



**CIVIL CONTRACTORS
FEDERATION**

VICTORIA

DEVELOPING A NEW PLAN FOR VICTORIA

Submission by CCF Victoria to Dept of Transport and Planning

August 2024

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Acknowledgement of traditional owners

CCF Victoria acknowledges the traditional custodians of the lands on which we live and work. We recognise Aboriginal people as Australia’s first peoples and the traditional owners of this land. In recognising their connection to our land and waterways, we pay our respects to their elders past, present and emerging.

Introduction

Civil Contractors Federation Victoria (CCF) is pleased to make the following submission to the Victorian Government's **Developing a New Plan for Victoria**.

It is encouraging to see the Victorian Government devising an exciting and engaging new vision for the future of our state and backing it up with a practical plan to achieve its objectives, in lockstep with industry.

A fundamental premise of our submission is that **civil infrastructure is the very foundation** of all our cities and towns, suburbs and neighbourhoods.

Civil contractors:

- Lay the roads, rail and active transport infrastructure that gets Victorians moving;
- Build bridges and tunnels that connect communities, supporting the growth of liveable and thriving communities and neighbourhoods;
- Provide the earthmoving works, foundations and underground assets and pipelines for sub-divisions on which affordable homes of choice, community and commercial properties are built.

Victoria's civil, land development and infrastructure industries contributed at least \$21.6 billion, or over 50 per cent of the state's tax revenue, in FY22¹. Further,

Victorian-owned civil construction businesses employ in excess of 45,000 Victorians in long-term secure jobs, in line with the State's Local Jobs First policy and Fair Jobs Code.

What's more, by prioritising local content – more work for local contractors, subcontractors and their employees – the Government can deliver more affordable, timely and better-funded infrastructure for the community.

Our submission **outlines key recommendations** around the themes of planning and process improvements; equal opportunity for all contractors, regardless of size or circumstances, and; a more pragmatic, realistic balance between brownfield/infill and greenfield opportunities.

To compile this submission, we conducted five online roundtables plus one-to-one consultations with almost 40 members across metro and regional areas contributing their ideas, insights and recommendations, with supplementary content supported by publicly available research, data reports and whitepapers.

¹ Capacity Constraints in the Civil, Land Development and Infrastructure Industries

The Civil Contractors Federation (CCF)

Civil Contractors Federation Victoria is the **peak representative body** for the civil construction sector in Victoria.

As industry working for industry, we represent **500 employer member organisations** (totalling up to **45,000 workers**), across the construction supply chain, ranging from tier 1-4, SME's and sole traders. Forty-three per cent (43%) of our members are **regional businesses**, many of whom are family enterprises.

We are the Strategic Adviser to Government on the state's civil construction industry, with the knowledge and authority to promote, cultivate and advance positive and relevant civil construction industry policy in Victoria.

As part of a federated structure nationally, with offices in every major capital city, we are well-positioned to capture, develop and share insights on civil construction matters from other jurisdictions. This helps us to inform industry best practice for the benefit of Victorian Government and industry stakeholders and ultimately the Victorian community.

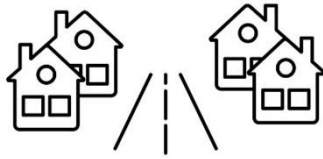
The civil construction industry is responsible for the construction and maintenance of Victoria's civil infrastructure, including roads, rail, bridges, water supply, pipelines, drainage, ports, energy and utilities infrastructure. Some of the businesses we represent also play a vital role in the housing and commercial building construction industry by providing earthmoving and land development services including the provision of power, water, communications, and gas.

It is important to note that any reforms that impact the civil construction industry, positively or negatively, may also have flow-on effects for the state economy and Victorian community.

“Civil infrastructure is the very foundation of all our cities and towns, suburbs and neighbourhoods.”

Civil Matters in Victoria:





Pillar I - Housing Affordability and Choice Priorities

As stated above, a fundamental premise of our submission is that **civil infrastructure is the very foundation** of all our cities and towns, suburbs and neighbourhoods.

