

The state of project management in Australia 2022

Leading projects through volatility



Australian
Institute
of Project
Management

Contents

Introduction		03		
Survey demographics		04	Hot topics of 2022:	
			Labour shortages	08
Spotlight on:			Supply chain disruption	11
Succession planning and salaries		05	Digital transformation	13
Delivery performance		07	Success in complexity	15
			Emerging trend:	
			Environmental, social and governance strategies	17
			Key findings:	
			Summary and future pathways	19

Introduction

For the fifth year running, KPMG Australia and the Australian Institute of Project Management (AIPM) have joined forces to deliver arguably the most anticipated, comprehensive and respected annual snapshot of the Australian project management landscape.

This year's report highlights the key findings from a survey of over 300 diverse Australian project professionals across July and August of 2022. In addition to maintaining consistency with previous years' questions to identify any longitudinal trends, the survey included questions on salary for the first time this year as well as taking a pulse on current trends in the market.

We sincerely thank everyone who spent their time completing the survey this year and in previous years. You've contributed to this important and insightful perspective on the state of Australia's project management profession in 2022.

Survey demographics

329
respondents

Qualifications and certifications

- 45% AIPM RegPM™ certification
- 26% Axelos accreditation
- 34% Undergrad or postgrad project management qualifications
- 17% Certificate level in project management
- 12% Project Management Institute (PMI) certification
- 16% Agile qualification
- 11% No qualification
- 10% International or other

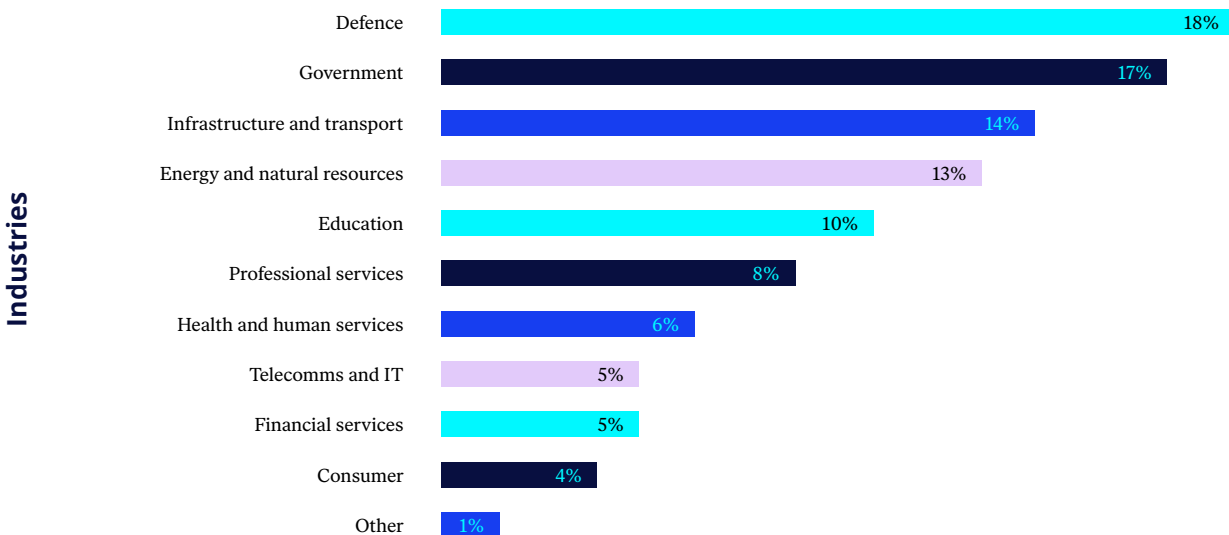
Roles

- 62% Project manager or delivery support
- 20% Portfolio or PMO leadership
- 7% Project advisory or education
- 11% Executive or sponsor

Project types

- 41% Construction and infrastructure build (from 38% in 2021)
- 23% Information technology (from 21% in 2021)
- 15% Business improvement and transformation (from 23% in 2021)
- 21% Other (inc. R&D, new product design) (from 18% in 2021)

NB: many respondents hold more than one



Succession planning and salaries

The aging workforce

Over **55%** of respondents have more than 15 years of experience.

