

Presentation Title**Skills to pay the bills...****How can Australia deliver on its renewable mega-projects in the face of an acute skills shortage and a lack of productivity?**

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Australia wants to be renewable superpower – and now is the dawning of ‘big hydrogen’ – but who will build it?

It’s no secret that the Australian construction industry has had an ongoing and acute skills shortage over the past few years. This was one of the factors that has led to numerous state government infrastructure projects being shelved across Australia.

Rethinking traditional risk allocation in renewable projects is critical to addressing the ongoing skills shortage in the industry. Energy transition to cleaner and more sustainable sources is critical for Australia’s future – however, better risk allocation will be critical to the battle for talent to delivery on this unprecedented opportunity.

So on larger hydrogen projects, particularly on the cutting edge of technology and innovation, how is labour going to keep up with projected demand? Further, how will parties incentive rapid movement into the industry and what can government do to support this?

Firstly, fast-tracking skilled migration Federally is a no-brainer. Secondly, in circumstances where everyone knows there is a serious shortage of skilled labour, it is a time to revisit simply having a principal put this risk solely on a head contractor. There are various risk sharing models available for project participants to share such risk.

Far from being altruistic, such mechanisms could improve productivity and ultimately give greater price certainty as part of encouraging scarce labour resources into clean energy projects over lucrative similar roles in resources and infrastructure. For government projects, this should be immediate – as industry (and funders) will follow suit if they see projects risk sharing succeed.

This problem is not going away in the short to medium term – there is an urgent need to recalibrate how labour risk are allocated on renewables projects.