Building Industry and Policy Contractor and Consultant Tracking
December Quarter 2018

Prepared for the Department of Housing and Public Works

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Executive Summary

Executive Summary – Contractors

Current Landscape

Contractors are operating, on average at 64% in December 2018.

22% of contractors have seen their workload increase in December 2018.

Amongst contractors, on average 37% of workload is for Government clients.

17% of contractors are finding it difficult to employ subcontractors.

41% suggest the difficulty in employing contractors is existent across all trades.

36% of contractors are finding it difficult to employ experienced / qualified subcontractors.

Trades where employing subcontractors provides most difficulty

Carpentry	Plastering	Tiling
(49%)	(38%)	(36%)

Increased project costs has led to an increase in sub-contract rates for over one-third (67%) of contractors.

Future Landscape

Nearly half (49%) of contractors believe their workload will increase in the next quarter.

41% of contractors project that their labour costs will increase in the next quarter.

Over half (58%) of contractors predict the cost of building materials will increase in the next quarter.

Executive Summary – Consultants

Current Landscape

29% suggest their workload has increased in the last quarter.

76% of consultants have done work for the government in the last quarter.

Consultants are operating at a capacity of 70% in December 2018.

47% of consultants are finding it difficult to find work.

Engineering – Civil and structural (11%) and Building Designer services (37%) are currently the most difficult disciplines to employ.

In December 2018 76% of Public sector submissions and 76% of Private Sector submissions were made online.

Workload across levels of government

27% Local

65% State

7% Federal

Future Landscape

39% suggest their workload will increase in the next quarter.

now HIRING

35% of consultants predicted they will have difficulty employing staff in the next 3 months.

34% of consultants are looking to increase their staff numbers in December 2018.

2.0
Research Background, Objectives and Methodology

Research Background

- The building and construction industry plays an important and major role within Queensland. The industry employs around 230,000 people and contributes approximately $46 billion to the state's economy. Not only does it benefit the economy, it is also a major employer across key areas within Queensland.

- Whilst the importance of the building and construction industry can't be understated, the volatility of the industry over the last 20 years has been high. In times of prosperity, the demand for development has outstripped supply, leaving Queensland with labour supply shortage and, in some instances, having to allow for skilled foreign workers to be recruited to meet demands.

- To help understand the state of the building and construction industry cycle in Queensland, the Department of Housing and Public Works (DHPW) conducts quarterly research surveys with contractors and consultants registered with the Department's Prequalification (PQC) System. The survey has been conducted since 2004 for contractors and 2011 for consultants. Throughout this report, results are presented for the past two years (since March 2015). The research provides an overview summary of the conditions including:

    - Employment supply (surplus, undersupply) and its impact,
    - Workloads (current and future) and
    - Costs of labour and material supply.

Research Objectives

Track conditions for prequalified contractors and consultants in the building and construction industry in Queensland on a quarterly basis.

- What is the availability of labour within the industry?
- Is there difficulty in employing subcontractors?
- Is there difficulty in employing skilled and experienced subcontractors?
- Is the difficulty across all trades? Which ones?
- What impact has labour shortage had on the business?

- What does the workload look like for the industry?
- What areas are current projects in? residential / commercial?
- What is the current business capacity to take on further work?
- Has workload changed (increased / decreased)?
- Will future workload change (increase / decrease)?
- What proportion of work has been from government (local, state, federal)?
- What proportion of projects use online programs?

- What impact has labour and material cost had?
- Will future labour and materials costs increase / decrease?

Research Methodology

- This research was conducted via an a mixed method of online and CATI.
- A total of n=217 respondents were surveyed.
- This sample included n=114 Consultants, and n=103 Contractors.
- Fieldwork was conducted between 05/12/2018 – 19/12/2018.
- The average length of interview was 4.6 minutes
- Within this report, significance testing is referred to throughout. All significance testing was conducted at the 95% confidence interval.
- “Don’t know” responses have been excluded where mean scores are presented.

The questionnaire for this wave was provided by DHPW. The questionnaire covered the following topics:

Consultants:
1. Key demographics
2. Current workload
3. Projected future workload
4. Online systems and web collaboration
5. Government work
6. Demographics

Contractors:
1. Current subcontractor employment difficulty
2. Current workload
3. Projected future workload
4. Government work
5. Demographics

This project was carried out in accordance with ISO 20252

3.0 Contractors

3.1 Contractors - Current and Projected Workload

In December 2018, contractors were operating on average, at 64% capacity. This level was a slight decrease from 68% in September 2018.

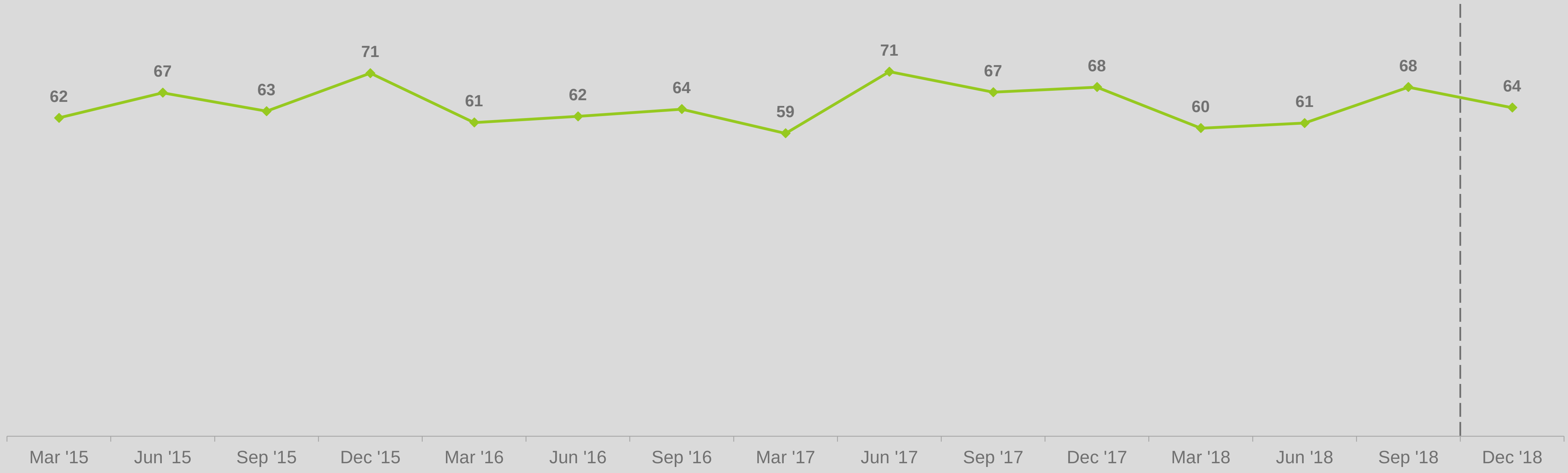
In December 2018 contractors workload had declined. Significantly more contractors reported their workload "considerably decreased" compared to September 2018.

Compared to September 2018, contractors had a slightly more positive outlook when projecting their next three month workload in December 2018. 49% of contractors projected their workload would increase in the next three months (compared to 47% in June 2018).

In December 2018, 58% of contractors felt their building costs would increase over the next three months. This was a slight increase compared to September 2018 (54%).

Amongst contractors, current capacity in December 2018 decreased slightly from September 2018 to 64%. Likewise, current workload was also slightly lower compared to December 2017 (68%).

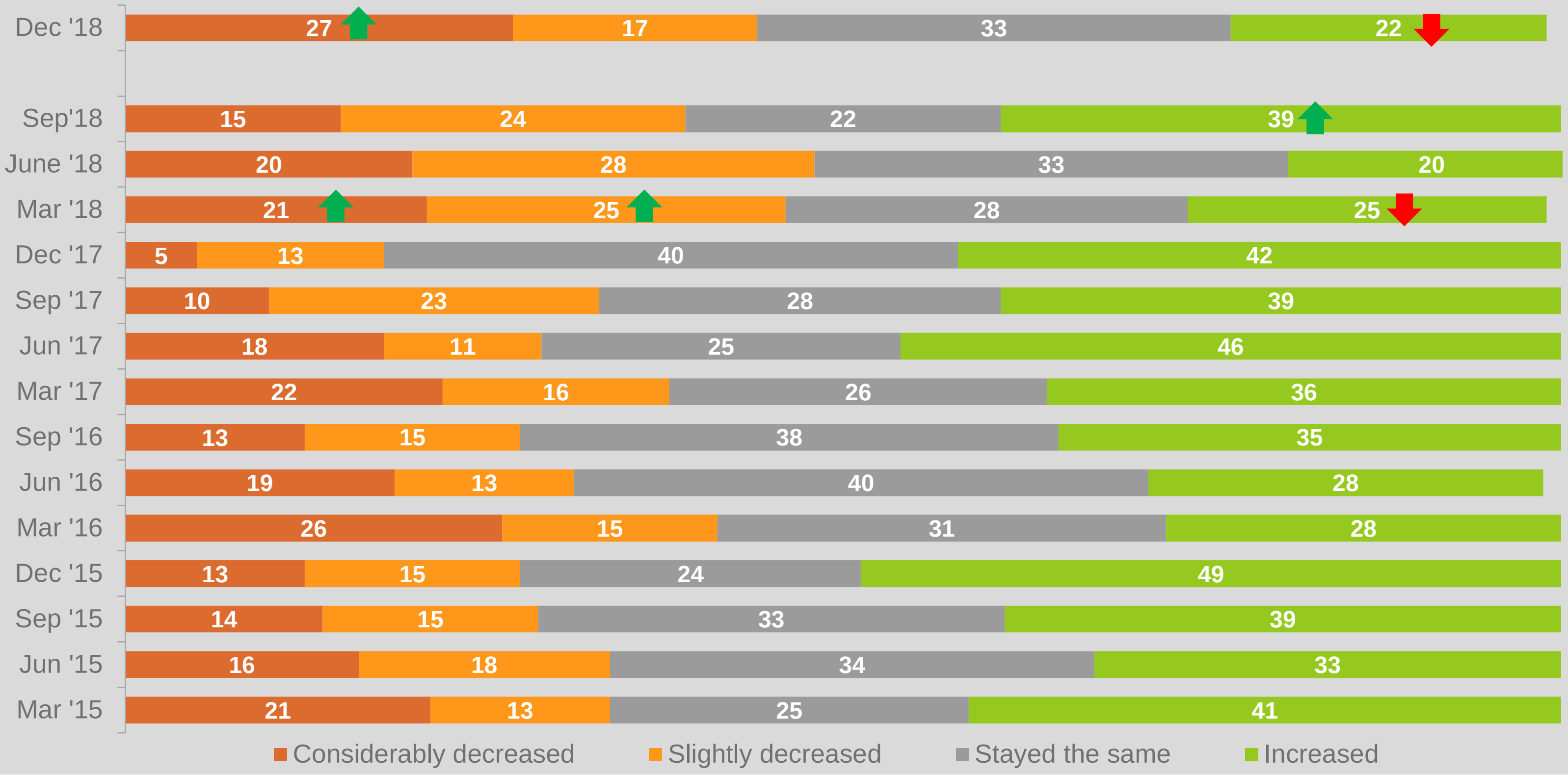
Current workload capacity (average %)



Q5a. Thinking of the total volume of work you are able to undertake, with 100% being unable to take on any further work, in percentage terms what would you currently be operating at?
Base: All Contractors Dec ’18 n=103; Sep ‘18 n=106; Jun ‘18 n=84; Mar ‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ’17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.

In December 2018, significantly more contractors reported their workload "considerably decreased" compared to September 2018.

Recent workload change (%)



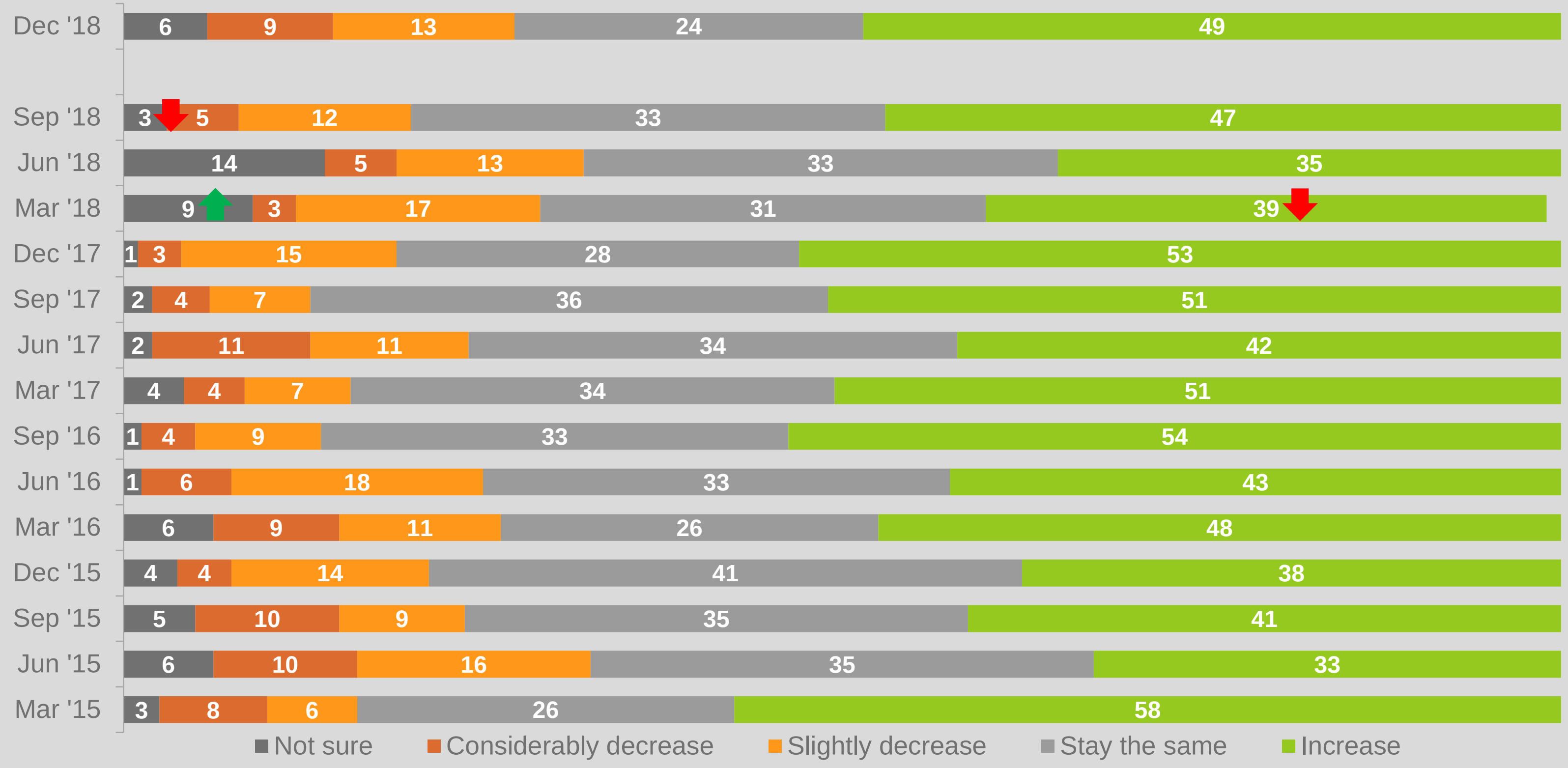
Q5b. In the past three months do you think your workload has…
Base: All Contractors Dec '18 n=103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; Sep '15 n=80; Jun '15 n=80; Mar '15 n=80.


