



Community and Workforce

Earning the Right to Lead...

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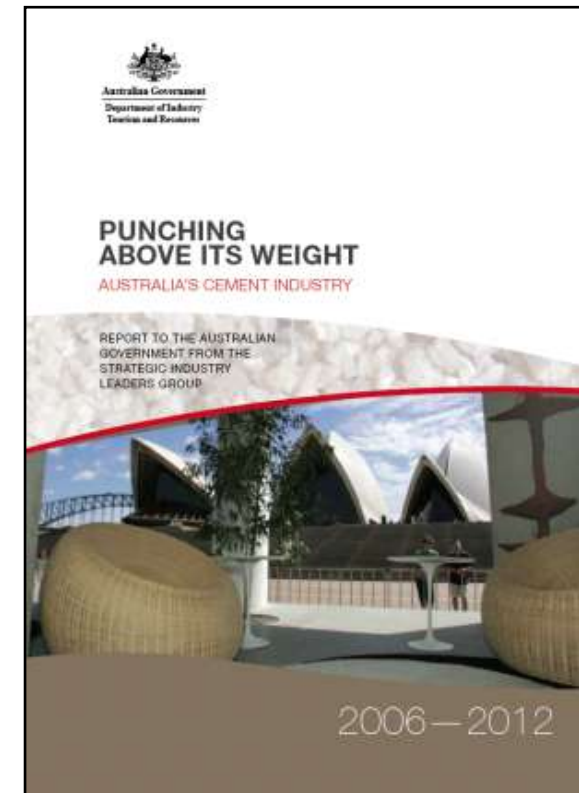
The Cement Industry Action Agenda

“The cement industry is critical to many industries. It is the glue that binds our buildings and infrastructure, including roads, rail, airports, bridges and ports. Competitively priced supplies of cement are essential to Australia’s continuing economic growth”

“The Cement Industry Action Agenda is a government-business partnership that will map a future for the industry by identifying opportunities and challenges ahead”

The Hon Ian Macfarlane MP, 24 August 2004*

- The CIAA provided the impetus for us to focus on community and workforce matters in a more industry aligned way.
- Pleasing to see C&W issues raised at the highest level for strategic focus, alongside issues such as:
 1. Energy and Greenhouse
 2. Trade
 3. Sustainable Development



In order to focus our Action Agenda research, three areas of focus were identified.

