Schlumberger Australia Pty Ltd
[redacted]

Submission to Jobs and Skills Australia

Skills in Demand CSOL List

ANZSCO: Mechanical Engineering Technician 312512

May 2024

The occupation of Mechanical Engineering Technician (ANZSCO 312512) is currently on the Short Term Skilled Occupation List (STSOL) for purposes of the Temporary Skills Shortage (TSS) visa.

This occupation is included in the "Targeted for Consultation" category of the Core Skills Occupation list, associated with the new *Skills in Demand* visa program.

The purpose of this submission is to provide data and information to support this occupation being included in the "Confident on List" of the CSOL.

As we understand that the occupation, as currently described in the ANZSCO, can potentially cover a broad range of technicians, we would like to provide additional information and data to illustrate that, in the energy and oil & gas context, the role is extremely specialised. There are significant difficulties recruiting for this role, and retaining Australian staff long enough for them to develop the required level of skill and experience to perform these roles at the level of competency that is required.

SLB is a global technology company providing engineering services to the energy industry. Our customers are the major oil and gas operators in Australia including Woodside, Santos, Chevron, ExxonMobil and Beach Energy.

Our submission will show that for energy and hydrocarbon businesses, particularly those operating in Western Australia, a significantly higher level of specialisation and proprietary knowledge is required to be able to perform roles that fall under the MET occupation.

The roles in SLB that fall under the MET occupation require internal training that is measured in years rather than weeks. Upholding Health, Safety, and Environment (HSE) standards is paramount in our operations, reflecting Australia's commitment to ensuring the utmost safety for all employees, including Australians. It is essential our employees are equipped for safe and effective delivery of services at high-risk well sites, both land and offshore. The extensive training required makes it very challenging to recruit inexperienced candidates where there are client jobs that need to be performed immediately utilising specialist technical tools, technology and proprietary software. Our rigorous training and adherence to HSE standards underscore our dedication to maintaining a safe and productive work environment.

The supply of qualified people is exacerbated by the lack of commercially available external training. All training is developed and delivered in-house through SLB's internationally recognised structured training programmes for engineers, field specialists and technicians and by attendance at one of our four elite global Learning Centres around the world.

We are committed to training our field employees as our safety record, service quality and industry reputation depends upon the calibre and performance of these people.

There is a continual need for specialised and experienced people to meet the ongoing and fast-paced demands of oil and gas projects. This is in line with Australia's interest to maintain a steady stream of oil and gas supply for the Australian domestic market. Quite often we must bring qualified people from SLB locations overseas to fulfil contacts for high profile campaigns or to operate specialised equipment not often used in our market. These experienced METs are instrumental to the success of every campaign. Moreover, they play a crucial role in the training and mentorship of our junior Australian employees, ensuring the transfer of knowledge and skills down the line. This approach aligns with our commitment to fostering local talent and contributing to the Australian energy sector's sustainability.

Mechanical Engineering Technicians in Schlumberger

SLB roles that fall under the MET occupation represent a sizable 34% of our Australian workforce. Furthermore, 44% of our TSS sponsored employees are classified under this ANZSCO.

Some of the roles we have that fall under the MET occupation include, but are not limited to:

- **Crew Chief & Operators** – Diploma qualification required plus 8-10 years' experience.
    - Our Crew Chiefs and Operators have an average of 8.8 years' experience.
- **Field Specialists** – Diploma qualification required plus a minimum of 5 years' experience. There are four different business lines within SLB that employee Field Specialists and each business line has specialist sub-categories with different and diverse sets of tools, methodology and competencies ranging from subsea to coiled tubing, wireline, drilling & measurements, testing, cementing, and so on. A Field Specialist in one business line is not interchangeable with another which increases our reliance on experienced international employees from other SLB locations globally.
    - Our Field Specialists have an average of 11 years' experience.
- **Maintenance Technicians** – Diploma qualification required plus a minimum of 5 years' experience. As with the Field Specialists above, our maintenance technicians work on the technical tools of the business line to which they are assigned. Their specialisation is not always transportable to another SLB division.
    - Our Maintenance Technicians have an average of 10 years' experience.

Recruiting locally

SLB has an in-house professional recruitment team based in Perth who are continually searching for experienced mid-career professionals as well as fresh-out hires from universities and technical colleges across Australia.

From January to April 2024, we ran 11 advertisements looking for experienced candidates to fill roles that would fall under the MET occupation:

- 1 for a Maintenance Technician (4 were reviewed but none had the required competencies)
- 2 for Wireline Operators/Crew Chiefs (one applicant has been offered an operator traineeship)
- 8 for Field Specialists across several disciplines (no applicant had the required training or experience)

  Most applicants were international candidates with no work rights.

Conclusion: the efforts being expended by SLB to recruit experienced people from the Australian workforce is inconsistent with the Department's estimation that the Mechanical Engineering Technician occupation is in decline.

