



# Resources Industry Workforce Action Plan

South Australia 2010 - 2014

South Australia continues to be an attractive place for resources projects and was voted in the top 15 places in the world, according to the latest report from Fraser Institute's Global Centre for Mining Studies. <sup>i</sup>

The resources industry covers all aspects of exploration, drilling, mining, oil and gas extraction, and services to these activities.

As well as significant gas and coal operations and new energy developments, South Australia has 16 approved mines, under construction or in early operation, four-fold that in 2002, with a further 30 development projects in the pipeline. <sup>ii</sup>

There are nearly 800 mineral exploration licences granted covering 400 000 square kilometres and around 400 mineral exploration licences covering 250 000 square kilometres awaiting approval. <sup>iii</sup>

Mineral exploration expenditure in South Australia totalled \$167.9 million, in 2009-10 and mineral production reached a record \$3.283 billion. Importantly, mineral exports from South Australia continues to rise and reached \$2.825 billion.

The resources and engineering industries support over 31,500 jobs in South Australia and contributes more than 5.6% to the State economy each year. <sup>iv</sup>

The number of people employed in the resources sector is set to increase significantly as the raft of new mining projects begins in South Australia, including the proposed expansion of Olympic Dam.

South Australia's strong resource industry must continue to be underpinned by a skilled and adaptable workforce to take full advantage of increased investment in the resources sector.

South Australia's natural resource prospects continue to draw attention from explorers and miners from around the world, with the State Government's incentives acting as a catalyst for action. There have been several important new discoveries and joint venture deals undertaken as confidence in the State grows.





## The workforce challenge

RESA undertook extensive consultation with industry to develop this Resources Industry Workforce Action Plan and respond to industry's needs. Industry has identified the following challenges which are addressed in this plan:

1. Skills in demand/labour supply shortages and gaps
2. Attraction, recruitment and retention
3. Education and training – services and infrastructure
4. Workforce planning and development
5. Skilled migration
6. Industry / government partnerships (funding and support)

## Responding to the challenge

The resources industry in South Australia is in a 'transition' phase where some of the exploration activity is beginning to translate into increased levels of mine start up and development activities. Whilst the full impact of the transition phase has been delayed due to recent global financial challenges, skills issues are once again starting to emerge and there are concerns over the emerging skills necessary to meet the industry's technical and operational developments in



the future were not being addressed by the current public education and training providers.

A key element for this post exploration activity is the need to broaden and increase the workforce in both numbers and skills. Consultations undertaken in the preparation of this Plan have identified there will be an increased demand for experienced and qualified staff (mainly professional and

para professional level) to carry out these activities.

Demand and competition for labour with resource industry experience (operations) is expected to increase as a number of inter and intra state operations ramp up. A degree of competition can also be expected to occur with some other industries such as construction, transport and defence.

In responding to the workforce challenges RESA has set the following strategic priorities.

With the quantity and range of emerging developments in the resources sector across Australia it is likely that the industry will experience competition for workers, particularly mining engineers, geologists, trades, accountants and senior HR personnel particularly in regional and remote locations. In the medium to long term, the sector expects demand for skilled and experienced workers will be difficult to meet.

Not surprisingly there were concerns from industry raised during the consultation that experienced professional mechanical and electrical engineers were difficult to source. There are ongoing fears that the "pipeline" for skilled trades (apprentices) is not being filled quickly enough to meet demand and provide replacements for a retiring and ageing trades workforce. This is linked to the continuing shortages of workers in critical mechanical/ electrical and specialist (electronics / instrumentation) trade areas.

These are:

1. Workforce Planning – ensure the resources sector has access to appropriate and adequate workforce information to assess and plan for future workforce needs;
2. Future Workforce - increase in the number of appropriately skilled people available for the resources sector through innovative attraction, retention and training initiatives; and
3. Workforce Development – contribute to a higher skilled workforce and decrease industry's cost of workforce development by improved access to government support programs and innovative initiatives aimed at workforce productivity.

These have been articulated into a set of actions and outcomes.



## PRIORITY 1:

**Workforce Planning - ensure the Resources sector has access to appropriate and adequate workforce information to assess and plan for future workforce needs**

Actions	Outcome
1.1. Establish a Resources Workforce Planning Council to monitor and progress the Resources Industry Workforce Action Plan	<ul style="list-style-type: none"> <li>• Workforce planning undertaken in the resources industry has expanded and improved</li> </ul>
1.2. Annually undertake a joint industry and government review	<ul style="list-style-type: none"> <li>• RESA has established and led the Resources Workforce Planning Council which includes industry and government and meets quarterly, to steer implementation of the Resources IWAP.</li> </ul>
1.3. Identify and address issues concerning existing workforce education and training programs	<ul style="list-style-type: none"> <li>• A report that summarises the progress against the Resources IWAP is completed communicating the outcome to industry.</li> </ul>

