

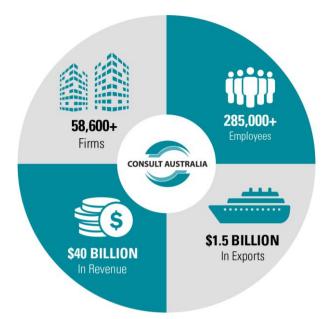
# **March 2022 Productivity Inquiry**

SUBMISSION TO PRODUCTIVITY COMMISSION

#### **Consult Australia**

Postal Address: GPO Box 56, Sydney NSW 2001 Email: info@consultaustralia.com.au

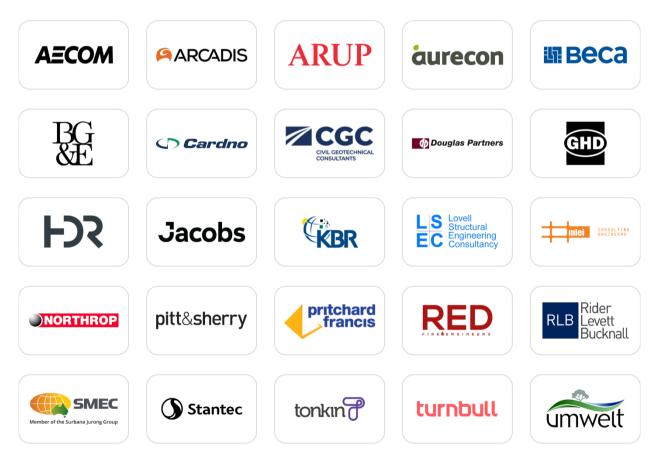
Tel: 02 8252 6700 Web: consultaustralia.com.au



### **ABOUT US**

Consult Australia is the industrv 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/aboutus/members

# **EXECUTIVE SUMMARY**

Consult Australia is pleased to make this submission to the Productivity Commission's Productivity Inquiry, which comes at a critical time for Australia. To recover from the economic impact of COVID-19, we are seeing ambitious infrastructure investment across the country. There is a real question whether these projects can be realised. We need a strong construction industry (including designers and constructors) but what we have is an industry plagued with business-busting issues including critical skills shortages, the professional indemnity (PI) insurance crisis, and declining productivity. Therefore, we need reforms now, including legislative reforms to cement previously good policy (e.g. civil liability and competition law), funding reforms as well as policy reforms.

In this submission, Consult Australia brings its solutions-focus to this complex knot of issues. We urge the Productivity Commission to consider Consult Australia's thought leadership when it analyses Australia's productivity performance and how human and physical capital can be improved to lift productivity. For example, our <u>Model Client Policy</u> calls on government, at all levels, to behave better by creating collaboration as culture.<sup>1</sup> The case studies in our <u>Uplifting Productivity</u> report show we can do it right with a go slow to go fast approach. In our soon-to-be-released Thinking Smarter About Skills paper we show how the critical skills issue goes beyond STEM education but also to the whole career of a consultant. <u>Infrastructure</u> <u>Australia's 2021 Plan</u> also presents sensible reforms that should also be considered by the Productivity Commission, particularly those in the Industry Productivity and Innovation chapter:

The future of Australia's infrastructure hinges on being affordable, meeting current and future needs and maintaining access to high-functioning industry that creates, operates and maintains it. [...] Improvements to industry productivity are needed to deliver greater value for money and reduce the risk of cost escalation for governments as we deliver an ambitious investment pipeline. [...] To realise these benefits, the decisive first step begins with each level of government taking action and working together with industry.<sup>2</sup>

The COVID-19 pandemic and government's policy response has brought into sharp focus Australia's productivity challenge, but it is not a new challenge. The significant investment in infrastructure to kick-start the economy follows an ever-increasing spend on infrastructure in Australia over the past few years. This saturation of projects clogs the pipeline, working against having a smarter pipeline of projects and exacerbates the skills shortage that we have seen in our sector for many years. Also, the history of disputation in the Australian building and construction sector is now coming to bear on all insured business (not just rogue players) as the professional indemnity insurance market struggles to survive in Australia. All these challenges will eventually cause more businesses to fail as we have seen recently with CiviLink and Probuild (to name only two).

