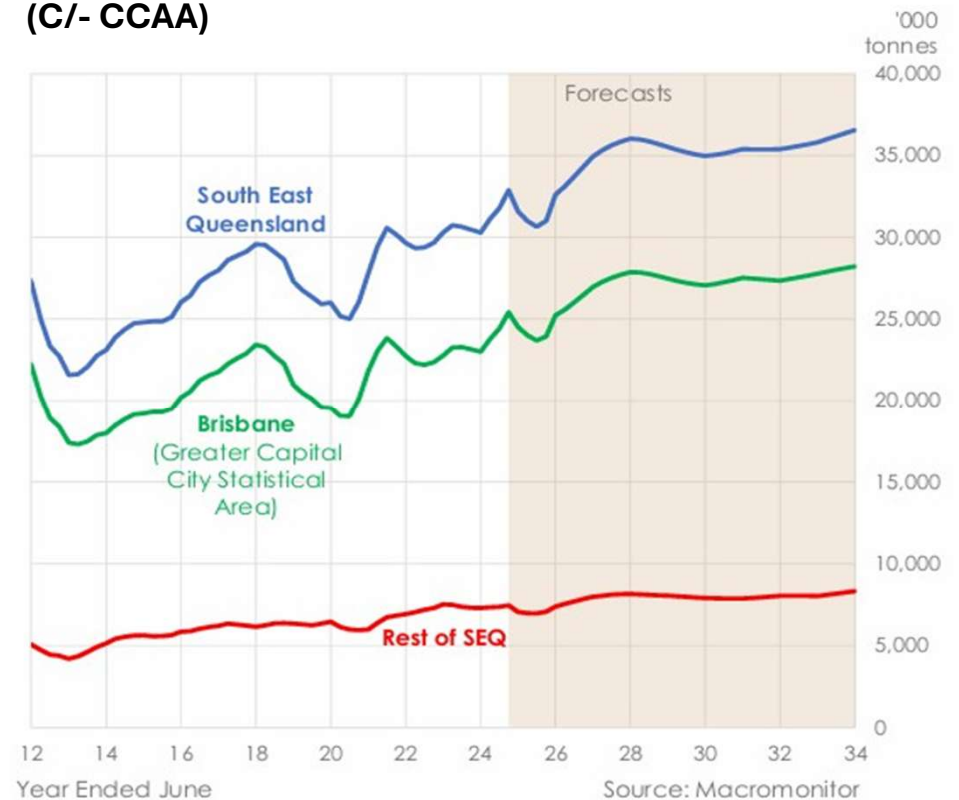




Capacity

- Labour: Need up to 41,000 people to deliver the QMPPR
- Supply chain:
 - Steel (reinforcing, structural & fabricated)
 - Concrete
 - Aggregates (hard rock, sand & gravel)
 - Pre cast elements (bridge units, culverts, concrete pipe etc)
- Aggregate supply for SEQ is a big challenge

Demand for Hard rock, sand and gravel in SEQ (C/- CCAA)