As far as this also applies to housing affordability and choice, our assertion is that **you cannot spend a dollar on housing until you've invested a dollar in the underlying civil infrastructure.**

Before any affordable home of choice can go up, earthmoving and demolition works must happen to prepare the housing foundations. On top of that, the underground assets and pipelines connecting homes to the energy, utilities and telco services must also be installed.

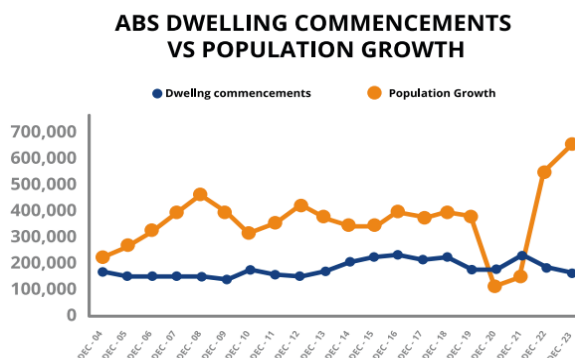
However: funding, planning, approvals and procurement processes are complex and burdensome on developers and civil construction contracting businesses and subcontractors. They prohibit effective delivery of housing.

Complex red tape and onerous tax imposts on developers and contractors ultimately impact the end user: home buyers and renters.

Similarly, development delays slow things down, further impacting the community, significantly reducing affordability and choice, undermining consumer confidence and certainty for commercial interests.

Furthermore, the Government must recognise that metro space is limited and more greenfields opportunities are urgently needed, also to help bring on more new housing developments online a lot quicker.

The Government's appetite for brownfields and apartment developments undermines consumer demand for more choice and more affordable homes.



ABS Population Growth Dec 2023 and ABS 8572 Building Activity Australia Dec 2023

CCF Victoria recommends:

- a) The Government remove the **complexity** of dealing with Government agencies and local councils, with the aim of more **effective systems and processes** that lead to **improved productivity** outcomes and targets achieved.

- b) **Chopping red tape** will help boost civil construction capacity and **accelerate housing** in a substantial, meaningful way, especially in regional areas anticipating large population growth.
- c) More **practical and realistic “land supply plans”** are needed to allow for a reasonable increase in greenfield space to accommodate the expected population boom by 2050.
- d) The Government **reconsiders** the current 70/30 split and implements a more realistic percentage split – for example, **65/35 or even 60/40** - between metro and regional growth areas to bring more new housing developments online a lot quicker.
- e) **Affordable homes of choice** need an affordable supply of choice, quality construction materials. Simplifying complex, prohibitive approvals processes around the essential supply of resources is necessary; otherwise, the outcome will be a continuing shortage of construction materials and rising prices, thus affecting housing affordability.
- f) If no additional metro quarries are opened, **increase incentives for local councils outside of metro areas** to be receptive of quarries built in their areas, to increase the local, more accessible supply of high quality, lower cost materials for regional and local civil infrastructure construction

and housing builds and ultimately **support LGA local economies.**

“The government is putting too much focus on the metro area and less focus on greenfield (housing) opportunities that can come online a lot quicker. And in fact, they're actually stalling it in a lot of ways.”





Pillar 2 - Equity and Jobs Priorities

Civil infrastructure is critical to all parts of the economy and state. Properly planned infrastructure and resources support long-term jobs and training, not only in civil construction and maintenance but other urban and regionally important sectors including transport, energy, freight and tourism.

However, despite the Big Build and other infrastructure investment over recent decades, successive governments have not delivered a structured, strategic, logical training framework that properly supports the professional development of civil construction occupations.

Also, the Construction Award is very much built around the framework of Melbourne-based vertical property construction, which is particularly costly. By contrast – and a good example to mirror – is the Extractive Industries Award; a well-structured Award that supports the recruitment, introduction and development of the right skills for new people in the industry.

Narrow, niche industries like blacksmithing, picture framing or yoga teaching² are not

going to solve the cost-of-living crisis nor plug the state's jobs and skills shortages. Rather, it will be a substantial workforce of appropriately skilled and qualified civil trades people delivering the infrastructure Victoria requires by 2050.