Through COVID-19 consulting businesses have demonstrated their innate resilience. Our members have continued to design, advise, and engineer, showing that many professional services can be delivered from anywhere at any time. Unfortunately, even new policies and laws have failed to embrace digital by default, with location-based service delivery presumed in new legislation such as the Automatic Mutual Recognition Act and its reliance on 'home state' which is costing engineering business up to over \$54 million – money which could have easily been secured as a cost saving with better legislative drafting. COVID-19 has also elevated the prominence of mental health challenges, the Productivity Commission itself estimates all mental illness, not just anxiety, costs the economy between \$200 billion and \$220 billion a year. Our members are striving for a mentally healthy industry not only to improve productivity, but simply because they care for their people.

Given the significant skills constraints priority areas for reform obviously include skilled migration as well as skills and education. However, without focusing on de-risking for delivery, Australia cannot be competitive as we currently boast the most litigious building and construction sector outside of the US. While global factors have contributed to the current professional indemnity crisis, there is significant domestic reform that can help remedy the situation.

<sup>&</sup>lt;sup>1</sup> Please see the Consult Australia Glossary at the end of this document to understand the meaning of; collaboration as culture, go slow to go fast, smarter pipeline of projects, de-risking for delivery, digital by default, thinking smarter about skills and striving for a mentally healthy industry. These priorities are also explored further in our <u>Federal</u> <u>Election 2022 Policy Priorities</u>.

<sup>&</sup>lt;sup>2</sup> Infrastructure Australia, <u>2021 Australian Infrastructure Plan</u>, p. 252.

# **OUR PROPOSED SOLUTIONS**

We need a strong ecosystem of productive businesses, ready to take the lead on innovation and collaboration. Reform is now more urgent than ever because of the diminishing health of the industry as a whole and the size, scale, and complexity of the demand especially in infrastructure. Consult Australia's solutions, as presented below, will deliver productivity benefits for Australia, across industry, the community and government (both as a client and as a regulator). Our proposals span across statutory reforms to fix the insurance market, procurement practices, skills, and mental health. At the heart, our priorities are business driven but people centric. In summary, we recommend the following:

#### Legislative reform

- 1. Amend civil liability laws in all jurisdictions except Queensland (which already has the provision), to explicitly prohibit contracting out of proportionate liability for professional services contracts.
- 2. All governments to endorse a Model Client Policy to drive improvements in contracting with the private sector.
- **3.** Amend the Australian Consumer Law (ACL), to ensure protection for consumers and small businesses but not sophisticated commercial entities.
- **4.** Amend the Automatic Mutual Recognition legislation to move away from 'home state' and implement a digital solution to successfully operate the automatic mutual recognition/automatic deemed registration regime throughout Australia.
- 5. Amend labour hire laws in Vic, Qld and ACT to remove unnecessary burdens on business.

#### **Funding reform**

- 6. Continue to fund the Commonwealth Centre of Procurement Excellence to drive procurement reform.
- 7. All governments commit to a 'go slow to go fast' approach to projects, including reforming how state government and local councils receive funding/grants. Work with states and territories to simplify and streamline the approvals process for major projects and avoid duplication in the regulatory process.
- 8. Introduce a new model for funding engineering education with national priority places for engineering and establishing a National Industry, University and Government Engineering Council that identifies immediate and strategic needs in the national engineering workforce and that sets the annual guidelines for the national priority places for engineering.

