KANTAR PUBLIC

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Building Industry and Policy Contractor and Consultant Tracking
September Quarter 2019

Prepared for the Department of Housing and Public Works

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1.0
Executive Summary

Executive Summary – Contractors

Current Landscape

Contractors are operating, on average at 59% in September 2019.

21% of contractors have seen their workload decrease in September 2019.

Amongst contractors, on average 40% of workload is for Government clients.

14% of contractors are finding it difficult to employ subcontractors.

52% suggest the difficulty in employing contractors is existent across all trades.

29% of contractors are finding it difficult to employ experienced / qualified subcontractors.

Trades where employing subcontractors provides most difficulty

Carpentry	Tiling	Plastering
(55%)	(39%)	(36%)

Reduced availability of experience subcontractors has led to increased project costs (76%) an influx of unskilled personnel (39%).

Future Landscape

(39%) of contractors believe their workload will increase in the next quarter.

32% of contractors project that their labour costs will increase in the next quarter.

(43%) of contractors predict the cost of building materials will increase in the next quarter.

Executive Summary – Consultants

Current Landscape

31% suggest their workload has increased in the last quarter.

72% of consultants have done work for the government in the last quarter.

Consultants are operating at a capacity of 66% in September 2019.

59% of consultants are finding it difficult to find work.

Building Designer services (52%) and Quantity surveyors (10%) are currently the most difficult disciplines to employ.

In September 2019 78% of Public sector submissions and 81% of Private Sector submissions were made online.

Workload across levels of government

22% Local

69% State

10% Federal

Future Landscape

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

now HIRING

36% of consultants predicted they will have difficulty employing staff in the next 3 months.

26% of consultants are looking to increase their staff numbers in September 2019.

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 240,000 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 a mixed method of online and CATI.
- A total of n=216 respondents were surveyed.
- This sample included n=109 Consultants, and n=107 Contractors.
- Fieldwork was conducted between 13/09/2019 – 30/09/2019.
- The average length of interview was 4.65 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

Current workload capacity amongst contractors decreased. In September 2019, contractors reported working at 59% of total capacity. In June 2019, contractors reported working at 62% of total capacity.

Fewer contractors reported that their current workload had increased in September 2019 (21%) since June 2019 (27%). More contractors reported that their workloads ‘slightly decreased’ in September 2019 (31%) than in June 2019 (22%).

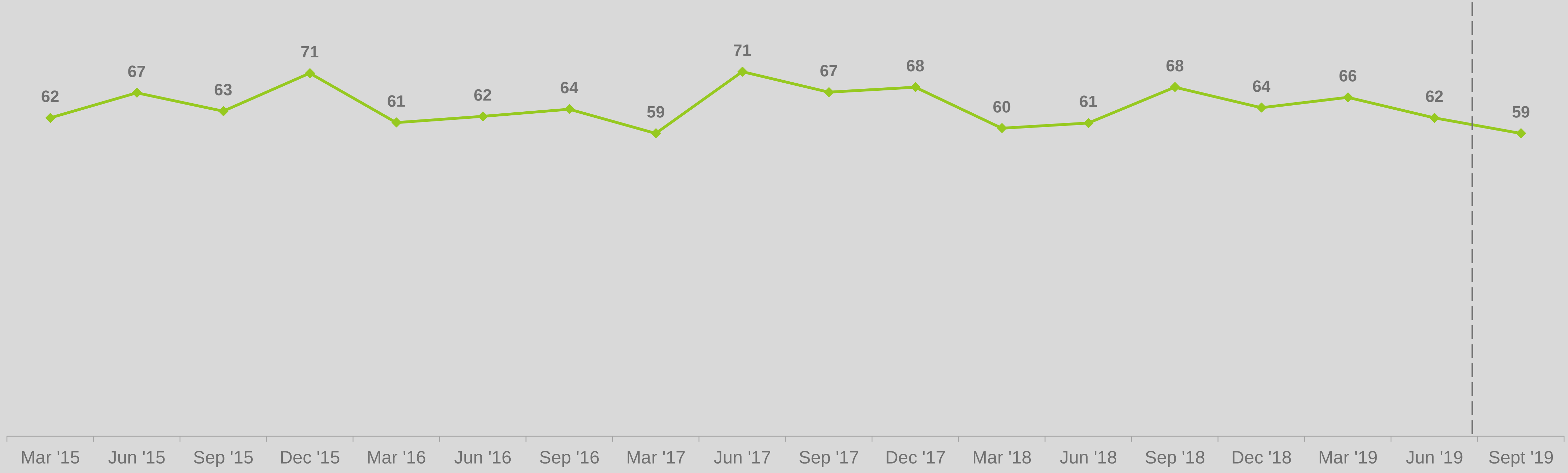
Contractors were more optimistic that their workloads would increase in the next three months in September 2019 (39%) than they were in June 2019 (27%). Furthermore, fewer predicted their workloads would stay the same (28%) in the next three months in September 2019 than did in June 2019 (34%).

In September 2019, fewer contractors believed their labour costs would increase (32%) than did in June 2019 (42%). More believed they would stay the same (62%) in September 2019 than did in June 2019 (49%).

Two in five contractors (43%) believed their building material costs would increase within the next three months. This is a drop from 52% in June 2019.

Current workload capacity amongst contractors continued to decrease. In September 2019, contractors reported working at 59% of total capacity from 62% in June 2019.

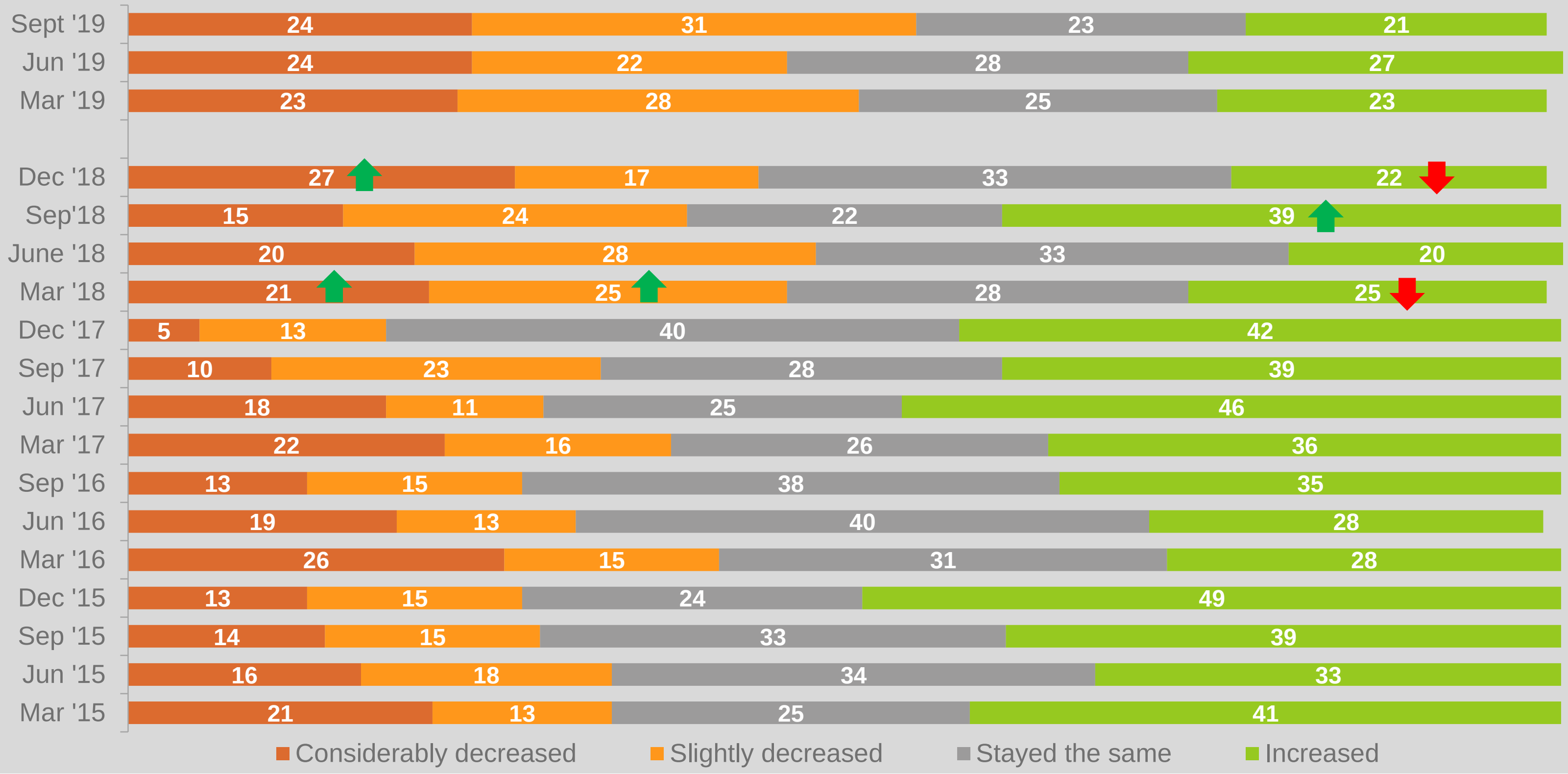
Current workload capacity (average %)



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 Sept ’19 n=107; Jun ‘19 n=109; Mar ‘19 n=107; 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.

Fewer contractors reported that their current workload had increased from June 2019 (27%) to September 2019 (21%). Similarly, more contractors reported that their workloads had 'slightly decreased' from 22% in June 2019 to 31% September 2019.

Recent workload change (%)



Q5b. In the past three months do you think your workload has…

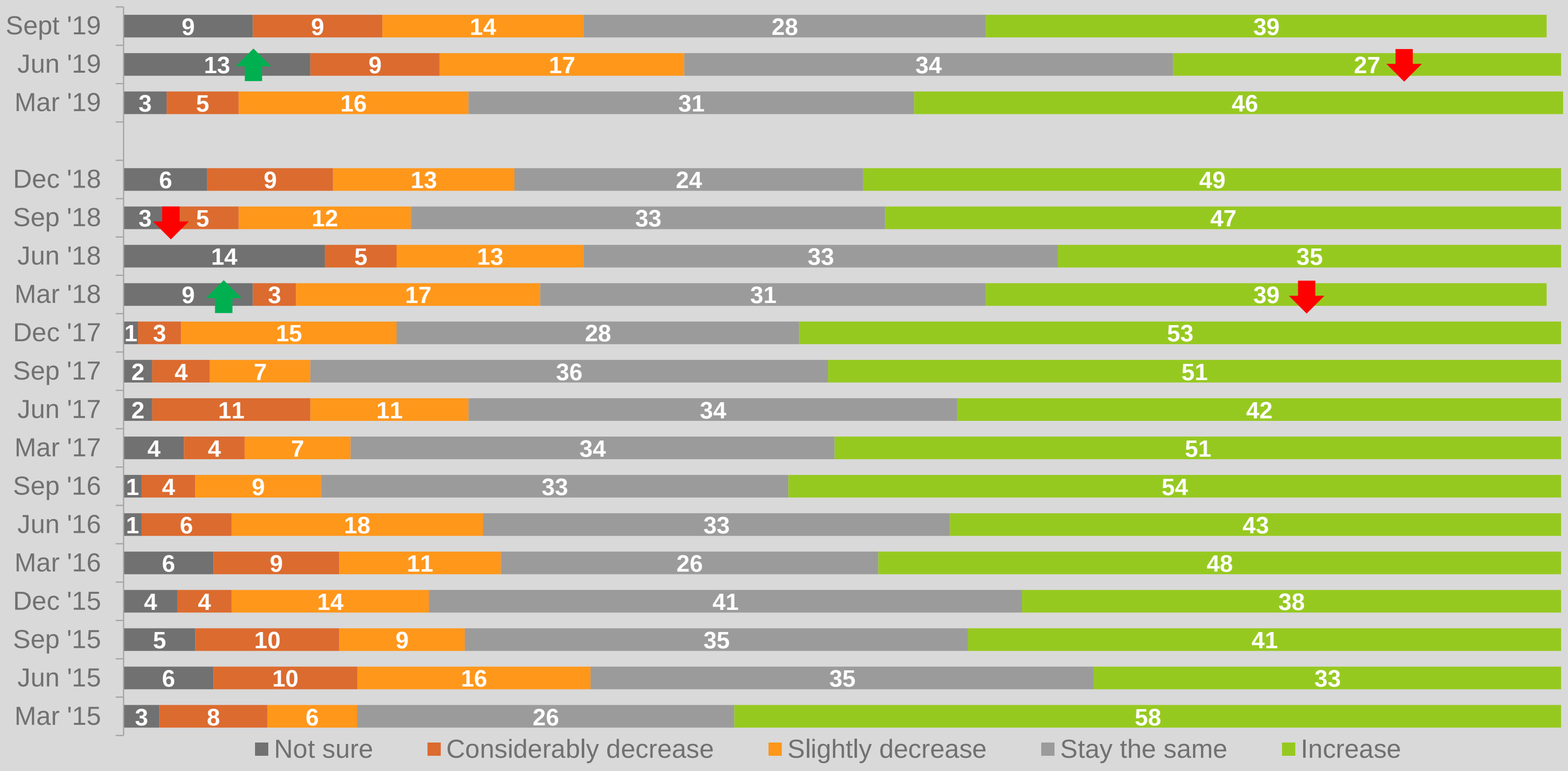
Base: All Contractors Sept '19 n=107; Jun '19 n=109; Mar '19 n=107; Dec '18 n=103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; Sep '15 n=80; Jun '15 n=80; Mar '15 n=80.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

Contractors were more optimistic that their workloads would increase in the next three months in September 2019 (39%) than they were in June 2019 (27%).

