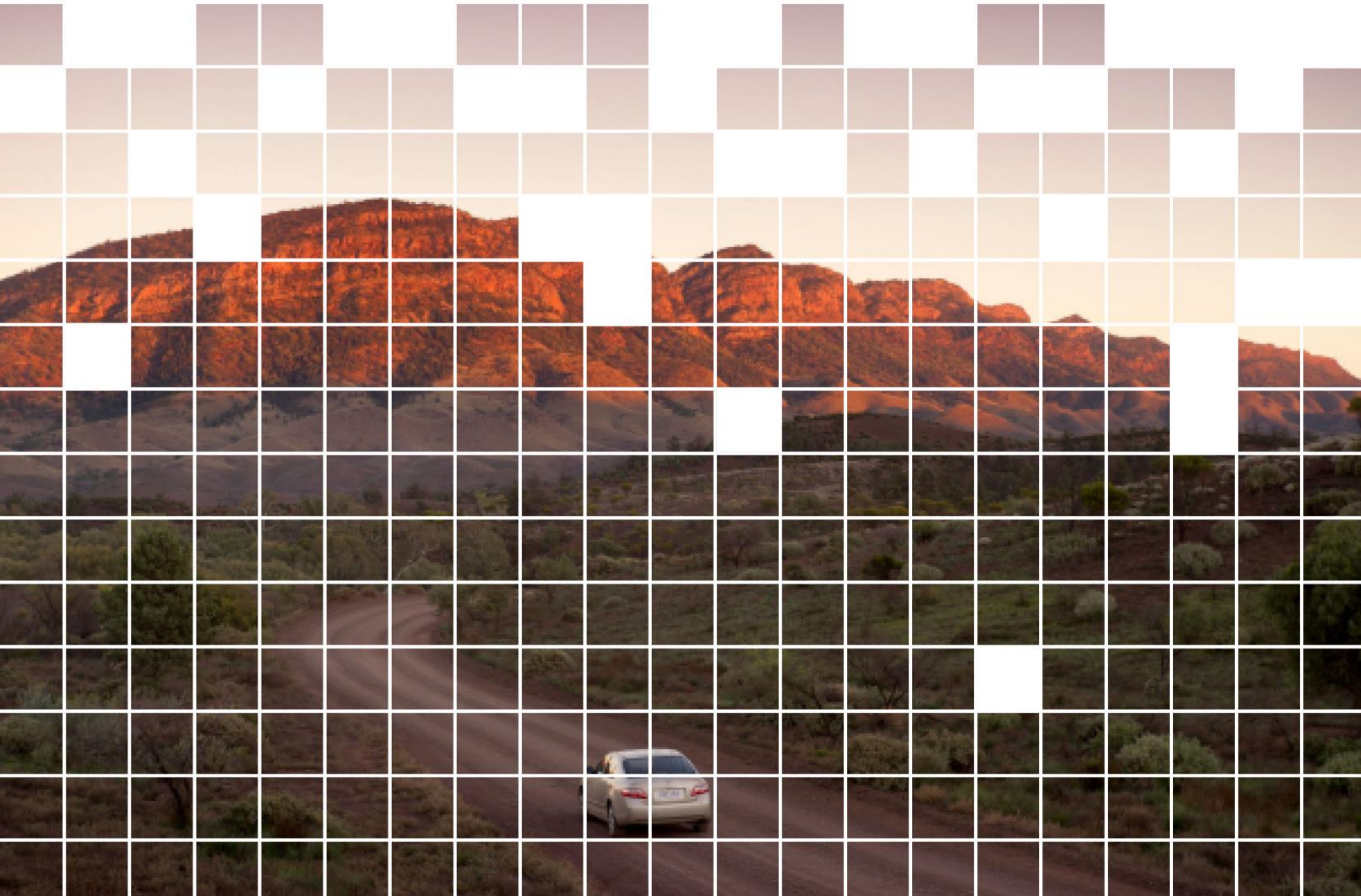
RESA

Capability Solutions

Spencer Gulf Supplier Workforce Scoping Study

Released: March 2024



Acknowledgement of Country

RESA acknowledges the Traditional Owners of the land on which we live and work. We recognise the importance of cultural heritage and spiritual connection and offer respect to Elders past and present.

Disclaimer

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Confidentiality

All respondents contributed to the Project on the basis that their specific data would remain confidential. All information presented in the Report is an aggregate of final data from all participating organisations. No individual data will be released.

Contents

Executive Summary

Background

Resources and Engineering Skills Alliance (RESA) is an independent, industry lead organisation established in 2007 to inform projects and activities to address the skills and workforce priorities of the mineral resources sector in South Australia. RESA is a not-for-profit organisation supported by the South Australian Department for Energy and Mining.

The **2023 Upper Spencer Gulf Skill and Workforce Summit**, supported by RESA, highlighted the need to better understand and represent the **workforce and skills priorities of regional operations**. We understand that ***data is key*** to informing decision making, policy and strategy for addressing these priorities.

The findings from this study complement the industry insights reporting of the RDA's, South Australian Chamber of Mines and Energy, Skills SA and our own Hiring Intentions reporting. It may also **support the development of place based strategies to support operations across the Upper Spencer Gulf**.

In February 2024 South Australian Premier, Peter Malinauskas, announced the **State Prosperity Project** (Government of South Australia, 2024) which recognises there is *'a once-in-a-generation economic opportunity….with our unique combination of sun, wind and valuable minerals in the Upper Spencer Gulf and surrounds, …..- bringing thousands of new jobs and a surging economy'.*

The State Prosperity Project will build on existing regional assets and infrastructure and will have potential to generate employment and business opportunities with suppliers of goods and services to heavy industry in regional communities.

These projects will create unprecedented demand for skilled workers with opportunity for regional communities, businesses and individuals. With RESA's Hiring Intentions data identifying record vacancy activity in the mining and energy sector throughout 2023, there is an immediate need to understand the workforce pressures and demand for skilled workers currently impacting on regional business sustainability and growth in order to provide a strong basis of capability to realise the potential of projects to deliver sustained benefit to the communities and industries that will support projects.

Key Findings

Summary of Results

Aggregated Workforce and Demand

23	2049	378	18%
Companies	Employees	Unfilled Positions	Short Fall

Occupational Demand by Level

25%	20%	52%
Entry Level	Operator	Trades

Supplier Challenges – Top 5

1. **Shortage** of suitability skilled, interested candidates in the region
2. **Access** to supported training and development for candidates
3. **Co-ordination** and visibility of project timelines to maximise opportunities for recruitment, workforce development and regional participation
4. **Competition** for skilled workers (wage discrepancy)
5. **Contract terms** limiting capacity to respond to workforce challenges

Methodology

Scope

The Workforce Scoping Study will provide industry led insight into the current and emerging workforce demands across the industry at the ***occupational level***.

The scope of companies included in the Upper Spencer Gulf Workforce Scoping Study included heavy industry and infrastructure suppliers and service providers with a footprint (physical presence) in the Upper Spencer Gulf.

For the purpose of this study, the Upper Spencer Gulf captured the area from Port Pirie to Port Lincoln and Far North to Roxby Downs.

The study included operations with current projects in the region supplying to/supporting workforce for heavy industries including mining, mineral processing, civil and energy infrastructure projects. The scope of this study does not include project proponents such as government, mining operators, mineral processing operators, energy generation and distribution.

With a focus on workforce the study was structured to identify:

- Occupations currently in demand
- Skills Shortages
- Critical Skills
- Forecast demand (at the occupational level)
- Emerging occupations
- Other challenges of regional operations
- Successful practices
- Suggested programs and initiatives.

The outcomes of the study are expected to inform strategic responses to workforce priorities for regional supply chain operators here and now, and will inform future actions to meet the workforce demands for renewable energy, infrastructure and mineral resources projects.

Our Approach

The Workforce Scoping Study was undertaken in 4 steps.

