

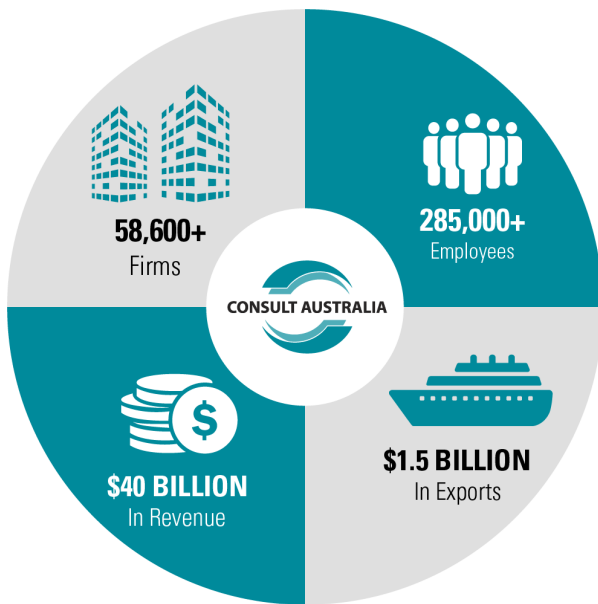


# PRE-BUDGET SUBMISSION

2025-26

## 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

Consult Australia welcomes the opportunity to contribute to the Commonwealth Treasury's consultation on the 2025-2026 Federal Budget. In this submission, we recommend the government focus on **integrated and coordinated approaches to realise productivity uplift**.

Our members design the future. With every design, advisory and engineering service provided by our membership, there is a positive impact on job growth, community connectivity and economic productivity. However, the productivity of the broader construction industry (of which our members are a vital component) will continue to lag and the ability to innovate will remain challenged if don't address barriers to confidence, mobility, collaboration and learning.

The opportunity for governments to deliver a broader legacy from their current investments is substantial. B by better utilising the thriving knowledge-led professional services sector which supports the broader construction and infrastructure supply chain.

Consult Australia's recommendations are smart policy reforms that need government dedication, if barriers are removed as proposed there will be efficiency and better value for money outcomes. These align with the government's priority for a stronger, more resilient economy:



### Provide confidence for capacity

Pipeline uncertainty leads to a lack of confidence by the industry and an inability for businesses to invest in capacity. If the infrastructure pipeline is coordinated and planned with certainty over the long term it will give businesses confidence to invest and build capacity. Approaches such as the Housing Support Program that aim to better integrate new housing developments with critical infrastructure projects are supported.



### Realise occupational mobility

Automatic deemed registration under the *Mutual Recognition Act 1992* (Cth) has not realised its purpose, but a simple amendment to the definition of 'home State' would finally realise occupational mobility for highly skilled registered practitioners and better reflect modern work practices. Over \$54 million could be saved on registered professional engineers alone.



### Strengthen national coordination

Fragmentation between jurisdictions has stifled productivity uplift, therefore the government needs to continue its commitment to and strengthening of the National Construction Strategy, the Construction Industry Culture Standard and Infrastructure Net Zero work. These national strategies, with various jurisdictions working together for common goals, show the integrated approach we need to uplift productivity.



### Enabling digital by default

Good digital practices are happening around the country but without integration or coordination. Consult Australia has five recommendations to enable digital by default, including creating a Community of Practice supported by governments, industry and academia to address the challenges of digital transformation.

## PROVIDE CONFIDENCE FOR CAPACITY

### Recommendations to provide industry confidence so businesses can build capacity:

- The Federal Government to continue to support long-term infrastructure planning including appropriate evidence base needed to make informed decisions and fully considering options, cost-benefit, community engagement and social outcomes.
- The Federal Government to support coordination between state and territory governments to plan project releases with an awareness of the impact on the market, including competing projects by other agencies. A steady stream of projects supports market sustainability as opposed to a whole sector release at one time.
- The Federal Government to support state and territory governments to adopt programmatic approaches to mega projects enabling participation by various businesses with varying skills and sizes.

Pipeline investment is an economic lever. If that lever is pulled too tightly, or let loose, it has implications on market capacity to deliver, regional growth, and competition. Pipeline certainty is needed by the industry to give them confidence to invest in the capacity of their business. Consult Australia members cannot afford to have skilled professionals on staff without any projects to work on. As much as possible businesses shift people capacity between sectors and jurisdictions and therefore the coordination piece becomes important.

