



## Miners sound warning on skills shortage

The World Today Stephen Dziedzic

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Mining giant BHP Billiton estimates the resources industry will need more than 150,000 extra workers over the next five years.

It is a problem that most governments would love to have, but mining companies are warning the Federal Government that it needs to boost spending on training or risk wasting the boom and damaging the rest of the economy.

Some analysts are sceptical about that argument, saying that miners are just trying to shift the cost of training their workers on to taxpayers.

The BHP figures are only a rough estimate, but they highlight once again the explosive growth in the mining sector.

Finance Minister Penny Wong was quick to emphasise the obvious benefits on Sky News on Thursday morning

"You know what this shows us? It shows us the extent to which this mining boom can also be an opportunity boom," Senator Wong said

"It is something we spoke about in the budget - that one of the challenges was to make sure we could get... spread the opportunities of the mining boom as far and as wide as we could."

But the boom also presents equally thorny and obvious problems, by putting pressure on wages in other sectors and driving up costs.

Resources analyst Peter Strachan says many of those problems are plaguing Western Australia at the moment.

"It's somewhat distressing in a way... living in Western Australia we are really suffering this Dutch disease big time," Mr Strachan said

"Where there is a small number of people... I think globally in Australia it is only like 2.2 per cent of the workforce are in the mining industries

"Those people are obviously having a great time. Their salaries have sort of doubled in the last four or five years and they are pushing up the costs in the community for everyone else.

"The cost of eating out, obviously rental costs - in Western Australia the rental costs have really shot up."

### Finding workers

The bullish estimates also present another difficult question: Where are the workers going to come from?

The mining industry has been trying to recruit people from the cities and from regions struggling with high unemployment.

Tom Reid from the Australian Mines and Metals Association says the Government needs to liberalise its skilled migration policies.

"We believe that if the skilled migration processes were made more efficient and effective, that we could help ease the burden of the skills shortage to the resources industry, particularly in those areas that we've identified may not be able to be filled by the current supply from Australia," Mr Reid said

The Minerals Council has also been agitating for the Government to boost spending on mining-related training and university courses

But the Melbourne Institute's Mark Wooden says mining companies should not expect the Government to take on responsibility for training all their workers.

"My view is they need to plan on doing it themselves basically... taking on apprentices. I think most of the obstacles there are usually with the companies," Professor Wooden said.

"Now the mining sector of course does have the huge disadvantage that the mines are typically located not where the workers are and so then there is the question of getting workers to their place, and often the problem is that there isn't very good infrastructure.

"Things like housing are in great short supply so mining companies have got to come to the party there

"They've got to be prepared to invest and so if they are going to expand, they have got to be prepared to take on a lot of the costs but they want to pass on a lot of the costs to the taxpayer."

The Government says it is tackling the problem, pointing to a new agency that it has established to retrain workers for new jobs in growing industries like mining

Senator Wong says the Government has also been putting extra money where it is needed.

"We put \$3 billion in the budget into skills and participation - a very large injection of investment into getting more Australians into jobs," she said.

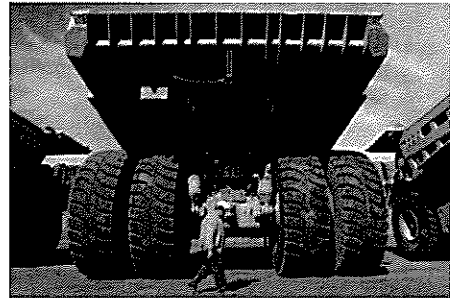


PHOTO: The figures highlight once again the explosive growth in the mining sector. (David Gray Reuters)

MAP: WA



AUDIO: Skills shortage puts mining boom at risk (The World Today)