Highly experienced project professionals are approaching retirement

The skew to experienced PMs reflects the nature of the AIPM audience but may also signal a looming skills exodus as experienced project and program managers approach retirement.

Developing emerging talent must be a key focus area for the next two to five years to minimise skills shortages

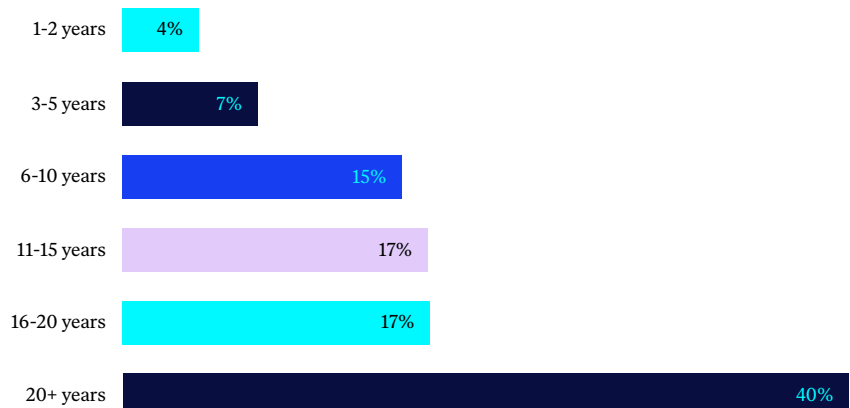
Despite current labour shortages, many organisations do little to attract new talent.

42% of respondents said their organisation wasn't doing anything (or they didn't know what they were doing) to attract and encourage emerging project professionals.

INSIGHT

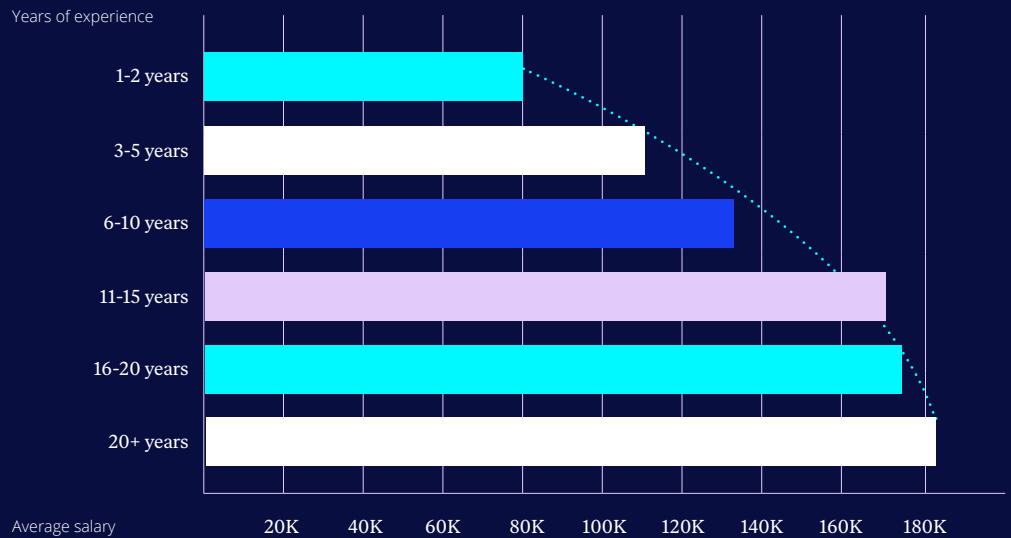
Experienced project managers are approaching retirement. Organisations must focus on attracting and developing emerging talent to prepare for the looming skills exodus.

Years of experience



Money matters

For the first time, we asked respondents to report their current pre-tax salary range.



INSIGHT

The strongest salary growth is in the first 10 years of project careers, with growth rate tapering after.

