

For the attention of:
Executive Director, Industry Development Division
Department of Jobs, Tourism, Innovation and Science
1 Adelaide Terrace
East Perth
WA 6004



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Local Jobs Bill Feedback

ABOUT ENGINEERS AUSTRALIA

Engineers Australia is the largest and most diverse body of engineers in Australia. As Australia's principal engineering association, we serve and represent around 100,000 professionals at every level, across all fields of practice. We are committed to advancing the science and practice of engineering for the benefit of the community. We are the trusted authority of a profession that shapes the lives of every Australian. With countless organisations, institutions and government agencies relying on our expertise to create, accredit and assess engineering programs and practitioners, our proven dedication to engineers and the Australian industry is unparalleled.

COMMENT ON LOCAL JOBS BILL 2019 CONSULTATION PAPER

Engineers Australia acknowledges that Australia is a signatory to many global free trade agreements and that the Western Australian Government does not and cannot mandate the use of WA companies for the supply of goods and services in the execution of a major project.

With respect to engineering services delivered for the Western Australia market, Engineers Australia advocates for people who provide a professional engineering service to be registered under a statutory scheme managed by the state government. Presently, professional engineering services are largely unregulated in WA, which contrasts with other professions with a significant public safety role like doctors and architects. Without compulsory registration of engineers, there is no independent quality control mechanism: individuals who attempt to provide engineering services without suitable qualifications or experience, or who do not perform to the standards expected by society, are generally free to operate and cannot be excluded from practice. In the context of the Local Jobs Bill, it is recognised that engineering services are globally mobile and a WA registration scheme will help ensure that appropriate standards for engineering practice are followed—even if delivered by an overseas-based service provider.

Engineers Australia supports the intent of the Local Jobs Bill 2019, which is to ensure WA-based businesses are afforded equal opportunity to tender for the provision of goods and services during the project development phase and its ongoing operations.

Engineers Australia is particularly interested in the engineering component of the above phases and specifically maintaining professional standards and engineering capability in Australia. For example, a significant component of WA-based project work is being undertaken overseas. This includes engineering design, material procurement, fabrication and modularised construction.

This raises several concerns:

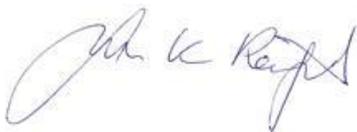
- It is important to ensure engineering work complies to local standards even if the work is completed offshore.
- There is a risk of lost learning and mentoring opportunities for WA-based junior engineers if work is completed offshore. This reduces the competency levels of WA-based engineers in the long term.
- There is a risk of creating an underutilised labour market in Australia if engineers cannot secure work in WA over the long term. Skilled workers either shift into other industries or relocate geographically. This may result in a dependence on off-shoring work, as opposed to it just being an option as it is at present.
- “Shop fronting,” where an overseas business uses a local address or shop front to secure work as a WA-based company, and then shifts the work overseas. In these cases, the project owner often portrays to government and the public that the work has been awarded locally.

In addition to the current requirements of the Australian Industry Participation Plan (AIPP) and the Skilled Work Agreement (SWA), project proponents should demonstrate within the AIPP and the proposed SWA:

1. Mechanisms for ensuring, as a minimum, mandatory Australian Design Standards are met and documented in their overseas design, supply and fabrication campaigns.
2. Mechanisms for ensuring compliance with the *Modern Slavery Act 2018 (Cth)*;
3. Project reporting should include the number of hours and costs expended by overseas labor and material procurement by the project including work completed overseas by WA based businesses.

Further, the *Building and Construction Industry Training Fund and BCITF Levy*, should continue to apply for all projects over the current \$20,000 threshold.

We believe the current threshold of \$500M is an appropriate value for the requirement to prepare and have in place an approved AIPP and SWA.



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