1) Identification of key partners
2) Invitation to participate
3) Personal contact
4) Data aggregation and reporting

1) RESA understands the importance of local connection in engaging with regional operations. With 120+ members Tactic, formerly Global Maintenance Upper Spencer Gulf, is an industry membership body with supply chain membership aligned to heavy industry projects in the Upper Spencer Gulf. Tactic was identified as a key connector in linking to businesses in the region.

2) RESA worked with Tactic to distribute an Invitation to Participate to members. The opportunity to participate was also distributed through RESA's network. As no responses were received through the electronic distribution of the invitation RESA revisited the stakeholder engagement approach.

3) RESA engaged a regional consultant, Mandy Jordan of RM Consultancy and Training, for an initial six week period from November to December 2023. The consultant made direct contact and met with respondents to facilitate responses. Contact was initiated by phone and followed up with face to face or online meetings, as appropriate. The targeted operations included Tactic members with current operations in the region (approximately 38% of total membership). As a respected community member, the consultant was able to build on personal business connections to encourage participation in the study. The response period was extended until mid-January to maximise opportunity for respondents to participate. The consultant connected with 63 companies with 23 completing the survey.

Some potential respondents declined to participate in the workforce scoping study citing consultation fatigue and their experience of failure to respond to needs identified through previous industry engagement processes.

Personal interaction with the consultant created the opportunity for conversations that provided important insights into the workforce challenges impacting respondents. This gave context to data collected and a deeper understanding of challenges in the regions. The regional consultant found company representatives were keen to contribute to the study through personal conversation although the project timeline (November to January) conflicted with business priorities which meant some were unable to contribute data in the time frame, even with the extension period.

RESA would recommend future studies allow for longer lead times or a centrally co-ordinated live data collection survey that can collect workforce data directly from organisations on an ongoing basis and use this data to inform real-time and just-in-time responses to demand.

4) On completion of the consultation period all responses were aggregated, and data validated to ensure accuracy in reporting.

Leading Indicators

RESA's 2023 Hiring Intentions ((RESA), 2023) data indicates record high vacancy activity in South Australia's Mining and Energy Sectors with 3,905 advertisements. Of these 37% identified Upper Spencer Gulf* as the job location. This totalled 1,732 advertisements across 173 companies.

37%	1732	173
USG*	Vacancies	Companies

* Yorke Peninsula, Whyalla and Eyre Peninsula, Coober Pedy & Outback

The number of companies represented in vacancy data reflects the significant contribution of supply companies to regional workforce participation in regions.

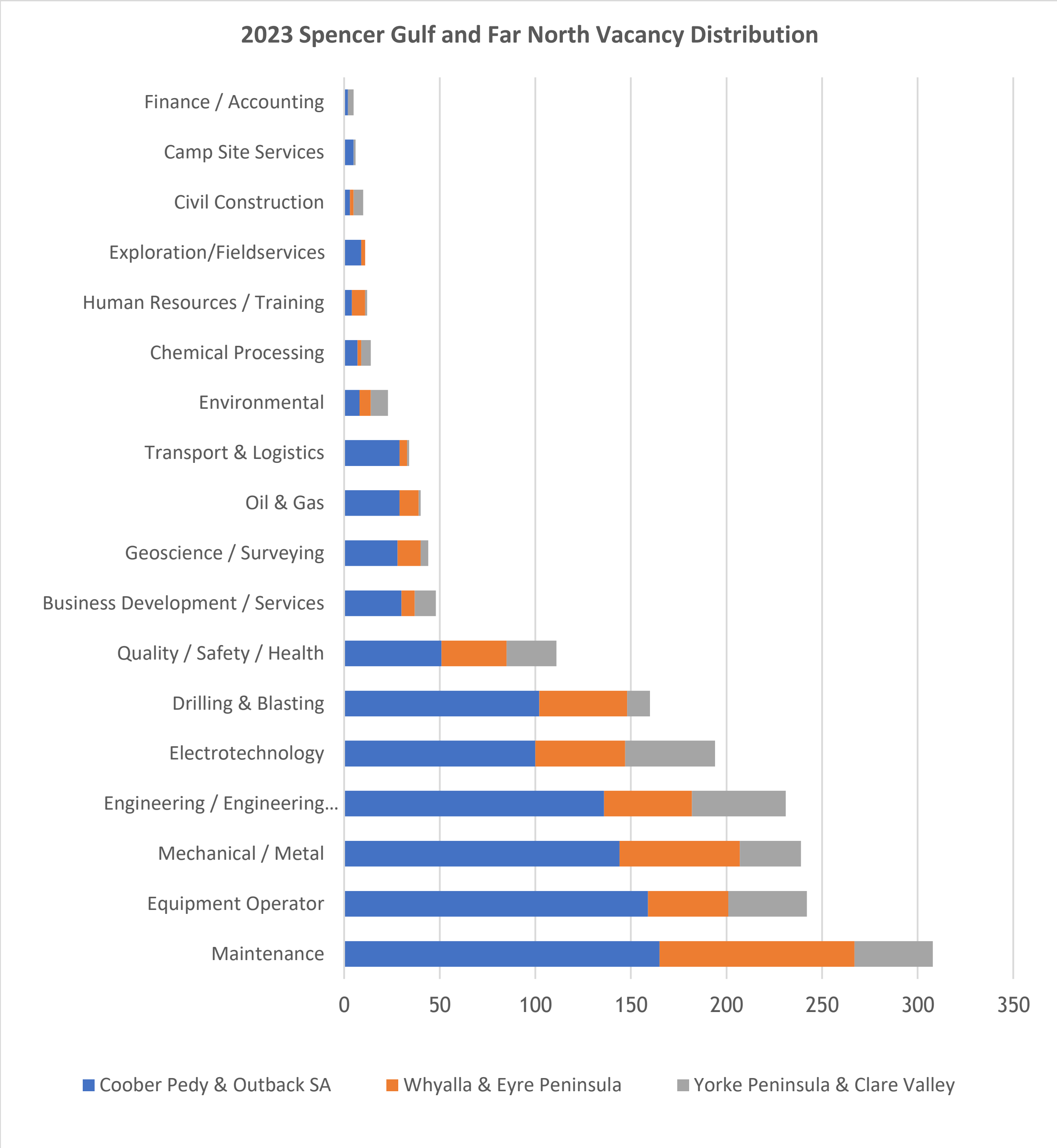
The breakdown of occupations in demand in 2023 by subsector indicates greatest demand in the fields of:

- Maintenance (18%)
- Equipment Operator (14%)
- Mechanical/Metal (14%)
- Engineering / Engineering Management (13%)
- Electrotechnology (11%)
- Drilling & Blasting (9%)
- Quality Safety & Health (6%)

A further 780 vacancies listed as Mining and Energy - Adelaide vacancies were identified as occupations most likely to be undertaken in regions. This includes subsectors Camp Site Services, Drilling and Blasting, Equipment Operator, Exploration / Field Services, Geoscience / Surveying, Mechanical Metal, Oil & Gas and Transport & Logistics

Vacancy Distribution

The graph below shows 2023 Mining and Energy vacancy distribution by subsector across the Spencer Gulf and Far North regions.



The highest demand in the regions for 2023 was for Maintenance roles (18%), Equipment Operators (14%), Mechanical / Metal roles (14%), Engineering / Engineering Management (13%) roles, Electrotechnology (11%), Drilling and Blasting (9%) and Quality, Safety and Health (6%).

Analysis of 2023 job advertisements provides a leading indicator of occupations in demand, however it does not capture job demand for operations that rely on other mechanisms for recruitment or have standing / enduring skills shortages.

This study has identified the substantial current hidden demand through direct consultation with regional operations / suppliers.

Findings

Respondents

RESA received complete responses from 23 companies.

The respondents represented a total direct workforce of 642 FTE employees with a total current direct and indirect workforce of 2,049. This includes labour hire and group training organisation participation.

Respondents reported a total of 378 enduring unfilled vacancies. This is an 18% workforce shortfall.

