

CONFIDENCE TO DELIVER FORWARD PIPELINE OF BUILT ENVIRONMENT PROJECTS AT RISK DUE TO CAPACITY CONSTRAINTS

Consult Australia's industry health check on COVID-19 impacts and the outlook for design, advisory, and engineering businesses

Consult Australia has today released an Industry Health Check Report for the March quarter of 2021, highlighting a strong recovery in the infrastructure and built environment sectors in comparison to last year's health check reports. The health check measures the current business impacts from the pandemic on design, advisory and engineering businesses, and the anticipated six-month outlook for the pipeline of work. Our industry is made up of 48,000 businesses and 240,000 professionals across Australia.

Findings from Consult Australia's Q1 2021 Industry Health Check show that:

- Nearly half of all businesses are currently experiencing an upturn in work. Only 11 per cent are experiencing a downturn in work – compared to 54 per cent in our September 2020 health check and 66 per cent in our May 2020 health check.
- Roads, mining, residential buildings, and schools/childcare projects are driving the upturn.

The results found that the biggest issues now impacting confidence across businesses are:

- The availability and affordability of professional indemnity insurance, with the majority of businesses seeing reduced coverage and increased premiums. 90 per cent of businesses have experienced significant premium increases – 11 per cent even reporting that they have experienced increases of over 100 per cent in the last 12 months.
- Workforce capacity to deliver the expected volume of work over the next six months. Skill shortages, exacerbated by limited access to skilled migration and a 'hot' market, is impacting the industry's confidence to deliver a growing pipeline of infrastructure (and related) projects, which in turn may impact Australia's COVID-19 recovery efforts.

Nicola Grayson, Chief Executive of Consult Australia, said:

"It is good to see many design, advisory, and engineering businesses reporting a strong upturn in work. Much of this upturn can be attributed governments' handling of the pandemic response and economic recovery efforts to date."

"With a strong recovery pipeline of projects, the focus has shifted to the capacity constraints that will impinge on industry's ability to deliver. This means looking at ways to smooth the pipeline of work and sequence the release of projects to the market. It also means urgently facing up to the diminishing availability of professional indemnity insurance and looking at how we can de-risk projects and work more collaboratively to deliver projects without costly disputes."

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MEDIA STATEMENT

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NOTES TO EDITOR

1. About Consult Australia

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering. Our industry comprises some 48,000 businesses across Australia, ranging from sole practitioners through to some of Australia's top 500 companies, providing solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry is a job creator for the Australian economy, directly employing 240,000 people. The services we provide unlock many more jobs across the construction industry and the broader community.

2. About Nicola Grayson

Nicola Grayson is the Chief Executive of Consult Australia. Nicola is responsible for implementing the organisation's strategy, building ongoing external relationships, and for leading Consult Australia's advocacy and government relations agenda on behalf of member firms.

Nicola is a government relations specialist, and has represented industry associations in the United Kingdom, the European Union, and Australia. Nicola has worked across a range of sectors including general insurance, consumer finance, alcohol, and education, in addition to consulting engineering. She has an Honours Degree in Law from the United Kingdom and was previously Consult Australia's Director of Policy and Government Relations.

3. For interview

For more information and to arrange an interview, please contact Nicola Grayson directly on +61 (0)499 878 839 or email nicola@consultaaustralia.com.au.