



MAJOR WORKFORCE HURDLE AHEAD FOR AUSTRALIAN INFRASTRUCTURE SECTOR

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Infrastructure Partnerships Australia has partnered with Deloitte to expand the capability of ANZIP – Australia’s definitive infrastructure pipeline – to create a clear, real time picture of major infrastructure expenditure and labour demand.

The forecast data reveals Australia is facing a major workforce hurdle in the delivery nation’s infrastructure pipeline, requiring clear action from governments.

“It is no secret that we’re facing a record infrastructure pipeline, which is only set to grow over the coming years,” said Infrastructure Partnerships Australia Chief Executive Adrian Dwyer.

“While this is welcome for the sector and the economy more broadly, growing pains are inevitable.

“We are already seeing some acute shortage of high-end skills, such as tunnelling and signalling engineers and project directors, emerging in the delivery of this multi-decade pipeline.

“With \$450 billion worth of upcoming winnable opportunities in the major project market, this workforce challenge will only intensify.

“Between July 2022 and October 2024, the infrastructure sector will need to grow its total workforce by nearly 43.4 per cent to meet the demands of the coming pipeline.

“Unless we can meet the coming workforce demand - or at the very least improve construction productivity - we’ll start to see delays in delivery, with taxpayers footing the bill through higher project costs.

“State governments and industry have an important role to play in ensuring major infrastructure projects deliver a strong skills legacy for the next generation of projects, through targeted investment in training and development.

“The Federal Government can also help bridge the workforce gaps through much needed reforms to the skilled migration program.

“That’s why the Federal Government must develop a specific visa sub-class for infrastructure, better matched to project timeframes and targeted at acutely in-demand skills, to provide longer-term certainty to industry and state and territory governments.

“The Federal Government will also need to continue working with industry and its state and territory counterparts to ensure the Skilled Migration Occupation List remains aligned to the sector’s evolving needs,” said Mr Dwyer.





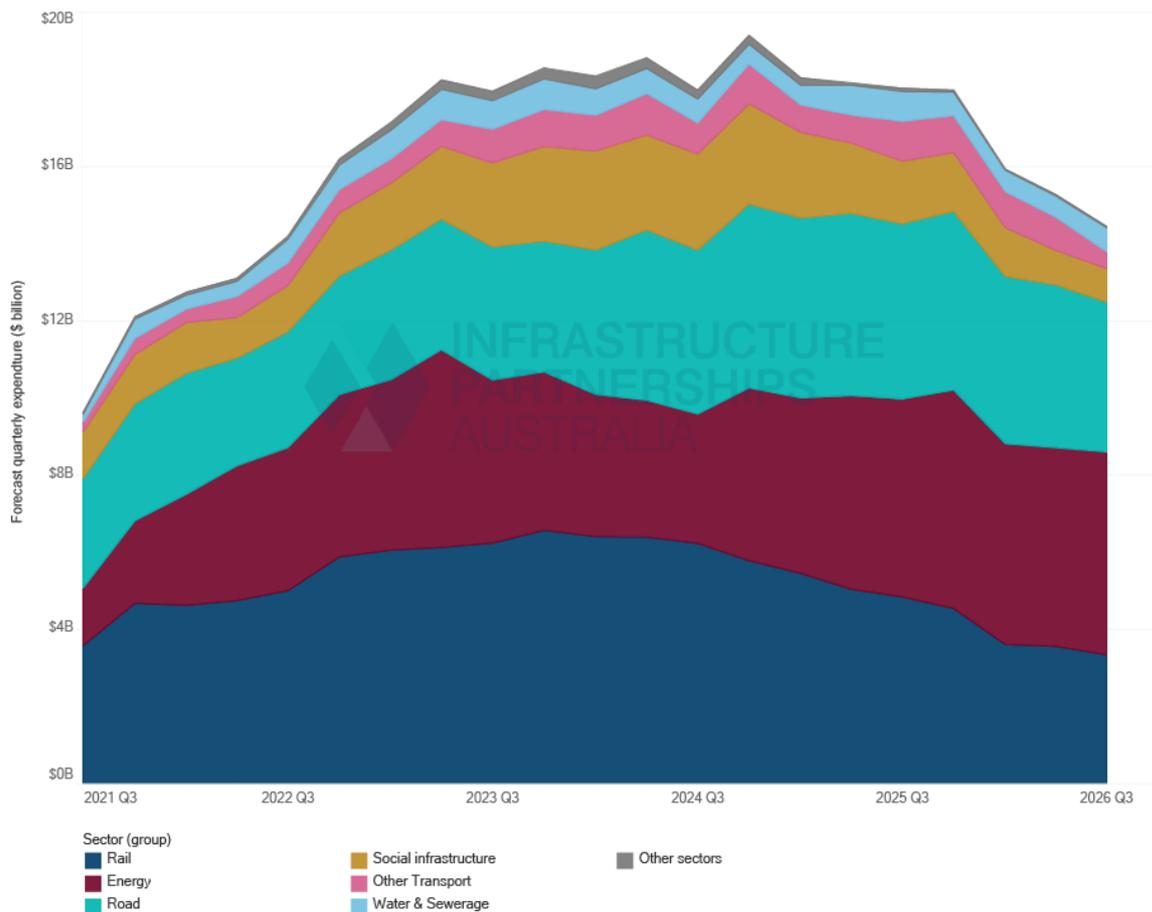
ANZIP now provides the most definitive picture of forecast infrastructure expenditure and the labour demand available in Australia, allowing policy makers and infrastructure leaders to answer key questions about how we deliver the record pipeline ahead.

