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Committee Secretary
House of Representatives Standing Committee on
Regional Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Sir/ Madam

Thank you for the opportunity to contribute to the discussion of the impact of FIFO (fly-in, fly-out) and DIDO (drive- in, drive out) workforce practices in Regional Australia. This response has been prepared by Advance Cairns following consultation with our partners in the employment, training and research fields.

Advance Cairns is an industry based, not for profit organisation charged with leading economic development across the Tropical North Queensland Region. Our focus centres upon the local government areas of Cairns, Cassowary Coast, Cook and Tablelands however by its integrated nature we have an interest in the whole of the broader Far North Queensland area. In direct response to resource sector growth, Advance Cairns has partnered with DEEWR and Skills DMC to pilot a FIFO Coordinator for our region. This role has been created to manage relationships with the resource sector and ensure positive outcomes for both resource sector employees and our community.

The Tropical North Queensland region has been described as having a narrow economic base which has contributed to a series of boom and bust cycles resulting in high unemployment. Further details of the economic profile of our community are included in Appendix 1.

The potential of the resource sector to impact the Australian economy, social fabric and environment is significant with both positive and negative ramifications. As a region with only limited mineral resources and a narrow economic base we believe the voice of regions such as ours need to be heard in this debate and we encourage the Committee to schedule a public hearing in this area.

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Our response addresses the terms of reference and is intended to be constructive and solutions focussed.

The extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised.

The Tropical North Queensland community has a long history with the resource sector and it currently contributes approximately $0.9Billion to the local economy. Tropical North Queensland is keen to grow its FIFO/DIDO base and we have been actively promoting our region as a FIFO/DIDO base for several years. We commend the Australian government for supporting our initiatives and in particular the funding of the FIFO Coordinator position in Cairns. The FIFO coordinator will build relationships with identified resource companies, promote the region as a point of hire and identify relevant training and employment pathways to the three mining regions on our doorstep; Central Queensland, North East Queensland and North West Queensland. Collectively these three regions are the third largest resource deposits in the world.

Research undertaken by local firm Cummings Economics suggests that in 2010 there were in excess of 2150 residents employed in FIFO arrangements. Anecdotal evidence suggests that there has been an increase in these numbers. The region is ideally positioned to service mining ventures across Northern Australia and possesses the necessary aviation facilities along with a desirable lifestyle for mining workers and their families.

Advance Cairns and its partners including the Cairns Chamber of Commerce have, for several years, proactively engaged with resource companies to showcase the region and its potential as a point of hire. The soon to be published Tropical North Queensland Regional Economic Plan has identified FIFO and DIDO opportunities as an important element in the region's future economic development and resilience providing alternative employment and service provision opportunities.

Potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce

We are concerned that the evidence for the scope and validity of the following opportunities and challenges is largely anecdotal and that reliable research accurately analysing the impact of FIFO and DIDO workforces on the economy and the social fabric of non-mining communities is limited.

We recommend that the committee commission further research to provide an evidence-based approach to understanding the impacts of FIFO and DIDO workforces.

In terms of the potential opportunities presented by a FIFO/DIDO workforce for regions such as ours we suggest that the committee consider the following:

- Service based economies can benefit by providing what they do well even if they don't have the resources to be mined. It allows non-mining communities to be "part of the boom" by directly providing a workforce or service providers.
- Serving the resources sector diversifies the market and value-adds to existing industries and businesses. For example, local contractors provide maintenance services to the mines and the aviation industry benefits through the demand for additional flights and maintenance.

  We draw to the committee's attention our concern that the ability for contractors to maximise their involvement in the maintenance of mine facilities (shut down) is restricted by a lack of coordination resulting in periods of over-capacity demand interspersed by periods of no demand.

  We recommend that the resource industry develop a mechanism for synchronising the shutdown schedules of mines to allow contractors to be more efficiently used.
- Additional FIFO workers in a residential community utilises existing infrastructure eg airport, schools for families, and health services.
- By marketing the region as a lifestyle destination to those who can chose their residential location for FIFO or DIDO increases the residential population and thereby the consumer base of the community. This stimulates economic activity by increasing demand for products and services.
- Resource sector employment opportunities tend to have higher remuneration levels than the current local workforce, which in TNQ's case has, courtesy of the Tourism and Agricultural industries, a significant amount of low skilled, low paid and casual positions. This potential increase in the average income level of the community can trigger increased spending which in turn stimulates economic activity.
- Many established non-resource communities already have infrastructure and services with growth potential that can negate the need to develop or expand these in mining communities which may have a limited lifespan.

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- Non-resource communities can offer lifestyle choice for the resource workforce enabling them to base their families in area that offers the facilities and services that are conducive to family well-being.

We acknowledge that FIFO/DIDO workforces also present challenges for the non-mining communities in which they reside and these include:

- Local skills shortage due to the loss of the workforce to the resource sector and the impact that has on existing business' viability and growth potential.
- Increased housing prices due to increased disposable income of FIFO workers making it difficult for non-resource employees to compete in the real estate and rental market.

Costs and benefits for companies and individuals choosing FIFO/DIDO workforce as an alternative to a resident workforce

From our experience we suggest there are benefits for individuals who choose a FIFO/DIDO employment model that the committee should consider including;

- It provides lifestyle choice. Workers can choose the climate, community size, location etc that best suits their needs and wants.
- It provides potential for enhanced lifestyle – greater access to services and facilities for the worker and their family. Employees who are comfortable in their lifestyle are more likely to be retained and have improved mental and physical health.
- It provides greater employment opportunities for partners.
- It provides opportunities for indigenous people who wish to remain close to their community to also benefit from employment in the resource sector.
- It assists in the diversification of non-resource region's economies thus building resilient and robust communities.

We acknowledge that a FIFO/DIDO lifestyle can lead to disconnectedness from the resident population and place significant pressure on those with caring responsibilities.

We reiterate our concern that the impacts on individuals and communities of a FIFO or DIDO work model needs much greater research, the current debate is largely fuelled by anecdotal information as opposed to evidence-based research.

We also recommend that resource companies implement policies and systems to ensure HR practices are supportive of personal and lifestyle issues.

The impact on communities sending large numbers of FIFO/DIDO workers to mine sites

We are acutely aware that while there are benefits for a region such as ours in terms of supplying a workforce to the resource sector there are also costs to the regional economy and community including;

- The loss of a local workforce and the associated skills base which in turn causes skill shortages and wage wars, threatening business viability and constraining business and industry growth.
- A reluctance of resident businesses to invest in training when they are likely to lose trained staff.

We suggest that a solutions focus be taken on these issues such as encouraging the resource sector to invest in training and skills development in non-resource communities through scholarship or sponsorship arrangements. Further we suggest that businesses be supported to undertake workforce planning that recognises and capitalises on the cycle of resource employment so that they position themselves to recruit those exiting the resource sector.

Skills sets targeted for mobile workforce employment and opportunities for ongoing training and development

Our experience suggests that the primary demand is for

- Trade skills
- Machinery operation and
- Hospitality and asset maintenance

However we suggest that there is an emerging recognition, which needs to be encouraged, of the soft skills such as human resource management, counselling, supervising and leadership.

