



Civil Contractors Federation National COVID-19 Member Survey



1. Introduction

By way of introduction, Civil Contractors Federation National (*'CCF National'*) is the peak employer voice for the civil construction industry representing 1,700 companies across Australia. CCF National members are responsible for construction and maintenance of Australia's civil infrastructure including road, bridges, pipelines, drainage, ports and utilities. With offices located in every capital city we advocate for the industry at Federal, State / Territory and local Government levels.

CCF National has been advocating for a number of key civil infrastructure policy reforms in the lead up, during and following the 2019 Federal Government Election. These reform 'pillars' are critical to positioning the industry to meet future infrastructure demand and to support national economic growth. The five policy pillars are:

1. Infrastructure Investment and Funding
2. Efficient, Equitable & Competitive Procurement
3. Skill Development and Training
4. Industrial Relations
5. Protecting & Enhancing the Viability of Civil Industry Businesses.

Following the outbreak of the COVID-19 in Australia, CCF National's advocacy efforts to the Federal Government have been targeted measures to assist Government and industry address the challenges specific to the civil construction sector both during and beyond COVID-19. The measures have focused on three key areas:

1. Infrastructure investment and Funding
2. Efficient, Equitable & Competitive Procurement
3. Skill Development and Training.

In order to gauge the current impact that COVID-19 is having on civil construction businesses and to address the challenges they face, CCF National undertook a nationwide **CCF National COVID-19 Member Survey** (*'Survey'*) of the civil construction industry.

This report provides five key recommendations, based on the Survey results, to assist the Government and industry policy making process, both during and post COVID-19, to ensure both Government and industry challenges are addressed. Importantly, the findings contained in this report are relevant to all levels of Government.

2. Survey objectives

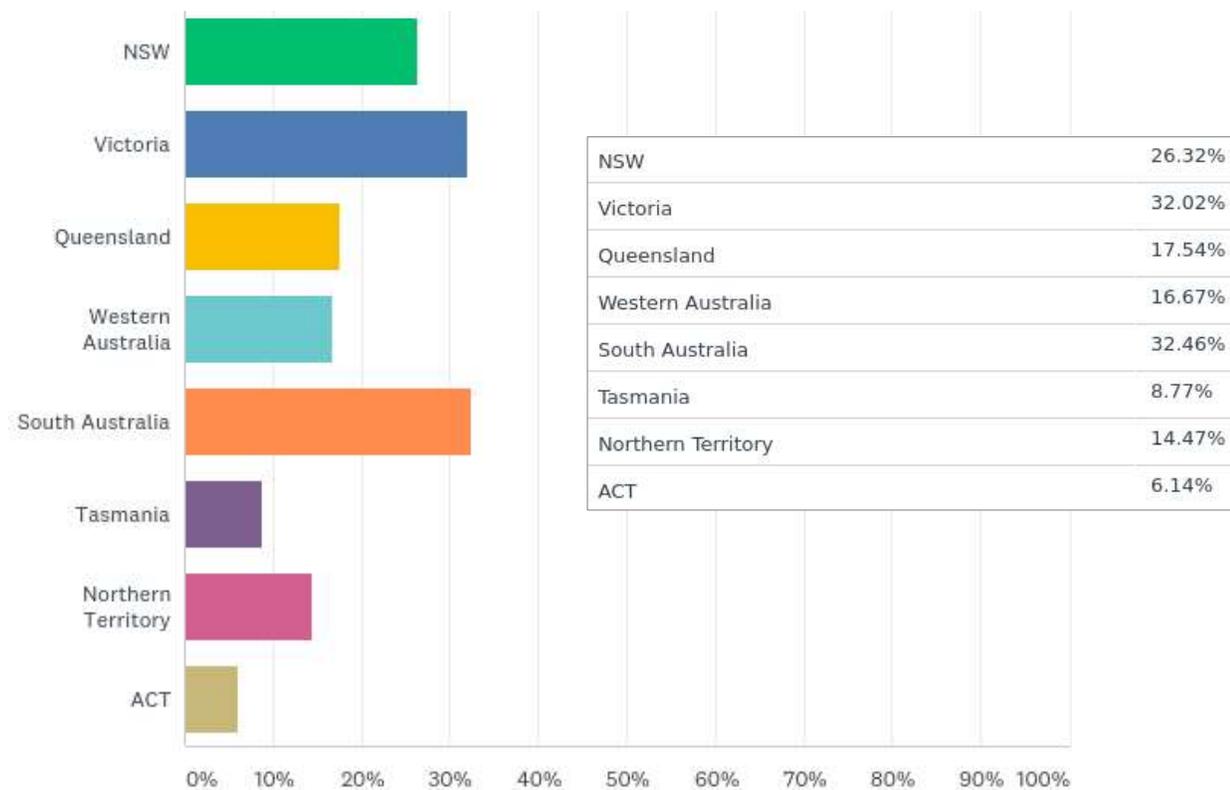
The overriding objective of the Survey was to obtain feedback and data on the following:

