



MENTORS

Mr Tony Windsor MP
Chair
House Standing Committee on Regional Australia
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Windsor

Mentors welcome the opportunity to provide a submission to the House Standing Committee on Regional Australia inquiry into the use of 'fly in fly out' (FIFO) workforce practices in regional Australia.

As you are aware Gold Coast is the sixth largest city in Australia and is located in one of the fastest and most sustained population growth and urban development processes experienced in the past 50 years. The city has a narrow economic base reliant on a few industries and is susceptible to domestic and international impacts.

Diversification of the economic base of the city is essential to realise its economic potential. The influence of the global financial crisis is still evident in the city emphasised by a dramatic (and ongoing) decrease in housing and other private commercial investment. In addition, the ongoing high Australia dollar continues to negatively impact on visiting tourist numbers to the city.

A key characteristic of the city's industry structure is that 95% of businesses employ fewer than five employees. Gold Coast City's current unemployment rate is 6.7% compared to 5.4% Queensland and 5% Australia (*Australian Bureau of Statistics Labour Force Survey September 2011*)

The attraction of mining and resources employees and industry supporting fly in fly out (FIFO) business to the Gold Coast is an initiative proactively developed and progressed by representatives from Mentors, Gold Coast Airport Ltd, the Business GC Advisory Board, and Council's Economic Development and Major Project Directorate. The realisation of the FIFO project will result in long term economic outcomes for the city including:

- employment opportunities for unemployed residents
- attraction of returning residents to the Gold Coast
- opportunities for business development in areas such as freight and logistics
- clustering or co-location of business and industry to service and support the mining industries as opposed to purely developing a mining workforce that works outside the city

FIFO has become a critical element of maintaining a viable resources sector as the industry is challenged by significant tightening in the labour market. Whilst local community employment is strongly supported it is recognised that labour will need to be sourced from a variety of areas to meet the growing needs of this sector.

The direct employment opportunities resulting from the mining and resources industry in Queensland is forecast to nearly triple from 44,944, full time equivalents (FTE's) in 2010 to 121,685 FTEs in 2030 (Source: AEC (2010) LGAQ Resource Communities Project). Our studies have indicated that employment growth in mining operations are expected to be 4.9% per annum over the next five years, creating 61,500 new jobs by 2015 due to increased production, driven by demand from Asia.

Mentors and its city partners have conducted meetings with the four universities (Bond, Griffith, Southern Cross and Central QLD), registered training providers and educational institutions with full support indicated for this project. A study of the city's labour force is planned including an analysis of the mining and resource sectors skill requirements and an assessment of the current workforce's capacity to meet those needs. The study will inform the State Government of the training needs of the mining and resource sector with a view to the implementation of appropriate and timely training programs in the city.

All parties acknowledge the enormous economic benefits of this critical city building project and balance this with a clear understanding of the potential social issues associated with the dislocation of families. A number of studies have indicated a higher than normal level of stress on FIFO families impacted by increased and frequent parental absence associated with hazardous employment conditions, with higher levels of depression and anxiety amongst children and family dysfunction.

In anticipation of the FIFO terminal becoming operational Gold Coast City Council has approved, in principle, a 12 month pilot project with the employment of a part time liaison officer for the first six months and increasing to a full time position for the following six months once the terminal is operational. The officer will assist in addressing many of the transition issues with FIFO employment and offer a proactive solution by Council to support these families.

The Gold Coast Terminal will, once operational, be the first of its kind in Australia to provide all encompassing services to its prospective clients. The terminal will provide ancillary services, supported by strategic partners, under a single terminal structure – a distinct differentiator for the Gold Coast. Mentors are currently at a critical stage of their commercial discussions with Gold Coast Airport to operate the proposed FIFO terminal and attract mining companies to recruit and operate their activities from the Gold Coast.

The distinct advantages of Gold Coast City for FIFO activities include:

- well established infrastructure at the second terminal at Gold Coast Airport Ltd offering an ideal location for activities
- close proximity to freight and medical facilities
- proximity to educational facilities such as Southern Cross University
- ideally placed geographically on the edge of the Asia Pacific Rim with a similar
- time zone to that of the major trading nations in Southeast Asia

- average journey time for FIFO employees of approximately 2.5 hours meeting
- mining companies occupational health and safety requirements
- an excellent location for families with leading edge education providers, social infrastructure to support; employment catchment area including South East Queensland and northern rivers of New South Wales
- future FIFO workers don't have to leave their families and friends at the Gold Coast to engage jobs within the mining and energy sectors.

Mining companies are increasingly looking to regional centres such as the Gold Coast to supply labour and ancillary services as their projects come on line and expand. Small rural towns, closer to the mines, are unable to provide sufficient skilled labour and adequate services to meet the needs of mining families.

The following actions are currently being undertaken:

- negotiation of commercial conditions with Gold Coast Airport Limited to secure the Gold Coast terminal for FIFO activities
- over \$600k spent on research, business development and seed capital investment to establish FIFO operations on the Gold Coast
- master-planning FIFO activities and infrastructure requirements on behalf of Galilee Basin mining companies supportive of Gold Coast as a FIFO supply destination
- establishment and implementation of a program to encourage investment from mining and resource companies on the Gold Coast
- stakeholder management including interaction with freight, logistics, registered training organisations, service providers and local commerce
- negotiation of take or pay arrangements for mining and resource companies to commit to the Gold Coast Region

Our project partners strongly encourage the House Standing Committee to visit the Gold Coast during its deliberations and note that public hearings are planned for Queensland during February. We would be pleased to host a site visit of the proposed facility and to arrange a round table discussion with the key partners such as Gold Coast Airport, Council, Business GC Advisory Board to collectively address any questions that you may have regarding this project.

Yours sincerely

Best Regards,

Sean
SEAN HARDMAN

CORPORATE DEVELOPMENT MENTORS PTY LTD