



# 2012 QMCA Major Projects Report

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QUEENSLAND MAJOR  
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BUSINESS RESEARCH AND FORECASTING

# QMCA Major Projects Report Presentation Outline

- Key findings of the 2012 Report
- Queensland Economic Outlook
- Queensland Engineering Construction Outlook
- Challenges and Risks
- Implications

# QMCA Major Projects Report

## Key Findings

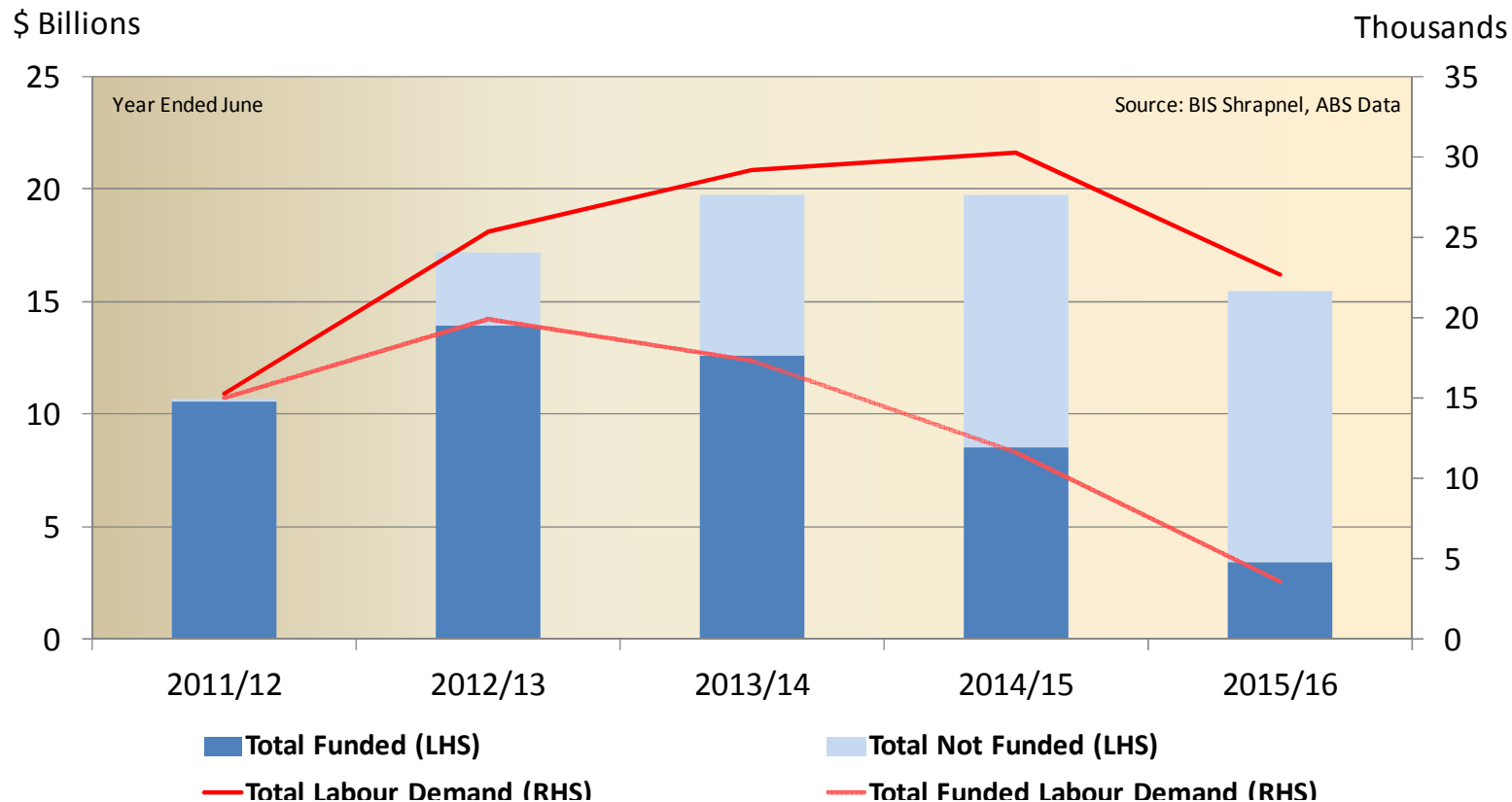
### Transformation now taking place in Queensland

- Resources versus non-resources investment
- Construction boom led by engineering construction
- Private versus public funded work
- Metropolitan versus regional work
- Massive scale of mining and resources projects
- Long term development / long term issues
- Risks and challenges

# QMCA Major Projects Report

## Key Findings

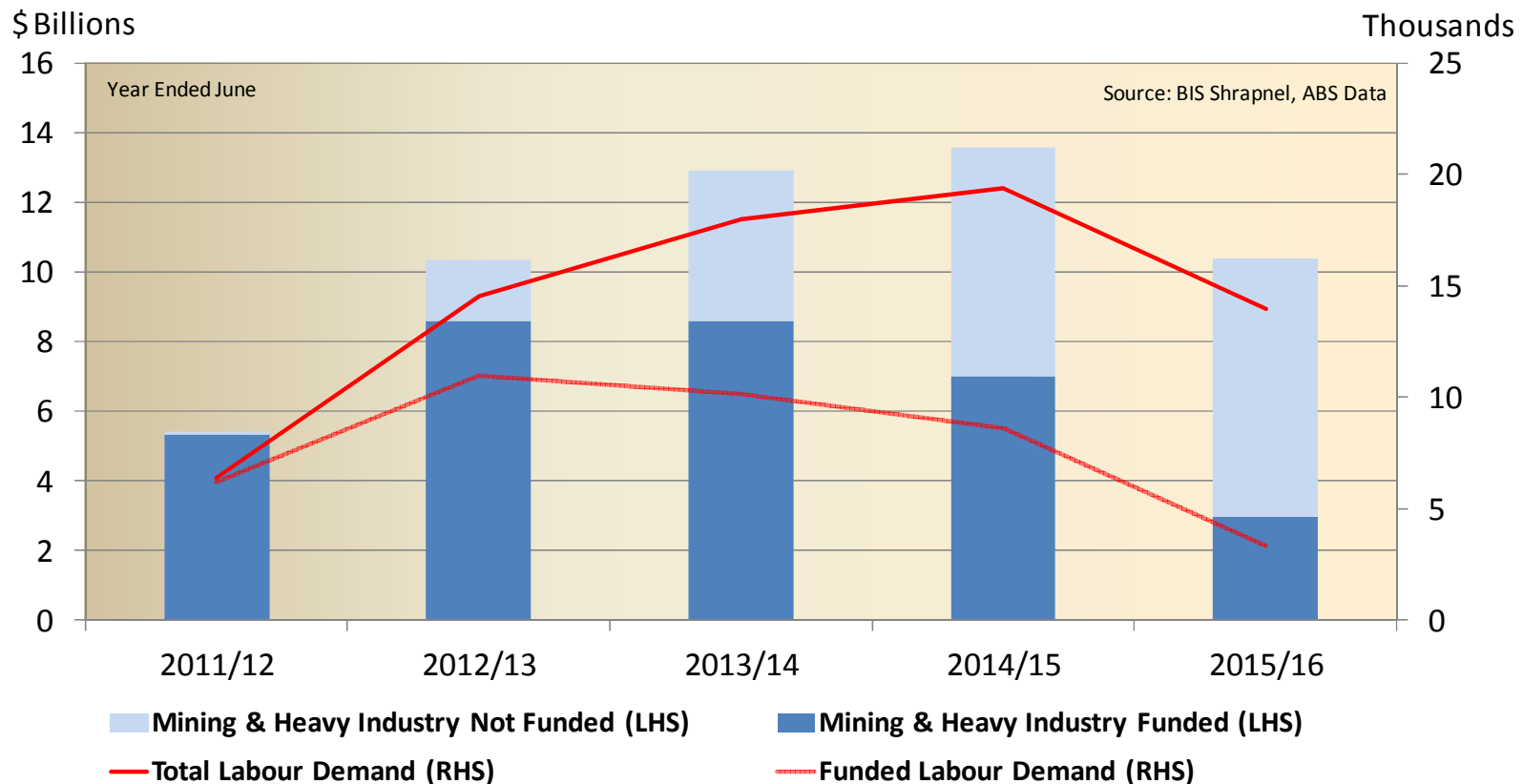
- Major project construction workforce to double from 15,300 persons to 30,200 persons by 2014/15



