

Industry confidence wavers as infrastructure investment falters

Increasing uncertainty in the infrastructure pipeline is constraining business investment in skills and exacerbating the existing capacity crunch, reveals Consult Australia's latest skills survey.

[Consult Australia's Capacity Crunch report](#) follows a survey of businesses in design, advisory and engineering, and reveals decreasing industry confidence in infrastructure investment beyond six to 12 months.

Skills shortages are already being felt among many of the professions essential to the delivery of the [2022-2023 Federal Budget commitments](#), says Consult Australia's Chief Executive Officer, Jonathan Cartledge.

"Despite the biggest infrastructure investment in a generation, our survey shows that businesses lacks confidence to invest and plan for the future. Governments that provide longer-term certainty will build that confidence," Mr Cartledge says.

"While we welcome the Australian Government's commitment to the existing \$120 billion infrastructure pipeline, our research underscores the importance of matching this investment with longer-term planning and certainty for business to support delivery.

"The Australian Government has promised billions to electrify our buildings, boost renewable energy generation and to transform the nation into an 'energy superpower'. This ambitious agenda requires the skills to deliver; skills that will only come from long-term investment by businesses."

Mr Cartledge says the current review of the [Infrastructure Investment Program](#) is "rightly focused" on productivity, sustainability and liveability. "But equally, this review, and others underway across government, must consider how certainty in this pipeline and improvements in procurement can support the industry it relies on for delivery."

Consult Australia's survey examined challenges, capacity and confidence of respondents with a combined workforce of 21,000 people around Australia.

"We are seeing skills shortages across the industry now. Further investment in nation-building projects in energy, infrastructure and defence will put extra pressure on an industry where planning beyond six months is already an enduring challenge," Mr Cartledge says.

More than 60% of respondents noted that skills shortages were felt Australia-wide, and had significant impacts on project delivery, cost overruns and supply chain issues.

Short-term volatility across sectors is clear with respondents reporting "too much work" in several sectors, including water and dams (47% of responses), transport (44%) and energy and resources (43%).

Hydrology was the discipline in highest demand at graduate level (78% of respondents noted a shortage), early career (89%) and mid-career (100%) following Australia's recent floods.

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Half of all survey respondents noted graduate shortages for civil and structural engineers, GIS analysts, and environmental scientists.

Sustainability consultants were highest demand at senior career level – and 92% of firms surveyed said they had skills gaps. Shortages of sustainability skills were also recorded at the graduate level (42%), early career (50%) and mid-level (92%).

The findings of Consult Australia's survey confirm other industry forecasts. [Infrastructure Australia predicts](#) a shortfall in skills and occupations required to deliver the public infrastructure pipeline until March 2025.

"We know market competition, limited supply and lack of internal resources all make it harder for our members to hire and retain the skills they need. For businesses to plan in this environment, longer-term certainty in the pipeline is critical," Mr Cartledge says.

The survey does suggest more capacity within six to 12 months, but Consult Australia urges the Australian Government to "broaden its focus beyond reviews to consider how delivery can support greater productivity and support industry confidence".

"Funding for the National Construction Industry Forum and a commitment to review the migration system are very welcome and reflected in the recommendation in our [Thinking smarter about skills](#) paper," Mr Cartledge adds.

"We hear the same message at every roundtable, forum and committee meeting. The industry needs pipeline transparency so businesses have the confidence to invest in skills for the future," Mr Cartledge concludes.

Download [Capacity Crunch, Consult Australia's Skills Survey Report](#) – May 2023.

About Consult Australia

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering – an industry with 58,600-plus businesses across Australia. Consult Australia champions the full spectrum of a sector that directly employs more than 285,000 people. Our members provide professional consulting solutions to individual consumers, private sector companies, and public sector clients across all three tiers of government. From building design to advisory services on major infrastructure, our members shape, create and sustain Australia's built and national environments. See: www.consultaustralia.com.au

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Images and interviews available on request.

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