Project delivery performance

The core purpose of the project management profession is to deliver successful projects. Let's see how project performance tracked in 2022.

We asked respondents how their organisation performed in 2022, which was another volatile year across all industries and sectors.

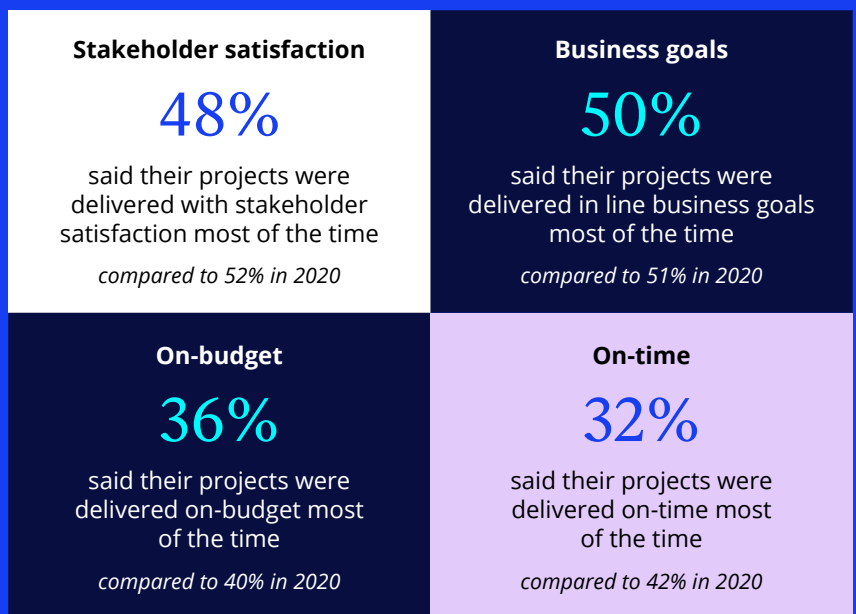
COVID-19 restrictions lifted but the residual impacts were still there. Coupled with international unrest, project professionals faced major economic challenges. Inflation was at record levels, and shortages of materials and people impacted budgets and delivery timing.

43% of respondents feel their organisation manages projects and programs effectively or very effectively, compared to 48% in 2020.

The perception of effective management of projects has slipped compared to 2020, and so have most success metrics.

INSIGHT

On-time project delivery has slipped in the past two years, likely due to skills shortages, supply chain disruptions and other economic constraints. Delivery in line with business goals metrics are steady, demonstrating resilience and perseverance in challenging times.



Labour shortages

The cumulative impact of border closures resulted in continued shortages of skilled workers, with no end in sight.



73%

of project professionals said their projects experienced staff shortages

52%

suffered from delays in sourcing key roles or skills critical to projects

INSIGHT

Organisations across Australia face increased competition for labour and skills, and need to work harder than ever to attract, engage and retain people. Project leaders must be responsive to the risks arising from labour, skills and resources shortages that look set to continue in the short term.

39%

said team stress and burnout were increasing

28%

said their own stress and burnout were increasing

Projects can't succeed without people power

The growth of the project and program management profession is critical to ensuring stability and consistency within the workforce to support successful project delivery. Resource management must be a priority to understand and schedule upcoming work and skills required to deliver projects, yet a third of respondents rated their organisation's processes as immature or poor.

Business leaders name their biggest challenge of 2022

In the 2022 edition of the *Keeping us up at night* survey, KPMG polled over 400 CEOs and business leaders to identify key business issues. Talent acquisition, retention and re/upskilling to meet a more digitised future were seen as their biggest challenge of 2022.

“We need to focus on long-term thinking, (the) key will be creating a culture and environment to attract the younger generation.”

KPMG Partner

Stress and burnout on the rise

Project management is a demanding career. All sectors are short-staffed, resource delays are the norm and project demand is growing. It's no wonder organisations face an increased risk of burnout in their project professionals.

Project leaders must keep their teams and businesses healthy with proactive and preventative measures that emphasise wellbeing and mental health.

What can be done?