# QMCA Major Projects Report

## Key Findings

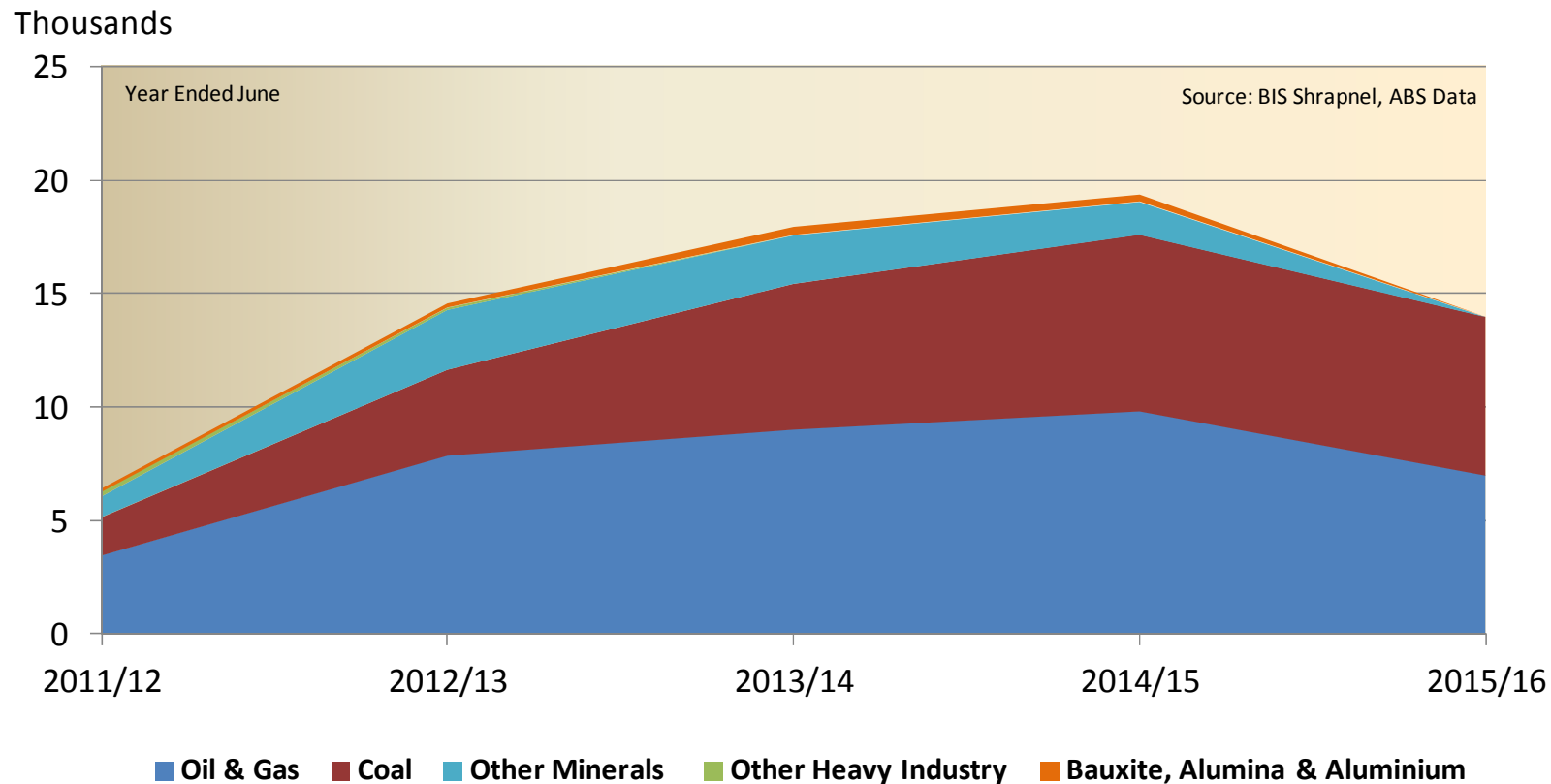
- Mining and heavy industry major project workforce to rise from 6,400 persons to 19,000 persons



# QMCA Major Projects Report

## Key Findings

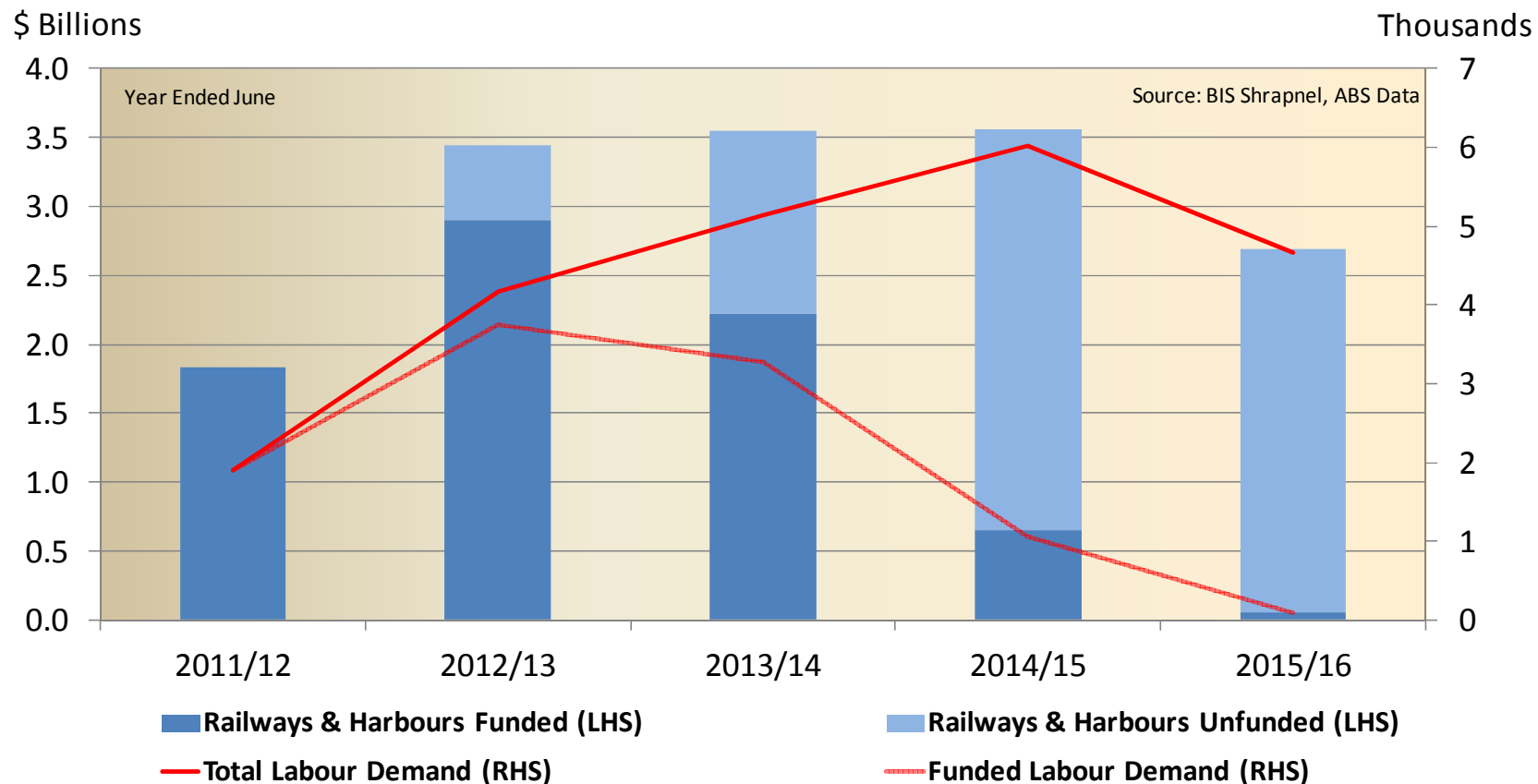
- Oil and gas now overtaking coal in terms of major construction project workforce requirements



