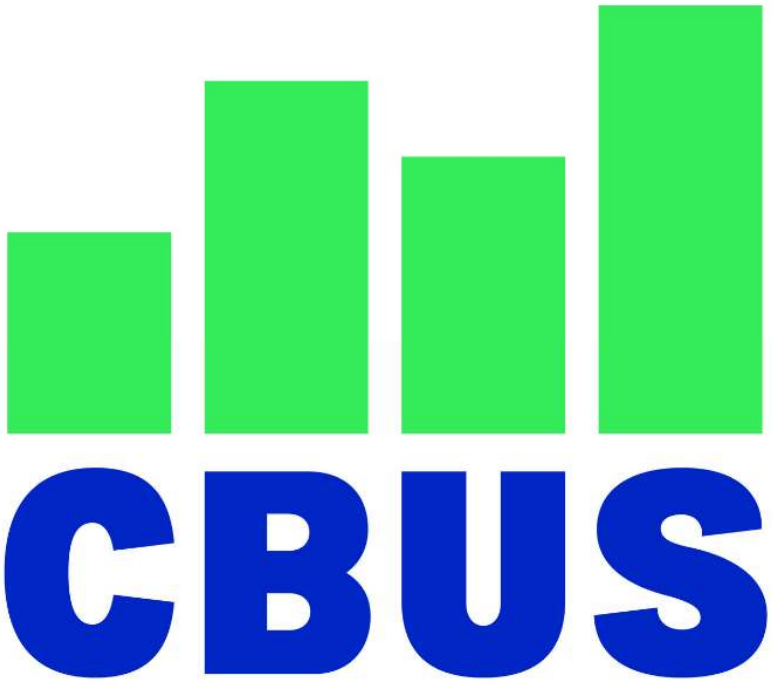

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Queensland
Major Projects Pipeline
2026

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Andrew Chapman
QMCA

2026 QLD Major Projects and Pipeline Report

Andrew Chapman
QMCA

Agenda

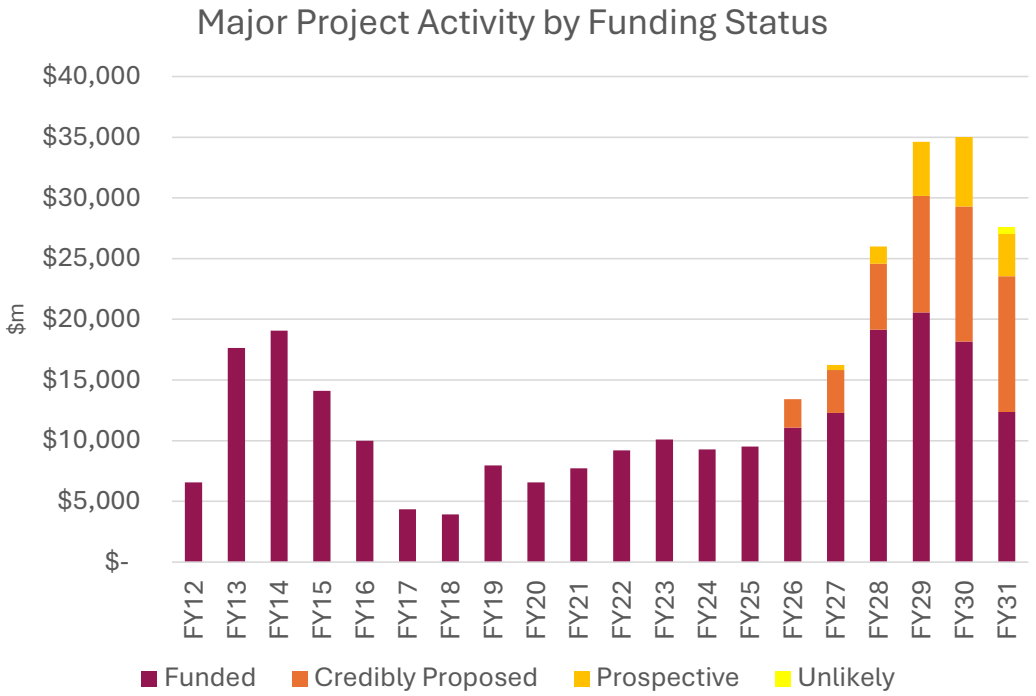
- Pipeline Headlines
- Pipeline Deliverability
- Key Risks and Opportunities
  - Supply chain challenges and solutions
  - Workforce accommodation
  - Productivity Growth and workforce implications
  - Beyond 2032
- Recommendations



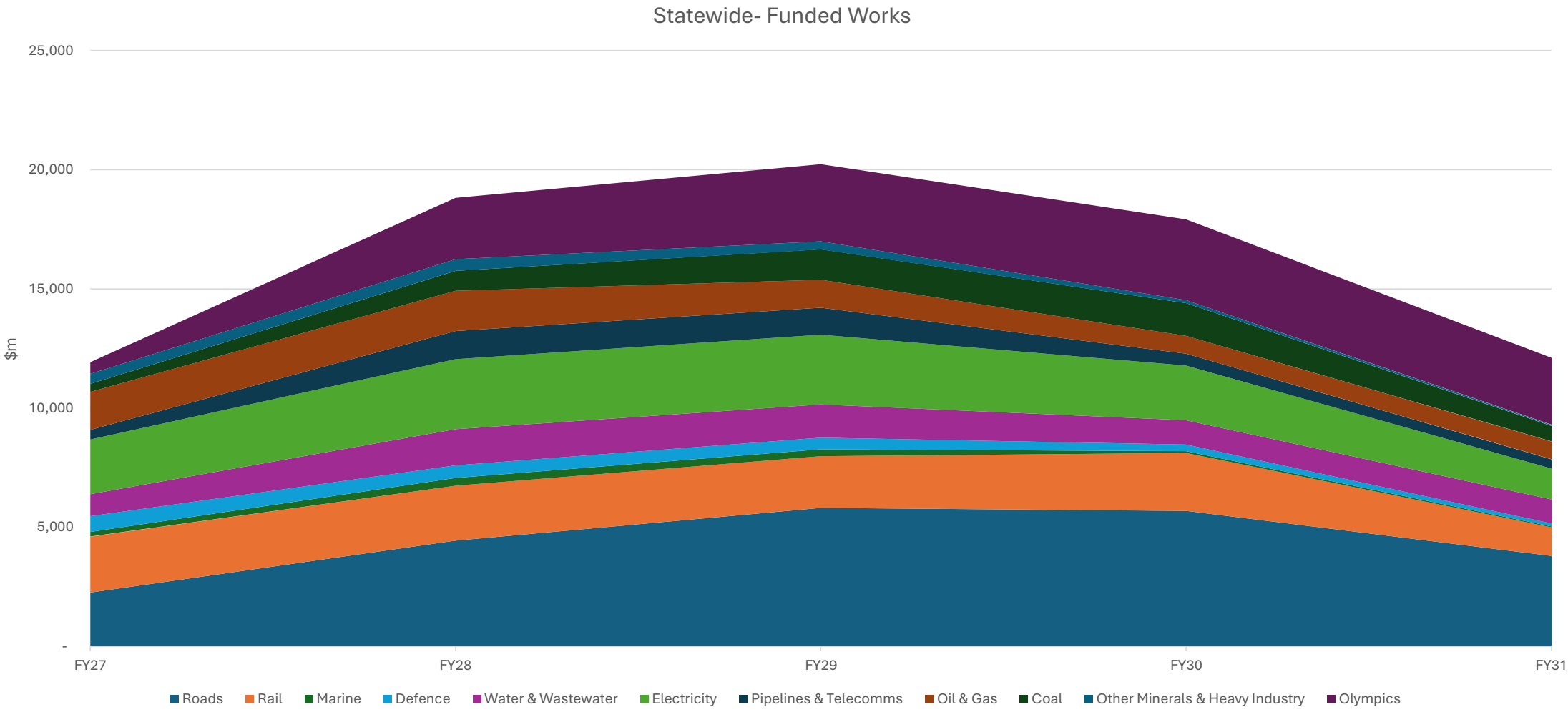
Pipeline Headlines

- Total 5 year pipeline now:
  - $139.5b ($127b in 2025 QMPPR)
  - Funded works: $82.5b – only $8b less than the total pipeline 5 years ago
- Funded profile on average FY27-FY31:
  - $16.1b ($15.6b in 2025 QMPPR)
- Workforce requirement:
  - Peak requirement just under 40,000 (all projects)
- Productivity:
  - Has lifted by ~ 10% over last 12-18 months
- Key issues affecting pipeline deliverability
  - Approvals, Procurement & Financing
  - Costs
  - Industry capacity (labour market, supply chain & productivity)
  - Workforce accommodation
  - Works beyond 2032

