

**To: WA Government**

**Re: Skills Summit**

4 August 2022

## Introduction

AMEC appreciates the opportunity to provide the WA Government representatives attending the Australian Jobs and Skills Summit (the Summit) at Parliament House on 1-2 September 2022 with a submission outlining key resourcing constraints and opportunities, to enable WA's mineral exploration and mining sector to meet current and future resourcing capacity.

## About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry association representing over 520 member companies across Australia, with the majority having project interests in Western Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

Mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 274,000 people. In 2020/21 Industry generated a record high \$301 billion in mining exports, invested \$3.2 billion in exploration expenditure to discover the mines of the future, and collectively paid over \$43.2 billion in royalties and taxes.

In WA, a record 148,395 people were employed in mining and exploration in 2020/21, and \$2.1 billion was spent on mineral exploration in 2020/21, representing a 21% increase from 2019/20, accounting for 65% of Australia's overall mineral exploration expenditure.

## Skills

### General Comments

AMEC continues to welcome engagement with Commonwealth, State and Territory Governments on the important challenges and opportunities in adequately resourcing our sector to meet current and future demand. We are currently in a period of heightened demand, with an estimated 20,000 jobs required in WA's mining industry in the next two years. The importance of accessing and attracting skilled workers to our sector in a timely, cost-effective manner, to respond to market needs, cannot be understated.

There is opportunity to implement reforms to reduce the considerable time, cost and multi-agency processes in accessing workers, to minimise the risk of workforce challenges that may result in lags to productivity and deferred benefits to the WA community.

### Mineral Exploration and Mining

WA's mineral exploration and mining industry is comprised of many skilled and specialist occupations, which the local workforce is unable to satisfy without support. On the back of recent years of

heightened interest and successful discoveries in a competitive market, job growth in the sector has flourished. However there have been two key challenges – one, not enough people to physically apply for these jobs, and two, not enough suitably qualified applicants.

Closed borders, internationally and interstate, have posed significant challenges to operational capacity, with many companies across the sector reporting they are unable to operate at full capacity to meet consumer demand, due to staffing shortages. This is not for lack of trying. The number of local job advertisements are high. In line with Government incentives to encourage migration and relocation, some companies were able to incentivise interstate relocation, however, there still remains a significant shortfall of suitably qualified applicants, and this shortage is forecast to extend for some years.

The window of heightened demand we are in will not last forever, but if it is capitalised upon, mineral exploration and mining can provide long-term, lifelong career opportunities. The skillsets required for some of these jobs, particularly skilled trades roles, are transferrable, with the majority of roles within the sector providing opportunities for learning and development, should an applicant wish to pursue them.

Skilled migrants bolster our workforce, entering the industry ready to work with prerequisite experience and/or education. They undertake work in a highly regulated industry, to meet strict safety and compliance requirements, and share their expert knowledge with developing workers. There is an immediate need for skilled entrants to bolster our workforce, as the number of residents undertaking these courses is gradually declining, and we face significant resourcing constraints.

The nature of work in the industry means, while the preference is to provide employment and upskilling opportunities to Australians first, particularly in the regional communities where roles are primarily located, there will be a strong reliance on fly-in-fly-out (FIFO) arrangements.

The mineral exploration and mining industry is heavily reliant on foreign graduate Geologists to undertake vital fieldwork. With enrolments in the Western Australian School of Mines (WASM) declining, the narrow pipeline of graduates entering the workforce in Geology, Metallurgist, Chemical Assaying and Mining Engineering roles exacerbates challenges in industry meeting demand and undertaking exploration activity to meet legislated expenditure requirements. As market conditions begin to shift, companies may defer investment and development decisions due to labour constraints, delaying the receipt of benefits to local communities and the WA economy.

Visa processing times, fees and complexity, are areas requiring urgent addressing by Government. The current delays and increasing fees in accessing foreign workers, are a business risk to the majority of junior companies. With federal requirements to advertise twice via national jobs boards before considering skilled foreign workers, and then excessive fees for migration agents and increasing pushes for permanent employment, this could place a financial strain on companies without large operating expenditures, in addition to noted time delays which come at a cost.

Access to foreign workers, both skilled and entry level is needed to complement Australia's skilled workforce. Skilled migrants not only bolster local capacity, but can provide training and upskilling of local workers, to further stimulate training and upskilling of our workforce.

