



Australian Federal Election 2019

Policy Platform



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About us



Consult Australia is the industry association representing consulting firms operating in the built and natural environment sectors. These services include design, engineering, architecture, technology, survey, legal and management solutions for individual consumers through to major companies in the private and public sector including local, state and federal governments. We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms with combined revenue exceeding \$40 billion a year.

Some of our member firms include:



Summary

The scale of infrastructure and other built environment projects being rolled out across Australia highlights that we are in the midst of a transformational change in how people are connected and how services are delivered. This level of investment from both the public and the private sectors has been described by many as a 'new normal', recognising that this investment is crucial to our economic growth, sustainability and liveability over the coming decades.

New infrastructure and built environment projects improve our economic prosperity, create thriving places, and provide valuable links for people, trade and commerce. They enable businesses to grow, provide better connections to services, and support population growth. In short, investment in the right projects will have a compounding effect on economic growth across Australia's cities and regions.

However, improving how we deliver infrastructure and built environment projects is not as simple as the total spend. We must instead support this approach by getting the principles right on how we plan, fund, design and deliver new projects. This must be underpinned by a vibrant and sustainable workforce with appropriate education and competencies to deliver our infrastructure and built environment, to maintain international competitiveness, and to be best practice leaders in industry and government.

As the industry association representing the business interests of consulting firms providing design, advisory and engineering services in the built environment sector, Consult Australia's policy platform is structured around four priority areas to address the systemic issues that are impacting the capability and operability of our sector to make the best contribution to Australia's productivity and communities:

- A strong infrastructure pipeline – measures to develop more robust and investment-ready projects, that are underpinned by an effective investment approach, and provide certainty to industry;
- Supporting our people – measures to create a strong built environment workforce through effective STEM education outcomes for our future talent, and sound skilled migration arrangements;
- Improving procurement arrangements – measures that enable government and industry to deliver better value through best practice procurement arrangements and a partnership approach; and
- Strengthening practice in our sector – sustainable settings and regulations to support industry.

Summary of recommendations

Throughout this policy platform, Consult Australia makes a number of recommendations for political parties. These are outlined below.

Pipeline

1. **A minimum level on infrastructure grant funding** as a proportion of GDP in future budgets to help provide an appropriate balance between public and private investment in infrastructure.
2. **An evidence-based population growth agenda to strengthen our cities and regions.** Expanding the Commonwealth's support for population growth by strengthening research and data capabilities on performance and growth opportunities. This agenda should be overseen by a new ministerial position focused on maximising the benefits of population growth by better linking these capabilities to investment decisions.

- 3. Renew the asset recycling initiative with new parameters.** Incentive payments for state and territory governments under the renewed initiative should no longer be based on asset transfer prices or on a 'first come, first serve' basis, and instead be based on an assessment of asset transfer conditions.

People

- 4. A built environment workforce strategy** on expanding and diversifying the pipeline of future talent for built environment careers, and to increase Australia's capacity to deliver projects.
- 5. Skilled migration reforms to better respond to skill shortages.** Re-introducing the Department of Home Affairs' Industry Outreach Initiative, committing additional funding to review ANZSCO,¹ and delivering improvements to the subclass 400 visa to increase its relevance for project-based sectors.
- 6. More inclusive workplaces through affordable childcare and equitable paid parental leave.** Increasing the Commonwealth's child care subsidy percentage for categories for combined incomes below \$251,248 and increasing the flexibility of the Commonwealth's paid parental leave scheme.
- 7. A mentally healthy workplaces strategy** outlining how a government managed framework and targeted initiatives can support workplaces to improve mental health outcomes, backed up by appropriate funding to deliver meaningful change across Australia.

Procurement

- 8. Develop the Centre of Procurement Excellence into a national body** drawing on expertise across governments and industry to increase procurement skills and capability across Australia.

Practice

- 9. A digital engineering strategy** focused on embracing new tools and technologies to improve the delivery of infrastructure and built environment projects.
- 10. Nationally consistent building compliance reforms.** Work with state and territory governments to ensure an appropriate and nationally consistent response to building compliance reforms.

Further details on these recommendations are outlined in the following sections.