Projected workload change (%)



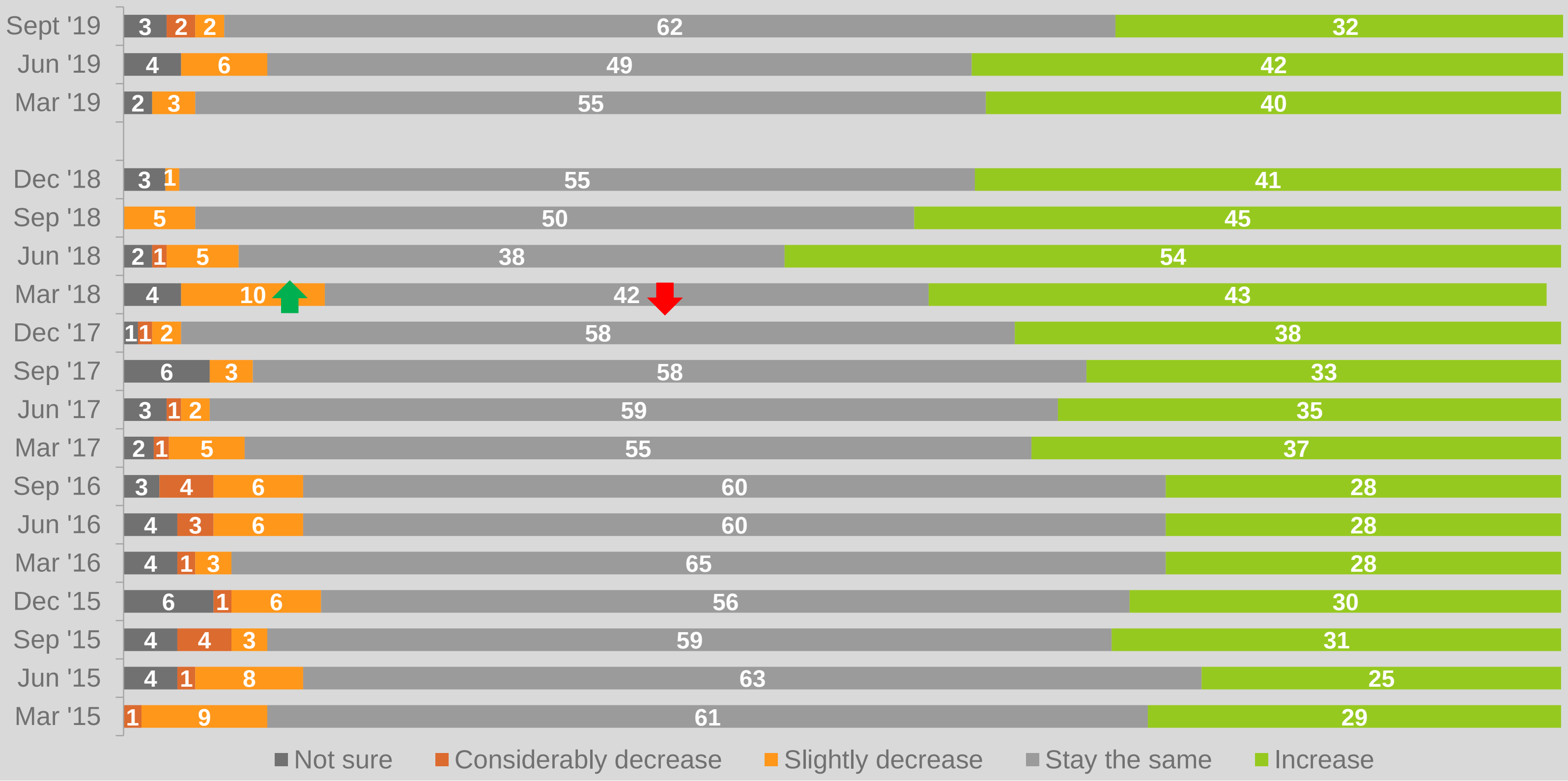
Q6. In the next three months, do you think your workload will…
Base: All Contractors Sept '19 n=107; Jun '19 n=109; Mar '19 n=107; Dec '18 n= 103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; 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

In September 2019, contractors' beliefs about labour cost fluctuations were more optimistic than they were in June 2019. Contractors felt more strongly that their labour costs will remain the same (62%) rather than increase (32%) over the next three months.

Projected labour cost change (%)



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

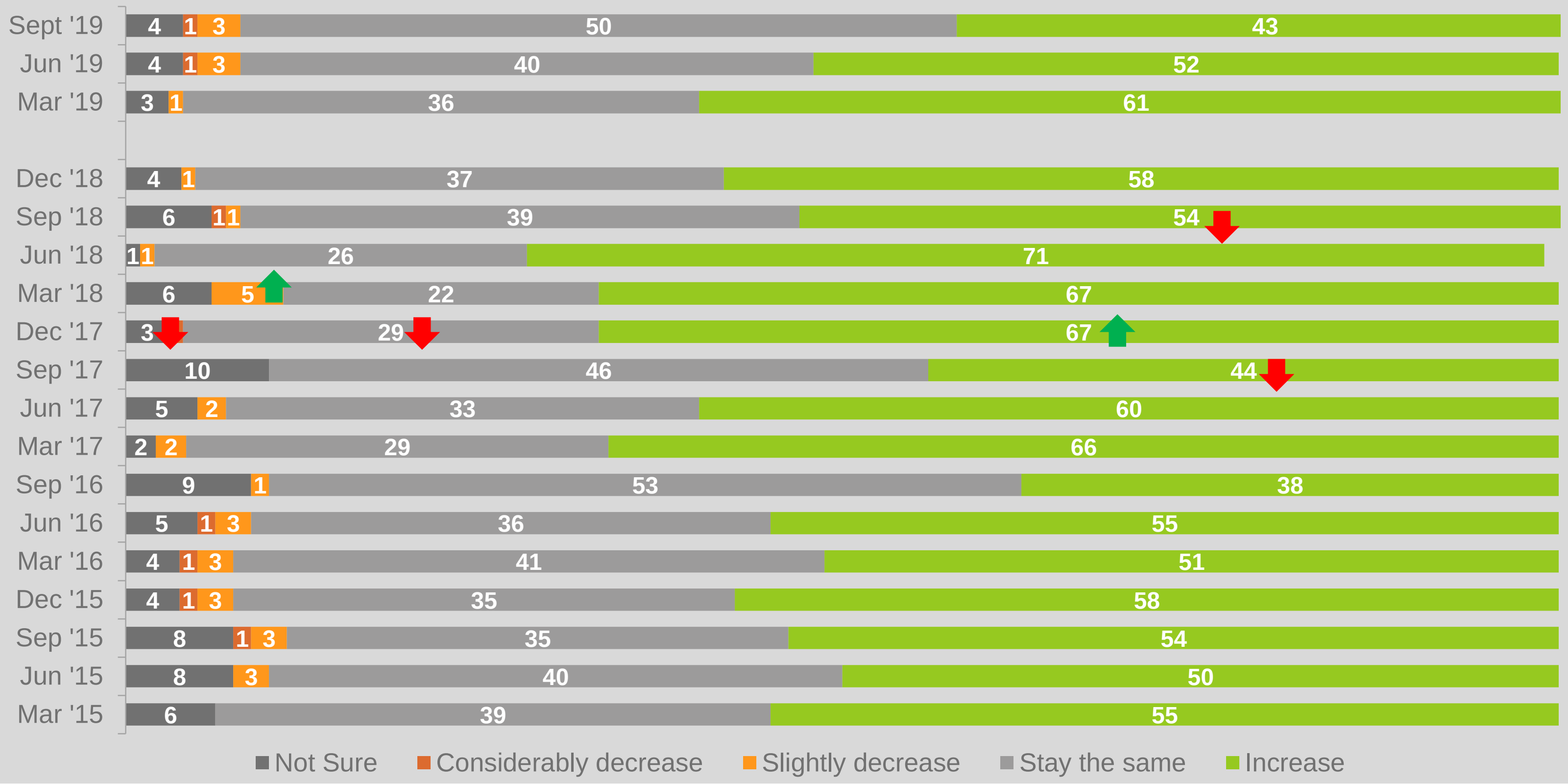
Base: All Contractors Sept '19 n=107; Jun '19 n=109; Mar '19 n=107; Dec '18 n= 103; Sep '18 n=106; Jun '18 n=84; Mar '18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '16 n=80; Dec '15 n=80; Sep '15 n=80; Jun '15 n=80; Mar '15 n=80.

Significantly higher than previous quarter at the 95% confidence level

Significantly lower than previous quarter at the 95% confidence level

In September 2019, two in five contractors (43%) believed their building material costs would increase within the next three months. Outlook was more positive than it was in September 2018 (54%).

Projected building material cost change (%)



Q8. In the next three months do you think building material costs will…

Base: All Contractors Sept '19 n=107; Jun '19 n=109 Mar '19 n=107; 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

Consistent with the previous quarter, 14% of contractors reported experiencing difficulties employing subcontractors in September 2019. In June 2019, 14% of contractors reported experiencing difficulties employing subcontractors.

Difficulty employing suitably experienced or qualified subcontractors increased slightly since the previous quarter. 29% of contractors reported experiencing difficulties in September 2019 whilst 26% of contractors experienced difficulties in June 2019.

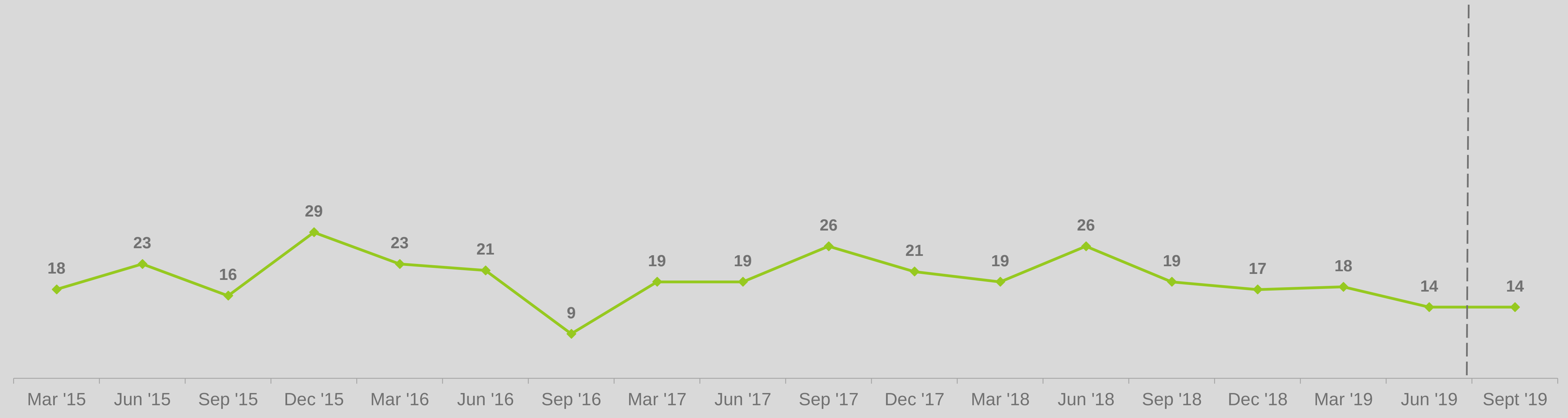
Contractors reporting difficulty employing subcontractors overall across trades increased to 52% in September 2019 from 48% in June 2019. Contractors reporting difficulty employing subcontractors amongst 1-2 specific trades decreased in September (48%) from June 2019 (52%).

Consistent with June 2019, Carpentry (55%), Wall and Floor Tiling (39%) and Plastering (36%) were the trades where contractors reported the most difficulty employing subcontractors in September 2019.

Increased project costs (76%) due to having difficulty employing subcontractors had a significant impact on contractors' projects in September 2019. In June 2019, this was 48%.

Consistent with the previous quarter, 14% of contractors reported experiencing difficulties employing subcontractors.

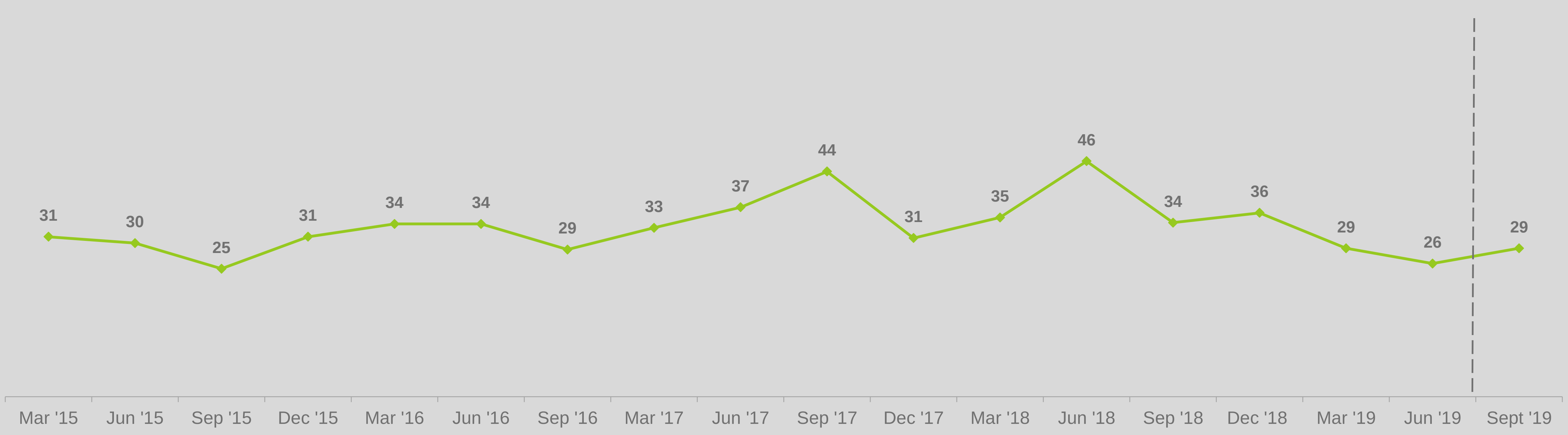
Current difficulty employing subcontractors (% Difficult)



Q1a. At an overall level, are you currently experiencing difficulties employing subcontractors?
Base: All Contractors Sept '19 n=107; Jun '19 n=109, Mar '19 n=107 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.