# QMCA Major Projects Report

## Key Findings

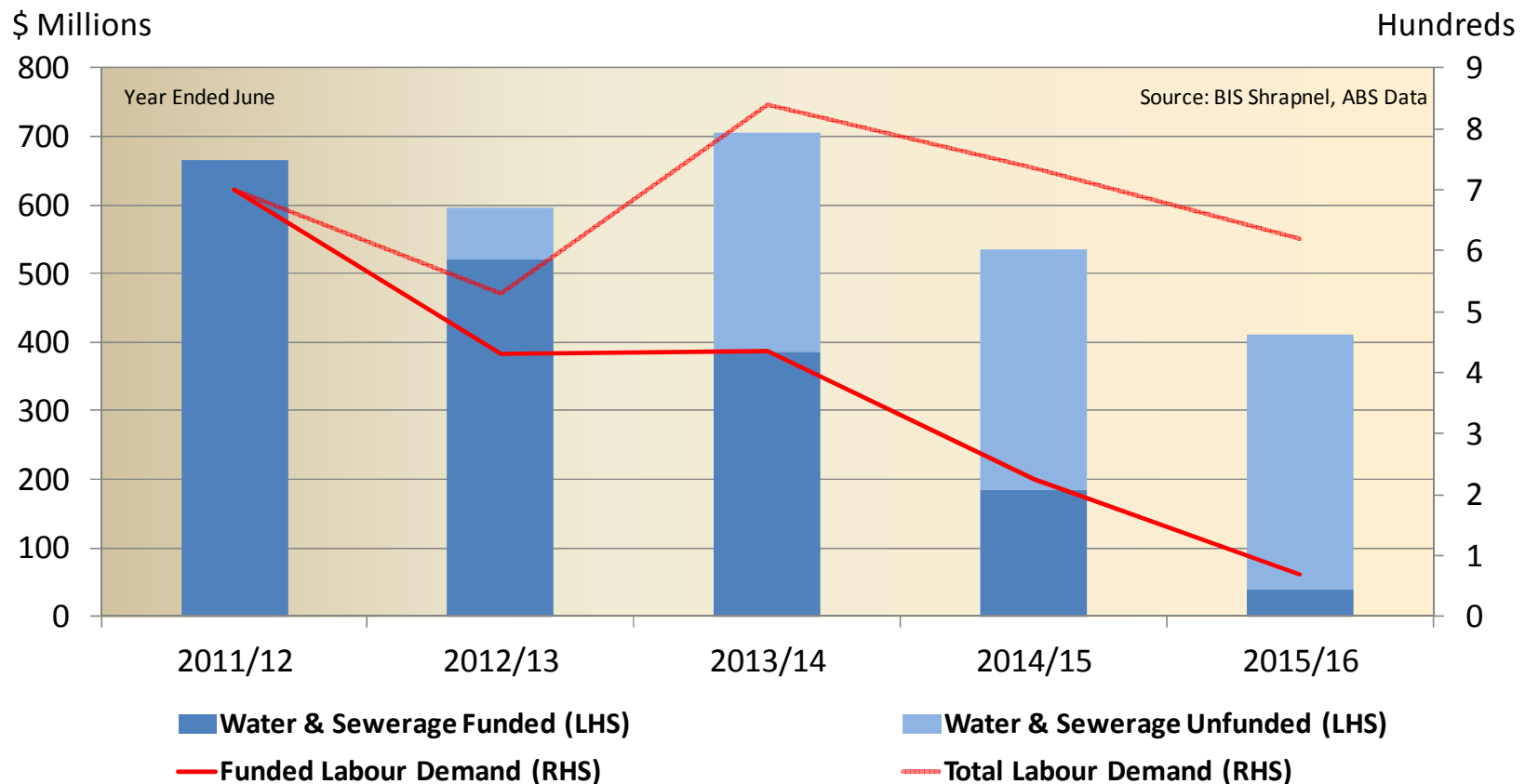
- Railways and harbours major project workforce to rise from 1,900 persons to 6,000 persons



# QMCA Major Projects Report

## Key Findings

- Water and sewerage major project workforce to remain at very high levels

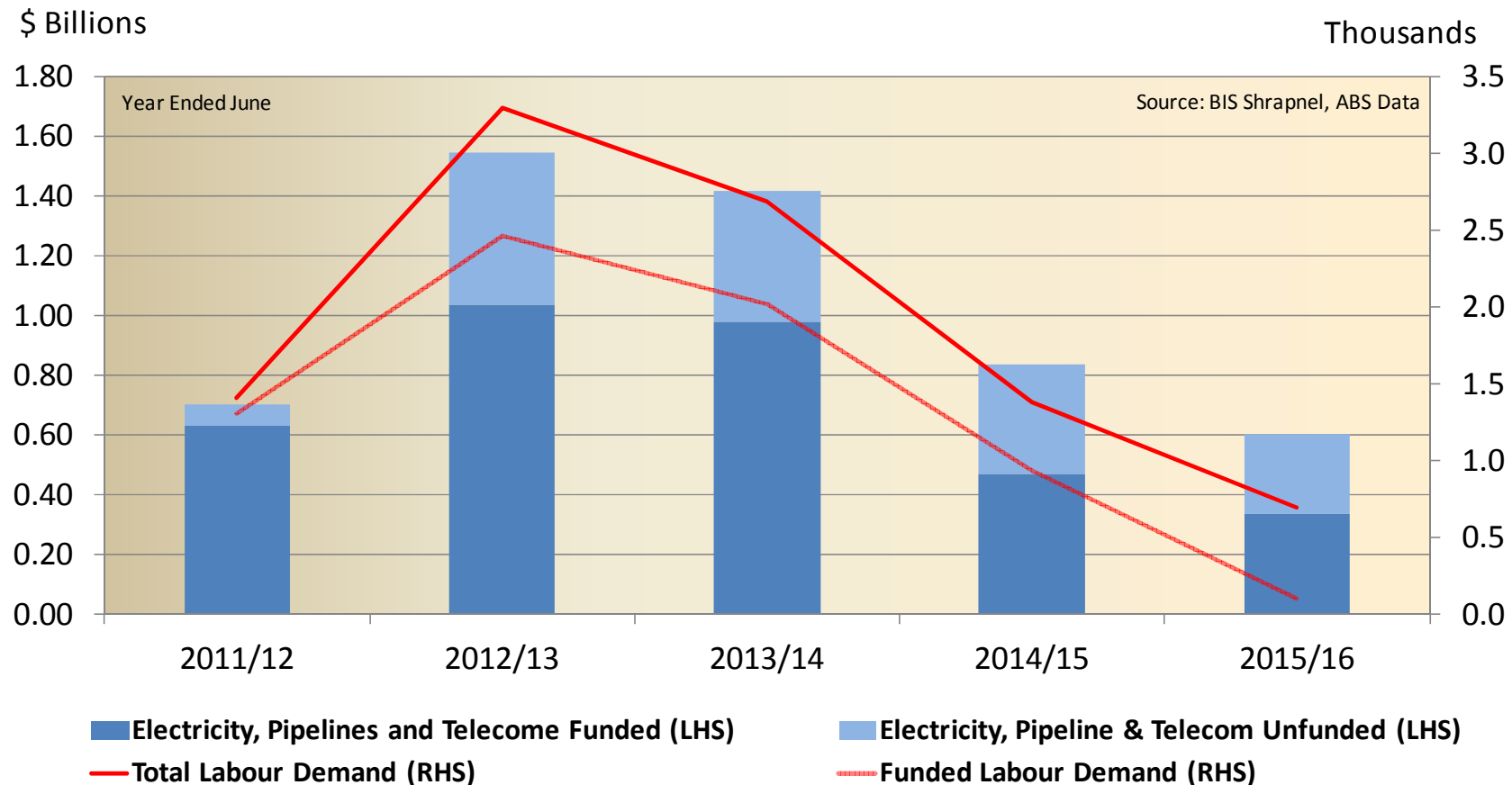




# QMCA Major Projects Report

## Key Findings

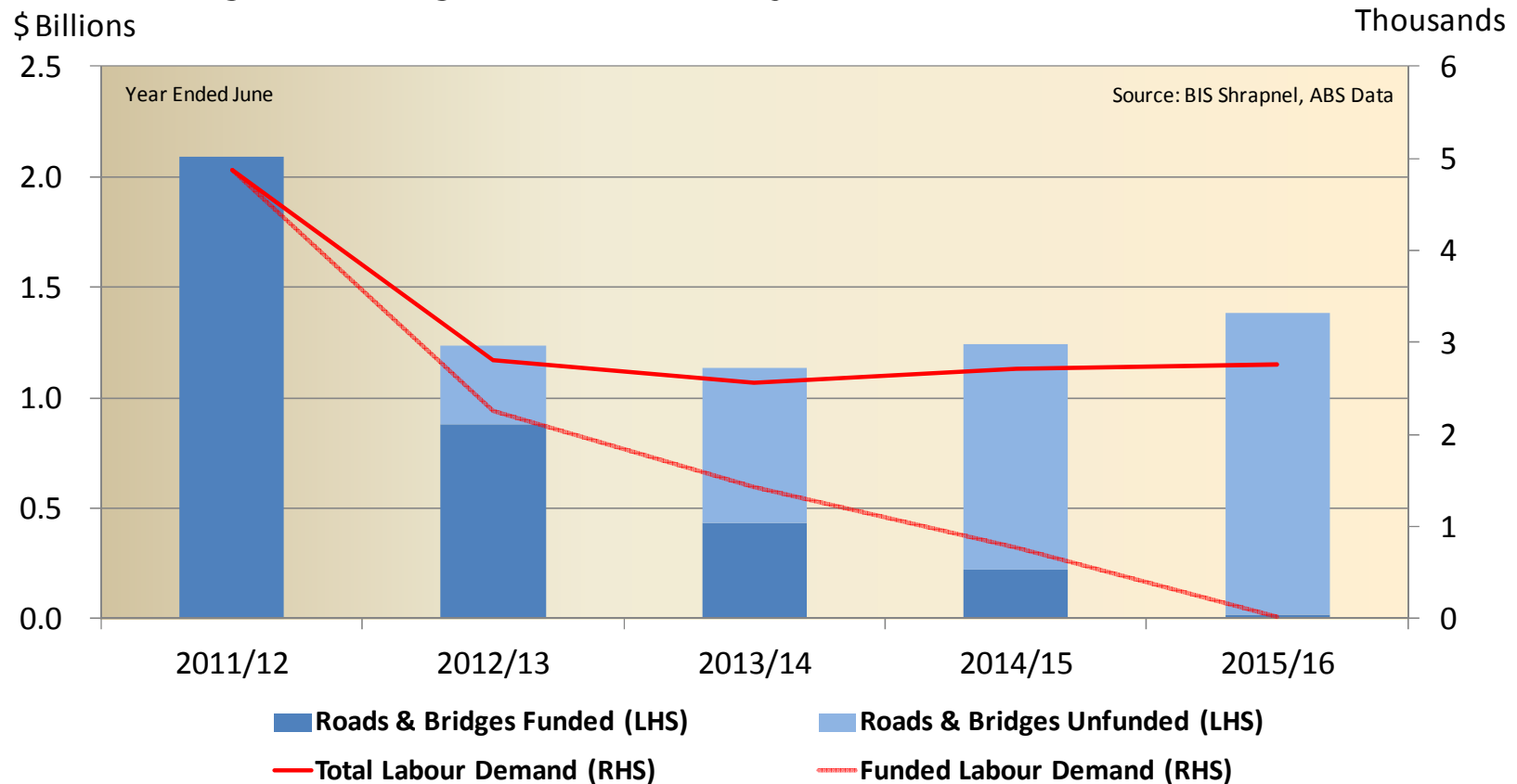
- Pipeline and electricity major project workforce to boom over next 3 years



