



AUSTRALIAN
CONSTRUCTORS
ASSOCIATION



2024

Year In Review



2024 YEAR IN REVIEW

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Cover: Annabel Crookes, ACA President, Foundations and Frontiers
Inside front cover: Foundations and Frontiers 2024, Doltone House



"As we remain focused and push forward, we must stay united in our efforts."

-Annabel Crookes, ACA President

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Strategic Report



Policy

Disrupt or die

Transforming Australia's construction industry

2024



Achievements

Last year, our association made significant strides in developing important policy reports that have laid the groundwork for this year's discussions. These resources have not only informed our conversations but are now being translated into concrete actions (See Figure 1).

2025



08.08.24
Sydney

COMMUNIQUE

Foundations and Frontiers - National Construction Forum
Dulux House, Jones Bay Wharf, Sydney, 8 August 2024

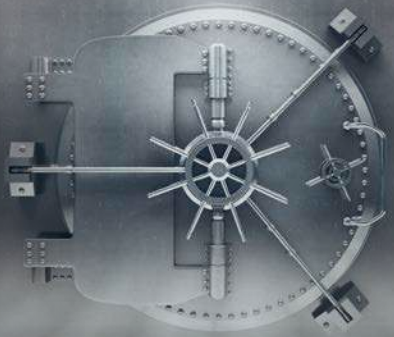
Australia's construction industry is critical to our economic prosperity and the livability of our communities. The construction industry is building the new homes, hospitals and schools needed for our growing population; constructing the transport infrastructure required to achieve significant economic, social and environmental objectives; the defence infrastructure needed to keep our country safe; the energy infrastructure required to reach our net zero emissions commitments, and so much more. The past few years have seen efforts to improve efficiency, promote innovation and enhance culture and diversity in the sector. However, despite its crucial role in national development, Australia's construction industry continues to struggle with low productivity growth, comparatively high rates of business insolvencies, low female participation and poor worker mental health. While many initiatives seek to address these challenges and have led to some positive changes, there is still more to be done. We commit to working together to improve the health and performance of Australia's construction industry to see a prosperous future for Australia.

Signatories:

Marcio Assarini, Executive Director, Wesbuild	Grant Fuller, Head of Health, Safety and Wellbeing, Eastern Freeman - Route to Zero Alliance	Tim Parker, CEO, High Speed Rail Authority
Mark Bailey, CEO, BEISV Western	Olivia Davidson, Barrister, Interim Commissioner, Infrastructure Australia	Hall Barnes, National Industry Leader, Energy Mining & Property, KPMG Australia
Vik Bernal, CEO, Boral	Tom Galloway, CEO, Infrastructure NSW	Grant Perry, Executive Director, Infrastructure Planning & Innovation, Department of State Development and Infrastructure, Queensland
Joe Blair, CEO, John Holland	Pier Gorman, Human Resources Director, Alcolac	Kate Raymond, CEO, Master Electrotechnics Australia
Paul Bennett, CEO & Managing Director, Oshorp	Therese Herrell, Overseas Business Director, CREO Australia	Michael Reed, Executive Director, Icon and Boral
Matt Bourne, CEO, Roberts Co	Patrick Hastings, CEO (Jointly), Infrastructure Sustainability Council	Phig Redden, Executive Director, General Counsel - Global Pipelines
Steve Briggs, Chief of Policy and Research, Infrastructure Australia	Cathy Hayes, Head of Client & Strategy, NSW & ACT CPE Consortium	Sawad Rubin, CEO, Shogunway Construction Australia
Ewen Byrne, CEO, Icon Group	Roger Irvine, Head of Construction - Australia & New Zealand	Mark Russo, Managing Director - Australia, McConnell Dowell
Quinn Carragosa, Head of PPP & Concessions Australia, Wesbuild	Oliver Judd, CEO, National Electrical and Communications Association	Tomasz Sault, Executive Director, Australian Procurement and Construction Council
Cynthia Callaghan, Vice President, Community, Communications & Stakeholder Engagement, Oshorp	Leah Kelly, Deputy Director, General, Infrastructure and Regional Strategy, Department of State Development and Infrastructure, Queensland	Earle Sachdev, National Secretary, Plumbing & Pipe Fitter Employees Union
James Cawson, Executive Director, Australian Construction Industry Forum	Michael Kilguski, CEO, Cement Concrete & Aggregates Australia	Budd Straley, CEO, Fulton Hogan
Joel Card, Director General, Department of Finance, Western Australia	John Kilmord, CEO & MD, Seymour Whyte	Jason Spares, Managing Director, CPB Contractors
Jonathan Cartridge, CEO, Concost Australia	Steve Lambert, Chief Operating Officer, Seymour Whyte	Enlita Sweeney, General Manager - Legal & Governance, IDI Infrastructure
Russell Collins, Head of Integrated Capital & Safety, Philbourn Airport	David Lanning, CEO, Plenary Group	Mark Tait, Group Executive & Head of Development, Inwest
Jeremy Conway, Chief Executive, Infrastructure SA	Helen Lingard, Professor, RMIT University	Kristian Targi, Executive General Manager Infrastructure, Brisbane Airport Corporation
Darren Crichton, CEO, DT Infrastructure	Camille Capelle	Shawn Vennish, CEO, Roads Australia
Arnold Crookes, Director, Legal and Risk, Lang O'Rourke Australia	Ronny Haden, CEO, Engineers Australia	Jessica Vivian Willoch, Lecturer, University of Adelaide
Darren Crough, Executive Chairman, prefabAU	Sarah Marshall, Executive General Manager People, Safety and Sustainability, Fulton Hogan	Australia, Enterprise, KPMG Australia
Helen Da Silva, Group Contracts Manager, BEISV Western	Jacky Martin, Managing Director, Housing Industry Association Ltd	Dave Williamson, Director & NSW Regional Committee Chairperson, Lean Construction ANZ
Kaitlyn Davidson, Director of Strategy, Growth, Corporate Affairs and Marketing, Buhl Pty Ltd	Burt Mason, CEO, Buhl Pty Ltd	Jon Whelan, Chief Executive, Department for Infrastructure and Transport, South Australia
Michael Engelhardt, Chief Operating Officer, UGL Ltd	Slyve Mason, Director of Operations, Landwest Construction	Jayne Whitney, Chief Strategy Officer, John Holland
Mark Dimmock, Acting Managing Director, Lang O'Rourke Australia	Greg Hume, Managing Director, UGL Ltd	Caroline Willis, CEO, Australian Railway Association
Camilla Dwyer, Deputy Secretary, Infrastructure and Place, Transport for NSW	Josh Murray, Secretary, Transport for NSW	Innes Wilson, Chief Executive, AI Group
Paul Ferraro, National Secretary, The Australian Workers' Union	Nicole Neal, General Manager, HSE, McConnell Dowell	Michael Wright, National Secretary, Electrical Trades Union of Australia
Graeme Findlay, Associate Fellow, University of Oxford, Self Business School	Becky Noonan, CEO, Alcolac	
John Fletcher, CEO, Nuliplex	James Oatman, CEO, Hire and Rental Industry Association	
Marc Fortin, Managing Director, Ghella		

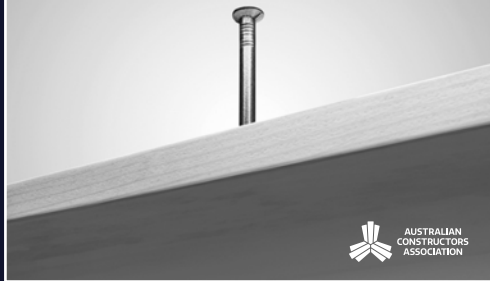
TRUST DEFICIT

Why project bank accounts are a hammer in search of a nail



NAILING CONSTRUCTION PRODUCTIVITY

A BLUEPRINT FOR REFORM



Renewable Diesel

Position Paper
March 2024



Outcomes

Top down – government

- ✓ National Construction Strategy (NCS)
- ✓ Building and Construction Industry Blueprint
- ✓ Federation Funding Agreement defining VfM
- ✓ Renewable diesel industry
- ✓ Culture Standard
- ✓ 360-degree health check tool on TfNSW projects
- ✓ Flexible personnel requirements on TfNSW projects
- ✓ Streamlined design reviews on TfNSW projects
- ✓ Queensland Infrastructure Productivity Roadmap

Bottom up – ACA

- ✓ Leading 'innovation and MMC' stream of NCS
- ✓ Driving force behind national blueprint
- ✓ Delivering the Culture pledge
- ✓ Achieving WGEA citations
- ✓ Implementing flexible work
- ✓ Developing a campaign to attract women
- ✓ Shifting the Culture Standard to implementation

Figure 1. Achievements

President's introduction

It is a pivotal moment for the construction sector. While we have made significant progress in reform, increasingly challenging operating conditions could undo these gains. That's why we need to push harder than ever.

I am proud of the ACA's role in advocating for change and in our own transformation. We haven't just talked about change—we have actively embraced it. We have built strong partnerships throughout the industry and, importantly, we have held ourselves accountable for our own progress.

Our members have made a bold commitment to a future where flexibility is the norm. By 2028, 75% aim to be recognised by the Workplace Gender Equality Agency as 'Employers of Choice.' In addition, we are launching a unique campaign to attract more women into blue-collar roles. We are not waiting for change to occur—we are making it happen.

Our focus is on solutions. Through collaborative initiatives like the Construction Industry Culture Taskforce (CICT), the Construction Industry Leadership Forum, the National Construction Industry Forum, and the Defence Collab Initiative, we are at the forefront of driving progress.

Our passion for leaving a lasting, positive impact on the industry has been recognised with ACA being tasked with leading the innovation and modern methods of construction stream for Australia's first-ever National Construction Strategy. The alignment of this strategy with our values could not be better.

Recently, the National Construction Industry Forum announced its commitment to developing a Building and Construction Industry Blueprint by March 2025, and the ACA played a key role in shaping this initiative.

As we remain focused and push forward, we must stay united in our efforts. Our work on the culture standard through the CICT has demonstrated that positive change is achievable. While we have made strides in addressing culture—one of the most challenging areas—we must ensure that as an industry we do not revert to old habits and positions.

Together, we can navigate the challenges ahead and create a stronger, more sustainable industry for the future.

Annabel Crookes, ACA President





"It is a pivotal moment for the construction sector. While we have made significant progress in reform, increasingly challenging operating conditions could undo these gains."

