

Submission: National Construction Strategy Papers

17 April 2025

The Infrastructure Association of Queensland (IAQ)

IAQ acknowledges the comprehensive efforts of the Commonwealth and state and territory infrastructure and transport officials, alongside the Australian Constructors Association, in developing the National Construction Strategy. The four discussion papers on New Technology & MMC, Procurement and Contracting, Data Collection and Benchmarking, and Workforce provide a framework to improve productivity and sustainability in the construction sector.

IAQ is committed to supporting these initiatives as Queensland's leading industry body. We recognise the importance of incorporating MMC, effective procurement strategies, accurate data collection, and a diverse, flexible workforce in driving the sector forward. We are prepared to collaborate with government and stakeholders to implement these strategies, ensuring that Queensland's infrastructure projects are delivered efficiently, sustainably, and inclusively.

Procurement and Contracting

IAQ supports the two proposals of the discussion paper and emphasises the importance of the framework. IAQ believes that the discussion paper could be further refined to enhance its practical applicability and ensure it provides clear, actionable guidance for stakeholders at all levels of government. The proposed guidelines have the flexibility of being adopted at both state and local government levels. It would be beneficial if the document included more detailed guidance on how these methods can be adapted to fit the unique legislative environments and policy frameworks of different states and local governments. Including case studies or examples of successful adaptations in various jurisdictions would illustrate how the principles can be tailored to local conditions while maintaining consistency with national standards.

Secondly, IAQ appreciates the contribution of this discussion paper in proposing to develop guidance on the assessment of non-cost outcomes and specifically emphasises the importance of the Value for Money framework proposed. IAQ believes that it would be beneficial for the document to expand on the qualitative assessment of non-cost outcomes by incorporating more specific metrics and methodologies, such as those outlined in the paper's Table 12 (p.11) listing cost components. Providing detailed criteria for assessing environmental, social, and industry outcomes, along with examples of successful evaluations from past projects, could enrich the guidance.

Additionally, the section on components of value could be strengthened by including comprehensive guidelines on how to balance and prioritise different value components. For example, introducing a framework for weighing the importance of environmental outcomes against social or financial returns would ensure that all relevant factors are considered holistically. These enhancements would offer stakeholders a clearer understanding of how to comprehensively evaluate the value of infrastructure projects, ensuring that both cost and non-cost outcomes are effectively assessed and balanced.

New Technology and MMC

MMC presents a compelling value proposition from an economic efficiency standpoint, particularly within the context of Queensland's growing infrastructure demands and regional delivery challenges. IAQ supports the accelerated adoption of MMC and technologies that are already proven and commercially available, as demonstrated by the Sydney Metro's use of precast concrete beams (MMC Paper p.30) which reduced on-site labour by 15%. These

technologies can offer immediate opportunities to enhance productivity and address workforce shortages across Queensland's infrastructure pipeline.

The Queensland Infrastructure Performance Survey (2024) conducted by IAQ indicates that survey respondents identify structural and process-related barriers as the primary obstacles to adopting smarter approaches for increased productivity, rather than technological barriers. Further, procurement processes in Queensland may limit new contractors' investment and expertise within the market, potentially impeding the introduction of innovative construction methods.

IAQ understands that the broader adoption of MMC will depend on a coordinated set of enablers across planning, procurement, capability and infrastructure. IAQ considers the following components as critical to supporting the scaling up of MMC adoption in Queensland:

- A long-term investment pipeline aligned to ensuring positive social outcomes rather than discrete project milestones, giving the industry the confidence to invest in MMC capability building at scale.
- Coordinated workforce development that includes training and industry-accredited programs essential to build the skills base needed to support MMC adoption.
- Strategic investment in decentralised manufacturing hubs, similar to the UK's Laing O'Rourke Centre of Excellence (MMC Paper p.32), to reduce haulage distances, making off-site construction economically competitive.
- Early consideration of MMC in project scoping and business cases for better integration of off-site solutions and digital design from the outset.
- Procurement models that prioritise early contractor involvement, outcome-based specifications, and flexibility to incorporate off-site solutions.
- Clear and consistent standards, codes and certification pathways to provide certainty for industry and ensure quality assurance across MMC applications.

Workforce

IAQ is encouraged by the Government's recognition of the importance of improving workforce culture, flexibility, and diversity in the construction sector. The proposed principles and commitments outlined, including the four common principles (Workforce Paper p.8), are a positive step towards creating a more inclusive and sustainable industry.

As Queensland prepares to deliver the 2032 Olympic and Paralympic Games, it is crucial to consider the challenges of securing sufficient trades and skilled labour for regional projects.

- Securing enough trades and skilled labour for projects has been a consistently complex challenge, and early identification and industry engagement will be crucial to mitigate these risks.
- Strategic migration policies can help fill critical skill gaps in the short term while we work on long-term solutions such as training and upskilling local talent.
- Training packages that include apprenticeships and continuous professional development, aligned with the paper's focus on intergenerational skills transfer (Workforce Paper p.4), are key to building a sustainable workforce.

IAQ supports the proposed principles of making construction an industry of choice for all, establishing inclusive project cultures of trust, openness, and collaboration, and ensuring a career in construction is a long-term prospect that supports workforce wellbeing. Establishing shared common national workforce diversity targets and strategies, recognising

efforts towards gender equality in workplaces, and providing workplaces that enable inclusive participation of a diverse workforce are essential steps towards achieving these goals.

IAQ is committed to working with the Government and industry stakeholders to implement these principles, ensuring that the construction sector is well-equipped to deliver the necessary infrastructure for the 2032 Olympic and Paralympic Games and beyond.

Data Collection and Benchmarking

Response to the proposal to focus productivity at a project level compared to overall performance outcomes:

The two approaches are complementary – performance metrics provide a macro-level view of how the construction sector has tracked over time, while project-level data offers the detail needed to understand challenges, benchmark delivery and drive targeted improvements. The two approaches need to be considered together to gain a more complete understanding of sector performance.

Response to the conclusion that labour productivity is likely to be a useful productivity measure but presents a number of implementation challenges:

Measuring economic efficiency through the use of labour productivity indicators presents challenges due to the difficulty in defining consistent output across diverse projects, its sensitivity to external factors like weather or site conditions, and the risk of overlooking broader productivity drivers such as materials, equipment, or project planning and coordination.

As Queensland's peak industry body, we see a clear opportunity to work in partnership with Government to identify what labour productivity data is already being collected across the sector. By establishing a baseline through existing project-level records and contractor reporting, we can begin to build a more consistent and practical approach to measuring and improving productivity over time.

For further information or comment, please contact CEO Tracy Mackey, who can be found at ceo@iaq.com.au or 0408 669 763.