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THE HON BRUCE SCOTT MP

SECOND DEPUTY SPEAKER FEDERAL MEMBER FOR MARANOA

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

Dear Mr Windsor,

Re: Inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia

Striking the right balance between the skills needs of Queensland's new resources projects and established regional industries is becoming a critical issue for many communities in the Maranoa electorate.

The Maranoa electorate is home to a burgeoning resources sector, focussed particularly in the Surat, Bowen, Galilee, Cooper and Eromanga Basins. Development in these areas include coal seam gas, coal mining, natural gas and oil exploration. Many of the companies working in these regions are using a flyin, fly-out workforce in their operations.

FIFO workforces are making it increasingly difficult for local businesses and government organisations to attract staff permanently to the region. With generous salaries on offer from the resources companies and the ability for employees to remain in the cities, local employers are losing the battle to attract workers who will settle in the community with their families.

The effects of the FIFO workforces can also be seen in the rising prices of the local real estate market. This is particularly true for the larger centres of Roma, Dalby and Chinchilla where local residents are being priced out of the market for both homes and rental properties. Resources companies have been known to acquire properties in these towns to house some of their FIFO workforce. However, Chinchilla has now found itself in a situation where there are currently no rental properties available, while four bedroom homes in Roma are commanding a weekly price in the vicinity of \$1000 with quarterly reviews and

Dalby rentals are receiving up to \$2200 per week for a serviced five bedroom home. Resources companies may be able to afford these prices, but for workers in the traditional industries including teachers, mechanics and auto electricians, owning or renting a home is now beyond their means.

Unfortunately many communities also appear to be missing out on much of the wealth generated by the region's resources. Local businesses are not able to capitalise on the increased numbers of people in the region, with many workers returning to their homes at the end of their shift without spending any money in town. Similarly, workers do not need to visit the town centres to shop at local businesses given that most of their daily requirements are provided for in accommodation camps located outside the towns.

To encourage more workers to live permanently in the resources regions and reverse the effects of FIFO workforces, more money must be invested in improving the liveability of our communities as well as developing affordable house and land packages. A 'royalties to the regions' style programme in Queensland would provide a significant source of revenue to be re-invested in our communities. A minimum of 25 per cent of the royalties collected by the state government could be earmarked for upgrading infrastructure and improving local services in communities located in Queensland's resources regions.

There is an enormous amount of mineral and resources potential to be uncovered in the Maranoa electorate, but it is imperative that the regions helping drive this boom receive their fair share of the wealth and benefits from the mining industry.

Yours sincerely,

BRUCE SCOTT MP

7 October, 2011