

ABOUT AMMA (Australian Mines and Metals Assn)

Australia's resource industry employer group since 1918.

400+ member companies across:

- Mining
- Oil and Gas
- Resources Construction
- Maritime
- Exploration
- Energy
- Transport
- Smelting
- Refining
- Service suppliers

Expertise in:

- Policy development and lobbying
- Employee relations
- Training and up-skilling
- Human Resources
- Workforce development
- Skilled Migration
- Public Affairs
- Government Relations



AMMA exists to...

“Ensure Australia’s resource industry is an attractive and competitive place to invest, do business, employ people and contribute to the national wellbeing.”

1 July 2014

Presentation to the 8th Annual Skilling Australia Summit

Tara Diamond, AMMA Executive Director Industry Services

“Skilling Australian resources through industry transition”

PART 1: Resource industry overview (projects, employment and skills)

PART 2: Industry efforts to boost female workforce participation

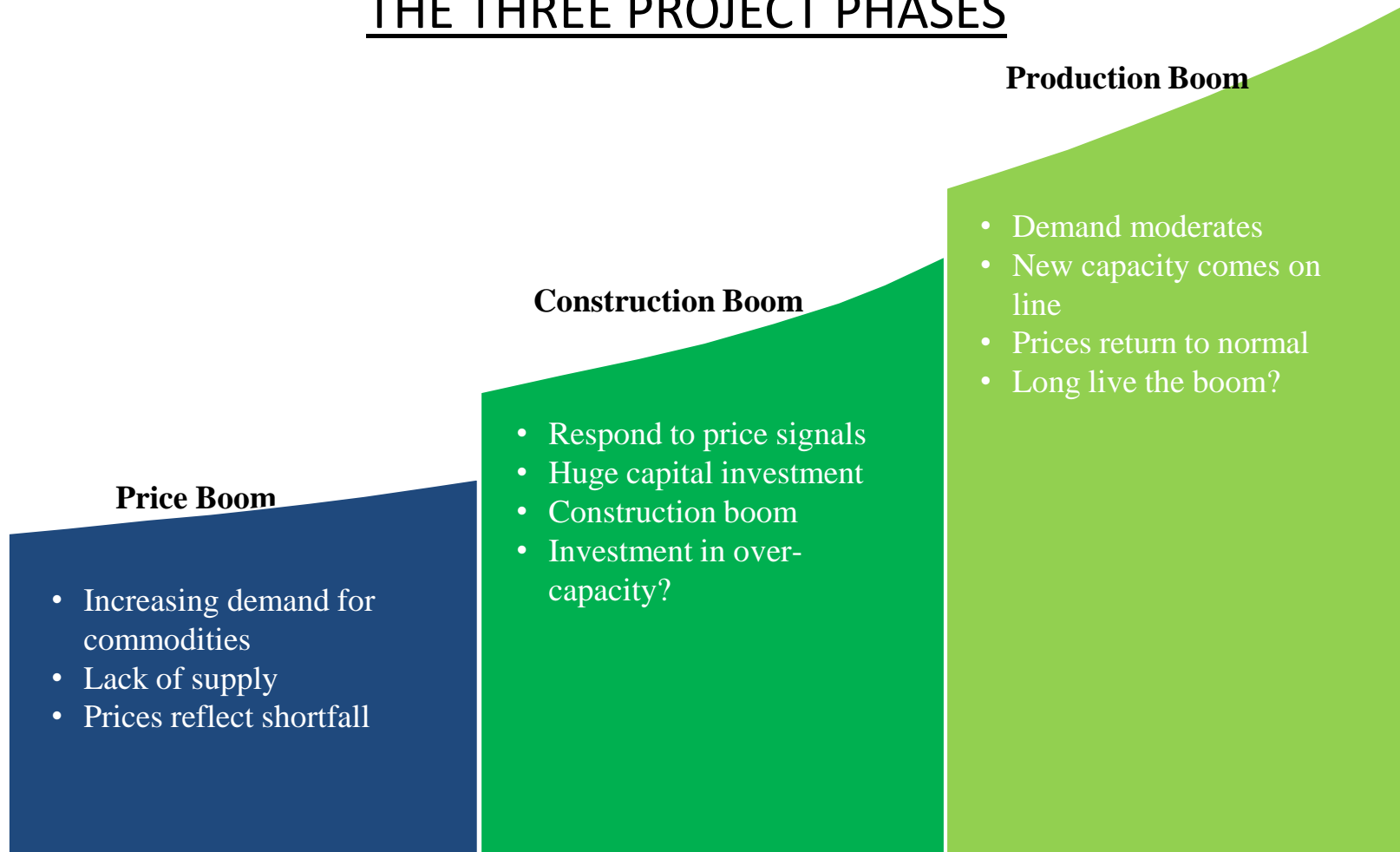
Part 1 - Resource Industry Overview

What does the “resources boom” really mean?