Some of the key challenges faced by Consult Australia members in terms of pipeline are listed below:

- **Shifting focus** – Pipeline uncertainty in one jurisdiction leads businesses operating across multiple jurisdictions to shift focus to secure projects and retain talent. If talent cannot be retained, employees may be forced to seek work in alternative states, territories, or even global jurisdictions.
- **Design domino** – Heavy investment in construction-ready stages over planning and design stages does not equate to work for all. Rather, what we are seeing in many jurisdictions is that design work is drying up or being put on pause with a fast ramp-up to the construction-ready stage. This often leads to later capacity constraints. Businesses are forced to consider reallocating highly skills resources across sectors during design work pauses leading to inflationary pressures where these skills are sought in future.
- **Capacity drought** – When businesses shift talent from one jurisdiction to another to follow projects, the first market may experience a capacity drought for a lengthy time. Further, professionals tired of being redirected across jurisdictions may seek stable employment in countries outside of Australia. These shifts can be particularly acute in regional areas and for smaller jurisdictions inhibiting the delivery of federal projects in these areas.



## REALISE OCCUPATIONAL MOBILITY

### Recommendations to realise occupational mobility:

- The Federal Government should amend the 'home State' definition in the *Mutual Recognition Act 1992* (Cth) to remove a barrier to occupational mobility, delivering over \$54 million in savings for businesses with registered professional engineers that work across state borders.

Government registration of occupations is not a new thing, however, with the rollout of government engineering registration schemes around the country, Consult Australia has seen unnecessary barriers impacting the operation of businesses of all sizes. Registration is a priority for our member businesses as it is now required in many Australian jurisdictions for professional engineers to practice.

Consult Australia was supportive of the amendments to the *Mutual Recognition Act 1992* (Cth) in 2022 that facilitated automatic deemed registration'. The automatic deemed registration scheme was intended to reduce costs for the person and avoid the often lengthy and administratively burdensome full registration process in the second jurisdiction. Unfortunately, true occupational mobility has not been realised because the legislation (as drafted by the Commonwealth for implementation by states and territories) has a significant barrier - the definition of 'home State'.

### The issue

Section [42D of the \*Mutual Recognition Act 1992\* \(Cth\)](#) allows for automatic deemed registration where a person registered in their 'home State' to carry on activities covered by their occupation can carry on those activities in a 'second State' (where the second state also requires registration for their occupation). Section [42A of the \*Mutual Recognition Act 1992\* \(Cth\)](#) defines 'home State' is defined as meaning:

- (a) the State in which the person has their principal place of residence;
- (b) the State in which the person has their principal place of work for the occupation.

This definition is too restrictive and does not allow sufficient flexibility in the current environment when it comes to professional engineering registration. If automatic deemed registration worked effectively, the jurisdiction where the person lives or works would not be relevant so long as they hold a registration that can be recognised. The services provided by professional engineers can be provided remotely, in fact over 90% of Consult Australia members (including sole traders and small businesses with only one office location) provide services in more than one jurisdiction. There are professional engineers providing services in Australia that hold a registration, that is not for their 'home State'.

For decades QLD was the only jurisdiction with government mandated professional engineering registration, NSW introduced their limited engineering registration scheme in 2020 (as part of the Design and Building Practitioners Act applicable to certain classes of buildings) and Victoria in 2021. SA and ACT are currently developing their schemes.

### An example of the issue:

Sarah is a professional engineer at a consultancy business based in SA and works on class 2 building projects for NSW so holds a registration in NSW. The business is starting to provide services to Vic and wants Sarah to work on Vic projects (still from the SA office).

Sarah cannot seek automatic deemed registration to deliver her professional engineering services to Vic, because her first registration is for NSW, which is not her 'home State'.

Further, when SA does introduce professional engineering registration, Sarah will not be able to utilise automatic deemed registration to get registered in SA, even if she holds registration in both NSW and Vic – because neither is her 'home State'.

*Note: The Vic professional engineering registration scheme requires registration if you work in Vic or for Vic (therefore covering professional engineers based in other jurisdictions). This does not impact the 'home State' definition in the Mutual Recognition Act 1992 (Cth). Vic is just being clear about when it expects a professional engineer to be registered in Vic. This is a separate question from a person's 'home State' for automatic deemed registration.*

## The solution

Our amendment of the 'home State' definition (below) would secure savings of over \$54 million in costs to businesses for registration of engineers already registered in another jurisdiction. The Federal government can rectify this oversight with either of the following amendments:

- **OPTION 1 – Remove 'home State' from Part 3A and replace with 'first State'**

It is noted that 'first State' as defined in subsection 16(3) of the *Mutual Recognition Act 1992* is used for the purposes of mutual recognition of equivalent occupations (Part 3 of that Act), that is:

(3) In this Part, the first-mentioned State is called the *first State*, and the other State is called the *second State*.

