



Victorian Civil Construction
Industry Alliance

Victoria's Civil Infrastructure: Risks and Reforms

Acknowledgement of traditional owners

The Victorian Civil Construction Industry Alliance acknowledges the traditional custodians of the lands on which we work and live. 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.



EXECUTIVE SUMMARY

This paper sets out key issues and priorities which the Victorian Civil Construction Industry Alliance (VCCIA) believes require urgent attention by the Victorian Government, given the scale and ambition of its public infrastructure program.

The VCCIA was established in 2005 by Civil Contractors Federation Victoria as the united voice of civil infrastructure. Its members include industry associations who all have vested interests in civil construction and infrastructure.

Many VCCIA member organisations share common challenges across issues including funding constraints, regulatory complexity, planning delays, and workforce shortages.

Beyond identifying the issues impacting the civil construction industry in Victoria, our focus is on advancing **practical, solutions-oriented reforms and working collaboratively** with the Federal, State and Local Governments on outcomes that **deliver mutual benefits** to all stakeholders, including the Victorian community.

In this context, the issues raised and solutions we propose are aligned with the objectives of Victoria's **Economic Growth Statement** and complementary to Government policies supporting job creation and industry growth, including **Local Jobs First** and the **Future Industries Strategy**.

Furthermore, our solutions and objectives also align with the Government's recently released **New Plan for Victoria** and the **30-year Draft Infrastructure Strategy** being developed by Infrastructure Victoria. We, too, are fully invested in the state's prosperity.

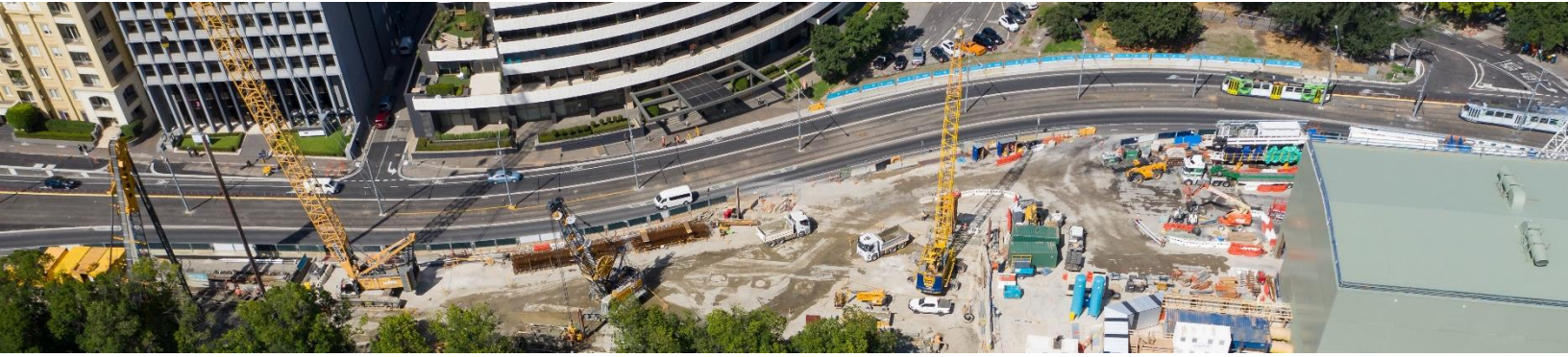
We also welcome announcements in the Economic Growth Statement, including the extension of the Resources Victoria Approvals Coordinator to 2027, streamlined Environmental Effects Statements, halving regulators, and commitments to the circular economy. A new Investment Coordinator-General will also drive investment. These reforms highlight the government's recognition of the civil industry's value and critical role in underpinning Victoria's growth and economic development.

VCCIA members, and the organisations they represent, are **the builders for the "state that builds things"** – specifically the enabling civil infrastructure that underpins Housing, Transport and Energy infrastructure – as asserted in the Government's Economic Growth Statement.

The VCCIA stands ready to work with Government to ensure the timely delivery of civil infrastructure that supports housing, transport, energy, and economic development objectives across Victoria. We welcome the opportunity to contribute constructively to reforms and programs that enable a stronger, more resilient and productive civil construction industry.

