

Outlook for the minerals industry

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Minerals Industry – 5 Year Outlook

- AusIMM sponsored project
- Positioning the Minerals industry for the 21st Century
- Does this seem right for New Zealand?

The task ...

To ascertain the industry's perceptions of issues and capacity to address them:

- Industry context and issues
- Capabilities of professional staff
- Access to professional staff
- Balancing supply and demand

Industry must do it. Cannot wait for others.

Some observations ...

- Negative image - constrains capacity to influence community and government
- Major repositioning of professional staff competencies required
- Existing organisational arrangements and capabilities are under pressure to change
- Difficult to access professional staff of required capability

- Facing significant external challenges - with real concern about capacity to address them
- Prevailing culture not suited to needs of the future
- High level felt need for change

The industry has a choice

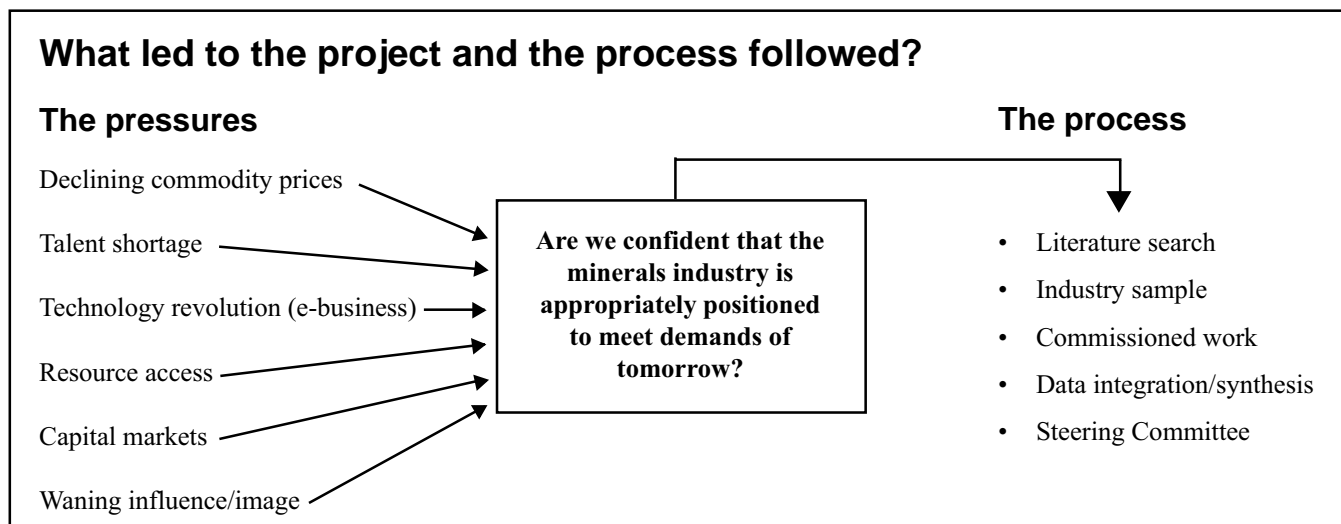
We can define where we want to be and act decisively

or

We can respond to the future as it unfolds

The minerals industry 2005 - a probable scenario

- Pressure to create shareholder value
- Consolidation/Global Industry (companies)
- Leading players characterised by ...
 - productive employee relations
 - balance hard and soft skills
 - innovative work arrangements
 - focussed, fast, flexible
- Increasingly difficult to differentiate through just operational excellence
- Major exporter of mining services (Australia)