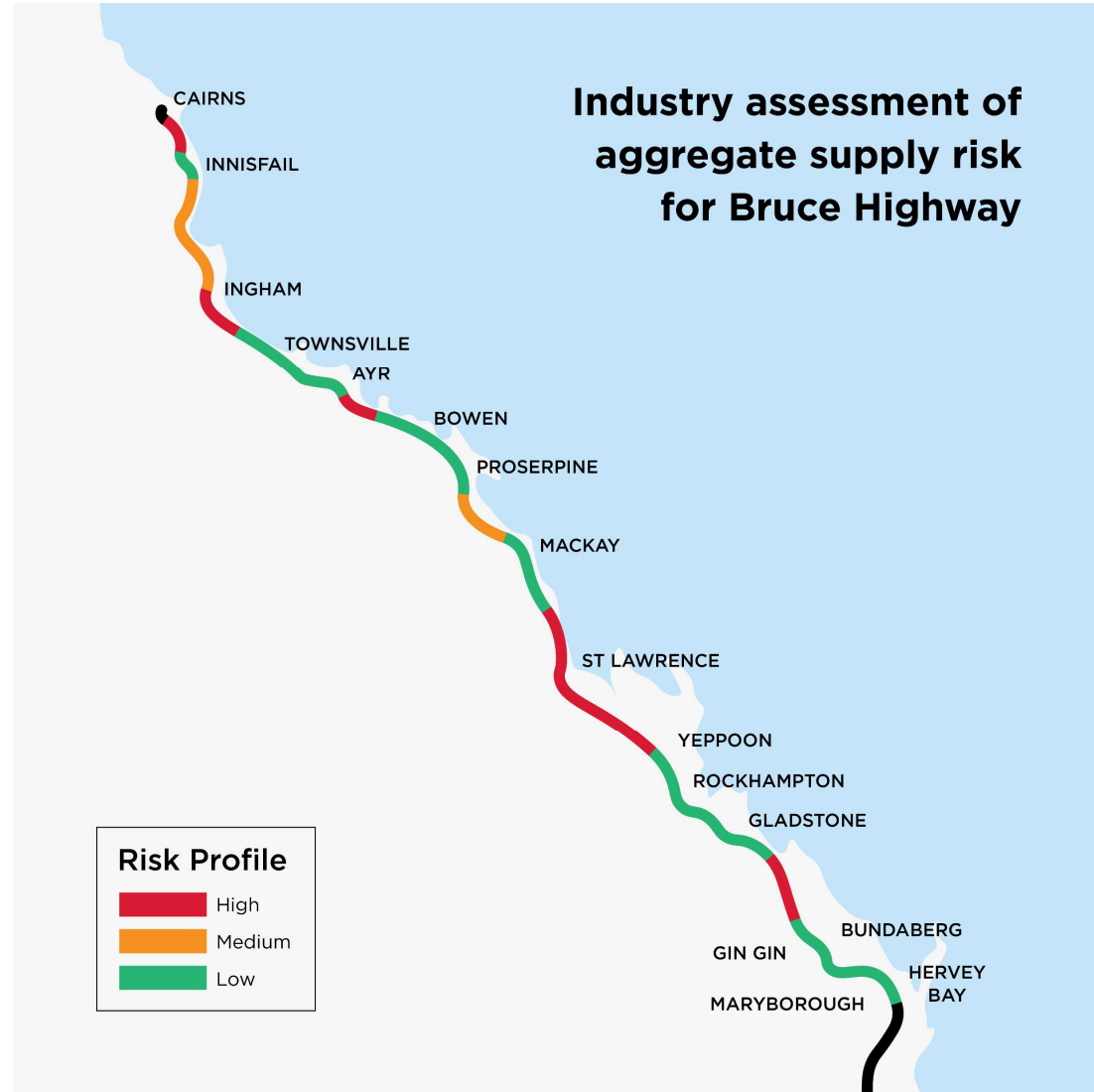


Source: CCAA



Capacity

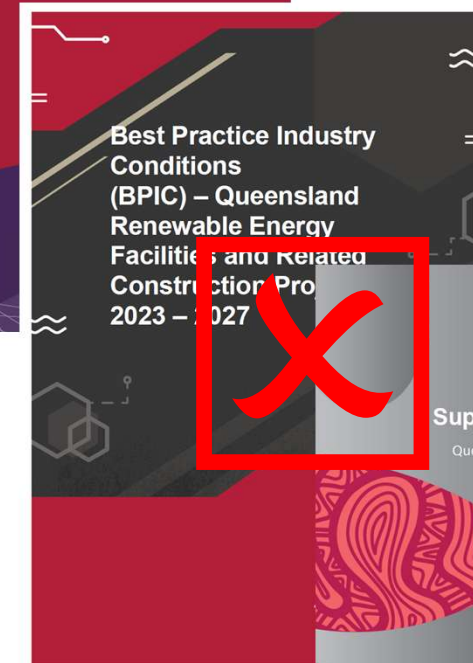
- Labour: Need up to 41,000 people to deliver the QMPPR
- Supply chain:
 - Steel (reinforcing, structural & fabricated)
 - Concrete
 - Aggregates (hard rock, sand & gravel)
- Regional aggregate supply will also be massively challenged
- Other issue: housing





Procurement

- To ensure delivery of the pipeline, projects need to move efficiently through the procurement process and commence works
- Over the past 5 years procurement activities have become more complex and time consuming:
 - Construct only projects up to 80% increase in time
 - D&C projects similar increase of up to 50% in time
- QMCA analysis has indicated an increase in procurement timeframes of up to 4.5 months over the past 5 years. The impact on the work rate to be delivered is:
 - Full pipeline: Increases by 6% from \$2.1b/m to \$2.23b/m
 - Funded pipeline: Increases by 7.7% from \$1.3b/m to \$1.4b/m





The Productivity Challenge

	Total Pipeline	Funded Works	Funded + Credibly Proposed
Productive Output			
Average output req'd	\$1.66m/ person	\$1.29m/ person	\$1.54m/ person
Current	\$0.7-\$0.82m/ person		
No. of people			
Low	31,000	19,000	29,000
High	41,000	25,000	38,000
Current	15,400		

These numbers relate to the major engineering and construction works as laid out in the 2025 QMPPR