Lisa Kinross

President, Victorian Civil Construction Industry Alliance



ISSUES & SOLUTIONS: INFRASTRUCTURE

SUSTAINABLE PIPELINE

A stable pipeline of infrastructure projects is the civil construction industry's top priority, underpinning investment confidence, workforce stability and delivery capability.

Without proper planning for the delivery of enabling infrastructure, the industry will remain **vulnerable to fluctuating investment cycles**, driven by electoral timelines and short-term political priorities.

Better planning and procurement processes will foster a **sustainable industry that in turn supports sustainable jobs** for the hundreds of thousands of Victorians employed across the diverse civil-facing industries represented by VCCIA members.

The VCCIA can act as a strategic partner to Government by providing industry expertise and advice that supports early intervention, better policy design and long-term infrastructure planning.

We believe our Alliance is a true collaborative partnership, working together for the best interests of the State, the Government and the Victorian community.

UTILITY STRIKES

A utility strike occurs when underground assets such as water pipes, telecommunications lines or gas mains are accidentally damaged during excavation or construction work.

The rate of utility strikes during construction cost Victoria an estimated **\$2 billion annually**, through project delays, asset damage, service disruptions, and safety incidents.

Victoria records **over 6,000 construction related strikes annually**, making it the worst-performing state nationally. Addressing this issue presents a **major economic opportunity for Victoria**.

Targeted reforms including mandating the use of a national Digital Asset Register with accurate underground utility data and introducing compulsory utility risk management training, could deliver **up to \$640 million in annual savings for Victoria** and **over \$1.4 billion nationally**.

RESILIENT INFRASTRUCTURE

Governments across the nation have come to terms with the need to fund infrastructure recovery, as extreme weather events wreak havoc on community infrastructure with increasing regularity.

Weather damage already costs Victoria about **\$2.7 billion a year**. Without action to better protect infrastructure, costs of **repeated rebuilding will grow**.

A Build to Withstand Fund and consistent, state-wide design standards would directly support Recommendation 27 of **Victoria's draft 30-year**



Infrastructure Strategy¹ to better prepare infrastructure for climate change.

RESOURCES AVAILABILITY

Cement, concrete and aggregates **underpin Victoria's economic growth**. Enhancing the availability of sand, rock and gravel, crucial for new housing, infrastructure and renewable energy projects, remains a priority.

The supply of new quarries or extensions to existing quarries is at an all-time low due to the high costs and lengthy, complex approvals processes resulting in an extensive list of conditions to be met before they become shovel ready.

With demand for these materials forecast to reach 79.5 million tonnes in 2030², it is vital that quarries are secured close to market to **minimise emissions**, reduce the number of trucks on the road and **secure supply and affordability** of housing and infrastructure.

DECARBONISING RESOURCES

As the demand for concrete grows to fuel Victoria's infrastructure, housing, energy and sustainable growth ambitions, there is an urgent need to work together to enable the **delivery of lower carbon** solutions; as emphasised in the Heavy Construction Industry's Climate Ambition Statement (2021)³ and the Industry Decarbonisation Pathways Report⁴.

The establishment of public procurement practices that reflect government policies on reducing emissions and encouraging the circular

economy are required to achieve our collective net zero goal.

Australian standards and state-based infrastructure specifications also play a critical role in enabling decarbonisation in the built environment.

Performance-based specifications that do not specify minimum amounts of Portland cement - and therefore promote the greater uptake of Mineral Additions and Supplementary Cementitious Materials (SCM), such as Fly Ash and Blast Furnace Slag - are key to achieving our goals.

Recommended actions:

1. Ensure Victoria's energy and climate change policies are well coordinated across state agencies and aligned with national frameworks, to streamline outcomes and reduce complexity;
2. Encourage industry decarbonisation through supporting the introduction of lower carbon cement standards and removing specification barriers for low carbon concrete;
3. Support the cement and concrete industries ambition to deliver net zero materials by 2050, and;
4. Educate and advocate to the community, industry and government that quarries are essential services underpinning new housing, infrastructure, and renewable energy projects.