CCF Victoria recommends:

- a) That the State Government **collaborates** closely with the civil construction industry on a **decade-by-decade roadmap** for realistic infrastructure needs, particularly greenfield and regional areas, through to 2050 and beyond.
- b) That the State Government **urgently addresses workforce issues** threatening Australia's future infrastructure, housing, transport, freight and energy needs, in close **collaboration** with the civil construction sector.
- c) That the State Government **lobbies the federal government** to get civil construction listed as a formal **ANZSCO trade occupation**, to support a better industry training framework and attract more people to the civil industry. Subsequently, civil construction must be formalised as a qualification in order to **attract and retain** quality workforce participants.

² <https://www.theage.com.au/politics/federal/bridge-too-far-yoga-teachers-say-migration-need-is-a-stretch-20240604-p5jj1g.html>

- d) That the Government develops and implements a more realistic **Construction Industry Award** that reflects the practical job requirements within civil construction.
- e) That State Government **procurement processes** are improved to create a **fairer level playing field** for local Victorian contractors and subcontractors to compete for government infrastructure projects and infrastructure maintenance programs, honouring the spirit and intent of the **State's own Local Jobs First policy**.
- f) That the Government implements more achievable **training settings** and better support for industry to attract, train and retain apprentices. The **Boosting Apprenticeship Commencements (BAC)** incentive saw more apprentices coming into the Civil industry as well as

upskilling of those existing workers into leadership qualifications assisting for succession planning for small to medium businesses.

*“It's very hard to find a worker with much knowledge of what they're doing in civil. You get people who don't know how to compact rock or set curbs. In our industry, **anyone can go and start a civil company with no qualifications whatsoever. I think it's wrong.**”*

Case study: Prohibitive training costs for regional businesses

It's really challenging that we've gone from a position during the pandemic when we had the capacity to run a wide range of programs online, such as white card training. However, post-pandemic, we're told training must be face-to-face again. That creates a huge impost on business. For example: changes to traffic management, accreditation and licensing: all the programs are run in Melbourne.

For a regional business like ours, that means expensive travel to Melbourne for three nights. What would cost \$1,500 in training fees and paying their wages now costs us up to \$10,000 per person to change a qualification. The centralised control in Melbourne has no regard for the impact on small businesses, particularly regional businesses.

– Contractor, Portland, Vic

Skills shortages in Civil Construction Sector

Unit Group	ANZSCO	Skill Level	Occupation	AAPL	Skills Shortage	NSW	Vic	QLD	SA	WA	Tas	NT	ACT
2332		1	Civil Engineering Professionals										
	233211	1	Civil Engineer		S	S	S	S	S	S	S	S	S
	233212	1	Geotechnical Engineer		S	S	S	S	S	S	S	S	S
	233213	1	Quantity Surveyor		S	S	S	S	S	S	S	S	S
	233214	1	Structural Engineer		S	S	S	S	S	S	S	S	S
	233215	1	Transport Engineer	Prioritised	S	S	S	S	S	S	S	S	S
Unit Group	ANZSCO	Skill Level	Occupation	AAPL	Skills Shortage	NSW	Vic	QLD	SA	WA	Tas	NT	ACT
3122	312212	3	Civil Engineering Technician		S	S	S	S	S	S	S	S	S
3121	312114	3	Construction Estimator	Prioritised	S	S	S	RS	S	S	S	S	S
3999	399999	3	Technicians and Trades Workers	Prioritised	S	S	S	S	S	S	S	S	S
7121	712111	4	Crane, Hoist or Lift Operator	Non Priority	S	S	S	S	S	S	S	S	S
7122	712211	4	Driller	Non Priority	S	S	S	S	S	S	S	S	S
7122	712212	4	Miner	Non Priority	S	S	S	S	S	S	S	S	S
7211	721111	4	Agricultural and Horticultural Mobile Plant Operator	Non Priority	RS	S	RS	RS	RS	NS	RS	RS	NS
7212	721211	4	Earthmoving Plant Operator (General)	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721212	4	Backhoe Operator	Non Priority	NS	S	NS	NS	S	NS	NS	NS	NS
7212	721213	4	Bulldozer Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721214	4	Excavator Operator	Non Priority	S	S	S	S	S	S	S	S	S
7212	721215	4	Grader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721216	4	Loader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7219	721912	4	Linemaker	Non Priority	S	S	S	S	S	S	S	S	S
7219	721913	4	Paving Plant Operator	Non Priority	NS	NS	NS	NS	S	NS	NS	NS	NS
7219	721914	4	Railway Track Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721999	4	Mobile Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7331	733111	4	Truck Driver (General)	Non Priority	S	S	S	S	S	S	S	S	S
8217	821711	4	Construction Rigger	Non Priority	S	S	S	S	S	S	S	S	S
8217	821713	4	Steel Fixer	Non Priority	S	S	S	S	S	S	S	S	S
8211	821113	5	Earthmoving Labourer	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8212	821211	5	Concreter	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8219	821911	4	Crane Chaser	Non Priority	S	S	S	S	S	S	S	S	S
8219	821912	5	Driller's Assistant	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND

S = Shortage, RS= Regional Shortage, NS = No Shortage, ND = No Data
(Source: [Skills Priority List | Jobs and Skills Australia](#))



Pillar 3 – Liveable, Thriving Neighbourhoods Priorities

While people make places, civil infrastructure assets such as roads, bridges, tunnels and transport networks connect communities and create liveable, thriving neighbourhoods.

Properly planned and well-maintained infrastructure can help reduce traffic congestion and facilitate faster journeys to help Victorians get around more effectively, be it by road, rail and public or private transport.

However, the heavy bias towards metropolitan Melbourne big project planning and investment has come at a significant cost, particularly for regional towns and communities and with local roads maintenance funding slashed³.

For urban areas, there needs to be more clever development and better thinking about the underpinning infrastructure required for brownfields projects. Town planning needs to be significantly improved if the Government expects to accommodate the dramatic increase in the number of people living in smaller urban areas.

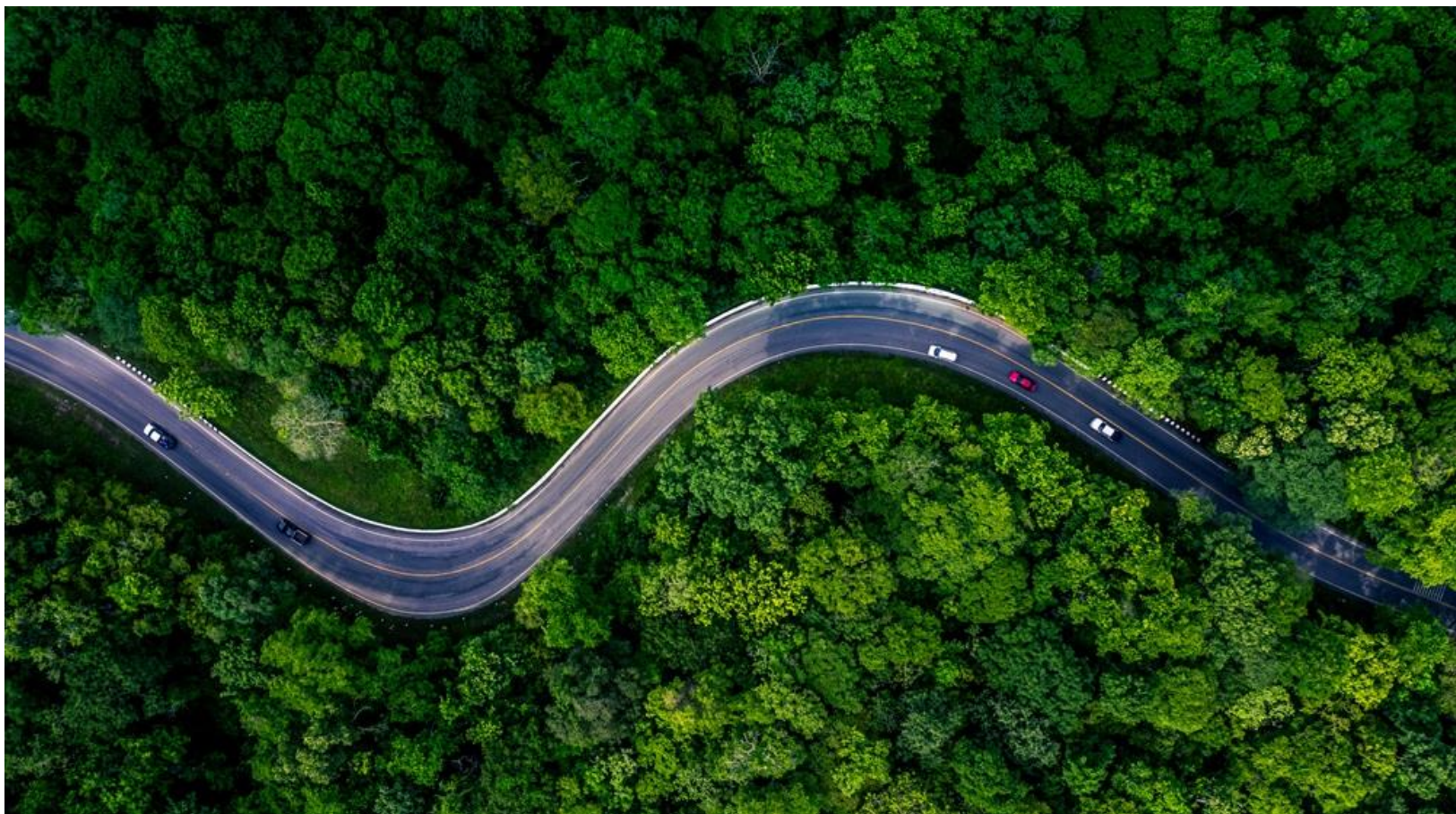
With millions more people expected to make all areas of the state their home over the next few decades, a rebalance of infrastructure priorities will be crucial if the government is to realise its vision for Victoria for 2050 and beyond.

