Civil Contractors Federation Australia
Civil Infrastructure Market Capacity Survey 2023

Introduction

Civil Contractors Federation Australia (CCFA) is the peak employer voice for the civil construction industry representing 1,900 companies across Australia. CCFA members are responsible for the construction and maintenance of Australia's civil infrastructure including road, bridges, pipelines, drainage, ports and utilities. With offices located in every capital city, CCFA advocates for the industry at Federal, State / Territory and local Government levels. CCFA members include tier 1, 2, 3 and below civil construction companies ranging in size from 1-4 employees up to 200+ employees.

Survey

The CCCFA Infrastructure Market Capacity Survey 2023 complies data and feedback obtained from 100 civil construction companies in every jurisdiction and across all tiers. The survey focused on obtaining data and information across three key areas:

- the market capacity of the civil construction industry;
- the civil construction industry's ability to undertake additional projects now, and into the future;
- any resource constraints affecting civil construction companies.

Key Findings

Specifically, the key findings include the following:

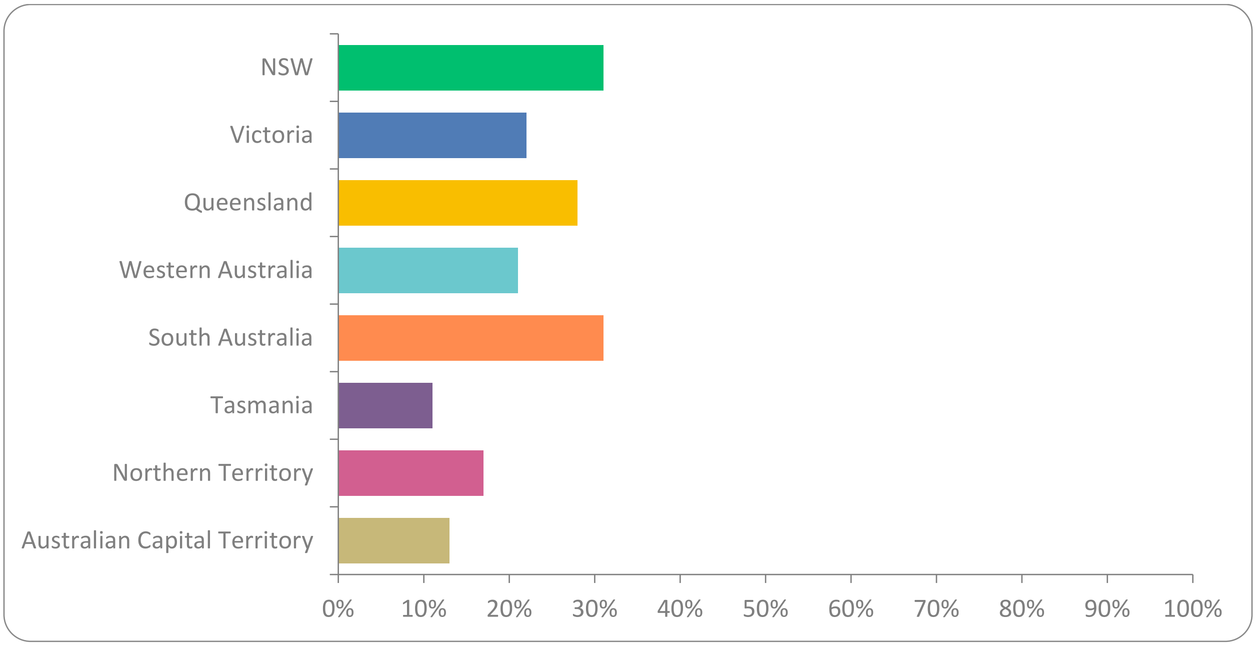
- A quarter of respondents indicated their volume of work has increased more than 50% over the past 12 months.
- When asked if they could take on additional work if it became available, a large proportion of mid-tier companies said they could take on additional work, with around a third saying they could take on between 10% and 25%.
- Almost half the respondents advised their costs have increased by between 10% and 25%.
- Construction companies confirmed they had additional capacity to take on this additional work in both metropolitan and rural/regional areas.

- An overwhelming majority advised that if additional projects were tendered, they would be able to meet this additional demand within 6 months.
- Similar to the CCFA's 2022 Market Capacity survey, the study showed that the key challenges in the successful delivery of infrastructure projects are unfair allocation of risk in contracts, the need to include rise and fall clauses to make the contracts fairer, and the need to attract and train more skilled tradespeople to undertake construction projects.
- Plant operators, tradespeople and construction workers are three of the most in demand occupations at the present time and **this reinforces the need for civil occupations to be appropriately classified as trades in the ANZSCO Coding system.**
- One of the main challenges in recruiting additional staff is that candidates applying for positions do not have the necessary level of skills or experience to undertake the role.