¹ <https://www.infrastructurevictoria.com.au/resources/draft-30-year-strategy>

² https://resources.vic.gov.au/__data/assets/pdf_file/0006/969000/Extractives-Resources-Supply-and-Demand-Report-2022-30.pdf

³ https://www.ccaa.com.au/CCAA/CCAA/Public_Content/SUSTAINABILITY/Climate_Ambition_Statement.aspx

⁴

https://www.ccaa.com.au/CCAA/Sustainability/Decarbonisation_Pathways_Report/CCAA/Public_Content/SUSTAINABILITY/Decarbonisation_Pathways_Report.aspx?hkey=2b452a7b-5b70-4e78-b0d3-1a829e5bd319



Defined issue / challenge	Proposed solutions (reforms)
<p>Utility strikes during construction cost Victoria an estimated \$2 billion annually</p>	<p>Nationally consistent legislation on underground asset management: Only NSW requires utilities to register underground assets and mandates the use of Before You Dig Australia (BYDA) in construction planning. A national framework would improve data accuracy, reduce unnecessary damage, and increase construction efficiency.</p> <p>Digital Asset Register with minimum data standards: Most utilities still use outdated, inaccurate data (Level D standard) to locate underground infrastructure. A national digital asset register with mandated data standards would cut errors, streamline planning, and reduce project delays.</p> <p>Mandatory Utility Risk Management Training: Poor training contributes to over 3,000 strikes per year. Mandating training, based on proven models in the UK and Canada, would reduce incidents and improve site safety and productivity.</p>
<p>The rising cost of weather damage to civil infrastructure</p>	<p>Establish a 'Build to Withstand' investment fund: A dedicated Fund would allow local councils to conduct priority pre-disaster investigation work to identify and address the highest priority infrastructure for resilience upgrades across the state.</p> <p>Allocate additional funding to develop resilient infrastructure standards for publication in Victoria's Infrastructure Design Manual and the Engineering Design and Construction Manual for Growth Areas to support consistency and efficiency.</p>
<p>The urgency to deliver low carbon cement and concrete to meet soaring demand for building materials</p>	<p>Align state and federal climate change policies, encourage public procurement practices to reduce complexity and ensure national emissions targets are met.</p> <p>Support the introduction of lower carbon cement standards and remove specification barriers for low carbon concrete, enabling CCA industries to deliver net zero cement and concrete to market by 2050.</p> <p>Work with industry to build better public understanding of the role of resource operations to deliver Victoria's housing, infrastructure and renewable energy needs.</p> <p>Ensure budget support is maintained to streamline quarry approvals and to continue to identify and protect new strategic extractive resource areas, close to market.</p>

Outcomes / Benefits for the Government and Victorian community

- Up to \$640 million in annual savings through targeted reforms to reduce utility strikes.
- Reduced costs and inconvenience of repeatedly rebuilding weather-damaged infrastructure.
- Ensure net zero targets are met by encouraging decarbonisation of civil and CCA industries and by ensuring quarries are secured close to market, also saving on costs.





ISSUES & SOLUTIONS: PLANNING AND REGULATION

UNREGULATED SURVEYORS, UNREGISTERED ENGINEERS

Currently, government-funded infrastructure projects in Victoria do not require Certified Engineering Surveyors to oversee surveying work. Only Cadastral Surveyors are licensed under the relevant State Act of Parliament (about 400 practicing currently).

This lack of regulation has allowed **unqualified personnel to undertake critical surveying tasks**, leading to significant safety risks, construction defects, and project inefficiencies. This regulatory gap has also enabled non-certified individuals to perform technical tasks on site, raising concerns about accountability, safety and compliance.

Similarly, Victoria's Professional Engineers Registration Act 2019 (The Act) requires anyone who provides a 'professional engineering service' to be registered, supervised by a registered engineer or guided by a 'prescriptive standard' endorsed by a registered engineer.