Significantly higher than previous quarter at the 95% confidence level


Significantly lower than previous quarter at the 95% confidence level

The number of contractors with a positive outlook in workload change over the next three months increased slightly to 49% in December 2018.

Projected workload change (%)



Q6. In the next three months, do you think your workload will…

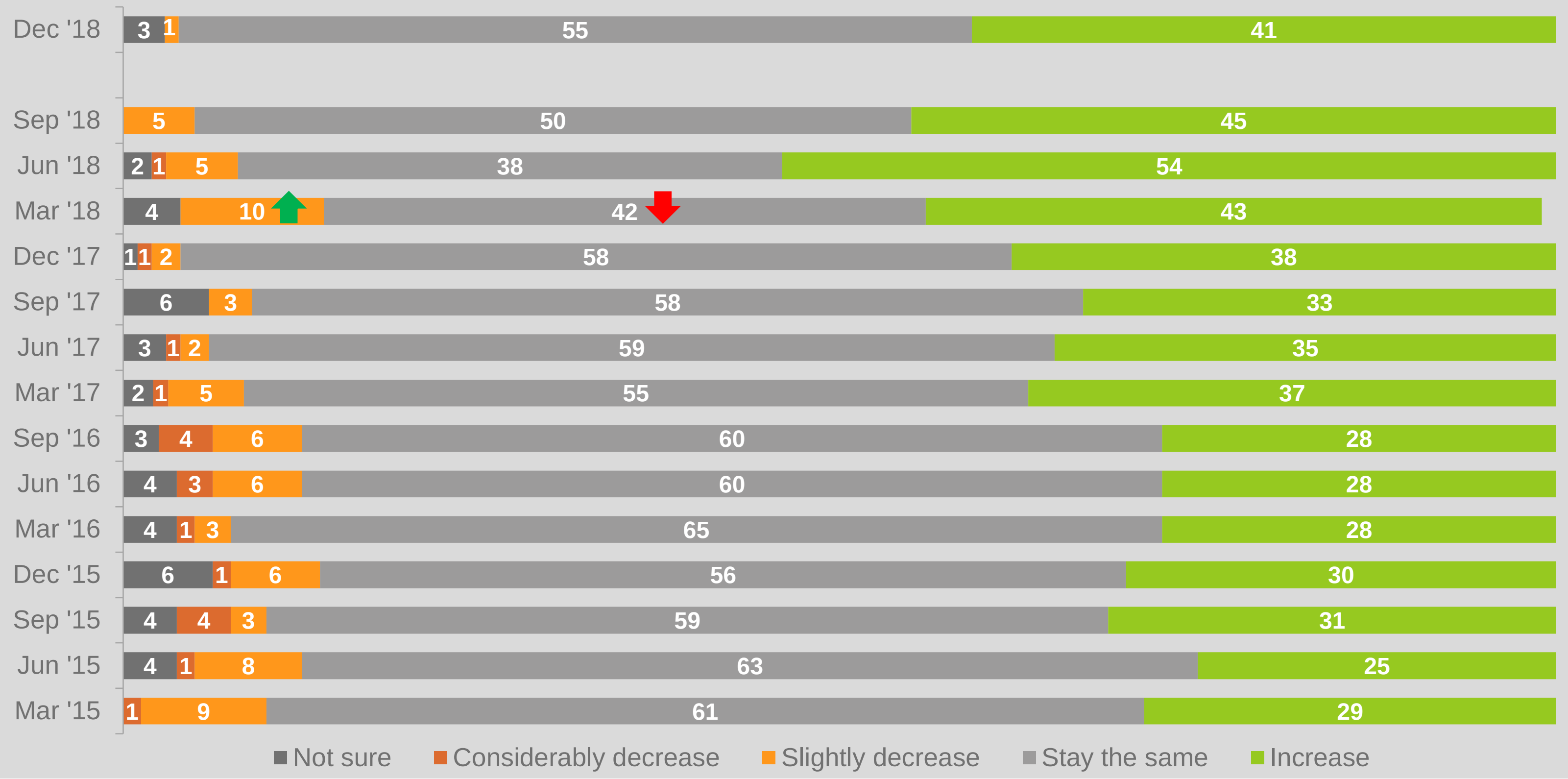
Base: All Contractors Dec ‘18 n= 103; Sep ‘18 n=106; Jun ‘18 n=84; Mar ‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

Two in five (41%) contractors believed their labour costs would increase over the next three months in December 2018. Majority (55%) of contractors felt their labour costs would remain the same in December 2018.

Projected labour cost change (%)



Q7. In the next three months do you think labour costs will…

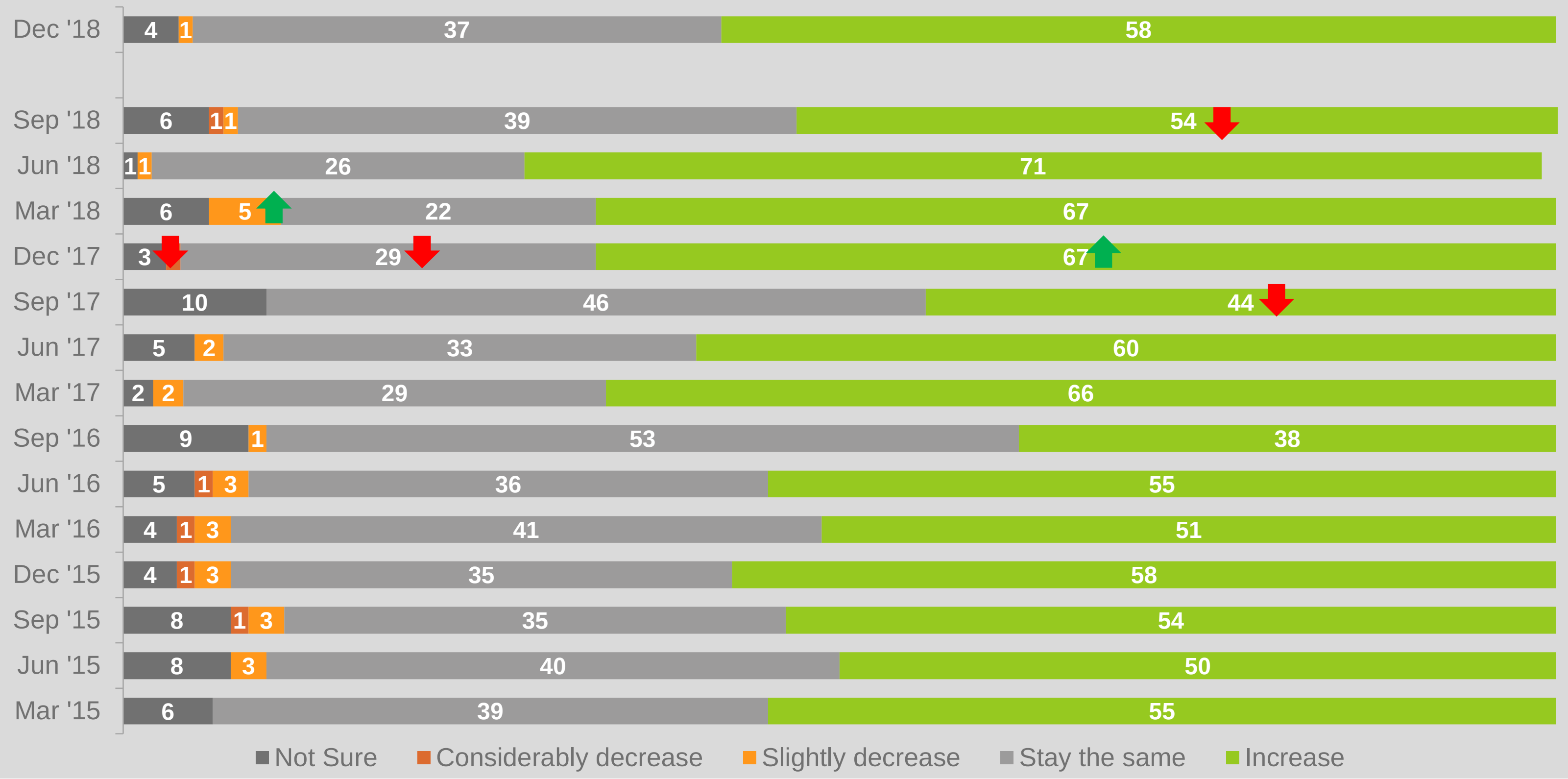
Base: All Contractors Dec '18 n= 103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; Sep '15 n=80; Jun '15 n=80; Mar '15 n=80.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

Amongst contractors, perception that building material costs would increase increased in December 2018 to 58%.

Projected building material cost change (%)



Q8. In the next three months do you think building material costs will…
Base: All Contractors Dec '18 n= 103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; Sep '15 n=80; Jun '15 n=80; Mar '15 n=80.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

3.2 Contractors - Employment

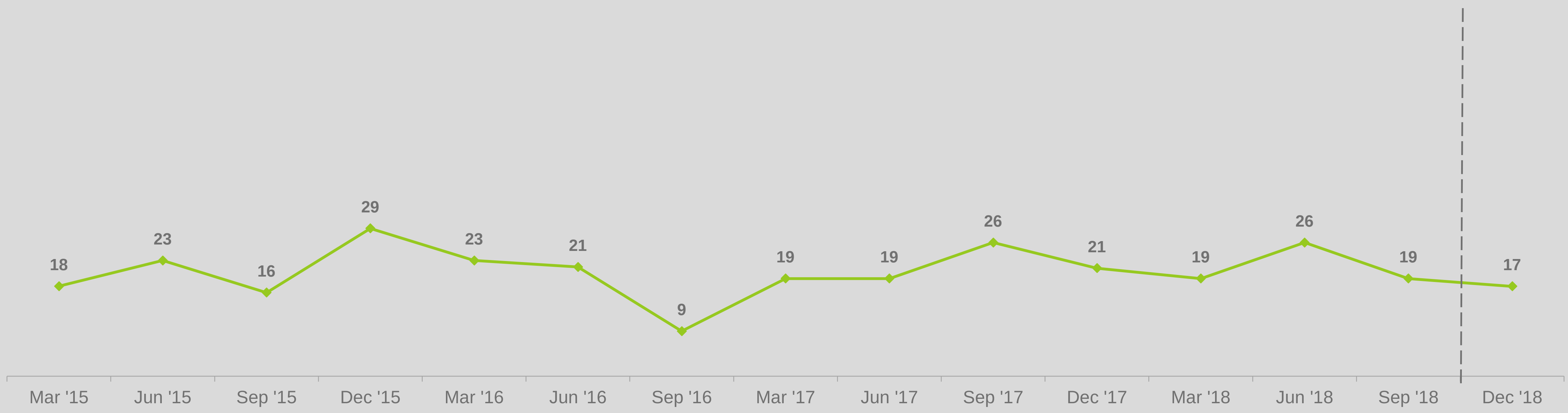
In December 2018, 17% of contractors experienced difficulty in employing subcontractors. Difficulty in employing subcontractors has returned to levels seen in March 2018, after peaking at 26% in June 2018.

In December 2018, difficultly employing suitably experienced or qualified subcontractors increased to 36%, from 34% in September 2018. Level of difficulty has now returned to levels seen in March 2018, after a high point of 46% in June 2018.

In December 2018, Carpentry, Plastering, and Wall and Floor Tiling were the trades where contractors reported the most difficulty employing subcontractors.

In December 2018, 17% of contractors experienced difficulty in employing subcontractors. Difficulty in employing subcontractors has returned to levels seen in March 2018, after peaking at 26% in June 2018.

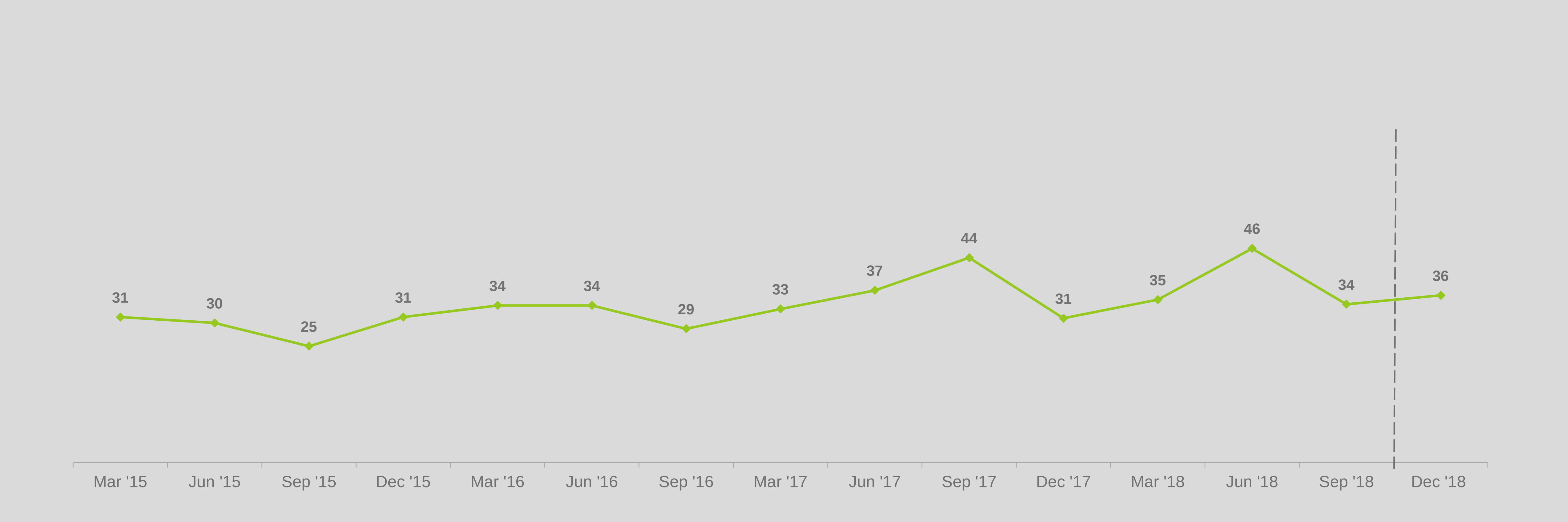
Current difficulty employing subcontractors (% Difficult)



Q1a. At an overall level, are you currently experiencing difficulties employing subcontractors?
Base: All Contractors Dec ‘18 n=103; Sep ‘18 n=106; Jun ‘18 n=88; Mar ‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.