¹ Australian & New Zealand Standard Classification of Occupations (ANZSCO) – used to regulate occupations eligible for particular visas

Pipeline – providing certainty to industry through a long-term pipeline of projects

A minimum cap level on infrastructure grant funding

Recommendation 1: *Commit to a minimum level on infrastructure grant funding as a proportion of GDP in future budgets to provide an appropriate balance between public and private investment in infrastructure.*

Consult Australia sees significant benefits in increasing private sector financing and funding in infrastructure projects when this results in an overall increase in total infrastructure investments. Investing in increasingly complex and large-scale projects presents a significant challenge for the Australian Government, and it is clear that public investment alone will not sufficiently deliver the infrastructure required to support future growth and improve productivity and prosperity across Australia. To this end, we see an important need for the Australian Government to continue to pursue alternative and innovative private funding and financing opportunities, such as value capture, public private partnerships, and asset recycling, to help close the infrastructure funding gaps evident across the country.

However, we see minimal benefits if the use of private financing or funding opportunities is in lieu of grant funding for infrastructure projects from the Commonwealth. Grant funding from the Commonwealth for infrastructure projects (particularly those of a large scale, in regional areas, or for urban public transport) is critical for getting projects off the ground and for increasing the pace, quality and scale of infrastructure investments across the country.² We are therefore concerned that infrastructure grant funding is currently expected to decline over the forward estimates based on current commitments.

To address this decline, Consult Australia recommends political parties commit to an appropriate balance between grant funding and the use of alternative financing and funding opportunities for infrastructure projects. As such, we call for the political parties to commit to a minimum level for infrastructure grant funding as a proportion of gross domestic product (GDP). A minimum level for infrastructure grant funding will help ensure private investment in infrastructure is viewed as supplementary to public investments, rather than a substitute.

An evidence-based population growth agenda to strengthen our cities and regions

Recommendation 2: *Expanding the Commonwealth's support for population growth by strengthening research and data capabilities on the performance of cities and regions and their growth opportunities, and creating a new ministerial position focused on maximising the benefits of population growth by better linking these capabilities to investment decisions.*

The Commonwealth should continue to increase its role as a coordinator and national driver of good growth across the country. This can be achieved by implementing some of the key recommendations from the House of Representatives Standing Committee on Infrastructure, Transport and Cities' inquiry report into the Australian Government's role in the development of cities, titled *Building Up and Moving Out*.

Consult Australia is a member of the Australian Sustainable Built Environment Council (ASBEC) and supports their recommendation that the Commonwealth enhances its national cities policy and governance capability.

² Infrastructure Partnerships Australia, [Pre-Budget Submission \(2017\)](#)

The Commonwealth's approach should set out a nationwide vision for the success of Australia's cities and regions and establishing a coherent decision-making framework to ensure that planning and investment decisions at the Federal level aligns with an evidence-based approach. We support a population growth agenda that:

- Enables clear governance arrangements on population growth matters at the national level, which provides a consistent approach to planning and the allocation of resources;
- Enables successive investment and planning decisions to support good growth, and restores a clear 'line of sight' between planning for infrastructure, development and 'placemaking';
- Offers a national perspective on future employment opportunities and locations, and how population growth and movement patterns and planning can help meet these needs;
- Increases linkages between the Commonwealth's infrastructure investment programme and national policies relating to growth in our cities and regions; and
- Drives smarter investments in our cities and regions through a focus on data, evidence and metrics.

We support a focus on planning and investment decisions that leverage good growth opportunities across the country as opposed to other tools, such as the migration programme, that can seek to control, limit or slow down growth in key areas.

The Commonwealth's approach should leverage the capabilities of Infrastructure Australia, the Australian Bureau of Statistics (ABS), and the Bureau of Infrastructure, Transport and Regional Economics (BITRE), to ensure data, evidence and metrics are informing infrastructure development decisions so that they are as effective as possible. The National Cities Performance Dashboard and the Infrastructure Performance Dashboard are examples of how the Commonwealth can develop these capabilities in partnerships with state and territory governments, industry, and academia to better understand how cities are performing and where improvements can be made.

To support an increased focus on coordinating good growth across the country, Consult Australia recommends political parties commit to a ministerial position on national settlement. This role should provide oversight of:

- The development and management of a national population growth strategy;
- City and regional deals and partnerships; and
- Further developing the Commonwealth's research and data capabilities on the performance and growth opportunities for cities and regions.