Focus on attracting and developing new talent

Organisations need to work hard to attract emerging talent, yet 42% said their organisation did nothing (or they didn't know what they were doing) to be attractive to young project professionals.

Employer-supported development is identified as a strong value driver for aspiring project management professionals. Still, almost 30% indicated that their organisation committed none or less than one day of professional development per year.

More visible investment in project management would help to retain and attract motivated project professionals.

Provide genuinely flexible working conditions

Employees are reluctant to give up the lifestyle benefits of remote and hybrid working. Organisations must balance their needs with individual preferences to attract and keep employees.

24% of respondents reported more flexible team resourcing in 2022 but if organisations want to attract the best talent, this needs to rise.

Embrace older workers

Australian employers can increase diversity and find a wealth of skills and experience amongst older workers amid the current skills shortage. **Reports show** more than 170,000 older Australians are keen to return to the workforce. This number will only grow as the population ages.

Highlight: Construction industry

Respondents in the construction, infrastructure, and energy and natural resources sectors confirmed that the skills shortage is impacting their projects.

87% of respondents identified one or more of the following key impacts resulting from current economic climate and public health conditions:

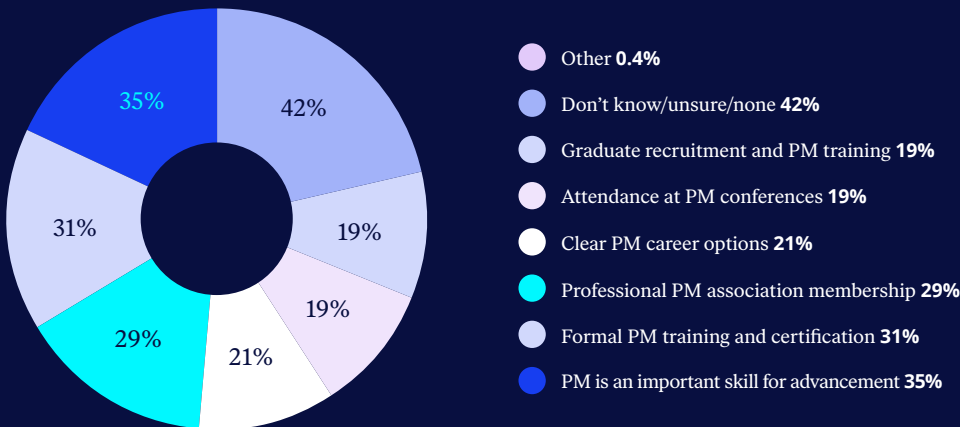
- Staff shortages and retention in general
- Delays in obtaining key roles or skills critical to the project
- More flexible team resourcing, including off shoring

Over **60%** of construction industry employers are offering one or more of the following to be attractive to young project professionals:

- PM training
- Conference attendance
- Certification
- Professional memberships

BUT... only **60%** reported clear project management career options and **42%** advised that they either don't know or are doing nothing to attract talent

What actions does your organisation undertake to be attractive to aspiring or young project professionals



“We need to adopt principle-based approaches to project management - people interaction over process.”

2022 survey respondent

Skills shortages aren't new or caused by COVID-19

A recent study by [Engineers Australia](#) said the engineering profession has reported skills shortages every decade since the 1980s. In 2012, a parliamentary

inquiry focused on shortages of engineers and related employment skills. The findings and recommendations of this inquiry remain relevant today.

Supply chain disruption

Australia's project profession is facing challenges on multiple fronts. In addition to labour and skills shortages, disrupted supply chains, resource constraints and spiralling costs are key pressures.



“The biggest challenge is delays to project delivery due to world economics.”

2022 survey respondent

44%

of respondents had projects affected by supply chain disruption

51%

of respondents faced rising costs of materials and/or staff

Supply chain disruption leads to resource constraints and spiralling costs

The pandemic, natural disasters and global unrest caused significant interruptions to every element of the supply chain in 2022. Demand was high, labour was scarce, inflation soared, and delays in the production, manufacturing

and transport of resources led to significant disruption for project professionals. Many respondents named supply chain disruption as the biggest challenge facing the profession in the next two to five years.

