

with Steve Knott

A NEW CHAPTER

Hindsight is a wonderful thing. While almost a decade ago, the record onset of investment in Australia's natural resources was certainly welcome, in many respects our nation wasn't fully prepared for such enormous growth.

Similarly, the sharp and rapid decline in commodity prices has taken many by surprise and while there is hope 2016 will bring some stability, all signs point to prices remaining suppressed throughout at least the first half of the year.

But Australia's resources success story is far from over - we are just beginning a new chapter in which it is critical to capitalise on our new production capacity and prepare to bring future growth opportunities to this country.

Although our forecast resources and energy export earnings have been downgraded, earnings are still projected to grow at an average annual rate of six per cent to reach \$240 billion in the 2019-20 financial year.

While there is much speculation about the potential impact of China easing into a more sustainable growth curve, it will unquestionably remain the primary export destination for Australian resource commodities in 2016 and beyond.

Opportunities for Australian resource exporters to tap into China's growing market are increasing now that the China-Australia Free Trade Agreement has come into effect, eliminating tariffs on our major mineral and energy exports and improving access for suppliers and service providers.

We must also remember that when the next upswing comes, Australia's world-leading reserves across a range of commodities including iron ore, uranium, gold and zinc ensure we are well placed to meet demand.

Remaining competitive during a period of global instability and preparing for a future upswing also relies on our ability to recognise and lead transitions in the way we work.

Innovation has been identified as a foundation for Australia's future, and as the resource industry's peak employer body, AMMA believes that having the skills required to develop and operate evolving technology is proving as important as access to the technology itself.

The capabilities of Australian resource sector employees in areas like data analysis and advanced computing skills promises to deliver a new competitive edge, provided enhanced collaboration between government, project operators, research institutions and the mining equipment, technology and services sector (METS) is prioritised.

This year will also be a pivotal year on the political front and AMMA is working to ensure the resource industry's policy and regulatory priorities are front and centre ahead of a federal election later this year.

A key policy area that must be urgently addressed is the stifling bureaucracy of our workplace relations system which continues to see Australia ranked poorly in global competitiveness indexes.

Resource employers and the wider business community have long complained about poor productivity, regulatory overreach and missed investment and employment opportunities arising from our outmoded and underperforming labour laws.

Creating a regulatory framework that allows employers to be more flexible and responsive to changing market conditions and operational requirements will be critical to the ongoing competitiveness of both established resource operations and new resource developments.

Workplace reform is shaping up to be a key election issue with the Coalition government considering the Productivity Commission's recommendations to improve Australia's workplace relations framework, a number of which reflect ideas from AMMA and its members.

As a globalised industry that is constantly adapting to economic and market conditions, we are familiar with overcoming challenges. If the Australian resource industry is able to capitalise on our strengths and pursue new opportunities to be a leading destination for resources investment, we could soon look back on 2016 as a defining year.



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AUTHOR PROFILE

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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.

Steve also leads AMMA's extensive array of employment consulting services, incorporating employment and industrial relations specialists, AMMA's registered training organisation, human resource management consultants, migration agent services and employment survey specialists. These services are provided on a national basis to AMMA's extensive member network of mining, oil and gas and service related companies, from blue chip corporations to small businesses.

Working directly with employers, employees and relevant employee representatives, Steve assiduously advocates for employment legislation that gives employers and employees the freedom to enter into productive enterprise based working arrangements.