

PIT CREW NEWS

Newsletter of Pit Crew Management Consulting Services Pty Ltd
Thorough Methodologies Proven Formula Exceptional Service

Welcome to our Latest Newsletter

September 2022 marks 18 years since Pit Crew was founded, so a huge vote of thanks needs to go to our current team as well as everyone who has contributed to Pit Crew's success since 2004. Also a big thanks to our clients, past and present. Since day one our objective has been to remain small but provide valuable services to high-calibre clients, and we continue to deliver on this today.

The past couple of years has seen many of our clients in turmoil as major project activity and operations levels have rapidly increased, while the COVID-19 pandemic has impacted the population, economy, and the dynamics of the labour market, shifting it to never-before-experienced territory. The Pit Crew team have taken pride in working with our clients, assisting them through this challenging period. We are pleased to be able to continue to provide clients with the surety of regular, reliable and current data built from 15 years of major project modelling. It's a far more valuable service than any ad-hoc one-off snapshot study.

Looking forward to the latter part of 2022 and into 2023 we see a continuation of the labour market challenges, albeit the market is already self-constraining, so we don't see it becoming much worse... if that's any consolation! We're hopeful that 2023 will see

greater national and international workforce mobility and an increase in job vacancies being filled, so that our client base will have some time to get back to long term strategy and planning.

We've got an interesting range of articles in this newsletter. We highlight our recently released **National Workforce Report**, as well as provide a few labour market insights. We consider the National Jobs and Skills Summit as well as the rather prickly subject of copyright and what it means when our reports and IP are pirated around the market. We also reminisce about 18 years of Pit Crew and the commitment involved in sustaining a vital small business.

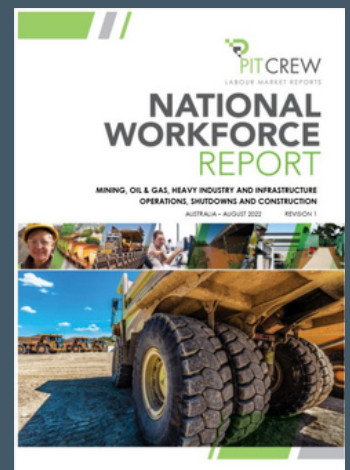
We hope your run through the final quarter of 2022 is steady and measured and that 2023 provides an opportunity to focus on what is going to create value and prosperity for you in the future.



Peter - Founder and Principal

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National Workforce Report Launch

In August Pit Crew launched our **National Workforce Report**. It provides a comprehensive analysis of the labour market as a result of activity in mining, oil & gas, heavy industry and infrastructure (MOGHII).

The report combines operations, maintenance, shutdowns and construction into one data set and uses Pit Crew's in-house modelling systems to provide data outputs. It provides an analysis of demand and availability across the combined project phases, identifying and quantifying skills gaps and shortages across disciplines and occupations to a 4-digit occupation code level.

The report also discusses the dynamics of the labour market in Australia. It considers the key influencing factors, impact of skills shortage, the challenges being faced by market stakeholders, as well as potential mitigating strategies.

Skills shortages are being experienced across MOGHII sectors in Australia. Pit Crew modelling forecasts increasing constraints in most occupations over the remainder of 2022 and through to at least 2025.

Demand for skilled and experienced workers will increase in the sectors over the next four years. It is the supply side of the labour market and the lack of availability of skilled workers which continues to be the fundamental constraint on mining, oil & gas, heavy industry and infrastructure labour market in Australia.

With high levels of activity simultaneously occurring in every Australian state, and the resultant labour shortages, the traditional state-by-state labour market dynamic is out the window! Workforce and labour shortages are now a national issue. As many of our clients have operations or projects across a number of states, the **National Workforce Report** can facilitate a whole-of-organisation view of the labour market and facilitate for an organisation's different business units or regions to have aligned, rather than competing strategies.

To subscribe or find out more please contact us.



Broken Hill Solar Plant

National Workforce Report Insights

Current workforce demand in the mining, oil & gas, heavy industry and infrastructure (MOGHII) sectors equates to around 394,000 people. Demand stems from operations demand, being the largest share, construction demand and shutdown demand.

