

November 2022 Jobs and Skills Summit White Paper

SUBMISSION TO TREASURY

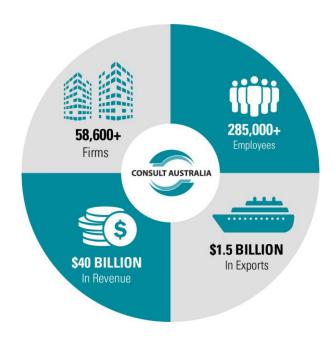
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ABOUT US

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

Our members include:



















































A full membership list is available at: https://www.consultaustralia.com.au/home/about-us/members

EXECUTIVE SUMMARY

Consult Australia welcomes the opportunity to contribute to the Jobs and Skills Summit White Paper. We have been actively advocating for a collaborative approach to alleviate the skills shortages in design, advisory and engineering services recognising the barriers that arise in education, recruitment, and retention. Skills shortages have been impacting our industry since before the global pandemic and have intensified as a result of the record high government investment in infrastructure.

Our most recent thought leadership paper, <u>Thinking Smarter About Skills</u> advocates for a range of initiatives to tackle the ongoing skills shortages in engineering, science, technology, and other related professions. Our members want to maintain world class design, advisory, and engineering services for Australia and boost productivity through job growth, high employment participation, and increased productivity.

In this submission we outline the approaches already taken by industry and then what government support is needed to realise a change.

In addition, Consult Australia endorses the following recommendations of the Australian Chamber of Commerce and Industry (ACCI) which align with our advocacy:

- Greater focus on developing the skilled workforce to meet future needs of the emerging renewable energy sector, both at a university and VET level.
- Improved the skilled migration settings to fill the gaps in skills needed to support the growth of the renewable energy.
- Increased the permanent migration intake, including a significant increase in the cap for skilled migration to 200,000 for the next two years at least, to replenish the skills lost during the pandemic. Beyond that, a strong focus needs to remain in terms of permanent skilled migration.
- Enabled pathways to permanency for all temporary skilled migrants.
- Prioritisation of migrants with high digital literacy and data analytics in the skilled migration program.
- Reduced regulatory red tape, including removing labour market testing for skill occupations based on the lack of evidence of its effectiveness, or reduce the heavy requirements.
- Reduced cost by halving the training levy and improving the refund policy.
- Establishment of a body to provide information and advice on digital opportunities and access to digital training programs, with a particular focus on small business.
- Speed up processing times by maintaining extra personnel and monitoring prioritisation to ensure small businesses are not disadvantaged.
- Review and streamline the skills assessment processes to make use of technological advances and enable a more holistic assessment.
- Continued take up of digital in high growth industries creating positive productivity spill over benefits for the economy.

A NET ZERO & DIGITAL BY DEFAULT FUTURE

Relevant terms of reference:

- The energy transition and tackling climate change to achieve net zero
- The transformation associated with digitalisation and emerging technologies

Industry approaches

Net zero is a shared responsibility and one which Consult Australia is actively involved in discussing. We have partnered with the Australian Constructors Association, the Infrastructure Sustainability Council and Autodesk to produce a <u>thought leadership paper</u> on how industry can collaborate and reach this shared outcome. We are extending our reach through our commitment to the Net Zero Infrastructure Alliance with other industry partners.

Consult Australia advocates for digital by default to produce job growth, global leadership, increased productivity and assist with risk management, as well as to improve accessibility and innovation. There are numerous ways in which our members can deliver digital by default, from data sharing during projects, digital project controls, using digital tools to manage project risks and delivering building information modelling (BIM) and/or digital twins of assets.

Our members are at the forefront of conversations around the country as digital by default is being prioritised by governments. Our submission to the <u>Productivity Commission</u> and the <u>Office of Projects Victoria</u> have enabled us to have a seat at the table as reforms are discussed.

- 1. We welcome opportunities to collaborate with the Federal Government through the Infrastructure Alliance and to bring a net zero focus to infrastructure projects.
- 2. Strong leadership on digital technology advancements to provide businesses, particularly small businesses, with the confidence to invest in the resources and skills required to produce innovative, productivity solutions driven by digitalisation.
- National consistency and education on terminology, processes, and the benefits of applying productivity learnings from projects with one department to the next project.
- 4. Fair and balanced approaches to ownership of intellectual property (IP), data ownership and security, licensing, and integrity also impact business confidence.