– Annabel Crookes, ACA President

“

***Safe jobs, efficient projects, and
fair profits can go hand in hand.
The key is collaboration.***”

– Jon Davies,
ACA Chief Executive Officer



Chief Executive Officer's reflections

The decision to place the CFMEU into administration has been nothing short of a 1-in-100-year event that has characterised 2024.

For too long, the relationship between key players—workers, government, and industry—has resembled a battlefield, where one side's win usually meant a loss for the others. This zero-sum mindset has led to inefficiencies, mistrust, and missed opportunities. But it doesn't have to be this way. What if we flipped the script? What if we worked together to turn construction from a winner-takes-all contest into a win-win for everyone?

Each stakeholder has clear, legitimate goals. Workers want safe, secure jobs with good pay and working conditions—basic rights that should never be in question. Their well-being has to be a priority. The government and private sector clients, on the other hand, want value for money. They need projects to finish on time and budget. When things go off the rails, it is the public who pays the price. The government needs projects to run smoothly and efficiently.

And let's not forget the industry. Right now, average profit margins hover around 2-3% and the industry accounts for around 26% of all insolvencies in the economy. With profits that slim, it's almost impossible for businesses to invest in innovation or workforce development, let alone grow long-term. For the industry to truly thrive, companies need better returns so they can reinvest in the sector and fuel economic growth.

At first glance, these goals seem to clash. But they don't have to. Safe jobs, efficient projects, and fair profits can go hand in hand. The key is collaboration.

That's exactly why ACA brought government, industry and the nation's major construction unions together for the Foundations and Frontiers (FF24) forum in August. Modelled after world summits like COP and Davos, FF24 wasn't just a talkfest—it was a moment of reflection and a chance to fundamentally rethink how we operate. The leaders' roundtables at FF24 laid the groundwork for Australia's first-ever National Construction Strategy (NCS), which promises to be a game-changer. But this is just the start.

Now is the perfect time to reshape the industry. If government, unions, and industry can truly work together, the entire sector will thrive. Instead of chasing short-term victories, we should focus on shared goals—like improving culture and boosting productivity. When we do that, everyone wins.

This isn't a crisis; it's a chance to make things better. By bringing everyone to the table, the construction industry can move beyond its zero-sum mentality and create a more collaborative, forward-thinking future. This is our moment to build an industry where everyone—workers, government, and businesses—comes out on top.

Jon Davies, ACA Chief Executive Officer



Strategic context

The media investigation into illegal practices in the construction industry in 2024 triggered a chain of events that saw several branches of the CFMEU placed into administration and new legislation enabling the immediate appointment of an administrator to oversee the union for at least three years.

While serious allegations must be investigated and structural changes made to ensure this cannot happen again, this crisis provides an opportunity to do so much more.

If we rethink how clients, unions/workers and industry work together, we can change the construction industry from a zero-sum game to a win-win for everyone.

The construction industry has the potential to be a true success story. Instead of seeing the current situation as a crisis, we should view it as a chance to build the foundations of an industry where everyone wins – an industry that welcomes all and is fair for all. (See Figure 2).

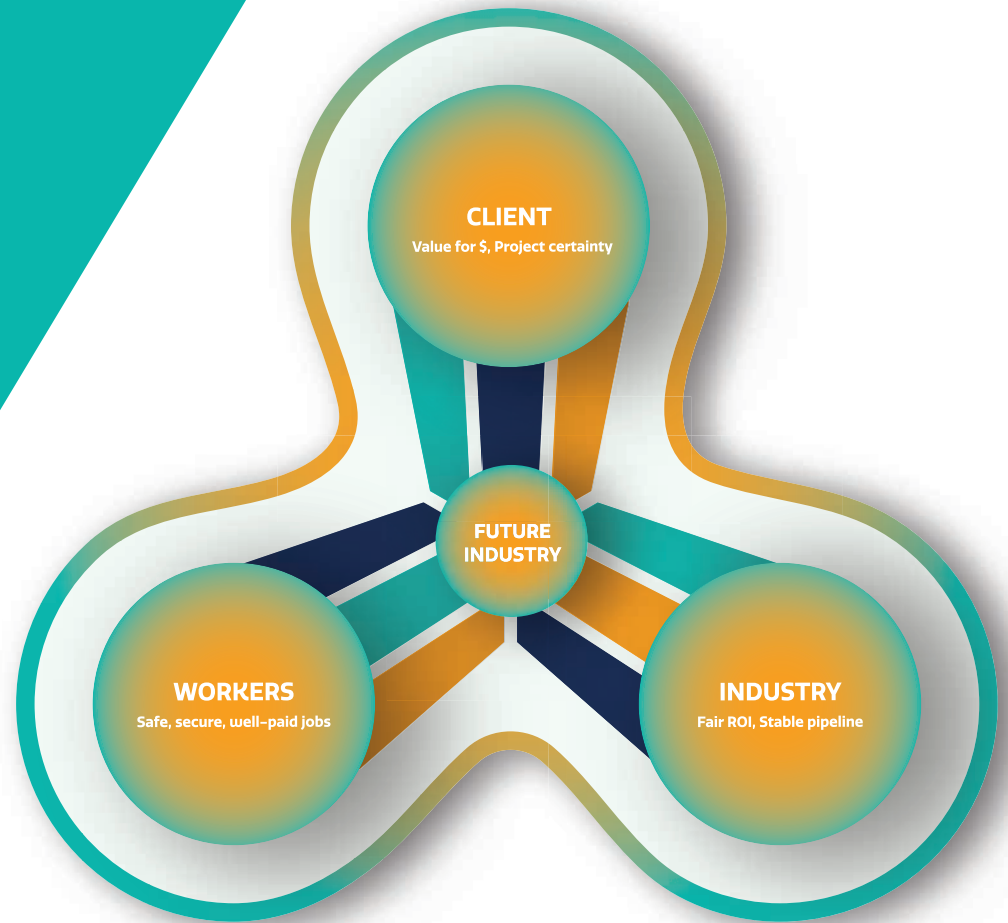
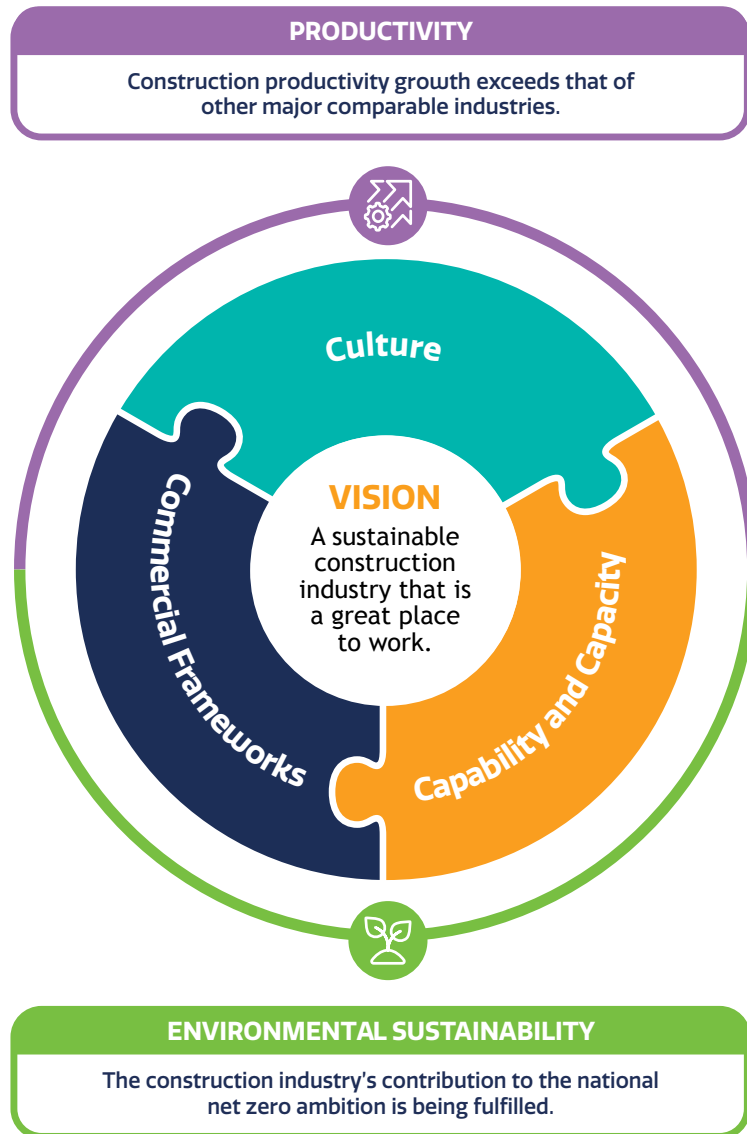


Figure 2. Industry that welcomes all and is fair for all



Priorities

ACA's strategic priorities focus on improving industry productivity and are grounded in a commitment to improving environmental sustainability. The three crucial elements necessary for an enduring and sustainable construction industry are a good culture, equitable commercial frameworks, and sufficient capability and capacity. We consider them as the three legs of a stool—if one of these legs is missing, the entire structure becomes unstable. To increase productivity and better manage environmental impacts, we need to work on improving all three of these areas (See Figure 3).

Figure 3. Strategic Plan

Advocacy – 'walking the talk'

Advocacy is at the core of what we do, but it's more than just pushing for change. Building on last year's suite of reports outlining reform opportunities, this year we focused on bringing stakeholders together to encourage collaboration and drive real solutions to the construction industry's biggest challenges. As a result, we are now in a strong position with several key initiatives ready to deliver on the recommendations from those reports.

CEO engagement

ACA's CEO, Jon Davies, actively engages with government and industry through an extensive outreach program. ACA has consistently advocated for strong national leadership, working to align efforts across states. ACA's role in connecting state and federal government agencies with industry leaders has been significant, driving collaborations that benefit the construction sector as a whole.

Beyond the major initiatives listed in this report, much more happens behind the scenes, with the CEO regularly holding one-on-one meetings to build partnerships and address industry challenges. In the past year alone, Jon Davies has held over 180 meetings with Australia's top leaders. This open dialogue is a key part of ACA's commitment to building trust and finding collaborative solutions for the industry. Figure 4 highlights the scope of this engagement.

