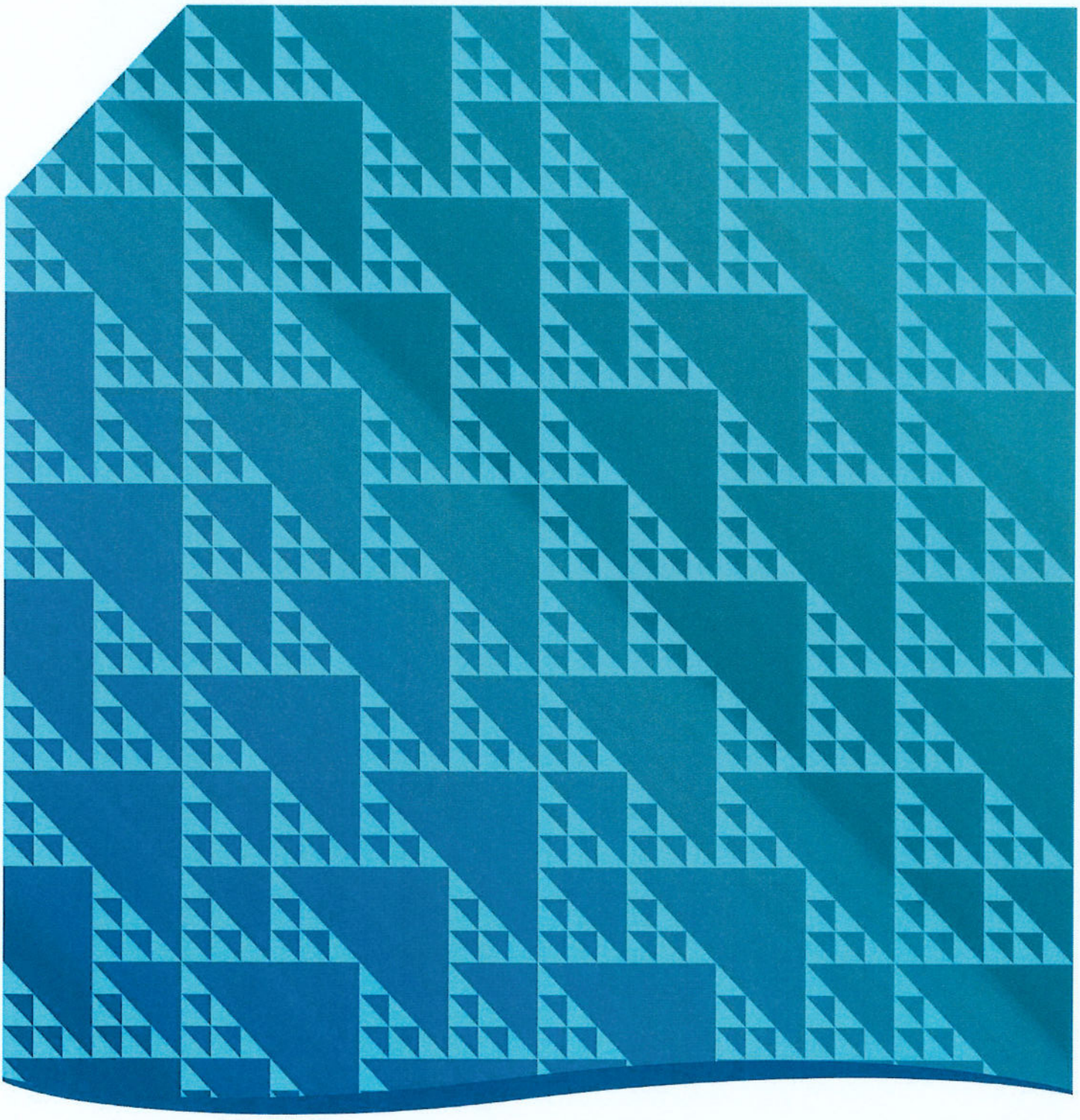
Industry Skills Compact

Mining



Department of State Growth

Tasmanian Government

Industry Skills Compact – Mining

Date

This *Industry Skills Compact* is dated 26 July 2023.

