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18 June 2021

The Hon. Stuart Robert MP Minister for Employment, Workforce, Skill, Small and Family Business Australian Government

The Hon. Alex Hawke MP Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs Australian Government

By email to: alex.hawke.mp@aph.gov.au; stuart.robert.mp@aph.gov.au;

Dear ministers,

Recommendation for additions to the Priority Migration Skilled Occupation List (PMSOL): civil and structural engineers

I am getting in touch on behalf of Consult Australia as I have been advised that your offices are jointly considering additions to PMSOL as part of the Australian Government's response to key skill shortages and to support the COVID-19 economic recovery strategy.

For background, Consult Australia is the industry association representing businesses in design, advisory, and engineering. Our members provide services to a broad client base including governments, companies, and individuals. We represent an industry comprising some 48,000 businesses across Australia, ranging from sole practitioners through to some of Australia's top 500 companies.

We recommend civil and structural engineers are included in your consideration of additions to PMSOL. We believe our recent analysis of skill shortages, and research on broader industry capacity challenges related to the forward pipeline of infrastructure and built environment projects, highlight a strong case for their inclusion.

I note that skill shortages are a key challenge to the delivery of Australia's infrastructure and built environment projects. Infrastructure investments have increased as part of the response to COVID-19 by the Australian Government, along with state and territory governments. At the same time, effective measures such as the HomeBuilder scheme have also directly increased built environment investments.

While these investments and measures are critical for the Australian Government's COVID-19 economic recovery strategy, their ability to deliver the best possible outcomes for the economy and communities is dependent on an adequate supply of related skills. In recognition of this challenge, the First Secretaries Group of National Cabinet recently tasked Infrastructure Australia to investigate market capacity challenges from these growing investment pipelines, and we strongly encourage your offices to engage with the agency on their current findings.

From our perspective, many of the skill shortages in our industry are caused by longer-term systemic or underlying issues that become more prevalent as workforce demands increase. This is particularly the case for occupations that are dependent on specialist qualifications and a 'flow of skills' developed through the education sector. Australia is lagging behind many of its peers in the development of a strong pipeline of talent in STEM disciplines.

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Driving business success for consulting firms in the built and natural environment

As such, when workforce demands increase, there is a strong reliance in our industry on the skilled migration system to fill key occupations requiring specialist qualifications and extensive experience – as evidenced by the mining boom in the 2000s and early 2010s.

While the Australian Government's recent university funding reform seeks to address some of these problems, industry benefits from any uplift in STEM education participation and standards will only be experienced in decades.

In regards to the case for including civil and structural engineers as additions to PMSOL, our most recent <u>annual member survey on skill shortages</u> (conducted in December 2020) identified these as occupations in our industry most acutely impacted by skill shortages.

Our findings regarding civil engineers show recruitment challenges in all major cities. Shortages were prevalent for mid-level and senior roles, with a lack of applicants with appropriate experience. This is leading to wage increases, of more than ten per cent for many businesses.

For structural engineers, Sydney and Melbourne are the hotspots, with shortages across all experience levels. However, mid-level roles are the most in demand because of their technical skills and their practical experience. Like civil engineers, wages are increasing with some businesses reporting a need to relax experience requirements.

I invite you to contact me directly at nicola@consultaustralia.com.au or on (02) 8252 6700 for more information or to arrange a meeting to discuss.

Yours sincerely,

Nicola Grayson

Chief Executive Officer