

# Project front end mistakes developers make

*What they are,  
counting the cost,  
and how to avoid  
them*



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**CONTRACTING**  
ENGINEERING THE FUTURE





*Sydney Metro West, Bays Station Precinct, Rozelle*

# An invitation to developers

Having been involved in the Australian construction industry for over two decades, it's clear to me it remains rich in opportunities. With the sector a perennial driver of the economy, regardless of whether you're a developer, contractor, or worker, we all want the same thing: businesses to thrive, continuing to support growth.

Developers perform a key function, providing much needed infrastructure and accommodation for our communities. They are often the risk takers who hold a vision for the future that carries us forward.

In recent years, construction has been hit hard. COVID amplified challenges, and despite patchy recovery, we've seen the highest number of insolvencies ever recorded in the sector. Builders going under has prompted a cohort of developers to integrate vertically and take construction inhouse. It's one solution, but it's not without risks. Together with the myriad other sectoral challenges – escalating supply costs, gridlocked planning, the growing regulatory burden, a housing crisis, skilled worker shortages, and a Net Zero push – few would argue we need to get creative.

Now more than ever the construction sector needs to come together. In truth, every project stage, from design through to practical completion, provides opportunities to innovate and collaborate. With our focus at the front end of development projects, we see opportunities for developers to work smarter. During COVID, we got smarter and worked together. Since then, we've reverted to old ways of doing things. If we don't start to collaborate, we'll miss valuable opportunities for innovation and projects will stall.. Through a tighter collaboration with project front end specialists, developers can lay solid foundations for their projects, grow team capability, and be better equipped to avoid common mistakes that ultimately increase project risks and costs.



This guide distils our experience of working with developers like you who are building our future. My team and I want you to have access to the knowledge needed to leverage opportunities at the front end of your project. Only through better collaboration will we be well positioned to tackle the challenges ahead.

**MATEUSZ  
JEDRUSZEK**

PERFECT GROUP  
MANAGING DIRECTOR

# The game has changed for developers. Here's how.

Today's complex delivery environment is characterised by rising supply costs, chronic skilled labour shortages, and increasing industrial relations and environmental regulations. Against a backdrop of major infrastructure projects, particularly in Queensland where activity is ramping up to deliver the 2032 Olympics, developers face tough competition for people, resources, and supply.

## 1 Supply pressures

Supply costs continue to rise with no end in sight, particularly given competition from major infrastructure projects. Developers are left to

## 2 Smaller margins

While rising supply costs can be passed on to the consumer, a growing component of costs eats into developer margins. Project square metre costs have reached eye watering levels, pricing many out of the market and forcing developers to rethink their approach.

## 3 Planning roadblocks

Despite the pressing nature of Australia's housing shortage, developers still experience significant planning delays that impact projects, regardless of jurisdiction. Regulations continue to create delays that cost time and money, preventing projects from being greenlit.

## Developer challenges

**4 Competing projects**

In addition to the acknowledged housing crisis which demands new accommodation all over the country, major infrastructure and Olympics projects are now centre stage priorities, providing stiff competition for resourcing, skilled labour, and funding, impacting much needed residential and mixed use developments.

**5 Access to a skilled, productive workforce**

With productivity firmly on the table as an industry challenge, developers must wrestle with constraints posed by a skilled worker shortage as well.

**6 Knowledge gaps as developers become builders**

While the trend seeing developers morphing into builders is understandable, it creates new challenges. Typically one step removed from the project front end, developers often make avoidable mistakes during critical pathway activities, such as hazmat removal, remediation, and demolition. Resulting impacts cause delays, increase project risk, and cost money.

**7 Siloed thinking and doing**

Notoriously siloed, players in the construction industry don't naturally knowledge share and innovate across divides. Ironically, it was COVID that showed it could be done. Current challenges demand a reprise of the COVID era so that we're sitting around a table devising solutions, not locking ourselves in silos.

