Queensland Major Contractors Association
Building & Construction Industry Productivity Issues Paper

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Executive Summary

Queensland's construction industry is bursting with major project opportunities with an unprecedented infrastructure pipeline across Road, Rail, Energy and Water as well as infrastructure needed to host the Olympic and Paralympic Games in 2032. Our construction contractors will be tasked with providing the infrastructure that Queensland needs to maintain our modern way of life and to support our rapidly changing economy. But at the same time, construction productivity is declining. Over the last decade, construction productivity in Queensland has spiralled, currently sitting at 25% less than in 2014. Poor productivity is the single biggest issue facing the construction industry.

This Government has the chance to avoid disaster, drive much-needed reform and protect the high living standards Queenslanders expect. A healthy Queensland construction sector is essential for a flourishing economy and a thriving community. Its efficiency directly impacts on the cost and availability of necessary infrastructure, economic growth and the daily lives of Queenslanders. In this submission we have outlined the biggest obstacles facing the sector and how to overcome them.

Some of the major issues our members face include:

1. Inaccurate information, approval delays

Sensible regulation helps to protect construction workers, the environment and the general public. However, as regulation has expanded, it has become increasingly complex and inefficient. Approval processes currently do not get the balance right between the benefits of regulation and the impact on productivity and affordability. The sheer volume of regulation and the difficulty in understanding and navigating it, reduces competition. Often the detail provided to tenderers is inaccurate and tenderers are expected to assume this risk. Refer to section 6.1 for more information.

2. Lengthy procurement processes

The government procurement process has blown out, taking up to 18 months in some cases. Bidding time frames and then the decision-making stage have also expanded. This increases the cost to tenderers and therefore to government projects. Poor coordination across varying levels of government means that the communication is confusing and inconsistent. There are constant setbacks and last-minute changes, further delaying projects. This is discussed in more detail in section 6.2 and 6.3.

3. Innovation inhibited

Restrictive specifications, poor digital literacy and a tendency towards conservatism all contribute to a culture in our industry which discourages creativity and stifles innovation. Sections and 6.3.3 and 7.6 discuss this in more detail.

4. Collaboration gaps, broken communication

From procurement to delivery there are collaboration gaps. There is a general lack of construction expertise incorporated in the concept stage, which actively reduces productivity in later phases. Sections 5.1 and 6.3.9 discuss this further.

5. Uneven distribution of risk

Contractors are being asked to take on evermore risk, which increases the price of the government projects. When these risks materialise and allowances are insufficient, time and resources are spent on arguments and claims, rather than working together to mitigate risks and resolve problems.
Inappropriate risk sharing hinders the open and transparent sharing of project information, which is crucial for adopting productivity-enhancing digital technologies. This is discussed in greater detail in section 6.3.4

6. Too much scope, too little value

An increased reliance on consulting firms and a lack of engagement with contractors has often led to over scoped projects and needlessly prescriptive designs. This means that projects become more complex, and costs increase. Too much scope makes it harder to create delivery efficiencies at a site level. More information is provided in section 5.3

For each of these issues, we have developed a corresponding set of recommendations:

1. Better data, better decisions

If the information supplied could be relied on and the data more accurate, this would remove duplication of effort and reduce cost.

2. Procurement with one process, one purpose

Better resourced regulators (particularly at a local level) and a more integrated process would greatly reduce time taken in the end-to-end process. We should work towards a single coordinated approach with a firm deadline to approve/reject projects. Tender processes should shortlist to a preferred contractor as soon as possible and then sharpen design.

3. Innovation to boost efficiency

Remove excessively prescriptive specifications and tender processes that limit innovation. Increase the use of performance-based specifications and tender processes that can assess and value innovative approaches. There are innovative construction methods (like modular construction) which we could make better use of, with appropriate frameworks in place during the tender phase to encourage the industry to adopt new technologies. This would then drive efficiency and boost productivity on site.

4. Collaborate early, succeed together

An early-stage market sounding exercise with contractors to assess buildability would produce more efficient solutions and better resource allocation during the design and construction phases. A more collaborative procurement process would mean more successful technical solutions, flexibility in probity and stronger contract designs which can change when necessary.

5. The right risk balance

Establish rules for jointly managing risks rather than seeking a guaranteed fixed price upfront based on minimal information. We could consider using mechanisms to jointly develop design and price and implement 'painshare/gainshare' regimes to incentivise performance on non-price criteria.

6. Simple scope, smarter delivery

If the scope description can be simplified and fit-for-purpose outcomes considered, then we can increase efficiency on site. We can work towards simpler scopes by giving contractors more opportunities to participate in the scope and business case process.

Historically government procurement has focussed on upfront cost, but this narrow view overlooks productivity and the broader benefits that well-spent funds can deliver. Rather than just selecting the cheapest option, we should consider social value, environmental impact and long-term benefits. A more holistic approach would be to balance price with quality.

There are great problems facing the construction industry in Queensland, but there is also great potential. The major projects in the pipeline will deliver essential services, support our economy and improve quality of life for the people of Queensland. By working together and collaborating with the construction industry, Government can tackle the productivity issues that have plagued our industry. This will pave the way for a vibrant and prosperous Queensland for generations to come.

1.0 Introduction and Background

1.1 Introduction

With the enormous infrastructure pipeline across infrastructure pipeline across Road, Rail, Energy, and Water and infrastructure needed to host the 2032 Olympic and Paralympic Games, Queensland's construction industry is booming.

The industry is keen to lean in and be part of the development of this future infrastructure, however, higher labour costs and significantly reduced productivity are stalling progress on this important major project pipeline. Accordingly, this much needed Inquiry comes at a crucial time. The Queensland Major Contractors Association (QMCA) welcomes the opportunity to participate in the Queensland Productivity Commission's (QPC) Inquiry into Opportunities to Improve Productivity of the Construction Sector.

The QMCA is a strong industry voice on construction issues and a promoter of the industry's professionalism and growth and to this end, held an important productivity workshop in April 2025 to discuss issues relevant to this Inquiry. The QMCA highlights that the industry is frustrated with declining productivity created by a range of drivers including continuously escalating administration and bureaucracy, particularly in the earlier stages of project design.

The focus of this issues paper is what is the best outcome for the people of Queensland and not just the major contracting industry itself. However, QMCA emphasise that what is typically good for the industry is good for all of Queensland.

The workshop was an excellent opportunity to establish the scope of this QMCA Issues Paper with examples and quantitative information to evidence these issues to be provided in QMCA's full submission to the Inquiry mid-year. QMCA is in the process of contacting members with a detailed request for information, asking for examples and case studies for the QMCA submission.

1.2 The Queensland Major Contractors Association

The QMCA is the construction industry peak body representing Queensland's leading construction contracting companies. The QMCA is dedicated to making the construction industry safer, more efficient, competitive and better empowered to contribute to the development of Queensland and Australia.

QMCA's current 80 strong membership includes the top-performing construction companies in Queensland as well as support services, which together account for around $10 billion of output annually in Queensland. The QMCA has a crucial role in representing its members' views on policies, inquiries and other government initiatives that affect the industry, in order to contribute to balanced policy making and better outcomes.

1.3 QPC Inquiry

The QMCA supports the QPC in undertaking this Inquiry and wishes to help the Commission review the factors driving productivity in the Queensland construction sector. QMCA notes the Commission will make recommendations for reform to improve productivity without compromising quality and safety outcomes.

The QMCA submission seeks to provide feedback on:

- Current conditions in the housing market, residential development sector, infrastructure delivery and construction sector in Queensland, including in both housing and non-residential construction as they relate to the delivery of additional housing supply and housing affordability (see section 2)
- Key trends in the sector including input costs, prices, competition, supply chain developments, productivity, and relevant comparisons with other jurisdictions and, where possible, across Queensland regions (refer sections 3.4 and 7.4)
- Productivity on residential, commercial and infrastructure construction sites, across a range of typologies and locations, relative to productivity performance in other States (see section 3.4)

- Factors shaping Queensland's productivity performance including Commonwealth, State and local government legislation and regulation, industrial relations matters, procurement policies and labour force needs (individually, cumulatively or through duplication) and opportunities for improvement (see sections 5 - 8)
- The opportunities for improvements in productivity in Queensland including regulatory and non-regulatory mechanisms (see sections 5 - 8)
- Priority areas for reform for the Queensland Government to efficiently address identified challenges in the short, medium and long term (including but not limited to labour availability, skills availability and market competition, the availability of suitably qualified head contractors and sub-contractors etc) (see section 7.5)
- Key recommendations and themes from other relevant productivity reviews, including those undertaken by the Australian Government Productivity Commission (various sections noting Productivity Commission – Housing construction productivity[1])
- Impact on small and medium scale subcontractors in regional areas to compete for government tenders due to regulatory requirements (see section 6.1)
- Flow-on effect across the industry of government regulations to compete for labour and resources on both wages and work conditions (see section 7.4)
- Factors that limit the availability of suitable labour for building and civil construction, skills development of the labour force, and matching of labour supply with sector demand, and how policy settings can be improved (see section 7.5)
- How government procurement and contracting arrangements, including Best Practice Industry Conditions, affect productivity in the construction sector, and how practices and policy settings can be improved (see section 6.3 and 7.4)
- Barriers to entry, investment and innovation in the sector, and potential options to address those impediments (see section 7.6) and
- Key issues to be considered in implementing reform options identified and views on how recommendations could be prioritised (see sections 5 - 8).

Furthermore, in considering policy responses, QMCA notes the Inquiry will focus on the key systemic policy and regulatory settings that impact construction sector productivity. Similarly, the Inquiry will primarily focus on those areas that can be influenced by the Queensland Government. However, where there are critical issues that fall within the scope of local government or Australian Government policy, the inquiry will identify such issues and provide options to inform the Queensland Government's engagement on these matters. The Fair Work Framework in QMCA's view, represents such an example.

1.4 LNP Government Changes

QMCA notes that the LNP Queensland Government has already made several definitive changes, consistent with election commitments including suspending the BPIC Policy on the basis that it is neither fit for use nor for the beneficial for Queensland and reviewing the capital works programs needed for Transport, Health and Olympics and changes to workplace entry provisions within the Workplace Health and Safety Act.

2.0 Importance of Queensland's public sector major projects

Queensland's construction contractors are vital to the community, creating the infrastructure needed to underpin a fast-moving, flexible economy and our contemporary lifestyle. Every household and every business is dependent to some degree, on our efforts.

[1] *https://www.pc.gov.au/research/completed/housing-construction*

The construction industry is vital to Queensland and is the third largest industry sector (only behind mining 13.2% and health 9.4%) and contributed $37.2 billion in economic activity towards Queensland's economy in 2023-24 or approximately 8.0%.[2] In terms of employment, Queensland construction industry contributed 293,500 jobs as at November 2024 or 9.8 per cent, again the third largest industry sector only behind retail (10.1%) and health (16.2%).[3]

The latest Queensland Major Project Pipeline Report (QMPPR) presents a generally positive outlook for major project work in Queensland but also acknowledges constraints currently facing the sector. While activity in 2024-25 was lower than predicted a year ago, relatively robust growth in major project work is predicted for 2025-26 and 2026-27 with transport-related activity joined by a strong phase of investment in water and energy-related projects. QMCA notes activity could surge higher with commitments to the large bank of currently unfunded projects.

Over the past 18 months, the Commonwealth Government's review of infrastructure funding and subsequent changes to funding arrangements, has caused a ripple effect of delays in projects progressing into procurement and delivery. This has had strong implications for the Queensland market, where the works delivered in 2024-25 were 11% less than predicted a year ago and the current financial year (2024-25) has an anticipated 13% reduction in the delivery of planned work. Planned projects have also been shifted sideways to accommodate increased costs on existing projects.

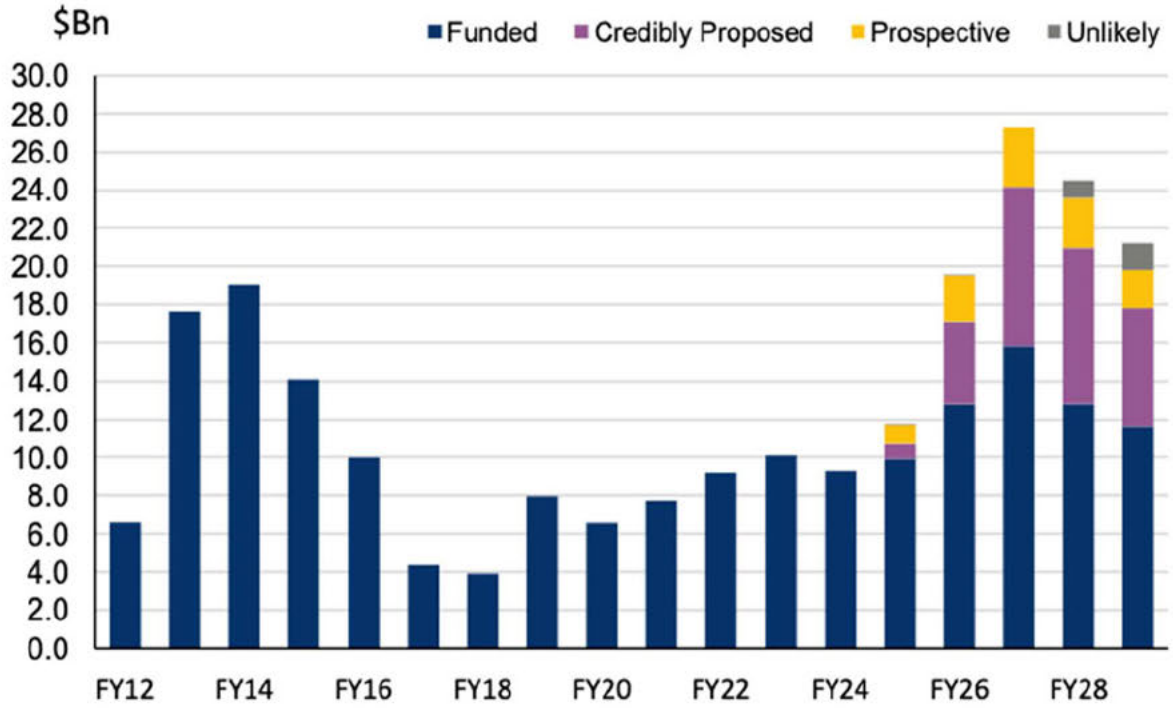

Figure 1: Queensland's major project pipeline ($ millions)

Source: https://qmca.com.au/wp-content/uploads/2024/11/QMPPR-2024_Full-Report_web-Final-7MB.pdf

The pipeline is getting bigger. The current five-year pipeline has increased to $104b, which is 13%, or $12b, higher than in the 2023 QMPPR. Importantly, 20% of this increase in pipeline from 2023 is due to announced cost increases on existing projects. The funded activity has grown between 2023 and 2024 by $8b to $62.4b (14% increase) although, $2.2b of this increase is attributed to revised project costs for existing projects. This 5 year pipeline has increased in totality from $48b in 2020 to over $104b in 2024.

Unfunded activity still looms large, presenting uncertainty and risks to the major projects industry if roadblocks to project delivery cannot be addressed. Overall, $41.6b of the pipeline (40%) is unfunded, up from $37.6b in 2023 (a 10% increase). The value of unfunded projects increases each year from 16% of the pipeline value in 2024/25 to 42–48% of the pipeline value over 2026/27 to 2028/29. The risk to pipeline activity stems from the high level of unfunded work scheduled from 2026/27 onwards. Overall, unfunded work averages $11b per annum over the three years to 2028/29.

[2] *Australian Bureau of Statistics (2023-24-financial-year), Australian National Accounts: State Accounts, ABS Website*
[3] *Australian Bureau of Statistics (January 2025), Labour Force, Australia, Detailed, ABS Website.*

There is a great deal of work to be done and projects to be completed, with major programs of investment highlighted in the graph below, in addition to this there is a $4.5b p.a. investment in housing to be considered. While productivity needs to improve, so too does the coordination of this overall investment, particularly on the government side.

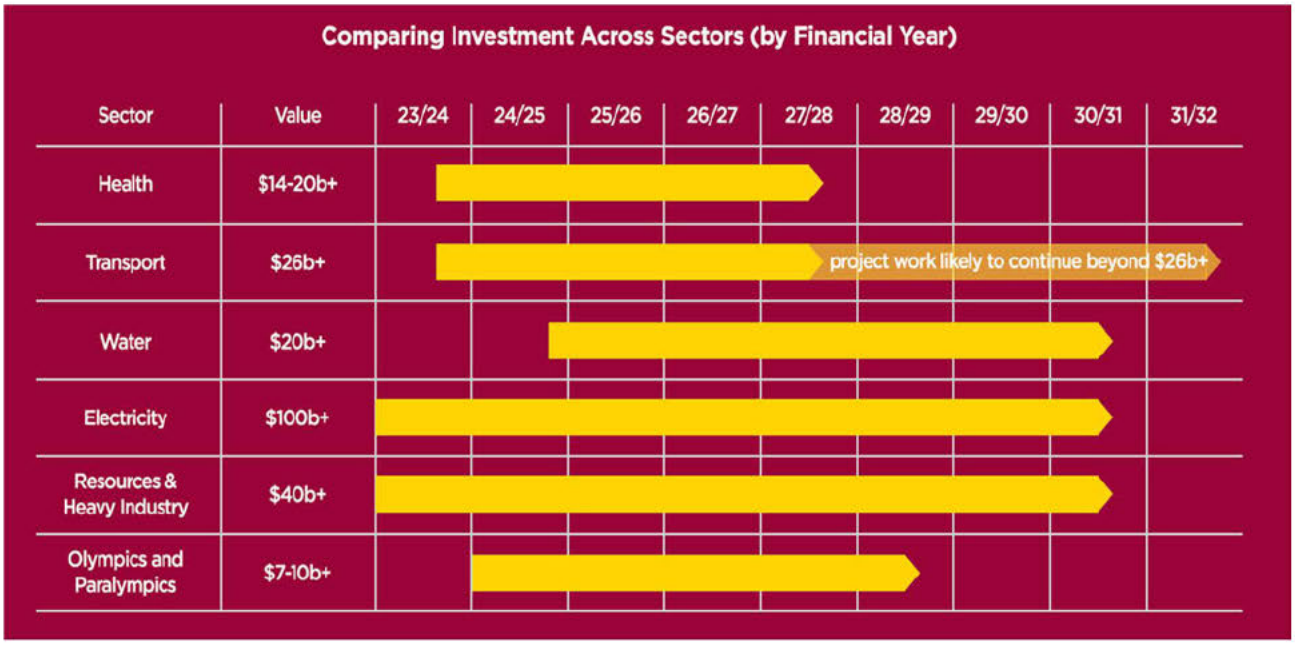

Figure 2: Queensland's major project pipeline across sectors ($ millions)

Source: https://qmca.com.au/wp-content/uploads/2024/11/QMPPR-2024_Full-Report_web-Final-7MB.pdf

The Queensland construction industry is fundamentally different to other industry sectors. The industry is fragmented with a high incidence of subcontracting. The financial realities and in particular the level of risk that the industry is asked to manage, limits the ability of firms to make significant investments, including in new technology. Access to working capital is severely constrained—even for major contractors—leading to a lack of flexibility. The fragmentation of the industry reduces its capacity to benefit from economies of scale and scope.

Queensland's major projects are vital to the community for many interconnected reasons:

Economic Growth and Job Creation:

- Jobs in the construction phase: The projects generate a significant number of jobs during the construction phase, employing workers across various trades, engineering disciplines, and related industries.
- Long term jobs: Once completed, many projects create ongoing employment opportunities. For instance, new hospitals require medical professionals, upgraded schools need teachers, and infrastructure projects need maintenance and operational staff.
- Local goods and services: Major projects stimulate the local economy by supporting local businesses through procurement of goods and services, boosting supply chains, and injecting money into communities.
- Encouraging future investment: Infrastructure investment lays the foundation for broader economic growth, attracting further business and investment to the regions.

Improved Infrastructure and Services:

- Better Transport Links: Projects like the Cross River Rail, Logan and Gold Coast Faster Rail, and Bruce Highway upgrades improve connectivity, reduce travel times, ease congestion, and enhance accessibility for residents and businesses.
- Enhanced Healthcare: Investments in hospitals, such as the Townsville University Hospital expansion, provide access to better medical facilities, cater to growing populations, and offer more comprehensive healthcare services closer to home.

- Modernised Education Facilities: Upgraded and new schools like the Brisbane South State Secondary College for example, create better learning environments for students and attract quality educators.
- Water Security: Projects like the Fitzroy to Gladstone Pipeline enhance water security for communities and industries, supporting future growth and development, including emerging clean energy sectors.
- Energy Transition: Investments in renewable energy projects (wind farms, solar farms, pumped hydro) and grid upgrades (like CopperString 2032) are crucial for transitioning to cleaner energy sources, ensuring a more sustainable future, and potentially lowering energy costs in the long run.

Enhanced Liveability and Community Benefits:

- Liveable Regions: By improving public services, transport, and amenities, major projects contribute to creating more attractive and liveable regions, encouraging people to stay and attracting new residents.
- Community Facilities and Services: Some projects include the development or upgrade of community facilities, green spaces, and recreational areas, enhancing the quality of life for residents.
- Social Benefits: Through social impact assessments and community benefit agreements, major projects are increasingly designed to deliver tangible benefits to local communities, such as infrastructure contributions, financial support for local initiatives, and improved social well-being.

Future-Proofing Queensland:

- Growing communities: These projects address the needs of a growing population and support the long-term development of the state.
- Building resilience: Investments in infrastructure, particularly in areas like transport, energy, and water, are essential for ensuring Queensland's resilience and prosperity in the face of future challenges.
- Better facilities: Projects related to the Brisbane 2032 Olympic and Paralympic Games are not only about the event itself but also about creating a legacy of improved infrastructure and facilities for Queenslanders.