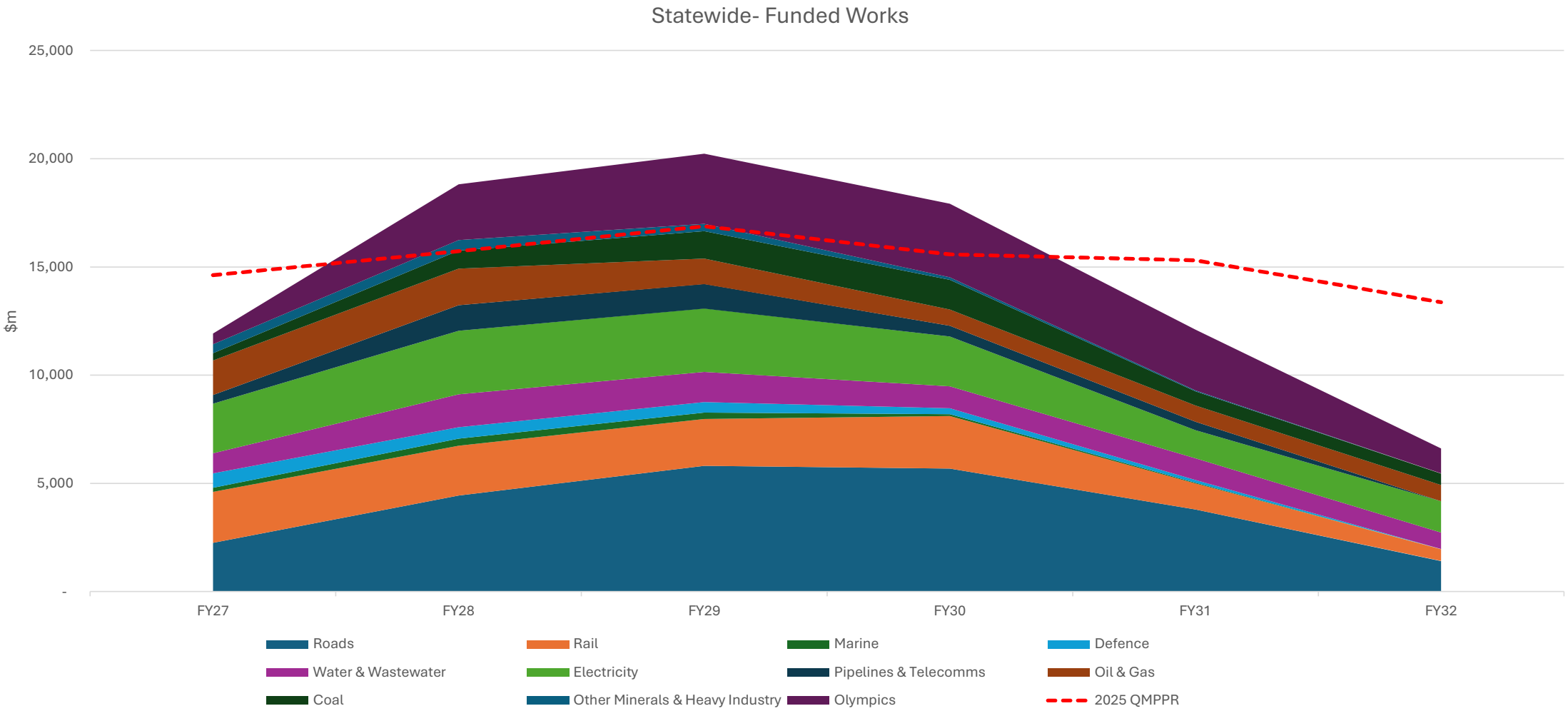
	2026 QMPPR	2025 QMPPR
Total	$139.5b	$127b
Funded	$82.5b	$78.1b
% Funded	59%	61.5%
Avge Funded Profile	$16.1b	$15.6b



