



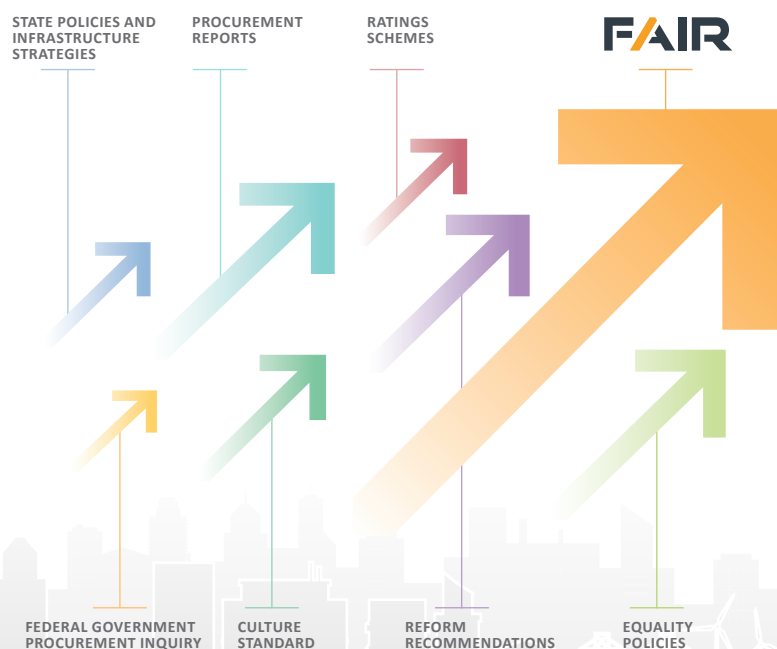
FAIR FUTURE FOR CONSTRUCTION

On its current course, the construction industry is not sustainable. Governments and industry understand the problems and even agree on the solutions. The challenge is how to implement them. With a major workforce shortage predicted by mid-2023, a step change in productivity and innovation is needed now.

INDUSTRY IS ALIGNED

Infrastructure Australia has produced well-researched and considered plans for reform that align with calls from industry and reports prepared for state governments. If implemented the plans would address the issues facing our industry and unlock significant productivity gains. In fact, if we could just halve the gap in productivity growth between construction and other major industries, we could save \$15 billion every year or construct additional schools, hospitals and roads in each and every state and territory for the same level of investment.

Despite almost universal alignment on the problems and the cure, there is currently no mechanism to ensure that the necessary reforms are implemented and this is putting at risk the delivery of the record pipeline of projects and realisation of the substantial productivity opportunity.



PLAN TO SUCCEED

As the bank roller of major projects, the Federal Government is well positioned to drive consistent and widespread change across all Australian jurisdictions.

The Australian Constructors Association, in consultation with government and industry, has developed an initiative that provides a way for the Federal Government to do this without the need for significant change to existing frameworks.

The initiative is called 'FAIR'.

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\$15bn
PER ANNUM

PRODUCTIVITY OPPORTUNITY

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WHAT IS FAIR?

The Future Australian Infrastructure Rating (FAIR) is an initiative to measure the performance of federally funded infrastructure projects.

It complements and builds on the success of existing schemes like NABERs, Green Star and the IS Rating to bring forward a national consistent approach to implementing reforms outlined in the Australian Infrastructure Plan.

Specifically, FAIR is designed to bring forward a step change in productivity and innovation by instilling collaborative behaviours, focusing on quality outcomes and sharing best practice.

➤ CONCEPT TO IMPLEMENTATION

A coordinated effort among Australian, State and Territory governments, together with industry, is required to establish the FAIR initiative. It would be developed in alignment with existing rating tools and reform recommendations outlined in the Australian Infrastructure Plan.

Central to the initiative's success is the establishment of consistent key result areas. Key result areas would likely include productivity improvements, emissions reductions, increased participation of women in the industry, improved worker health and wellbeing, increased sovereign capability, skills development and increased innovation. Performance in these areas would form the basis for an overall project rating.

“ The FAIR initiative could be included in the next iteration of the National Partnership Agreement.

All federally funded projects would be required to submit a completion report to the body administering FAIR. These reports would provide accountability by demonstrating that projects performed as intended. They would also support the sharing of best practice and lessons learned.

The FAIR initiative could be included in the next iteration of the National Partnership Agreement as a requirement for all federally funded projects. To further incentivise quality outcomes, high ratings could unlock access to new funding pools similar to the previous Asset Recycling Scheme.

➤ RATINGS GET RESULTS

FAIR would help ensure taxpayer money is well spent. Government agencies would be given a rating that would be published on a website—leading them to strive for the best results. Just as people look at restaurant ratings for food choices, contractors would look at agency ratings in an effort to partner with those that will deliver the greatest outcomes.

FAIR has the single purpose of improving the sustainability and performance of the industry. It is not about exposing the worst projects. FAIR is about driving innovation, improving productivity, building capability and capacity and improving the culture of the Australian construction industry. FAIR would help create an industry of choice that can deliver the infrastructure that Australia needs, when it needs it, and for a price that it can afford.

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