# QMCA Major Projects Report

## Key Findings

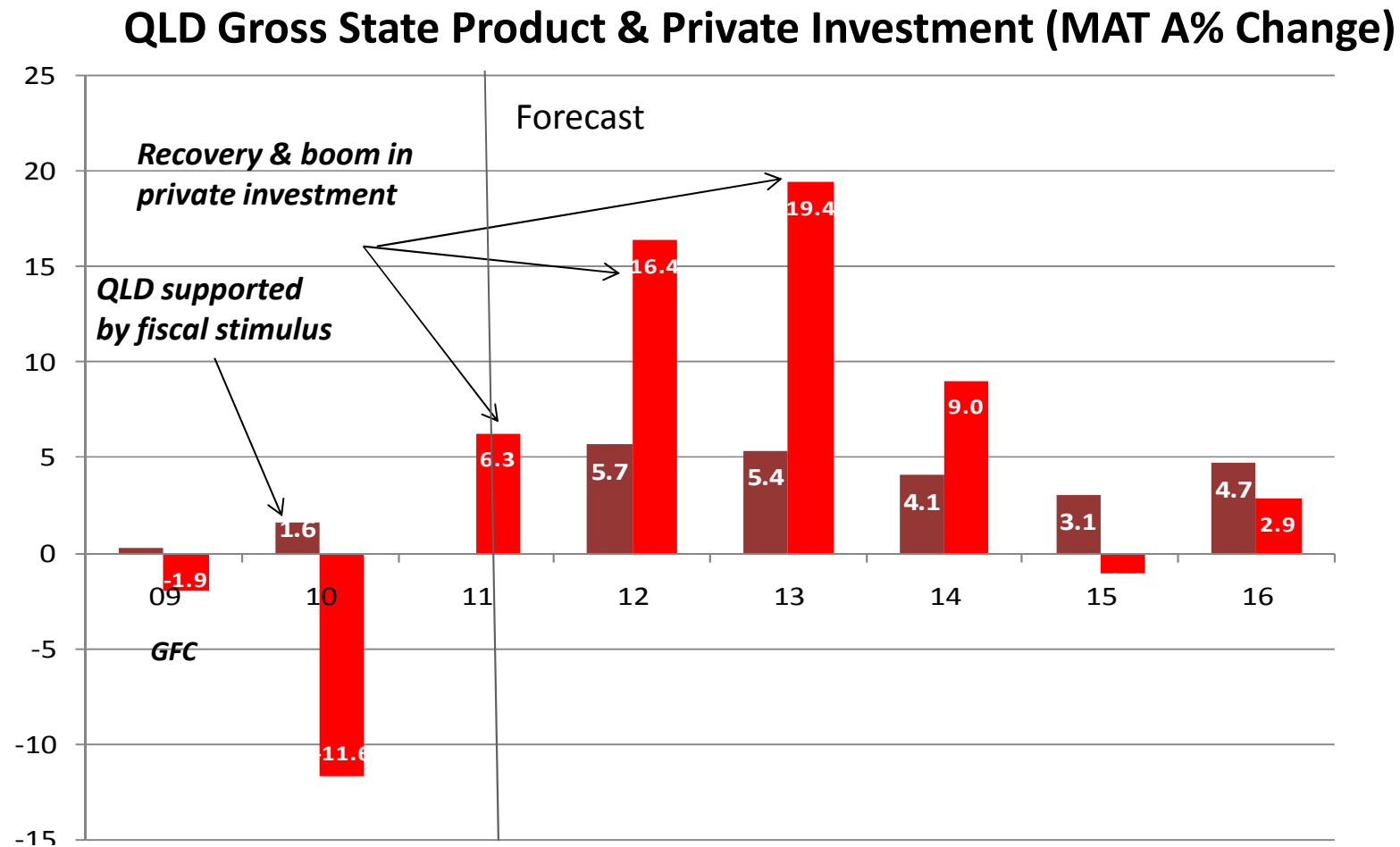
- Roads major project workforce to ease in line with weaker major project activity



# QMCA Major Projects Report

## Queensland Economy

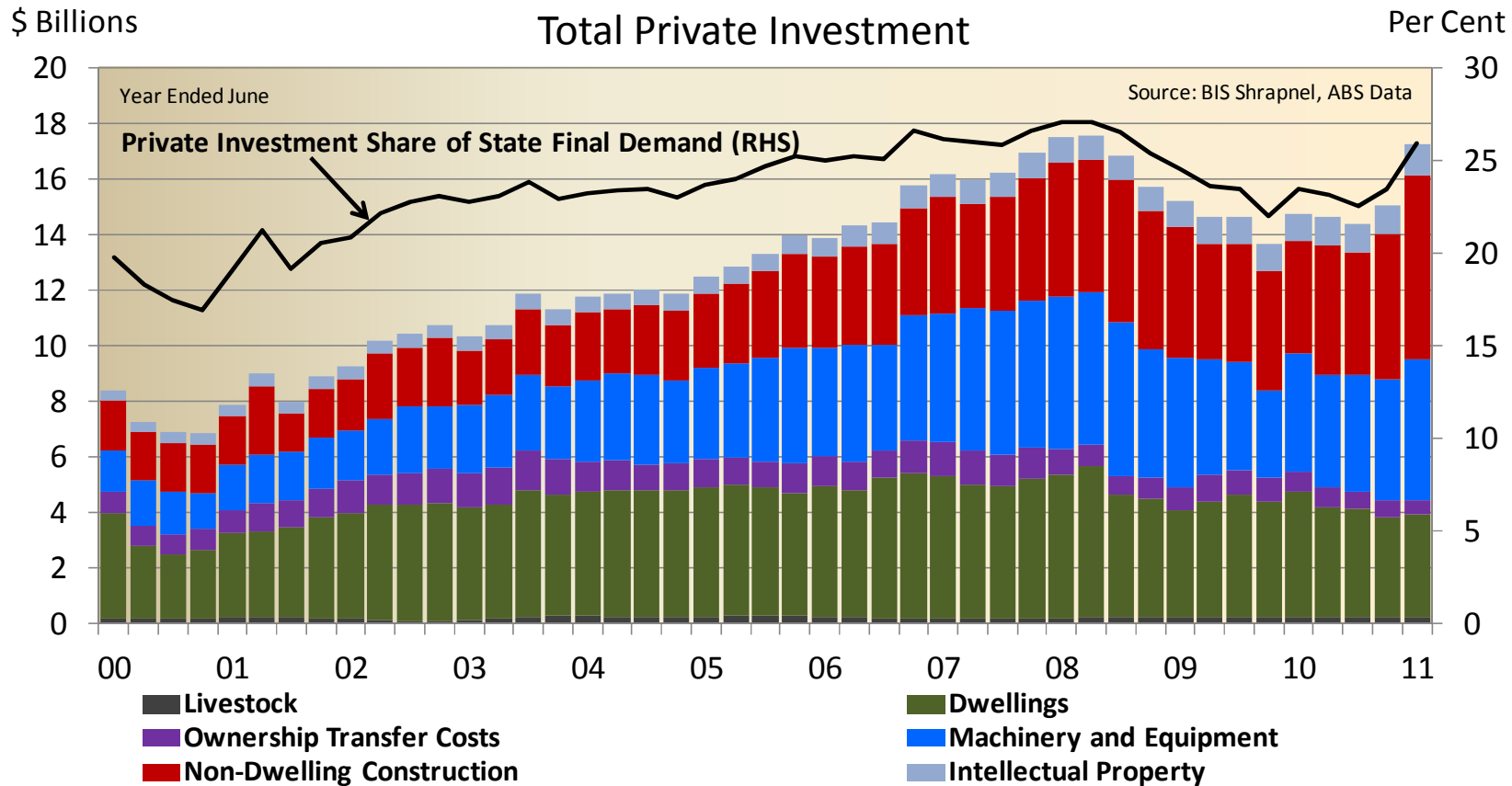
- Was weak, but will be strong (look forward, not back)