All enquiries regarding this report can be directed to:

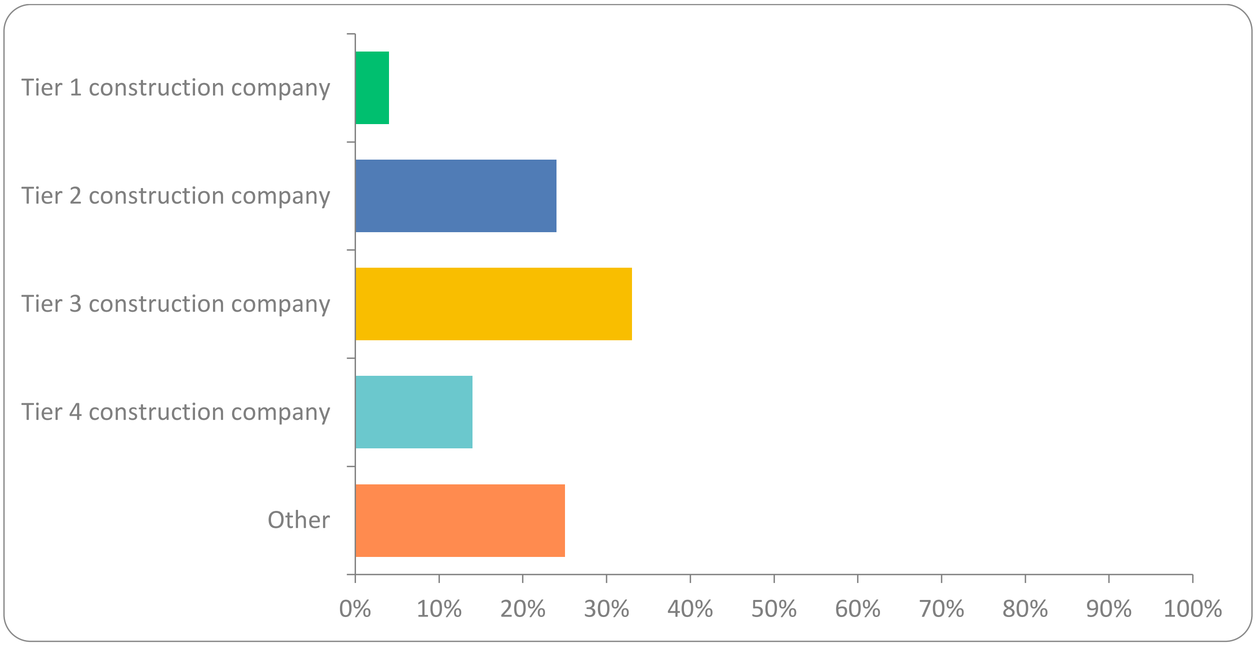
Christopher Melham
Chief Executive Officer
Civil Contractors Federation Australia
E: ccfnat@civilcontractors.com
P: 02 6273 8312

Figure 1 – In which state / territory do you operate, including multiple states / territories?



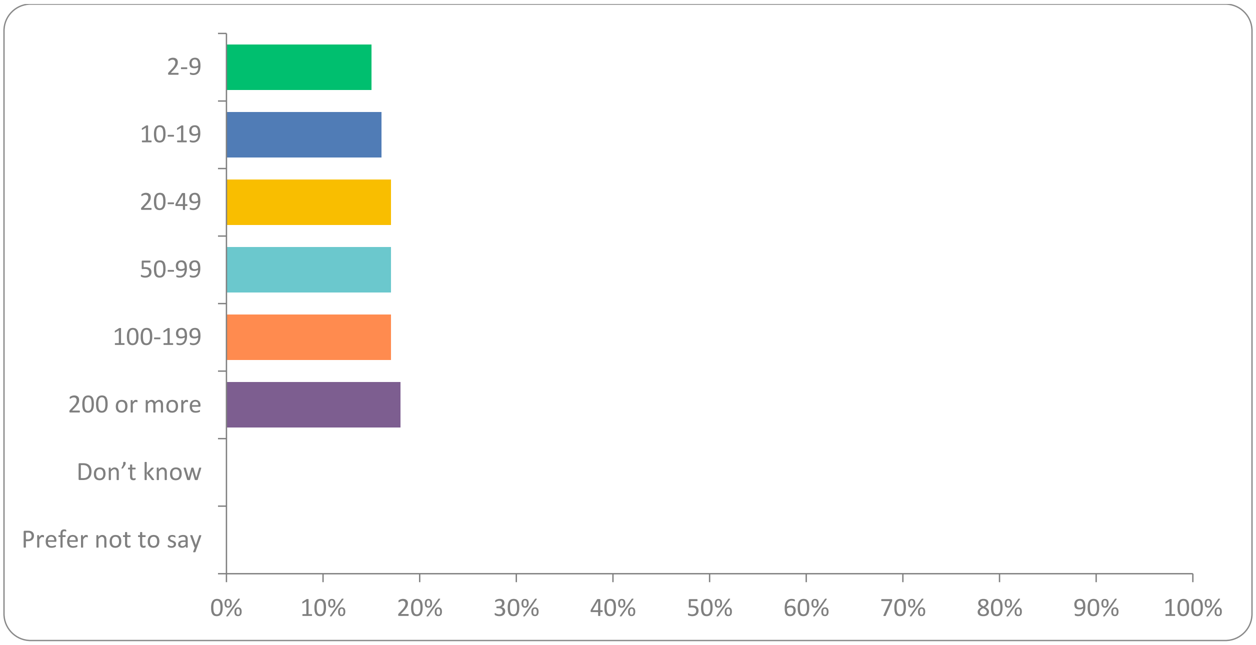
ANSWER CHOICES	RESPONSES	
NSW	31.00%	31
Victoria	22.00%	22
Queensland	28.00%	28
Western Australia	21.00%	21
South Australia	31.00%	31
Tasmania	11.00%	11
Northern Territory	17.00%	17
Australian Capital Territory	13.00%	13
TOTAL		174