Difficulty employing suitably experienced or qualified subcontractors increased slightly since the previous quarter. 29% of contractors reported experiencing difficulties in September 2019, whilst 26% of contractors reported difficulties in June 2019.

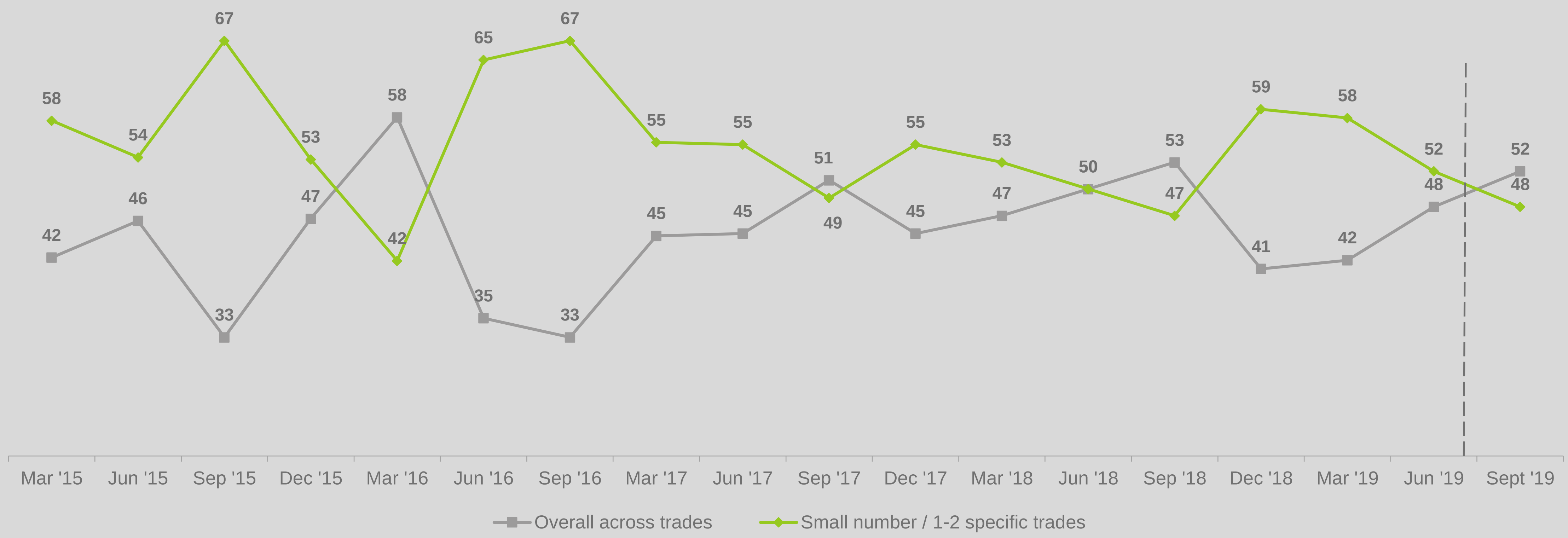
Current difficulty employing experienced/qualified subcontractors (% Difficult)



Q1b. And, in terms of skill levels, are you currently experiencing difficulties employing suitably experienced or qualified subcontractors?
Base: All Contractors Sept '19 n=107; Jun '19 n=109, Mar '19 n=107; 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.

Contractors reporting difficulty employing subcontractors increased from June 2019 (48%) to September 2019 (52%). Contractors reporting difficulty employing subcontractors amongst 1-2 specific trades decreased slightly in September (48%) from June 2019 (52%).

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 Sept '19 n=33; Jun '19 n=33; Mar '19 n=33; 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.

Consistent with June 2019, Carpentry, Wall and Floor Tiling and Plastering were the trades where contractors reported the most difficulty employing subcontractors in September 2019.

	Carpentry	Electrical	Wall and Floor Tiling	Plastering	Bricklaying	Painting	Plumbing	Concreting	Formwork	Joinery incl. Cabinet Making	Mechanical Services	Scaffolding	Steel Fixing	Labourers	Other
Sept '19	**55%**	**27%**	**39%**	**36%**	**21%**	**30%**	**21%**	**30%**	**24%**	**21%**	**9%**	**6%**	**15%**	**15%**	**6%**
Jun '19	55%	12%	42%	39%	33%	30%	12%	24%	15%	27%	21%	9%	18%	12%	15%
Mar '19	33%	24%	48%	42%	27%	30%	21%	30%	15%	27%	21%	6%	9%	12%	21%
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%

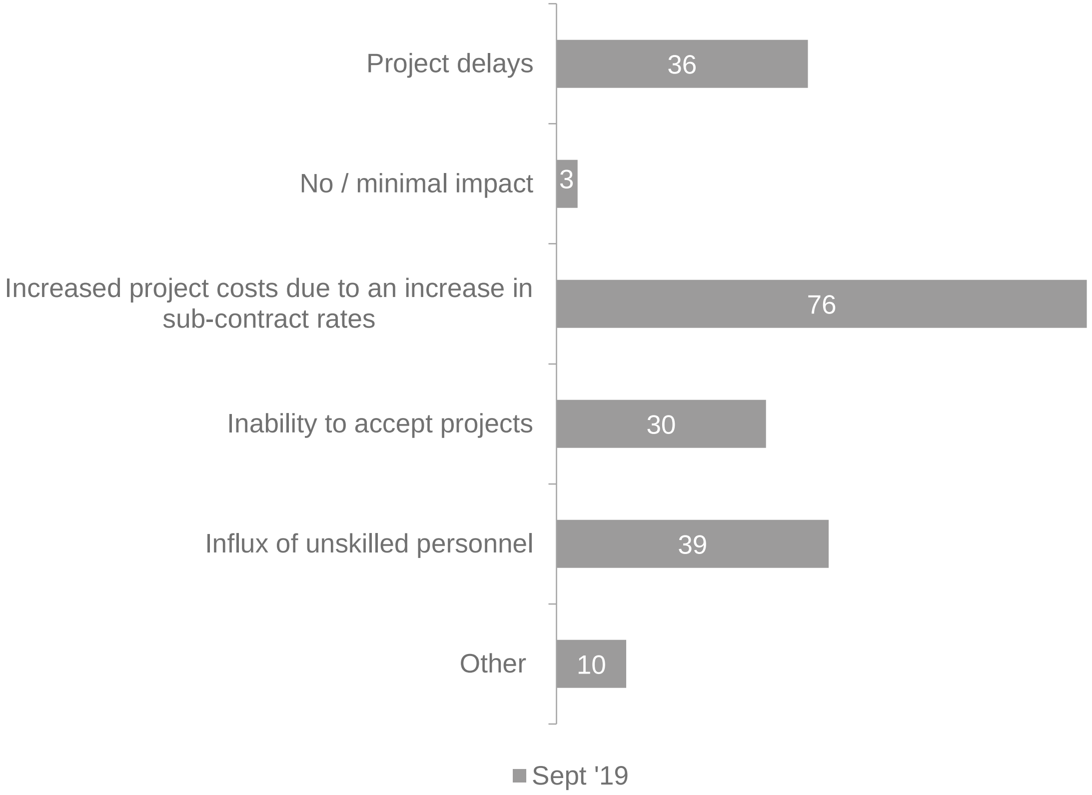
Q2a. Which trades are you finding it difficult (to employ subcontractors). BASE: Contractors having difficulty employing subcontractors or experienced or qualified contactors: Sept '19 n=33; Jun '19 n=33, Mar '19 n=33; Dec '18 n=39; Sep '18 n=38; Jun '18 n=40; Mar '18 n=36; Dec '17 n=33, Sep'17 n=45; 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 higher than previous quarter at the 95% confidence level

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

A lack of available subcontractors has impacted on projects; with the main impact being an increase in project costs due to having to pay higher sub-contractor rates (76% agree).

Impact on project as a result of reduced availability of subcontractors (%)



	Project delays	No/minimal impact	Increased project costs	Inability to accept projects	Influx of unskilled personnel	Other
Sept '19	**36%**	**3%**	**76%** ⬆	**30%**	**39%**	**0%**
Jun '19	36%	9%	48% ⬆	30% ⬆	45%	6%
Mar '19	21%	9%	24%	9%	24%	12%
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: Sept 19 n=33; Jun '19 n=33; Mar '19 n=33; 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 and March 2019.

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

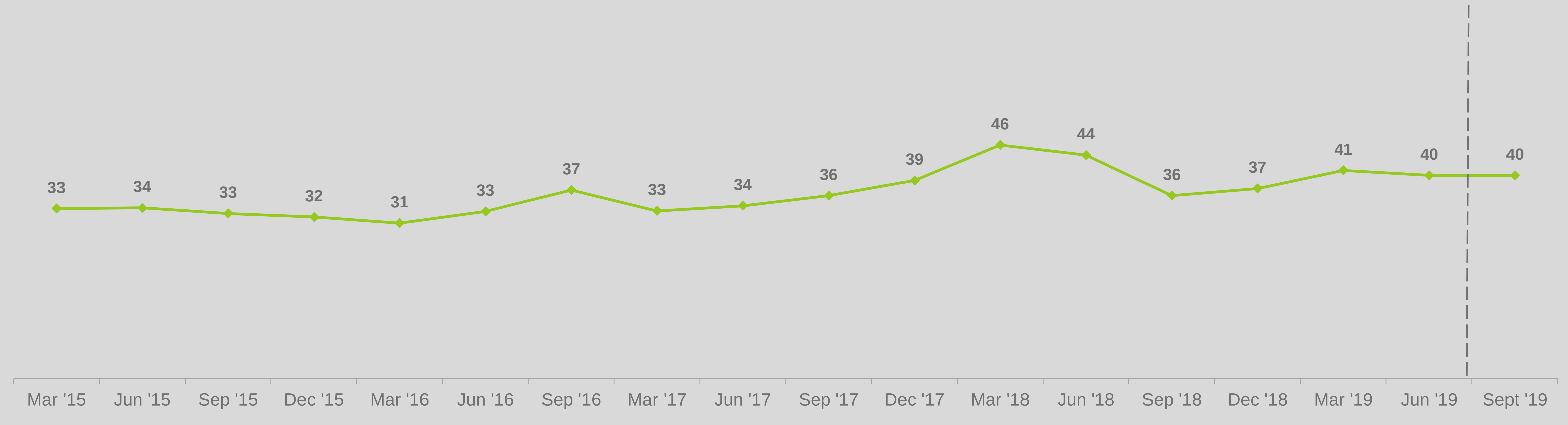
⬇ Significantly lower than previous quarter at the 95% confidence level

3.3 Contractors - Government Work

Reported government workload amongst contractors in September 2019 remained unchanged since June 2019 (40%).

In September 2019, reported government workload amongst contractors has remained unchanged since the previous quarter (40%).

Current Government Workload (%)

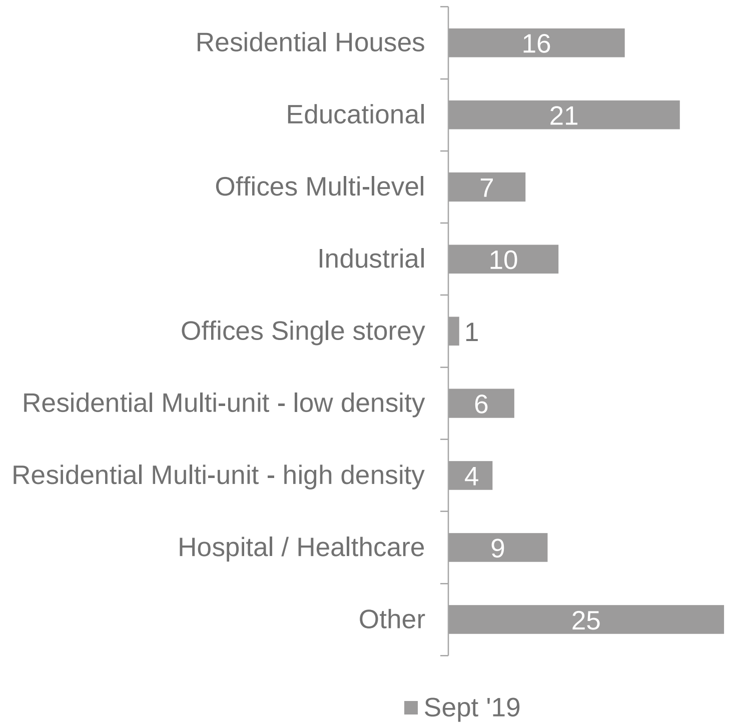


Q9. In the last three months approximately what percentage of your workload has been for the government?
Base: All Contractors Sept ’19 n=107; Jun’19 n=109; Mar ‘19 n=107; Dec ‘18 n=103; Sep ‘18 n=106; Jun ‘18 n=97; Mar ‘18 n=100; Dec ‘17 n=100; Sep’17 n=100; Jun ‘17 n=100; Mar ‘17 n=100; Sep ‘16 n=80; 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 (%)

Majority of current project construction sector (%)