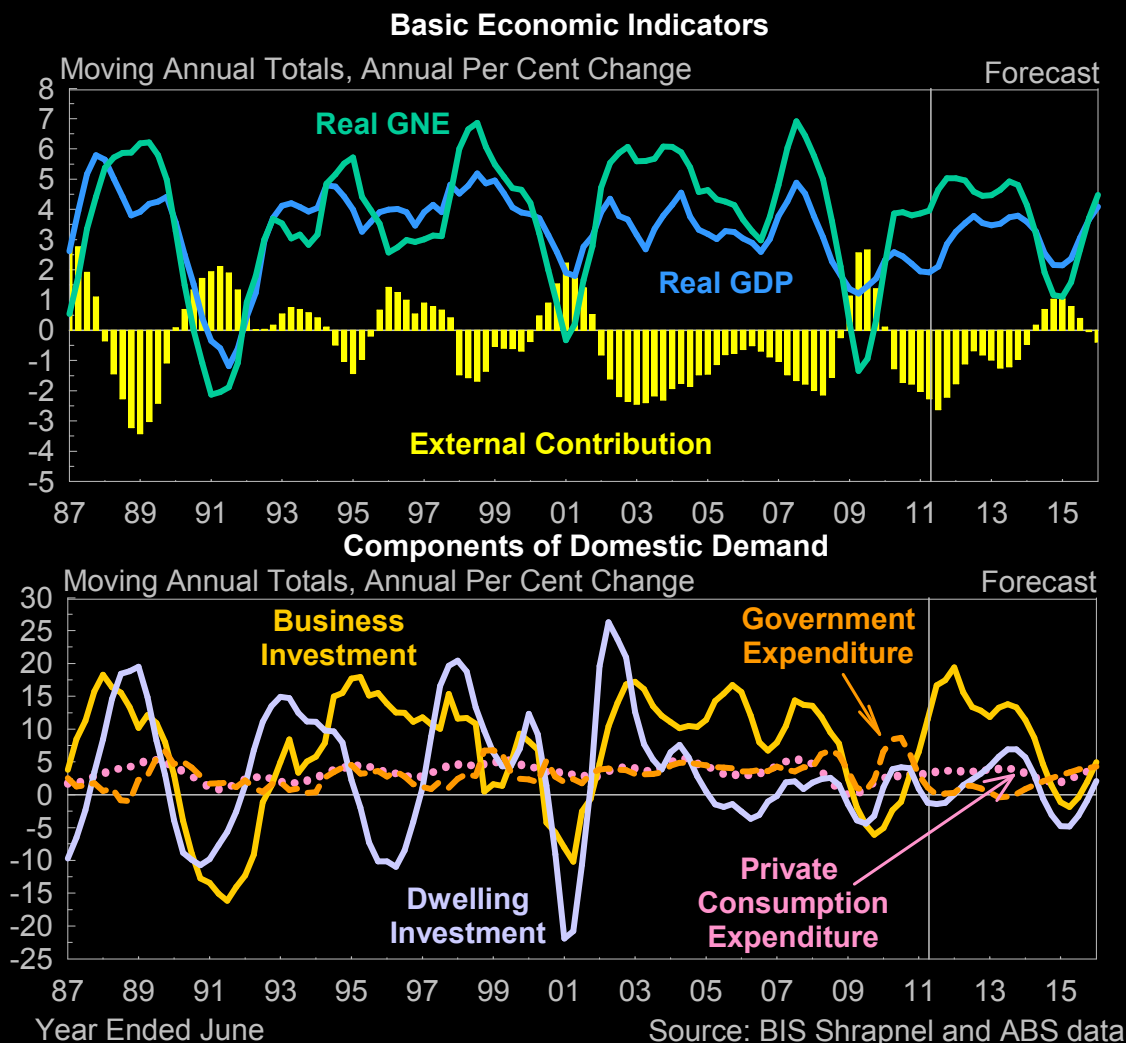
# QMCA Major Projects Report

## Queensland Economy

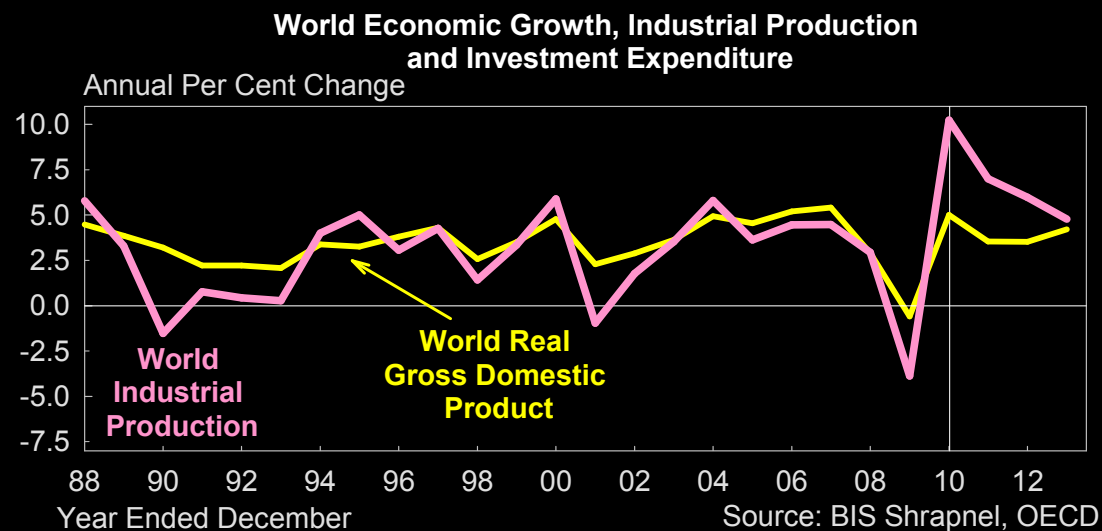
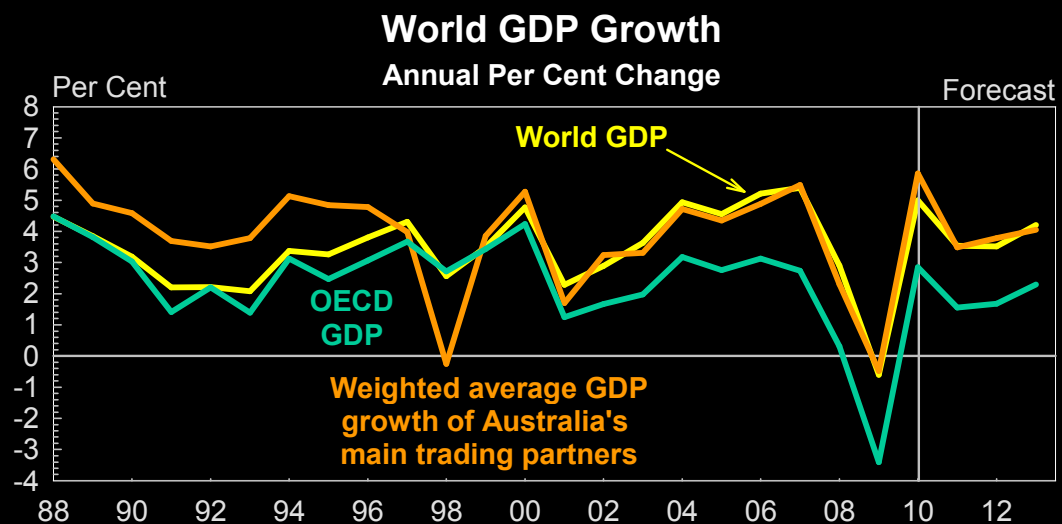
- As private investment now surges



**National economy also picking up on the back of double digit growth in business investment (at this stage heavily resources driven)**