“Uncertain climate in terms of pandemics, conflicts, supply chain issues, etc., will pose problems for organisations to perform at their best.”

2022 survey respondent

INSIGHT

Supply chain constraints, resource scarcity and rising costs are some of the biggest disruptors facing the project profession. Cultivating resilience through technology investment and strategic partnerships will help organisations better anticipate and respond to the unexpected.

What can be done?

Increase investment in disruption detection and innovation processes

COVID-19 has highlighted risk and resiliency gaps. In a recent [KPMG study of global supply chain issues](#), 67% of CEOs indicated they will increase investment in disruption detection and innovation processes to reduce the impacts of disruption.

Reduce reliance on global supply chains

Government and industry leaders are looking to build domestic capabilities to reduce reliance on global supply chains. Organisations must review supply chain flows and consider local inventory capabilities to reduce risk.

Diversify supply chain

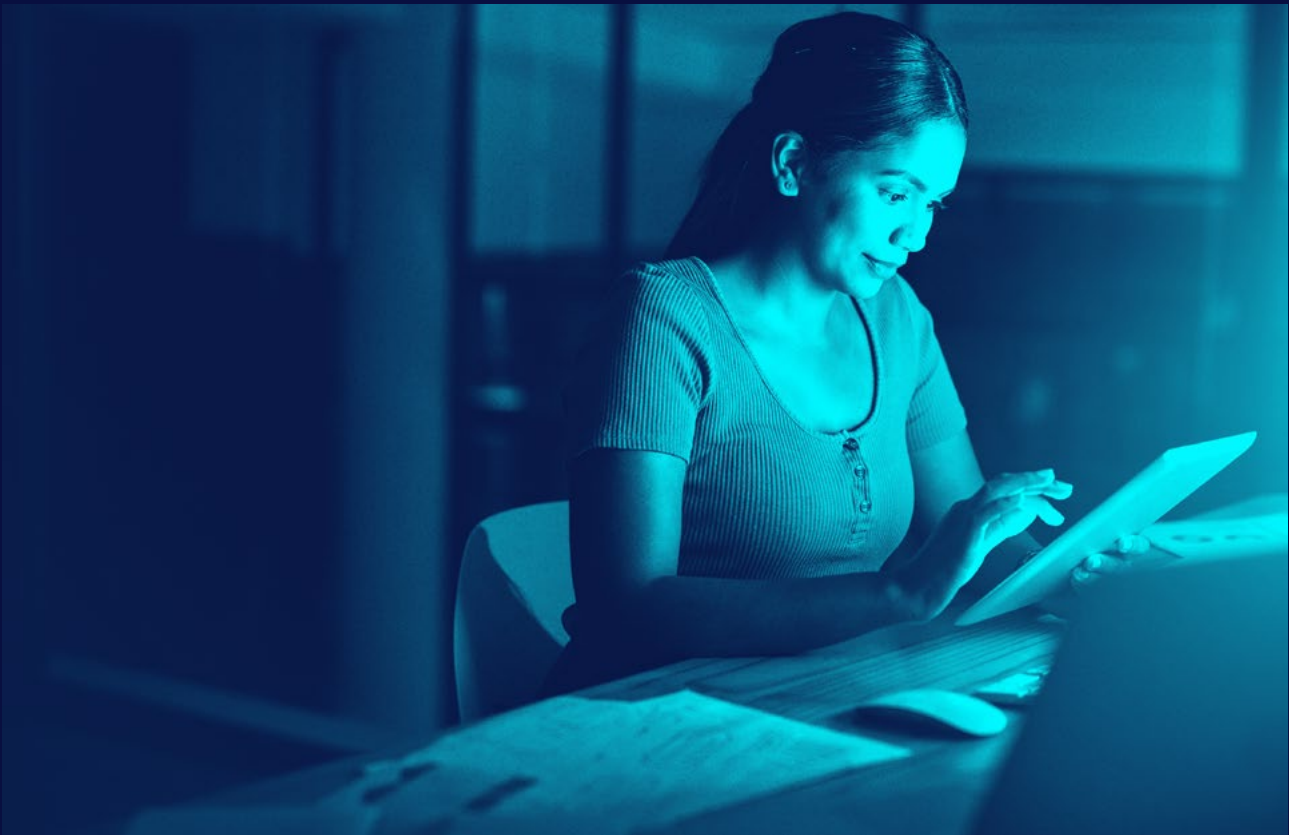
Avoiding reliance on a limited

number of third parties can reduce risk. Collaboration with an ecosystem of vendors and forming strategic supplier partnerships can cultivate a resilient supply chain.

“In the future, supply chains won't be driven by products and processes, but by customer needs; they won't depend on capital-intensive fixed assets and linear flows, but on an ecosystem of modular capabilities, delivered through a network of trusted third-parties, that can be scaled and recombined as needed; operators will become managers; new skills will be required and new job roles created. Tomorrow's supply chains will be autonomous, self-healing, and self-optimising.” Peter Liddell, Global Head, Operations Centre of Excellence, KPMG International, and Partner, Operations Advisory KPMG Australia.

Digital transformation

Project managers are leading organisations through digital transformation



Percentage of respondents who worked on a transformation project in 2022

All project professionals

41%

About half of respondents identified as working in construction and infrastructure. This figure reflects the significance of transformation in those sectors.

IT professionals

88%

In 2021, 87% of respondents who identified as delivering IT projects said they had worked on a transformation, which is consistent with this year's result.

Hot topic: Digital transformation

We are in a period of constant change and opportunity, with project managers leading the way. Many businesses know they need to reinvent themselves digitally to thrive. Every area of the modern enterprise, from procurement and supply chains to finance and HR, is under pressure to digitise, break out of its silo, and connect with the rest of the business to deliver results.