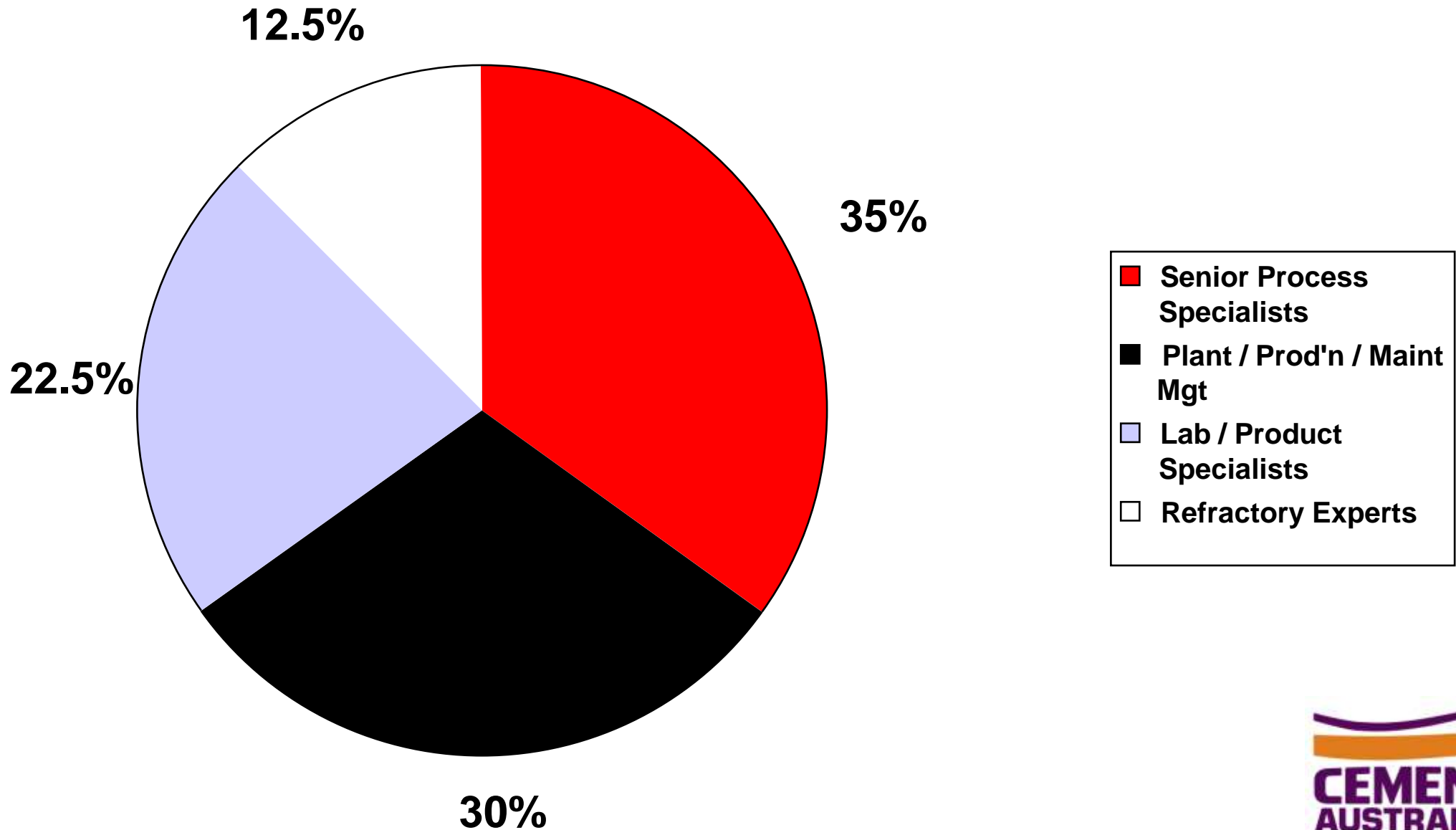
**'Irreplaceable'
Professionals &
Technicians**