	Residential Houses	Educational	Offices Multi level	Industrial	Offices Single story	Residential Multi unit - low density	Residential Multi unit - high density	Hospital/ Healthcare	Other
Sept '19	**16%**	**21%**	**7%**	**10%** ↓	**1%**	**6%**	**4%**	**9%**	**25%**
Jun '19	17%	21%	7%	21%	1%	6%	4%	6%	18%
Mar '19	17%	21%	7%	13%	3%	6%	5%	13%	17%
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%

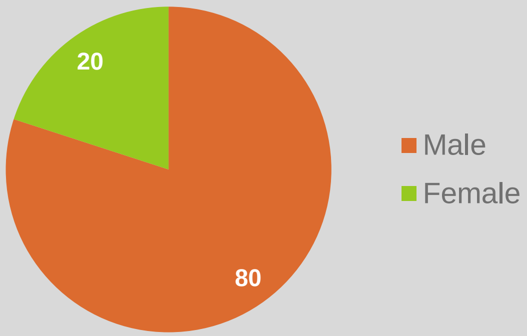
Q4. In what area of the construction sector are the majority of your current projects?
BASE: All Contractors Sept '19 n=107; Jun '19 n=109; Mar '19 n=107; Dec '18 n=103; Sep' 18 n=106; Jun '18 n=84; Mar'18 n=100; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=100; Sep '16 n=80; Jun '16 n=80; Mar '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

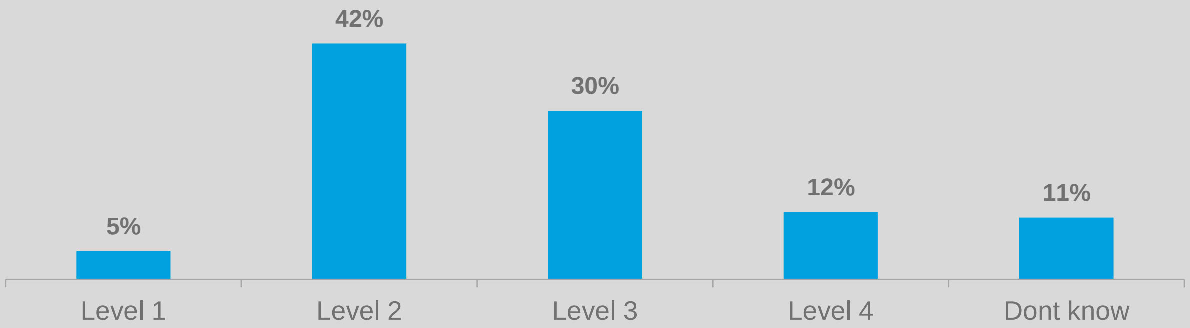
↓ Significantly lower than previous quarter at the 95% confidence level

Contractors Demographic Profile

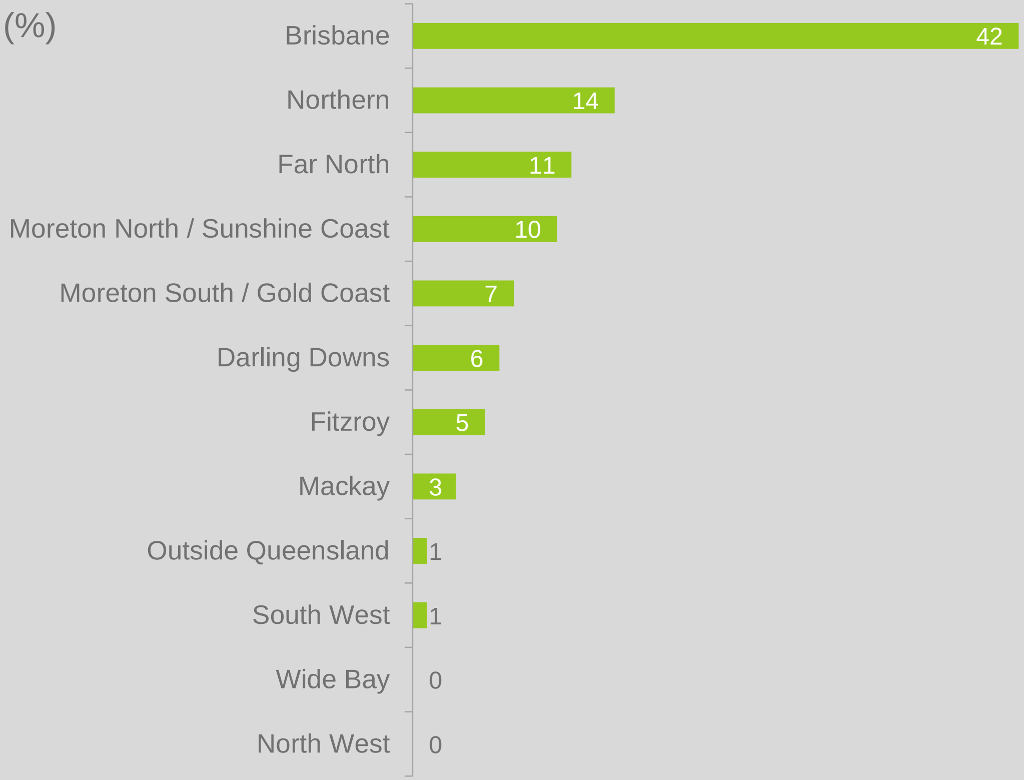
Gender (%)



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 Sept ‘19 n=107.

4.0 Consultants

4.1 Consultants - Current and Projected Workload

A third of consultants believed their workload increased in September 2019 (31%). Reported workload amongst consultants was consistent with September 2018 results (32%).

Projected workload continued to increase in September 2019, with 39% of consultants predicting their workload would increase in the next three months.

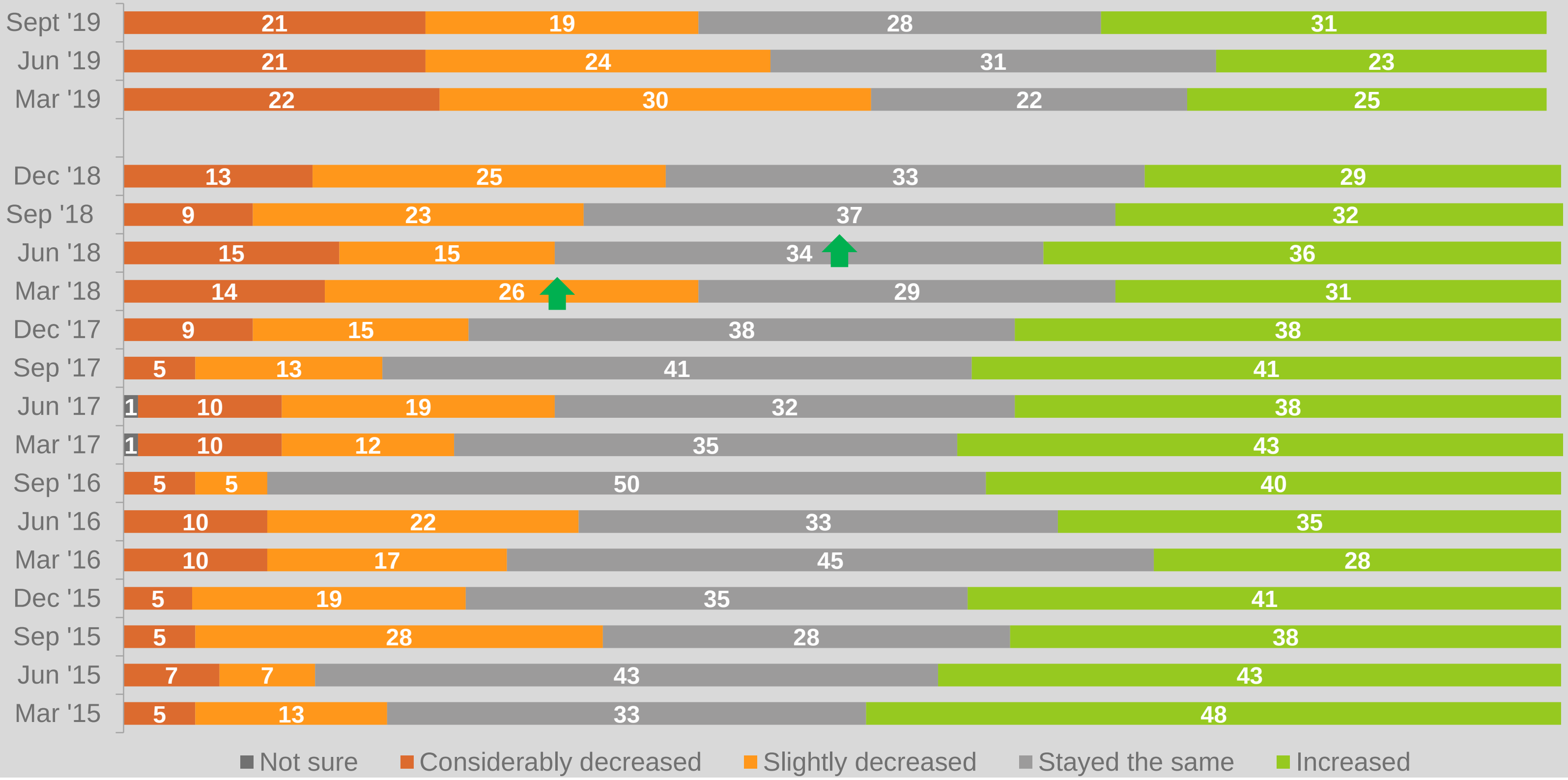
In September 2019 (28%), levels of difficulties finding work amongst consultants remained consistent with the levels reported in June 2019 (31%)

Consultants are operating at, on average, 66% of total capacity. This is consistent with the level reported in June 2019 (66%).

In September 2019, three quarters of consultants (74%) believed their fees would remain the same in the next three months. The number of consultants reporting their fees would decrease in September 2019 increased (16%) since June 2019 (12%)

A third of consultants believed their workload had increased in September 2019 (31%). Despite progressively decreasing since December 2018, this level is consistent with what it was in September 2018 again (32%).

Recent workload change (%)

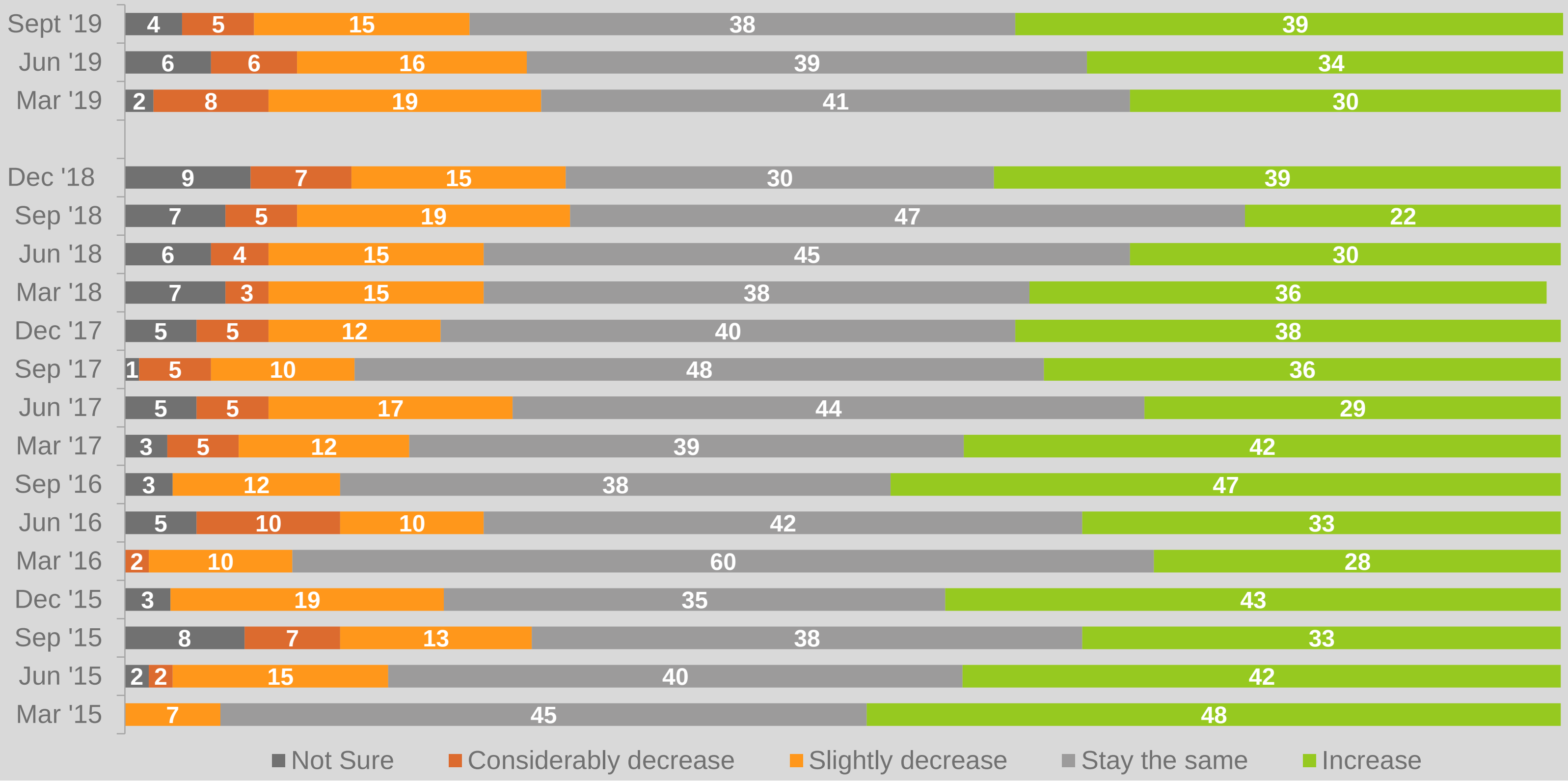


Q3a. In the past three months do you think your workload has…
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n=114; 'Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; 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 September 2019, projected workload has continued to increase, with 39% of consultants predicting that their workload would increase in the next three months.