GOVERNMENT LEADERSHIP ON DIGITAL BY DEFAULT

Industry faces challenges to make digital the default, which government can lead on to solve:

- Terminology: There is no consistent understanding by government clients of the line between 'design' and 'as built' documents in most jurisdictions. The role of a designer is to communicate design intent therefore, the drawings establish what should be built. Just as built drawings are produced by contractors and trades to represent what has been built. Verification requirements and who is responsible for undertaking and funding of this work varies across government clients and projects. This creates confusion on resource planning and cost control.
- Inconsistent processes: While governments are now largely on the BIM journey, government clients are at different stages of BIM maturity. Digital standards and requirements in contracts vary widely within and across jurisdictions. It is resource intensive for industry to accommodate highly varied requirements on government projects. This not only adds costs to the project, but it also adds very little value and consumes time that could be invested in innovation.
 - We recognise that digital delivery is in a learning phase however we are seeing a substantial amount of lost productivity as design consultants are paid to undertake post processing work that both updates BIM models and translate that into 2D drawings.
 - Another layer is the auditing of drawings by government clients. While these activities prepare all the stakeholders for digital engineering and the desired future of digital asset management, it is a form of double/triple handling that ties up valuable resources when they are needed on new infrastructure projects.
- Having to resource a bespoke process each time to accommodate varied standards, naming conventions and requirements: Even within a project the requirements to collaborate and create a BIM model to coordinate between consultants may still not be the actual contracted deliverable. The contract deliverable might still be a 2D drawing. This requires intensive work to digitally translate from highly complex BIM into simple 2D drawings.
- Lack of recognition of different disciplines: Different design disciplines produce work to varied levels of detail/development/design (LOD) which is not well understood by non-designers. Therefore, we often see LOD requirements from government clients that are not relevant to the discipline and/or provide no value to the design or construction (e.g. the LOD specified by the client might be relevant to structural design but not landscape architecture design). In some cases, the nature of their work and insurance restricts the LOD a designer can produce and still maintain coverage. It would be helpful if the design effort and focus was discipline specific with a specified LOD instead one LOD for all. For example, LOD 500 requirements goes beyond what is required for landscape architecture design and construction, especially when the actual contracted deliverables are 2D CAD drawings that do not reveal the required level of detail specified in BIM production. Therefore, specifying LOD 500 for this discipline is a superfluous requirement and produces redundant work.

DIVERSITY AND INCLUSION

Relevant terms of reference:

- Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce
- Improving labour market outcomes for those who face challenges in employment, including First Nations people, those who live in rural and remote areas, younger and older Australians, people with disability, and those who may experience discrimination

Industry approaches

Since 2012, Consult Australia members have focussed on gender disparity in the consulting sector by committing to our Champions of Change initiative. The <u>Consult Australia Champions of Change Everyday Respect Report (2022)</u> calls on leaders to identify, prevent and eliminate exclusionary behaviours to 'create the kind of culture in our firms and across our industry where everyone has an equal opportunity to thrive.'

We also support initiatives such as Women in STEM Ambassador and STEM Superstars as they raise the profile of women to shift the dial on gender stereotypes. Unfortunately, these initiatives have placed little emphasis on promotion of women in engineering and there has been no discernible increase in the take up of engineering studies by women. Increasing the profile of women with engineering and technology qualifications working in design, advisory, and engineering careers will help promote female participation in our industry, reducing the barriers identified in the Women in STEM Decadal Plan (including stereotyping, bias, lack of role models, etc).

Limited education options in remote and regional areas were highlighted by Infrastructure Australia in its Market Capacity Report. Increasing the accessibility for STEM education in regional and remote areas would enable people from more diverse backgrounds to participate. For example, Consult Australia supports the NSW Government Infrastructure Traineeship which is a 2-year program that focuses on boosting the professional experience of Year 12 school leavers from regional and metro areas. Over the 12 months, trainees spend 8 months with a government agency, 8 months with a consulting business and 8 months with a construction business. This provides trainees with a holistic view of infrastructure projects making them a valuable asset to all parties in the ecosystem.

- 1. We welcome a review of STEM programs to attract and retain more women and look forward to the opportunity to work with the Federal Government in realising this action.
- 2. We welcome a review of STEM programs to attract and retain more women, First Nations people, Australians in regions, those who are culturally and linguistically diverse, people with a disability and Australians from low socio-economic backgrounds into STEM careers. We look forward to the opportunity to work with the Federal Government in realising this action.

ENHANCING COLLABORATION ON SKILLS

Relevant terms of reference:

- Skills, education, and training, upskilling, and reskilling, including in transitioning sectors and regions and labour force participation, labour supply and improving employment opportunities
- The role of collaborative partnerships between governments, industry, unions, civil society groups and communities, including place-based approaches

Industry approaches

Recruitment and retention are significant pressure points for our member businesses. Having participated in the 2021 Summit on Securing the Future of Australia's Engineering Workforce with the Group of Eight university deans, Consult Australia understands the complexity of addressing the current education crisis and the diminished engineering (and related) workforce. We are keen to enhance the collaboration between industry, government, and the education sector to bring about change.