Work in this sector is highly regulated, to meet the highest safety and compliance standards. Sharing of knowledge via on-the-job training is a unique yet practical aspect of Industry. Entry level and junior workers are afforded training opportunities whilst gainfully employed, often earning skillsets which are transferrable across multiple sectors.

Government support is needed, by appropriately recognising, through skills classification levels, the level of training and experience these roles denote, to enable access to short term, temporary, and longer-term skilled migration pathways.

Increasing the national migration cap, and increasing WA's share of migrant workers through the national migration cap, should be the WA Government's priority in discussions with the Commonwealth. There is sufficient work in our sector, and the lack of employees is contributing to inflation and higher operating costs in WA.

**Recommendations: 1) AMEC recommends the WA Government advocates for an expansion of the national skilled and migrant workers caps.**

**2) AMEC recommends the WA Government advocates for a greater share of national and skilled worker migration caps.**

### **Australian and New Zealand Standard Classification of Occupations (ANZSCO)**

Managed by the Australian Bureau of Statistics (ABS), ANZSCO is the skills-based classification system underpinning Australia's labour market via skills classifications of occupations, and visa category allotments. AMEC continues to engage with the ABS and National Skills Commission (NSC) to respond to market shifts and shortages with more agility, starting with updating data that is now more than 21 years old, and no longer an accurate representation of Australia or WA's labour market.

The majority of roles offered within the sector provide opportunities for learning and development, both formal and on-the-job. Whilst a classroom style environment can require three-to-four years of study, Industry is uniquely positioned to offer on the job training opportunities, which, ANZSCO needs to appropriately reflect in its skills classification levels. AMEC has advocated for ANZSCO to give greater consideration to the formality and maturity of many industry training offerings, outside of the classroom environment, to reduce the likelihood of certain occupations being rated at a lower skill level than they should be.

**Recommendation: 3) AMEC recommends the WA Government, through the State Nominated Migration List, removes the ANZSCO classification limitation for an immediate period of two years, to enable industry to urgently meet resourcing needs which are not reflected in outdated labour market data.**

### **Skills Classification – Drillers and Driller's Assistants (ANZSCO 712211)**

A long-term point of advocacy for AMEC, has been the need to increase the skills classifications for Driller's and Driller's Assistants, to more appropriately recognise the skilled specialist nature of these roles, and the substantial training required to safely undertake and be appointed a Driller.

Drill rigs are expensive, sophisticated and complex apparatus. Entry-level Driller's Assistants undergo extensive on the job training, from Drillers, to operate machinery in a safe and heavily regulated environment. This work is critical to mineral exploration, and the discovery of future mines.

Drilling for mineral exploration is a trade, requiring skilled, experienced drillers to safely operate technical machinery and specialise in various drilling apparatus. Currently, Drillers have an ANZSCO skill classification of 4, and Driller's Assistants of 5. This skills classification should be amended, as it does not consider the significant training, maturity of on-the-job learning, and upskilling provided to Driller's Assistants, or required by Drillers, who are specialist workers.

The minimum training, qualification and experience for a Senior Mineral Exploration Driller and Drill Rig Supervisor includes:

- Completion of Certificate III in Drilling Operations,
- An ability to operate highly technical mechanical, electrical, hydraulic systems and associated rig equipment in a safety, Australian and International Standards and compliance focussed working environment,
- 2 years plus on-the-job experience to operate complex and valuable drill rigs (valued at around \$2-\$3 million each),
- Possession of a heavy vehicle licence and other high-risk work related licences (such as forklift and dogging), and
- Senior First Aid Certificate.

The ANZSCO skills classification model does not take into consideration the practical necessity of in-house, on the job training for occupations such as Drillers. Many of the skills learned and developed are transferrable and can form multiple skillsets. A more agile ANZSCO model should recognise transferability of skill mobility, which can be a barrier to career development and transition pathways unique to our sector.

A senior mineral exploration driller or a drill rig supervisor is required on every drill rig in order to operate. This qualified position facilitates approximately eight other jobs.

Vital mineral exploration efforts are being hindered across Australia because of difficulties in recruiting Drillers and Driller's offsideers, despite the availability of attractive full-time employment, training, and career opportunities.