CCF Victoria recommends:

- a) **Better planning of infrastructure on the urban boundary** to avoid highway extensions – such as the Ballarat Road towards Melton - that quickly narrow down to small roads, creating significant traffic bottlenecks.
- b) **Duplication of key arterial highway extensions** to support travel into, out of and around housing and land developments on the urban fringe; recognising that **better infrastructure** will make for **more liveable**, thriving suburban and peri-urban precincts and neighbourhoods.
- c) More practical planning to balance a **reasonable increase in greenfield** growth to **offset** the increasing number of people **expected to live in, and share, shrinking urban spaces**.
- d) **LGA planning and approvals** processes must be simplified to **harmonise** infrastructure across council boundaries.

³ <https://www.heraldsun.com.au/news/victoria/bush-summit-2024-the-five-key-projects-needed-in-regional->

[victoria/news-story/aed9fb2d817b6d8c6ab784ef33231b63](https://www.heraldsun.com.au/news/victoria/bush-summit-2024-the-five-key-projects-needed-in-regional-)



Pillar 4 - Sustainable Environments and Climate Action Priorities

Civil contractors know that net zero is non-negotiable. Transport alone is the third largest source of greenhouse gas emissions and, without further urgent action, is

projected to be the highest emitting sector by 2030⁴.

Road vehicles account for the majority of transport emissions⁵ and with the expected population increase across Victoria over the coming decades, transport activity will only increase.

Similarly, construction activity is a significant contributor to emissions and our submission underscores the urgency to decarbonise civil infrastructure in favour of

4

<https://www.infrastructure.gov.au/sites/default/files/documents/transport-and-infrastructure-net-zero-consultation-roadmap.pdf>

⁵ Source: DCCEEW, Australia's emissions projections 2023, Australian Government, 2023

cleaner, greener and more sustainable infrastructure delivery.

Victoria's civil contracting industry has a pivotal role to play in supporting the Government to deliver measures to tackle climate change challenges and create thriving, sustainable environments; measures beyond headline recycled construction materials, renewable energy transition and electric vehicle uptake targets.

Pragmatically, this can only be achieved by simplifying and streamlining behind the scenes planning and procurement processes, particularly between state and local government levels, to achieve the shared sustainability goals and objectives of the new vision and plan for Victoria.