Queensland's major projects are more than just construction feats; they are strategic investments that underpin the state's economic prosperity, improve the quality of life for our communities, deliver essential services, and build a stronger, more sustainable future for all Queenslanders.

3.0 Definition of Construction Industry Productivity

3.1 Defining Productivity

Construction is complicated. There are many factors that make it difficult to improve construction delivery, including: lack of standardisation in the build process (each infrastructure is mostly unique), the sequential nature of builds and the substantial safety and quality of life issues that may or may not require government involvement. Industrial relations policy also has a significant impact on productivity on site, amplifying many of the other issues.

In the past the QMCA has called out a number of issues that affect productivity of projects, these include:

- Planning and approvals
- Bespoke designs and very tight technical specifications limiting innovation
- Lack of desire and approach to enabling innovation
- Poor procurement practices (lack of collaboration) with significant overall costs and time being tied up in procurement
- Excessive requirements on contractors to deliver certain services or reporting on site which has led to an explosion of in directs on job sites (additional costs of staff, vehicles, facilities etc) over the past decade from 25% to 45% of project costs
- Risk transfer to contractors
- Man marking on projects by clients and
- Industrial relations.

In the construction industry, productivity is typically defined as the ratio of output to input in terms of labour, materials, time, and cost. It measures how efficiently resources are used to complete a project. Key aspects of construction productivity include:

- Labour Productivity – The amount of work completed per worker or per labour hour.
- Equipment Productivity – The efficiency of machinery and tools in completing tasks.
- Material Productivity – The optimal use of materials to minimize waste and maximize output.
- Project Productivity – Overall efficiency in completing a construction project within budget and schedule.

3.2 QMCA reflections on Productivity

Improving productivity in construction leads to lower costs, faster project completion, increased profitability, reduced insolvency, increased capacity, improvement in skills and greater sustainability.

Cost isn't a part of the targeted productivity but an outcome. By increasing productivity, the industry reduces cost. Reducing cost does not increase productivity. There are many people who are confusing/blurring the conversation. However, end prices are a reflection of cost and therefore of productivity.

One issue that QMCA is exploring is should Queensland target the concept of time? In the context of productivity:

Available time is the maximum amount of time reasonably available within a working week

Non-Productive time is the time in a working day where progress of the objective/needed task is not being achieved/delivered.

Productive time is the time in a working day where progress of the objective/needed task is achieved/delivered.

Productivity is a ratio of Productive time/Available time. A productivity factor (PF) of 1 is the maximum.

$$\text{Prices} = \frac{\text{Input costs}}{\text{Productivity}} + \text{Markups}$$

Figure 3: Productivity, Cost and Price Relationship

Source: QMCA 2025.

The total cost that firms face is the input cost multiplied by the amount of inputs required (which is determined by productivity). Firms then add a markup which results in the price borne by consumers.

Construction productivity is important to Queensland and it's important that this is understood by the broader community. Key questions that QMCA believes this Inquiry must address include:

- How does the Queensland construction industry have a conversation about productivity with stakeholders who do not regularly measure, review, assess and adjust to what being productive in their role looks like?
- How does the Queensland construction industry create a structure so to have a considered conversation with targeted outcomes?
- White collar productivity creates the environment within which blue collar productivity is to deliver. As such, addressing white collar in the first instance is paramount

Answers to the above consider how Queensland assesses value for money. "Value for money" has traditionally focussed on the upfront cost to the taxpayer. QMCA believes that productivity should not be just about cost, but what can be built with that money. It includes non-price criteria and a holistic solution rather than just the cheapest solution.

3.3 Why Productivity is Important

QMCA believes productivity is paramount in the construction industry for several compelling reasons that affect the broader Queensland community.

For the Construction Industry:

- **Reduced Costs and Increased Profitability:** Higher productivity means more work is completed with the same or fewer resources (labour, materials, equipment, and time). This directly translates to lower project costs and improved profit margins for construction companies.
- **Faster Project Completion:** Efficient processes and workflows lead to quicker project turnaround times. This allows companies to take on more projects, meet client deadlines, and reduce overhead costs associated with prolonged construction periods.
- **Enhanced Competitiveness:** Companies with high productivity can offer more competitive bids and are better positioned to secure new projects. They can deliver projects faster and potentially at a lower cost than less efficient competitors.
- **Improved Resource Utilisation:** Productivity gains often stem from better planning, scheduling, and management of resources, minimising waste and ensuring optimal use of materials and equipment.
- **Increased Innovation and Technology Adoption:** The pursuit of higher productivity often drives the adoption of new technologies, innovative construction methods (like modular construction), and improved processes, leading to a more modern and efficient industry.
- **Better Workforce Management:** Efficient workflows and reduced delays can lead to improved worker morale and job satisfaction. Recognizing and rewarding productive work can also boost motivation and retention.
- **Enhanced Safety:** Well-planned and efficiently executed projects can be safer. Reduced time pressure and better organisation can minimise risks and accidents on construction sites.

For the Community:

- **More Affordable Infrastructure**: Increased productivity in construction can lead to a greater supply of infrastructure built at a lower cost. Efficient infrastructure projects (roads, bridges, public transport) can be delivered more economically, benefiting the community through better services without excessive costs. Based on analysis by Oxford Economics Australia, it is estimated that raising construction productivity to the economy-wide average will unlock an additional $11 billion in construction capacity every year. This would be enough to deliver over 200 new schools, 2,000 kilometres of road or 5,000 extra hospital beds.[4]
- **Timely Delivery of Essential Projects:** Productive construction ensures that crucial community projects like schools, hospitals, and public facilities are completed on schedule, allowing the community to benefit from these services sooner.
- **Economic Growth and Job Creation:** A productive construction sector contributes significantly to the overall economy. It directly employs a large workforce and supports numerous related industries (manufacturing, supply, transportation). Increased activity and efficiency can stimulate economic growth and create more job opportunities.
- **Reduced Disruption:** Faster project completion times mean less disruption to the daily lives of community members due to construction activities (traffic congestion, noise, dust).
- **Higher Quality Buildings and Infrastructure:** While speed is important, productivity also encompasses efficiency and quality. Optimised processes and skilled labour contribute to the construction of durable and high-quality buildings and infrastructure that serve the community well for the long term.
- **Sustainability:** Efficient construction practices can reduce material waste, energy consumption, and the overall environmental impact of projects, contributing to more sustainable development for the community.
- **Improved Living Standards:** Ultimately, a productive construction industry contributes to a higher standard of living by providing affordable housing, efficient infrastructure, and a strong economy.

In essence, a productive Queensland construction industry is a cornerstone of a thriving economy and a well-functioning society. Its efficiency directly impacts the cost and availability of essential infrastructure and housing, influences economic growth, and affects the daily lives and well-being of the community.

3.4 Queensland's Construction Productivity is in decline

Construction productivity has fallen in absolute terms and underperformed relative to the broader economy. Poor productivity is the single most important issue facing the construction industry. Despite record levels of construction activity, the industry's productivity has gone backward over the last decade. Some key points include:

- Overall construction (building and engineering construction) productivity has been dropping across the country since 2014
- In Queensland this is a comparatively greater drop ~25% from 2014 compared to 13% nationally
- Queensland, in comparison to the rest of the nation is 7% lower on a gross value-added basis than the rest of the country; and
- One of the key drivers for this has been the added requirements on the construction sector through inappropriate risk transfer and superfluous administration

Queensland's construction industry productivity (gross value added (GVA) per hour worked) has declined from $100.10 in 2013-14 to just $75.80 in 2023-24 and is currently lower than its commensurate national measure at $81.20 and State all industry average of $100.60. Compared to the broader economy, productivity has been growing. Refer to Figure 4 figure 4 below.

[4] *https://www.constructors.com.au/advocacy/reports/nailing-construction-productivity/*

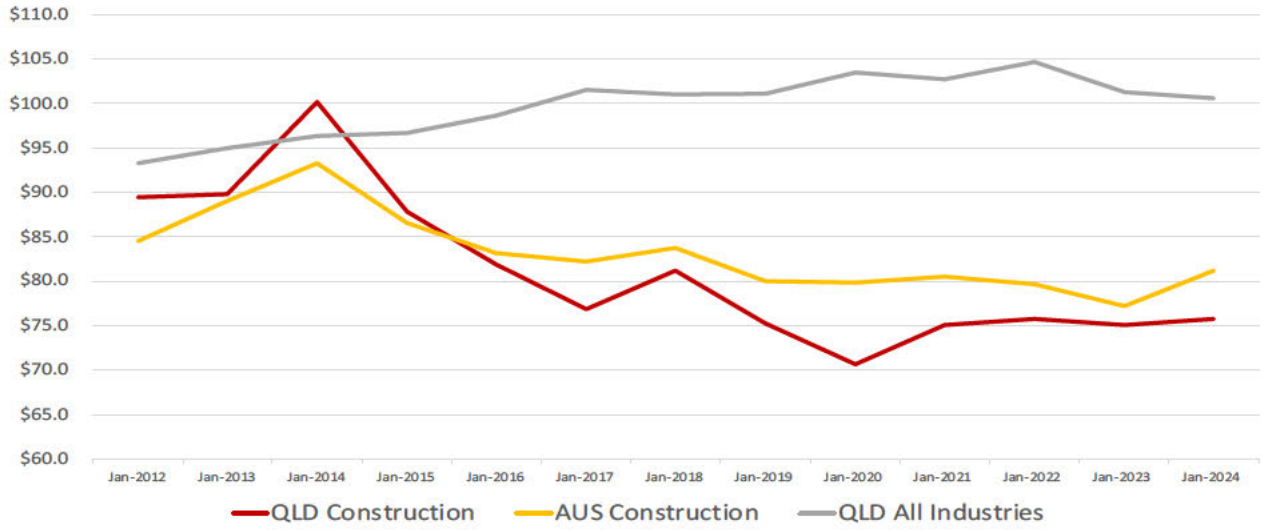

Figure 4: Productivity - Industry Gross Value Added per Hour Worked ($ - Real prices)

Source: QMCA using ABS Industry GVA estimates and hours worked

This should concern all Queenslanders. If Queensland cannot fix construction's productivity problem, the State will soon be unable to deliver the infrastructure it needs to accommodate its growing population and the unfunded component of QMPPR will increase. Construction's productivity problem reflects a broader problem in the economy.

In the engineering and construction sector the value of work delivered per employee has been in constant decline since the end of the resources and energy boom in 2015. This is demonstrated in the graph below (Figure 5) where all figures are in 2021 prices. In the lead up to the 2010 (where the work type was very similar to the recent 5 year period) the industry averaged $1.2M/person/year. Through the energy and resources boom (2010-15) the industry averaged $2.1M/person/year. The last five years in the lead up to 2024 the average was $817k/person/year.

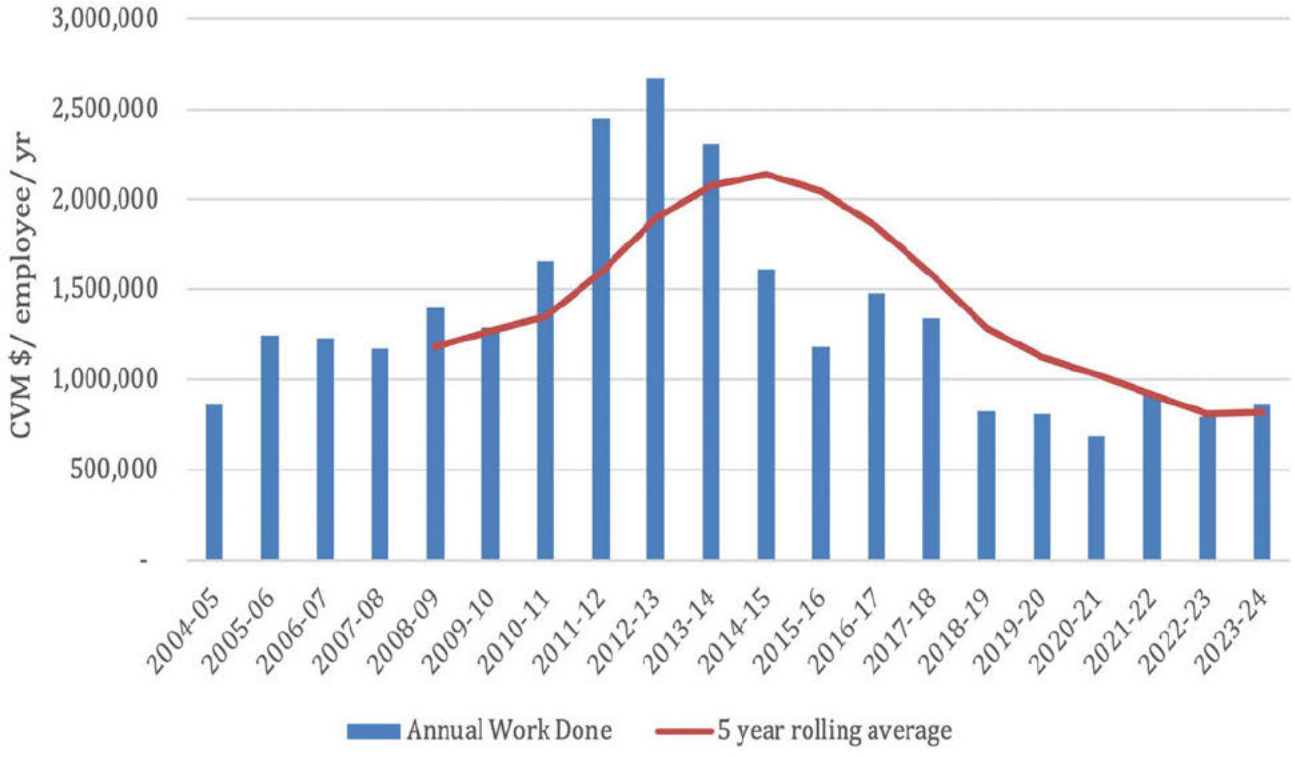

Figure 5: Productivity – Value of Work Delivered per Employee

Source: QMCA 2025.

Previous government policies have had the effect of increasing wages in the construction industry exorbitantly in proportion to other sectors over the last five years. With further wage rate increases committed to on some projects and programs already. Figure 6 demonstrates the impact of these policies and the relative wage growth for a Construction Worker Level 3 (3—5 years of experience) compared to a nurse, teacher and police officer. With a corresponding drop in productivity these wage increases are amplified further.

What this drop in productivity has meant is that as an industry we have been unable to meet the forecast funded work profile each year. As the pipeline has grown, industry capacity to deliver has not been able to keep up. Productivity has impacted this. Between FY21 and FY24 the industry has only been able to deliver on average 87% of the projected work. Some external issues have played a part in this, such as the Federal Government's investment review in 2023, however productivity impacts have constrained delivery capacity. A simple 10% lift in output and capacity would see the industry being able to deliver the funded works.

If Queensland remains on its current course, our living standards will go backward, with Queenslanders working longer hours for less money. With everything else being equal, had construction simply matched the average of other industries, the State's growth over the last decade would have increased significantly.

The importance of construction to the Queensland economy means statewide productivity cannot be addressed without solving construction's productivity problem.
The potential upside of improving construction's productivity performance is enormous. Closing the construction productivity gap would likely increase Queensland's overall productivity growth materially.

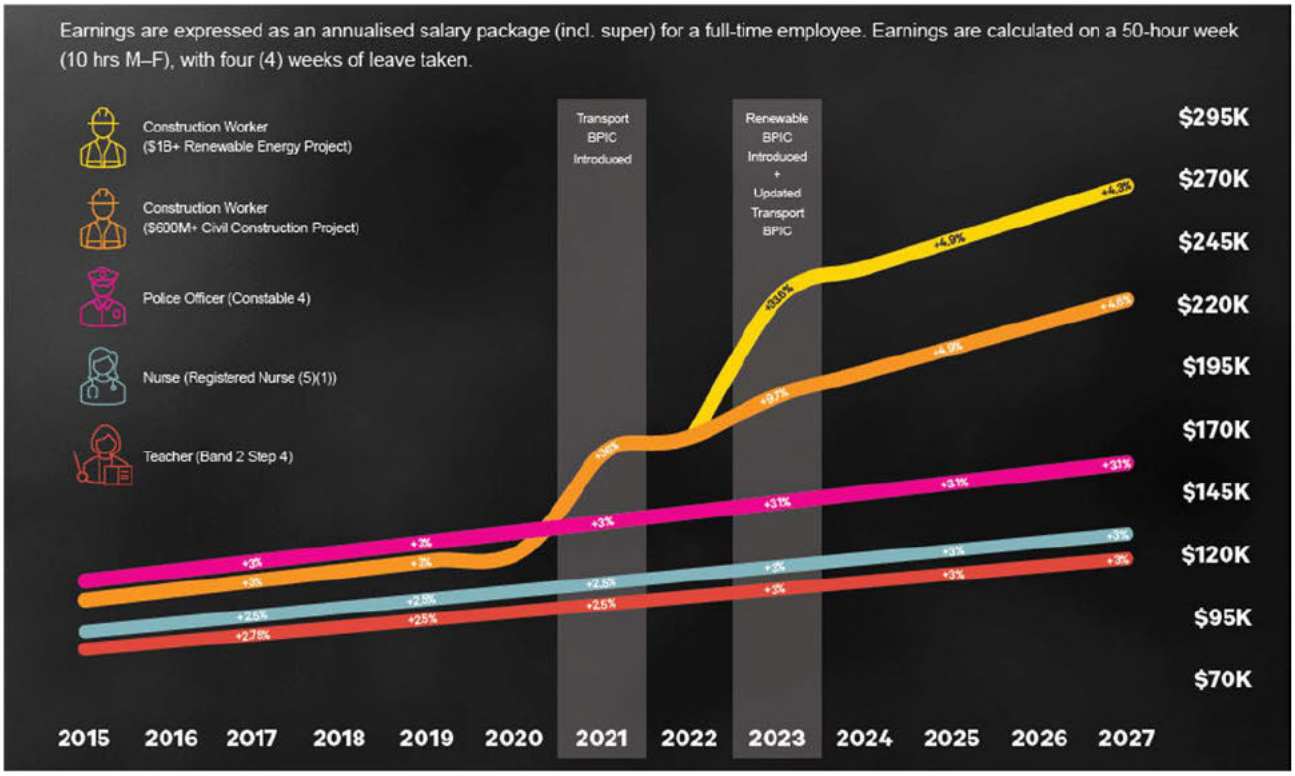

Figure 6: Wage increase for Queensland construction workers compared to essential public servants

Source: QMCA 2025.

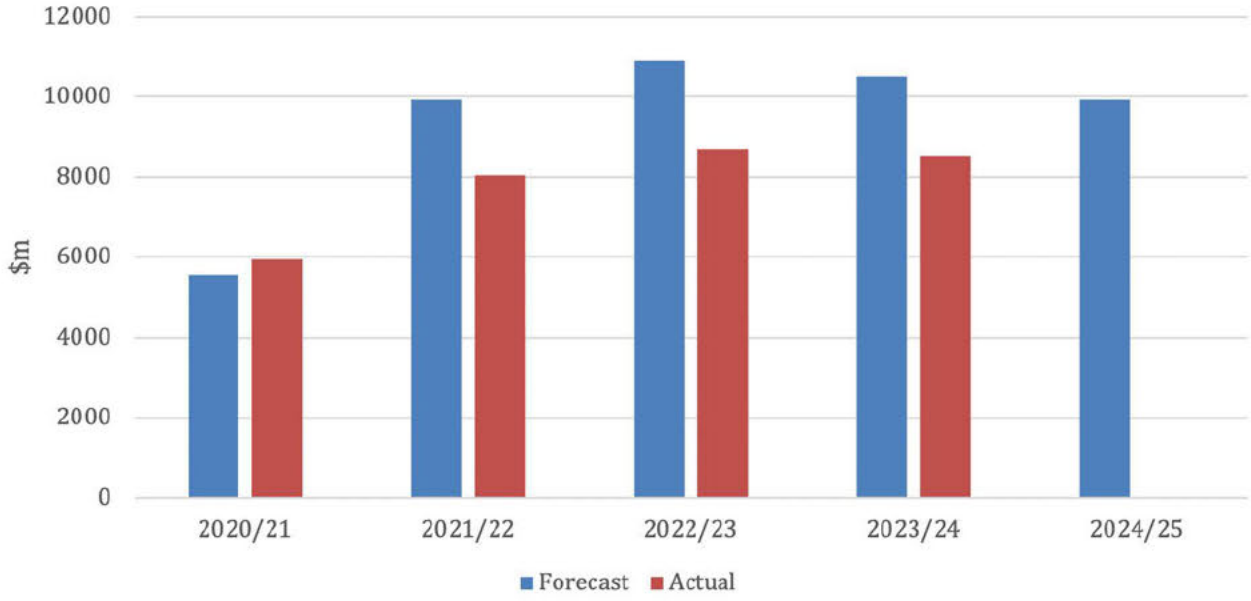

Figure 7: Funded Forecast v Actual Work Delivered

Source: https://qmca.com.au/wp-content/uploads/2024/11/QMPPR-2024_Full-Report_web-Final-7MB.pdf

3.5 Competition for labour

The labour pool across the entire building and construction industry is outlined in Figure 8 below. With some 30,000-35,000 workers employed across the engineering and construction sector versus the building sector that has around 245,000.

The challenge is that the sub-contractors and labour pool and the supply chain feed into the three parts (residential construction, building construction and engineering construction). This means that what happens in one sub sector affects the others. This has been evidenced through the BPIC/ BPP policy which rapidly spread costs and poor productivity across into the residential building area.