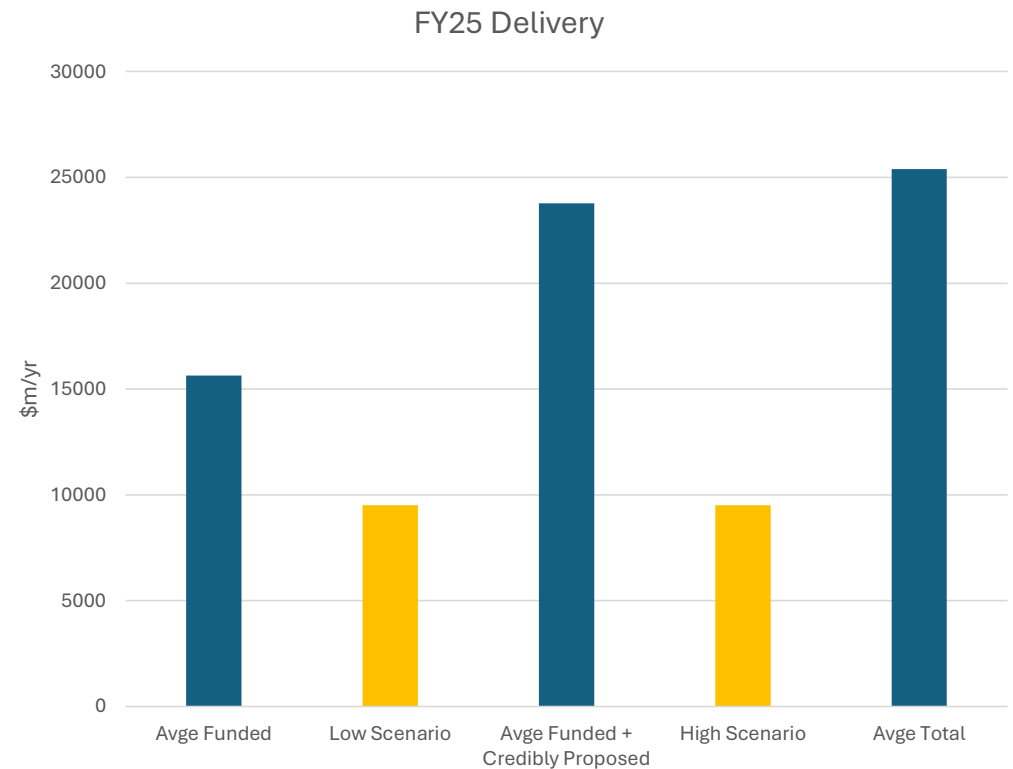
Solutions & Recommendations





Industry Output and Productivity

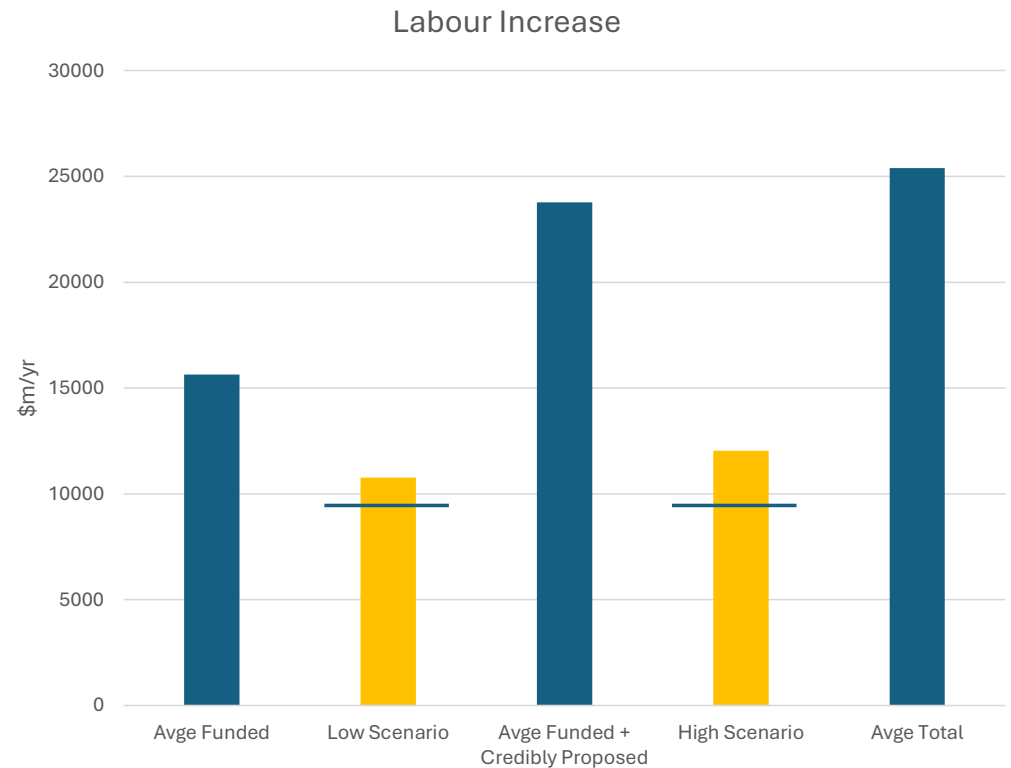
- Delivered \$9.51b in FY25





Industry Output and Productivity

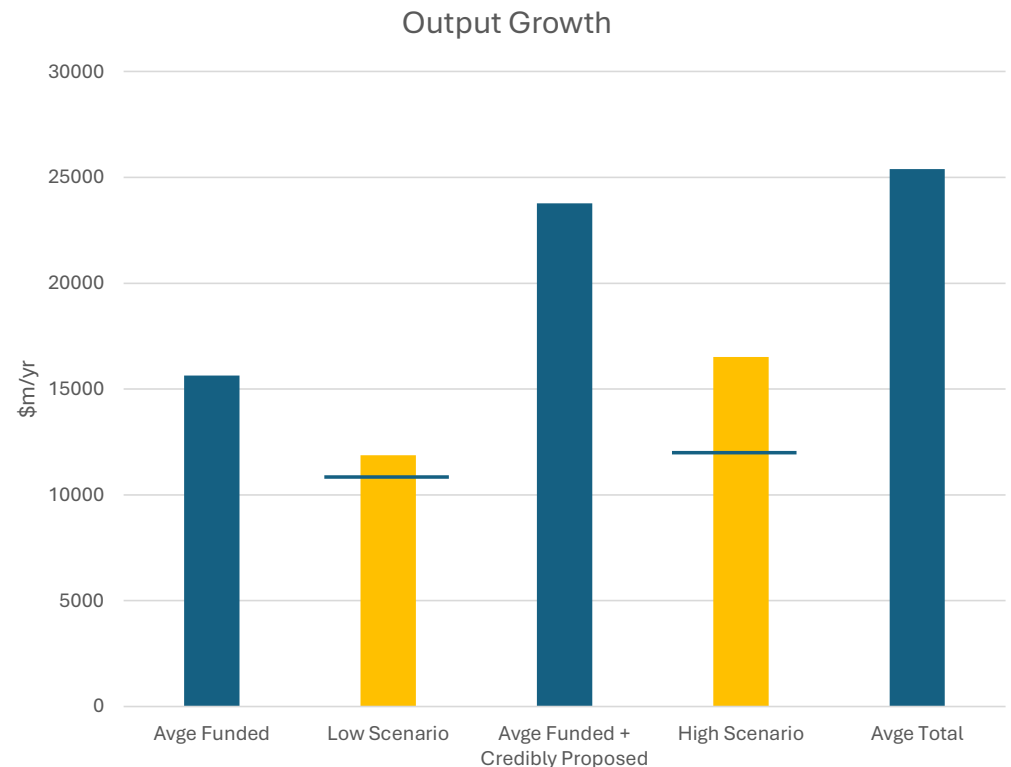