If this definition of 'first State' was used in Part 3A instead of 'home State' it would allow individuals registered in any Australian jurisdiction to benefit from automatic deemed registration without any requirement that the first registration be in the jurisdiction where they primarily live or work.

One risk with this option is that where multiple jurisdictions have in place a relevant registration scheme (including the individual's 'home State') it would allow an individual to choose the jurisdiction of their first registration. Considering engineering registration, this would be a minimal risk as jurisdictions such as Victoria and NSW have advised that the Queensland scheme has been considered for consistency. Therefore, there would be little advantage in an engineer choosing another jurisdiction over their 'home State' for first registration.

- **OPTION 2 – Modify section 42A of the Act**

Section 42A of the *Mutual Recognition Act 1992* could be modified to allow individuals whose 'home State' had no relevant registration scheme at the time of their first registration to rely on 'first State' as per subsection 16(3) of the Act. This would ensure that 'home State' remains core to automatic deemed registration but also acknowledges situations where registration schemes are not in all jurisdictions. Option 2 removes the risk in Option 1 of individuals choosing another jurisdiction over their 'home State' for first registration.

We also propose a transitional arrangement for all individuals currently registered where no 'home State' scheme commenced before this automatic deemed registration is in place – see our proposed subsection 42A(3)(c) below. This transitional arrangement would permit a person holding registration on or before 30 June 2021 to rely on registration in the 'first State' as per the definition used in subsection 16(3) of the Act.

Our proposal would have section 42A of the Act read:

**42A Mutual recognition of activities through automatic deemed registration**

(1) The mutual recognition principle as applying to activities covered by occupations is as set out in this Part.

Note 1: Part 3 provides for mutual recognition of occupations that are equivalent.

Note 2: For the definition of *activity*, see section 4.

- (2) This Part deals with the ability of a person who is registered for an occupation in the person's home State (where available, otherwise in the *first State*) to carry on, in another State (the *second State*) the activities covered by the occupation.
- (3) (a) The *home State* of a person, in relation to an activity, is the State in which the person has:
- (i) their principal place of residence; or
  - (ii) their principal place of work in relation to the activity.

If the person's home State under paragraphs (i) and (ii) in relation to an activity is different, the person's home State is whichever of the 2 States is chosen by the person.

- (b) If the person's home State has no relevant occupational registration or licensing scheme in place, the person can rely on *first State* of registration.
- (c) If the person's home State had no relevant occupational registration or licensing scheme in place on or before 30 June 2021, and the person held a relevant registration on or before 30 June 2021, the person can rely on *first State* of registration.
- (4) To avoid doubt, a reference in subsection (2) or (3) to a State does not include a reference to a pre-adoption State.

We also support a digital solution to ensure that consumers, regulators and practitioners can all access registration information throughout Australia easily and efficiently.

## STRENGTHEN NATIONAL COORDINATION

### Recommendations to strengthen national coordination:

- The Federal Government should continue to commit budget to implement and strengthen the National Construction Strategy.
- The Federal Government should continue to commit budget to the roll-out of the Culture Standard with increased involvement and recognition of consultants represented by Consult Australia.
- The Federal Government should continue to commit budget to the prioritisation of Infrastructure Net Zero strategies in partnership with industry.

In all of the above, the fact that various jurisdictions are coming together is an essential component, along with consultation and co-design with industry wherever possible.

It is well known and often cited that Australia's construction industry is lagging other industries productivity-wise. Collaboration and integration of solutions are strategies to realise productivity uplift. As a national association, Consult Australia has seen firsthand where a single jurisdiction implements solutions while other jurisdictions continue to struggle with the same problem but are either unaware or unwilling to take the lead from another jurisdiction. Recent national strategies including the National Construction Strategy, the Construction Industry Culture Standard and work on Infrastructure Net Zero show a positive shift, with the breaking down of jurisdiction silos.

### National Construction Strategy

Consult Australia supports the National Construction Strategy which aims to improve productivity across the sector. The implementation will initially focus on transport infrastructure via the Infrastructure and Transport Senior Officials' Committee (ITSOC) with strong partnerships with industry. Even at the earliest stages, we can see the commitment and coordination across jurisdictions.