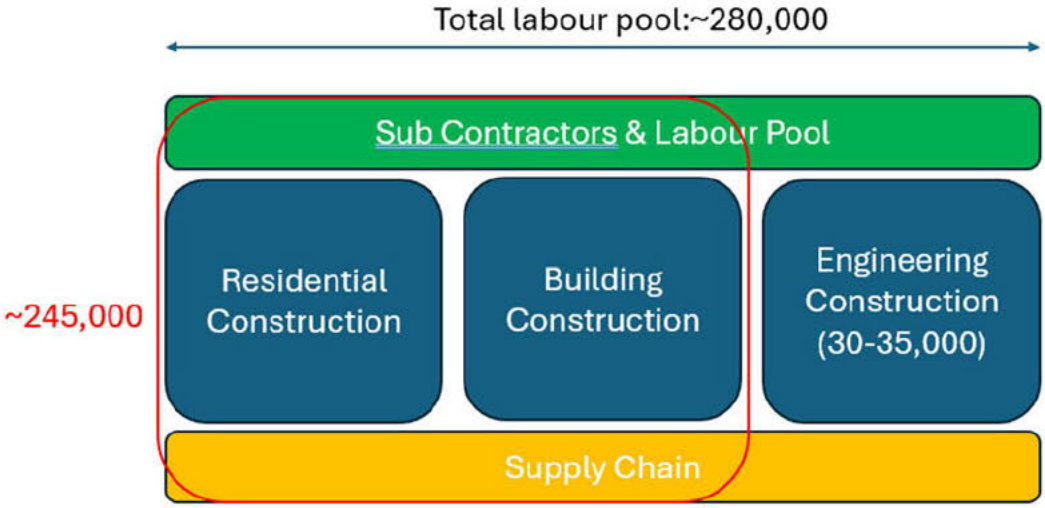

Figure 8: Required Major Project Pipeline Workforce

Source: QMCA 2025.

The labour required to meet the work in the engineering and construction sector alone is estimated to require an increase of over 80%; in fact in the major projects area- where currently around 55% of the engineering and construction workforce are employed (delivering around $9b of work annually) to meet the demand of work coming forward across the entire engineering and construction section Queensland will need up 65,000 workers each year for the next 5-10 years. This means that this sub sector and projects will start to draw people from other parts of the industry and/ or other industries creating a bidding war for labour. This will then create further issues with affordability of projects and is exacerbated further with reducing on site productivity. Equally without a change in the trajectory for productivity then we are likely to see that labour requirement for the major engineering and construction projects increase by another 5,000-7,000 people.

4.0 Inquiry Scope – Structure of the Issues Paper

It is important to highlight that that the construction industry does more than just construction. QMCA members develop designs, seeking approvals, managing stakeholders, engaging the market, construction, commissioning and returning the assets. Queensland needs to assess and change for the benefit of productivity in all these areas.

There is significant importance of pushing productivity upstream into the project concept and developments stages and emphasis has to equally be on both 'white' and 'blue' collar elements for each project.

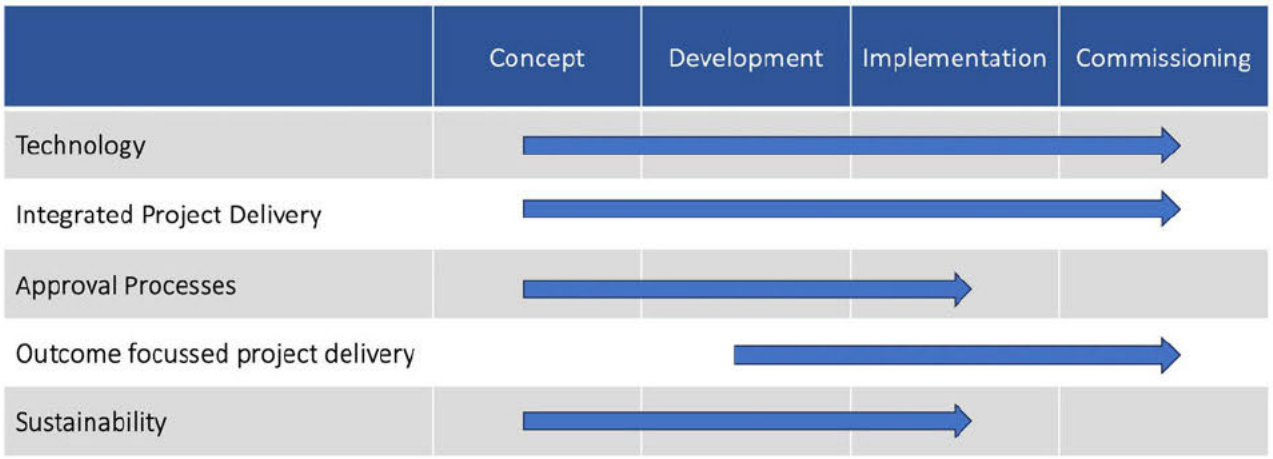

Figure 9: Example Productivity across Value-Chain

Source: QMCA 2025.

QMCA's believes for the largest opportunities for paradigm shifts to be identified and actioned, the Inquiry should include all phases of a project's lifecycle as many experiences point to the fact that the biggest damage to productivity is being done before projects get into the delivery phase.

Productivity cannot be attached to projects "retrospectively" after the project has been in the concept and development pipeline for years; it has to be embedded into a project's DNA through expert consideration, thought leadership, decision making and outcome ownership.

There is no shortage of opportunities to radically improve the productivity of the Queensland construction industry. But at the same time there is no one driver of poor productivity performance. There are a range of issues that have contributed to falling productivity in the construction sector which are now discussed.

The following sections of this issues paper highlight constraints to construction industry productivity and commences highlighting solutions to these. Quantitative evidence and case studies will be provided in QMCA's full submission.

As part of this issues paper, QMCA have undertaken an assessment of the various elements raised in each part of the project lifecycle to help direct efforts to what should be the main focus of efforts to improve productivity. The assessment is based on:

- The level of input required to bring about change; and
- The value of the outcome (how much improvement in productivity might result)

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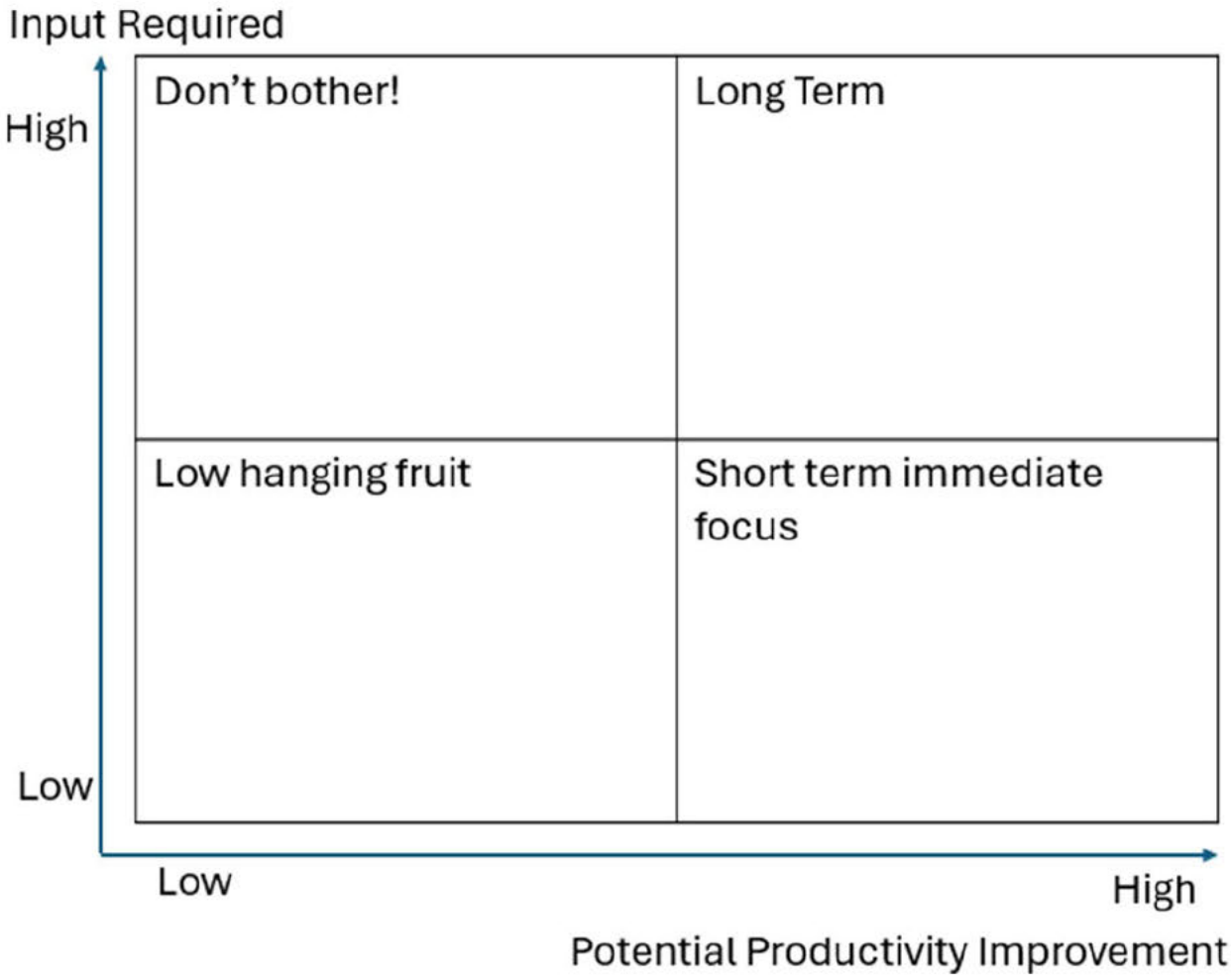

Figure 10: Potential productivity improvement graph

Source: QMCA 2025

5.0 Concept - Project Requirements and Business Case

5.1 Market sounding and stakeholder consultation

QMCA believes there is generally a lack of construction knowledge incorporated in the concept stage, and this actively hinders productivity in later stages. It should be recognised that a contractors can provide solutions and pragmatic delivery ideas that can assist with not restricting productivity during delivery than just the consulting industry alone. Project proponents should consider engaging contractors to provide solutions early in the concept design. There is importance of delivery partners with major contractors being a critical element in the supply chain. In QMCA's view there is need for greater mapping of the supply chain and resources and greater need for collaboration across supply chain. If we collaborate earlier, projects are more likely to be successful.

Recommendation:

On large programs and projects establish an early-stage market sounding process that engages one or more contractors to help test concepts and ideas around what is practical to be built. This will help deliver more efficient and well thought out solutions leading to more efficient allocation of resources during the design and construction phases.

Assessment:

Input Required	Low
Value of Outcome	Low

5.2 Business Case Process

QMCA believes that business cases have to be robust and accurate with many historic examples of projects proceeding based on a 'loaded' up Benefit to Cost Ratio (BCR) and recognition there needs to be an improvement in their accuracy. Typically, BCR overstates benefit due to project delays.

There has been counter productivity introduced by the big consulting firms and many of the procurement advisors. The Contracting Industry relies on getting in and out quickly whereas the consulting firms' business model relies on keeping the project running as long as possible, with the maximum level of resourcing.

The main issues with the current business case process are outlined below:

- The three stage business case process is very time consuming, lacking much input from the construction industry on how projects might take.
- It bakes in standard approaches and has included recommendations around procurement approaches that inhibit the use of productive delivery approaches. These decisions are not made with any industry input.
- The time taken through this process is very long (up to 3 years) and benefits the consulting industry only.
- The current process is not delivering any certainty on costs or project completions and lacks any real cost inputs.
- Cost estimates often do not include the real costs including the impact of "indirect costs"

A more reliable Business Case process leads to increased productivity overall and less cost being burnt in the Business Case process.

Recommendation:

Revise the business case process to be applied to only large complex projects and over only one stage that covers all elements required. For standard projects that require a business case apply the Project Validation Report model. This would reduce the time spent on this element by a minimum of 12-18 months.

Assessment:

Input Required	Low
Value of Outcome	Medium to High

5.3 Scope Definition and Development

QMCA believes when it comes to specification of each project, it is important that if it is not in scope then it is not being built. It's important to correctly define scope and to keep it big ticket and not too prescriptive. Scope needs to be reflected in contract with identification of risks and viable solutions. There must be an increased opportunity for contractors to influence scope and business case. There has been too far much reliance on big consulting firms defining the scope with little input from the construction sector.

There has been a tendency to 'over scope' projects to take try and fix a multitude of issues rather than just refining the scope. This has resulted in extra issues being added in and costs increasing and compromising outcomes leading to more complexity in project delivery. This has led to over scoping of projects increasing the complexity of the project to be delivered, reducing the ability to create delivery efficiency when on site. We need to simplify the scope definition down and consider what is the "Fit for purpose" outcome required. A simpler scope will lead to smarter delivery.

One recent example is the proposed upgrade to the Pacific Motorway from Daisy Hill to Logan Motorway. The available funds were $1 billion and there was no refinement of the scope to meet budget in the design and excessive additional issues were included, including a bike veloway, complete rebuild of the local road network, a busway extension and complete rebuild of existing interchanges (which were less than a decade old).

The design in its current form is now around $2.5-$3 billion and the unnecessary complexity would have led to a very inefficient construction program, due to the intricate nature of traffic switches and PUP management on site, let alone the construction of new infrastructure overlaying *existing* operating interchanges and bridges.

At no point had the team considered a simpler design, nor actively engaged the construction sector in this phase, to meet the budget requirement of $1b. This would have led to a more efficient construction schedule.

Recommendation:
Define a fit for purpose outcome as the scope for the project and include the construction industry in regular constructability reviews of this

Assessment:

Input Required	Medium
Value of Outcome	High

5.4 Competency of People

We need to focus on the competency of project managers and individuals in key leadership roles during this phase. Some of the decisions made, impairing productive delivery, are based on getting the project to the next phase (typically with a different owner) as opposed to being best for project. This aspect is discussed more extensively in section 7.5.

Assessment:

Input Required	Medium
Value of Outcome	Medium

5.5 Summary of Productivity Focus Areas- Project Requirements

QMCA's summary of productivity focus areas for project requirements is provided below.

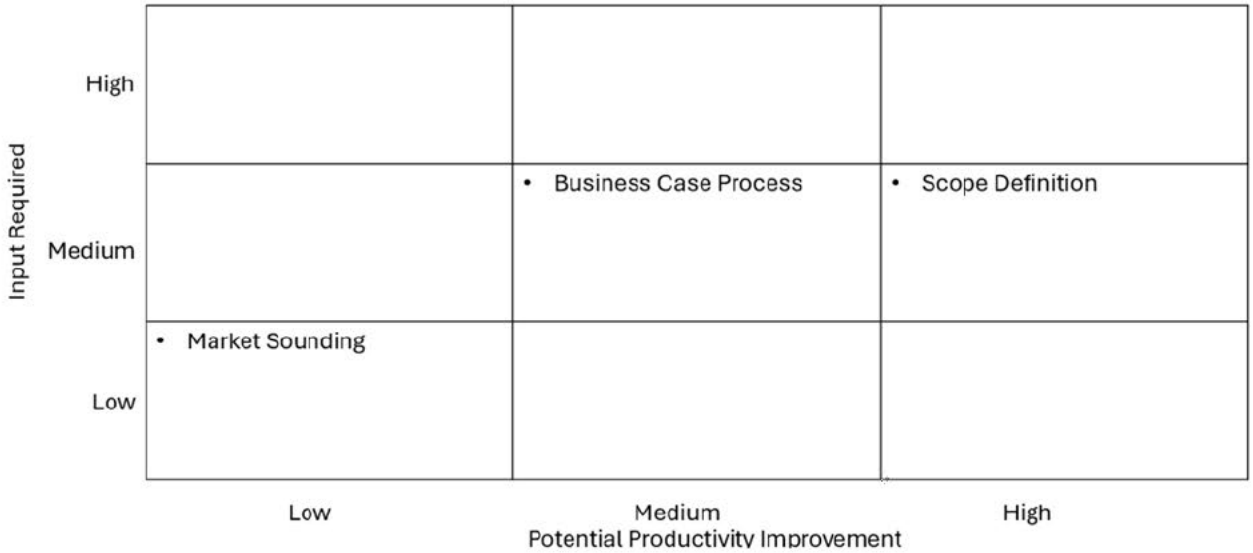

Figure 11: Our summary of focus areas and potential productivity improvement

6.0 Development - Approvals and Procurement

6.1 Accuracy and Reliance on Information

QMCA believes that minimising unknowns and associated risks creates an environment which encourages productivity. During the project development phase, project owners will normally undertake preliminary investigation work, such as geotechnical studies, location of utility services, indigenous and other heritage locations, hydrological data, design plans etc to ensure that a project is viable. This information is typically provided to tenderers, but they are required to assume the risks for the accuracy of this information.

Historically however, tenderers cannot rely on this information and have no opportunity for relief when the information is inaccurate. As a consequence of not being able to rely on this information, all tenderers are required to either engage their own consultants to undertake further investigations, where this is possible. Otherwise, they must take on (and price) the risk that the information provided might not be accurate. This is a waste of money and time and impacts limited resources which could otherwise be allocated to other works and increasing efficiency. Better data would mean better decisions.

If information provided to tenders was more reliable there would be a significant amount of savings in the time and expense of engaging additional consultants to verify information or in the amount of risk contingency included in tenders. There would also potentially be a reduction in disputes as liability for information provided at tender is a common cause of disagreement between contracting parties regardless of how liability is defined in the contract.

Recommendation:

Remove conditions about non reliance on provided information. State that the information provided can be relied upon. This will remove significant supplication of effort and significant cost from the tendering process

Assessment:

Input Required	Low
Value of Outcome	High

6.2 Environmental and Planning Approvals and Regulation

The process for development and construction can potentially stretch major project timelines to ten or more years. Much of this time is not spent building but rather in the approvals phase. Even after approvals are granted, delays occur. There is too much complexity and time from approval process and there are simply too many unintended consequences from trying to remove risk.

Approval processes currently do not get the balance right between the benefits of regulation and the impact on productivity and affordability.
Excessive regulation hinders construction productivity and makes infrastructure more expensive. The sheer volume of regulation and the difficulty in understanding and navigating it, can act as a barrier to competition.

There is too much complexity and time from approval process and there are simply too many unintended consequences from trying to remove risk. Construction process involves tangible steps like construction and intangible steps like land acquisition, gaining approvals, securing financing, and setting up infrastructure access. This process is inherently risky, time-consuming, and costly. Excessive regulation hinders construction productivity and increases costs. While regulations have improved safety and amenity, this has come at a cost and has slowed new infrastructure supply and increased cost. Achieving the right balance and increasing infrastructure supply requires reform across all levels of government, prioritising supply and affordability.

The three levels of government (Federal, State, Local) are dictating where and how projects are built and what they look like. Regulations serve important purposes, such as ensuring health, safety, minimum quality, amenity, and environmental protection. Well-designed regulation can even improve productivity by solving market failures.

On the Coomera Connector North project for example, the project was delayed by over 12 months due to environmental and project approvals, the contractor team was engaged and this cost them $35 million directly and lost work revenue of over $100 million (work that could have effectively been delivered). This is a productivity loss.

A significant issue is slow and poorly coordinated regulatory processes. The sequential nature of construction means regulatory issues can cause significant delays at key points. This is made worse by poor coordination between and across levels of government and under-resourcing of key approvals agencies. Construction companies often have to navigate or even coordinate a process involving multiple government tiers themselves. Lack of coordination and consistency between decision-making bodies increases risk and uncertainty. Delays and disruptions create 'cascading failures', which increase costs. Changing conditions of approval or not having approvals in place significantly constrain procurement.

The volume and complexity of regulation mean more agencies and decision-makers are involved, all needing different information. The greater the number of approvals and the more uncertain the timeframes, the higher the likelihood of delays, which can imperil project feasibility. Differences in planning rules can limit the ability of builders to standardise designs and processes.

Specific examples include:

- At the Commonwealth level, the Environmental Protection and Biodiversity Conservation Act 1999 requires approval for developments impacting international environmental obligations. The Queensland Government enforces laws regarding pollution control and biodiversity. Local governments set environmental requirements and require compliance with state laws for local approval. Environmental regulations, particularly those protecting biodiversity, add uncertainty to feasibility assessments and can change over time, potentially becoming more stringent and effectively restarting the development process.
- Cultural protections can apply to significant sites.
- Health and safety laws and occupational licensing affect sites during construction. (not so sure on this one)
- Projects must comply with strict certification processes to ensure they meet all required standards before, during, and after construction. This includes approval processes for building designs, modifications, and final occupancy permits and adherence to Queensland Development Code (QDC) and the National Construction Code (NCC).
- Queensland's Building and Construction Commission (QBCC) oversees compliance with these conditions, ensuring that builders, contractors, and developers adhere to industry best practices. Failure to comply can result in fines, suspension, or cancellation of licenses.
- Procurement processes that do not enable quick and speedy decisions and the fact that a lot of resource is tied up in poorly designed and lengthy procurement processes- e.g. the Gold Coast Faster Rail and Sunshine Coast Direct Rail- this is the internal approvals processes within departments for projects and programs alliances and others through 4 gate process

Generally, risk mitigation efforts are seen as eroding productivity, and there are too many unintended consequences from trying to remove risk. The focus can shift to a "compliance culture" of "ticking the boxes" rather than delivering better outcomes.

In summary, the current planning and development regulatory environment, characterised by excessive volume, complexity, poor coordination, and lengthy, uncertain approval processes, is a fundamental and significant constraint on construction productivity and infrastructure affordability.

There is scope to improve the end-to-end process. This includes improving coordination across approvals bodies, introducing mechanisms to deal with extended delays, adequately resourcing regulators (particularly local governments), and governments improving coordination between decision makers. Establishing coordination bodies and setting informative performance targets for approval decisions are also suggested improvements. We should move towards procurement with one process, one purpose.

Recommendation:

Reform the environmental and project approvals processes to be more seamless, integrated and provide a coordinated approach to them. In Germany for all "state significant" projects referral agencies and stakeholders are given 12 weeks to respond as to why they disagree or what issues they have with the project, or it is deemed approved. We need to look at a similar process here.

Work with the Commonwealth Government to reform the time-consuming elements of the EPBC Act to get a more efficient process enabling less "non-productive costs" throughout the project delivery.