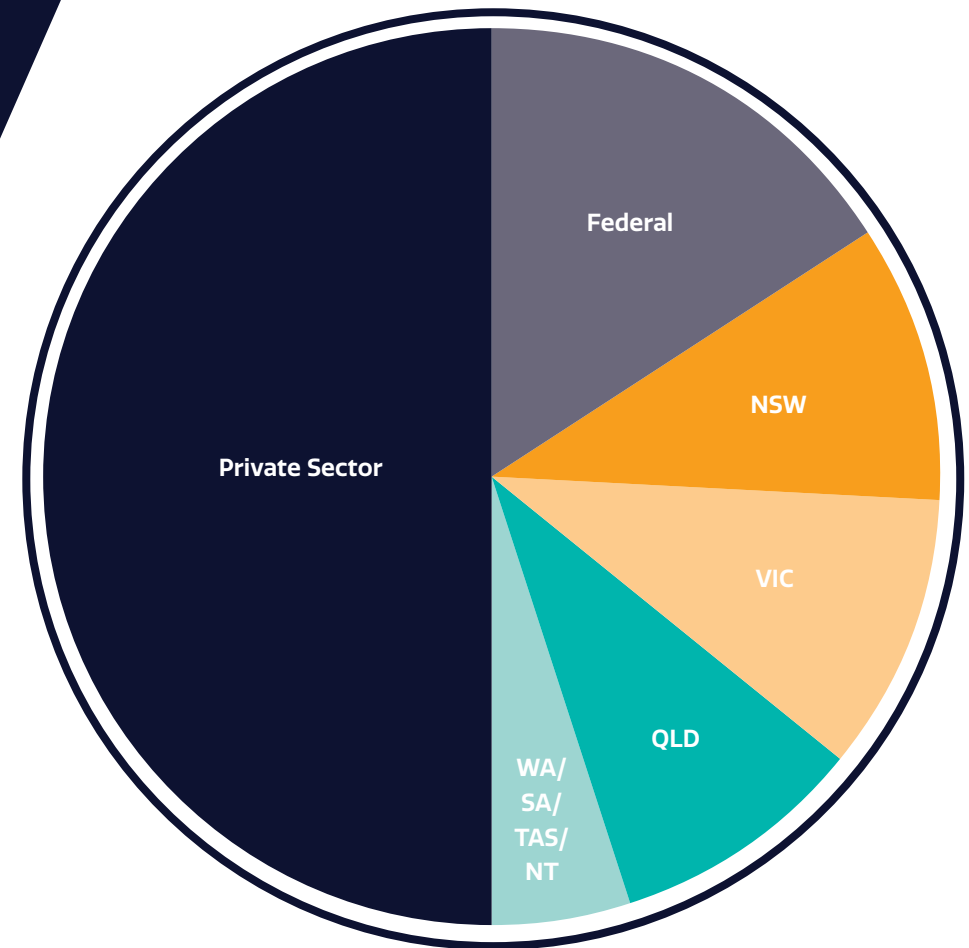


Figure 4. CEO engagement

Collaborations and initiatives

National Construction Industry Forum

The ACA is a founding member of the National Construction Industry Forum (NCIF), which brings together government, industry and unions to create a more inclusive and fair construction sector. The forum is co-chaired by the Minister for Employment and Workplace Relations, Senator the Hon. Murray Watt, The Hon Ed Husic MP, Minister for Industry and Science and the Hon Catherine King MP, Minister for Transport, Regional Development and Local Government (Refer to Table 1 for a list of members).

In October, the ACA played a key role in securing a commitment for the forum to develop a Building and Construction Industry Blueprint within six months. This blueprint will help define what 'good' looks like, map out existing reform initiatives and identify areas where further reforms are needed.

Table 1. NCIF members

Name	Background
Government	
Senator the Hon Murray Watt (Chair)	Minister for Employment and Workplace Relations
The Hon Ed Husic MP	Minister for Industry and Science
The Hon Catherine King MP	Minister for Infrastructure, Transport, Regional Development and Local Government
Employees	
Naomi Brooks	Construction, Forestry and Maritime Employees Union
Tony Callinan	Australian Workers' Union
Robyn Fortescue	Australian Manufacturing Workers' Union
Steve Murphy	Australian Manufacturing Workers' Union
Kristen Reid	Communications, Electrical and Plumbing Union
Stacey Schinnerl	Australian Workers' Union
Zach Smith	Construction, Forestry and Maritime Employees Union
Michael Wright	Electrical Trades Union
Employers	
Jocelyn Martin	Housing Industry Association
Mike Zorbas	Queensland Investment Corporation and the Property Council of Australia
Brent Crockford	Australian Owned Contractors
Jon Davies	Australian Constructors Association
Oliver Judd	National Electrical and Communications Association
Alison Mirams	Formerly of Roberts and Co.
Nicholas Proud	Civil Contractors Association
Denita Wawn	Master Builders Association



Pictured: NCIF meeting, October 2024

Construction Industry Leadership Forum

The Construction Industry Leadership Forum (CILF) was established in 2018 by the ACA in partnership with the NSW and Victorian Governments. Since then, membership has expanded to include the Queensland and federal governments, and this year we welcomed the WA Government as a new member.

Two CILF conferences were held in 2024. The first, in April, focused on Modern Methods of Construction (MMC), exploring how MMC can be used to improve productivity and project outcomes. The second conference, held in October, focussed on streamlining aspects of the delivery stage of projects to expand the industry's capacity, looking at key factors like compliance, governance aligning stakeholder interests and the design approval processes.

Quarterly Transport for NSW Forums

Since 2022, ACA has been holding quarterly forums with members and Transport for NSW (TfNSW) to address ongoing and current issues. This year, the focus was on achieving real, productivity-driven results, and we've seen some significant successes:

- 360-degree health check tool: This online tool, being progressively introduced on Transport for NSW projects, aims to boost collaboration and improve site culture, while reducing disputes.
- Flexible personnel requirements: Previously, the government had strict rules on team selection. Now, those rules have been relaxed, allowing contractors to propose their best teams and justify their choices.
- Streamlined design review: The design review process is being simplified, with the phased removal of the need for an independent certifier or verifier.



Federation Funding Agreement

The ACA has long advocated for the Federal government to use the money it grants to the states for transport infrastructure to drive reform in the delivery of these projects. Following the expiration of the National Partnership Agreement the Commonwealth negotiated a Federation Funding Agreement (FFA) with the States. The FFA contains a focus on driving improved outcomes in a range of non-cost areas such as improving industry culture, reducing emissions and increasing local manufacturing.

Queensland Government Infrastructure Productivity and Workforce Roadmap

ACA worked closely with the Queensland Government in developing the Infrastructure Productivity and Workforce Roadmap. Specifically, ACA helped guide a focus on improving the productivity of infrastructure projects by identifying key areas where processes, systems and delivery methods can be enhanced. Serving as a strategic plan, this roadmap will help support the state's infrastructure needs and workforce challenges as the state ramps up investment in infrastructure.

Construction Industry Culture Taskforce

Since August 2018, the Construction Industry Culture Taskforce (CICT) has been developing a new Culture Standard to lift the productivity and performance of construction and address the major issues holding back our industry – excessive work hours and fatigue, poor mental health, and failure to attract a diverse workforce.

This year the CICT released two major reports. The first tracked the experiences of 136 NSW trainees who spent two years in the infrastructure construction industry while completing a TAFE course. Titled *Intention to Pursue a Career in Construction/Infrastructure*, the report highlights a gap between what trainees desire in a career and what they believe the industry offers. While trainees expressed enjoyment in working towards a common goal in a team environment and found satisfaction in seeing projects come to life, one major deterrent was frequently mentioned: long working hours.

The second report, the *Culture in Construction Pilot Projects: Interim Report*, presents the findings from five pilot projects. A significant finding was that 84% of salaried respondents and 61% of waged respondents preferred a five-day work week, contrasting with the current norm of longer hours, where 64% of workers exceed 50 hours per week and Saturday work is common. Despite initial concerns about productivity and pay, feedback from pilot project participants showed minimal negative effects.

To support adoption, the Culture Standard has been piloted on projects across NSW and Victoria. Major agencies like Major Projects Canberra, Transport for NSW and Development Victoria have also incorporated the Culture Standard into their key project tenders.

The CICT is now focused on broader implementation. The early integration of the Culture Standard into procurement processes demonstrates that progress is being made nationwide. Through collaboration between the public and private sectors, the Culture Standard is emerging as a key tool for transforming the industry's culture.



Culture pledge

Last year ACA made a pledge to transform the culture of the construction industry within five years. The first significant step towards this transformation is the commitment to achieve the Workplace Gender Equality Agency (WGEA) Employer of Choice citation by 2028. This isn't just about addressing gender disparities in pay; it's about creating an inclusive environment where opportunities are available to all, irrespective of gender. Marking the one-year milestone of our pledge, the progress made has been encouraging with Laing O'Rourke, John Holland and Clough already achieving this milestone, setting a powerful precedent for the industry. Workers everywhere, both men and women, are demanding more than just work – they want a life.

We hear this daily on sites but a recent study by the Construction Industry Culture Taskforce of New South Wales trainees confirmed that long working hours are deterring the next generation of workers from the industry. Flexible work practices with reasonable hours/days worked are not an unreasonable ask. Questioning the necessity of the ten-hour workdays and six-day workweeks that characterise the industry, our members have implemented workplace flexibility policies to ensure genuine access to flexible arrangements for every employee. By offering a better work-life balance including more flexible hours, we are confident we can improve worker wellbeing and, in doing so, the industry will be in a better position to attract workers, notably women.

Attracting more women to the industry is another important part of improving the construction industry's culture. ACA is developing an attraction campaign targeting mid-career women. The aim is to create something unique and to leverage our position in delivering some of the nation's most awe-inspiring projects by providing women with firsthand site experiences. In tandem with industry efforts, governments are taking action to reshape industry culture through procurement practices. Collaborating with the NSW and Victorian governments through the Construction Industry Culture Taskforce.



Women in Construction Industry Innovation Program

ACA is working on an exciting new initiative, supported by the NSW Government's Women in Construction Industry Innovation Program grant, to attract mid-career women to the construction industry.

The initiative is industry-first, with major contractors coming together to offer women the chance to experience what a career in construction is really like. Many women don't realise that the skills they have gained in other industries can easily transfer to construction. Bringing these women into our industry can accelerate the cultural shift we desperately need –it's about more than just gender balance.

