

# MEDIA RELEASE

Driving Business Success for Consulting Firms in the Built and Natural Environment



## TURBULENT FEW YEARS FORECAST FOR AUSTRALIA'S BUILT ENVIRONMENT CONSULTING INDUSTRY

Australia's consulting engineering, architecture and associated industries are set to experience a chaotic next three years with continual restructures required in order to remain globally competitive, according to Consult Australia's 2012 *Economic Forecast* report, released today.

The Report, written by former BHP Chief Economist, Geoffrey Bills is considered one of the industry's most valuable economic predictors and is used by many of Australia's largest firms, including Parsons Brinkerhoff, SMEC, Hyder, GHD and AECOM.

In the short-term, the Report forecasts a fairly rosy future for the industry.

The backlog of work in engineering construction is set to sustain high levels of activity until 2016 with firms operating in this space expected to experience 22 per cent growth over the next 12 months.

Consult Australia CEO, Megan Motto said this signifies a welcome commitment to infrastructure development in the short-term but warned it wasn't all good news.

"Curtailed public spending due to significant budget constraints has concerning long-term implications, particularly given the trend towards contracting out," said Ms Motto.

The Report shows that private sector work is unlikely to pick up quickly enough to compensate for this fall, an issue compounded by the fact that approvals in the 2011 calendar year fell by six per cent from 2010.

Mining and infrastructure work will continue to dominate the industry, coinciding with a sharp drop in non-residential activity as stimulus spending comes to an end.

The strong dollar has also made exporting Australia's professional services from the industry more difficult.

"Australian consultants operating in this space are extremely well regarded internationally," said Ms Motto.

"Fortunately this does help cushion the effects many firms are feeling from the strong Australian dollar, however it has made securing overseas work a lot more challenging for many firms."

Difficulties exporting services have been compounded by increasing competition from imports, which have jumped from a six-year average of \$1.27 billion a year to \$2.3 billion last year.

"The increase in imported services is due to the growing importance of major oil and gas developments and the ongoing skills shortage in Australia," said Ms Motto.

Despite the numerous challenges facing the industry, the future looks bright with market trends towards contracting out, the diversifying nature of large consulting firms, new technologies and changed major national markets forecast to strengthen the industry.

According to the Report, Australian firms can expect to experience up to 18 per cent growth in revenue to \$37.5 billion in the next two years alone.



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“The consulting industry is undergoing constant transformation on an epic scale to maintain its competitiveness,” said Ms Motto.

“But we do so as an informed industry, and against the backdrop of a strong Australian economy, positioning us to maintain our place as a global leader.”

## Ends

23 May 2012

For further information or to arrange an interview, please contact PR & Policy Coordinator, Gillian O’Young on (02) 9922 4711 or via email at [gillian@consultaaustralia.com.au](mailto:gillian@consultaaustralia.com.au).

## ABOUT CONSULT AUSTRALIA

Consult Australia is the association for professional services firms within the built and natural environment; influencing policy, creating value and promoting excellence.

As an association, Consult Australia’s primary focus is on improving the commercial environment for its members and raising standards across the industry.

Consult Australia’s member firms services include, but are not limited to: design; architecture; technology; engineering; planning; landscape architecture; surveying; cost consulting (quantity surveyors); project management; and management solutions. The Association represent some of the industry’s biggest players in this space with its member firms collectively employing more than 50,000 staff.