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool:
 - Low: \$1250
 - High: \$2500





Industry Output and Productivity

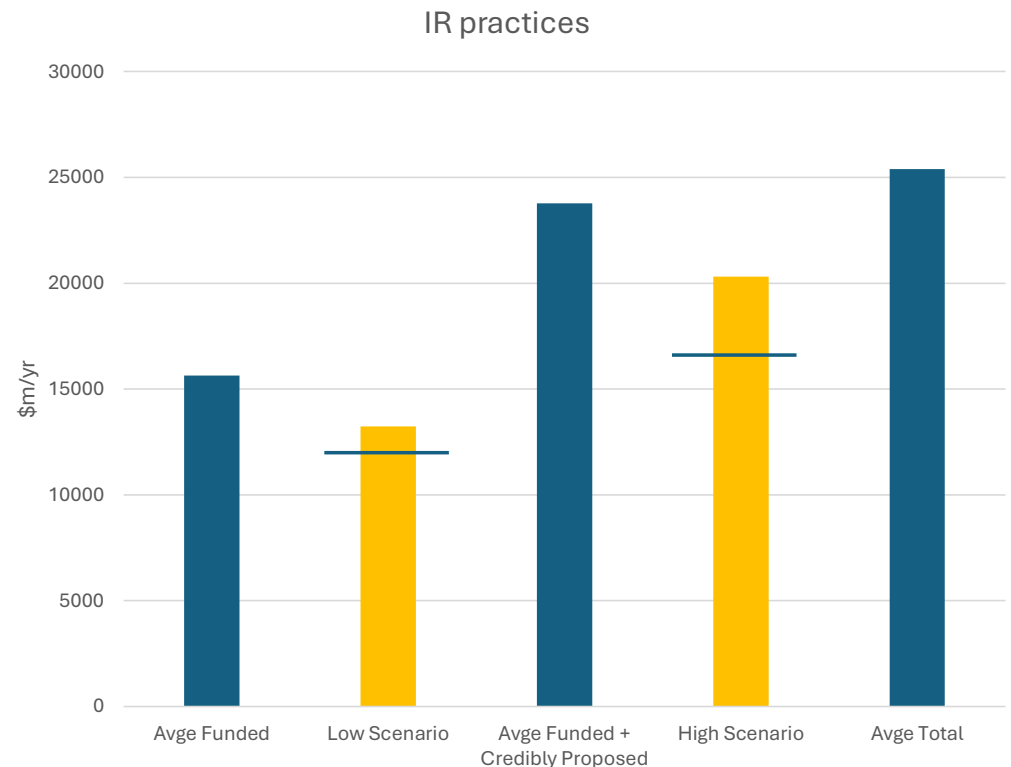
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels:
 - Low: \$1100m
 - High: \$4500m