**General Skills
Shortage**

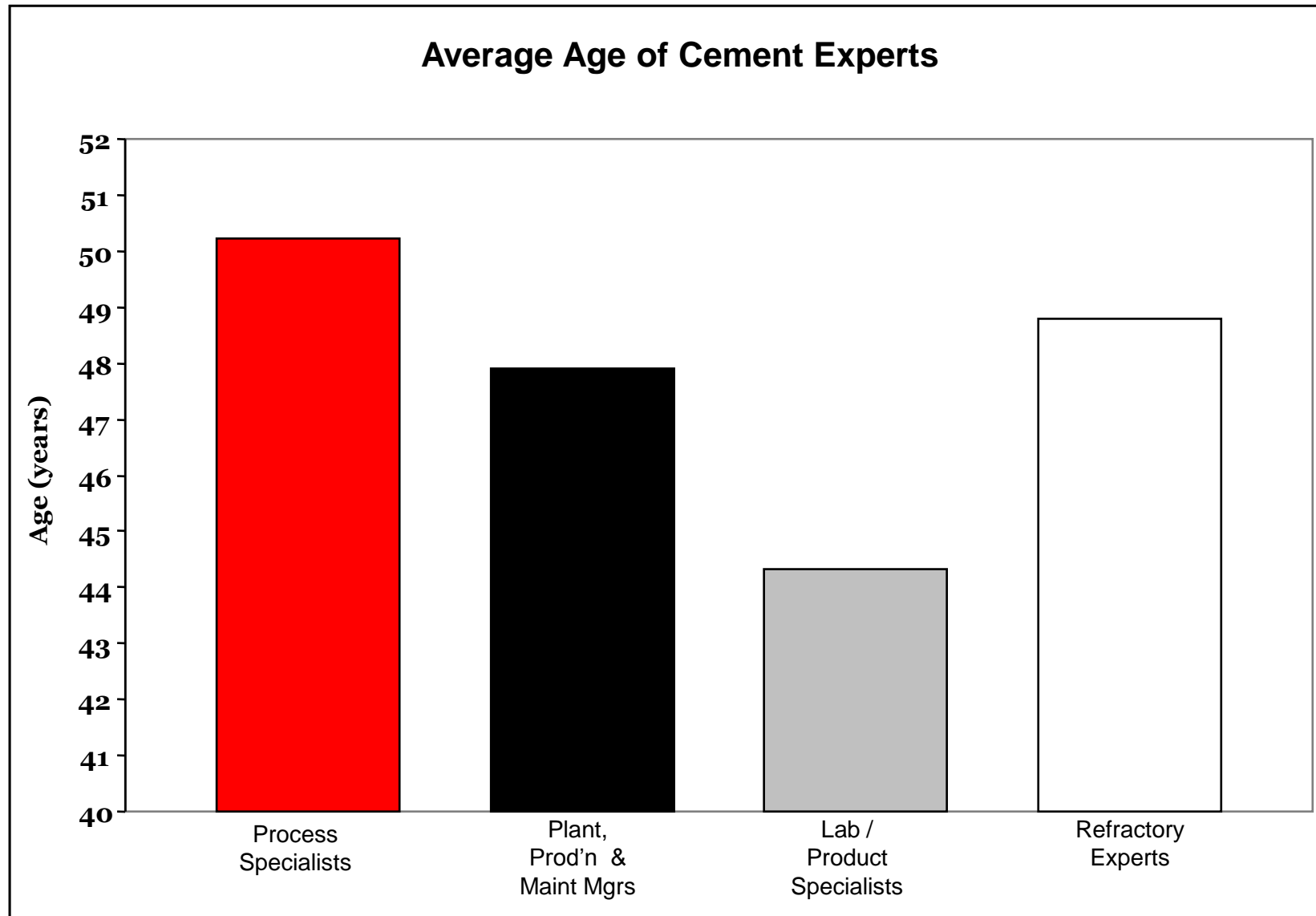
Contractors

We quantified and validated our theses through