To uphold the intent of the Act and reduce compliance risk for service providers and the Victorian community, unregistered individuals need to be cautioned against the risks of providing a defined 'professional engineering service' without the supervision or guidance of a registered engineer.

Targeted reforms would not only ensure project integrity but also **reduce significant project risks**

and **legal exposure** that could otherwise drive up substantial costs to Victorian taxpayers.

PLANNING INEFFICIENCIES

Misalignment between planning and approvals processes for developer-funded versus DTP-led works is **causing significant project delays**, inefficiencies and escalating costs, putting projects at risk.

By way of two illustrations:

1. VCCIA members report that standard drainage pit designs are no longer being accepted as 'deemed to comply', with DTP increasingly requiring bespoke designs for what are standard infrastructure items. This impacts **95 per cent** of works undertaken, creating **unnecessary cost and time** as well as confusion for contractors, as plans and specifications differ.
2. The cost of installing a standard set of traffic signals has increased from \$1.2 million to \$1.6 million, largely due to lengthy approval timelines.

Providing a clear pathway for developer-funded works to be reviewed in a more timely, efficient manner – works, standards and specifications that are on a par with what the Department is doing - is a targeted **reform that will significantly shorten construction timeframes** by as much as



30 per cent; equally **reducing project costs** by a similar factor.

PLANNING FOR GROWTH

The Government's recently-released New Plan for Victoria sets out clear objectives to accommodate the forecast population growth in the coming decades.

However, the present State Budget position in relation to **declining infrastructure investment** in the coming years **creates uncertainty** about the measures that will be required to meet these objectives, particularly in regional areas.

To **support thriving new communities**, assistance will be required to fund:

- Transport and service infrastructure
Community facilities
- Green and open spaces
- Active transport corridors

Responsible investment to ensure local councils – particularly regional - have the appropriate financial assistance to support these objectives will **enable the Government to realise the goals** of the Plan for Victoria.

Defined issue / challenge	Proposed solutions (reforms)
<p>Unregulated surveyors and unregistered engineers on public projects create significant risk and legal exposure</p>	<p>Mandate qualified surveyors for public infrastructure projects: Mandate the use of Certified Engineering Surveyors on all publicly funded infrastructure projects.</p> <p>Compliance and monitoring framework: Introduce a compliance framework and create a monitoring and enforcement mechanism governing practicing surveyors and engineers, to reduce legal and other risks and ensure project integrity.</p>
<p>Unreasonable funding demands, planning barriers and unrealistic approvals timelines threaten the viability of public projects and impede growth</p>	<p>Ensure the right planning expertise and approvals processes are in place: Inequality between developer-funded works and DTP-funded works and inequity on approvals timeframes between developer works and DTP works create a prohibitive environment for developers to effectively deliver projects.</p> <p>In line with the Economic Growth Statement's stated goal of cutting red tape, to give industry certainty and clarity, simplify and streamline planning approvals processes to accelerate progress on critical construction projects, helping developers to deliver the enabling infrastructure that underpins Victoria's society and economy.</p> <p>Recalibrate the focus on developer-funded works: Biased planning processes that exceed reasonable expectations of developers drives such professionals interstate or out of the industry; to the detriment of the</p>



Victorian community that relies on experienced developers to shape and guide delivery of public infrastructure.

Developer-funded works deliver exceptionally good value for money for taxpayers. Harness this sector more effectively and collaboratively to create exceptional value for the Government and community and support the goals and objectives of the Economic Growth Statement.

Precarious Budget position **creates uncertainty for** sustained investment in infrastructure

Ensure infrastructure investment when planning for growing communities: Provide appropriate financial assistance to local councils, enabling them to support growing, thriving communities, will in turn help Government to **realise the goals and objectives of the New Plan for Victoria.**

Outcomes / Benefits for the Government and Victorian community

- Reduced project risk and legal exposure will ultimately avoid increased costs to taxpayers.
- Shortened construction timeframes amount to greater productivity gains for all government, industry and community stakeholders.
- A fairer, more favourable and level playing field for business and industry translates into jobs creation and secure long-term employment for hundreds of thousands of Victorian workers.