#### **Policy reform**

- All governments to drive innovation by committing to digital by default. This includes aligning standards and disciplines and maturing government's understanding of Building Information Modelling (BIM). This also includes updating ANZSCO to recognise emerging skills, including those related to digital.
- **10.** Implement the recommendations of the final report on <u>Temporary Migration</u> and the final report of the <u>Inquiry into Australia's Skilled Migration Program</u>.

### LEGISLATIVE REFORM

- 1. Amend civil liability laws in all jurisdictions to match Queensland, by explicitly prohibiting contracting out of proportionate liability for professional services contracts.
- 2. All governments to endorse a Model Client Policy to drive improvements in contracting with the private sector.
- Amend the Australian Consumer Law, to ensure protection for consumers and small businesses but not sophisticated commercial entities.
- 4. Amend the Automatic Mutual Recognition legislation to move away from 'home state' and implement a digital solution to successfully implement the automatic mutual recognition/automatic deemed registration regime throughout Australia.
- Amend labour hire laws in Victoria, Queensland and ACT to remove unnecessary burdens on business.

Consult Australia's legislative reform proposals go to our priorities of de-risking for delivery and collaboration as culture but also prioritises removing unnecessary burdens on businesses to increase productivity. Together these legislative reforms would deliver significant productivity benefits, including the following:

- Saving approximately \$166,000 per professional services contract in salary of a procurement officer, internal industry lawyer and external lawyer for 6 months, in wasted contract negotiations to ensure fair contracting (including seeking proportionate liability).<sup>3</sup>
- Saving over \$54 million in costs to business for registration of engineers already registered in another jurisdiction, if successful implementation of Automatic Mutual Registration legislation was achieved for engineers.<sup>4</sup>
- Saving over \$200,000 per business of complying with unnecessary regulatory burdens of labour hire laws.<sup>5</sup> Consulting businesses were not part of the policy problem sought to be addressed by the legislation, but are caught up in the Queensland, Victorian and ACT schemes because of the legislative drafting.

Government projects can be delayed by unnecessary contract negotiations to address clauses that transfer undue risks onto suppliers, in our context consulting businesses, which are outside their management and/or control. Governments with their purchasing power in the market present terms on a take it or leave it basis that do not adequately recognise the roles of the parties nor strike a balance between risk and reward.

A particular example of this is the practice of requiring businesses to contract out of their statutory right to proportionate liability in NSW, Western Australia, and Tasmania. Unifying this civil liability protection as per the Queensland legislation, by explicitly prohibiting contracting out of proportionate liability, would provide greater certainty to contracting parties regarding their liability exposure. Importantly, it would also realise the policy intent of the original 2001 civil liability reforms – to bring stability back to the PI market after the collapse of HIH.

Governments can display their commitment to collaborative and fair contracting by endorsing a Model Client Policy and/or being subject to the ACL unfair contract terms protections.

<sup>&</sup>lt;sup>3</sup> This is based on a conservative estimate of the salaries of a consultant's internal lawyer (\$130,000 annually), a government procurement officer (\$100,000 annually) and a government's external lawyer (\$130,000 annually) – all working 38.5-hour weeks, over 24 weeks.

<sup>&</sup>lt;sup>4</sup> This is based on \$5,000 per individual per scheme based on Consult Australia member feedback, expanded in our submission to the consultation on the *Automatic Mutual Recognition Act*.

<sup>&</sup>lt;sup>5</sup> This is for an organisation with upwards of 3,500 employees that generally reports on approximately ten labour hire arrangements a year across Vic (annual reporting) and Qld (six-monthly reporting). With the addition of the ACT scheme, the financial and administrative burden increases. It is noted that while the SA labour hire law initially had the same problems and unintended consequences, the SA government has since amended their laws to focus solely on the businesses of concern.

Governments are not only our members' regulators but also their clients. These reforms will ensure that the standards governments set for our industry via law and policy are also applied to their own dealings when procuring the services of the private sector.