data collection and collation.

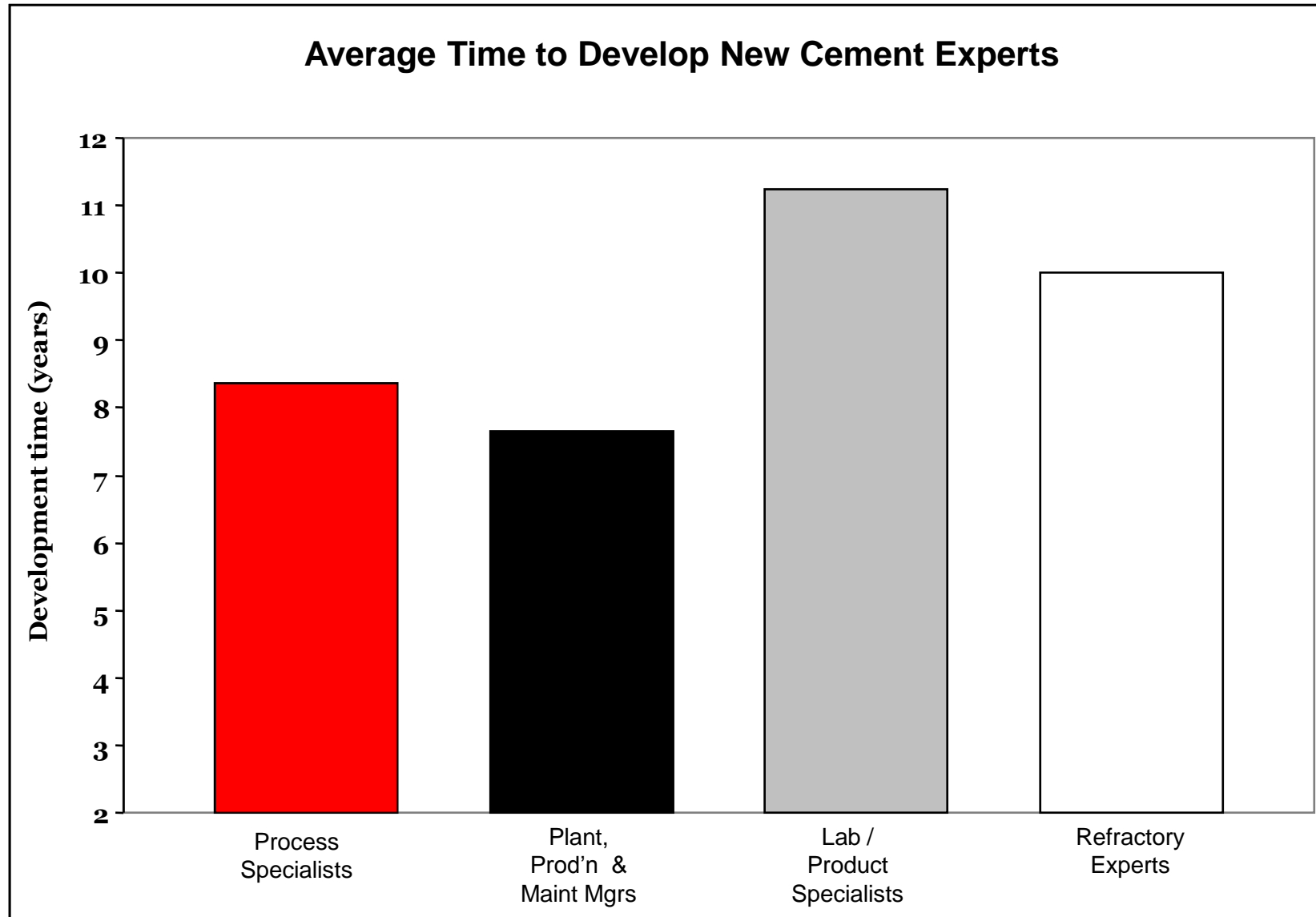
Irreplaceable Cement Professionals By Specialisation