1. business impact of COVID-19,
2. capacity for companies to tender for more civil construction projects in the short term, and
3. likelihood of companies employing more workers should they be successful in a tender.

The metrics of the Survey are as follows:

- the Survey duration was 10 days from 4th April 2020 to 14th April 2020,
- the Survey was sent to 1700 civil construction companies in all Australian jurisdictions,
- the Survey was anonymous and did not identify respondent or companies,
- 228 companies responded representing a rate of 13.4%, and
- there was a 100% response rate to each question from all 228 companies.

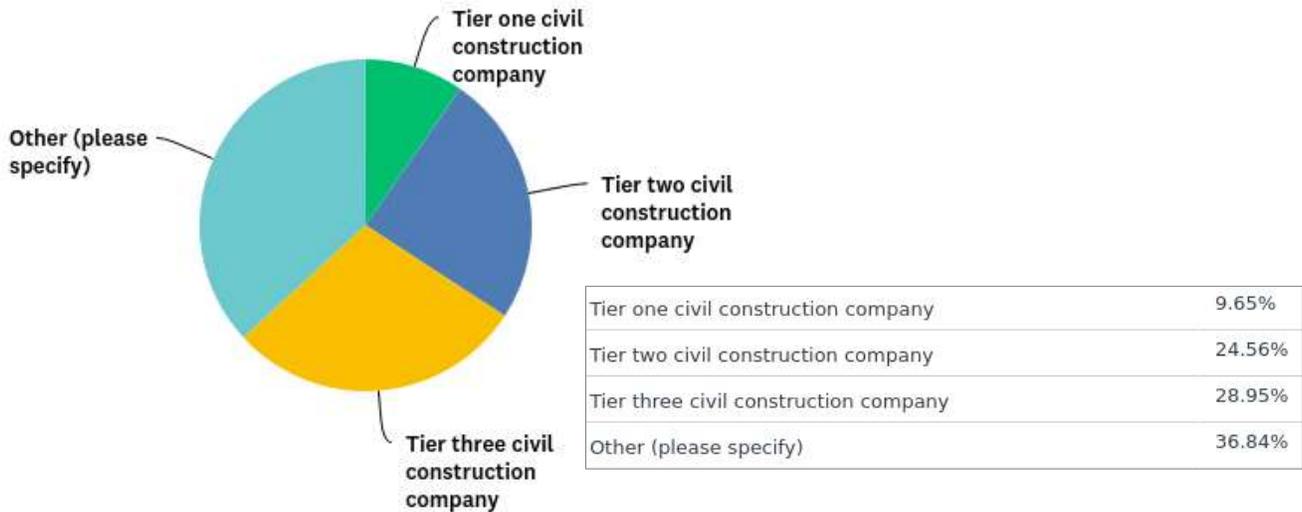
Figure 1: Geographical spread of responses



3. Survey demographic

CCF National has a membership that comprises tier 1, tier 2, tier 3 companies and below. Survey respondents represent the typical spread of the industry’s composition.

