

# COMMUNIQUE

5 July 2023

Building and Construction Industry Roundtable

## Work well underway in supporting the building and construction industry

On Wednesday 5 July 2023, industry leaders came together at the Building and Construction Industry Roundtable (roundtable) to discuss progress on the agreed actions to support the delivery of Tasmania's 10-year Infrastructure Pipeline.

The infrastructure pipeline has an estimated expenditure of more than \$27 billion for around 430 projects across the state. Critically, the pipeline provides industry with the information they need to prepare and plan for delivering infrastructure projects.

Looking to the 2023-24 financial year and forward estimates, the Tasmanian Government has committed almost \$4.3 billion in infrastructure investment. This investment includes funding for:

- \$2.2 billion for roads and bridges
- \$557.3 million for tourism, recreation, and culture
- \$502.9 million for hospitals and health
- \$375 million for law and order
- \$311.7 million for ICT to support service delivery
- \$305.1 million for schools, education, and skills
- \$26.5 million for other infrastructure.

According to Infrastructure Australia, we are experiencing the greatest capacity challenges in a generation. Our response to overcoming these challenges is to work together, and workforce skills and labour supply is a key focus area.

When the roundtable met in November 2022, members considered actions around priority areas. To date, three actions have been completed and most of the remaining actions are well underway.

A key action involves using private sector expertise to build skills and knowledge within government to improve project development, design, delivery, and commercial imperatives. One action that has been completed to address this initiative involves the engagement of a Strategic Infrastructure Development, Engineering and Procurement Advisor and the appointment of a Strategic Architectural and Urban

Design Advisor. Both these roles will have input into providing strategic advice on the development, implementation and delivery of major infrastructure projects, initiatives, and programs. Their services are available across government departments.

Progress has also been made on improving procurement processes and practices. Through consultation with industry, we understand that change is needed to simplify, modernise and create consistency and greater efficiency across government tendering and contracting processes across the whole project lifecycle.

We are now finalising a new suite of contemporary construction contracts, and accompanying procurement documentation, and these will commence being used in the coming months. There will be a comprehensive training program for agency staff and external contract administrators as well as industry briefing sessions to ensure that the transition to the new documentation is efficient and effective. The new suite of construction contracts will be easier to use and administer. The new contracts will also facilitate agencies being able to appropriately and consistently tailor their contract to ensure each project has a clear and appropriate risk allocation.

Industry briefing sessions will be scheduled to support the rollout of a new contracting suite. Guidelines and toolkits are being finalised and will be made available to support project managers and contractors.

In supporting these initiatives, Treasury is progressing a review of the building and construction components of the Tasmanian Government procurement framework, to ensure it continues to meet the needs of both government and industry. As part of this work, the Treasurer has approved a change to the threshold above which an open tender process must be used in relation to building and construction works, increasing from \$250 000 to \$500 000, with effect from 1 September 2023. This includes additional guidance to assist Tasmanian Government agencies in undertaking early market engagement activities.

Additionally, work has continued to improve and update the 10-year infrastructure pipeline for both design and construction, which is a valuable tool for industry to plan their future workload and workforce and for asset owners to consider how/when best schedule their projects in context of the infrastructure investment underway across the State.

We continue to build on the momentum of the High-Vis Army workforce development initiatives, with the key organisations working closely to meet the growing demand in Tasmania's building and construction sector. The Tasmania Government has committed to increase the sector's workforce by 25 per cent over four years to 2025 and this is on track.

The \$10 million investment in High-Vis Army projects has achieved significant results to date, including the start of construction for a new training facility, the establishment of a Group Training Organisation specialising in the housing industry, the creation of new training products, and the successful implementation of programs aimed at supporting apprentices. Collaboration between Keystone, Master Builders, Civil Contractors Federation, Housing Industry Association, Master

Plumbers Association and National Electrical and Communications Association is focussed on increasing the capacity of industry to attract, train and retain employees.

Work will continue over 2023-24 to progress these actions and more.

Building and Construction Industry Roundtable member organisations:

- Australian Institute of Architects
- Civil Contractors Federation Tasmania
- Consult Australia
- Engineers Australia Tasmania
- Housing Industry Association
- Keystone
- Master Builders Tasmania
- Property Council of Australia
- Tasmanian Government.

In May 2022, the Building and Construction Industry Roundtable signed a historic Memorandum of Understanding to build Tasmania's future.