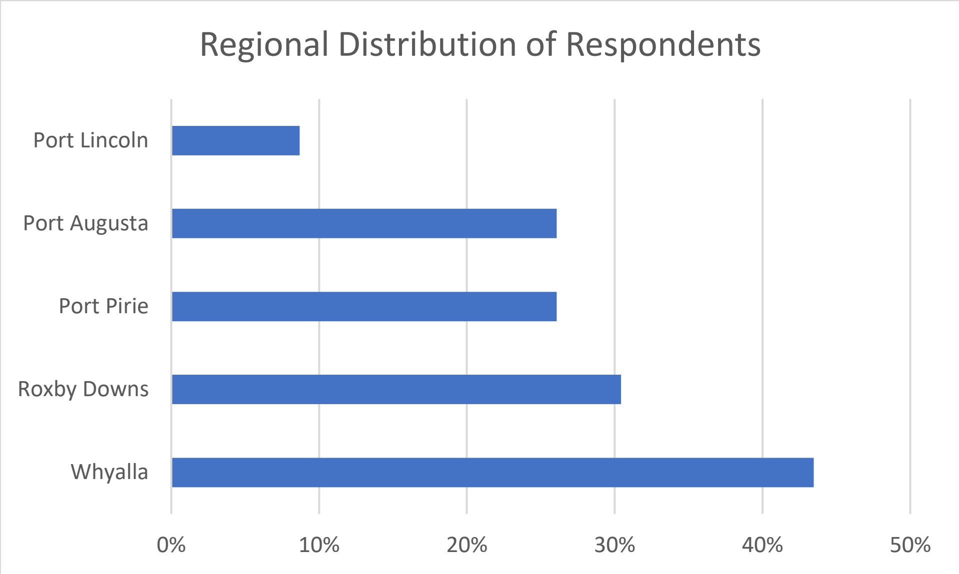
Services

The types of services provided by respondents covered eleven fields of operation, with services primarily in labour hire (26%), followed by heavy engineering – fabrication (17%), mechanical servicing (17%) and mining and civil services (13%). The distribution of services provided by respondents is summarised in the table below.

Service	# Respondents	% Respondents
Labour Hire	6	26%
Heavy Engineering | Fabrication	4	17%
Mechanical Servicing	4	17%
Mining and Civil	3	13%
Building & Construction	2	9%
Transport & Logistics	2	9%
Maintenance Services	2	9%
Training & Labour Hire	2	9%
Recruitment	1	4%
Community Services	1	4%
Equipment Hire	1	4%

Location

The scope of the survey included operations in the regions across the Upper Spencer Gulf (from Port Pirie to Port Lincoln) and far north region supporting mining operations. Respondents primarily operated in a single region with 17% identified as operating across more than one region.



The highest proportion of operations were conducted in Whyalla (43%) followed by Roxby Downs (30%), Port Pirie and Port Augusta (26%) and Port Lincoln (2%)*.

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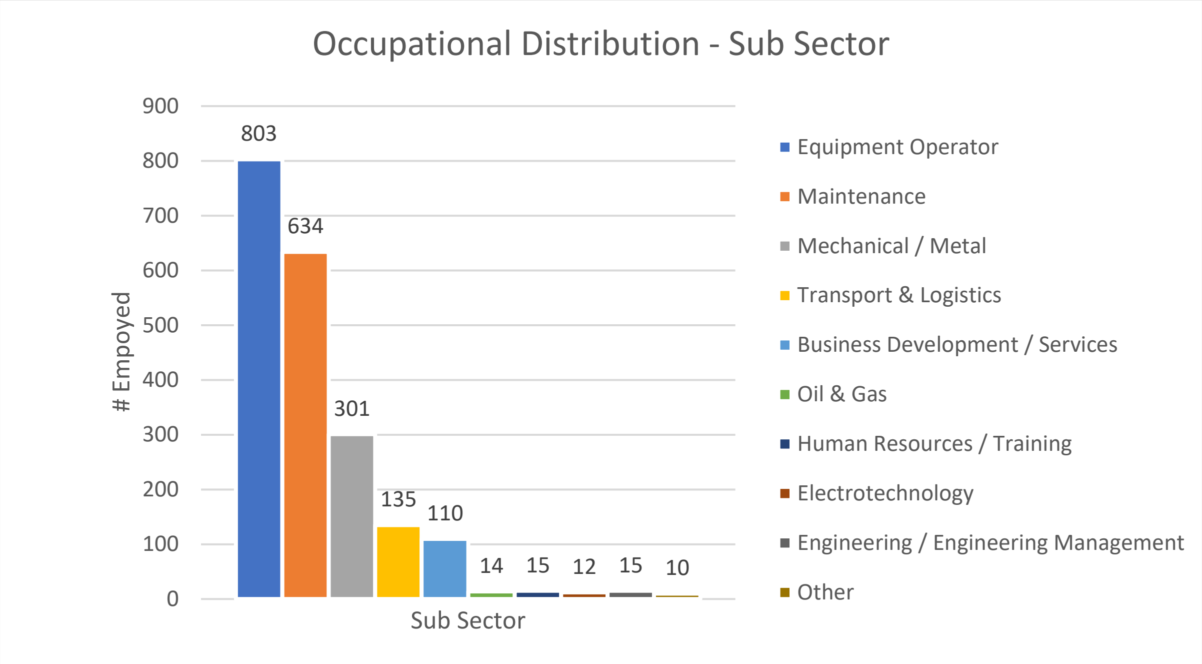
**It is noted that this is not an overall indicator of regional supplier capability as participation and engagement of stakeholders was restricted by project timeframes.*

Workforce Profile

The workforce distribution by sub sector for current employees is consistent with what would be expected for heavy engineering services. The workforce is comprised primarily of Equipment Operators (39%), followed by Maintenance (31%) and Mechanical / Metal (15%) workers.

Occupational Distribution by Sub Sector



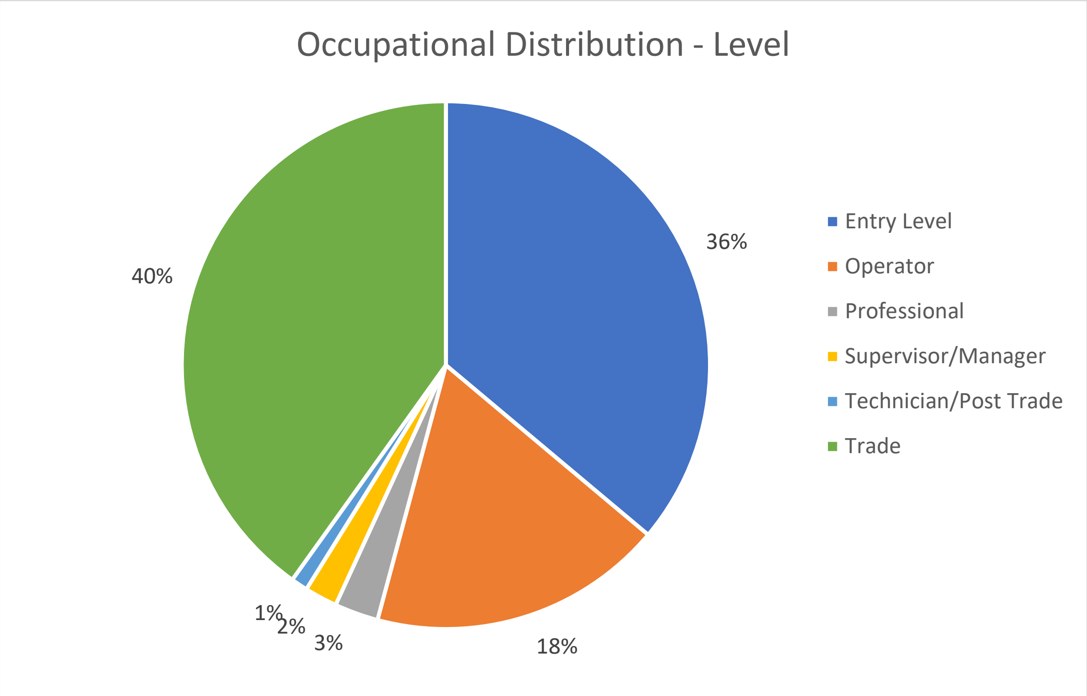
The table below reflects the number of employees and percentage of total current workforce by sub sector.

