



CIVIL CONTRACTORS
FEDERATION ACT

MEDIA RELEASE

Civil construction should be classified as essential industry: Eslake report

FOR IMMEDIATE RELEASE

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The Civil Contractors Federation ACT (CCF ACT) is calling on Federal and Territory governments to recognise civil construction as an essential industry, on par with agriculture and transport, amid growing concerns about the impact of rising fuel and input costs on project delivery and employment in the sector.

In the Saul Eslake report ***The Impact of the Middle East Fuel Crisis on Australia's Civil Construction Sector***, published today, six key solutions have been proposed to safeguard the civil construction industry and ensure its capacity to contribute to Australia's infrastructure needs.

'Civil construction is the backbone of our nation's infrastructure and heavy and civil engineering construction accounts for almost two-and-a-half times as much consumption of diesel as the residential and non-residential building sectors combined,' said Anna Neelagama, CEO of Civil Contractors Federation ACT.

'Formally classifying civil construction as essential will protect project capacity, jobs, and supply chain continuity, especially in times of crisis.'

The six potential solutions identified by Eslake are:

- 1. Recognise civil construction as essential**

All levels of government should classify civil construction as an essential industry to ensure the continuity of critical projects, particularly in the event of fuel supply rationing.



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2. Introduce fair contract price adjustment mechanisms

Consistent and practical mechanisms should be put in place to adjust contract values up or down in response to significant input cost movements, distributing risk fairly across the supply chain.

3. Provide targeted, time-limited cost pressure support

Government should offer targeted funding for projects experiencing abnormal cost increases that cannot be absorbed within approved budgets, helping to prevent project delays, scope reductions and cancellations.

4. Support councils with top-up funding

To aid local government, which delivers over 17% of public sector infrastructure, federal and state governments must provide top-up grants to councils facing unforeseen input cost increases, especially for ongoing projects lacking cost escalation clauses. In the ACT, this would apply directly to the ACT Government from the Federal Government.

5. Mandate fit-for-purpose rise and fall provisions

All government agencies should be directed to include robust rise-and-fall clauses in future civil contracts, particularly regarding fuel, bitumen, and other oil-linked inputs, to enhance the long-term resilience of the sector.

6. Act now to prevent insolvencies and job losses

Urgent government intervention is necessary to prevent widespread insolvencies, stalled infrastructure delivery, and significant job losses across Australia's civil construction sector.

'Strong consideration of Eslake's solutions are needed, otherwise we risk a detrimental impact on our civil workforce and the essential infrastructure projects that support our communities,' said Ms Neelagama.

The report, *Impact of the Middle East Fuel Crisis on Australia's Civil Construction Sector*, can be accessed [here](#).

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