To address the issues surrounding the demand for skills we recommend that training be flexible in its delivery and that a creative approach to skills development allows non-resource communities to be involved in the skills development of the mobile workforce. To this end, models such as training hubs should be encouraged.

We also recommend that training and career pathway planning becomes an integral HR practice so that exiting resource sector workers have transferable and relevant skills that facilitate their transition to alternative employment.

Strategies to optimise FIFO/DIDO experience for employees, their families, communities and industry.

In responding to this element we suggest that it is imperative that strategies be developed based on research that provides evidence of the real social impacts of the FIFO/DIDO lifestyle. This research may be able to build on significant experience and research already conducted by other areas such as the defence force.

We also propose that the interrelationship between social issues and how they impact each other needs to be considered. For example, strategies to address relationship breakdown and domestic violence are closely tied to housing availability and affordability.

In taking a constructive and proactive approach we recommend that the committee consider enforcing a requirement that resource companies demonstrate family and community friendly HR practices. Encouraging training in life skills such as budgeting, income management and career planning could be instigated to support FIFO/DIDO workers using an employee welfare officer model. These programs could also have a focus on transferable skills to ensure resource sector employees have career options outside of the industry should they choose to withdraw from the resource sector.

Other comments

In maximising the outcomes of, and for, the FIFO/DIDO workforce we recommend that strong partnerships be established and nurtured between government, industry and non-government support organisations to ensure that choice is available and that options are supported for the individual, family and community.

We also recommend the use of technology as a tool for maintaining social links and facilitating remote employment. This will require the provision of infrastructure and capacity building.

Summary

On behalf of our partners we reiterate the following points:

It is imperative that we take an evidence-based approach to the issues and opportunities surrounding the FIFO/DIDO workforce and develop strategies that are grounded in reliable information as opposed to subjective emotion. We see an opportunity to learn from other industries/countries with similar experiences and to contribute to best-practice workforce development and sustainable communities. For example, we recommend that an examination of FIFO/DIDO practices in Canada be used as an initial point of consultation.

The resources sector is driving the Australian economy and it is critical that those communities who lack a minerals base are able to tap into the opportunity through the provision of goods and services including workforces through FIFO and DIDO practices.

We acknowledge that FIFO/DIDO workforces have both benefits and costs for all stakeholders however as a society we need to ensure that options are available, choice is fundamental.

We urge a collaborative approach to addressing the issues to maximise the opportunities for the resource sector, all levels of government, communities and NGO s. Solutions need to be tailored to the individual context.

Thank you for the opportunity to engage in this discussion,

Yours faithfully

Stewart Christie

CEO

Advance Cairns

Appendix 1

A HISTORY OF THE ECONOMY OF TROPICAL NORTH QUEENSLAND

The traditional Aboriginal people of the different language and clan groups of this region prior to settlement by Europeans had local and sustainable economies based on the richness and sometimes limited natural resources available to them. Aboriginal people relied on the success and availability of seasonal foods from the land and sea. Trade was very important with neighbouring and more distant Indigenous people as it provided an economy that was important for survival and maintenance of respectful relationships with other Aboriginal people of our region. Today the traditional Aboriginal people of our area still have a strong connection to their homelands and have an important role and opportunity to play in the economic development of Tropical North Queensland.

During his voyage along the Australian east coast in 1770 Captain Cook named many of our regional features and recorded the potential of the land. As a consequence of his encounter with the Great Barrier Reef Captain Cook spent his longest stay on Australian soil alongside the Endeavour River near what is now Cooktown-some would say he was the region's first tourist.

Despite its immense potential, Tropical North Queensland was late being settled by Europeans. Cairns was not founded until 1876 by which time Sydney was almost 100 years old. Progress was slow and hard won. Some of the major milestones in the past 130 years are identified below.

1880s Gold rushes – Cooktown became the second largest town in Queensland. Cairns was established as a regional centre

1941, the region was pitched into the forward lines of Australia's defence. Post-war land was issued to returning soldiers. Europeans migrants flocked to the cane fields.

1950's, the region had a narrowly based economy based on primary industries including tobacco, sugar and timber

1980's International Investment grows the Tourism industry including Daykio and Christopher Skase's Port Douglas resort

1981 World Heritage listing of the Great Barrier Reef and in 1988 Wet Tropics Rainforest

1984 International airport terminal redevelopment (stage 1 complete)

2000 Deregulation of Dairy and Sugar industries
Mid 2000s construction boom

2009 Global Financial Crises impacted heavily on the tourism, resource and construction sectors

2011 $A exceeds parity with $US
Natural disasters across Australia Japan and New Zealand including TC Yasi

Undoubtedly the region's economic history has been characterised by cycles of boom and bust driven by external factors. A recogntion of the need to address this by diversifying and strengthening the economy was manifested in July 2010 when representatives of local state and federal governement along with peak industry bodies met and committed to the development of the Tropical North Queensland Regional Economic Plan. For the first time the key economic players of

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TNQ were united in an effort to proactively and assertively determine the region's economic future.

2011 Economic Profile

The **TNQ Regional Economic Profile 2011** is designed to provide a snapshot of the TNQ region that can be used to both inform and map Tropical North Queensland's progress towards our economic development vision. It is a factual report providing an analysis of key economic, demographic and historical data based on Office of Economic and Statistical Research (OESR) Local Government Area (LGA) statistics for the region covered by the Cairns, Cassowary, Cook and Tablelands Local Government Areas.

The profile has avoided data which has been interpreted by a third party to ensure consistency and reliability of the data

The annual review of the Regional Economic Profile will enable progress against the TNQREP to be informed, measured and evaluated.

TRENDS EFFECTING THE REGIONAL ECONOMY

Global, national and regional trends have a profound impact on the economic development and sustainability of any region throughout the world. Over the next 20 years, Tropical North Queensland faces a number of challenges and opportunities which are driven to some extent by external forces and factors.

The trends identified, in this profile will inherently change over time however, at this point in time, these trends have been identified as having an impact upon the development of the TNQ region over the next two decades. Essentially they provide a context to the TNQREP and will be reviewed annually to incorporate new trends as they emerge.

In the global arena Tropical North Queensland is exposed to the implications of changing climatic conditions, increasing energy, fuel and fertiliser prices, the rise in economic strength and influence of the Asian economies, the resources boom, fluctuations of the exchange rate and the rapid pace of technological improvements and new developments.

TNQ is also impacted by national trends such as an ageing workforce, the growing infrastructure needs of a regionalised country and the implications of the carbon and digital economies

Regionally the economy is currently influenced by the lingering effects of the Global Financial Crisis including residual high unemployment levels and low levels of investor and business confidence. The dominance of the two key regional industries of Tourism and Primary Production both of which are built on the regions natural assets and are exposed to climatic, political and fiscal fluctuations, has lead to a series of boom and bust cycles. Inherent in the regions geography are the difficulties associated with distance from capital cities, the opportunities associated with the proximity to Asia and the risks associated with an extreme tropical climate. The region is also home to a large indigenous population who have disproportionately higher unemployment, lower income and skill levels and significant social and economic disadvantage.