You can access the powerful new interactive forecasting tools [here](#).

Infrastructure Partnerships Australia is the nation's infrastructure think tank, providing independent policy research focused on excellence in social and economic infrastructure.

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FIGURE 1: FORECAST INFRASTRUCTURE EXPENDITURE BY SECTOR

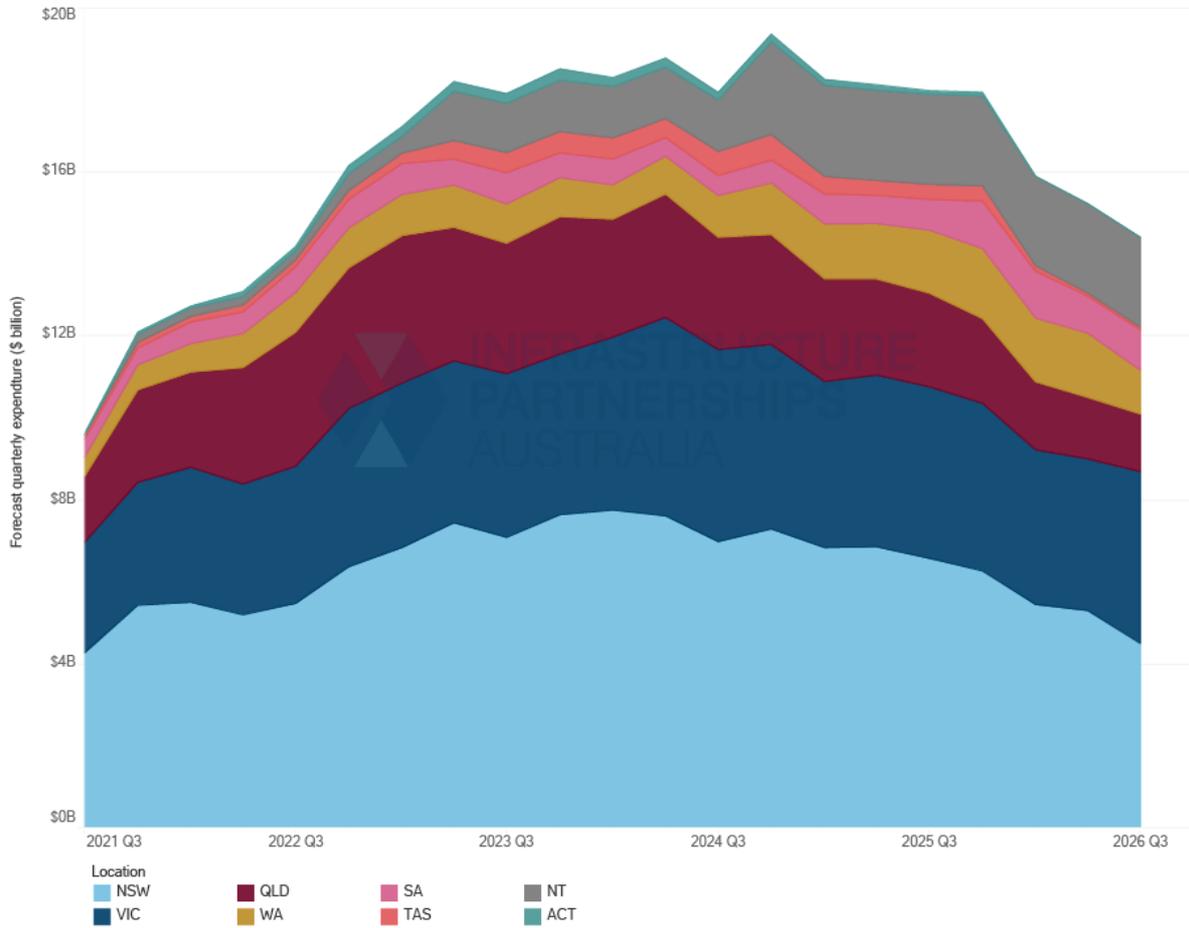


Source: ANZIP





FIGURE 2: FORECAST INFRASTRUCTURE EXPENDITURE BY LOCATION

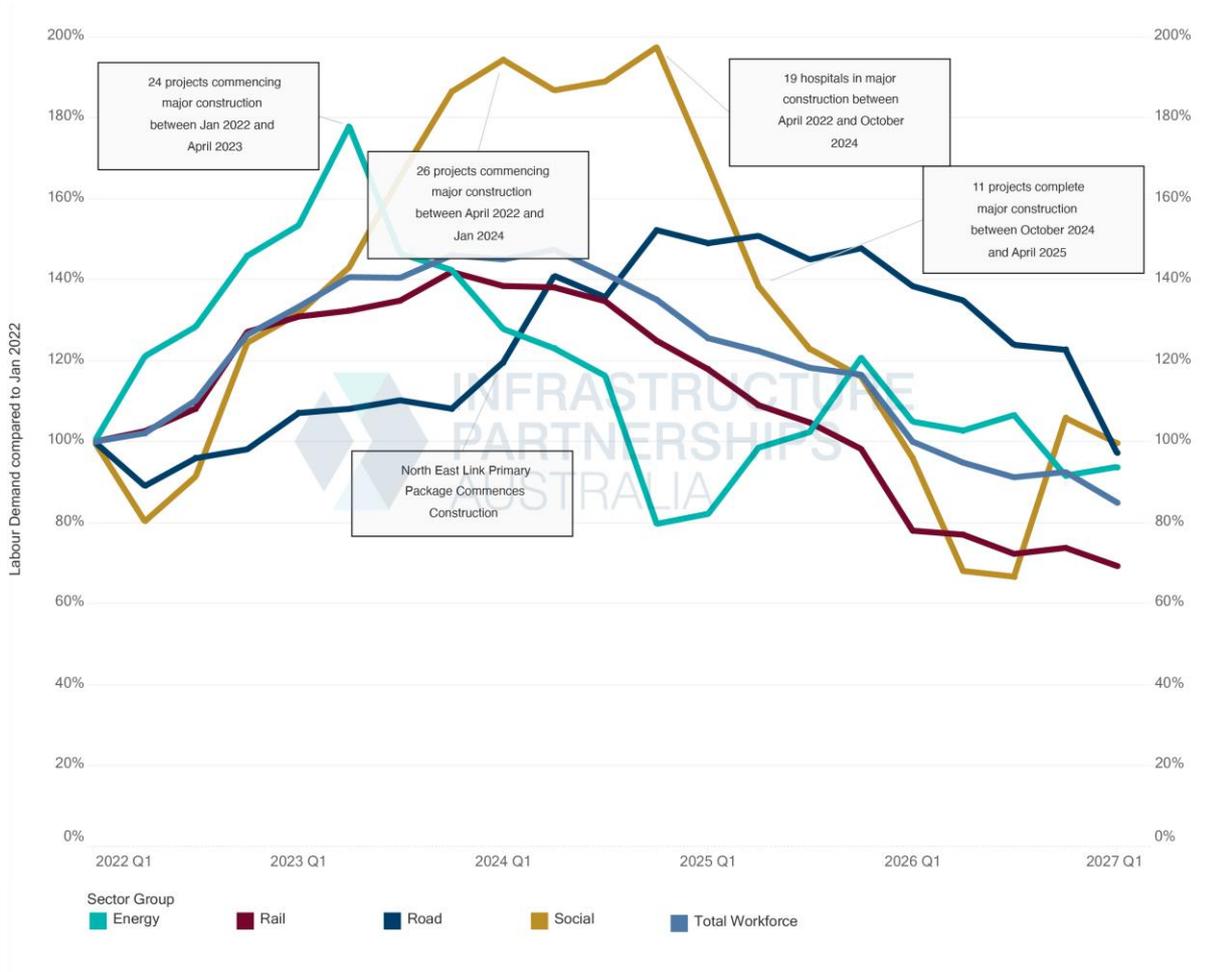


Source: ANZIP





FIGURE 3: FORECAST LABOUR DEMAND BY SECTOR

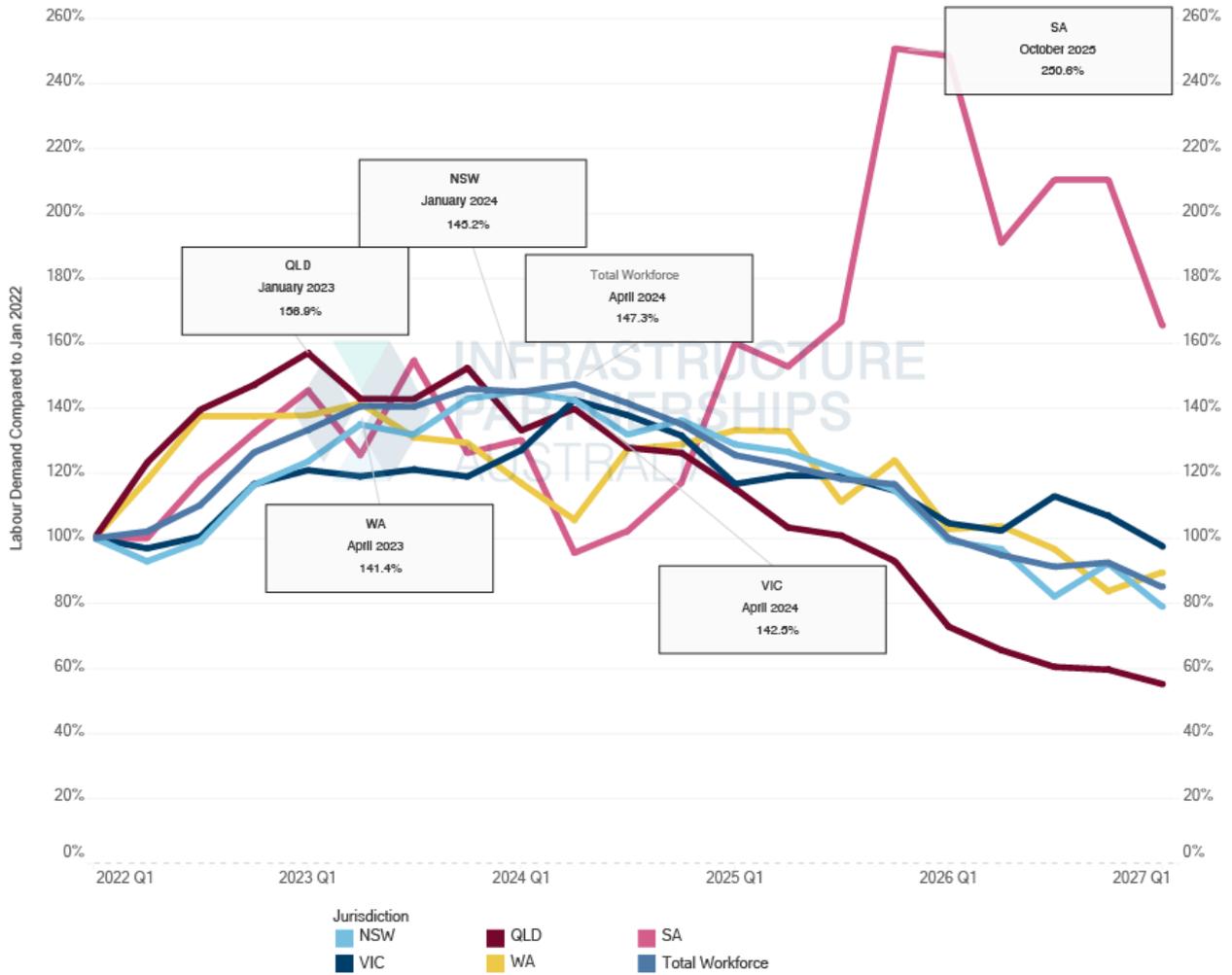


Source: ANZIP





FIGURE 4: FORECAST LABOUR DEMAND BY STATE



Source: ANZIP





SUMMARY OF FORECAST INFRASTRUCTURE EXPENDITURE AND LABOUR DEMAND

National

