

To: Australian Bureau of Statistics

**Re: ANZSCO Comprehensive Review – Consultation Round 2
- Mining**

11 August 2023

Introduction

AMEC appreciates the opportunity to provide a submission to the ABS' comprehensive review of the Australian and New Zealand Standard Classification of Occupations (ANZSCO), for 'Mining' related occupations. This overview represents the largest overhaul to Australia's skills classification system. AMEC welcomes continued engagement as contemporary labour market data is utilised to inform skills and migration policy.

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 2021/22 Industry generated a record high \$413 billion in resources exports, invested \$3.86 billion in exploration expenditure to discover the mines of the future, and collectively paid over \$63 billion in royalties and taxes.

ANZSCO Comprehensive Review - Mining

General Comments

AMEC has long advocated for a review of the ANZSCO skills list, and the need for a more agile skills and migration system. The reliance on data from 2006 to inform ANZSCO, which in turn informs each State and Territory's workforce and visa frameworks, has unfortunately missed opportunities to capture a greater share of Australian value from economic upswings over the last 18 years.

Agility in the current and future system is needed to ensure we have enough workers to meet demand. This will be underpinned by contemporary data, and a skills classification that accurately reflects the jobs in each industry.

Record low levels of unemployment, coupled with cost of living pressures, have contributed to corresponding inflationary pressure. This has in part been impacted by high demand but a limited supply of workers. Changes to the ANZSCO framework to address outdated systems are necessary. It is imperative that the Commonwealth gives due recognition to the important role of the ANZSCO, which underpins the granting of visas and informs each jurisdiction's skills list.

A Commonwealth Government-led approach is needed, to reduce the administrative burden required to engage with the ABS and ANZSCO for even the smallest of changes. Without an ANZSCO classification of level 3 or above, an occupation cannot be added to the Priority Migration Skilled Occupation List (PMSOL), Short Term Skilled Occupation List (STSOL), or the various temporary skilled migrant worker lists. This is a substantial barrier, requiring extensive engagement with multiple Government agencies, where timings for engagement and outcomes often do not align or result in change within a timeframe that is suitable to deliver a meaningful outcome.

A refreshed skills and migration system should streamline these processes, limit the escalation of costs, and ensure the Jobs and Skills Alliances (JSAs) regularly engage with industry to provide realistic and current feedback.

Mineral exploration and mining industry

The sector provides employment to over 274,000 workers currently, and is primed for growth to meet increasing global and domestic demand for Australian minerals and associated products along the supply chain. Each mine first began with mineral exploration, and once a mine begins production, exploration efforts continue to seek ways to extend the life and productivity of the mine.

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.

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. Access to skilled migration 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.

Nationally, jurisdictions are competing with each other for a limited pool of skilled workers, or workers who are willing to enter the workforce and be upskilled. Recent reports have forecast a skills shortage of around 30,000 workers in the next two years in WA alone, based on the projects pipeline, both public and private sector.

The skills shortage we are currently in reflects that of the 2011 skills shortage, but unlike 2011, industry has been more cautious, to invest in training and upskilling to ensure transferability of skillsets, and retain workers in the sector.

To future-proof and allow the system to be more adaptable and ready to respond to emerging threats, more consistency in terminology and recognition of skills classifications between the varying lists and agencies, is required. However, to serve its intent and more readily recognise transferrable skillsets between jobs, any amendments, such as ANZSCO adopting the Australian Skills Classification developed by the then National Skills Commission, should not duplicate existing holes or challenges, where there are noted gaps in skills classifications, making it more challenging to access the PMSOL.

The minerals sector is and is expected to continue experiencing sustained demand for Australian minerals and mineral products. To meet this demand, industry will need access to a greater contingent of:

- Geologists (ANZSCO 234411)
- Driller (ANZSCO 712211)
- Driller's Assistant (ANZSCO 821912)
- Mining Engineer (ANZSCO 233611)
- Assayer / Analytical Chemist (ANZSCO 234211)
- Metallurgist (ANZSCO 234912)

Streamlining pathways to accessing these workers, domestic and foreign, is required if we are to capitalise on demand for our critical and base minerals.

Training

Currently, ANZSCO gives insufficient consideration of the formality and maturity of many industry training offerings, outside of the classroom environment. Whilst a classroom style environment can require three-to-four years of study, our industry is uniquely positioned to offer on the job training opportunities. ANZSCO should appropriately reflect the wide-array of training, beyond formal classroom certificates, in its skills classification levels. This is a significant shortfall of ANZSCO, resulting in certain occupations being rated at a lower skill level than they should be.

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. As it can take 3-4 years of fulltime training to earn the required qualifications in a classroom environment, Industry is uniquely poised to offer on the job upskilling opportunities, which must be reflected in appropriate skills classification levels, which recognise the amount of training and development workers undergo, on the job. Typically, the resources sector's closest competing industry for workers is the construction industry. Any changes made to ANZSCO ratings for the construction industry, will undoubtedly have an impact on the mining sector's workforce.