A further key reform is to amend the ACL to ensure that misleading or deceptive conduct protections are not used by sophisticated businesses to make spurious claims against other smaller businesses in order to pressure them into settlement. The ACL requires clarification so that the provisions are applied solely to protect consumers and small business.

#### Deep dive case study 1 - claims against consultants

Government clients rarely understand the impact their contract terms and the way they procure services have in the market. To drill down on this, Consult Australia has collected claims data from members.

#### Design and construct projects

Consult Australia has collected claims data on 124 disputed design and construct projects. The data shows that 57% of consultant revenue is at risk when entering these contracts. This is a devastating impact on consultancy businesses but is hidden from government clients because it represents only a very small percentage of the overall construction cost of a project (0.9%).

These claims are typically settled before adjudication in the courtroom. These claims are tactical rather than reflective of loss or damage that requires rectification, pushing the consulting business towards settlement to avoid the substantial costs of defending the claim in court.

#### Misleading or deceptive conduct claims

Consult Australia separately conducted a sample survey of members to get an idea of the problem facing consultants from misleading or deceptive conduct claims. While initially raised by large businesses as an issue, over the past 12 months increasing numbers of small businesses have reported being faced with the same approach by construction businesses.

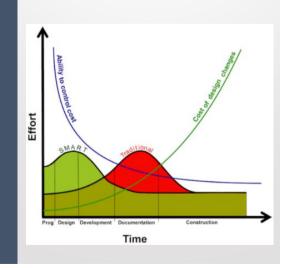
The sample survey reveals:

- most claims made for misleading or deceptive conduct were by private businesses clients, with only
  a very small proportion by government clients and by homeowners
- consistently consultants are only notified of the issue giving rise to the misleading or deceptive conduct claim *after* the project is completed
- the issues raised in claims for misleading or deceptive conduct against consultants rarely involves marketing or promotional activities (e.g. bait advertising) but is based on the same facts as claims for contractual breaches or breaches of the professional standard of care (negligence)
- while misleading and deceptive conduct claims are frequently made against consultants, they
  infrequently make it to court
- the damages sought in misleading and deceptive conduct claims significantly outweighs the consultant's fees for the work – from between approximately 400% to over 4,000% of the consultant's fee
- the damages sought are not commensurate with the project fees (that is, the highest claim amounts did not attach to the project with the highest fee).

Consult Australia holds that the above demonstrates that majority of claims for misleading or deceptive conduct are being used as a 'catch all' to escalate the log of claims and to pressure the consultant into settling, rather than a reflection of legitimacy. Contract remedies and common law provide for appropriate remedies for big businesses in business-to-business transactions without the need to resort to the ACL. We therefore recommend that the ACL be clarified that misleading or deceptive conduct is a consumer and small business protection, not intended for business-to-business transactions involving sophisticated parties (like ASX listed corporations). We suggest the work already done by the Ministers for Fair Trading on the unfair contract term protections could assist in rapidly progressing this legislative reform.

### FUNDING REFORMS

- 6. Continue to fund the Commonwealth Centre of Procurement Excellence to drive procurement reform across Australia.
- All governments commit to a 'go slow to go fast' approach to projects, including reforming how state government and local councils receive funding/grants. Work with states and territories to simplify and streamline the approvals process for major projects and avoid duplication in the regulatory process.
- 8. Introduce a new model for funding engineering education with national priority places for engineering and establishing a National Industry, University and Government Engineering Council that identifies immediate and strategic needs in the national engineering workforce and that sets the annual guidelines for the national priority places for engineering.



