

RESETTING THE SKILLS PICTURE



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Media headlines may be focusing on the wind down of peak resources construction activity, but the industry's skills challenges and opportunities are always evolving and far from over.

Over the past year, the resources industry has battled market and economic headwinds both domestically and internationally.

In the 12 months to May, the Australian government reported 61 potential new projects worth a combined \$80 billion had fallen through, resulting in fewer job opportunities for resources construction employees looking for their next opportunity.

During this time, \$8 billion worth of major resource projects progressed to full production. While this is good news for securing Australia's future export capacity, it means smaller workforces of specialist operators are becoming the new normal for many organisations.

Australian resource employers have also been impacted by turbulent commodity markets, forcing them to tighten operational costs and increase productivity across the board.

Tara Diamond, Executive Director with Australian Mines and Metals Association (AMMA), a peak employer group representing resource organisations nationwide, says the focus for employers now lies in two core areas.

"During 2015, the industry faced a constrained economic

environment and shifting skills requirements. Many AMMA member companies are preparing to transition their projects from construction to production, meaning that along with upskilling staff where appropriate, they will now compete for some very specialist operation-based skills," said Ms Diamond.

"For operators of established resource projects, the focus is very much on streamlining their workforces while also offering cost-competitive training and development opportunities to drive productivity and retain top talent."

Ms Diamond said AMMA's members have pursued more targeted training options than in recent years as they search for practical workforce solutions that cater to shifting skills demands across a range of occupational groups.

"We are continuing to see investments in 'hard operational skills' including surface extraction, resource processing and underground mining; however, the need for employers to operate their projects as productively and efficiently as possible is driving a general industry demand for greater soft skills training," said Ms Diamond.

"This is predominantly in key human resources and employee relations skills that develop increased leadership, performance management, behavioural awareness and superintendent/supervisory skills at the site level."

Vocational education and training reform

Ms Diamond said it is imperative that the industry's own training efforts are supported by smart policy developed through collaboration between industry and government.

Representing AMMA and its members on the Australian Industry and Skills Committee (AISC), established by the Council of Australian Government (COAG) in May 2015, Ms Diamond is putting her words into action by helping to guide the implementation of the new national vocation education and training (VET) policies set to improve skills development across Australia.

Ms Diamond's involvement in this committee comes after her 2014 appointment to the government's five-member VET Advisory Board, which consulted on broad reforms to the training sector. Through this newer committee she has been

AMMA's multi-focused approach

delegated a key governance role in overseeing the development and approval of nationally accredited training and authorising industry-defined training qualifications.

"The resources industry is highly dependent on the skills of its people, and Australia's VET sector plays a significant role in ensuring employers have access to the skills they need to operate," Ms Diamond said.

"The resources industry's input on the VET sector will be critical for shaping future employment opportunities."

Ms Diamond is particularly interested in advising on an approach to apprenticeship harmonisation. As part of the government's eight-person Apprenticeship Advisory Group, she is examining three key reform areas including the restructuring of apprenticeship incentives, a new pre-apprenticeship program, and piloting alternative models for apprenticeship delivery.

"Feedback from the resources industry highlighted that reform of Australia's apprenticeship system is well overdue, and that traditional apprenticeship programs are not sufficiently responsive to specific skilling outcomes required for employment," said Ms Diamond.

"This fragmented system sees employers forced to devote valuable resources to navigate wages, conditions, registration and qualification requirements that are inconsistent from state to state.

"This makes it incredibly difficult and sometimes commercially unviable to efficiently source and transfer apprentices and trainees to locations where they are needed and will gain valuable vocational experience."

Globalisation of skills

Ms Diamond's involvement on the AISC saw her travel to China in July as part of a delegation representing Australia at the Australia-China Strategic Policy Dialogue on Vocational Education and Training forum in Beijing. The event explored the importance of each nation having a mutual understanding of future skills needs and engaged in discussions around the skills 'mismatch' in multiple labour markets, similarities in technical skills needs, the potential for regional occupational standards and the impact on training systems.

"The forum offered an important opportunity for dialogue between Australia and our largest trading partner," said Ms Diamond.

"I spoke with the Chinese business and education community at length about the experiences of Australian resource employers operating in both domestic and international markets, and the workforce strategies that are supporting our world-class projects."

The China visit followed a similar skills delegation to India in November last year,

led by Minister for Industry Ian Macfarlane, which saw Australian representatives from several business sectors build connections with Indian skills providers and provide advice on transnational skills initiatives.

As this level of engagement sows the seed for mutually beneficial skills outcomes, Ms Diamond believes it is now more important than ever for all Australian political parties to support free trade agreements struck with key trading nations, including the Australia-China Free Trade Agreement (ChAFTA), which at the time of writing (September 2015), had hit roadblocks due to debate over foreign labour.

"If our parliament can show bipartisan support for ChAFTA, the Australian resources industry will benefit greatly from further trade opportunities and, in turn, deliver additional employment and economic benefits to the country," said Ms Diamond.

"Yes, a wind down of resources investment and construction came faster than many expected and this created some employment challenges. However, we must now focus on meeting the skills needs of the future – and the many opportunities for Australia to generate further employment and become a resources export powerhouse."

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