Parties

This *Industry Skills Compact* is made between the following Parties, as members of the Tasmanian Mining industry:

Tasmanian Minerals, Manufacturing and Energy Council (TMEC)

Tasmanian Government

Purpose

This *Industry Skills Compact* sets out a framework for the Parties to work collaboratively to deliver a sustainable and highly skilled current and future workforce in Tasmania.

Context

The Minister for Skills, Training and Workforce Growth has Ministerial Priorities which provide the strategic guidance for the training and workforce development system. They align with the object (section 3) of the *Training and Workforce Development Act 2013* and support the Tasmanian Government's vision for a high-quality training and workforce development system that is accessible, job-focussed and responsive to the needs of industry, employers, training providers and learners.

The Industry Skills Compacts will deliver on the Premier's Economic and Social Recovery Advisory Council (PESRAC) recommendation that industry bodies (associations and employer representatives) should enter into 'industry compacts' that include 'step-up' commitments. These include support for a re-established TasTAFE, clear and specific advice on current and future industry-wide training requirements, supporting more people from industry working as trainers and sharing infrastructure to enable students to train on modern technology.

The Industry Skills Compacts bring a refreshed approach to industry engagement in Tasmania and will focus on supporting stronger collaborative partnerships between participants in the training and workforce development system, while recognising that both government and industry have areas of strength and responsibility for the system.

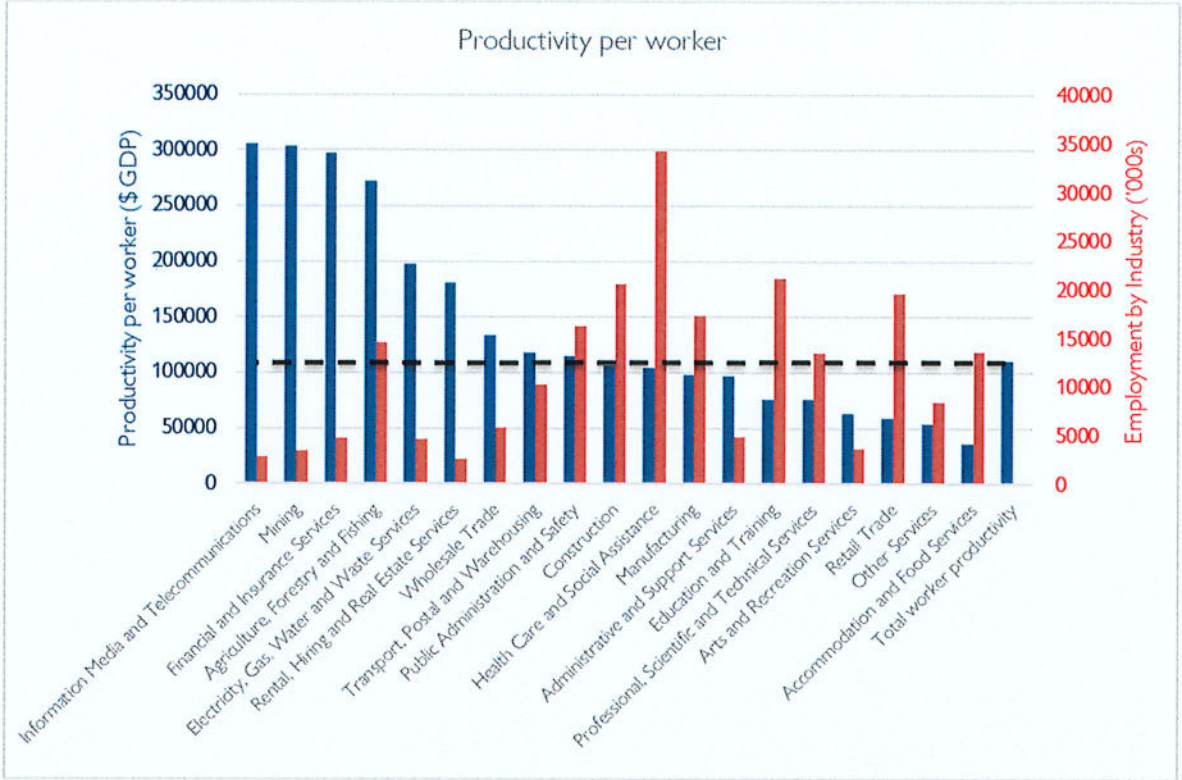
This *Industry Skills Compact* is a statement of commitment by the signatories, the Tasmanian Government and TMEC, to actively deliver on our respective areas of strength and responsibility.

