

April 2025 30-Year Infrastructure Strategy

SUBMISSION TO INFRASTRUCTURE VICTORIA

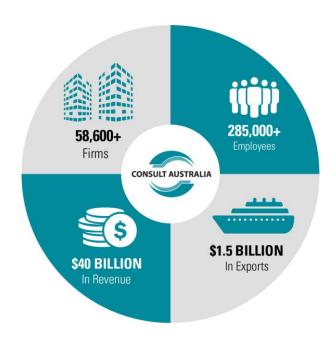
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About us

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

Consult Australia welcome the opportunity to contribute to Infrastructure Victoria's 30-Year Infrastructure Strategy 2025 – 2055, which presents a vision for a more resilient, efficient, and forward-looking Victoria.

There is a significant opportunity for the Victorian government to deliver this broader legacy from infrastructure investment. To realise this vision, the government needs to utilise the thriving knowledge-led professional consulting services sector, which Consult Australia represents. This, in turn, will support the broader construction and infrastructure supply chain.

Consult Australia agrees with the six objectives of the Strategy, which help frame the 43 proposed recommendations across a broad range of sectors, including transport, schools, aged care, water and land use. Consult Australia members provide services in all the sectors considered in the Strategy. However, in this submission, we have decided to focus on the six proposed recommendations that go to our advocacy on pipeline, net zero and digital:



Pipeline – providing confidence to industry for capacity

- o Coordinate faster delivery of key energy infrastructure (recommendation 29)
- Prepare and publish infrastructure sector plans to shape Victoria's cities (recommendation 35)
- Create and preserve opportunities for future major infrastructure projects (recommendation 43)



Net zero – achieving net zero infrastructure by working together

- o Reduce greenhouse gas emissions from infrastructure (recommendation 24)
- Better prepare infrastructure for climate change (recommendation 27)



Digital – enabling digital by default through integration and coordination

 Use digital technologies to better design, build, operate and maintain government infrastructure (recommendation 39).

Consult Australia looks forward to continuing to work with Infrastructure Victoria and the Victorian government to realise the vision of the 30-Year Strategy for the benefit of the community and industry.

PIPELINE – providing confidence to industry for capacity

Consult Australia supports the Strategy's proposed recommendations relevant to pipeline, namely:

- Coordinate faster delivery of key energy infrastructure (recommendation 29)
- Prepare and publish infrastructure sector plans to shape Victoria's cities (recommendation 35)
- Create and preserve opportunities for future major infrastructure projects (recommendation 43).

In line with our call to the incoming federal government (see Consult Australia's <u>2025 Federal Election policy priorities</u>), we call on the Victorian government to:

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

Pipeline investment is an economic lever. If that lever is pulled too tightly or let loose, it has implications for market capacity to deliver, 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. While many of the historical barriers to talent growth have not been resolved for professional design consultants working across the built and natural environment, the shortages have the potential to increase if capacity and confidence are not prioritised. There needs to be investment in initiatives to tackle capacity concerns for professional services, including designers, engineers, and project managers. There are four key elements to consider:

- 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 different states and 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 skilled resources across sectors during design work pauses leading to 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 for smaller jurisdictions.
- Compounding skills shortages There are historical skills shortages prevalent in our industry from before the global pandemic, which have only intensified. Regulatory barriers, including the complexities of registration and accreditation challenge businesses as they seek skilled talent to address capacity constraints quickly.

In Victoria, over recent times, there has been a noticeable slowing or stalling of the infrastructure spend, which has led to our members shifting focus as described above. For these reasons, recommendations 29, 35 and 43 are critical for our members and the government to ensure there is capacity in Victoria to progress projects when needed. For example, Consult Australia members are ready to work on energy infrastructure (including its enabling infrastructure) but need certainty from the government to ensure they can ramp up capacity to deliver the services needed.

Consult Australia is committed to assisting the Victorian government achieve its vision, and therefore will continue to work with the government to:

- assist it to engage early and comprehensively with industry Procuring agencies
 need to invest adequate time and resources in planning and pre-design, and early industry
 engagement is critical to refining project scope and innovation.
- encourage it to adopt a Model Client Policy for improved contracting By adopting
 a Model Client Policy, the government would demonstrate that it is committed to balanced
 contracting practices to ensure fair risk allocation between government and industry. This
 would include a shift away from an inflexible 'take it or leave it' approach to contract
 negotiations that hinders productivity and fails to ensure value for money for the
 government.
- identify ways it can simplify and streamline processes Innovation and productivity
 uplift can be achieved by reducing unnecessary barriers in regulatory, approval and
 procurement processes. Sometimes industry can identify these barriers more readily than
 agencies.

Consult Australia's suggestions build upon existing work, including our most recent <u>Unravelling Risk</u> report, the <u>Uplifting Productivity</u> report, last year's <u>Confidence and Continuity Survey Findings</u> and our longstanding <u>Model Client Policy</u> (originally released in 2018 and updated with the Australian Constructors Association in 2022). Together, these ideas remove bureaucratic barriers and open the door for increased innovation and smarter infrastructure investments.

NET ZERO – achieving net zero infrastructure by working together

Consult Australia supports the Strategy's proposed recommendations relevant to net zero, namely:

- Reduce greenhouse gas emissions from infrastructure (recommendation 24)
- Better prepare infrastructure for climate change (recommendation 27).

Consult Australia recognises the importance of achieving net zero and is a founding member of the <u>Infrastructure Net Zero initiative</u>, which 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 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 how those key learnings can be used by other jurisdictions. This integrated approach will help us reach those decarbonisation and net zero goals. Consult Australia supports continued investment in the coordination efforts of the initiative.

If the Victorian government would like additional support through the initiative, please do not hesitate to contact us.

DIGITAL – enabling digital by default through integration and coordination

Consult Australia supports the Strategy's proposed recommendation relevant to digital, namely:

• Use digital technologies to better design, build, operate and maintain government infrastructure (recommendation 39).

Consult Australia's <u>Enabling Digital by Default</u> White 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. Consult Australia thanks the Victorian government, particularly Infrastructure Victoria for its constructive participation in the process.

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
- Invest in the Business Case for Digital Technology
- Harmonise Data and Information Management Standards
- Embed Digital Requirements in Procurement
- Build Capability and Skills.

Consult Australia welcomes the opportunity to continue working with the government towards digital by default on all infrastructure projects.

Contact

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



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Thanks to our Industry Champions

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













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