What “transition” is the industry now experiencing?

Part 1 - Resource Industry Overview

THE THREE PROJECT PHASES



Source: Matt Judkins, Partner, Deloitte Access Economics (2014)

Part 1 - Resource Industry Overview

PROJECT EXAMPLES

GORGON LNG PROJECT (completion 2015)

- \$54 billion
- 10,000 construction workforce
- 3,500 operational workforce



SANTOS GLNG PROJECT (completion 2015)

- \$18.5 billion
- 5,000 construction workforce
- 1,500 operational workforce



ROY HILL IRON ORE (completion 2015)

- \$10.4 billion
- 3,600 construction workforce
- 2,000 operational workforce



Part 1 - Resource Industry Overview

Lost Project Investment... ..

BHP Olympic Dam Expansion (SA)

- \$5 billion (conservatively)
- ‘Deferred’ in August 2012

Wandoan Coal Mine (QLD)

- \$7 billion
- Cancelled in September 2013

BHP Port Hedland Harbour Expansion (WA)

- \$20 billion
- Cancelled in 2012

Santos gas development (NT)

- \$5 billion
- Cancelled in June 2014

Woodside Browse LNG Project (onshore, WA)

- \$50 billion estimated investment
- Shelved in April 2013

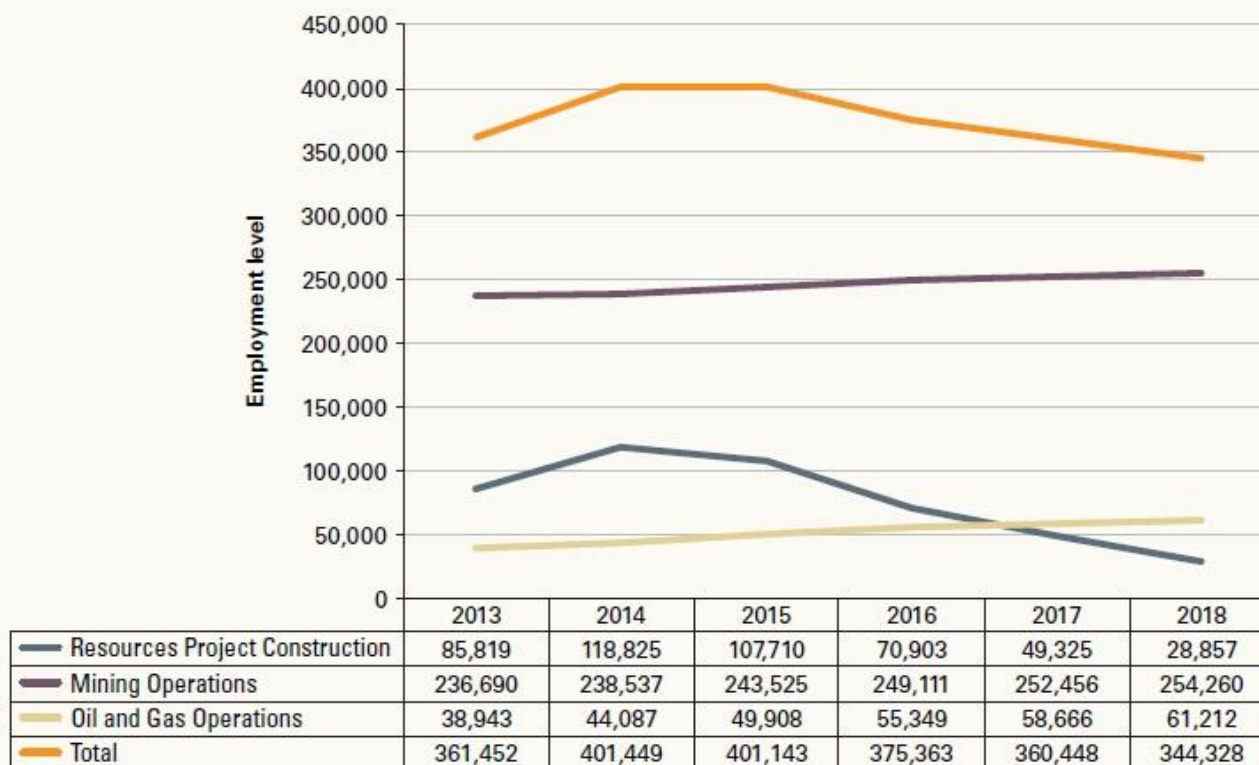
Arrow LNG Pipeline Project (Qld)

