

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Estimates

15 February 2012

Question: AR7

Topic: Training and Skills in the Mining Industry

Proof Hansard Page: 107-108

Senator Cameron asked:

Senator CAMERON: I think I agree with you. Senator Bishop and I had a discussion on this during the break and he pointed out exactly the same issue. What I am raising with you is: given that it is more complex and this is the best I can get in terms of an analysis of where it is all up to, is there any work being done by the department to look at a more sophisticated and detailed analysis of not only the training that is being done but the skill needs, and matching that as to where we are going?

Senator Chris Evans: I will let the department answer from their point of view, but my department is doing it, Skills Australia is doing it, and we are trying to get that better. There is the Skills Connect program we announced, which is about trying to connect with areas like BlueScope, where we lost workforces, to try and connect them to job opportunities. There is a lot of that going on. Miners are looking at places. Not all of them want to do that.

Senator CAMERON: But a 55-year-old boilermaker at BlueScope Steel, with a family and grandkids in Wollongong, is not going to pack up and go to Karratha.

Senator Chris Evans: Some of them are.

Senator CAMERON: Some of them might, but not the majority.

Senator Chris Evans: And BHP were straight in there the next day, saying, We'd like some of these guys because they've got good skills, industrial experience. They are mature. They were seen as desirable, though maybe not the ones over 55.

CHAIR: Minister, I am sorry

Senator Chris Evans: Yes, my fault.

CHAIR: This is a fascinating discussion. I have enjoyed it, and everything you have said is correct, but I have been reminded by my colleague here that time is up, so we will have to end it. The department might care to take the question on notice that Senator Cameron just asked, because it is a valuable question. We now will continue with the Department of Resources, Energy and Tourism. We now turn to the tourism outcome.

Answer:

As indicated during discussions at the Senate Economics Committee, by Senator the Hon Christopher Evans, Minister for Tertiary Education, Skills, Science and Research, the Department of Innovation, Industry, Science, Research and Tertiary Education (DIISRTE) and Skills Australia have responsibility (*inter alia*) for monitoring demand for specific skills and occupations in the Australian economy, and for managing a range of training and education programs.

National Resources Sector Workforce Strategy – development

The Department of Resources, Energy and Tourism (RET) worked closely with the Department of Education, Employment and Workplace Relations (DEEWR) to develop the National Resources Sector Workforce Strategy (NRSWS), which was announced in March 2011. The NRSWS is based on the 31 recommendations of the National Resources Sector Employment Taskforce (NRSET) July 2010 report *Resourcing the Future*, which incorporated modelling of both supply and demand for specific skills and occupations, including through training. The NRSET report is available at: <http://www.deewr.gov.au/Skills/Programs/National/nrset/Documents/FinalReport.pdf>.

The NRSET report was supported by detailed modelling of supply and demand for specific skills and occupations in the *Resourcing the Future, Technical Paper (July 2010)* and the National Centre for Vocational Education Research (NCVER) report *Tradespeople for the resources sector: projections 2010-2020*. These reports are available at: <http://www.deewr.gov.au/Skills/Programs/National/nrset/Documents/TechPaper.pdf>; and <http://www.deewr.gov.au/Skills/Programs/National/nrset/Documents/TradesProjResourcePaper.pdf>.

National Resources Sector Workforce Strategy – implementation

DIISRTE is coordinating implementation of the NRSWS in partnership with industry, unions, training providers state and territory governments, RET and other Commonwealth agencies (prior to the December 2011 machinery of government changes, implementation of the NRSWS was being coordinated by DEEWR). The NRSWS includes 31 actions in seven key areas:

1. workforce planning and sharing of information;
2. increasing the number of trade professionals;
3. graduating more engineers and geoscientists;
4. meeting temporary skills shortages with temporary migration;
5. strengthening workforce participation;
6. forging stronger ties between industry and education; and
7. addressing the need for affordable housing and economic infrastructure.

NRSWS actions that are relevant to identifying the skills needs of the resources sector and matching this with training programs, include:

Recommendation 1.1 – Workforce Planning

DIISRTE and the Queensland, Western Australian, South Australian and Northern Territory governments are working with industry on the development of a common template/best-practice guide for workforce impact statements for new resources projects. The template and processes will be piloted in 2012-13. The aim is to make practical workforce information on large resources projects available to inform industry, regional, state and national workforce planning, and to assist the national training and education system to respond to labour and skills demands as they arise.

Recommendation 1.3 – Skills Australia to report annually on the status of skills shortages in the resources sector

Skills Australia is reporting annually on the status of skills shortages in the resources sector to the Standing Council for Tertiary Education, Skills and Employment and the Standing Committee on Energy and Resources. Skills Australia published its *2011 Interim Report on Resources Sector Skills Needs* in July 2011, which indicated even stronger growth in the resources sector than previously estimated, resulting in more construction labour demand and employment in mining and gas production. The *2011 Interim report* is available at:
http://www.skillsaustralia.gov.au/PDFs_RTFs/InterimReport.pdf.

Since releasing the *2011 Interim report*, Skills Australia has published updated projections for the resources sector's demand for labour and the supply of skills by mapping the major resources and energy projects in its publications *Major Projects Schedule of resource projects – Construction Workforce Estimates* (September 2011)
http://www.skillsaustralia.gov.au/PDFs_RTFs/Major_Projects_Projections.pdf; and *Employment Growth Projection in Mining Operations (less oil and gas), 2010 – 2016* (October 2011)
http://www.skillsaustralia.gov.au/sector-specific-skill-needs/documents/Employment_Growth_Projections.pdf.

The *2011 Interim report* foreshadowed further work on a number of issues, with the aim of building a more comprehensive picture of resource sector skill needs and policy options to address these issues. This included further on the Flow on Effects of growth in the resources sector; better identifying competing demands for skills from other industries; the extent and impact of Fly-In Fly-Out work; the extent to which resources sector skills demand occurs within metropolitan rather than remote settings; and the extent to which female and indigenous employees are contributing to better meeting the resources sector's skill needs.