**During COVID, we got smarter and worked together. Since then, we've reverted to usual ways of doing things. If we don't start to collaborate, we'll miss valuable opportunities for innovation and projects will stall.**



# Structural demolition for inner city redevelopment

Four storey Elizabeth Bay building demolition

\$2.9 M



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Perfect Contracting was contracted by Novati Constructions for a large scale, complex structural demolition of a four storey building in Elizabeth Bay.

The scope involved early planning and enabling works in conjunction with the client, including securing of all council permits, site and risk assessment, structural assessment of the demolition management plan, removal of hazardous materials, installation of safety and environmental controls and exclusion zones.

Detailed engineering underpinned the technically complex methodology, allowing installation of over 1,200 structural props over four levels of the building. This ensured safe, effective demolition of walls, slabs, columns, footings and the lift shaft occurring on suspended slabs.



# Front end project risks. Where are you exposed?

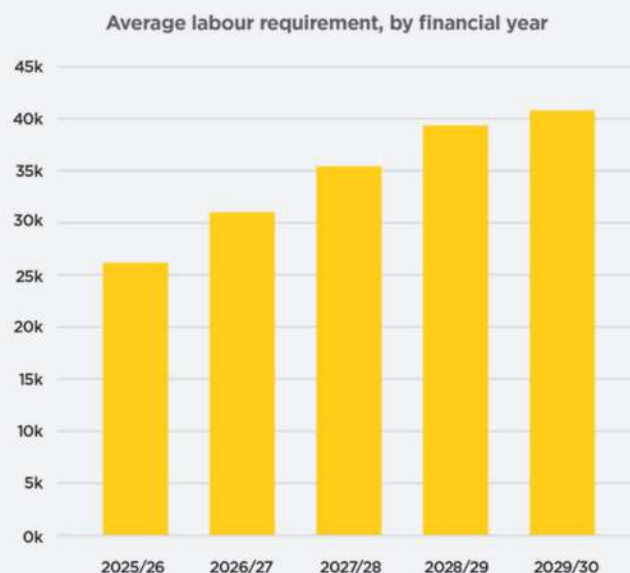


Much like asset owners understand the operations of their facilities, developers are experts in the development process. Few developers or builders, however, are specialists in the diverse aspects of enabling works that ready a site for construction. As more developers integrate building into their business model, bridging that knowledge gap is critical. Undoubtedly, every project stage is fraught with risks, and the project front end is no exception.

**With the complexity in early works frequently over simplified, both opportunities and risks are missed, in many cases leading to cost blow out, program delays, greater project scrutiny, and reputational damage.**

Development capability does not automatically translate to construction success, particularly in project front end delivery.

The latest Queensland Major Project Pipeline Report (QMPPR) cites that up to 41,000 workers are needed to deliver the entire pipeline of projects, which, based on current numbers means a worker shortfall of 25,000<sup>1</sup> over the period leading up to the Olympics. A challenging issue on its own, when considered in conjunction with a suite of other limiting factors, the road to practical completion is a long one.



1. Queensland Major Project Pipeline Report (QMPPR) 2025, page 10

# Developer knowledge gaps can be costly

## Regulatory oversight

Due diligence forms part of every site acquisition, however, with a growing red and green tape regulatory burden, it is not uncommon to be caught out, despite best efforts to address planning, environmental, WHS, and heritage requirements. These factors must be comprehensively addressed in early works planning but are often only tackled once works commence. Upfront regulatory oversight almost always means increased cost and program delays.

## Site knowledge shortfall

Incomplete or inadequate investigations present major front end project risks. The basics of site services locations and site contamination should form part of early works but doesn't always happen. That means costly shortfalls in site understanding. Upfront investment in specialist knowledge is seen as an expense rather than a measure for assurance around cost certainty.

## Structural integrity underestimated

For projects requiring either partial or full demolition, understanding structural integrity is a critical input to determining site access, methodology, sequencing, ultimately impacting costs associated with scaffolding, bracing, and interfaces with adjacent properties. Without this knowledge, worker safety is severely compromised, as is the safety of neighbouring properties and community, particularly for developments in high density locations.