External Data

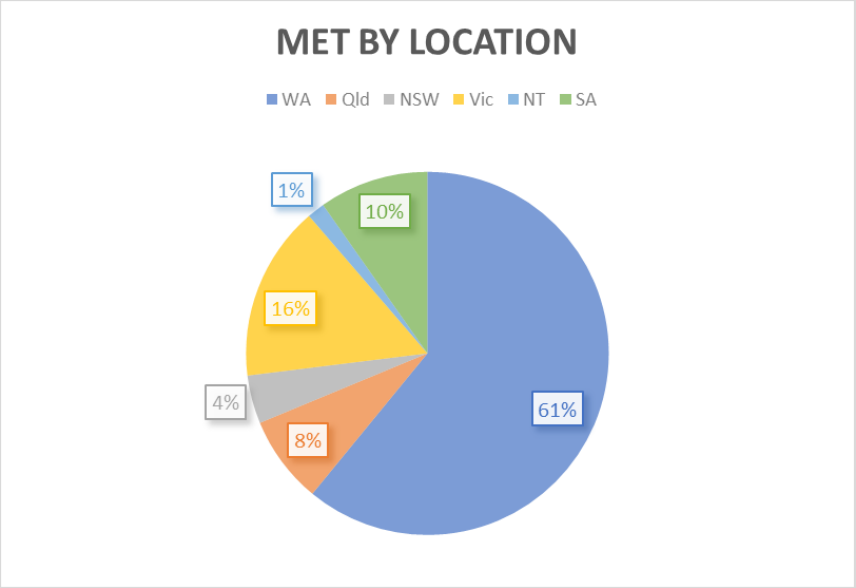
The below data, provided by our immigration lawyers, is of Mechanical Engineering Technicians nominated by a sample population from 2021 to date.

a) Industry split

Industry	Sample Pop.	Percent
Resources (mining/oil & gas)	**309**	**65**
Manufacturing	64	14
Professional services & consulting	36	8
Engineering	33	7
Energy and utilities	13	3
Other	17	4
Total	**472**	**100**

b) Location of the roles

From the sample, the disproportionate impact on Western Australia of the removal of this occupation from the CSOL is evident:



c) Salary data

Drilling down into the resources sector, the table below shows how salaries in the sector compare to all the salaries in the population sample. We submit this illustrates the higher level of specialisation and expertise required for these occupations in the Oil & Gas sector.

Salary Range	Other Industry	RESOURCES	Grand Total
<1		2	2
50,001-100,000	101	98	199
100,001-150,000	50	158	208
150,001-200,000	8	39	47
200,001-250,000		11	11
250,001-300,000	3		3
300,001-350,000		1	1
350,001-400,000	1		1
Grand Total	**163**	**309**	**472**

Industry Background – WA Economic Profile 2021-2023

- Since 2019 data has revealed a growing skills shortage in the Western Australian resources sector, with a high number of job vacancies. In 2021 Australian Mining predicted this shortage would peak in 2023. Modelling by **AREEA (Australian Resources & Energy Employer Association)** in September 2023 predicted that the 46 projects advanced in the investment pipeline would create demand for the almost 13,000 new workers.

- [redacted] **said,** "*The state directly employs 166,000 people in its resources industry or roughly 53 per cent of the national workforce*. *Over the past five years, skills shortages have become progressively worse to the point that labour supply is as big a factor in approving growth projects as commercial considerations.*" [redacted] added that *"Skills in highest demand will include operators – with more than 4000 likely to be needed – as well as heavy diesel fitters, other trades, engineering and geology roles."*

- The job multiplier for the Oil & Gas sector is high – with every one position generating 10 additional jobs for the economy. For mining, every one position generates 4 additional jobs for the economy.

- Western Australia's gross state product (GSP) of $404.5 billion in 2021-22 was 17.5% of Australia's gross domestic product (GDP). Mining accounted for 47% of GSP in 2020-21. The importance of this sector to the Western Australian economy cannot be overstated.

- In May 2023, the WA Government forecast Western Australia's real GSP would grow 4.25% in 2022-23 and 2.25% in 2023-24.

- Mining is the second largest employer in Western Australia, after healthcare & social assistance.

- Western Australia accounted for 64.2% of Australia's minerals exploration expenditure in 2021-22.

- Western Australia accounted for 49.4% of Australia's petroleum exploration expenditure in 2021-22.

- The value of petroleum exploration expenditure in Western Australia rose 28.3% to $567 million in 2021-22.

- In 2021, Western Australia's minerals and petroleum sales rose 30.0% to $229.9 billion.

- In 2020-21, Western Australia also had 22 petroleum projects that produced gas, condensate and crude oil from 55 onshore and offshore fields. These projects had 13 processing plants, mainly for LNG exports and domestic gas supply.

Summary:

Currently the Mechanical Engineering Technician (ANZSCO 312512) does not distinguish between the industries and levels of specialisation required.

We submit that the spectrum of different work for METs means that in the energy/oil & gas industry, this role is significantly more specialised. The need to rely on broad occupation categories under the ANZSCO means, however, that there may be limited scope to distinguish between the generalist METs – which may require less training and specialisation – and those who specialise and are trained in energy (oil and gas) or resources. A higher level of skill and experience is also necessary for offshore (rig-based) oil and gas activities.

Removing the Mechanical Engineering Technician (ANZSCO 312512) from the Core Skills Occupation list will place further pressure on our business – and we suggest across other businesses in mining and resources – at a time of critical specialist skills shortage.

The reality of removing the MET occupation from the Core Skills Occupation List is that it will become increasingly difficult to employ foreign nationals in critical roles at the same time as it is difficult to find suitably qualified people from the Australian labour market. Additionally, we have a long lead time for training new recruits. Without a skilled workforce we will not be able to effectively compete in our industry market. To paraphrase [redacted] labour supply is the biggest threat to project investments in WA and it remains our biggest challenge.