



CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND

# Civil Contractors Federation Queensland Limited

---

## Policy Briefs 2020





**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**



# TABLE OF CONTENTS

<b>CAPITAL WORKS FINANCING</b> .....	3
<b>COLLABORATIVE CONTRACTS</b> .....	4
<b>SECURITY OF PAYMENTS</b> .....	5
<b>INDUSTRIAL RELATIONS, HUMAN RESOURCES AND DIVERSITY</b> .....	6
<b>PROPERTY DEVELOPMENT (PRIVATE INVESTMENT)</b> .....	7
<b>SKILLS DEVELOPMENT AND TRAINING</b> .....	8
<b>SUSTAINABLE INFRASTRUCTURE PROJECT PIPELINE</b> .....	9
<b>TAX REFORM</b> .....	10
<b>TECHNOLOGY AND INNOVATION</b> .....	10
<b>STATE PROCUREMENT POLICY</b> .....	11
<b>ENVIRONMENT AND SUSTAINABILITY</b> .....	12
<b>EFFICIENT, TRANSPARENT, FAIR AND EQUITABLE PROCUREMENT PROCESS</b> .....	13
<b>WORK HEALTH AND SAFETY</b> .....	14



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER**

# **CAPITAL WORKS FINANCING**

### **INDUSTRY CONCERNS**

In order to maintain sustainability in the civil construction industry, retain and build skills, and retain and build capacity, an ever growing delivery program is needed. The main issue is the appropriate funding for the proposed infrastructure pipeline.

CCF QLD believes that the provision of vital infrastructure is held back by unnecessary budgetary constraints. If infrastructure funding is appropriately prioritized, best return on investment is assured.

CCF QLD promotes increased involvement by the private sector in infrastructure through Public-Private Partnerships (PPP), believing it to be a vital component to Queensland's infrastructure development. Private investment can provide best 'value for money' outcome for the public sector as it attracts investors drawn to stable, government-backed returns.

There are a number of avenues available for infrastructure spending:

- Borrowing
- Asset recycling
- PPP
- Funding from current revenue streams

CCF QLD does not support raising or introduction of new taxes to fund infrastructure.

Civil contractors require a constant flow of ongoing work, rather than sporadic projects.

### **POSITION**

- Advocate for state government investment in key infrastructure to unlock potential land development opportunities.
- Promote infrastructure spend to be X% of Gross State Product.
- Endorse similar organisations who advocate for asset recycling.
- Support the implementation of a Project Assessment Framework which values efficiency, economical outcomes and practical delivery times.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **COLLABORATIVE CONTRACTS**

## **INDUSTRY CONCERNS**

A continued risk to the sustainability of the civil construction industry is the form of contract used to administer projects. Current forms note collaboration - but cannot be achieved in a non-collaborative contract.

Collaborative Contracts or Integrated Project Delivery models have been successfully utilised in a wide range of sectors throughout the country and internationally, predominantly in engineering and civil contracting.

In Queensland, current contracts do not focus solely on project outcomes, and often result in burdensome administration and combative practices.

Too much focus on initial tender price rather than design quality or administration style.

The current system does not manage risk fairly - it allocates blame rather than problem solving; and there is often a breakdown in working relationships and increase in contractual disputes.

This adds unnecessary cost to a project and there is no incentive to reduce costs or for parties to proactively work towards a better contract outcome. Therefore, only the minimum is achieved.

There are a myriad of benefits in using collaborative contracts. These are:-

- Less reliance on contract administrators which is a recognized issue;
- Focus by all parties on project outcome, not contract management;
- Technical and risk problems are addressed by all parties;
- Produces better quality outcomes;
- No blame or disputes;
- Increased productivity;
- Fair share of benefits and burdens returns project cost savings to principal and caps cost blow-outs on the contractor;
- Preserves issues of insolvency and security of payment;
- Increases adoption of innovation; and
- Better management of safety and environment.

## **POSITION**

Implementation of collaborative contracts on all projects should be introduced.

CCF QLD supports the following forms of collaborative contracts:-

- Performance incentivized cost reimbursed
- Integrated Project Delivery
- Alliance contracting



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **SECURITY OF PAYMENTS**

## **INDUSTRY CONCERNS**

CCF QLD understands that effectively managing cash flow is central to the sustainability of the civil construction industry. There is a destructive cultural practice of acceptance within the industry that begrudgingly but silently admits late payments, short payments and no payment, often through the guise of fair disputes, for work delivered under the terms and conditions of a duly agreed contract.