# Developer knowledge gaps can be costly

## Pricing limitations

Accurate pricing for enabling works requires a sufficiently detailed understanding of risks and opportunities. Apart from knowledge and practical experience, this is achieved best with enough time spent onsite. Good governance forms the basis of any procurement process, but procurement teams may limit these opportunities, meaning there is no single shared understanding of project scope. Cheapest price does not equal safest method or best value. On the contrary, it can lead to costly errors and oversights like those described here.

## Misalignment of method

Every demolition project is unique, which means there is a need for tailored, fit-for-purpose methodologies. For example, an appreciation of the nuances involved in smart sequencing means developers can reap benefits like earlier build start dates, project design cost savings, and confidence in regulatory compliance.

**For developers, engaging a specialist enabling works contractor can address these major risks that lead to cost and schedule overruns.**



# Multi storey demolition & complex basement dig

2 Greenwich Road  
\$2.45 M

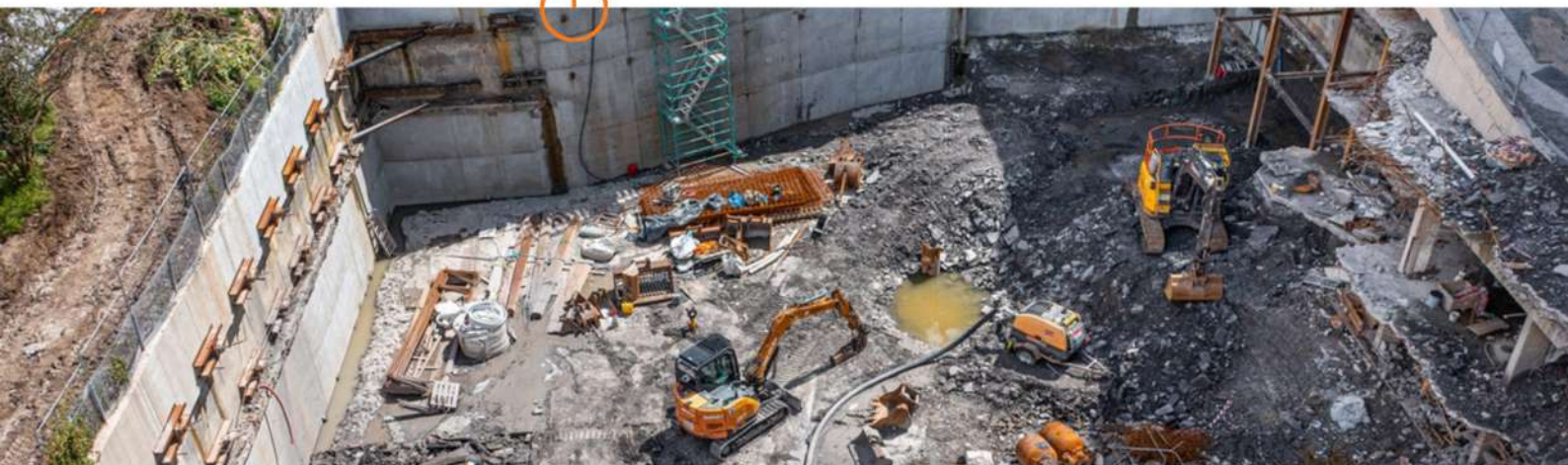


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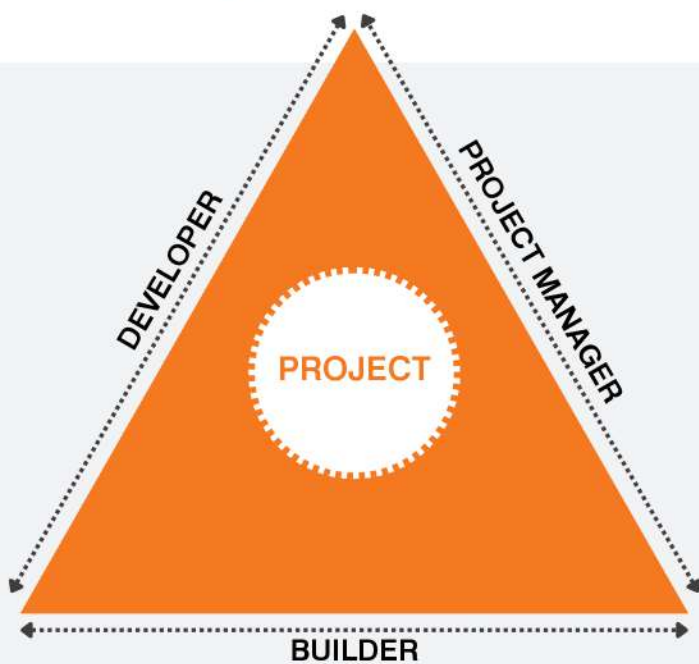
Perfect Contracting was engaged as the principal contractor at Greenwich, located three kilometres from North Sydney CBD. The scope involved demolition of the existing four storey building and retention works for the two existing basements and further shoring and underpinning works for a third new basement.

The project involved many technical complexities for the demolition and shoring works, particularly around retaining the existing structures while maintaining access to the shared driveway with the neighbouring property. The demolition works were based on an engineered top down methodology deploying demolition robots and small excavators. An external scaffolding system provided protection during demolition. Extensive piling and shoring works, as well as bulk excavation formed part of the three level basement dig and overall project scope.



# Reframing the developer partner delivery model

Developers have generally relied on third party project managers and builders to deliver their projects, with builders engaging the raft of subcontractors needed to undertake the multiple specialist activities forming part of construction. Although a proven model, there are limitations in that neither builders nor developers can be experts in all things. Front end works, encompassing hazmat removal, heritage retention, demolition, and remediation, each require specialist capability. Even with knowledge and experience, tight demand for builders, and that includes inhouse building divisions, means builder engagement is delayed, ultimately impacting commencement of critical path activities. Working with a specialist demolition contractor for front end works that would have been managed by a builder is a model gaining credibility with developers looking for smarter ways to move projects forward with tighter cost and program control.



