

Central Highlands Workforce Development and Accommodation Strategy

CHDC WORKFORCE DEVELOPMENT WORKING LUNCHEON

19 APRIL 2024



Project proudly supported by



What is the WDAS?

Continued and sustained challenges face the CH region, particularly workforce retention and attraction, coupled with ongoing housing issues means that the time was right to engage and set a new action plan.

The focus of the strategy is on four focus areas workforce, accommodation, childcare and lifestyle. Each focus area is interconnected and therefore four strategic pillars have been adopted to underpin the work:-



The team delivered the project over three stages commencing in December 2023:-

1. Environmental Scan and Analysis
2. Let's Talk – Engagement on-ground
3. Project Action Plan



How did we do it?

We looked beyond the desktop and engaged directly on-ground.

Leveraging statistical insights from reputable sources such as the Australian Bureau of Statistics (ABS) and the Queensland Government Statistician's Office (QGSO), alongside real estate market analysis from CoreLogic.

In addition to engaging with mining and agricultural companies directly to understand their workforce and accommodation requirements, discussions were held with childcare operators, school teachers, principals, local valuers and local builders to capture a broader spectrum of insights.

One-on-ones noted the following:-

- Retention and attraction is a challenge for all and not specific to a sector or even skill-type;
- Accommodation is not fit-for-purpose and is in short supply, especially rentals;
- Despite land availability, construction costs have slowed for new residential builds;
- The region is not positioning itself well in offering the affordable lifestyle that does exist;
- The Royalty Tax is impacting the region and not just mining sector but confidence in other sectors as well;
- Access to childcare remains a complex issue and is holding back staff on maternity leave to return to work and for existing capacity of centres to be maximised;
- Lifestyle factors such as hours for retail, restaurants, general amenity such as community events and attractions is lacking and is impacting on the ability to retain and attract, especially in such a competitive market.



Surveys



One-on-One Interviews

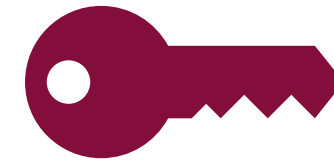


RoundTable Sessions

What did we learn?



Emerald's population has grown 1.9% per annum compared with the balance of Central Highlands LGA at a decrease of 0.3%. Emerald's growth is set to continue. This permanent growth is compounded against a 7% growth in the non-resident workforce. On any given day the region is supporting 30% extra workers.



To achieve a healthy rental market of 2.5% vacancy rate, 48 additional rentals are required in Emerald, 14 in Blackwater and 5 in Capella. The current vacancy rate is between 0.5% - 1.2% across the whole region. A regional Build-to-Rent scheme using modern methods of construction could be an opportunity.



236 new dwellings are required to be provided on ground in Emerald to meet current growth. This equates to nearly 60 to be built per annum over next four years. This compares with the current rate of new dwelling builds of on avg 10 per year across the entire region. (Note cost of constructions makes this near impossible in current conditions and based on traditional methods).



Cost of construction for residential new build is between \$2200m² and \$2600m². This would mean that a 200m² house would see a build cost of \$520,000.00 with the total land component at \$675,000.00. This represents a significant premium over the established house median in Emerald of \$360,000 and therefore affects the viability of a new build market.



