



ISSUE 14 • OCTOBER 2023

PIT CREW NEWS

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

Hello from the Pit Crew team

As this edition is delivered Pit Crew has just notched up 19 years in business. As I say every year, we've ridden the ups and downs of industry and seen periods of industry activity (I don't like calling them booms) come and go. Our current market is the third cycle in Pit Crew's time, and I think about the fifth or sixth I've seen in my career.

These days the Pit Crew team is small, but our modelling systems, experience and intellectual property help us do the work of many more. Karen, Pit Crew's Senior Analyst, has been part of the team for over 12 years, having joined in March 2011. Over this time Karen has worked on our Australian and Canadian assignments and has been instrumental in the constant push to develop and improve our modelling and analysis capabilities. I want to say a big thank you to Karen for all her hard work over the years and for being such a huge asset.

I'd also like to thank all the wonderful clients we've had over the 19 years. Our client list reads like a who's who of industry. Some of our clients have been with us since the beginning, thank you.

We've never tried to be all things to all clients, we provide a very specialised delivery and have purposely focused on providing valuable services to a small number of clients. Our longest single stream of reports is for a well-known LNG producer. We've been providing services to them since 2008, and in 2023 we'll be delivering the twelfth report in an annual series which started in 2012, a track record we're very proud of.

We're looking forward to accomplishing 20 years of service, and to continuing to observe, analyse, and forecast the labour market in what will be an interesting 12 months ahead.

Kind regards



Peter Dyball
Founder and Principal

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WA Labour Market Update

Here in Western Australia, as with every other state, anyone involved in construction, operations or in the supply chain in the mining, oil & gas, heavy industry, and infrastructure (MOGHII) sectors are feeling the impact of labour shortages. Most occupations are showing high or acute shortages.

Currently in the WA MOGHII sectors we estimate a shortage approaching 29,000 workers. Interestingly, the shortage is lower than was estimated two years ago in our 2021 report, by around 2,000. This is due to the level of constraint being felt by the market from factors such as labour shortages and input costs. Essentially labour supply is having an impact and holding back demand.

Although the market is constrained there appears no loss of appetite for new projects, particularly renewable energy projects. By mid-2025 the labour shortage in WA MOGHII sectors could reach up to 38,000, however the significantly self-constrained market we're now experiencing may continue to limit potential growth.

These numbers and more are in our two latest WA reports:

- The WA Workforce Report which looks at the demand and availability of workforce resources for construction, operations, and shutdowns, and
- The Construction Labour and Engineering Resources Report for WA which specifically looks at construction of new projects.

While many private sector projects have been running over schedule and over budget, the performance of public infrastructure projects should be of greatest concern, the levels of blowout are quite shocking. But sadly, an arrogant government, lacking in accountability seem to shake off any scrutiny. The next 12 to 18 months will be an interesting journey for MOGHII sector stakeholders. We expect the combination of labour shortages, increasing costs, contractor risk, government policy, ESG, post-pandemic impacts, the push for decarbonisation and geopolitical uncertainty will continue to contribute to a highly constrained labour market.

To subscribe or find out more please contact us.

Current Reports Available off the Shelf

Construction Labour and Engineering Resources Report - WA - June 2023

Five year look ahead specifically of workforce resources for the construction of new projects in WA.