**DEVELOPMENT DELIVERY NOW**



**SMARTER DEVELOPMENT DELIVERY**

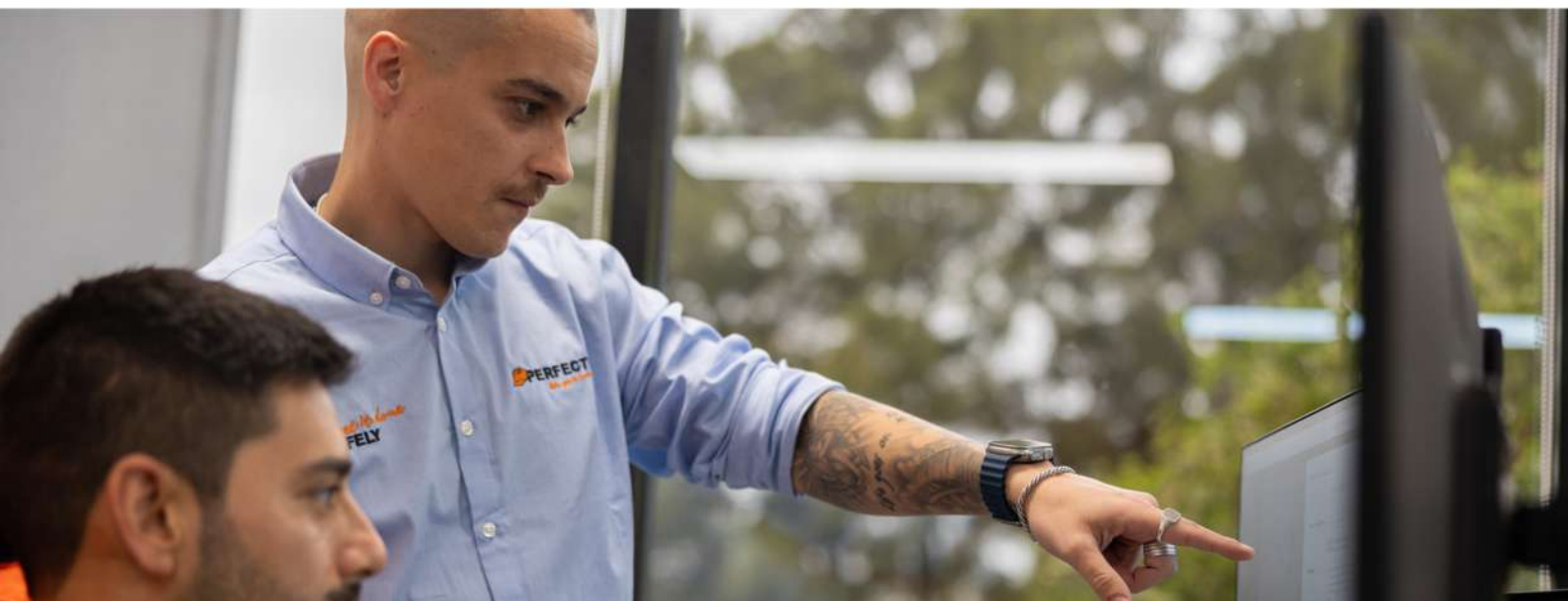
# A specialist partner for developers



Just as development delivery models have evolved, so too have demolition contractors. Increasingly driven by high calibre engineering capability, specialist equipment, and skilled technicians and operators, demolition is a far cry from the outdated perception of wrecking balls and cavalier attitudes. Today, all aspects of demolition, from identification and removal of hazardous materials to deconstruction of diverse structures and site