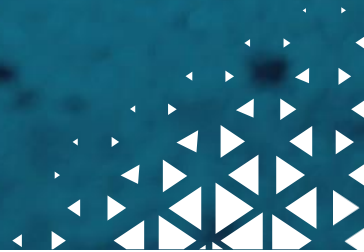




AUSTRALIAN FLEXIBLE PAVEMENT ASSOCIATION

**FEDERAL BUDGET SUBMISSION
2023-24**



ABOUT AFPA

The Australian Flexible Pavement Association (AfPA) is the peak industry body that represent the flexible pavements industry, delivering safe and sustainable outcomes to benefit communities across Australia.

For over 50 years, AfPA has brought together our dynamic and multifaceted multibillion dollar industry that is responsible for the design, specification, manufacture, construction, and maintenance of all forms of bituminous flexible pavements. AfPA's members constitute a diverse array of professional organisations who support the industry and are passionate and committed to advancing flexible pavement technology for the benefit of the road user and broader community.

AfPA members include bitumen suppliers, asphalt producers, sprayed surface operators, major consultancies, suppliers (such as equipment providers, line markers and profiler contractors) and all State Government Road Authorities, and many Local Governments from across Australia.

AfPA's Vision embodies three key objectives:

- to support industry be healthy, safe, innovative, and adaptive to change, acting as a platform for industry sustainability,
- to support the national harmonisation of best industry practices, promoting the benefits of the flexible pavements industry,
- to drive a national culture of continuous improvement.

AfPA welcomes the opportunity to make a submission for the Federal Budget. We are firmly committed to working with all levels of Government towards building a stronger infrastructure future to support the current and future needs of our nation.

FLEXIBLE PAVEMENT INDUSTRY SNAPSHOT

Australia's roads are the critical infrastructure that logistically connects us as a society.

Across all aspects of our day-to-day lives, roads bring us together, facilitating all functions of our social fabric and economic activities. The ongoing viability, level of service and safety is entirely dependent on the significant contributions of all levels of Government to new projects and maintenance of the existing network, and equally a skilled competent workforce to deliver on these commitments.

Like several essential services industries, ours is facing a skills shortage that has come about from an aging population and challenges to attract and retain new entrants.

Infrastructure Australia's Market Capacity Report 2022 indicates that annual spending is set to reach \$52 billion by 2023, an unprecedented level of investment in Australia, creating thousands of jobs and supporting the country's economic recovery. The Capacity Report finds that 80% of the infrastructure financing will be committed to the transport sector, including road and rail work, representing approximately 4 of every 5 dollars of investment.

AfPA commends the Federal Government on the ambitious and ongoing infrastructure investment, which has served to connect communities, support jobs and helped push the industry's performance to record levels, the road and bridge construction industry heavily depends on ongoing public funding and urgently requires a commitment to existing infrastructure maintenance and renewal.

Recent weather instability and economic events have highlighted the urgent need to take a longer-term, more sustainable approach to Australia's roads.



KEY RECOMMENDATIONS:

ADDRESSING SKILLS SHORTAGES

Recent events, including ongoing weather instability and the COVID-19 Pandemic, have exposed major shortfalls within our industry – specifically, the availability of trained and skilled workers. This shortage inhibits the ability to sustain our key infrastructure, our roads.

The challenge for our industry, however, is that the work we are completing is not just new projects but often urgent repairs on damaged roads that save lives. The inability of skilled labour to be brought to Australia from overseas has exacerbated this issue even further, resulting in delayed work and unfulfilled critical repairs.

Australia must take the opportunity to invest in a more skilled workforce, one which is capable of applying ‘band-aid’ fixes to urgent road issues as well as longer-term pipelines of maintenance funding. Both streams will require skilled workers who are ready to respond nimbly to road damage and capable of thinking innovatively and sustainably for longer-term road benefits.

AfPA also calls for federal funding to address the national road maintenance backlog and create stability in the pipeline of maintenance funding to allow businesses to feel confident employing skilled workers stably.

Supporting a healthy pipeline of skilled road surfacing workers, who are fully accredited and upskilled, will not only lead to a more innovative and responsive industry but will also lead to better-connected, a better functioning economy and society. In this regard, AfPA recommends the Federal Government reform pathways via Immigration Laws to access lower skilled visa entry for labourers interested in working in Australia.