- \$10 billion +
- Stalled, under consideration

All exacerbating a much sharper industry skills transition...

Part 1 - Resource Industry Overview

Projected employment level by resources industry sector, base case, 2013–18



Source: DAE, 2013, *Modelling employment demand and supply in the Resources Sector*.

Part 1 - Resource Industry Overview

Two Part Challenge...

1. “The Construction Workforce Challenge”

Offsetting and managing the large decline in the number of employment opportunities in resource industry construction work.



2. “The Production Workforce Challenge”

Preparing our technical workforce for a 57% increase in employment demand for LNG production and other operational skilled labour.



Part 1 - Resource Industry Overview

The Construction Challenge

Managing the construction implications of industry transition:

A) Facilitating construction skills mobility

Ensuring Australian resources-related construction workers have the skills and ability to transition into other areas of the construction sector (residential, public infrastructure etc)

B) Setting Australia up to secure more global investment for future projects

Prolonging the resources construction boom by addressing Australia's competitiveness for further new project investment opportunities.

A) Facilitating Construction Skills Mobility

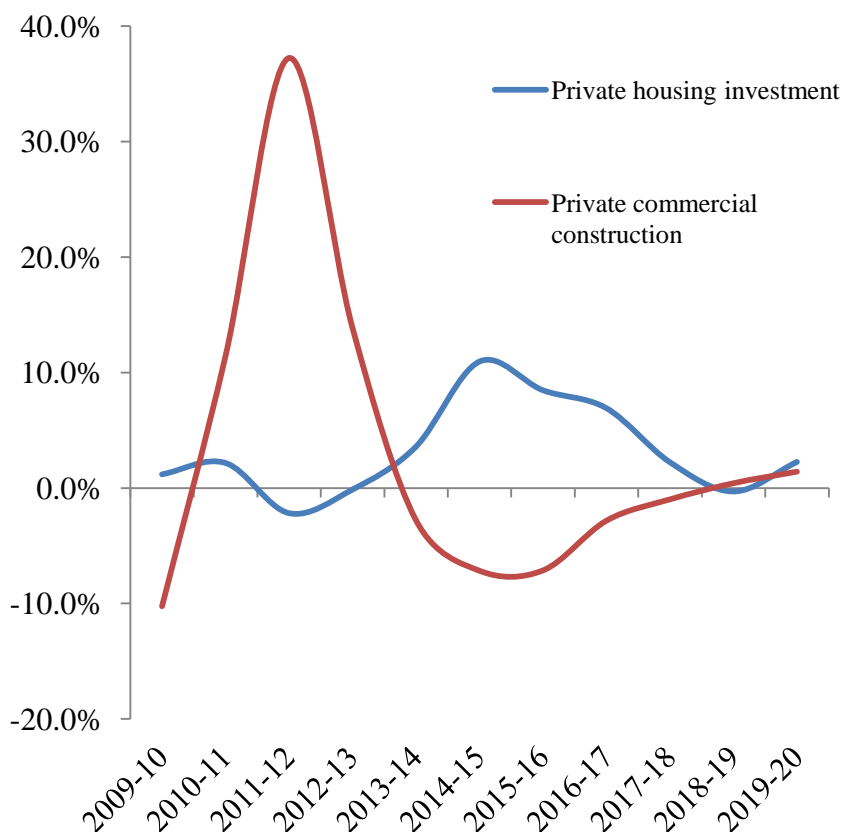
Industry efforts to facilitate construction labour movement

