

2023 CEO's Workshop Report

26 April 2023

About the CEO's Workshop

Each year, in the lead up to RA's Transport Summit, CEOs from across our membership are invited to participate in an interactive workshop, a key event that drives our policy agenda for the year ahead.

Bringing together experienced industry leaders alongside departmental executives stimulates conversations, identifies areas for collaboration and supports the development of considered policy.

With a record transport infrastructure pipeline across the country, alongside economic, environmental and social challenges, this year's workshop was a timely opportunity to discuss issues of significant importance to the transport sector.

This year's CEO workshop was held on 26 April in Sydney, on the eve of RA's 2023 Transport Summit and was attended by around 60 industry and government leaders.

RA is committed to fostering a more diverse, inclusive, and representative industry. Female participation at all RA events is recorded with 31 per cent female attendance at the CEO workshop, showing progress to a more representative leadership across the industry in comparison to last year's event.



Setting the scene

In a first for the CEO Workshop, along with providing information on government priorities and the work of RA in the past year, attendees were given a presentation on the outcomes from RA's inaugural Future Leaders' Forum.

The Future Leaders' Forum was established so that RA could provide an enhanced voice for the younger people in our member organisations. The Forum was designed to generate the policy objectives they wanted to see RA action and propose ways that these could be achieved.

The work of the Future Leaders' Forum was summarised by the Chair and Deputy Chair of the RA Future Leaders Committee, Stuart Cook and Verity Turner. Stuart and Verity outlined how the majority of the outputs from the Forum were focused on decarbonisation, but there was also considerable discussion about knowledge sharing, innovation and planning and design.

The work

In the year since the last CEO Workshop RA has developed several important recommendations and reports that support our work in decarbonisation (<u>The Journey to Net-Zero</u>), market capacity and procurement reform (<u>Procurement Reform Report Update</u>) and road worker safety (Road Worker Safety Industry Guideline).

From these three areas, four topics were considered for discussion:

- The roadmap for industry to deliver decarbonisation
- Social procurement leveraging infrastructure investment to achieve social outcomes
- Championing the integrated transport sector as a career of choice to increase capacity
- Execution of road worker safety initiatives and next steps in safety

Decarbonisation

In 2022, with support from Arup and in partnership with the Australasian Railway Association and the Infrastructure Sustainability Council, RA released The Journey to Net-Zero report. This report includes recommendations, alongside local and international case studies that called on government and industry to work together to address the need to decarbonise the transport sector.

The perception of the transport sector as being environmentally damaging and emissions heavy (especially with younger demographics) is reducing the pool of available workers and increaseing the urgency for the sector to act (and for this to be effectively communicated) to improve its sustainability credentials.

Workshop participants identified the need for greater certainty and understanding of the pathway to net zero and the interface between government and industry in driving positive and effective policy with current challenges including:

- The need for a standardised national carbon appraisal including accounting and pricing, allowing for certainty amongst contractors and designers and a clear framework for industry to operate within.
- Certainty as to how Commonwealth and

- State funding encourages decarbonisation.
- Opportunities for industry to reduce emissions, including through innovation and offsets.
- Current capacity constraints and the high cost of resources.

Alongside challenges in the current route to decarbonisation, participants outlined the following potential areas of RA involvement in the decarbonisation process:

- Through member consultation, RA developing a position on carbon pricing.
- Working with all jurisdictions to include carbon pricing across transport infrastructure procurement.
- RA promoting the concept of carbon reduction as a competitive advantage.



Social Procurement

Australian governments are increasingly focused on leveraging their infrastructure investments to achieve social outcomes, reflecting similar efforts globally.

Challenges are arising in implementing social procurement principles across industry, with concerns about the achievability and cost of meeting targets alongside ensuring positive social outcomes are long lasting and sustainable.

RA's <u>Procurement Reform Update</u> report made two recommendations regarding social procurement – focused on the requirement for clear guidance and transparency through the bidding process and the need for a national framework that is still capable of recognising the desires of jurisdictions and their individual social procurement goals.

Participants identified a range of challenges in the current environment, including:

- A clear and easily understood definition of social procurement needs to be developed.
- The need to move from a project-byproject view of social procurement to sustainable long-term outcomes.
- Unclear as to if the market can meet

- the social procurement requirements for the whole industry – capacity of market needs to be understood noting that it will be different for each project and its local context.
- Significant cost and time issues for contractors in meeting social procurement requirements in contracts, while being difficult to measure.

From the above, suggested actions for industry and RA to support the sector included:

- Research social procurement practices across jurisdictions in Australia and identify international approaches to social procurement relevant to the Australian context.
- Develop an issues, best practice, and opportunities (IBP&O) paper in Social Procurement in collaboration with key RA members, including consultation with key government and industry stakeholders.
- Conduct a series of Social Procurement roundtables across Victoria, NSW and Queensland with government and industry based on the IBP&O paper to exchange ideas.



Career of choice

To attract and retain talented and skilled workers, the transport industry needs to find ways to break the negative perceptions about the industry and highlight the positive and rewarding career pathways available.

Lack of housing and available services in regional areas is also acting as a disincentive to attracting talent to many non-urban projects and programs.

