

8/ 09 / 2020

Hon Anastacia Palaszczuk MP
Premier and Minister for Trade
thepremier@premiers.qld.gov.au

Dear Premier

Queensland infrastructure delivery – 2020 to 2024

It is encouraging to see the commitment that your party has given to infrastructure delivery to help Queensland emerge from the COVID-19 induced recession that we are currently experiencing. Good infrastructure design, delivery and operation will deliver great outcomes for Queensland’s growth into the future.

However, Australia’s construction industry is not in good health. It has not substantially improved its productivity in decades and can waste up to 23 per cent of its efforts^{1 2}. Construction has largely continued to rely on traditional methods for many projects³.

Labour	Plant	Material	Subcontract
23% \$8.9b	19% \$9.3b	32% \$14.0b	16% \$7.0b
40% Non Value Adding Time	30% Plant Idle		10% Waste
			20% Waste

Taking Queensland Construction turnover for FY20, (\$38.9B⁴) there exists an opportunity to save up to \$9.1B by utilising integrated lean digital delivery methods for project delivery or to put that in perspective, 1 cross river rail and 2 new hospitals every year.

It is clear, that there are better ways of working which deliver better project outcomes particularly for the infrastructure that Queensland needs. Evidence suggests, that through the adoption of lean construction practices and digital engineering, considerable cost and time savings⁵ can be achieved when compared against traditional delivery methodologies, allowing more to be built for less in a shorter time and with higher quality and safety.

For this to happen, the Queensland Government needs to adopt more collaborative procurement / delivery frameworks that align the interests of all stakeholders to leverage the economic and social outcomes that come from infrastructure investment.

¹ Deloitte - Major infrastructure projects: costs and productivity issues, <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/consumer-business/deloitte-au-cb-major-infrastructure-projects-costs-productivity-issues-260914.pdf>

Wolstenholme Report - Never waste a good crisis report 2009., https://constructingexcellence.org.uk/wp-content/uploads/2014/10/Wolstenholme_Report_Oct_2009.pdf

² Australian Construction Industry Forum 2016, *Boosting Construction Productivity Policy*, www.acif.com.au/policies/policies/boosting-construction-productivity-policy.

³ <https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/collaborative-contracting-moving-from-pilot-to-scale-up#>

⁴ ABS Series 8755.0

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/510354/Government_Construction_Strategy_2016-20.pdf

The following signatories have come together to encourage you and your party to examine how we can deliver infrastructure Queensland needs in a better way. One which results in a more sustainable and productive construction industry delivering greatly improved project outcomes to the benefit of all.

We seek your commitment that, when in office, you will establish a taskforce to:

- Ensure that all infrastructure delivery agencies adopt more collaborative procurement / delivery frameworks across the entire supply chain,
- Develop policies and procedures that drive Operational Excellence utilising Building Information Modelling and Lean Construction, including Integrated Project Delivery
- Assess value through the project delivery process, eliminating steps that don't add value and refining those that do,
- Develop training programs to support collaborative procurement and improved project delivery,
- Implement a contractor BIM/Lean maturity assessment framework to be used in tender evaluations, and
- Develop agency productivity targets and track progress (as has occurred in the United Kingdom under Highways England⁶).

We, the undersigned, stand ready to assist in helping you to deliver an improved construction procurement and delivery process, which optimises infrastructure investment, leverages social and economic outcomes and results in a more sustainable construction sector for the benefit of all Queenslanders.

Yours sincerely,



Ken Panitz
Chairman
admin@leanconstructionanz.org



David Mitchell
Chairman
davidmitchell@buildingsmart.org.au



Who we are:

Lean Construction Australia and New Zealand (LCANZ) is a not for profit organisation, with the purpose of advancing the knowledge, capability and application of Lean and Continuous Improvement principles, methods and collaborations across the Building, Construction and Engineering industries, education providers, peak bodies, government and other related associations in pursuit of increased value delivery, resource utilisation, reliability and safety.

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⁶ <http://leaninpublicsector.org/wp-content/uploads/2019/06/DrysdaleDeployingLeanacrosstheHASupplychain.pdf>