- Partnerships with construction industry skills bodies and industry associations
- AMMA Skills Connect developed in response to government recommendation resources construction forces should be more mobile.
- Ensuring skilled construction labour forces can move between sub-sectors dependent on market demand.

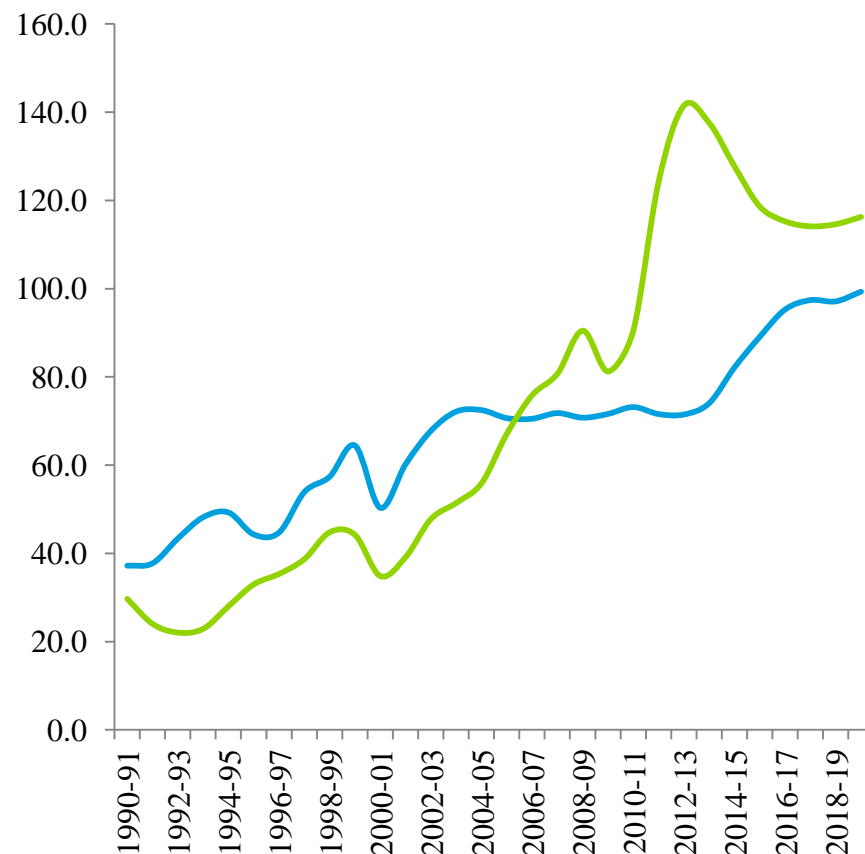
The Construction Challenge: Facilitating Labour Mobility cont.