Industry Output and Productivity

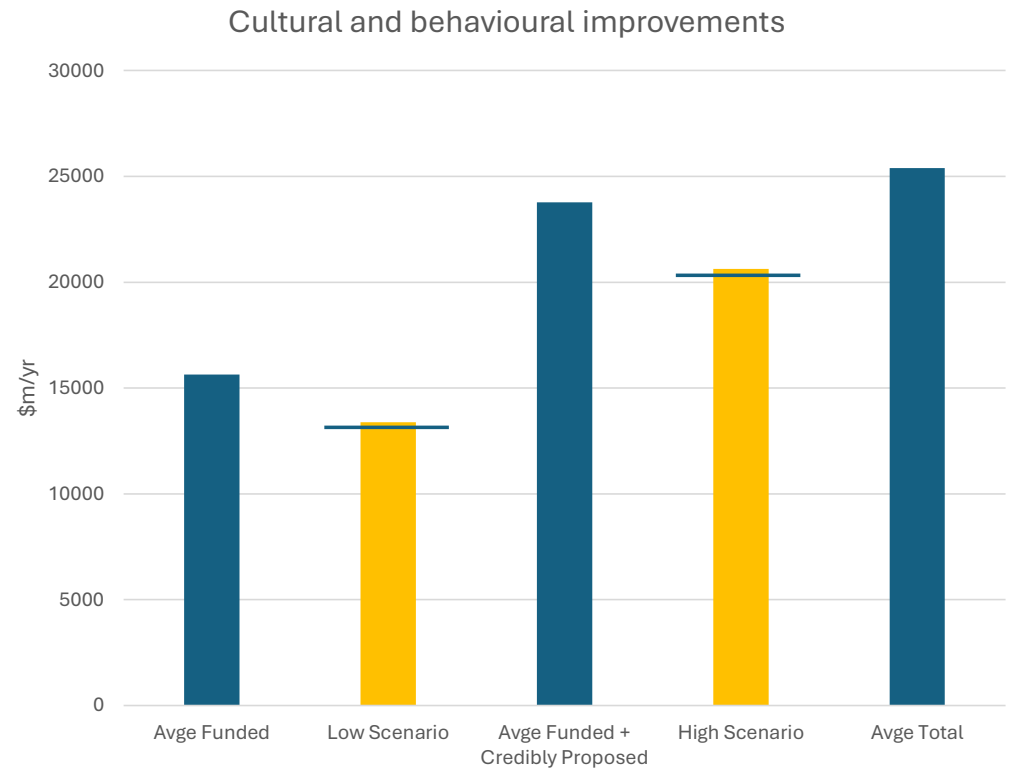
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels
 - IR practices:
 - Low: \$1350m
 - High: \$3800m





Industry Output and Productivity

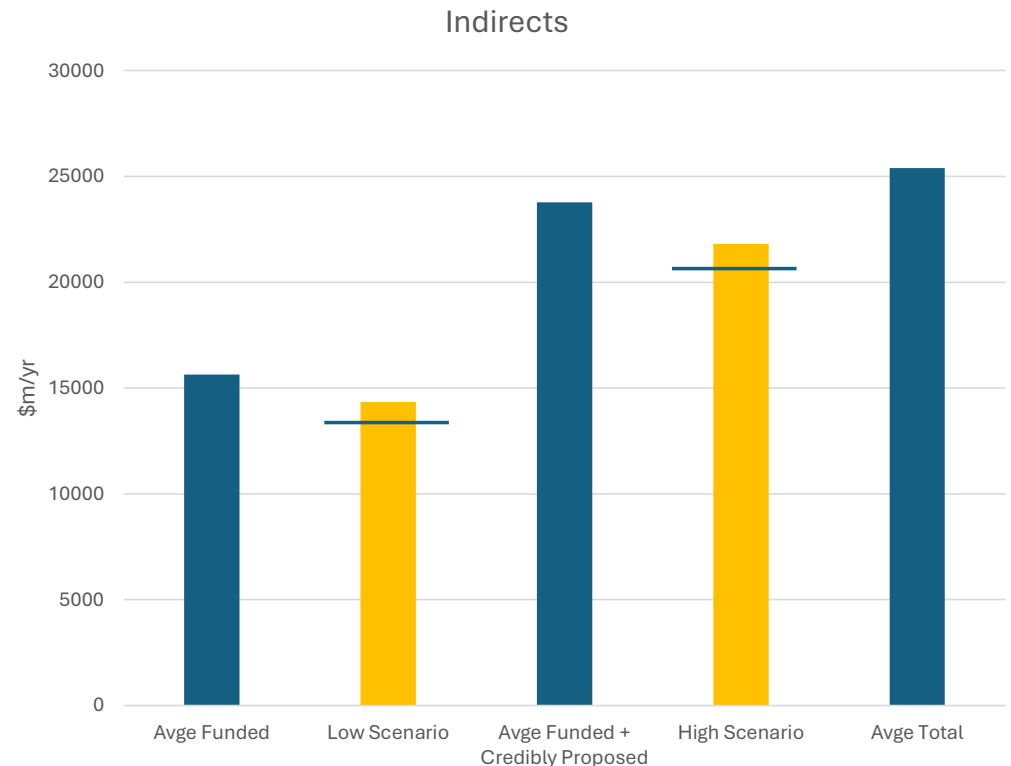
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels
 - IR practices
 - Culture and behavioural improvements:
 - Low: \$160m
 - High: \$320m