Figure 2 - What Tier best describes your company



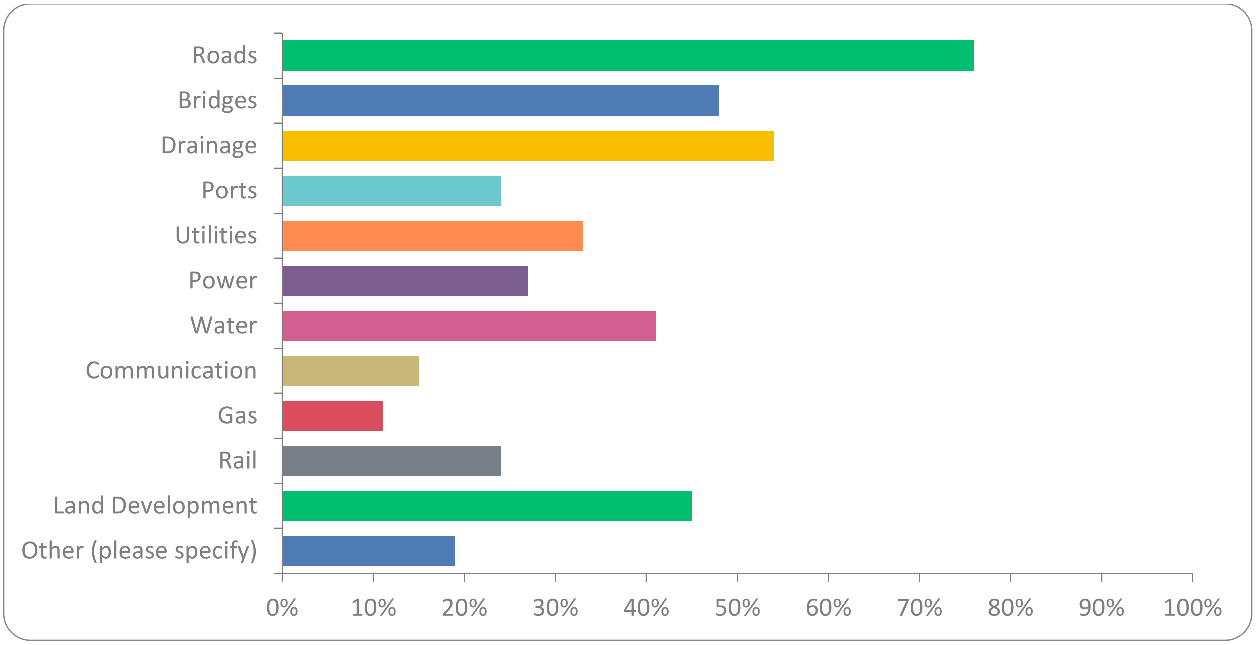
ANSWER CHOICES	RESPONSES	
Tier 1 construction company	4.00%	4
Tier 2 construction company	24.00%	24
Tier 3 construction company	33.00%	33
Tier 4 construction company	14.00%	14
Other	25.00%	25
TOTAL		100

Figure 3 - How many Full Time Equivalent (FTE) staff, including yourself, are employed by your business within Australia? This may include permanent, contract and casual staff.



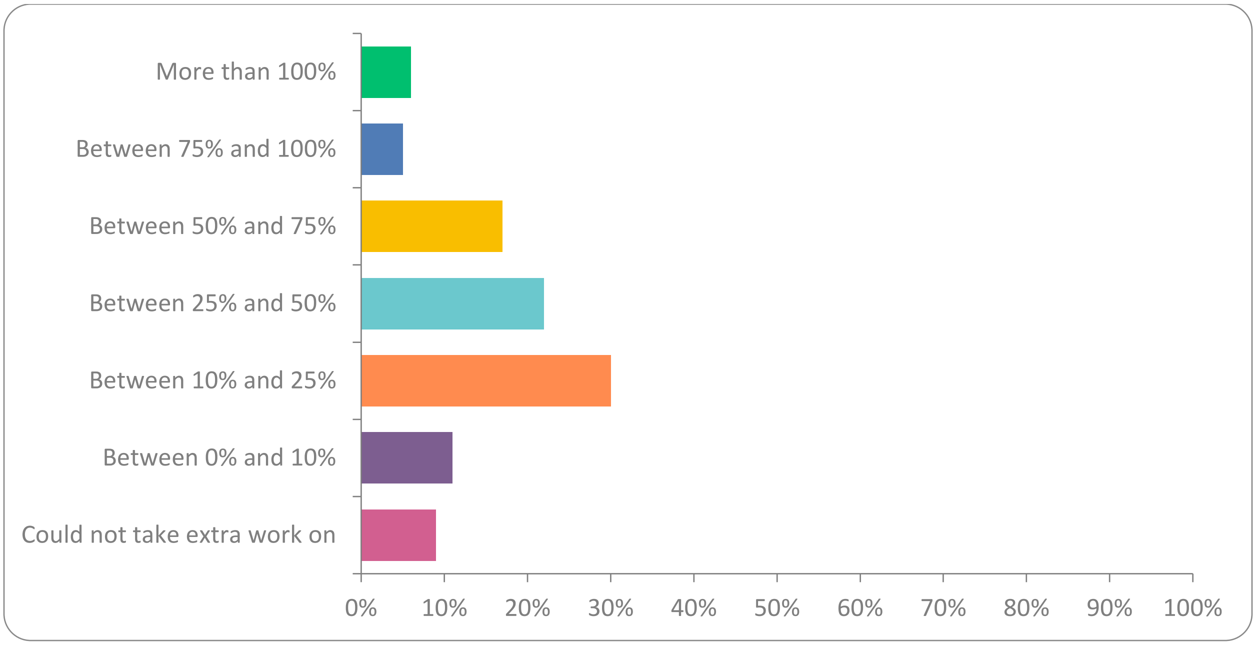
ANSWER CHOICES	RESPONSES	
2-9	15.00%	15
10-19	16.00%	16
20-49	17.00%	17
50-99	17.00%	17
100-199	17.00%	17
200 or more	18.00%	18
Don't know	0%	0
Prefer not to say	0%	0
TOTAL		100

Figure 4 - In which sectors of the civil construction industry is your company active? Select all that apply.