The initiative will include a public awareness campaign featuring a web-based portal, where women can learn about and explore careers in construction. But it goes beyond that—women will have the opportunity to visit construction sites and see firsthand what working in the industry is like.

ACA will launch the campaign in early 2025.

Pictured : ACA Culture Committee workshop, April 2024



Pictured : Top Right
NCR Meeting,
October 2024



Infrastructure Net Zero Initiative

ACA partners with several other peak bodies and federal agencies in the Infrastructure Net Zero initiative. The Infrastructure Net Zero initiative underscores the close collaboration between government and industry in creating a clear path for the sector to reach net zero emissions. The immediate priority areas include defining net zero for infrastructure, reaching alignment between public and private sectors, uplifting capability in the supply chain and procuring for net zero. Infrastructure Net Zero members include: ACA, Australasian Railways Association, Clean Energy Finance Corporation, Consult Australia, Department of Infrastructure, Transport, Regional Development, Communications & the Arts, Green Building Council Australia, Infrastructure Australia, Infrastructure Partnerships Australia, Infrastructure Sustainability Council and Roads Australia.

Defence Collab Initiative

This year, ACA joined the Defence Industry Collab, a group that connects key stakeholders involved in Defence infrastructure, including ACA, Consult Australia and the Department of Defence's Security and Estate Group.

The forum's main goal is to strengthen collaboration between Defence and its infrastructure partners, helping to improve the delivery of capital works and support services essential for estate and infrastructure planning. It also aims to improve the capacity of the industry to meet Defence's needs.

Renewable diesel

ACA supports a tiered approach to decarbonising construction that aims for long-term electrification while also using low-carbon liquid fuels as a practical interim solution. This year we published a position paper on Renewable Diesel to help the Australian Government progress actions that support a low-carbon liquid fuel industry.

To meet national emission reduction targets, we need a reliable and affordable supply of renewable diesel. This supply will not happen by itself. We were pleased when the Australian Government announced plans in the Federal Budget to support a low-carbon liquid fuel industry, focusing on renewable diesel for emissions reduction in construction. This initiative will help ensure that low-carbon liquid fuels can bridge the gap until electric options are fully developed, with renewable diesel being the most effective solution for the construction industry right now.

Renewable diesel allows for necessary emission reductions in the short term without requiring changes to existing machinery. In addition to aiding decarbonisation in construction, a domestic renewable diesel industry will also lower air pollutants and improve air quality, enhance energy security, and drive local employment and economic growth through feedstock production and refining.



Renewable Diesel Position Paper

Market Sentiment Survey

For the third consecutive year, ACA in partnership with Arcadis released the 2024 Construction Industry Market Sentiment Report. This year's report revealed increasing concerns about the impact of political decisions on project pipelines and the significant effects of the current industrial relations environment on construction costs.

Significant real wage rises, combined with stagnant productivity growth, are major factors driving up construction costs, which in turn are reducing the amount of infrastructure that governments can afford to build. The disparity of wages between government and private sector projects has left the private sector unable to complete with a staggering 81% of respondents reporting either stagnation or decline in the residential construction sector.

The report also raised concerns over the declining market sentiment caused by government cutbacks, commercial sector uncertainty and delayed commencement of new energy initiatives. The report reinforces that we can't afford to continue with business as usual; project planning needs to be improved and construction costs need to be lowered to ensure the country can afford the infrastructure it needs.

Reports and surveys such as this are vital to informing and supporting our advocacy.



2024 Construction Market Sentiment Survey May 2024

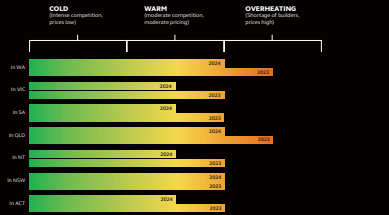
Australia is slowly moving through the post-pandemic recovery. Following a steep increase in construction output in 2022, activity slowed somewhat in 2023 and ongoing delays and commitments to project pipelines is dampening overall sentiment across the industry.

This survey has identified the following key themes:

- Political interference is severely impacting the construction industry and the bottom lines of contractors, likely due to regulation changes and confirmed project commitments (and ultums).
- The industrial relations environment, specifically as it relates to rising labour costs, is increasing construction construction costs while reducing construction productivity.
- Escalation absorption and risk exposure continue to be significant impediments to project success and business viability.
- The current environment – which is categorised by higher construction costs – is impeding the private sector and driving clients to consider utilising hard-dollar tenders and lump sum contracts.

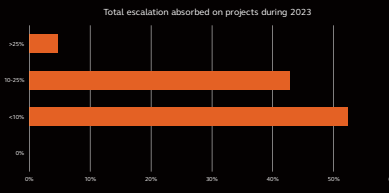
MARKET OUTLOOK

Market outlook has reversed across most markets, with overall sentiment declining. Only NSW has maintained the same level of outlook as last years survey. Our analysis indicates that this due to large swathes of projects across the country being delayed over the past 12-18 months and that promised pipelines and commitments have not yet eventuated.



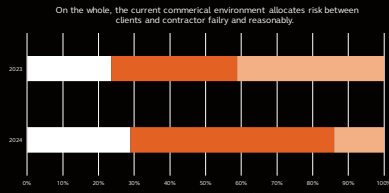
ESCALATION ABSORPTION

We asked respondents how much cost escalation they continue to absorb on their projects once all contractual mitigations had been implemented (i.e. scope adjustments, contract variations, extensions of time, etc). Responses indicate that contractors have continued to absorb significant levels of escalation in some cases and that this may be a worsening picture.



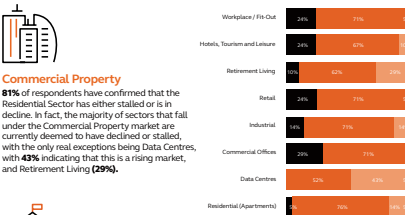
CONTRACTING ENVIRONMENT

Nearly three-quarters of respondents (71%) agree that current contracts do not adequately and fairly allocate risk between contracting parties. This is a similar result to last year's survey and indicates that this situation has not improved.



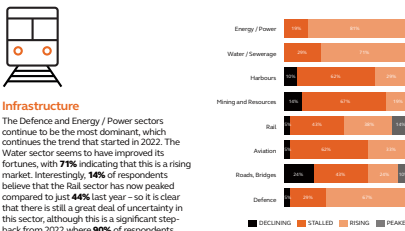
The sectors that are running hot

Based upon responses, the hottest sectors across the construction industry are Energy and Power (81%), Water (71%), and Defence (67%). All of these sectors sit under the Infrastructure segment and are representative of rising public sector investment. Interestingly, there are growing signs that Transport Infrastructure (namely Roads and Rail) have started to peak.



Social Infrastructure

As per last years survey, Health continues to outperform the other sectors in this market with 38% of respondents in agreement as to the strength of the sector. However, overall sentiment in Education and Health has fallen from last year's survey, with most respondents indicating that these markets have stalled. This is likely in response to delays to project commitments that ultimately undermine industry confidence.



What Contractors said:

"[The] industrial relations environment is heading downhill with unreasonable power given to unions without any consideration of [the] productivity effects. Governments [that are] empowering these changes are then reluctant to take on any of the costs or risk that comes with the changing IR environment."

"Governments [have] restricted budgets and therefore [are] starting to revert to hard dollar contracts or contracts that give limited relief for factors outside [of] the contractor's control."

"We are very focused on the form of contract / risk allocation but one of the largest sources of risk is when the tender design and/or site investigations are underdeveloped. I would really like the industry to place more focus on this as regardless of contract model, doing more (say) utilities investigations before going to tender reduces risk for everyone."

"Several large government funded construction projects (Road, Rail, Aviation) are stalled or delayed. Appetite for greater clarity of this forward pipeline is strong and will give confidence to invest in capability. There is a significant uplift in tenders for renewable projects. However disparate procurement processes and contracts makes it difficult to predict when this work will transact."

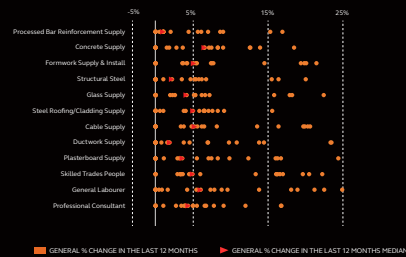
"There has been a significant correction in overspending in the infrastructure space and government spending. This has escalated the market in non-government and private areas making it difficult to get feasibility to work on other projects."

"Margins are already very low after overheads [are considered], so [these] need to increase to make the whole industry viable."

"The appointment of contract risk/liability is the single largest impediment to growth of our business."

BASKET OF GOODS (ALL RESPONSES)

Pricing volatility has continued to ease, and material price escalation now appears to be close to long-term trends, which is a welcome sign. However, skilled trades, general labour, and consultant costs have all held steady from last year, with an average increase of approximately 5%. It should be noted that some respondents have indicated that costs associated with Skilled Trades People have increased between 15% and 20%, which is likely due to the status of EBA negotiations in various jurisdictions.



CAPACITY PERCEPTION



Materials

Market feedback indicates that many of the supply and logistical issues experienced over the last two years continue to resolve themselves and that materials are becoming increasingly available. This has perhaps taken 12 months longer to resolve than first anticipated.



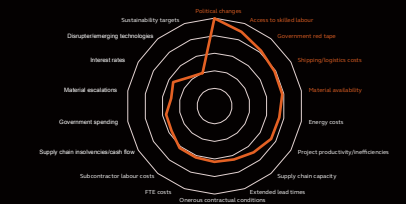
Skills and Labour

Our survey last year indicated that labour supply was not a critical issue but that there were concerns about future capacity. Interestingly, the situation appears to have improved slightly, but the does not mean that challenges of labour capacity have been abated. It is more likely that this is a result of the current market slow-down, which is evidenced by the market analysis elsewhere in this paper. This year we have introduced a new category – Professional Services – and this is highlighted as the largest area of concern by respondents in terms of availability / capacity.