Industry Output and Productivity

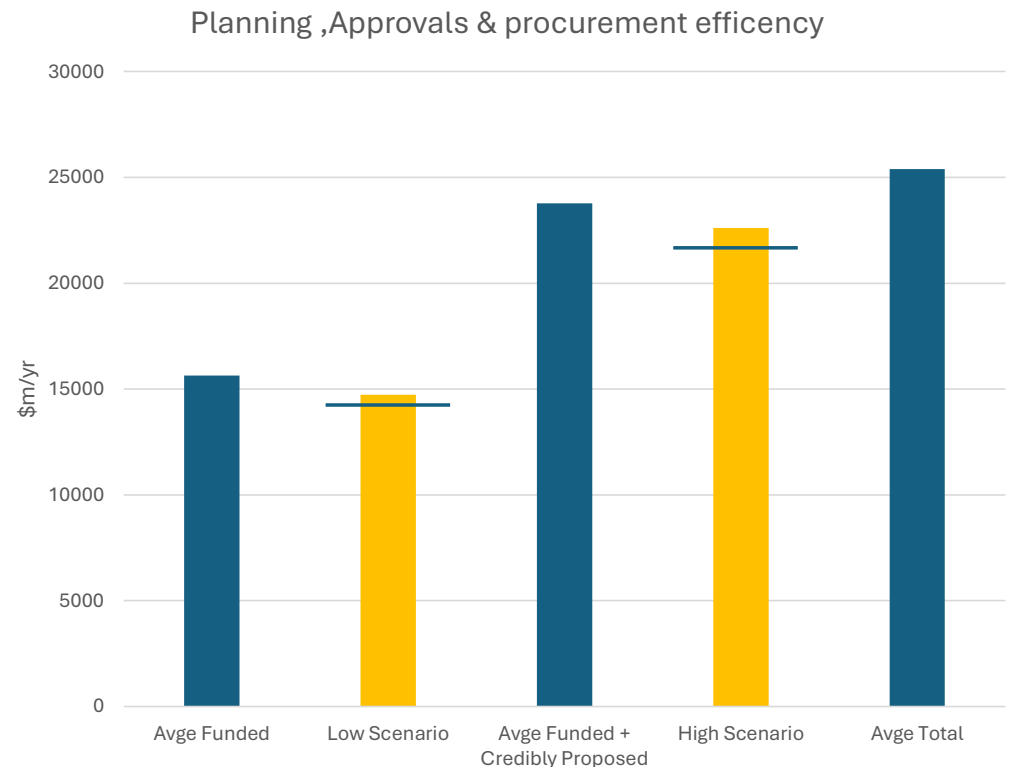
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels
 - IR practices
 - Culture and behavioural improvements
- Reduction in Indirects:
 - Low: \$950m
 - High: \$1200m





Industry Output and Productivity

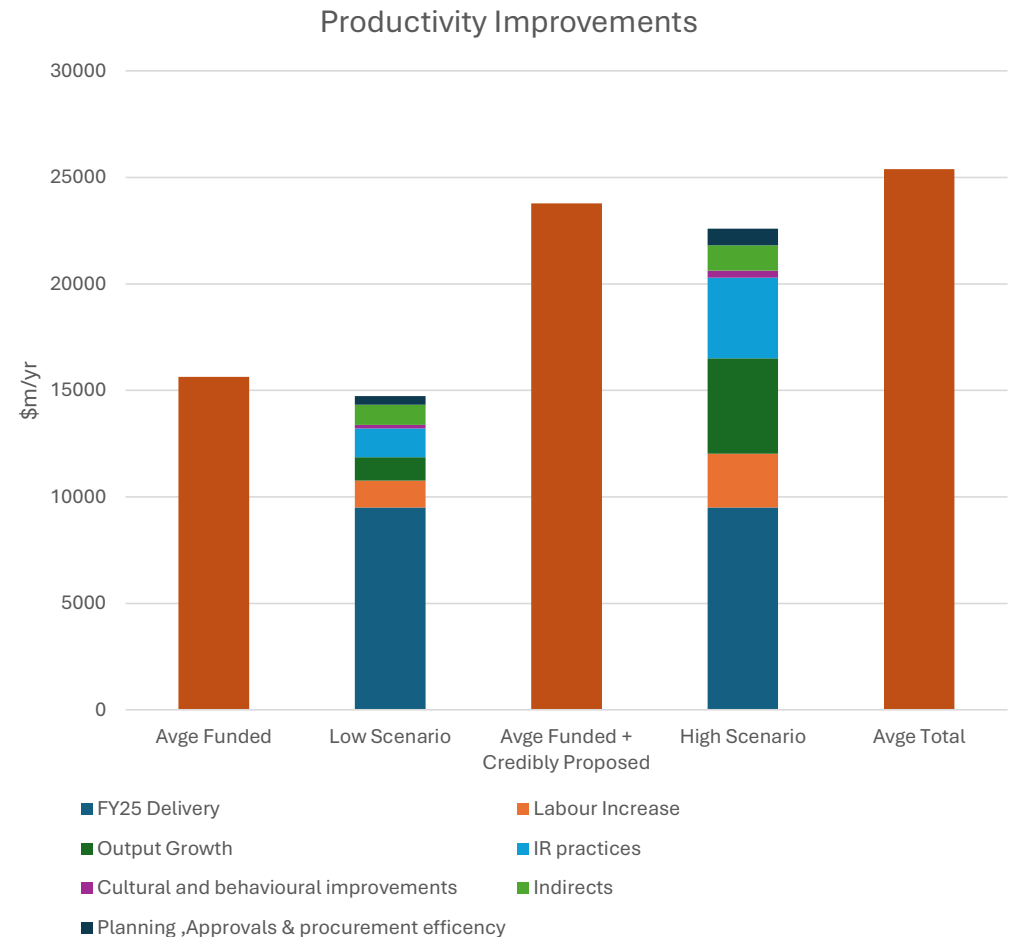
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels
 - IR practices
 - Culture and behavioural improvements
 - Reduction in Indirects
 - Planning, approvals & procurement efficiency:
 - Low: \$390m
 - High: \$790m