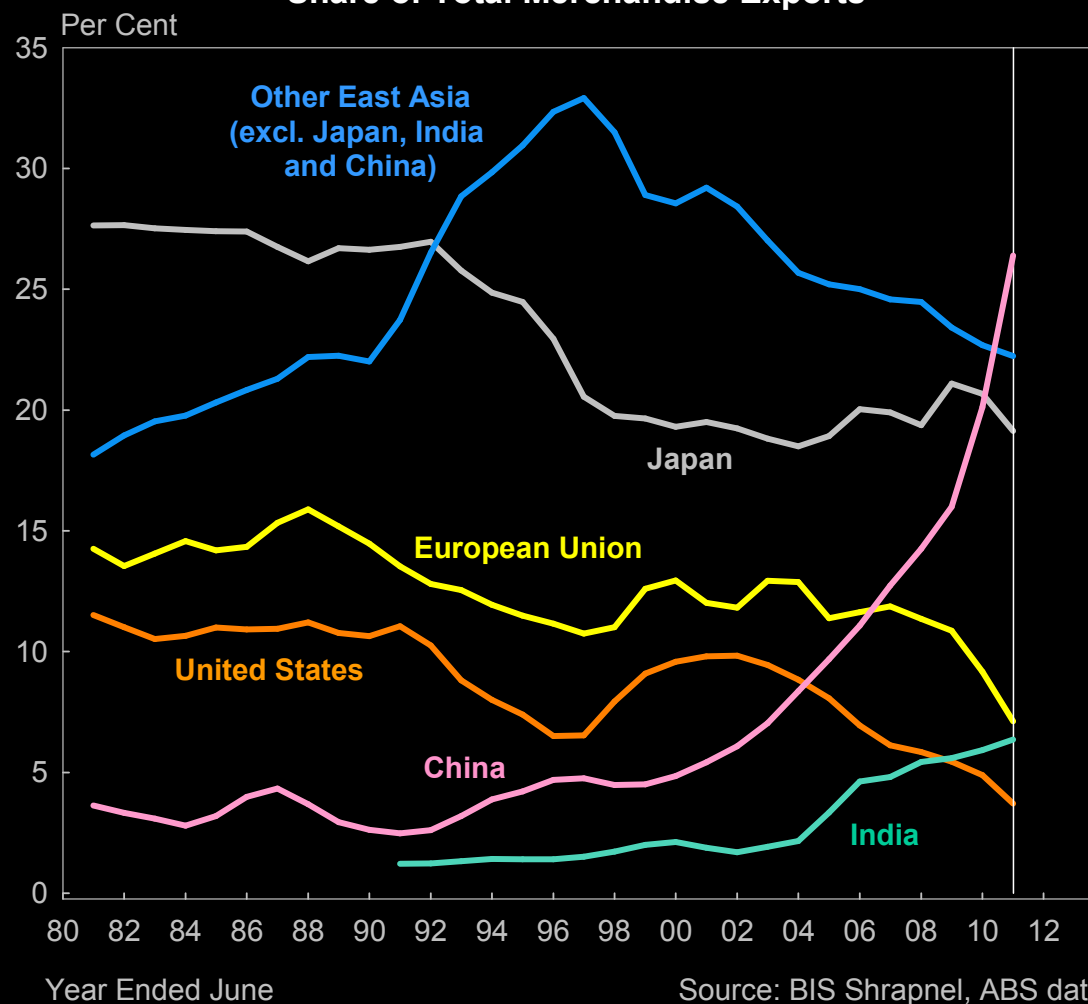


**Global growth will not be as quick as it was immediately after the GFC (through stimulus) but will be sustained by growth in China and SE Asia**

