

15 September 2025

Alex Robson, Deputy Chair
Catherine de Fontenay, Commissioner
Productivity Commission

Submitted via 5pillars@pc.gov.au

Dear Commissioners Robson and de Fontenay

Building a skilled and adaptable workforce: Interim report

The Australian Sustainable Built Environment Council (ASBEC) welcomes the opportunity to provide feedback on the Productivity Commission's Interim report on building a skilled and adaptable workforce – an essential pillar of a growing economy. Accelerating investment in skills and training for our existing and new workforce is integral to our clean energy and net zero transformation.

ASBEC is a collaborative forum of peak bodies in the Australian built environment, focused on sustainable, productive, and resilient buildings, infrastructure, communities, and cities. Our membership¹ consists of industry associations, professional bodies, academia, non-government organisations and government observers who are involved in the planning, design, delivery, and operation of our built environment.

ASBEC has a longstanding focus on buildings, cities, infrastructure and urban-scale policy to support our vision of a sustainable, liveable, productive, equitable and resilient built environment. Our organisational purpose strives for policy development in alignment with the UN Sustainable Development Goals and Paris commitments. Our work in this space includes a range of collaborative research and analysis to help inform policy development.

We recognise that Australia's workers will need solid foundational skills for delivering net zero buildings and infrastructure, with smooth pathways to upskilling. We strongly agree with the Interim report's comment that strong foundational skills, and the ability to upskill and reskill as jobs change, help workers and businesses adapt to emerging technologies and structural change. This is highly applicable to the much-needed delivery of sustainable and zero-carbon ready homes, commercial buildings and infrastructure. Lifelong learning is key to achieving our net zero ambitions.

Our comments will focus on the opportunity to build a skilled and adaptable workforce to help deliver on our net zero commitments – most relevant to draft recommendations:

- 2.2 Better target incentives to lift work-related training rates in small and medium enterprises (SMEs)
- 3.2 Expand entry pathways and streamline qualification requirements for occupations

ASBEC hosts the Infrastructure Net Zero (INZ) initiative – a coalition of government and industry bodies committed to decarbonising Australia's infrastructure. Infrastructure and buildings are one of our biggest contributors to emissions – responsible for nearly a third of Australia's emissions and indirectly linked to more than half. Decarbonising these projects – from roads and rail to buildings and bridges – will be critical to reaching Australia's net zero target. One of the INZ workstreams focuses on accelerating decarbonisation through building skills and capability in the built environment supply chain.

Infrastructure Australia and ASBEC, in partnership with a range of government and industry bodies within the INZ initiative, recently released, [Delivering Net Zero Infrastructure: Workforce Report](#)ⁱⁱ. The report sets out a national game plan to help the construction industry tackle workforce skills shortages that are holding Australia back when it comes to decarbonising infrastructure projects.



The report finds that about half the workforce delivering Australia's \$213 billion five-year Major Public Infrastructure Pipeline are contributing to net zero outcomes – about 105,000 workers. But even among this group, many lack the understanding and confidence on how to best decarbonise. There is a significant opportunity to extend awareness and responsibility of decarbonisation efforts.

The report includes four recommendations for government and industry to build the workforce with the skills needed to deliver a net zero infrastructure future:

1. Coordinate actions to boost infrastructure workforce supply and skills uplift across key sectors (transport, energy and the built environment) and jurisdictions
2. Track capability of the infrastructure workforce to achieve net zero over time and monitor the progress, identifying emerging needs and future opportunities to boost supply and uplift capability.
3. Undertake research on pathways and worker mobility across adjacent infrastructure sectors and jurisdictions into high impact net zero roles.
4. Explore options to develop an industry wide approach for a Carbon Management Fundamentals program for infrastructure professionals and leaders.

Information request 2.5 SME advisory services for training provision

The *Delivering Net Zero Infrastructure: Workforce Report* finds that professions core to the development and delivery of infrastructure (such as Construction Managers, Architects and Engineers, and Business Case Developers) have the lowest confidence in their ability to reduce upfront carbon. It recommends that an industry-wide approach to training for carbon management fundamentals would improve consistency across the supply chain. Therefore, we would say that, from a carbon management perspective, lifting worker training rates for this skill set is needed in large organisations as well as SMEs.

Our report notes that, as these decarbonisation actions cut across multiple sectors and portfolios, development of training would need to be supported by the Department of Employment and Workplace Relations, Jobs and Skills Australia, relevant Jobs and Skills Councils, and the Department of Climate Change and Department of Climate Change, Energy, the Environment and Water where appropriate.

Information request 2.6 Supporting access to work-related training for individuals

A wide range of stakeholders across industry, governments, and education and training sectors, at both national and state and territory levels, will need to work together to address workforce challenges to delivering Net Zero Infrastructure across the asset lifecycle. The *Delivering Net Zero Infrastructure: Workforce Report* recommends that the Australian Government, working with states and territories, should specify the Net Zero Infrastructure workforce and skills needed across the economy within Australian Government decarbonisation plans, identifying any skills complementarities and overlaps across the key sectors to achieve economies of scale. Collective efforts can help avoid bottlenecks in project delivery and harness infrastructure as a driver of large-scale decarbonisation.

If you have any further queries, please do not hesitate to contact me via [REDACTED] or on [REDACTED].

Yours sincerely

[REDACTED]
Alison Scotland
Chief Executive Officer

ⁱ https://www.asbec.asn.au/membership/current_members/

ⁱⁱ <https://www.asbec.asn.au/research-items/delivering-net-zero-infrastructure-workforce-report/>