To build our resilience to cope with these challenges the TNQREP needs to recognise their influence and identify strategies that protect us from the adverse effects and position the region to seize the opportunities that these trends present.

TNQ Regional Economic Strengths

- The environment (including two world heritage sites) and the lifestyle make the region an area that people want to visit, do business in and live.
- The region has an abundance of fertile soil, plentiful water and agricultural expertise and experience.
- We are one of the few first world economies located in the tropics providing scope for knowledge industries including tropical expertise, bio fuels, tropical health and medicine.
- A series of diverse productive industry clusters have been established.
- A truly multicultural society that recognises and celebrates a rich cultural heritage.
- A range of lifestyle options.
- The region boasts a capital city standard airport and international standard infrastructure (e.g. University, Convention centre)
- A culture of innovation.
- An established research and development capacity.
- Abundant renewable energy technology inputs in water, sun, wind, geothermal characteristics and agricultural by products.

TNQ Regional Economic Challenges

- An absence of all-weather road and rail infrastructure, to link inter- and intra-regional logistics. Limited air freight opportunities.
- Overcoming issues surrounding the availability of freehold land particularly in Cape York.
- Lack of an effective region wide economic development planning process.
- Primary products are exported with minimal value added.
- Concerns regarding the availability, consistency and reliability of economic data at the regional level.
- Limited access to reliable and consistent high speed internet access and mobile phone service.
- Lack of economic confidence and limited access to finance.
- Adjusting to the economic implications of a Carbon Tax.
- Regulatory restrictions on the usage of land.
- A large indigenous population experiencing high levels of unemployment and social disadvantage.

TNQ Regional Economic Opportunities

- Activity of near neighbours eg. PNG, Guam and Asia Pacific provides real potential for economic growth.
- Current focus of domestic governments on regional Australia (e.g. Regional Development Australia)
- Predicted increase in mining activity both in Australia and in our near neighbours provides economic and employment opportunities but could also result in the reoccurrence of skill shortages.
- Indigenous culture and heritage is an attraction and asset that is gaining in momentum.

- Native title laws have provided opportunities for traditional owners to undertake business and cultural ventures.
- Land available for development, to support a regionalisation strategy.
- Potential to increase mining activities in the North Eastern Minerals province and grow the associated support services
- There is scope to grow the existing major industries (agriculture and tourism)
- Potential for the expansion of Seaport infrastructure.
- Future plans for a national broadband network
- Carbon offset strategies involving farmland and natural environment.

TNQ Regional Economic Risks

- Continued exposure to boom and bust cycles if reliance on narrowly focussed primary production and tourism continues
- High interest rates and soaring Australian dollar values increase costs such as fuel and fertiliser and reduce competitiveness in domestic and international markets
- Lack of guaranteed access to markets – risk of isolation in times of disaster
- Effects of climate change on the environment and thereby the lifestyle and the economy

Competitive Advantage

Through both research and consultation the region's economic competitive advantage has been identified as being founded on its location and natural assets.

TNQ has a tropical climate with plenty of sunshine and water, incredible biodiversity within an environment that is the envy of most, and a lifestyle that is relaxed and healthy.

Being a developed nation in the tropics we have the technology, health, education and social structures within a politically stable environment to capitalise upon our natural environment and our global location.

Economically we have an inherent specialisation in those areas associated with our location and natural assets. This extends beyond the core of primary production and tourism to industries such as marine and aviation, the provision of tropical expertise and the supply of support services to businesses, industry and the community.

This plan has been developed to accentuate this competitive advantage and to build upon our assets both natural and commercial.

Performance Indicators

Four performance indicators have been selected to provide a statistical overview of the Tropical North Queensland region.

- Demography;
- Labour Market;
- Industry Profiles; and
- Business Profile

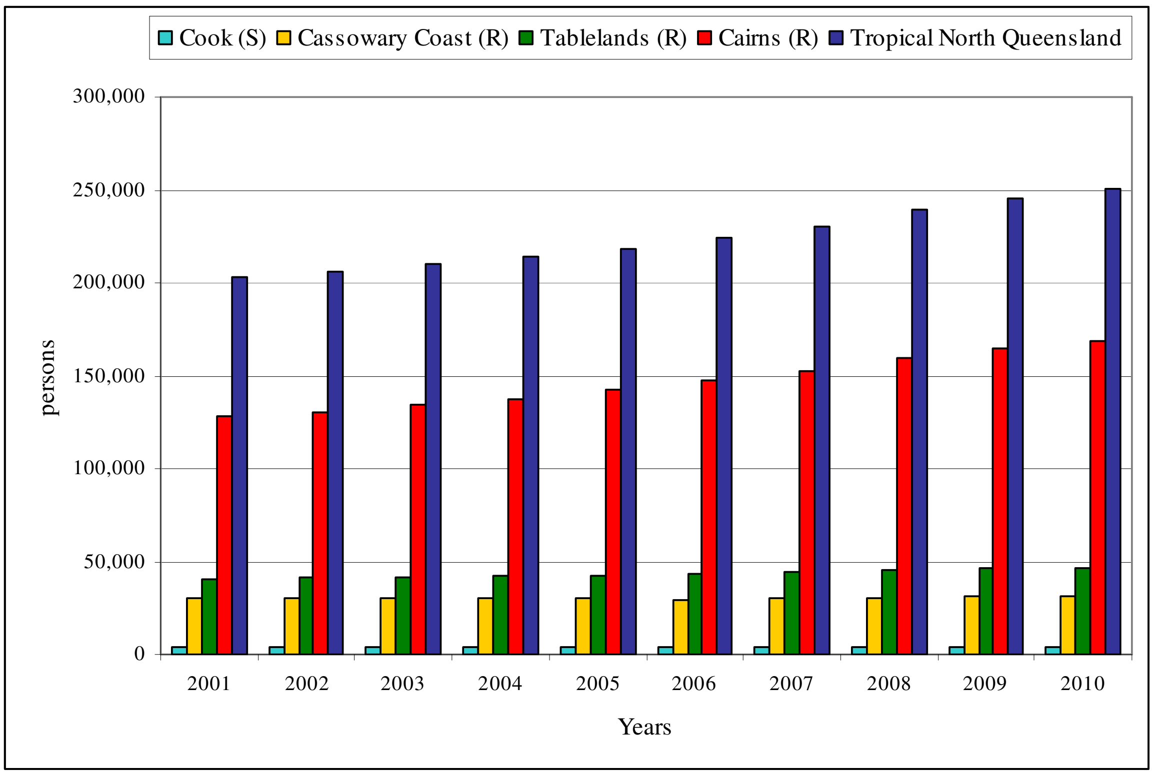
Demography

Population Growth

Between 2005 and 2010 the average annual growth rate for Tropical North Queensland was 2.8%, which was higher than the Queensland average of 2.5%. The Cairns Local Government Area (LGA) experienced the greatest annual growth rate with 3.5% population growth.

