



**CIVIL CONTRACTORS
FEDERATION**

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IA'S MARKET CAPACITY REPORT IDENTIFIES PRIORITY NEXT STEPS ON THE INFRASTRUCTURE REFORM ROAD

“Infrastructure Australia’s [Infrastructure Market Capacity 2022 Report](#) provides compelling evidence of the need to progress much needed industry reforms to support the efficient delivery of Australia’s infrastructure pipeline,” said Chris Melham, Chief Executive Officer, CCF Contractors Federation National (CCF).

“I welcome Infrastructure Australia’s Infrastructure Market Capacity 2022 Report, which acknowledges extensive input by CCF as part of [Civil Contractors Federation National Infrastructure Market Capacity Survey 2022](#) which obtained data from CCF members on the market capacity of the civil construction industry; industry’s ability to undertake additional projects and any resource constraints affecting civil construction companies.

“CCF’s input to IA included, for example, a warning that industry should not be expected to bear a disproportionate burden of unavoidable price escalations and that greater collaboration is needed between industry and government for both parties to take on a proportionate level of risk.

“I am pleased, therefore, that IA has recommend improving value for money and reducing risk by consistently adopting appropriate best-practice front-end due diligence for projects.

“Inefficient allocation of risk is one of the most significant threats to the construction industry, as demonstrated by recent events in the Australian construction sector.

“With industry increasingly being forced to assume greater risk in infrastructure contracts, there is a growing need for industry and government to work together to address issues around project delivery, timelines, cost and industry financial viability.

“Specifically, CCF believes there are opportunities for the greater use of collaborative contracting between industry and government to create opportunities to better identify and manage risks, and to explore opportunities to optimise projects’ design and delivery,” he said.

Mr Melham also welcomed Infrastructure Australia’s acknowledgement of additional capacity within the civil construction industry, particularly among tier 2 and tier 3 contractors, with the report noting that

“...with two thirds of [CCF] survey respondents reporting sufficient capacity to take on 20% more work, and nearly 20% reporting latent capacity for over 50% more work. Furthermore, more than 70% of the Civil Contractors Federation members report they can scale up within the next six months to meet this demand, with 35% saying they can scale up within the next 3 months.”

“The keys to activating this additional capacity is to ‘rescale, not reduce’ infrastructure commitments, a smoothing of the infrastructure pipeline over the long term and bringing to market more small/mid-sized infrastructure projects,” Mr Melham concluded.

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