

7 June 2022

LET6913.pb.jh.Exdir2022

Hon Mick de Brenni MP  
Minister for Energy, Renewables and Hydrogen  
Minister for Public Works and Procurement  
GPO Box 2457  
BRISBANE QLD 4001

Email: [epw@ministerial.qld.gov.au](mailto:epw@ministerial.qld.gov.au)

Dear Minister

I am writing in relation to the Queensland Government's procurement program.

2022 has turned into another turbulent year for the building and construction industry, as it continues to navigate the instability of the COVID economy and now the fallout from the east coast floods and war in Ukraine.

The effect has been that builders and suppliers across Queensland are experiencing extreme supply problems across nearly all building materials and trades. The most recent data from the Australian Bureau of Statistics reported that the cost of construction inputs grew by 15.8 per cent over the past 12 months. The largest increase in over forty years: since 1980. This is only expected to continue.

This has meant that construction programming and budgeting can no longer be planned for into the medium and long-term with any certainty.

In this uncertain economic environment, we are urging the Government to do more to help ensure that the construction industry is able to navigate the turbulent conditions. In particular, we are calling on the Queensland Government to ensure that its own construction program reflects this new reality.

Specifically, we ask that government limit the tender validity period on its own projects to 30 days. This will allow tenders to be priced and programmed more accurately, benefitting both government and builders alike. A fixed tender validity period will increase certainty in project delivery and reduce the need to build in a higher risk premium.


**HEAD OFFICE**

417 Wickham Tce, Brisbane Qld 4000

T (07) 3225 6444

F (07) 3225 6545

[mbqlld.com.au](http://mbqlld.com.au)



We also ask that Queensland look to the example set by the Western Australian Government. It has been reported that the Western Australian budget includes a \$30 million financial relief scheme to assist head contractors with rising costs on government projects; a flexible approach to progress payments providing cash flow support for builders; and a commitment to including rise and fall contract provisions in future government contracts.

Adopting a similar approach in Queensland would provide much needed support to the industry and aid the successful delivery of government projects.

If the construction industry is to be able to navigate these unprecedented times and to continue serve as the cornerstone of our economy, the government must not be the source of additional challenges. It must seize the opportunity to play a supportive role, especially in the administration of its own contracts. This will bring benefits both for the Queensland economy and the Government's own project delivery.

Regards,

**Paul Bidwell**  
**CEO**