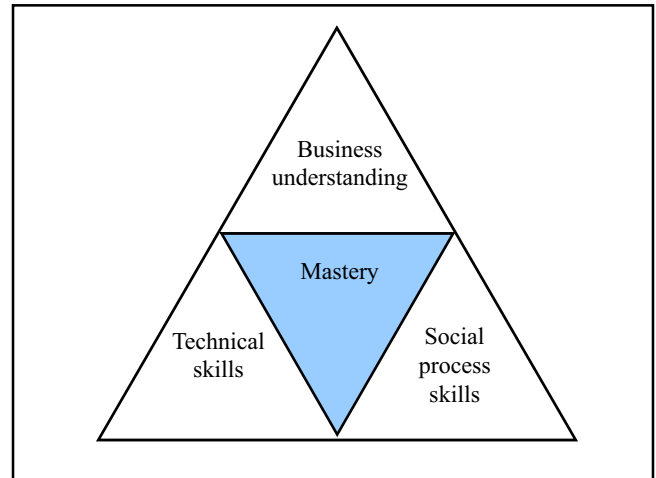
- Improved industry image and influence
 - influence communities and governments
 - partner with interest groups (NGOs Community, etc.)
 - attractive employer

What issues will the industry be dealing with in this scenario?

- Addressing changing market and community needs
- Applying the leadership to succeed in the global marketplace
- Transforming the culture while retaining the strengths
- Defining and embedding a new set of capabilities
- Anticipating and capitalising on new technology
- Meeting the needs of high calibre staff
- Quickly adapting business models to changing needs

To succeed, new competencies are needed

- Business understanding and skills
- Break through ‘discipline silos’ and work as one business
- Advanced technical skills
- HS&E embedded in management practice
- Thinking/working in teams
- Social skills (listen, influence, motivate)
- Working in multi-cultural environments
- Strategic conversations/tolerate ambiguity



To address the challenges we will have to change the culture fundamentally

From

A culture which is characterised by many good things...

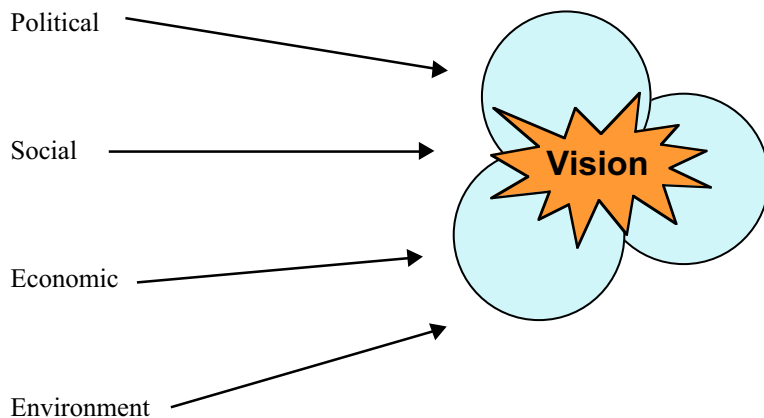
- Safe, environmentally responsible
- Pragmatic, logical, ‘can do’
- Getting things done efficiently

... but also some elements that need to change ...

- Slow to adapt
- Homogeneous
- Masculine, individualistic

We need to create a shared view of tomorrow ...

Global forces



... and envision the space that the industry wants to occupy

Scenario 2005

What issues will we be dealing with in 2005?



What culture do we need to create?



What new capabilities/competencies do we have to develop

- Reward focussed, rule bound
- Turf protection

To

- Safe, environmentally responsible
- Getting things done efficiently

... and ...

- Collaborative work - as one business
- Fast, flexible, global
- Inclusive/diverse
- Commercially astute, socially responsible
- Team thinking
- Open - tolerate ambiguity/alternative thinking

How do we get there?

- Mobilise stakeholders
 - create a broad-based shared vision/purpose
 - develop strategic conversation
 - create a forum for collaborative industry leadership and a 'shared voice'

- create a funding strategy

- Catalyse managerial leadership development
 - leverage from past work (eg. Karpin)
 - use visioning process as framework

- Develop flexible employment business for mining professionals

... and what about us?

- Australia only - focus, cost, pace.
- Is the focussing question also important for New Zealand?
- Are we able to answer the question?
- Do the researchers' observations also apply in New Zealand?
- Do we need to know?

Summary

- AusIMM sponsored the project to look into the people requirements of the industry in 5 years.
- Project was very well supported by industry, Government, professionals.
- Directions for the future of the industry identified
- Is New Zealand similar to Australia?