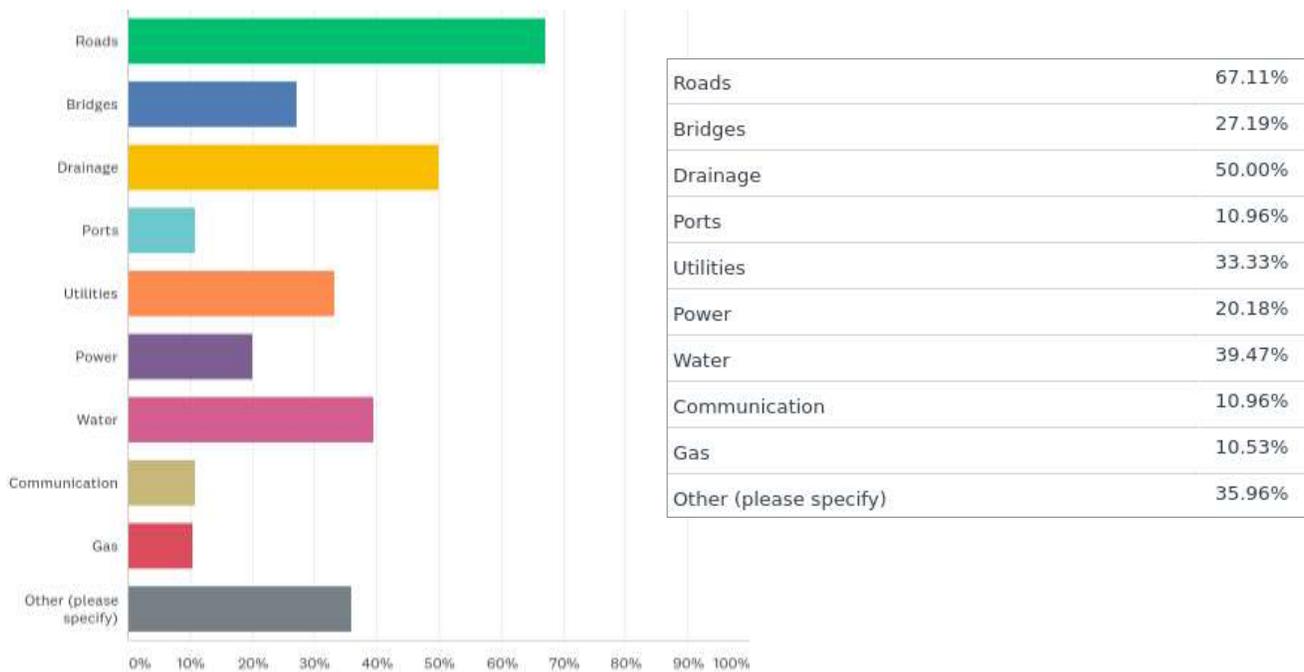
Figure 2: Demographic by industry tier



4. Civil construction industry activity

Survey results demonstrate the wide spread of the civil construction industry and therefore the need to ensure infrastructure investments are distributed across all industry activities.

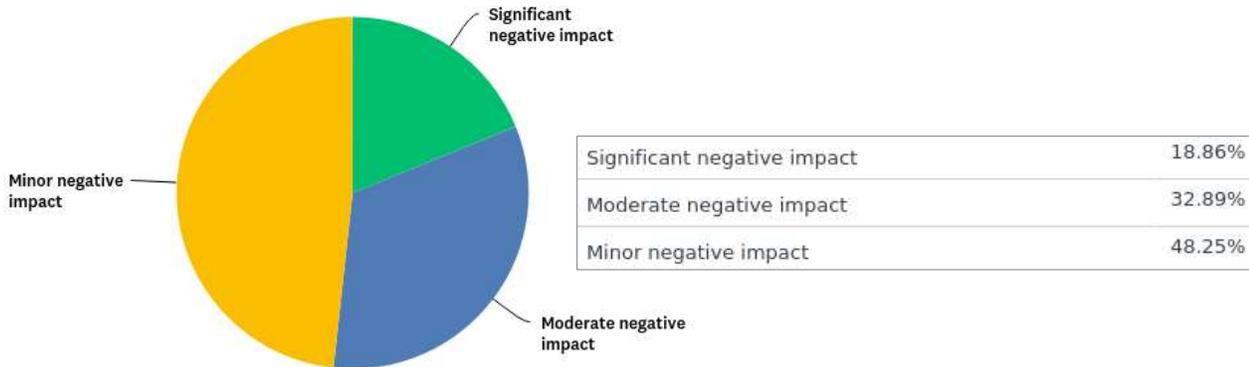
Figure 3: Activity spread across industry



5. Impact of COVID-19 on business

Respondents were asked to provide an indication of the impact of COVID-19 on their business. The results indicate that more than 80% of respondent businesses have experienced a minor or moderate impact reinforcing that the industry at large is in a strong position and remains 'open for business'.

Figure 4: COVID-19 business impact



6. Type of impact

Respondents indicated that business impact is largely due to four main interruptions. In addition, 28 percent of respondents are experiencing payment delays and 58% are experiencing project delays.

