

**SUPPORTING EMPLOYMENT AND  
ECONOMIC GROWTH IN THE RESOURCES  
AND INFRASTRUCTURE INDUSTRIES**

**OPENING ADDRESS  
TO THE RESOURCES AND INFRASTRUCTURE INDUSTRY  
SKILLS COUNCIL  
SYDNEY  
22 AUGUST 2007**

**THE HON PETER DUTTON MP  
MINISTER FOR REVENUE AND ASSISTANT TREASURER**

I'm delighted to have been invited to give the opening address for the third National Conference of the Resources and Infrastructure Industry Skills Council.

It's been three years in a row now, and every time I'm more than happy to come back because every time there is more good news to share with you about the Australian economy, and the contribution of your sector to this success story.

## **THE STATE OF THE AUSTRALIAN ECONOMY**

The Australian economy is set to enter its 17<sup>th</sup> year of expansion.

Despite a severe drought, the economy has strengthened since the end of 2006.

The economy grew by 1.6 per cent in the March quarter 2007, the strongest quarterly growth in more than three years.

As a result of strong, sustained economic growth, over 2.1 million jobs have been created since March 1996.

The unemployment rate has fallen over this period from 8.2 per cent to 4.3 per cent, one of the lowest unemployment rates more than in 30 years.

The proportion of the working age population in employment is at an all-time high.

An important feature of the economy is that Australia's terms of trade are currently at their highest level in over 50 years.

As everyone in this room will know, the rising terms of trade have in large part been driven by robust growth in demand for raw materials – predominantly by the industrialisation of China.

In turn, the favourable terms of trade are having substantial effects on the Australian economy.

Australia's purchasing power has improved, and real national income, wealth, and household income have all risen significantly.

The improved terms of trade have also contributed to large increases in corporate profits and mining investment.

Over the past five years the mining industry has invested \$55 billion dollars.

Despite continuing infrastructure constraints and long lead times in procuring some mining materials and equipment, growth in non-rural commodity exports is expected to accelerate in 2007-08 as a result of investment that has already occurred.

## **EMPLOYMENT**

In addition to boosting Australia's export earnings, your industry has also played another important role in contributing to our economic success story.

The strength of Australia's mining sector has resulted in an increase of about 50,000 in the number of people employed in the mining sector over the past four years.

Employment in associated industries such as construction has also grown, up by 30 per cent over the same period.

Today the Australian economy is as close to full employment as it has been for more than 30 years.

Yet we manage to achieve that without unsustainable wage and price pressures.

More Australians are now in work than ever before and the Government is determined to maintain these favourable outcomes.

### **Tightening labour market**

Given these favourable outcomes of low unemployment and high participation, tightness in the labour market is likely to remain.

Population ageing means that Australia is facing a smaller working age population in the future.

Therefore, it is very important that both government and business act to address skill shortages in the labour market.

The labour market has responded to the strength in employment demand, with the participation rate increasing to record highs over the past few years.

Much of the recent tightness in the labour market is associated with the increased demand for labour in Western Australia and Queensland.

A key challenge is to enhance workforce flexibility, so that workers can respond to wage signals by re-skilling and moving to regions where labour is in high demand.

This has particularly been the case in Western Australia and Queensland, where a significant contribution of the employment growth in recent years was from increased participation, rather than changes to population growth.

### **Skill shortages**

In such a tight labour market, there will always be cases of skills shortages.

This is particularly so in the mining, resource and infrastructure sectors.

The Government has put in place a range of measures — covering workplace relations reform, skilled migration, welfare reform and education — which are designed to address skills shortages in the short and the long term.

I note too that it is not only skilled workers that are in short supply.

We are aware that some employers, including those in Western Australia, are finding it hard to hire unskilled labour, and unskilled labour is also in short supply in some areas of the eastern States.

### **Workplace Relations**

Today, I would particularly like to underline the importance of recent workplace reforms – for Australia in general and for your industry in particular.

Let's briefly look at what happened under WorkChoices – despite all the desperate scare campaigns by the unions and the opposition:

387,500 new jobs have been created since March 2006, when WorkChoices have been introduced, an overwhelming majority of new jobs are full-time.

Over that time, real wages have increased by 2.4 per cent.

And far from creating industrial chaos, the number of strikes is now so low that the Australian Bureau of Statistics will not release data on many state industries because to do so would identify the individual employers.

The Government's reforms have increased the scope for direct bargaining between employers and employees in the workplace.