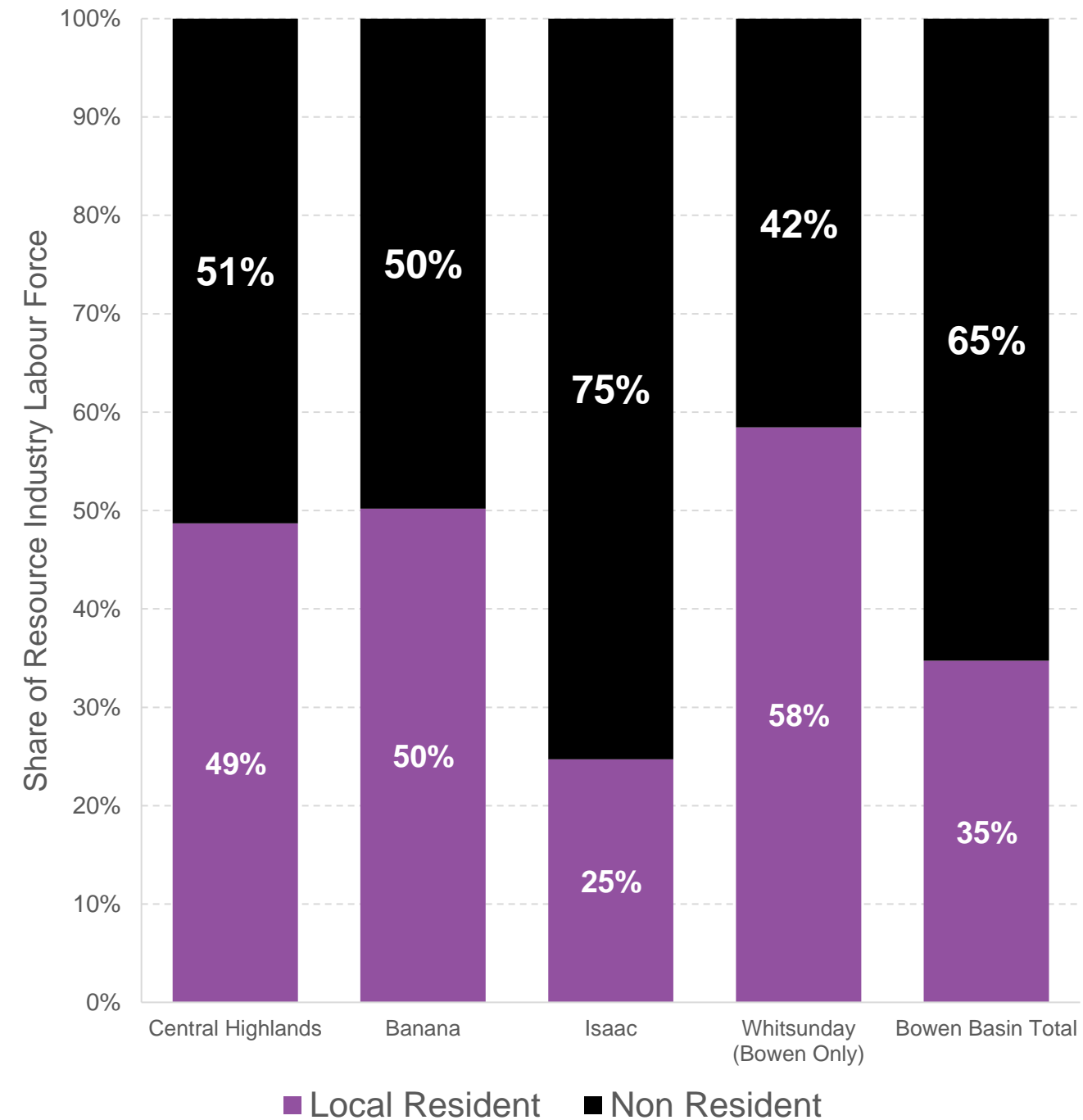
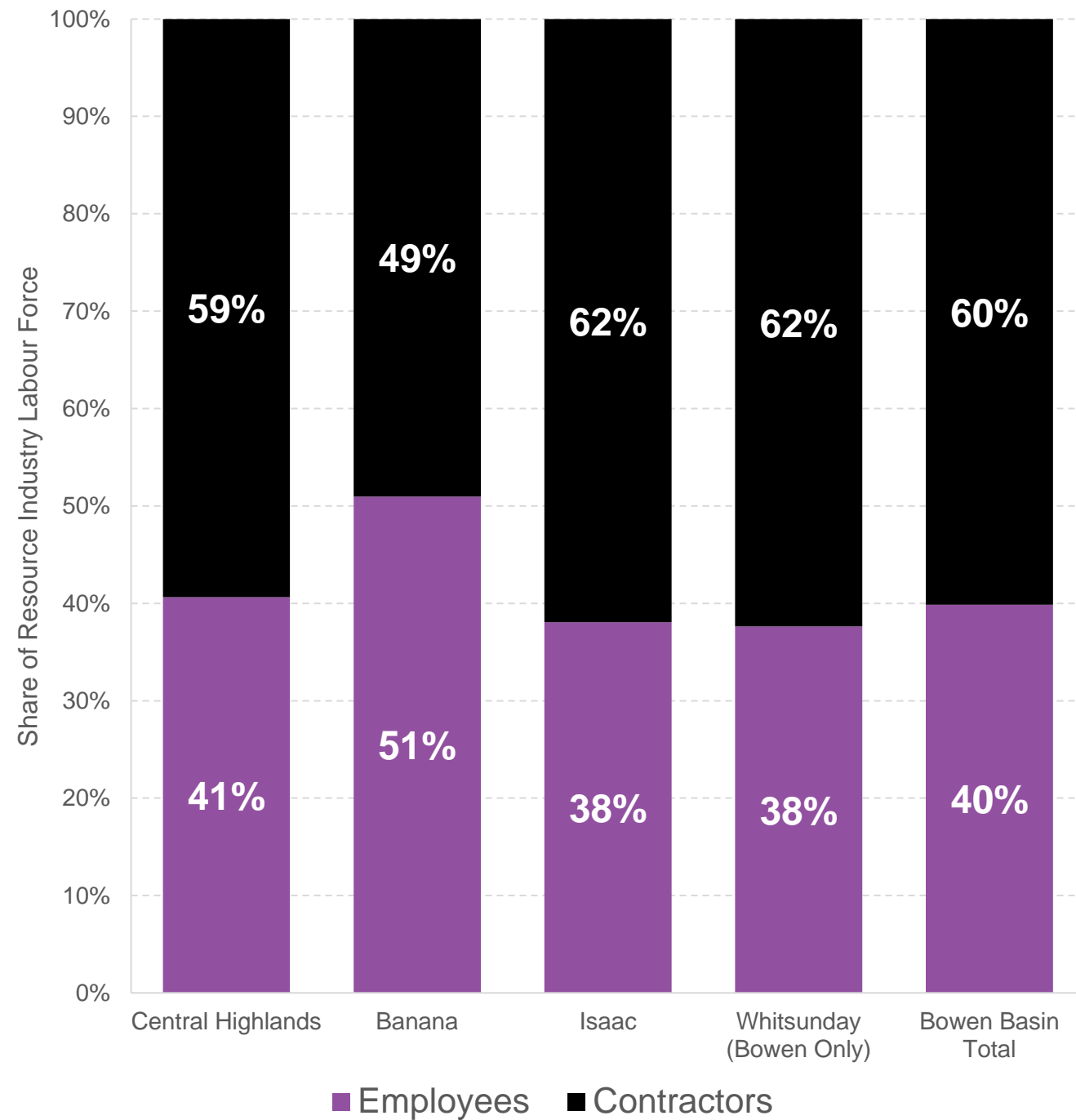
At least 300 new beds are required now to service the non-resident workforce. This is likely to grow to an additional demand of around 800 across the next five years. The former Agricultural College has been identified as a potential site as has expansion at existing accommodation such as Pritchard Road.