Projected workload change (%)

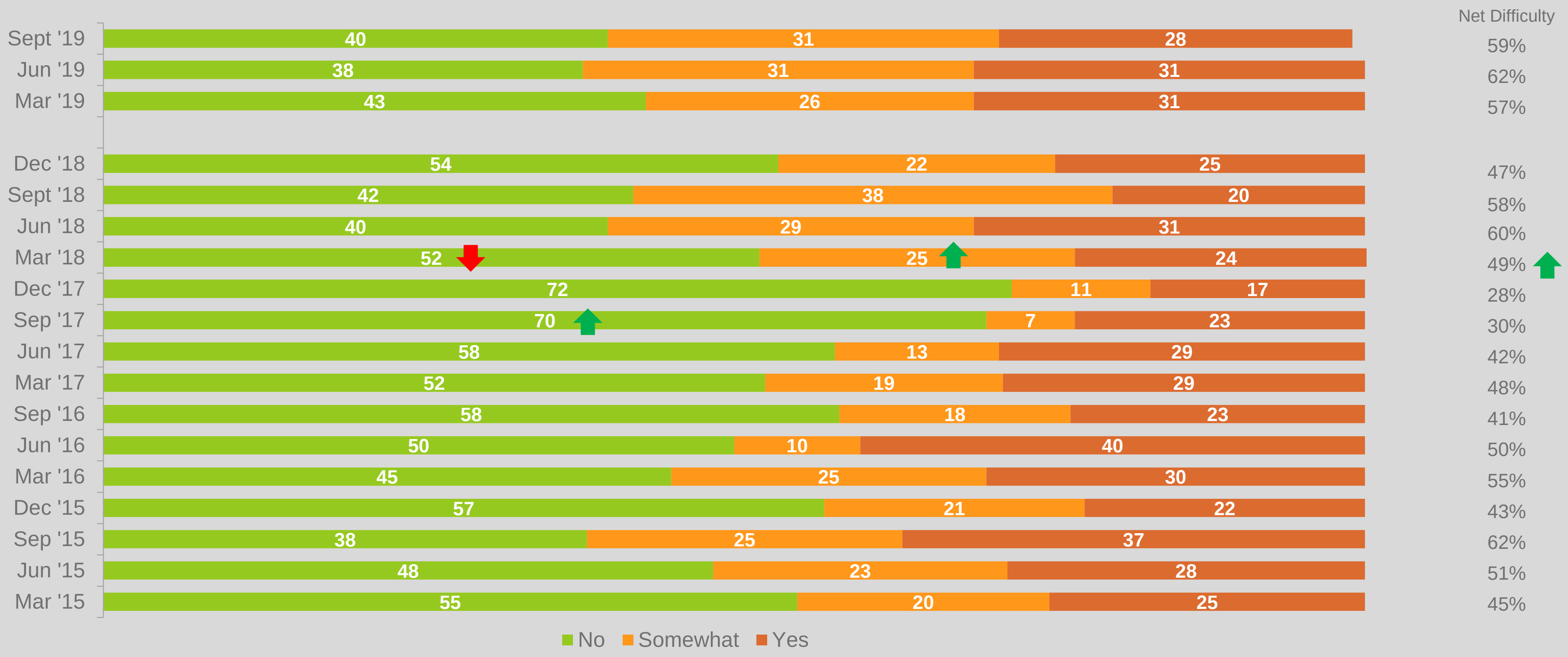


Q3b. In the next three months do you think your workload will…
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n=114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; Dec '15 n=63; 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 September 2019, reported levels of difficulties finding work amongst consultants remained consistent with the levels reported in June 2019.

Currently finding it difficult to find work (%)



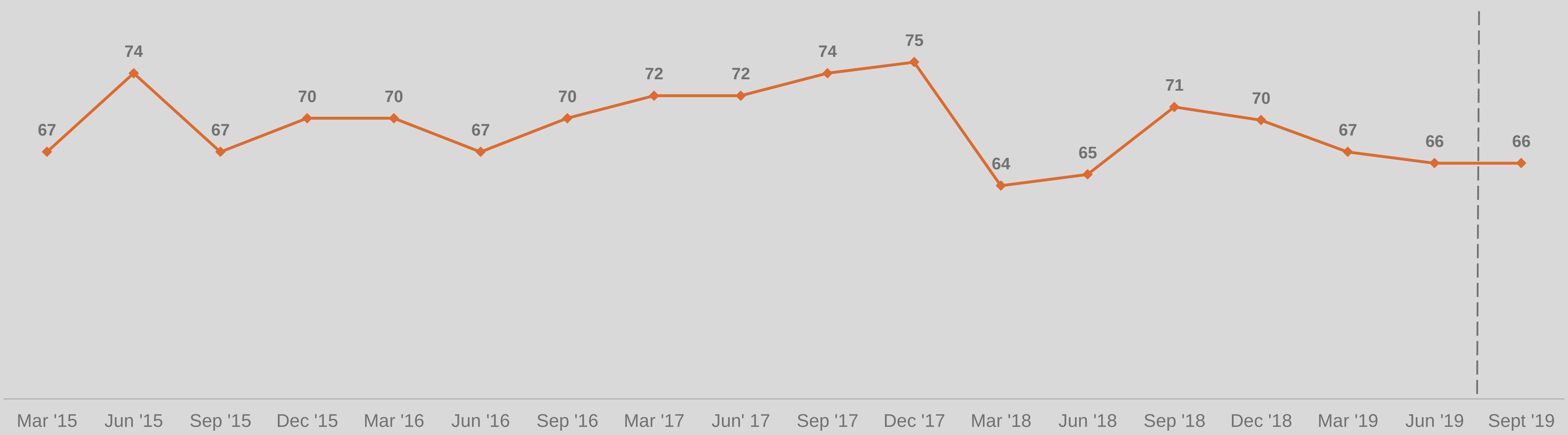
Q10. At an overall level, are you currently experiencing difficulties in finding work?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n= 114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; 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, on average, 66% of total capacity in September 2019. This was consistent with the levels reported in June 2019 (66%).

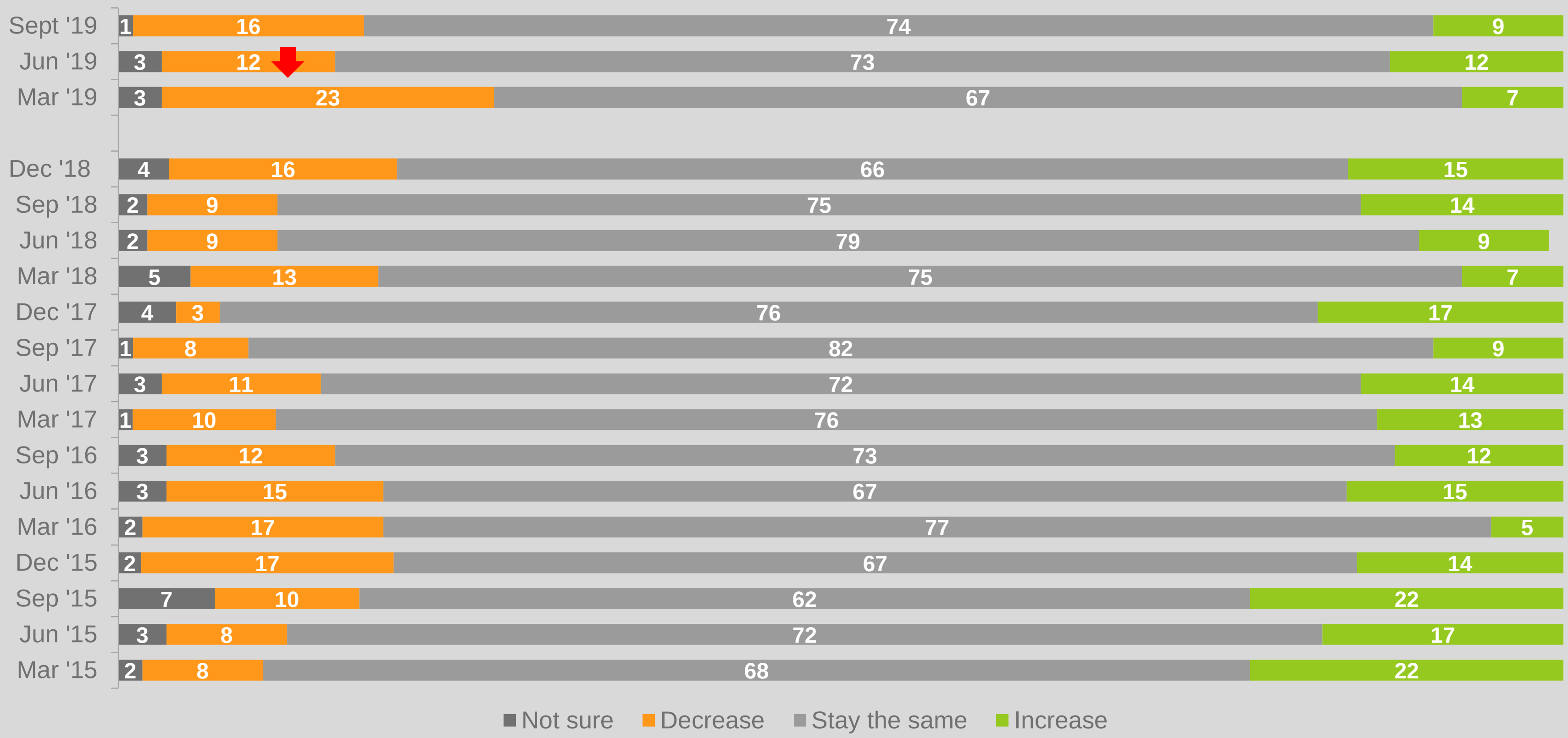
Current workload capacity (average %)



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 Sept '19 n=109; Jun '19 n=108; Mar' 19 n=103; 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.

In September 2019, three quarters of consultants (74%) believed their fees would remain the same in the next three months. Since June 2019, the number of consultants reporting their fees would decrease, increased slightly (16%).

Projected change to consultancy fees (%)



Q5. In the next three months do you think consultant fees will generally?
Base: All Consultants Sept 19 n=109; Jun 19 n=108; Mar '19 n=103; 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

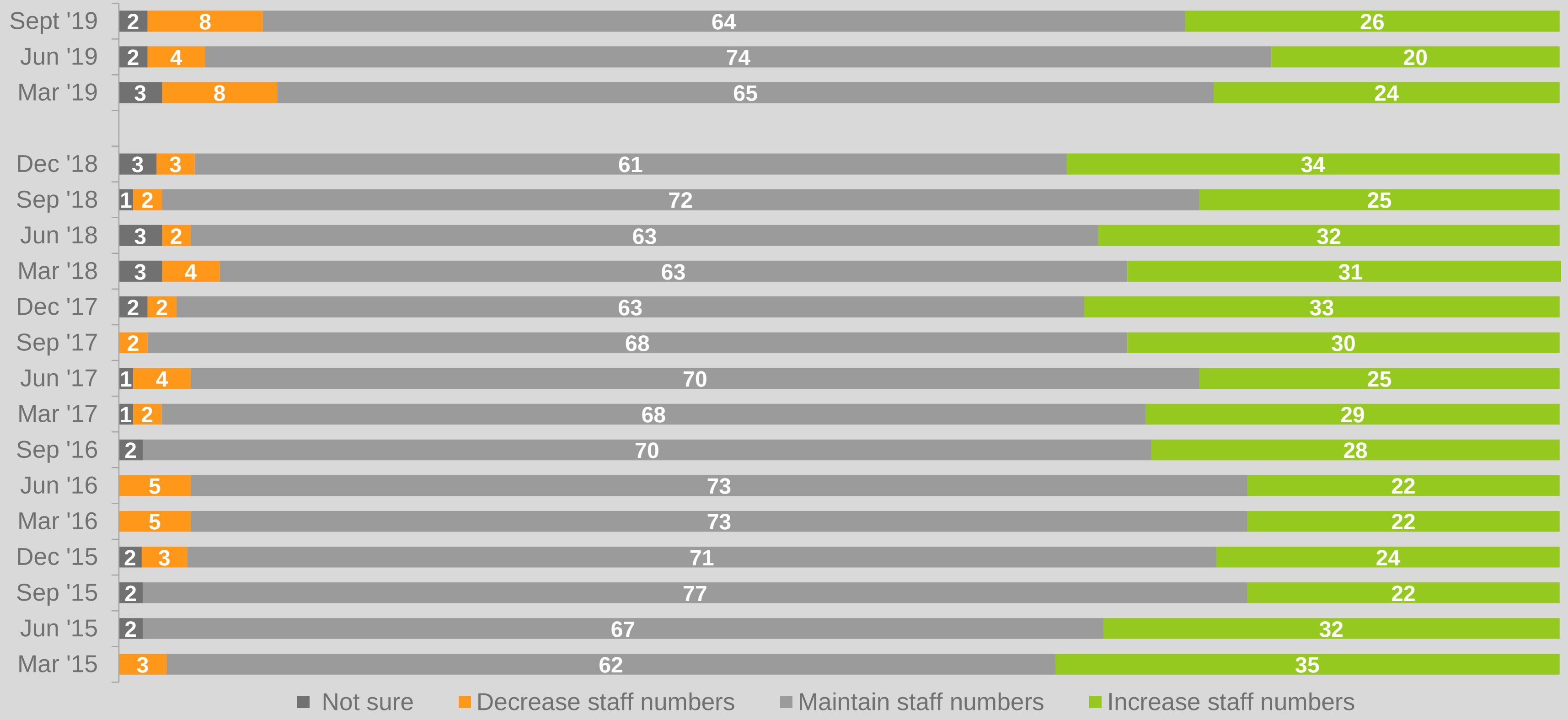
In September 2019, the number of consultants looking to increase staff numbers increased to 26% from 20% in June 2019. The number of consultants looking to decrease staff numbers increased to 8% from 4% in June 2019.

