

with Steve Knott

RENEWED FOCUS ON LABOUR CHALLENGES

ONE of the most rewarding aspects of my role as CEO of Australia's resource industry employer group, AMMA, is witnessing the positive impact of our sector's activity on the national wellbeing.

The economic benefits are certainly evident, with the industry accounting for around 10% of national GDP and paying more than \$20 billion in taxes and royalties annually.

Significant investment in our wealth of key commodities including coal, iron ore and gas has ensured Australians continue to enjoy improved standards of living while other OECD countries have experienced spiralling unemployment and debt.

But being in the 'people' business, I can tell you that it is the skills and capability of our workforces that will power Australia forward in the coming year as we address a constantly evolving scope of project challenges.

Australia is in the midst of a transition from an unprecedented phase of resources investment to a new production era.

Confirmation from federal government economists of a record \$30.3 billion worth of major projects transitioning from labour-intensive construction to production in the six months to November was a clear sign that our workforce challenges are also shifting.

Far from marking the end of the 'skills shortage', this new phase introduces its own skills puzzle which requires a cohesive focus and direction from industry stakeholders and policy-makers.

Given other sectors such as manufacturing are undergoing cost-cutting and optimisation, labour market analytics firm Pit Crew predicts the 66,500 workers needed for construction of Australia's major resources and related infrastructure projects during 2014-15 will be comfortably met.

So where does the challenge lie? Australia is on the verge of becoming one of the world's top producers of liquefied natural gas. But our key global competitors – Qatar, the USA and Canada are also gearing up to meet an emerging demand for this energy source. With Australia now one of the most costly and heavily regulated destinations to do business, workforce capability must be a priority.

The Australian Workforce and Productivity Agency (AWPA) recently forecast employment in the oil and gas sector will grow by 57% to about 61,200 workers by 2018 as new resource projects shift from construction to production.

It warned that the skills of thousands of mine

construction workers are not yet ready for this transition and predicts an acute undersupply of skilled workers at all job levels, especially professional and technical trades.

For some time our industry has been preparing for changing skills requirements.

Since 2011, AMMA has been leading two successful government-industry employment initiatives to assist with this transition, AMMA Skills Connect and the Australian Women in Resources Alliance.

These initiatives have established a range of valuable programs, events and collaborations that are already addressing some of the key challenges identified by AWPA, most notably transitioning workers from construction-based skills to operational skills.

AMMA Skills Connect has achieved solid outcomes in working with recently retrenched and long-time unemployed people to get them started in resource careers.

We have also been working with groups of Indigenous workers to further their skills and training, and launching a range of innovative programs designed to boost the proportion of women in mining careers from the current 15% to 25% by 2020.

A continued and expanded focus on skills development is critical and will go hand-in-hand with targeted productivity gains.

More broadly, this must be supported by the right policy settings and AMMA is gearing up for a significant role in the Productivity Commission's imminent review of Australia's workplace laws, flagged by the Coalition Government to begin this year.

Most significantly, these include changes to laws governing union entry to worksites, the negotiation of wages and conditions for new resource projects (greenfields) and the restoration of the Australian Building and Construction Commission (ABCC).

Further opportunities to collaborate with the Australian Government on skills initiatives and policy to support a more competitive business environment will help ensure all Australians continue to benefit from our growing industry.

Steve Knott

CHIEF EXECUTIVE

AMMA (The Australian Mines and Metals Association)

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Profile



STEVE KNOTT

Steve Knott has been AMMA's Chief Executive since 1997. On behalf of resource industry employers in Australia, Steve leads AMMA's workforce lobbying efforts to government, opposition and other relevant stakeholders at state and federal government levels.