



RA
Submission to
Treasury
**Employment
White Paper**



30 NOVEMBER 2022

Background:

Roads Australia (RA) is the peak body for roads within an integrated transport system, representing an industry that contributes \$236 billion annually to the economy and supports 1.4 million jobs. RA has over 150 members and brings industry, government, and communities together to lead the evolution of Australia's roads, integrated transport and mobility.

RA prides itself on being a leader in the industry. The organisation strives to be at the forefront of setting the industry up for success and pioneering new ways to be able to attract and retain highly skilled people now and into the future. This is iterated in the [RA Strategic Plan 2022-2024](#) which outlines our four strategic values as being:

The leader

To be a leading voice of influence.

RA is recognised by government, industry and the community as driving value and connectedness for the Australian roads and integrated transport sector.

The facilitator

To facilitate contributions to the industry and public policy.

Develop and communicate sound, evidence-based policy solutions encompassing safety, capacity, transport reform, customer experience and sustainability.

The collaborator

To collaborate on the efficiency, development and national priority of Australia's roads and integrated transport systems which underpin the social, economic and cultural fabric of the nation.

Promote recognition by government, industry and the community of the critical importance of Australia's roads and integrated transport in infrastructure assets and networks.

The champion

To champion a diverse, inclusive, sustainable and values-led organisation and industry.

Support our people to be high performing through our culture and systems.

Our main priority in embodying these characteristics is to make positive changes to the integrated transport system and our member organisations – both of which sit within the context of the construction industry.

The [RA Strategic Plan 2022-2024](#) outlines RA's four policy themes: Place Making; People; Data & Technology; and Resilience.

Our strategic plan also includes three policy goals:

- Optimise the use of our roads for environmental, social, economic and cultural outcomes.
- Improve the stewardship of our roads for the workers on them and the people who use them.
- Decarbonise the economy through integrated transport and the efficient use of resources and energy.

RA welcomes the opportunity to make this Commonwealth Employment White Paper submission.

Introduction:

Around the world, we are seeing unprecedented levels of transport infrastructure investment.

Australia is no exception, with the Commonwealth, state and territory governments investing significant amounts in transport infrastructure projects. These investments are reliable tools to support economic recovery and can also enhance communities, improve environmental sustainability and drive economic prosperity.

Transport infrastructure is an important part of daily life. When projects are well-planned and delivered, they can enable communities to flourish and connect people to the places they live, work and socialise.

More than anything, industry values certainty around future pipelines of work and the opportunity to help shape Australia's future. Addressing the mounting challenges facing industry will help governments reap the greatest reward from their investments.

For the transport infrastructure industry to deliver this once-in-a-generation pipeline of work, a capable, well-trained and diverse workforce is critical.

Infrastructure Australia (IA), in its [Infrastructure Market Capacity Report](#), revealed that out of the 50 occupations identified as relevant to public infrastructure, 16 occupations are currently likely in shortage and 18 rated as potentially in shortage.

Industry capacity is just one of the many challenges facing industry. The changing geopolitical landscape is creating supply chain uncertainties that are leading to escalating costs for the industry. Along with this, pursuing decarbonisation of the sector to enable Australia to reach its net-zero targets requires dynamic new approaches to the planning, procurement and construction of projects.

The flow-on impacts of this increased complexity present a considerable opportunity to establish a more diverse, resilient and sustainable workforce for the sector.

The Commonwealth's White Paper and its recommendations will be critical to realising this outcome.

RA continually develops, distils and disseminates policy solutions for the transport sector. The information contained in this submission reflects material gathered through significant consultation with RA members in both the public and private sectors, and may be of assistance to the Commonwealth.

Terms of Reference

Roads Australia has responded to the relevant Terms of Reference.

1. Full employment and increasing labour productivity growth and incomes, including the approach to achieving these objectives.

When the right infrastructure is built and maintained properly it can produce significant productivity improvements. But we also need to ensure that the construction and maintenance activities associated with this infrastructure are also benefiting from improved productivity.