remediation, are governed by regulations that demand strict compliance. Safety, appropriately, is the primary consideration in methodologies and budgets. What does this mean for developers?

**The increasingly specialist nature of demolition and associated works means developer appointed project and construction management may be inadequate for identifying all risks and opportunities at the project front end.**

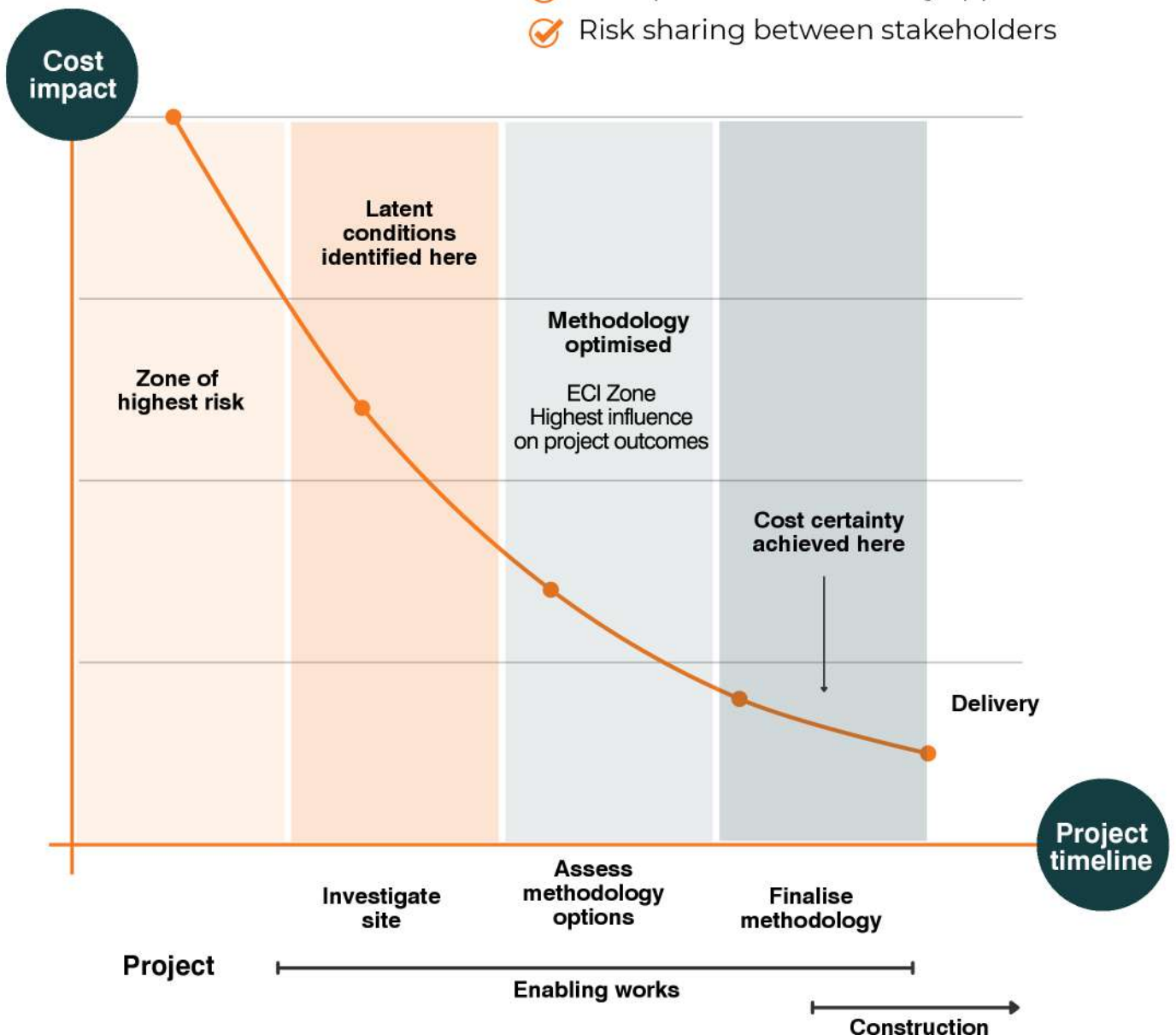
As a result, developers are left exposed to risks that lead to budget overruns, program delays, compromised safety, and reputational damage.