What's driving Australia's transformation projects?

74%

said transformation projects are

business-driven

–

Type of projects:

Process improvement or automation

Improve customer experience

Competitive action

Cost reduction

26%

said transformation projects are

technology-driven

–

Type of projects:

Move legacy to cloud

Outdated infrastructure

Global digital transformation

In comparison, [KPMG's global tech report for 2022](#) identified the drivers for technology leaders worldwide:

99% of executives surveyed globally have generated returns from digital investments

52% of Australian leaders surveyed say that accelerating customer centricity is the key driver of digital transformation.

Success factors for transformation projects

Businesses contemplating a transformation should ensure project leads understand the full business context of the project and the impact of the changes, not just the technological implementation. When asked about the key success factors for transformation projects, the top factors identified were:

60% capable, experienced delivery team

54% client executive drives outcomes

46% organisational readiness for change.

The uptake of AI in project management

Despite the increasing focus on technology to advance business strategies, only 29% of respondents reported that artificial intelligence (AI) is used in their organisations to support project management. In a positive trend, this was up strongly from 10% in the previous year, resulting in nearly a 20% increase in AI usage in project management in Australia in 2022.

29%

reported AI in use at their organisation to support project management in 2022.

Compared to 10% in 2021.

Of the 29% using AI, this is how they use it to aid project delivery:

44% use it for reducing repetitive tasks like reporting

26% use it for what-if analysis and modelling

20% use it for automation of scheduling and resource management

20% use it to enhance project decision making.

INSIGHT

Despite the challenges of labour shortages, supply chain disruption and cyber threats, organisations must confidently invest in new technologies to reap the rewards of digital transformation.

Success in complexity

Complex projects and programs involve significant uncertainty and volatility, which has become a constant in the current project delivery environment. Project professionals and organisations must evolve to thrive in complexity.



In 2021,

71%

of respondents said the number of projects and programs involving significant uncertainty and volatility grew over the last 10 years

In 2022,

57%

of respondents believed project complexity grew over the past two to five years

What causes complexity?