With low unemployment, a once in a generation infrastructure spend by governments and significant recovery efforts to restore, recover and reconstruct roads damaged in recent floods, there are many organisations and groups generating solutions to the workforce capacity problem. RA is seeking to identify the best way we can add our strengths to this issue and support well-conceived existing efforts - as well as fill any gaps that our members feel should be actioned.

A broad range of opportunities for change and further work were identified by participants to establish the transport industry as an attractive career of choice including:

- Modern, contemporary imaging and messaging to the public.
- Sharing stories of positive outcomes from across the sector, including sustainability, digital innovation, and the extensive career paths available.
- Support reform of the skilled migration system to streamline the process.
- Research and obtain data to understand the real and perceived issues that restrict people working in the industry.
- Use the research and data obtained to develop and engagement plan for RA including:
 - Events, speakers and topics to relay messages and promote industry internally.
 - o Programs (fellows etc)
 - RA online channels including LinkedIn, Instagram and website.
 - o Selective use of Insider newsletter.
 - Suggest new channels/opportunities.

Executing road worker safety initiatives

The RA Road Worker Safety Working Group has been working to improve the recognition for action on road worker safety and has developed specific initiatives that can lead to improved safety including:

- "Below the Line" asking government to assess safety costs and plans separately to the overall costs of the project to ensure that applying additional safety measures do not result in a bidder being priced out of the tender.
- "Raise the Bar" a voluntary Road Worker Safety Industry Guideline that when adopted and implemented by companies will raise the bar in road worker safety above the minimum standards to deliver safer workzones that cater for human error.

RA and the Road Worker Safety Working Group are now seeking to execute this work with member organisations and road agencies.

Participants were asked to consider some of the potential barriers to the implementation of the two new initiatives mentioned above ("Below the Line" and "Raise the Bar") and how RA can see these implemented by government and industry. In response participants delivered the following steps, outlined as potentially forming part of this process:

- Using the RA Board to get c-level authority to commit to step up (Below the line & raise the bar).
- RA to convene state authority influencer round table for agreement on implementation steps, utilising existing forums as appropriate.
- Seek client commitments in each jurisdiction for new procurement requirements including:
 - o Clear baselines around inclusions.
 - Differentiate baseline/extra (as part of procurement assessment).
 - Structure around assessing safety value (as part of procurement assessment).
- Revise engagement plan annually.

Summary and Next Steps

The actions identified by participants involved in the CEO workshop will be used to strengthen and expand the policy work program across RA's five policy streams for the year ahead.

Several pressing challenges are facing the transport industry including decarbonisation, social procurement, negotiating an uncertain economic environment and supply chains under pressure.

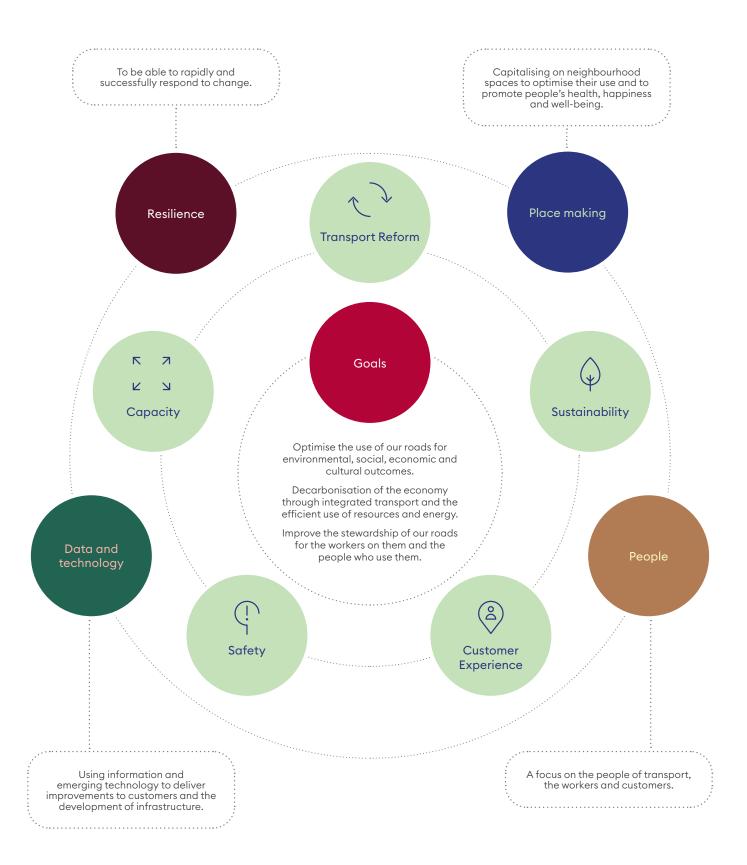
Despite the challenges, leaders across industry and government are passionate about the future of the sector and the opportunities that continue to arise through innovative use of technology, sustainability and the holistic benefit to society arising from integrated transport systems.

Through facilitating continual collaboration between industry and government, RA is well positioned to assist in the development of effective policy and support industry in meeting challenges across procurement, sustainability and capacity.

The insights gained from the CEO workshops will provide guidance to the RA board in RA's continued growth and formulating mutually beneficial outcomes for industry and government.



Policy strategy on a page





Roads Australia 2023 CEO's Workshop Report

6/437 St Kilda Road Melbourne VIC 3004

P +61 3 9821 5255 **E** office@roads.org.au

roads.org.au