15 September 2025

Productivity Commission
GPO Box 1428,
Canberra City ACT 2601

Dear Productivity Commission

Productivity Commission Interim Report Pillar 4 – Building a Skilled and Adaptable Workforce

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 24 per cent of Australia's company tax receipts in 2023-24.[1] In 2023-24, the WA resources sector accounted for 56 per cent of Australia's resources exports,[2] half of Australia's resources capital expenditure[3] and 51 per cent of Australian resources employment.[4]

CME welcomes the Australian Government's focus on productivity to boost Australia's living standards, economic growth and global competitiveness. The WA resources sector is proud of its long history of undertaking capital investment, adopting new technologies and developing our workforce to be one of the highest productivity sectors in the economy.

The outcomes of the Productivity Commission's (PC's) Five Pillars Inquiries will play an influential role in informing the public debate and policy actions required to revitalise Australia's productivity performance. We appreciate the opportunity to provide feedback on the PC's Interim Reports.

CME Positions

- **CME agrees that adjustments to Australia's education systems are needed to develop the workforce capability required to respond to ongoing skills shortages, support decarbonisation activities and deliver on our strategic industry ambitions.**
- **CME supports the Australian government providing national leadership to ensure equitable access to educational technology (edtech) and artificial intelligence (AI).**
- **CME supports moving toward a national system of credit transfer and recognition of prior learning (RPL) decisions and the removal of unnecessary barriers to occupational entry regulations.**
- **CME recommends establishing a targeted migration stream for electricians and related trades within WA's migration program, incorporating dedicated quotas and priority processing to address critical skill shortages.**
- **We also support targeted incentives to lift work-related training rates in small and medium enterprises**
- **CME recommends the Productivity Commission focusses its efforts on outlining how these reforms can be practically implemented in a timely manner in the final report.**

[1] Includes company tax, fringe benefits tax, petroleum resource rent tax and excise duty. Commonwealth of Australia, Final Budget Outcome 2022-23, The Treasury, 22 September 2023, Note 3: Taxation revenue by type, p 39.
[2] Government of Western Australia, 2022-23 Economic Indicators Resource Data File, Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), 9 January 2024. Australian Bureau of Statistics (ABS), 5368 International Trade in Goods, Table 32a.
[3] Investment refers to capital expenditure as measured by gross fixed capital formation, current prices. ABS, 5220 Australian National Accounts: State Accounts, Table 25. ABS, 5206 Australian National Accounts: National Income, Expenditure and Product, Table 34.
[4] ABS, 6291 Labour Force, Australia, Detailed, Table 5.

Context

Australians enjoy a standard of living that is among the highest in the world. Our ability to attract international investment, skilled labour and technology, alongside bold economic reforms such as the deregulation of the financial sector, the floating of the Australian dollar and the introduction of the GST, drove strong productivity growth through the late 1900s and has contributed significantly to the prosperity our nation enjoys today.

The resources sector has been central to Australia's success story. It has invested over $1.7 trillion in capital assets that improve labour productivity over the past 2 decades,[5] pays the highest average wages of any industry,[6] and has underpinned State and Federal Government budget positions for decades.[7] These outcomes have occurred thanks to Australia's strong investment fundamentals, including timely access to land, attractive investment and policy settings, a skilled and productive workforce and reliable, low-cost energy.

However, Australia now finds itself at a crossroads. Australia's poor productivity growth outcomes since the early 2000s and rising demand for public goods and services have created significant pressures on the federal budget, with the Australian Government's underlying cash balance forecast to be in deficit for the coming decade.[8] At the same time, Australia's investment fundamentals have become increasingly uncompetitive:

- Gas and electricity prices have roughly doubled across Australia since 2020,9 creating severe financial pressures on energy-intensive sectors.10
- Federal-state approvals processes are lengthy, duplicative and increasingly uncertain, due in part to spurious legal challenges.11
- Australia's corporate tax settings are increasingly uncompetitive with the OECD average.
- Industrial relations reforms have increased cost and complexity while reducing productivity.

This decline in competitiveness is confirmed by Australia's IMD World Competitiveness Ranking falling five places to 18th in 2025.[12] Similarly, the Fraser Institute's 2024 Survey of Mining Companies found Western Australia's attractiveness as a resources jurisdiction has fallen from 4th to 17th, with jurisdictions in the US, Canada and Europe now comprising the top 10 most attractive jurisdictions.[13]

The Government's Future Made in Australia ambition relies on Australia's ability to attract the substantial capital investment, technology and skills required to drive additional value-adding, job-creating industries in Australia. This will not occur without urgent action to address Australia's declining fundamentals, with reliable and low-cost energy especially important for energy-intensive manufacturing activities. Other jurisdictions are competing fiercely for these 20-30 year investments and if they occur elsewhere then Australia will lose out on the associated jobs, local procurement and taxation revenues for decades to come.

Delivering fiscal and policy reforms that improve Australia's competitiveness and attract investment into Australia's resources sector is vital to achieving productivity growth and improving the welfare and prosperity of all Australians.

