

OIL AND GAS SECTOR COLLABORATIVE TRAINING PROJECT

NOVEMBER 2015

This project has researched industry experience for skills development across the oil and gas sector and identified a number of opportunities for training collaboration for operating companies which would deliver efficiencies and cost savings during the operational and maintenance phases of current and future oil and gas projects.

PROJECT FINDINGS

In the current cost constrained environment, opportunity exists to consider new models for collaboration which will allow industry a more sustainable management of workforce competency issues.

A collaborative training strategy may achieve improved outcomes in the sector prompting industry to explore collaborative skills development initiatives and develop potential models to address liquefied natural gas (LNG) industry operational skill requirements.

As Australian LNG production capacity ramps up, it is critical the sector has a highly competent workforce, equipped with the right skills and experience to operate safely in an environment set to triple in capacity by 2017.

Current Environment

In Australia, there is no industry-sponsored governance framework reviewing the quality of training, resulting in a lack of confidence

in the quality of training content and training delivery.

Therefore, operators are duplicating management and quality assurance systems, induction, training and on-boarding for employees and contractors independently of each other.

While operators work individually with training providers to develop and deliver their training content, there is a large skills gap between employee competence when first coming on site and the competence required to fulfil the job role.

The workforce is inexperienced with most entry level roles requiring significant training lead times and although standardised training criteria exist, they are not mutually adopted across the sector to train new operators, maintainers and contractors in core competencies requiring certification.

Instances of training collaboration are most

frequently occurring between operators with common interest in outcomes. Project participants identified four common objectives in looking at training collaboration: improving training quality and consistency, industry advised and led solutions, enhanced trust and confidence between operators, and optimised use of infrastructure.

Identified Opportunities

Analysis of data collected from operators reveals significant training opportunities across the WA and NT oil and gas sector. Material benefits can be realised from training collaboration particularly around recertification, job ready and ongoing training. Conservative workforce development savings for oil and

RESOURCES

INDUSTRY

TRAINING

COUNCIL

KEY ISSUES AND PRIORITY ACTIONS



gas operators across both jurisdictions are estimated around \$22M annually.

Of the five identified opportunities, three were anticipated to lead to material benefits through training collaboration.

The development and use of industry wide training standards and certification would remove the need to replicate training for competencies previously demonstrated. The greatest value collaboration is seen in the elimination of re-do training as a new employee or contractor starts with an operator.

For employee operators and maintainers the average training costs saved per year for the WA and NT sectors reportedly total \$6.78M, with contractors averaging a saving of \$9.8M.

Project findings also demonstrate the delivery of training for common competencies at an industry level is more cost effective than the delivery of each training provider. Reportedly, the average time of common training for job-ready training across operators is 6 months. Training collaboratively at an

industry level is estimated to save \$750K annually across WA and NT. Similarly, the average time taken for a person to train in common competencies is 6 days and it is estimated WA and NT sector annual savings for operators and maintainers would total \$3.4M.

These collaborative initiatives would also enable the pooling of training resources, allowing operators to access higher quality training infrastructure and programs and in turn improving business outcomes.

GOING FORWARD

Transitioning the identified opportunities into collaborative solutions requires an effective, industry led governance of training and management of the provider network and quality assurance.

It requires agreement on accountabilities, sector alignment, prioritisation of activity and tracking of benefits. The decisions to move forward also include operator commitment, capital and labour investment contribution for the agreed initiatives to optimise training outcomes on an opt-in basis.

A detailed operating model and a solution for each opportunity can be developed, building on existing collaborative work, with staged timeframes based on a mix of strategic and tactical quick win solution development to be able to demonstrate value.

Industry standards and certification to remove the need to re-do training for competencies previously demonstrated should be the most immediate focus, alongside training for common competencies at an industry level to maximise cost efficiencies, standardise outcomes and increase productivity. This will require the development of agreed standards, common competency training content and operating model for certification.

Job ready training at an industry level is a longer term goal which will most likely be feasible as bi-lateral agreements, rather than cross-industry, all in collaboration. This will require identifying job ready training programs, agreeing on elements of collaboration and training content for each of these.