Figure 5: Major types of impact

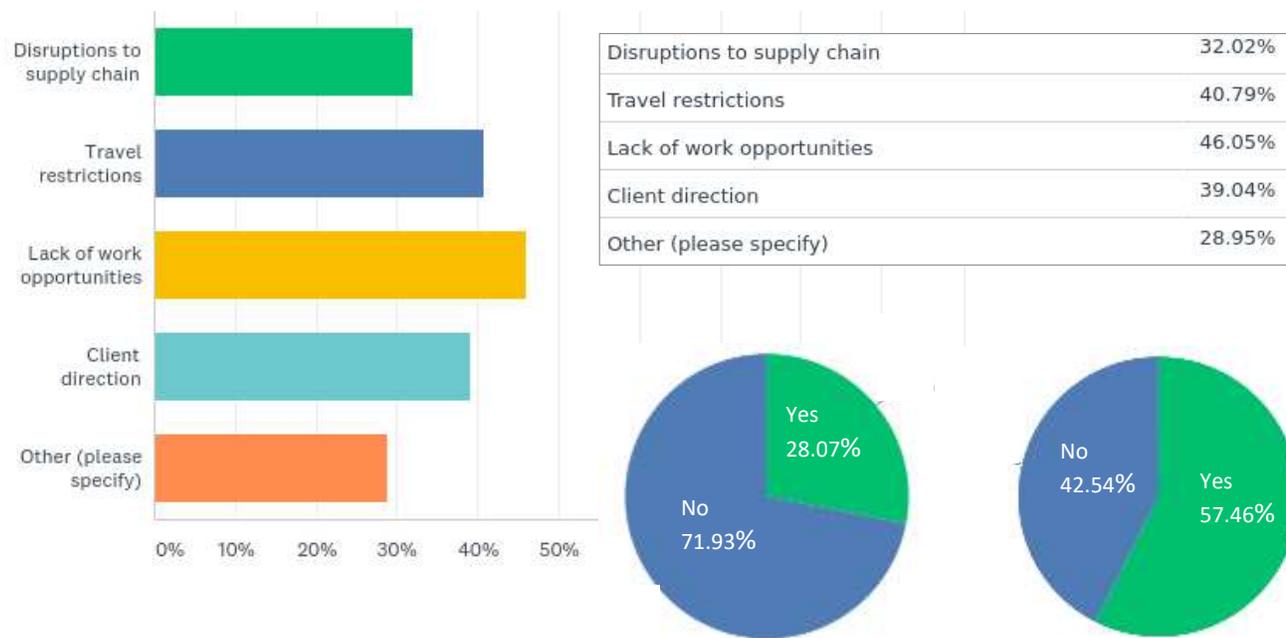


Figure 5A: Payment delays

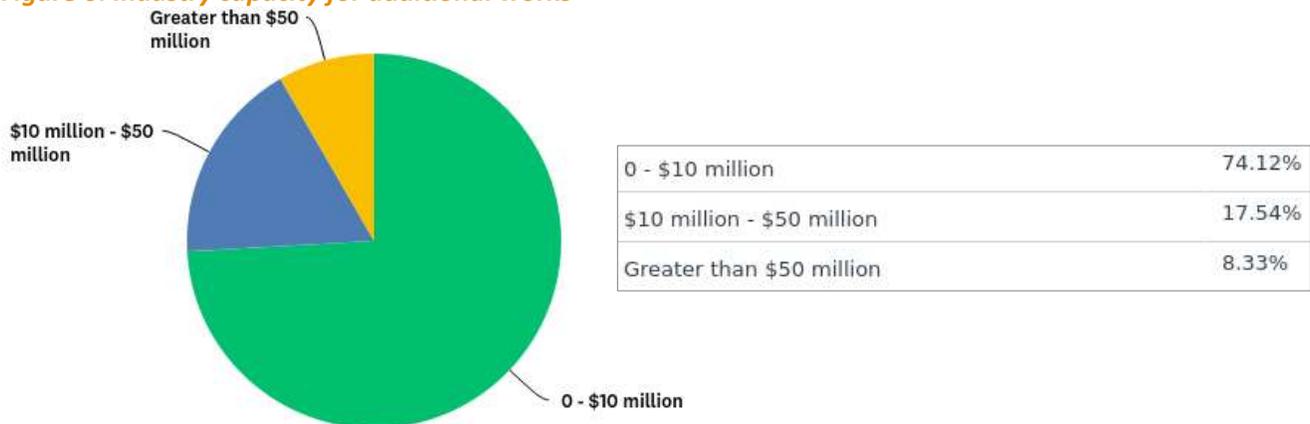
Figure 5B: Project delays

7. Capacity for additional projects

CCF National has recommended to Government that they fast-track spending on civil infrastructure as an immediate measure to ensure ongoing viability of civil construction companies and to boost the economy during and post COVID-19.