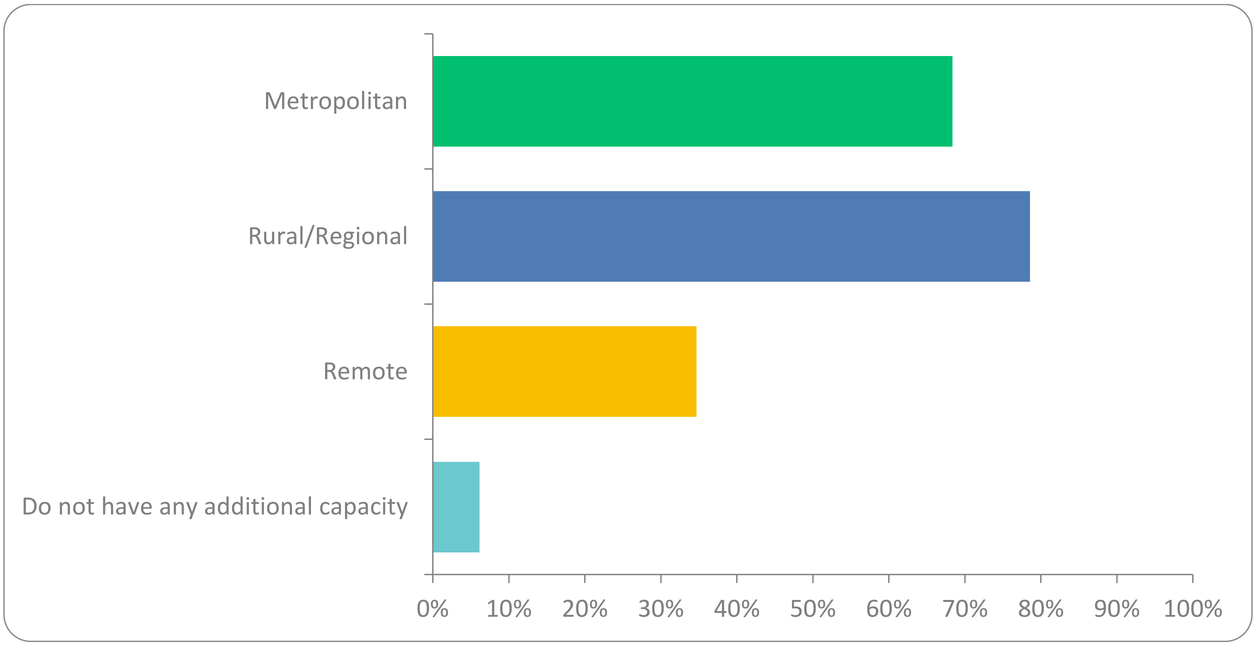
ANSWER CHOICES	RESPONSES	
Roads	76.00%	76
Bridges	48.00%	48
Drainage	54.00%	54
Ports	24.00%	24
Utilities	33.00%	33
Power	27.00%	27
Water	41.00%	41
Communication	15.00%	15
Gas	11.00%	11
Rail	24.00%	24
Land Development	45.00%	45
Other (please specify)	19.00%	19
TOTAL		417

Figure 5 - If there was an increase in the number of capital projects tendered in your state, how much extra work can you take on?



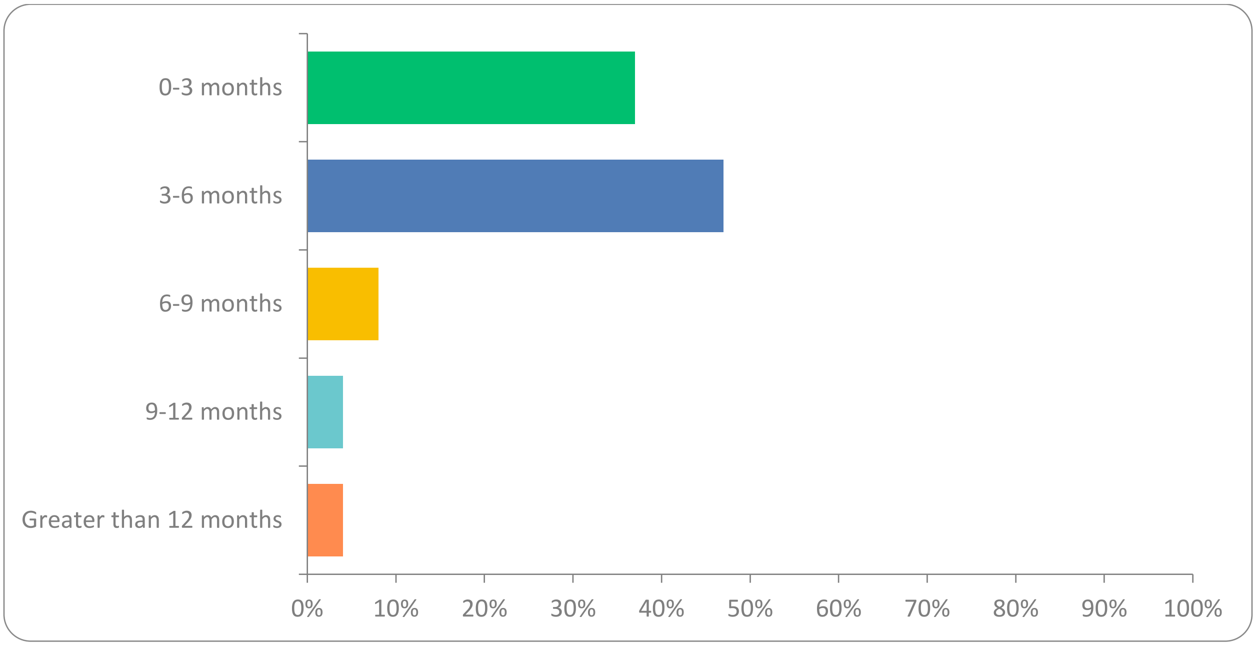
ANSWER CHOICES	RESPONSES	
More than 100%	6.00%	6
Between 75% and 100%	5.00%	5
Between 50% and 75%	17.00%	17
Between 25% and 50%	22.00%	22
Between 10% and 25%	30.0%	30
Between 0% and 10%	11.00%	11
Could not take extra work on	9.00%	9
TOTAL		100