# Engaging early means options

Engaging a specialist demolition contractor for enabling works allows developers to reduce project risk, avoid common mistakes, capitalise on opportunities, and achieve improved sustainability outcomes.

- ✔ Latent opportunities for realising value
- ✔ Regulatory compliance confidence
- ✔ Improved contractual relationships
- ✔ Protected program with fewer delays
- ✔ Faster decision making on variations
- ✔ Integrated technical solutions
- ✔ Improved access to finance
- ✔ Improved safety performance
- ✔ Transparent trust building approach
- ✔ Risk sharing between stakeholders



# Industrial demolition for residential redevelopment

Corrimal Coke Works  
\$10 M



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Play

Demolition works involved removal of steel stacks, coke ovens, hoppers, underground storage tanks, and the redundant coke plant, with works conducted while managing the complex interface between the site caretaker team, heritage consultants, and regulators.

Among the challenges faced on the project were the site's proximity to the local community, sensitivity regarding the site's closure, and significant legacy contamination from hydrocarbons, asbestos, and heavy metals. This context demanded careful planning around environmental management, stakeholder engagement, demolition methodology, and heritage preservation.

The demolition methodology and overarching sustainability approach factored in stringent environmental controls for dust, noise, and waste management. As a result, more than 95 percent of materials were recycled. Additionally, works were conducted safely, with zero impact to retained heritage structures and no environmental incidents.



# How a specialist demolition contractor supports smarter development



## **Clearer scope, accurate budget**

With a detailed and shared understanding of a site and structures, gained through developer-contractor collaboration, time onsite, detailed investigations and as built drawings, the likelihood of surprises is reduced significantly. This translates to a clearer scope and accurate budget, but can only be achieved with genuine transparency around all available information. Supported with the right investigative studies for asbestos, hazmat, services, environmental, and heritage, developers have greater certainty in site readiness costs. Insufficient upfront investment typically means paying during construction through costly variations and compounding delays.