Assessment:

Input Required	High
Value of Outcome	High

6.3 Procurement processes and contracts

The key issues concerning Queensland procurement processes and contracts in the construction industry, revolve around their excessive length and cost, the complexity of requirements, their role as barriers to innovation, problematic risk allocation, and the need for government leadership in driving reform for increased productivity.

Some of the major issues with procurement processes include:

- Length and cost of procurement
- Complexity of requirements
- Barriers to innovation
- Problematic contract types and risk allocation
- Specifications
- Contract Forms
- Information Sharing and
- IR planning.

6.3.1 Length and Cost of Procurement Processes

The procurement process for large projects appears needlessly long, potentially taking up to 18 months. For example the procurement process took well *over* 18 months from commencement to when a contract was executed recently on the Coomera Connector North and Gold Coast Light Rail Stage 3 projects. In fact the announcement of the preferred contractor has often taken 8-12 months from the commencement of procurement activities.
This is far and away well beyond standard industry practice. It extends bidding timeframes, often involving up to three "contractor" teams that include engineering consultants, contractor resources and other support resources (lawyers etc) as well as the client's team, ties up significant resources and embeds significant cost in procurement that need to then be recovered (unproductive costs) and loss of works that could have been delivered.

There is significant opportunity costs associated with this excessive time. Even after tenders are submitted, the decision period can take many months, sometimes longer than the time spent preparing the tender, leaving bid teams and proposed delivery teams on hold. The process involves a contractor team not much smaller than the construction team itself. The average cost of preparing a tender for a large infrastructure project is estimated at around 1-2% of the estimated project value per contractor. For a $100 million project, this means each participating contractor might spend $1 - $2 million. A modest reduction in tendering costs could deliver significant annual savings for government projects. We believe it's a matter of competitive tension verses wasted tender effort. We are of the view that tender processes should shortlist to 3 then to 2 and then to 1 and then sharpen design.

6.3.2 Complexity of Requirements

Tender requirements are too complex and non-productive. The Expression of Interest (EoI) process, seemingly simple, has become a significant logistical exercise with ever-increasing requests for information. Beyond pre-qualification checks, contractors are required to provide numerous draft operational management plans, identify key personnel with

prescribed CV formats, identify and mitigate project risks (often by sourcing subcontractors), and undertake legal reviews of bespoke contracts, all before even costing the project or checking the completion date. The level of detail required is sometimes disproportionate compared to other states. QMCA members have advised that the cost of tendering in Western Australia is half of what it is in Queensland. Industry should be given opportunity to review and have input on tender brief.

Under current procurement approaches contractors are required to each develop and provide detailed management plans, quality plans, community plans, environmental plans etc. Whilst these are required for the project execution, the need for all bidding parties to provide identical documents, which are already considered as part of the pre-qualification process, is unnecessary and costly. These extra costs, even on smaller projects, are unproductive and avoidable.

We recommend that once a preferred contractor is decided that party has two to three weeks to furnish the necessary plans for the project. This would save significant cost across the industry

6.3.3 Barriers which inhibit innovation

Being able to innovate and being able to consider alternative approaches is almost impossible in procurement processes despite potentially driving productivity. Assessment panels often appear to want innovation avoided, to facilitate direct comparison of tenders, potentially due to risk aversion, avoidance of ownership, or incompetence. This default approach to contracting stifles productivity, hindered by prescriptive specifications, design conservatism, commercial considerations, and legacy standards. Unless clients actively request and support innovation, contractors are constrained. There is a need for a new framework that incentivises investment in and adoption of innovative solutions and encourages clients to demand them. Innovation will boost efficiency.

For example, on the Rockhampton Ring Road. Through the project development phase, the client and their engineers were challenged over the design with different approaches and technical solutions that have been accepted interstate that would have saved significant costs and improved the likely time for delivery, but these suggestions were declined. This included some fit for purpose solutions such as 2 lanes compared to 4 lanes in locations where traffic volumes did not require 4.

6.3.4 Problematic Contract Types and Risk Allocation

The commercial environment is deeply rooted in contracting on fixed price terms. While effective for transactions with known scope, fixed price contracts are not suited for construction where scope is not well defined, subject to change or there are inherent risks that can't be identified, or where risk is defined based on unreliable information. This places an excessive burden of risk on the contractor. Contractors are being asked to take on more risk, which increases the price of the government project. The principle of "the party best able to manage the risk should bear the risk" is flawed because the ability to manage a risk doesn't equate to the ability to bear the potentially multi-million-dollar financial cost if it eventuates. Inappropriate risk allocations impact productivity.

In competitive tenders focused solely on price, contractors are effectively encouraged to risk their own businesses by pricing unquantifiable risk. When these risks materialise and allowances are insufficient, time and resources are wasted on disputes and claims instead of collaborating to address the issues. Accuracy of information is the opportunity here.

Risk allocation is best managed between the parties collaboratively so that each party understands the drivers and challenges of the other and how best to manage the relevant risks and work together to minimise the occurrence and the costs of managing the risks. This does not mean that all risks are shared, rather that a collaborative conversation is held between all parties. This can be done for all contract types, regardless of whether they are collaborative contracts such as alliances and ECI's all the way through to construct only contracts.

The lack of collaboration through procurement and into delivery has proven problematic. Regardless of the actual contract form there is a need to ensure that collaboration is included throughout the procurement phase to get the risk allocation and management right for the type of project to be delivered. It's important to get the right risk balance.

6.3.5 Specifications

Project owners use specification documents, which can run into multiple volumes and thousands of pages. These are often typically over-specified, sometimes to the lowest common denominator, and can detail work down to the size, material, and origin of the last nut and bolt. Prescriptive specifications are seen as undermining productivity, ensuring uniformity but hindering innovation and leading to outdated methods. They can blow out costs and have unintended consequences. An alternative approach is to use performance specifications, which define how the final asset must perform (e.g., bridge capacity, start/end points, design life). This allows contractors to compete on the best solution to meet the brief, rather than just the price of a fixed product. Performance-based specification would be great for the industry. Furthermore, tenders now have elements that should not be in the response and have made it harder for Contractors to drive productivity.

One recent example on a project was where the original design included 100t of steel falsework using standard sections that cost around $8000/t (Cost ~$800k). The engineer then redesigned the falsework to save 20t (with input from the client) and this resulted in nonstandard sections being required and a greater degree of fabrication. The resultant cost was $14,000/t for the fabricated steel falsework. To save 20t the new cost of the falsework was $1.12m (an increase of $320k). Unfortunately, this not an isolated case.

On many transport projects the pavement is designed over each little section (often as small as 100m long) and different pavement types, depths and cross sections are developed all to create the most optimal engineering outcome. What this does though is mean that productivity on site is not as high as it could be because there are constant changes.

Modern methods of construction and standardised design approaches assist in enabling higher productivity on site during construction and this needs to be reflected in the designs developed and the specifications used. Overly rigid specifications and highly developed and optimised engineering designs do not often create an opportunity for greater efficiency and productivity during construction. There is a balance to be struck in this regard.

The approach taken in the reconstruction works (for natural disasters) has seen higher on-site efficiencies generated through the standardised design approach with standard cross sections and designs that are applied for the works. Many years ago, Queensland led the way across the country with the development of standard designs for bridges with respect to prestressed concrete deck units and prestressed concrete girders. This revolutionised the efficiencies and costs for bridge construction. Over the past 15 years or so that standardisation has been lost and each bridge is being designed individually – this leads to a loss of productivity in the precast phase as each new design has to be setup and checked and validated etc and then again on site too.

6.3.6 Contract Forms

The development of early standard forms of contract aimed to save time and money spent drafting bespoke contracts. However, there is now an increasing tendency to use heavily modified standard forms or revert to drafting bespoke contracts for individual projects. This has eroded the efficiency gains from standard forms and created more inefficiencies and disputes arising from their interpretation. Reverting to standard forms could save substantial costs and time.

The move to bespoke new contracts for many of the projects and/ or the ongoing changes and modifications made to standard contracts for each project adds costs, particularly as special consultants and lawyers have to be employed on both sides of the fence to manage these issues. This approach does not deliver better risk management and outcomes either.

6.3.7 Information Sharing

Inappropriate risk sharing hinders the open and transparent sharing of project information, which is crucial for adopting productivity-enhancing digital technologies. Information is unlikely to be shared if it can be used to prepare or defend claims related to poorly allocated risk. Risks that cannot be quantified should be dealt with openly and transparently to encourage collaboration over adversarial behaviour.

Digital models have existed for information sharing and reliance upon digital information for decades. However, many clients have been reluctant to adopt these solutions, wanting paper copies (wet signature plans and documents) instead- many of which are created and stored on the digital platforms such as BIM. Enabling and allowing greater use of BIM and

other solutions as part of the procurement and delivery process will result in far more efficiency and productivity as the need for paper based design drawings is reduced, and all parties can review and approve designs in live time.

6.3.8 Industrial relations planning

Industrial relations planning has crept into contract awarding. Unfortunately, it had become a reflection of prescriptive based procurement that was driven by the former government through policy that gave preference for certain unions (BPIC). This should be unwound permanently. In Queensland, tenders have not been awarded until the union was consulted and agreement reached. Section 7.4 relating to BPIC describes in full this overreach into all procurement.

On some major projects contractors have been called into meetings by state government clients and *strongly encouraged* to negotiate with various unions that they never have before (e.g. "Building trades Group") to develop a project agreement; over either their own non-union EBA or the union with the majority coverage (AWU). This intrusion of the client into the IR space created more complexity, longer time periods for procurement and an expectation by certain parties that they have control over the project.

For instance, on the Coomera Connection Central project the preferred joint venture parties were *requested* (read told) by TMR to undertake additional consultation and negotiation with the CFMEU when they had already developed and agreed a relevant project agreement with their own workforce and relevant unions (AWU). This added some 6 months to the procurement process and caused all manner of other industrial issues on the project when it started and other projects that the contracting parties had during this time, when pressure was applied by the CFMEU to have an exclusive agreement. The removal of BPIC has certainly helped in this area, however the involvement of the clients in the industrial relations space needs to be measured and relevant.

6.3.9 Principles for Procurement

In summary, current procurement practices and contractual frameworks are inefficient, costly, stifle innovation, and create adversarial relationships through inappropriate risk transfer, ultimately hindering productivity in the construction sector. Governments are in a strong position to lead reform by adopting more efficient processes, promoting performance-based specifications, standardising contracts, and fostering more collaborative and transparent risk allocation. More collaborative procurement will lead to flexibility in probity, contract design can be changed, and the transaction team will not get in the way of better technical solutions.

Recommendation:
Look to adapt collaborative procurement processes that engage the contractors early and thoroughly to understand all risks, develop approaches with the client and deliver greater price and cost certainty. Whilst this level of collaboration through procurement and delivery may change, dependant on the project complexity, it should be standard approach. By adopting these practices and engaging and then selecting the contracting parties early it will enable real innovation and alternative approaches to be tested with clients, risks well identified and apportioned and priced, timeframes streamlined and standardised designs and more flexible specifications used ahead of final price development and contract execution. This will then enable greater on-site efficiencies in the works undertaken and better value for money and a cheaper simpler and more productive procurement and design process.

Some of the key issues that should be advanced include:

Assess for 'Best Value': Go beyond the lowest initial cost and incorporate a wide range of non-price criteria such as local supply chain engagement, diversity targets, workforce development, innovation, productivity, and sustainability objectives.

Engage Industry Early: Involve industry participants as early as possible to accurately assess risk, estimate costs, and incorporate constructability and value engineering input into the design.

Contract Relationally, Not Transactionally: Establish rules for jointly managing risks rather than seeking a guaranteed fixed price upfront based on minimal information1. Consider using mechanisms to jointly develop design and price, and implement 'painshare/gainshare' regimes to incentivise performance on non-price criteria.

Focus on Outcomes—Incentivise Innovation: Remove excessively prescriptive specifications and tender processes that constrain innovation. Make greater use of performance-based specifications and tender processes that can assess and value innovative approaches.

Digital by Default: Embed a digital by default approach in all procurements with the goal of incorporating a digital twin under a harmonised framework and transitioning away from 'digital by exception'.

Standardise Contracts and Procurement Methods: Adopt a standard and common library of contracts that can be applied with minimal variation, drawing on best international practice.

Streamline Procurement and Delivery: Maximise industry capacity for value-adding functions by streamlining internal client approval processes, eliminating bid processes where possible, reducing documentation through digital technologies, and relying more on prequalification schemes.

Create a Sustainable Industry: Promote a sustainable and healthy construction industry by leveraging public spending for broader goals and ensuring projects are contracted on fair and reasonable 'model client' terms, including practices that preserve industry liquidity like bid reimbursements and fast payment terms.

Assessment:

Input Required	Medium
Value of Outcome	High

6.4 Summary of Productivity Focus Areas- Procurement & Design Requirements

QMCA's summary of productivity focus areas for procurement and design requirements is provided below.

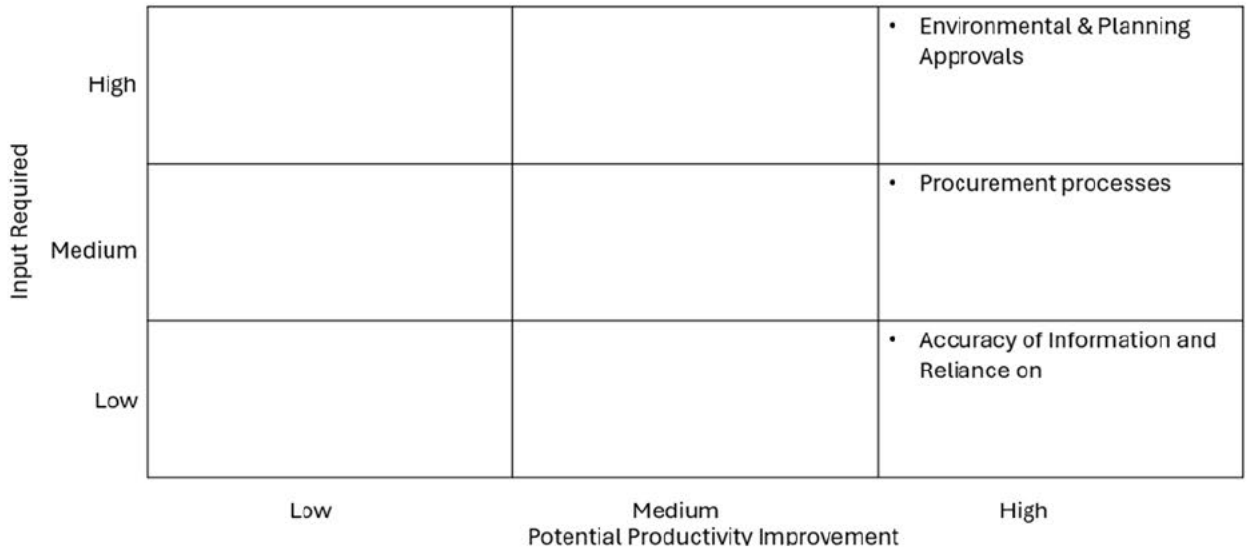

Figure 12: Potential productivity improvement

7.0 Implementation - Delivery

7.1 Detailed Design

Infrastructure design has eroded construction productivity primarily due to excessive and poorly coordinated review processes.
More specifically:

- There are multiple design approvals, involving too many people and agencies
- The number of reviewers "per project gate" is considered overkill
- There is a lack of a primary reviewer to coordinate inputs
- Designs are subjected to an increasing number of reviews beyond just meeting the brief, including by stakeholders focused solely on specific components without responsibility for overall delivery; and
- These extensive comments increase both the cost and time required for construction and lead to contractual disputes.

This overall process negates many of the productivity benefits of procurement models like Design and Construct where the design is the responsibility of the contractor to meet a specification. Regardless of the delivery model pursued (construct only, design and construct, ECI, alliance, ITC etc) the design management and approval process needs to be refined. Too much time is lost in an inefficient design approval and review process that passes through too many hands without appropriate oversight and review by clients regarding priorities and focussing on the defined scope of the project.

Recommendation:
Clients to review and revise the design approval process to reduce wasted time and effort with regard to design approvals and minimise lost time. Limit design review and approval feedback to a max of three days.

Assessment:

Input Required	Low
Value of Outcome	High

7.2 Rework and Quality Control

Construction rework, in its simplest terms, refers to the need to redo a portion of a construction project that was not done correctly the first time. This can encompass a wide array of issues, including errors in design, workmanship, communication, and planning. Rework can manifest in various forms, from tearing down improperly constructed walls to reconfiguring entire building systems. Essentially, it represents work that should have been completed but, due to defects or missteps, requires redoing or correcting. Very importantly rework often comes from poor design. In addition, whilst vitally needed, rigid and esoteric quality control unrelated to outcomes has had detrimental impact on productivity in Queensland construction projects for several interconnected reasons:

Rework and Rectification

- Direct time wastage: When work is not done correctly the first time, significant time and resources must be spent on identifying, rectifying, and redoing the faulty work. This immediately pulls resources away from planned tasks, causing delays in the overall schedule. There is too much rigidity in the specifications requiring rework- for instance the concrete specifications do not differentiate between structural and non-structural elements and therefore if the slump or compressive strength does not meeting the tight specification requirements on non-structural elements (footpaths etc) it has been turned away or dumped. This results in a loss of productivity and material wastage as well. This is inefficient and unproductive.

- Demobilisation and remobilisation: Rework often requires specific trades or equipment to return to a previously completed area, leading to inefficient demobilization and remobilization, further wasting time and money.
- Increased material costs: Rework can involve the removal and replacement of defective materials, leading to increased material costs and potential wastage.

Delays and Schedule Disruptions

- Chain reaction of delays: Poor workmanship in one area can have a cascading effect, delaying subsequent tasks that rely on the completion of the faulty work. For example, incorrect structural work will delay the fit-out stages.
- Missed deadlines and penalties: Significant delays caused by rework can lead to missed project milestones and contractual penalties.

Reduced Efficiency

- Loss of momentum: Frequent interruptions for rework break the flow of work and reduce the team's momentum, making it harder to maintain a consistent pace.
- Overcrowding and congestion: Rework can lead to more workers being present on-site simultaneously than planned, causing congestion and reducing individual worker efficiency.
- The management and treatment of unsuitable sub grade for instance is one area where there is a large opportunity to be more practical. The specifications require that unsuitable sub grade be dug up and reworked to achieve a workable platform. The issue with this is it often doesn't meet specification and then delays other elements of the program leading to inefficient operations, particularly as subgrade areas are left to try and "dry out" etc. Alternative treatments (whist more expensive on a per m3 basis such as replacement using rock and geofabric) result in a much more efficient solution by time and therefore are cheaper overall- but the response from contract administrators is to try and re work the sub grade time and time again- rather than looking for quick alternative approaches that then do not impact on overall schedule and hence productivity

Increased Costs

- Higher labour costs: Rework necessitates additional labour hours, increasing the overall labour costs of the project.
- Extended project duration: Delays caused by poor workmanship extend the project duration, leading to increased overhead costs (site management, equipment rental, etc.).

There is overall project inertia from quality control – referred to hold points and their impacts on workforce and project continuity. Quality has to be an enabler not barrier to productivity. Solution to instead of testing is put geo-techs on the ground and not dwell on individual specifications but outcomes. A construction and civil engineering study[5] estimated direct and indirect costs of construction rework as a percentage of contract value being 6.4% and 5.9%, respectively. Another study by the Centre for Comparative Construction Rework[6] found that rework reduced construction companies' mean yearly profit over a six-year period by 28%.

Recommendation:

Investment in quality control, proper training, clear communication, and skilled labour is crucial to minimising these issues and ensuring efficient and productive construction projects. Development of more flexible guidelines and specifications for contract administrators and project verifiers etc to work within would assist in site efficiencies.

Assessment:

Input Required	Medium
Value of Outcome	Medium

[5] *https://www.researchgate.net/publication/49280189_Calculating_total_rework_costs_in_Australian_construction_projects*
[6] *https://research.bond.edu.au/en/publications/the-costs-of-rework-insights-from-construction-and-opportunities-*

7.3 Contract Administration and Project Management

Further to 7.2 QMCA observes that we are increasingly seeing slow or delayed decision making and nothing in real time on many projects. There has been essentially the creation of the independent verifier cottage industry that impairs productivity, so it's important to assess whether their proliferation is contributing to or detracts from productivity. The QMCA's view is that his increase in oversight has impacted productivity.

QMCA believes there is a need consistency of training for contract administrators who lack both understanding and care around how their performance routinely impacts the productivity of the project they are supposedly there to enable. Additionally, management plans are required again and again and there are too many. We need to focus on project performance but in the context of delivering project outcome. Administrators should be incentivised around the performance of the project and their timeliness in responding to issues too. There is a lack of desire or authority for contract administrators to exercise "engineering knowledge and judgment" in the execution of the project management.

Over the past few years, we have seen a trend to a significant increase in "man marking" on projects. This adds significant cost to the overall total cost and duplication of resources. These additional resources have not been found to improve decision timeframes or lead to better value for money outcomes.

Recommendation:

Provide contract administrators with guidelines regarding how they are to operate in terms of assisting all parties constructively and collaboratively to deliver projects and enabling the contractor to achieve higher productivity on site.

Remove the requirement to "man mark" on projects with client project teams.

Assessment:

Input Required	Low
Value of Outcome	Medium

7.4 Industrial Relations

QMCA commissioned work to objectively quantify the cost difference between Best Practice Industry Conditions (BPIC) (underpinned by the CFMEU Collective Agreement 2023-2027) and non-BPIC civil construction and renewable energy projects. The report clearly demonstrated the sub-optimal outcomes that arise as a result of and usage of elements within each BPIC. This is provided in Appendix One.

