

Media Release

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More workers needed to deliver major infrastructure projects

While a strong pipeline of public infrastructure investment is to be applauded, a potential shortage of workers needed to deliver projects could mean inevitable cost-blowouts, delays and flow-on effects for local government.

The Institute of Public Works Engineering Australasia (IPWEA) has welcomed the \$24 billion infrastructure package expected to be unveiled in the Federal Government's 2018 Budget, including \$8 billion slated for Victoria's roads and railway lines.

"Managing our nation's critical infrastructure is about funding both new capital infrastructure as well as making provision for its on-going operational expense. There is little point in funding one without the other," IPWEA CEO Robert Fuller said.

Mr Fuller expressed concern that any planning for major infrastructure projects also needed to take into consideration the availability of skilled workers.

"We are thrilled and encouraged to see continuing Federal Government investment in vital infrastructure; this is a significant investment in our country's future. At the same time, we are recommending that every related aspect of this investment be carefully considered. Operating and maintenance budgets, together with workforce projections, are a key part of that," he said.

"The success of these billions of dollars of projects is underpinned by first ensuring an appropriate workforce is able to be mobilised – and that's in doubt at the moment."

The <u>March 2018 Vacancy Report</u> lists 4600 vacancies for engineering positions, up 1670 since the same time last year.

Research from Engineers Australia (EA) has shown plummeting rates of secondary students taking up STEM subjects, raising concerns that the industry could face greater shortages of engineers in the future. Australia already relies heavily on skilled migration to fill engineering positions; EA data shows 57% of engineers working in Australia were born overseas compared to 40% in other professions.

Mr Fuller said any skills shortage could result in project delays, which in turn could drive costs up. This is a major opportunity for the Federal Government to leverage its economic purchasing power to ensure that skills for the future are a core element of these projects.

As more engineers are pulled into major capital works projects, Mr Fuller warned local governments, already struggling to compete with the private sector, could find it more difficult to attract talent. Local governments in regional areas could be particularly impacted.

"If an increasing number of civil engineers are being pulled into major projects, it follows that there will be a dwindling pool of candidates with the same skills available to councils," Mr Fuller said.

"This will have significant impacts on the ability of local governments to manage our community's public infrastructure, both in the immediate and long-term.

"Our recommendation is the Federal Government support this strong investment in Australian infrastructure with a similarly robust plan to secure a strong and skills-ready workforce.

"These are precisely the hot topic issues that will be addressed at IPWEA's inaugural <u>Asset Management Congress</u> in Canberra, August 13-16, at the conclusion of which we will deliver a communique of recommendations to the Federal Government outlining how our nation's public infrastructure should be better managed for the next generations."

For interviews

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About IPWEA

The Institute of Public Works Engineering Australasia is the peak not-for-profit association for public works and engineering professionals across Australia and New Zealand. It provides training, publications and advocacy to support its 4,000-plus members and 20,000-plus community of engineering professionals who provide essential community infrastructure. Visit www.ipwea.org.