From June 2009 to June 2010 Tropical North Queensland's population grew from approximately 245,608 persons to 250,455.

Graph 1 Population by local government area



C = City S = Shire R = Regional Council

Note: Based on ASGC 2010.

The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data. Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, Regional Population Growth, Australia, 2009-10, cat. no. 3218.0 and unpublished data

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Population Projections

The current regional population projections were released in 2011. The population for Tropical North Queensland is projected to increase by an average annual growth (Av A G) rate of 1.5% between **2011 and 2031**, from 255,851 persons to 341,365 persons. This is 0.3% lower than the expected Queensland population growth over the same period and will represent 5.2% of Queensland's total population in 2031

The majority of this growth is expected to take place within the Cairns Regional Council Local Government Area with an average annual growth rate of 1.7%.

Table 1 Projected population as at 30 June

LGA	2011	2016	2021	2026	2031	Av A G 2011 - 2031
			Number			Percent
Cairns (R)	172,890	190,657	207,756	224,426	241,494	1.7
Cassowary Coast (R)	31,371	32,307	33,198	34,046	34,841	0.5
Cook (S)	4,018	4,287	4,544	4,831	5,157	1.3
Tablelands (R)	47,572	50,622	53,464	56,500	59,873	1.2
TNQ	**255,851**	**277,873**	**298,962**	**319,803**	**341,365**	**1.5**
QLD	4,611,491	5,092,858	5,588,618	6,090,548	6,592,858	1.8

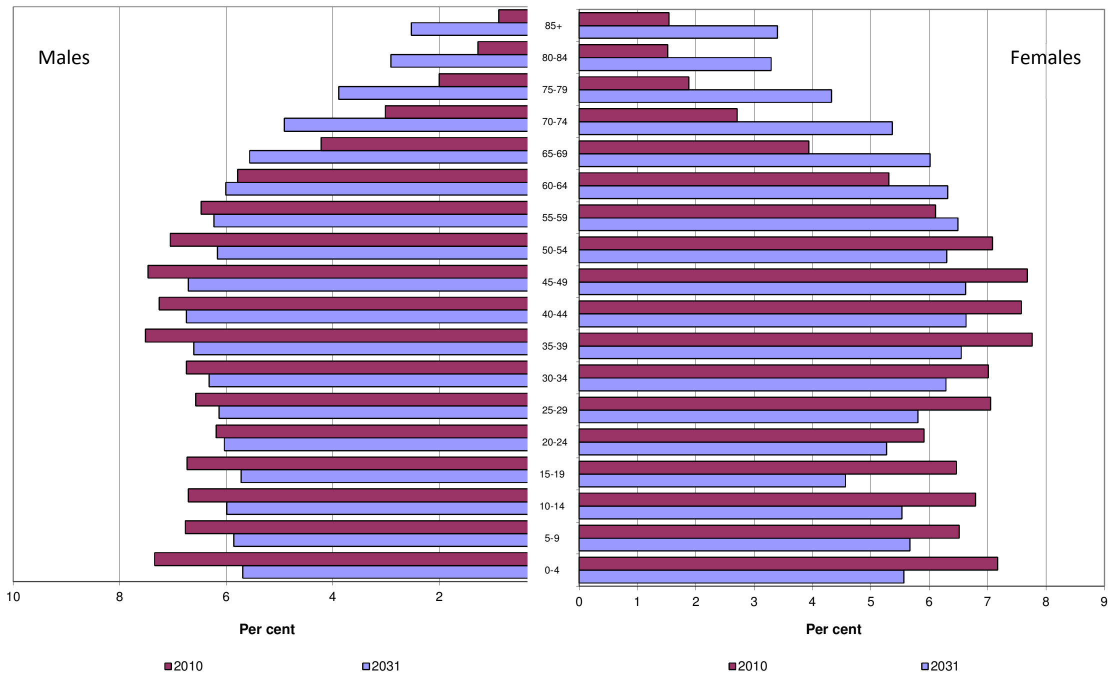
S = Shire R = Regional Council
(a) Data are based on a medium series.
Note: Based on ASGC 2010.
Source: Queensland Government Population Projections, 2011 edition

Population by age

TNQ demographic population projections highlight the shift toward an ageing population. Overall however the TNQ region has quite a young median age profile influenced by young age group profiles within the indigenous population and high inward migration in working and family creation age levels to the Cairns and Port Douglas regions. This differs quite substantially to other lifestyle regions which attract high inward migration of retirees.

This is balanced to some degree however by higher age profiles of the Tablelands and Cassowary Coast rural areas.

Graph 2 Tropical North Queensland Region Age by Sex, 2010 and 2031



Source: Queensland Government Population Projections, 2011 edition.

Indigenous Population

At the time of the 2006 Census, there were 17,248 persons in the TNQREP Region who stated they were of Aboriginal or Torres Strait Islander origin. These persons made up 8.2% of the total population (compared with 3.3% in Queensland). The Cairns Local Government Area contained the greatest number of Indigenous persons (10,738) while the Cook Shire contained the largest proportion of indigenous persons at 16.1%.

Table 2 Proportion of Population of Indigenous Status by Local Government Area, 2006

LGA(a)	Indigenous persons (no.)	Indigenous Proportion (%)	Total Persons(b) (no)
Cairns (R)	10,738	7.8	137,623
Cassowary Coast (R)	2,311	8.3	27,785
Cook (S)	559	16.1	3,463
Tablelands (R)	3,640	8.9	40,907
TNQ	**17,248**	**8.2**	**209,778**
QLD	127,578	3.3	3,904,532

S = Shire R = Regional Council

(a) Based on place of usual residence.

(b) Includes Indigenous status not stated.

Note: Based on ASGC 2010.

The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data.

Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, Census of Population and Housing, Indigenous Profile - I02

