



13 October 2022

Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Committee Secretary and members

Social Services Legislation Amendment (Workforce Incentive) Bill 2022

The Minerals Council of Australia supports the intent of the Social Services Legislation Amendment (Workforce Incentive) Bill 2022 (the bill) and the backing from across the parliament for improving incentives for mature Australians, people with disability and veterans to voluntarily re-enter the workforce.

MCA commends the government on recognising the urgency of addressing the current skills crisis, and prioritising efforts to provide for a better skilled, better trained workforce.¹ It is imperative national policy and ongoing investment continue to support a strong skills system, ensuring Australia and the mining industry can remain globally competitive by attracting, training and retaining the best talent.

At its core, mining is a people business and the long-term success of the industry depends on the vitality of its workforce. Addressing acute skills and labour shortages and securing reliable access to skilled workers are therefore among the mining industry's highest priorities.

Australian mining is committed to capturing a greater and more diverse share of the talent pool. Diverse workforces that benefit from a wide variety of life experiences and perspectives are safer, more productive, innovative and creative.

While challenges remain to better enable mature workers, people with disability and veterans to transition back to the workforce, the measures in the bill offer a viable source of much-needed skills into a stressed labour market.

To ensure smooth enactment and successful outcomes, implementation of the bill needs to be supported by investments in awareness raising, appropriate agency resourcing, industry engagement and post-implementation evaluation.

Australia's growing and increasingly diverse mining workforce

Mining employment has trebled over the past 20 years, from 87,800 in 2002-03 to 277,700 in 2021-22.² Around one in every ten Australian jobs is supported by the broader mining and mining equipment, technology and services (METS) sector.

Projections by the National Skills Commission indicate the industry's strong workforce growth will continue, with an additional 16,000 jobs to be added over the five years to November 2026.³

¹ Australian Government, The Treasury, [Jobs + Skills Summit September 2022](#), (accessed 10 October 2022).

² Australian Bureau of Statistics, [Labour Force, Australia, Detailed](#), August 2022, released 21 September 2022, table 6.

³ National Skills Commission, [Employment Outlook – Industry and occupation trends for the five years to November 2026](#), Australian Government, 2021, p. 7; and NSC, [Labour Market Insights: Mining, Online portal](#), viewed 11 October 2022.

Jobs in the mining industry are high skilled, highly paid and secure. The industry pays the highest average wages: \$144,000 a year, compared to \$95,000 across all industries.⁴ The vast majority of mining workers are full-time (96 per cent) and permanent (88 per cent).⁵

Around 70 per cent of roles are located in regional areas, supporting the nation's economic resilience. More than 73 per cent of the mining workforce has a qualification, making it a highly skilled industry.⁶

A coordinated industry approach is driving mining workforce diversity. In December 2021, the MCA launched mining's first [Industry of Choice Framework](#) built on five pillars of inclusion, diversity, sustainability, skills and the environment. Aimed at positioning mining as an attractive industry for the broadest possible pool of talent, it is a virtual guide to best practice and supports efforts to promote and achieve a more inclusive and diverse culture, workforce and industry. Areas of focus have included overcoming barriers for people with disability to work in mining, inclusive leadership and increasing representation of Indigenous Australians in professional occupations.

Australia's innovative mining industry is creating and reshaping roles in response to digitisation, technological advancement and the net zero challenge

The Australian mining industry operates in diverse and often challenging workplace environments, contending with a dynamic global business environment.

To remain competitive, the industry is continually innovating – making technological improvements, reshaping roles and expanding opportunities. Digitisation and the global transition to net zero are also reshaping the mining workforce, making mining more inclusive, safe, productive and sustainable.

Technology is transforming mining skills with traditional mining trades increasingly incorporating elements of computing, and new career paths such as mechatronics and virtual reality, creating new capabilities for Australia.

In 2019, the MCA released the landmark *Skills Map for the Future of Work* report by EY.⁷ Providing a comprehensive examination of future skills, training and technology trends in the Australian minerals industry, key findings of the report included:

- 77 per cent of jobs in Australian mining will be enhanced or redesigned due to technology within the next five years
- Productivity increases up to 23 per cent can be achieved with the rollout of new technologies
- An injection of up to \$13 billion in workforce capability will be needed over the next decade
- Australian education and training systems need to be modernised to deliver higher certification and fit-for-purpose degrees.

Roles that are emerging through digitisation and technology include:

- The Automation Engineer: contributes to the production, development and management of autonomous mobile and fleet systems in line with requirements
- The IROC Controller: works remotely with onsite operations teams and liaises with other controllers to optimise production at automated mine and/or port operations across the value chain
- The Operator – Port Control: contributes to the controlling and monitoring of automated port operations (a higher skill level than the average Machine Operator occupation)
- The Operator – Mine Control: contributes to the controlling and monitoring of automated mine operations and production (as above).