Private Housing Investment vs Private Construction Investment (Australia)

% change from previous year



Source: Deloitte Access Economics Business Outlook March 2014



Source: Deloitte Access Economics Business Outlook March 2014

...Facilitating Construction Skills Mobility (cont)

“Mining and resources... has done much of the heavy lifting over the decade... now we need to fire up the rest of the economy.

“Our Growth Package will stimulate the construction sector and create thousands of jobs as the economy transitions from resource-led growth to broader-based growth.”

Treasurer Joe Hockey, Budget Speech 2014-15

B) Prolonging the construction boom

- Creating the right policy framework for further investment prospects
- Removing unnecessary policy barriers to investment attractiveness
- Sensible, bipartisan workplace reform focusing on long-term sustainable change and more productive industrial relations
- Industry policy overhaul to stimulate exploration, streamline processes and remove red-tape holding up new project approvals
- Pursue productivity gains, innovation and best practice HR at the enterprise level.

Part 1 - Resource Industry Overview

The Production Skills Challenge

Projected employment levels in Oil and Gas Operations by broad occupation, 2013–18

	2013	2014	2015	2016	2017	2018
Base case						
Managers	5,518	6,339	7,255	8,134	8,755	9,298
Professionals	13,003	14,859	17,100	19,276	20,677	21,802
Technicians and Trades Workers	8,166	9,175	10,222	11,125	11,592	11,904
Community and Personal Service Workers	147	167	189	211	227	239
Clerical and Administrative Workers	7,168	8,044	8,950	9,744	10,196	10,517
Sales Workers	568	631	703	770	811	841
Machinery Operators and Drivers	2,876	3,179	3,592	4,015	4,244	4,381
Labourers	1,497	1,693	1,899	2,075	2,166	2,229
Total	38,943	44,087	49,910	55,350	58,668	61,211

Source: DAE, 2013, *Modelling employment demand and supply in the Resources Sector*.

KEY RESPONSE AREAS

1. Greater school-level participation in science, technology, engineering and mathematics.
2. Workplace level focus on retention of existing skills and talent through best practice HR management and maximising employer brand and value offer.
3. Workplace level focus on technical training and up-skilling programs to bolster existing internal capabilities and workforce capacity.
4. Campaigns to connect with broader skills talent pools and underrepresented worker demographics in our industry.
5. Greater labour mobility among Australia's skilled workforce.

PART 2: Industry efforts to boost female workforce participation

Why female workforce participation?

“Estimates show that Australia could increase its GDP by 13% or \$180 billion, if it relaxed the gap between male and female participation rates”

Goldman Sachs Economic Research

“A McKinsey study found that companies with three or more women in senior management functions score more highly, on average, on key organisational criteria than companies with no women at the top.”