In September 2019, the number of consultants who believed they would have difficulty employing staff increased to 36%. Similarly, fewer consultants believed they would have no difficulty employing staff (47%).

Building design/architect remained the discipline where many consultants feel they will have the most difficulty employing staff (52%).

The number of consultants looking to increase staff numbers increased to 26% in September 2019 from 20% in June 2019. However, the number of consultants looking to decrease staff numbers also increased to 8% in September 2019 from 4% in June 2019.

Current staffing change requirements (%)

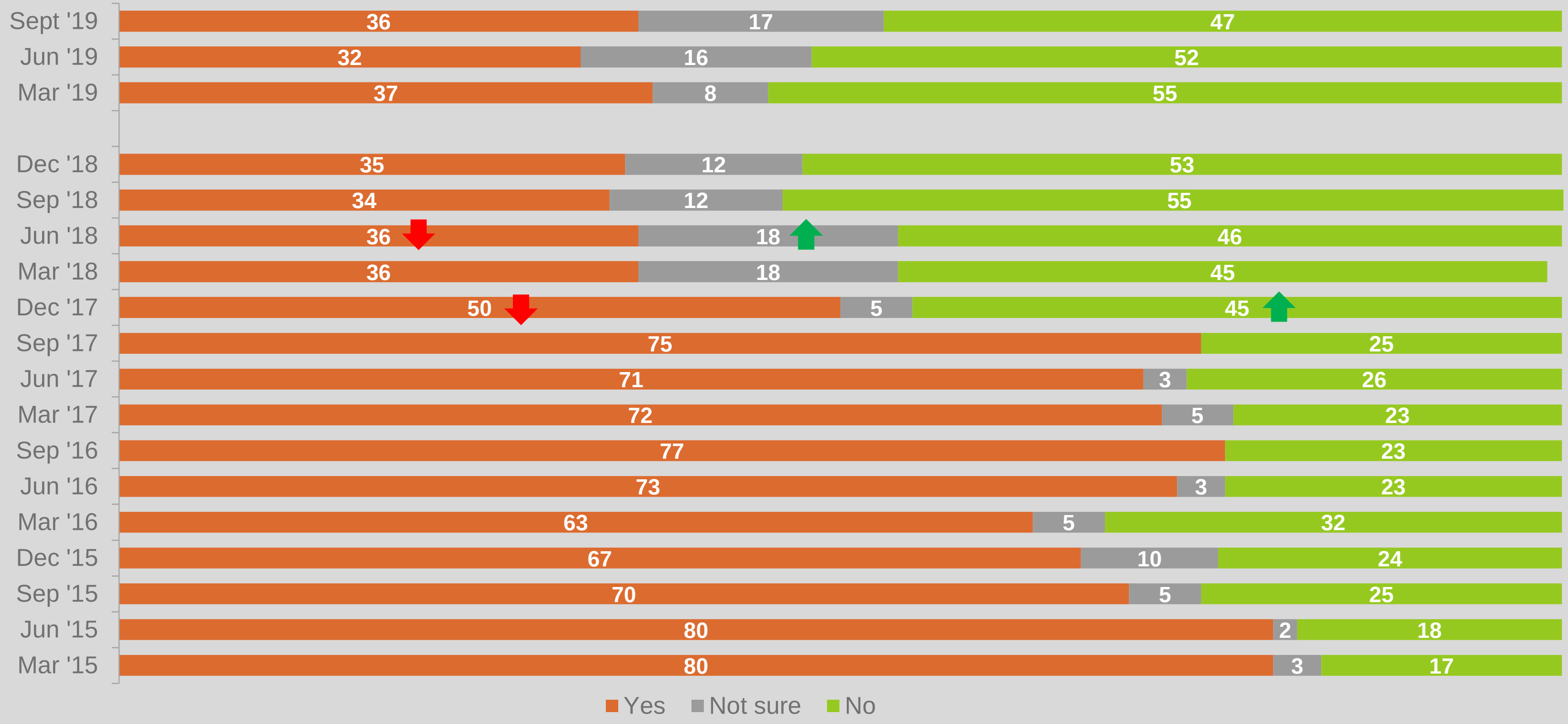


Q6. At present, is your firm looking to…

Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; 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.

The number of consultants who believed they would have difficulty employing staff increased to 36% in September 2019 from 32% in June 2019. Similarly, fewer consultants believed they would have no difficulty employing staff (47%) than in June 2019 (52%).

Projected employment difficulty (%)



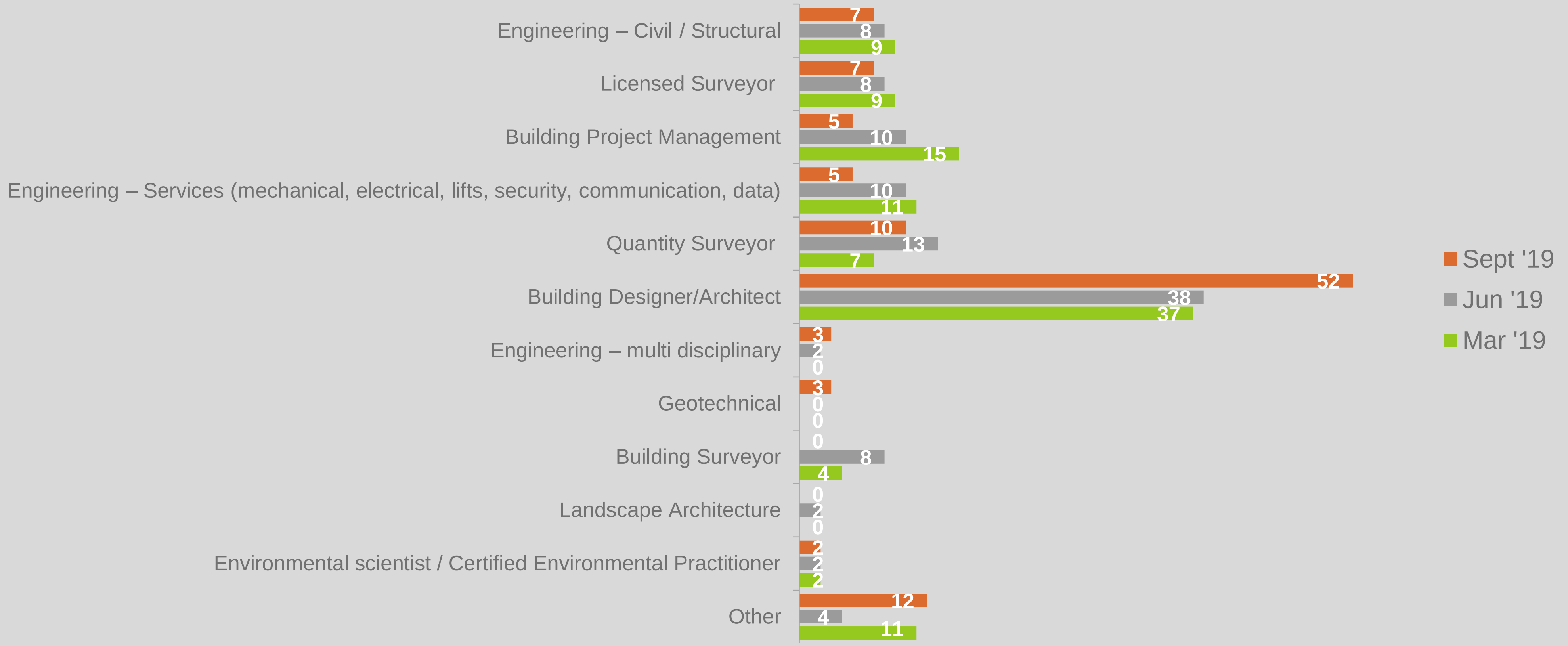
Q4a.In the next three months do you think will have difficulty employing staff?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n=114; Sep '18 n=104; Jun '18 n=97; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 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 most consultants felt they would have the most difficulty employing staff.

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 Sept ’19 n=58; Jun ‘19 n=52; Mar ‘19 n=46; 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
Sept '19	**7%**	**5%**	**10%**	**5%**	**7%**	**0%**	**3%**	**3%**	**3%**	**0%**	**12%** ↑
Jun '19	8%	10%	13%	10%	8%	2%	2%	2%	0%	8%	4%
Mar '19	9%	11%	7%	15%	9%	0%	0%	2%	0%	4%	11%
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 Sept '19 n=58; Jun '19 n=52; Mar '19 n=46; 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

Half (50%) of projects amongst consultants utilised online programs in September 2019.

In September 2019, 78% of consultants reported using electronic submissions for public sector work.

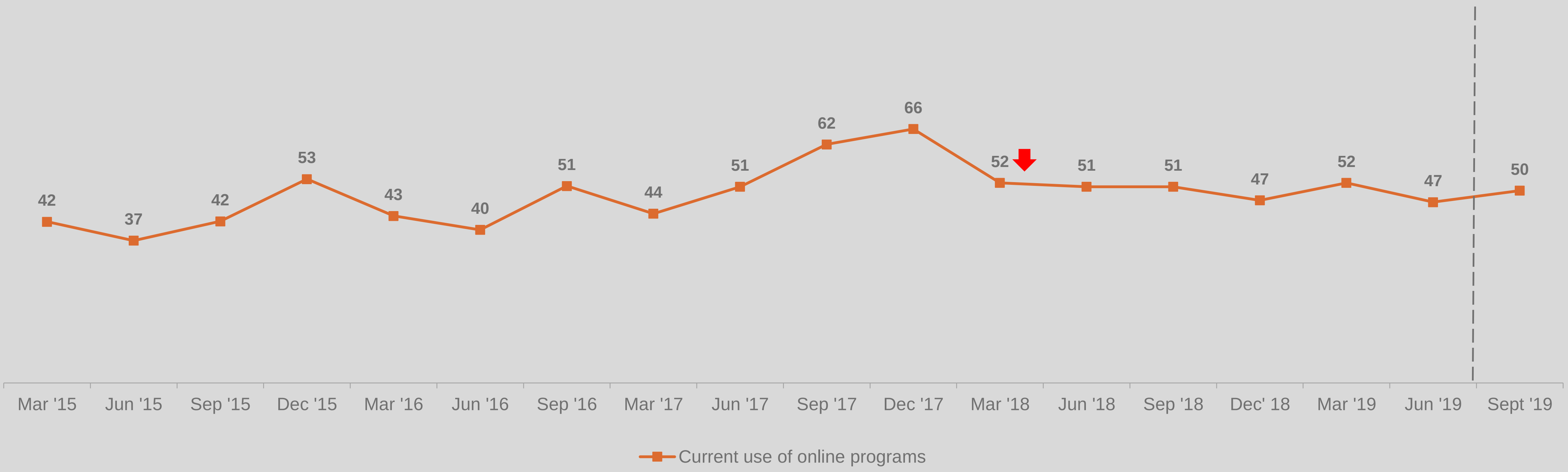
After significantly decreasing to 76% in December 2018, the number of private sector submissions made electronically slowly increased. 81% of submissions were made electronically in September 2019.

In September 2019, 41% of consultants reported satisfaction with the web collaboration systems. 10% of consultants reported dissatisfaction.

Satisfaction with the web collaboration system reported in September 2019 (41%) decreased. On the other hand, dissatisfaction also decreased in September 2019 (10%).

Half (50%) of projects amongst consultants utilised online programs in September 2019.

Current projects involving online programs (%)

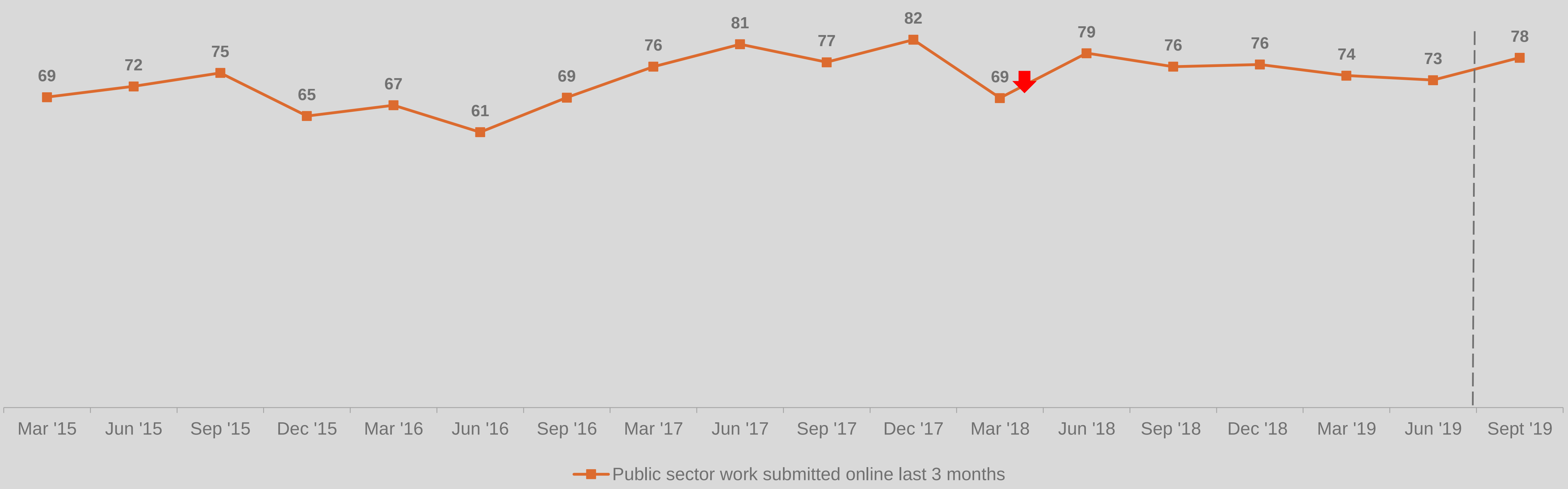


Q7. What percentage of your projects involves the use of online programs?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n=114; Sep '18 n=104; Jun '18 n=98; Mar'18 n=110; Dec '17 n=100; Sep'17 n=100; Jun '17 n=100; Mar '17 n=101; Sep '16 n=60; Jun '16 n=60; Mar '16 n=60; 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 September 2019, 78% of consultants reported using electronic submissions for public sector work. This level has increased since June 2019 (73%).