RA has observed that, for many years now, there have been limited productivity improvements across the transport infrastructure sector.

IA highlighted the same findings in various publications including [Infrastructure Market Capacity Report, 2021 Australian Infrastructure Plan](#) and [Delivering Outcomes Report](#).

[RA's 2022 Productivity Inquiry Submission to the Productivity Commission](#) put forward several recommendations that would help the industry to improve project delivery.

The submission set out solutions across a range of areas, including procurement, asset management, improving industry's capacity to collect and use data, road pricing reform, and pursuing opportunities in the circular economy.

Adopting these recommendations will enable industry to deliver productivity improving projects more efficiently and facilitate a wider range of economic and environmental benefits for the community.

They will also improve the capacity of our industry's workforce by allowing it to become more skilled and diverse.

1. **RA recommends the Commonwealth consider implementing relevant recommendations from RA's 2022 Productivity Inquiry Submission to the Productivity Commission to support the productivity growth of the transport infrastructure industry.**

2. The future of work and labour market implications of structural change, with a focus on:

2.2. The energy transition and tackling climate change to achieve net zero.

The transport infrastructure industry has an enormous role to play in Australia's energy transition to address climate change and achieve net-zero.

According to ClimateWorks report, "[Reshaping Infrastructure for a Net Zero Emissions Future](#)", 70% of Australia's greenhouse gas emissions are attributable to or influenced by infrastructure.

Government and industry collaboration will allow all parties to maximise the benefits and opportunities of decarbonisation.

In recognition of the need to address climate change, the emerging opportunities and the importance of widespread collaboration, RA initiated an industry-first partnership with Infrastructure Sustainability Council (ISC) and Australasian Railway Association to develop the [Journey to Net-Zero](#) report.

The report includes 46 recommendations to accelerate decarbonisation in the Australian transport sector. These recommendations set out a series of actions for government and industry to support a focus on place making, drive emissions reduction, support investment in renewables and innovation, and promote engagement and collaboration.

RA is now working with industry and government to implement these recommendations.

Decarbonisation is a challenge that can only be solved through collaboration. To achieve it, industries previously operating separately will need to come together.

In particular, the transition to Electric Vehicles (EVs) will require the transport and energy industries to work side by side. RA has explored the convergence of these industries, with the findings outlined in [RA's submission on the National Electric Vehicle Strategy](#).

2. **RA recommends the Commonwealth, along with state and territory governments, work collaboratively with industry to implement relevant recommendations from the report 'Journey to Net-Zero'.**
3. **RA recommends the Commonwealth, along with state and territory governments, work collaboratively with industry to implement relevant recommendations from RA's 2022 National Electric Vehicle Strategy Submission.**

2.3. The transformation associated with digitalisation and emerging technologies.

Digitalisation and emerging technologies have the potential to drive enormous productivity benefits across the transport infrastructure sector.

IA noted this in its [Delivering Outcomes report](#) which outlines how digitalisation can aid the sector in achieving transformative outcomes.

To highlight these benefits, [RA has produced policy information around digital engineering](#). Digital engineering is a contemporary and collaborative approach that enables faster and more efficient project delivery and more effective management of physical assets. RA's publication demonstrated the significant cost saving, productivity-boosting and job-creating potential of digital engineering.

Through consultation with industry and government, RA uncovered that a lack of ownership and authority around digital technology has resulted in its low uptake.

Along with this, there is a lack of consistency and clear specifications for its use between jurisdictions across Australia, which further discourages uptake.

Currently, it is common for digital tools to be used in just one phase of a project - meaning that the technology, data and information is not transferred and applied throughout the whole delivery of projects. Using digital tools in this way is inefficient and risks losing information as data is transferred through multiple interfaces throughout a project.

All levels of government working with industry to implement a “digital by default” approach that is nationally led can hasten the take-up of digital tools to improve productivity.

