To: Joint Standing Committee on Migration

Re: Inquiry into Australia’s Skilled Migration Program

1 March 2021

Introduction

AMEC appreciates the opportunity to make a submission to the Joint Standing Committee on Migration’s inquiry into Australia’s Skilled Migration Program. The mineral exploration and mining industry is made up of many specialist occupations, which the local workforce is unable to meet, without supplements from a pool of skilled migrant workers. As Industry continues on an upwards trajectory, in order to meet demand for Australian minerals, there is need to implement immediate reforms to the skilled migration program so we can continue to bolster the strength of our minerals industry.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry association representing over 350 members from all around Australia. Our members are explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC’s member companies account for over $100 billion of the mineral exploration and mining sector’s capital value.

The mining and exploration industry make a critical contribution to the Australian economy, employing over 255,000 people, and in 2018/19 collectively paid over $39 billion in royalties and taxation. In 2019/20 resources companies invested $35 billion in new capital and generated more than $176 billion in mineral exports. $2.8 billion was spent on minerals exploration in 2019/20, representing an 18% increase from the previous year.

Skilled migration inquiry

General feedback

AMEC continues to engage with Federal, State and Territory Governments, highlighting the immediate need for more skilled workers across the mineral exploration and mining industry.

The mining and mineral exploration preference is always to provide employment and upskilling opportunities to Australians first. Equally, Industry looks to provide these opportunities to those in regional communities where these roles are primarily located, however this is not always achievable. Skilled migration is needed to complement the local Australian skill workforce, and can assist in the training and upskilling of Australian workers, building greater expertise in the Australian labour force.

Skilled migrants bolster our workforce, entering the Industry ready to work with prerequisite experience and/or education. They undertake work in a highly regulated industry, to meet strict safety and compliance requirements, and share their expert knowledge with developing workers. This sharing of knowledge is an important aspect of Industry, where entry level workers are provided with
practical, on the job training in a variety of skills that are often transferrable. Given the time it can take to obtain the qualifications required to enter Australia as a skilled worker, usually 3-4 years minimum, there is an immediate need for these skills in our workforce, as the number of residents undertaking these courses is gradually declining, and we face significant resourcing constraints.

These specialist roles are often based in remote locations, due to the rural nature of the industry. COVID-19 border and travel restrictions created significant restraints for industry, particularly the ability to staff operations using the local workforce only. In this submission we have provided some industry specific recommendations for the Skilled Migration Program.

As the industry continues to grow, on the back of recent successful discoveries and the ability of our Industry to for the most part, keep operating while other competing mining jurisdictions still remain locked down due to COVID-19, the number of staff required is growing. However, this growth and the ability to adequately staff operations, is significantly hampered by the inability to source local workers.

Support from the Government via a welcoming skilled migration framework, and increased opportunities for training and development of local Australian workers is needed. Skilled migrant workers bolster our local workforce, sharing their skills, knowledge and experience with local workers in these highly technical and specialised roles. AMEC considers there to be scope through this inquiry, to reform Australia’s skilled migration programs to grow our workforce, thus enabling our industry to meet demand.

Mineral exploration and mining sector’s resourcing constraints

The significant resourcing constraints experienced across Australia’s minerals exploration and mining industry posed a challenge pre-COVID-19, and these constraints have been further exacerbated by COVID-19 border closures and travel restrictions. The immediate creation of hard borders had a significant impact on industry’s ability to staff operations locally. The border closures highlighted the reliance of many of these operations on a fly-in-fly-out workforce. Once restrictions prohibiting remote travel were lifted, hard border stances in some jurisdictions still significantly hampered the mobility of the workforce, while the existence of Government support dis-incentivised the impetus for some workers to return to their employment.

Currently, Australia’s mining sector accounts for around 2% of Australia’s total workforce, with 264,000 direct employees in November 2020. Despite the challenges posed by COVID-19, the sector experienced a 4.79% increase in employees, from November 2019 to November 2020. Over the past five years, there has been a 21.4% increase in industry’s workforce.

As identified by the National Skills Commission in their “The shape of Australia’s post COVID-19 workforce” paper, mining is one of only seven industries in Australia where employment grew in 2020, to eclipse employment levels pre-COVID-19, representing the strength and resilience of the sector.

---

1 ABS 6291.0.55.001 – Labour Force Australia, Original series A84090258W
3 The shape of Australia’s post COVID-19 workforce (nationalskillscommission.gov.au)
This important determination has been supported by a detailed analysis of Australian Bureau of Statistics (ABS) labour force data, exploring the distribution of occupations within industries, finding that Mining accounts for 50.5% of the employment in resilient occupations, above the national average of 33.9%\(^2\).

It is noted the Priority Migration Skilled Occupation List (PMSOL) currently has 18 occupations listed. The Department of Home Affairs has previously advised that changes to the Skilled Migration Occupation Lists will be on hold until improvements in the COVID-19 affected employment market occur, possibly in March 2021. Now is opportune timing to address the significant impacts currently being experienced by Industry’s resourcing constraints.