I have particularly in mind the introduction of AWAs.

This is very relevant in your industries, where many of you are subject to different workplace environments and operating procedures.

Individual agreements allow employers and employees to reach agreement on employment conditions that reflect your diverse and varying workplaces.

Simplifying workplace agreement procedures and allowing wages and conditions to be better linked to productivity improvements provides greater incentives for work.

This creates new jobs and assists workers with marginal labour force attachment to participate in paid work.

In fact, 430,000 AWAs have been lodged since March 2006, and 1.33 million since 1997.

Approximately 8.7 per cent of working age people are on AWAs.

The resources industry, of course, is one of the most enthusiastic up-takers of the AWAs.

As such, I don't need to convince you of benefits of this arrangement, as well as the need to maintain it.

I also don't need to convince you of the consequences of rolling back this very successful system, as Labor said they would.

## **CONCLUSION**

The importance of a skilled and capable workforce is of course at the forefront of the work of the Resources and Infrastructure Industry Skills Council, and is the key theme of this Conference.

I would like to thank and congratulate RIISC for your commitment and hard work over the past year –

- the commitment and hard work that is recognised and appreciated by the Government, including most recently by the Department of Education and Training, which has evaluated you as a higher performing skills council.

The evaluation also noted that RIISC was an innovative and solution focussed organisation.

For that reason, the Government is happy to cooperate and fund RIISC to manage the development of industry Training Packages and Training Package support materials.

RIISC continues to lead the development of the industry's training packages whilst moving forward with a program of Training Package consolidation.

The project is aimed at increasing the portability of skills within the industry and reducing the duplication of competencies within and between the sectors of the industry.

It now gives me great pleasure to announce a series of innovative initiatives developed by RIISC for the Resources and Infrastructure sector.

These practical initiatives are part of the on-going commitment of both the government and the industry to promoting effective training outcomes.

#### 1. Future Workforce Manager

RIISC, in conjunction with industry partners, has developed Future Workforce Manager, an electronic workforce planning tool to enable

industry enterprises to plan their workforce development and identify future training needs.

## 2. Skills Maximiser

The ISC has developed the Skills Maximiser tool to assist enterprises to apply each stage of the Training Package implementation process to achieve performance improvement and maximise the benefits of training for the enterprise.

## 3. An on-line version of the very successful Certificate I in Resources and Infrastructure programme.

This on-line version will expand the opportunities for young people to access the Certificate I qualification and grow the resources sector workforce by providing entry level skills to young people including Indigenous Australians and those in regional areas.

## 4. Safety Competencies Resources

These Safety Competencies Resources will be made available to industry enterprises and training providers to support the development of skills to ensure that there is an increase in safety and safety awareness with the resources sector.

All four of these products are based on the industry developed units of competency from the suite Resources and Infrastructure Training Packages and aimed at better support our industry to engage in and reap the benefits of training.

Speaking to you last year, I had the opportunity to launch “Attract, train and retain tomorrow’s workforce.”

Today, I want to take the opportunity to launch the new trading name for RIISC:

Skills DMC – which stands for Skills Drilling, Mining, Civil Construction.

A new, catchier name, but still the same reliable brand.

Once again, I would like to thank you for inviting me to speak with you today.

I hope you have a fruitful and enjoyable Conference.

**HON P. DUTTON MP**

**WEDNESDAY AUGUST 22, 2007**

**9.00 AM**

**KEY POINTS**

- IN 2007 DEST EVALUATED RIISC AS A HIGHER PERFORMING  
SKILLS COUNCIL (CONGRATULATIONS)

**RIISC SALUTES NEW INDUSTRY INITIATIVES IN 2007**

**RIISC HAS PRODUCED**

- AN ONLINE VERSION OF CERTIFICATE 1 PROGRAMME
- A SERIES – SAFETY COMPETNCIES RESOURCES
- THE FUTURE WORKFORCE MANAGER RESOURCE
- THE SKILLS MAXIMISER RESOURCE

YOU WILL REMEMBER THAT LAST YEAR, I LAUNCHED

**“ATTRACT, TRAIN AND RETAIN TOMORROWS WORKFORCE”**

**THE YEAR HAS PASSED QUICKLY AND TODAY I LAUNCH –**

**A NEW TRADING NAME FOR RIISC**

**“SKILLS D.M.C” – CONGRATULATIONS – AND IT STANDS FOR:**

**(SKILLS DRILLING, MINING, CIVIL INSTRUCTION)**