BUSINESS IMPACT

This year we have introduced a new category where we asked respondents what were the biggest factors that significantly impacted or influenced their business in the preceding 12 months. The top three responses, by a significant amount, comprised:

- Political Changes
- Access to Skilled Labour
- Government Red Tape



Government and industry working groups

Collaboration is key to improving the sustainability of our industry. We're proud to work with government and industry stakeholders on a range of committees and working groups, including:

- Q2032 Industry Advisory Group – Queensland Government 2032 Olympic and Paralympic Games
- Dispute Resolution Board Foundation
- Transport and Infrastructure Council
- Federal Safety Commissioner Industry Reference Group
- NAWIC Industry Leaders Collaboration Roundtable
- Queensland Infrastructure Industry Steering Committee
- INSW Women in Construction Advisory Group
- Ministerial Roundtable on Procurement
- Wellness in Infrastructure.

Submissions

Throughout 2024, we submitted proposals to various state and federal government agencies. These submissions were supported by a comprehensive engagement program. ACA submissions:

- Draft Australian Skills Guarantee Procurement Connected Policy Guidelines – January
- Enabling supply of renewable diesel in Australia – A consultation paper on establishing a paraffinic diesel fuel standard for Australia – January
- Electricity and energy sector plan discussion paper – February
- Brisbane 2032 Games Venue Infrastructure Review – February
- Work Health and Safety (Review Recommendations Amendment Bill 2024) – February
- Market engagement process to inform the development, procurement and delivery of future transmission infrastructure (VicGrid) – February
- Strategic review of apprenticeship incentive scheme – May
- Market sounding – establishment of major construction panel, Defence – May
- A Future Made in Australia: Unlocking Australia's Low Carbon Liquid Fuel Opportunity Consultation Paper – July
- Formal Review into Victorian Government Bodies' Engagement with Construction Companies and Construction Unions – October
- Defining an Australian Business for Commonwealth Procurement – October



Foundations and Frontiers

The Foundations and Frontiers forum was a highlight this year. Inspired by the COP Summits and the World Economic Forum, ACA was excited to launch this new annual gathering to unite the construction industry, setting ambitious targets and driving meaningful progress.

The need for the forum stems from the fact that the industry's challenges require a coordinated national response, which led us to design an action-oriented forum that brings together government, industry, unions and academia to address the sustainability of construction in Australia.

Our inaugural Foundations and Frontiers forum (FF24) brought together 600 participants, including 100 influential leaders who took part in focused roundtable discussions. To broaden participation, we released discussion papers ahead of the event, inviting submissions on key topics. The feedback, shared on the FF24 website and social media, helped guide the discussions and build momentum for change.

In closing FF24, 75 industry leaders took an unprecedented step towards change by signing a communique. This powerful statement recognised the construction industry's critical role in Australia's economy, acknowledged the significant challenges the sector faces, and solidified a commitment to addressing these challenges together.

The insights from the roundtables will inform the development of Australia's first National Construction Strategy (NCS). Initially focused on Transport Infrastructure, the NCS aims to improve productivity in the sector. Coordinated by the Commonwealth Department of Infrastructure, the strategy will be developed in collaboration with the states and other key industry stakeholders.

It will focus on four key areas: procurement, workforce, data and innovation and modern methods of construction. As well as informing the creation of an NCS, the FF24 roundtable discussions will also contribute to other reform initiatives, such as the Construction Industry Leadership Forum and the Construction Industry Culture Taskforce.

The NCS is the beginning of something transformative. Born from industry efforts and supported by government collaboration, the strategy has the potential to extend far beyond transport infrastructure and fundamentally reshape the sector.



08.08.24
Sydney

COMMUNIQUE

Foundations and Frontiers - National Construction Forum

Dollone House, Jones Bay Wharf, Sydney, 8 August 2024

Australia's construction industry is critical to our economic prosperity and the livability of our communities.

The construction industry is building the new homes, hospitals and schools needed for our growing population; constructing the transport infrastructure required to achieve significant economic, social and environmental objectives; the defence infrastructure needed to keep our country safe; the energy infrastructure required to reach our net zero emissions commitments, and so much more.

The past few years have seen efforts to improve efficiency, promote innovation and enhance culture and diversity in the sector. However, despite its crucial role in national development, Australia's construction industry continues to struggle with low productivity growth, comparatively high rates of business insolvencies, low female participation and poor worker mental health.

While many initiatives seek to address these challenges and have led to some positive changes, there is still more to be done. We commit to working together to improve the health and performance of Australia's construction industry to see a prosperous future for Australia.

Signatories

Mario Assouff, Executive Director, Webuild	Grant Fuller, Head of Health, Safety and Wellbeing, Eastern Freeway - Bunde to Tran Albion	Tim Parker, CEO, High Speed Rail Authority
Mark Baker, CEO, BESIX Wapac	Oliver Gardiner-Barnes, Interim Commissioner, Infrastructure Australia	Matt Peacock, National Industry Leader, Energy, Mining & Property, KPMG Australia
Vik Barwal, CEO, Boral	Tom Gailbrand, CEO, Infrastructure NSW	Grant Perry, Executive Director, Infrastructure Strategy & Innovation, Department of State Development and Infrastructure, Queensland
Joe Bar, CEO, John Holland	Pilar Gomez, Human Resources Director, Acciona	Kate Raymond, CEO, Master Electricians Australia
Peter Bennett, CEO & Managing Director, Clough	Therese Haertel, Overseas Business Director, CH2M Australia	Michael Read, Executive Director, Icon and Barpa
Matt Bourne, CEO, Roberts Co	Patrick Hastings, CEO (Acting), Infrastructure Sustainability Council	Mag Rehm, Executive Director, General Counsel - Global, Multiplex
Steve Brogan, Chief of Policy and Research, Infrastructure Australia	Cathy Hayes, Head of Client & Strategy NSW & ACT, CPE Contractors	Saeed Robin, CEO, Bourgeois Construction Australia
Evan Byrne, CEO, Icon Group	Roger Innes, Head of Construction - Australia & Asia, Gallagher	Mario Russo, Managing Director - Australia, McConnell Dowell
Guido Caccogiamia, Head of PPP & Concessions Australia, Webuild	Oliver Judd, CEO, National Electrical and Communications Association	Teresa Scott, Executive Director, Australian Procurement and Construction Council
Cynthia Calderon, Vice President Community, Communications & Stakeholder Engagement, Clough	Leah Kelly, Deputy Director General, Infrastructure and Regional Strategy, Department of State Development and Infrastructure, Queensland	Earle Sechen, National Secretary, Plumbing & Pipe Trades Employees Union
James Cameron, Executive Director, Australian Construction Industry Forum	Michael Kilguff, CEO, Cement Concrete & Aggregates Australia	Brett Smiley, CEO, Fulton Hogan
Jodi Clark, Director General, Department of Finance, Western Australia	John Kirkwood, CEO & MD, Seymour Whyte	Jason Spears, Managing Director, CPE Contractors
Jonathan Curdick, CEO, Constellation Australia	Steve Lambert, Chief Operating Officer, Seymour Whyte	Entille Sweeper, General Manager - Legal & Governance, DT Infrastructure
Russell Collins, Head of Integrated Capital & Safety, Melbourne Airport	David Lamming, CEO, Penary Group	Mark Tait, Group Executive & Head of Development, Invista
Jeremy Conroy, Chief Executive, Infrastructure SA	Helen Lingard, Professor, RMIT University	Krishan Tanti, Executive General Manager Infrastructure, Brisbane Airport Corporation
Damen Drichton, CEO, DT Infrastructure	Malcolm Macintyre, Managing Director, Capella Capital	Ehsan Vaisideh, CEO, Road & Rail Australia
Amelad Crookes, Director, Legal and Risk, Laing O'Rourke Australia	Romya Madan, CEO, Engineers Australia	Justica Viven-Wilcock, Lecturer, University of Adelaide
Damen Crough, Executive Chairman, prebailis	Sarah Marshall, Executive General Manager - People, Safety and Sustainability, Fulton Hogan	Pierre Wokim, Partner, Geographic Lead - Australia, Enterprise, KPMG Australia
Malissa Da Silva, Group Contracts Manager, BESIX Wapac	Jocelyn Martin, Managing Director, Housing Industry Association Ltd	Dave Whitmore, Director & NSW Regional Committee Chairperson, Lean Construction ANZ
Kathryn Davidson, Director of Strategic Growth, Corporate Affairs and Marketing, Balfour Beatty	Brett Mason, CEO, Balfour Beatty Ltd	Jon Whelan, Chief Executive, Department for Infrastructure and Transport, South Australia
Michael Depontaris, Chief Operating Officer, UGL Ltd	Steve Mason, Director of Operations, Landbase Construction	Jayne Whitney, Chief Strategy Officer, John Holland
Hank Edmunds, Acting Managing Director, Laing O'Rourke Australia	Doug Moss, Managing Director, UGL Ltd	Caroline Willis, CEO, Australian Railway Association
Camilla Dwyer, Deputy Secretary, Infrastructure and Place, Transport for NSW	Josh Murray, Secretary, Transport for NSW	Innes Wilcox, Chief Executive, AI Group
Paul Farrow, National Secretary, The Australian Workers' Union	Nicole Neal, General Manager HSE, McConnell Dowell	Michael Wright, National Secretary, Electrical Trades Union of Australia
Quenna Frisley, Associate Fellow, University of Oxford, Saïd Business School	Bede Noonan, CEO, Acciona	
John Fleckner, CEO, Multiplex	James Oatman, CEO, Hire and Rental Industry Association	
Mario Fontana, Managing Director, Ghella		

Australian Construction Achievement Award

The Rookwood Weir Project by Sunwater, GHD, ACCIONA & McCosker Contracting was announced as the winner of the 2024 Australian Construction Achievement Award (ACAA). This award is one of the highest honours a project can receive, recognising not only construction excellence but also the forward-thinking initiatives that contribute to a more sustainable industry.

Constructed on the Fitzroy River, the second largest seaward catchment in Australia, the project was a highly complex build with significant risks. These risks were minimised thanks to the exemplary collaboration of the alliance.

The project excelled in lifting the skills base within this sector, exceeding its training targets by achieving 106.9% for 'New Entrant' training hours and 209.8% for 'Other Workforce' training hours. The project also significantly surpassed its Indigenous employment targets, engaging 81 Aboriginal and Torres Strait Islander personnel, far exceeding goals.

One of the standout features of the Rookwood Weir Project is its technically complex fishlock and the world-first design turtle passage. Informed by the largest freshwater turtle telemetry project in the world, it is the first passage in Australia to provide safe upstream and downstream movement for turtles.

