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Victorian Election Priorities

Consult Australia

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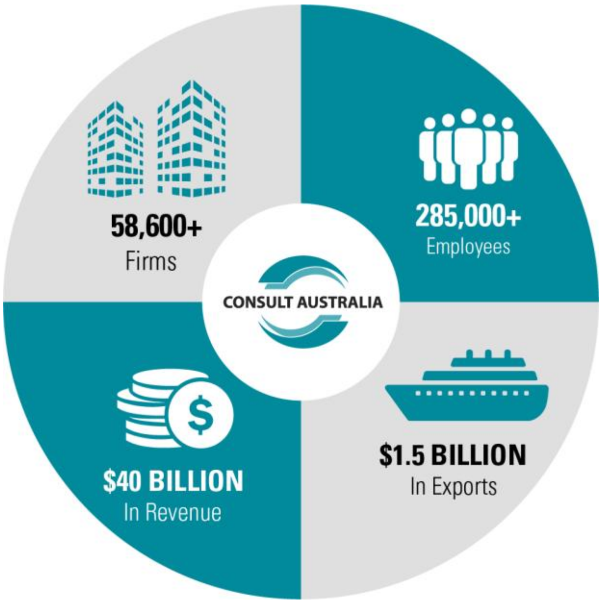

About us

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 on our website.

Executive summary

Victoria faces a critical challenge: delivering a constrained but essential infrastructure pipeline while managing fiscal pressures and workforce constraints.

To achieve this, we need strong, productive businesses. Consult Australia member businesses are critical to the delivery of the state's investment in infrastructure and construction and are ready to collaborate and take the lead on innovation.

We call on the next Victorian government to be a part of this future by adopting our key policy recommendations:

- **Provide confidence for the future infrastructure pipeline**

  The Victorian government should ensure the infrastructure pipeline is coordinated and planned with certainty over the long-term to ensure businesses can have confidence to invest and build capacity.

- **Become a Model Client and partner with industry to improve outcomes**

  The Victorian government should lead by example as a principal, setting the tone for the broader supply chain by adopting Model Client behaviours and addressing project risk more effectively. As part of its commitment to becoming a Model Client, the Victorian government should partner with industry to adopt more transparent, collaborative, and efficient procurement practices.

- **Protect cost certainty and unravel risk**

  The Victorian government should adopt key actions to protect cost certainty and unravel risk across the project lifecycle to unlock improved project outcomes, strengthen industry participation, and provide better value for public investment.

- **Enable digital by default**

  The Victorian government should enable digital by default by ensuring coordinated leadership so that good digital practices are not only realised on select projects or in silos.

- **Support national registration of engineers**

  The Victorian government should support the single national market for professional engineers given the significant limitations of the current automatic deemed registration system, and the unnecessary cost and administrative burdens on businesses working on Victorian projects.

- **Instigate regulatory reform to remove unnecessary business obstacles:**
  - The Victorian government should reform the requirements of the Construction Supplier Register to provide a more effective and transparent mechanism for engaging consulting services from modern businesses with diverse governance structures.
  - The Victorian government should reform the *Labour Hire Licensing Regulations 2018* to provide clarity and certainty that professional services businesses are excluded from labour hire requirements for the diverse range of arrangements that fall outside the legislated definition of 'secondment'.

Provide confidence for the future infrastructure pipeline

Consult Australia's soon to be released 2026 Market Conditions Report highlights pipeline uncertainty and client requirements as the top two business challenges for our members. Pipeline uncertainty was also the top challenge in the 2025 Market Conditions Report.

Business confidence is further burdened by Victoria's constrained public finances. Uncertainty and stop-start decision making on major transport projects including proposals to pause the Suburban Rail Loop (SRL) and delays to Melbourne Airport Rail (MAR) are also undermining investment certainty, increasing costs and eroding the value of committed public infrastructure expenditure. SRL East is already under construction, with an estimated cost of around $34–35 billion, while MAR remains a critical missing link in Victoria's transport network.

To secure a skilled workforce for Victoria's infrastructure projects, the pipeline must transition to firm commitments and funding. This approach will deliver long-term certainty, enable timely planning, and provide businesses with the confidence to maintain capacity.

Below, we are also calling for a shift to fairer, more effective procurement practices, including engaging consultants earlier in project development.