McKinsey & Company research, 2010

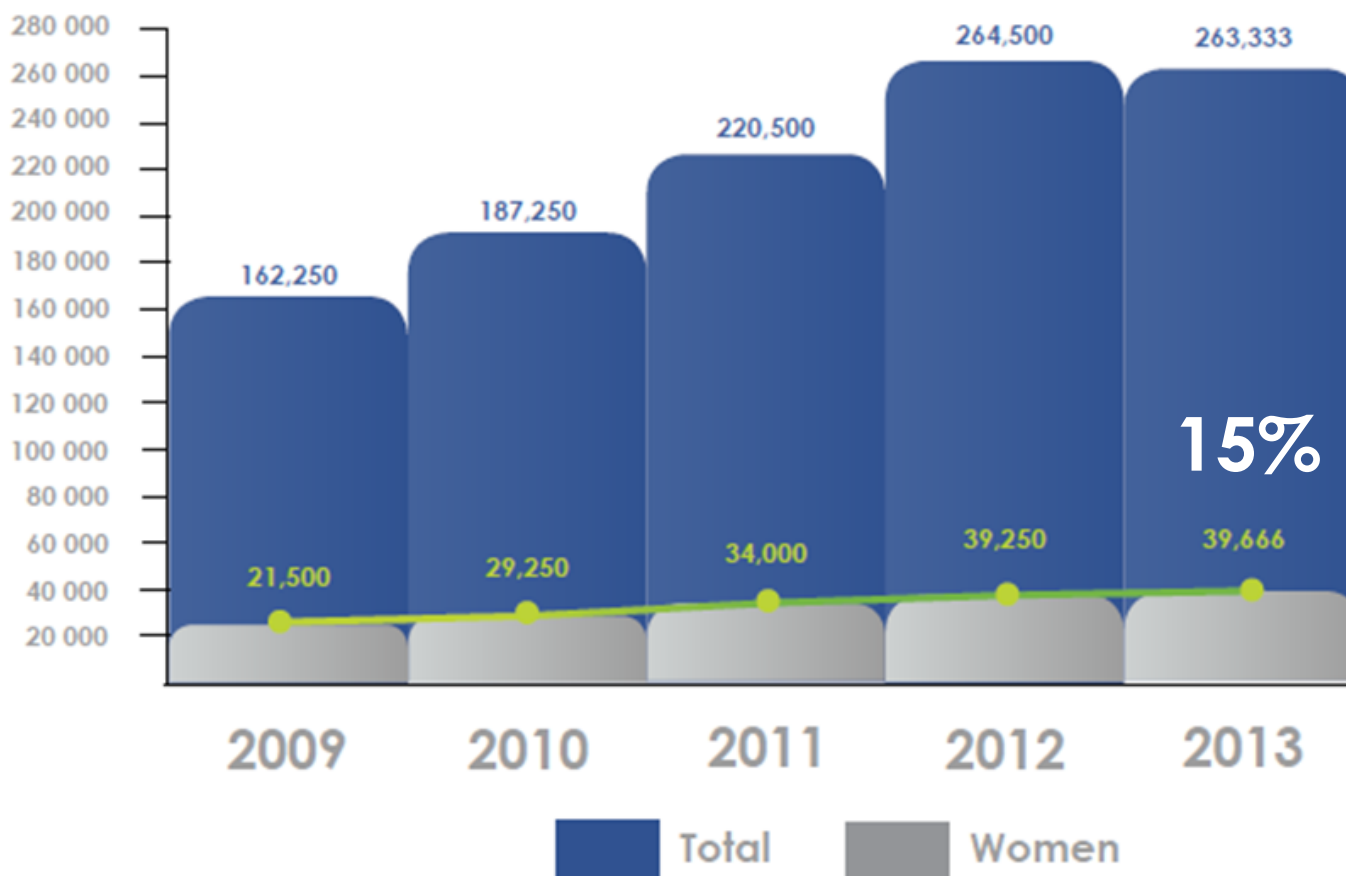
“Women are a much needed addition to Australia’s labour force, not just making up numbers, but bringing valuable skills and diversity of thought.”

