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Skills demand not abating for resources industry, with 24,000 new workers required

Australia's resources and energy industry will conservatively require an additional 24,000 workers by the end of 2027, according to new modelling released by the Australian Resources and Energy Employer Association.

[Resources and Energy Workforce Forecast: 2022-2027](#), released by AREEA today (**Friday 22 July**), breaks down the estimated labour required to operate new, expansion and restarted mining and oil and gas projects expected to enter production by December 2027.

The third annual edition in this series lists 107 projects as being either committed or advanced in feasibility and considered likely to proceed within the five-year period. Coincidentally, the 24,000 forecasted new workforce demand is near identical to the January 2021 edition, however coming from a larger number of projects across a very different mix of commodities.

89 mining projects are included in the modelling, with coal (22) gold (21) and critical minerals (19) being the star performers. 18 oil and gas projects are also likely to proceed within the modelled period.

Demand is significantly frontloaded within the five-year period, with 69 projects requiring 15,000 new workers expected to come online by the end of 2024.

AREEA Chief Executive Steve Knott AM, said the industry would struggle to fulfill this new workforce demand without "creative solutions and a coordinated response".

"While we will always celebrate the strength of the industry and the jobs and other benefits that come with increased project investment, given the significant skills shortages at present, many would look to these new workforce projections with some trepidation," Mr Knott said.

"Our industry is battling the worst skills crisis in a generation. This is threatening the continuity of existing operations, resulting in temporary or permanent production downgrades, and driving other workforce issues including historic levels of staff turnover.

"As of May 2022 the national resources sector directly employed more than 295,000 people, its highest ever recorded level. On these projections it will exceed the never-before-seen 300,000 mark sometime in 2023 and grow by another 8% to 2027.

"With vacancy levels also at record highs and not showing any signs of easing, we do not expect the industry's existing labour force to offer any real relief to this forecasted future demand, for example through planned project closures or reductions. Demand for skilled labour will far outstrip supply.

"Simply, unless industry and government can find some creative solutions, the skills crisis facing not only the resources and energy industry but all sectors of the Australian economy, will persist for years to come.

"The industry is ready and willing to work with government, unions and other stakeholders on a myriad of initiatives, ranging from training and VET system reform to streamlining skilled migration processes. We must front-up to this challenge or risk losing some of these long-term national opportunities."

Mr Knott said the report was also an important reminder of the longevity of the resources industry and its “enormous role” in maintaining Australia’s living standards and general wellbeing.

“In terms of total employment, when accounting for its flow-on impacts the resources and energy industry is responsible for well over one million jobs directly and indirectly,” he said.

“The 24,000 additional workforce requirements estimated in this report are base level projections on those projects already committed or advanced in planning. Those projects alone would also bring \$130 billion in new capital investment to our country.

“If we look beyond that to the entire investment pipeline, there is more than \$420 billion worth of capital just waiting to be locked down and pumped into Australia. The employment projections within AREEA’s latest report could easily be doubled or tripled if more of these prospective new projects come to fruition.

“Further, the industry presently contributes \$43 billion annually in company tax and royalty payments.

“At a time when Australia is staring down the barrel at nearly one trillion dollars in national debt, we encourage the community to consider how critical the resources and energy industry will be to Australia’s economic future.

“Anyone who questions the importance of securing as much of this prospective resources and energy investment as possible, needs a serious reality check.”

Note: AREEA’s workforce forecasting [report](#) breaks down the expected new project labour demand into state-by-state analysis, and to key occupation groups across mining and energy. For additional analysis or comment contact Tom Reid via the below.

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