This results in reduced cash flow, reduced capital investment and a reduction in training. These negative outcomes not only restrict the ability of the company to grow, but lead to job losses and insolvency through the contract chain.

Mechanisms such as Project Bank Accounts (PBAs) and statutory trust systems are a band-aid approach to addressing the issue and can limit a company's ability to manage cash flow.

Project Bank Accounts:-

- Are expensive;
- Do not guarantee actual payment entitlement;
- Interfere with a company's ability to manage banking covenants;
- Do not guarantee cash flow through the full contract chain;
- Increase red tape and excessive contractual obligations;
- Prior to the introduction of *The Building Industry Fairness (Security of Payments) Act 2017* (part 3) payment claims were endorsed and second chance notices were standard. The Act removed these two requirements, which has had a detrimental effect on businesses.
- Do not address the root issue which is usually disputed claims between the principal contractor and the client.

Contractors can receive significantly large volumes of claims in a one month period. The system penalises businesses for administration errors rather than actual intent of non-payment.

## **POSITION**

- Do not use PBAs or statutory trusts;
- Impose unusually low bid clauses;
- Ensure fair price is paid for the project;
- Manage prequalification systems;
- Allocate procurement fairly;
- Adopt collaborative contracts;
- Reintroduce the requirement for payment claims to be endorsed in BIF Act;
- Reintroduce second chance notices in BIF Act.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**



## **POLICY BRIEFING PAPER:**

# **INDUSTRIAL RELATIONS, HUMAN RESOURCES AND DIVERSITY**

## **INDUSTRY CONCERNS**

CCF QLD recognizes that human interaction is central to all business models. A company with a high functioning, well organized, diverse workforce, which operates as a unified team, has an elevated chance of achieving success.

Engaging people who are content with their occupation and workplace culture contributes positively to an employee's health and well-being. This equates to increased productivity for the business and industry.

CCF QLD promotes the employment of the best people for available positions, regardless of their gender, sexual preference, cultural, social or economic background or disability.

There is a lack of clarity surrounding Right of Entry laws. Some union representatives abuse these laws.

CCF QLD want to ensure union representatives' entry to worksites is controlled to ensure the flexibility of management to engage with the workforce.

## **POSITION**

- Encourage technological advancements that improve access for people with disability to participate.
- Promote changes to legislation (WHS in particular) that decrease bias towards unionized workforce.
- Remove union representatives' Right of Entry for suspected WHS contraventions from the *Work Health and Safety Act 2011 (Qld)*.
- Abolish quota based workforce representation and instead encourage programs that promote the industry to minority representatives in the construction industry.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

**POLICY BRIEFING PAPER:**

# **PROPERTY DEVELOPMENT (PRIVATE INVESTMENT)**



## **INDUSTRY CONCERNS**

CCF QLD supports private property investment and development in coordination with government infrastructure investment and projects. Provision of key civil infrastructure is essential for development and expansion of community-based urban and regional areas. Private investment into property development will create jobs and stimulate the local and state economy.

- The high cost of infrastructure provision prevents property development opportunities.
- Without government investment in infrastructure prime development areas can remain inaccessible.
- Lack of clarification between state and local governments on infrastructure planning responsibilities creates confusion.
- There is a policy disconnect between land use and infrastructure planning.
- Government policies like the South East Queensland Regional Plan and the State Infrastructure Plan do not align.
- There is an inadequate supply and availability of land for potential projects in the long-term future

## **POSITION**

- Align regional and state infrastructure planning.
- Coordinate a transparent process for private-public infrastructure delivery to unlock development potential.
- Endorse the clarification of planning responsibilities between state and local government authorities.
- Establish a fund to unlock development areas constrained by a lack of investment in key infrastructure.
- Encourage the coordination of partnership opportunities between property developers and state and local governments for the provision of public infrastructure.
- Ensure the provision of adequate land supply for the long term future.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **SKILLS DEVELOPMENT AND TRAINING**



## **INDUSTRY CONCERNS**

CCF QLD believes that training and upskilling and supply of apprenticeships and traineeships, are key to the sustainability of the civil construction industry and the local economies the industry supports.

CCF QLD supports an industry that requires a workforce with skills distinct from other industries, tailored for the industry's unique challenges.

- There is an increasing skills shortage, as there is a widening gap between the amount of people entering the profession and the growth of the industry and an aging workforce. The demand outstrips the supply.
- Civil construction qualifications based on competencies within national training packages are not considered equivalent to a trade qualification – or recognized.
- Current funding levels are so low they force Registered Training Organisations to deliver the minimum amount of training in order to be profitable.

