

**Senator the Hon. Michaelia Cash**

**Keynote Address – 30 May 2014**

**Australian Resource People Summit Innovation through People - Policy – Productivity**

Thank you for inviting me to speak to you today, and also to Mr Negus for the kind introduction.

It is my great pleasure to be here today, to deliver this keynote address on our government's vision for the resource industry, and how skilled migration can support its contribution to Australia's economic future.

As the Minister assisting the Prime Minister for Women, I would also like to take the opportunity to talk about improving the participation of women in the resource sector, and AMMA's exciting e-Mentoring programme.

It is also a pleasure to be in the company of so many distinguished speakers, and all of you who play such an important role in the resource industry, one of the keystones of Australia's economic prosperity.

While much has been said of the end to the mining boom, it is important to recognise that Australia's resources sector is in transition, not decline. Mining output is expected to grow strongly over the remainder of this decade as the enormous levels of investment in the sector progressively come on stream.

Based on official forecasts, non-rural commodity export volumes are expected to grow by more than 30 per cent from 2011-12 to 2014-15<sup>1</sup>. The results of government economic modelling also indicate that, while construction-related parts of the sector are expected to face big declines in employment, there is likely to be strong growth for operation-related activities.<sup>2</sup>

But the transition from the construction to the operations phase of the mining boom has potentially major implications for both the short and longer term skills needs of the resources sector.

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<sup>1</sup> Australian Government (2013) Budget 2013-14, Budget Paper No 1, Statement 2: Economic Outlook page 5, <http://www.budget.gov.au/2013-14/content/bp1/html/index.htm>

<sup>2</sup> AWPA, Resources Sector Skills Needs, December 2013

This transition is likely to change the way migration programmes are used by employers and governments, with more highly skilled workers required for longer term roles in the operational phase. These highly skilled workers are expected to both add to the existing pool of workers and contribute to the firm's internal training capacity. So migration of skilled workers will remain an important source of labour and productivity for the sector.

As the people driving the resource industry, you are entitled to ask me, and other government representatives, the hard questions. *How can your government support your industry?*

We can do this through getting the policy right. I don't just mean policy around skilled migration, although that is fundamental to my role, but policy around all governments' settings. For instance, we are strongly committed to reviewing the burdens of the mining and carbon taxes that are impeding the growth of the resources sector.

And to encouraging innovation - the 2012 Australian Innovation System report identifies that innovation almost doubles the likelihood of productivity growth in Australian businesses. And with the right policies, the right people will be in the right jobs, leading to rising productivity and economic benefits for all Australia.

Coming back to skilled migration, we are committed to ensuring that the Skill Stream makes up two thirds or more of the permanent migration programme, and that the temporary skilled migration programme remains flexible and responsive to the economic cycle in line with employer demand.

And we are very aware that there needs to be the right balance between managing risks within the migration programme and the need to facilitate the resources sector employers' access to overseas workers without unnecessary red tape and in the face of increasing global competition for those same workers.

Temporary skilled migration, when managed with integrity and clarity, not only helps employers and businesses fill short to medium-term skill shortages, but also creates Australian jobs.

The subclass 457 programme is designed to provide a quick response to demand for skilled workers, where the demand cannot be met by the Australian workforce. It is flexible and

responsive enough that employers are able to nominate a skilled overseas worker and have them arrive in Australia ready to start work within a few months.

The mining and resources industry's recent use of the 457 programme demonstrates how responsive the programme is, with the number of visa holders in Australia working in the mining industry fluctuating around the 5000 mark between 2008 and 2011 and peaking at around 8 200 in April 2013.

This pattern replicates the pattern of investment by the mining industry over this period and clearly demonstrates that the 457 visa works. At the end of April 2014, there were around 6 660 primary 457 visa holders working in the mining industry. Not surprisingly, more than half of these workers were working in Western Australia.

To put this in context, across Australia there were just over 110 000 primary 457 visa holders working in all industries and states and territories. Overall, subclass 457 visa workers comprise about 1% of Australia's workforce.

To continue to meet the resource industry's needs, government must implement sound migration policies that address the labour shortages that business and industry are experiencing. This is why in the coming years, I am looking to return flexibility to the 457 programme by making it more efficient and user friendly, and reducing excessive red tape and unnecessary regulation.

Prior to making any change, I sought an independent and holistic picture of the programme. You probably know that I have assembled a panel of highly respected people with extensive experience in industry, government and migration to review it.

The panel has undertaken wide-ranging consultations, including with industry groups, unions, peak bodies, academics, 457 programme sponsors, and government agencies at both federal and state and territory level. Over the last few months, they have met hundreds of people from dozens of stakeholder groups across the country. Representatives from AMMA met with the panel in early April 2014.

The panel also invited public submissions, and received nearly 160 responses from a variety of stakeholders, including a very comprehensive one from AMMA.