CCF Victoria recommends:

- a) The renewable **energy** transition **requires a skilled workforce**. We urge the Government to prioritise industry-led **specialised skills training programs** to fill current and predicted future skills gap to support the expansion of clean energy; creating more jobs for more Victorians as the state's population grows.
- b) The **renewable energy** transition also requires the **underpinning of civil infrastructure** to connect and power liveable, thriving communities and neighbourhoods. We urge the Government to work closely with the civil industry to develop a concrete roadmap to aid the transition to the green economy through infrastructure investment.
- c) That any **energy transition infrastructure roadmap** includes renewable **energy installations** along infrastructure corridors – for example, **solar alongside roads and rail developments** rather than large scale solar farms that swallow up valuable food producing agricultural land – to power those infrastructure projects, feed into community batteries and power nearby housing developments and liveable neighbourhoods.
- d) The introduction of **financial incentives** for the civil industry to **accelerate initiatives** to convert fleet and plant equipment and supporting infrastructure (e.g., electric charging stations) to lower emissions electric, hydrogen and biodiesel fuel sources.
- e) The Government increases sources of **more affordable** alternative lower emissions fuel – such as **biodiesel** - for industrial vehicles and plant equipment.
- f) That the State Government **simplifies procurement processes** that level the playing field **for materials suppliers**, such as recycled plastic pipe manufacturers, alongside recycled construction materials products.

Additional recommendations

1. That the State Government ensures this new Plan for Victoria genuinely broadens the focus from a heavily metro-biased infrastructure focus to greater regional investment, with increased emphasis on regional infrastructure construction and maintenance.
2. That the State Government simplifies and harmonises planning and approvals processes to make infrastructure delivery more streamlined and effective, to ensure the Government's objectives and targets are successfully met.
3. That the State Government embeds more consistency and greater transparency of funding invested into infrastructure, which is critical to enable civil businesses to better forward plan their works pipeline, invest in recruitment and training and to compete on a fairer level playing field.
 - a. Contractors state they cannot take on trainees or apprentices if there is little or no guaranteed pipeline of works. Further, that proper funding investment is made into regional infrastructure maintenance, not simply 'petty cash'-sized handouts to patch up potholes.
4. That the State Government embeds greater clarity and fairness around Development Contribution Plans, ensuring DCP funds are spent where they're meant to be spent.
 - a. Contractors cite the example of at least one suburban LGA taking over \$200 million in DCP contributions but only receiving 10 percent back for local works programs with the bulk of DCP funds spent on projects in other growth areas.
5. Consistent with point 4 above, that major projects are de-bundled where possible to create a level playing field and give smaller and regional businesses a better chance to tender.
 - a. In some cases, regional maintenance contractors are told they must have a minimum turnover of \$100 million in order to tender. This means many lose out on opportunities to win what is their bread-and-butter work, pitting small regional businesses against well-resourced metro majors and undermining any intent to support regionally based services.
6. That the state's Cultural Heritage system is separated into levels of importance, in order to minimise unnecessary delays and significantly reduce costs for land development projects.

- a. Contractors acknowledge that 60,000-year-old rock paintings or burial sites are naturally very important, but tiny rock artefacts are not necessarily as important and should not cause significant delay or extra costs to projects.
7. That the State Government ends the politically driven infrastructure pipeline that's tied to the electoral cycle, in order to get the best value and cost benefit for the end user - the community:
 - a. Contractors express their consternation that a lot of their contracts will have a project completion date for finishing just before an election, after which time the pipeline of works dries up.
8. That the State Government works with LGAs to implement fairer procurement practices and guidelines that lead to tenders being properly, fairly scoped, and judged on broader criteria and contractor experience - not just the cheapest price:
 - a. Contractors cite frustrations with local authorities showing no regard for quality of work, previous experience or project methodology, as evidenced when successful tenderers' pricing is eventually made public, illustrating decisions clearly made on price.
9. That the State Government works with regional LGAs to improve safety management protocols and processes that recognise efforts by contractors who are doing the right thing with respect to safe work methods, maintaining effective plant and equipment.

Summary / Close

We applaud the Government for inviting submissions for this important vision-planning of our state and look forward to ongoing collaboration with all Ministerial offices, Departments and Agencies to support the Government's new plan and vision for Victoria.

If you require any more information, please do not hesitate to contact us.

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30 August 2024