Consult Australia's funding reform proposals are less about additional spending but more about prioritising the quality of investment. Our proposals go to our priorities of go slow to go fast, smarter pipeline of projects and thinking smarter about skills. Together these reforms would deliver significant productivity benefits, including the following:

- Reduce the costs of projects by 5.4%, reduce delays to projects by 7% and improve the quality of projects by 7%.<sup>6</sup> This is a very conservative quantification, noting that these figures are from 2015, pre the heightened levels of pipeline demand and capacity constraints now evident in the market.
- Alleviate the significant skills shortage facing industry with a predicted 57,000 full-time engineers needed for scheduled projects in 2021-22 and a peak deficit of 70,000 engineers, scientists, and architects needed between 2022-24.<sup>7</sup>
- Develop for industry, a '*single, dependable, predictable pipeline of projects...*' and for government, improved '*scheduling, resourcing and training, making project delivery cheaper and less risky.*'<sup>8</sup>
- Redirect 30-40% of local council administration effort from individual funding applications to multi-year local area plans, increasing the actual work done for each dollar allocated.

Consult Australia is a proud supporter of the Commonwealth Centre for Procurement Excellence (CoPE). Sharing of best practice procurement and lessons learnt needs to be improved and CoPE is a great vehicle. It's scope needs to be broadened beyond the Commonwealth in order to achieve this.

Productivity is wasted by rushing to market with an insufficient scope. The MacLeamy Curve<sup>9</sup> (left) illustrates how investment in resources early in the design process optimises the design and correcting mistakes early is easier and more cost effective (see the 'smart' green curve). In contrast, putting peak effort in later during documentation and construction phases is more challenging, costly and is more likely to lead to disputes (see the 'traditional' red curve).

In addition to planning and scoping improvements, thinking smarter about skills is needed to ensure projects can be realised. The predicted occupational demand outlined above will not be met if we continue with the same approach to skills. We need a streamlined and coordinated national approach to skills, which is why Consult Australia supports national priority places for engineering and the joint effort of industry, universities and government.

<sup>&</sup>lt;sup>6</sup> Deloitte Access Economics and Consult Australia, Economic benefits of better procurement practices (2015).

<sup>&</sup>lt;sup>7</sup> Infrastructure Australia, <u>2021 Infrastructure Market Capacity Report</u>.

<sup>&</sup>lt;sup>8</sup> Infrastructure Australia, <u>2021 Australian Infrastructure Plan</u>, p. 261.

<sup>&</sup>lt;sup>9</sup> Patrick MacLeamy: <u>https://macleamy.com/about/</u>

#### Deep dive case study 2 – local government projects

Project delivery is not only influenced by government as a direct client, but also by government in their role as the financier and regulator of projects. This is especially the case for local government projects, where the allocation and spending of funds is subject to the rules of federal/state/territory government departments and ministers.

Even where local councils are committed to the go slow to go fast approach, their efforts are stymied by the rules of funding schemes/grant applications. Funding schemes are based on individual grant applications, often in a specific stream, and this approach is resource heavy in administration with no surety of success. The time taken to undertake all these applications is a wasted resource better directed to more strategic work such as scoping the projects more fully.

Further, when funds are approved, they may not be approved for allocation to all projects identified in the application. Rarely, if ever, are similar projects grouped together in a work programme to streamline the process to create a smarter pipeline of projects. When funds are finally given to local councils, they must be spent within a set timeframe – which once again works against ensuring enough time is given to scoping and upfront design.

To increase transparency of the local council pipeline of projects for the industry, councils need greater certainty over funding allocation as well as the trust of state/territory/federal governments that local councils will apply those funds in line with their application. The improved governance of local councils around the country demonstrates that it is time to allow councils to make the decisions best for their region and unlock the productivity that is lost when too many restrictions are in place.

Several councils are moving to develop local area plans, such as the Eurobodalla Road Safety Plan 2019-22. Plans like this demonstrate that councils can prioritise spending for the benefit of local communities. Instead of using government money to continually assess individual project applications from local councils, federal/state/territory governments should allocate funding to empower this type of governance and strategic planning by councils and allocate funds for the local council to deliver those plans holistically.