## **POSITION:**

- Ensure a year on year increase in funded training.
- All qualifications to be obtained and recognized through the Australian Qualifications Framework and given equal weighting.
- Endorse an increase in investment in industry - based training programs for civil contractors.
- Queensland Government to provide more incentives to hire apprentices and trainees, including within their procurement policies.
- Increase the funded rate per unit paid for apprenticeships and traineeships.





**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## POLICY BRIEFING PAPER:

# SUSTAINABLE INFRASTRUCTURE PROJECT PIPELINE

## INDUSTRY CONCERNS

It is critical to the sustainability of the civil construction industry in Queensland that there is a strong and growing infrastructure pipeline that enables job creation, stability and economic growth, particularly in regional areas.

Large projects which are financially and technically beyond the capability of local industry disqualify contractors from competing. It is financially not feasible to act as sub-contractors and they are principal contractors in their own right.

To offset the negative consequences of boom-bust cycles, governments must develop a sustainable pipeline of prospective infrastructure projects. A sustainable infrastructure pipeline would prevent an overlap of project timetables to allow civil contractors to effectively transition workforces between projects.

A larger pool of shovel ready projects is required in order to address changing infrastructure priorities.

Unsustainable boom-bust cycles are common occurrences in Queensland's civil construction industry. A bust cycle results in businesses downsizing and closing, job losses and reduced economic activity. The capacity of the industry is therefore limited for the next boom cycle. The results are inflated prices, skills shortages, poor quality and increased risk of incident.

There has been a marked decline in infrastructure funding from state and federal governments

Investment in infrastructure does not increase in line with population and economic growth rates.

There is a lack of transparency within government for the provision of project pipelines.

There are numerous avenues available for infrastructure spending that do not require raising taxes:

- Borrowing; Asset recycling; PPP; Funding from current revenue streams

## POSITION

- Ensure there is a year on year growth of funded infrastructure projects sized to match the capacity of the regional contractor.
- Endorse de-bundling or breaking up of projects so that local contractors can compete for them.
- State government to increase infrastructure investment to align with state population increases or as percentage of SDP.
- Promote the fast tracking of infrastructure projects
- Endorse stronger capital investment targets
- Support the implementation of a transparent infrastructure investment pipeline to provide local contractors with the ability to plan for the future.
- Facilitate coordination between State Infrastructure Plan (SIP), Local Government Infrastructure plans and Regional transport plans.
- Use all avenues of funding available to increase infrastructure spend.
- Provide additional funding to agencies to fast-track projects to be shovel ready.



**CIVIL CONTRACTORS  
FEDERATION**  
QUEENSLAND

## **POLICY BRIEFING PAPER: TAX REFORM**



### **INDUSTRY CONCERNS**

CCF QLD endorses a tax system that allows a competitive and productive business environment. There is evidence to suggest that countries and territories that reduce their company tax rate rapidly enjoy a positive effect on their national economies and employment rates.

- Excessive taxation stifles innovation, increases costs to businesses and consumers and produces unnecessary demands, which has a detrimental effect on economic activity.
- Businesses have to pay BAS tax before receiving payment for services—rather than when it is actually accrued.
- Payroll Tax, GST and BAS obligations are not aligned
- Fuel Tax Credits are a benefit to businesses and should continue.
- Higher taxes can also lead to a decrease in direct investment and competitiveness.
- The payroll tax for Queensland businesses currently stands at 4.75% for employers or groups of employers who pay \$6.5 million or less in taxable wages, but is zero for businesses with less than \$1.3 million in wages. For businesses that have greater taxable wages than \$6.5 million the payroll tax is 4.95%.

### **POSITION**

- Endorse the reduction of red and green tape within taxation guidelines and regulations;
- Raise the tax free thresholds for Queensland businesses;
- Promote the hiring of apprentices and trainees by offering further tax rebates to businesses who hire them, particularly to target smaller businesses;
- Encourage the reduction or elimination of payroll tax for all business irrespective of its size;
- Encourage investment in capital purchases;
- GST liability to align with cash payments;
- Maintain current fuel tax system.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**



## POLICY BRIEFING PAPER:

# TECHNOLOGY AND INNOVATION

## INDUSTRY CONCERNS

CCF QLD encourages the progression and evolution of technology and the creation of innovative products and ideas.