I have asked the panel to provide their final report to me by mid-2014. And I expect there will be recommendations coming out of the review on how to maintain the integrity of the 457 programme, while not placing unnecessary administrative burdens on business.

It is not up to the government to tell you which workers to hire. The government's role is to ensure you are able to hire the people you need for the job—be they foreign or local—when you need to hire them.

I can assure you that both the Minister for Employment, Senator Abetz and I—in fact the entire Abbott government—would expect that, if all things were equal, you would choose an Australian worker. But we recognise that the foreign worker can be more suited to the job, and that their hiring can create job opportunities for other Australians, as well as exposure to new skills, techniques or work approaches that can improve the overall productivity of your workplace.

Naturally, before any of these benefits can happen, the overseas worker needs to be nominated by an employer and then be granted a 457 visa. Some of the requirements of the programme, introduced under the previous government, particularly the labour market testing requirements, seem to make this harder.

As the person who had to decide how employers would have to meet the legislative requirements, as well as how they would be assessed by departmental officers, I wanted to keep the process as simple as possible for all concerned.

This is why I have exempted all skill level one and two occupations from labour market testing requirements—except for the occupations of nurses and engineers which, as you know, are protected under the legislation. It is also why I have ensured that a broad range of evidence is acceptable to the department to meet the labour market testing requirements, including ads placed on social media. And why, through various exemptions to the labour market testing requirement, only one in three nominations are required to provide labour market testing evidence.

The 457 programme and its review is only one element of the government's deregulation agenda, an agenda looking to cut one billion dollars' worth of red tape every year.

On Wednesday 19 March, our first Repeal Day, we introduced legislation and tabled documents to repeal more than 10,000 pieces and more than 50,000 pages of legislation and regulations.

This will save over \$700 million of compliance costs from across the economy.<sup>3</sup>

Meanwhile, the department is examining areas of regulatory burden across migration programmes looking for opportunities to reduce regulatory burden, whether it relates to policies that govern who can apply for a visa, or to ensuring that application processes are as clear and streamlined as possible.

I know you are interested in the government's plans for the offshore resources sector, particularly the Migration Amendment (Offshore Resources Activity) Act 2013 (or the "ORA Act" for short).

The government understands the value of the offshore oil and gas industry to the national economy. We are concerned that the ORA Act will impose an additional regulatory burden, and additional costs, on this critical sector. For this reason, the government introduced a Bill to repeal the Act in the House of Representatives on 27 March this year.

The repeal of the ORA Act is part of the government's broader plan to cut unnecessary and costly red tape, and build a strong and prosperous economy.

The Repeal Bill has since been referred to a Senate Committee Inquiry. The Committee is due to report on 6 June 2014. As the ORA Act will commence automatically on 29 June 2014 if not repealed before this date, I have asked the department to develop visa options for those foreign workers affected by this legislation.

In doing so, I wanted to ensure that any visa solution to give effect to the ORA Act should be low-cost, or preferably no cost, and would impose the least possible regulatory burden on your industry, while still maintaining a high level of integrity around migrant workers and ensuring that Australian workers are not missing out on employment opportunities.

So today I am pleased to announce that rather than creating a new visa product that would entail time and cost to industry, the government is using existing visas with which the offshore oil and gas industry is already familiar.

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<sup>3</sup> <http://www.cuttingredtape.gov.au/>

From 29 June 2014, the Maritime Crew Visa will be the appropriate visa for all crew of offshore resources vessels. In response to feedback from your industry, we have made minor regulation changes that extend the validity period of the visa after the vessel that the visa holder is on is imported under the Customs Act 1901, where the visa holder is engaged in an offshore resources activity.

For specialist workers who are not members of crew, existing temporary work visas, including the subclass 457, will be the appropriate visas to use, depending on the nature of work undertaken by those workers.

So without increasing the complexity of the visa structures, we have a solution to the potential encumbrance of the ORA Act.

This goes to the heart of my role as Assistant Minister for Immigration and Border Protection: I want to see visa service delivery that meets the needs of employers without over-burdening them with red tape, while ensuring that migration delivers social and economic strength, prosperity and unity.

The skilled migration programme must be sufficiently robust to ensure that the employment opportunities of Australians must always be protected. Simultaneously, an appropriate and sustainable human capital strategy for Australia must be readily available to safeguard business from labour and skills shortages. This means that the permanent Migration Programme is critical to delivering the outcomes we seek, with a focus on future as well as immediate skills needs.

With approximately 47 000 skilled permanent visas granted every programme year, the permanent Employer Sponsored visa programme makes a significant contribution to the strength and the productive capacity of the Australian economy. For this reason, in the Migration Programme for 2014-15, we recently increased the Employer Sponsored category by 1000 places to 48 250 places.