Difficulties in employing suitably experienced or qualified subcontractors slightly increased to 36% in December 2018. Level of difficulty employing suitably experienced contractors dropped in the second half of 2018, after a spike in June 2018.

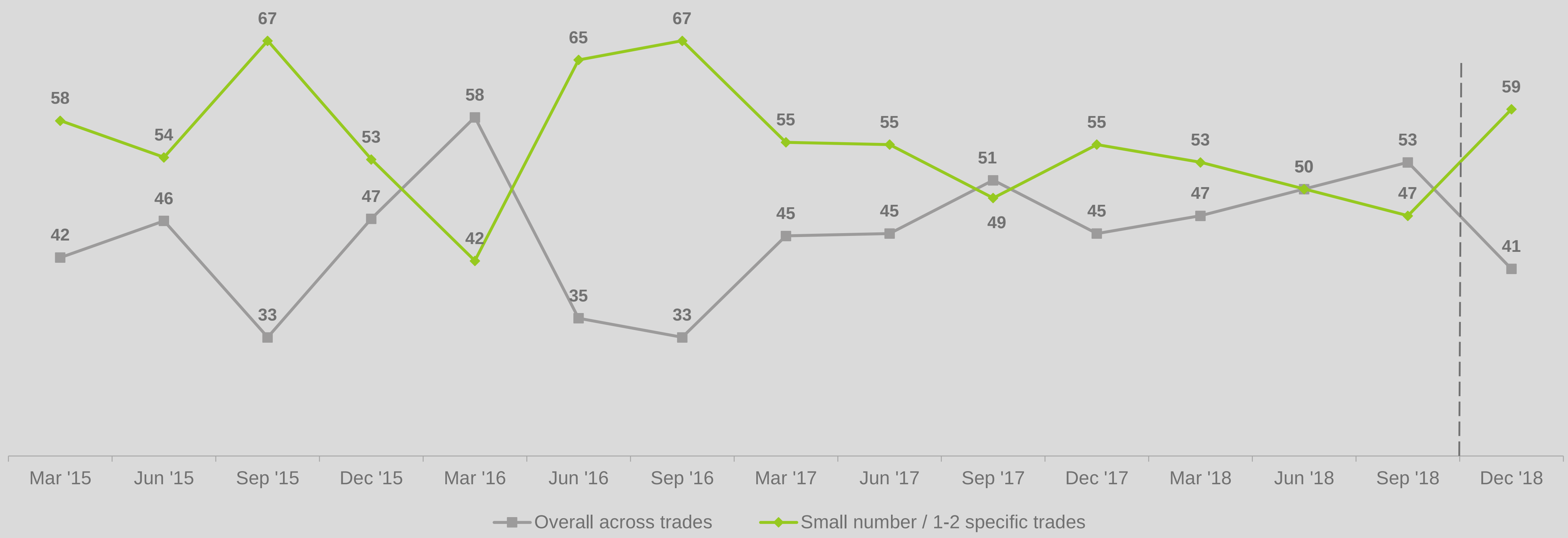
Current difficulty employing experience/qualified subcontractors (% Difficult)



Q1b. And, in terms of skill levels, are you currently experiencing difficulties employing suitably experienced or qualified subcontractors?
Base: All Contractors Dec ‘18 n=103; Sep ‘18 n=106; Jun ‘18 n=87; Mar ’18 n=100; Dec ‘17 n=100; Sep ‘17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.

Majority of contractors having difficulty employing subcontractors suggested this difficulty is concentrated across 1-2 specific trades in December 2018.

Difficulty in employing across trades (% Difficult)



Q1c. Is this an overall difficulty across trades or is it concentrated in a small number of specific trades?

BASE: Contractors having difficulty employing subcontractors or experienced or qualified contactors Dec '18 n=39; Sep '18 n=38; Jun '18 n=40; Mar '18 n=36; Dec '17 n=33; Sep'17 n=45; Jun '17 n=38; Mar '17 n=38; Sep '16 n=24; Jun '16 n=31; Mar '16 n=31; Dec '15 n=30; Sep '15 n=24; Jun '15 n=28; Mar '15 n=26.

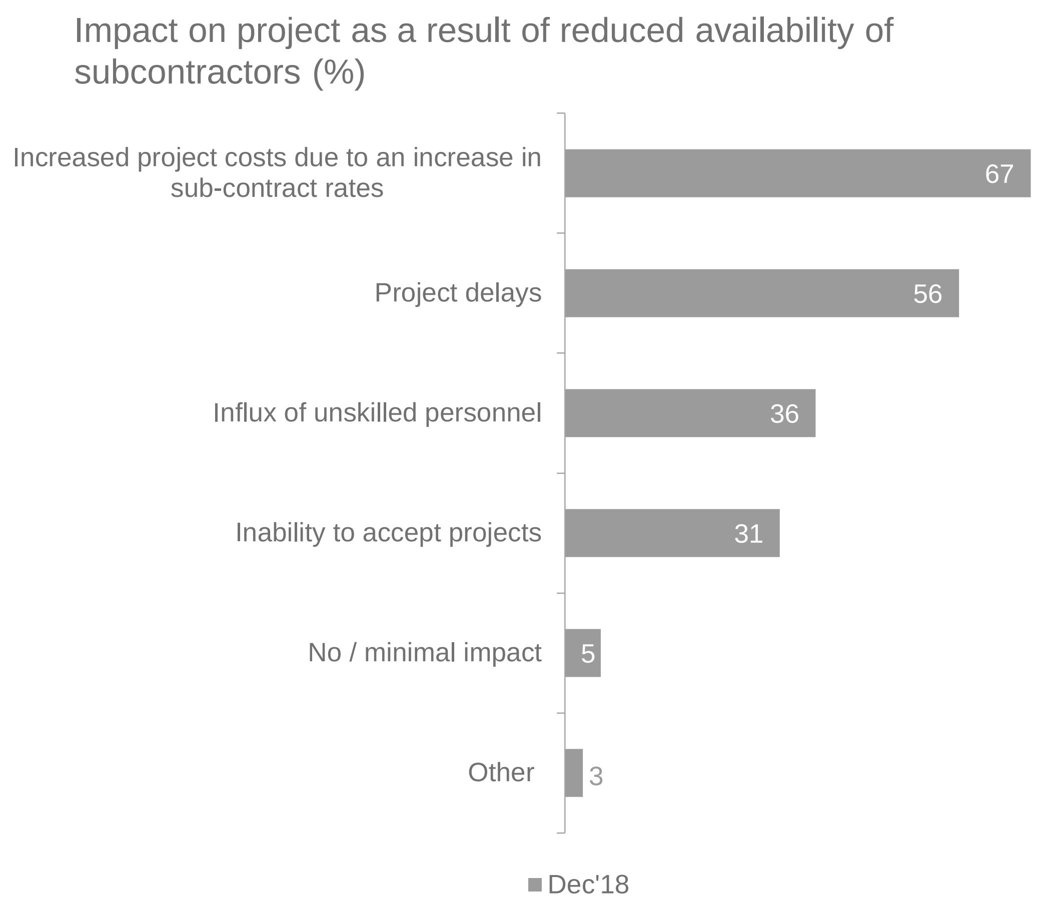
In December 2018, Carpentry, Plastering, and Wall and Floor Tiling were the trades where contractors reported the most difficulty employing subcontractors.

	Carpentry	Electrical	Wall and Floor Tiling	Plastering	Bricklaying	Painting	Plumbing	Concreting	Formwork	Joinery incl Cabinet Making	Mechanical Services	Scaffolding	Steel Fixing	Labourers	Other
Dec ‘18	**49%**	**28%**	**36%**	**38%**	**23%**	**23%**	**23%**	**33%**	**23%**	**15%**	**18%**	**10%**	**15%**	**5%**	**31%**
Sep ‘18	39%	37%	21%	24%	8% ↓	26%	24%	21% ↓	16%	18%	16%	5%	8%	11%	29% ↑
Jun ‘18	43%	25%	25%	40%	33%	25%	25%	45%	25%	20%	18%	15%	15%	23%	10%
Mar ‘18	44%	28%	28% ↑	39%	25%	19%	33%	31%	25% ↑	22% ↑	17% ↑	<1%	14%	25% ↑	14% ↓
Dec ‘17	36%	12%	3% ↓	27%	21%	15%	15%	21%	<1%	6%	3%	<1%	6%	6%	39%
Sep ‘17	47%	22%	16%	24%	11%	16%	16%	7%	<1%	<1%	7%	2%	2%	2%	20% ↓
Jun '17	37%	32%	16%	21%	26%	16%	26%	29%	3%	3%	5%	5%	3%	<1%	40%
Mar '17	42%	29%	29%	26%	24%	18%	18%	11%	8%	5%	5%	3%	3%	3%	21%
Sep '16	13%	21%	25%	25%	25%	13%	21%	13%	21%	8%	21%	13%	4%	8%	29%
Jun '16	32%	6%	35%	32%	29%	23%	19%	19%	6%	3%	6%	<1%	3%	<1%	13%
Mar '16	39%	23%	16%	39%	39%	16%	19%	19%	16%	10%	16%	6%	10%	3%	16%
Dec '15	37%	20%	23%	43%	17%	17%	20%	27%	17%	23%	20%	10%	7%	7%	33%
Sep '15	38%	21%	17%	33%	50%	38%	33%	29%	8%	21%	17%	17%	8%	17%	21%
Jun '15	43%	21%	18%	25%	21%	21%	29%	36%	32%	14%	14%	11%	18%	11%	29%
Mar '15	42%	23%	12%	19%	15%	12%	19%	23%	19%	8%	4%	4%	8%	4%	38%

Q2a. Which trades are you finding it difficult (to employ subcontractors).
BASE: Contractors having difficulty employing subcontractors or experienced or qualified contactors: Dec ‘18 n=39; Sep ‘18 n=38; Jun ‘18 n=40; Mar ‘18 n=36; Dec ‘17 n=33, Sep’17 n=45; Jun ‘17 n=38; Mar ‘17 n=38; Sep ‘16 n=24; Jun ’16 n=31; Mar ‘16 n=31; Dec ‘15 n=30; Sep ‘15 n=24; Jun ’15 n=28; Mar ‘15 n=26.

↑ Significantly lower than previous quarter at the 95% confidence level
↓ Significantly higher than previous quarter at the 95% confidence level

Increased project costs due to increase in sub-contact rates has impacted two in three of those consultants having difficulty employing subcontractors.



	Project delays	No/minimal impact	Increased project costs	Inability to accept projects	Influx of unskilled personnel	Other
Dec '18	**56%**	**5%**	**67%**	**31%**	**36%**	**3%**
Sep '18	16%*	16%*	34%*	18%*	13%*	3%*
Jun '18	55%	5%	58%	25%	48%	8%
Mar '18	69%	8%	69%	19%	44%	6%
Dec '17	48%	12%	24%	12%	15%	6%
Sep '17	53%	18%	42%	4%	11%	9%
Jun '17	63%	11%	37%	13%	8%	8%
Mar '17	64%	21%	18%	12%	6%	18%
Sep '16	42%	13%	46%	29%	8%	0%
Jun '16	68%	6%	61%	26%	26%	10%
Mar '16	35%	26%	61%	23%	26%	3%
Dec '15	43%	3%	47%	27%	33%	10%
Sep '15	58%	8%	71%	25%	25%	13%
Jun '15	57%	7%	61%	25%	36%	11%
Mar '15	50%	12%	58%	19%	42%	8%

Q3. How has the lack of available subcontractors impacted your projects?
BASE: Contractors having difficulty employing subcontractors or experienced or qualified contactors: Dec '18 n=39; Sep '18 n=38; Jun '18 n=40; Mar '18 n=36; Dec '17 n=33; Sep'17 n=45; Jun '17 n=38; Mar '17 n=38; Sep '16 n=24; Jun '16 n=31; Mar '16 n=31; Dec '15 n=30; Sep '15 n=24; Jun '15 n=28; Mar '15 n=26. *Question was asked as a single response in September 2018.

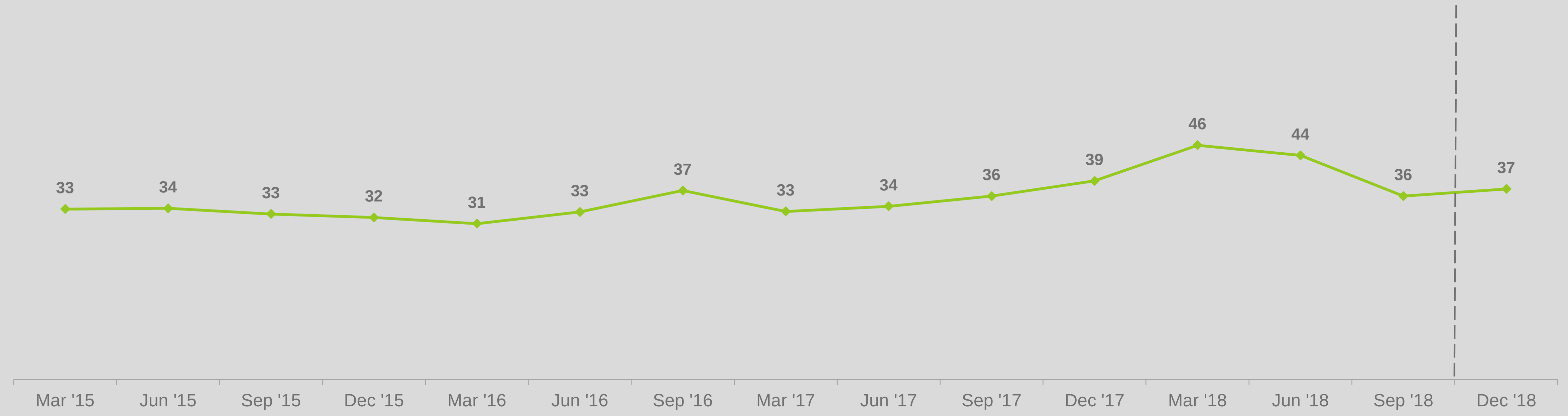
Significantly lower than previous quarter at the 95% confidence level
Significantly higher than previous quarter at the 95% confidence level

3.3 Contractors - Government Work

Government workload amongst contractors remained steady in December 2018. Just over one third of (37%) contractor's workload was for the government, on average.

Government workload amongst contractors remained steady in December 2018. Just over one third of (37%) contractor's workload was for the government, on average.