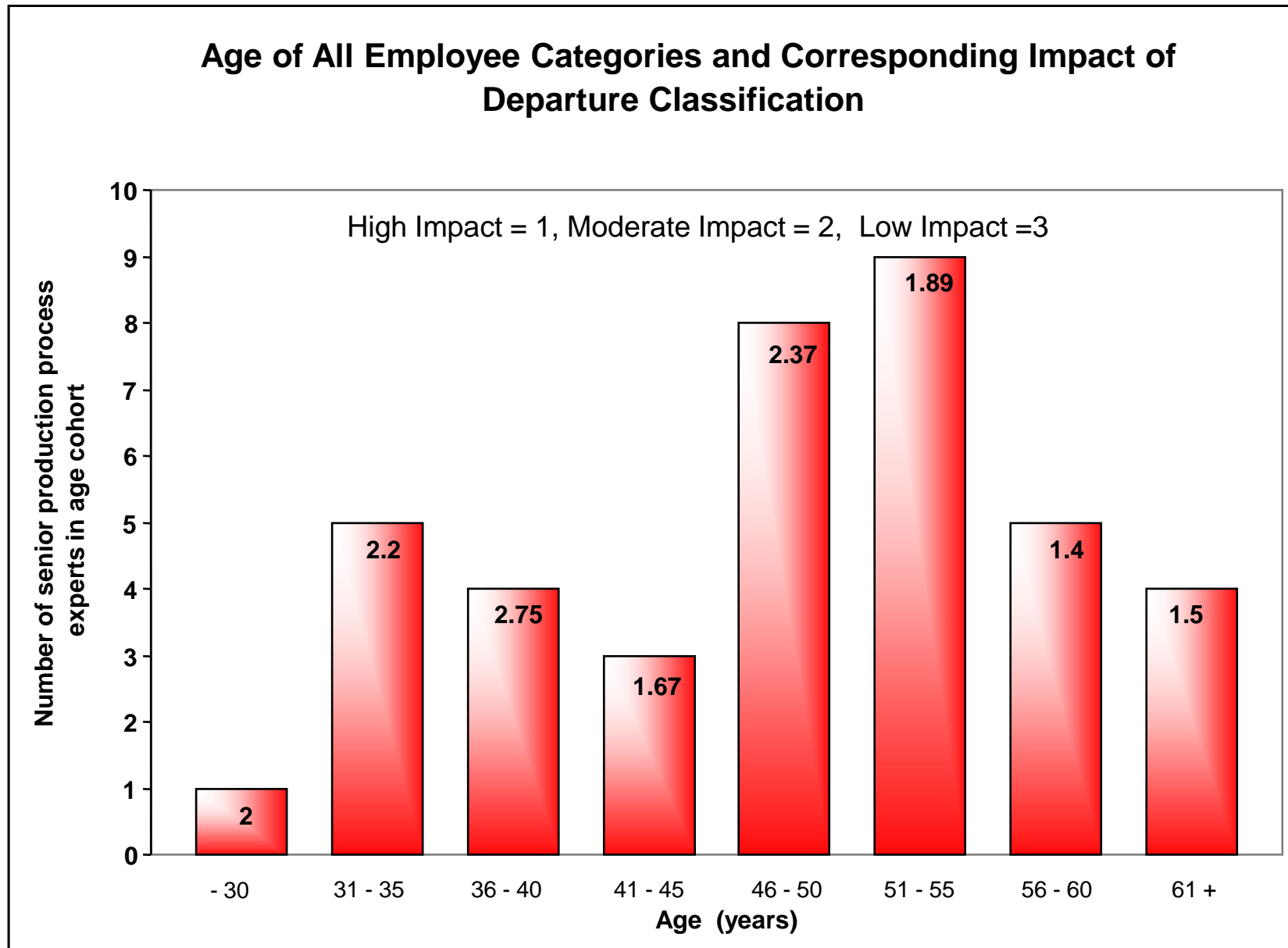
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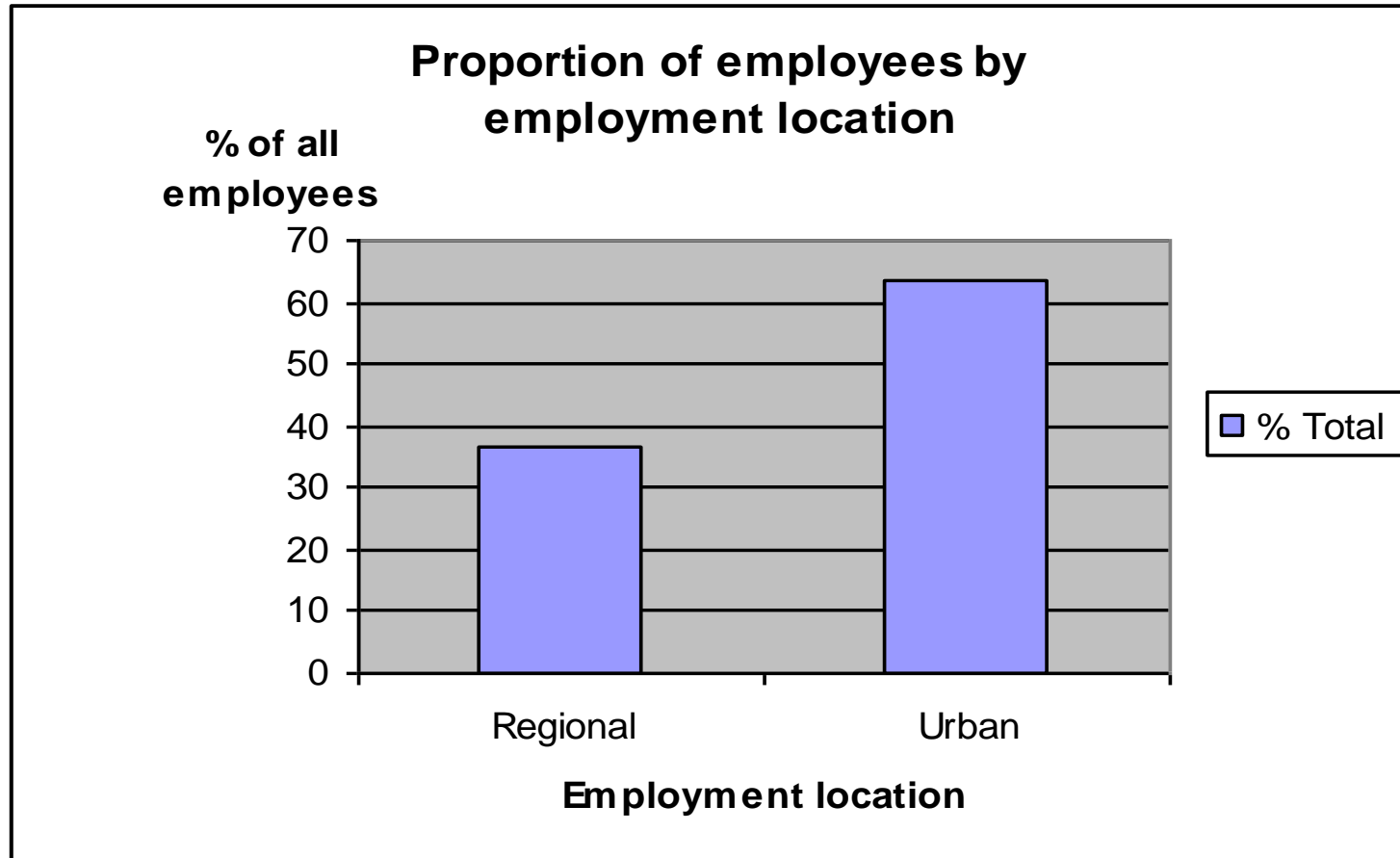