Now in its 27th year, this premier construction industry Award was again partnered by some of the major businesses connected with the industry including Caterpillar, Cbus, Gallagher, InEight and InfraBuild. The ACAA finalists for 2024 were:

- Rookwood Weir Project Gogango, Central Queensland
- Cairns Southern Access Corridor Stage 3: Edmonton to Gordonvale Project (E2G) Cairns, Queensland
- Central Station Metro Sydney, New South Wales
- Western Sydney International Airport Bulk Earthworks Badgerys Creek, New South Wales

Pictured Top Right: Rookwood Weir project team
Pictured Bottom Right: Rookwood Weir



Communications – ‘talking the talk’

Communication is at the heart of what we do. We are committed to bringing people together and ensuring transparency in all our activities. We also play an active role in public discussions to keep everyone informed. After all, you can't engage with what you don't know— so we're here to share what matters.

Broadcast media

We actively engage with the media to reach a wider audience and keep the industry in the spotlight. This year, we issued 27 media statements and spoke openly to the press. We're committed to changing the conversation around our industry, and we've taken steps to do that by publishing opinion pieces in key outlets like the Australian Financial Review and Daily Telegraph.

27
Media
statements

Media coverage



ASSOCIATIONS Australian Constructors Association Industry innovation and modern methods

With a substantial economic boost projected from improved construction productivity, the Australian Constructors Association is championing innovation as the path forward.

"The construction industry is not experiencing a shortage of work, it is facing a shortage of workers."



By Jon Davies, CEO of the Australian Constructors Association, speaking at the Australian Constructors Association's National Conference.

Modern methods of construction
MNC is becoming a significant portion of construction activity from other locations to coastal and inland areas.

46 **THE AUSTRALIAN** August/September 2024

The Australian Constructors Association (ACA) report, titled 'Industry Innovation and Modern Methods', highlights a potential \$60 billion boost to Australia's economy through improved construction productivity. However, the benefits are not being realised. The construction industry is struggling with an ageing workforce and a shortage of new entrants, leading to a projected 40 per cent reduction in the workforce by 2030. To address this, the ACA is championing innovation and modern methods of construction (MNC) to improve productivity and attract new talent. The report identifies several key challenges, including a shortage of workers, an ageing workforce, and a lack of investment in research and development. It also highlights the need for a more collaborative approach between industry, government, and academia to drive innovation and modernisation.



One of the challenges is the shortage of workers in the construction industry.



Modern methods of construction (MNC) is becoming a significant portion of construction activity from other locations to coastal and inland areas.

Measuring success
The ACA will continue to work with industry, government, and academia to drive innovation and modernisation. The report also highlights the need for a more collaborative approach between industry, government, and academia to drive innovation and modernisation. The ACA is committed to leading the industry in the adoption of MNC and to ensuring that the benefits of innovation are realised for all stakeholders.

www.theaustralian.com.au/business/industry-innovation-and-modern-methods

18 THE AUSTRALIAN, MONDAY, MARCH 18, 2024 theaustralian.com.au/businessreview

"ESSENTIAL FOR NET ZERO" Push for renewable diesel industry

JOE KELLY

The Albanese government faces new calls to urgently develop a low-carbon liquid fuel policy to help transition hard-to-abate sectors such as construction, and is expected to meet its net zero target.

The push comes ahead of a two-day renewable fuels conference in Canberra which will include major players such as Boeing, ExxonMobil, Qantas, BP, Ampol, Neste, Rio Tinto and Lend Lease, with a keynote address from Industry Minister Catherine King.

A new construction industry position paper—obtained by The Australian—says that Australia will not be able to meet its climate objectives unless the construction sector is decarbonised, but that technology constraints mean the preferred pathway of electrification of construction machinery will take too long.

Only 40 per cent of construction machinery will be suitable for electrification by 2030 and only 60 per cent will be suitable by 2040, according to the document.

The position paper, prepared by The Australian Constructors Association (ACA) ahead of the two-day conference, commencing on Tuesday, said that a compatible with Australia's net zero target despite it being the most promising "long-term solution" for eliminating construction's emissions.

It called on the government to instead develop a domestic renewable diesel industry, noting that renewable diesel could be used as a 100 per cent substitute for mineral diesel while achieving a reduction in emissions of 95 per cent.

However, there is no domestic renewable diesel production in Australia.

Albanese—reflecting a lag in Australian policy behind the rest of the world.

Renewable diesel—which would allow existing construction machinery to complete its working life—is becoming widely available overseas and, in the US, renewable diesel production is expected to more than double through 2025.

Renewable diesel is only available in Australia through importation at a "high-cost premium", and the position paper calls on Labor to introduce a suite of tax incentives and capital grants to shore up the viability of an Australian renewable diesel industry.

The ACA called on the government to lead the development of a low-carbon liquid fuel policy to "accelerate the development of domestic renewable diesel industry."

"The policy should plot a clear course for scaling a sustainable renewable diesel industry in Australia using Australian feedstocks. Consideration should be given to the role of fuel carbon intensity standards, tax treatment, as well as capital grants and incentives," it said.

A key outcome should be to prescribe a holistic regulatory framework that builds investment confidence and empowers organisations to rapidly adopt renewable diesel.

ACA chief executive Jon Davies called for "direct government policy intervention to rapidly accelerate both the supply and demand for renewable diesel in Australia."

"Importing renewable diesel is cost-prohibitive relative to mineral diesel, making adoption competitive disadvantage," he said.

The two-day conference at the National Gallery of Australia will focus on sustainable aviation fuel and renewable liquid fuels to assist the decarbonisation of key industries, including construction, aviation and agriculture.

It is by being the industry that also transforms how we work to maximise output from the current workforce.

www.theaustralian.com.au/business/industry-innovation-and-modern-methods

Construction's long hours put off next-gen workers



Sticking to a five-day week, 21-year-old construction trainee Charel Helou. PHOTO: DOMINIC LORRAIER

Exclusive
Michael Bleby

Australia's \$237 billion pipeline of infrastructure is at risk from a generation of construction workers deserting the industry, after a landmark survey of new trainees showed excessive working hours put many off choosing a career in building.

Nearly two-thirds of respondents to a new survey of participants in a two-year NSW government infrastructure trainee program said they were undecided about pursuing a career in construction.

The 129 responses, which reflected the demand for a career that allowed them to balance work with family commitments, study ambitions or leisure activities, were equally split between men and women. Just 21 women and 23 men said they wanted to make a career in construction, while two women and one man said no.

The largest group – 40 women and 42 men – were undecided.

"Young people are voting with their feet," Construction Industry Culture Taskforce and Infrastructure Australia chairwoman Gabrielle Traylor told *The Australian Financial Review*.

"We need a step change in the industry, we need to really do something quite significant to change the settings that have become so entrenched in the industry, particularly the working hours. Changing working hours could be a real catalyst for change in the industry."

The findings strike the argument for change in an industry already struggling to attract women – Infrastructure Australia figures state just 12.7 per cent of the construction workforce and 2 per cent of workers in construction trades are female – and points out it also risks losing men.

A key background is the argument over five-day rosters on site, which over the past decade has been pushed by public agencies such as Health Infrastructure NSW and the Victorian government are increasingly specifying in tender documents. Industry groups, however, are wary.



Jon Davies, CEO, Australian Constructors Association

Jon Davies, CEO of the Australian Constructors Association (ACA), released a report, *Building Productivity*, which identified a \$56 billion opportunity for Australia to improve productivity. While the economic benefit is significant, the opportunity is greater than just financial gain. The construction industry is facing a growing crisis with an ageing workforce, more people are leaving the industry, the call to action is more efficient, the call to action is more efficient, not by reducing working hours, but by leveraging innovation and modern methods of construction (MMC) to do more with the people we have.

The potential \$56 billion will not be a theoretical figure. It is a goal that can be achieved by supporting job creation and improving the living standards of Australians. However, the declining workforce in the construction industry threatens the challenge, therefore, it is not just about filling the gaps left by those leaving the industry, but about transforming how we work to maximise the output from the current workforce.

Importantly, we need to correct the false idea that more productivity means people will lose their jobs. The shortage of work is not a shortage of workers. The focus must be on maximising the efficiency of our existing workforce through innovation and MMC, ensuring that we can

decided on a career in construction, but wants to stay in the public sector, running projects on a five-day working week, in a break from the traditional six-day schedule of construction sites.

"I really enjoy working in government," he said. "I work five days a week, but in private organisations, I have seen it's quite common to work on Saturdays." Work-life balance that allows him to combine work, gym and time with friends and family was important, Mr Helou said. "But, if you are non-government you might go to work, then sometimes have to stay back later to manage a [concrete] pour that goes overtime, for example."

The survey of trainees aged between 17 and 23 – male and female – found only 26 per cent thought they could combine construction with parenthood.

Australian Constructors' Association chief executive Jon Davies said consideration survey respondents flagged. "Trainees also described the importance of respectful workplace relationships, an inclusive, gender-diverse and fair work environment and having

If you haven't got the workers, that, of course leads to low productivity.
Gabrielle Traylor, Infrastructure Australia chairwoman

career development opportunities in determining where to "work". Mr Davies said that "if we fail to act on data such as this, the industry will not be able to attract and retain the diverse range of people and requires to refresh its talent pool."

A culture standard that the industry is developing is a set of guidelines to form part of government procurement processes specifying a five-day week, with no worker working more than 50 hours on average.

Without such changes the industry wouldn't be able to do it, effectively "We won't be able to do it in a time when we're able to do it, we haven't got

stakeholders and state and federal government to develop a strategy focused on increasing innovation and the adoption of MMC. This process will include a thorough review of existing literature and a mapping of practices and areas for improvement. One key aspect of this strategy is to examine the barriers to innovation and the adoption of MMC. Common barriers include a lack of awareness and understanding of MMC (it's not prefabricated), scale of investment, regulatory constraints and resistance to change within the industry. To overcome these obstacles, the strategy could targeted education and training programs, increased design of design for manufacturing and assembly.

For instance, does every hospital in a state really have to be different? Can we have a standard design for a hospital? Can the same as schools, offices and other buildings, for example corridor walls?

MEASURING SUCCESS
An important component of the strategy will be establishing metrics to measure its success. The "edge" underpins the importance of having progress. By quantifiable goals to track progress, stakeholders can ensure that the strategy remains focused on achieving improvements in productivity and innovation.