Availability of people is just under 319,000, leaving a current gap (shortage) of around 75,000 workers. Pit Crew forecasts indicate that from 2022 to the August Quarter 2024 shortages will increase as availability is not expected to meet demand. A peak shortage of over 84,000 workers is forecast in this period.

Detailed information on shortages is contained in the **National Workforce Report**, including analysis by occupational discipline, specific occupation, state or territory.

The combination of demand growth and a lack of availability of suitably qualified and experienced workers means the MOGHII sectors, other sectors and state governments are facing an evolving range of significant challenges over the next 3-5 years. The rapid increase in workforce demand and subsequent lack of availability has resulted in shortages across construction, operations and shutdowns within the MOGHII sectors.

continues...



National Jobs and Skills Summit Results or Gab-Fest?

The federal government has just completed its much-vaunted Jobs and Skills Summit. A gathering of 150 or so, the Summit was attended by unions, public and private sector employers and civilians. Did it resolve and plan to achieve something or did we just pay for another gab-fest where the bleeding obvious is declared but never acted upon? Will the driving impetus - the current shortage of workforce resources - be over long before any material results can be achieved? Have government and industry got what it takes to deliver long term solutions?

While any gathering of minds is a good thing, from Pit Crew's perspective the ideal time for this forum was around four years ago. Then we were forecasting significant growth across all states, particularly NSW and Victoria. In a 2018 presentation to NSW project stakeholders Pit Crew discussed the prospect of increasing shortages and skills dilution in both NSW and Victoria, in WA we were starting to see the mining sector emerge from a period of downturn, with a significant program of capital replacement on the horizon. Unfortunately the NSW government boldly informed us they had 'future-proofed their workforce requirements' so had no need of our services, and in WA we were promptly ushered out of some mining company board rooms because they had 'all their workforce plans under control'. Victoria? Well, they were missing in action, we couldn't even get a returned call.

Fast forward to 2022, add the impact of the COVID-19 pandemic and we've got fast food chains offering \$1,000 sign-up bonuses to new employees! When sign on bonuses are being offered for roles requiring no qualifications and no experience, the market can be well and truly regarded as tapped out.

Let's hope any immediate strategies from the Jobs and Skills Summit are implemented quickly and efficiently, as there is no time (and no need) for more reviews, committees, working groups or additional studies. The mining, oil & gas, heavy industry and infrastructure sectors could do with an immediate injection of 75,000 people and another 10,000 people over the next three years, other sectors are equally in need. The emphasis needs to be on action, not more information. Long term strategies will be most critical as they will have the most significant impact and hopefully prepare the labour market for future activity cycles. Should we hold our breath?

National Workforce Report insights cont...

A key issue over the next 3-5 years will be the constraints on workforce availability. Forecasts indicate continued pressure on most occupations from 2022 to 2025 as demand increases, while workforce supply continues to be affected by sustained national demand.

A depleted MOGHII labour market becomes even more problematic in the current economic and post Covid-19 pandemic environment, where there is also significant demand and growth in other sectors such as agriculture, transport and logistics, residential construction, hospitality and regional tourism.

Further compounding workforce shortages, increased demand and lack of availability results in workforce skills dilution and productivity drops. This skills dilution exacerbates the demand for labour and increases the duration of projects, resulting in higher than budgeted project costs and consistent schedule blowouts.

Contact Pit Crew to find out more.

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Awareness of Copyright Material



While the market over the past two years has certainly challenged Pit Crew's operations and the services we provide, particularly our labour market work, these challenges have been surpassed by the poor behaviour of a high-profile WA government department, the Department of Training and Workforce Development.

In June 2021, DTWD received an unauthorised copy of a Pit Crew Labour Market Report and even though they were made aware the report was covered by copyright chose to distribute the document to numerous others within DTWD as well as a number of other state government departments. Rather than doing the right thing and paying for the report, they have tried to bully Pit Crew into backing away. We feel the department needs to be held to account for their actions and pay for the report.