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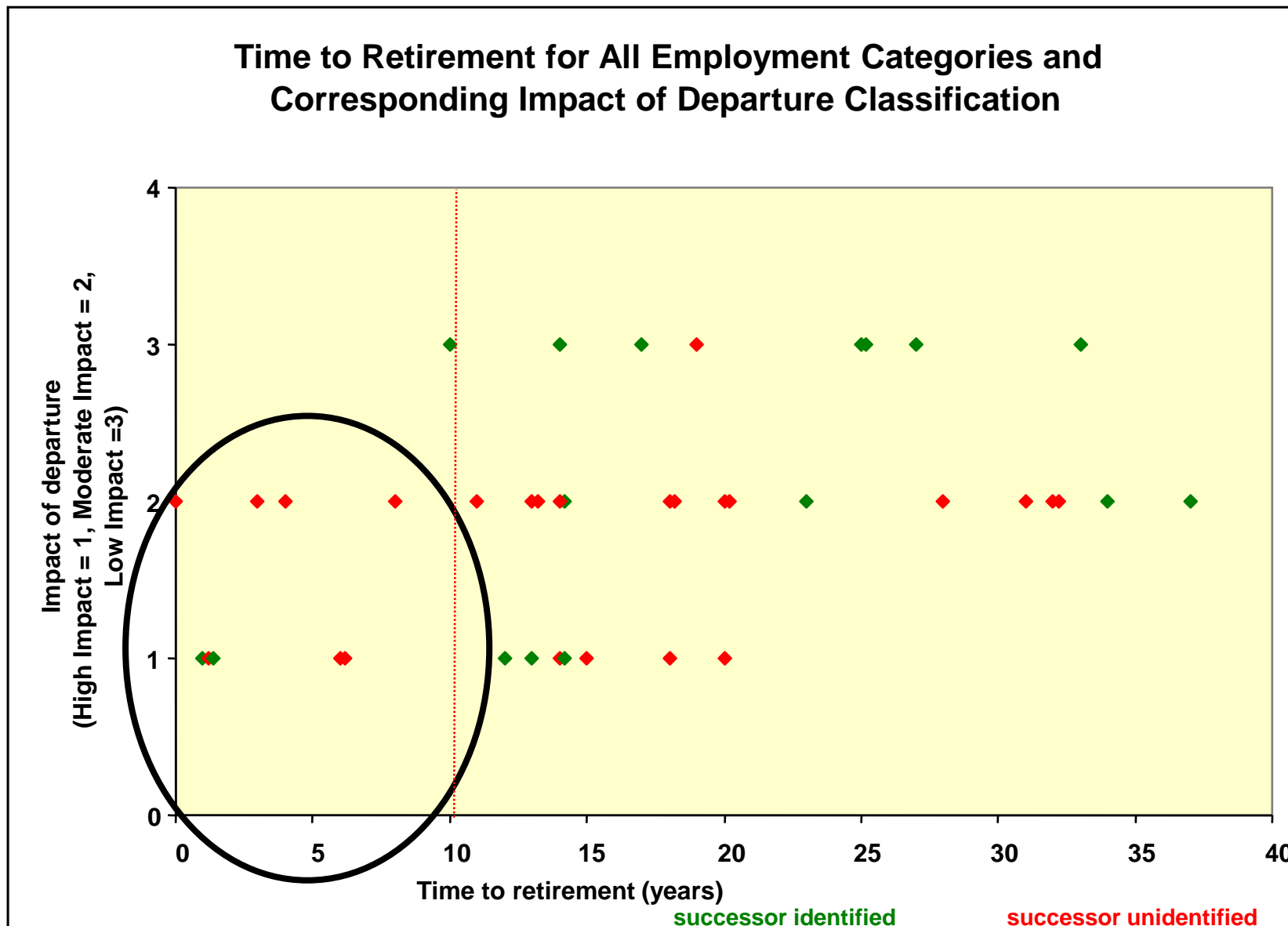