The Report concluded that conditions under BPIC are inadequate for overall productivity and affordability. This is making large projects more expensive to build, due to higher labour rates, additional employees required and a longer project build duration which is directly determined by the degree of usage of BPIC provisions.
Productivity on major projects is reduced because of the following BPIC provisions:

- Higher wage rates
- Increased employee headcount requirements
- 1 hour prestart every day
- 2-hour union time per week
- 2-hour safety meeting taken twice a week
- Hot weather, the 29 degrees and 75% humidity condition
- Wet weather, any drops of rain and work stops
- Increased disruptions due to unanticipated effects of BPIC enterprise agreement terms, including reluctance to work in mild wet weather and on weekends
- Program durations are also extended due to the introduction of additional non-working days (RDOs)
- Protracted procurement process contributes to project delays and

- Additional personnel in managing the procurement and implementation of BPIC.

As a result, BPIC projects are on average ~ 20% more expensive than for a non BPIC project.

The burden of who ultimately bears this increased cost is likely to be shared. Theoretically additional projects costs are priced in at the time of tendering and would be paid by the Queensland Government and in turn taxpayers. However, under a competitive tender process the ability of builders to fully pass these increased costs on is restricted. So least some percentage would need to be absorbed by the builder, thereby eroding industry viability.

In addition, when quoting for a project, a company under BPIC will quote based on maximum potential usage of collective agreement provisions in order to price in risk for such usage. Accordingly, BPIC escalates project costs regardless of whether BPIC provisions are used and how often.

Key findings include:

- Compared to non BPIC projects, BPIC project labour costs are 37.9 per cent higher for major road projects, 121.4 per cent higher for light rail projects; 37.1 per cent higher for heavy rail projects; 52.0 per cent higher for renewable energy projects; and 22.5 per cent higher for water storage projects.
- On average BPIC projects have a 23.4 per cent additional workers compared to the same project but delivered under non-BPIC conditions.
- On average BPIC projects take an additional 17 weeks to deliver compared to the same project but delivered under non-BPIC conditions.

Table 1: Additional Cost to Build Infrastructure under BPIC - $ millions

	$	$	$	$ Difference Breakdown		% BPIC more expensive than
	Non BPIC	BPIC	Difference	Wages	Productivity	Non BPIC
Road ($ per km)	$27.269	$31.550	$4.280	$1.193	$3.088	15.7%
Light Rail ($ per km)	$104.478	$146.269	$41.791	$25.373	$16.418	40.0%
Heavy Rail ($ per km)[7]	$38.874	$47.500	$8.626	$3.613	$5.014	22.2%
Renewables ($ per MW)	$0.630	$0.758	$0.129	$0.049	$0.080	20.4%
Water Storage ($ per ML)	$4.082	$5.000	$0.918	$0.391	$0.528	22.5%

Source: QEAS 2025 based on industry consultation.

As a result BPIC has increased major project costs:

- The additional cost to build one road km under BPIC is $4.3 million comprising $1.2 million in additional wages and $3.1 million in lost productivity. This is 15.7% per more expensive than for a non BPIC project.
- The additional cost to build one light rail km under BPIC is $441.8 million comprising $25.4 million in additional wages and $16.4 million in lost productivity. This is 40% per more expensive than for a non BPIC project.
- The additional cost to build one heavy rail km under BPIC is $8.6 million comprising $3.6 million in additional wages and $5.0 million in lost productivity. This is 22.2% more expensive than for a non BPIC project.
- The additional cost to build one MW of renewable electricity generation under BPIC is $129,000 comprising $49,000 in additional wages and $80,000 in lost productivity. This is 20.4% per more expensive than for a non BPIC project.

[7] *Please note that heavy rail is for non-passenger and non-tunnelling projects*

- The additional cost to build one ML of water storage under BPIC is $918,000 comprising $391,000 in additional wages and $528,000 in lost productivity. This is 15.7% per more expensive than for a non BPIC project.

BPIC conditions not only affect the major construction industry but also the broader industry and supply chain. The real impact of BPIC is to set the standard for pay and conditions across the whole construction industry in Queensland. Under a single labour market in which workers are relatively mobile, we could expect that BPIC conditions will flow through and spread beyond Queensland Government construction sites to the broader industry.

BPIC has become the industry standard for major infrastructure projects in Queensland. The economics of labour markets mean that the higher pay and conditions in one industry will ultimately spill over into other closely related industries, occupations and technical trades. This happens because one or more of four scenarios:

- Within a single company (either head or subcontractor) not all workers will be on a BPIC worksite, but co-workers will expect BPIC wage rates consistent with fellow employees working on a BPIC project
- Within a single company (either head or subcontractor) workers will not always be engaged on a BPIC project across time but they will be accustomed to and come to expect BPIC rates of pay regardless of whether they are currently or active on a BPIC project
- Employees in non BPIC building and construction companies will seek the same rates of pay as workers on BPIC projects or risk moving to the company offering BPIC pay and conditions and
- Employees in other industry sectors will seek the wages of those workers in the building and construction industry (e.g. Mining, Energy, Waste and Utilities, Transport, Manufacturing).

Accordingly, the wage rates for non BPIC projects are currently and expected to rise to the wage levels offered under BPIC projects and more extensively across multiple industry sectors. This outcome is evident in the Queensland labour market and explains the sharp jump in Wage Price Index that has occurred on 1 July 2023.

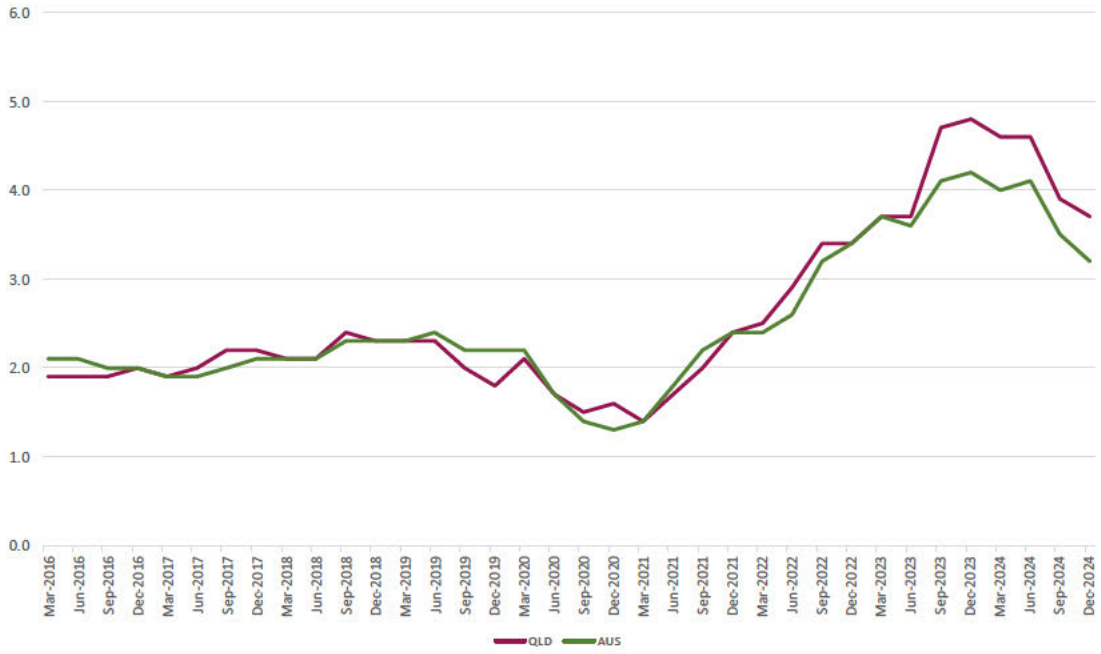

Figure 13: Wage Price Index - Ordinary time hourly rates of pay excluding bonuses (% change from corresponding quarter of previous year)

Source: Australian Bureau of Statistics (December 2024), Wage Price Index, Australia, ABS Website.

BPICs in effect result in decreased Industry Participation in the Subcontract Market. Feedback indicates:

- Significant change in the labour market, with some of the usual subcontractors unwilling to participate due to uncertainty over how BPIC could impact their wider businesses, including increased administrative burden
- Resulted in reduced competition and increased tender pricing, impacting the ability to procure subcontractors at competitive rates
- Subcontractor tender participation rates are on average between 15-30% lower than comparable non-BPIC projects and
- Subcontractors are hesitant to take on traditional risk, preferring to work under 'do and charge' contract models, leading to inefficiencies and loss of productivity.

Efforts to bring additional subcontractors to Queensland have been frustrated by the limitations of working hours and working days enforced by the CFMEU under BPIC (i.e. 50 hour week maximum – 5 workdays a week) and that as a result trade pricing in South East Queensland is significantly higher than other States. Contractors are required to deploy additional supervision and resources to mitigate the effects of the subcontractors and delivery model, resulting in associated increased time and cost as a result.

Cumulatively the Queensland public sector component of the QMPPR will cost an additional $8.85 billion to build or $1.8 billion each year over the next five years. The $8.9 billion additional cost as a result of BPIC identified in Table 2 is alternatively potential savings that could either be diverted to fund frontline services such as health, education or law enforcement or could be used to roll out additional infrastructure.

Table 2: Additional Cost to the Major Project Pipeline $ million

	Non BPIC Cost	BPIC Cost	Additional Cost
Roads & Bridges (km)	$12,279.5	$14,206.9	$1,927.5
Rail (km)	$7,671.6	$10,097.5	$2,425.8
Water (ML)	$4,938.9	$6,050.2	$1,111.3
Electricity (MW)	$13,750.9	$16,559.6	$2,808.7
Total	$38,641.0	$46,914.2	$8,273.3
Marine	$1,303.0	$1,582.0	$279.0
Sewerage	$1,033.7	$1,255.1	$221.3
Telecommunications	$104.5	$126.9	$22.4
Resources	$259.5	$315.0	$55.5
Total	$2,700.7	$3,279.0	$578.2
Additional Cost			$8,851.5
Per Year			$1,770.3

Source: QEAS 2025 based on industry consultation.

Finally, despite the intention of protecting safety standards, diversity, equity and remuneration, if anything the level of industrial disputes based on data has been exacerbated over the period since the latest BPIC commenced (post 1 July 2023).

Over this period working days lost per 1,000 employees has been 21.9 and compares to the national figure of 16.88. This is particularly reflective of combining RDOs with safety and union stoppages to create industrial disruption and/or multiple day site shutdowns.

Additional issues in the Industrial Relations area include several issues including:

- Where unions have exploited loopholes within the WH&S legislation to use safety as a trojan horse to slow projects down and force the contractor to acquiesce to union demands which have nothing to do with Workplace health and safety issues. Some Union's sole agenda is to create Non-Productive time as regularly as possible, stripping enterprise control from Contractors and Clients.

  On the Kangaroo Point Green Bridge over the month of January 2024 only four days were worked due to the unions "use" of safety to strangle the project.
- Union appointed Health and Safety Representatives (HSR's) on sites do not actually observe health and safety issues but rather push the unions agenda, causing significant disruption and delay on projects and therefore impacting on productivity.
- Union dictated terms and conditions have and continue to have a major impact on on-site productivity. These include very prescriptive arrangements around hot weather, water, storms, union sign off on after hours work, fixed RDO's not linked to the program.

Recommendations

Workplace Health and Safety Queensland needs to be further strengthened to get union influence removed and right of entry changed including ensuring there is a proper definition for and active management of a fit and proper person test to ensure that.

Permanently remove BPIC and BPP pre-qualification requirements.

Contractors should not be dictated as to what conditions they are to operate under by government on behalf of certain unions and nor should procurement ever be used as a mechanism to embed union control onto projects.

As the government considers the current BPIC arrangement post the current suspension of the arrangements, consideration must be given to a process of genuine renegotiation that ensures conditions are fair, balanced, and reflective of the needs of all parties including contractors, subcontractors, workers, and the taxpayer. Any reinstated framework should prioritise safety and productivity without embedding provisions that drive up costs or restrict flexibility across sites. Importantly, reforms must also account for their broader impact on the private sector, where BPIC like terms can flow through tendering expectations and industrial behaviour. A carefully recalibrated approach will help support a more sustainable construction sector, attract investment**, and ensure public infrastructure is delivered efficiently and reducing the impact to the private sector.**

Assessment:

Input Required	High
Value of Outcome	High

7.5 Workforce Skills

The Queensland construction industry faces challenges in attracting and retaining workers. This contributes to skill shortages and affects the overall skill mix available, which in turn impacts productivity. We need to lift the overall skill level of the industry and enable the workforce to re-skill and adapt quickly to new construction technologies and methodologies. Future construction jobs are expected to require more cognitive and digital skills. Apprenticeship commencements and completions have stagnated in recent years, and training pathways can be restrictive and inflexible.

[8] *Australian Bureau of Statistics (December 2024), Industrial Disputes, Australia, ABS Website.*

A major constraint is restrictive and inconsistent regulatory settings related to occupational licensing across different jurisdictions. Requirements to obtain and maintain licenses can be onerous, and variations in rules reduce labour mobility and flexibility. While some progress has been made with initiatives like digital licenses and automatic mutual recognition (AMR) between states, challenges remain, including Queensland's non-participation in this initiative.

Migration settings also create barriers to attracting skilled workers. Issues include reliance on restrictive 'skills lists' and a duplicative, lengthy, and expensive process for overseas qualified tradespeople to have their skills assessed and obtain licenses. This process can take up to 18 months and cost thousands of dollars. Opportunities exist to align approvals processes and support mutual recognition of international qualifications. Recent changes, like the new Skills in Demand visa, have included more construction occupations, but exclusions (such as technicians, trades workers, and labourers from the Specialist Skills stream) curtail the potential benefits for construction productivity.

Workforce characteristics and cultural issues, such as the predominantly male workforce and long working hours, may also act as a barrier to attracting talent.

Recommendation:
Investigate alignment between all states on licencing requirements
Refine the skilled migration arrangements to enable more migration of skilled workers

Assessment:

Input Required	High
Value of Outcome	High

7.6 Innovation and Technology

Innovation and technology adoption are critical for unlocking productivity in Queensland's construction sector. A new framework is needed to incentivise contractors and consultants to invest in and adopt innovative solutions in design and build, and to encourage clients to demand innovation in tenders.

The construction sector currently exhibits low levels of innovation compared to other industries. Only about 35% of construction firms are considered 'innovation-active', and the sector has been slow to take advantage of digital technologies and new processes like prefabrication. It should be noted however the larger the contractor the greater the likelihood of being innovative.

Several barriers impede innovation and the use of new technology. These include prescriptive specifications, over stringent requirements, design conservatism, commercial considerations, and legacy standards from clients and an inability to recover these costs. Unless clients actively solicit innovation, contractors are constrained. More specifically:

- A prevailing industry culture is characterised by firms being often unwilling or unable to adopt new approaches. There is a favouring of conservative approaches ("do things the way they have always been done") due to a lack of cross-project knowledge sharing and little perceived gain from innovation on a single project.
- Construction companies may not receive the direct financial benefits when they innovate.
- Regulatory constraints and the frequent "shifting of the goal posts" on regulatory settings deter investment in innovation. This creates a "chilling effect" because firms fear that new approaches will quickly become non-compliant with future requirements (e.g., updates to the National Construction Code - NCC). Unnecessary regulatory impediments to new techniques, including modern methods of construction (MMC) like prefabricated and modular construction, need to be addressed.
- Lack of industry expertise and digital literacy hinder adoption.

There is significant potential for new and emerging technologies to drive productivity. Three groups stand out:

- Design for Manufacture and Assembly (DfMA) and offsite construction (modern methods of construction - MMC). These processes aim to improve efficiency, quality, predictability, and sustainability by manufacturing elements offsite in factories for onsite assembly and are already used widespread in major projects
- Automation and robotics including automatic site layout and surveying; robotic fabrication and prefabrication and on-site robotics including bricklaying, demolition, autonomous heavy equipment, 3D printing; utility and infrastructure maintenance robotics and
- Digitisation and data analytics. Digital technologies are widely cited as one of the best ways to improve productivity. They have the potential to significantly reduce cost and schedule risk through data-driven methods like 'should cost modelling', Building Information Modelling (BIM), and process optimisation. There is a need for a 'digital by default' approach across infrastructure and construction. Greater use of digital documents (like DocuSign) is needed, and AI could be used to reduce low-value tasks.

While quality improvements occur, they often stem from upstream supply chain innovation, not necessarily captured as productivity gains within construction firms themselves. Addressing these barriers is seen as crucial for unlocking productivity growth.

Recommendation:

Create frameworks in the tender processes that enable contractors to put forward different solutions and innovations that would enable greater productivity on site.

Collaboration through procurement and a willingness to "trial" new approaches is critical in this regard

Invest in specific technology and innovation that can assist with greater efficiency on site, this would be identified by the contractor with the client through the project development phase.

Assessment:

Input Required	Medium
Value of Outcome	High

7.7 Integrated Project Delivery

On traditional construct only projects, the contractor and asset owner will each assemble their own team to undertake the project. For the contractor, the team will be required to manage the construction of the project. For the asset owner, the team will largely be required to design the project and ensure that the contractor completes the project to the relevant design and specifications (quality requirement) in accordance with the design. Project risk is assigned to either the owner or, more usually, the contractor which can create a misalignment of the interests of the parties and ultimately disputes.

Under an integrated project delivery approach the project participants accept and manage design and construction risks as a team. Interests are aligned to ensure reduced disputes and improved project outcomes. Instead of the traditional model where the asset owner and contractor largely operate with separate teams and risk is often transferred primarily to the contractor, Integrated Project Delivery brings all key parties involved in the project – including the owner, designers, fabricators, and constructors – together under a single agreement.

Within this framework, these participants collectively accept and manage design and construction risks as a unified team, aligning their interests. The aim of this integrated approach is to achieve reduced disputes and improved project outcomes. It also facilitates the open and transparent sharing of information, requires fewer management personnel as roles are filled by the most suitable person regardless of their employer, and eliminates the need for extensive oversight of other parties or large commercial teams focused on claims.

Due to the excessive transfer of risk that has been increasing over recent time to the contracting sector there has been a significant increase in the "indirects" (indirect costs) on jobs from 25% of contract value to 45% today over a 10–15-year period. These are unproductive labour ad administration costs to comply with reporting requirements or other activities that may have been the role of the client in the past.

Recommendation:
Review the requirements being placed on contractors to deliver works so that unproductive costs can be minimised (and indirects reduced).
Review risk allocation and review contract and delivery models to ensure that they are appropriate for the project.

Assessment:

Input Required	Low
Value of Outcome	High

7.8 Summary of Productivity Focus Areas- Delivery Requirements

QMCA's summary of productivity focus areas for project delivery requirements is provided below.

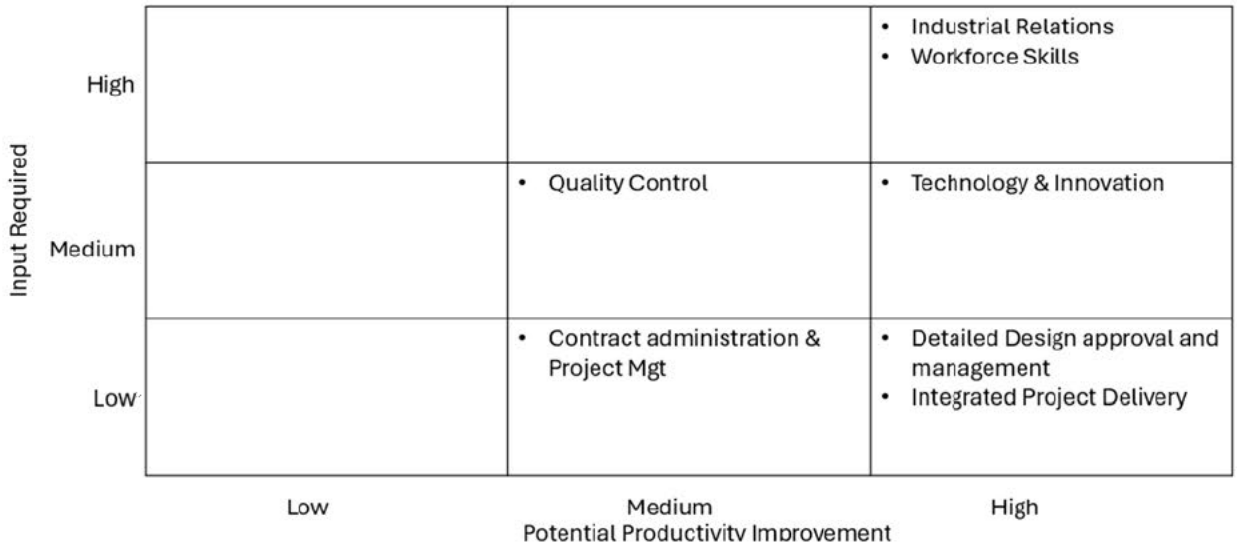

Figure 14: Summary of productivity focus areas and potential productivity improvement

8.0 Finalise - Completion and transition to Operation and Maintenance

8.1 Auditing

Auditing is eroding productivity including within accounting and Fair Work. Both have been an overreach in time and energy. Sustainability ratings are also considered. While auditing is a crucial process for ensuring compliance, quality, and financial accountability in construction, poorly planned or executed audits erode productivity in several ways:

Direct Time Diversion:

- Pulling Staff Away from Core Tasks: Audits require project managers, engineers, supervisors, and even site workers to dedicate time to preparing documentation, answering questions, and accompanying auditors. This directly takes them away from their primary productive activities.
- Disrupting Workflow: Unscheduled or lengthy audit sessions has interrupted ongoing work, forcing teams to stop what they're doing and address audit requirements, leading to a loss of momentum and efficiency.

Increased Administrative Burden:

- Extensive Documentation Requests: Auditors often require a significant amount of documentation, which has placed a heavy administrative burden on project teams to compile, organize, and present. This has diverted resources from actual construction activities.
- Creating Additional Paperwork: If audit processes necessitate the creation of new documents or reports specifically for the audit, it adds to the overall administrative overhead of the project.

