

Business is booming but so are the costs and the capacity constraints

Consult Australia's health check of the design, advisory and engineering industry

Consult Australia released its latest industry health check survey results today, the latest six-monthly snapshot of sentiment among the design engineering sector that employs over 285,000 people.

Despite most businesses experiencing an upturn in work which has improved by 30% from the September 2021 survey, the lack of talent and significant cost inflation is having a negative impact on capacity and workforce wellbeing. Meanwhile the soaring cost of professional indemnity insurance is a major pain point for businesses of all sizes.

Nicola Grayson, the Chief Executive of Consult Australia, said: *"Consulting businesses are experiencing significant rising costs because of the skills shortage and average increases of around 30% in the cost of professional indemnity insurance. Consult Australia continues to advocate for a more collaborative contracting environment which would take pressure of our people's mental health and de-risk project delivery. By reducing onerous contracting terms, we would also expect to see a response from insurers to moderate premium inflation, which is often the single largest cost for our members after wages."*

In terms of people, the latest survey shows:

- the top business cost is salaries and wages with many businesses increasing salaries in the past 12 months
- 46% of businesses have had an increase in the voluntary turnover of staff, and it is therefore unsurprising that the cost of recruitment is also a major business cost
- work/life balance continues to be a concern for businesses, as is the mental health of their people.

In terms of PI insurance:

- it is reported as the second highest business cost
- 79% of businesses experienced an increase in their PI insurance premium – on average between 11-30%
- 60% of businesses reported a reduction in the number of insurers willing to offer cover.

Ms. Grayson said *"Our industry is at breaking point. There is a record pipeline of projects and a huge talent deficit with thousands of open roles. Australia needs its professional consulting engineers, designers, and advisers more than ever. Without their work on infrastructure, whether roads or, buildings (both public and private) or, public transit, or energy networks, new investment can't be delivered, and existing infrastructure can't be maintained. We are calling on the government to become a model client, and lead by example in the way it engages with the sector so that we can create a healthy and sustainable ecosystem of productive businesses."*

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, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering, and technical services, and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

2. Industry Health Check

Consult Australia launched its Industry Health Check pulse survey in 2020 in response to the outbreak of the COVID-19 pandemic, five surveys have been run. The Results Report for the survey run in May-April 2022 is available [here](#).

3. 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.

4. 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