Sub Sector	% of Total Workforce	# Employed
Equipment Operator	39%	803
Maintenance	31%	634
Mechanical / Metal	15%	301
Transport & Logistics	7%	135
Business Development / Services	5%	110
Oil & Gas	1%	14
Human Resources / Training	1%	15
Electrotechnology	1%	12
Engineering / Engineering Management	1%	15
Other	0%	10

Occupational Distribution by Level

Workforce distribution by occupation level highlights the predominance of Trades (40%) and Entry Level roles (36%) followed by Operators (18%) in the heavy industry supplier workforce.

Occupational Distribution by Level



While trade occupations require completion of an employment based four year apprenticeship with an expectation of consolidation through additional on job experience as a qualified tradesperson, entry level roles are point of entry to industry job roles. This provides an ideal pathway to address regional participation priorities. These roles will come with an expectation of work readiness including fitness for work, licences (as required), self management, safety awareness, ability to work in accordance with procedures and some basic task related skills that may be developed through vocational pathways programs, pre-employment programs. This may include working with hand and power tools, operating equipment and beginner skills in electrotechnology, engineering (mechanical and fabrication) and civil works. The occupations are commonly listed as trades assistants, and labourers but may also include traineeships, apprenticeships, internships and other work based pathway programs.

Workforce by Occupation and Demand

The table below provides details of the aggregated current supplier workforce by occupation and the number of current and ongoing unfilled positions.

Occupation	Total Current	Unfilled	Comment
Maintenance Personnel	561		Includes maintenance support workers and trades not specified
Trainee / Apprentice	500		Trade / Vocation Not Specified
Operator	151	39	
Truck Driver (HC/MC)	134	35	
Labourers	113	30	
Trades Assistant	112	40	
Boilermaker / Welder	74	83	
Mechanical Fitter	50	20	
Admin Support	46	1	
Mobile Plant Operator	23	18	
General Manager	20		
Customer Support Rep	16		
Mechanic - HD	15	3	
Coded Pipe Welder	14	18	
Mechanic- Light vehicle	14		
Carpenter	12	8	
Consultant	12		
Training Assessor	12	8	
Diesel Fitter	11		
Fitter	11	10	
Electrician	10	2	
Plumber	10	9	
Storeperson	10		
Diesel Mechanic	8	5	
Hydraulic Fitter/Technician	7	3	
Industrial Spray Painter & Sandblaster	7		

Occupation	Total Current	Unfilled	Comment
Rigger	7	23	
Mechanic - Apprentice	6	2	
Project Administrator	6		
Crane Operator	5		
Fitting & Turning / Boilermaker Apprentice	5	2	
Site Supervisor	5		
Business Support Manager	4		
Civil Works Field Officer	4		
Refrigeration Mechanic	4		
Scaffolder	4	10	
Operations Manager	3		
Project Director	3		
Project Manager	3		
Regional Manager	3		
Electrician - Apprentice	2		
HR Coordinator	2	2	
Leading Hand- Fitter	2		
Shift Coordinator	2		
Site Coordinator	2		
Welding Inspector	2		
Account Manager	1		
Accountant	1		
Civil Works Coordinator	1		
Engineer- Civil	1		
Engineer- Mechanical	1		
Engineer- Mining (Graduate)	1		
Financial Controller	1		
General Hand	1	1	
HSE Compliance Specialist	1		
Operator - Underground, jumbo, bogger	1		

Occupation	Total Current	Unfilled	Comment
Quality Manager	1		
Rubber Liners	1		
Safety Advisor- Senior	1		
Sales Manager	1	1	
Scheduler/Planner	1		
Site Manager	1		
Supervisor	1		
Technical Inspector	1		
Technical Sales	1		
Warehouse Coordinator	1		
Workforce Planning & Development Manager	1		
Workshop Manager	1		
Business Development Consultant		4	
Electrician - Auto		1	

Respondents identified demand for a further 378 positions. This represents a requirement of 18% growth on the current workforce.

Occupations in Demand

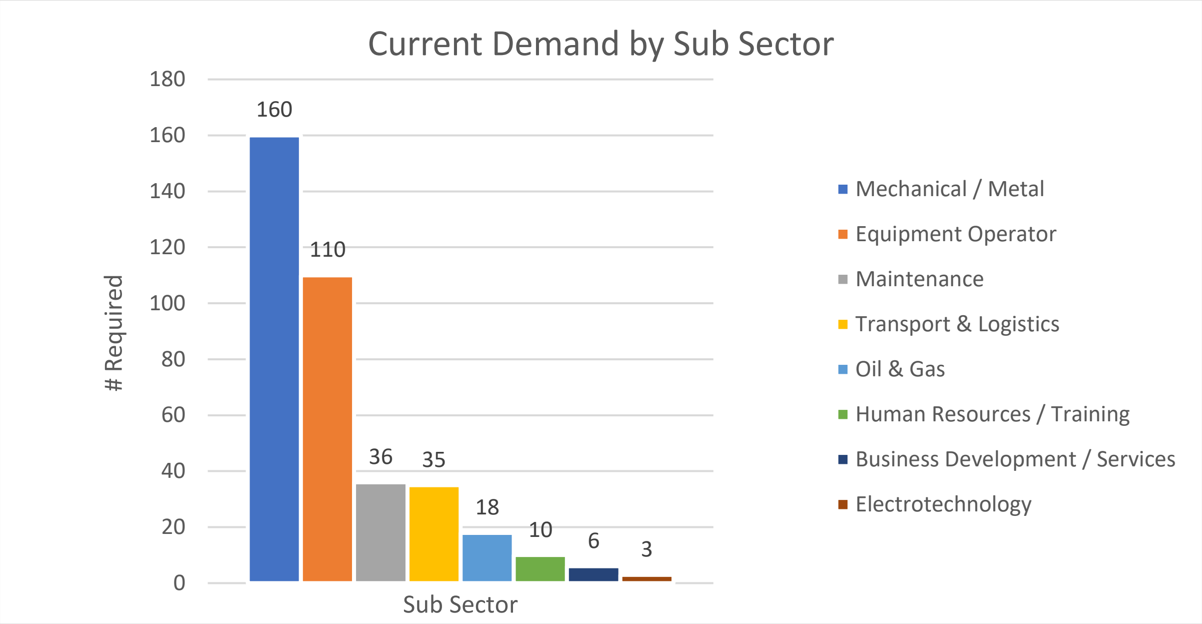
The table below represents demand by occupation for ongoing unfilled vacancies in order of high-volume demand to specialist occupations.

Occupation	Sub Sector	Level	# Required
Boilermaker / Welder	Mechanical / Metal	Trade	83
Trades Assistant	Mechanical / Metal	Entry Level	40
Operator	Equipment Operator	Operator	39
Truck Driver (HC/MC)	Transport & Logistics	Operator	35
Labourers	Equipment Operator	Entry Level	30
Rigger	Equipment Operator	Trade	23
Mechanical Fitter	Mechanical / Metal	Trade	20
Coded Pipe Welder	Oil & Gas	Trade	18
Mobile Plant Operator	Equipment Operator	Operator	18
Fitter	Mechanical / Metal	Trade	10
Scaffolder	Maintenance	Trade	10
Plumber	Maintenance	Trade	9
Carpenter	Maintenance	Trade	8
Training Assessor	Human Resources / Training	Supervisor/Manager	8
Diesel Mechanic	Maintenance	Trade	5
Business Development Consultant	Business Development / Services	Professional	4
Hydraulic Fitter/Technician	Maintenance	Trade	3
Mechanic - HD	Mechanical / Metal	Trade	3
Electrician	Electrotechnology	Trade	2
Fitting & Turning / Boilermaker Apprentice	Mechanical / Metal	Entry Level	2
HR Coordinator	Human Resources / Training	Supervisor/Manager	2
Mechanic - Apprentice	Mechanical / Metal	Entry Level	2
Admin Support	Business Development / Services	Operator	1
Electrician - Auto	Electrotechnology	Trade	1
General Hand	Maintenance	Entry Level	1
Sales Manager	Business Development / Services	Professional	1

Demand by Sub Sector

The highest demand by sub sector is in Mechanical / Metal roles (42%), Equipment Operators (29%), Maintenance roles (10%) and Transport and Logistics (10%) followed by specialist roles in Oil and Gas (5%), Human Resources / Training (3%), Business Development / Services (6%) and Electrotechnology (1%).

