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To Help Fill Demand, Australia Eases Labor Restrictions on Foreigners

By REUTERS

CANBERRA — In a major policy shift, Australia lifted restrictions on the use of foreign workers in its resources sector to help address chronic labor shortages, with the Roy Hill iron ore project of the mining magnate Gina Rinehart winning approval Friday to import 1,715 workers.

Immigration Minister Chris Bowen said the government had approved Ms. Rinehart's plan to bring in the workers to help develop the 9.5 billion Australian dollar, or \$9.2 billion, iron ore mine in the Pilbara region of northwestern Australia, an area whose ore exports are relied on by steel mills across East Asia.

Australia's major mining companies have struggled with soaring costs caused in part by rapid increases in wages they must pay to lure workers to the remote areas where their projects are located. Latest government figures show more than 260 billion Australian dollars' worth of mining and energy projects are under way in Australia, with 450 billion Australian dollars of resources projects either under way or planned.

The government estimates the resources industry will need an extra 89,000 workers by 2016 to meet demand, with Australia needing a peak of 49,000 short-term construction jobs in the resources sector in 2014.

Resources Minister Martin Ferguson said the plans to bring in workers via the so-called Enterprise Migration Agreements would be available to projects worth more than 2 billion Australian dollars and with a peak work force of more than 1,500 people.

Australia has been holding immigration roadshows for workers in the United States, India and Europe. Australia's Mines and Metals Association says 10 to 14 projects will be able to take advantage of the new program.

Ms. Rinehart, the richest woman in Australia, has long called for easier access to foreign temporary workers to help fill shortages.

Her Roy Hill project plans to start shipping ore in 2014, with production expected to peak at 55 million tons a year, which would rank it as one of the country's top producers.

In March, Marubeni Corp. of Japan, the South Korean steel maker Posco and the shipbuilder STX said they would buy 30 percent of the Roy Hill project for 3.5 billion Australian dollars.

“There is no doubt that the Roy Hill Project is one of national significance,” Mr. Bowen, the immigration minister, told the National Press Club as he announced the first Enterprise Migration Agreement with Ms. Rinehart's privately held company, Hancock Prospecting.

The Australian union movement condemned the government decision and said the new rules would allow foreign workers to take jobs at the expense of Australian workers who are losing their jobs in manufacturing industries.

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