Tasmania's Labour Market

The labour market is a vital component of the state's economy, ensuring that industry has the workers and skills needed to remain strong and resilient. The estimated unemployment rate in Tasmania was 3.8 per cent in June 2023 (in trend terms), unchanged from the previous month, and 0.3 of a percentage point below the level of one year earlier. This is a historically low level for Tasmania. There were 11,400 unemployed Tasmanians and 291,900 employed Tasmanians. This has been rebased since the release of the 2021 Census data by the Australian Bureau of Statistics.

The participation rate, reflecting the proportion of the working-aged population that is currently employed, was 62.7 per cent in June 2023 (in trend terms). Tasmania has a lower participation rate than other jurisdictions due to its older population, however the participation rate has improved over the last 5 years (61.7 per cent in June 2018). Increasing participation is critical to maintaining workforce growth.

Tasmania's economy is made up of diverse industry sectors with different workforce requirements for skills and training. Each industry contributes differently to the Tasmanian economy.



The 19 industry sectors (as identified by the Australian Bureau of Statistics) vary widely in their relative productivity as measured by the output per worker. Higher output per worker is generally associated with capital intensive sectors, such as Mining and Electricity.

In Tasmania, the higher productivity per worker sectors represent a relatively small proportion of the overall workforce, the exception being the Agriculture, Forestry and Fishing sector (including Aquaculture) which employ relatively high numbers of Tasmanians and has an above average productivity per worker. This reflects Tasmania's relative economic advantage.

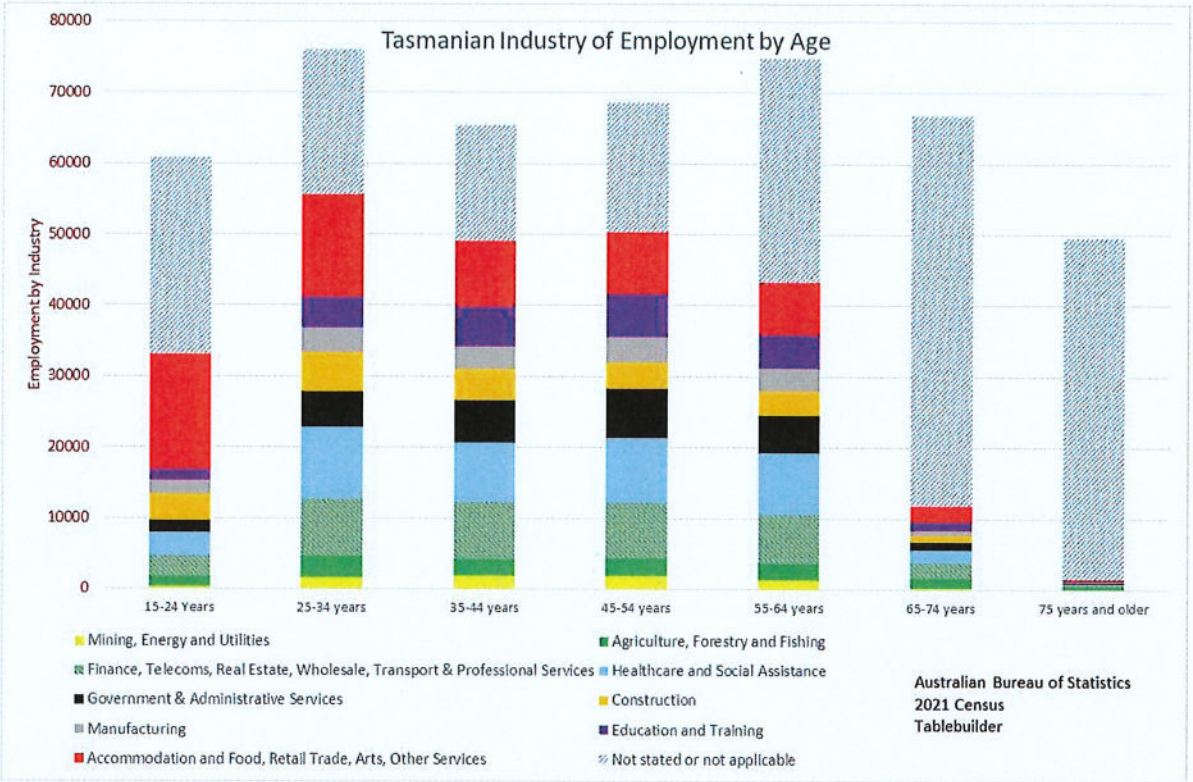
Healthcare and Social Assistance is the largest industry by employment in Tasmania. This size of the sector reflects Tasmania's demographics and relatively older population. Economic output, and therefore the relative productivity for public services, including health and education, is measured differently to the private sector (as there is generally no profit or return on capital) so the productivity per worker measure should not be considered meaningful for public services.

