At the peak of the pre-GFC “mining boom” the minerals industry workforce numbered 163,800 people, that’s less than 1.5% of the national workforce. By March 2009 the minerals workforce had dropped by 15%. Yet by May 2010 the workforce had rebounded to over 161,000 and I expect has already exceeded the peak levels of the boom.

During the pre-GFC mining boom, the industry experienced severe capacity constraints to growth and significant labour cost increases due to shortages in skilled labour. The chronic shortages were in mining industry professionals and metals and electrical tradespeople. There was never a shortage of labour, it was a skills shortage. We never experienced a universal shortage of people wanting to work in the entry level positions.

I diverge here from the resources sector industries which include the oil and gas industry and the construction industry. I will focus my comments on the minerals industry today.

The minerals industry has assessed the National Resource Sector Employment Taskforce recommendations and sees them as a sound basis for the development of a national strategy for skills in the resources industries. There are a number of recommendations where clarity is required before they can be embraced, but generally we have a positive view and wish to see the Commonwealth and State governments commit to working with the industry on implementation.

In this regard the big unknown is the position of the new Government. To date there has been no commitment from the Commonwealth government to the implementation and the only States that are aware of the report in a formal sense are WA and Queensland and they have concerns.

Our support for the Taskforce report is founded in the recognition that the growth of the training culture in the minerals industry will be dependent upon the development of and commitment to a national strategy by all stakeholders.

Arguably, the area of greatest concern to the minerals industry is the recommendation requiring workforce impact assessments linked to project approvals. However, we are prepared to work through the detail with the WA and Qld governments to ensure that we can deliver useful data without compromising the commercial interests of the companies.

We are also concerned that the recommendations related to higher education are under whelming. The opportunity to bridge the gap between supply and demand has been side stepped with the government preferring to be reliant on the continued availability of skilled migrants.
However, at the same time we are pleased that the government has confirmed a commitment to maintain the 457 temporary skilled migrant scheme which remains a critical response to meeting the mining industry’s immediate need for skills in short supply.

The claim that the resources sector does not train enough trades people needs to be challenged and segmented before appropriate strategies can be developed. Over the past 5 or 6 years the level of apprentice training has increased significantly (admittedly from a low base). We now have a situation where almost all established mines are training the maximum number of apprentices that supervision by experienced tradesmen can accommodate. In fact many mines train more than they need and release apprentices at the end of their training. At June 2009 we had 4000 apprentices in training. However, there is no doubt that we need more trades people to accommodate the growth in the industry. So we must differentiate between current operational need and future growth needs; that is the needs of both construction activity and increased operational activity.

The recommendation that promotes an assessment of alternative training models for apprentices is very important and one that we are very enthusiastic about. The alternative models will examine how best to meet the growth projections especially for contractors and operations in remote Fly-in Fly-out sites as the current system of training doesn’t appear to accommodate these situations.

Strategies to increase workforce participation and diversity have been identified by the Taskforce and are generally welcomed but there is confusion and concern about the liberal use of brokers. We see that programs to increase participation can only succeed where local companies identify real jobs and the employment attributes required for those jobs, including skills,. It is nonsense to continue the process of training people and awarding certificates that are not linked to real jobs. Training is only one aspect of employability. The programs to increase participation must be industry led, or demand driven, not supply push by brokers who earn income from bums on seats in training programs.

Finally, the recommendations related to improved industry connection with the education and training sector are sensible. We are enthusiastic about improving the connection between schools and local companies and rolling out the very successful Queensland Minerals and Energy Academy program to other states. Also, the linking of trades training centres to local mines is supported although there is a need to challenge why the mining industry skills competencies cannot qualify to TTC funding.

In summary, there is much work to be done to meet the current and future needs of the minerals sector. It will require a significant commitment from government to work with industry and the other stakeholders if we are to firstly establish a national strategy and then to execute it.

Finally, Ray Barker apologises for his incapacity which has prevented him from participating but he has asked me to report that SkillsDMC will continue to work closely with MCA to ensure that the national strategy is established and that it is implemented.