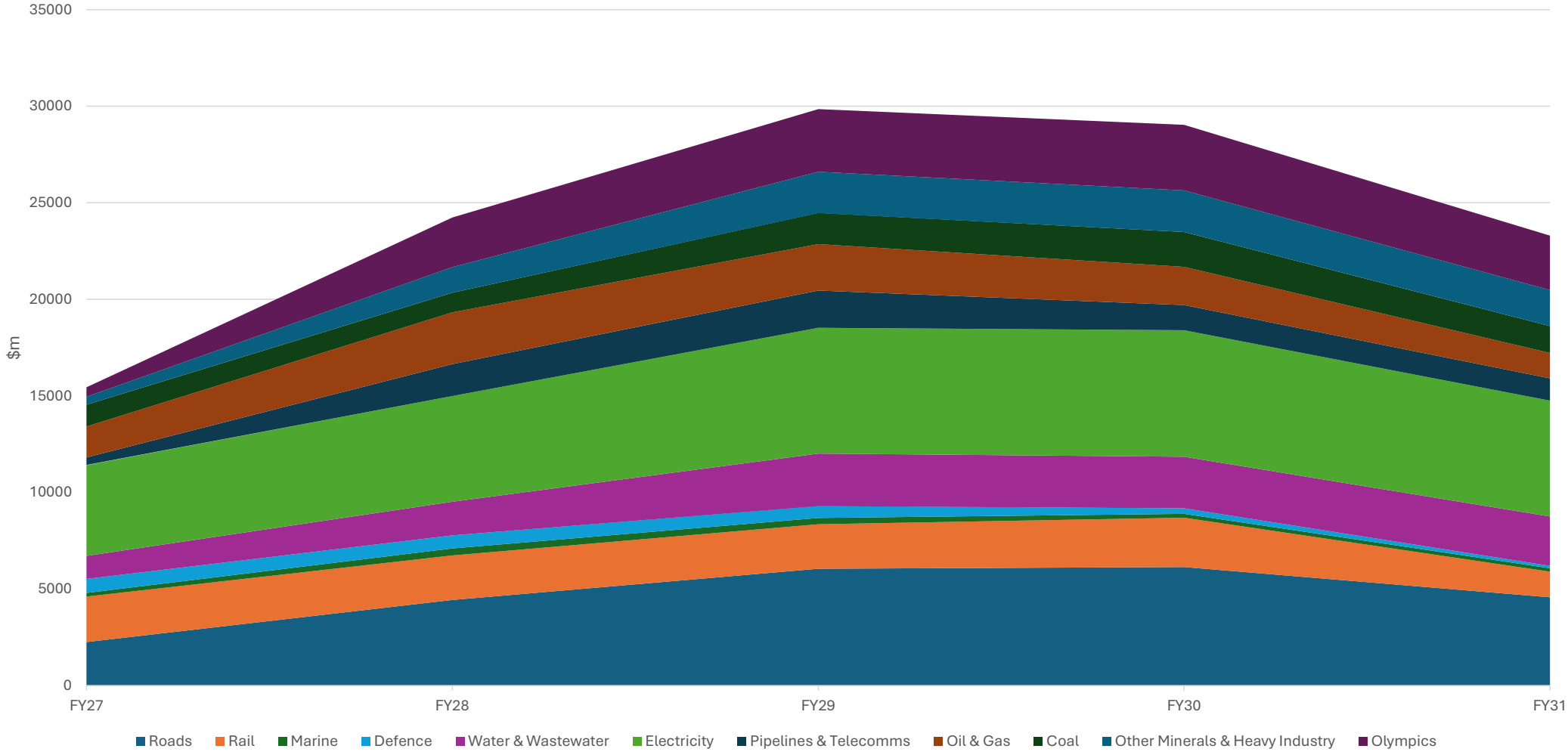
QMPPR- Funded Works



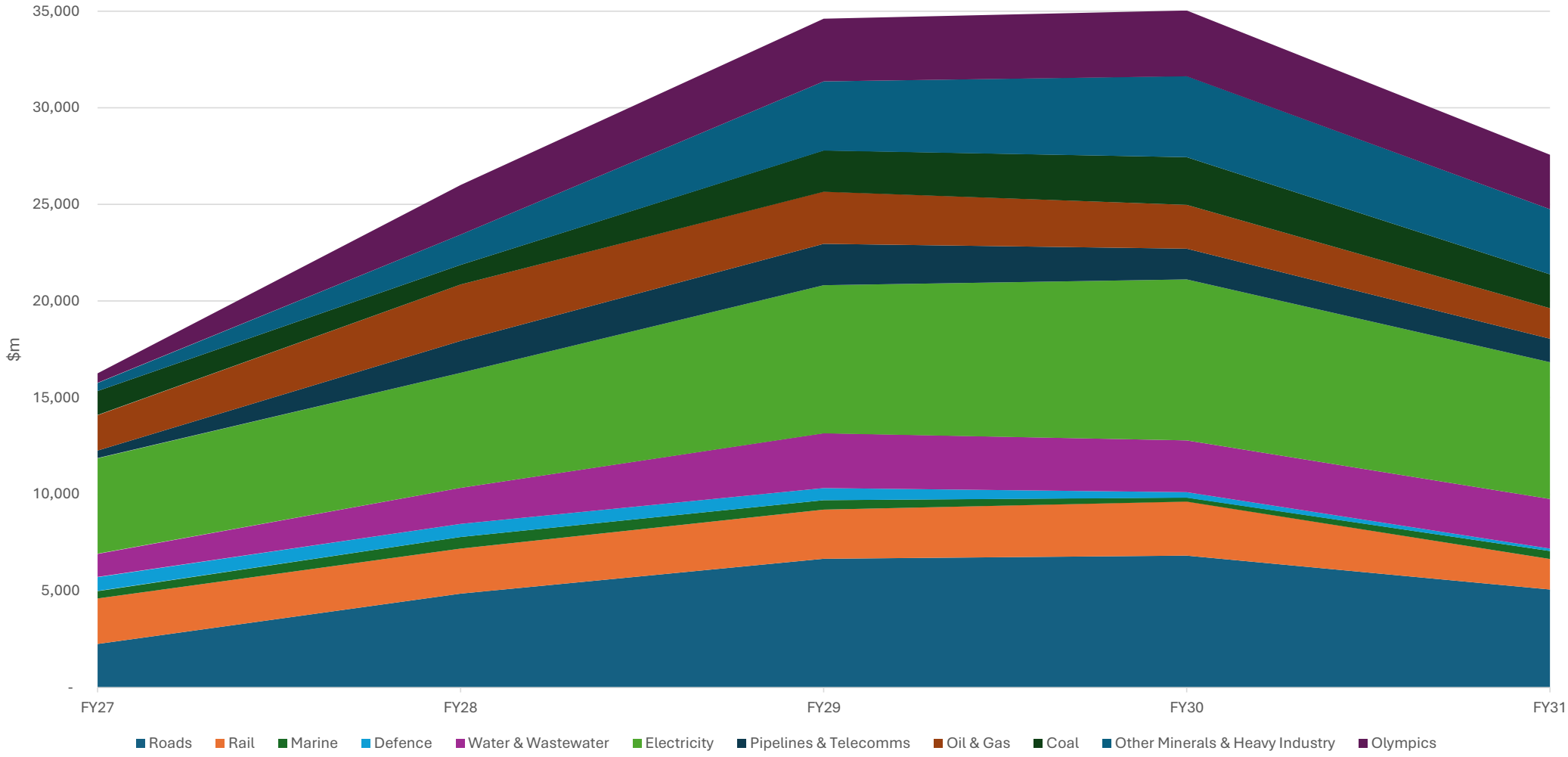
QMPPR- Funded Works Comparison



QMPPR: Funded + Credibly Proposed

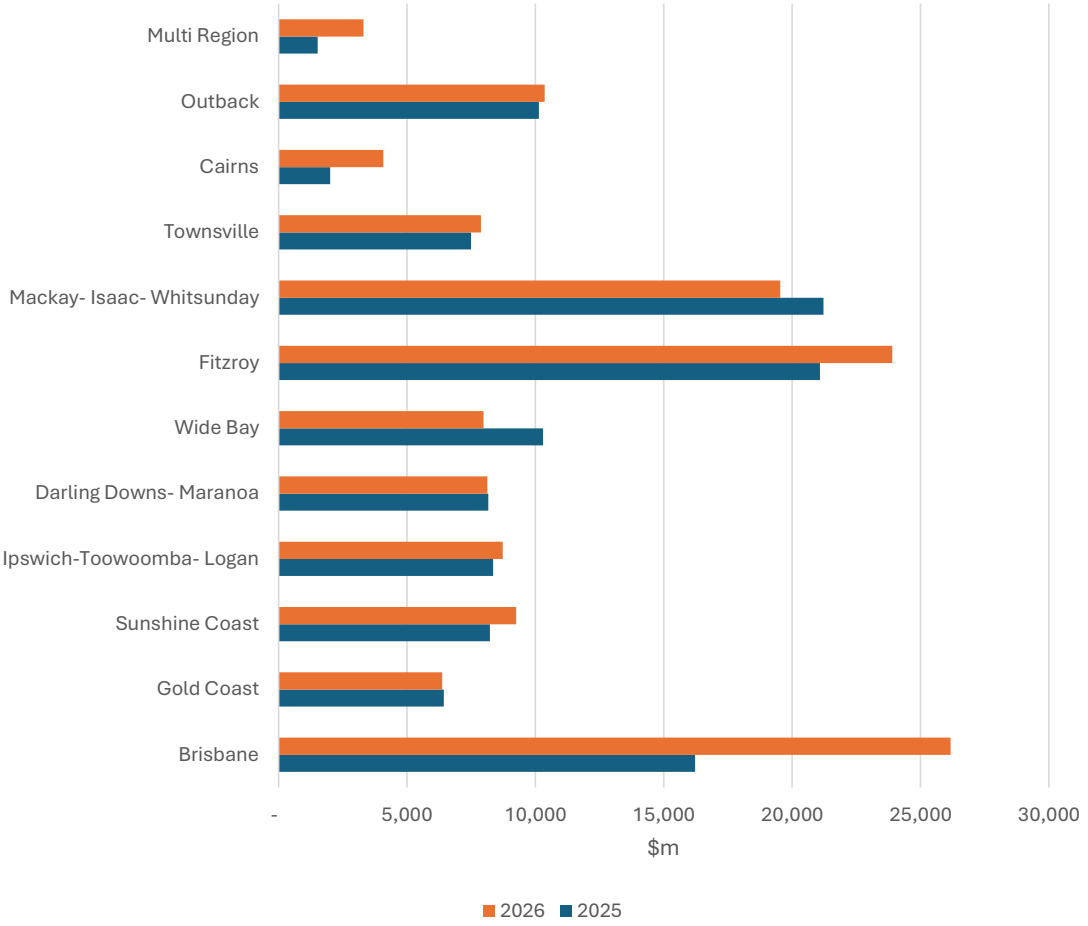


QMPPR: Total Pipeline

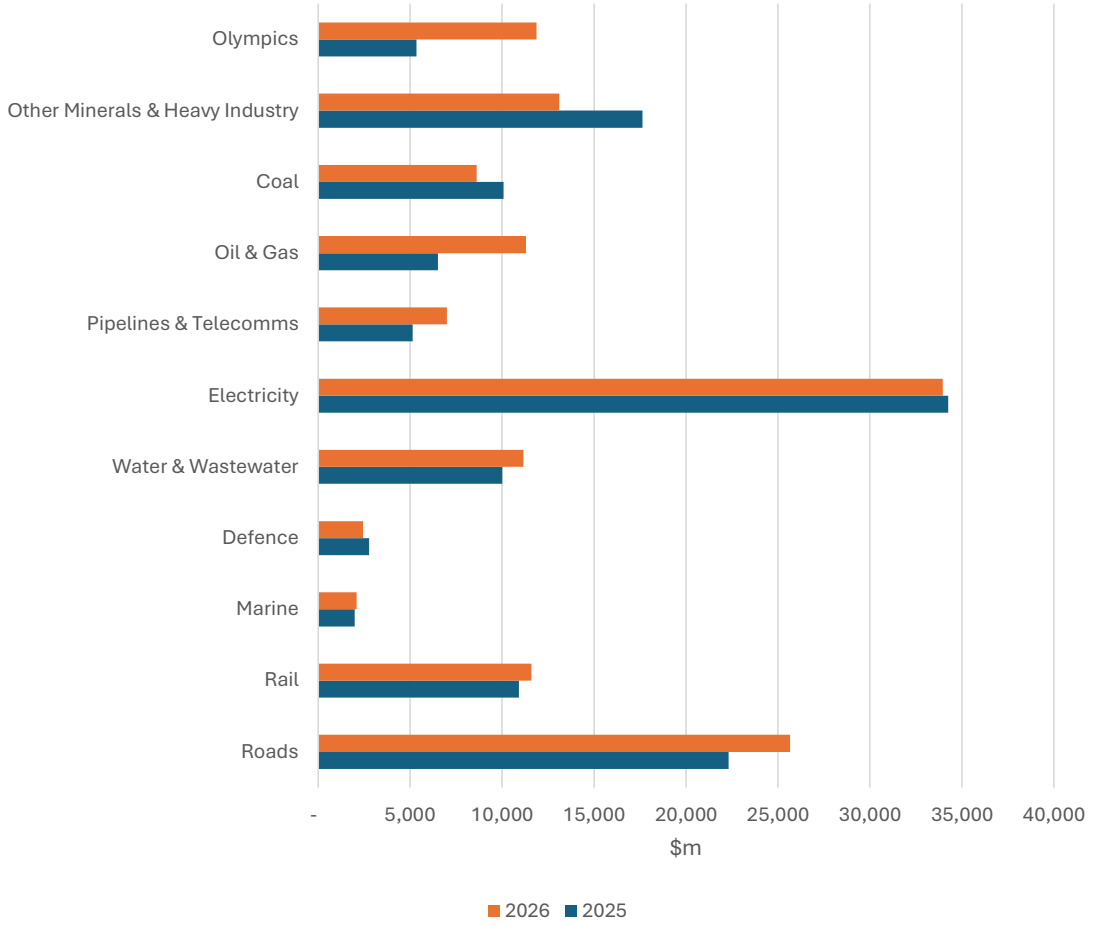


What's changed in the last year?