An improved asset recycling initiative

Recommendation 3: *Renew the asset recycling initiative with new parameters. Incentive payments for states and territories under the renewed initiative should no longer be based on asset transfer prices or a 'first come, first serve' approach, and instead be based on an assessment of asset transfer conditions.*

The Commonwealth has an important role to play in driving consistent reform across the country to improve how states and territories plan, deliver and manage infrastructure assets. As highlighted by Infrastructure Australia, the Australian Government is best placed to address the current 'vertical fiscal imbalance' between

jurisdictions by using its responsibility to address disparities (through funding allocations) as a tool for implementing reform.³

We believe asset recycling should be promoted at a national level as an important reform to help states and territories unlock capital from balance sheets and to fund additional infrastructure. Asset recycling can provide a sustainable option to fund growing infrastructure needs that are rapidly increasing from significant population growth in many of our cities and regions.

Asset recycling does not lead to successful outcomes by default. There are numerous examples that point to successful and unsuccessful approaches to asset recycling. It is the unsuccessful examples that highlight our concern with the design of the Commonwealth's previous asset recycling initiative, which was heavily focused on asset transaction prices and did not focus enough on asset transfer conditions. We believe this creates a risk of a 'race to the bottom' where impacts on service outcomes and ongoing public benefits are not sufficiently considered.

As outlined in Consult Australia's [Re-building the social licence for asset recycling](#) report, we recommend political parties commit to re-establishing the Commonwealth's asset recycling initiative with new parameters to improve the approach and to encourage consistency across the country. The initiative should be designed around the below principles.

- Increase the appetite of states and territories to explore asset recycling as an option to fund additional infrastructure needs.
- Encourage a nationally consistent approach to asset recycling focused on improving service outcomes for users, delivering tangible public benefits, aligning with national interests, and ensuring no jurisdiction is left behind from a structural infrastructure funding gap.
- Include a national position on appropriate asset recycling by asset type and transfer conditions, to influence the approach taken by states and territories.
- Require states and territories to reinvest all proceeds from asset transfers into new infrastructure to be eligible for incentive payments, noting that these projects should be identified through the independent infrastructure governance body process (i.e. Infrastructure Australia).
- Incentive payments should not be based or linked to asset transfer prices. Instead, incentive payments should be based on an assessment against Infrastructure Australia's recommendations for appropriate asset recycling. This will discourage any desire to maximise the upfront value of an asset at the expense of transfer conditions.
- Encourage the uptake of new technology to manage assets more efficiently and to improve the user experience through asset transfers.
- Include some balance across states and territories in regard to incentive payments. The new initiative should no longer be a 'first come, first serve' approach, and instead could be limited by caps for each jurisdiction.

A new asset recycling initiative should also include funding for Infrastructure Australia to work with states and territories to identify assets appropriate for recycling, and to help determine any regulatory structures or transfer conditions required to limit negative outcomes. Other support could include helping states and territories develop a better understanding of the full lifecycle of assets to better understand future costs.

³ Infrastructure Australia, [Making reform happen: using incentives to drive a new era of infrastructure reform \(2018\)](#)

People – creating a vibrant and sustainable workforce for consulting firms in the built environment sector

A built environment workforce strategy to increase the sector's capacity

Recommendation 4: *Develop a strategy on expanding and diversifying the pipeline of future talent for built environment careers and to increase Australia's capacity to deliver projects.*

An increase in infrastructure and other built environment projects across Australia is placing significant demands on the workforce delivering these projects, particularly providing design, advisory and engineering services for the built and natural environment. In Consult Australia's [2018 national skills survey results](#), 61 per cent of respondents highlighted they are actively recruiting and experiencing a skills shortage. Furthermore, 84 per cent of respondents indicated these problems are experienced when recruiting for mid-level roles, and 41 per cent for senior level roles.

By breaking down this skills shortage into disciplines, civil engineers, civil drafters, engineering managers, and rail engineers are most in demand. Geographically, 61 per cent of respondents agreed Sydney and 47 per cent agreed Melbourne have been hard locations to find and place staff over the past 12 months.

We are anticipating that our 2019 national skills survey results will show that the situation has worsened since that period, particularly for the skills most in demand such as mid/senior level people with between 10-20 years of industry experience. Australia has not had for many years a strong pipeline of talent coming through the education system in order to gain the experience required to replenish the skills gaps at the mid/senior level.

