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**PRESS RELEASE**

For Immediate Release



## **The World May Not Be Big Enough To Solve Australia's Resourcing Issue**

An ageing technical workforce and significant competition from other resource developing countries poses a real threat to Australia's plans to have the workforce required to fuel the country's massive resource sector expansion, according to a new study.

In joint research undertaken by leading employment news website for the Australian resource sector, The Resource Channel and communications and marketing specialists, Marketforce, most of the countries Australia typically sources from are also experiencing, or expecting to experience, significant skills shortages.

According to The Resource Channel Director Jody Elliott, Australia needs to understand it is not alone in its growth plans.

"Not only is seven of the world's LNG producing countries planning to double their production in the coming decade, but the mining industries of South Africa, Canada, the United States and South America also cite significant growth plans, demanding more than 250,000 new entrants to the industry globally in the next decade," Ms Elliott said.

"In other cases, like China and India, growth plans relate more to their economies, but still look to absorb the total of their own home-grown engineering and technical skills," she added.

This means that the majority of the target countries identified as potential sourcing options – including South Africa, Canada, United Kingdom, and the United States in particular – become far less feasible given their own growth plans. In fact, according to The Resource Channel's research, there is not one country that offers a potential strong supply of skilled labour.

Ms Elliott said that given the current economic climate means that anticipated growth plans for some may not eventuate in the short term, it may mean that Australian organisations will need to deploy a more tactical short-term approach to engaging international candidates whilst they develop new skills locally.

"Not only does the Australian resource sector plan to significantly expand in the next decade, but the 5,000 or so replacements required each year to account for retirements and exits from the industry means employers will need to consider alternative sourcing options," Ms Elliott said.

"Essentially, it means far greater consideration needs to be placed on entry level opportunities for local labour – apprentices, graduates, trainees, and cross-skilling those from other sectors with transferable skills. Now is not the time to decrease opportunities in these areas – for any Australian resource sector employer."

The research identified that not only are other resource producing countries either experiencing or anticipating the same level growth, but the availability of skills is a consistent issue. The number of overall engineering students has decreased in most countries. In addition, it is estimated that more than a quarter of technical professionals working for the energy and petroleum sector are older than 50, and the majority are scheduled to retire in the next five years, leaving a net loss of 5,000 petrotechnical staff a year.

Most recently, the CEO of Caterpillar in the United States said that despite the high unemployment rate across the country, there is a desperate shortage of skilled workers, with many job vacancies going unfilled in some of the most depressed regions of the country.

Whilst Detroit has been hard hit by the economic downturn with nearly 50% unemployment, Caterpillar distributors in the region have up to 50 job openings at a time for service technicians that they cannot fill.

Despite the bad economic outlook in the United States, Caterpillar is an example of a resource sector employer that has been hiring. It picked up 10,000 people in the last 18 months, and 300 in the first weeks of August 2011 alone.

Whilst there are a large number of potential sourcing channels available to Australia, these may fast evaporate should countries experience the growth they are predicting. Couple this with what is clearly an engineering skills shortage globally and Australian organisations will need to start thinking more creatively about how they resource their operational and project needs.

“The research highlights that there is no one location that can be targeted as a total recruitment solution,” says Ms Elliott.

The research undertaken by The Resource Channel and Marketforce also covered South and Central America, Ireland, Japan, Philippines and Papua New Guinea.

For further information please visit [www.theresourcechannel.com.au](http://www.theresourcechannel.com.au)

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