- 1. A new model for funding engineering education that addresses necessary recurrent per student funding, research costs, and infrastructure and equipment costs in engineering.
- National Priority Places for Engineering which is a model for increasing the
 engineering workforce pipeline with competitive funding for additional
 engineering places at universities framed by collaboration between industry,
 universities, and government.
- 3. A national industry, university and government engineering council that identifies immediate and strategic needs in the national engineering workforce, mechanisms for enhancing industry-university collaboration in engineering education, and that sets the annual guidelines for the National Priority Places for Engineering.
- 4. We welcome a review of STEM programs to attract and retain more women, First Nations people, Australians in regions, those who are culturally and linguistically diverse, people with a disability and Australians from low socioeconomic backgrounds into STEM careers. We look forward to the opportunity to work with the Federal Government in realising this action.
- 5. Stepping-stones to STEM qualifications for:
 - applicants to upskill who have the knowledge required, but need further technical skills training
 - candidates to upskill in a short period of time which in turn would provide an efficient pipeline of increased talent
 - school leavers to undertake STEM subjects they did not undertake during their schooling but require as a prerequisite for STEM degrees and careers
 - an opportunity to incorporate industry practical experience.

ACCESSING TALENT FROM OVERSEAS

Relevant terms of reference:

Migration settings as a complement to the domestic workforce.

Industry approaches

Consult Australia is a vocal advocate for reforms to skilled migration, with our solutions being referenced in past parliamentary inquiry final reports. We look forward to the Federal Government enacting reforms to make a real difference to the skills issues we face in Australia.

Consult Australia has been working with Engineers Australia, the Qld government (including the Department of Children, Youth Justice and Multicultural Affairs and the Department of Employment, Small Business and Training) on an employer guide for recruiting engineers from migrant and refugee backgrounds. Stakeholder engagement on the development of the guide has included the Federal Department of Employment and Workplace Relations and the Department of Home Affairs.

- 1. Government investment in employability skills to help talent from overseas secure a job in Australia.
- 2. Increase the age threshold for skilled migration applicants.
- 3. Lower the salary threshold for visa types and streamline the visa application process.
- 4. Re-introduce an industry liaison officer to assist businesses navigate the skilled migration program.
- 5. Increase the permanent migration intake, including a significant increase in the cap for skilled migration to 200,000 for the next two years at least, to replenish the skills lost during the pandemic (as recommended by ACCI).
- 6. Reduce red tape by making exemptions for labour market testing.
- 7. Remove the need to pay the Skilling Australia Fund levy twice for the same applicant or a subsequent visa.
- 8. Provide permanent pathways for employer sponsored visas and student visas.

CASE STUDY – THE CHALLENGES OF SPONSORING AND KEEPING A SKILLED MIGRANT

A regional small business member of Consult Australia employed a skilled migrant on a student visa but cannot secure this valuable team member as a permanent staff member unless the individual pays all costs associated with the application themselves. The small business is willing to pay the costs and has been doing its best to prepare the documentation that will assist the individual's application. The uncertainty of the whole process is taking a toll on the student, the small business and the regional town who have welcomed the student into their community.

Consult Australia recommends:

- flexibility in the processing of a student visa to a permanent visa to allow businesses to assist
- a checklist for visa holders on what is needed to move from a student visa to a permanent visa
- reinstatement of the industry outreach/liaison officer program to help address the skills gap in our sector and support businesses in navigating Australia's skilled migration system, including information on:
 - what documents need to be prepared to streamline the application process
 - a detailed comparison of the various visa types and a simplification of the options of available
 - what to expect throughout the process such as whether further documentation will be required.

While our members appreciate the opportunity to engage with Business, Industry and Regional Outreach (BIRO), the experience is that BIROs are limited in what information can be provided and members are frequently advised to visit the Department of Home Affairs website which is difficult to navigate.

For small businesses in particular, the costs associated with engaging a migration agent or a legal practitioner to obtain general information about the skilled migration initiatives, pathways, and processes is not justifiable. Our members report costs can be up to \$6,000 or more for an initial conversation. This coupled with the visa costs and resources required to attend to the visa process is a lot to ask of a small business who is trying to obtain staff to meet pipeline demands.

CASE STUDY – BARRIERS FOR SKILLED MIGRANTS ACCESSING EMPLOYMENT

In 2021, <u>Infrastructure Australia</u> reported that 28% of migrant qualified civil engineers were unable to find work in the occupation with reasons including a lack of recognition of overseas skills and qualifications, employer reluctance to employ individuals without local experience, lack of understanding of Australian standards and English language barriers. A firsthand account has been provided to Consult Australia detailing the struggle:

'It all started two months after my arrival in Australia 2019, when I began my journey to find a job...I've applied to so many jobs since then and tried to make strategic connections with key people over LinkedIn. Unfortunately, the pandemic took over, and everything was uncertain...Most of the connections made were with organisations interested in asylum seekers and refugees, which doesn't help me as a skilled immigrant.'

In 2022 Consult Australia was able to help this person source permanent employment after just one meeting with one of our members who identified that this person's resume did not highlight the breadth of their experience and did not sell their significant skills applicable to the Australian market. This shows that to help skilled immigrants secure jobs, the role of industry experts is vital (rather than generic assistance on resume writing).

CONTACT

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

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