Common causes of complexity are:

- project requirements being difficult to define at the outset
- intricate interfaces with internal and external stakeholders
- new and updated legislation and regulations
- new technologies being available to address emerging trends
- conflicts in human relationships and organisational culture
- economic, environmental and political influences

Top success factors for complex projects

Most respondents indicated that the interpersonal skills of project managers and the leadership team are of most benefit for complex program success.

The importance of strong and active leadership and strong relationships and collaboration were rated as similarly high importance. And when asked what attribute is most important for a project manager's success, leadership and personal skills rated

highest, surpassing knowledge, experience and training.

Top success factors for high-value projects

It's widely accepted that projects with higher value often generate increased complexity. For the subset of survey respondents delivering procurement or development projects, **65% had directly worked on high-value projects in the past 12 months.** They believed the primary contributors to successful delivery of high-value projects were:

25% ensuring stakeholder alignment

16% clearly defined requirements

These responses indicate a strong commitment by respondents to delivering what is required, and that simplifying a complex environment is needed for success. They also understand that a willingness to change is crucial in a dynamic and changing environment. Stakeholder alignment is essential to gain the executive's commitment to implement the required changes.

Interpersonal skills drive success

These key themes highlight that for a project or program management team to be successful, interpersonal skills are key. Strong leadership and relationships are as important as technical know-how. Project management professionals still need to focus on developing technical skills, but the utility and need for interpersonal skills in environments of complexity are crucial.

The swing to interpersonal skills will only increase

As artificial intelligence and project management tools are further deployed to take over much of the processing and analytical aspects of project management, the focus on interpersonal and behavioural skills like leadership, communication, resilience, accountability, adaptability, and emotional intelligence will only grow. Artificial intelligence software prevalence has increased from less than 10% to 29% this year, with the main uses being to take on repetitive and transactional tasks. This allows project professionals to focus on interpersonal, planning and problem-solving interactions.

Recognising that professionals with both technical skills and a broad range of management skills are required to drive the Australian economy through the delivery of projects is a necessary step to increase the chances of complex program success.

INSIGHT

Complexity is the new normal. Artificial intelligence will absorb more transactional project tasks. Project professionals who develop and hone their interpersonal skills will be poised for personal and project success.

The rise of environmental, social and governance (ESG) strategies

As the challenges and threats presented by climate change become more visible worldwide, organisations are acutely aware of the importance of their environmental, social and governance (ESG) strategies.



INSIGHT

Australian organisations have accepted the need for action on ESG issues, driving an increase in transformation projects. Organisations must recognise the need to put PMOs at the helm to get the best ESG outcomes. Similarly, project professionals must upskill to lead these projects to success.

62%

of project professionals expect ESG requirements to influence their projects and programs in the future.

“The adoption of new projects delivering renewable energy outcomes are essential and Jemena is leading the way in demonstrating the important role hydrogen and biomethane have in the energy transition.”

Tom Breadon, Project Manager at Jemena

ESG transformation programs are increasing, with organisations seeking to incorporate these factors into business operations and strategy. Over half of project professionals say that ESG will influence their projects and programs in the future.

Rapid transformation is happening

Australian corporations and government bodies have moved on from discussing whether to act on ESG issues like net zero, ethical sourcing, diversity and inclusion and zero landfill. The decision now is what action to take, when and how transformation should take place. Transformation programs may include:

- Business model changes, as organisations seek to put ESG front and centre of their operations and culture
- Becoming social enterprises for a competitive edge
- Adapting with agility to the changing geopolitical environment

- Implementing robust crisis management and stakeholder engagement strategies to safeguard against social blacklisting.

What part will project management professionals play in these programs?

As with all transformation programs, a project professional can enhance the delivery and success of ESG programs with the solid foundation of a PMO, clearly articulated governance structures, adaptable stakeholder engagement approaches, plus clearly articulated benefits and strategic alignment.

Project and program managers are prime candidates to benefit from up-skilling in ESG matters, as ESG-specific roles are already growing in demand, with hundreds of open positions in Australia alone.

Organisations may also identify the need for specialist support for ESG transformation programs.