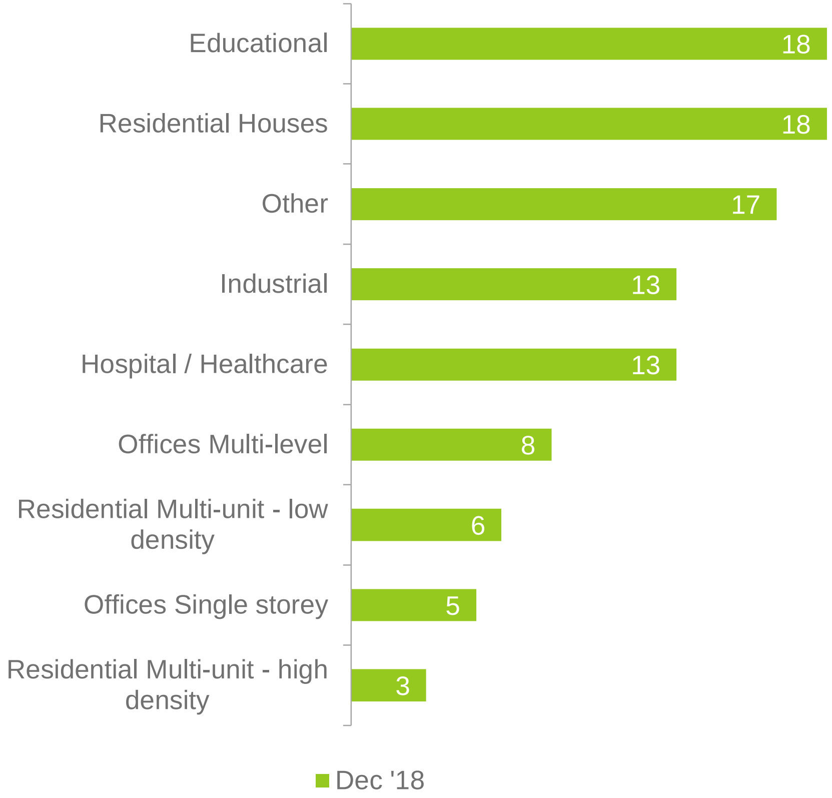
Current Government Workload (%)



Q9. In the last three months approximately what percentage of your workload has been for the government?
Base: All Contractors Dec ‘18 n=103; Sep ‘18 n=106; Jun ‘18 n=97; Mar ‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.

3.4 Contractors - Demographics

Construction area of majority of current projects (%)



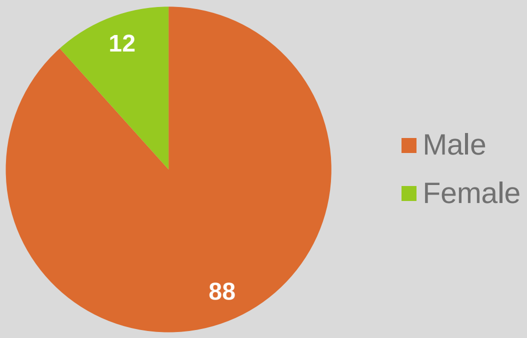
	Residential Houses	Educational	Offices Multi level	Industrial	Offices Single story	Residential Multi unit - low density	Residential Multi unit - high density	Hospital/ Healthcare	Other
Dec ‘18	**18%**	**18%**	**8%**	**13%**	**5%**	**6%**	**3%**	**13%**	**17%**
Sept ‘18	14%	11%	12% ↑	23% ↑	7%	4%	4%	8%	18%
Jun ‘18	18%	21%	4%	12%	2%	7%	4%	11%	21%
Mar ‘18	15%	12%	4%	12% ↓	4%	9%	8%	8%	28% ↑
Dec ’17	19% ↓	13%	9%	31% ↑	1%	7%	3%	3%	14%
Sep ‘17	31% ↑	17%	9%	10%	0%	6%	3%	6%	18%
Jun ‘17	19%	13%	11%	13%	1%	8%	8%	12%	15%
Mar ’17	34%	13%	12%	9%	8%	2%	1%	2%	19%

Q4. In what area of the construction sector are the majority of your current projects?
BASE: All Contractors Dec ‘18 n=103; Sep’ 18 n=106; Jun ‘18 n=84; Mar‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; Jun ’16 n=80; Mar ‘16 n=80; Dec ‘15 n=80; Sep ‘15 n=80; Jun ’15 n=80; Mar ‘15 n=80.
*Please note, this question was asked as a Single Response from Mar ‘17 onwards, but was historically asked as a multiple response question.

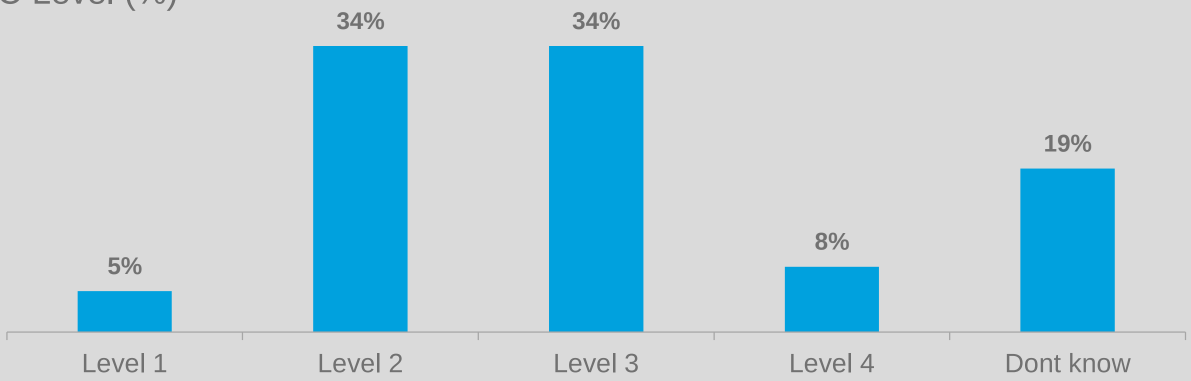
↑ Significantly higher than previous quarter at the 95% confidence level
↓ Significantly lower than previous quarter at the 95% confidence level

Contractors Demographic Profile

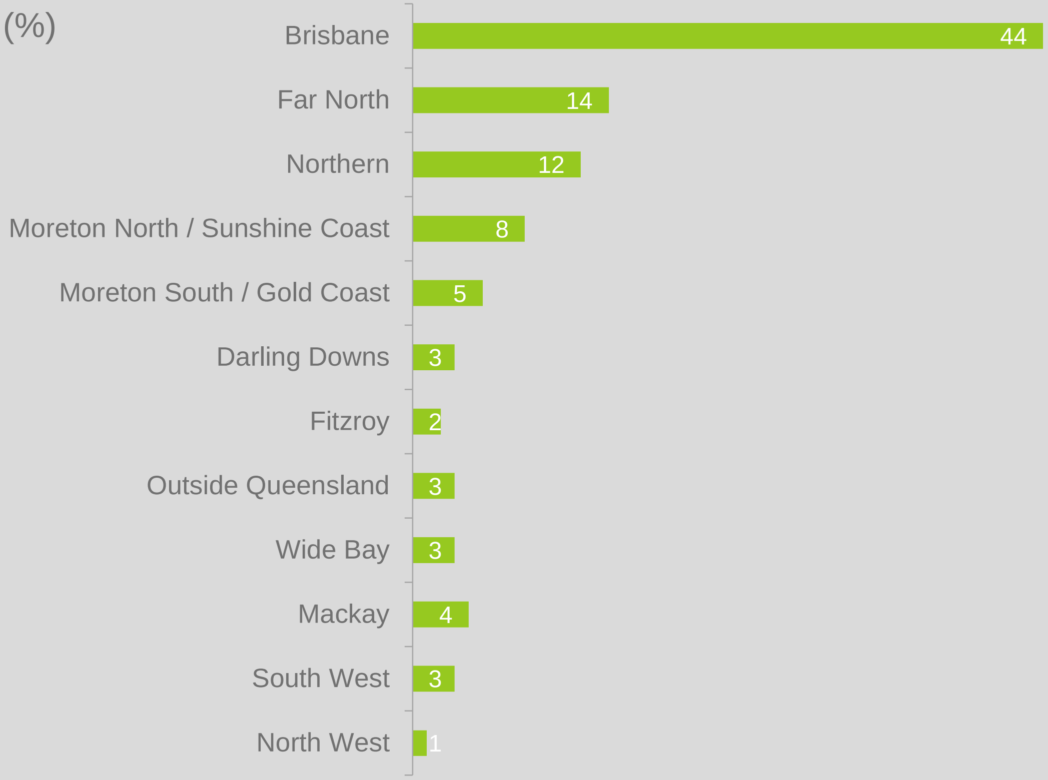
Gender (%)



PQC Level (%)



Region (%)



D1. Gender
D2. In what region is the household where you currently live?
D3 What is your PQC (Pre-qualification level)?
BASE: All Contractors Dec ‘18 n=103.

4.0 Consultants

4.1 Consultants - Current and Projected Workload

In December 2018, three in ten (29%) consultants felt their workload had increased over the past three months. Growth in workload remained consistent throughout 2018.

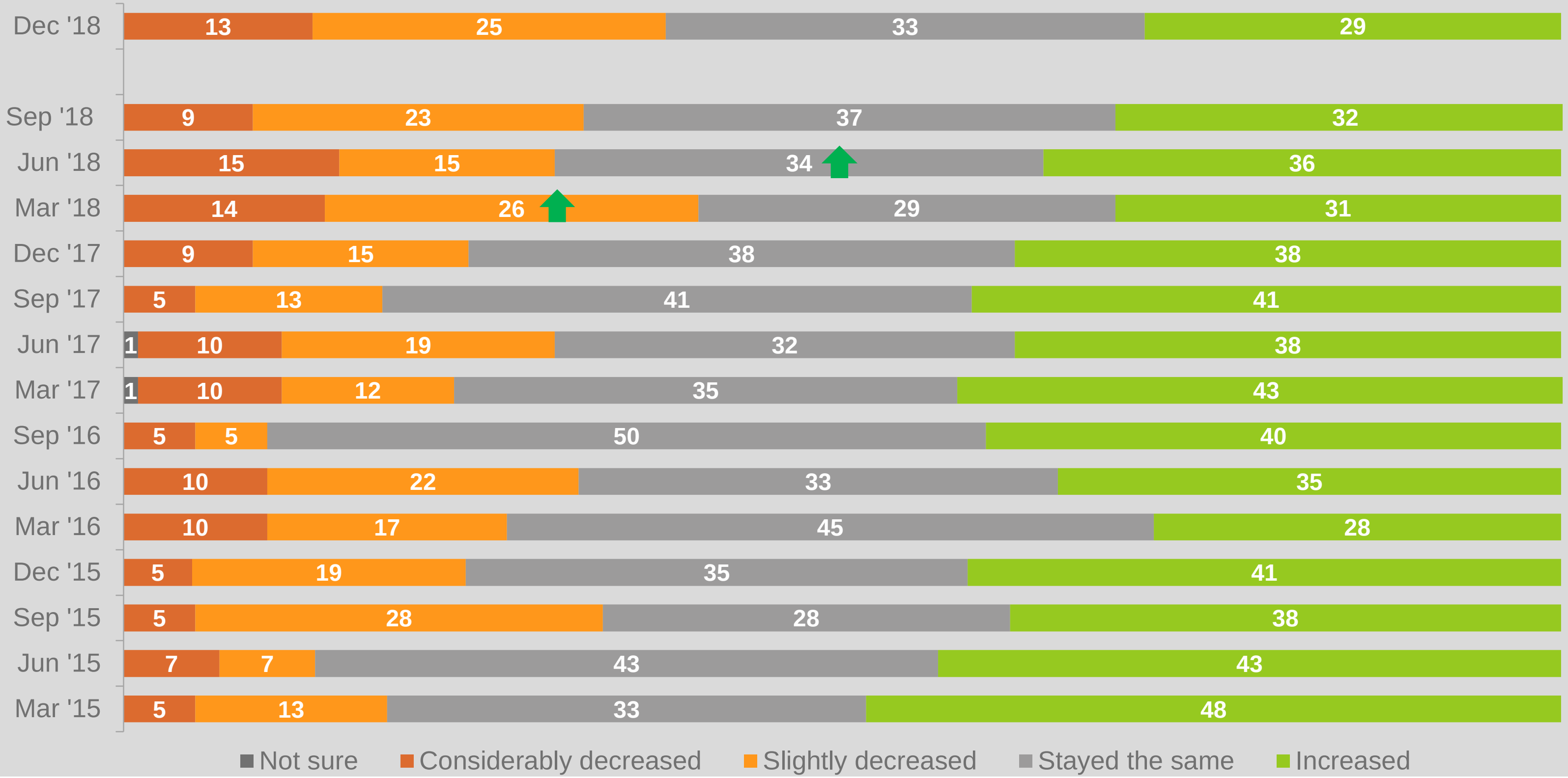
After dropping slightly in September 2018, projected workload change increased to the highest level seen in 2018. In December 2018, two in five (39%) consultants felt their workload would increase over the next three months.

Difficulty in finding work decreased in December 2018. Just under half of consultants (47%) were experiencing difficulty finding work.

Two in three consultants (66%) reported their fees would remain the same for the next three months. The number of consultants projecting their consultancy fees to decrease increased from 9% in September 2018, to 16% in December 2018.

In December 2018, three in ten (29%) consultants suggested their workload had increased in the past three months. This level was largely consistent with results seen throughout 2018.