Become a Model Client and partner with industry to improve outcomes

Leaders across the Victorian government and the construction and infrastructure industry share a clear objective to deliver a productive, sustainable and collaborative industry. To enliven this commitment, we urge the government to consistently reflect Model Client behaviours. A Model Client in Victoria:

- understands commercial realities, market conditions and the distinct roles of consultants, contractors and advisors, and uses this knowledge to appropriately balance risk across all parties.
- adopts clear, consistent and transparent procurement processes, including well-defined scopes, robust documentation, realistic timeframes, and meaningful feedback.
- considers industry sustainability, avoiding unnecessary commercial pressure that diminishes capability, participation and long-term capacity.
- undertakes early and effective risk identification and management, grounded in a clear understanding of project complexity and delivery constraints.
- prioritises standardised and collaborative contracting approaches, including proportionate liability, balanced risk allocation, and avoiding heavily amended or bespoke contract conditions.
- avoids practices that erode value, including excessive bid costs and multiple rounds of best and final offers.
- fosters a collaborative culture, supporting early engagement, innovation, and open communication across the project lifecycle including ownership of design review and approval for timely project deliver.
- plans and sequences projects with regard to market capacity, while supporting improved industry culture, workforce wellbeing, and diversity.

While there are strong examples of engagement across agencies such as Victorian Infrastructure Delivery Authority (VIDA), Department of Energy, Environment and Climate Action (DEECA), the Department of Transport and Planning, and the Department of Treasury and Finance, Model Client behaviours are not yet consistently embedded across all government procurement and project delivery.

Consult Australia members report that as projects increase in scale and complexity, risk continues to be transferred downstream without corresponding improvements in risk management practices. This is most evident in design and construct models, which can drive a design, construct and litigate cycle, reducing collaboration and increasing cost and delay.

In comparison to other jurisdictions, Victoria has a significant number of 'standard contracts' from procuring agencies and we question how 'standard' a contract can be when there are so many. In many of the Victorian government contracts seen by Consult Australia we rarely see risk-balanced contracts with appropriate consultant liability levels and fair payment times. Consult Australia advocates for liability that can be met by a business' insurance and for payment times of 'within 20 business days'.

Productivity and delivery performance across projects do not seem to be a priority across agencies and therefore there is limited incentive to innovate and continuously improve project outcomes.

Consult Australia has consistently advocated for the Victorian Government to adopt more transparent, collaborative, and efficient procurement practices as part of its commitment to becoming a model client. This includes partnering with industry to improve outcomes. A recent case study with VIDA Health is provided below.

Case study – VIDA adopts Consult Australia proposal on testing market capacity

In February 2026, Consult Australia proposed that VIDA Health adopt an early market engagement approach using a request for information (ROI) process instead of a resource-intensive and restrictive panel arrangement.

The proposal was suggested as it would allow the agency to test market capability, provide visibility of the forward pipeline, and enable meaningful engagement with industry without unnecessarily burdening businesses.

VIDA Health has since implemented this approach through the release of its Construction Services ROI across key professional services, including principal/lead consultant, architectural, engineering, and geotechnical engineering. This demonstrates a practical shift towards more proactive and market-informed procurement.

The VIDA Health initiative directly reflects key model client principles and delivers tangible procurement reform outcomes:

- Early and transparent engagement with the market – The ROI provides consultant engineering and design businesses with advance visibility of upcoming opportunities, supporting better planning, capability alignment, and more competitive outcomes.
- Reducing reliance on cumbersome panel structures – By using an open ROI process, VIDA Health created a simpler and more flexible entry point for industry participation, improving accessibility and reducing barriers to entry.
- Improved decision-making through market insight – The ROI enables government to gather targeted information from industry early, ensuring procurement strategies are informed by real capability and capacity.
- Stronger collaboration between government and industry – The early engagement fosters a more constructive relationship, allowing for feedback, innovation, and better alignment of project objectives.

- Broader and more inclusive participation – The open-market approach ensures opportunities reach a wider cross-section of the consulting sector, supporting diversity and competition.

This demonstrates how adopting simple, scalable approaches such as ROI processes can modernise procurement, reduce inefficiencies, and strengthen project outcomes. Embedding early market engagement as standard practice will support the Victorian Government in acting as a model client, delivering better value for money and improved infrastructure outcomes

Protect cost certainty and unravel risk

We encourage the Victorian Government to adopt five key actions to protect cost certainty across the project lifecycle. These actions, drawn from Consult Australia's Protecting cost certainty will improve project outcomes, focus on better risk management, clearer scope definition, and more disciplined decision-making addressing where current practices fall short.