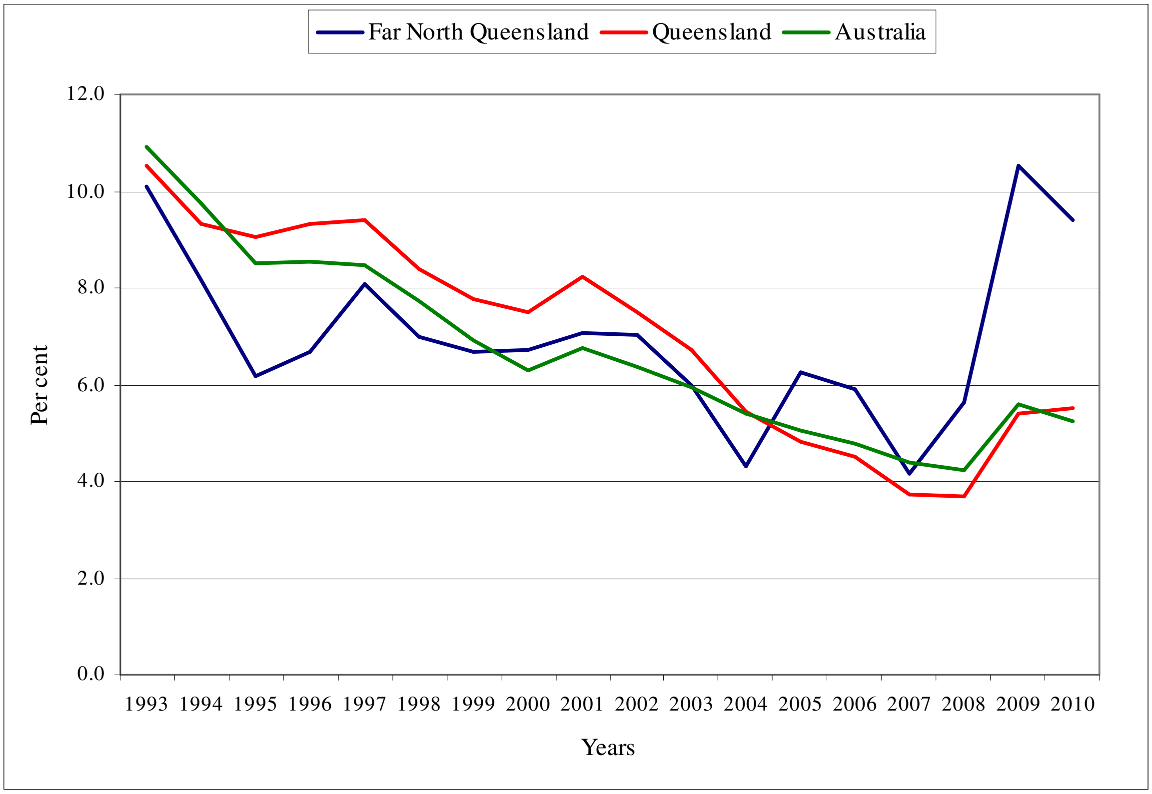
Labour Market

Employment

Given the impact of the global financial crisis and recent natural disasters on this region it is not surprising that unemployment in Tropical North Queensland has increased over the last 4 years from a low of 4.3% in August 2008 to a high of 13.8% in September 2009 and falling to 6.5% in August 2011. The sectors which have been most heavily impacted include tourism, construction and retail.

The figure below compares the unemployment rate of the Far North Queensland Labour Force Region (FNQ) with that of Queensland and Australia in a historical context over the period of 1993 to August 2011. This graph highlights the volatile nature of the FNQ economy compared to the QLD and Australian averages. It showcases the vulnerability of the FNQ economy in responding to international, national and local challenges. The regions dependence on industries which require a sound global and national market is clearly evident.

Graph 3 Unemployment rate in the Far North Queensland Labour Force region

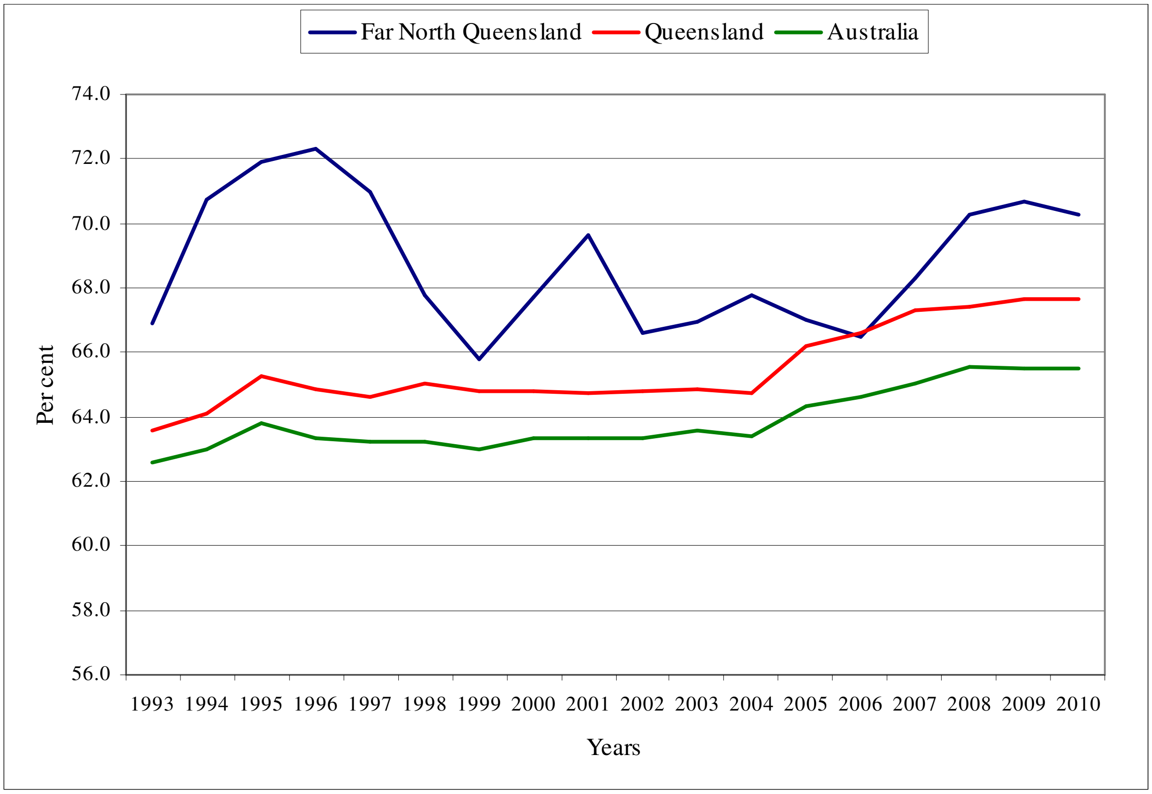


Source: ABS, Labour Force, Australia, Detailed - Electronic Delivery, July 2011 (cat 6291.0.55.001) * Calculated from first principles, using the average number of unemployed persons over the 12 month period to the reference month, divided by the average number of persons in the labour force over the 12 month period to the reference month.

Note: the Far North Queensland Labour Force region includes local governments which are not included in the Tropical North Queensland region.

Additional insights into the labour force of the region can be gained by considering the participation rate and the total number employed. Graph 4 shows that the Far North Queensland area has a higher than the state or national average participation rate while Graph 5 demonstrates that the number of persons employed has risen from 99,000 to 135,000 in the last seventeen years a gain of 36%. Over the same period the total number of persons employed in Queensland rose by 68.6% from approximately 1.37 million to 2.31 million indicating that the workforce has continued to grow.