Consult Australia believes that there has been significant underinvestment in STEM education across Australia. A decline in Australia's STEM education standards has been described by the Australian Council for Educational Research as a '20-year slide' in domestic performance and when compared to similar countries such as the United States and the United Kingdom.⁴ We see a direct correlation with these poor standards in primary and secondary education with a drop in the number of students seeking to pursue STEM education at the tertiary level and those graduating with a STEM qualification. In the latest entry-level engineering course completion versus graduation data from 2013 to 2015, we are seeing a significant gap in domestic student attrition rates for those enrolled and those graduating each year (even when factoring in lower enrolment figures in previous years).⁵

Attracting young people into careers in the built environment sector is fundamental for Australia to continue to deliver infrastructure at scale. A shortage of key skills required to deliver projects, particularly in professional roles requiring extensive training and professional experience, will limit the sector's capacity to deliver current and future demands. We believe the Commonwealth must take the lead in developing a long-term and coordinated strategy to ensure there is also a steady pipeline of future talent on hand to deliver Australia's ambitious investment in future infrastructure and other built environment projects. To this end, the strategy should also support a pipeline of diverse talent, and include measures that support greater gender diversity and increase the pool of indigenous candidates with appropriate skills.

⁴ Australian Council for Educational Research, [20-year slide in maths and science learning \(2016\)](#)

⁵ Engineers Australia, [Status of the Engineering Profession Report \(2017\)](#)

This strategy should be developed in collaboration with state and territory governments, the education sector, and supported by industry. It should focus on attracting more students into STEM subjects at school, improving the quality of STEM education and teaching, attracting more talent into careers in the built environment sector, and retaining more people in the sector.

The strategy should investigate a shift in demand and the impact this will have on project delivery, such as the need to move away from binary skills. The strategy should also focus on new skill requirements from the uptake of new technology and to strengthen creative thinking and problem-solving skills.

Practical skilled migration reforms to better respond to skill shortages

Recommendation 5: *Re-introduce the Department of Home Affairs' Industry Outreach initiative, deliver improvements to the subclass 400 visa to increase its relevance for project-based sectors, and commit funding to review ANZSCO.*

Industry Outreach Initiative

Given some of the recent changes to Australia's immigration programmes, Consult Australia believes there are significant opportunities from delivering a range of targeted practical improvements to the skilled migration system, which will clarify the process for industry and increase its responsiveness to domestic skill shortages.

Feedback from Consult Australia member firms highlight complexity and confusion surrounding the Commonwealth's current skilled migration arrangements. This can serve as a deterrent for many businesses, which ultimately leads to a negative outcome on the Australian economy by limiting growth opportunities when skills are not readily available on the domestic market.

In addition to streamlining requirements, we therefore believe there is an important role for the Department of Home Affairs to provide hands on assistance to industry to help navigate processes in the skilled migration system when experiencing significant skills shortages. A support programme previously existed when shortages were experienced during the mining boom, the Industry Outreach Officer initiative. Consult Australia was a beneficiary of the programme and an immigration officer was seconded to assist our membership during the height of the skills shortage between 2005 and 2014. We see a strong case to reinstate this programme to help address the increasing skills gap in our sector from the current 'infrastructure investment boom'.

During the mining boom, our sector experienced significant skills shortages and the professional relationship built between industry outreach officers and our member firms was a big factor in meeting demands. A detailed understanding by the Department of the key skills issues facing our member firms, particularly an increased reliance on specialist engineers and other technical professions, helped ensure that our skilled migration needs were efficiently met. This included a threefold increase in those on temporary visas from 2,260 in 2003-04 to 6,940 in 2010-11.

The reintroduction of the Industry Outreach Officer initiative should focus on sectors that contribute substantially to the broader productivity of the economy, and where additional support to address systemic skills shortages are in the national interest. This more tailored approach to the previous initiative recognises the need to apply fiscal discipline, but also recognises the benefits of supporting access to skills in areas of economy driving growth.

Subclass 400 visa improvements

The ability for Consult Australia's member firms to access the global workforce is a competitive advantage for Australia.

This requires the ability for consulting firms in the built environment sector to quickly and easily bring in resources, including global experts, to support project requirements, knowledge transfer, training, and teamwork across multinational businesses. Temporary skilled migration arrangements are essential for this global movement.

Required travel patterns of specialist staff in our sector are not suited to the business visitor visa programme as they are involved in substantive work. The typical travel patterns for specialist staff in our sector are:

- Short-term assignments of three to 12 months. These short stays arise particularly in project-based sectors which require a concentrated period of work and no intention for the employee to seek to reside in Australia permanently; and
- Short visits of only a few days or weeks each time, but constantly or regularly over a long-term period and involving substantive work.

Short-term specialised services have the potential to deliver significant benefits to infrastructure and built environment projects across Australia. We see a strong rationale for the Department of Home Affairs to facilitate and support access global expertise, particularly for skills not readily available in Australia.

The subclass 400 visa has the potential to be an essential tool for enabling consulting firms in the built environment sector to access specialised experts from the sector's globalised workforce. However, due to the current policy settings of this visa, travel patterns for short-stay specialists in our sector are directed to the subclass 482 visa (temporary skill shortage) which includes arrangements that are too onerous for the length of stay involved.

At the same time, processing of subclass 400 visa applications is slow and convoluted because documentary requirements are inconsistent from post to post, and processing times are not sufficiently responsive to business needs.

In addition to improving the conditions for the subclass 400 visa, Consult Australia believes processing times should be reduced to 48 hours by adopting a risk-tiering approach to processing applications that negate the need for assessing every aspect of an application, and by implementing a 'trusted user' or accredited status for businesses with a sound compliance history.

ANZSCO review

Lastly, a key concern we have with the skilled migration system is the current skills assessment approach, primarily around ANZSCO. It is essential for the system to truly reflect industry needs and skills shortages, and this is not being achieved under the current skills assessment approach.

ANZSCO provides an important pillar of labour market statistical information and is used to regulate which occupations are eligible for the programme. Reviews of ANZSCO are managed by the ABS. Despite significant changes to the economy and the skills market, ANZSCO has only been reviewed twice since its introduction in 2006, with the last review in 2011.

In August 2018, a review of ANZSCO was again deferred by the ABS due to competing priorities and resource constraints. This means that at best a review of occupations will not be properly reflected until 2026, marking 15 years since the last major review. This results in a failure to understand the jobs market and a skilled

migration system that does not reflect skills needs, which negatively impacts project delivery and is a constraint on productivity.

For example, specialisations outlined under ANZSCO's civil engineering professionals grouping is missing many job types, including rail engineers despite being a skillset with a significant shortage in Australia resulting from the substantial investment in rail and light rail infrastructure projects.

Consult Australia therefore supports wider industry calls for the Commonwealth to immediately allocate the resources needed to commence a review of ANZSCO to incorporate all jobs performed in the modern workplace. This review will help the programme and the skilled visa categories best meet the needs of Australia into the future.

More inclusive workplaces through affordable childcare and equitable paid parental leave scheme

Recommendation 6: *Increasing the Commonwealth's child care subsidy percentage for the categories for combined incomes below \$251,248, and increasing the flexibility and equitability of the Commonwealth's paid parental leave scheme.*

Affordable childcare

Consult Australia believes there is a strong case, and a number of significant downstream benefits relating to improving gender diversity in the workplace, for increasing the Commonwealth's child care subsidy and to introducing equitable changes to the paid parental leave scheme. Measures that increase and better enable workforce participation for women will positively impact the Australian economy, and will help tackle some of the diversity and inclusion challenges facing many sectors.

The Grattan Institute published a paper in 2013 outlining that incentives that encourage more women to re-enter the workforce after starting a family could boost Australia's GDP by around \$25 billion a year. The paper argues that disincentives currently arise from the way that tax, welfare and childcare benefit systems interact with the cost of childcare. Arrangements often make it unattractive for a second income earner in a family to return to work after the birth of a child, or to return to full time work.⁶

While women's workforce participation rate is at an all-time high (at 59 per cent), Australia has one of the highest proportions of women working part-time at 68 per cent.⁷ This represents the third highest women's part-time employment rate in the world,⁸ which we believe can be attributed to limited access to affordable childcare.⁹

While the Commonwealth has addressed some of these concerns in 2018, we believe additional steps can be taken to make it more attractive for primary carers to re-enter the workforce. Consult Australia believes this can be achieved through further increases to the Commonwealth's child care subsidy percentage, particularly for family incomes in categories below \$251,248.

Equitable paid parental leave scheme

⁶ The Grattan Institute, [A case for boosting the female workforce \(2013\)](#)

⁷ McKinsey & Company, [How advancing women's equality can add \\$12 trillion to global growth \(2015\)](#)

⁸ OECD data, [Part-time employment rate \(2017\)](#)

⁹ The Centre for Independent Studies, [Research report: Why childcare is not affordable \(2018\)](#)

When compared to paid parental leave schemes in other countries in the OECD, Australia's arrangements can be described as more gendered and less generous. For example, the Commonwealth's paid parental leave scheme offers 18 weeks paid leave at the rate of the national minimum wage for the primary carer (which is usually the mother) and 2 weeks paid leave at the rate of the national minimum wage for the secondary carer (which is usually the father).

This compares to a total of 35 weeks of paid leave in Canada (with pay at a certain percentage of their income) and 37 weeks in the United Kingdom (at a base pay or 90 per cent of their income, whichever is lowest), which can be used by either parent or shared between parents.

Consult Australia believes there is a strong case to update the Commonwealth's paid parental leave scheme to be similar to Canada and the United Kingdom. A focus should be on increasing the flexibility and equitability of how leave is divided between carers, and potentially separating upfront maternity leave entitlements (i.e. giving birth) with ongoing caring leave entitlements. These new arrangements would also negate the need for current Dad and partner leave entitlements.

A mentally healthy workplaces strategy to improve government and industry practices

Recommendation 7: *Develop a mentally healthy workplaces strategy in line with the NSW Government's approach to outline how a framework and targeted initiatives can support workplaces to improve mental health outcomes.*

As outlined in Consult Australia's [Striving for mentally healthy workplaces](#) report, we believe the NSW Government has set the benchmark for an appropriate approach to mental health in the workplace through their Mentally Healthy Workplaces Strategy 2018-22. This strategy provides Australia's first comprehensive and integrated approach, and also provides a substantial funding commitment to improve mental health outcomes for workers.

Consult Australia recommends the Australian Government develop a mentally healthy workplaces strategy in line with NSW's approach, outlining how a framework can turnaround outcomes particularly in at-risk sectors.

This strategy should be backed up by appropriate funding to also deliver targeted initiatives focused on delivering meaningful change. This should include funding for more proof-of-concept trials by NGOs, and other organisations such as universities, which could result in significant improvements and a more comprehensive evidence base towards mental health practices in the workplace.

The Commonwealth's approach to mental health in the workplace should be outputs-focused, noting an inputs-focused and 'black and white' regulatory approach does not appropriately consider the nuance and differences for individuals around mental health.

Procurement – delivering better value through improved practices and a partnership approach with industry

The National Centre of Procurement Excellence

Recommendation 8: *Develop the Centre of Procurement Excellence as a national body drawing on expertise across governments and industry to increase procurement skills and capability across Australia.*

Building on our previous call for all governments to embed [model client principles](#) into procurement practices, Consult Australia encourages the Commonwealth to lead a knowledge sharing culture between the public sector (including at the state, territory and local levels) and industry focused on improving procurement skills and competency, and address deficiencies in current procurement practices.

With over \$21 billion currently committed in the forward estimates to infrastructure projects by the Commonwealth, a one per cent efficiency in current procurement practices could equate to significant savings. The opportunity to translate these savings into new infrastructure projects and other government services are substantial.

Consult Australia was pleased see the Australia Government commit to establishing the National Procurement Centre of Excellence in this year's budget. Led by the Department of Finance, its stated aims are to enhance procurement capability and productivity across the public sector by:

- Sharing experience, knowledge and better practice;
- Strengthening partnerships with industry to build a shared understanding of issues;
- Developing and disseminating self-help tools to promote greater efficiency in processes and systems; and
- Considering options to unlock further efficiencies through coordinated procurement.