Consult Australia looks forward to being involved in all four critical areas of the strategy:

- **Procurement** – harmonising procurement practices to improve productivity and deliver better value outcomes.
- **Workforce** – identifying new skills to increase productivity and strategies to attract and retain the future workforce.
- **Data** – determining the data needed to measure productivity improvements, and developing methods for its collection, anonymisation and sharing.
- **Innovation and Modern Methods of Construction** – identifying current best practices, exploring ways to increase their adoption, and addressing barriers to innovations and MMC.

So long as government and industry remain committed to the strategy, there will be significant benefits for all.

### Construction Industry Culture Standard

Consult Australia has long supported the development and implementation of a Culture Standard for the Construction Industry and commends the work of the Construction Industry Culture Taskforce (CICT) in being the catalyst for change. The core concern Consult Australia has, and continues to have, with the Culture Standard is that it does not always consider the role of consultants in the construction ecosystem. Implementation of the Culture Standard on projects and pilots are often limited to the constructor/client relationship, missing a valuable piece of the puzzle.



In NSW, Consult Australia has advocated on this point and was pleased to see many positive aspects of the Culture Standard reflected in the NSW government's Principles for Partnership. Similarly, Consult Australia is working with the ACT government to implement the Culture Standard, but with appropriate modifications to also consider consultants working on projects.

The Culture Standard's three pillars are supported:

- time for life
- wellbeing,
- diversity and inclusion.

These align with the strategies Consult Australia has been working on for several years. Consult Australia's members are committed to improving culture not only in their own organisations but across the industry and we are willing and able to share our learnings to support the CICT and contractors. Some of our key initiatives include:

- **Pause for Wellbeing**

This is our annual [tender campaign](#) calling on government clients to prioritise mental health and wellbeing by pausing all live procurement tenders over the end-of-year holiday period. It had been common practice for government clients to release live procurement tenders over December/January. To meet the timelines, industry participants often needed to work over the period without a break – despite agencies observing government shut-down periods.

The campaign has grown stronger over time, with other industry colleagues joining Consult Australia in the campaign from 2021 onwards. This includes the Australian Constructors Association, Engineers Australia, Roads Australia, Australasian Railway Association and the Association of Consulting Architects.

- **Champions of Change Group**

Since 2012, our members have tackled the gender disparity in the consulting sector by committing to the [Champions of Change](#) initiative. While the initiative is deliberately focused on gender diversity, members have seen wider positive impacts on cultural behaviour beyond gender. Our latest results are available in the Impact Report [here](#), see pages 66 to 71 for the Consult Australia Group.

- **Mental Health Knowledge Hub**

Consult Australia member businesses have prioritised, progressed, produced and promoted the mental health content available on our [Mental Health Knowledge Hub](#), demonstrating the people-centric ethos at the heart of the consulting industry.

- **Diversity and Inclusion Knowledge Hub**

The Consult Australia [Diversity and Inclusion Knowledge Hub](#) is funded by the 2023 NSW Government Women in Construction grant. It is aimed at breaking down barriers in the industry and it provides practical tools, insights, and case studies to promote gender and cultural inclusion in the workplace. The hub offers best practices for improving diversity, overcoming common challenges faced by women, and actionable steps to create supportive environments.

Consult Australia, therefore, recommends that the government continues to commit to the Construction Industry Culture Standards, but also strengthen it by ensuring that Consult Australia and the consultant industry is also involved.

### Infrastructure Net Zero

The [Infrastructure Net Zero initiative](#) brings together industry and government to accelerate the decarbonisation of Australia's infrastructure through collective action so that it meets or exceeds our national targets of 43% by 2030 and Net Zero by 2050. Consult Australia is proudly a founding member of the initiative and continues to provide support in key projects being delivered by the initiative.

The Infrastructure Net Zero initiative has shown how one jurisdiction can lead the way (NSW in this instance) and those key learnings can be used by other jurisdictions. This integrated approach will help us reach those decarbonisation and Net Zero goals.

Therefore, Consult Australia supports continued investment in the coordination efforts, including the Infrastructure Net Zero initiative.