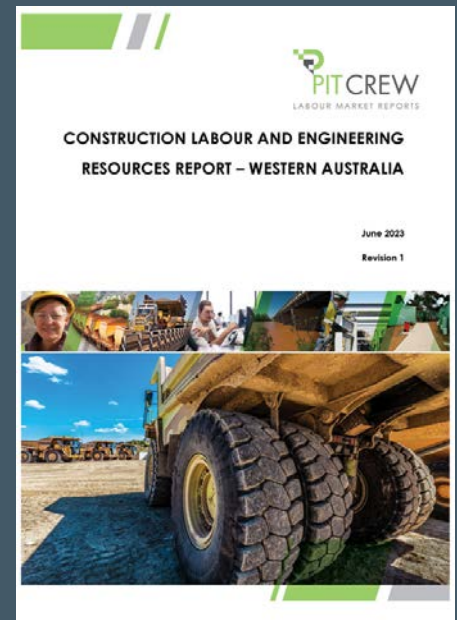


Photo: buildingfortomorrow.wa.gov.au





What you get with a Pit Crew Labour Market Report

When a potential client enquires about Pit Crew Labour Market Report subscription, to provide the best value for money, more often than not we offer a standard subscriber report. A standard report is available to any number of clients. The benefits of this include a uniformity of message across industry, also a subscription business model provides a lower cost than if the report had been produced as a one-off custom assignment.

Subscribers get the benefit of data from Pit Crew's in-house-developed modelling systems, which have been developed and enhanced using decades of industry-based experience. **We have over 17 years of historical data and information from which to draw validation.** Our reports come at a fraction of the price when compared with trying to produce something from scratch or commissioning a consultant to develop and provide similar analysis and forecasting.

Each standard report produced by Pit Crew costs us much more to produce than the price tag on an individual report. Our business model relies on multiple clients subscribing to each report. It's the risk we take.

Over the years there have been a few clients or potential clients who tried to replicate Pit Crew reports, either internally or using third party consultants. Each were successful in spending a lot of money and many months to produce (unsuccessfully we might add) something which Pit Crew could have delivered immediately for less than \$30,000. In one case a client spent hundreds of thousands of dollars, in another almost one hundred thousand dollars.

Pit Crew labour market reports provide up-to-date and accurate foundation data, which is critical for strategic planning. We have state and national reports ready and waiting for subscribers, there is no time delay as a result of needing to scope a report, gather and analyse data then generate material from scratch.

The Pit Crew labour modelling methodology provides data that is updated at regular intervals, using similar methodology each time. This permits the development of industry trending and analysis not possible with one-off snapshot reports.

Current Reports
Available off the Shelf

SA Workforce Report - July 2023

Five year look ahead at the demand and availability of workforce resources for construction, operations and shutdowns in SA.



WA Workforce Report - August 2023

Five year look ahead at the demand and availability of workforce resources for construction, operations and shutdowns in WA.





Department of Training and Workforce Development Copyright Infringement Dispute

As many of you will know, for over two years Pit Crew has been attempting to resolve with the WA State Government an appropriate level of compensation for distribution of Pit Crew's May 2021 Resources Sector Workforce Report.

As well as losing out on what should have been legitimate subscription income, the process so far has cost Pit Crew nearly \$100,000 in legal fees and Pit Crew resources, as well as taking us away from business resulting in lost revenue. This is unjustifiably unfair for a small business.

Following a farcical mediation process in February this year it looks as though a continuation of the court process is the only way to achieve some level of resolution.

Around this time last year, the court ordered DTWD to provide emails regarding the unlicensed distribution and use of the report. Even though DTWD previously claimed these emails had been deleted, by some miracle when ordered by the court the emails became undeleted, and they tell an interesting story.

Throughout the dispute DTWD has vigorously maintained they and the other departments had little interest in the report, also that their use of the report was minimal.

DTWD admitted sending the report, links to the report, or extracts of the report to 33 government employees and a



family member of one DTWD employee. During a meeting Pit Crew queried if DTWD had such little interest in the report, why had it been sent to so many people. A DTWD representative claimed this was necessary *"as an example of how bad a report could be"*. Anyone else think this is a disgusting comment? We certainly do!

It turns out that the emails suggest that far from being uninterested in the report, on the contrary DTWD and the other departments were very pleased to have it, also there is certainly no suggestion the report is lacking in anything or any warning regarding the report.

It's hard to understand the logic behind DTWD's significant investment in defending poor behaviour and then maintaining a false narrative, particularly when it would have been easier (and cheaper) to do the right thing and tell the truth.

It would be reasonable to presume the state government subscribes to many services. Services such as LexisNexis, who provide legal, compliance and regulatory knowledge, or Wood Mackenzie for industry research and analysis.