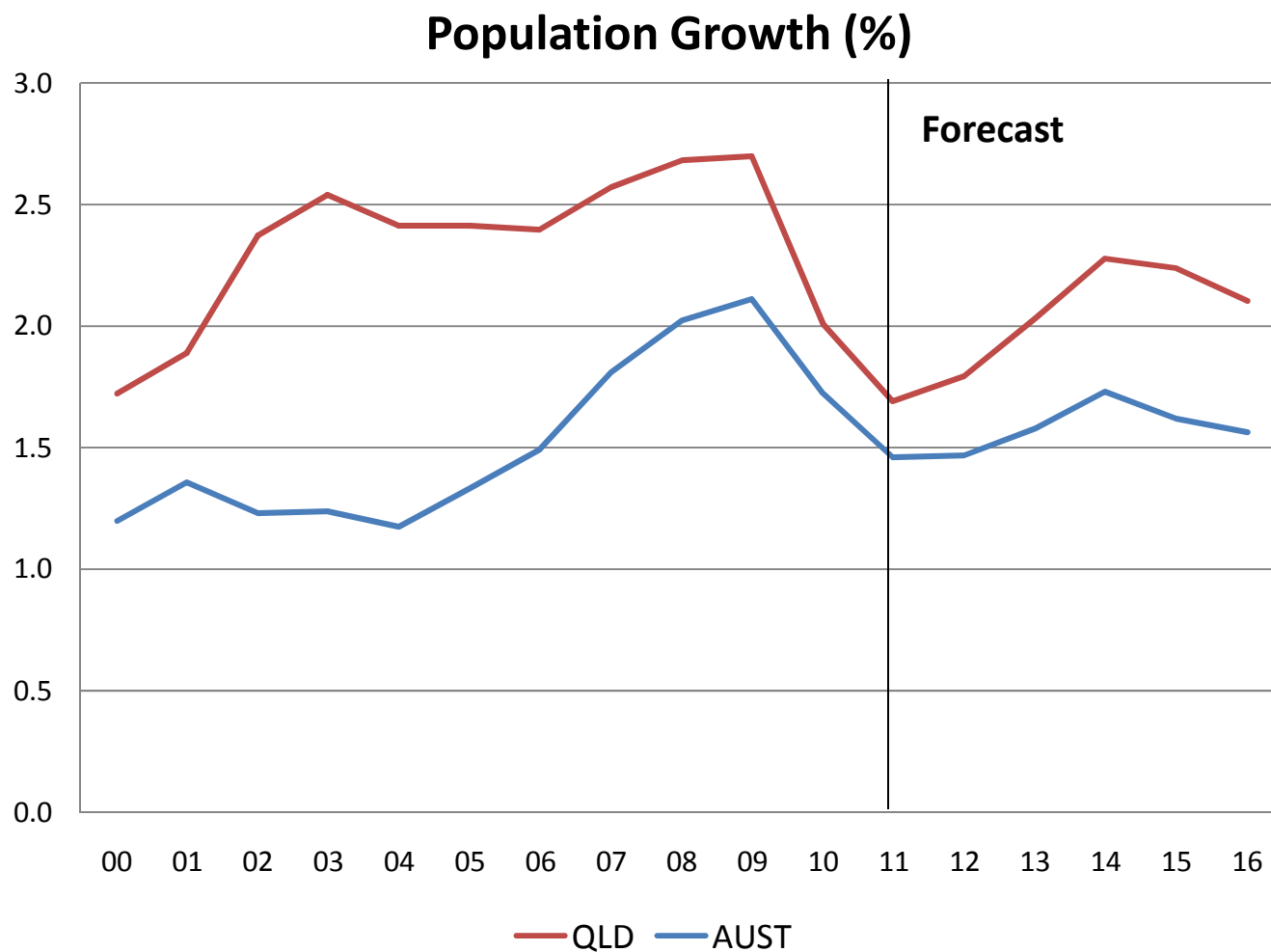


**This is important to Australia given China's rapidly rising importance as a trading partner . . .**

**Australia's Major Export Markets**  
Share of Total Merchandise Exports

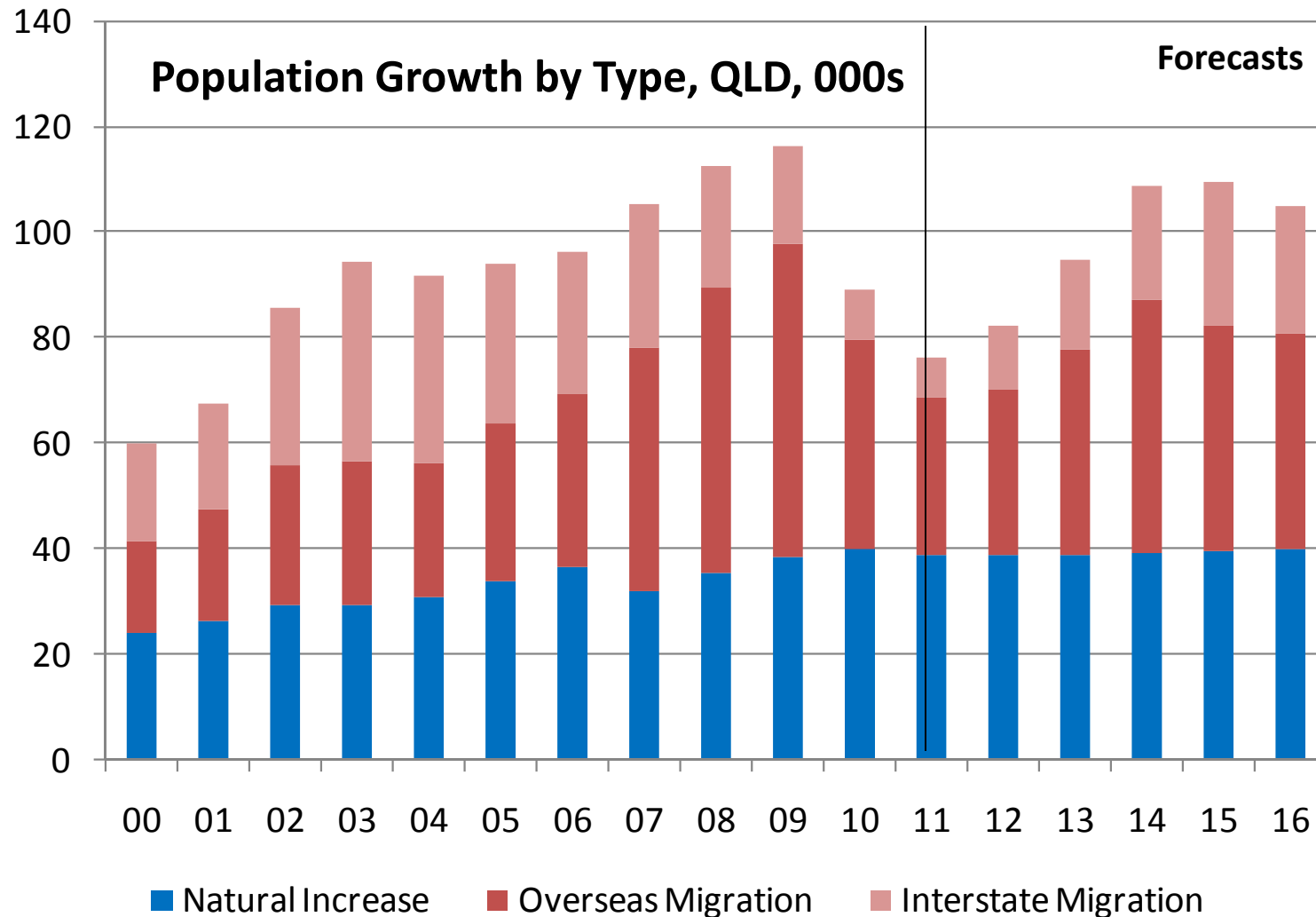


# The strong investment boom will drive another strong phase of population growth in Queensland



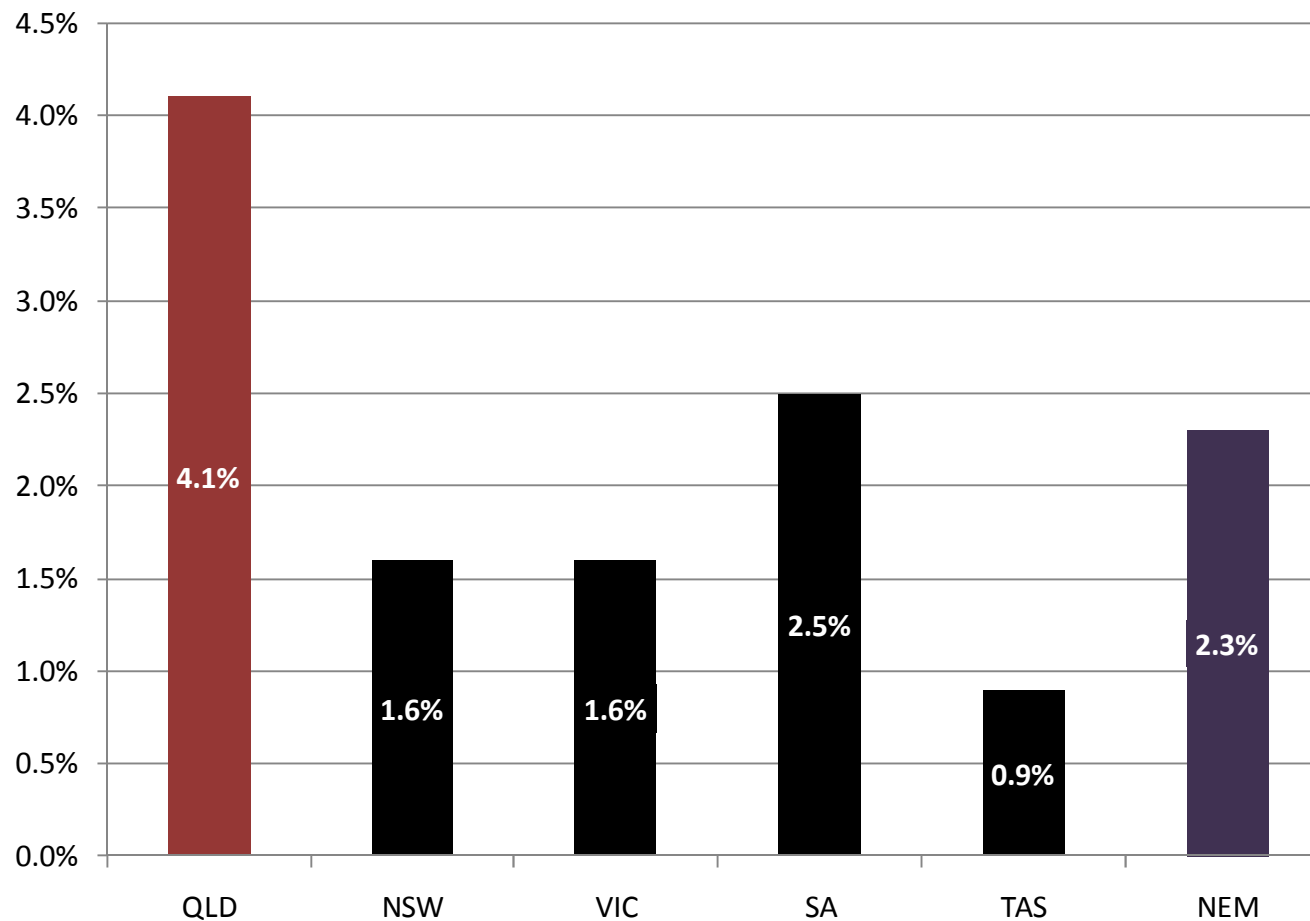


**Driven mainly through migration as Queensland imports the skills required to service the next phase of the resources boom**



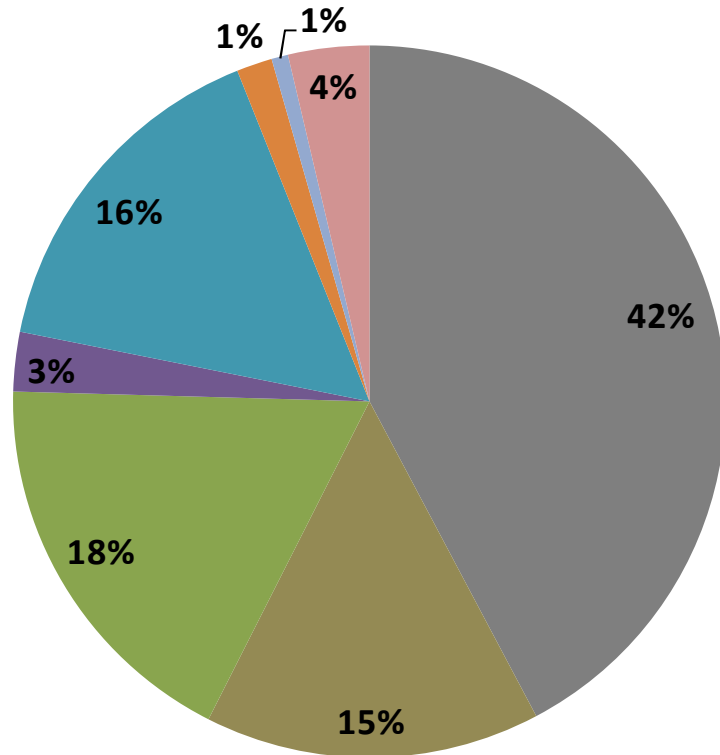
**Strong population growth will in turn necessitate further investment in infrastructure, from housing and subdivisions to energy (source: *2011 Statement of Opportunities*, AEMO)**

**Forecast Growth in Energy Demand per annum (%)**



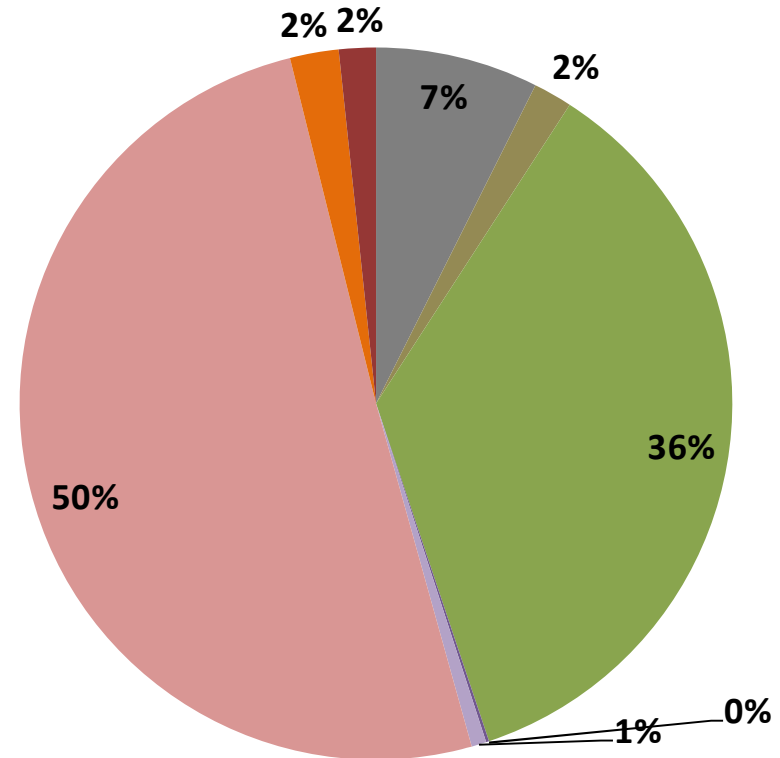
**And new generation capacity will more likely come from gas and renewables, not coal (source: *2011 Statement of Opportunities*, AEMO)**