To address these issues, AfPA recommends:

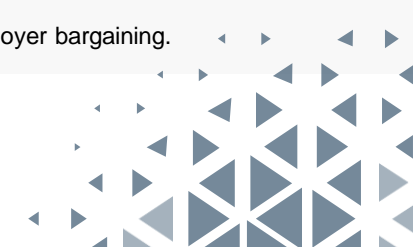
- the establishment of better pathways via Immigration Laws to access lower skilled visa entry for labourers interested in working in Australia.
- developing a skilled workforce at home by providing access to secondary and tertiary funded (or other) programs to incite interest in roads construction at the grassroots level.
- assist AfPA and the broader industry with building recognised training programs for school leavers or young job seekers, and
- maintaining current enterprise agreement schemes negotiated with partner sector unions to reduce further inflationary pressures and support the efficient delivery of Australia’s roads.

IR BILL & MULTI-EMPLOYER BARGAINING

AfPA asks that the government urgently address an error in its multi-employer bargaining legislation that excluded asphalt workers from the exemption to multi-employer bargaining for civil construction workers. Asphalt work is an integral part of civil construction work and cannot be treated separately. Doing so risks undermining the whole exemption, damaging the industry and risking confusion, delays and backlogs. AfPA and its members fully support the government’s commitment to sustainable wage rises, and our industry offers good pay and conditions. This will remain the case with asphalt work considered part of civil construction work and, therefore should be exempt from multi-employer bargaining.

To address these issues, AfPA recommends:

- Urgently address an error in multi-employer bargaining legislation that excludes asphalt workers from the exemption to multi-employer bargaining for civil construction workers.
- Continue to consider asphalt work as part of civil construction work as exempt from multi-employer bargaining.



‘FIX-IT FIRST’ – ADDRESSING BACK-LOGS AND URGENT WORK

AfPA’s key ask of the Federal Government, and all other levels of government across Australia, is for longer-term funding commitments and better coordination to ensure the best outcomes for Australian communities and value for money. Currently, much of the spending is decided year by year which often leaves industry struggling to plan, resource and meet the increasing demands to support urban, regional and remote areas.

Australia needs more sustainable, longer-term pipelines of investment, with a focus on fixing it first. This means the Federal Government allocating more spending for longer periods of time – in particular to road maintenance to ensure communities are safely and reliably connected and drive transport productivity. Whilst we commend the record spending into new capital projects in the latest budget, we recommend elevating spending, especially to support the Government’s Local Roads and Community Infrastructure Program and the Road Safety Program, as doing so would have significant safety and economic benefits.

The 2021 State of the Assets report estimates that 8% of sealed roads and 14% of unsealed roads are in poor condition, function and capacity and are close to reaching the end of their useful life. With a total replacement cost of \$204bn, these figures highlight the critical need for healthy, sustainable pipelines of maintenance across the nation. This is an urgent issue that has the potential to endanger Australian lives and hurt Australia’s economic potential. A commitment to maintaining these roads to the highest standards and shrinking backlogs will enable local roads to continue to generate thriving communities.

Regional and remote communities continue to be disproportionately affected by road maintenance backlogs and failures. As the vital lifeline between some communities and urgent healthcare, critical supplies and much more, roads are of the highest level of strategic importance in remote regions.

The most rapid stimulus package that can be implemented is to urgently address the transport infrastructure maintenance backlog, creating jobs, enhancing resilience, promoting the use of renewable materials and improving road safety.

To address these issues, AfPA recommends:

- Government continue to support and nurture rural and regional communities which continue to be disproportionately affected by road maintenance backlogs and damage.
- Government work toward addressing the high proportion of sealed roads and unsealed roads that are in poor condition, function and capacity and close to reaching the end of their useful life.
- Government focus on sustainable pipelines of road maintenance and innovative repair methods to protect Australia’s assets against weather instability.

COLLABORATION WITH GOVERNMENT

The injection of public funding for shovel-ready road projects to stimulate economic activity to counter the recession and economic impacts of the COVID-19 pandemic, recent and ongoing natural disaster events and address the declining condition and backlog of road assets is equally dependent on the strategic and investment to attract and retain a skilled, competent and diverse workforce.

Industry seeks to work closely with all levels of Government to help create maximum value from investment. The future-proofed solutions to ongoing issues must be led by industry, working within their local areas to rebuild and restore their local economies in light of the recent biosecurity and weather events. This will foster long-term resilience, productivity and competitiveness. In order to do this, we urgently seek to attract new entrants to our industry and ensure that they are suitably skilled to deliver on this critical infrastructure.

To address these issues, AfPA recommends:

- Ensure collaboration and communication between all levels of government and industry remain the foundation under which all infrastructure investment is built.

OTHER RECOMMENDATIONS:

DIVERSITY AND INCLUSION

AfPA advocates for gender equity, diversity and inclusion across the flexible pavement industry. AfPA believes that it is critically important to address the challenges of successfully attracting, recruiting and retaining a diverse workforce into careers within our industry to address skill shortages. AfPA's approach to workforce participation in our industry includes developing strategies to improve attraction and recruitment tailored to the industry's unique culture and workforce with a focus on improving both supply and demand, empowering and encouraging diversity.