- 4. RA recommends Commonwealth lead the implementation of a “digital by default” approach to the planning, construction, operation and maintenance of transport infrastructure developed in collaboration with industry and all levels of government.**

2.4. Building more resilient supply chains in a changing geopolitical landscape.

Over the past several years, RA has focussed on working with industry and government to achieve meaningful procurement reform.

This work has involved significant consultation with industry and government and led to RA recognising supply chain resilience needs improvement. RA applauds the Commonwealth for acknowledging this.

Reforming the procurement process to prioritise early contractor involvement can provide greater certainty around the supply of materials for projects, along with countless other benefits.

These include more community-focused outcomes by encouraging contractor input during the planning and design phase, addressing the traditionally adversarial nature of contracts by allowing collaborative resolutions to unforeseen risks, and allowing industry to more

effectively plan future activities and thus avoid capacity constraints.

Early contractor involvement can also help provide surety around existing supply chains, and may also assist to create new supply chains that will promote the use of recycled materials that facilitate decarbonisation.

The transport industry, in collaboration with the government, already demonstrates willingness to utilise recycled material and adopt circular economy principles, as [RA has previously set out](#).

Increasing industry awareness of where and how recycled materials can best be used - along with developing a mechanism for network wide rollouts of successful recycled products after trial - can grow the uptake of recycled materials in the industry.

- 5. RA recommends government work collaboratively with industry to increase awareness of where and how recycled materials can be used to increase the resilience of infrastructure material supply chains.**
- 6. RA recommends government consider prioritising early contractor involvement on transport infrastructure projects to enhance supply chain surety.**

2.5. The adaptability of our workforce to meet the needs of emerging industries and areas of traditional economic strength.

4. Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce.

5. Labour force participation, labour supply and improving employment opportunities.

5.1. Reducing barriers and disincentives to work, including role of childcare, social security settings and employment services.

5.2. Improving labour market outcomes for those who face challenges in employment, including First Nations people, those who live in rural and remote areas, younger and older Australians, people with disability, and those who may experience discrimination.

At a time when numerous industries are experiencing skills shortages, it is critical that the construction and transport industries change their culture to improve diversity and inclusion.

In the Australian public infrastructure workforce, there is only 12% female representation¹.

[RA's submission to the Construction Industry Culture Taskforce on the Draft Culture Standard for the Australian Construction Industry](#) recognised three central reasons why the culture of the transport and construction industries must be improved.

Improving the culture and improving participation in the industry for women and those who face challenges in employment is a moral, business and a transport imperative.

RA's submission makes several key recommendations, including changes to accommodate flexible working hours and embracing fewer working hours per week, as well as steps to change to the male-dominated workforce culture.

- 7. RA recommends Government and Industry continue to work together to improve the culture of the transport infrastructure industry to increase its diversity and inclusion.**

5.3. Skills, education and training, upskilling and reskilling, including in transitioning sectors and regions.

5.4. Migration settings as a complement to the domestic workforce.

The growing pipeline of transport projects will require greater capacity across the industry. This will include reducing barriers to international and interstate skills migration to meet demand in the short to medium term.

At the Australian Government's Jobs and Skills Summit, the Commonwealth committed to a range of immediate actions related to immigration, which RA welcomes.

The Australian Government has also committed to reviewing the purpose, structure and objectives of Australia's migration system to ensure that it meets the challenges of the coming decade.

Industry itself also needs to address its own thinking and consider the recruitment of people from other industries whose skillsets are transferable to this sector. While it may require flexibility and retraining, the long-term benefits will be realised through expanded capacity and capability.

- 8. RA recommends the Commonwealth continue its welcomed commitment to review the purpose, structure and objectives of Australia's migration system.**

7. Other relevant topics and approaches.



RA is committed to improving the industry through collaboration with government and appreciates the opportunity to share insights that the Commonwealth may find useful. RA would welcome any further opportunities for collaborations that will enhance the pool of talent and supply of skilled labour available to the transport infrastructure industry.

¹ [Infrastructure Australia, Infrastructure Workforce and Skills Supply, October 2021](#)



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