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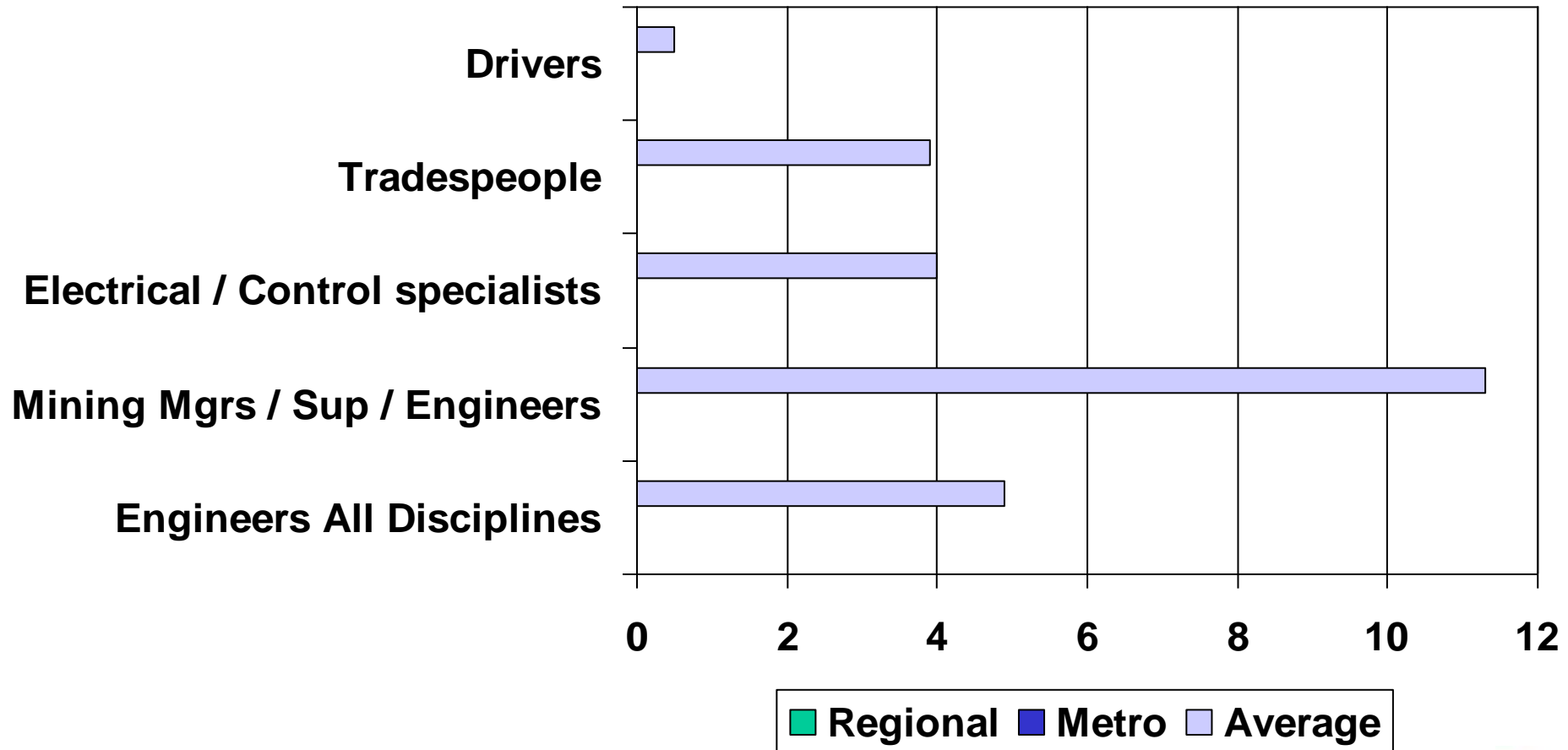
Source: CIAA June 2005 Workplace Relations Questionnaire

