

Labour shortfall still a worry

Shanna Crispin & Michael Ramsey 21-Aug-2013 09:00am



NUMBERS GAME: Peter Dyball says WA's labour shortage isn't over as the need for staff to operate major resources projects grows. Photo: Attila Cszaszar



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Western Australia is destined for further skills shortages and a reliance on temporary migrants despite the slowdown of work on major resources projects.

While the state's current shortage of construction workers is expected to ease, it will be offset by a dearth of workers with the skills required to operate resources projects in a few years' time.

Labour force analysis company Pitcrew estimates a current requirement for 33,000 construction workers – 1,500 more than the available workforce.

That's expected to ease to 27,000 in 2014 and 2015 as the current pull-back in mining investment flows through into the employment market.

However, a shortage of operational staff will take its place, with at least 5,000 workers needed, according to the most conservative forecasts – largely driven by investment in oil and gas projects.

But that could rise to as many as 12,500 required workers depending on how investment in the resources sector as a whole played out.

Mr Dyball said the resources situation was far from "doom and gloom", despite the pull-back in mining investment.

He said that in December 2012 resources projects worth about \$293 billion were planned, made up of \$187 billion for approved investments and \$106 billion earmarked for yet-to-be-approved projects.

That total investment figure has since reduced to \$248 billion for all planned projects, largely due to a significant reduction in unapproved projects.

There is now \$67 billion invested in early-stage resources projects yet to gain approval.

But worldwide demand for Western Australia's resources reinforced Mr Dyball's view that the mining boom was far from over.

He said the value of the state's exports was just under \$126 billion for the current financial year.

"For 2020, at even the most conservative level, it's \$180 billion; that's another \$54 billion growth in exports over the next seven years," Mr Dyball said.

“To make that jump, capital development is still required on either new assets or serious expansions ... and all of those assets need to be operated for the next 50 years or more.”

And the shortage of operational staff is unlikely to be satisfied by outgoing construction staff or domestic migration because of the higher level of skills required, which leaves migrants on 457 visas as the go-to option for employers.

The skilled migrant workforce has become a revenue-raising target for state and federal governments in recent months, prompting concerns from industry groups that employers may struggle to fill critical labour shortages on major projects as needed.

The federal government has raised the 457 visa base application charge from \$450 to \$1,035 this financial year, while the Barnett government announced plans in this month's state budget to slug the children of 457 workers with a \$4,000 per year school fees charge.

Migration Institute of Australia WA president Jacqui Ure said there had been a spike in the number of 457 applications lodged before the fee increases, followed by a significant decline.

The federal coalition has flagged that it will make the temporary skilled migration scheme more “user-friendly” but has refused to commit to reducing fees.

Speaking at an Australian Mines and Metals Association forum in Perth last week, opposition parliamentary secretary for immigration Michaelia Cash said a coalition government, if elected, was likely to be constrained in the near-term by a hostile Senate and a tough economic climate.

“In relation to fees that the federal government has control of, that is something that a coalition government will look at,” Senator Cash said.

“Whether or not we can change them in the current economic environment is another thing.”

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