Recent workload change (%)



Q3a. In the past three months do you think your workload has…

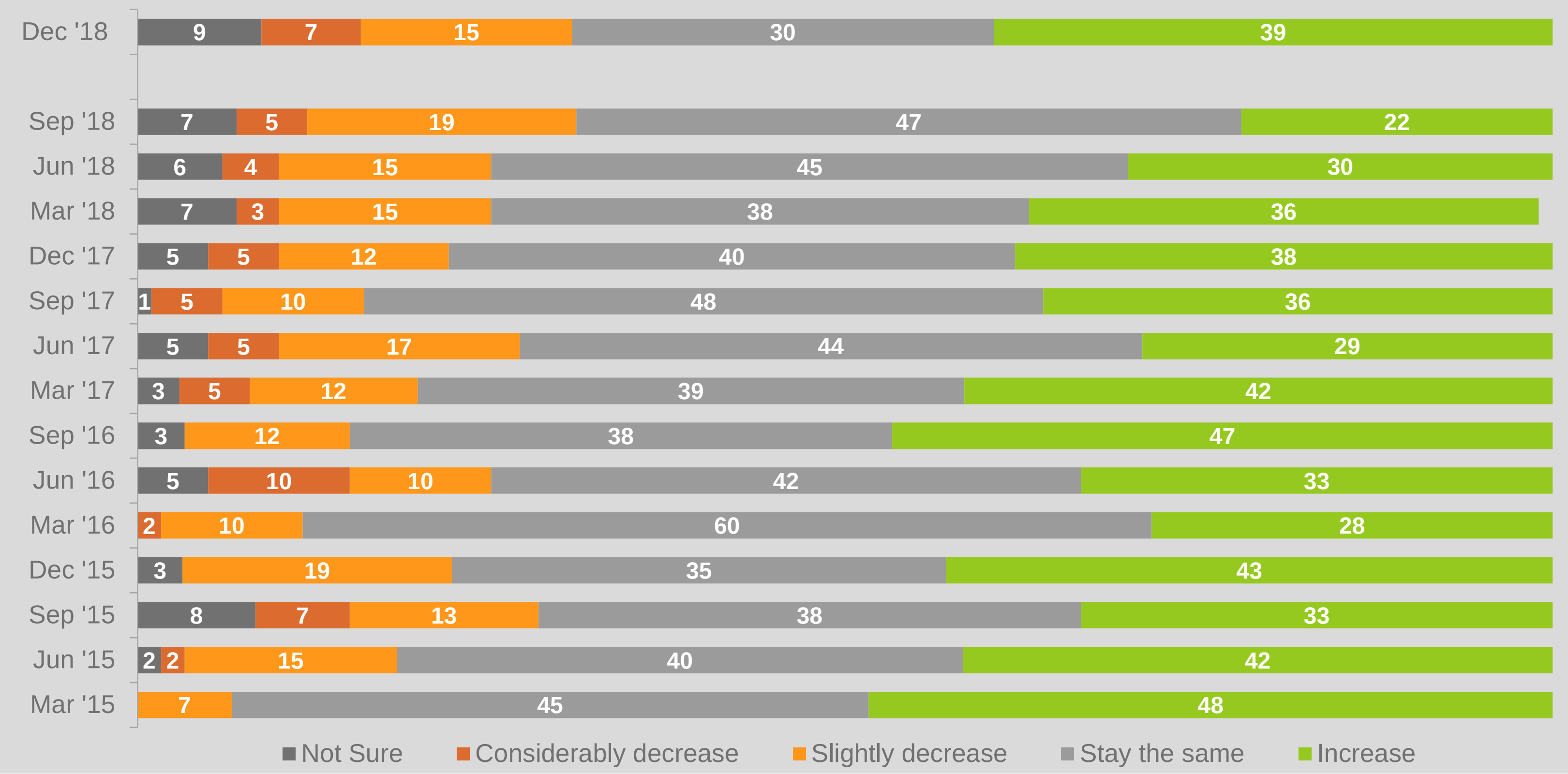
Base: All Consultants Dec '18 n=114; 'Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

After dropping slightly in September 2018, projected workload change increased to the highest level seen in 2018. In December 2018, two in five (39%) consultants felt their workload would increase over the next three months.

Projected workload change (%)



Q3b. In the next three months do you think your workload will…

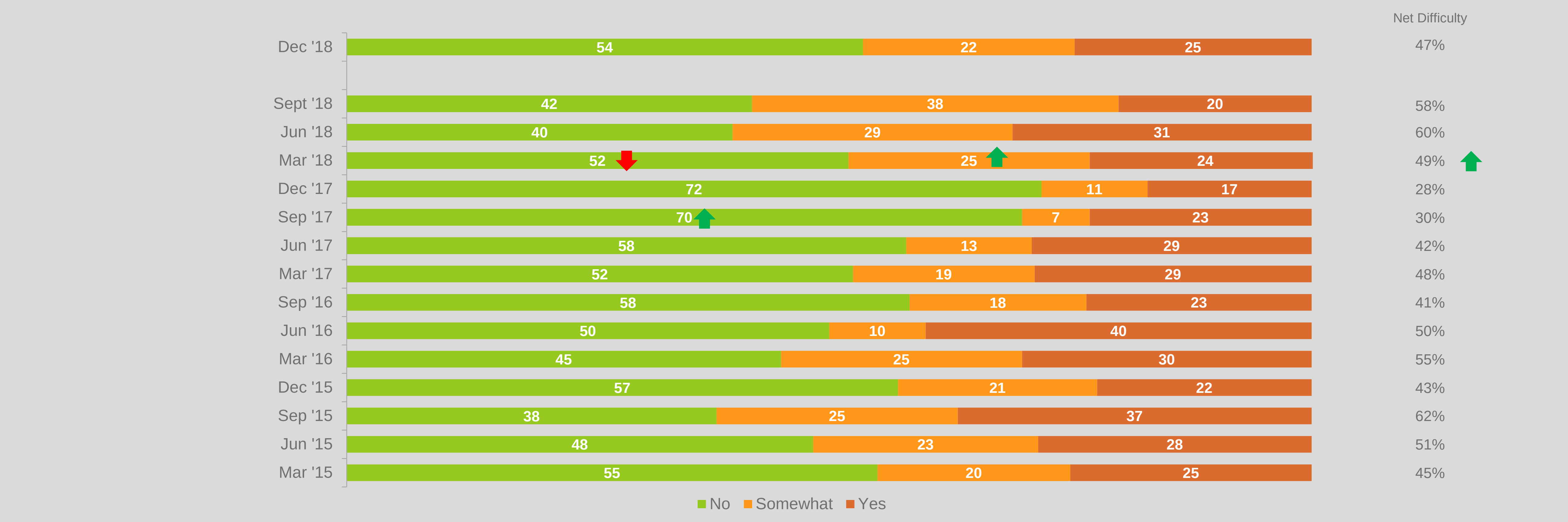
Base: All Consultants Dec '18 n=114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

Difficulty in finding work decreased in December 2018. Just under half (47%) consultants were experiencing difficulty finding work, down from 58% in September 2018.

Currently finding it difficult to find work (%)

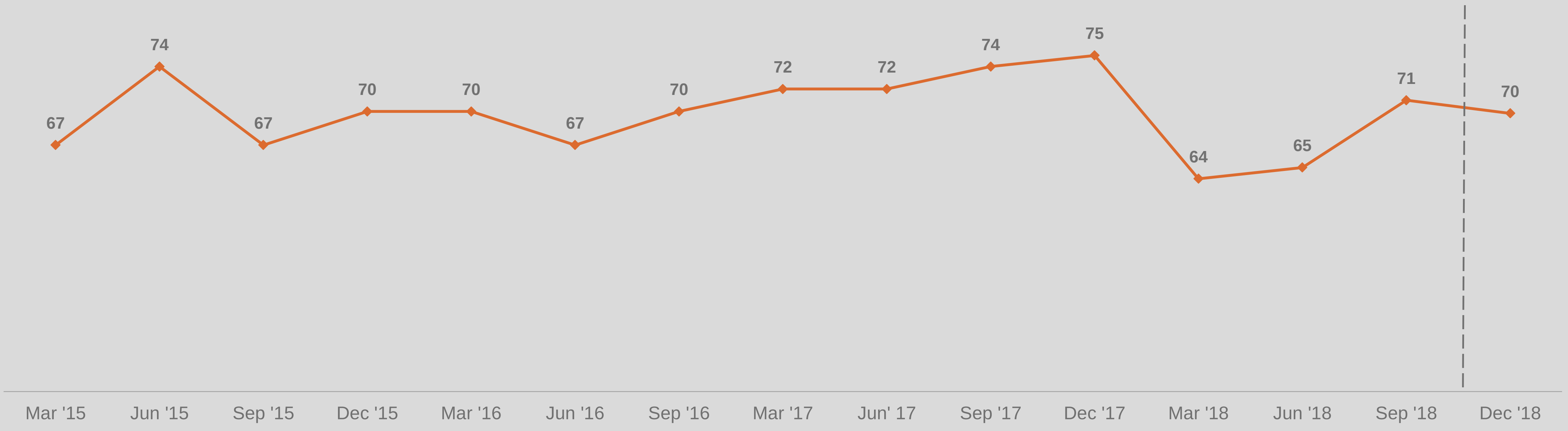


Q10. At an overall level, are you currently experiencing difficulties in finding work?
Base: All Consultants Dec ‘18 n= 114; Sep ‘18 n=104; Jun ‘18 n=98; Mar’18 n=110; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

Consultants were operating at 70% of capacity, on average, in December 2018. Workload appears to have slumped in early 2017, but increased in the second half of the year.

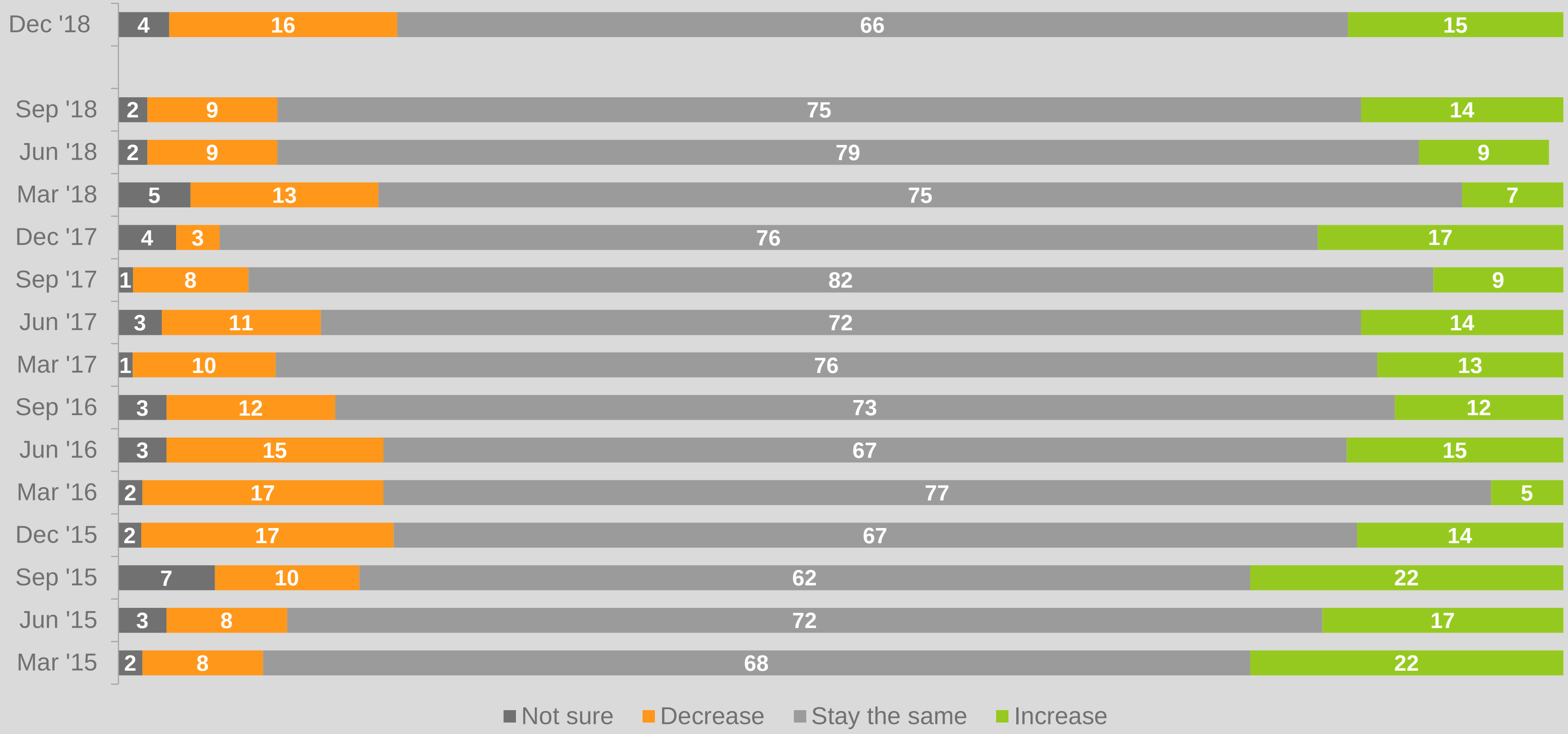
Current workload capacity (average %)



Q2a. Thinking of the total volume of work you are able to undertake and 100% being unable to take on any further work, in percentage terms what would you currently be operating at?
Base: All Consultants Dec ‘18 n=114;Sep’18 n=104; Jun ‘18 n=98; Mar’18 n=110; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

Two in three consultants (66%) reported their fees would remain the same for the next three months. The number of consultants projecting their consultancy fees to decrease increased from 9% in September 2018, to 16% in December 2018.

Projected change to consultancy fees (%)



Q5. In the next three months do you think consultant fees will generally?
Base: All Consultants Dec ‘18 n=114; Sep ‘18 n=104; Jun ‘18 n=96; Mar’18 n=110; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

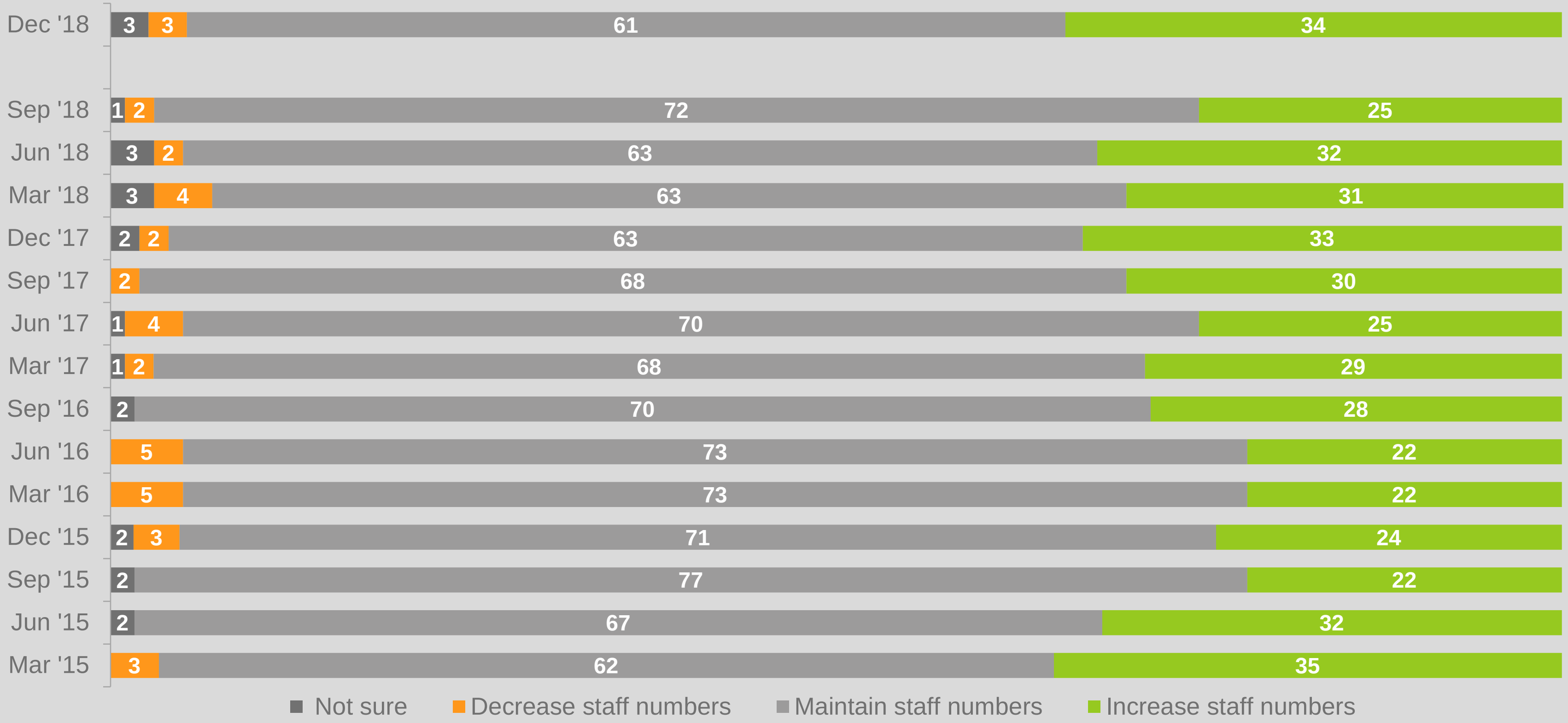
4.2 Consultants - Employment

Staffing projection in December 2018 continued to remain consistent with levels seen throughout 2018. 61% of consultants planned to maintain current staffing and 34% planned to increase their staff numbers.