## ENABLING DIGITAL BY DEFAULT

### Recommendations to enable digital by default

- Build a Digital by Default Community of Practice
- Invest in the business case for digital technology
- Harmonise standards and guidance for data and information management
- Embed requirements through procurement with an outcome-led approach
- Build capability and skills

Consult Australia's [Enabling Digital by Default](#) paper presents a practical, industry-informed roadmap to seamlessly integrate digital practices across the built environment sector consistently across Australia. To ensure the roadmap was industry-informed and tested with government stakeholders, Consult Australia initially produced its 2023 [Digital by Default Green Paper](#), exploring how to boost productivity and maximise infrastructure investment outcomes.

Consult Australia held more than 100 engagements on the Green Paper with over 50 organisations, including government agencies and businesses, representing 17,000 digital and delivery professionals. This consultation process revealed the 'perils' of a federated approach to digital by default delivery in projects. The conversations shaped the five Enabling Digital by Default recommendations harnessing best practices to create an enabling environment that catalyses change.

- **Build a Digital by Default Community of Practice**

We recommend the establishment of a nationally endorsed Digital by Default Community of Practice supported by governments, industry and academia to address the challenges of digital transformation.

By leveraging the expertise and commitment of diverse stakeholders, we can drive the necessary standards and innovations to build momentum and achieve digital by default and do so consistently across jurisdictions.

Endorsement, resourcing, coordination and progress reporting could be facilitated through National Cabinet and the Infrastructure and Transport Ministers Meetings (ITMM), it could also be facilitated as part of the National Construction Strategy.

- **Invest in the business case for digital technology**

Prioritise and invest in the development of business cases that clearly articulate the long-term value and benefits of a digital by default approach. Effectively communicating these benefits to decision-makers will encourage investment and support the transition to a digitally integrated infrastructure sector.

- **Harmonise standards and guidance for data and information management**

Develop and harmonise technical standards and guidance for data and information management across all jurisdictions and all stages of the asset lifecycle. This should involve a collaborative effort between federal and state governments, industry, and academia that supports data security requirements.

Establishing unified standards will ensure consistency, improve interoperability, and streamline efforts across sectors.

- **Embed requirements through procurement with an outcome-led approach**

Embed 'digital by default' requirements through greater consideration of Collaborative Contract Models that align the interests of all stakeholders and provide flexibility to accommodate digital requirements.

This should include harmonised: requirements for data ownership, storage, and handover to mitigate risks and ensure smooth transitions between project phases across the project life-cycle.

- **Build capability and skills**

Training programs for both public and private sector stakeholders are required to enhance their understanding of digital technologies and their potential benefits. This includes upskilling staff and integrating digital literacy into professional development programs.

Support programs are anticipated to ease higher costs of tendering, training and capital investments. This could include grants, subsidies, or partnerships that reduce financial barriers and build capability.

## Benefits

Australian governments have committed \$647 billion for major public infrastructure over the next five years. Yet, construction productivity lags other sectors, costing an estimated \$62 billion annually. Australia ranks 16th globally in digital readiness, according to the IMD World Competitiveness Centre.

Billions of dollars of infrastructure projects around Australia are still being delivered with paper plans, wet signatures and PDFs. The industry needs to change. The consequences of being slow off the digital mark include decades of sluggish productivity and lost data insights that could inform better decisions and build better infrastructure.

Consult Australia's green paper noted that "pockets" of world-leading digital practice remain siloed, and innovative ideas are not replicated across projects or states. The roadmap for digital transformation presented in Consult Australia's Enabling Digital by Default White Paper aims to address industry fragmentation, innovation inertia and sluggish productivity.

Businesses in the infrastructure sector are waiting for governments to set standards for digital working. Governments are waiting for market forces to determine the pathway forward. We need everyone to come together, and this can be achieved through Consult Australia's recommendations. Our recommendations build on the 2021 Australian Infrastructure Plan, which recommended a 'digital by default' approach to infrastructure planning, delivery and operations.

Government, as regulators, owners, funders and benefactors of public infrastructure, can play a lead role in the transition away from 'digital by exception' towards 'digital by default'. The Australian Government maintains a commitment to a \$120 billion 10-year rolling infrastructure pipeline. It makes sense to invest just a fraction of this in each jurisdiction to enable digital by default. Building a community of practice provides a platform for digital champions to share information and best practice and harmonise standards. Australia will not benefit from eight different standards for digital in infrastructure – that would be a repeat of the rail gauge problem that plagued the nation for 150 years.

Digital by default can help us boost productivity, accelerate innovation and catalyse a range of co-benefits like net zero emissions reduction. Most of all, harnessing digital technology will help us build a better future for people.

## CONTACT

We would welcome any opportunity to further discuss the issues raised in this submission.



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