Regional Comparison

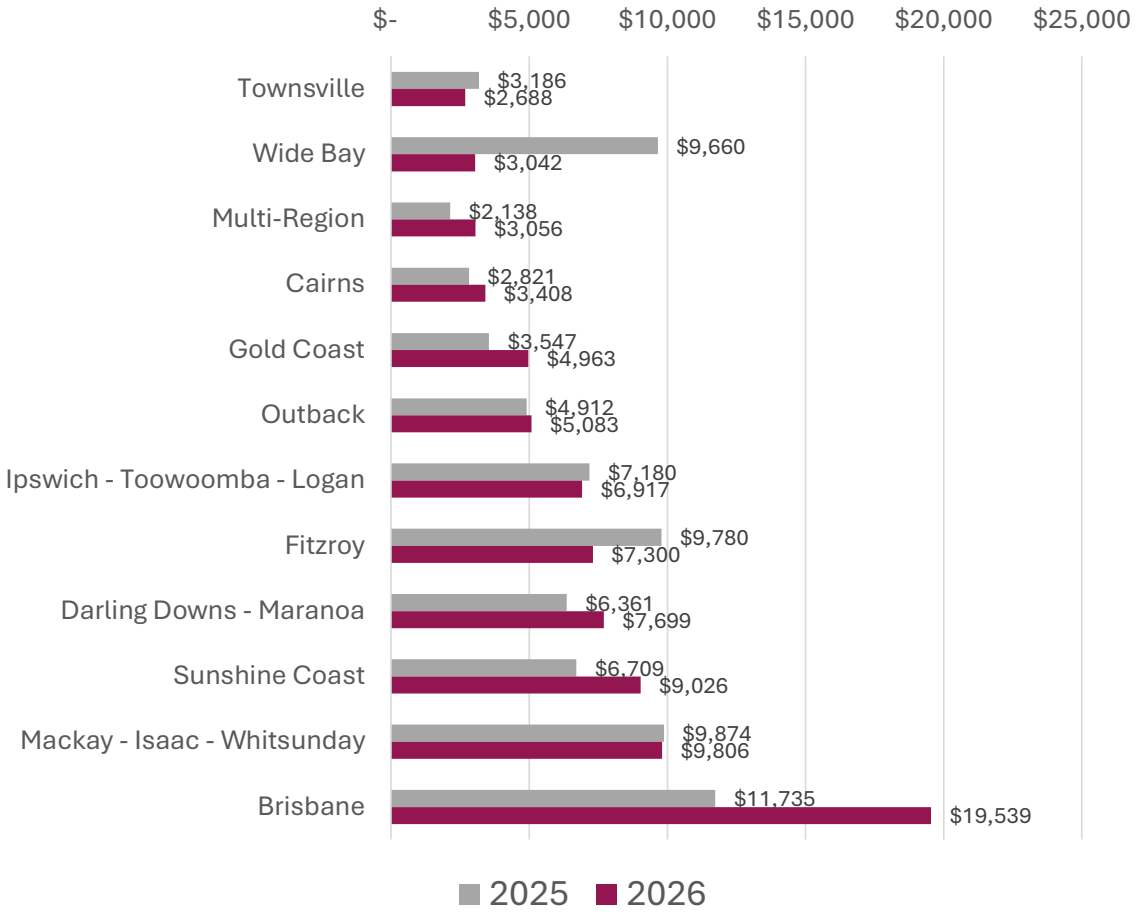


Sector Spend Comparison 2025 v 2026 QMPPR

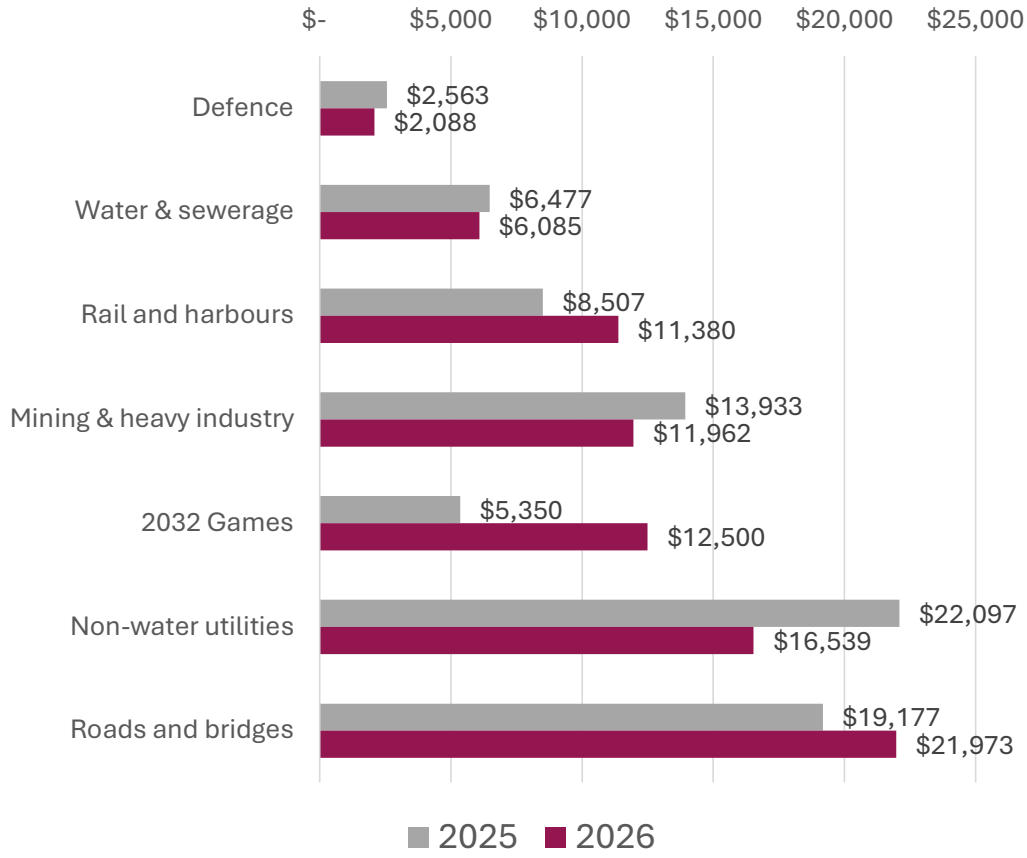


Funded Works: Where and what

Funded major project outlook ($m) by region

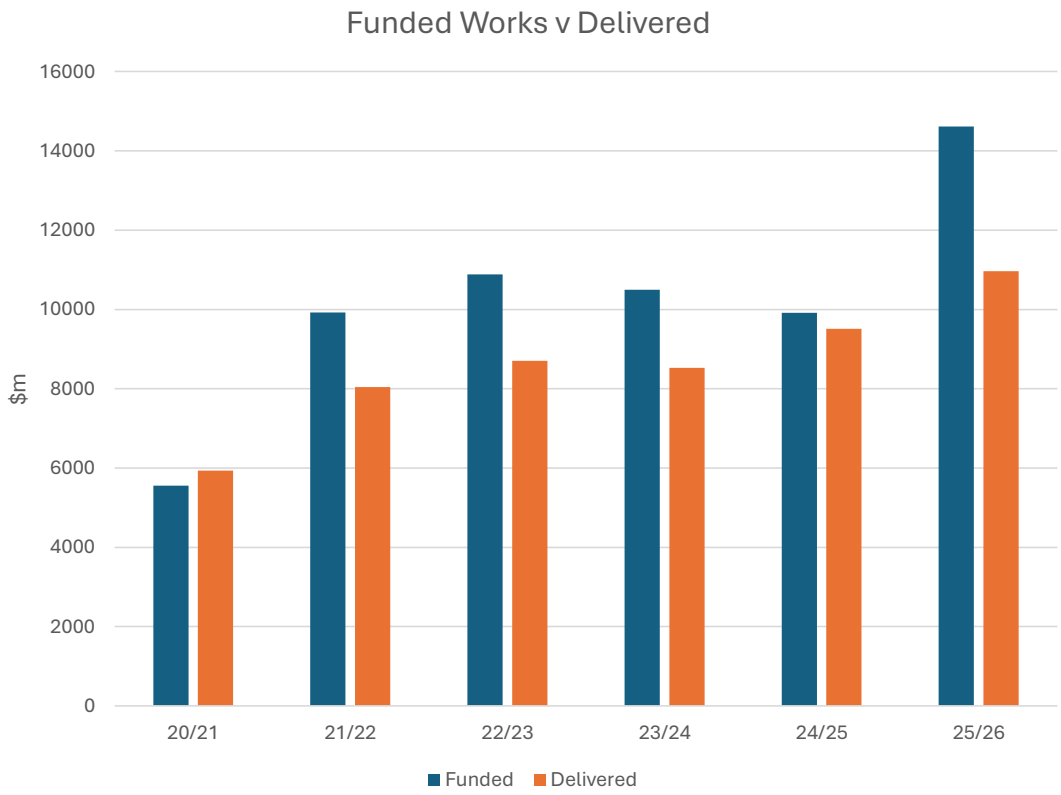


Funded major project outlook ($m) by sector



Pipeline Deliverability

- 15% increase in output between FY25&26 (84% increase since FY21)
- Improvements in productivity have helped drive this
- It only represented 75% of that identified to be done though
- Going forward to deliver the average funded profile ($16.1b/yr) requires a 47% lift in work delivered over FY26