Delays and Schedule Impacts:

- Holding Points and Inspections: Some audits have involved mandatory hold points where construction cannot proceed until an audit or inspection is completed. Delays in scheduling or conducting these audits directly impacts the project timeline.
- Follow-up Actions and Corrective Measures: If audit findings require corrective actions, the time spent addressing these issues leads to delays in the original schedule.

Inefficient Audit Processes:

- Poorly Defined Scope and Objectives: If the audit's scope and objectives are unclear, it leads to wasted time and effort as auditors and project teams navigate ambiguous requirements. The Buy QLD Audits processes have seen a cost to the contractors exceeding $250k for each audit. With no discernible benefit or outcome from these audits.
- Lack of Auditor Understanding of Construction Realities: Auditors unfamiliar with the practical challenges and complexities of construction request information or procedures that are impractical or inefficient to provide.
- Repetitive or Redundant Audits: Multiple audits by different internal or external bodies, especially if poorly coordinated, can lead to unnecessary duplication of effort and disruption.
- Focus on Compliance Over Improvement: If audits solely focus on ticking boxes for compliance without providing constructive feedback or identifying opportunities for process improvement, they offer limited value and primarily act as a drain on resources.

Overly Reactive Approach:

- Auditing After Issues Arise: If audits primarily occur after problems have already emerged, the focus shifts to identifying faults rather than preventing them, and the time spent addressing the consequences could have been used more productively on proactive quality measures.

It's crucial to recognize that audits are necessary, and their negative impact on productivity can be minimised through:

- Clear Communication and Planning: Clearly communicating the audit's purpose, scope, and schedule well in advance.
- Efficient Information Gathering: Streamlining the process of providing documentation and information.
- Risk-Based Auditing: Focusing audit efforts on areas with higher risk or potential impact.
- Integration with Existing Processes: Aligning audit requirements with existing project management and quality control processes.
- Constructive Feedback and Improvement Focus: Emphasizing the goal of improvement and providing valuable feedback.
- Experienced and Knowledgeable Auditors: Using auditors who understand construction processes and challenges.
- Coordination of Multiple Audits: Streamlining and coordinating different audit requirements to avoid duplication.
- Leveraging Technology: Utilizing digital platforms for document management and audit trails to improve efficiency.

Recommendation:
The requirements of auditing should be based on "what is absolutely needed". These processes need to be streamlined.

8.2 As-Built Documentation

Digital models should lead into as built documentation. Digital engineering has underdelivered its potential productivity gains as a product of key clients not able to progress past old-school thinking or requirements.

8.3 Disruption from additional O&M requirements

It is important that the concept of operations from asset owners is included in the project scope to ensure that there are no or little changes in the construction phase.

8.4 Competency of People

Requirements for people with 15 years' experience dramatically reduces employees that is restricting the industry. The purpose of RPEQ sign off is raised by QMCA. The industry does not need engineers for everything and has been an overreach in professional standards driven by professional associations. Should instead be based on competency of individuals. For example, 40% to 60% of engineers are single consultants but not allowed on projects and is an example of a closed shop and is wasteful. Key point is eliminating waste will achieve productivity.

8.5 Lessons learnt in avoiding reoccurrences

Industry needs to be brave enough to share mistakes in order to learn valuable lessons. In essence, learning from lessons is a fundamental principle of continuous improvement. In the context of major construction projects, where complexity and risk are high, failing to learn from past experiences can lead to the costly and often repeated cycle of errors, delays, and inefficiencies. By actively capturing, analysing, and implementing lessons learned, organizations can build a knowledge base that drives better decision-making, reduces risks, and ultimately leads to more successful and productive projects. This not only benefits the construction company but also the client and the wider community.

8.6 Summary of Productivity Focus Areas- Commissioning & O&M Requirements

QMCA's summary of productivity focus areas for commissioning and O&M requirements is provided below.

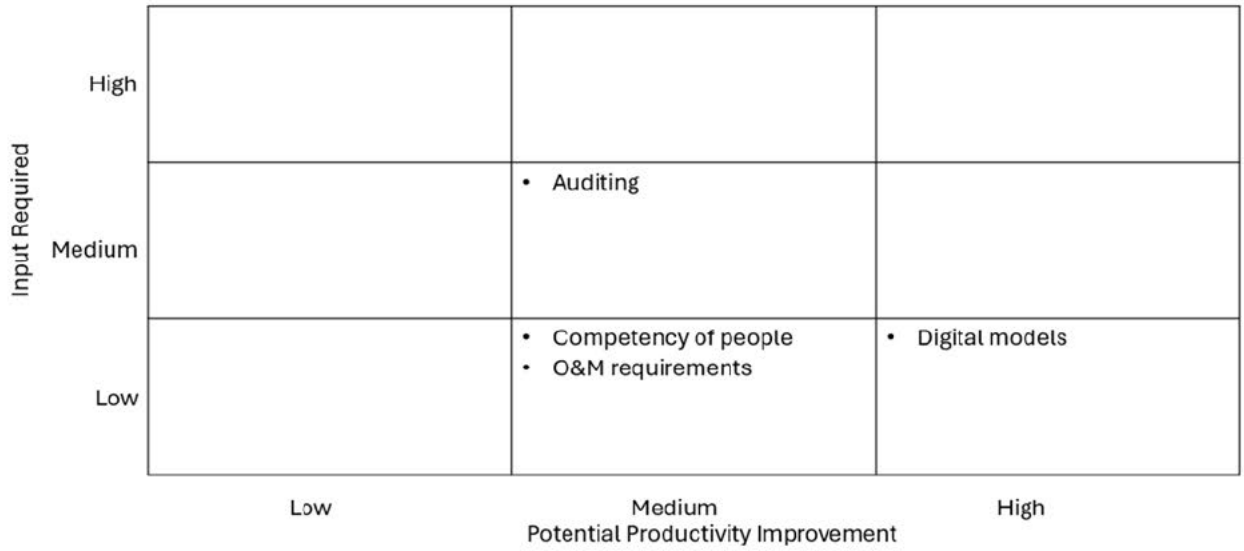

Figure 15: Summary of productivity focus areas and potential productivity improvement

9.0 Conclusion

In conclusion, the QMCA Productivity Issues Paper highlights that Queensland's construction industry productivity has been in decline, falling in both absolute terms and relative to the broader economy . This poor productivity is identified as the single most important issue facing the industry and a concern for all Queenslanders, potentially hindering the State's ability to deliver necessary infrastructure for its growing population.

The decline is not driven by a single factor, but rather a range of interconnected issues spanning the project concept, development, implementation, and finalisation phases.
Key constraints eroding productivity include:

- Slow and complex environmental approvals and regulation
- Lengthy and costly procurement processes
- Problematic contract types and risk allocation
- Excessively prescriptive specifications
- Burdensome design review processes
- Poor design leading to rework
- The negative impact of specific industrial relations provisions (like BPIC) on cost, duration, and competition
- Workforce skill shortages and barriers to labour mobility
- Low levels of innovation and technology adoption and
- Inefficient auditing processes.

Addressing this multifaceted decline requires focusing on improving efficiency and eliminating waste across the entire project value chain, from "white collar" planning to "blue collar" delivery, with a need for significant reform in areas like procurement and regulatory settings to enable a more productive and sustainable industry.

The full QMCA Submission to the QPC Inquiry will provide detailed examples and case studies to highlight these issues and equally importantly solutions that can be embraced by Industry to improve productivity.

Table 3: Summary of QMCA Recommendations

Stage	Recommendation	Priority
Planning	Market Sounding: Include contractors in early stage market sounding	Medium
	Revise the business case process to be more efficient and remove the three stages and PVR's for smaller projects	High
	Scope Definition: Scope definition for each project needs to focus on what is the fit for purpose outcome	High
Procurement & Design	Accuracy & Reliance on Information: Enable all provided information to be relied upon by tenderers	High
	Environmental & Planning Approvals: Reform the approvals process to be more time efficient and work with Commonwealth Government on reforms to the EPBC Act	High
	Procurement: Adopt collaborative procurement as standard, regardless of contract delivery model.	High
Delivery	Detailed Design Reviews: Revise the design approvals and review process	Medium

Stage	Recommendation	Priority
	Quality Control: Review the hold points and applications of specifications Move to more performance-based specifications	High
	Contract Administration: More flexible guidelines for contract administrators to assist in site efficiencies	Medium
	Industrial Relations: Permanently remove any use of BPIC and BPIC pre-qualification Revise the BPP guidelines and policy to remove any elements associated with IR Workplace Health and Safety laws to be further strengthened to remove any undue union influence	High
	Innovation & Technology: Create frameworks in tenders to enable innovation and technology to be put forward that would deliver productivity improvements Collaborative procurement to enable trailing of new approaches Invest in specific technology that can deliver productivity on site (joint approach between government and industry)	High
	Integrated Project Delivery: Reduce the requirements on contractors such that indirects can be minimised	Medium
Commissioning & Operations	Auditing: Review and remove all unnecessary audits (Buy QLD etc)	Medium
	Digital Models: Make the use of digital models and information as standard	High
	O&M Requirements: Ensure that O&M requirements are built into project scope definitions	Medium
	Competency of People: More flexible approach to the requirements for experience levels (years) for key site positions	High

Appendix One: Economic Analysis of the Queensland's BPIC

QMCA

QUEENSLAND MAJOR CONTRACTORS ASSOCIATION

Economic Analysis of the Queensland's Best Practice Industry Conditions

Prepared for:

QMCA

QUEENSLAND MAJOR CONTRACTORS ASSOCIATION

November 2024

QEAS Queensland Economic Advocacy Solutions

REPORT PREPARATION

This report has been prepared by QEAS for QMCA.

DISCLAIMER

Whilst every effort has been made to ensure the accuracy of the analyses, the nature of certain input data and parameters used in the preparation of this report means that QEAS are unable to make any warranties in relation to the information contained herein. QEAS disclaims liability for any loss or damage that may arise as a consequence of any person relying on the information contained in this document.

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Executive Summary

QEAS was commissioned by Queensland Major Contractors Association to objectively quantify the cost difference between Best Practice Industry Conditions (underpinned by the CFMEU Collective Agreement 2023-2027) and non-BPIC civil construction and renewable energy projects. The report clearly demonstrates in objective and non-controversial analysis the sub-optimal outcomes that arise as a result of and usage of elements within each BPIC.

The report was developed in close consultation with QMCA and companies within the Queensland building and construction industry (5 companies across 7 projects delivering over $2.8 billion in infrastructure) with the end result of how much more expensive major infrastructure projects are as a result of being built by a Queensland company that is subject to BPIC.

The Industry has indicated that conditions under BPIC are currently used in a suboptimal manner for overall productivity and affordability. This is making large projects more expensive to build, owing to higher labour rates, additional employees required and the additional duration of how long the project build takes which is directly determined by the degree of usage of BPIC provisions.

Key findings include:

- Compared to non BPIC projects, BPIC project labour costs are 37.9 per cent higher for major road projects, 121.4 per cent higher for light rail projects; 37.1 per cent higher for heavy rail projects; 52.0 per cent higher for renewable energy projects; and 22.5 per cent higher for water storage projects.
- On average BPIC projects have a 23.4 per cent additional workers compared to the same project but delivered under non-BPIC conditions;
- On average BPIC projects take an additional 17 weeks to deliver compared to the same project but delivered under non-BPIC conditions;

As a result BPIC has increased major project costs:

- The additional cost to build one road km under BPIC is $4.3 million comprising $1.2 million in additional wages and $3.1 million in lost productivity. This is 15.7 per more expensive than for a non BPIC project.
- The additional cost to build one light rail km under BPIC is $441.8 million comprising $25.4 million in additional wages and $16.4 million in lost productivity. This is 40.0 per more expensive than for a non BPIC project.
- The additional cost to build one heavy rail km under BPIC is $8.6 million comprising $3.6 million in additional wages and $5.0 million in lost productivity. This is 22.2 per more expensive than for a non BPIC project.
- The additional cost to build one MW of renewable electricity generation under BPIC is $129,000 comprising $49,000 in additional wages and $80,000 in lost productivity. This is 20.4 per more expensive than for a non BPIC project.
- The additional cost to build one ML of water storage under BPIC is $918,000 comprising $391,000 in additional wages and $528,000 in lost productivity. This is 15.7 per more expensive than for a non BPIC project.

Additional Cost to Build Infrastructure under BPIC - $ millions

	Non BPIC	BPIC	$ Difference	Wages	Productivity	% BPIC more expensive than Non BPIC
Road ($ per km)	$27.269	$31.550	$4.280	$1.193	$3.088	15.7%
Light Rail ($ per km)	$104.478	$146.269	$41.791	$25.373	$16.418	40.0%
Heavy Rail ($ per km)	$38.874	$47.500	$8.626	$3.613	$5.014	22.2%
Renewables ($ per MW)	$0.630	$0.758	$0.129	$0.049	$0.080	20.4%
Water Storage ($ per ML)	$4.082	$5.000	$0.918	$0.391	$0.528	22.5%

When applied to Queensland's major project pipeline for public projects currently valued at $50.2 billion over the next five year the additional cost to the Queensland taxpayer has been estimated. The additional cost to build Roads and bridges is $1.9 billion; Rail is $2.4 billion; Water is $1.1 billion; Electricity is $2.8 billion; Marine is $279 million; Sewerage is $221 million; and Telecommunications is $22 million. Cumulatively the major project pipeline for Queensland Government projects will cost an additional $8.85 billion to build or $1.8 billion each year over the next five years.

Additional Cost to the Major Pipeline $ million

	BPIC Cost	Non BPIC Cost	Additional Cost
Roads & Bridges (km)	$14,206.9	$12,279.5	$1,927.5
Rail (km)	$10,097.5	$7,671.6	$2,425.8
Water (ML)	$6,050.2	$4,938.9	$1,111.3
Electricity (MW)	$16,559.6	$13,750.9	$2,808.7
Sub-Total	$46,914.2	$38,641.0	$8,273.3
Marine	$1,582.0	$1,303.0	$279.0
Sewerage	$1,255.1	$1,033.7	$221.3
Telecommunications	$126.9	$104.5	$22.4
Resources	$315.0	$259.5	$55.5
Sub-Total	$3,279.0	$2,700.7	$578.2

Additional Cost	$8,851.5
Per Year	$1,770.3

The $8.9 billion additional cost as a result of BPIC is alternatively potential savings that could either be diverted to fund frontline services such as health, education or law enforcement or could be used to roll out additional infrastructure. For example:

- The $1.9 billion additional cost for road and bridges could be used to build 70.7 km additional road kilometres;
- The $2.4 billion additional cost for rail projects could be used to build 41.7 km in additional rail track;
- The $1.1 billion additional cost for water projects could be used to build 292.3 ML in additional water storage capacity; and
- The $2.8 billion additional cost for electricity projects could be used to build 4,459.9 MW in additional renewable electricity generation capacity;

Additional Infrastructure for Queensland's Major Pipeline from Scrapping BPIC

	KM, ML and MWH built BPIC	KM, ML and MWH built Non BPIC	Difference
Roads & Bridges (km)	450.3	521.0	70.7
Rail (km)	131.7	173.4	41.7
Water (ML)	1,210.0	1,482.3	272.3
Electricity (MW)	21,835.0	26,294.9	4,459.9

Other findings include:

While head contractors may have the resources to comply with BPIC, this is more difficult and burdensome 'down the chain', particularly for smaller subcontractors and commercially unviable for others. BPIC has the practical effect of reducing the number of companies that can participate in major infrastructure delivery that in turn limits competition.

BPIC has become the industry standard for major infrastructure projects in Queensland. The economics of labour markets mean that the higher pay and conditions in one sub-sector of the industry will ultimately spill over into the broader industry and closely related industries – eg manufacturing, energy and transport.

Recommendations:

- Remove BPIC as a requirement and remove its weight as part of Queensland Government's procurement framework.
- Allow the market to establish rates and conditions that are fair, competitive and productive without government intervention.

1.0 Introduction and Overview

Queensland's construction industry is bursting with major project opportunities with an unprecedented infrastructure pipeline across Road, Rail, Energy and, Water as well as the infrastructure needed to host the Olympic and Paralympic Games in 2032.

The industry is keen to lean in and be part of the development of this future infrastructure, however higher labour costs and significantly reduced productivity as a result of Best Practice Industry Conditions empowered by Queensland Government's procurement framework are acting as a severe brake on this important major project pipeline..

Queensland Economic Advocacy Solutions was commissioned by QMCA to objectively analyse sub-optimal outcomes that arise as a result of and usage of elements within BPIC. QEAS through this report quantifies the productivity losses to Queensland construction companies and flow through increases to project prices arising from differences between the BPIC which is linked to CFMEU Collective Agreement 2023-2027 and non-BPIC projects.

In commissioning this report, the Queensland building and construction industry directly and importantly acknowledged that BPIC and collective agreements are in place to protect safety standards, diversity, equity and remuneration. However this report provides evidence that conveys impacts beyond these goals.

Through this report, evidenced based data suggests negative impacts of BPIC are significantly adding to projects costs and reduced delivery of much needed infrastructure to meet Queensland's growing population and economy.

2.0 Scope of Project

QEAS through this report will quantify the economic and productivity losses to Queensland and flow through increases to Queensland Government civil and renewable energy project prices arising from differences between BPIC and non BPIC construction requirements.

The QEAS report quantifies the labour and productivity cost difference between BPIC and non-BPIC construction projects including:

- Best Practice Industry Conditions For Transport Civil Construction Projects - December 2020;
- Best Practice Industry Conditions Building Construction Projects 2023 - 2027; and
- Best Practice Industry Conditions– Queensland Renewable Energy Facilities and Related Construction Projects 2023 - 2027

The QEAS report provides quantitative evidence of the economic and financial impact of BPIC on Queensland's civil construction and renewable energy sectors on matters including:

- Wage levels;
- Hours of work;
- Predictability and usage of those hours;
- Required employee headcount;
- Other provisions including inclement weather etc; and
- Overall project delivery timelines.

These are calculated in order to quantify the overall impact on construction costs and project budgets to the Queensland Government, taxpayers and civil construction and renewable energy companies. Analysis was also undertaken to examine the relativities that exists between BPIC and inevitably broader Construction Industry conditions.

The report seeks to raise awareness to the new Queensland Government and the broader community that under BPIC and individual Collective Agreement 2023-2027 elements are exercised (at particular times or for disruptive effect) these have financial and economic repercussions that ultimately lead to increased project budgets.

Importantly, QEAS notes that when quoting for a project, a company under BPIC will quote on the basis of high or maximum usage of collective agreement provisions in order to price in risk for such usage. Accordingly BPIC escalates project costs regardless of whether union collective agreement provisions are used and how often.

3.0 Methodology

The QEAS report was commissioned to provide quantitative evidence of the economic and financial impact of BPIC. Accordingly, results are reported based on whether the project is being built by company covered by general industry award provisions or whether it is built by a company under BPIC (which is linked to the CFMEU collective agreement 2023 – 2027).

This is measured by wages levels, hours of work, employee headcount, working time lost, subsequent impact on project timelines, impact on construction costs and flow on impacts on overall prices. QEAS in section 4.0 discusses each point of differentiation between a BPIC worksite and non BPIC and highlights how these theoretically impact on project timelines and in turn costs.

The QEAS was developed in close consultation with Queensland Major Contractors Association and its members and examined the suboptimal economic and financial outcomes as a result of the BPIC. The QEAS report will evidence in data and narrate these costs.

Data and illustrative examples presented in this report are based on widespread consultation and feedback from the Queensland building and construction industry. This was supplemented with the input from key QMCA members to underpinning analysis. Five companies across seven projects delivering over $2.8 billion in infrastructure for the Queensland Government participated in the study.

Key aspects of the QEAS methodology included:

(1) QEAS analysed each BPIC to qualitatively detail key differences between BPIC and non BPIC jobs and their quantitative impact on projects. This included review of the recent usage of agreement provisions across the period 1 July 2023 – 30 September 2024;

(2) A request for information was prepared seeking detailed information from key QMCA members to underpin analysis. 5 companies across 7 projects delivering over $2.8 billion in infrastructure for the Queensland Government participated in the study.

(3) Utilising 1) and 2) above QEAS will calculated overall increases in project costs broken into increased labour costs and productivity losses and additional timeframes.

(4) Utilising 3) above QEAS calculated increases to the cost of constructing major Queensland projects with metrics produced including:

- Additional $ per road km;
- Additional $ per rail km;
- Additional $ per Giga litre (water storage); and
- Additional $ per MWH (energy)

(5) Using metrics developed in 4) above calculated overall project cost differences for illustrative Queensland projects.

4.0 Best Practice Industry Conditions

4.1 Overview

In Queensland's building and construction industry, Best Practice Industry Conditions (BPIC) are in place to ensure that construction projects meet certain standards for wages and conditions on large-scale projects being delivered by the Queensland Government. That is, BPICs outline the Queensland Government's terms and conditions that reflect Government's views on best practice for major projects.

Specific BPICs exist for different project types, including Building Construction, Renewable Energy, and Transport projects. Each covers a wide range of topics (see section 4.3 and 5.0 for more detail) such as:

- Hours of work, overtime, and breaks;
- Leave entitlements;
- Classifications and wages;
- Allowances and special rates;
- Training and development; and
- Safety and health

These best practice conditions are overseen by various authorities, including the Queensland Building and Construction Commission (QBCC), which ensures that contractors, subcontractors, and developers comply with the regulations as well as relevant Queensland Government Department procurement teams.

4.2 BPIC Empowered by Queensland Government Procurement

Under the Queensland Procurement Policy 2021, the Queensland Government applies 'Best Practice Principles' (or BPPs) to major state government projects (valued at $100 million and above) and declared projects, in accordance with guidance issued by the Department of Energy and Public Works and the Office of Industrial Relations.

Where the BPPs apply to a building and construction project, the relevant government department or agency must adopt a procurement strategy which involves the application of the BPPs via its evaluation criteria and contract clauses. In particular, head contractors must demonstrate how their offers address three principles as part of the non-price selection criterion, being:

- best practice workplace health and safety systems and standards;
- best practice commitment to apprentices and trainees; and
- best practice industrial relations.