Consult Australia's <u>Uplifting Productivity</u> highlights how the Level Crossing Removal Project in Victoria is an exemplar in many aspects when it comes to managing a large number of similar projects into a single work programme. With 85 level crossings in total to be moved, significant productivity would have been lost if each crossing removal project was tendered and contracted separately. More importantly than the cost saving of the work programme developed in this case is the collaboration and process for continuous improvement by sharing outcomes between each level crossing removal. This approach would be of benefit to local councils that have, for example, a large number of bridges that need repair and replacement.

### **POLICY REFORM**

- 9. Drive innovation by committing to digital by default. This includes aligning standards and disciplines and maturing government's understanding of Building Information Modelling (BIM). This also includes updating ANZSCO to recognise emerging skills, including those related to digital.
- Implement the recommendations of the final report on <u>Temporary</u> <u>Migration</u> and the final report of the <u>Inquiry into Australia's Skilled</u> <u>Migration Program</u>.

Consult Australia's policy reform proposals go to our priorities of digital by default and thinking smarter about skills. Together, these policy reforms will deliver significant productivity benefits, including the following:

- Increased innovation and creativity, benefiting Australia not only in productivity growth but as a possible global leader on technology
- Improved access to talent and strengthening skills capabilities.

Consultants design the future. Australia has the potential to be a world leader on innovative design but cannot do so with the current approach to design and the restricted access to talent.

Without strong leadership on digital technology advancements business, in particular small business, is deterred from investing in the resources and skills required to produce innovative, productivity solutions driven by digitalisation.

Digitalisation needs to be complimented by updated occupation lists (including ANZSCO) to recognise emerging skills so that policy decisions can benefit these occupations – from education to skilled migration pathways.

Many of Consult Australia's suggested improvements to the migration system were final recommendations of the final report on <u>Temporary Migration</u> and the final report of the <u>Inquiry into Australia's Skilled Migration Programme</u>. We therefore call on the government to implement those reforms to delivery productivity benefits to Australia.

#### Deep dive case study 3 – small business investment in digital

For many years Consult Australia has called on governments to commit to digital investment, for example mandating Building Information Modelling (BIM) for government projects. Small business needs this commitment so that technology is an investment rather than just a cost.

While state/territory governments are now largely on the BIM journey, departments are at different stages of BIM maturity. Digital standards and requirements vary widely within and across states. Accommodating highly varied government requirements on projects is resource intensive. Not only a cost to the project that adds very little value but consumes resource time that could be invested in innovation.

Industry's attempt to bring forward nationally consistent standards have this goal eroded by:

- different terminology
- inconsistent processes
- having to resource a bespoke process each time to accommodate varied standards, naming conventions and requirements
- the inability to apply productivity learnings from projects with one department to the next project
  e.g. an infrastructure team may build capacity nationally to service projects, however that team will
  have custom processes and requirements for every project in every state in order to meet their
  clients 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 simple 2D drawing. This requires intensive work to digitally translate from highly complex BIM into simple 2D drawings.

#### Best practice contracts

The industry would benefit from the government leading best practice contracts. However, we are still seeing onerous requirements pertaining to BIM and digital collaboration and delivery. There is no consistent contractual framework for BIM in Australia.

A desirable outcome would be something like the <u>Construction Industry Council BIM (CIC BIM</u>) protocol in the UK. This is a well-considered addendum that can be attached to contracts to enable consistency and good, fair BIM outcomes.

#### Disciplines, roles, and responsibilities

There is no consistent understanding 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 departments and projects. This creates confusion around resource planning and cost control.

Whilst we recognise that digital delivery is in a learning phase, 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. A third layer is government auditing drawings to make sure they match their standards. Whilst 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.

Different design disciplines produce work to varied levels of detail. Designers often face Levels of Development (LOD) requirements that provide no value to the design or construction as the LOD is relevant to another discipline (e.g. relevant to structural but not landscape). In some cases, the nature of their work and related insurance restricts the level of detail 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.