Ernst and Young, “Untapped Opportunity” 2013



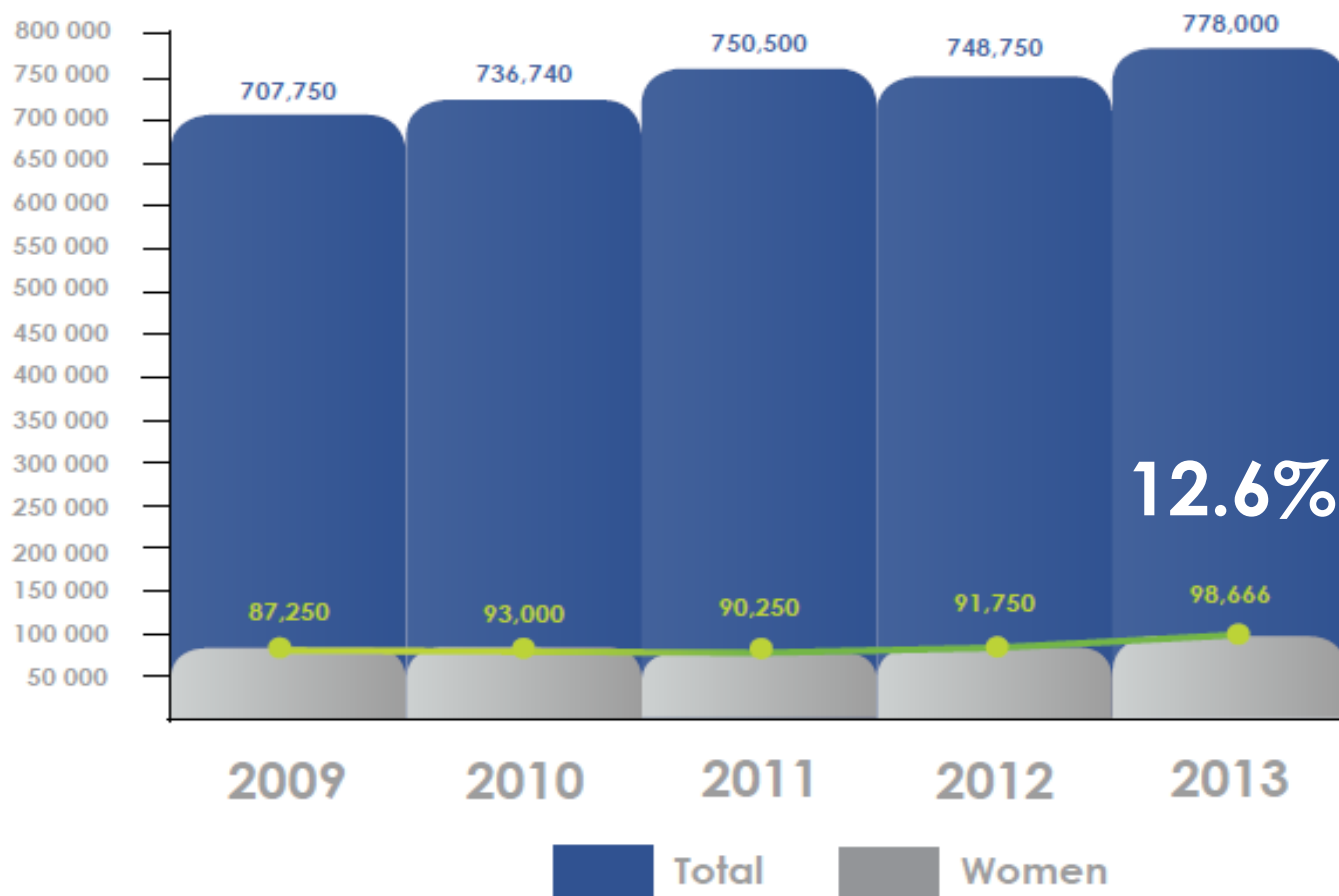
PART 2: Industry efforts to boost female workforce participation

MINING



PART 2: Industry efforts to boost female workforce participation

Construction



NOT WHY - HOW



CALTEX
Caltex Australia

COAL



**ANGLO
AMERICAN**

- Set a 'pipeline' target of 75% women among new recruits to create momentum.
- Recruitment team achieved 50-75% women across various parts of the organisation.
- Three years on, women represent 38% of superintendents (compared to significantly less before the program start).
- Superintendents are the 'feeder pool' for management and executive level. It is anticipated that increased numbers of women will flow on to these higher level.



RESOURCE CONSTRUCTION



- Education focused programs to develop pipeline of female talent.
- Females represent 50% of engineering graduates employed.
- One of the first organisations in Australia to introduce female specific Personal Protective Equipment – PPE.