Response to Pillar 4 Interim Report Proposals

A skilled, productive and adaptable workforce is critical to the success of any industry, and is especially the case for the WA resources sector. The WA labour market remains tight, and with a large future

[5] Mining gross fixed capital formation, chain volumes; figures cover 2004-05 to 2023-24. ABS, Australian System of National Accounts, table 64.
[6] Productivity Commission, Trade and Assistance Review 2022-23, 24 July 2024, pp 31-32. ABS, 6302.0 Average weekly earnings, Australia, table 10.
[7] The resources sector has paid an estimated $356.6 billion in company tax and royalties in the decade to 2022-23. Minerals Council of Australia, Royalty and Company Tax Payments, 21 May 2024.
[8] Commonwealth of Australia, Mid-Year Economic and Fiscal Outlook 2024-25, The Treasury, December 2024, pp 86-87.
[9] CME 2024, Energy Costs in Transition: Decarbonising WA's SWIS; AEMO, 2024 WA GSOO, December 2024; AEMO, NEM Data Dashboard; AER, Gas Market Prices, accessed 7 August 2025.
[10] Nyrstar to get $135 million bailout for struggling smelters, 5 August 2025; Rio pushes for 'eye-watering' Tomago bailout, 6 June 2025; Australian region facing 17,000 job losses as copper pressures hit, 31 July 2025.
[11] *Munkara v Santos NA Barossa Pty Ltd (No 3)* [2024] FCA 9.
[12] IMD 2025, World Competitiveness Ranking, accessed 8 August 2025.
[13] Fraser Institute, Anuual Survey of Mining Companies 2024, July 2025

pipeline of potential resources and renewable energy infrastructure projects it is critical that industry and the Australian Government remains focused on addressing current and anticipated skills shortages.

CME agrees that adjustments to Australia's education systems are needed to develop the workforce capability required to respond to ongoing skills shortages, support decarbonisation activities and deliver on our strategic industry ambitions. In this regard, CME largely supports all draft recommendations made in the Interim Report, many of which align with existing areas of focus for CME and our members.

CME supports the Australian Government providing national leadership to ensure equitable access to educational technology (edtech) and artificial intelligence (AI). CME's Digital Technologies Program (DigiTech) provides a model for this type of initiative. DigiTech delivers a curriculum-aligned program for students in pre-primary to year 10 regional and remote schools, focused on developing foundational knowledge in automation and data science. Co-designed by the resources sector and curriculum experts, DigiTech engages students in 'hands on' learning with real-world examples of automation and data science use in industry. By December 2027, CME members will have invested nearly $3.5 million in DigiTech to support the next generation of Australian workers. This funding is used to provide digital technologies equipment to 250 schools, make the program available to more than 1,000 primary and secondary schools and provide dedicated coaching and mentoring services for more than 300 WA teachers. In 2024, the program was adopted and piloted in South Australia (through South Australia Chamber of Mines and Energy) and has since received interest from other jurisdictions.

CME supports the move toward a national system of credit transfer and recognition of prior learning (RPL) decisions and the removal of unnecessary barriers to occupational entry regulations. To better enable credit transfer and RPL, the Australian Government should:

- enforce the right to have credit transfer or RPL assessed before the deadline for accepting an offer.
- develop a national database of academic credit decisions.
- develop a model of coordinated assessments of prior learning, and possibly of credit transfers

Delivering these outcomes would support employers upskilling existing employees leading to a trade certification outcome; employees transferring from one industry sector to another; and skilled migrants seeking to apply qualifications learnt overseas. Where mid-career professionals are wanting to transition to new roles in other sectors, Vocational Educational and Training providers and universities should recognise transferrable skills already acquired in an agreed and consistent manner. Implementing the initiatives proposed in the Interim Report are likely to materially enhance workforce adaptability, mobility and productivity, and would reduce the time and re-training burden for individuals and employers alike.

CME has previously raised the pressing need to modernise and expand electrical licensing pathways. CME members highlight examples where their employees, such as tradespeople, are considering cross-skilling to become electricians, but a lack of 'core and common' units from other Certificate III trade qualifications that can be credited to an electrical apprenticeship act as a barrier, requiring experienced tradespeople to undergo a full apprenticeship again. This is an unproductive use of resources and constrains both decarbonisation and industry development efforts. Other examples include WA's Restricted Electrical Licence for hybrid electric and battery electric mobile mining equipment, which specifically references an original equipment manufacturer training course rather than a certified qualification. The high-volume, repetitive task of connecting solar panels requires a higher qualification (A grade electrician) than a Restricted Electrical Licence holder, reducing productivity by taking more qualified electricians away from higher value-adding tasks. Expanding the electrical licensing options available for clean energy jobs will support faster growth of this critical workforce to support the transition.

Furthermore, a responsive migration system tailored to the unique economic and industry needs of each state and territory is essential for addressing skills shortages. WA has the highest per-capita emissions intensity and is among the nation's strongest economies, which drives a particularly urgent demand for skilled workers to support the energy transition. Despite these distinctive pressures, WA's allocation of skilled migration places has in the past matched that of other jurisdictions with different economic profiles. **CME recommends establishing a targeted migration stream for electricians and related trades within WA's migration program, incorporating dedicated quotas and priority processing to address critical skill shortages.**

CME also supports better targeted incentives to lift work-related training rates in small and medium enterprises to ensure training is accessible regardless of the size of organisation and across all industries and delivers a continued pipeline of skilled workers.

The draft recommendations largely reflect positive initiatives identified in previous reports and policy submissions, as well as some that have been piloted, to address ongoing barriers to building Australia's workforce capacity. The challenge however lies in the implementation of these reforms. **CME recommends the Productivity Commission focusses its efforts on outlining how these reforms can be practically implemented in a timely manner in the final report.**

Conclusion

In conclusion, CME supports all efforts to address current and anticipated skills shortages through ongoing policy and funding support to increase the quantity, quality, and transferability of skilled labour – both local and international.

We look forward to continuing to engage with the Productivity Commission as it prepares its final report to the federal government in late 2025. If you would like to discuss the matters raised in this submission further, please contact [redacted] Manager – Health Safety and People on [redacted] or [redacted].

Yours sincerely,

[redacted]

Brooke Fowles

A/Chief Executive Officer.