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Challenges &
Opportunities

Key Risks and Opportunities

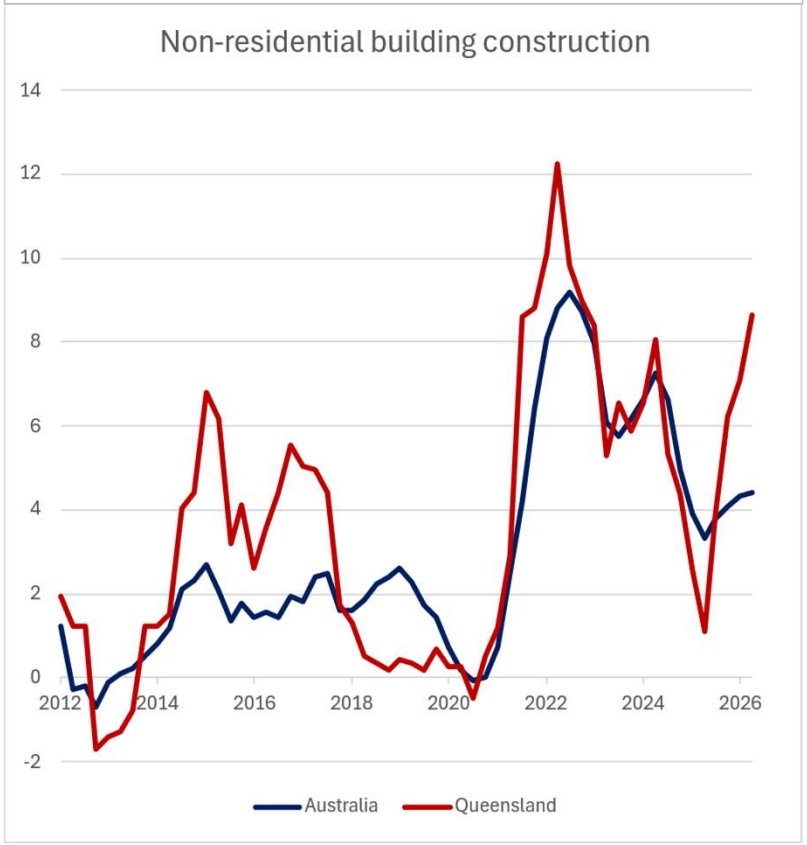
- Costs
- Supply Chain Capacity
- Workforce Accommodation & Management
- Productivity & Industry Output
- Beyond 2032



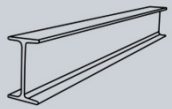
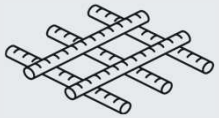
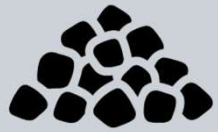
Costs

- Factors at play:
  - Global issues affecting oil and fuel related commodities and operations
  - In FY26 QLD experienced higher price growth (8.7%) than the rest of Australia (4.4%) due in part to:
    - Workforce and supply chain constraints
    - Legacy industrial conditions impacting on productivity
    - Weather impacts
    - Life cycle productivity challenges
  - SEQ slightly less due to delays in major projects commencing
- Projection of 7% annual cost escalation, subject to:
  - Workforce availability
  - Whole of project lifecycle productivity increases
  - Supply chain capacity strengthening
  - Global impacts remaining stable
- Approach to managing this:
  - Early engagement of engineering construction partners
  - Capacity uplift and security of supply through supply chain
  - De-risking of project through delivery approaches, packaging and construction methodologies
  - More efficient allocation of limited resources to deliver whole of project cost optimisation

Construction output costs, (QLD & AUS)
ABS Producer Price Index, annual % change

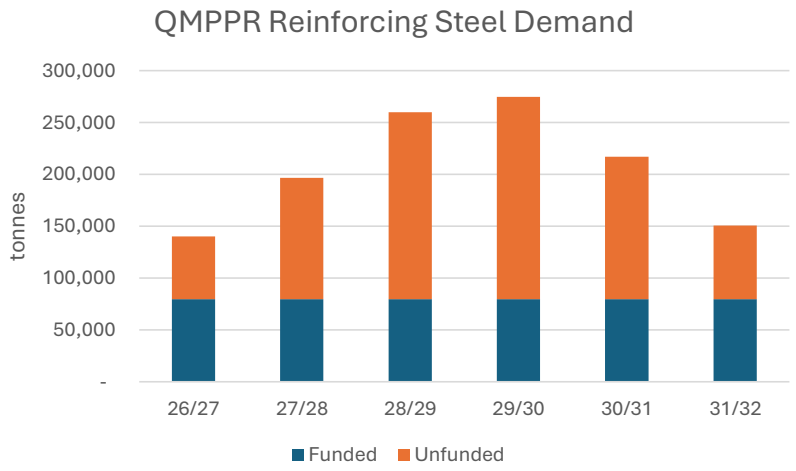


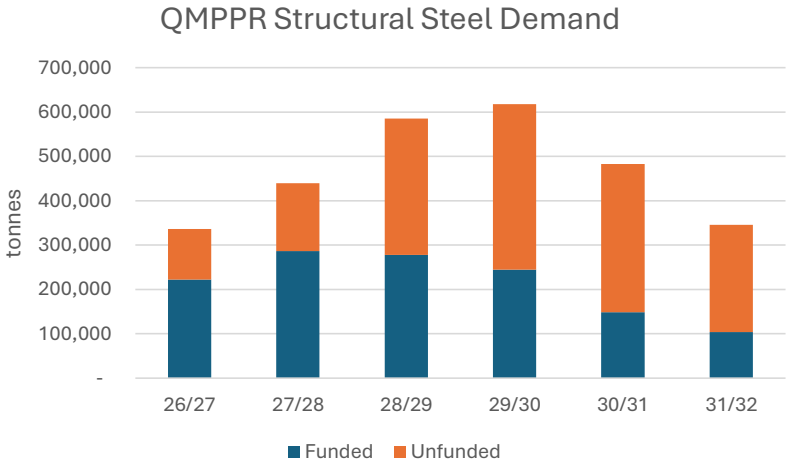
Pipeline Projects Supply Chain Demand

	FY26 Demand	Peak Demand	Average Demand	Split
Concrete 	1.7M m^3	4.5M m^3 (FY29)	3.5M m^3	Electricity: 40% Resources & HI: 29%
Precast Concrete 	200k m^2	583k m^2 (FY29)	470k m^2	Transport: 54% Olympics: 28%
Structural Steel 	277k t	678k t (FY30)	534k t	Electricity: 37% Resources & HI: 24%
Reinforcing Steel 	115k t	275k t (FY30)	217k t	Electricity: 40% Resources & HI: 25%
Aggregates 	20 Mt	41 Mt	32 Mt	Transport: 74% Electricity: 19%

Steel

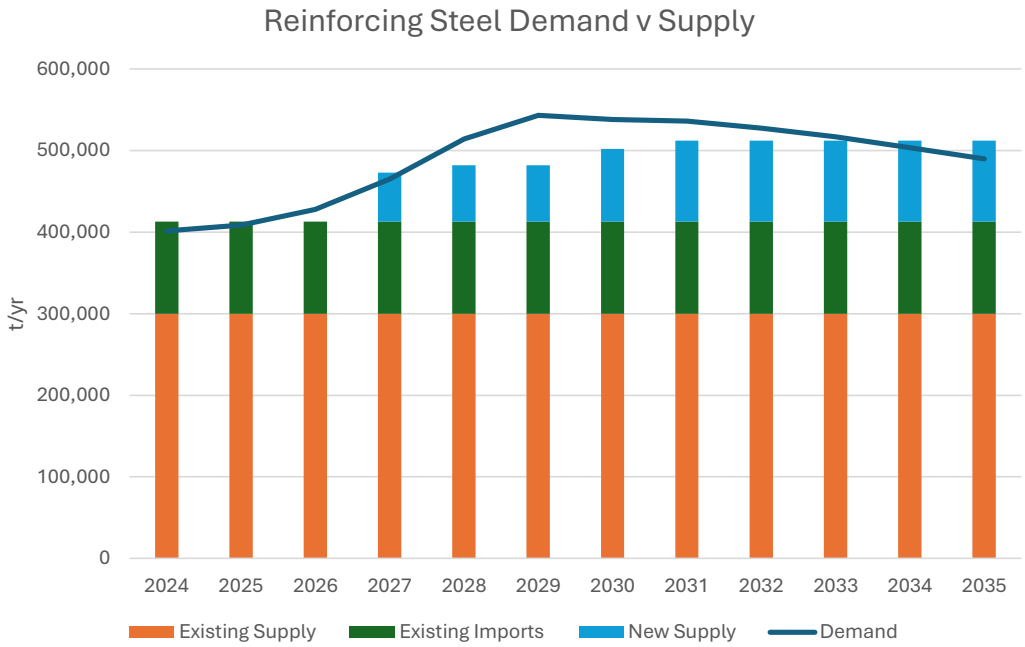
- Steel production: 4-6.15MTPA
- Current demand:
  - Nationally: ~7.5MTPA
  - QLD: 2MTPA :
    - Engineering Construction: ~710,000t/yr
    - Building Construction (Res & Non Res): ~813,000t/yr
    - Mining & Ag: 250,000t/yr
    - Manufacturing: 174,000t/yr
    - 47% currently locally sourced
- Growth drivers:
  - Housing
  - Energy transition
  - 2032 Games infrastructure
  - Infrastructure programs