CCF QLD recognizes that state of the art technology and fresh innovation are the drivers of a prosperous, growing civil construction business. For a nation or state, continuous advancements in technology and innovation are markers of a thriving economy.

- Innovation cannot be procured at lowest cost.
- Building Information Modeling (BIM) is a 3D model-based process that enhances, the ability to plan, design, construct and manage infrastructure efficiently. BIM should be more than a concept; it should be a consistent platform subscribed to by all involved in the industry, including local and utility authorities.
- Drones are a great tool in civil contracting, particularly when having to map hard-to-reach or dangerous locations and conducting surveying, but it can be cost prohibitive and regulations are complex.
- Despite so many advances in health and safety, there are still tragedies and near-misses on work and construction sites. The further development of automation can be utilized to mitigate this risk.
- It can be difficult for businesses to keep up to date with current and perpetually changing technologies. The industry requires constant information dissemination to remain informed.
- Prescriptive specifications and current forms of contract stifle collaboration.

## POSITION

- Support the expansion of BIM to a state mandated central system.
- Mandate that all asset owners subscribe to a state certified system.
- Endorse the use of new technology, such as drones, to be marketed for widespread use.
- Encourage technological advancements in safety and productivity.
- Endorse the development of automation where automation will reduce the risk to human life.
- Ensure industry is aware of the latest technology and innovation advances.
- Embrace performance based specifications.
- Use collaborative contracts.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **STATE PROCUREMENT POLICY**



### **INDUSTRY CONCERNS**

Being one of the largest employers in the state, procurement practices of the Queensland Government have a significant effect on the economy and on the civil contractors who build the public roads and infrastructure.

The Queensland Procurement Policy was designed to ensure that delivery of public projects are prioritized to local contractors and suppliers who live in the immediate region or state, as well as delivering value for money and advancing the government's social objectives for the long-term wellbeing of the community.

CCF QLD supports a State Procurement Policy that addresses issues such as:-

- support for Queensland businesses;
- support for training;
- ensuring increased social benefits;
- the maximization of Queensland businesses opportunity to participate;
- support for disadvantaged locals.

CCF QLD does not support mechanisms that duplicate and complicate already existing systems, such as the Ethical Supplier Mandate.

These systems add an extra layer of burdensome regulation and increased administration costs that stifle civil contracting businesses, while rarely achieving their original objectives.

Compliance breaches occur when group engagement cannot be met in some regional areas. Although industry will use local engagement wherever possible flexibility is needed where local engagement cannot be achieved.

The state needs to recognize that a one-fit-for-all state procurement policy does not necessarily support the civil industry.

### **POSITION**

- Support for Queensland businesses, particularly in regional and remote areas;
- Increased training opportunities for local people;
- Locals in low socio economic areas and high unemployment regions offered opportunities for social mobility;
- Systems that do not encourage sharing of information (such as safety and learning) or double dip on penalties, should be repealed;
- Ensure sufficient projects of a size that fits the capacity of local contractors;
- Prohibit systems which attempt to influence industry participants to have particular workplace agreements.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **ENVIRONMENT AND SUSTAINABILITY**



## **INDUSTRY CONCERNS**

CCF QLD promotes environmental sustainability within the civil construction industry by aspiring to increase environmental and sustainable development in reusable materials, new developments in technology, and training within the civil construction industry. This benefits the environment and lowers business costs through more efficient use of resources.

- Excessive, overreaching environmental regulations or “green tape” can pose significant compliance and cost burdens on civil contractors.
- Environmental requirements within contracts can lack clarity and concision.
- The Waste Levy introduced in Queensland on 1<sup>st</sup> July 2019 is unclear.
- Environmental inspectors are sometimes not adequately trained and use subjective judgement.
- Infringement notices are sometimes distributed unfairly and inconsistently
- Construction sites lack cost effective and readily available supply of water
- There is a lack of transparency and understanding of maritime environmental regulations.
- There is a lack of ability and awareness on methods of limiting waste or improving efficiency on worksites.
- CPESC/Environmental Manager – contracts need to recognize variability in environmental management requirements
- Water quality regulations within local and federal authorities lack coherency and collaborative guidelines.

