



From:
Sent: Tuesday, 6 December 2011 2:34 PM
To:
Subject: Email to FIFO inquiry.

30 November 2011

Siobhan Leyne
Inquiry Secretary
The Committee Secretary
House Standing Committee on Regional Australia
Parliament House
Canberra ACT 2600

Dear Ms Leyne,

Thank you for the opportunity to make a submission to the House Standing Committee on Regional Australia's Inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia.

I understand the Committee has received submissions from the Tourism sector, from the peak industry group Tourism and Transport Forum (TTF) and others. I write to lend my endorsement to the views the sector has expressed – both as Shadow Tourism and Regional Development Minister, and as a former operator of an adventure tourism business before entering Parliament.

I also urge the Committee to accept with caution reports [1] that promote the idea that the mining boom has been wholly beneficial to the tourism and hospitality industries.

In a media release issued by Resources, Energy and Tourism, the Hon Martin Ferguson MP [2], the government highlighted "the huge demand for Australia's resources is boosting business travel to the benefit of aviation, food services and accommodation providers, particularly in mining regions". In my view, and in the opinion of the majority of tourism operators around the country, this report is short sighted in the extreme and typical of the government's approach to policy. What disappoints me most is the government's focus on mining at the expense of the tourism sector and disregard for the long term viability of the tourism and hospitality sector [3].

Last Friday I addressed the Western Australian Tourism Council conference in Perth and stressed it is important that mining not be considered their enemy. It is important that commentators and policy makers not demonise the sector as it does bring opportunities for regional communities and for national wealth and jobs creation. However the government needs to better balance the interests of the mining and tourism, and do more in general to support Australia's ailing tourism and hospitality businesses.

Fly-In, Fly-Out (FIFO) Drive-In Drive-Out (DIDO) mining workers have put tourism and hospitality under a great deal of strain.

When your inquiry reports next year, I hope it acknowledges the 'crowding out' of tourism and hospitality workers from a number of rental property markets around the country.

The report should also highlight that mining has made leisure tourism too expensive for many holiday makers planning trips to places like Broome, Kalgoorlie and other mining regions. It is simply too expensive for some people to holiday near mining centres – too expensive to book a flight and too expensive to take a hotel room.

Waitresses, cleaners and other hotel staff living near mining sites can't afford to pay \$3,000 a week to rent a house, and yet because of competition from miners, that's a situation they face.

Furthermore, our miners need to take holidays too – and we're seeing a situation at present where a lot of them are flying to Bali or Fiji in their week off, instead of flying home because it's closer and/or cheaper.

Whilst servicing the resources sector may be good in the short term for hoteliers and airlines riding the wave of mining that we're experiencing, like all booms this one will end. If we're left with no leisure tourism businesses at the end of this boom cycle, nobody's interests will be served.

I have enclosed some recent media articles [4], [5] into this issue for your information.

Yours sincerely,

Hon Bob Baldwin MP

[1] TRA's *The impact of the mining boom on tourism* report is available at www.ret.gov.au/tra

[2] <http://minister.ret.gov.au/MediaCentre/MediaReleases/Pages/NewReportMiningBenefitsTourism201111.aspx>

[3] <http://www.thepunch.com.au/articles/mixing-daiquiris-and-mining-a-top-cocktail-for-economy/>

[4] <http://www.watoday.com.au/wa-news/fifo-squeezes-out-tourists-20111128-1o2yj.html>

[5] Australian Financial Review (30/11/11, Page 9:

Fly in, fly out grounds tourism

Lisa Allen

The resources boom in Queensland and Western Australia is pitting tourists against the mining workforce for access to hotel beds and flights.

From Mackay to Geraldton, some motels are booked solid for the next six years while other resorts struggle to employ staff such as chefs, bus drivers and boat skippers.

"The mining boom is hurting some parts of the tourism industry and helping other parts," says Tourism Council of Western Australia chief executive Evan Hall.

"Accommodation in Perth and many mining towns is going gangbusters with really high occupancies and room rates. But if you want to operate a whale watch tour, you will

struggle to find staff in regional areas, and there's no room left in your town [to accommodate customers]. The leisure traveller is being crowded out by the business traveller."

Regional centres such as Geraldton, which act as access points for the tourism and mining industries, have major problems with accommodation and aviation, Hall says. "The planes are flying at times which suit mining shift rosters; they don't suit tourists."

In Queensland, Cairns operators are embracing fly in, fly out mining workers, but operators further south are "gravely concerned about the environmental implications of further resource development in their regions", says Daniel Gschwind, chief executive, Queensland Tourism Industry Council, representing 3000 regional tourism operators.

Kingfisher Bay Resort managing director Gary Smith is struggling to find staff for his Fraser Island resort and blames the higher-paying mining industry.

"But we are seeing growth out of some regional areas into Fraser Island because people have more money," he says.

A federal government report into the resources boom published this week claims "some industries within the tourism value chain are benefiting from the resources boom" and accommodation takings have grown almost 10 per cent in the Darling Downs and Mackay regions.

Opposition federal tourism spokesman Bob Baldwin says the report from Tourism Research Australia is "short-sighted".

"Peak bodies representing Australian tourism operators have indicated to a parliamentary inquiry into 'fly in, fly out and drive in, drive out' mining that the resources sector has put tourism and hospitality under a great deal of strain," Baldwin says.

"That inquiry will report by the end of the year and is expected to highlight the 'crowding out' of tourism and hospitality workers from a number of rental property markets around the country.

"It is also anticipated the report will highlight that mining has made leisure tourism too expensive for many holidaymakers planning trips to places like Broome, Kalgoorlie and other mining regions," he says. In Rockhampton, mining is seen

as a "double-edged sword", says Mary Carroll, chief executive of Capricorn Enterprise, a tourism and economic development organisation.

"Caravan parks with cabins which are traditionally for tourists are being contracted out to the resources sector and there's none for visitors [even though] we get over 1 million visitors worth \$343 million each year," she says.

"We have Gina Rinehart's Hancock Coal, Clive Palmer's Waratah Coal and the Indian company Adani who all have interests in Alpha, a town west of Emerald. Those three mining leases alone could see up to 38,000 new workers in the next five to 10 years in the region."