The Survey strongly supports this recommendation showing the industry has significant capacity to tender for additional infrastructure projects, particularly in the \$0-10 million threshold. CCF National believes this approach will generate maximum return to the Australian economy, and importantly rural and regional communities.

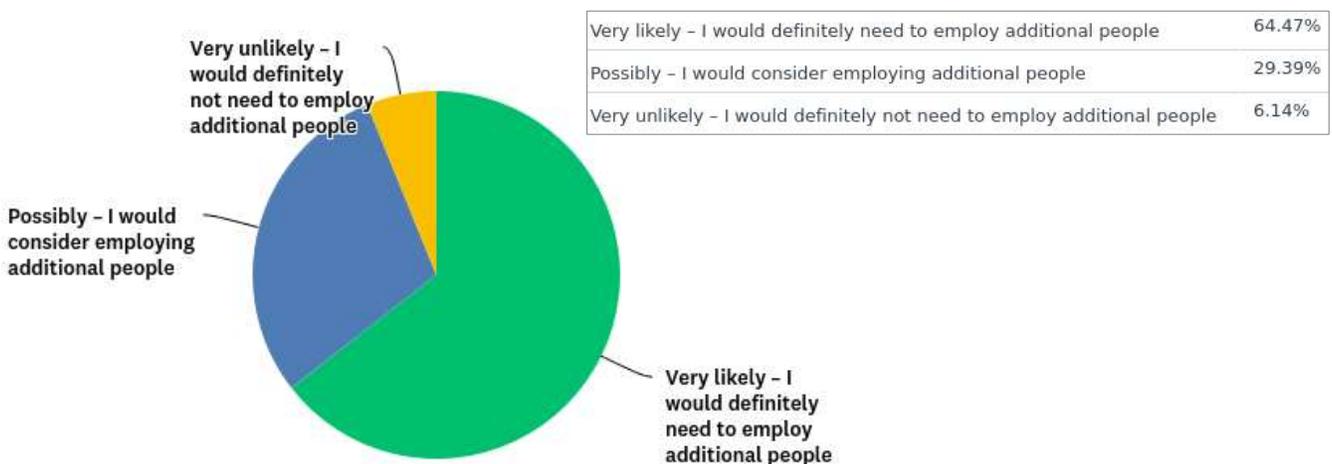
Figure 6: Industry capacity for additional works



8. Employment opportunities

The civil construction sector continues to operate during COVID-19 and has indicated that in addition to being able to tender for new work, an overwhelming majority of companies would also employ additional workers when the Government provides additional project funding.

Figure 7: Likelihood of employing additional workers



9. Conclusion and recommendations

Given the results of this Survey CCF National hereby presents the following recommendations for consideration and adoption by the Federal Government.

Recommendation 1

That the Federal Government increase the level of infrastructure investment in the immediate term by bringing forward its 10-year \$100 billion infrastructure investment fund and by using debt funding to increase the level beyond \$100 billion in the post COVID-19 period. Please refer to our letters to the Prime Minister and Deputy Prime Minister dated 20 March 2020 and 3 April 2020.

Recommendation 2

That additional project monies be allocated in a fair and equitable manner across all jurisdictions. Please refer to our letter to the Prime Minister and Deputy Prime Minister dated 3 April 2020.

Recommendation 3

That the Federal Government develop and release a public agency supplier payment policy as a matter of urgency as a form of injecting cash into the civil construction supply chain by ensuring the immediate payment of all outstanding claims and prompt payment of all future claims. Please refer to our letter to the Prime Minister and Deputy Prime Minister dated 25 March 2020.

Recommendation 4

That the Federal Government adopt a procurement policy that incorporates disaggregation of major projects to provide an opportunity for tier 2 companies to tender, for example, through joint venture arrangements. Please refer to our letter to the Prime Minister and Deputy Prime Minister dated 25 March 2020.

Recommendation 5

That the Federal Government consider as a matter of urgency reforms to contracts and the procurement policy / process aimed at achieving a more balance approach to risk allocation and the development of collaborative contracts. Please refer to our letter to the Prime Minister and Deputy Prime Minister dated 3 April 2020.

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