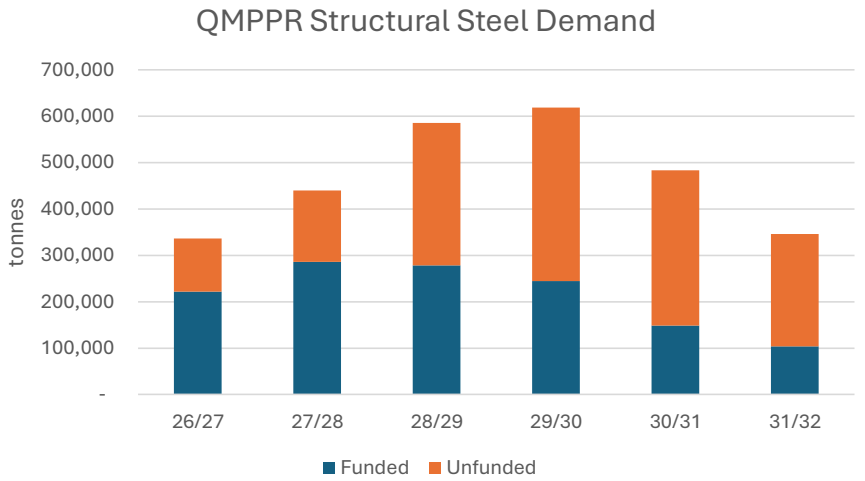
Reinforcing Steel

- Demand:
  - Current supply in QLD: ~300,000t/yr
  - QMPPR: 115,000t/yr
  - Peak Demand: ~550,000t/yr
  - QMPPR Peak: ~275,000t/yr
- Issues:
  - Demand growth outstripping supply
  - Global issues impacting supply chain
- Solutions:
  - New supply in development: 19,000t/yr
  - New supply in planning & development: 30-50,000t/yr
  - New supply coming on line is crucial and timing of this is critical to meet demand (approvals-state and local)



Structural Steel

- Demand:
  - Current demand in QLD: 1.6MT/yr
  - Construction related: 1.1-1.2Mt/yr
  - QMPPR current demand: ~280,000t (~24% of total)
  - QMPPR Peak Demand: ~600,000t/yr
- Fabrication capacity:
  - Local: 220,000-475,000t/yr (314,000t/yr)
  - Up to 70% is currently imported
- Issue is fabrication capability & capacity
- Capacity of the industry to supply:
  - 3 fabricators >10,000t/yr (~13% of capacity)
  - 24 Fabricators 2,000-10,000t/yr (~50%)
- Solutions:
  - Lift local capability through investment
  - Engage the fabrication capacity in NSW & VIC- until AUKUS



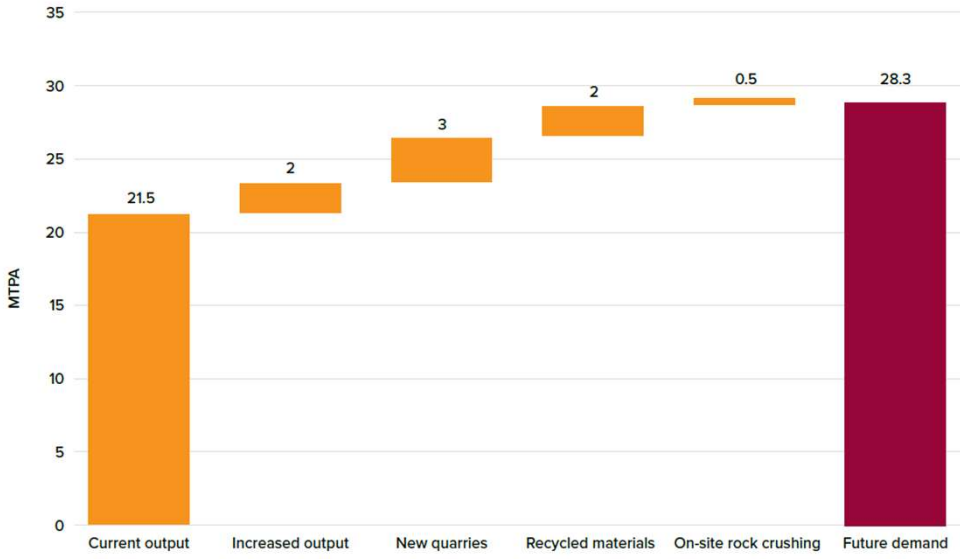


Aggregates

- Existing quarry material supply in SEQ will come under sustained pressure over the next 5+ years
- Current supply: 21.5MTPA
- 2028 Demand: 28-29 MTPA
- Current Issues:
  - Output caps (annual)
  - Road haulage restrictions
  - Operating hours
  - Approvals processes and timeframes for new quarries
- Solutions:
  - Revising existing operational conditions
  - Bringing new supply online
  - Utilising available recycled materials
  - Onsite crushing (where applicable)



Aggregate supply solution for SEQ



Source: QMCA and Arup analysis

Workforce Accommodation

- Critical locations throughout the state have very low vacancy rates
- Mapping workforce projections against available vacancy rates and local workforce spare capacity, the following areas will likely be under stress:
  - Sunshine Coast
  - Darling Downs/ Toowoomba
  - Fitzroy
  - Mackay-Isaac-Whitsunday
- Temporary workforce accommodation solutions will be required to help fill this gap
- Opportunity for private sector to develop and deliver with usage agreements



Modern Methods of Delivery

- Issues affecting deliverability of the pipeline:
  - Program and project management inefficiencies
  - Bespoke approaches to design and specifications
  - Lack of collaboration in procurement & delivery
  - Capacity and capability of the supply chain

MMD could deliver $4-8b in gains across these areas

- Standardisation:
  - Moving away from bespoke solutions to standardised elements and solutions
  - Could deliver 1.3%-1.9% annual productivity improvement
- Early engagement:
  - Bringing delivery partners on board early- driving design around how it will be built
  - Engaging with and locking in critical supply chain solutions and capacity uplift
  - Results in greater price and time certainty & annual savings of up to 1.8%-3.6%
- Optimising the program:
  - More efficient allocation of resources
  - Program approaches to project elements and stages
  - Can result in 3.5%-4.5% in annual improvements
- Technology & Solutions:
  - Preassembly, modularisation, automation, standardisation
  - 70% pre-assembly = 30% reduction in task manhours & staffing = 30% improvement in schedule

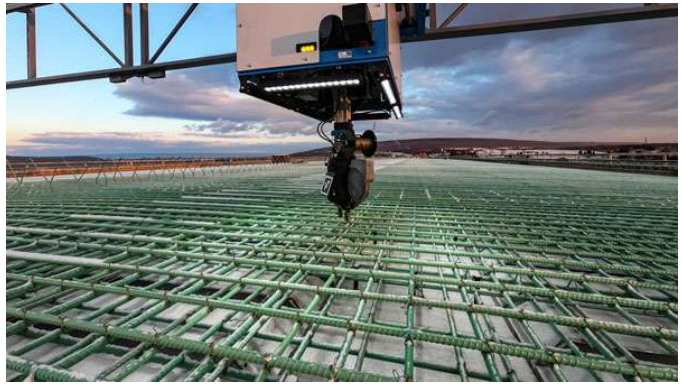


MMD: Technology and Construction Applications

Modern methods work when procurement creates enough certainty to standardise, manufacture and invest.