Construction and Manufacturing are both large private sector employers in Tasmania, and have productivity per worker that is close to the Tasmanian average. Accommodation and Food Services has a low productivity per worker (similar to other service industries) but is a significant employer and is a pathway into employment for many Tasmanians.

Where labour markets are constrained and there are limited workers available, economic pressures, but also economic optimisation will tend to drive workers from lower productivity sectors towards higher

productivity sector. This will be through wages and other conditions. This trend will increase the overall productivity of the Tasmanian economy, as people will be employed where they can add the most value. This also creates other opportunities for unemployed and under-employed Tasmanians.

Higher productivity sectors will also derive significant private benefit from their workers and have a high capacity to pay or invest in training, which will reduce the need for public subsidy.



Looking at employment across Tasmania's working age population, it is evident that Tasmania has a bimodal population distribution with higher numbers of younger workers aged 25-34 years (significantly increased by migration) and older workers aged 55-64 years.

This chart shows the challenges and opportunities for Tasmanian industry as they attract, develop and retain their workforce. In particular it can be seen that the relatively lower productivity sectors of Accommodation and Food Services, Retail Trade and Arts employ a significant number of younger Tasmanians (although Construction is also an important employer of Tasmanians under 25).

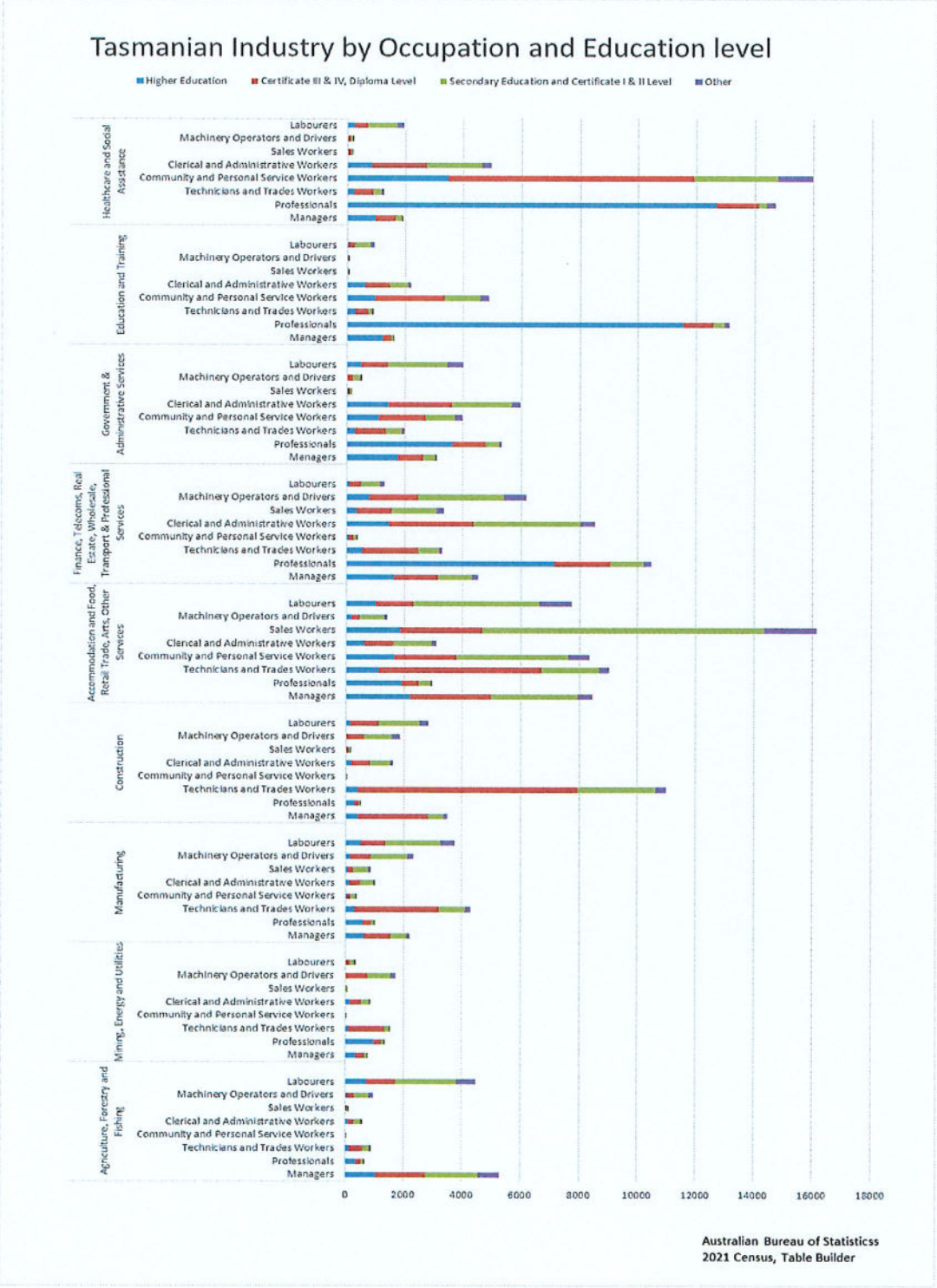
The population identified as 'not applicable' includes those that are studying and not working, retirees and carers that are not engaged in the workforce, as well as the unemployed. There is therefore continued potential to increase the workforce by increasing participation for older workers, ensuring employment is compatible with caring and supporting carers back into the workforce, and opportunities for young people to combine work and study, such as traineeships, apprenticeships and cadetships.

Noting the relative size of the retiring population cohort of 55-64 years (around 75,000), and the workforce entering cohort aged 15-24 years (almost 61,000), it can be expected that the overall workforce will decline without continued migration and/or continued effort to increase participation and retain older workers. This includes helping potential workers of all ages to overcome barriers to employment, including work fitness, numeracy and literacy, and discrimination.

