

Australian Mining Boom Encourages Job Growth

BY KATE SHIRLEY

Everywhere we look these days, we hear news about global recessions, unemployment rates and non-existent job prospects in the United States and beyond. In Australia, however, the story is quite different, especially for skilled oil, gas, mining and construction workers.

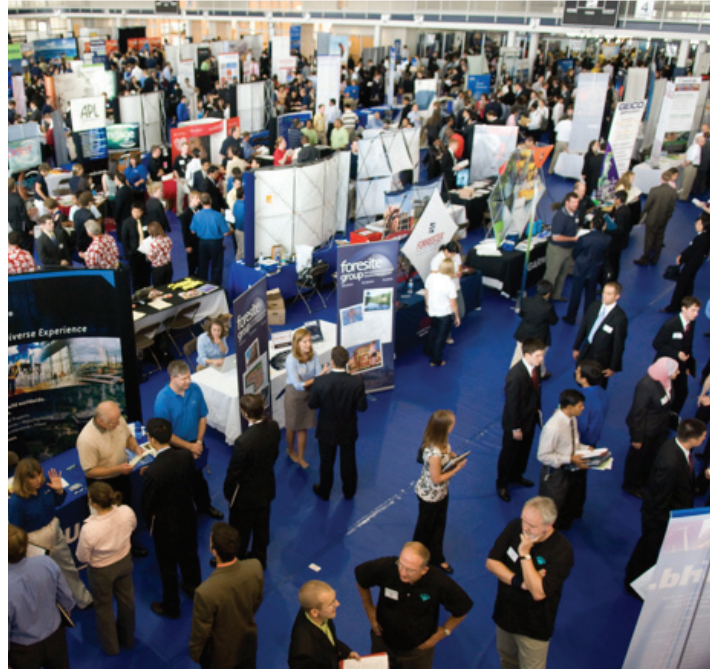
Australia, mainly in the state of Western Australia and to a lesser extent in New South Wales and Queensland, is currently experiencing a boom in its mining sector, particularly in regards to coal, oil, natural gas, iron ore and gold. In each of these three states, the unemployment rate has declined considerably over the past 15 years. These low unemployment rates coincide with a marked increase in the size of the mining industry as an employer. In Western Australia alone, the mining industry now employs about 8.5% of all employed persons, which is a proportional growth of 174% compared to 1997.

With high demand for these natural resources from emerging neighbor nations like China and India, the prices for these minerals are high and continue to rise. With such high demand for output, the country is in need of an injection of labor, and has started setting up job fairs around the world in search of qualified workers to staff a growing number of projects.

In May, an Aussie Jobs Fair was held in Houston, where several hundred job and adventure seekers attended the event. With more jobs than workers, many companies in Australia are offering salaries that in some cases are double or triple what a worker might make doing the same job in the United States.

"I've heard from multiple people that you can make a ton of money in Australia," said Chase Thompson, who works on pipelines in Texas. "So I'm here to find that out. Apparently a lot of other people have heard that too."

According to the Australian Bureau of Statistics, a skilled worker can make on average \$2,782 dollars in oil and gas extraction and \$2,273 dollars in coal mining. Among the ten top-paying professions in Australia, half are in mining and related industries, according to the data. By comparison, jobs in finance come in 10th, at \$1,557 dollars per week.



The Aussie Jobs Fair in Houston attracted hundreds of job seekers.

In an interview last year, Paul Bloxham, a former Australian Reserve Bank economist who is now HSBC's Chief Economist for Australia and New Zealand, said "I think we're moving to a world where the mining industry and all the associated jobs — in construction and in professional services — are going to be the main thing where there are skill shortages. And that's going to put upward pressure on those wages, and people will transfer across to those jobs from other industries."

However, while the salaries may be generous, the lifestyle is not glamorous to match. The work can be demanding, and the jobs are often located in remote areas of the country's arid interior.

"We do need to be realistic to people about the environment they will be living and working in, away all the time during the week and only home on the weekends. It's not a bad lifestyle, but if you're not aware of that when you go into it, then I think it wouldn't be sustainable," said Sarah Bligh, a recruiter for an Australian contracting company.

New drilling techniques are being developed and the country is exploring potential vast shale gas reserves as well. Coal seam gas exploration surged in Queensland in 2000 and now accounts for 90% of the state's gas supply. The hundreds of coal seam gas wells that currently exist are projected to become tens of thousands.

Australia's Federal Treasury, the governmental department which focuses on and develops economic policy, projects that this boom could last another 15 years. Still, this doesn't mean that the jobs for foreigners will be around indefinitely. Now that the Australian government has realized the need for so much skilled labor, they have ramped up vocational training for its homegrown workers, so in a few years, the opportunities for skilled foreign workers may no longer be available.