OIL

**CALTEX**
Caltex Australia

- Caltex supports the happy and effective return to work of their primary carer employees, with a package of benefits available up until their baby's second birthday.

BabyCare Bonus : Caltex pays a 3% bonus each quarter to a primary carer once they return to work until their child's second birthday.

Emergency BabyCare : Caltex provides returning primary carers with access to Dial-An-Angel mothercraft nurses or carers, for ad-hoc emergencies.

Help identifying appropriate childcare : Caltex provides a specialist service that assists parents locate the type of childcare they want for their baby.

Nursing Mothers' facilities : Caltex introduced facilities at key sites to provide privacy for nursing mothers.

SHIPPING

- 2% of seafarers are female.
- Farstad has 650 seafarers with industry average represented.
- Determined to drive change.
- Focus on inclusive culture and leadership.
- Recently undertook the AWRA Recognised Program.
- Programs include:
 - Diversity committee
 - Corporate Liaison Officer
 - Increasing number of women recruited at entry level



Lorrae Burke
Farstad Master

INFORMATION EDUCATION & SUPPORT



Australian Women in Resources Alliance
Strength through workforce diversity

- Focused on increase gender diversity capability with employers
- Education workshops – nation wide all sectors
- Fact sheets – Way Forward Guides
- Case studies
- Info sessions and webinars
- LinkedIn community
- Publishing
- Benchmarking and tracking

WAY FORWARD GUIDES



Australian Women in Resources Alliance
Strength through workforce diversity

- 1 Diversity as an Imperative for Business Leaders
- 2 Implementing a Diversity and Inclusion Strategy
- 3 Building your Employment Brand and Selling your EVP
- 4 Innovative Attraction and Recruitment Strategies
- 5 Building an Inclusive Culture and Engaged Workforce
- 6 Supportive Work-Life Strategies
- 7 Developing and Utilising your Female Talent
- 8 Providing Support through Mentoring and e-Mentoring
- 9 Being Recognised as a Preferred Employer of Women

Does your organisation have a formal policy and/or strategy on remuneration?

YES - 52%

If yes, please select all that are applicable:
(policy/strategy or both)

 **23%**

Had both a policy
and a strategy

 **36%**

Had only a policy

 **41%**

Has only a strategy

Do you have specific targets or goals
for pay equity?

YES - 41%

NO - 59%

NO - 48%

If no, please specify why?

 **30%**

Are in the process of
implementing

 **40%**

Non-award employees
paid market rate

 **10%**

Salaries set by awards or
industrial agreements

 **5%**

Don't have capability
to undertake

 **5%**

Not essential

 **5%**

Other

 **5%**

Not enough human resources staff to administer



e-Mentoring



Australian Women in Resources Alliance
Strength through workforce diversity

“I wasn’t just limited to mentors in WA – there was a whole nation involved across different resource-related sectors. There is no way I would have connected with Scott if it wasn’t for this program and I wouldn’t change my experience for the world.”

Mentee – Shauna Martin, MMG Geological Database Engineer, WA

“I thought the AWRA e-Mentoring Program was a great opportunity to use diverse mentoring approaches. As we progressed with the program, the issues we dealt with broadened.”

Mentor – Scott Pope, Origin Energy Commercial Manager, Sydney



RECOGNISED



Australian Women in Resources Alliance
Strength through workforce diversity



The AWRA Recognised™ Program is based on the “Diversity Program Review Framework™” (Moore, S 2012) incorporating the “Global Diversity and Inclusion Benchmarks: Standards for Organizations Around the World” (O’Mara, J, Richter, A 2011)

“Skilling Australian resources through industry transition”

KEY POINTS

The Construction Challenge: We must maximise future growth opportunities and manage resources construction decline.

The Production Skills Challenge: Our skilled oil and gas production workforce will increase from about 39,000 jobs to more than 61,000 by 2018.

We must connect with broader talent pools: One key area is addressing poor female participation rates – we are warming to the challenge.

Thank you

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