

## Question on Notice

No. 103

Asked on 15 February 2024

**MR B HEAD** ASKED MINISTER FOR TRANSPORT AND MAIN ROADS AND MINISTER FOR DIGITAL SERVICES (HON B MELLISH)—

### QUESTION:

With reference to the Rockhampton Ring Road Bruce Highway upgrade project—

Will the Minister advise (a) the local content requirements placed on the project, (b) the dollar value of contracts that have been awarded that are considered part of the local content requirement, (c) the dollar value of contracts that have been awarded that are not considered part of the content requirement, (d) how the government is auditing the conditions of local content requirements and (e) whether local content requirements have been met to date?

### ANSWER:

I thank the Member for Callide for the question.

The Miles Government is delivering its eighth record transport and roads infrastructure program in a row, as detailed in the *Queensland Transport and Roads Investment Program 2023–24 to 2026–27*, which outlines \$32.1 billion in investment over the next four years and is estimated to support an average of 25,200 direct jobs over the life of the program. Of this, \$1.392 billion is committed across the Department of Transport and Main Roads' (TMR) Fitzroy District, estimated to support an average of 1180 direct jobs over the life of the program.

Construction of the Rockhampton Ring Road (RRR) Package 1 commenced in November 2023 and contract values below are reflective of the early stage of construction.

- (a) Local engagement in the RRR project is incentivised under the Contractor Joint Venture (CJV) contracts. The importance of engaging local businesses and resources, where possible, has been prioritised in the contract development process with both CJVs. The local content targets are 80 per cent and 70 per cent respectively for the North and South Package 1 contracts. The local content definition for the RRR project aligns with the *Queensland Procurement Policy 2023* which describes 'local supplier' as a 'supplier' of 'goods and/or services' that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 kilometre radius of where the 'goods and/or service' is to be supplied. If a capable 'local supplier' does not exist within the 125 kilometre radius, the radius should be extended progressively to the local region, then Queensland, then outside of Queensland, until a suitable 'supplier' is identified.
- (b) Of the contracts awarded by CJV to end of January 2024, less than 10 weeks into project construction, local content is tracking just shy of 80 per cent, with contracts valued at \$38 million awarded to local suppliers.
- (c) Contracts to the value of \$10 million have been awarded for specialised services that contractors have not been able to source locally.
- (d) TMR project governance includes monthly reports from CJV to the RRR project leadership team regarding performance measures, one of which is local content.
- (e) The project is performing well against the *Queensland Procurement Policy 2023* local content performance measure and, overall, 99 per cent of total contracts awarded to date have gone to Queensland businesses. This outcome aligns with the Queensland Government's Procurement Policy and Best Practice Principles.