Current Demand by Sub Sector



Skills Shortages

Skills shortages represent the dual aspect of occupations in demand that are also identified as Hard to Fill. These occupations are identified in the tables below for each level of occupations: Entry Level, Operator, Trade and Specialisations. The comments provide insight into the particular requirements of industry, identified by respondents, for these roles.

Entry Level – Hard to Fill

Entry Level	No of Companies	Comments
Trades Assistants	2	Candidates need to demonstrate mechanical aptitude to support grinding, clean up etc
Labourers	2	Fitness for work, licence and work readiness are often a barrier to entry
Apprentices	3	Candidates are often too young, have no licence, are not work ready Business capacity to supervise and train on job is limited

Operator – Hard to Fill

Operators	No of Companies	Comments
Mobile Plant Operators	5	High turnover due to salary variation between operations and sectors Opportunity to develop skills to the level required by industry through training is not sufficient to meet required standards
Truck Driver (HC and HR)	4	Includes passenger vehicles – permanently recruiting for suitable candidates

Trades – Hard to Fill

Trades	No of Companies	Comments
Specialty Welder	3	Coded Welders
Boilermaker	5	Boilermakers with fabrications skills Boilermakers with welding skills Both called out specifically by industry
Mechanic/Diesel Mechanic	6	Specifically diesel, one position filled with 187 visa
Electrician	4	
Trade	2	Trades not specified
Fitter	5	
Rigger	1	
Auto Electrician	2	
LV Mechanic	1	
Carpenter	1	
Plumber	2	
Airconditioning and Refrigeration Mechanic	1	

Specialisations – Hard to Fill

Specialisations		Comments
Trainers – High Risk Work	1	Industry rates are higher than rates providers are able to offer Trainer and Assessor requirements require extensive investment (time, cost for both the individual and organisation)
Instructional Designers	1	Addressed by outsourcing
Compliance Officer	1	
Planners	1	with trade background, experience, computing and communication skills
Safety Advisor	2	Wage expectations are prohibitive
Mental Health and Allied Health Support Services (Speech, OT and Dietician)	1	Scope of services available is restricted by regional availability of skilled workers
Business Development Manager	1	

The occupations in demand across the highest number of companies are:

- Mechanic / Diesel Mechanic (26%)
- Boilermaker (22%)
- Fitter (22%)
- Mobile Plant Operator (22%)
- Driver (17%)
- Electrician (17%)

There is notably broad variation in the challenges specific to occupational pathways and the extent of demand.

Future Demand

While the workforce scoping study set out to identify future workforce demand respondents indicated they do not currently forecast workforce demand. This is largely driven by uncertainty around project timeframes, a priority focus on current demand and retention challenges, and business decisions to focus on stable and continuing client relationships.

Respondents indicated if they were able to meet current demand there might then be greater confidence in pursuing further contracting opportunities.

Respondents also reported procurement requirements beyond their capacity and a perceived / experienced lack of genuine commitment to local procurement in projects has discouraged them from participating in competitive tender processes. Without achievable real, relevant and achievable growth opportunities, employment participation growth is a priority.

Industry Supported Pathways

RESA identified 19 effective industry engagement activities that support industry attraction and retention. Respondents indicated many pro-active approaches are being implemented to address workforce challenges.

Respondents also indicated willingness to support industry engagement programs and initiatives.

Work experience **22% Current | 13% Would Consider**

Work experience provides the two way benefit of exposing candidates to industry to develop skills, knowledge and awareness of opportunities while giving employers the opportunity to identify suitability for employment. 22% of respondents currently provide work experience opportunities and an additional 13% would consider it.

Respondents identified that work experience is sometimes not an option due to the high risk nature of the work environment.

Site tours **22% Current | 13% Would Consider**

Site tours provide a non-threatening, gentle introduction to industry through observation and the opportunity to discuss jobs, pathways and better understand the operation. Group tours allow industry to reach multiple candidates at a time convenient to their operation. 22% of respondents currently offer site tours and an additional 13% would consider it.

Like work experience, respondents identified that site tours are sometimes not an option due to the high risk nature of the work environment and/or project proponent requirements/restrictions.

Presentations to schools **22% Current | 13% Would Consider**

Presentations in schools provide an opportunity to connect directly with school students, teachers and career advisors in the region of operations. They are most effective when aligned with accessible pathway and job opportunities. 22% of respondents currently present to schools and a further 22% would consider it.

Pre-employment programs **22% Current | 43% Would Consider**

Pre-employment programs are customised programs aligned directly to employment entry requirements for a specific industry, occupation or company. These programs may be a combination of accredited and non-accredited program and vary in duration from a few days up to twelve months. 22% of respondents currently utilise pre-employment programs and a further 43% would consider it.

With current and potential support from 65% of respondents, pre-employment programs stand out as the most desirable pathway for industry.

School Based Trainees or Apprentices **13% Current | 17% Would Consider**

School Based Traineeships and Apprenticeships allow students to complete secondary school while undertaking a part-time traineeship or apprenticeship. On completion of schooling Students are able to convert to continue their trade or vocation (if not completed before the end of the school year) allowing them to progress more quickly and ensuring a smooth transition from school to work. 13% of respondents currently utilise school based traineeships or apprenticeships and a further 17% would consider it.

Respondents identified capacity to provide on-job supervision and training, access to training providers in the region and licencing and age requirements for some employment pathways as restrictive factors for school based trainees or apprentices.

Traineeships **9% Current | 4% Would Consider**

Traineeships provide non-trade work based pathways to learn and earn on the job supported by nationally accredited training. 9% of respondents currently utilise traineeships and a further 4% would consider it.

Entering a contract of training requires employers to have certainty around their capacity to provide supervision and on-job training and to have meaningful work available for the duration of the term on the contract. This can be from 12 months to two years. Respondents indicated that uncertainty around the timing of projects, short term projects, requirements for travel, time out for off-job training, access to local training providers, lower pay rates, extended work hours and the high risk nature of work presented a challenge in providing entry level opportunities and attracting candidates.

Apprenticeships **17% Current | 9% Would Consider**

Like traineeships, provide work based pathways to learn and earn on the job supported by nationally accredited training. 17% of respondents currently utilise traineeships and a further 9% would consider it. Completion of a trade apprenticeship is often a pre-requisite for licenced occupations and for skilled maintenance and mechanical/metal workers.

Entering a contract of training for a trade requires employers to have certainty around their capacity to provide supervision and on-job training and to have meaningful work available for the duration of the term on the contract. This will usually be for four years for a declared trade. Respondents indicated that uncertainty around the timing of projects, short term projects, requirements for travel, time out for off-job training, access to local training providers, lower pay rates, extended work hours and the high risk nature of work presented a challenge in providing entry level opportunities and attracting candidates.

In addition, respondents were wary of investing in developing skilled workers to undertake contracted works as their experience these workers were often poached or attracted to higher wages available through project proponents. There is then no return on the significant investment of supporting an apprentice through a trade pathway.