After 12 months of pursuing reasonable compensation, Pit Crew has been forced down the path of court action. While we would like a rapid resolution it appears the department are happy to drag out the process - apparently content to drop tens of thousands of taxpayer dollars on lawyers - but not on good behaviour or valuable data.

There is news coverage of this on our website www.pitcrew.com.au and we'll keep you posted on the outcomes.

When companies or organisations decide they don't need to pay for a Pit Crew Report, or a subscriber feels they have the right to provide a report to a third party, it raises the prospect of two things...

The first is that by providing a report to a third party or receiving a report from a subscriber, Pit Crew is being denied the right to income. This is very unfair and un-Australian.

The second and main point is that if Pit Crew can't make a reasonable return on our investment, we'll stop producing the reports and focus on other areas of our consulting business. Clients will either not have access to the data they need, or the costs will be much higher as other providers scramble to try and provide something similar (and fail).

So a quick request from us: please respect Pit Crew's right to our intellectual property, particularly our copyright.

Pit Crew 18 Years in Business

To survive 18 years as a small business in the hard-edged world of mining, oil & gas, heavy industry and infrastructure takes a lot of determination and effort but Pit Crew has always punched well above its weight. Our client list includes the largest players in Australia's resources, energy and infrastructure sectors.

To maintain the confidence of this calibre of client, Pit Crew's team prioritise maintaining a comprehensive knowledge of the client market, projects and operations, labour market dynamics and the economic drivers within industry. Equal importance is placed on research and maintaining up-to-date input data as it is on fine-tuning the models that output the research into highly useful and valuable data.

Delivering high value services takes a dedicated and capable team, a key member of this team at Pit Crew is Senior Analyst of 11 years, Karen Stevenson. Karen's work has been pivotal in the growth of our capabilities and the delivery of a large range of reports over the years. Thank you Karen. At the other end of the spectrum is Sam Dyball, son of Managing Director, Peter Dyball. When Peter founded Pit Crew in 2004, Sam was just 11 months old, today he's studying at UWA and has recently started working part-time for Pit Crew as a researcher. Welcome Sam.

We're sure Pit Crew will continue to ride the roller-coaster of industry and continue to service our clients. We look forward to continuing our work with you. Within the Pit Crew team we'll continue to maintain a positive approach, in a relaxed but productive environment with a strong focus upon outputs.



Karen - Senior Analyst



Sam - Research



Road Trip Observations from Pit Crew Principal Peter Dyball



On the road between
Eucla and Norseman

Over July I was fortunate enough to embark on a 10,000km road trip across Australia and back. While the recent rains presented a wonderful green landscape, crops in the fields and abundant roadside flora, the impact of labour shortages across all sectors was very obvious. Part of the trip had us searching out projects, particularly renewable energy projects, checking their location and progress. The delays to some projects were obvious. It was also disarming to see the number of businesses having to limit their operating hours or days due to staffing limitations. Service stations, restaurants, cafes and shops all with signs on their front windows apologising for shorter opening hours.

A few years ago in my conference presentations I used to joke about what I called the 'Barista Barometer', where you could walk down the street of any city and judge the labour market environment by the number of cafes with 'Barista Wanted' signs in the front window. It seems the Barista Barometer is past the stormy zone and off the scale. Virtually every roadhouse and café between Perth, Melbourne, Sydney, Broken Hill and back had help wanted signs, all with immediate starts. Most obvious was the absence of overseas workers who are usually the backbone of remote hospitality operations. It will be interesting to see how long this situation takes to recover - Jobs and Skills Summit?



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Pit Crew
Committed to our
professional and
community partnerships



Most recently Pit Crew became a large gift donor to the **WA Youth Theatre Company (WAYTCo)**. Our commitment to their 'Invest in Us Campaign' will support access programming, including indigenous-artist-led workshops for justice-involved youth, and the development of short works by youth artists of all ability.



Pit Crew also supports **IPL Community Radio**. A community radio station dedicated to Health and Wellness.

Pit Crew Principal Peter Dyball hosts 'Pete's Music and Talk' every Tuesday from 9am to midday where he combines hits from the 70s to today with interviews with interesting people from the community.

Tune in via iplradio.org.au