Graph 4 Participation Rate (‘000s as at June) -

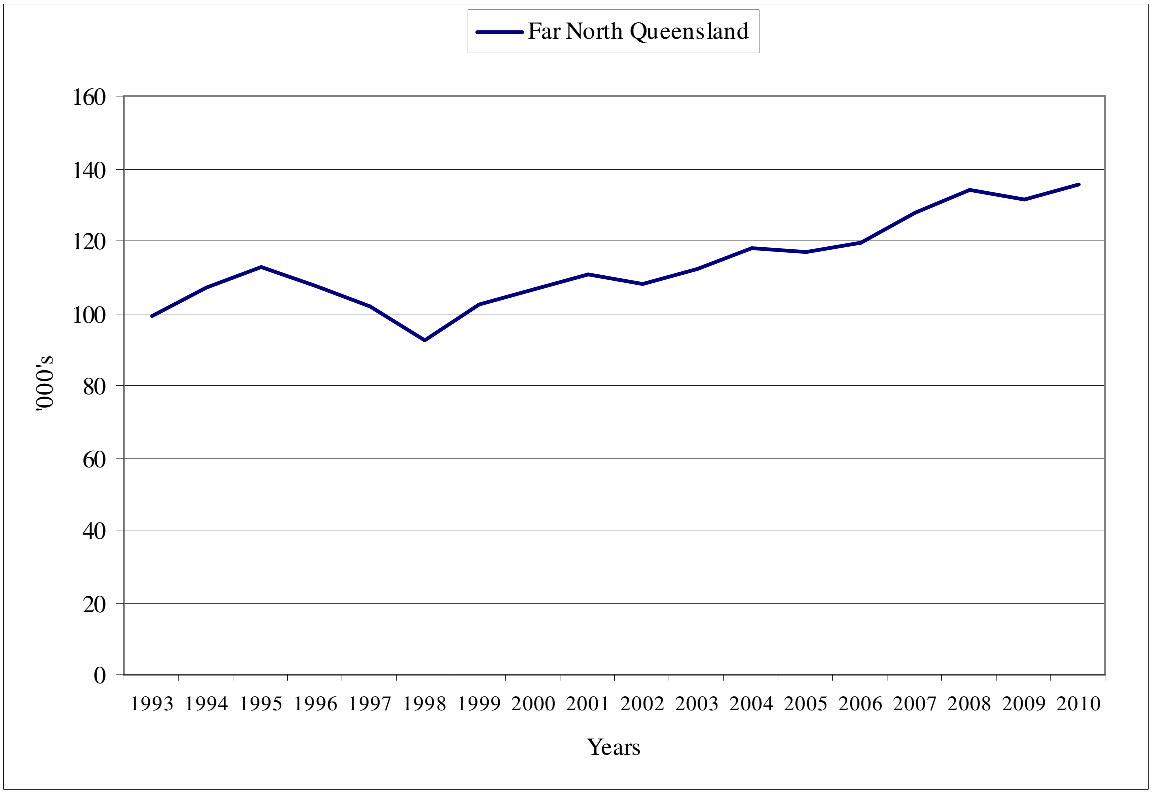


Source: ABS, Labour Force, Australia, Detailed - Electronic Delivery, July 2011 (cat 6291.0.55.001)

Note: The Participation Rate is the proportion of the population aged 15 years and over that are in the labour force

Employed (000's at June) - Persons aged 15 years and over are considered employed if, during the week prior to answering the question, they worked for one hour or more for pay, profit, commission or payment in kind in a job, business, or on a farm.

Graph 5 Employed Person in the Far North Queensland Labour Force region



Source: ABS, Labour Force, Australia, Detailed - Electronic Delivery, July 2011 (cat 6291.0.55.001)

Wages

In 2008-09, the average wage and salary across Tropical North Queensland was $39,487, lower than Cairns ($41,228) but higher than Tablelands ($35,842), Cassowary Coast ($34,442 and Cook ($31,993).

Table 3 Average annual personal income by source of income by local government area, Tropical North Queensland Region, 2008–09 (a)

Local government area	Wage and salary	Unincorporated business	Investment (b)	Other (c)	Total
			— $ —		
Cairns (R)	41,228	16,448	6,169	6,404	41,588
Cassowary Coast (R)	34,442	15,880	7,818	4,887	35,733
Cook (S)	31,993	9,492	5,132	7,238	31,294
Tablelands (R)	35,842	10,130	6,488	6,005	34,358
Tropical North Queensland	**39,487**	**14,698**	**6,420**	**6,140**	**39,504**
Queensland	44,501	16,904	7,155	7,238	44,239

S = Shire R = Regional Council

(a) These data have been subjected to confidentialisation. No reliance should be placed on table cells with small values.

(b) Does not include superannuation earners.

(c) Other includes superannuation earners, annuity earners and earners reporting any other source of income on the individual tax return. In the main these include attributed foreign income but exclude Government pensions and allowances.
Note: Based on ASGC 2010.

Source: Australian Bureau of Statistics, Estimates of Personal Income for Small Areas, 2003-04 to 2008-09, cat no. 6524.0.55.002

Education

At the time of the 2006 Census, there were 85,476 persons aged 15 years and over with a qualification, or 52% of this age group. This proportion was higher than the Queensland average of 50.4% however evidence suggests that it is dominated by lower level Certificate qualifications. In the Tropical North Queensland Region there were 16,815 persons with a Bachelor degree or higher, 10,212 with an Advanced Diploma or Diploma and 32,225 persons with a vocational certificate. Of persons aged 15 years and over with a qualification, 19.7 per cent had a Bachelor degree or higher (26 per cent in Queensland), 11.9 per cent had an advance diploma or diploma (13.1 per cent in Queensland), and 37.8 per cent had a certification (35.5 per cent in Queensland).

Table 4 Qualifications of the Tropical North Queensland Labour Force(a)(b), 2006

Local Government Area	Persons with a qualification(c) (no.)	%
Cairns (R)	58,752	54.6%
Cassowary Coast (R)	9,803	44.9%
Cook (S)	1,472	53.2%
Tablelands (R)	15,449	47.9%
TNQ	**85,476**	**52.0%**
Total QLD	1,560,868	50.4%

(a) Based on place of usual residence.

(b) Persons aged 15 years and over.

(c) Persons aged 15 years and over, includes 'inadequately described' and 'not stated' level of education responses.

Note: Based on ASGC 2010.
The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data.

Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).