Drilling companies continue to experience severe staffing shortages due to a number of reasons, including extremely remote and often isolated work, the physical nature of the work, and the need for staff to pass pre-employment screening. This results in delayed or foregone opportunities, for local and the broader Western Australian community. A recent survey conducted by AMEC found over 70% of drilling company respondents had staffing shortages, the majority of which were unable to operate at full capacity as a result.

Currently, there are over 2,000 job advertisements for drillers on Seek. With this high level of vacancy, drilling companies are operating at approximately 80% of their capacity. An Australian

Drilling Industry Association (ADIA) survey found in 2021 there were approximately 753 operating exploration rigs out of 890 in the market, with a rig utilisation rate of 85%.

**Recommendations: 4) AMEC recommends the WA Government adds Driller and Driller's Assistant to the WA State Nomination Skilled Visa list.**

**5) AMEC recommends the WA Government supports advocacy to the Commonwealth, that Driller is acknowledged on the Skills Priority List and the Skill Classification increased to Level 3, to allow the occupation to qualify for PMSOL and Short-Term Skilled Occupation List.**

**6) AMEC recommends the WA and Commonwealth Governments utilise quantitative feedback via industry engagement to inform skills priority lists for migrant workers.**

### **Environmental Roles**

Environmental concerns and considerations across the mineral exploration and mining industry have increased drastically, with Environment, Social, Governance (ESG) being considered at all levels of approvals, planning and stakeholder engagement by industry.

The specialist environmental roles, including undertaking of surveys, preparation of approvals reports and applications, analysis of environmental data, and collation of information, will continue to require more environmental specialists in Australia's labour market. Demonstrating this shortage and emergence to the ABS is more than just a statistical activity; it is often difficult to quantify, without qualitative data to support, and more than a codifying activity. A search on Seek for instance, of 'environment' will not demonstrate the level of specialist worker, nor the industry required. This qualitative data is provided via engagement with industry and stakeholders.

**Recommendation: 7) AMEC recommends the WA Government more actively promotes the range of career options available in the mineral exploration and mining industry to school leavers and university students, including environmental roles.**

### **Government Regulators**

There is also an immediate need for more Government regulators, approvals officers, Parliamentary Counsel drafts people, and skilled workers in WA's public sector. With a substantial reform agenda, digital transition agenda, and increased demand for approvals and compliance functions, there is a need for increased Government resourcing to meet heightened demand.

There is a need for increased resourcing at key WA Government agencies, the Department of Mines, Industry Regulation and Safety (DMIRS), Department of Water and Environmental Regulation (DWER), Department of Biodiversity, Conservation and Attraction (DBCA), Department of Jobs, Tourism, Science and Innovation (JTSI), and Department of Training and Workforce Development (DTWD).

**8) AMEC recommends the WA Government actively recruits more regulatory and approvals staff to the WA public sector key agencies.**

## STEM

With more critical minerals projects developing across WA, companies striving to meet renewables targets, more automation and technological developments across industry, there is a need to promote the role of STEM more actively to students in WA, and the career opportunities WA's mineral exploration and mining sector can afford.

The training and development opportunities in the sector are second to none, and as we continue to shift to meet Government and stakeholder demands, the industry is going through an exciting phase. There is opportune time now, to undertake more support of STEM roles, particularly to attract more diversity and gender balance to the sector.

A refresh of the 2018 WA Government STEM Strategy, with a 5-year review in 2023 to ensure the Strategy is meeting its targets, will better-position the State to attract students and future employees to careers in STEM.

**Recommendation: 9) AMEC recommends the WA Government refreshes the 2018 STEM strategy with linkages to the mineral exploration and mining sector as a future employment pathway.**

### Final Comment

AMEC welcomes the opportunity to continue engaging with the WA, Commonwealth, and other State and Territory Governments to impress the importance of undertaking timely reforms to address our acute skills shortages, and develop a more robust skills environment to meet global demand for Western Australian minerals.

The recommendations outlined in this submission seek to strengthen WA's position as a premier location for training, development and relocation of workers, with a plethora of lifelong career opportunities available in our world-class mineral exploration and mining sector.

### For further information please contact:

Neil van Drunen

Director, WA, SA, NT,

Industry Policy, AMEC

0407 057 443

Sam Panickar

Manager – SA, AMEC

0423 914 249