A Tim Nicholls-led Liberal National Government will reduce infrastructure costs by tackling red tape with a Ministerial Council on Infrastructure Bidding Costs. Bidding cost savings will be re-invested into more and better infrastructure.

The Problem

The infrastructure and construction sectors continually raise bidding costs on government infrastructure projects as an issue eroding value for money in infrastructure delivery. Peak bodies including Infrastructure Association of Queensland, Consult Australia and Queensland Major Contractors Association have all raised these issues with the LNP.

In 2014, the Australian Productivity Commission found bidding costs for large complex projects were high, up to one per cent of the project value. When large infrastructure projects cost billions of dollars, these bidding costs can add up and taxpayers end up paying more.

Infrastructure Australia recently engaged KPMG to help find practical solutions to the most significant barriers to competition and efficiency in the procurement of infrastructure projects. KPMG found infrastructure bid costs in Australia are on average at least 25 per cent and up to 45 per cent higher than Canada.

The Palaszczuk Labor Government has cut the LNP’s infrastructure budget and is now spending almost $3 billion less a year on infrastructure projects. Not only is less infrastructure being built by Labor, they have no plan to tackle bidding costs either.

Our Record

The LNP delivered the infrastructure that Queenslanders need.

In government, the LNP delivered:

- a 10-year Plan for the Bruce Highway in partnership with the Federal Government, securing $8.5 billion of investment to deliver over 200 projects to make the Bruce safer and more resilient
- modern, larger trains for southeast Queensland with the $4.4 billion New Generation Rollingstock project
- the $1.6 billion Toowoomba Second Range Crossing to move freight out of the Toowoomba CBD and make the range crossing safer
- 11 new schools in high-growth areas
- a digital Government Wireless Network to improve emergency responses to keep Queenslanders safe, and
- Gateway Upgrade North – a $1 billion project to cut congestion and get Queenslanders home safer and sooner.

Our Real Plan

A Tim Nicholls-led LNP Government will establish a Ministerial Council on Infrastructure Bidding Costs within the first 100 days of Government.

The Council will seek industry representatives from peak bodies, infrastructure and construction companies, professional advisors to the infrastructure industry (legal, accounting and engineering firms) and include the Deputy Premier and Minister for Infrastructure, the Treasurer, the Minister for Transport and Main Roads and the Minister for Housing and Public Works.

The Council will be chaired by the Deputy Premier and the deputy chair will be selected from industry representatives.

The Council will develop a practical plan to reduce infrastructure bidding costs. The Council will look at areas for improvement including:

- Procurement processes
- Contractual arrangements
- Standards and specifications

The practical plan to reduce infrastructure bidding costs will then be implemented and savings will be invested in more infrastructure. This initiative is about cutting red tape, treating taxpayers’ money with respect and delivering more and better infrastructure for Queenslanders.

To learn more about Our Plan visit betterqueensland.org.au
MINISTERIAL COUNCIL ON INFRASTRUCTURE BIDDING COSTS

Frequently Asked Questions

What type of issues will the Practical Plan address?
The Practical Plan will be developed by senior Government Ministers working directly with industry and the private sector.

If certain elements of procurement process don’t add value, we will change them. If some contractual arrangements or terms inefficiently shift risk or obligations, we will change them. If standards and specifications are inappropriate we will change them.

Who will be on the Ministerial Council?
Peak infrastructure industry bodies will be invited to join the Ministerial Council. Additional members will be invited from a broad selection of infrastructure and construction companies, and professional advisors to the infrastructure industry.

How will this initiative be funded?
The Department of Infrastructure will provide the secretariat support for the Ministerial Council from existing resources.

To learn more about Our Plan visit betterqueensland.org.au