In December 2018, more than half (53%) of consultants believed they would have no difficulty employing staff.

In December 2018, one in three consultants (34%) were seeking to increase their staff numbers. However, majority of consultants (61%) were seeking to maintain their staff numbers.

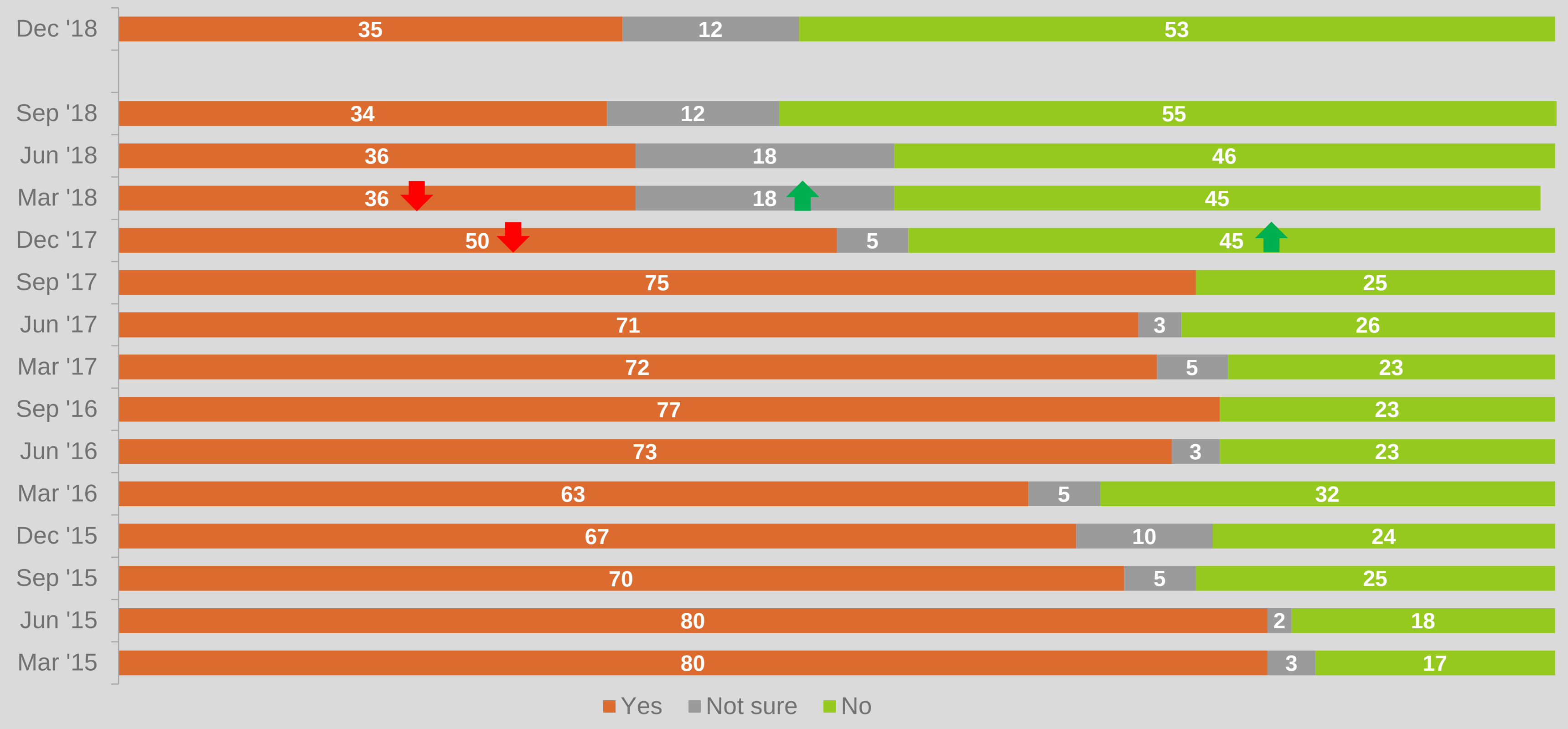
Current staffing change requirements (%)



Q6. At present, is your firm looking to…
Base: All Consultants Dec ‘18 n=114; Sep ‘18 n=104; Jun ‘18 n=96; Mar’18 n=110; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

In December 2018, more than half (53%) of consultants believed they would have no difficulty employing staff. Amongst consultants, difficulty employing staff appears to be steadily decreasing since September 2017.

Projected employment difficulty (%)



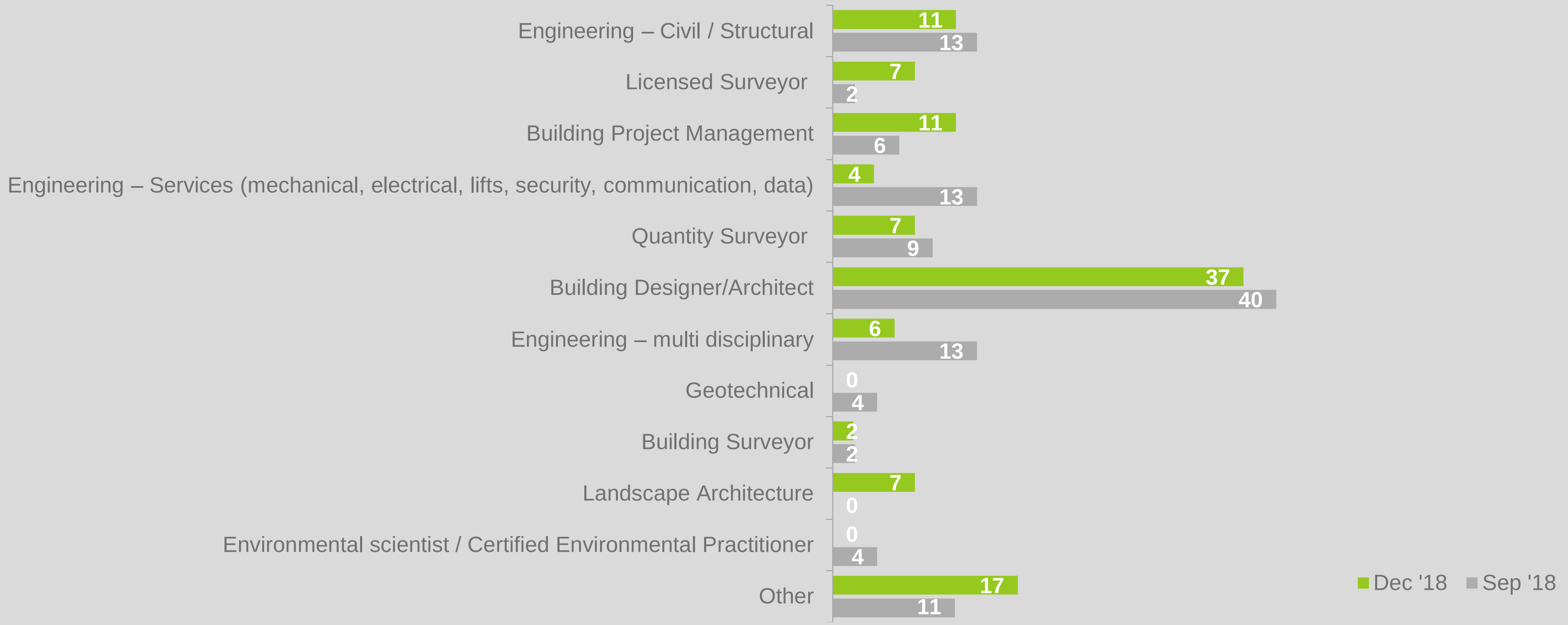
Q4a.In the next three months do you think will have difficulty employing staff?
Base: All Consultants Dec ‘18 n=114; Sep ‘18 n=104; Jun ‘18 n=97; Mar’18 n=110; Dec ’17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

Building design/architect was the discipline where many consultants felt they would have difficulty employing staff in December 2018.

Projected employment difficulty* (%)



Q4b. If there is an expected difficulty in employing staff, which disciplines do you think you will struggle to fill?
Base: Consultants who are or are not sure if they will have difficulty employing staff Dec ‘18 n=54; Sep ‘18 n=47; Jun ’18 n=63; Mar ‘18 n=70; Dec ‘17 n=50; Sep’17 n=25; Jun ‘17 n=29.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

Difficulty employing staff across disciplines over time.

	Engineering Civil/ Structural	Engineering Services	Quantity Surveyor	Building Project Management	Licensed Surveyor	Landscape Architecture	Engineering Multi Disciplinary	Environmental Scientist/ Practitioner	Geotechnical	Building Surveyor	Other
Dec ‘18	**11%**	**4%**	**7%**	**11%**	**7%**	**7%**	**6%**	**0%**	**0%**	**2%**	**17%**
Sep ‘18	13%	13%	9%	6%	2%	0%	13%	4%	4%	2%	11%
Jun ‘18	27% ⬆	11%	11%	16%	16%	2%	7%	2%	4%	2%	11%
Mar ’18	11%	3%	14% ⬆	11%	9%	3%	4%	0%	1%	7%	9% ⬇
Dec ’17	6%	2%	4%	16%	16%	0%	2%	2%	4%	2%	26%
Sep ’17	0%	12%	4%	4%	24%	0%	0%	0%	0%	4%	24%
Jun ‘17	3%	0%	0%	7%	10%	0%	7%	0%	0%	10%	31%
Mar ’17	11%	7%	7%	4%	4%	0%	0%	0%	0%	0%	29%
Sep ’16	7%	21%	0%	21%	7%	7%	0%	0%	0%	7%	0%
Jun ’16	0%	21%	7%	7%	7%	7%	7%	0%	0%	0%	14%
Mar ’16	11%	5%	5%	5%	5%	0%	5%	5%	0%	0%	32%
Dec ‘15	13%	7%	0%	0%	0%	0%	0%	0%	0%	7%	7%
Sep ‘15	20%	7%	0%	7%	13%	13%	0%	7%	13%	0%	0%
Jun ’15	9%	0%	9%	18%	9%	0%	0%	0%	0%	0%	9%
Mar ’15	0%	0%	20%	10%	0%	0%	0%	0%	10%	0%	30%

Q4b. If there is an expected difficulty in employing staff, which disciplines do you think you will struggle to fill?
Base: Consultants who are or are not sure if they will have difficulty employing staff Dec ’18 n=54; Sep’ 18 n=47; Jun ‘18 n=63; Mar ‘18 n=70; Dec ‘17 n=50; Sep’17 n=25; Jun ‘17 n= 29; Mar ‘17 n=28; Sep ‘16 n=14; Jun ’16 n=14; Mar ‘16 n=19; Dec ‘15 n=15; Sep ‘15 n=15; Jun ’15 n=11; Mar ‘15 n=10.

⬆ Significantly higher than previous quarter at the 95% confidence level
⬇ Significantly lower than previous quarter at the 95% confidence level

4.3 Consultants - Online Programs

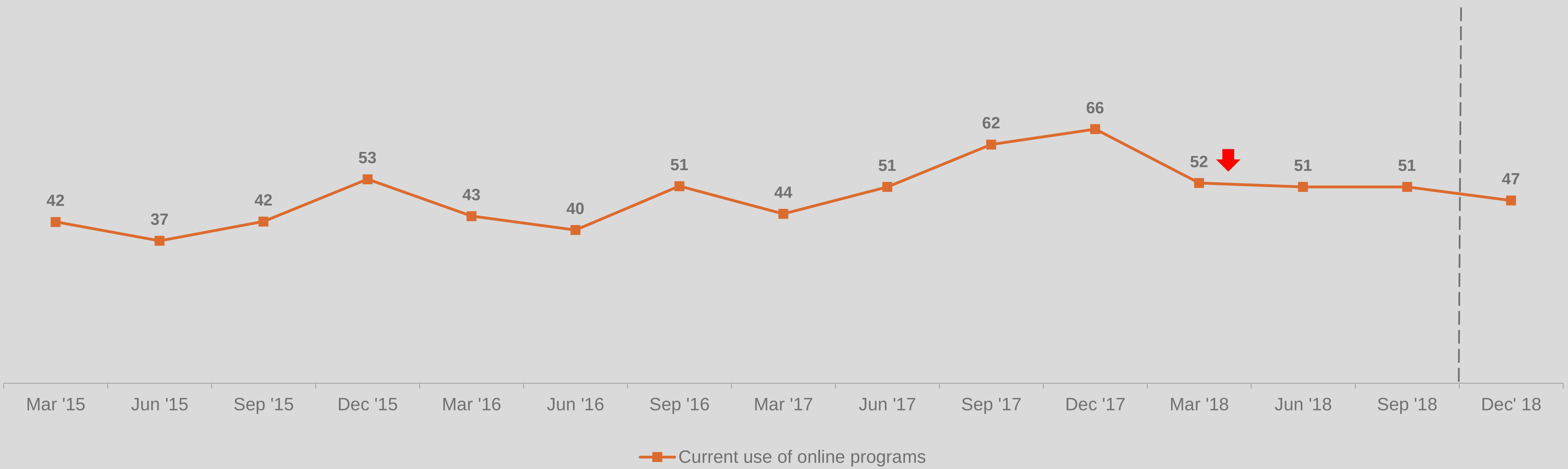
After a significant drop in March 2018, use of online programs has remained steady at around the 50% mark for the remainder of 2018 (47% in December 2018).

In December 2018, 76% of public sector consultancy submissions were made electronically. This level has remained consistent with September 2018.

After significantly increasing to 89% in September, the number of private sectors submissions made online significantly decreased to 76% in December 2018.