Figure 6 - Where do you have any capacity to undertake additional projects? Select all that apply.



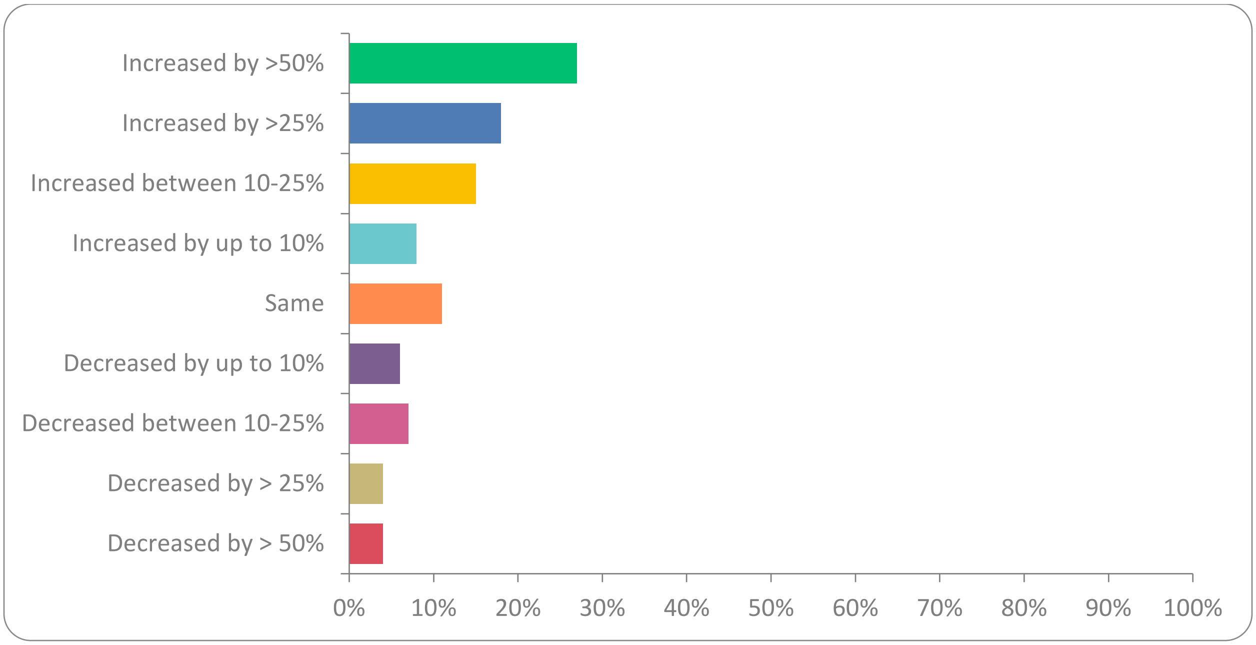
ANSWER CHOICES	RESPONSES	
Metropolitan	68.37%	67
Rural/Regional	78.57%	77
Remote	34.69%	34
Do not have any additional capacity	6.12%	6
TOTAL		184

Figure 7 - If there was an increase in the number of capital projects tendered in your state, approximately how long would it take your company to be in a position to meet this additional demand