**Installed Generation**



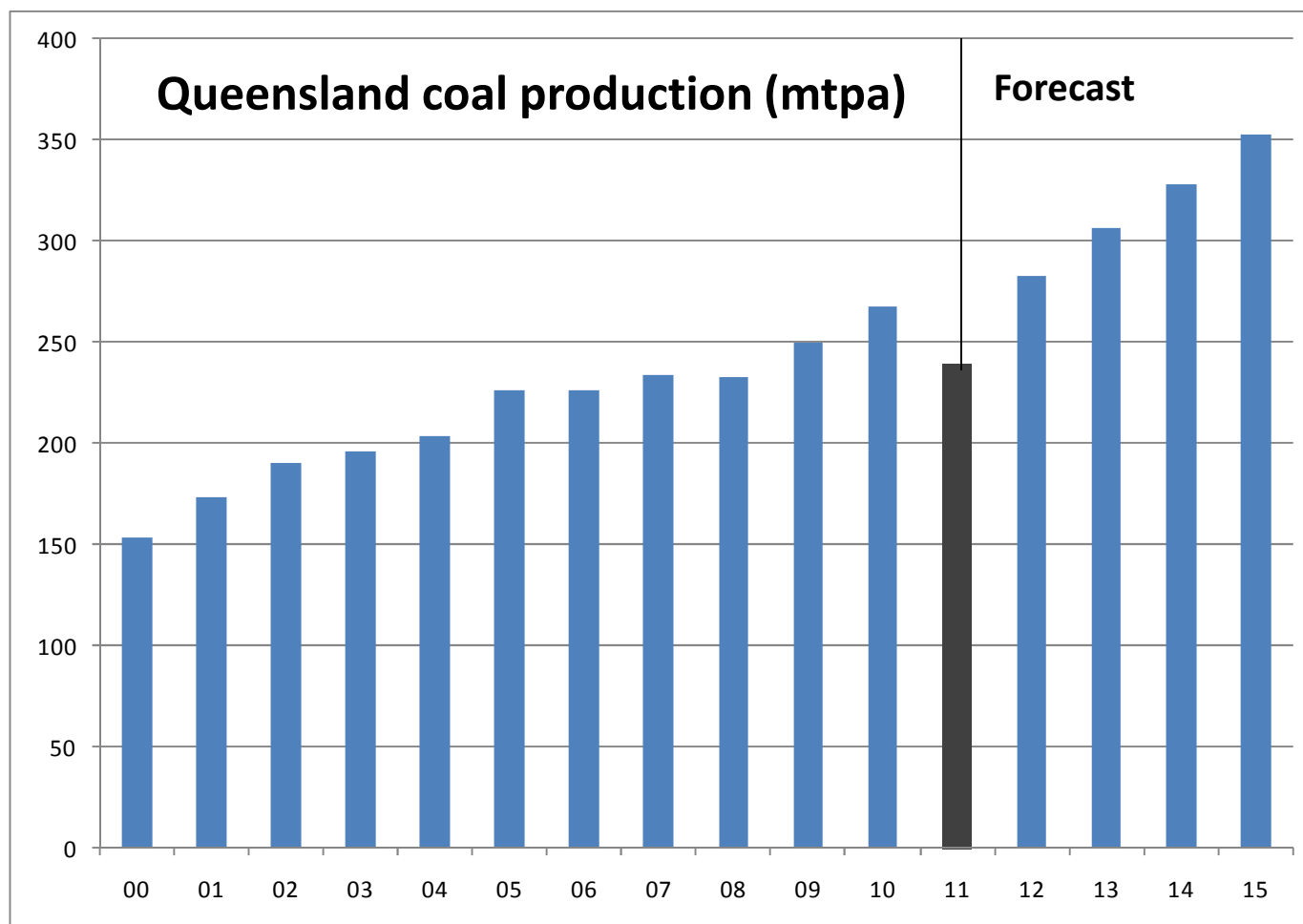
■ Black Coal   ■ Brown Coal   ■ Natural gas   ■ Gas other  
 ■ Hydro   ■ Liquid Fuel   ■ Biomass   ■ Wind

**Proposed Generation**

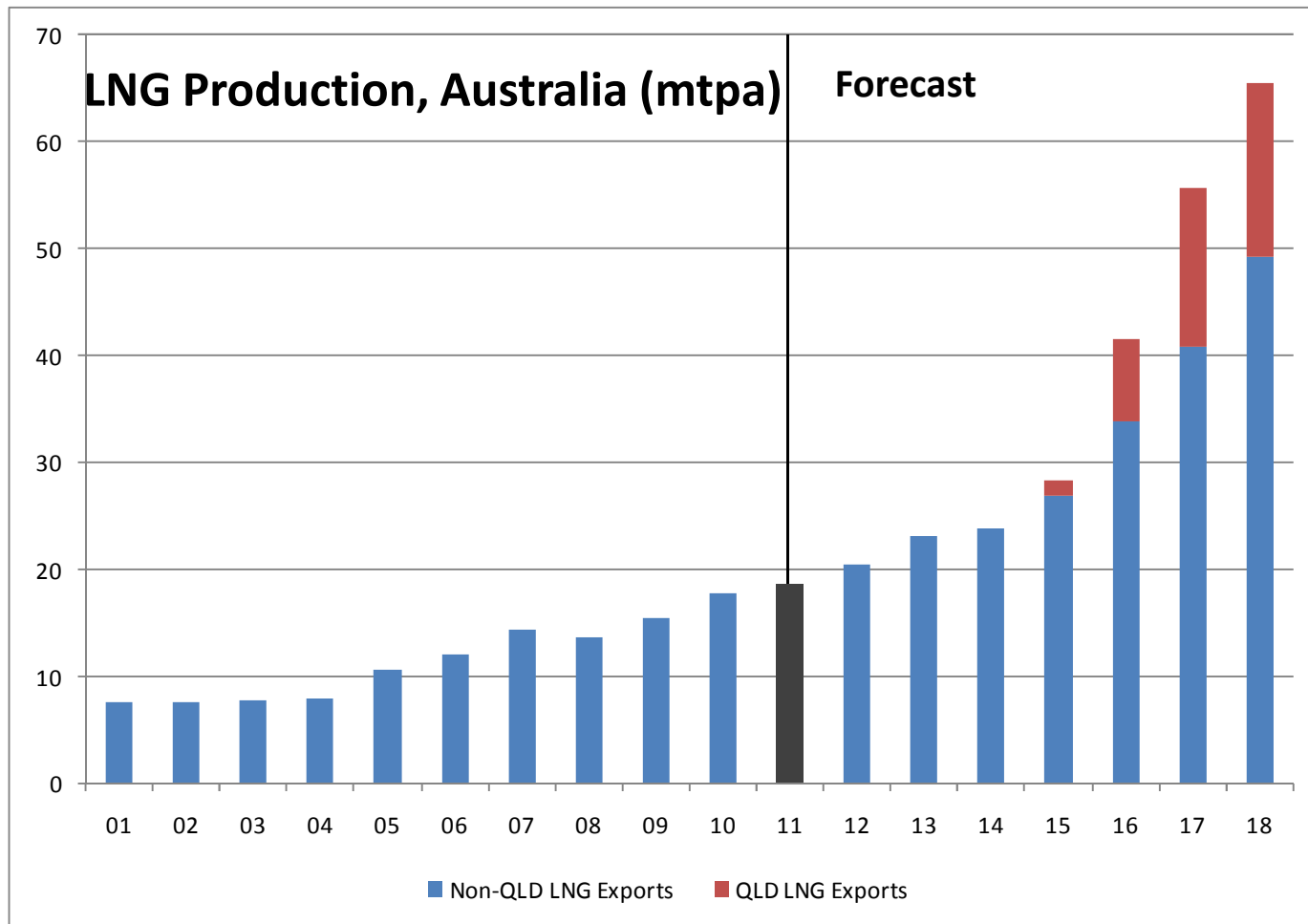


■ Black Coal   ■ Brown Coal   ■ Natural gas   ■ Hydro  
 ■ Biomass   ■ Wind   ■ Solar   ■ Geothermal

**Strong, sustained mining investment will also see particularly strong increases in coal production (from the 2010-11 setback, source: BIS Shrapnel)**



**And, longer term, a strong increase in LNG production and exports, both nationally, and for Queensland (source: BIS Shrapnel)**



# Risks & Challenges

- Global growth / demand for minerals & energy
  - *But most large projects underway are now locked in*
- Capability to do the work / resourcing / hotspot capacity
  - *Need for regional development initiatives to attract workers*
  - *National requirement for skilled labour and equipment*
  - *Likely re-acceleration in construction costs*
  - *Transformation in thinking required to meet long term needs!*
- Environmental approvals processes
- Weather!

# Implications for businesses and governments

- Construction boom upon us : Queensland the place to be
  - *But how do we attract skills to Queensland regions?*
  - *How should we plan for long term development?*
- Flipside issues of construction boom
  - *Beware of rising costs, project delays and supply bottlenecks*
  - *Innovation will be key in procurement, contracts and capability*
- Cycle to ease from 2016 – **or will it?**
  - *New projects could see cycle extended through the decade*