## **Improved safety, rigorous compliance**

Early engagement means methodologies are engineered in a way that balances safety, technical feasibility, project milestones, and compliance. An experienced specialist demolition contractor will deliver within the various regulatory frameworks without compromising on safety, program or budget. In fact, by engaging early, they will identify those opportunities that prevent unplanned stoppages and pre-empt them with remedial actions. Working closely with WHS regulators from day one is an example of gaining buy in to technically complex methods that would otherwise be ruled out and that means fewer costly administrative hold ups.



## **Early engagement, faster start**

By engaging a demolition contractor as the principal contractor during the early works phase, developers benefit from a quicker and more controlled project start. This is especially valuable if there are delays on builder engagement. Your enabling works contractor can already be onsite undertaking permitting, traffic planning, and service disconnections, as well as hazmat removal and demolition works. Works can be sequenced cleverly, allowing construction works to commence once a builder is engaged. It's an approach that can accelerate program and save on budget.



### **Smarter recycling, effective reuse**

Geared up to recycle and reuse materials, an enabling works contractor can help with identifying sustainability opportunities for your project. Concrete crushed as aggregate onsite can save material and transport costs, and meet the growing green tape requirements in construction. Add to this the predicted aggregate supply shortage due to the largest funded pipeline of major infrastructure projects, developers will find there is stiff and costly competition for materials supply.



### **Single contractor, network doorway**

No enabling works contractor can deliver without a trusted and reliable network of specialists. Knowing how to orchestrate these relationships to bring about the best outcomes for a project means developers effectively ride in the demolition contractor's slipstream. Developers need to know there are smarts in their project delivery network. These pivotal relationships often reveal opportunities that reduce risk, save time, and result in a better allocation of budget.

**By engaging a demolition contractor as the Principal Contractor during the early works phase, developers benefit from a quicker and more controlled project start.**



## Engage early and avoid cost and schedule overruns

Without the right information at the front end of project delivery, commercial and infrastructure developers are at risk of making common mistakes associated with poorly understood latent conditions, underestimated hazmat removal costs, selection of unsafe demolition methodologies, and inefficient sequencing of works. Any one of these factors can impact a project's budget, schedule, and overall outcome. An enabling works – or ECI – contractor works with your team to clarify site and structural conditions to ensure your project is delivered on time, within budget, and fully compliant.

### What about builders?

For developers, an enabling works contractor is a success multiplier, helping to price better, lower risk, sequence smarter, access a quality network, and meet sustainability objective, but what about the builder? When an enabling works contractor kicks off a project as PC, where does the builder come in?

The best outcomes for projects are achieved with all heads around the table. That means developer, project manager, builder, and early works contractor. Only then can the smarts of each be harnessed and risks identified before morphing into bigger problems once the project is underway. It's also how the interface between builder and contractor can be negotiated best, that is, defining the line in the sand for handover. All things are negotiable, but with early, transparent engagement, that negotiation is filtered through a win-win lens.



## About us

Perfect Contracting is a specialist contractor with decommissioning, demolition, hazmat and asbestos removal, remediation, and civil capability. Project owners come to us to solve the complex front end technical challenges associated with demolition methodology design, hazardous materials management, contamination, and safety risks that negatively impact project costs, schedules, and delivery. We thrive in environments that demand innovation, detailed analysis, and intelligent engineering solutions and are committed to project success for our clients and the communities in which we work.

### Clients who benefitted from our experience

**BURTON**  
Civil Engineering Contractors

**WestConnex**

**VEOLIA**

**JOHN  
HOLLAND**

**CPB  
CONTRACTORS**

**CJ.  
DUN  
CAN**

**SANDRAN  
PROPERTY GROUP**

**Downer**  
Relationships creating success

**NOVATI  
CONSTRUCTIONS**

**LEGACYPROPERTY**





# Have you identified all your project risks and opportunities?

Successful project delivery is often the result of asking the right questions. That's why we created the Enabling Works Opportunity Checklist. This provides project owners with a foundational understanding of project risks and where opportunities to realise commercial value can be found.

Download the scorecard and schedule a complimentary one hour project review call with our team to identify risks and leverage opportunities for a safer, more profitable and sustainable project.



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