⁴ Australian Bureau of Statistics, [Average Weekly Earnings, Australia](#), May 2022, released 18 August 2022, table 10H.

⁵ Australian Bureau of Statistics, [Average Weekly Earnings](#), November 2021, released 24 February 2022, table 10h; [Labour Force, Australia, Detailed](#), May 2022, released 23 June 2022, table 6; [Characteristics of Employment, Australia](#), August 2021, released 14 December 2021, table 3.2.

⁶ National Skills Commission, [Australian Jobs Report](#), 2021 Edition, viewed 18 November 2021.

⁷ EY, [The Future of Work: the Changing Skills Landscape for Miners](#), Report prepared for the MCA, February 2019.

The transformation of the world's economies towards net zero is also elevating the demand for the materials and minerals required to rapidly build renewable energy systems and deploy electric vehicles. Australian mining will be an essential part of this global transition, which will require a massive upscaling in mining investment, production and minerals processing.

Australia's mining industry will continue to create and reshape highly skilled, highly paid roles to build the capabilities needed to support the increased demand for minerals and metals including copper, lithium and nickel, which are necessary to transform the world's energy and transport systems.

Opportunities and challenges to address skills and labour shortages in mining

A substantial growth in workforce size, combined with tightening of the labour market and a reduction in skilled migration has seen the mining industry experience acute skills shortages that are driving up costs and reducing production.

The most critical professional roles for the mining industry are mining engineers, geotechnical engineers, metallurgists and geologists.

The National Skills Commission Skills Priority List 2022 found that the number of occupations in shortage grew by nearly 50 per cent from the previous year, underlying the severe constraints in the current labour market.⁸ The expanded priority list encompasses newly listed occupations relevant to the mining industry, including miners, drillers, engineers (chemical, materials and electronics) and technicians (metallurgical, materials and mechanical).

In addition, a number of teaching and training occupations now feature on the skills list, which indicates that the escalating demand for skilled workers, combined with government and industry efforts to accelerate training, are putting pressure on the capacity of the skills system itself to respond.

Incentivising mature Australians, veterans and disability pensioners to re-enter the workforce is a proactive measure that can help alleviate the severity of the current labour market conditions within a relatively short timeframe.

There are more than 100 diverse careers on offer across the mining industry, with opportunities on mine sites, in high-tech remote mining centres, in science as well as computer laboratories and corporate offices.⁹

The mining industry also provides competitive flexible working arrangements, with 75 per cent of employers having a formal flexible working arrangements policy or strategy. This includes many arrangements with options above the national average – including formal carers leave (95 per cent), flexible working hours (72 per cent), job sharing (57 per cent), and part time work (88 per cent).¹⁰

Mature workers

Mature workers bring a lifetime of knowledge, deep experience and long-term perspectives that allow them to contribute valuably to enterprises. Employing mature workers can shore up institutional memory within businesses and deliver dividends for the mining industry as a whole.

Yet, in the mining industry, only 2 per cent of the mining workforce is aged 65 and over – the lowest proportion of any industry.¹¹ This suggests there is a significant bank of knowledge and capability in the community – currently underutilised – that could be accessed with the right incentives in place.

A key challenge in supporting mature workers to successfully re-enter the workforce is ensuring roles are matched to individual skills and abilities. This includes recognition of any skills gaps, as well as age-related factors that may influence a person's performance and ability to work safely.

⁸ National Skills Commission, [2022 Skills Priority List and Key Findings Report](#), Australian Government 2022, viewed 7 October 2022.

⁹ Minerals Council of Australia, [Make your career in mining](#), MCA 2019, viewed 11 October 2022.

¹⁰ Workplace Gender Equality Agency, [WGEA Data Explorer: Mining](#), Australian Government, 2021, viewed 11 October 2022

¹¹ Australian Bureau of Statistics, [Labour Force, Australia, Detailed, August 2022, released 21 September 2022](#), pivot table EQ12, Employed persons by Age and Industry division of main job (ANZSIC), November 1984 onwards.

Given the current skills and labour shortages, as well as the pressures on the skills and training system, a number of opportunities may exist for older Australians to work in the mining industry. For those with previous industry experience they could undertake relevant skilling and return as mentors or support training new talent and apprentices, transition to data analysis positions and work remotely, or integrate into an office environment and contribute to a team part-time. For those with no industry experience, they could look at opportunities that align with their existing skills or explore the skilling pathways.

Given Australia's ageing workforce, it can be expected that building the industry's capacity to successfully and safely transition mature workers safely into productive roles will pay dividends into the future.

Veterans

Australian veterans possess experience, skills, character and extensive training complementary to most employment sectors, including and especially mining. As a demographic, veterans are highly versatile and can play a significant role in addressing mining industry skills shortages.

