

To: Parliamentary Joint Standing Committee on Migration

Re: Inquiry – ‘Migration, Pathway to Nation Building’

16 March 2023

Introduction

AMEC appreciates the opportunity to provide a submission to the Parliamentary Joint Standing Committee’s Inquiry into Australia’s migration system, and the important role it plays in supporting Australia’s future. The inquiry, as part of the broader review to inform Australia’s new national migration strategy, can position the nation to meet workforce and productivity challenges via a highly skilled and agile migrant workforce, working in tandem with the domestic capability.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry association representing over 540 member companies across 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.

Inquiry – ‘Migration, Pathway to Nation Building’

General Comments

AMEC has and continues to engage with Commonwealth, State and Territory Governments, to impress the importance of an agile and robust skilled workforce. There are countless career opportunities available in this sector, and while there is a strong preference to offer local training and employment opportunities in the first instance, where this is not possible, companies are reliant on suitable visa settings to supplement the local workforce to meet demand.

The training and development opportunities in the sector are second to none. The role of the mining industry in meeting net zero and decarbonisation ambitions will be called into focus, with strong global demand for Australian minerals to meet these transition goals.

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 review policy settings to meet heightened global demand for Australia’s base and critical mineral offerings, which require an increase in the number of suitably qualified and willing workers to discover, extract and process these minerals into end products. As we continue to explore opportunities to incorporate technological advancements into the resources

sector, migration policy reform presents an opportunity to support diversity and balance in the sector and leadership positions.

Recommendations:

- Increase migration caps to address people and skills shortages, and boost the allocation of resources workers under these caps.
- Increase the allocation of resources workers under these caps; Resource the fast-tracking of visa processing.
- Streamline visa processing times, fees and complexity.
- Undertake targeted recruitment and retention strategies to incentivise skilled foreign workers to relocate to Australia.
- Develop more housing and accommodation to reduce inflationary pressures.
- Continuation of the Skilled Migration Program.
- Reclassify Driller (ANZSCO 712211) as Skill Classification Level 3, and add to the PMSOL and STSOL for urgent access to skilled migrant workers.
- Align Commonwealth, State and Territory skills classification and migration lists.
- Lower the barrier for returning workers.

The below submission discusses AMEC's responses to the Inquiry's Terms of Reference.

- 1. The role of permanent migration in nation building, cultural diversity, and social cohesion.**
- 2. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs.**

Recommendations: Increase migration caps to address people and skills shortages, and boost the allocation of resources workers under these caps; Resource the fast-tracking of visa processing.

Across Australia there is an ongoing acute people and skills shortage. This is not just impacting the mining industry, but many industries competing for similarly qualified workers, entry-level workers, and Government regulators.

The skills shortage has been exacerbated by multiple years of travel restrictions as a result of COVID-19, and an intense growth period experienced by the mining industry, and large infrastructure and recovery spends in closely related industries, increasing competition for a limited pool of workers. The re-opening of borders has not provided the anticipated workforce pressure relief, with limited suitably qualified or willing, domestic workers seeking to fill vacancies.

Despite concerted efforts from State and Commonwealth Governments, and the Commonwealth Skills Summit in September 2022, labour pressures have continued to escalate, with flow-on effects experienced across the sector.

With significant and continued growth expected in the mining, residential and civil construction industries, even more labour will be needed to develop these new projects in a timely and cost-effective manner, supported by efficient approvals functions.

In 2021, WA's mining industry forecast an additional 40,000 additional workers were needed over the next 2-3 years, to construct new projects and to support the ongoing operations of industry. As 2023 has progressed this projection appears conservative.

The only feasible solution to this problem is to enable industry to access a larger labour market. This requires Government to proactively look at enabling a safe way of bringing a much higher volume of interstate and international labour into Australia. Permanent migration and immigration are pathways to entry to Australia for workers to support our resourcing constraints, and bolster local capabilities.

The Commonwealth Government must increase the national caps on migration, enabling States and Territories to similarly increase their shares of migrant workers through the national migration cap as a priority. Simultaneously, more staff must be directed to the fast-tracking of priority visas to meet heightened demand.

In collaboration with industry, an expansion of the national skilled and migrant worker caps should also be undertaken expediently to address acute skills shortages. There is a strong need for an agile skills framework that enables industry to meet resourcing challenges before they escalate to crisis level.

To support a more agile, ongoing response to prevent future skills crises, AMEC recommends the Commonwealth Government, reviews and refreshes the ANZSCO classification limitation placed on States and Territories for an immediate period of two years, to enable industry to urgently meet resourcing needs which are not reflected in outdated labour market data.

AMEC welcomes the opportunity to contribute to reviews of ANZSCO's skills classification system and the development of JSA in 2023, to ensure the data that underpins the nation's migration settings, is accurate and best-positions industries to capitalise on favourable conditions for growth.

3. Attraction and retention strategies for working migrants to Australia.

Recommendation: Streamline visa processing times, fees and complexity.

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. The ability of junior-to-mid-cap companies to access foreign workers is increasingly constrained. It is difficult for smaller organisations to bear the liability of a new worker. It requires addressing with dedicated resourcing to address visa processing backlog, and identification of streamlining and red tape reduction activities between the States and Commonwealth.

Recommendation: Targeted recruitment and retention strategies.

With a range of skilled workers required to fill specialist industry and Government regulatory roles including Geologist, Metallurgist, Engineer, Chemical Processing, Regulatory Officers, targeted recruitment and retention strategies must be employed to meet resourcing demands.