Potential Productivity Improvements

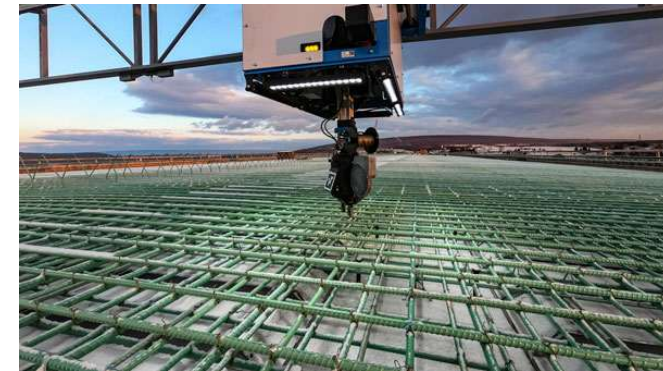
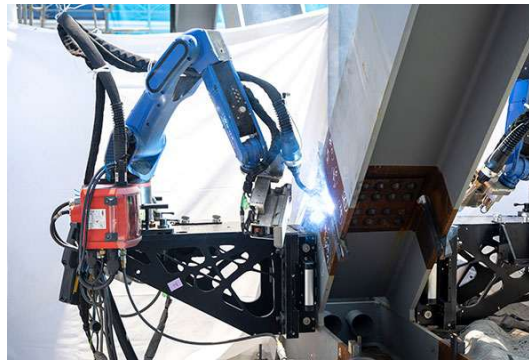
- Delivered \$9.51b in FY25, plus:
 - Increase in labour pool
 - Growth in output from FY25 levels
 - IR practices
 - Culture and behavioural improvements
 - Reduction in Indirects
 - Planning, approvals & procurement efficiency
- Total:
 - Low Scenario: \$14.7b
 - High Scenario: \$22.6b





Productivity - Innovation & Technology

- Technologies:
 - Robotics
 - Autonomous operating earth moving equipment, welding, material handling (cranes, etc)
 - Modular assembly
 - Digital models
 - Business operations
 - Artificial intelligence applications
- Applications across QMPPR:
 - Earthworks
 - Concrete works
 - Modularised and prefabricated sections for Olympics, Electricity, Water & Heavy engineering