Sector	Opportunities	Potential scale of opportunity
Roads and rail	Standardised bridges, culverts, pavement and embankment. Autonomous and robotic pavement, asphalt, steel fixing, concrete and track placement, rail welding.	**$800m–$2.8bn** 15–30% of investment 15–30% improvement
Water	Autonomous pipeline construction, steel fixing and concrete placement. Pre-assembly of treatment plant components and modules.	**$50–$110m** 5% of investment 10–20% improvement
Resources, energy and heavy industry	Modularisation and pre-assembly of process trains and elements.	**$300–$500m** 5% of investment 20–30% improvement
Electricity	Pre-assembled components and precast foundations. Standardised transmission line foundations and systems. Modularised generation.	**$2b–$3b** 30% of investment 20–30% improvement
2032 Games	Modularisation and pre-assembly of facilities, venues and villages. Standardised building elements and fit-out.	**$150m–$1.3b** 10–30% of investment 15–35% improvement





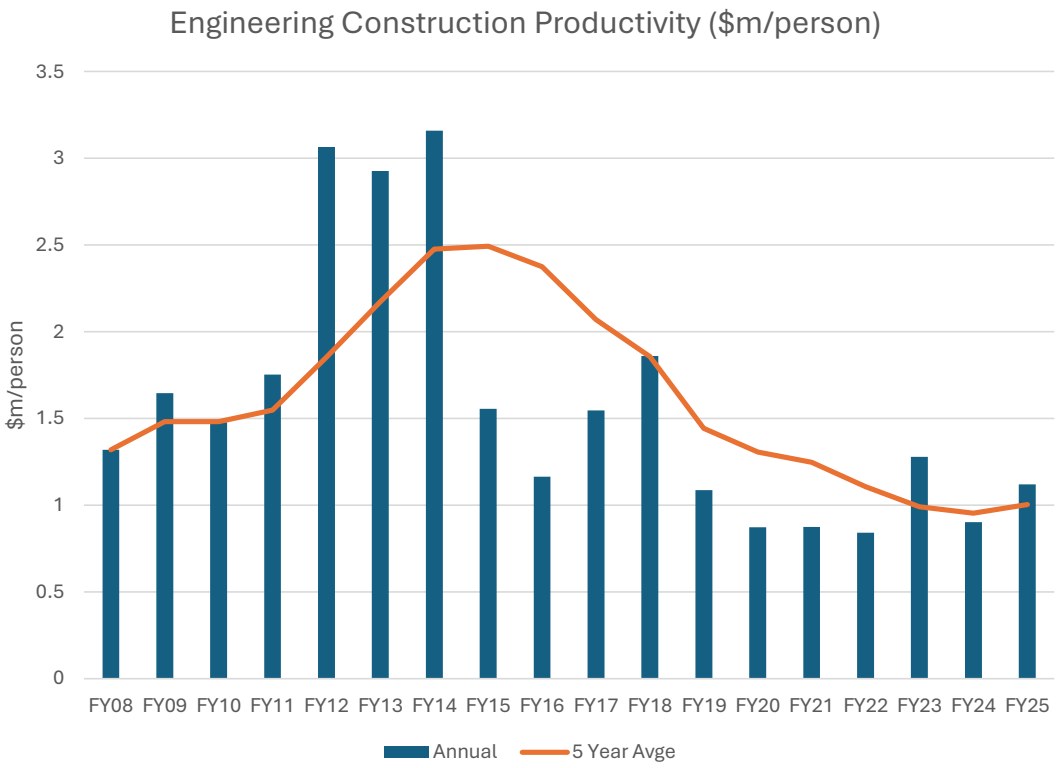
$660m-$1.5b/ year

Potential overall improvement from a program approach to materials & supply chain, design solutions, standardisation, delivery & innovative solutions

Productivity: Current Status

- Productivity has lifted in the past 12-18 months
- Some initiatives underway- but need to continue:
  - Collaborative contracting
  - Procurement reform
  - improvements in IR management
  - construction innovation and technology
  - Reduction of resource duplication (white collar productivity)
  - Compliance management
- Productivity Challenge ($m/person):

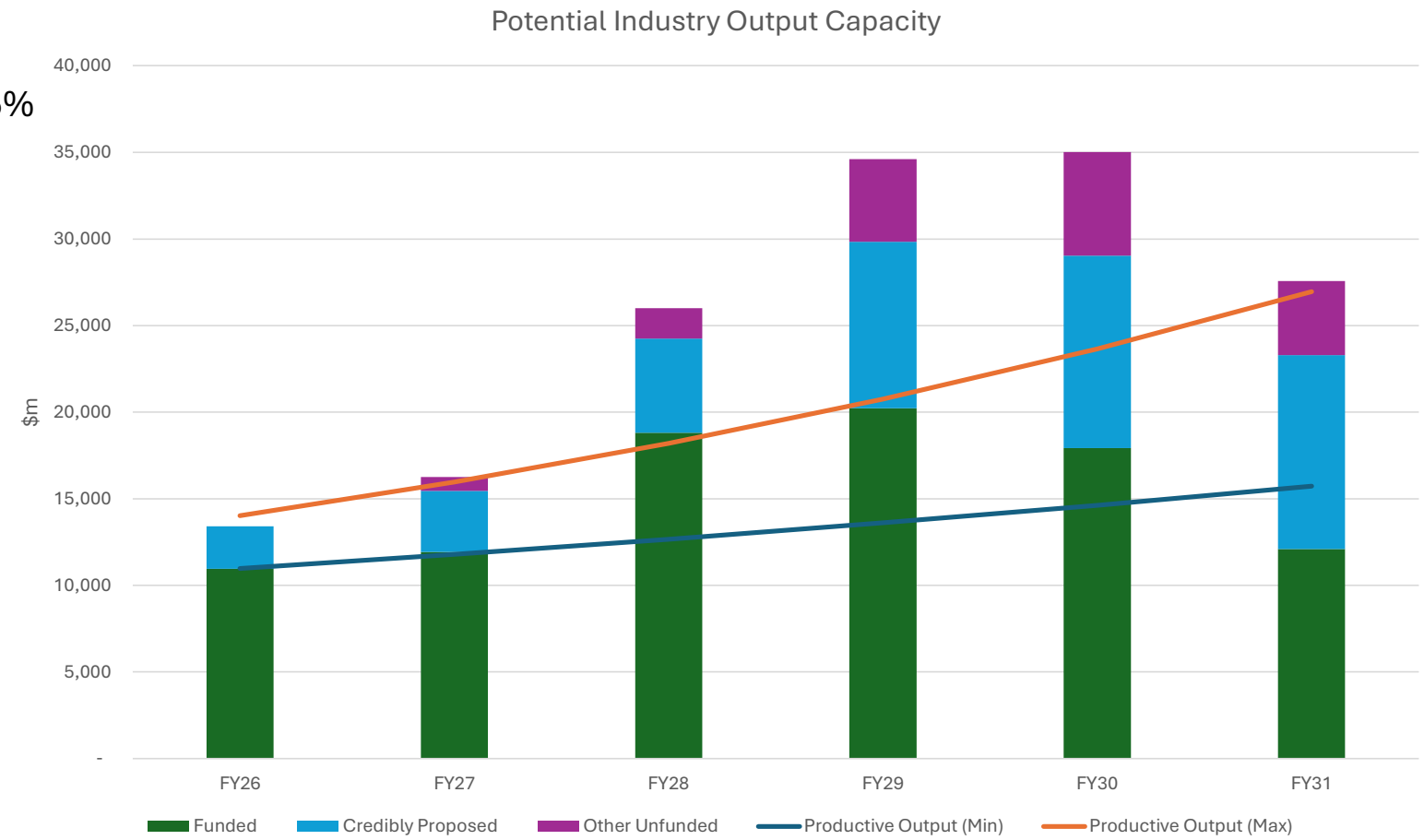
	No change in workforce	2.5% annual growth in workforce
Existing	0.9 - 1.004	
Funded	1.12 -1.29	1.0-1.2
Funded + Credibly Proposed	1.68 -1.95	1.5-1.81
Total Pipeline	1.92 -2.23	1.72-2.07



Productivity Improvements

- QPC reforms: 4-4.5%
- Annual workforce growth: 2.5-5%
- Potential productivity gains:

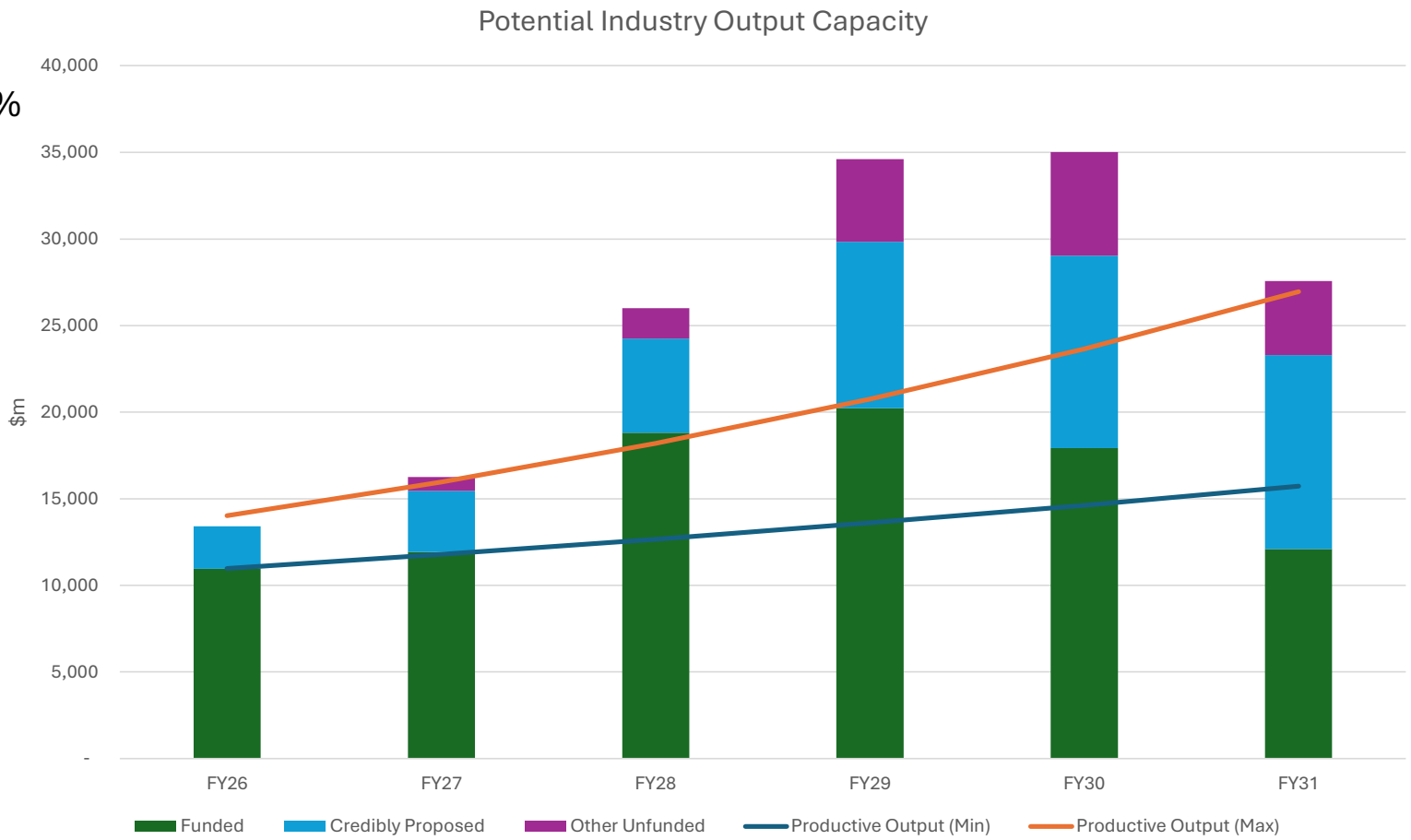
	Pot. Output Gain per year
Procurement Reform	$300-$500m
Indirect Costs	$100-$250m
IR Management	$300-$900m
Modern Methods of Delivery & construction	$660-$1,500m
Onsite Cultural Behaviours	$160-$320m
Project Development & Management	$600-$700m
Annual Productivity Gain:	**8-15%**



Productivity Improvements

- QPC reforms: 4-4.5%
- Annual workforce growth: 2.5-5%
- Potential productivity gains:

	Pot. Output Gain per year
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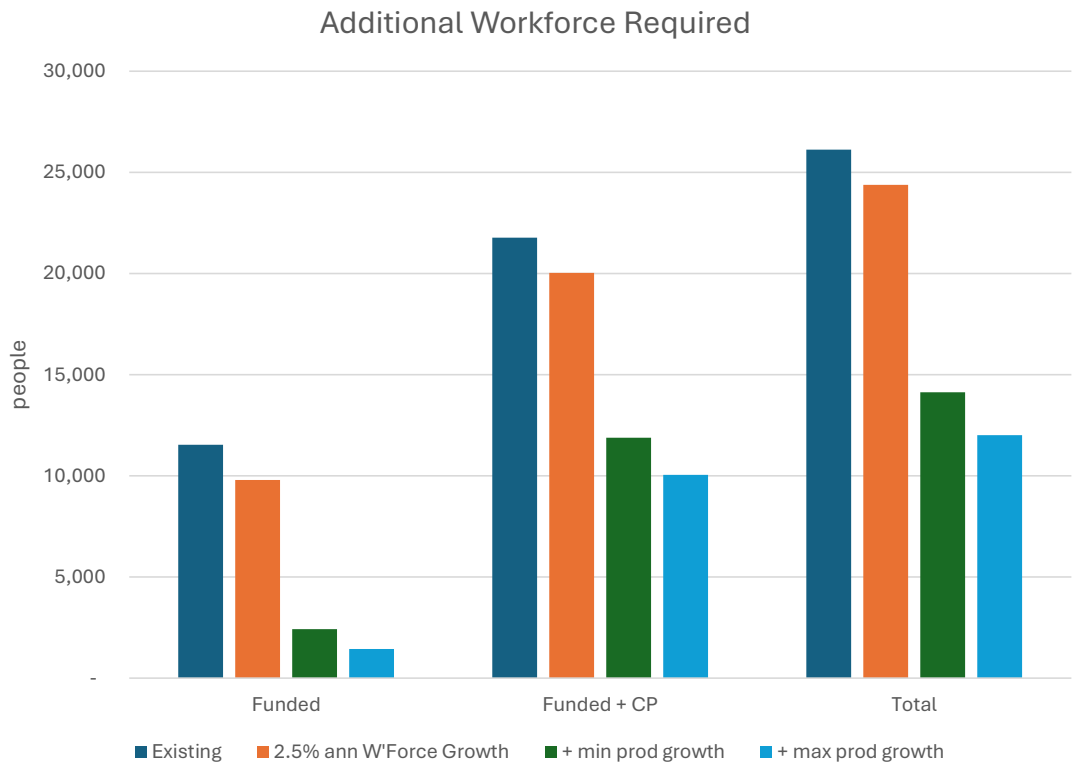


Workforce Needs and Solutions

- As the workforce grows and the industry productivity improves the additional workforce numbers reduce
- Workforce gap could reduce to in 2028/29:

	Original Gap	Revised Gap
Funded	11,500	1,500
Funded + Credibly Proposed	~22,000	~10,000
Total	~26,000	~12,000

- Solutions to fill the gap:
  - Spare construction workforce out of NSW & Vic in 28/29: 48-57,000
  - Skilled migration
  - Growing local workforce through reskilling
- QMCA currently working with DTET to solve this gap



Beyond 2032

- 2032 should not be viewed as an end game for infrastructure investment
- Government needs to create a long-term infrastructure plan that public and private sector investment can create a sustainable pipeline projects ~$8b-$12b/yr
- Some key areas for this longer term investment, post 2032 include:
  - Water (dam safety upgrades, water and wastewater treatment and networks)
  - Energy (Taroom trough, sustainable fuels and others including processing and storage)
  - Electricity (power generation, HV transmission, longer duration energy storage)
  - Mining (Critical minerals and base metals development- and supporting/ enabling infrastructure)
  - Transport expansion projects (urban arterials, level crossing removals, rail and metro)
  - Data Centres



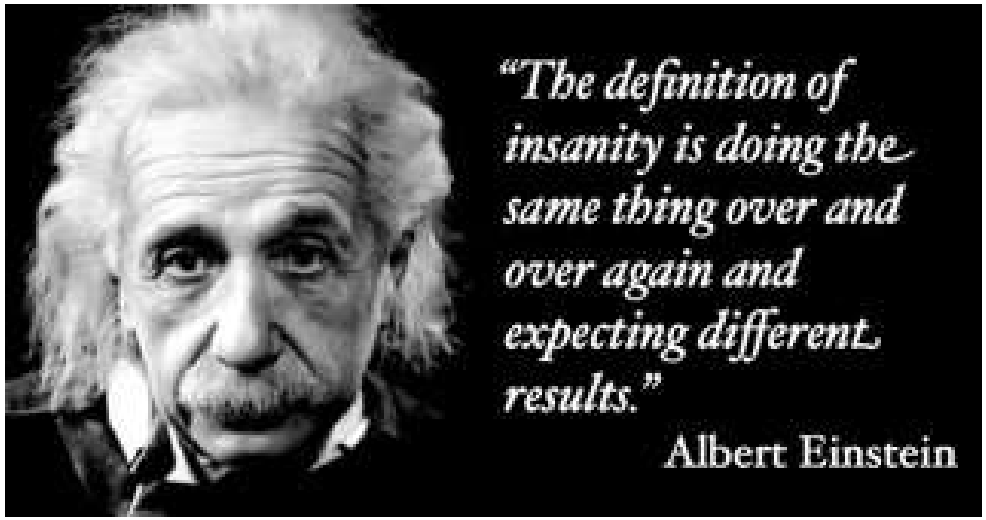
Recommendations

Recommendations

- Industry and government to work together to secure the uplift in supply chain capacity ahead of demand
- Short term workforce accommodation solutions are critically needed
- Focus on productivity must remain:
  - Modern methods of delivery
  - Address the drain of costs through “white collar productivity”
  - Continue to enhance IR management
  - Procurement reform
- Workforce Capacity:
  - Industry and Government to continue to work together to secure interstate and skilled migration
- Beyond 2032 vision
  - Need a post 2032 plan
  - Industry and government to secure a sustainable long-term pipeline

Call to Arms

- If we want to deliver what is needed- we need to enact change:
  - In procurement
  - In supply chain and capacity
  - Project development and management
  - Workforce growth, attraction, training & upskilling
  - Approach to risk and enabling innovation



- This is across clients/ asset owners and developers, consultants, contractors and third party stakeholders

Thank you to contributing partners:

Pipeline Development & Economic Analysis

QEAS
Queensland Economic Advocacy Solutions

Workforce Analysis

CSQ | STRONGER FUTURES IN CONSTRUCTION

Report Development & Production

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