AMEC recommends adding the following industry occupations to this list as a priority action, to alleviate the significant resourcing constraints hampering industry’s growth:

- Geologists (ANZSCO 234411)
- Driller (ANZSCO 712211)
- Driller’s Assistant (ANZSCO 821912)
- Mining Engineer (ANZSCO 233611)
- Assayer / Analytical Chemist (ANZSCO 234211)
- Metallurgist (ANZSCO 234912)

**Australia’s Mineral Exploration and Mining Industry Growth**

The lifecycle from a mineral exploration project to a producing mine, is lengthy. The average Australian mine takes 13 years to develop from initial discovery to production. However, on the back of favourable commodity prices, the ability to remain operational, and solid investment decisions, 2019 ended with a quiet boom underway in Australia. The real GDP grew by 2.2%, with the mining industry directly accounting for 28% of that growth, and indirectly employing over 1 million people.

An indicator of the minerals sector’s strength is the number of mineral exploration companies listing on the Australian Securities Exchange (ASX), a common pathway for raising investment capital. In 2020 there were over 26 mineral companies with ASX Initial Public Offerings (IPO)s, fifteen in 2019, and 35 in 2018. While 2018 sounds comparatively large, in 2011, 71 listed, and in the halcyon days of 2006, 126 companies listed. In 2021, over 10 minerals companies have already listed, or are planning near-term listings.

According to the National Skills Commission’s modelling, there is an expected decline in mining sector employment over the medium-term. However, the same report also acknowledges that the results appear to be at odds with recent labour market data, which indicates Australia’s mining sector’s ability to remain relatively strong despite global economy disruption\(^4\).

Sector employment peaked at 274,200 in the March – May 2012 quarter; the most recent September – November 2020 quarter saw total national mining employment levels reach 264,000\(^5\). Historically, mining booms have increased investment in mining, leading to higher incomes from mining activities.

---


and more immigration to Australia\(^6\), and we are again approaching these peak levels. Currently there are 123 predominantly higher-value and export-oriented mining projects in Western Australia, not to mention the hundreds of quarries and small mines and mineral exploration projects. Gold sales have reached an all-time high of almost $16 billion, supported by a record annual average gold price of more than $2,300 per oz\(^7\).

These figures demonstrate the growth in demand for Australian minerals projects, which directly correlates with an increase in the amount of resourcing required, which is unable to be met, without a stable supply of skilled migrants to the sector. In order to facilitate resourcing demands to be met, mining specific roles must be added to the national skills shortage lists to fast-track skilled migration as a priority.

**Geologists, Mining Engineers, Assayers and Metallurgists**

As of 2019, Australia had 6,300 Geologists, Geophysicists and Hydrogeologists, and 7,800 Mining Engineers\(^8\). These are highly skilled and specialised roles, requiring higher education. Almost 40% of Australia’s geoscientists have been working for over 30 years, with those with less than 10 years’ experience comprising accounting for less than 10% of the workforce\(^5\). As the current workforce ages, we need to attract skilled workers to Australia to ensure these roles continue being filled.

AMEC supports initiatives such as the establishment of the new, whole of Government Global Business and Talent Acquisition Taskforce which is expected to attract exceptional talent to Australia, and support our post-COVID-19 recovery, while boosting local jobs. The acknowledgement of ‘Energy and Mining Technology’ as a target sector, along with the tripling of the tripling of places in the Global Talent Independent (GTI) program to 15,000 skilled migrant places, are welcomed efforts to drive this recovery effort.

However, the existing 1,000 skilled migrant ceiling quota for Mining Engineers, and Geologists, Geophysicists and Hydrogeologists respectively\(^9\), are too low to meet demand. The Western Australian School of Mines (WASM), is the second highest ranked tertiary education centre for Mineral and Mining Engineering\(^10\). It has noticed a decline in the number of enrolments in recent years, particularly the amount of students undertaking mining engineering courses. The narrow pipeline of graduates entering the workforce is furthering the skills shortage experienced by Industry. As the number of students graduating from this esteemed school decreases, Government support is required to engage future students, and in the interim, to increase the amount of skilled migrant workers to occupy these vacancies.

\(^6\) [https://www.statista.com/topics/4671/mining-industry-in-australia/](https://www.statista.com/topics/4671/mining-industry-in-australia/)
Around 40% of the mining workforce holds a Certificate III qualification or higher, and around 24% holds a Bachelor Degree qualification or higher\(^1\). Due to the level of higher education required to obtain Mining Engineer and Geologist qualifications respectively, it is recommended that the GTI program is expanded to include Mining Engineers and Geologists. Skilled migrants in these fields will be able to meet the Government’s requisite education levels for the competitive program, and meet much-needed industry demand, in the short-term, with Government support.

Further, the application processes for skilled migration visas are too long and need to be streamlined for priority positions. While there is a priority list, it is concerning that no Industry positions have been included. As mineral exploration, drilling and mining businesses need to secure workers quickly to meet project timelines and experienced applicants are not readily available locally\(^1\), skilled migration needs to be fast-tracked for these occupations to continue critical operations.

**Drillers and Driller’s Assistants**

Over the past few years AMEC’s drilling company members have regularly indicated their inability to identify, attract and employ skilled and suitably experienced drillers and driller’s assistants.