A weighting of up to 30 per cent may be applied for the BPPs (or a total of 40% with the local benefits test where applicable), though this will depend on the circumstances and characteristics of the particular project.

The Queensland Government's stated purpose of the industrial relations principle is to ensure a quality workforce is attracted and retained, and to enable completion of the project with minimal disruption, by adopting 'modern and progressive industrial practices'. This principle is a mandatory evaluation criterion, with all contractors commonly required to demonstrate:

- how they will provide terms and conditions of employment, including specific pay rates, for their employees who will perform work on the project, which are at least equivalent to the 'best practice industry conditions' (or BPICs) for the project; and

- the best endeavours process they will use to engage subcontractors or sub-subcontractors who provide terms and conditions of employment, including specific pay rates, for their personnel who will perform work on the project, which are at least equivalent to the BPICs.

The commitments made by successful tenderers in relation to the BPPs are then included in the terms and conditions of relevant contracts and subcontracts on a cascading basis.

Theoretically it is assumed that the manner in which an individual contractor may choose to address the BPICs criteria may vary, depending on factors such as their size, existing business and particular circumstances. For example, whether they have an existing enterprise agreement or employment contracts with equivalent terms and conditions; whether they intend to engage further subcontractors or not; and how proposed arrangements may impact other projects and parts of their business

The tender documentation may require that head contractors provide some 'guidance examples' to potential subcontractors, the only example given by the State Government being 'collective agreements that provide wages and conditions that attract a high quality and skilled workforce'.. The CFMEU template enterprise agreement 2023 – 2027 is an example of the above and in reality is used as the means of evidencing best practice industrial relations.

4.3 History of BPICs

From December 2020 to April 2024, the Queensland Government introduced a series of BPICs which refer to industry-specific conditions that apply to major state government projects in Queensland. As discussed, BPICs formed part of the State's evaluation of tenders.

In December 2020, the first BPIC (transport civil construction services) was introduced (December 2020 BPIC). The December 2020 BPIC set out 74-pages worth of prescriptive requirements for governing employment standards. A further version was released on 27 March 2023 (March 2023 BPIC). Neither the December 2020 BPIC nor March 2023 BPIC are mandatory but are given weighting under the procurement framework.

On 27 March 2024, the Building and Construction Maintenance BPIC was released (March 2024 BCM BPIC). Compliance with the BPIC is mandatory for Government procurement agencies to consider when assessing tenders. In March 2024, the transport BPIC was updated (March 2024 Transport BPIC). This BPIC includes Best Practice Industry Conditions for Rail Infrastructure Projects at its Appendix G. This BPIC is not mandatory.

In April 2024, the Renewable Energy Facilities and Related Construction Project BPIC was introduced (April 2024 BPIC). This BPIC is mandatory.

4.4 Provisions contained in BPICS

Key elements of BPICs are listed below.

4.4.1 Standardised Industry Conditions:

BPICs emphasise the importance of standardised conditions to ensure fair and safe working conditions, promotion of quality work. In addition guidelines for fair and transparent procurement processes, including tendering, contract formation, and contract management, are outlined to ensure accountability and ethical conduct. Documents outline procedures for tendering, contract management, financial capacity assessments, and conflict of interest declarations to ensure transparency and accountability.

4.4.2 Fair working conditions and entitlements

BPICs outline pay structures, allowances for specific tasks and conditions and leave entitlements. The conditions provide comprehensive classification structures for various trades, professions roles and responsibilities within the industry with corresponding wage rates and allowances for different skills and experience levels.

More specifically, the BPICs prescribe:

- Hours of Work and Overtime: stipulating ordinary working hours, overtime rates, shift work provisions, and rostered days off including provisions for a 10-day work cycle with an accrued RDO;
- Specific provisions outlining entitlements for annual leave, sick leave, parental leave, compassionate leave, and other types of leave;
- Numerous allowances are provided for specific tasks, conditions, and qualifications, including tool allowances, height money, hazardous materials handling, and travel allowances.; and
- Fair and ethical employment practices including compliance with the Fair Work Act 2009, ensuring that workers are treated fairly and paid according to industry standards.

4.4.3 Worker safety and wellbeing:

BPICs place an emphasis on ensuring safe and healthy working conditions across all construction sectors. This includes detailed provisions for hazard management, risk assessment, personal protective equipment (PPE), response to various workplace incidents and addressing issues like bullying and harassment.

BPICs also emphasise safety protocols, risk management procedures, and requirements for inductions, training, and skills. BPIC include strict compliance with safety laws under the Work Health and Safety Act 2011 (Qld). This covers risk management procedures, safe use of machinery, fall prevention, and the protection of workers from hazards on construction sites.

4.4.4 Skills development and training

Emphasis is placed on continuous learning and skill development within the workforce. Provisions for apprenticeships, multi-skilling, and training initiatives aim to enhance the industry's expertise and future-proof the workforce.

4.4.5 Compliance with Building Codes

Projects must comply with strict certification processes to ensure they meet all required standards before, during, and after construction. This includes approval processes for building designs, modifications, and final occupancy permits and adherence to Queensland Development Code (QDC) and the National Construction Code (NCC). Queensland's Building and Construction Commission (QBCC) oversees compliance with these conditions, ensuring that builders, contractors, and developers adhere to industry best practices. Failure to comply can result in fines, suspension, or cancellation of licenses.

5.0 Key Differences Non BPIC and BPIC Projects

Whilst BPICs are conceptually meritorious, the reality is they add another uncompetitive layer to the rules and conditions already largely followed by the Industry. The following section provides examples of where and how BPIC is eroding productivity and inflating labour costs for major projects.

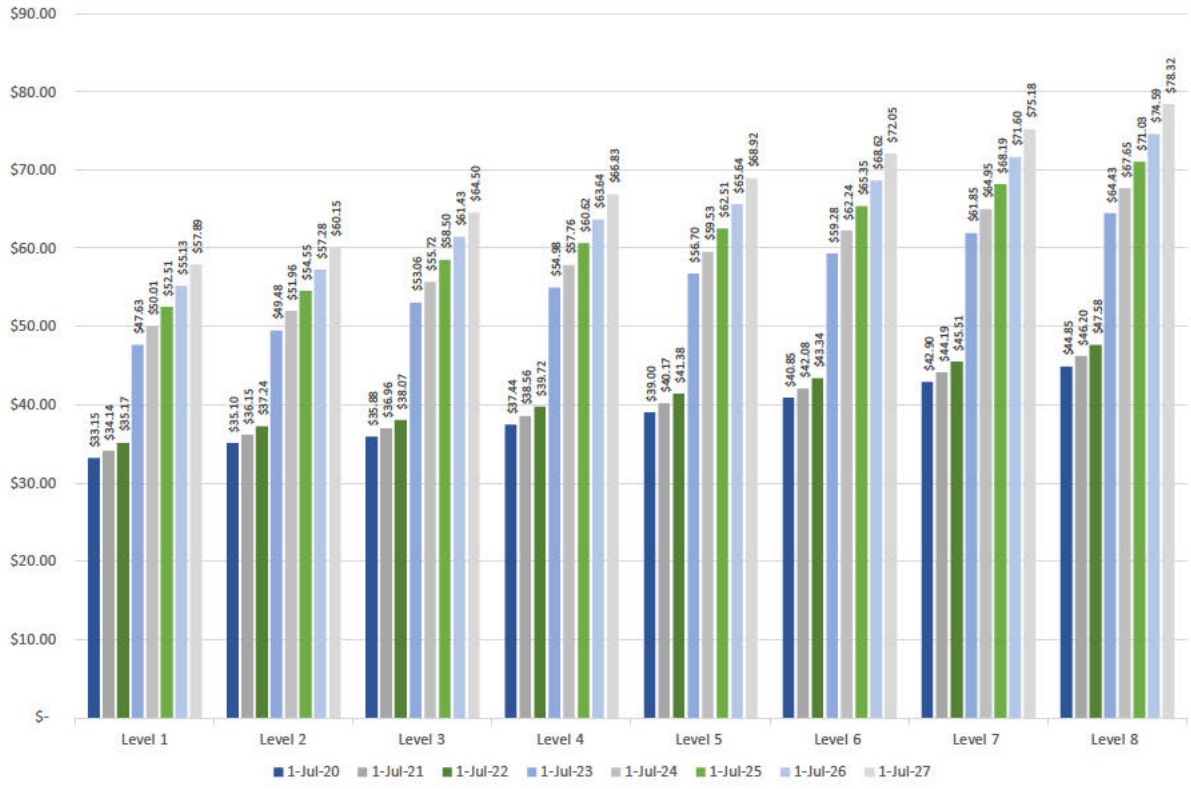
The analysis shows that depending on how the provisions in BPIC are applied, significant working days are lost in a calendar year because of a lack of flexibility in the use of rostered days off (RDOs) and working hours generally. As a result of BPIC, productivity is reduced significantly meaning the project takes longer and costs more.

Based on consultation with the Queensland building and construction industry, key conditions specific to BPIC and examples of how conditions and their particular usage erode project productivity are provided below.

5.1 Wages

The latest BPICs have seen significant increases in labour wages. Typically, the minimum rise in all BPICS underpinned by CFMEU Collective Agreement 2023 - 2027 in Queensland has been a guaranteed 5 per cent every year for the next 4 years.

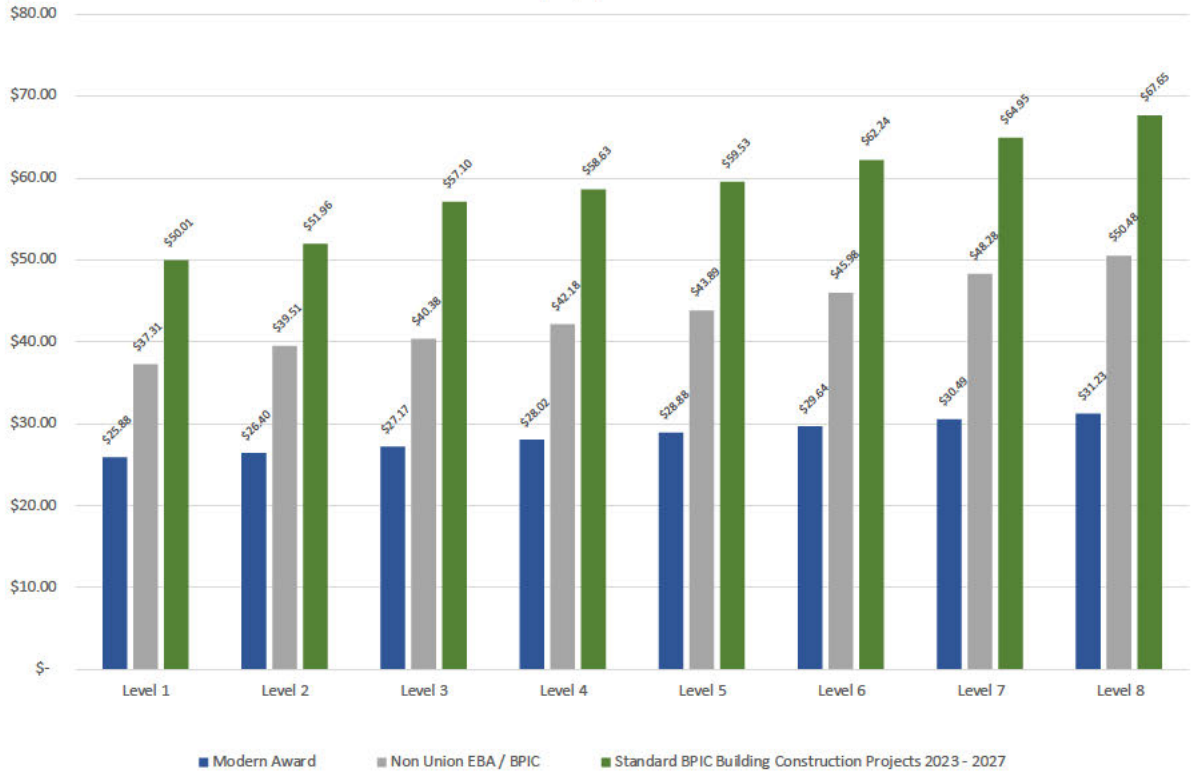
Figure 1: Construction Worker Rates of Pay - $ per hour



Source: BPICs and QEAS 2024

The impact of these increases has created a significant wage differential between employees on BPIC and non-BPIC general industry award sites (please see figure 2) and higher than market base rates for other key professions.

Figure 2: 2024-25 Construction Worker Rates of Pay - $ per hour



Source: BPICs QEAS 2024

A summary of other BPIC wage and overtime conditions are set out below.

- 26 RDOs per year (i.e. a 9-day fortnight);
- premium rates for overtime, at
  - 150% (time-and-a-half) for the first two hours after regular work hours,
  - 200% (double-time) for any hours beyond the first two,
  - 200% for all work done on Sundays and public holidays,
  - 150% for night shifts,
- Enhanced compensation for work in emergency situations or under particularly hazardous conditions, or for health and safety duties; and
- income protection insurance and generous redundancy payments.

Finally, BPIC agreement worksites require additional employees including contractor administrators, project engineers, foremans, cadets, hoist drivers, lift drivers, traffic controllers and inclusion of union delegates. Industry consultation indicated that on average BPIC projects had on average 23.4 per cent additional workers.

5.2 Working hours

Feedback form consultation indicated that project builders subject to BPIC were unable with any degree of certainty able to predict and schedule work due to the application of the BPIC provisions by the union.

Under BPIC (the CFMEU collective agreement), the "general" hours of work are 10 hours per day, however employees can refuse to work more than 8 hours. For non-BPIC projects, similarly, workers can refuse to work more than 8 hours per day, or on Saturdays, however industry feedback is that the CFMEU collective agreement has greater restrictions on working overtime and Saturdays.

BPICs provide that hours may be worked outside the specified working hours Monday to Friday, provided it is with union agreement. Overtime may also be worked, provided it is with union agreement. If union agreement is not granted, there is little a principal contractor can do.

Industry feedback indicated that in reality all Queensland BPIC projects are all five day work weeks, with no opportunity to work Saturdays, unlike in NSW and Victoria where sites can open on Saturdays. There are some projects that market as 5 day work weeks in NSW, but they all have the opportunity to open on the Saturday as required if their programme falls behind, this is not practiced in Queensland.

5.3 Rostered Days Off

BPICs provide for additional rostered days off (RDOs) to those in the relevant Awards. In practice, these must be taken on the same day by all workers, meaning sites are shut down for 26 days each year for RDOs. RDOs were introduced to compensate for longer hours worked per week (above 38 hours) and to assist in management of fatigue.

Industry feedback indicated that at present there is no flexibility around when the RDO occurs. If RDOs could be negotiated when they are taken, it would enable contractors to schedule them for each employee so that the entire site is not necessarily shut down. This would provide additional flexibility and productivity for BPIC projects.

5.4 Leave

In addition to standard benefits such as annual leave, parental leave, compassionate leave, community service leave, and long service pay, under BPIC workers can claim:

- Family and Domestic Violence Leave: Workers are entitled to 5 days of paid leave for family and domestic violence issues, with the possibility of additional unpaid leave;
- Cultural and Ceremonial Leave: Indigenous workers are entitled to 5 days of paid leave for cultural and ceremonial purposes;
- Annual Picnic Day: Ordinarily to occur on the first Monday in December (on full pay), otherwise the worker will be paid double-time and a half; and
- Industrial Relations Training Leave: Each year a delegate will be allowed up to 10 days paid leave per annum to attend union-approved training and other activities.

5.5. Allowances

Under BPIC workers can claim:

- Travel Allowances: Workers receive allowances to cover travel costs when working on remote sites or having to travel long distances;
- Tool Allowances: A tool allowance is provided to ensure workers are compensated for bringing personal tools to the job site; and
- Living Away from Home Allowance: Workers who must relocate for projects are compensated with a daily allowance for accommodation and meals.

5.6 Safety Stoppages

Under BPIC, the union retains the right to call a two hour "safety work stoppage" at five minutes notice any time throughout the day and on five consecutive days. This has been used by the CFMEU in recent times on projects to force the contractor to respond to union requests.

Based on Industry feedback the CFMEU recently used this strategy on an inner-city infrastructure project in regard to the number of traffic controllers being reduced on the project (as they were no longer required). This intervention occurred to maximise impact on the contractor, in the middle of a concrete pour; that then had to be stopped, concrete dumped and the poured concrete scabbled back for work to commence again later.

If work stoppage for "safety meetings" were to happen only once per week (despite safety briefings and the like every day) then the loss of productivity is estimated at 8-10 per cent adding to increase in costs and timeframes. Finally in Queensland, delegates are not voted in by the workforce like they are in NSW and Victoria and are instead. placed by the CFMEU on job to job basis.

5.7 Union Stoppages

BPICs provide for a work stoppage of two hours to attend union meetings or participate in union activities per day. There shall be no more than one meeting per shift and the Union has to notify the Company that a meeting is to occur prior to the commencement of the meeting.

The clause, whether used or not, impacts the scheduling of work and predicting the time to complete, for tendering purposes and in turn adds to overall project costs. The use of this provision results in a contractor being substantially disrupted and may not qualify for any contractual relief from the Principal.

For example, if a stoppage occurs mid-concrete pour. This would result in dumping concrete and removing partially poured concrete, with time, cost and environmental consequences. The ability for union meetings (which are in addition to prestart meetings, toolbox talks, safety talks and the like) are not subject to reasonable limitations.

Union delegates have access to worksites to ensure compliance with the BPIC and to assist workers in resolving disputes. Union rights are protected, and any breaches of these rights result in penalties for the employer.

5.8 Combining RDOs with safety and union stoppages to create industrial disruption and/or multiple day site shutdowns

In practice safety and union stoppages are used for industrial disruption and/or to create multiple day site shutdowns for employee benefit. It is typical practice for workers to attend union activities, where they are scheduled within a few days of an RDO, multiple days of lost productivity on site can occur, due to the nature of construction and scheduling.

Disruptions include work stoppages for rallies and protests, plus non-productive days occurring around those (for example, where a rally occurs on a Thursday before an RDO long weekend, it impacts productive work on the Friday). At present scheduling "union activities" like a protest on a Thursday before a Monday RDO (meaning the project construction company likely loses the Friday in addition, or can't plan any work on the Friday in case people take an extra-long weekend).

In reality, there is a practice to 'hold-up' projects via work stoppages because the cost of delays to the project builder are significantly high and the price of project continuity (eg having to offer higher wage and/or conditions premium paid to workers) are relatively low compared to the costs and risks of project delays

Industry feedback indicated project builders and their employees should have the choice to offer and take voluntary overtime and weekend work, without union intervention. Individual choice should also be the case for RDOs, instead of the union dictating the same day off for all, closing projects for 26 days every year. The current practice of workers performing 3-4 hours of work the morning of a rally then leaving site, as well as rallies scheduled around public holidays and RDOs, is in practice blowing out project schedules.

5.9 Hot Weather

Based on Industry feedback, hot weather has been used by the CFMEU through BPIC as a mechanism to allow for work stoppages. BPICs allow for stoppage when air temperature reaches 35°C; or 29°C and 75% humidity or more after three hours from commencement of each trades shift in southeast Queensland. If this occurs it shall constitute inclement weather (Extreme Hot Weather).

These can result in site shutdowns without a risk-based assessment, causing significant delay and disruption to the project, typically at the contractor's risk and expense. The above is not based on any data or research; nor does it take into account specific issues such as management of heat stress by contractors, water stations, air conditioning of plant and equipment or cool blown air onto and through worksites- all initiatives driven by the contracting sector.

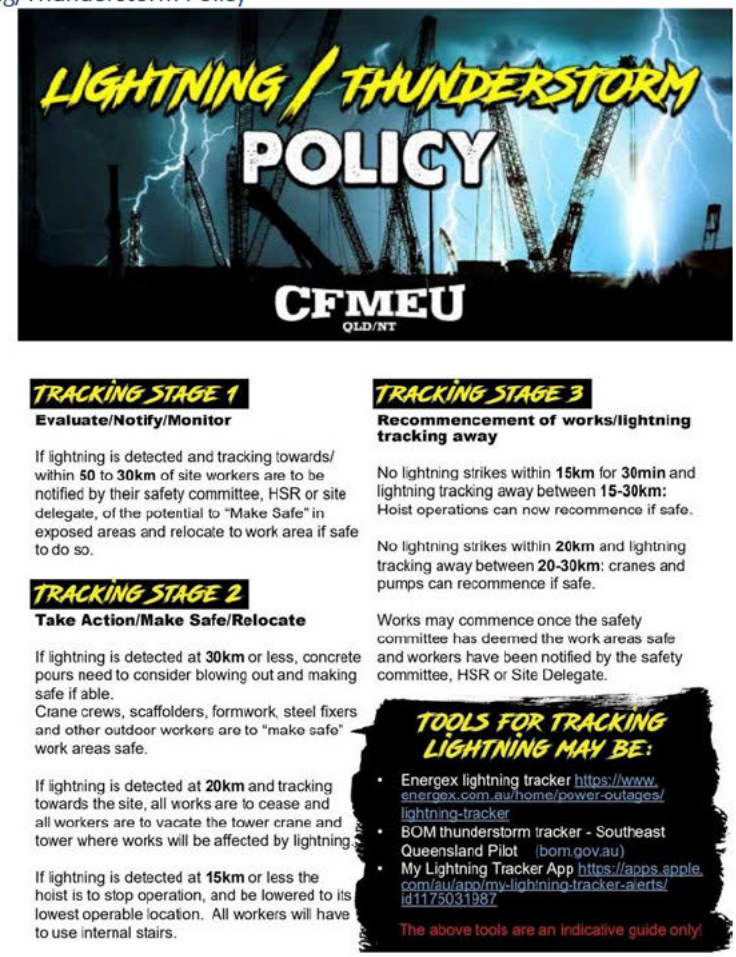
Recently work on major infrastructure projects was stopped for two consecutive days because of this clause and workers went home on full pay claiming this issue. If hot weather is predicted, and a particular subcontractor is willing to commence early in order to complete a task before temperatures exceed safe conditions, union agreement must be provided for that early start, otherwise the day is lost.