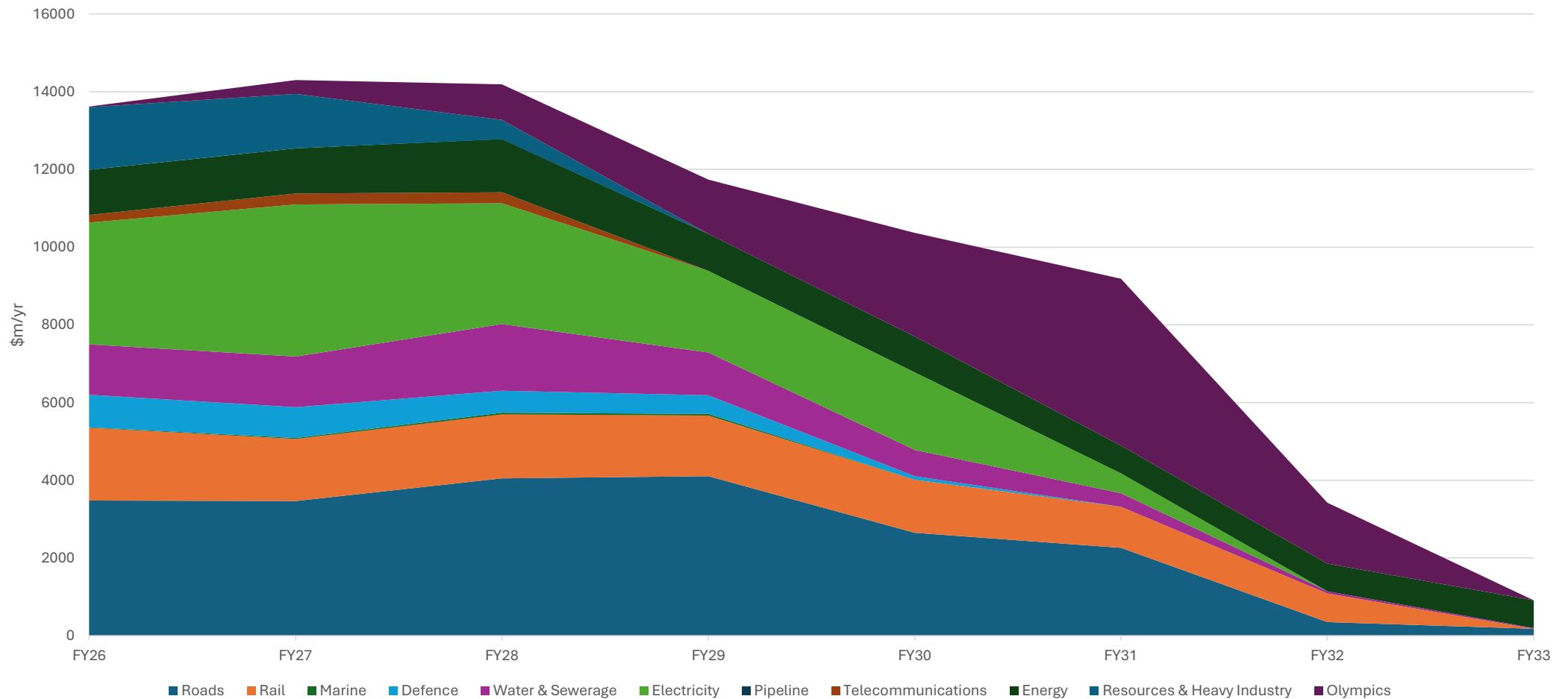
Procurement Streamlining

- Early selection of preferred delivery partners is essential to work collaboratively with clients to ensure:
 - Project delivery planning is built into design
 - Technology and innovation
 - Risk understanding, apportionment and management
 - To result in better cost and time certainty
 - Local industry capacity strengthening
- By streamlining the procurement process can save >\$1b across the pipeline in total costs:
 - Moving to a preferred partner on projects early
 - Reducing the “transaction costs” on client and contractor side
 - Engaging the contractor with other parties early (risk, cost, time, approach, innovation etc)



Coordination of Works- Potential Prioritisation

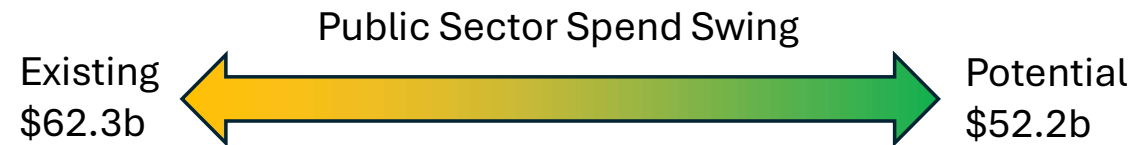
Prioritised Scenario for 2032





Coordination of Works – Potential Private Co Investment

- Public sector investment will reach a capped level
- There are further opportunities for either full or part private funding
- Greatest areas where this might be appropriate include
 - Olympics (part funding of venues)
 - Marine (associated with resources)
 - Electricity (generation, transmission & storage)
 - Rail (station upgrades & mass transit)
 - Water & wastewater (treatment)



Summary	Public \$m	Private \$m	Potential for co funding	
			\$m	%
Roads	21,545	776	1,798	8%
Rail	10,923	-	2,044	19%
Marine	1,541	455	554	36%
Defence	2,763	-	-	0%
Water & Sewerage	10,013	-	1,473	15%
Electricity	11,620	22,636	2,719	23%
Pipeline	-	4,206	-	0%
Telecoms	67	867	-	0%
Energy	-	6,519	-	0%
Resources & Heavy Industry	9	27,719	-	0%
Olympics	3,858	1,493	1,523	39%

Forward 5 years of the pipeline



Recommendations

- Unlock further opportunity for private sector investment
- Different approaches to increase employment and retention of workforce
- Streamlined procurement and approvals- potential savings:
 - Time (at least 3 months/ project)
 - Cost (at least \$1b across the pipeline)
- Focus on elements that can deliver productivity improvements:
 - Specifications driving in directs
 - Industrial relations conditions
 - Technology & innovation
- Housing for workers





A group of military personnel, likely fighter pilots, are walking across an airfield. They are wearing flight suits and sunglasses. In the background, several fighter jets are parked on the tarmac. The scene is set outdoors under a clear sky.

The Need for Speed

- Implementing changes in procurement
- Project approvals
- Procuring the preferred delivery partners
- In how we deliver efficiently and effectively and implementing technology
- In how we get all parties aligned around driving real productivity gains

It will take all parties to work together to ensure that we can deliver this pipeline



Thank you to contributing authors:

