



**SUBMISSION TO THE *PROFESSIONAL
ENGINEERS REGISTRATION (FEES)
REGULATIONS 2021* CONSULTATION**

MAY 2021

PROFESSIONAL ENGINEERS REGISTRATION (FEES) REGULATIONS 2021

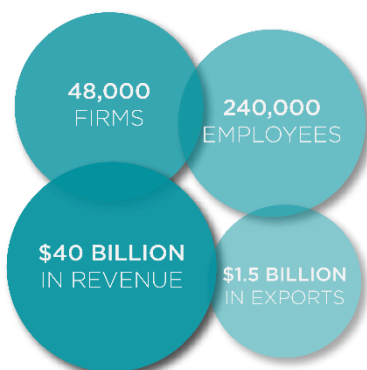
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ABOUT US



Consult Australia is the industry association representing consulting businesses in design, advisory and engineering. Our industry comprises some 48,000 businesses across Australia, ranging from sole practitioners through to some of Australia's top 500 companies, providing solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry is a job creator for the Australian economy, directly employing 240,000 people. The services we provide unlock many more jobs across the construction industry and the broader community.

Some of our members include:



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EXECUTIVE SUMMARY

Consult Australia welcomes the opportunity to contribute to this consultation on the proposed fees for the professional engineers registration scheme as outlined in the proposed *Professional Engineers Registration (Fees) Regulations 2021* and the Regulatory Impact Statement.

It is important to note at the outset that Consult Australia continues to advocate for a national scheme of professional engineering registration that limits the significant administrative burden and financial costs on businesses through 'one fee, one registration' for engineering practitioners in Australia. Without truly harmonised arrangements, administrative burden and financial costs on businesses from professional engineers registration schemes rapidly increase.

For example, if every qualified engineer in Australia was registered on one professional engineers registration scheme based on the proposed fee in Victoria for registration only, the overall cost would be \$152.4 million. If every qualified engineer in Australia was registered on professional engineers registration schemes in every state and territory based on the same registration fee, the overall cost would be \$1.219 billion.¹ The administrative burden and financial costs from 'multiple fee, multiple registration' arrangements will impact the vast majority of businesses across our membership – 91% of our member businesses indicate they provide services in multiple jurisdictions,² which means engineers arguably more than any other profession require greater occupational mobility to enable them to deliver a vast range of projects in different parts of the country.

Shortages in engineering skills in Australia make a single point of registration even more critical to ensure these essential skills can work from anywhere across the country.³ In support of this, we also draw attention to our latest Industry Health Check report where the workforce's capacity to deliver the expected volume of work is the biggest concern of businesses over the next six months.⁴ National Cabinet recognised this challenge facing industry in 2020 by directing Infrastructure Australia to undertake new work to monitor market capacity constraints and to use this information to help inform government policies and investment decisions. From Consult Australia's perspective, restrictions on the movement of skills across Australia through 'multiple fees, multiple registration' arrangements are a key market capacity constraint, and the Victorian Government should be working with other Australian governments to promote 'one fee, one registration' arrangements.

It is vital that any registration scheme takes into consideration the occupational behaviours of the Australian engineering industry and promotes flexibility, efficiency, and affordability wherever possible. Consult Australia has some concerns that the design of the Victorian scheme and the

¹ Based on Engineers Australia's latest data on the number of qualified engineers in Australia (available [here](#)). The estimated registration fee per engineer is \$820.16 registration fee for the three-year term for registration (plus the unknown cost of continuing professional development). This assumes the registration includes an application for registration, registration of professional engineer – practising (for 3 years), an application for endorsement (for 3 years) and an annual endorsement statement.

² Of a sample survey of 33 businesses, only 3 provided services to only one jurisdiction (all of these were small to medium businesses).

³ <https://www.employment.gov.au/occupational-skill-shortages-information>

⁴ [https://www.consultaustralia.com.au/docs/default-source/briefing-notes/covid-19/consult-australia-report---covid-19-industry-health-check-\(apr-21\).pdf](https://www.consultaustralia.com.au/docs/default-source/briefing-notes/covid-19/consult-australia-report---covid-19-industry-health-check-(apr-21).pdf)

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proposed fees will result in unreasonable burdens (including financial) on our member businesses, particularly small businesses.

This submission outlines our concerns with the proposed fee structure, focusing on the following:

- The cost recovery model and the fee implications on businesses;
- Registration under multiple jurisdictions and multiple disciplines; and
- CPD design and associated fees.

Throughout this submission, we make the following recommendations:

1. Further clarity through industry engagements should be provided on how proposed fees in the cost recovery model will increase year-on-year;
2. The cost recovery model should be revised to ensure engineers assessed and registered in other jurisdictions are not required to undertake a further assessment or pay a further fee, or are receiving substantial concessions, to be registered in Victoria;
3. The cost recovery model should provide a breakdown of related administrative costs for each proposed fee. This should inform a new proposed fee option where there is a correlation between the proposed fee and the administrative cost;
4. The full cost associated with proposed fees for endorsement should be clarified, and these costs should not exceed current arrangements for building industry registration which is approximately \$130 per year;
5. The non-practising engineers category should be removed from the fee structure, and a registration suspension option be introduced to allow non-practising engineers to put their fees on hold during agreed periods in particular circumstances;
6. The use of maximum caps rather than fixed amounts should be considered for proposed fees relating to assessment schemes;
7. Cross-jurisdictional occupational mobility be factored into any registration scheme fee structure;
8. Any increase in fees associated with an individual registering for multiple engineering disciplines should be removed. If this is already the case, further clarity should be provided in industry engagements on how arrangements for registration under multiple disciplines will be managed;
9. Further clarity on proposed CPD design and fees associated with new arrangements should be provided through industry engagements; and
10. In the interests on consistency, and adopting truly harmonised arrangements, current CPD requirements in Queensland should be mirrored in Victoria.

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THE COST RECOVERY MODEL

We understand the objectives of the proposed fee structure for the professional engineers registration scheme is to create an efficient, effective, and equitable cost recovery model.

We note that the selected option, Option 4, is structured as follows:

Fee description	Proposed fees	Fee Units
Registration fees		
Application for registration (for 3 years)	\$85.68	5.79
Application to add an area of engineering	\$85.68	5.79
Registration of professional engineer – practising (for 3 years)	\$406.07	27.42
Registration of professional engineer – non-practising (for 3 years)	\$81.21	5.48
Application for renewal of registration (for 3 years)	\$85.68	5.79
Renewal of registration of a professional engineer – practising (for 3 years)	\$466.98	31.53
Renewal of registration of a professional engineer – non-practising (for 3 years)	\$93.40	6.31
Endorsement fees		
Application for endorsement (for 3 years)	\$218.46	14.75
Application for renewal of endorsement (for 3 years)	\$218.46	14.75
Annual endorsement statement	\$109.95	7.42
Register fees		
Search, copy and extract of the register	\$49.81	3.36
Certified copy and extract of the register	\$49.81	3.36

We have some concerns regarding the design of this selected option. The Regulatory Impact Statement does not make clear how the proposed fees will increase year-on-year (for example, if any increase will be based on the consumer price index or through other variation approaches), or how differences in proposed fees for each option add up. Without this detail it is difficult for businesses to anticipate the future costs of this scheme and to consider ongoing financial implications.

Recommendation 1: Further clarity through industry engagements should be provided on how proposed fees in the cost recovery model will increase year-on-year.

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We would also like to understand the fee structure in light of the proposals for automatic mutual recognition, which is being developed in consultation through the Department of Prime Minister and Cabinet⁵. The fee proportions detailed in Option 4, do not appear to remove costs or to include concessions for applications for registration with mutual recognition, despite the likelihood that the administrative tasks associated with processing such an application would be far less.

A failure to remove these costs or to include concessions will result in fees that do not align with the actual administrative costs incurred by the government and/or assessment scheme entities, where the assessment has already been conducted in another jurisdiction and registration granted (e.g. Queensland).

***Recommendation 2:** The cost recovery model should be revised to ensure engineers assessed and registered in other jurisdictions are not required to undertake a further assessment or pay a further fee to be registered in Victoria in line with an automatic mutual recognition approach.*

Alternatively, at the very least, a substantial concession should be made available for applications for mutual recognition because this would only require registration confirmation in the other jurisdiction and potential compliance costs. This concession could be calculated by a further breakdown of the administrative costs associated with each proposed fee.

It is also difficult to provide feedback on the accuracy of the cost recovery model without a breakdown of the administrative costs associated with each fee description. In particular, the cost recovery model does not provide clarity on whether the fees will be collected by the Victorian government, or whether they will also be distributed to assessment entities. Furthermore, the cost recovery model lacks clarity on the extent of the assessment entities' role in the services outlined in the model.

We believe a more transparent and effective cost recovery model would be linking together the administrative costs associated with each proposed fee (i.e., application fees should be based on the associated administrative costs). This would enable a cost recovery model which better reflects the above point about engineers assessed and registered in other jurisdictions and what a fairer fee structure would be for this type of applicant.

A cost recovery model based off the administrative costs associated with each proposed fee would also ensure some participants in the scheme (such as businesses) are not unfairly subsidising other participants. For example, this would be the case if the higher proposed fees related to practising engineers (where costs would typically be covered by an employer) do not correlate with associated administrative costs.

***Recommendation 3:** The cost recovery model should identify all associated administrative tasks related to each proposed fee. A new option which seeks to correlate administrative costs with fees should then be developed and considered as part of the Victorian Government's options analysis.*

We understand the endorsement fees under the new arrangements relate building-related engineers, as per requirements under the *Building Act 1993* and the need for the Victorian Building Authority to provide advice on whether an applicant is a fit and proper person through an annual

⁵ <https://www.pmc.gov.au/domestic-policy/deregulation-taskforce/consultation-automatic-mutual-recognition?page=1>

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endorsement statement. Based on the cost recovery model presented in the Regulatory Impact Statement, it is unclear what the full cost of endorsement will be under new arrangements and whether this will be an increase or decrease compared to current arrangements for building industry registration (approximately \$130 per year). We believe the proposed fees for endorsement should not exceed current fees, particularly noting efficiencies through a new centralised register.

***Recommendation 4:** The full cost associated with proposed fees for endorsement should be clarified, and these costs should not exceed current arrangements for building industry registration which is approximately \$130 per year.*

We particularly question the fairness of requiring non-practising professional engineers, to pay a fee whilst they are not earning an income related to the practice of engineering. The purpose of collecting this fee is not clear. We have concerns that such a fee will have a punitive effect for engineers taking a necessary leave of absence. For example, periods of parental leave or other personal circumstances. It would not be equitable to charge them a fee associated with being a non-practising professional engineer during such absences. The charging of fees during these periods could dissuade graduates from entering into the profession, as they can use their qualifications to pursue a career in other industries where no such fees would apply. We instead advocate for the removal of fee categories relating to non-practising professional engineers (or associated fees being increased to the equivalent of practising professional engineers) and in its place, a free of charge option to suspend a practitioners registration for a pre-agreed timeframe to be included.

***Recommendation 5:** The removal of the non-practising category from the fee structure, and a registration suspension option be introduced to allow non-practising engineers to put their fees on hold during agreed periods in particular circumstances. These circumstances could include, but should not be limited to, parental leave, personal injury/illness, and carer's leave.*

Finally, we believe the proposed fees related to assessment schemes should be based on maximum caps rather than fixed regulated amounts. If the cost recovery model includes the fees associated with the role of assessment entities, then we advocate for maximum caps on the cost recovery model. If the fees for the role of assessment entities sit outside the cost recovery model, then we also advocate for maximum caps on those fees. The setting of maximum caps for fees follows a similar approach to other areas of government such as aged care and social services by seeking to protect the interests of participants and, at the same time, encouraging a market-based response to ensure fees are kept to a minimum. Proposed fees based on maximum caps could encourage organisations managing the assessment scheme to pursue efficiencies that could help reduce costs on participants, and competition based on fees could also attract other assessment scheme proposals from other suitable entities.

***Recommendation 6:** The Victorian Government should consider maximum caps instead of fixed regulated amounts for the proposed fees relating to assessment schemes. This would align to the approach for other government services, recognising the value of a market-based response to reduce costs on participants.*

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REGISTRATION UNDER MULTIPLE JURISDICTIONS AND MULTIPLE DISCIPLINES

Registration under multiple jurisdictions

The Regulatory Impact Statement makes an interjurisdictional comparison between Queensland and Victoria and the fee implications of the respective professional engineer registration schemes. From the Regulatory Impact Statement, we note that there is a cost variation between the Queensland and Victorian registration schemes with Queensland charging a higher fee for practising engineer registration and non-practising engineer registration. However, there is an additional cost for practising engineers seeking to be endorsed in Victoria (an option not noted in Queensland) which is imposed by the Victorian Building Authority for the monitoring of endorsed building engineers and enforcement measures where required.

Further, we understand from the 'Professional Engineers Registration Act 2019: Q&As', published by the Victorian Government in September 2020, mutual recognition will be available for professional engineers registered in Queensland, New South Wales, and New Zealand, allowing for mutual recognition without the need to demonstrate qualifications and experience again. However, the same document states that an engineer seeking registration in Victoria will be required to pay associated registration fees irrespective of their registration status in other jurisdictions. We assume this to be the standard mutual recognition approach which has the usual administrative and financial burdens (and wait times) which is distinct from the automatic mutual recognition/automatic deemed registration approach currently being discussed in the Commonwealth Parliament. We support an automatic mutual recognition/automatic deemed registration approach which allows true occupational mobility with significantly less administrative and financial burdens for engineers seeking to work in multiple jurisdictions.

Comparing jurisdictional fee requirements for professional engineers' registration does not resolve the issue that engineers who seek to obtain mutual recognition are going to have to pay multiple times under the proposed model. Cost imposts will inhibit engineers being able to engage in cross-jurisdictional projects, particularly those who work in small and micro businesses where resources are not as readily available. It should be noted that a vast majority (around 91%) of our membership work in multiple jurisdictions and around 97% of the consulting businesses in Australia are small businesses. The cost impact of registration is not insignificant considering both financial and administrative costs. Based on the proposed cost recovery model, it may cost an individual engineer approximately \$4,570.20 per registration, per scheme, calculated as follows:

- **\$820.16 registration fee for the three-year term for registration** (plus the unknown cost of continuing professional development). This assumes the registration includes an application for registration, registration of professional engineer – practising (for 3 years), an application for endorsement (for 3 years) and an annual endorsement statement.
- **\$3,750 in lost costs.** This is based on a practitioner needing 15 hours to complete the administrative requirements (this is the average time our members estimated current schemes take in a recent Consult Australia sample survey). This assumes a modest charge-out rate of \$250 per hour per engineer (it could be significantly more for a more senior engineer).

The engineering industry is impacted by chronic skill shortages and market capacity constraints, and this has only heightened with the impacts of COVID-19 on skilled migration and the unprecedented level of government spending federally and across the state/territory governments

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on infrastructure. Therefore, any registration scheme needs to empower engineers to enable cross-jurisdictional occupational mobility through flexibility and affordability, so that engineering businesses, especially small businesses, can fairly and affordably meet the demand across multiple Australian jurisdictions. Requiring professional engineers to pay associated registration fees in each jurisdiction they are working (where a registration scheme exists) will have significant impacts on professional engineers' access to cross-jurisdictional projects, and consequently, the ability of the timetable for projects to be met. Many small business engineers provide niche services that see them in high demand across the country, charging them multiple fees, even if they are somewhat reduced for mutual recognition will significantly impinge on their ability to carry the costs to continue servicing those clients.

***Recommendation 7:** Cross-jurisdictional occupational mobility be factored into any registration scheme fee structure. We advocate for at a minimum a reduction in costs associated with cross-jurisdictional registration (assuming that mutual recognition is in place). However, if automatic mutual recognition (i.e., deemed registration) is adopted, then only one registration and assessment fee should be payable by the engineering practitioner deeming them fit to practice anywhere in Australia without incurring any further registration costs.*

Registration under multiple disciplines

The 'Professional Engineers Registration Act 2019: Q&As', published by the Victorian Government in September 2020, states that engineers who practice in multiple areas of engineering will be able to register under these different disciplines and it is expected that they will not incur additional fees. However, the Regulatory Impact Statement does not clearly address whether multiple registration fees will be charged for the nomination of multiple engineering disciplines. The fee structure proposed in the Regulatory Impact Statement, as outlined above, indicates that there will be a proposed fee of \$85.68 for an application to add an area of engineering. The charge of this fee is not consistent with the 'Professional Engineers Registration Act 2019: Q&As', published by the Victorian Government in September 2020, and will create a financial burden on engineers who are seeking to register in multiple disciplines.

The charge for registration in multiple disciplines appears to have been recently introduced, leaving little time for our members to estimate the future financial implications. Further, we do not believe this fee is fair as it discourages professional engineers from nominating multiple disciplines of practice. In an industry where skill shortages are chronic, efforts should be focused on supporting upskilling, rather than discouraging it. We therefore recommend that the fee associated with registration for multiple disciplines be removed.

***Recommendation 8:** Any increase in fees associated with an individual registering for multiple engineering disciplines should be removed. Alternatively, if this is already the case, further clarity should be provided in industry engagements on how arrangements for registration under multiple disciplines will be managed.*

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CPD REQUIREMENTS AND ASSOCIATED FEES

We understand from the Regulatory Impact Statement that part of the eligibility criteria for registration under the Professional Engineers Registration Scheme includes the declaration and completion of 150 hours of continuing professional development (CPD) during the three-year registration term. However, the Regulatory Impact Statement does not appear to indicate whether these hours will be apportioned into different categories, or whether certain activities will be permitted or excluded. Employees of our member businesses already undertake voluntary training and education to extend their knowledge and skills in the industry, often through on the job-learning and development activities. This education comes in various forms from attending external presentations, joining committees, preparing educational content such as videos or articles, attending structured learning activities in their own workplace and more. It is vital that a variety of education formats be accepted as part of the proposed CPD under the Victorian Professional Engineers Registration scheme to ensure that all tiers of business from micro through to large can participate in accessible and affordable learning. We have concerns that an apportionment model that does not consider the extensive range of skills and experiences directly developed through an engineer's day-to-day work will impose both financial and administrative burdens on engineering businesses, particularly micro and small businesses where resources are finite.

We understand that assessment schemes will be prepared by selected assessment entities, and that these assessment schemes will be approved by the Business Licensing Authority (BLA). We note the Regulatory Impact Statement states that assessment schemes will set out the qualification, experience, and CPD requirements for registration and renewal of registration of professional engineers. Contrastingly, we note that under the Queensland Continuing Registration Requirements (CRR) Policy, the role of assessment entities is to work together with the Board of Professional Engineers of Queensland to audit CPD compliance, however, the assessment entities are not the sole providers of the CPD training and education. Under the Queensland scheme, professional engineers can complete their CPD through seven different types of training, each with their own limitation on the number of hours accepted.

We are concerned by the absence of detail regarding the design of the Victorian CPD training and believe that further information is required to determine the financial and administrative implications on engineers and related businesses. Further, we believe more information is required regarding the role of assessment entities under the Victorian scheme and the extent of their control over the CPD training. It is stated in the Regulatory Impact Statement that *'as the fees charged by assessment entities to assess a professional engineers' qualifications and experience are not fees collected under the Professional Engineers Registration Act, they are not included in the proposed Fees Regulations.'* Without information regarding the fees charged by assessment entities, our member businesses and the wider engineering industry in Victoria will be unable to anticipate the financial implications of this proposed design.

We understand that concessions have been made for engineers transitioning into the registration scheme on 1 July 2021 who are already registered under the Building Act – an initial three-year exemption on CPD requirements. However, we believe further detail is required on whether concessions will be available for other circumstances such as personal illness.

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Recommendation 9: Further clarity on proposed CPD design and fees associated with new arrangements should be provided through industry engagements, particularly relating to:

- *How the 150 CPD hour requirement will be governed, and whether they will be apportioned into different categories of learning experience;*
- *The financial and administrative implications of the proposed CPD scheme, including but not limited to the fees charged by the assessment entities, and the extent of the role provided by the assessment entities in preparing the assessment scheme;*
- *Whether concessions will be available in the event of an individual being unable to complete their CPD hour requirement due to an unforeseen event such as a personal illness.*

Recommendation 10: In the interests on consistency, and adopting truly harmonised arrangements, current CPD requirements in Queensland should be mirrored in Victoria. Further detail on the Queensland approach and its benefits are in the below attachment.

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ATTACHMENT – ADOPTING A CONSISTENT APPROACH WITH QUEENSLAND ON CPD REQUIREMENTS

In the interest of consistency, we suggest the Queensland continuing registration requirements be mirrored in Victoria, allowing engineers to participate in a range of educational activities, and positioning assessment entities as audit bodies as opposed to expanding their role to be the only education providers under the scheme. Under the Queensland scheme, registered professional engineers maintain their own records through certificate of completion, attendance records, invoice/receipt, in-house CPD records and attendance confirmation emails, which can then be reviewed by the assessment entities for auditing purposes.

The Queensland continuing registration requirements are constructed as follows:

- complete a minimum of 150 hours of structured continued professional development (CPD) over a three-year period leading up to the renewal or restoration of their registration
- undertake a minimum 75% (112.5 hours) of the 150 hours as technical CPD
- undertake a maximum 25% (37.5 hours) of the 150 hours as non-technical CPD
- undertake as a minimum, 1 hour of non-technical CPD covering ethics
- undertake as a minimum, 1 hour of non-technical CPD covering risk management.⁶

CPD TYPE	LIMITATIONS
Formal post-graduate study of tertiary course units not undertaken for award purposes.	There is no limit to the maximum number of hours you can claim.
Short courses, workshops, seminars and discussion groups, conferences, technical inspections and technical meetings.	There is no limit to the maximum number of hours you can claim.
Structured learning activities in the workplace that extend competence in the area/s of engineering.	Maximum 75 hours.
Private study which extend knowledge and skills.	Maximum 18 hours.
Service to the engineering profession.	Maximum 50 hours.
Preparation and presentation of papers for courses, conferences, seminars or publication.	A maximum of 45 hours for papers published in journals and conference proceedings, or a maximum of 75 hours for papers subject to critical peer review.

⁶ <https://www.bpeq.qld.gov.au/resources/cpd/>

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Practitioners employed in tertiary teaching or academic research.	A minimum of 40 hours of industry involvement must be claimed.
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We believe this approach reflects the way knowledge is best absorbed – with 70% from job related experiences, 20% from interactions with others and 10% from formal learning events. However, we wish to emphasise the importance of considering on the job learning as a form of continuing professional development, noting that it provides an efficient, effective, and affordable way for knowledge and skills to be developed.

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CONTACT

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

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