- Put risk first by embedding risk identification and allocation at the earliest stages of project planning, ensuring risks are actively managed from the outset rather than transferred downstream.
- Scope for success by ensuring project scope is complete, coordinated, and verified before going to market, reducing ambiguity and avoiding costly changes later.
- Clarify roles and responsibilities by establishing clear accountability for decisions that impact cost, with defined roles across clients, contractors, and consultants.
- Value and manage variations by identifying potential changes early and transparently managing variations, supporting informed decision-making and minimising cost escalation.
- Strengthen cost management processes by maintaining cost certainty through consistent, disciplined cost management practices across all project stages.

Protecting cost certainty is the companion piece to Consult Australia's 2025 Unravelling risk reforms that provide a practical pathway forward, underpinned by transparency and collaboration:

- Scope for success by establishing clear, complete and coordinated project scopes upfront.
- Value variations by recognising that change is inherent and should be managed fairly and efficiently.
- Transparent timing by setting realistic procurement and delivery timeframes aligned to project complexity.
- Refining the rules by standardising contracts and adopting balanced, proportionate risk allocation.
- Resolution over disputation by embedding early, collaborative approaches to resolving issues before escalation.

Embedding these principles across Victorian government procurement will position the state as a true Model Client, unlocking improved project outcomes, stronger industry participation, and better value for public investment.

Enable digital by default

Consult Australia advocates for coordinated leadership to fully realise the productivity benefits of data and digital across infrastructure delivery. Through our Digital by Default work, we consistently see that while good digital practices exist, they are often siloed at the project, sectoral or jurisdictional level. This fragmentation limits capability building and results in inconsistent delivery outcomes. In practice, digital processes can also inadvertently duplicate effort—particularly in areas such as design review highlighting the need to evolve stakeholder review groups and governance models to align with digital workflows rather than replicate analogue processes.

Our Enabling digital by default white paper highlights the importance of consistent, interoperable digital standards across infrastructure delivery, ensuring data is created once and reused across the full asset lifecycle. Currently, digital frameworks remain inconsistent across sectors, reinforcing inefficiencies and limiting the ability to scale innovation. Addressing this requires coordinated action to harmonise standards and embed them across all stages of procurement and delivery. The work has started in Victoria, as demonstrated in the Department of Transport and Planning case study below.

Case study – Digital engineering and the Department of Transport and Planning

The Department of Transport and Planning's digital engineering approach, particularly through the Transport Common Data Environment (TCDE), provides a centralised platform to receive, store and share transport asset drawings, documents and 3D models across the agency, Big Build projects and transport operators.

However, to maximise the value of initiatives like TCDE, a more unified, whole-of-government approach is required. Embedding a digital by default mandate led by the Department of Transport and Planning, DEECA and VIDA across procurement and project delivery will drive greater efficiency, improve data quality and enable better whole-of-life asset management outcomes for Victoria. This should be supported by:

- continued investment in digital technology
- harmonised standards and guidance for data and information management
- embedding outcome-led digital requirements through procurement
- greater use of collaborative contracting models to support digital delivery
- building capability and skills across both government and industry
- a whole-of-government commitment to digitalisation
- establishing clear information requirements and unified data standards
- ensuring these standards are consistently reflected in procurement and contracts.

At the same time, the rapid emergence of AI presents both an opportunity and a challenge. Consultant businesses are moving quickly to adopt new tools, while government approaches remain cautious and less defined. There is a clear need for industry and government to come together at the right time to establish shared principles, governance and confidence in the use of AI in infrastructure delivery.

Support national registration of engineers

Consult Australia has long advocated for a 'driver's licence' model for the registration of professional engineers, enabling the easy movement of skills across jurisdictions to meet government demand. We were therefore pleased to see all Treasurers agree at the end of 2025 on the importance of a single national market for occupations, including engineers.

We urge the Victorian government to maintain this national coordination and commitment as Consult Australia partners with other industry bodies including Engineers Australia, Professionals Australia and the Institute of Public Works Engineering Australasia to provide consistent advice on the model and parameters.

In Consult Australia's 2025 Market Conditions Report 68% of respondents report rising business compliance costs, including professional registration, licensing and insurance. Achieving national registration will go a long way to alleviating the increasing business costs that are ultimately passed through to clients who are in many instances, government departments and agencies.

The cost and productivity loss incurred by industry due to the lack of a driver's licence scheme for professional engineers are significant and outlined in our submission to the Productivity Commission. Consult Australia has calculated over $54 million in costs to businesses for registration of engineers already registered in another jurisdiction could be saved if occupational mobility were realised for existing registered engineers.