“Capex decisions now have an ESG lens with increasing importance compared to financial parameters, as we potentially bring forward equipment replacement that provides a better environmental impact. A new strategic consideration is how do we prioritise the many ESG driven projects that we are considering; what ESG borne factors are more important than others?”

– A leading Australian entertainment company

Key findings: Summary and future pathways

A furious pace of change requires resilience at every level.

The project leadership community is dealing with greater complexity and uncertainty, requiring increased responsiveness and resilience. A key challenge for the profession is honing skills to stay ahead of the curve.

Economic constraints are the biggest challenge in 2022.

Labour shortages will only be exacerbated by the aging workforce. Organisations must deploy innovative and inclusive ways to attract people into the profession and to retain the experienced and qualified professionals already in place.

Supply chains must be reimaged to help organisations build resilience and avoid material shortages and spiralling costs to better navigate future volatility.

The project profession needs to be elevated

Although 77% of respondents felt their organisation valued project management as an important business capability, several factors pointed to the undervaluing of project management as a profession.

These factors included weakness in recruiting and appointing suitably skilled project managers and a need for greater investment in continuing professional development. Many respondents indicated that their organisations did not offer a professional development path and career opportunities.

The AIPM has a [directory of endorsed professional courses](#) and a [mentoring program](#) to support organisations and individuals to upskill.

C-suite leaders and decision-makers should consider why, when committing many millions of dollars to projects, they are not demanding and investing in professionally certified PMs.

The AIPM offers six levels of [RegPM™ certification](#) to recognise skills and career progression.

Project managers and leaders must excel in behavioural skills

Artificial intelligence is poised to absorb some of the more traditional transactional project tasks, freeing project managers to steer their projects through volatile delivery environments successfully. Project professionals with exceptional interpersonal skills will be the leaders of the future.

Like any skill, behavioural skills like leadership, adaptability and emotional intelligence can be taught. [AIPM Project Leadership workshops](#) are a great place to start.

As an emerging trend, the ESG agenda is approaching mainstream maturity with a need to engage with the topics to remain relevant in today's market. Our respondents clearly understand the need for ESG professionals on the project, at all stages of the project lifecycle, to improve the outcomes for the business.

The final word

“The report has confirmed the volatility Australian project professionals have been facing, and with disruptive forces likely to continue, complexity has become a new ‘normal’ part of the profession. The AIPM will continue enhancing its products and services to equip project people with the skills and resources to respond, including evolving our certifications around the project lifecycle.”

Simon Kaleski
Acting CEO, AIPM

“Australian businesses are looking to reform their organisation to address the challenges including digital transformation, talent shortages and a focus on ESG inclusion. There is an increasing need for complex program, change management and organisational transformation services that support and enhance strong leadership and interpersonal skills in the project and program management space. Organisations are looking to captivate emerging project management talent and build strategic partnerships that cultivate resilience through technology investment and KPMG brings the people, skills and experience to continue to support businesses navigating their transformation journey.”

Angus Reynolds
Partner, Transformational Program Management, KPMG Australia

Contact us



Simon Kaleski

Acting CEO, Australian Institute of Project Management

Simon is an experienced leader and has a passion for the project profession. He has a financial background, with over 20 years in senior finance roles. He has held senior roles with Port, Rail, Land Infrastructure and Transport and Logistics organisations as well as roles in the NSW Public sector.

Simon has held positions of Non-Executive Director and Chair of the Audit and Risk Committee for a Not-for-Profit disability services organisation and past president of a professional members organisation. He is currently a State Councillor with one of Australia's largest membership organisations, representing more than 38k members.



Angus Reynolds

Partner, Transformational Program Management, KPMG Australia

Angus is an experienced leader of high performing teams focussed on delivering transformational change in complex environments.

For more than 30 years at KPMG Angus has worked with clients across a variety of industries predominantly with organisations navigating merger and acquisition driven change. He is passionate about enabling organisations to drive exceptional outcomes for all stakeholders.

Angus works with a team in excess of 180 project and program management professionals helping clients to transform their operations and business models.



Australian
Institute
of Project
Management



AIPM.com.au



KPMG.com.au

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).