A quick review of the available reports show they also roll out the red carpet for the big advisory firms. In 2021-22 DTWD spent \$16.9 million on consultants and contractors, yet they can't see their way to pay Pit Crew for distribution and use of our report.

Unfortunately, over the past few years there have been a number of cases of public servant misconduct, with many being documented in the media. Given our experience over the past two years we believe the situation is representative of a culture where public servants, particularly in senior roles, feel they are untouchable and they have no need to behave properly, feeling they can do what they want. Then when they are caught, deny involvement or obfuscate the process.

Pit Crew's experiences suggest this type of culture seems very present, and even worse, the state supports and defends the poor behaviour, committing a chunk of taxpayer dollars and government resources in the process.

**How can you help?
Subscribe to a Pit Crew Labour Market Report!**



WA Government Intellectual Property Policy

There is a certain irony in the recent release of the WA Government Intellectual Property Policy.

We believe the policy still falls short on compliance with the Copyright Act with respect to communicating third party owned copyright works. The part where we don't know whether to laugh or cry is with proud policy statements such as:

"Agencies are to ensure that contracts with third parties expressly address ownership of and rights to both new IP and pre-existing IP."

"IP refers to the results of intellectual activity (creations of the mind) in the industrial, scientific, literary, artistic, musical and dramatic fields. IP is an intangible asset, and its value comes from the exclusive rights that the law gives to the owner of that asset."

Exclusive rights of an owner? Seriously?

Where the state government has bent over backwards (and expended significant taxpayer dollars) for the past two years to disabuse Pit Crew's exclusive rights as IP owner. What a joke!

On the flipside I guess the state should be proud of their infinite return on investment gained from paying nothing for Pit Crew IP!

Definitely "maximising the benefits to the State from IP", even when it wasn't their IP.



Pit Crew Racing Update



After a very successful 2022 season, having won the WA Sporting Car Club Tarmac Sportz Series, and placed second in both the Point-to-Point Time Challenge and Time Attack Series it was decided the car needed a bit more horsepower.

While the engine removal, rebuilding and installation process was originally meant to take a couple of months over the race season break period, the year has conspired against us and it looks like the 2023 season will be a blank.

The new engine is now back in the car and will be tested in the next couple of weeks, we're hoping 2024 will give us the much-needed lift in power while remaining reliable.



Pit Crew in the Community



For a couple of years Pit Crew have been a financial partner of WA Youth Theatre Co. We believe there is great value in supporting their aims and the environment they create for young people.

WA Youth Theatre General Manager Leah Maund shared this update:

WA Youth Theatre Company (WAYTCo) is a small not-for-profit doing big things. With a 40-year legacy and boasting Alumni including the likes of Tim Minchin, Claire Hopper and Katherine Langford, WAYTCo provides meaningful pathways into the industry and genuinely changes lives and contributes to Western Australia's community of diverse voices.

The Company produces work by and with young people that is exceptional whilst prioritising maintenance of a safe and welcoming space for all. This two-fold commitment, to high performance and inclusivity, has yielded great results.

2019 site-specific work, REST, became the most awarded Fringe World show ever! With shows in the Perth Festival three years in a row (2021, 2022, 2023) and one-man show ARCO recently returned from a national and international tour. WAYTCo is working at its peak!

The Company does this incredible work on a very small core base of funding. Corporate partner and philanthropic support is therefore vital to WAYTCo sustainability. This support underpins our capacity to provide exceptional theatre arts opportunities to young people.

More than just financially supportive, the annual investment of a company like Pit Crew is an important vote of confidence from the private sector in the work that WAYTCo is doing. It emboldens the Company to know that the business community is interested in the stories of its members and can see the value...

You can sample the Company at their upcoming SCRATCH NIGHT on 19 October 2023. It's like an open mic night but for theatre-y types!

And you can find out lots more about the Company at www.waytco.com



Contact us
1/3 Rosslyn Street, West Leederville WA 6007
PO Box 6098 Swanbourne, WA 6010
M: 0417 092 169
E: pdyball@pitcrew.com.au

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