In addition to the mainstream permanent Employer-Sponsored visa programme which includes the Employer Nomination Scheme (ENS) and the Regional Sponsored Migration Scheme (RSMS), we are also committed to providing a streamlined process and workable labour agreement alternatives for resource companies with specialised labour needs,

recognising your strong commitment to providing employment and training opportunities to Australians.

Enterprise Migration Agreements (EMAs) are a custom-designed, project-wide, migration arrangement suited to the resources sector. And Resources Sector Labour Agreements (RSLAs) acknowledge and address the unique circumstances faced by the resources sector.

RSLAs provide a path for the recruitment of skilled and specialised semi-skilled workers with occupations not currently on the Consolidated Sponsored Occupations List (CSOL). For example, you can sponsor belt splicers , riggers, side-boom operators and geo-membrane technicians through an RSLA.

Overseas workers on RSLAs can move freely between an employer's various worksites provided they work in their nominated occupation.

These sorts of agreement may also provide flexibility in relation to the sponsorship of overseas workers that is unavailable for standard subclass 457 visas. In some instances, this may involve concessions being granted in relation to matters such as English language.

This makes for good policy to support the resources sector for major projects. While there are no finalised EMAs at present, due to the softening of the resources labour market as projects move to the operational phase, there are 24 RSLAs in effect with companies in or associated with the resources sector.

The points tested skilled visa programme also supports the resource industry, although it is targeted further into the future. The points tested skilled migration program is flexible in responding to changes in the economy by selecting the best and brightest migrants to address Australia's future skills gaps.

Taken together, these initiatives ensure that skilled migration programmes are more driven by labour market demand while keeping an eye on the future.

An additional advantage in our approach to skilled migration is Australia's skills assessment regime which is unique among major migrant receiving countries. Assessing whether potential skilled migrants are able to work in their nominated occupation at the required skill level *before* making a decision on their visa application means that the migrants who do migrate are employable and productive from early in their migration journey.

This is the sort of policy which supports the resource industry, through providing a steady supply of high quality migrants with the skills expected to be in shortage in the future.

Now, in my capacity as the Minister Assisting the Prime Minister for Women, I would like to discuss something very important to women in the resource industry.

I am always pleased to support private sector initiatives that assist women in non-traditional roles and industries, such as AMMA's Australian Women in Resources Alliance (the Alliance).

This is an industry-led initiative dedicated to helping employers attract, retain and reap the rewards of women in the workplace, and ensuring that women are able to reach their full potential in the mining and resource sector.

And I am delighted that the government is funding AMMA to extend its activities delivered as part of the Alliance e-Mentoring Programme.

We will be providing \$440,000 across the next two years to ensure that one hundred pairs of mentors and mentees will be matched within the e-mentoring programme.

The programme will undertake direct employer engagement and marketing campaigns to target particular groups of mentees in resource and allied sectors:

- Indigenous women;
- Graduate women in non-traditional roles; and
- Recently trade qualified women.

Today women make up just over 15 per cent of the mining industry workforce compared to 46 per cent of the workforce across all industries.

According to data from the Workplace Gender Equality Agency, among organisations with greater than 100 employees in the 'mining' category, the total representation of female managers is very low, at approximately 13 per cent, compared to 33 percent for organisations across all industries.

Further to this, multiple data sources show that women are underrepresented at all levels within the resources industry: managerial; professional; technical; and trade roles. While some progress has been made on a few sites, for example, ExxonMobil offering their employees prioritised access to high quality and competitively priced childcare services



close to their head office, there is still a long way to go to rebrand mining as a female friendly industry.

Remote locations, complex rosters and a shortage of female colleagues have created a need for an alternative to traditional face-to-face mentoring programs.

The Alliance's e-Mentoring Programme was established to provide this alternative by allowing participants to access mentoring through an online platform regardless of their geographical location. Using innovative technology and maximising new opportunities, the e-mentoring programme will contribute to meeting the Alliance's goal of increasing the participation of women in the mining workforce to 25 per cent by 2020.

The programme gives mentees and mentors a way to work together, wherever they are, which fits in with their busy working lives. The mentor and mentee don't need to be in the same organisation – or the same industry for that matter – but there is a mutual respect and regard, and commitment to invest in the mentees development.

And importantly, the benefits can be enormous for women, including increased opportunities at work, expanded network reach, higher salary, improved confidence and support from a valued role model, and increased work satisfaction - factors which are all a dynamic recipe for attracting and retaining women to the Australian resource industry.

I strongly encourage everyone here to participate in this programme. It will assist women considering a career in the resource industry, or advancing further in that career, by sharing a positive example of being part of this industry, and changing the perception that the resource industry is only for men.

Our national productivity and economic competitiveness will increase when we better value the contributions of both women and men, and we build a stronger economy so that everyone can get ahead.

On that note, focussed on a future where all people are valued, government policy is supportive of business and Australia's productivity is rising, I would like to thank you for your attention.

Ends.

