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Skills crisis 'a threat to jobs bonanza'

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EXCLUSIVE

JOE KELLY

A pipeline of 350 major resources projects offering the potential for 165,000 jobs over the next five years has deepened concerns that Australia's skills crisis coupled with strict Covid travel requirements could limit growth opportunities in the lucrative sector.

Analysis of Department of Industry data by the Australian Mines and Metals Association has confirmed 77 new resources and

energy projects will create more than 33,400 jobs to 2027.

But once the estimate is extended to capture the 275 major projects that have been publicly announced as well as those in the feasibility stage, the number of projects in the pipeline rises to 352 and would add an extra 89,778 construction and 42,713 operating jobs to the number of positions on offer.

AMMA chief executive Steve Knott said that while the potential jobs bonanza from mining, LNG, hydrogen and other commodities was "extremely positive for the nation", the unprecedented disruptions to labour supply would create new challenges for operators.

"If a good number of the 352 prospective projects identified by the Department of Industry proceed, we could be looking at unprecedented skills shortages of up to 100,000 in the sector over the next five years," Mr Knott said.

"This is on top of already chronic skill shortages and operational challenges caused by FIFO disruptions, labour immobility and skilled migration restrictions all created by the Covid-19 pandemic."

Mr Knott said that with unemployment tracking at 4.6 per cent and expected to fall further, many chief executives were reporting to him that "in effect, employees are interviewing employers in relation to future career opportunities."

He said that resource employers would have no choice but to

jack-up pay packets. With most employers in the sector paying more than twice Australian average weekly earnings he argued it would "put upward pressure on wages across the economy; something the governor of the Reserve Bank Philip Lowe believes will be good for both Australians and the economy in general".

An analysis of the labour market released by AMMA in October found a strong undersupply of mining and petroleum engineers across Australia, while some states had seen a 60 per cent decline in electronics trades, technical and other construction related skills.

The average monthly vacancy for drillers, miners and shot firers was running at 630 during 2021. Mr Knott said the trend also extended to other roles with the sector facing huge challenges in getting chefs to remote mining sites and offshore oil and gas platforms.

He warned that skilled migration "offers no solution", arguing that visa and Covid travel requirements for skilled workers entering the nation – let alone those people moving between the states – had been a "nightmare".

"Many employees have exited their FIFO (fly-in fly-out) roles as they were understandably tired of constant PCR tests and sometimes absurd isolation protocols," Mr Knott said.

"Early in the pandemic some experienced double 14-day quarantine requirements moving between states; it was just unbearable for some and understandably so."

Mr Knott's warning comes as updated resources and energy projects revealed surging demand for Australian coal and gas in response to global energy shortages had put the nation on track to cash in on \$379bn in record export earnings.

Updated resources and energy projections earlier this month revealed that massive demand for

Australian LNG, thermal and metallurgical coal would exceed last year's export earnings by \$69bn in 2021-22.