## PRIORITY 2:

**Future Workforce - increase in the number of appropriately skilled people available for the resources sector workforce through innovative attraction, retention and training initiatives**

Actions	Outcome
2.1 RESA will broker, develop and facilitate delivery of flexible demand driven education and training programs to support the resources industry	<ul style="list-style-type: none"> <li>• The resources industry has more appropriately skilled workers to meet industry needs</li> </ul>
2.2 Develop and implement programs to attract and retain an appropriately skilled workforce, including non-traditional workers, in the resources sector	<ul style="list-style-type: none"> <li>• A program to assist retention in the sector is completed</li> <li>• New demand driven training programs are developed and delivered</li> </ul>
2.3 Promote the opportunities in the resources industry to potential workers	<ul style="list-style-type: none"> <li>• The number of non-traditional workers entering and remaining in the resources industry has increased</li> <li>• Opportunities in the resources industry are widely promoted</li> </ul>



### PRIORITY 3:

#### Workforce Development – contribute to a higher skilled workforce and decrease industry’s cost of workforce development

Actions	Outcome
3.1 Develop strategic relationships with government agencies and organisations, including in the Defence and Construction industries, to jointly develop and facilitate collaborative initiatives to address skills requirements	<ul style="list-style-type: none"> <li>The resources industry works collaboratively with Government and other industries to address their workforce skills needs and challenges.</li> </ul>
3.2 Establish a “one-stop-shop” to coordinate, facilitate and manage the range of workforce skills issues	<ul style="list-style-type: none"> <li>RESA becomes a one-stop-shop and a key point of reference for information on the resource industry’s workforce and skilling requirements</li> </ul>
3.3 Establish a Resources sector training fund	<ul style="list-style-type: none"> <li>Funds have been secured to support training in the resources sector.</li> </ul>



## Some key observations from the consultations:

- There is no shortage of inexperienced applicants for semiskilled jobs most companies have hundreds if not thousands of enquiries/ applicants for these positions;
- Some difficulties are being experienced in sourcing "experienced" workers for semiskilled jobs (scaffolders, concreters, riggers, formworkers, crane operators) by construction companies;
- The most acute shortages (and some are critical) are in the trades areas - particularly electrical instrumentation and heavy vehicle and traditional training models (time served) will not overcome the shortages in time to coincide with the demand;
- The situation for sourcing professional staff is potentially more acute, given the need for engineers, geologists etc to not only be professionally qualified but also to have 3-5 years of industry experience;
- Shortages are also being experienced in the following areas:
  - the technical (para or associate professional) levels for technical officers/technicians, draftspersons, technical document specialists, schedulers, planners and estimators;
  - the professional level for engineers, senior project engineers and managers, metallurgists and geoscientists (preferably experienced);
- The major employment opportunities (in absolute numbers) will be in the construction phase, with numbers reducing substantially once projects reach the operating phase;
- The majority of trade positions will probably be required by contractors (rather than mining companies). If apprentices are not trained well ahead of the construction phases tradespeople are likely be sourced from "outside of SA";
- Innovative responses to training will be required including accelerated pathways, recruiting mature age "apprentices" and attracting trades qualified personnel (who have left the industry) back to the industry.





## Where to from here? – Industry driven workforce action plan

The Resources Engineering Skills Alliance (RESA) is driving the implementation of the strategies and actions set out in this plan, working in partnership with SACOME, industry, government agencies, the vocational education and training (VET) sector and higher education to achieve them.

A Resources Workforce Planning Council will have oversight of the plan. The group will be chaired by an industry champion and consist of representatives from RESA and other industry organisations. It will also include representatives from the Department of Further Education, Employment, Science and Technology.

## Get involved

The strategies and actions in this plan are the first step in coordinating a collaborative approach to skilling South Australia's Resource Industry. The next step is to make it happen with support from within industry and government.

To seek further information or register your interest contact RESA on:

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## Resources Engineering Skills Alliance

The Resources and Engineering Skills Alliance (RESA) was established in mid-2007 to assist mining, oil and gas, energy and related engineering companies involved in the resources sector in South Australia.

RESA works in partnership with resource companies and education and training providers (higher education, vocational training and schools) to promote, co-ordinate and facilitate innovative education, training and skills development services and solutions.

- i [www.fraserinstitute.org/researchandpublicaitons/publications/6534.aspx](http://www.fraserinstitute.org/researchandpublicaitons/publications/6534.aspx)  
<http://www.fraserinstitute.org/research-news/research/display.aspx?id=15815>
- ii Primary Industries and Resources SA, unpublished, 2011
- iii Primary Industries and Resources SA, unpublished, 2011
- iv Training and Skills Commission, Skills for Jobs update, 2010  
<http://www.tasc.sa.gov.au/Aboutus/SkillsforJobsfiveyearplan/tabid/126/Default.aspx>

## For Further information

[www.resa.org.au](http://www.resa.org.au)

[www.workforceinfoservice.sa.gov.au](http://www.workforceinfoservice.sa.gov.au)