After a significant drop in March 2018, use of online programs remained steady at around the 50% mark for the remainder of 2018 (47% in December 2018).

Current projects involving online programs (%)



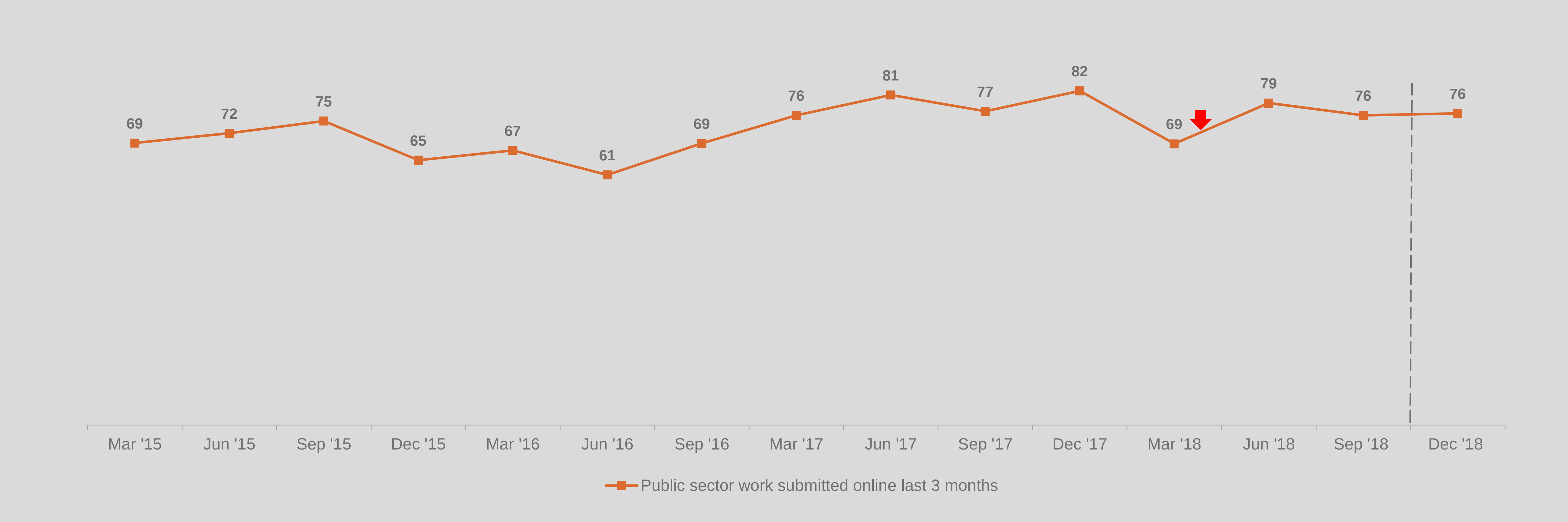
Q7. What percentage of your projects involves the use of online programs?
Base: All Consultants Dec '18 n=114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

In December 2018, 76% of public sector consultancy submissions were made electronically. This level has remained consistent with September 2018.

Current public sector submissions online (%)



Q8a. In the last three months what percentage of your consultancy submissions for public sector work are being submitted electronically?
Base: All Consultants Dec ‘18 n=114; Sep ‘18 n=104; Jun ‘18 n=98; Mar’18 n=110; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=101; Sep ‘16 n=60; Jun ’16 n=60; Mar ‘16 n=60; Dec ‘15 n=63; Sep ‘15 n=60; Jun ’15 n=60; Mar ‘15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

After significantly increasing to 89% in September, the number of private sectors submissions made online significantly decreased to 76% in December 2018.

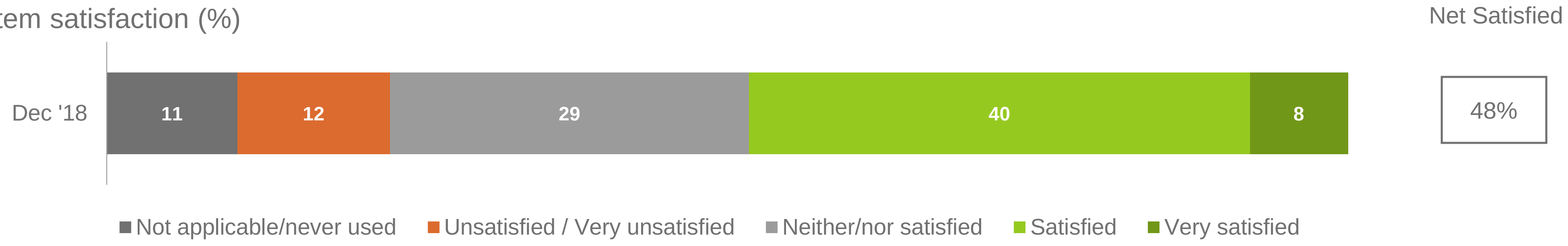
Current private sector submissions online (%)

Q8b. In the last three months what percentage of your consultancy submissions for private sector work are being submitted electronically?
Base: All Consultants Dec '18 n=114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

In December 2018, just under half of consultants (48%) were satisfied with the web collaboration system. Around one in ten (11%) were dissatisfied.

Web collaboration system satisfaction (%)



Reasons for being unsatisfied

"It's too complicated and over the top for day to day communication and coordination."

"Having to learn the system for every project becomes quite painful… it creates more hassles."

"Unnecessarily complicated and time consuming."

"Generally difficult to use and they create more work for no real increase in efficiency. They are no better than a good, well organised project manager. The amount of paperwork they generate can slow down the process."

"Duplication of in-house system."

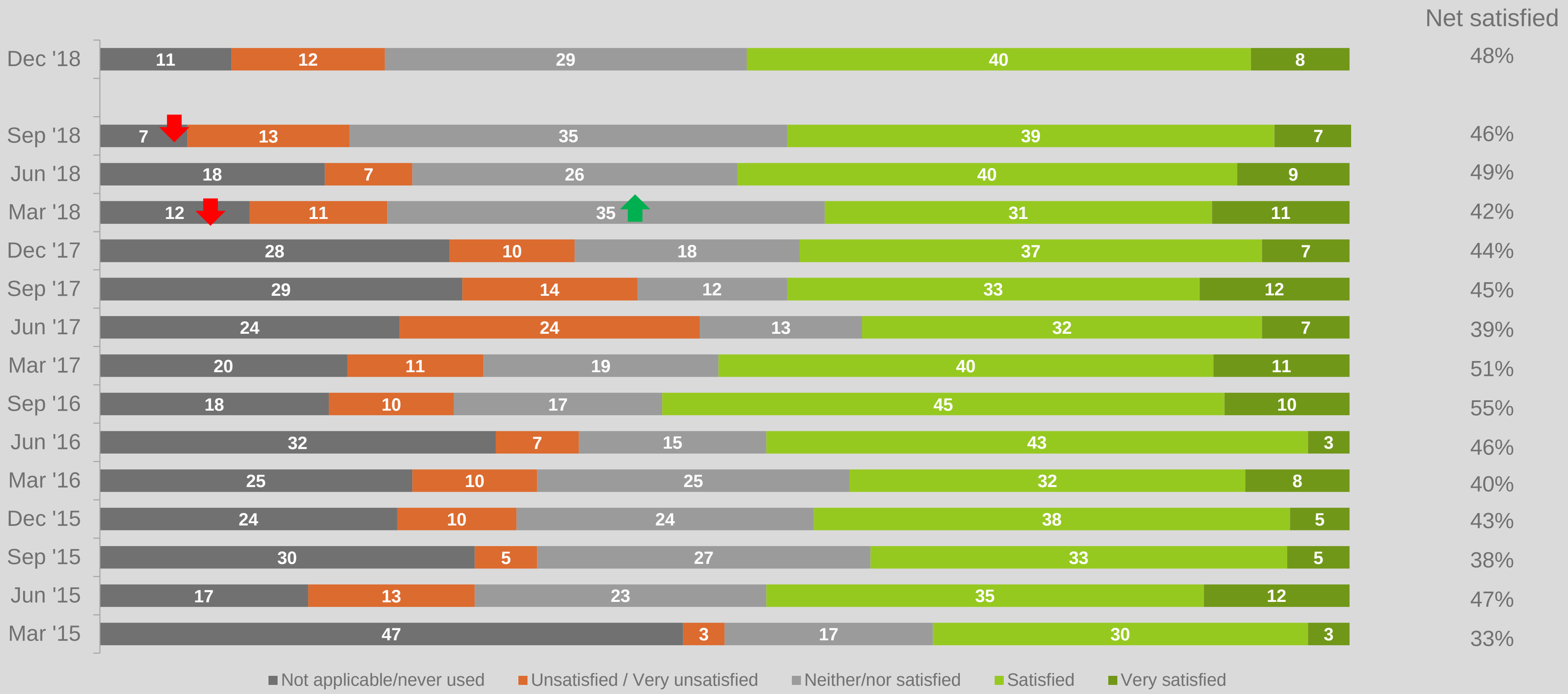
"They don't get the job done in a more accurate or timely way."

"It's not necessary and requires additional work."

Q9. How satisfied are you with web collaboration systems?
Base: Q9 All Consultants Dec '18 n=114.
Q9a. Why are you unsatisfied with web collaboration systems?
Base: Q9a. Consultants unsatisfied/very unsatisfied with web collaboration systems Dec '18 n=14.

Satisfaction with web collaboration systems was consistent to last quarter. Nearly half (48%) of consultants were satisfied in December 2018.

Web collaboration system satisfaction (%)



Q9. How satisfied are you with web collaboration systems?
Base: All Consultants Dec '18 n=114; Sep '18 n=104; Jun '18 n=94; Mar'18 n=110; Dec '17 n=100; Sep '17 n=100; Jun '17 n= 100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

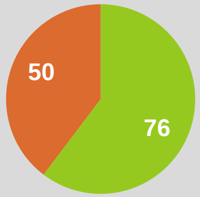
4.4 Consultants - Government Work

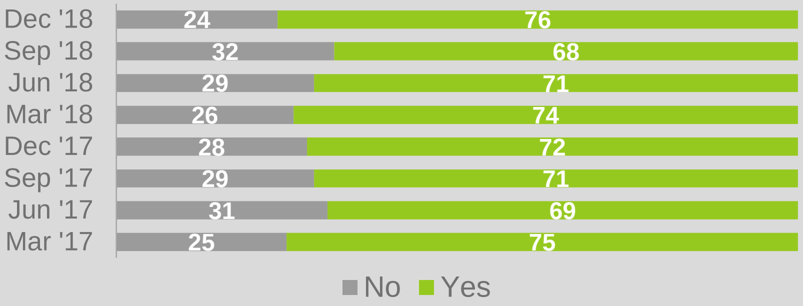
76% of consultants had undertaken work for the government in September 2018. Of the consultants that do work for government, two fifths (40%) of their business' workloads are for government.

The distribution of government work continues to remain skewed toward state government (65%). A smaller proportion (27%) had completed work for the local government.

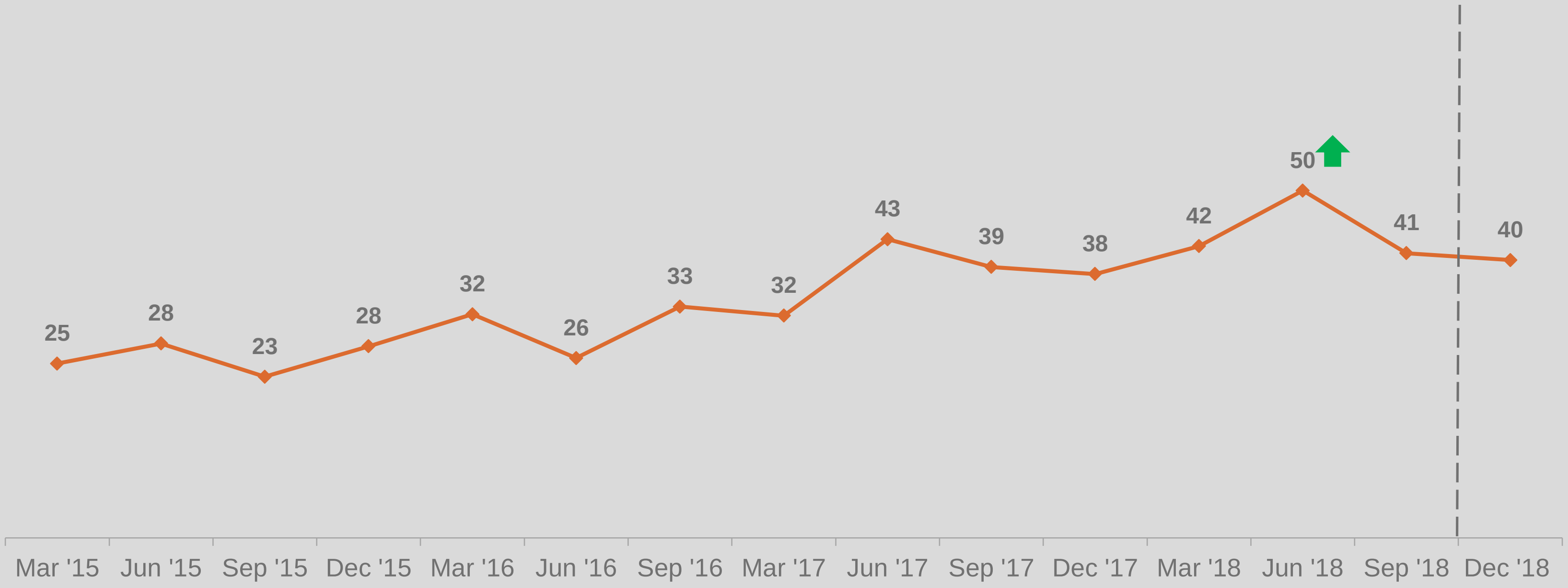
Of the three quarters of consultants that do work for government, two fifths (41%) of their business' workloads were for government, consistent with September 2018.

Have you completed work for the government in the past 3 months* (% Yes)





What percentage of your work in the last quarter has been for the government?