Each of Tasmania's industries and industry groupings has a distinct mix of occupations, which in turn drives training and workforce development requirements and is reflected in the public investment in training.

Industries that employ large numbers of professionals, such as Education and Training, and Health and Social Assistance, have a high proportion of their workers qualified with Higher Education (bachelor degree or higher).

Construction, conversely, has a high proportion of technicians and trades workers, of which many require or hold a Certificate III, IV or Diploma through the Vocational Education and Training (VET) system. This is also true for Mining, Energy and Utilities, and Manufacturing, although the workforce in this occupation group is smaller. Many community and service workers (which are a significant part of the Health and Social Assistance workforce) also require a Certificate III, IV or Diploma, including the Certificate III in Individual Support (the largest qualification delivered in Tasmania by number of enrolments). Most qualifications in the Early Childhood Education and Care sector are at Certificate III and Diploma level.



Principles

Under this *Industry Skills Compact*, the Parties agree to be guided by the following principles.

a) *Shared responsibility* - both industry and government have collective responsibility for building the workforce development and training system that Tasmania wants and needs.
b) *Collaboration* - each of the signatories will make a genuine effort to meet their respective roles and responsibilities under this compact, and work together to create value, identify opportunities, support innovation, and deliver better outcomes for all of Tasmania.
c) *Accountability* - each of the signatories agrees to the publication of this compact and any reported actions under the compact.

Commitments

The Parties agree to work collaboratively to:

a) continue to build and maintain a skilled workforce that will support productivity and employment growth across our key industry sectors by increasing sustainability, resilience, quality and efficiency;
b) raise capacity, capability and career opportunities across both the industry and government sector through increased skills development, and support for diversity;
c) actively deliver on our respective areas of strength and responsibility for training and workforce development.