While the initial focus of the strategy will be on the efficiency and productivity of the construction sector, the strategy will also be extended to other sectors if successful. The vertical sector, such as residential buildings, can potentially stand to benefit the most from the efficiencies and innovation MMC brings. By addressing the barriers to innovation, promoting the adoption of MMC and establishing clear metrics to measure the industry will be able to ensure that Australia can build the infrastructure it needs to thrive in the decades to come.

THE STRATEGY
Over the coming year, the ACA will collaborate with key industry

Prime container park investment

For sale
Head, Brooklyn VIC
INDUSTRY INSIGHTS

See a brighter way

IMPROVED PRODUCTIVITY WITH MODERN CONSTRUCTION

By Jon Davies, CEO, Australian Constructors Association
Modern methods of construction offer the industry a pathway for infrastructure delivery that is safe, efficient and sustainable.



See a brighter way

FINANCIAL REVIEW

Building productivity

With budgets tightening, fewer skilled workers available and demand for construction projects increasing, improving construction productivity is now more urgent than ever. Michael Bleby's article "Prepare for building inflation to surge again" highlights this pressing issue.

Over the past three decades, construction productivity has stalled, causing costs to rise despite wages increasing when adjusted for inflation. Analysis by Oxford Economics, commissioned by the Australian Constructors Association, found that closing the productivity gap between construction and other major industries could boost Australia's economy by over \$36 billion annually. This could cover government initiatives aimed at reducing living expenses and fund the NDIS.

The link between rising living costs and declining productivity growth is evident. The deputy chairman of the Productivity Commission, Alex Robson, highlighted this disparity, noting that in 1901, buying a bicycle required 473 hours of work. By 2019, it took just six hours due to an 8000 per cent increase in labour productivity, which significantly reduced the cost of living.

Robson's point that "Productivity growth is not about working harder, working longer, or working for less. It is about working smarter," is especially relevant for construction. Practical improvements such as automated traffic management, streamlined procurement processes, flexible rostered days off, and collaborative contracts can enhance construction efficiency.

The Australian Constructors Association's upcoming Foundations and Frontiers forum on 8 August will bring together key stakeholders to address the industry's productivity issue. Closing the productivity gap is not just a financial opportunity, but essential for the construction industry's sustainability and the broader economy.

Jon Davies, CEO, Australian Constructors Association



today JON DAVIES
7/12
CEO, AUSTRALIAN CONSTRUCTORS ASSOCIATION

OPINION 25

Winds of change are here

Jon Davies

Imagine a future where every construction project is completed on time and on budget and the only newsmen headlines celebrate the them all and resilience displayed in the structures being built.

Picture construction companies operating with the efficiency and profitability of Tesla, investing in a thriving local manufacturing industry producing prefabricated building modules and project management, all the while significantly reducing both carbon emissions and costs. Beyond that, picture a scenario where everyone in the construction industry works less than 40 hours a week, women make up more than 15 per cent of the workforce and an industry wellbeing program is accessible to all. Imagine this all leading to the construction industry becoming Australia's sought after employer.

Some may question if this isn't already happening, while others, especially those entrenched in the industry, might find this utopian vision too good to be true. However, the reality is that many elements of this future are already in motion or moving closer to reality.

School Infrastructure NSW is pioneering modern construction methods, such as prefabricated components manufactured off-site by local industries, resulting in time savings of 30 per cent and a greatly reduced carbon footprint for new schools.

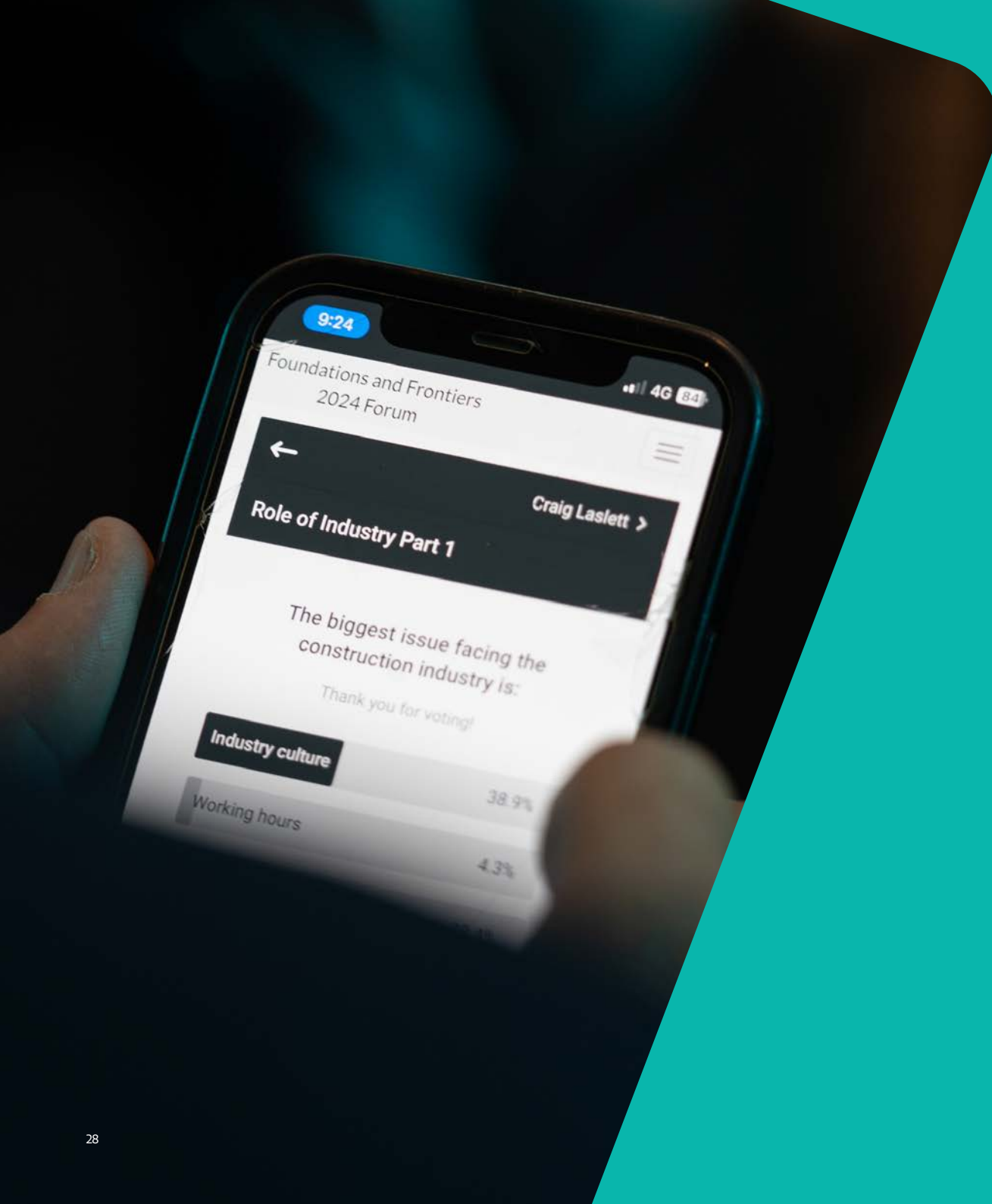
Looking overseas for inspiration, consider the Madrid subway extension. Using a modular design and doing away with architectural embellishments, the extension, comprising 11km of track and 20 stations, was completed in just eight years. By contrast, the Sydney Metro project is currently made up of 35km of track and six stations. It is scheduled to take over twice as long to complete.

Transport for NSW is leading a national initiative to reduce carbon emissions from road and rail projects and is working with industry to find ways to procure and deliver projects more efficiently and collaboratively. Workers on health infrastructure projects in NSW are increasingly working a five-day week and construction cultures standard to standard flexible working arrangements and wellbeing strategies on all government funded projects.

Through its Women in Construction Program, the NSW Government has invested \$20.2 million to triple the number of women in construction by 2030. This program includes components focused on creating a skills legacy and improving innovation.

For our part, the industry's largest contractors – those forming part of the Australian Constructors Association – have pledged to conduct flexible work plans for staff on all their projects and within five years 75 per cent of them will be comprised by the Workplace Gender Equality Agency as "Employers of Choice". The construction industry cannot continue down the path of inertia, slow-motion and delay. It is not in the interest of workers, it is not in the interests of contractors, and it is definitely not in the interests of the state.

Jon Davies is CEO of the Australian Constructors Association



Social media

We kicked off 2024 by promoting the hashtag #ImagineWhen. Our association's passion for the construction industry drives the content we create, and this year we shifted from simply advocating for change to actively inspiring it. Instead of focusing on challenges, we started highlighting positive outcomes and showcasing best practices, to imagine what's possible if these approaches were widely adopted.

As the year progressed, we transitioned to the hashtag **#MovementforChange**, signalling that the industry wasn't just dreaming of a better future—it was ready to make it happen.

Through our social media efforts, we've built a strong and engaged online community. The ACA now leads the way in LinkedIn engagement among industry associations. We've also continued to expand our reach, with our LinkedIn following surpassing 26,000. Our YouTube presence has also grown, featuring 74 video clips. We're excited to have 97 YouTube subscribers and look forward to seeing our community grow even further.



97

New YouTube
subscribers



26,000+

LinkedIn
followers

LinkedIn engagement metrics

Association name	Engagements
Australian Constructors Association	20,563
Roads Australia	15,616
Australasian Railway Association	14,116
Master Builders Australia	8,925
Infrastructure Sustainability Council	8,738
Infrastructure Partnerships Australia	5,416
Consult Australia	3,128
Australian Owned Contractors	308



Governance Report



About

ACA represents 19 of Australia's largest construction companies, including two new members this year – DT Infrastructure and Roberts Co. We are the only representative body for contractors delivering both vertical and horizontal construction projects, as well as undertaking infrastructure asset management. Our members construct and service most of the major infrastructure projects built in Australia every year.

Founded in 1994, ACA marked its 30th anniversary this year. Over three decades, ACA has grown from early steps to becoming a confident, trusted voice for the construction industry. We collaborate extensively across the sector and represent the views of industry leaders to help shape government policies to ensure Australian communities receive high-performing assets and services from the infrastructure, building, resources and energy industries. Our goal is to create a more sustainable construction industry for the benefit of all.

