



02 SEP, 2023

Project boom adds to workforce woes

Kalgoorlie Miner, Kalgoorlie

Page 1 of 2

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An explosion of projects in lithium and other critical minerals projects is adding to WA's workforce woes, threatening the State's ability to deliver on a \$92 billion pipeline of projects.

New research from a national resources employer group shows WA will need an extra 12,800 workers over the next five years, with battery metals and rare earths projects expected to attract 22 per cent or about 2900 people.

That compares to around 3900 for iron ore, just under 1000 for gold and about 2200 for other minerals such as copper, silver and nickel.

The modelling by the Australian Resources and Energy Employer Association shows WA boasts 46 of 103 mining and oil and projects nationally that are either committed or likely to proceed by 2028.

Of the total \$142b expected to be spent, more than 64 per cent or \$92b worth of capital investment is in WA.

AREEA chief executive Steve Knott said skills shortages had become progressively worse in the past five years "to the point labour supply is as big a factor in approving growth projects as commercial considerations".

"Skills shortages are already biting the industry

very hard, and there appears to be little relief on the way should the industry continue to charge forward as predicted," he said.

The group's resources and energy workforce report, released on Friday, showed plant operators were the most in-demand workers in WA followed by heavy diesel fitters, supervisors and workers in engineering and geology roles.

Many mining bosses identified the price and availability of labour as one of their biggest headaches in the August reporting season.

South32 chief executive Graham Kerr last week said he believed higher labour costs were the "new norm" across the industry in the medium-term.

BHP is expecting the lagged impact of inflation to continue into the current financial year, particularly for labour costs, while Lynas Rare Earths revealed a \$155 million cost blowout at its new Kalgoorlie-Boulder processing plant against a backdrop high inflation and critical labour shortages.

WA has increased its projected workforce growth by almost 14 per cent since last year, when AREEA modelling indicated it would need 11,250 workers.

The report warned mining demand was particularly concentrated

over the next three years and would see 36 projects require just under 10,000 new workers.

Mr Knott stressed the need for "creative solu-

tions for short, medium and long-term outcomes" to ease labour pains.

"This is where Government, industry and all social and training stakeholders need to work more closely together towards co-ordinated outcomes," he said.

The AREEA report highlighted that in the face of domestic policy pressures and global economic and geopolitical headwinds, the number of projects, jobs and capital investment was "only trending upwards".

However, the investment story was not positive in all States — Queensland went backwards both in terms of project capital and prospective employment growth, down 15 per cent and 20 per cent respectively. "While still a healthy pipeline, clearly the Queensland Government's snap decision to massively increase coal royalties has taken its toll on investor confidence," AREEA said.



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Lynas Rare Earths managing director and chief executive Amanda Lacaze. Picture: Carwyn Monck