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Time To Fill – Skills Short Roles



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Irreplaceable Cement Professionals

- Between the 3 cement companies 40 people were identified that met the criteria of “Irreplaceable Cement Professionals” (ICP)
- 57.5% of ICP do not have an identified successor
- Of the individuals without identified successor, 13% are likely to leave in the next 5 years
- 17.5% of ICP are likely to leave prior to their successor being ready
- 82.5% of ICP are “covered” in terms of identified successor or sufficient time to develop a successor

We quantified and validated our theses through data collection and collation.

General Skills Shortage

1. Average time to fill is 4.9 months,
2. Employee turnover rates and TTF are on average 23% & 48% greater in regional areas compared with metropolitan areas
3. The Cement Industry is not seen as a highly employee attractive industry

We quantified and validated our theses through data collection and collation.

General Skills Shortage

- When trades data was dissected, fitters had longer TTF (4.5 months) than electrical trades (3). However, electrical trades with additional instrumentation qualifications had a similar TTF (4.5) to the fitters.
- Engineering graduates had a TTF of 3.5 months.
- Maintenance supervisor was 7 months to fill.
- Drivers were an interesting situation. TTF in metro areas was nil as new drivers were recruited from pool of casuals. Volume of metro hires however hides TTF difficulties in hiring drivers in regional areas (particularly when in competition with mining industry offering).

Key Findings of the Action Agenda

Workforce & Community

- There are a number of key industry professionals that would be hard to replace and their successors will take some time to develop. In many cases these individuals are in the latter years of their careers.
- The general skills shortage presents additional issues for us as our industry and locations are not generally perceived as attractive.
- Our contractors likewise are negatively impacted by the skills shortage and often face more challenging industrial relations issues. We are particularly susceptible during major plant upgrades and shutdowns.
- The cement industry is very capital intensive and as a result particularly vulnerable to industrial disruption. Our industry generally has developed positive industrial relations practices. There remains significant scope for improvements in productivity which will improve the competitiveness of the industry and help alleviate the skills shortage.
- The remote locations in which we operate need to be adequately serviced and need to be perceived as good places to live and work.

There were both Short & Long Term Solutions.



- In the short term the key question is “How do we compete for talent in the international market?”
- How do we make our industry more attractive in a tight employment market?



- In the longer term, how do we grow and sustain our own capacity?
- Grow our own people
 1. Current Employees
 2. New Talent

Applying what we found from the Cement Industry Action Agenda



Industry Response

- In order to implement the recommendations of the Action Agenda a workforce working group was established.
- This working group consisted of the 3 HR,GMs, CIF representation and Government representatives.
- Common themes were developed however implementation of these themes was up to the individual businesses. This resulted in the ability to learn from each other whilst still pursuing an individual employee experience.

Help the community to grow and develop alongside the business.

- International recruits have contributed significantly to the business and to our local communities.

South Africa has been a source of good recruits with relevant industry experience.

Our Holcim relationship has assisted with international opportunities (both ways).

Other initiatives have assisted in celebrating diversity of nationalities.

Real evidence of overseas recruits having taken their place in the local community.



Help the community to grow and develop alongside the business.

- **Apprenticeships**

Made a commitment to our local communities in terms of number of apprentices employed per year.

Backed up commitment to existing employees with a small number of adult apprenticeships.

Moved apprentices from Group Schemes onto our payroll.

Committed to a retention focus.

Provided some opportunities to experience life in a different location.

Structured guidelines for the management and development of apprentices.



Help the community to grow and develop alongside the business.

- **Graduates**

Our initial intent was to recruit locals back to their home town after graduation.


Accelerated development program – Technical, safety and leadership skills.

Moved away from traditional graduate recruitment cycles and aimed to be second employer.

Identified local mentors to assist with the assimilation process.



Earning the right to ~~lead~~ leverage

- Leveraging 
- Leading 
- Living 
- Learning 
- Lagging 