Board



Annabel Crookes

President, ACA

Director – Legal, Risk & Delivery,
Laing O'Rourke



Joe Barr

Vice President

Chief Executive Officer,
John Holland

*Joe Barr retired as Vice President
of the ACA in November 2024.



Meg Redwin

Vice President

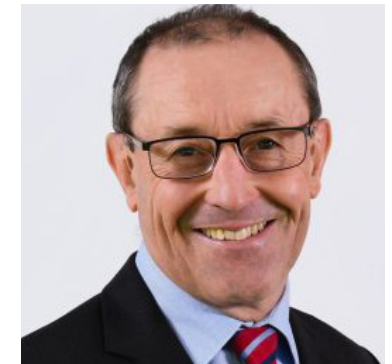
Executive Director, General
Counsel-Global, Multiplex



Jason Spears

Treasurer

Managing Director, CPB
Contractors



Michael Degotardi

Company Secretary

Chief Operating Officer,
UGL Limited



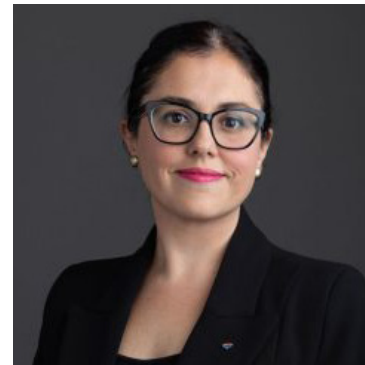
Pilar Gomez,
Human Resources
Director, Acciona



Bede Noonan
Chief Executive Officer,
Acciona



Mark Baker
Chief Executive Officer,
BESIX Watpac



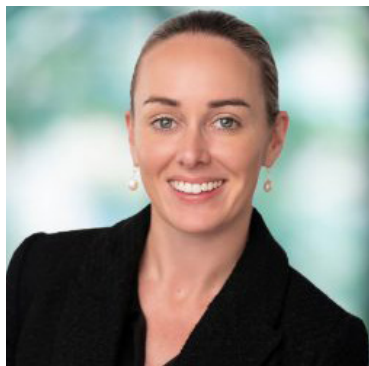
Melissa Da Silva
Group Contracts Manager,
BESIX Watpac



Seved Robin
Chief Executive Officer,
Bouygues Construction



David Paterson
Chief Executive Officer,
Built



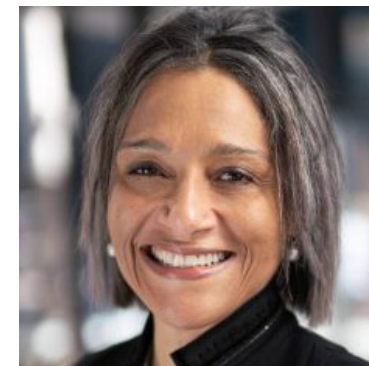
Kaitlyn Davidson
Director of Strategic Growth
Corporate Affairs and
Marketing, Built



Peter Bennett
Chief Executive Officer,
Clough



Cynthia Calderon
Head of Communications and
Stakeholder Engagement,
Clough



Cathy Hayes
Head of Client Strategy
NSW and ACT,
CPB Contractors



Emillie Sweeper
Head of Legal &
Governance,
DT Infrastructure



Brett Smiley
Chief Executive Officer,
Fulton Hogan



Sarah Marshall
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Matt Bourne
Chief Executive Officer,
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John Kirkwood
Managing Director and Chief
Executive Officer,
Seymour Whyte



Steve Lambert
Chief Operating Officer,
Seymour Whyte



Doug Moss
Managing Director,
UGL



Marco Assorati
Executive Director APAC,
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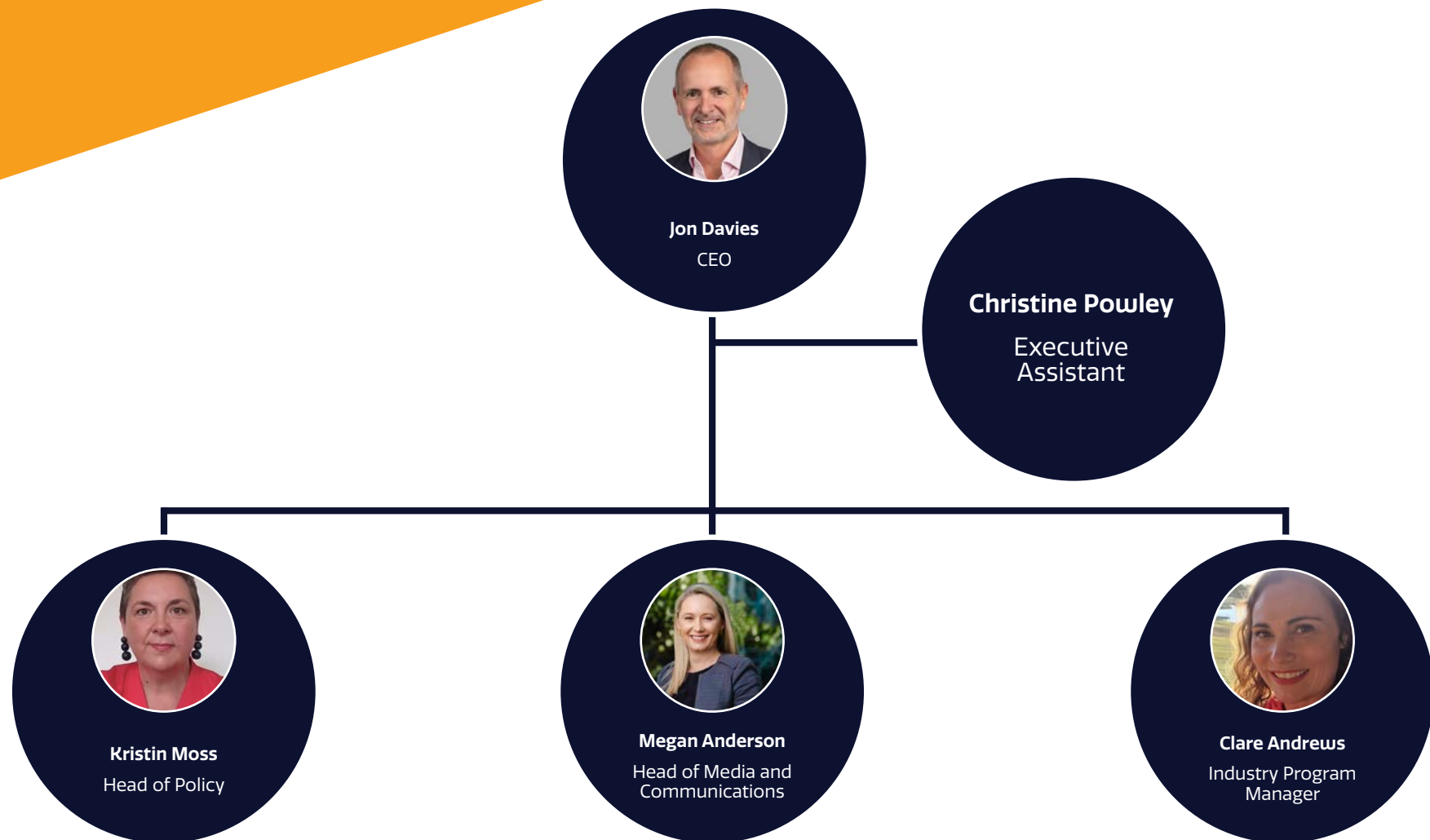


Guido Cacciaguerra
Head of PPP & Concessions
Australia, Webuild

Operating model

The ACA has a team of five full-time staff, including our CEO (See Figure 5). Our members commit significant time and resources to our Board Committees and Advisory Groups, which drive our advocacy agenda. These groups are at the core of our association's work.

Figure 5. ACA team structure



Board committees

Commercial Board Committee

Focussed on improving the commercial environment in the construction industry.

- Key initiatives: Developing a construction industry scorecard to track reform progress related to best practice procurement, and shaping the procurement approach for the Olympics. This committee is central to ACA's advocacy efforts, driving many of our submissions and working closely with government agencies. A notable example is its collaboration with Transport for NSW to streamline the design review process in contracts.

Productivity and Capacity Board Committee

Focused on boosting industry productivity and identifying areas for capability development that align with demand.

- Key initiatives: Leading the implementation of the National Construction Strategy with a focus on innovation and Modern Methods of Construction (MMC). This Committee also contributed to ACA's collaboration with Transport for NSW providing feedback on the development of the project 360 Health Check, which will be implemented, as well as the design of development roles on projects to increase female participation.

Culture Board Committee

Focussed on improving industry culture through improved work-life balance, employee wellbeing and workforce diversity.

- Key initiatives: Launching the Culture Pledge, partnering with the Workplace Gender Equality Agency (WGEA), conducting a flexible work survey, and developing the Attract campaign. This committee also works with the Construction Industry Culture Taskforce (CICT) to implement the Culture Standard.

Environmental Sustainability Board Committee

Focussed on supporting Australia's national goal of achieving net zero emissions through the adoption and promotion of Fossil Fuel Free Construction and enabling better understanding, across the supply chain, of carbon emission reporting.

- Key initiatives: Contributing to the development of a renewable diesel industry in Australia, including the publication of the ACA's Renewable Diesel Position Paper and ongoing advocacy at all levels of government to highlight the benefits of a domestic renewable diesel production industry.

Advisory Groups

Industrial Relations Advisory Group

Focussed on improving industrial relations outcomes for the industry. Specifically, this group has provided regular feedback and input to inform ACA engagement with CFMEU Administrator and Fair Work Commissioner.

Work Health and Safety Advisory Group

Focused on advocating for workplace health and safety (WHS) policies that promote both safety and commercial viability in the construction industry. Building on its engagement with the Federal Safety Commissioner, the committee conducted a comprehensive review of Exclusion Zone policies and procedures. It has now formed a dedicated working group to identify opportunities for greater consistency and standardization across the sector.

Defence Advisory Group

This group is actively engaged to inform quarterly meetings with Defence through the Defence Industry Collab. Its objective is to improve engagement with Defence, to highlight issues that impact the construction sector's ability to deliver Defence infrastructure efficiently and to work with stakeholders to identify and implement solutions.

Vertical Advisory Group

Focussed on issues unique to the building sector.

Communications Advisory Group

Focussed on amplifying ACA's advocacy and building ACA reputation as a trusted industry partner.





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