Government support is needed, by appropriately recognising, through skills classification levels, the level of training and experience these roles denote.

Driller (ANZSCO 712211) – entry level salary of \$120,000

AMEC was extremely disappointed that the combination of the Australian and New Zealand skills occupation lists removed the classification of mineral exploration driller, with no industry consultation. Since this change, AMEC has steadfastly advocated for an increase to the skills classifications for Drillers and Drillers Assistants, reflecting the maturity of the training required to safely undertake these high paying jobs.

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. These entry level roles offer salaries of roughly \$120,000 annually, with countless

training opportunities. Drillers are a highly mobile workforce, in global demand. 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. The skills classification should be upgraded to level 3, to reflect the significant training, on-the-job learning, and upskilling provided to Driller's Assistants. 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.

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.

The Australian Drilling Industry Association's 2022 National Salary Survey further highlighted the high-value jobs available in this trade.

- 88.9% of survey respondents provided development benefits to workers, including paying for their qualifications and certificates;
- 51.1% of companies spent between two weeks to one month recruiting to fill a vacancy; 24.4% spent between one to three months trying to fill a vacancy;
- Companies had an average three-year tenure of staff;
- The average salary package for a Drillers Offsider (surface level) was \$94,588;
- The average salary package for a Trainee Driller was \$114,375;
- The average salary package for a Driller 1 was \$ 124,600 (certificate 3, up to three years' experience);
- The average salary package for a Driller 3 was \$167,467 (5-10 years' experience);
- The average salary package for a Senior Driller (surface) was \$167,463 (10+ years' experience);
- The average salary package for a Senior Driller (underground) was \$195,000.

A recent job advertisement for Drill Fitters over the course of 18 months saw 19 domestic candidates apply, with the remaining potentially suitable candidates requiring an offer of sponsorship as a pathway to permanent residence. This is a significant undertaking for a company, and a lengthy, complex process. The wages on offer to domestic workers for this role often mean smaller companies are at risk of losing experienced staff because they cannot compete on salary alone.

In addition to training and standard onboarding processes, minerals industry workers are subject to medical and fitness for work testing. Since COVID-19, these costs have reportedly increased by approximately 30%.

These are highly specialised jobs, which undergo an extensive, continuous amount of training to operate in a safe manner. Due recognition is required via an appropriate skills rating being reinstated, of Level 3 for Driller.

Job titles and justification

A job title does not often give enough detail to render it the single source of truth as to the priority it should be classified with.

Environmental issues 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 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.

Another prime example is the title 'Chief Technology Officer' (CTO). For many businesses a CTO's role is far more expansive than IT. In the minerals space, this can include all forms of engineering, science, manufacturing, project management, and research and development. It is typically an evolving remit that will develop over time.

The skills classification framework should recognise that today's roles require more transferrable skills and refinement of roles to suit each business' needs. It must be agile and flexible to adapt to changes in the labour market in a timely manner, without losing Australian opportunities to competing nations who have more workable frameworks. This multi-agency effort should be more holistically managed, to allow for more adaptive management, reflective of labour market shifts that occur across industry. AMEC recommends ANZSCO collects and considers not only quantitative, but also qualitative labor market data, which can only be provided via sustained engagement with industry and stakeholders.

Streamlining of the skills and migration framework

Challenges in navigating each jurisdiction's skills and migration streams, in addition to the Commonwealth's requirements, have created an untenable migration and visa system for skilled and migrant workers, and their prospective employers. Our industry has a reliance on foreign workers,

from university graduates to backpackers for labour jobs, that cannot be filled domestically, not for lack of trying.

The increasing cost and complexity of navigating the various lists, streams and priorities groupings is a substantial barrier to engagement for many small to medium sized entities, at the cost of their production capacity. Additional requirements to advertise via a government jobs board for multiple months, and offer a pathway to migration, are costs that are risky to a small business, but can be buoyed by Government. The holistic review of ANZSCO and the skills framework should significantly reduce the complexity and escalated costs to navigate skills classifications, priority lists, and ultimately, access foreign workers who are vital to maintaining Australia's critical industries.

Accurate labour force data will underpin the success of the frameworks. Coupled with robust industry consultation, it can inform areas and roles where growth is envisaged, and ensure that the nation does not suffer a lag effect. Navigation challenges between skills priority lists, short term priority lists, temporary migrant worker lists, and streamlined visa lists, should all be addressed as a collective effort between State / Territory and Commonwealth Governments. If one jurisdiction recognises a skill as a shortage or priority, the requirement to engage in duplicated processes to engage a foreign worker to bridge that gap should be minimised.

Final Comment

AMEC welcomes further engagement as ANZSCO undergoes its largest review and update since its introduction. Industry cannot operate without domestic and foreign workers if we are to continue operating at current levels, and capture a greater share of global demand for our minerals. There is a need for a streamlined, simplified migration system, that is underpinned by an up-to-date, agile ANZSCO framework. We welcome ongoing opportunities to ensure mineral explorers, miners, drillers, and those working in and for Australia's minerals industry, have input to these processes.

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