Cadetships **0% Current | 0% Would Consider**

Cadetships provide on job pathways to skilled/para professional and professional occupations, usually related to higher education pathways. Cadetships are managed by the individual company with progression aligned to the study pathway. No respondents utilise cadetships and no respondents indicated they would consider this pathway.

This could be a reflection of the demand for skilled workers being primarily focussed on trades and operator roles.

Undergraduate Vacation Programs **9% Current | 0% Would Consider**

Undergraduate vacation programs provide work experience (paid or unpaid) to tertiary students in roles related to their field of study. This is an opportunity for companies to invest in capability, screen potential candidate for future employment, raise awareness of their operation and connect with potential job candidates encouraging industry participation. Undergraduate vacation programs may be managed by the individual company or facilitated by a third party such as an industry association. 9%

of respondents currently offer undergraduate vacation placements with no additional companies considering it.

This is likely to be a reflection of the demand for skilled workers being primarily focussed on trades and operator roles.

Scholarships **0% Current | 0% Would Consider**

Scholarships provide financial assistant to students undertaking study and are often supported through mentoring, work placement and networking opportunities. No respondents currently utilise scholarships and no respondents are considering it.

Although respondents do not offer scholarships, the BHP Future of Work program currently provides some funding support towards the cost of training for students undertaking vocational and/or tertiary study in the Upper Spencer Gulf. (Eligibility criteria applies).

Research Initiatives **4% Current | 0% Would Consider**

Research initiatives support companies to develop new technologies and provide leadership in their industries. Research opportunities can support industry to engage with post graduate candidates, demonstrating commitment to innovation and improvement. 4% of respondents currently utilise research opportunities with no additional companies considering it.

School Based Challenges **4% Current | 0% Would Consider**

School based challenges provide opportunities for industry to engage with schools and students to raise awareness of their operations in communities and empower students to work with them to solve problems. This can support talent identification and industry attraction. 4% of respondents currently utilise school based challenges with no additional companies considering it.

Challenges of this type require strong relationships with schools along with centralised co-ordination and scheduling. This can be resource intensive for small to medium operations.

Sponsorship **39% Current | 4% Would Consider**

Sponsorships raise awareness of organisations and build connections in community. Positive social contribution to local communities creates an important reputational benefit, demonstrates commitment to local employment and value alignment, which can attract local candidates.

Sponsorship may include support for: sports teams, facilities and events, awards, education programs and community events. 39% or respondents currently provide sponsorship and an additional 4% would consider it.

Mentoring **22% Current | 17% Would Consider**

Mentoring employees provides a mechanism for on-job support of employees. While especially important for new employees, trainees and apprentices mentoring also benefits ongoing development of individuals throughout their careers. Mentoring is an effective support mechanism in achieving diversity and contributes to attraction and retention of under-represented employees. 22% of respondents currently mentor employees and a further 17% would consider it.

Career Pathways Information **26% Current | 7% Would Consider**

Career pathways information provides existing and potential employees with a clear understanding of entry requirements and pathways and guidance for progressing within a career or organisation. Career pathways information will only be effective in supporting attraction and retention. if these is access to the training and development required to meet requirements and progress. 26% of respondents currently provide career pathways information and a further 7% would consider it.

Targeted Participation Activities **30% Current | 9% Would Consider**

Targeted participation activities provide opportunities for participation of candidate cohorts that may are under-represented in the workforce or experience foundation barriers to participation that can be addressed through programs or activities supported by the workplace. This may include work preparation programs, work experience, scholarships, cadetships, pre-employment programs, mentoring, collaborations with support agencies for specific candidate cohorts, targeted promotion and engagement activities and development pathways. Targeted participation may focus on gender diversity, return to work programs, long term unemployed and underemployed, youth and youth at risk, new arrivals and migrants and Aboriginal and Torres Strait Islander cohorts. 30% of respondents currently utilise targeted participation activities and a further 9% would consider it.

Inclusive Culture **35% Current | 9% Would Consider**

Inclusive culture ensures a safe and welcoming workplace for all candidates. All aspects of workplace culture impact on perceptions and experiences of inclusiveness. Inclusive culture requires actions to mirror intent. 35% of respondents currently identify as intentionally providing an inclusive culture and a further 9% would consider it.

Future Proofing - Employ Above Cap **26% Current | 13% Would Consider**

Future proofing by employing above cap workforce requirements is a strategy that requires investment in the workforce pipeline. 26% of respondents currently utilise employing above cap and a further 13% would consider

Employing above cap is a substantial investment and requires organisations to have additional capacity for supervision and training. The return on investment is long term. Challenges have been identified in ensuring meaningful work is available, supporting employees between projects and employees leaving to pursue other opportunities before a return on investment is realised.

Flexible Rosters / Working Arrangements **30% Current | 4% Would Consider**

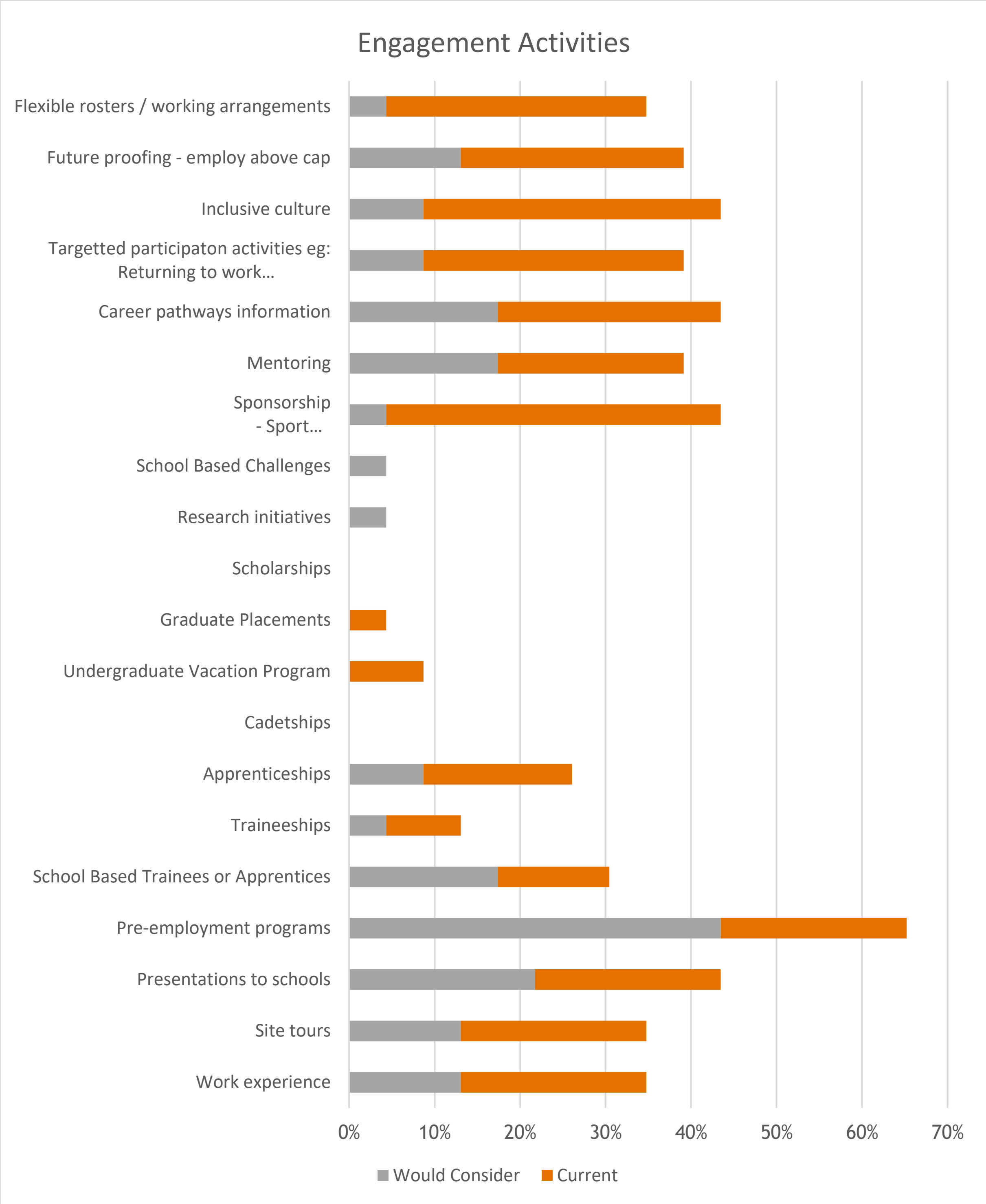
Flexible rosters and working arrangements provide opportunity for work/life balance. 30% of respondents currently utilise flexible working arrangements (where possible) and a further 4% would consider it.