ISSUES & SOLUTIONS: PROCUREMENT AND SKILLS

CRITICAL SKILLS SHORTAGES

Victoria faces acute shortages of skilled workers in key civil construction roles such as surveyors and traffic controllers, which is directly **impacting the delivery of infrastructure**, urban development and **housing targets**.

Shortage of surveyors

The capacity of TAFE to meet training demand is limited and, combined with restrictive funding models, has led to a workforce gap that **threatens Victoria's major infrastructure projects**.

The Determining the Future Demand, Supply and Skills Gap for Surveying and Geospatial Professionals: 2022 - 2032 report identifies a projected national shortfall of 1,800 surveying professionals by 2032. In Victoria, **demand for surveyors has consistently outstripped supply**, with severe shortages of licensed surveyors.

Specific reforms to address the problem - including **increased funding support for private RTOs**, to complement TAFE delivery in Victoria, and greater flexibility in funding models - will help boost surveyor numbers, **avoid delays and cost overruns** on major infrastructure projects and **support housing affordability** across Victoria.

Traffic training obstacles

The fast-growth Temporary Traffic Management industry (TTM) is another example of a workforce

experiencing severe labour shortages and other restrictions, **impeding productivity on Victorian public infrastructure projects**.

The National Training Framework for TTM, recently introduced by the Department of Transport and Planning and Austroads, continues to place **unsustainable pressure on Victoria's traffic management industry**. Immediate concerns are that current workforce shortages, limited regional training access and a lack of equitable funding support will **threaten public safety and project delivery**.

1. Unaffordable, unrealistic TTM training requirements

- Training duration has tripled from two to six days plus 40 hours unpaid placement—resulting in a **500 per cent cost increase**: barriers that deter new entrants and push out experienced workers amid present cost-of-living challenges and ultimately will lead to further project cost increases.

2. Inadequate and unequal subsidy access

- Currently, of the 23 RTOs listed, only one TAFE is approved by Austroads to deliver TTM training.
- Yet, most private RTOs are excluded from transparent, fair access to funding, limiting student choice and competition, in contrast to other states (CITB in SA, CTF in WA, Keystone in TAS).



3. Training access gaps in regional Victoria

- A serious lack of regional training access continues to disadvantage rural communities and will lead to ongoing workforce shortages unless addressed.

4. Ongoing workforce and viability concerns

- Delays in training and recruitment are compounding labour shortages.
- Inconsistent work and lack of investment in infrastructure are driving workers out of the industry or interstate.

Targeted reforms to tackle the training burden and support entry and retention will help to build skilled, sustainable jobs, **another hallmark objective of the Economic Growth Statement** and Government policies including Local Jobs First and Future Industries Strategy (soon to be updated).

Reforms addressing issues across the training landscape should also ensure an equitable, transparent statewide training subsidy scheme is

available to all RTOs, who have existing assets, infrastructure and capacity available; ultimately **delivering significant savings to Victorian taxpayers** through more productive project delivery that avoids unnecessary extra expenditure.

INEFFICIENT PROCUREMENT

Current procurement processes at state and local government levels are disjointed, repetitive and overly bureaucratic. The impacts of these include economic inefficiencies and stifled innovation.

Of significant concern, particularly to industries and contractors invested in municipal works, is the worrying trend eliminating smaller local companies from the procurement process – **in direct contravention of the Government's own Local Jobs First policy**, including the Victorian Industry Participation Policy (VIPPP).

Solutions that prioritise a standardised approach for procurement across all levels of government, scalable depending on the scope of project, will **ensure the Government meets its principle objectives** within the Local Jobs First and Victorian Industry Participation Policies.