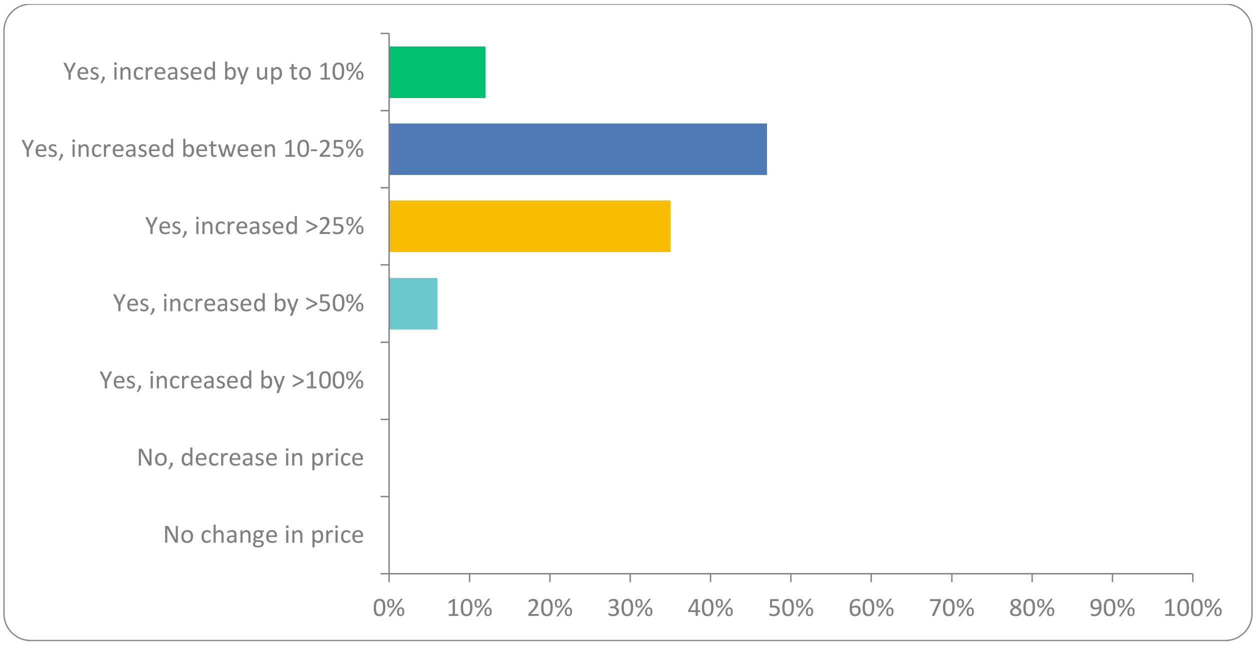
ANSWER CHOICES	RESPONSES	
0-3 months	37.00%	37
3-6 months	47.00%	47
6-9 months	8.00%	8
9-12 months	4.00%	4
Greater than 12 months	4.00%	4
TOTAL		100

Figure 8 - How has the volume of work you undertook in the past 12 months (in terms of revenue) changed to the volume you did three years ago?



ANSWER CHOICES	RESPONSES	
Increased by >50%	27.00%	27
Increased by >25%	18.00%	18
Increased between 10-25%	15.00%	15
Increased by up to 10%	8.00%	8
Same	11.00%	11
Decreased by up to 10%	6.00%	6
Decreased between 10-25%	7.00%	7
Decreased by > 25%	4.00%	4
Decreased by > 50%	4.00%	4
TOTAL		100

Figure 9 - On average, has there been an escalation of the total cost of project inputs, including labour and non-labour, required for infrastructure projects over the past 12 months



ANSWER CHOICES	RESPONSES	
Yes, increased by up to 10%	12.00%	12
Yes, increased between 10-25%	47.00%	47
Yes, increased >25%	35.00%	35
Yes, increased by >50%	6.00%	6
Yes, increased by >100%	0%	0
No, decrease in price	0%	0
No change in price	0%	0
TOTAL		100

Figure 10 - On a scale of 1 to 5, where 1 is no threat and not an issue and 5 is a major threat and critical issue, indicate whether the following factors pose any risk to your organisation's ability to successfully deliver on infrastructure projects

	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Availability and cost of insurance	21.21% 21	22.22% 22	28.28% 28	17.17% 17	11.11% 11	99	2.75
Cost of tendering / bidding for work	17.17% 17	35.35% 35	30.30% 30	12.12% 12	5.05% 5	99	2.53
Type of procurement model used	14.00% 14	20.0% 20	29.00% 29	22.00% 22	15.00% 15	100	3.04
Complexity of contracts used	5.05% 5	18.18% 18	23.23% 23	35.35% 35	18.18% 18	99	3.43
Allocation of risk in contracts	1.02% 1	7.14% 7	23.47% 23	42.86% 42	25.51% 25	98	3.85
Insufficient pre-construction project development and risk identification	2.04% 2	10.20% 10	23.47% 23	45.92% 45	18.37% 18	98	3.68
Delays in obtaining planning and environmental approvals	10.10% 10	14.14% 14	22.22% 22	33.33% 33	20.20% 20	99	3.39
Dealing with 3rd party asset owners	12.24% 12	20.41% 20	27.55% 27	25.51% 25	14.29% 14	98	3.09
Timelines for delivering the work	8.16% 8	15.31% 15	36.73% 36	28.57% 28	11.22% 11	98	3.19
Uncertainty over the infrastructure pipeline or funding	9.09% 9	14.14% 14	22.22% 22	32.32% 32	22.22% 22	99	3.44