Respondents identified that the opportunity for flexible work arrangements is often limited by project requirements and critical timeframes for completion of contracted works. With the high proportion of equipment operations and trades in the supplier workforce there is a requirement for the workforce to be on-site. With additional transport and logistics for accommodation and worksite access, shift rotations and FIFO/DIDO schedules must be best aligned to meeting productivity and efficiency targets. This is a challenge for flexibility.

No additional programs or initiatives were identified by respondents.

Engagement Activities – Current and Potential

The table below summaries the current and potential engagement activities of respondents.



While respondents utilise a range of engagement strategies, pre-employment programs stand out as one of the most utilised and the most desirable to support workforce needs.

Workforce Challenges

'…there is no shortage of work – but a shortage of skilled workers restricts capacity to deliver: Growth is not feasible…' (respondent comment)

In order to understand workforce challenges survey respondents were asked:
What are the biggest challenges you are facing in attracting and/retaining your workforce?
What are the workforce priorities that are having the biggest impact on your business at the moment?
What other factors are impacting on your business sustainability / growth?

Respondents identified challenges that have been aggregated across 15 themes:

1. Work Readiness
2. Skills Shortage
3. Aging Workforce
4. Wage Rates
5. Security and Flexibility
6. Retention
7. Mentoring & On-job Support
8. Training
9. Apprenticeships
10. Skilled Migration
11. Regional Services
12. Accommodation
13. Competing Demands – Proponents & Suppliers
14. Planning and Scheduling
15. Contracts and Scheduling

The table below provides additional information on key workforce challenges.

	Description
	Work Readiness Work readiness applies to new entrants to the workforce and candidates returning to the workforce. Respondents identified issues relating to: • fitness for work (physical fitness and ability to pass drug tests (a non-negotiable in many contracted and heavy industrial workplaces) • lack of support for jobseekers (Literacy and Numeracy, Drug and Alcohol, Mental Health, Housing and Transport) • the need for follow up / ongoing development on completion of pre-employment programs to ensure consolidation of competency (experience – particularly on mobile plant) • applicants needing work hardening and some experience. It is too big a risk for industry to take on persons with no experience without capacity for supervision and training required to ensure safety • perceptions of risk associated with heavy industries (particularly lead) is a deterrent. • Access to worksites outside of town precludes many due to lack of drivers' licence or access to a vehicle
	Skills Shortage Skills shortage applies when occupational demand is unable to be met due to a lack of applicants with suitable skills and knowledge. • 30% of respondents identified a lack of suitable candidates applying for general labour, trade and specialised roles *'…only 15 out of 65 applicants are suitable to interview…'* (respondent comment) • Local employees are preferred but do not have the skills required

Description

Aging Workforce

An aging workforce presents the risk of high attrition and loss of critical skills.

- aging workforce was raised as a risk particularly in relation to specialist roles.

This was not identified as a widespread issue.

Wage Rates

Issues highlighted were primarily related to:

- capacity to compete with wage rates offered interstate (9%)
- inconsistency between what Tier 1's can pay and suppliers can offer (35%) particularly when they are locked into rates through contracts
- wage creep
- candidates moving between concurrent projects and operations to chase better money (30%)

RESA analysis of SEEK Career Advice (SEEK, 2024) wage indicators based on recent job advertisements indicates a 5% variance between average wages when comparing South Australia to national wages. This is even higher for mineral resources and infrastructure related occupations. The wage range for excavator operators in South Australia is $70K - $80K, in Western Australia for an experienced operator it is $160K to $180K - more than double South Australian wage rates.

Security and Flexibility

Job security and flexibility were identified by respondents as challenges. Employees are looking for

- flexible rosters
- full time contracts

This is often not feasible for small businesses or in short term contracts.

Description

Retention

Respondents indicated there are:

- high drop out rates during contracts

'…we need 60 to supply 30…',
(respondent comment)

- high levels of opportunity, in a passive market, for individuals looking for a change.

'…employees are willing ' to jump' between job opportunities to achieve personal goals, stability or better money…' (respondent comment)

Mentoring and On Job Support

Mentoring and on-job support requires allocation of resources with skills to support new entrants, transitioning workers and professional development of existing employees. Mentoring, in house or third party, is an important factor in diversity and inclusion

Programs where additional support in adjusting to workforce expectations and managing personal factors may be required.

One respondent indicated that they had tried a targeted program for indigenous participants, but the business was unable to provide the wrap around support needed for individuals experiencing personal challenges impacting on their capacity for workforce participation,

Description

Training

Timely, accessible, relevant training linked directly to industry requirements can provide a direct pathway for candidates to employment. Respondents identified:

- access to training is not available to upskill willing Traditional Owner workers in key areas of (mobile plant, literacy and numeracy)
- upskilling local candidates is time consuming and expensive (8-12 month process)
- many are not registered with employment service providers and have no access to funding although, if supported, they have the best chance of success
- constant changes in programs and initiatives made it difficult to access training when it is needed and to ensure the 'additional' support which may require multiple funding sources is available. Forward planning is also impacted as there is no certainty/assurance that pathways will be available when needed.
- agility to respond to identified needs through supported programs (varying guidelines for eligibility and access) and business identified needs (capability)
- access to training (eg: HRW) in regions is expensive and time consuming especially when it is necessary to send staff to other regional centres for training with costs often including training delivery, travel and accommodation allowances and productivity losses for time away.
- in engineering, there is a gap between academic knowledge and hands on industry practicalities and realities in engineering disciplines – candidates are struggling with real world scenarios

Description

Apprenticeships

Apprenticeships are the primary pathway for trade occupations. Respondents identified challenges relating to:

- capacity reached to 'grow our own' through apprenticeships
- the relevance of off-job trade school training to the workplace
- technology advancements in systems not available in training centres
- cost and frustration for apprentices to travel to Adelaide for training with no benefit to the employer or apprentice
- apprentices learning quicker and to a higher standard on the job
- age restrictions and implications for young apprentices including site access, license, requirement to travel for trade school
- 13% indicated a lack of interest in apprenticeships from local applicants
- apprentice system challenges – there is a disconnect between apprentice broker and government causing extensive delays (6 month delay to start training)
- lack of awareness of the benefits and opportunities of apprenticeship pathways

Skilled Migration

Skilled migration challenges identified by respondents indicated:

- there are plenty of international candidates that are not local (new arrival or pre-arrival) but many do not have working rights
- retention of visa candidates is a challenge as they do not stay in the region

Despite the challenges companies that have never utilised skilled migration before are now considering it as a next step.

Description
Regional Services Access to services in regions impact on the attraction of skilled workers into regions and retention. Respondents noted challenges related to: • access to childcare and • liveability of townships. Respondents indicated liveability in far north townships has been impacted post covid as access to services and recreation has diminished following changes to workforce requirements supporting flexible working arrangements and changing expectations around working at site.
Accommodation Access to full-time and part-time accommodation was raised by the highest proportion of respondents (39%) as a workforce challenge. Respondents indicated: • temporary accommodation rates increase 50-100% during shutdowns and peak periods • accommodating workers further from worksites and providing bus transport reduced productivity and left employees with no access to meals, shopping etc • rent and utilities costs are high • access to available accommodation is restricted with project proponents often having priority.