TMEC, on behalf of the Mining industry, commits to:

1. Inform government investment decisions:

a) Provide, on an annual basis, clear and specific advice on current and emerging industry-wide skills and training needs to inform training delivery, workforce development activity and the Skills Tasmania program framework.
b) Support the collection of relevant industry data, including workforce, occupations and the verification of skills and labour shortages.
c) Identify and support innovative responses to workforce challenges including engagement with regional jobs hubs and support for emerging sub-sectors.
d) Encourage member organisations to co-invest in training alongside government, particularly where training benefits the employing business.

2. Engage with the training system:

a) Ensure that employers, particularly small businesses, are aware of relevant training providers and apprenticeship network organisations and are assisted to access support for training.
b) Actively work with training providers, including TasTAFE, to ensure training delivery meets the needs of industry and employers.
c) Where possible, enable access to the latest industry equipment and technology to support the delivery of training.
d) Provide industry input into development of VET training products through participating in the national training package development system and working with Skills Tasmania.
e) Support strategies that will increase the delivery of nationally accredited training and improve completion rates including promoting the use of Group Training Organisations (GTOs) where appropriate.

3. Promote training and workforce development:

a) Work collaboratively with all industry stakeholders on a state-wide approach for the promotion of VET that reinforces the value, opportunity and visibility of the VET system for individuals, employers and industry.
b) Promote the industry to prospective learners, noting that prospective learners might come from schools, adults who are transitioning to new careers, and non-traditional cohorts.
c) Actively engage with employers to foster a learning environment that encourages and values VET and supports skills development for individuals over their working life, including opportunities to become supervisors and trainers.
d) Work alongside government to promote modern apprenticeships and best practice within the industry, to support apprentice/trainee and employer outcomes.
e) Work with government to provide age-appropriate opportunities for school-aged learners.
f) Encourage membership to celebrate excellence and diversity in our training and workforce development system through recognition events, including the Tasmanian Training Awards and the Employer of Choice program.

4. Collaborate on skills and workforce development matters:

a) Participate in the Australian Government's Jobs and Skills Council and advocate to the Australian Government for sustainable funding allocation to meet local needs.
b) Participate in and promote industry engagement meetings to ensure the effectiveness of this *Industry Skills Compact*.
c) Continue to work with Government, industry stakeholders and training providers to deliver the Mining Industry Priority Action Plan attached to this compact at Schedule 1.

The Tasmanian Government commits to:

1. Invest in training and workforce development:

a) Deliver an accessible pipeline of funding opportunities for skills and training aligned with industry priorities and workforce needs, including a strengthened apprenticeship and traineeship system and a target towards unemployed and underemployed Tasmanians.

b) Provide evidence-based research and data to industry, to ensure we have a shared knowledge base that supports industry's workforce planning, enables decisions that address emerging industry VET needs, and maximises opportunities for employment and industry growth.

c) Listen to and consider information and advice provided by industry when making decisions about policy, programs and investments, and report back on how this input has been considered or used.

2. Enable employment:

a) Support Migration Tasmania to connect with industry, to identify and access information regarding Australian Government migration programs and services, and deliver advice in relation to Tasmania's Skilled Migration State Nomination Program.

b) Support Jobs Tasmania to work with governments, communities and businesses to increase employment outcomes, workforce participation and re-engagement with work or training for all Tasmanians.

c) Implement the Small Business Growth Strategy 2026 that identifies priorities for a thriving business sector and complements the work of the industry support teams within the Department of State Growth.

3. Support the training system:

a) Assist industry peaks and relevant organisations in understanding and navigating the national training system and associated government processes.

b) Continue to support training providers, including TasTAFE, to become future-focused, market-aligned and responsive to the needs and expectations of Tasmanian learners, employers and industries.

c) Establish clear guidelines for industry in providing age-appropriate training for school-aged learners.

d) Work collaboratively with Department for Education, Children and Young People (DECYP) and Education Authorities to ensure learning through Years 9 to 12 is aligned with industry workforce needs, while placing learners at the centre.

e) Ensure industry is provided with knowledge and advice on the national training package development system to enable effective engagement in the product review process.

f) Engage with employers, industry, training providers and other community experts to build capability in the training system to support greater participation by diverse cohorts and Tasmanians facing disadvantage.

g) Work collaboratively with all industry stakeholders on a state-wide approach for the promotion of VET that reinforces the value, opportunity and visibility of the VET system for individuals, employers and industry.