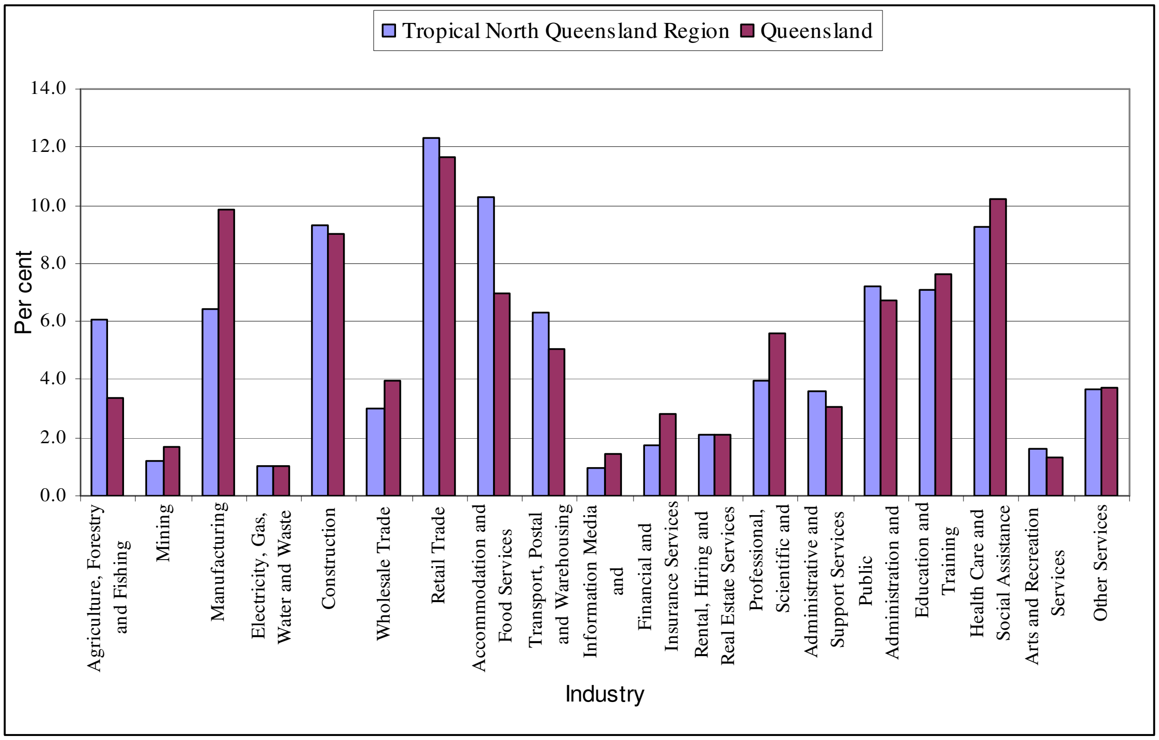
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile - B05 and B39

Industry Profiles

Employment by Industry

At the time of the 2006 Census, retail trade was the largest employing industry in the Tropical North Queensland Region, with 12,116 persons or 12.3% of the workforce employed in this area. Other industries with large numbers of employed persons include accommodation, cafes and restaurants (10,122 or 10.3%), construction (9,181 or 9.3%) and health care and social assistance (9,096 or 9.2%).

Graph 6 Employment by industry (a)(b), Tropical North Queensland Region, 2006



(a) Employed persons aged 15 years and over.

(b) Industry of employment was coded to the ABS 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC). This has replaced the 1993 ANZSIC edition.

Note: Based on ASGC 2010.

The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data.
Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile - B42

Retail Trade, Accommodation and Food Services, Transport, postal and Warehousing, and Administration and Support services industries are listed by the Tourism Satellite Accounts (ABS) as the top 4 Industries that are directly affected by Tourism. However, the extent of the direct impact from tourism varies between each industry with over half of all industries having a direct impact. When indirect impacts are considered, the number of industries impacted by tourism may increase.

Industry Specialisation

The highest specialisation ratios in the region occurred in the industries of Agriculture, Forestry and Fishing (1.80), Accommodation and Food Services (1.47) and Transport, Postal and Warehousing (1.24). Employment within Agriculture, Forestry and Fishing is more dominant in regional areas outside of Cairns, while Accommodation and Food Services and Transport, Postal and Warehousing are more significant employers within the Cairns region.

A specialisation ratio which is higher than 1 indicates a higher percentage of employment within that industry compared to the percentage for Queensland. It is evident from the data that industries which tend to dominate within the Tropical North Queensland region tend to be low skilled, requiring low level qualifications. These industries ie Agriculture, Retail, Construction and Tourism tend to be the most susceptible to fluctuations in the economy.

Table 5 Employment by Industry(a) (b), Tropical North Queensland and Queensland 2006

Industry	TNQ Region		QLD		Specialisation Ratio (c)
	number	%	number	%	number
Agriculture, Forestry and Fishing	5,985	6.1	61,735	3.4	1.80
Mining	1,156	1.2	30,721	1.7	0.70
Manufacturing	6,302	6.4	180,212	9.9	0.65
Electricity, Gas, Water and Waste Services	1,020	1.0	18,540	1.0	1.02
Construction	9,181	9.3	164,936	9.0	1.03
Wholesale Trade	2,933	3.0	72,075	3.9	0.76
Retail Trade	12,116	12.3	212,422	11.6	1.06
Accommodation and Food Services	10,122	10.3	127,631	7.0	1.47
Transport, Postal and Warehousing	6,189	6.3	92,614	5.1	1.24
Information Media and Telecommunications	968	1.0	26,347	1.4	0.68
Financial and insurance Services	1,724	1.6	52,035	2.9	0.61
Rental, Hiring and Real Estate Services	2,049	2.1	37,983	2.1	1.00
Professional, Scientific and Technical Services	3,893	4.0	102,416	5.6	0.71
Administrative and Support Services	3,524	3.6	55,705	3.1	1.17
Public Administration and Safety	7,100	7.2	122,416	6.7	1.08
Education and Training	6,952	7.1	139,090	7.6	0.93
Health Care and Social Assistance	9,096	9.2	186,336	10.2	0.91
Arts and Recreation Services	1,568	1.6	24,625	1.3	1.18
Other Services	3,611	3.7	68,361	3.7	0.98

Total(d)	98,349	100	1,824,99 6	100	1.00

(a) Employed persons aged 15 years and over.

(b) Industry of employment was coded to the ABS 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC). This has replaced the 1993 ANZSIC edition.

(c) The ratio of the percentage for the region to the percentage for Queensland.

(d) Includes inadequately described and not stated responses.

Note: Based on ASGC 2010.
The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data.
Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile - B42

Agriculture

Agriculture is a major economic driver in the local government areas outside Cairns contributing significantly to employment, investment and domestic spending across Tropical North Queensland. The region is a major contributor to the value of agricultural production in Queensland. In 2005-06 the region contributed 10.2% ($890.5 million) to the total value of agricultural production. The production of crops contributed most to the value agricultural production in the region with Cassowary Coast the major contributor producing more than half ($454 million) the total value of production.

Table 6 Value of agricultural production (a)(b)by local government area, TNQREP Region, 2005-2006

Local Government Area	Crops		Livestock slaughterings		Livestock products		Total
	$M	%	$M	%	$M	%	$M
Cairns (R)	111.6	98.3	1.9	1.7	0.0	0.0	113.6
Cassowary Coast (R)	454.0	98.0	8.9	1.9	0.3	0.1	463.3
Cook (S)	14.2	34.2	27.4	65.8	0.0	0.0	41.7
Tablelands (R)	149.5	55.0	87.0	32.0	35.5	13.1	272.0
TNQ	**729.4**	**81.9**	**125.2**	**14.1**	**35.9**	**4.0**	**890.5**
QLD	4,167.9	47.9	4,125. 2	47.4	415.8	4.8	8708.9
Region as % of QLD	17.5		3.0		8.6		10.2

(a) Gross value of agricultural commodities produced.

(b) The estimates in this collection are based on information obtained from a sample drawn from the total agricultural business population in scope of the collection, and are subject to sampling variability; that is, they may differ from the figures that

Note: Based on ASGC 2010.