Instigate regulatory reform to remove unnecessary business obstacles

Construction Supplier Register

The Victorian government should reform the Victorian Construction Supplier Register (CSR) to remove unnecessary body corporate registration requirements for multidisciplinary consulting firms and replace prescriptive board composition rules with a flexible Deed-based approach, ensuring appropriately registered practitioners are engaged on projects without imposing governance burdens. Members report that the current CSR pre-qualification system is not operating as an effective or transparent mechanism for engaging consulting services.

A key concern is the lack of visibility within the system. There is no accessible register showing which firms are pre-qualified or in which categories. This makes it difficult for consultants to form compliant multidisciplinary teams, particularly where subcontractors must already hold pre-qualification. Members note that more transparent models, such as the former VicRoads register and the VIDA Health ROI (see above case study) enable more efficient collaboration and stronger competition.

Members also report that pre-qualification is tied to individuals rather than organisational capability. Where nominated individuals leave a business, pre-qualification can be lost despite the firm retaining equivalent skills and experience. This creates unnecessary administrative burden and undermines the intent of capability-based assessment.

There is also limited clarity on the value of pre-qualification. Members are unclear what opportunities the CSR provides access to, reducing confidence in the system and weakening its role as a signal to the market.

Finally, ambiguity in category definitions and requirements is creating confusion. For some categories, such as energy management, there is little to no guidance on scope or expectations, and inconsistent advice from administrators. This is compounded by the use of the CSR for complex technical advisory procurements, where unclear definitions can lead to misinterpretation of requirements and exclusion of capable firms.

Collectively, these issues are reducing transparency, limiting competition, and preventing the system from effectively connecting government with the full breadth of industry capability.

A reformed system should:

- provide a transparent, accessible register of pre-qualified firms and categories
- shift from individual-based to organisation-based capability assessment
- clarify category definitions and requirements
- clearly link pre-qualification to upcoming opportunities.

Labour Hire Licensing Regulations 2018

Consult Australia is seeking targeted reform of the *Labour Hire Licensing Regulations 2018* in Victoria to provide greater clarity and certainty for professional services businesses, which are currently captured by the scheme despite not being its intended focus.

While some members rely on the existing 'secondee' exemption, in practice it is too narrow and cannot be applied consistently to the broad arrangements our members enter into (often with government clients). To qualify under the 'secondee' exemption, a provider must not be predominantly in the business of supplying workers and must also satisfy all elements of the secondee definition—namely that the employee:

- is engaged on a regular and systematic basis
- has an ongoing expectation of employment
- primarily performs work for the provider.

Case studies from members demonstrate the limitations of this framework and highlight that the current exemption does not adequately reflect the diverse and project-based delivery models common in professional services, particularly in engagements with government clients. Two examples are provided below as case studies.

Case study – Extended full-time secondments

Consult Australia members report that the secondee exemption does not consistently apply where consultants are placed with clients on a full-time basis for extended periods. In these instances, secondments can run for long durations and, critically, there may be no clear or reasonable expectation that the employee will continue their employment with the provider once the secondment concludes.

Although such secondments typically represent only a small component of overall business activity, the inability to satisfy all elements of the secondee definition in the regulations, particularly the ongoing employment expectation, creates uncertainty. As a result, firms often maintain labour hire licences as a precautionary measure, rather than due to the core nature of their services.

Case study – Subconsultant arrangements

Consult Australia members report that a limitation arises in scenarios where a consultant engages a subconsultant to deliver services to a client. While a direct arrangement between the client and subconsultant may satisfy the secondee definition, the presence of an intermediary contractual layer, where the primary consultant sits between the client and subconsultant, means the exemption does not apply.

This occurs despite the substantive nature of the work being equivalent to a standard secondment. This technical distinction fails to reflect common commercial arrangements within professional services and inadvertently captures these businesses within the labour hire licensing framework.

Consult Australia proposes that a more explicit and broader exemption be introduced to cover professional services, for example, a new clause within section 4(1) of the regulations that reads:

4. When an individual is not a worker

(1) For the purposes of section 11(a) of the Act, the following classes of individuals are prescribed—

g. professionals who provide professional services, other than where the provider is predominantly in the business of providing the services of workers to other persons.

This would ensure that professional services businesses providing genuine advisory, design, and engineering consulting services are not inadvertently regulated as labour hire providers, while retaining safeguards to exclude businesses predominantly engaged in supplying labour.

Contact

We would welcome any opportunity to further discuss the issues raised in this submission. Should you wish to meet with Consult Australia and our members providing services in Victoria to discuss our policy priorities, please contact Mark Rogers, State Manager Vic at mark@consultaustralia.com.au

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Thanks to our Industry Champions

For their outstanding leadership and engagement on behalf of the industry.

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