4. Collaborate on skills and workforce development matters:

a) Work with the Australian Government to advocate for Tasmanian training and workforce development priorities and assist Tasmanian industry input into national training package development processes.

b) Work with industry bodies to support the implementation of Industry Skills Compacts and associated Priority Action Plans.

Implementation/ Governance

a) The Tasmanian Government will establish a refreshed approach to industry engagement and will focus on supporting stronger, more collaborative partnerships between system participants. Better engagement with industry also means improving the flow of information and insights from industry through to the policy, programs and projects funded by Skills Tasmania. This ensures that the decisions being made have had appropriate industry and sector input.

b) The Parties will share information and advice on matters relating to workforce development, training and training pathways in the Mining industry in Tasmania, consistent with the commitments outlined in this Compact.

c) The Department of State Growth (Skills Tasmania) is the key agency responsible for oversight of the Government's commitments under this compact and will report through the Secretary to the Minister for Skills, Training and Workforce Growth.

d) The Parties will address the actions as nominated in the attached Priority Action Plan and report annually on the progress of implementing the Industry Skills Compact.

This *Industry Skills Compact* does not, and is not intended to, create legally enforceable obligations on the part of the Parties.

This *Industry Skills Compact* is a statement of intent and does not seek to limit the operational independence of the Parties.

Funding

Unless otherwise agreed by the Parties, anything a Party will do under this *Industry Skills Compact* will be done at that Party's cost.

Term and review of the Industry Skills Compact

This *Industry Skills Compact* will commence on the date of execution and will be reviewed annually or as otherwise agreed between the Parties.

Contact officers

The contact officers for this *Industry Skills Compact* will be the Director Workforce Policy and Strategic Relations of Skills Tasmania on behalf of the Tasmanian Government, and the nominated Executive of other Parties.

Schedule 1 – Priority Action Plan

Mining Industry Skills Compact
Priority Action Plan

Category	Action	Key Party
Trainers and supervisors	• Continue supporting current trainers and those wishing to become qualified trainers	Industry/TMEC
	• Continue supporting Return to Industry for qualified trainers to ensure they remain current and competent in their trade	Industry/ RTOs
Training facilities and resources	• Continue to offer virtual training on simulators to industry personnel and also as an introduction for DECYP students attending training	TMEC
	• Continue to work closely with industry and schools to provide tools and equipment to introduce learners to new technologies.	TMEC
	• Investigate the former TasTAFE facility in Queenstown for cross discipline industry training requirements for the west coast.	TMEC
Workforce recruitment and Retention	• Continue to develop and promote career awareness programs in secondary schools to create a pipeline of future workers. Examples to date include: - TMEC Website - Career Cards - Rock Resource kit - Geology presentation to schools	TMEC/ Secondary Schools
	• Investigate alternate pathways into the industry including the potential for a pre -employment course that can provide training to address key identified workforce issues such as: - Language Literacy and Numeracy (LLN) assessments - Basic safety information - Generic entry level mining skills	TMEC
	• Continue to support and assist development initiatives that focus on inclusion and diversity in the workplace	TMEC
	• Promote funding and support options for mentoring programs, aimed at helping mentors or those receiving mentoring.	TMEC
	• Investigate and develop a Tasmanian mining industry career pathways map to identify: - Level of occupational demand - Entry points into the industry - Required skills and qualifications - Career and job role progression	TMEC

NOTE – the actions noted are the highest priorities for the sector in the area of skills, training and workforce development. These actions complement a range of other activities already underway across the sector.

Signatures

SIGNED for and on behalf of the Crown in right)
of Tasmania by The Hon Felix Ellis MP)
Minister for Skills, Training and Workforce)
Growth)

SIGNED for and on behalf of Tasmanian)
Minerals, Manufacturing and Energy Council by)
Ray Mostogl, Chief Executive Officer)

Skills Tasmania

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