The sum of the local government areas may not be equivalent to the region total due to confidentialisation of the local government area data.

Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, Agricultural Commodities, Australia, 2005-06, cat. no. 7125.0

Tourism

Given Tropical North Queensland's idyllic location at the gateway to two World Heritage wonders, the Great Barrier Reef and the Wet Tropics Rainforest, TNQ has earned a reputation as an international and domestic tourist destination.

The Tropical North Queensland region welcomes approximately 2.1million visitors per year to take advantage of our 600+ tours and attractions which are on offer. In the past 30 years Tourism has been the fastest growing economic activity in the region and provides significant employment both directly and in a wide range of support industries. 20% of jobs in the TNQ region are directly related to tourism. The value of tourism in the TNQ community equate to $11,000 per person each year. It is Australia's fourth most popular destination for international holiday visitors after Sydney, Melbourne and the Gold Coast.

Table 7 Visitors to Tropical North Queensland

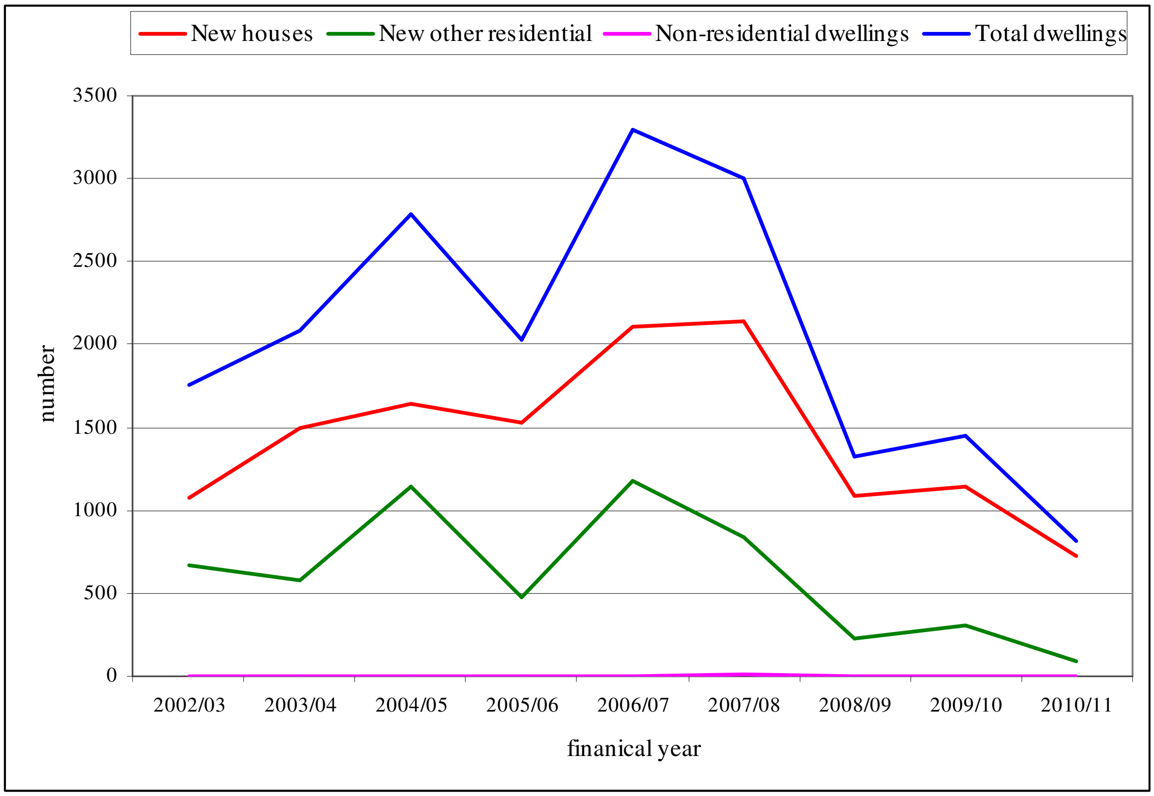
Year ending December	International Visitors	Domestic Visitors	Expenditure
	— numbers—		$
2000	779,202	1,356,000	
2001	813,453	1,258,000	
2002	795,350	1,223,000	not recorded at regional level
2003	746,126	1,411,000	
2004	806,341	1,446,000	
2005	855,403	1,118,000	
2006	857,581	1,499,000	$2.6B
2007	839,243	1,336,000	$2.6B
2008	754,690	1,480,000	$2.4B
2009	648,073	1,425,000	$2.5B
2010	682,698	1,218,000	$2.2B

Source: Tourism Research Australia, Online database

Building approvals

Building approvals are a good indicator of confident investment and stability within a local economy. The construction industry in Tropical North Queensland suffered during the Global Financial Crisis with building approvals in the region falling from approximately 4,204 residential and non-residential building approvals in 06-07 to approximately 2,009 approvals in 09-10. As private sector investment remains quiet, construction activity in TNQ is primarily being driven by public sector projects.

Graph 7 Tropical North Queensland Building Approvals 2002/2003 -2009/2010



Source: Source: Australian Bureau of Statistics, Building Approvals, Queensland, March 2011, cat. no. 8731.0. (QRSIS database maintained by the Office of Economic and Statistical Research)

Business Profile

In 2009 there were **23,343** businesses registered in the Tropical North Queensland Region. Of these businesses 22,073 were small businesses (94.6 per cent of the total), 1,111 were medium businesses and 159 were large businesses. The number of small businesses within the region as a whole mirrors quite closely the small business economy which dominates the Queensland economy.

Given Cairns role as a key service hub for the region it is not surprising that the Cairns Local Government Area had the largest number of businesses (14,701).

Table 8 Counts of registered businesses (a) by employment size (b) by local government area, Tropical North Queensland Region, 2008–09

	Employment size				Small businesses as a % of total
Local government area	Small	Medium	Large	Total	
		— number —			%
Cairns (R)	13,939	666	96	14,701	94.8
Cassowary Coast (R)	3,304	192	27	3,523	93.8
Cook (S)	356	12	6	374	95.2
Tablelands (R)	4,474	241	30	4,745	94.3
Tropical North Queensland Region	**22,073**	**1,111**	**159**	**23,343**	**94.6**
Queensland	399,479	17,025	2,906	419,410	95.2
Region as % of Qld	5.5	6.5	5.5	5.6	. .

. . = not applicable

S = Shire R = Regional Council

(a) It is not currently possible to account for those businesses which operate out of multiple locations, other than at their main location. This is particularly relevant for larger businesses, which commonly establish outlets in numerous states and regions
(b) Businesses are defined as small (employing less than 20 people, including non-employing businesses), medium (employing 20 or more people but less than 100 people) and large (employing 100 or more persons).
Note: Based on ASGC 2010.
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Data for local government areas (2010) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, June 2007 to June 2009, cat no. 8165.0

Definitions:

Small – employing less than 20 people, including non-employing businesses

Medium – employing 20 or more people but less than 100 people

Large – employing 100 or more people

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