## **POSITION**

- Support regulations that mitigate risk, protect the environment and align with the EPA, but not those that overreach or place unnecessary burdens on contractors.
- Remedy contracts so that they are clear and concise.
- Need for government funded industry training on environmental awareness and improved efficiency on worksites, for contractors as well as environmental inspectors.
- A more fair, objective and consistent issuance of infringement notices.
- The standardization of recycled water regulations across civil construction sites in Queensland.
- Analyse performance data and review compliance specifications to align with environmental and sustainability outcomes.
- Simplify legislative compliance across all Queensland codes of practice.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **EFFICIENT, TRANSPARENT, FAIR AND EQUITABLE PROCUREMENT PROCESS**

## **INDUSTRY CONCERNS**

In order to maintain a sustainable civil construction industry an efficient, transparent, sustainable, fair and equitable procurement process is required. A competitive procurement process is required that is free from bias, is cost effective and procures projects at prices that benefit all parties - client, contractor and society.

- There is a lack of transparency and accountability within procurement processes.
- Bidding costs to submit tenders are exorbitant. Expression of Interests (EOIs) are expensive and add to the cost of tendering.
- Contractors bear a disproportionate financial risk associated with the delivery of infrastructure projects.
- Contractors are able to submit unusually low, unrealistic bids to outbid other contractors. This leads to poor quality, time blow-outs, poor safety management, increased disputes and a reduction to the security of payments with disastrous social impacts.
- Non-disclosure of prices on tender openings severely restrict a contractor's ability to plan for future procurement opportunities, resulting in a negative impact on availability of resources. Open tenders force tender evaluation transparency.
- Tier I contractors sometimes practice predatory pricing at the detriment of the local industry.
- Non Queensland owned contractors export the overhead value and profit of the project from Queensland.

## **POSITION**

- Price for all tenders should be disclosed on opening;
- Unusually low bid clause to be mandated in all tenders. Second chance reasoning for unusually low bids to be eliminated;
- Abolish EOI for construct only projects under \$100 million;
- Acceptance of non-price criteria in a single stage procurement process;
- Allocate risk to the party who is best able to manage it;
- Pricing of risk should not be lump sum where insufficient information is available to the contractor at tender time;
- Order the preference for local engagement as follows:-
  - Queensland
  - Australia
  - International
- Increase reimbursement of bidding costs for multistage procurement processes to reflect the true cost of bidding.



**CIVIL CONTRACTORS  
FEDERATION  
QUEENSLAND**

## **POLICY BRIEFING PAPER:**

# **WORK HEALTH AND SAFETY**



## **INDUSTRY CONCERNS**

CCF QLD supports a WHS regime that aims to reduce fatalities and injuries in the civil construction industry, while allowing flexibility for businesses to implement adaptive WHS methods.

CCF QLD advocates for the reduction of regulations that offer the illusion of improvement, but are ineffective and unnecessary in reality.

- Subject matter and titles of WH&S Codes of Practice vary from state to state. This inconsistency across the industry increases safety risks and prosecution risks for businesses.
- Legislation and regulation are too prescriptive, rather than being based on risk management principles that give businesses the flexibility to implement systems suited to their own situation.
- WHS training standards are too generic and do not cover industry specific components.
- Questionable common law claims have increased worker compensation claims and premiums. In some of the claims only a small proportion of the illness is actually caused by working conditions.
- There is disproportionate allocation of responsibility and obligations for certain employees.
- An examination carried out in 2014 found that privatizing WorkCover, as has since occurred in other states, would make the sector more efficient with better outcomes and increase economic output.
- Some union representatives utilize existing WHS legislation to abuse Right of Entry laws.
- Industrial manslaughter is a duplication of penalties already in place for negligence and does not address the root cause of unsafe practices.

## **POSITION**

- Transform the industry into one of consistency and harmony across state borders, including nationally recognized WHS training.
- Injury needs to be redefined under the Act to require that work is the major contributing factor to an illness before a claim is made.
- Endorse contributory negligence to be considered during common law negotiations.
- Encourage the simplification of legislation, regulations and codes; so that it is not subject to constant change.
- Ensure the fair application of penalties to all parties
- Encourage knowledge sharing and employee/employer participation.
- Remove union representatives' Right of Entry for suspected WHS contraventions from the WHS Act
- Abolish Industrial Manslaughter legislation.



**BRISBANE**

11 Hi-Tech Court  
Eight Mile Plains QLD 4113

**TOWNSVILLE**

13/547 Woolcock Street  
Mount Louisa QLD 4814

**CAIRNS**

6/185 Mulgrave Road  
Bungalow QLD 4870

P: 1300 CCF QLD  
E: [admin@ccfqld.com](mailto:admin@ccfqld.com)

[www.ccfqld.com](http://www.ccfqld.com)