Defined issue / challenge	Proposed solutions (reforms)
Shortage of skilled surveyors impacts urban infrastructure delivery and housing targets	<p>Direct funding support for private RTOs:</p> <p>Reverse the trend of cuts to subsidies and numbers of apprenticeship and training placements for independent RTOs to increase training outcomes, workforce growth and capability, and ultimately boost productivity on public and private infrastructure projects.</p> <p>Expansion of TAFE delivery in Victoria:</p> <p>Address capacity issues in the TAFE sector to meet training demands specifically to bolster the number of qualified surveyors; thus improving training outcomes and productivity on Government projects.</p>



Numerous obstacles in traffic management training regime drives up **costs to taxpayers, risks public safety and undermines project delivery**

Establish a transparent, equitable training subsidy scheme:

Implement a transparent, statewide training subsidy scheme available to all providers, to expand student choice and increase training outcomes, which will grow workforce and skills availability, in turn accelerating project delivery for greater productivity gains.

Expand regional training through mobile units or local partnerships:

A lack of regional training availability restricts TTM workforce development and disadvantages rural communities, which continue to face acute shortages.

Instead, utilise existing industry RTO assets and facilities and leverage available industry training expertise and capacity to accelerate skills and workforce growth, in turn **accelerating government project delivery for greater productivity gains.**

Work collaboratively with industry to reduce training barriers, monitor outcomes and co-design practical solutions to improve entry and retention:

Delays in training and recruitment compound labour shortages, while inconsistent work and lack of infrastructure investment drives workers interstate or out of the industry altogether.

Remove barriers that deter new entrants and push out experienced workers to build a skilled, sustainable workforce and enable project delivery timeframes to be improved, saving Victorian taxpayers money.

Inefficient procurement processes diminish the **intent and impact of the Government's jobs creation and industry policies**

Standardise and streamline procurement processes:

Current processes at State and Local Government levels are disjointed, repetitive and unnecessarily bureaucratic.

Standardise and streamline procurement policies and practices across all tiers of Government to eliminate economic inefficiencies, encourage innovation and improve business and employment opportunities for smaller local companies and their workers, in line with the spirit and intent of the Local Jobs First Act, the Victorian Industry Participation Policy and Future Industries Strategy (soon-to-be-updated).

Outcomes / Benefits for the Government and Victorian community

- Jobs creation and a strong economy that supports Victoria's growth and future prosperity, in line with the broad Economic Growth Statement and Local Jobs First Policy.
- Unnecessary delays and cost blowouts on major infrastructure projects are avoided, saving time and money.
- Increased housing affordability and choice across Victoria.

Summary

The issues and recommendations presented in this paper represent **priority opportunities** for collaborative action between industry and Government. They are not intended to be exhaustive. In addition to working through the issues highlighted in this paper, VCCIA remains committed to ongoing dialogue to address emerging challenges and opportunities across the civil construction sector.

As an Alliance representing a broad cross-section of civil construction and related industries, we provide Government with a single, streamlined channel for industry engagement, helping to consolidate input and reduce duplication across stakeholders.

The VCCIA and its members remain committed to working in partnership with Government to help deliver the ambitions of the Housing Statement, the Economic Growth Statement and to strengthen Victoria's civil construction capability.

Lisa Kinross,
President – Victorian Civil Construction Industry Alliance



ISSUES IMPACTING VICTORIA'S CIVIL INFRASTRUCTURE SECTOR

Alliance Member Organisations:

[Australian Flexible Pavement Association](#)
[Association of Land Development Engineers](#)
[Pavement Recycling & Stabilisation Association](#)
[Before You Dig Australia](#)
[Cement Concrete & Aggregates Australia](#)
[Civil Contractors Federation Victoria](#)
[Crane Industry Council of Australia](#)
[Construction Materials Processors Association](#)
[Construction & Mining Equipment Industries Group](#)
[Consulting Surveyors Victoria](#)
[Demolition & Asbestos Industry Association of Victoria](#)
[Engineers Australia](#)
[Institute of Public Works Engineering Australasia \(Vic\)](#)
[Institute of Quarrying Australia](#)
[Municipal Works Australia](#)
[Professionals Australia](#)
[Roadmarking Industry Association of Australia](#)
[Roads Australia](#)
[Traffic Management Association of Australia](#)
[Urban Development Institute of Australia - Victoria](#)
[Victorian Transport Association](#)

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