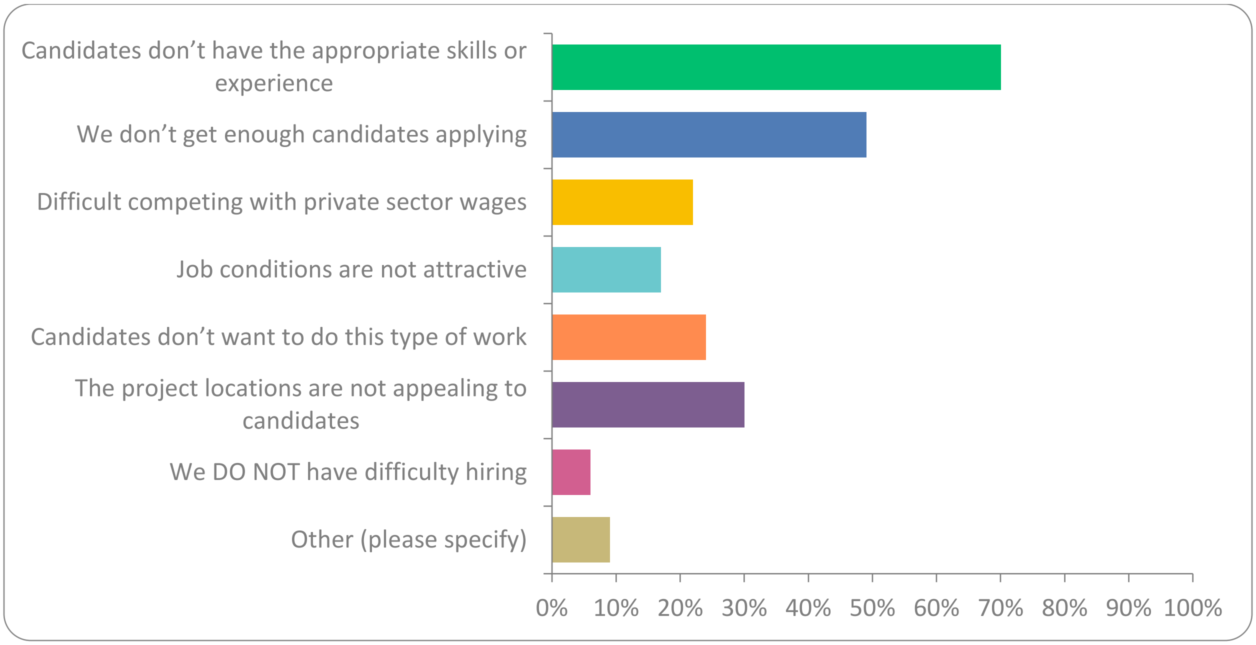
Figure 11 - On a scale of 1 to 5, where 1 is no threat and not an issue, and 5 is a major threat and a critical issue, indicate whether any of the following issues pose a threat to the successful delivery of infrastructure projects

	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Availability of local unskilled labour force	7.07% 7	13.13% 13	26.26% 26	28.28% 28	25.25% 25	99	3.52
Availability of local skilled tradespeople & professionals to undertake construction projects	3.00% 3	4.00% 4	18.00% 18	36.00% 36	39.00% 39	100	4.04
Availability of skilled migration	14.29% 14	18.37% 18	30.61% 30	21.43% 21	15.31% 15	98	3.05
Availability fuel or other oil products (e.g. bitumen)	28.57% 28	28.57% 28	28.57% 28	12.24% 12	2.04% 2	98	2.31
Availability steel or steel products	32.32% 32	22.22% 22	27.27% 27	13.13% 13	5.05% 5	99	2.36
Availability glass & related products	70.41% 69	14.29% 14	11.22% 11	3.06% 3	1.02% 1	98	1.5
Availability timber or timber products	58.76% 57	18.56% 18	17.53% 17	4.12% 4	1.03% 1	97	1.70
Availability construction equipment, such as dozers, graders, loaders, mixers and excavators	19.19% 19	23.23% 23	26.26% 26	24.24% 24	7.07% 7	99	2.77
Availability sand or quarry products	26.00% 26	20.0% 20	23.00% 23	21.00% 21	10.0% 10	100	2.69
Availability concrete or cement	33.33% 32	17.71% 17	18.75% 18	22.92% 22	7.29% 7	96	2.53
Availability Precast concrete products (e.g. pipes, pits, grates, kerbs	22.22% 22	15.15% 15	25.25% 25	24.24% 24	13.13% 13	99	2.91

Figure 12 - On a scale of 1 to 5, where 1 is not difficult at all and 5 is exceptionally difficult/major challenge, do you find it difficult to recruit for any of the following.

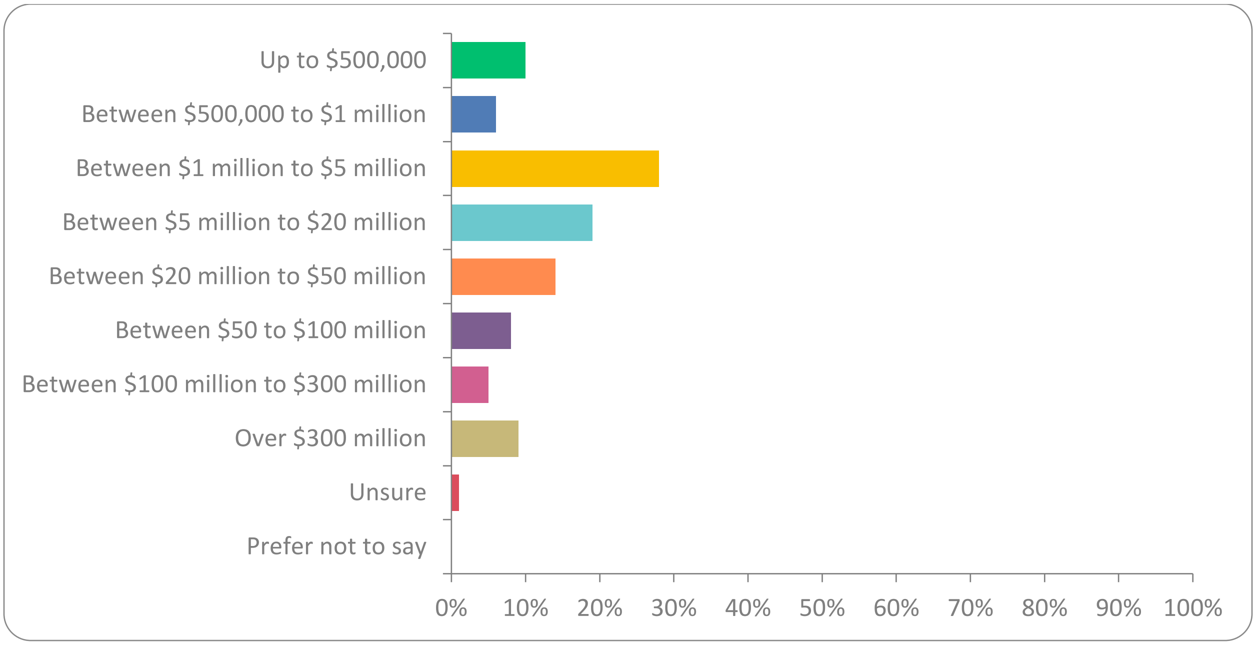
	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Construction workers	4.08% 4	10.20% 10	30.61% 30	27.55% 27	27.55% 27	98	3.64
Tradespeople	6.12% 6	9.18% 9	24.49% 24	32.65% 32	27.55% 27	98	3.66
Plant operators	6.25% 6	4.17% 4	22.92% 22	25.00% 24	41.67% 40	96	3.92
Early career (1 to 5 years experience) engineers, scientists, and architects	17.71% 17	28.12% 27	20.83% 20	20.83% 20	12.50% 12	96	2.82
Early career (1 to 5 years experience) project management professionals	12.24% 12	19.39% 19	26.53% 26	25.51% 25	16.33% 16	98	3.14
Experienced (6 years or more) senior engineers, scientists, and architects	15.62% 15	10.42% 10	16.67% 16	26.04% 25	31.25% 30	96	3.47
Experienced (6 years or more) senior project management professionals	12.37% 12	8.25% 8	17.53% 17	25.77% 25	36.08% 35	97	3.65