While Consult Australia has championed and strongly supports this step, we call on political parties to commit to ensuring that the Centre of Procurement Excellence drives a more collaborative approach to procurement between industry and all levels of government. To this end, we believe the centre should:

- Establish as national body, which brings together expertise from across the Australian Government, state and territory governments, and industry, to drive positive change;
- Be overseen by a board with equal representation between industry and governments; and
- Provide transparent expert advice procurement best practice and providing training and guidance to upskill procurement expertise across governments.
- Review and advise on legislative and policy frameworks to support and improve procurement behaviours and practice; and
- Advise on the development of a nationally consistent set of standard contracts to achieve:
 - Greater collaboration and increased innovation in project delivery;
 - A reduction in the cost and time wasted by all parties due to continuous contract formation, review, and negotiation;
 - Better assessment and allocation of risk and a reduction in the adversarial approach to project delivery; and
 - Positive behaviours throughout the process and best for project outcomes.

Practice – Sustainable settings and regulatory frameworks to support industry

Digital engineering strategy

Recommendation 9: *Develop a digital engineering strategy focused on embracing new tools and technologies to improve the delivery of infrastructure and built environment projects.*

Significant inroads have been made over the past decade on the new tools and technologies available to improve the design, delivery and management of infrastructure and the built environment. These new tools and technologies have the potential to deliver some significant efficiencies and productivity benefits across Australia, can improve the user experience of built environment and infrastructure assets, and will place new demands on the skillsets of built environment professionals.

A significant cultural change is required across the built environment sector to implement these new tools and technologies. We therefore recommend the Commonwealth investigate how new trends, software, technologies, systems and processes (such as Building Information Modelling or 'BIM') can be implemented in the delivery of projects by state and territory governments, the education and support required to embed these changes across the supply chain, and the potential benefits for all stakeholders (including the end user).

Consult Australia recommends this strategy is developed by the Department of Industry, Innovation and Science in conjunction with the Centre of Procurement Excellence, with support from Infrastructure Australia and the Department of Infrastructure, Regional Development and Cities.

Building confidence

Recommendation 10: *Work with state and territory governments to ensure an appropriate and nationally consistent response to building compliance reforms.*

Consult Australia congratulates the Building Ministers of Australia for commissioning Professor Peter Shergold and Ms Bronwyn Weir to undertake an assessment of the effectiveness of compliance and enforcement systems for the building and construction industry across Australia.¹⁰

A productive, competitive and healthy building and construction industry must have certainty in its operating environment.

This requires transparent and informed policy making by governments, and consistent enforcement application, where intervention is deemed necessary. Above all else this provides public confidence in policymakers, regulators, and the industry.

We acknowledge that governments across Australia have broadly committed to work towards adoption of the recommendations in the Building Confidence Report and have published an implementation plan. However, the plan provides little detail or certainty regarding the timeline or content of the reforms proposed.

Consult Australia believes that the Commonwealth has an important role to play to ensure that any policies/regulatory measures are consistent across the country in order to provide business with certainty and

¹⁰ Shergold and Weir, [Building Confidence Report \(2018\)](#)

the public with confidence. For example, where state/territory governments are seeking to implement licencing or registration systems it is important that it is done in a way that ensures nationally consistent registration/licencing requirements. In line with other professional licensing/registration schemes there should be mutual recognition of registration, i.e. a single fee and registration process, which then allows for the registrant to practice across Australia.

It is also critical to ensure that confidence is re-established in the insurance market, because there are a growing number of building certifiers and businesses providing fire safety and façade engineering who are unable to source adequate Professional Indemnity Insurance. This not only means that their business has no insurance cover in the event of a claim, but also that they are unable to maintain their building practitioners license to practice.¹¹

The Commonwealth can also take a leadership role by ensuring that the tort and liability reforms, which were intended to introduce proportionate liability legislation across Australia, are fully enacted as intended. Whilst at that time all jurisdictions passed legislation to adopt proportionate liability only in Queensland does the legislation expressly prohibit the practice of 'contracting out'. Across the building industry there is pressure put on consultants to 'contract out' of this statutory right because clients often see the Professional Indemnity Insurance held by the consultant as a means to underwrite any and all losses. This undermines the intent of the legislation, which was to stop this 'deep pocket syndrome', i.e. under proportionate liability the professional can only be liable up to the amount that they contributed to any losses claimed.

¹¹ Required in NSW and Victoria.

Contact

We would welcome any opportunity to further discuss the issues raised in our policy platform. To do so, please contact:

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