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 Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; 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 decreasing to 76% in December 2018, the number of private sector submissions made electronically has slowly increased. 81% of submissions were made electronically in September 2019. This was the highest level reached since decreasing significantly in December 2018.

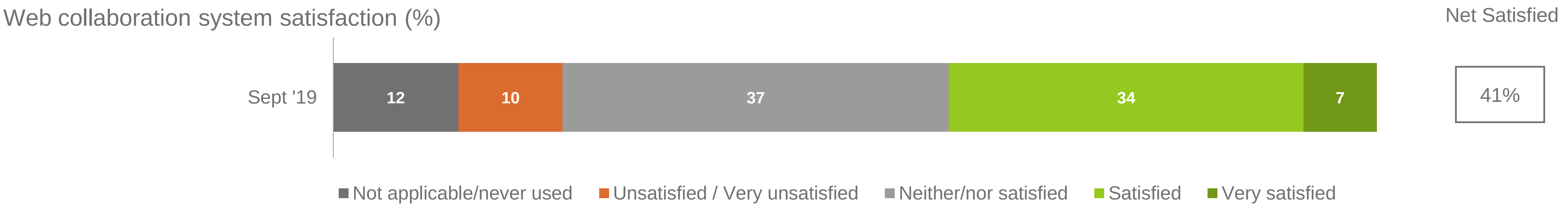
Current private sector submissions online (%)

Q8b. In the last three months what percentage of your consultancy submissions for private sector work are being submitted electronically?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; 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 September 2019, 41% of consultants reported satisfaction with the web collaboration systems. 10% of consultants reported dissatisfaction.



Reasons for being unsatisfied

"Quite often the security is too high and we can't easily access the documents we need. Then it's a frustrating process to get the most basic information."

"Too much 'paperwork' and unnecessary and time-consuming collaboration."

"Inability to maintain consistency among all users and time consuming to coordinate."

"Aconex is completely dependent on the owner to manage the system and clearing out work flows. If the work flow is not clear - you cannot update the next revision of documents. All parties are referring to the documents in workflow and it may not be the current drawings as it is stuck due to workflows not being cleared by the client. Work arounds are in place via email, but it defeats the purpose of having Aconex and people forget to look at other sources for information. We've had numerous RFI's on the project as other parties have not been looking at the current drawings as they could not be uploaded onto Aconex. So essentially collaboration is hindered due to Aconex's setup."

"Unrealistic timelines / deadlines to turn information around. The large amount of time - at no additional fees - to upload files."

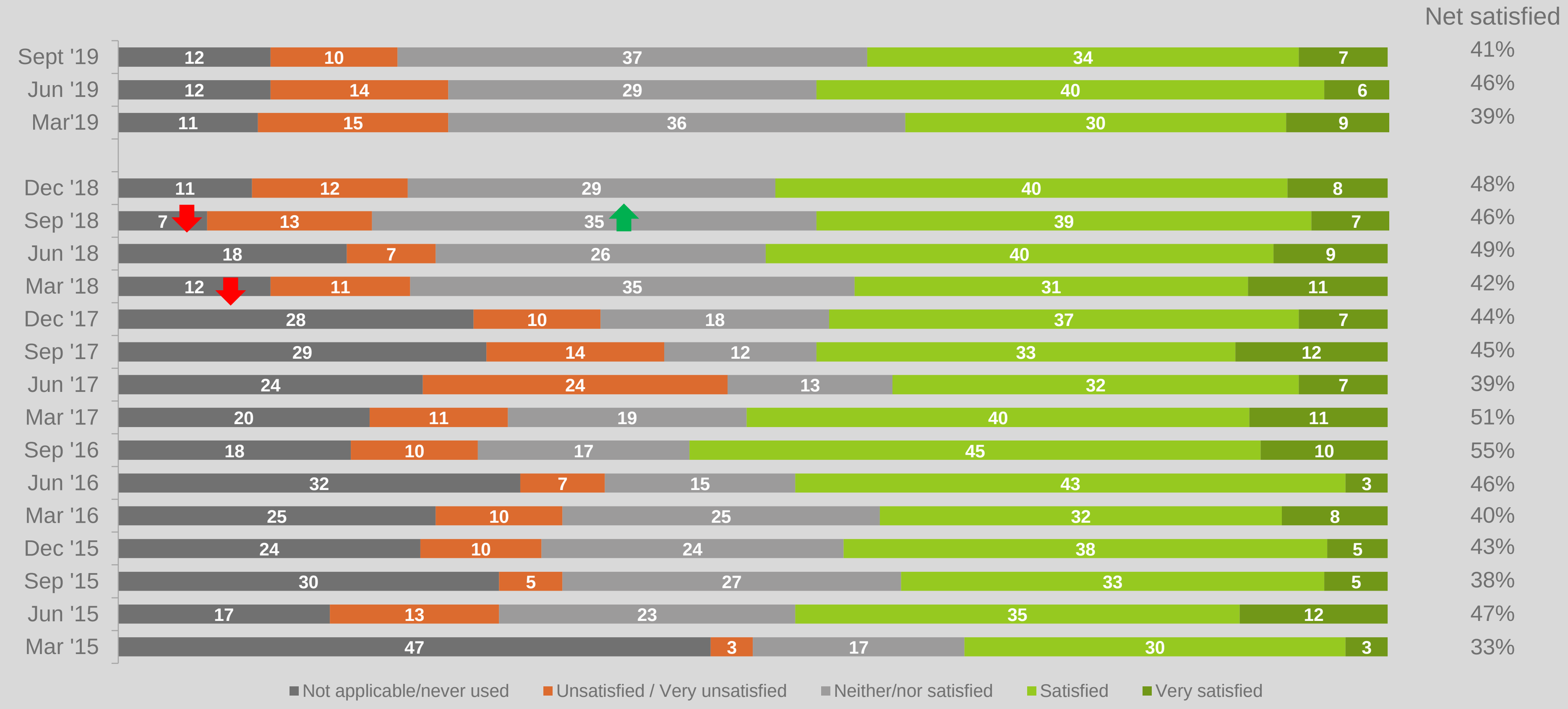
"There is a multitude of disparate systems used in our industry that do not intergrade."

"Cumbersome and time consuming."

Q9. How satisfied are you with web collaboration systems?
Base: Q9 All Consultants Sept '19 n=109.
Q9a. Why are you unsatisfied with web collaboration systems?
Base: Q9a. Consultants unsatisfied/very unsatisfied with web collaboration systems Sept '19 n=8.

Satisfaction with the web collaboration system reported in September 2019 (34%) decreased from June 2019 (40%).

Web collaboration system satisfaction (%)



Q9. How satisfied are you with web collaboration systems?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; 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

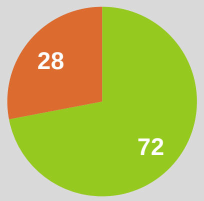
4.4 Consultants - Government Work

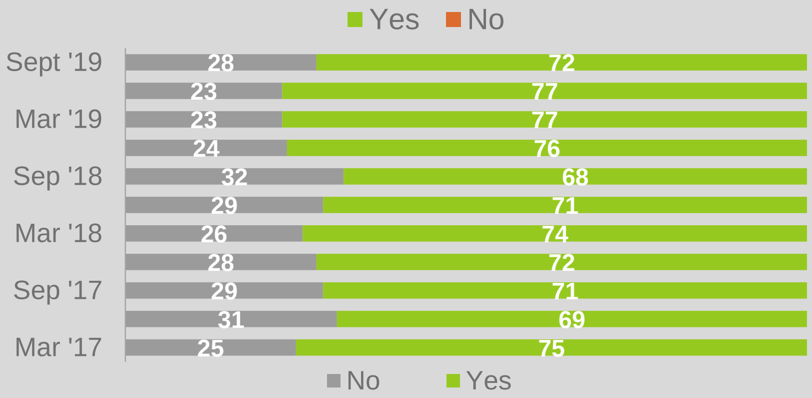
In September 2019, 72% of consultants completed work for the government compared to 77% in June 2019. Of these consultants, 40% of their workloads were for the government. This was slightly less than June 2019 (44%).

The distribution of government work remained skewed towards the state government (69%) in September 2019. Local government workload decreased (22%) since June 2019 (30%).

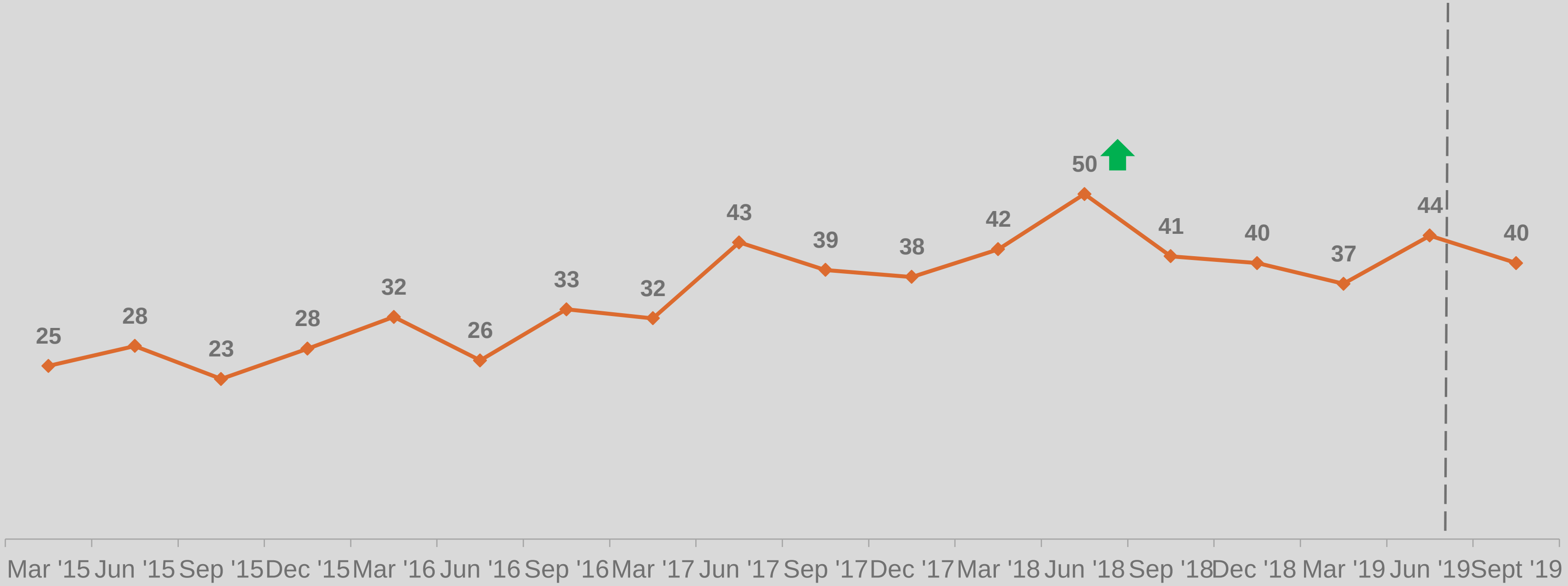
In September 2019, 72% of consultants completed work for the government. This is a slight decrease from June 2019 (77%). Of these consultants, 40% of their workloads were for the government. This is a slight decrease from reported government workloads in June 2019 (44%).

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?