5.10 Inclement Weather

Workers are paid their full wage during periods of inclement weather, up to a maximum of 40 hours in any four-week period. This includes rain, storms, extreme wind, and other dangerous conditions. BPIC allows for:

- If there is lightning visually then work on site is to stop;
- Workers on sites affected by inclement weather are not required to work in unsafe conditions; and
- A dewatering plan is mandatory for wet sites, and a special allowance is given to workers responsible for dewatering after most others have left.

Figure 3: CFMEU Lightning/Thunderstorm Policy



Industry feedback indicates that inclement weather, whether it be rain or lightning is leading to site shutdowns adding to project timelines and building costs. Based on feedback from the Queensland building construction industry 36 per cent of delays re due to inclement weather in the Brisbane CBD. As a result quoting for new infrastructure projects now allows for a project contingency or weather bank and dewatering crews required to remain on-site and be paid double time.

5.11 Consultation on Workplace Changes

In addition, project companies must consult workers and unions before making any significant changes to workplace rosters, safety practices, or working hours. In practice union has the right of refusal. Examples of this include:

- Lack of flexibility for start and finish times (e.g. early concrete pours) (Unless there is union agreement);
- No weekend work (Unless there is union agreement); and
- RDO's (26 per year (Cannot be worked unless by union agreement)

5.12 Specific Worker Groups and Other Requirements

BPICs make reference to specific worker groups including:

- First Nations Workers: A minimum of 5 per cent of the workforce must be made up of First Nations workers. Employers are required to provide cultural awareness training and 5 days paid leave for cultural activities.
- Women in the Industry: Special provisions, including parental leave, job-sharing, and safe facilities (e.g., female-only restrooms), are included to encourage greater participation by women.

- Mature Age Workers: Employers are encouraged to retain older workers in roles suited to their abilities and experience, such as hoist operators and traffic controllers. A ratio of one mature worker to every eight employees is suggested.

Feedback these proactive initiatives are not opposed but add to project costs. Other requirements include:

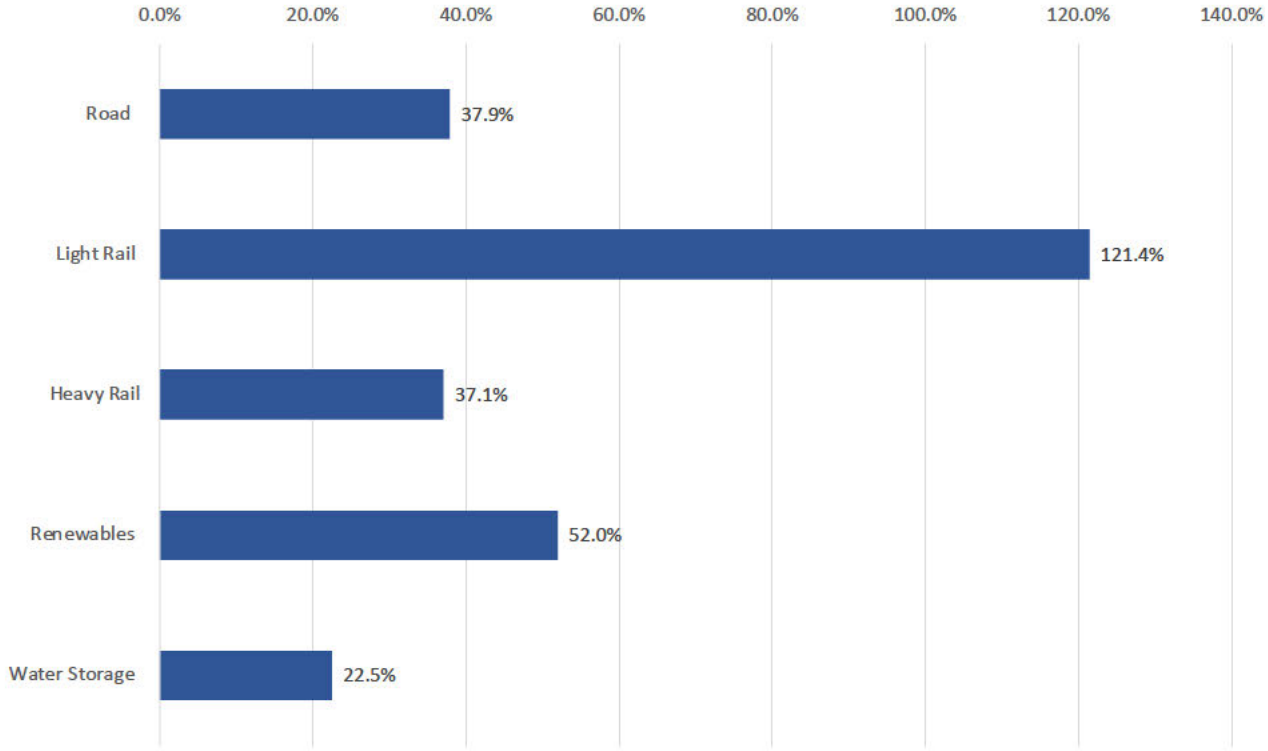
- All employees to have current skills assessed and undergo training if deficient;
- Silica Dust Training requirement; and
- Face-to-face mental health training delivered over four hours.

6.0 Consequences of BPIC – At a Firm Level

6.1 Increased Labour Costs

BPIC has increased major project labour costs due to increased employee headcount, higher wage rates and more favourable working conditions including enhanced site facilities, entitlements and allowances as referenced in 5.1. Analysis across the illustrative projects indicate that labour costs under BPIC are significantly higher than for non BPIC projects..

Figure 4: Percentage BPIC Wages more expensive than Non BPIC Project



Source: QEAS 2024 based on industry consultation

Compared to non BPIC projects, BPIC project labour costs are 37.9 per cent higher for major road projects, 121.4 per cent higher for light rail projects; 37.1 per cent higher for heavy rail projects; 52.0 per cent higher for renewable energy projects; and 22.5 per cent higher for water storage projects.

6.2 Decreased Productivity

Based on consultation each of the projects analysed for this report on average took an additional 17 weeks to deliver compared to the same project but delivered under non-BPIC conditions. BPIC in reality results in significant lost productivity in a number of ways including:

- 1 hour pre start every day
- 2 hour union time per week

- 2 hour safety meeting taken twice a week
- Hot weather- the 29 degrees and 75% humidity condition
- Wet weather- any drops of rain and work stops
- Increased disruptions due to unanticipated effects of BPIC enterprise agreement terms, including reluctance to work in mild wet weather and on weekends.
- Program durations are also extended due to the introduction of additional non-working days (RDOs).
- Protracted procurement process contributes to project delays.
- Additional personnel in managing the procurement and implementation of BPIC.

The overall result is decreased productivity leading to project delays and cost overruns. In addition, BPICs in effect limit the flexibility of project construction companies. This might be particularly relevant in situations where an employer and employee mutually desire an arrangement that deviates slightly from the BPIC standards but cannot implement it due to the BPIC's mandatory nature (see section 5.11).

The above analysis infers embedded loss in productivity but industry feedback indicates that losses can also be intentional whereby projects are deliberately held up in order to capitalise on high daily costs to extract favourable worker concessions. This is especially relevant in large capital-intensive projects where delays or disruptions can have significant financial implications.

For instance, if workers strike or slow down a project that has high fixed capital costs the hold-up cost for the project proponent is significant. The cost of stopping the project or operating it below capacity can far exceed the incremental cost of agreeing to the union's demands for higher wages or better working conditions. Therefore, it often becomes rational for the builder to meet the demands to avoid further financial loss. This is discussed more extensively in section 5.8.

6.3 Increased Administrative Burden

BPICs also add complexity to the project. Industry feedback indicates a wide array of specific provisions, definitions, and procedures related to various aspects of employment, including wages, leave, working conditions, and disputes. This level of detail creates a more complex and bureaucratic environment for both employers and employees to navigate, especially compared to situations where employment relationships are governed solely by simpler awards or agreements. As an example of this the BPIC Building Construction Projects 2023-27 in is 269 pages long.

6.4 Increased Overall Project Costs

Analysis indicates an interplay between increased wage rates, additional positions required extended duration of how long the project takes to build and the overall impact on project costs has been analysed below. QEAS worked with key QCMA members to provide two project estimates of recent infrastructure delivered – one pricing the project under BPIC the other without BPIC in placed.

The results are provided in table 1 and can be summarised as:

- The additional cost to build one road km under BPIC is $4.3 million comprising $1.2 million in additional wages and $3.1 million in lost productivity. This is 15.7 per more expensive than for a non BPIC project.
- The additional cost to build one light rail km under BPIC is $441.8 million comprising $25.4 million in additional wages and $16.4 million in lost productivity. This is 40.0 per more expensive than for a non BPIC project.
- The additional cost to build one heavy rail km under BPIC is $8.6 million comprising $3.6 million in additional wages and $5.0 million in lost productivity. This is 22.2 per more expensive than for a non BPIC project.
- The additional cost to build one MW of renewable electricity generation under BPIC is $129,000 comprising $49,000 in additional wages and $80,000 in lost productivity. This is 20.4 per more expensive than for a non BPIC project.
- The additional cost to build one ML of water storage under BPIC is $918,000 comprising $391,000 in additional wages and $528,000 in lost productivity. This is 15.7 per more expensive than for a non BPIC project.

Table 1: Additional Cost to Build Infrastructure under BPIC - $ millions

	Non BPIC	BPIC	$ Difference	Wages	Productivity	% BPIC more expensive than Non BPIC
Road ($ per km)	$27.269	$31.550	$4.280	$1.193	$3.088	15.7%
Light Rail ($ per km)	$104.478	$146.269	$41.791	$25.373	$16.418	40.0%
Heavy Rail ($ per km)	$38.874	$47.500	$8.626	$3.613	$5.014	22.2%
Renewables ($ per MW)	$0.630	$0.758	$0.129	$0.049	$0.080	20.4%
Water Storage ($ per ML)	$4.082	$5.000	$0.918	$0.391	$0.528	22.5%

Source: QEAS 2024.

The burden of who ultimately bears this increased cost is likely to be shared. Conceptually additional projects costs are priced in at the time of tendering and would be paid by the Queensland Government and in turn taxpayers. However under a competitive tender process the ability of builders to fully pass these increased costs on is restricted and at least some percentage would need to be absorbed by the builder thereby eroding industry viability.

7.0 Consequences of BPIC – At a State Level

7.1 Increased Cost to Queensland's Major Project Pipeline

When applied to Queensland's major project pipeline for public projects currently valued at $50.2 billion over the next five year the additional cost to the Queensland taxpayer has been estimated below. The results are provided in table 2 and can be summarised as the additional cost to build the infrastructure pipelines for:

- Roads and bridges is $1.9 billion;
- Rail is $2.4 billion;
- Water is $1.1 billion;
- Electricity is $2.8 billion;
- Marine is $279 million;
- Sewerage is $221 million; and
- Telecommunications is $22 million.

Cumulatively the major project pipeline will cost an additional $8.85 billion to build or $1.8 billion each year over the next five years.

Table 2: Additional Cost to the Major Pipeline $ million

	BPIC Cost	Non BPIC Cost	Additional Cost
Roads & Bridges (km)	$14,206.9	$12,279.5	$1,927.5
Rail (km)	$10,097.5	$7,671.6	$2,425.8
Water (ML)	$6,050.2	$4,938.9	$1,111.3
Electricity (MW)	$16,559.6	$13,750.9	$2,808.7
Total	$46,914.2	$38,641.0	$8,273.3
Marine	$1,582.0	$1,303.0	$279.0
Sewerage	$1,255.1	$1,033.7	$221.3
Telecommunications	$126.9	$104.5	$22.4
Resources	$315.0	$259.5	$55.5
	$3,279.0	$2,700.7	$578.2

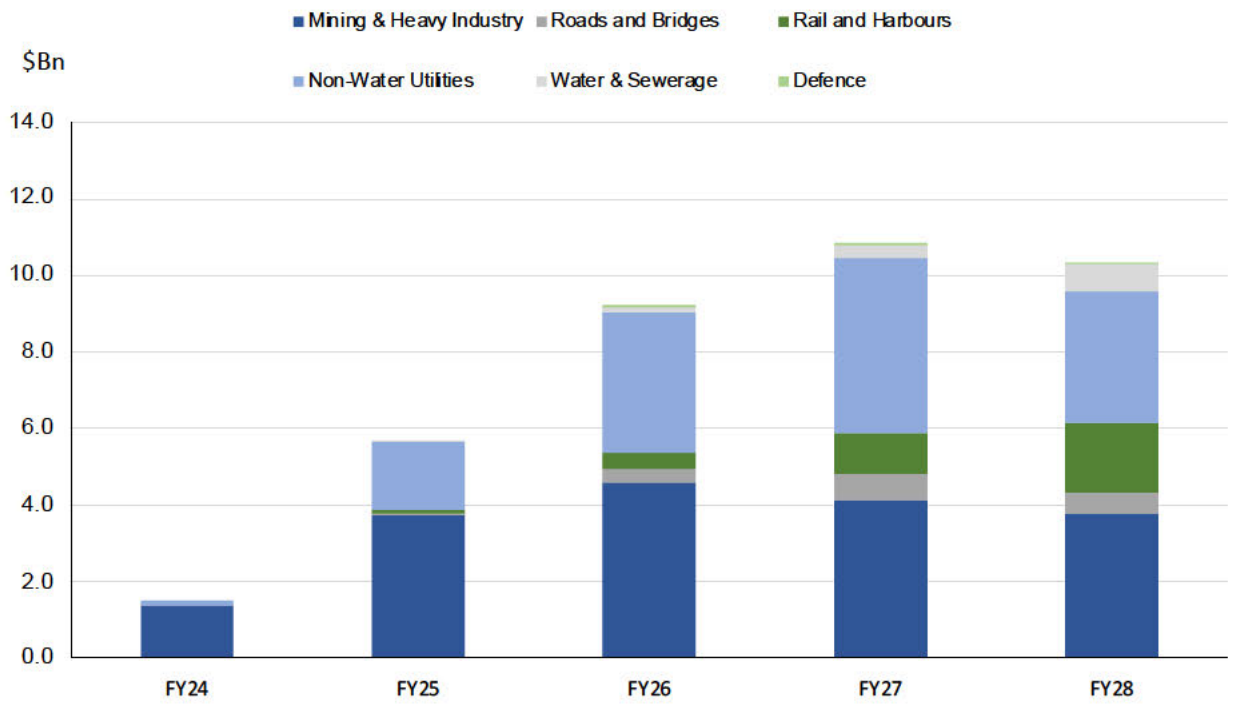
Additional Cost	$8,851.5
Per Year	$1,770.3

Source: QEAS 2024.

7.2 Diminished Potential to Build Queensland's infrastructure pipeline

At present there is a significant component of the Queensland major project pipeline that is unfunded and remains under threat (see figure 5). Accordingly there is pressure to be building more with the same budget.

Figure 5: Queensland Major Project Total Unfunded Pipeline - $ billions



Source: QMCA 2024.

The $8.9 billion additional cost as a result of BPIC identified in table 2 is alternatively potential savings that could either be diverted to fund frontline services such as health, education or law enforcement or could be used to roll out additional infrastructure. For example:

- The $1.9 billion additional cost for road and bridges could be used to build 70.7 km in additional road kilometres;
- The $2.4 billion additional cost for rail projects could be used to build 41.7 km in additional rail track;
- The $1.1 billion additional cost for water projects could be used to build 292.3 ML in additional water storage capacity; and
- The $2.8 billion additional cost for electricity projects could be used to build 4,459.9 MW in additional renewable electricity generation capacity;

Table 3: Additional Infrastructure for Queensland's Major Pipeline from Scrapping BPIC

	KM, ML and MWH built BPIC	KM, ML and MWH built Non BPIC	Difference
Roads & Bridges (km)	450.3	521.0	70.7
Rail (km)	131.7	173.4	41.7
Water (ML)	1,210.0	1,482.3	272.3
Electricity (MW)	21,835.0	26,294.9	4,459.9

Source: QEAS 2024.

That is the $8.9 billion in potential savings could be used to fund key projects including the Health Capacity Expansion Program, Energy transition and 2030 renewables targets, Olympics infrastructure for 2032, and key major road projects to ease congestions or further weather proof the Bruce Highway..

7.3 Reduced Competition

As detailed in section 5.0 BPICs significantly increase obligations and responsibilities that are challenging for smaller companies or those with limited resources. While head contractors may have the resources to comply with BPIC, this is more difficult and burdensome 'down the chain', particularly for smaller subcontractors and commercially unviable for others. BPIC has the practical effect of reducing the number of companies that can participate in major infrastructure delivery that in turn limits competition.

BPIC is in effect resulting in decreased Industry Participation in the Subcontract Market. Feedback indicates:

- Significant change in the labour market, with some of the usual subcontractors unwilling to participate due to uncertainty over how BPIC could impact their wider businesses, including increased administrative burden;
- Resulted in reduced competition and increased tender pricing, impacting the ability to procure subcontractors at competitive rates;
- Subcontractor tender participation rates are on average between 15-30% lower than comparable non-BPIC projects; and
- Subcontractors are hesitant to take on traditional risk, preferring to work under 'do and charge' contract models, leading to inefficiencies and loss of incentivization for productivity.

Efforts to bring additional subcontractors to Queensland have been frustrated by the limitations of working hours and working days enforced by the CFMEU under BPIC (i.e. 50 hour week maximum – 5 work days a week). Industry feedback is that generally the trade pricing in South East Queensland is significantly higher than other states as a result.

In summary, this decrease in competition increases project costs to the Queensland Government and taxpayer.

7.4 Broader Queensland Building and Construction Impacts

The pressures facing the construction industry in Queensland through BPIC does exist in a vacuum. These conditions not only affect the major construction industry but also the broader industry and supply chain.

The purpose of BPIC is to set the standard for pay and conditions across the whole construction industry in Queensland. Under a single labour market in which workers are relatively mobile, it can be expected that BPIC conditions will flow through and spread beyond Queensland Government construction sites to the broader industry.

This arises as a result of three scenarios:

- Within a single company (either head or subcontractor) not all workers will be on a BPIC worksite but co-workers will expect BPIC wage rates consistent with fellow employees working on a BPIC project;
- Within a single company (either head or subcontractor) workers will not always be engaged on a BPIC project across time but they will be accustomed to and come to expect BPIC rates of pay regardless of whether they are currently or active on a BPIC project; and
- Workers employed by non BPIC companies will be attracted to those companies working on BPIC projects in order to earn higher wages.

Accordingly the wage rates for non BPIC project are currently and expected to rise to the wage levels offered under BPIC projects. Furthermore, BPIC has become the industry standard for major infrastructure projects in Queensland. The economics of labour markets mean that the higher pay and conditions in one industry will ultimately spill over into other closely related industries, occupations and technical trades – eg manufacturing, energy and transport.

8.0 Recommendations

Wages and working conditions are adequately protected by workplace laws and existing enterprise agreements. Safety protections are covered by WHS laws, regulations and are overseen by government regulators. Accordingly recommendations include:

- Remove BPIC as a requirement and remove its weight as part of Queensland Government's procurement framework.
- Allow the market (contractors and trade unions) to establish rates and conditions that are fair, competitive and productive without government intervention.

Appenidix One: QEAS Business Information

Queensland Economic Advocacy Solutions delivers services in economic analysis, research and advocacy in Australia and was set up by Nick Behrens following two decades of experience applying these skills in the real world for Australia's business community. More specifically QEAS provides:

- Economic Contribution and Valuation Analysis;
- Data Analysis, Market research and Economic Modelling;
- Stakeholder Consultation; and
- Government Relations and Submissions.

QEAS delivers services nationally to exemplary organisations including Australian Industry Group, Australian Gas Industry Trust, BASF, Brisbane Airport Corporation, CCIQ, Canegrowers, IOR Pty Ltd, LifeFlight, Maleny Dairies, Master Builders Australia, Natroads, Port of Brisbane, Property Council of Australia, Queensland Resources Council, RACQ, Remondis, Suncorp, VTA, Victorian Waste Management Association, unions, local government authorities, the Commonwealth and State Governments and many others.

We can be engaged for either a special project (for the entire project or just the parts our clients need help with) or on an ongoing basis. We will take the time to understand your unique challenge and create a partnership with you to tailor a solution specific to your budget. We engage with confidentiality and integrity. Choose QEAS for our expertise, professionalism and ability to work with our valued clients to achieve exceptional results.

Contact Details:

Nick Behrens
Director
Queensland Economic Advocacy Solutions
PO Box 847, Bulimba QLD 4171
Mobile [redacted]
www.qeas.com.au
ABN 57028574915

Report Author: Nick Behrens

Across his professional career Nick has realised many outstanding outcomes to complex challenges for the business community. He possesses significant experience in gathering and presenting information, and leveraging that information to achieve results across a range of areas including economic, taxation, regulatory environment, workers compensation, employment legislation, population, infrastructure and planning issues. As Director of Queensland Economic Advocacy Solutions (QEAS), Nick provides:

- Exceptional understanding of social, political and economic issues impacting on business and the economy;
- Considerable real-world application of project, business and economic research and analysis;
- Significant expertise in advocacy, including government and stakeholder relations;
- In-depth and firsthand knowledge of the workings of Government;
- Extensive networks in political, government, business and community sectors;
- Previous appointments on a number of high level Government committees; and
- Media commentator and public speaker.

Nick's representations are based on extensive research and his preferred approach to economic analysis, research and advocacy is to achieve results by working with stakeholders behind the scenes to secure positive and lasting outcomes. He places much emphasis on having a thorough and convincing evidence that is readily understood and in turn leads to real world application and solutions.

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