Figure 13 - When recruiting, what are the main issues that make it difficult to hire appropriate candidates? Please indicate the top 2 issues



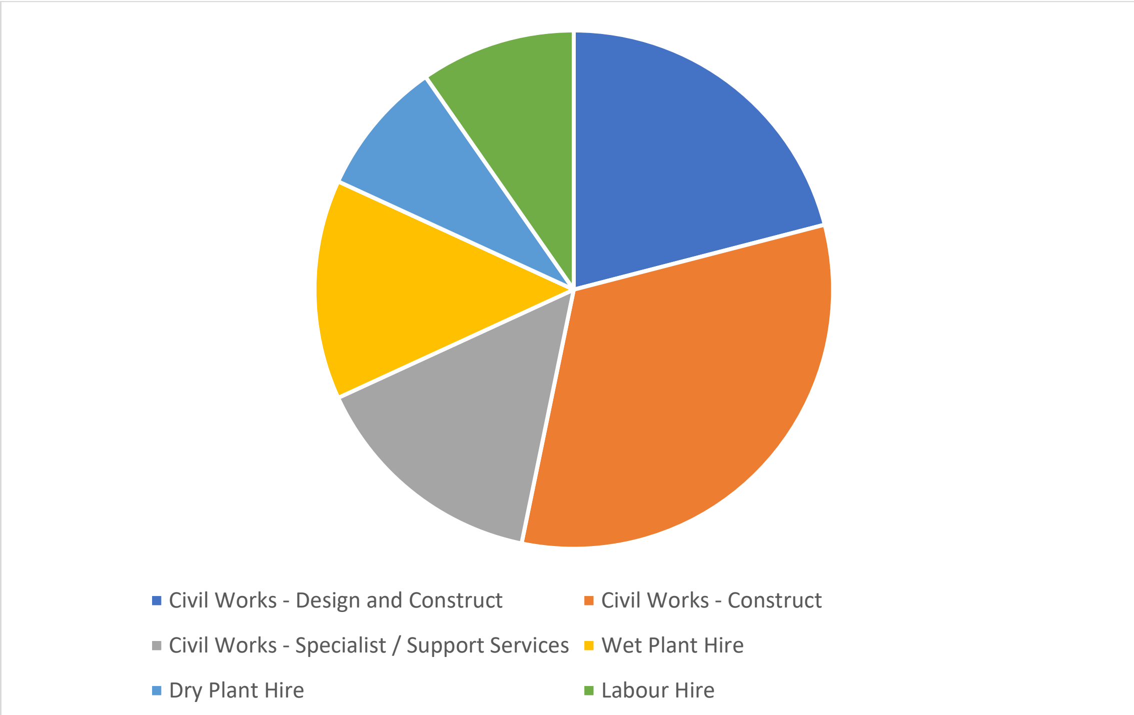
ANSWER CHOICES	RESPONSES	
Candidates don't have the appropriate skills or experience	70.0%	70
We don't get enough candidates applying	49.00%	49
Difficult competing with private sector wages	22.00%	22
Job conditions are not attractive	17.00%	17
Candidates don't want to do this type of work	24.00%	24
The project locations are not appealing to candidates	30.0%	30
We DO NOT have difficulty hiring	6.00%	6
Other (please specify)	9.00%	9
TOTAL		227

Figure 14 - **Over the past three years, what is the size of the largest contract your organisation has held?**



ANSWER CHOICES	RESPONSES	
Up to $500,000	10.0%	10
Between $500,000 to $1 million	6.00%	6
Between $1 million to $5 million	28.00%	28
Between $5 million to $20 million	19.00%	19
Between $20 million to $50 million	14.00%	14
Between $50 to $100 million	8.00%	8
Between $100 million to $300 million	5.00%	5
Over $300 million	9.00%	9
Unsure	1.00%	1
Prefer not to say	0%	0
TOTAL		100

Figure 15 - What type of construction contracts did your business undertake in the past 12 months? Select all that apply.



ANSWER CHOICES	RESPONSES
Civil Works: Design & Construct	52
Civil Works: Construct	80
Civil Works: Specialist Support Service	37
Wet Plant Hire	34
Dry Plant Hire	21
Labour Hire	24
TOTAL	248