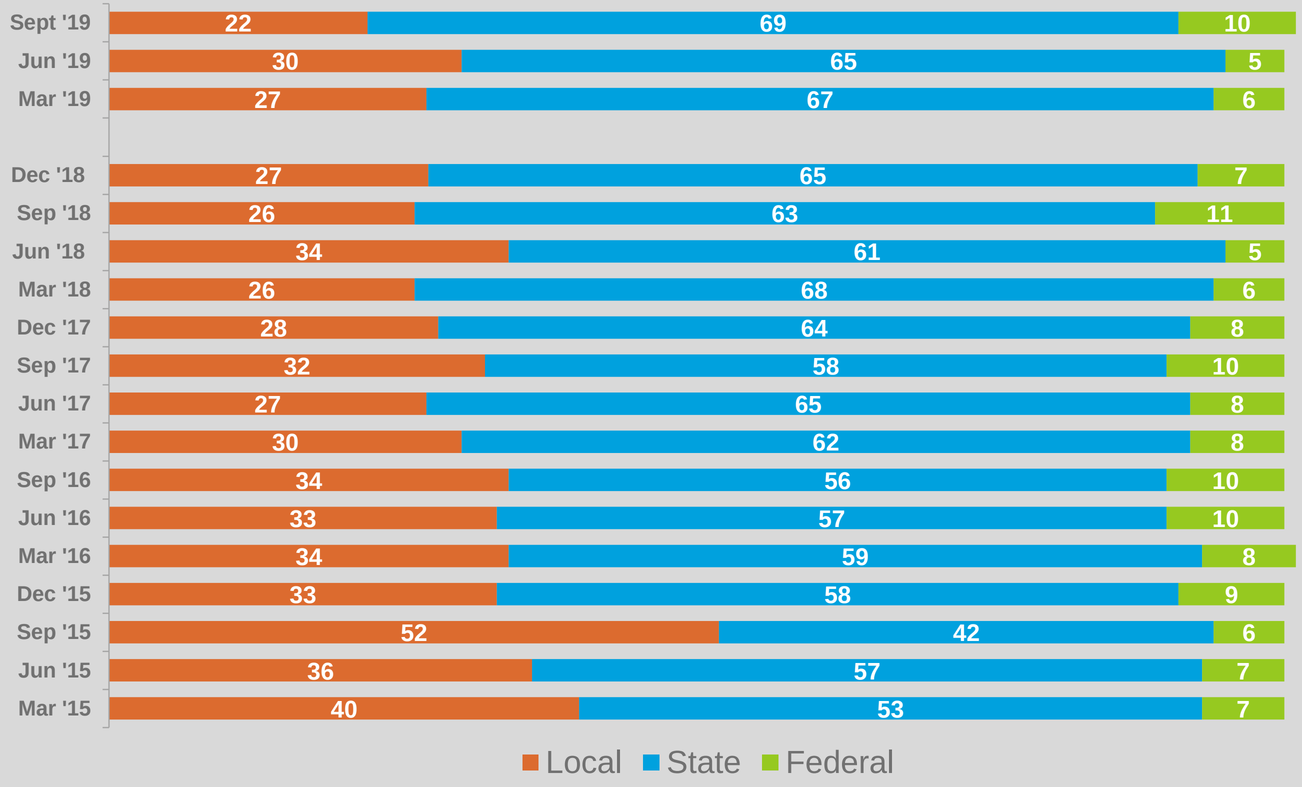


Q11a. In the past three months have you completed work for the government?
Base: All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; Dec '18 n=114; Sep '18 n=104; Jun '18 n=94; Mar'18 n=110; Dec '17 n=100; Sep '17 n=100; Jun '17 n=100; Mar '17 n=101 *New Question in Jun '17.
Q11. In the last three months approximately what percentage of your workload has been for the government?
Base. All Consultants Sept '19 n=109; Jun '19 n=108; Mar '19 n=103; 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 remained skewed towards the state government (69%) in September 2019 and has slightly increased since June 2019 (65%). Local government workload has decreased slightly (22%).

Work conducted for different government levels (%)

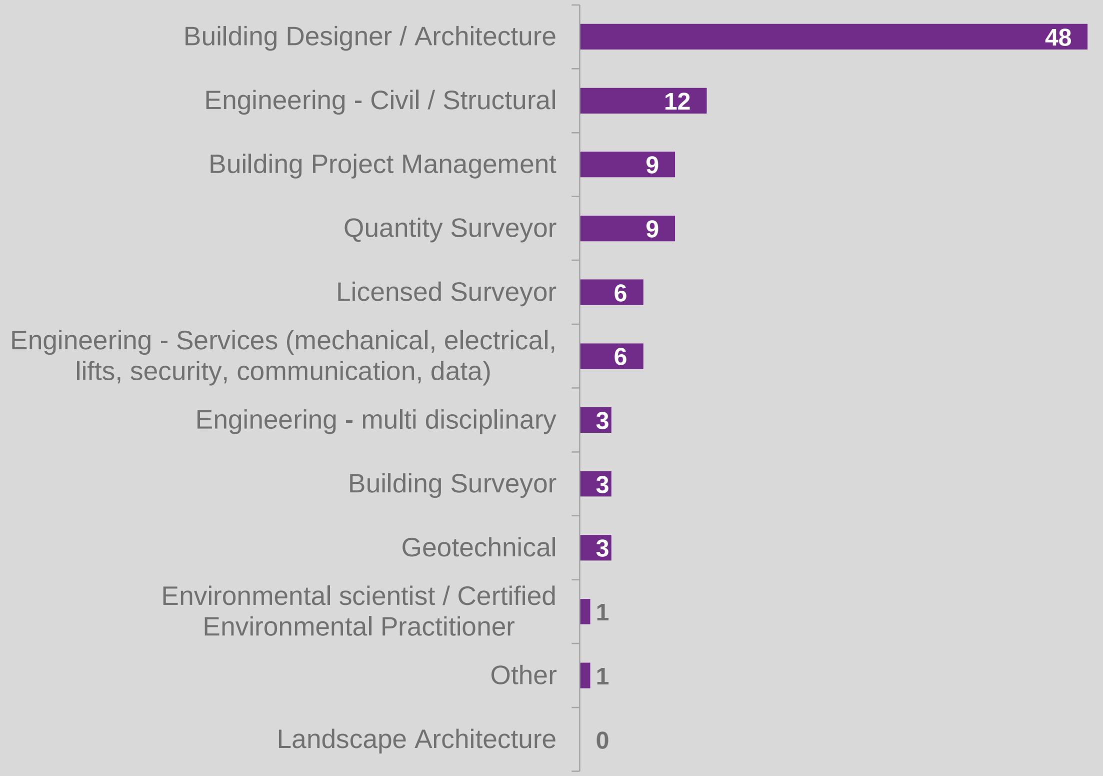


Q12. As a percentage, how is the government work broken up among the 3 tiers of Government?
Base: Consultants who have completed Government work in the last quarter: Sept '19 n=109; Jun '19 n=108, Mar '19 n=103; Dec '18 n=87; Sep '18 n=71; Jun '18 n=67; Mar '18 n=81; Dec '17 n=72; Sep '17 n=71; Jun '17 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.

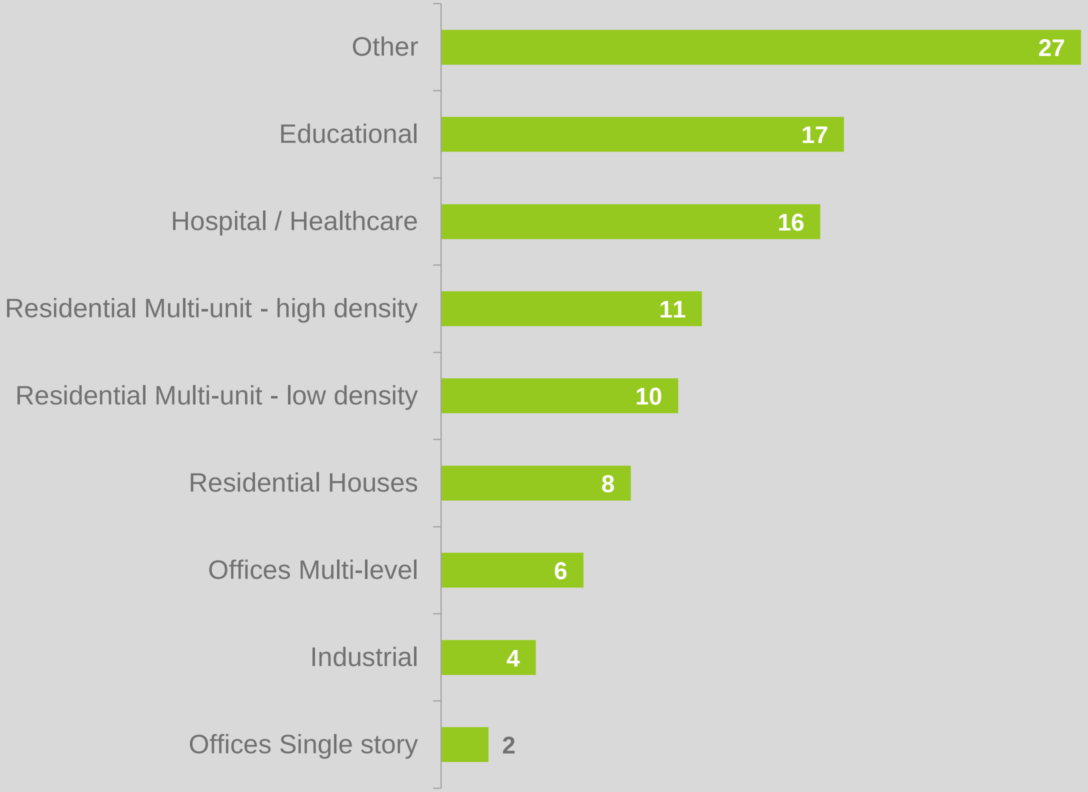
4.5 Consultants - Demographics

Consultant Work Profile

Main type of consultancy work undertaken (%)



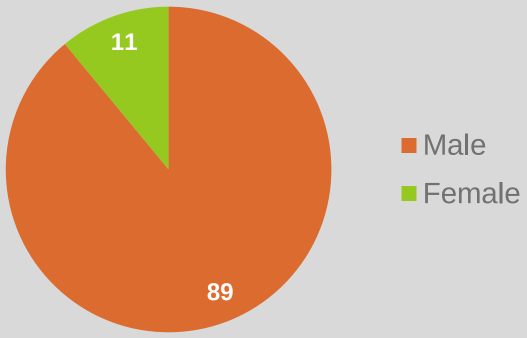
Construction sector where majority of consultancy work undertaken (%)



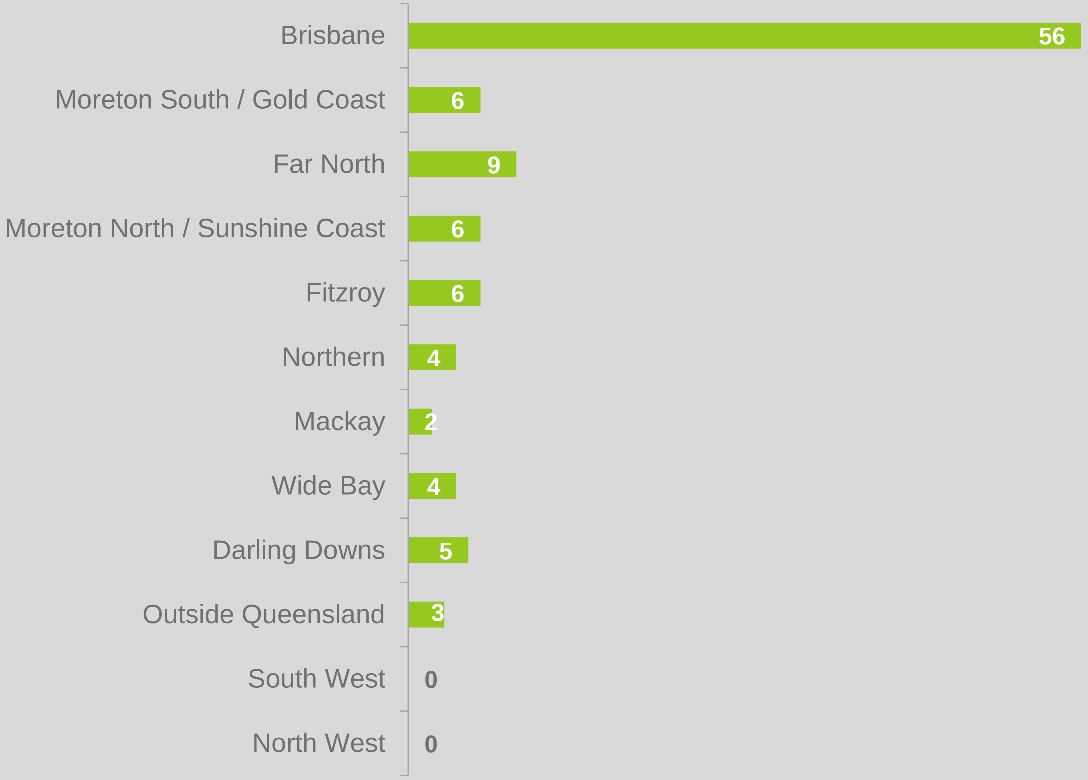
Q1. What is the main type of consultancy work undertaken in your firm?
Q2. In what area of the construction sector are the majority of your current projects?
BASE: All Consultants Sept '19 n=109

Consultant Demographic Profile

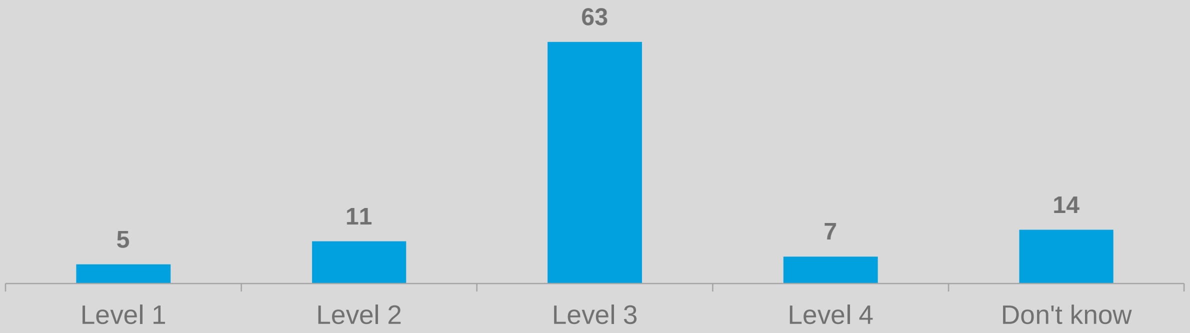
Gender (%)



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 Sept '19 n=109

Report prepared by

Jason Davis **QPMR**
Senior Consultant
Jason.Davis@kantar.com
(07) 3011 4215

Luke Rogers
Project Manager
Luke.Rogers@kantar.com
(07) 3011 4215

Kathryn Tsikleas
Project Manager
Kathryn.Tsikleas@kantar.com
(07) 3011 4215

Kantar Public | Ground Floor, WPP AUNZ House, Stanley Street Plaza. South Bank. 4101 |