# CONCLUSION

#### Industry looking inward as well as out

Consult Australia recognises that productivity reform is not just the job of government. Many of Consult Australia's priorities require industry to look inward and act itself. For example:

Collaboration as culture requires a change in behaviours and perspectives from all members of the ecosystem. Acknowledging this, Consult Australia has joined forces with the Australian Constructors Association (ACA) in a *Partnership for Change* initiative, focussing on ways industry can collaboratively improve productivity. This initiative is designed promote ideas and challenge the status quo. To drive discussion, the *Partnership for Change* initiative is preparing a series of joint thought leadership papers on topics including multiple design reviews, model client, digital technology, and reliance on information.

Striving for a mentally healthy industry relies again on the behaviour of all parties but knowing that action needs to start from within Consult Australia has dedicated significant resources to develop mental health awareness and initiatives that our members adopt in their business practices. The success of our member businesses and the sustainability of our industry is dependent on the health and wellbeing of people. Our members have committed to in-house change, striving for mentally healthy workplaces that create environments that build confidence and acceptance of employees seeking help and focussing on removing stigmas and perceived barriers. As the Productivity Commission has identified, 'the cost to Australia of mental ill-health and suicide is around \$200 to \$220 billion per year.'<sup>10</sup> We need governments to set the tone from the top and adopt the principles outlined in our Model Client Policy, mandate a collaborative procurement policy in line with our <u>Uplifting Productivity Report</u>, and embed collaboration as culture in line with Infrastructure Australia's <u>2021 Australian Infrastructure Plan</u> recommendations.

#### Contact

As is demonstrated throughout this submission Consult Australia has developed extensive thought leadership across the four key components that can unlock greater productivity in our industry: people, pipeline, practice, and procurement. The solutions we have provided in summary throughout this submission are underpinned by our thought leadership reports referenced and we would be pleased to discuss any/all with the Productivity Commission to assist in the development of your findings and recommendations.

Please feel free to contact:

Nicola Grayson, CEO nicola@consultaustralia.com.au

Kristy Eulenstein, Head of Policy and Government Relations kristy@consultaustralia.com.au

Teone Tobin, Senior Policy Advisor teone@consultaustralia.com.au

<sup>&</sup>lt;sup>10</sup> Productivity Commission, 2021.

# **CONSULT AUSTRALIA GLOSSARY**



#### **De-risking for delivery**

This means identifying ways to de-risk the market to reduce the level of disputation and therefore burden on professional indemnity insurance. The aim is to bring some balance back to the professional indemnity insurance market.

#### **Collaboration as culture**

This means embracing and embedding collaboration as the cultural norm in contract design and tendering approaches. The aim is to reduce the imbalance between contracting parties and provide a more collaborative, productive environment with all parties focussed on successful project delivery.



#### Go slow to go fast

This means investing time at the start to define project deliverables and aspirations ensuring best practice in due diligence. The aim is to deliver better projects and minimise cost and time over-runs that currently mar projects, particularly infrastructure projects.



#### **Smarter pipeline of projects**

This means adopting and supporting an approach to the pipeline of projects that provides certainty to the industry and increases accessibility for small to medium businesses. The aim is to deliver benefits to productivity (both industry and government), workforce planning and regional participation.



#### Digital by default

This means driving innovation by committing to and pushing for digital investment at all stages and on all projects so businesses, particularly small businesses, have the confidence to do the same. This will deliver benefits for both government and industry.



#### Thinking smarter about skills

This means thinking more broadly about the skills challenge. We need a range of initiatives to tackle the deepening skills shortage in engineering and related professions. The aim is to maintain world class design, engineering and advisory services for Australia and boost productivity by job growth and high employment participation.



#### Striving for a mentally healthy industry

This means championing model behaviours to support the vitality of our industry. The aim is to ensure we have sustainable businesses with healthy and productive people at the heart.



#### **Model Client**

This means embracing all of the reforms above and is further defined in Consult Australia's <u>Model</u> <u>Client Policy.</u>