AfPA has long integrated diversity, female participation and equitable practices into its policy positions. AfPA has established its Diversity and Inclusion Committee, just one practical and effective collaboration to address key issues concerning equity and diversity for the industry going forward. The purpose of the Committee is to acknowledge the importance of a diverse workforce within the flexible pavement industry by providing training, development opportunities and opportunities to network and exchange information with each other.

AfPA believes that existing barriers to a more inclusive industry must be removed and participation rates, particularly among female workers, improved before we can begin to address the skills shortage we face.

AfPA INDUSTRY SKILLS CARD – TRAINING THE NEXT GENERATION OF ROAD WORKERS

A key initiative to both attract new entrants to the flexible pavement industry, support the reputation and recognise the work of our workforce, AfPA in collaboration with industry and supported by State Government has developed the Australian Flexible Pavement Industry Skills Card (Skills Card).

Bituminous surfacing industry is a specialist trade skill set that ensures the safety of the travelling public and protects the Government's most valuable asset – its roads. On this basis, those who deliver the nation's highest order roads should possess qualifications specific to this industry to ensure quality, safety, long term durability, performance, and workforce sustainability, identifying career pathways through industry.

These skill sets have been designed to be transferable between employers and State boundaries and recognised nationally. The qualification needs to be recognised as a trade equivalent that provides confidence to procurers and promotes attraction and retention of talent to the industry. This can only happen if authorities implement the skills card into the procurement process.

As the nation's leading industry association for bituminous surfacing, AfPA has been compiling a significant library of industry specific resources that create a VET unit of competency, to be utilised by affiliated RTO's. These resources will be retained and shared through the association to ensure the latest practical knowledge training is provided to the Flexible Pavements Industry.

The Skills Card which is transferrable, recognises prior experience and the academies of each organisation. In partnership with State Road Authorities, this scheme will identify, train, and provide each worker with a qualification on a skill set basis. The following skills sets within the industry card have been developed to date:

- Safely handle bituminous materials
- Asphalt Surfacing
- Spray Sealing
- Insitu Stabilisation Operations, and more.

Last month, the skills of Australian roadworkers were formally recognised thanks to a new qualification developed by AfPA and approved by the National Skills Commission. We recommend that this skills card be adopted and applied on a national scale. The new 11-part qualification industry skills card will support better career development for workers and attract more people into a sector that is facing a skills shortage at a time of unprecedented demand from infrastructure projects and repairs to roads damaged by recent weather events.

Under the new Skills Card, Australia's roads are set to become safer and more skillfully built than ever through a set of specially designed part qualifications introduced under the national qualification RII30920 Certificate III in Civil Construction – Bituminous Surfacing, designed to improve the nation's workforce and road building skills.

AFPA STRATEGIC PRIORITIES

Our strategic priorities aligning with the Skills Guarantee Discussion Paper are as outlined below:

Health and Safety

AfPA is firmly committed to promoting a continuous improvement health and safety culture across our industry. It is recognised that one of the highest risks for our industry is frontline workers exposed to traffic.

Road workers put themselves at risk to deliver the infrastructure Australian drivers are demanding. Unfortunately, it is some of these same drivers who are putting these workers at risk. It is paramount to AfPA and our members to enable and support industry to continuously improve the health and safety of our people and the communities we serve.

Sustainability

AfPA promotes sustainability on three fronts, our people, the environment and economic:

- AfPA leads the knowledge requirements for our industry in developing skills that underpin the new jobs being created to support Australia’s economic recovery and supports the inclusion and growth of diversity.
- AfPA advocates for the continual improvement in environmental sustainability that works towards circular economy practices. This includes our industry doing its part in addressing the use of renewable materials to control waste.
- AfPA advocates for sustainable funding of Australia’s most valuable asset – our roads. In particular, the preservation and protection of the major investment that has been made in this asset connect communities and contribute to Australia’s economic competitiveness.

Collaboration and Partnership

AfPA drives a partnership culture with all its stakeholders to promote the delivery of outcomes that benefits members and Australia.

Knowledge and Innovation

AfPA works to promote a continuous improvement culture that demonstrates to members a commitment to best engineering practice and promotes the removal of barriers to innovation. We strive to enhance opportunities for members to implement innovative products and processes in flexible pavement engineering applications.

AfPA delivers national and international knowledge relating to the best:

- health and safety
- circular economy practice/sustainability
- best construction and manufacturing practice
- contractual practices
- engineering; and
- use of digital technology.