Both the defence and mining industries are users of heavy machinery and complex systems, which means these industries share demand for occupations such as engineers, electricians and heavy vehicle drivers – many of which are currently in short supply.

Of the approximately 6,000 transitioning service men and women yearly, 60 per cent are from the Army, within which 38 qualified trade and engineer groups are housed.¹² These occupations are complimentary and transferable to the mining industry.

Safety is the core value of the Australian minerals industry and is reflected in every aspect of modern mining. Both service personnel and mining workers are accustomed to working in environments that prioritise safety, enabling veterans adapt well to the strong safety culture in the mining industry.

A key challenge in supporting veterans to re-enter the workforce is ensuring they are able to confirm their skills are relevant and transferable to the industry to which they are transitioning. For the mining industry, confirming candidates' existing skills, identifying any gaps and linking them with the appropriate training to bridge any gaps would be crucial to supporting successful uptake of opportunities.

People with disability

People with disability are social and economic contributors with skills and capabilities, who are entitled to equitable outcomes that create choices and economic empowerment.¹³ The mining industry recognises workplaces are strengthened by diversity and the unique skills, experiences and perspectives that individuals bring.

In 2018, of the 2.1 million Australians of working age with disability, just under half were employed (47.8 per cent), compared with 80.3 per cent of people without disability.¹⁴ During that period, mining employed approximately 1.4 per cent of people in the workforce with a disability.¹⁵ This presents another potential pool of talent for the industry to access.

A key challenge in supporting people with disability to re-enter the workforce is addressing stereotypes, perceived cost of workplace adjustments/impact on human resources and work health safety regulations, and lack of awareness.¹⁶

However, there are a number of mechanisms, organisations and tools to assist employers in supporting people with disability to work in the mining industry, including disability networks, targeted work engagement programs, job analysis tools, workplace guides and employer initiatives. These

¹² Department of Veterans' Affairs, [Transition Taskforce: Improving the transition experience](#), Commonwealth of Australia, 2018, p. 3, viewed 11 October 2022; and Greg Ferrarotto, *Ironside Veterans Induction Program*, Ironside Recruitment, 2019.

¹³A. Tratter, *Industry briefing: disability confident workplaces*, presentation, Australian Network on Disability, 29 June 2022.

¹⁴ Australian Network on Disability, [Disability statistics: employment](#), web page, AND, 2021, viewed 11 October 2021.

¹⁵ Australian Bureau of Statistics, [Microdata from Survey of Disability, Ageing and Carers, 2018](#), accessed via Tablebuilder, Industry of employment in (main) job (broad grouping) by whether has a disability.

¹⁶ Op. cit. A. Tratter.

provide a pathway for the mining industry to increase the representation of people with disability across the workforce and access the skills and capabilities they have to offer.

This is particularly relevant as technology and the digital transformation are creating new occupations and reshaping roles, in many cases creating greater opportunities for people with a disability to work in the mining industry. For example, reducing the barriers of fly-in, fly-out work as centralised operation centres are allowing more people in metropolitan areas to support operations in remote parts of the country. This is helping diversify the mining workforce as more roles become accessible to people with disability.

There is also a growing recognition that hiring and management practices must account for and value perspectives that see the world differently, including where this arises from mental or physical disability.¹⁷

Implementation challenges

There are a number of overarching challenges that need to be addressed to ensure successful implementation and promote positive outcomes for mature Australians, veterans and people with disability. The implementation of the bill must be supported by efforts to improve awareness of the measures among employment providers and employers, potential workers and the community.

Continued access to a range of employment options must be maintained. For example, labour hire can be instrumental in bringing new people into the mining industry and helping companies meet their inclusion and diversity targets. Labour hire providers are often also Registered Training Organisations, are well-equipped to provide a structured program of learning that provides the necessary skills for industry.

Agency resourcing for Centrelink and the relevant government departments must be made available to provide a seamless transition experience for pension and payment recipients and confidence that they will not lose access to payments.

Post-implementation evaluation must be provided to evaluate the uptake and impact of the measures on addressing skills shortages for particular industries, examine whether suspension timeframes are well-calibrated, and address any other issues. Such evaluation should provide opportunity for industry engagement and consultation.

With the appropriate mechanisms to support implementation, the proposed bill to incentivise target cohorts to re-enter the workforce can have a positive effect on the skills and labour shortages faced by the mining industry and broader Australian workforce.

The MCA welcomes further discussion on the List, the Social Services Legislation Amendment (Workforce Incentive) Bill 2022. If you would like to discuss this submission, or require further information, contact Karolina Szukalska, General Manager – Workforce and Innovation on

or

Yours sincerely

**TANIA CONSTABLE PSM
CHIEF EXECUTIVE OFFICER**

¹⁷ GradAustralia, [Disability support at BHP](#), Employer information page, Prosple, 2022, viewed 11 October 2022.