



4 December 2017

Department of Employment  
GPO Box 9880  
Canberra ACT 2601

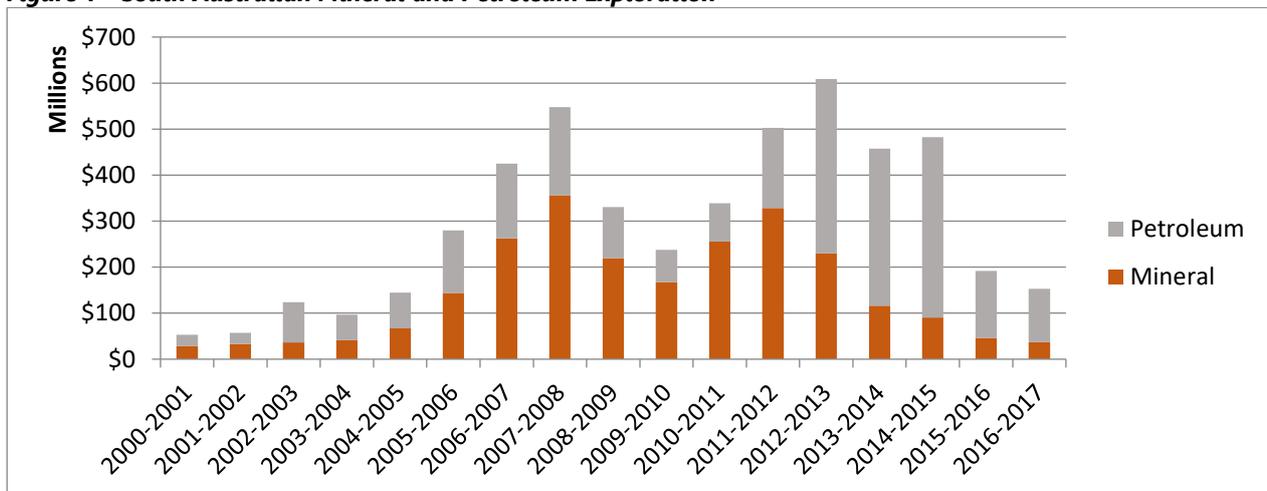
Dear Ms. Kerri Hartland,

**RE: Skilled Migration Occupation Lists Consultation**

The South Australian Chamber of Mines and Energy (SACOME) represents companies with businesses in the mining, oil and gas, and associated mining equipment and services sectors in South Australia.

Exploration is essential for our members to discover and develop mineral and hydrocarbon deposits in South Australia. Exploration in South Australia has now declined to levels similar to the period before the resources sector growth phase from 2005 to 2014 (Figure 1).

**Figure 1 - South Australian Mineral and Petroleum Exploration**



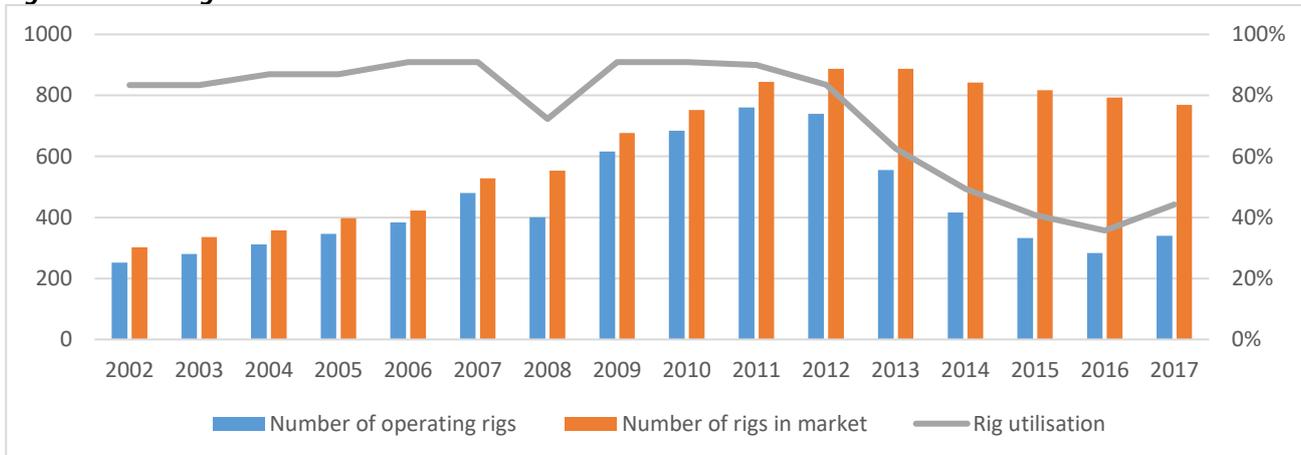
Source: Australian Bureau of Statistics, Mineral and Petroleum Exploration, cat. 8412

Data from the Australian Drilling Industry Association (ADIA), demonstrates a correlation between the number of drilling rigs utilised and exploration expenditure after the recent growth phase of the mining industry.

At the peak of the growth phase there were 800 operating rigs translating to approximately 9,500 qualified personnel. After 2012 this declined to 290 operating rigs with approximately 3,500 personnel (Figure 2).

The cyclical nature of the resources sector results in hiring and training skilled workers in the growth phase, followed by a downturn during which these workers are either made redundant or move into other sectors where drilling skills are readily transferable. Information from drilling members notes that these skilled drillers do rarely return to the resources sector.

**Figure 2 - Drill Rig utilisation levels**



Source: Australian Drilling Industry Association (ADIA), 1 August 2017

It takes a period of several years to develop, train and employ a competent skilled driller (ADIA, 2017). This reflects the time taken to train a person to a certificate 3 or 4 level, employ them as a trainee driller, and progress their employment to a driller, senior driller or supervisor.

This timeframe, combined with the cyclical nature of the sector demonstrates a need to have additional capacity to hire skilled workers from other international jurisdictions to fill gaps where there is a lack of local skilled labour at times of growth.

The ADIA surveyed (2017) fifteen of their biggest drilling members, who collectively employ around 2,000 drillers, and found that there are 170 additional skilled workers required and these companies are having difficulty filling these roles.

Difficulty in finding labour has a flow on effect of delaying drilling programs of exploration companies which need to time their schedules to match the cyclical nature of the sector. Missed windows of development can result in projects being delayed by 5 to 10 years. The average time to develop a mineral project of 12 years (MinEx Consulting, 2016) with efficient development of deposits being critical to the economics of a project.

**SACOME recommends** that Drilling (712211) is included in the short, medium and long term skilled occupation lists to ensure the industry has an additional avenue to hire skilled drillers when local options are insufficient to meet requirements.

Kind Regards,



Dayne Eckermann  
Senior Policy Advisor