Description

Competing Demands – Project Proponents and Suppliers

Respondents identified competing demands between project proponents, with greater capacity to secure resources, and suppliers created challenges such as:

- contracting opportunities lost as proponents have secured internal capability
- consistent and reliable access to flights for contractors during peak periods is not available (shutdowns and large projects) (17%)
- limited/no access to accommodation for suppliers during peak project activity periods

'…the drive from Adelaide is 5-6 hours adding costly downtime…'
(Respondent comment)

Planning and Scheduling

Respondents identified a range of challenges related to a lack of visibility, certainty and co-ordination in project planning and scheduling. Challenges identified include:

- keeping employees engaged beyond project duration for contract work and during quieter times for project-based contracts (13%)
- sourcing large numbers of employees for shutdowns and major projects
- susceptibility to peaks and troughs of industry – without clear foresight for what is to come and when, particularly for high proportion of casual workers as present in labour hire organisations
- scheduling of projects and shutdowns results in competition for the same skills and workforce with limited capacity to accommodate and attract additional workers
- a lack of clarity of lead times which could support targeted pre-employment initiatives and recruitment campaigns and reduced competition for workforce.

	Description
	Contracts and Procurement Respondents identified workforce challenges related to contracts and procurement including: • long payment terms making it difficult to sustain a large workforce • price gouging during major projects • project proponents passing on project risks to supply operators • fixed price contracts without opportunity to adjust for rising costs and competition, and additional costs such as accommodation • restrictive supplier agreements that are not realistic for local businesses • procurement processes that are perceived to be drawn out and inefficient • larger organisations undercutting local providers (Interstate competition).

Challenges for Skills Providers

Training provider capacity and capability is essential to ensure regional employment participation.

Description

Training Provision

Respondents indicated challenges relating to training provider capacity and capability including:

- compliance requirements in training are extensive and require substantial personal investment and provider investment
- there are no new trainers entering the sector
- there is an aging workforce of experienced trainers without an established pipeline for filling the gap
- trainers earn more in industry on the tools than in a training role with a registered training organisation

The average salary for a fitter in the mining, resources and energy sector is $125k the average salary for a trainer is $85k. (SEEK, 2024)

The Way Forward

What is Working?

Respondents emphasised employers are looking for locals or those looking to stay in the regions for retention success and longer-term stability.

Respondents identified a range of workforce strategies that are currently delivering positive results. These can be grouped into the four key areas of: People | Salary | Work Conditions and Culture | Positioning for Stability and Growth. Key actions are outlined below.

People

- establishing a reliable pool of mature workers (>50) who are happy to take on project work
- utilising large numbers of overseas workers
- word of mouth and community contacts as an engagement strategy
- supporting pathways for mature aged existing works through apprenticeships
- using labour hire, which has the advantage of flexibility through peaks and troughs with the disadvantage higher cost
- using apprenticeship to grow staff
- developing and implementing custom programs to develop internal capability

Work Conditions and Culture

- investing in technology and equipment
- supplying quality equipment along with clear expectations of tools workers need to supply for themselves
- paying for all accommodation, meal allowances and flights including travel time at normal rate
- established own (limited) site accommodation which is almost fully utilised
- focus on culture and flexibility aiding retention with the added benefit of some workers who have left coming back

Positioning for Stability and Growth

- longer term contracts are expected to provide greater workforce stability and support investment in talent development
- building business infrastructure (workshop) to support growth

Salary

- paying higher rates (13%)

While not accessible or suitable options for all respondents these strategies have delivered willing engaged and committed workers to industry.

Programs and Initiatives

Respondents identified programs and initiatives they believe could support their business needs. Opportunities were identified in 3 areas:

1. Supplier Capability
2. Workforce Pathways and Development. and
3. Procurement practice.

Supplier Capability

Respondents identified a need for small business capability development opportunities in regional areas with topics and timing to suit timing to suit regional operations. Suggested development areas included:

- Human Resource Management
- Recruitment Practices
- Contracts – Negotiation, Requirement and Processes.

The need for additional support for the Far North Aboriginal Economic Collective (FNAEC) was highlighted, The FNAEC was formed to assist Aboriginal people through the process of supporting social and economic development in the Far North region of South Australia. There are currently six company members of FNAEC with potential to provide job opportunities and pathways for first nations people in remote and regional locations. The FNAEC has provided a point of connection but there is no support the coordination of this group in moving forward.

Procurement Practice

Respondents indicated the importance of ensuring local labour targets for major projects in regions, with enough lead time to prepare/deliver programs to develop a work ready cohort of candidates.

Workforce Pathways and Development

Respondents identified programs and initiatives that could best support their business needs in areas of:

Engagement	Apprentice Support	Customised Solutions
Pre-employment Programs	Consolidation of Skills	

Suggestions for engagement initiatives included:

- Face to face promotion of industry and employment opportunities (eg 'Speed Dating' approach in a Career Expo setting)
- Promotion of employment opportunities and pathways
  - Entry level jobs and Trades promoted in schools
  - Face to face promotion of industry and employment opportunities (eg 'Speed Dating' approach in a Career Expo setting)
  - Encouraging mature ages apprentices

Suggestions for Pre-employment Programs included:

- Pre-employment programs:
  - with work experience placements of 4 weeks focussing on work hardening, world of work and understanding the value chain and-working to deliver business outcomes
  - building work readiness (self management)
  - connected to industry
  - focussed on entry level occupations
- providing drug screening awareness and education

Suggestions for apprentice support highlighted:

- a need for more support for apprentices, especially mentoring
- a need for promotion of apprenticeship pathways in schools

Suggestions for consolidation of skills focussed on:

- Programs consolidating plant operations skills developed through training (suggest 80-100 hours per machine)

Note: The civil construction excavator operations unit of competency is allocated 200 hours for training delivery. This is not what is available in training contexts but is an indication of the depth of experience required for the development of a competent operator. (The usual assessment methodology would be for learners to complete a log book under supervision in a workplace – opportunities for this to occur in small operations in short term projects are limited).

Suggestions for custom solutions identified:

- Assistance to develop bespoke training solutions.

Respondents indicated Max Academy, an initiative of Max Services, as a market leader in bespoke training solutions having developed enterprise driven collaborative model that addresses the specialist skills required for their operations.

Recommendations

RESA recommends actions outlined below to support Upper Spencer Gulf supplier workforce and capability:

- the development of a supported live regional workforce **data** platform/capability to provide clarify of occupations in demand in established operations in the region and inform the development of regional participation strategies.
- establish a regionally based central point of reference to **co-ordinate** regional demand and project opportunities in real time and with short and long term visibility to maximise opportunity for regional supplier planning and participation
- establish **continuity** of data collection and co-ordination over a four year period to ensure participation in forecast major projects is maximised across the Upper Spencer Gulf and Far North and build trusted relationships and informed strategy in the region
- identify, promote and implement **customised** solutions for regional workforce solutions ensuring maximum participation directly relevant to workforce priorities (place based, flexible learning outcomes, individual support, accredited and non-accredited, and linked to but not driven by national qualifications frameworks)[1]
- ensure training provider capability aligned to skills and occupations in demand is **accessible** at a regional level is established in regions to ensure an alignment between skilling pathways and job opportunities in real time
- develop, co-ordinate and promote opportunities to provide additional **support to apprentices** and trainees through mentoring[2] and other initiatives to address barriers to participation
- respond to the immediate supplier workforce priorities **here and now** with a view to building the capability to address workforce requirements for future projects
- explore, promote and embed **procurement** models for major projects that will support participation for small businesses and build regional capability[3]
- set transparent **targets** for regional participation and support pathways and initiatives for small business participation.

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[1] The Skills SA Skilled Thriving Connected has established a policy framework to support flexible, customised and industry lead skills solutions.

[3] The AEMEE Indigenous Procurement Evaluation Checklist developed by the Social Responsibility in Mining provides a framework that can be applied equally to regional participation priorities.

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