- Over the next 10 years, we'll see an average quarterly expenditure on infrastructure of \$16 billion. Infrastructure expenditure will peak at \$19.4 billion in Q3 2024.
- The average quarterly expenditure on major road projects between Q3 2021 and Q3 2025 is \$3.7 billion.
- The average quarterly expenditure on major rail projects between Q3 2021 and Q3 2025 is \$5.5 billion.
- The average quarterly expenditure on major energy projects between Q3 2021 and Q3 2025 is \$3.9 billion.

NSW

- In NSW, infrastructure expenditure peaks at almost \$8 billion in Q1 2024. The average quarterly expenditure on infrastructure will be around \$6.5 billion between Q3 2021 and Q3 2025.
- In line with this investment, labour demand will peak at 145 per cent in January 2024.
- The M6 - Stage One, Great Western Highway Upgrade - Blackheath to Little Hartley, Sydney Metro – Western Sydney Airport – Surface and Civil Alignment Work, Sydney Metro West, and M12 Motorway will all contribute to the significant increase in demand for labour in 2024.

Victoria

- In Victoria, infrastructure expenditure peaks at almost \$5 billion at Q2 2024. The average quarterly expenditure on infrastructure will be around \$3.9 billion between Q3 2021 and Q3 2025.
- In line with this investment, labour demand will peak at 143 per cent in April 2024.
- The North East Link – Primary Package – Tunnel PPP, Melton Hospital, New Footscray Hospital, Suburban Rail Loop – East – Main Works, Melbourne Airport Rail will all contribute to the significant increase in demand for labour in 2024.

South Australia

- In SA, infrastructure expenditure peaks at almost \$760 million at Q3 2023. The average quarterly expenditure on infrastructure will be around \$600 million between Q3 2021 and Q3 2025.
- The combination of the North South Corridor and Women's and Children's Hospital will see labour demand peak at 250 per cent in October 2024.

Queensland

- In Queensland, infrastructure expenditure peaks at almost \$3.6 billion at Q1 2023. The average quarterly expenditure on infrastructure will be around \$2.8 billion between Q3 2021 and Q3 2025.
- In line with this investment, labour demand will peak at 157 per cent in January 2023.
- The Inland Rail Gowrie to Kagaru PPP, Brisbane Live, Gold Coast light Rail Stage Three, and the Pacific Motorway M1 Upgrade - Daisy Hill to Logan Motorway will all contribute to the significant increase in demand for labour in 2023.