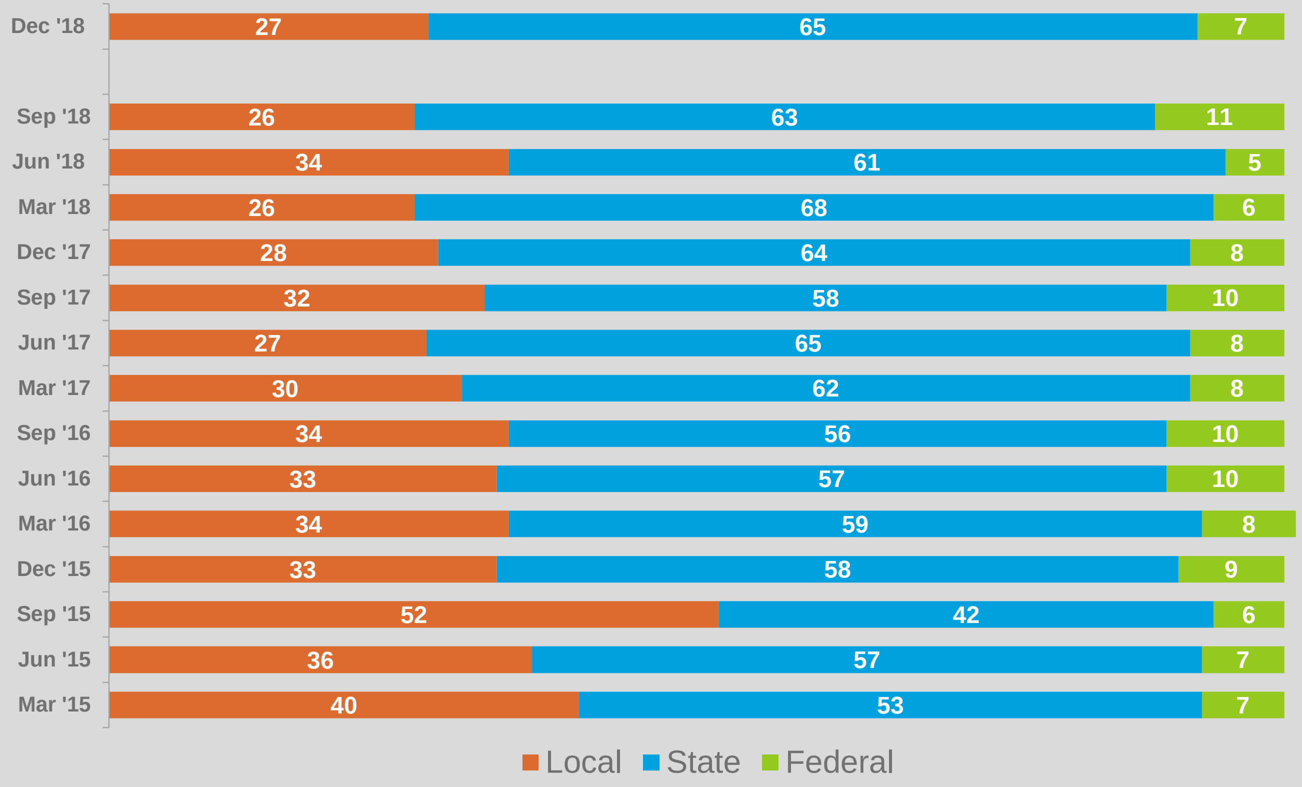


Q11a. In the past three months have you completed work for the government?
Base: All Consultants; Dec '18 n=114; Sep '18 n=104; Jun '18 n=94; Mar'18 n=110; Dec '17 n=100; Sep '17 n=100; Jun '17 n=100; Mar '17 n=101 *New Question in Jun '17.
Q11. In the last three months approximately what percentage of your workload has been for the government?
Base. All Consultants Dec '18 n=87; Sep '18 n=104; Jun '18 n=94; Mar'18 n=110; Dec '17 n=100; Sep '17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; Sep '15 n=60; Jun '15 n=60; Mar '15 n=60.

Significantly higher than previous quarter at the 95% confidence level
Significantly lower than previous quarter at the 95% confidence level

The distribution of government work continues to remain skewed toward state government (65%). A smaller proportion (27%) had completed work for the local government.

Work conducted for different government levels (%)

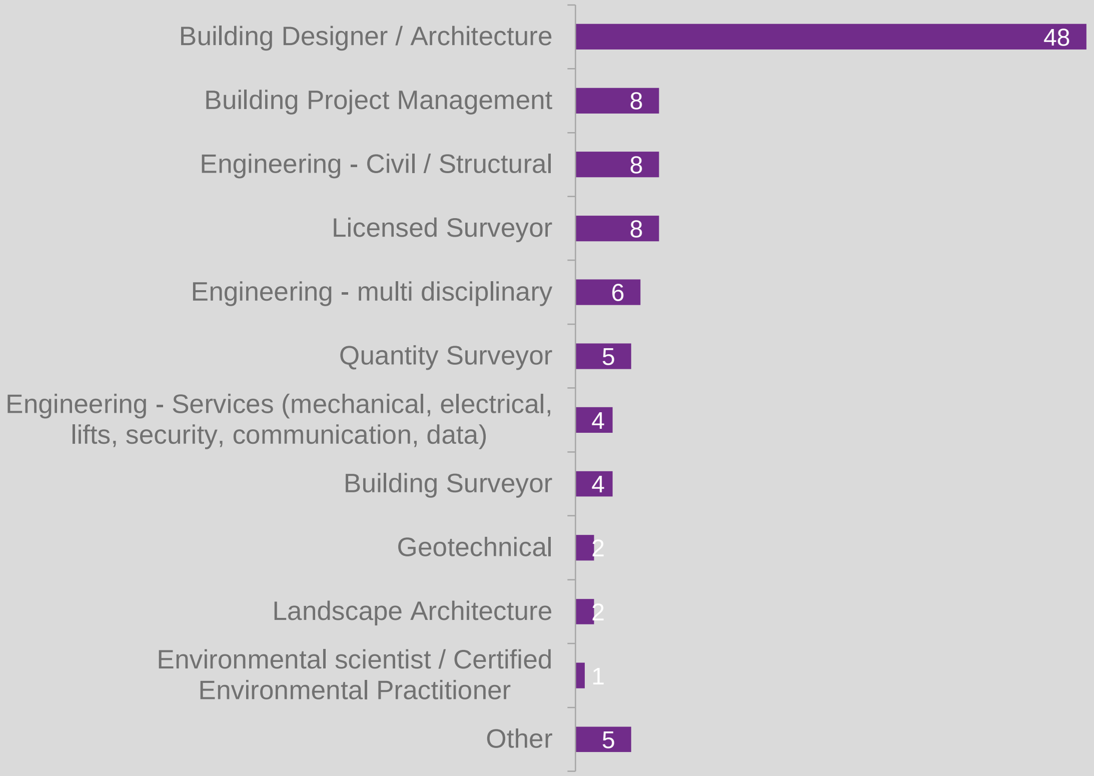


Q12. As a percentage, how is the government work broken up among the 3 tiers of Government?
Base: Consultants who have completed Government work in the last quarter: Dec ‘18 n=87; Sep ‘18 n=71; Jun ‘18 n=67; Mar ‘18 n=81; Dec ‘17 n=72; Sep ‘17 n=71; Jun ‘17 n=69; Mar ‘17 n=76; Sep ‘16 n=49; Jun ’16 n=44; Mar ‘16 n=46; Dec ‘15 n=47; Sep ‘15 n=67; Jun ’15 n=47; Mar ‘15 n=46.

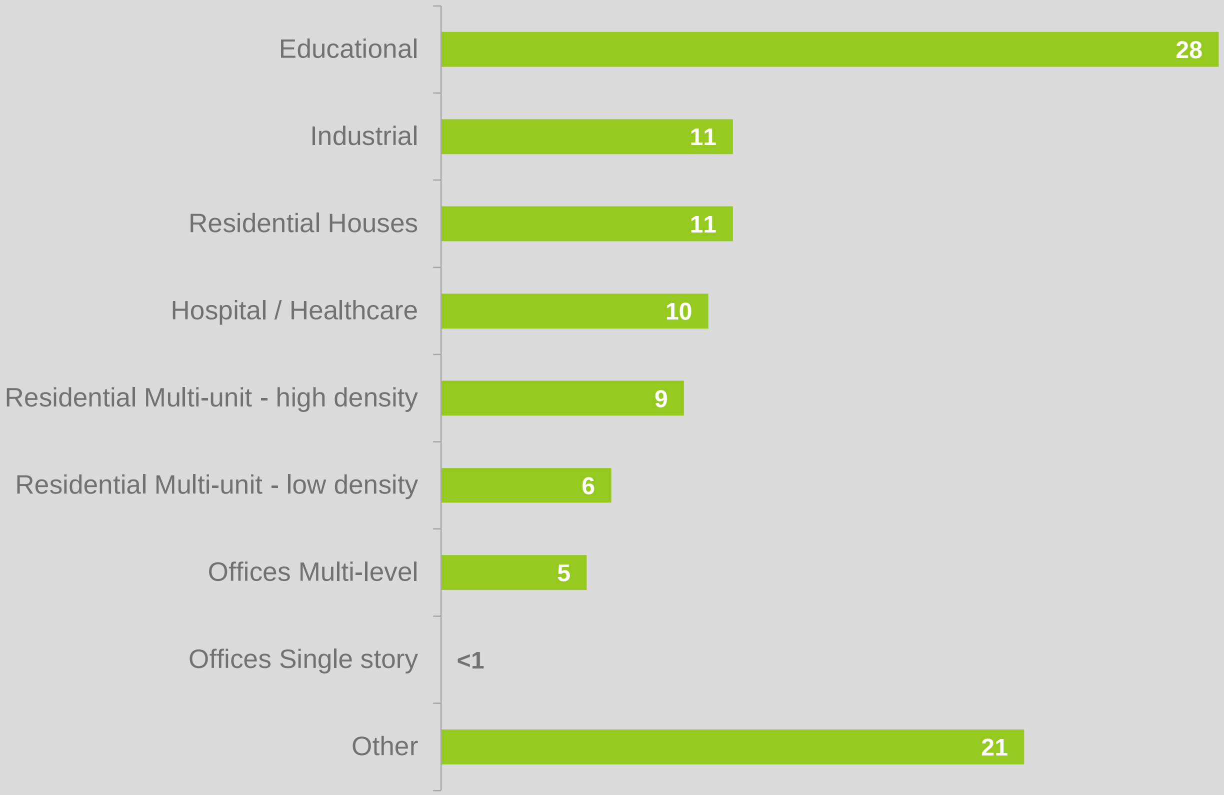
4.5 Consultants - Demographics

Consultant Work Profile

Main type of consultancy work undertaken (%)



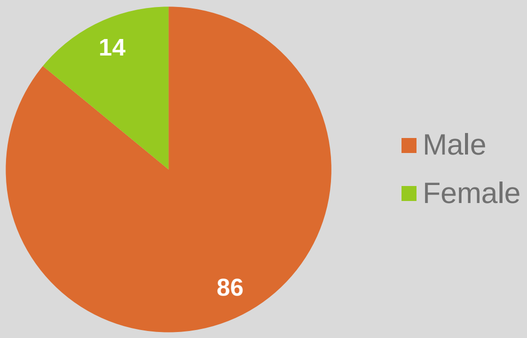
Construction sector where majority of consultancy work undertaken (%)



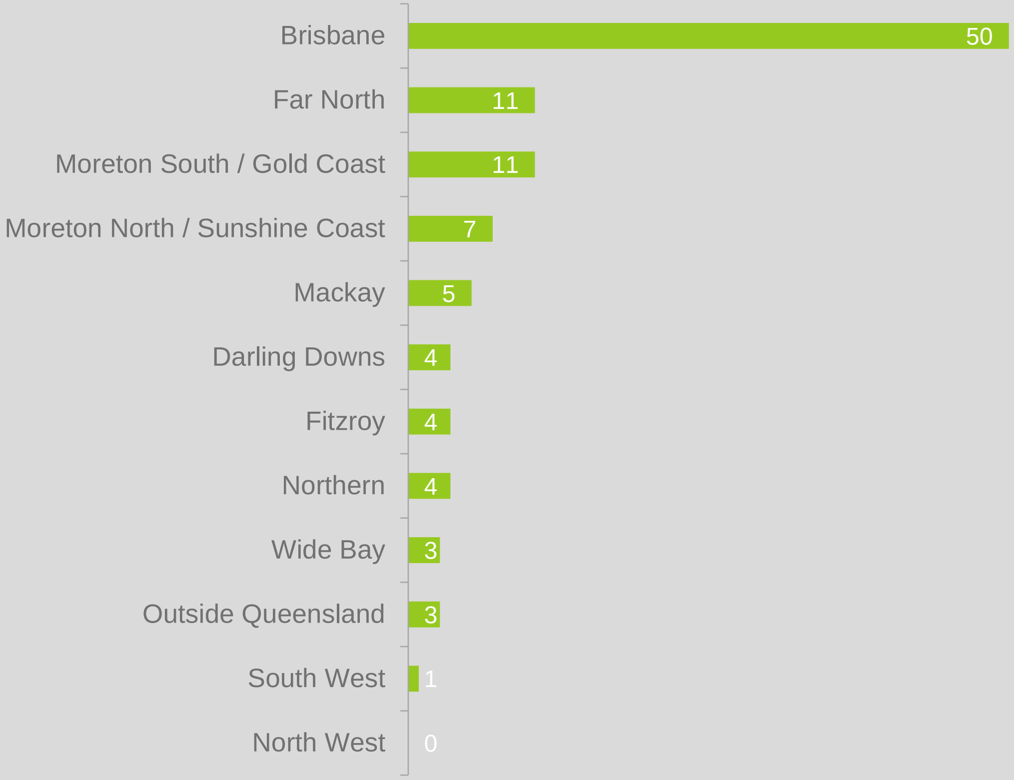
Q1. What is the main type of consultancy work undertaken in your firm?
Q2. In what area of the construction sector are the majority of your current projects?
BASE: All Consultants Dec ’18 n=114

Consultant Demographic Profile

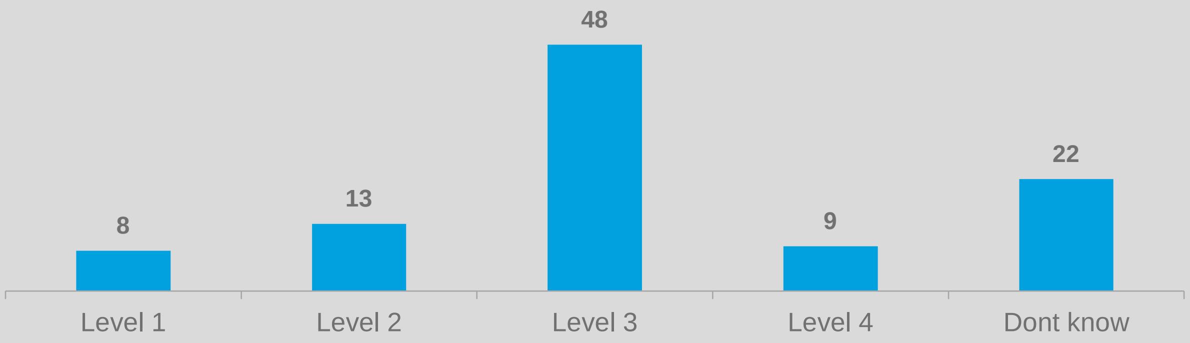
Gender (%)



Region (%)



PQC Level (%)



D1. Gender.
D2. In what region is the household where you currently live?
D3. What is your PQC level?
BASE: All Consultants Dec ’18 n=114

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