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Driving business success for consulting firms in the built and natural environment

26 February 2021

Jim Miller
Chair
Infrastructure Victoria

Michel Masson
Chief Executive
Infrastructure Victoria

By email to:

Dear Jim and Michel,

Submission – Victoria's Draft 30-Year Infrastructure Strategy

Thank you for opportunity to respond to Infrastructure Victoria's consultation on Victoria's Draft 30-Year Infrastructure Strategy (the draft strategy). We are strong supporters of infrastructure investment decisions that are informed by independent infrastructure bodies and long-term planning, and as such we commend Infrastructure Victoria on its activities over recent years and its approach in developing the draft strategy.

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

Our submission focuses on a central recommendation to expand the scope of the draft strategy to include infrastructure delivery and industry capacity considerations. These considerations are key factors in achieving Victoria's top infrastructure priorities, and we believe the draft strategy provides a good opportunity to highlight the link between the desired outcomes from infrastructure and how these goals can be achieved. As such, our input is framed around the below areas that:

- Procurement practices and models
- Industry capability, capacity, and culture
- Use of technology.

Procurement practices and models

We believe the draft strategy should look at the link between improvements to procurement arrangements and project outcomes.

One area where these improvements can be achieved is through the adoption of a [*Model Client Policy*](#) by departments and agencies responsible for infrastructure delivery. This policy recognises that there is an inherent and substantial power imbalance that favours governments clients when contracting with industry. Promoting the adoption of a model client policy by Victorian government departments and agencies could help improve productivity across the sector, for governments and industry, and could ultimately improve bidding prices and risk management in infrastructure delivery through the better allocation of risks, standardisation, and a more collaborative approach.

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The Global Infrastructure Hub's InfraCompass¹, a joint initiative with the G20, found that Australia ranks 2nd in the world for infrastructure planning, just behind the UK. This is in no small part to the role of the infrastructure bodies around Australia in setting a long-term plan. However, the results did show that Australia can improve its performance in procurement. For example, Australia has one of the highest durations from announcement of a tender to contract award at 43 months, greater than the high-income countries average of 28.5 months. Lengthy procurement durations add costs, risks and down time to consultants and contractors bidding for and investing in infrastructure projects.

Introducing greater accountability and transparency in the procurement model decision making process would significantly improve procurement in Victoria and we recommend is promoted in the draft strategy. One option is using the business case gateway process for projects to also develop procurement options and to test these with the market. The procurement strategy for an infrastructure project is often not given due consideration by the right experts. Too often a procurement model is decided on without comprehensive expert advice – often a model is used because it was used last time, and rarely does industry engagement occur early enough to utilise their expertise in this decision-making process. As such, we recommend a more rigorous approach in selecting a procurement model that goes through similar development processes as a business case. This type of approach would also enable governments to audit the outcomes of the project against the procurement model selected, and to then use the findings to drive continuous improvements.

We have attached our recent submission to Infrastructure Australia's Infrastructure Plan 2021, which provides further details and recommendations that we would like to see introduced across all jurisdictions.

Industry capability, culture and capacity

Many of the desired outcomes in the draft strategy are dependent on industry's capacity to meet pipeline demands – and this should not be assumed, nor should government see this challenge as the market's issue to solve. Instead, we believe there is a need to increase the focus on uplifting industry's capacity over the lifetime of the draft strategy. A focus on capabilities and creating a strong and inclusive culture are two areas that we believe we make the industry more productive and a more attractive sector to work in for future talent.

The draft strategy could promote the importance of increasing awareness of career opportunities in the broader infrastructure industry by promoting the value of a 'infrastructure careers' public campaign targeted at young students with an interest in STEM education and their families. This could help address a current challenge where many in the community do not have a clear understanding of many roles in the infrastructure industry, such as design and engineering professionals.

We also believe the draft strategy could look at current pathways for professionals into the infrastructure industry to see if other pathways could be created to attract more talent, particularly from non-traditional backgrounds and between different parts of the industry. Feedback from across our membership suggests that career paths into our industry are fairly linear and from traditional channels. Alternate paths could be explored by looking at reforms related to qualifications and other ways for individuals to enhance their skills in a recognised way.

¹ https://infracompass.gihub.org/ind_country_profile/aus/

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Another area that could be explored in the draft strategy is the link between culture and attracting and retaining professionals in the sector. As highlighted by the Construction Industry Culture Taskforce (CICT)², the infrastructure and construction industries face a number of cultural challenges that have a significant impact on employers and employees, and result in the industries not being seen by many as an employer of choice. As such, we support calls to develop and support cultural standards. One example of how cultural standards could be promoted is through our recent work with the Queensland Major Contractors Association on the development of a [culture charter](#), which could serve as a model for project management arrangements for infrastructure developments. However, the introduction of a charter is only the first step, charters in and of themselves do little to change culture without the senior leaders authentically demonstrating that commitment by running programmes within organisations that create real and measurable behavioural change programmes like, for example, the Champion of Change Coalition³ for gender diversity and inclusion, of which Consult Australia⁴ is a part.

We believe that governments also need to acknowledge their influence on culture and behaviour in their role as client, hence the call for governments to commit to a Model Client Policy.

Use of technology as project delivery tools

Finally, the draft strategy presents an opportunity to make recommendations that advocate the importance of delivering infrastructure that is a smart asset, rather than a static asset.

It is important that whole of life objectives are an integral part of the planning and delivery phase of a project to ensure that the asset not only performs well at the outset but throughout its lifecycle. Tools such as Building Information Modelling (BIM) and digital engineering are key to the successful operation and maintenance of assets, which ensure that the full value of the asset can be realised.

Governments need to work together with industry to agree a common language across digital platforms. A consistent approach will significantly increase productivity across the infrastructure sector. The sooner a common language is developed the greater the impact on the speed of Victoria's economic recovery will be, as it will rapidly increase the level of innovation through the smart use of digital technology and data.

Finally, and separate to our recommendations on infrastructure delivery and industry capacity, we encourage Infrastructure Victoria to conduct a gap and lessons learnt assessment from the last strategy, and to use these findings to help inform focus areas and the approach in this year's work.

We would be happy to participate in any workshops or arrange a roundtable with our members to assist you further in the development of the Plan and I invite you to contact me at james@consultaaustralia.com.au to discuss.

Yours sincerely,

James Robertson
Victorian Manager

Attachment: Consult Australia's Submission to Infrastructure Australia's 2021 Plan, October 2021.

² <https://www.constructors.com.au/initiatives/construction-industry-culture-taskforce/>

³ <https://championsofchangecoalition.org/>

⁴ <https://www.consultaaustralia.com.au/male-champions-of-change>