Vital mineral exploration efforts are being hindered across Australia because of difficulties in recruiting driller’s offsiders who can be appropriately trained to operate expensive, sophisticated and complex drill rigs in a safety conscious and strictly controlled compliance environment, by experienced drillers. Despite the availability of attractive full-time employment, training, and career opportunities, the cyclical nature of the mining and mineral exploration sector and tenure of the work in remote locations appear to be factors that inhibit workforce attraction and retention strategies.

AMEC has supported all Government and individual company vocational education and training programs seeking to address shortages in the availability of skilled and experienced drillers or driller’s offsiders, however the standard Australian labour market remains unable to meet demand for suitably qualified and experienced drillers. Despite the ABS’ unemployment statistics, and drillers constituting part of the top occupation for employment in the sector\(^3\), our members have experienced a 60 – 80% reduction in the response to advertisements for employment. A recent advertisement for drillers attracted 350 applications, 150 of which were from overseas, 10 which were deemed suitable for interview, and from the interviews, only three which were offered positions. From this recruitment campaign, similar to campaigns run by other drilling companies, less than 1% of applicants were deemed suitable.

With an attrition rate of roughly 30% in the first three months and a lack of a willing local workforce, mineral exploration drilling companies have for some years now, been unable to meet demand due to ongoing staff shortages, delaying the benefits mining and mineral exploration projects afford. Including this occupation on the immediate skills shortage list will allow international workers to undertake this critical position, which is unable to be met relying solely on a local workforce.

---

\(^1\) [Mining | National Skills Commission](https://mining.nationalskillscommission.gov.au/)


Changes to Australia’s Skilled Migration arising from COVID-19

Incoming skilled and holiday visa workers to Australia have completely halted. The inability for returning residents to access limited flights at a reasonable cost, when borders are relaxed, will likely serve as a further disincentive for foreign workers to seek employment in Australia, creating a backlog for visa applications.

While processing of visas halted on the Australian side due to COVID-19, there is an ongoing need for Australian businesses to retain and engage skills that are not currently available in the local market\textsuperscript{14}. This need has also, importantly, been acknowledged in Australia’s National Resources Workforce Strategy, noting the challenges in continuing the program due to border and travel restrictions. Clarity over the evidentiary requirement for the COVID-19 vaccine prior to entering Australia is needed.

The increases to labour market testing and the additional requirements businesses need to meet before they can consider nominating overseas skilled workers add further complexity to these challenges. Prospective employers considering hiring staff on the TSS (subclass 482) visa or the Skilled Employer Sponsored Regional (Provisional) visa (subclass 494) are now required to advertise their vacancies on the Government’s JobActive website with at least two advertisements in one or more of the mediums with national reach for a period of no less than 28 days, from 30 September 2020\textsuperscript{15}.

This new requirement creates lengthy timeframes and additional administrative burden for jobs which are critical to the continuation of mining operations.

We recommend exempting the positions we have identified above from these new requirements, to allow industry to operate at full capacity, and continue buffering Australia’s economy from the recessionary trend most of the world is in.

Final comment

AMEC welcomes the Commonwealth Government’s initiative to undertake a review of Australia’s Skilled Migration Program, at a time when skilled migration is facing significant challenges. As identified above, there is scope for improvements to the scheme which will drastically improve the strength of the minerals sector’s workforce, which is currently facing significant constraints while wholly reliant on a local workforce.

Adopting AMEC’s recommendations should increase workforce mobility and flexibility, while reducing red tape and costs to business, allowing Industry to keep driving Australia’s economic recovery.

\textsuperscript{14} https://insights.entitysolutionsgroup.com/australian-government-aims-to-kick-start-the-economy-with-skilled-migration/

\textsuperscript{15} https://insights.entitysolutionsgroup.com/priority-skilled-visas-and-travel-exemptions-for-australian-jobs/
AMEC requests to remain engaged with Government as these consultations are progressed, to ensure a holistic industry viewpoint is presented, and changes do not result in unintended consequences for Australia’s mineral exploration and mining industry.

**Recommendations:**
1. Add the following occupations to the PMSOL and exempt them from changes to labor market testing requirements;
   - Geologists (ANZSCO 234411)
   - Driller (ANZSCO 712211)
   - Driller’s Assistant (ANZSCO 821912)
   - Mining Engineer (ANZSCO 233611)
   - Assayer / Analytical Chemist (ANZSCO 234211)
   - Metallurgist (ANZSCO 234912)
2. Add mining specific roles to the national skills shortage list;
3. Add Driller and Driller’s Assistant to the immediate skills shortage list;
4. Increase the skilled migration ceiling quotas for Mining Engineers, Geologists, Geophysicists and Hydrogeologists;
5. Encourage future students to enrol in WASM;
6. Expand the GTI program to include Mining Engineers and Geologists; and
7. Streamline visa applications processes for priority positions.

**For further information contact:**

Neil van Drunen     or   Samantha Panickar
Manager, WA, SA, NT & Industrial Policy    Policy & Research Officer
AMEC         AMEC
0407 057 443        08 9320 5150