Government can incentivise skilled workers to these roles, once recognised on the appropriate skills shortage list, at a State and Commonwealth level, by actively recruiting graduates from university, undertaking experienced workforce recruitment and retention strategies including consideration of subsidised regional placement offerings, work-based training and development programs, and consideration of alternative tax incentives permitted under different wage agreements.

Recommendation: Develop more housing and accommodation to reduce inflationary pressures.

With increased local demand for affordable housing, and an expected surge in migrant worker demand, there is an urgent need for access to housing and accommodation for migrant workers. More housing can reduce the inflationary impact of more demand from more people. Until accommodation shortages are addressed, logistical challenges of where to house workers and entrants to the nation will continue to pose a challenge.

4. Policy settings to strengthen skilled migrant pathways to permanent residency.

Recommendation: Continuation of the Skilled Migration Program

AMEC supports the continuation of the Government's Skilled Migration Program, and its significant expansion and review following the Prime Minister's Job and Skills Summit. A fit-for-purpose migration system for Australia's future can provide an agile mechanism to alleviate shortages where the standard Australian labour market is unable to meet demand for suitably skilled and experienced workers.

There are long-term issues for certain occupations. Over the past few years, AMEC's drilling company members have regularly indicated they struggle to identify, attract and employ skilled and suitably experienced drillers to undertake mineral exploration activities. This is despite attractive full-time employment terms and conditions and career opportunities being available. The cyclical nature of the mining and mineral exploration sector and tenure of the work in harsh and remote locations appear to have been factors that may have inhibited the attraction and retention of a stable workforce. With declining local enrolments in Metallurgy, Geology and Geoscience courses at Australian university level, our industry will also struggle to meet current and future demand, to extract the minerals of the future, and meet decarbonisation targets.

Recommendation: Reclassify Driller (ANZSCO 712211) as Skill Classification Level 3, and add to the PMSOL and STSOL for urgent access to skilled migrant workers.

AMEC has consistently advocated the need to increase the skills classifications for Drillers and Driller's Assistants, to appropriately reflect the specialist nature of the roles, and the significant training required to safely be appointed as 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. 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.

Currently, Drillers have an ANZSCO skill classification of 4, and Driller's Assistants of 5. This skills classification should be amended and updated to level 3, to reflect that drilling for mineral exploration is a trade. It requires skilled, experience drillers to safely operate technical machinery, and specialise in various drilling apparatus.

These high paying roles have attractive starting salaries of approximately \$120,000 for Driller's Assistants, with numerous opportunities to develop transferrable skillsets undertake further training. They are highly sought after roles with worldwide demand. Driller's roles provide the training and skills development for a career in the resources or closely related industries.

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.

However, ANZSCO does not take into consideration in-house training, nor the variety and maturity of company-based training across Industry, and practical necessity of such training for these specialised occupations.

Vital mineral exploration efforts are being hindered across Australia because of difficulties in recruiting Driller's offshoots who can be appropriately trained to operate expensive, sophisticated and complex drill rigs in a safety conscious and strictly controlled compliance environment, by experienced drillers. Despite the availability of attractive full-time employment, training, and career opportunities, the cyclical nature of the mining and mineral exploration sector and tenure of the work in remote locations appear to be factors that inhibit workforce attraction and retention strategies.

Recommendation: Align Commonwealth, State and Territory skills classification and migration lists.

Our sector experienced a similar skills shortage in 2011. To future-proof from similar occurrences, the ANZSCO and migration systems need to be more flexible and adaptable to shifts. It is recommended there is more alignment and consistency in the determination and recognition of skills classifications between the multiple skills lists across Commonwealth, State and Territory Government agencies,

without unintended consequences. For example, if ANZSCO and Jobs and Skills Australia (JSA) were to use the Australian Skills Classification, there should not be a duplication of existing holes or challenges, which continue to make it challenging for occupations experiencing shortages, to access necessary labour.

The window of heightened demand we are in will not last forever, but if action is taken now, the skills shortage can be addressed. The development of transferrable skillsets for employment opportunities across the sector can continue to support a well-resourced future Australian industry.

5. Strengthening labour market participation and the economic and social contribution of migrants, including family migrants and the partners of working migrants;

Recommendation: Lower the barrier for returning workers

With an ageing skilled worker population, lowering the barriers for workers to return to the workforce is needed. Adjustments to the Commonwealth pension scheme will make it easier for retired workers to reconsider offers to return to employment. Consideration of reframing the asset and income tests for the pension so that workers can be encouraged to return to work without fear of losing their pension would be beneficial. It would attract skilled workers back into the workforce.

Final Comment

AMEC welcomes continued engagement with Government to develop an agile, robust migration system for Australia's current and future workforce. With increasing domestic and global demand for Australian minerals, it is imperative mineral exploration and mining efforts can meet heightened demand. Our ability to do so is contingent on a skilled workforce being supplemented by migrant and foreign workers.

The recommendations outlined in our submission seek to strengthen Australia's renowned reputation as not only a minerals powerhouse, but a premier jurisdiction for the training and development of mineral exploration and mining workers, to best-position the nation to attract migrant workers looking to relocate for career opportunities.

The development of an agile employment and migration framework now, can propel Australia's leading industry to truly be, nation building.

For further information please contact:

Neil van Drunen

Director, WA, NT,

Commonwealth Policy, AMEC

0407 057 443

Sam Panickar

Director – SA & Industry Policy, AMEC

0423 914 249