Currently 29% of the CH population is able to be accommodated in childcare based on total cohort of 0-5 year olds. There is a total of 734 licensed spots for 2,548 children. It is noted that due to current staffing issues, no centre is operating at their full licensed capacity. This compares with the Qld average of 53% who are able to be accommodated. The region is short 616 childcare spaces. The ability to deliver this is dependent on affordable construction and will not happen without retention and recruitment of skilled labour and accommodation and incentives to bring educators to region.

Resident vs Non-resident workforce

Share of Resource Industry Workforce by Employment (Left) & Resident Status (Right): Bowen Basin LGAs June 2022



Source: Queensland Government Statistician's Office

Resident vs Non-resident workforce

Table 3 Projected non-resident population, Central Highlands

Projection series ^(a)	Number of non-resident workers on-shift at 30 June					
	Estimated			Projected		
	2021	2022	2023	2024	2025	2026
Series A	4,100	4,200	4,230	4,230	4,120	4,120
Series C	4,100	4,200	4,430	4,460	4,260	4,400
Series D	4,100	4,200	4,430	4,460	4,360	4,820

(a) The Series B projection for Central Highlands is not published at the LGA level, although it is included in the Series B projection for the Bowen Basin.

Source: QGSO estimates, 2021; QGSO projections, 2022 to 2026

Central Highlands LGA Full-Time Equivalent Population by Town & Resident Status

Location	Locality	Resident Population			Non-Resident Workers on Shift			Full-Time Equivalent Population		
		2022	2023	% Change	2022	2023	% Change	2022	2023	% Change
In Town	Blackwater	4,675	4,710	0.7%	1,990	1,915	-3.8%	6,665	6,625	-0.6%
	Bluff	235	235	0.0%	265	260	-1.9%	500	495	-1.0%
	Capella	990	975	-1.5%	50	105	110.0%	1,040	1,080	3.8%
	Emerald	14,380	14,640	1.8%	405	525	29.6%	14,785	15,165	2.6%
	Springsure	745	720	-3.4%	75	25	-66.7%	820	745	-9.1%
	Tieri	725	755	4.1%	605	635	5.0%	1,330	1,390	4.5%
	Other towns	1,350	1,335	-1.1%	20	15	-25.0%	1,370	1,350	-1.5%
Rural Areas		5,260	5,190	-1.3%	1,370	1,655	20.8%	6,630	6,845	3.2%
Total		28,360	28,560	0.7%	4,780	5,135	7.4%	33,140	33,695	1.7%

Workforce

Top Five Industries of Employment by Catchment

Catchment	2011			2016			2021		
	#	Industry	%	#	Industry	%	#	Industry	%
Emerald	1	Mining	23%	1	Mining	20%	1	Mining	19%
	2	Retail trade	10%	2	Retail trade	12%	2	Retail trade	11%
	3	Construction	10%	3	Education and training	9%	3	Education and training	9%
	4	Education and training	8%	4	Health care and social assistance	7%	4	Health care and social assistance	8%
	5	Accommodation and food services	7%	5	Accommodation and food services	7%	5	Accommodation and food services	7%
	-	All Other Industries	44%	-	All Other Industries	45%	-	All Other Industries	45%
Rest of Central Highlands LGA*	1	Mining	30%	1	Mining	30%	1	Mining	28%
	2	Agriculture, forestry and fishing	20%	2	Agriculture, forestry and fishing	22%	2	Agriculture, forestry and fishing	23%
	3	Construction	7%	3	Education and training	7%	3	Accommodation and food services	7%
	4	Accommodation and food services	7%	4	Accommodation and food services	6%	4	Education and training	6%
	5	Education and training	6%	5	Retail trade	5%	5	Construction	6%
	-	All Other Industries	31%	-	All Other Industries	29%	-	All Other Industries	31%

Source: ABS & The NPR Co.

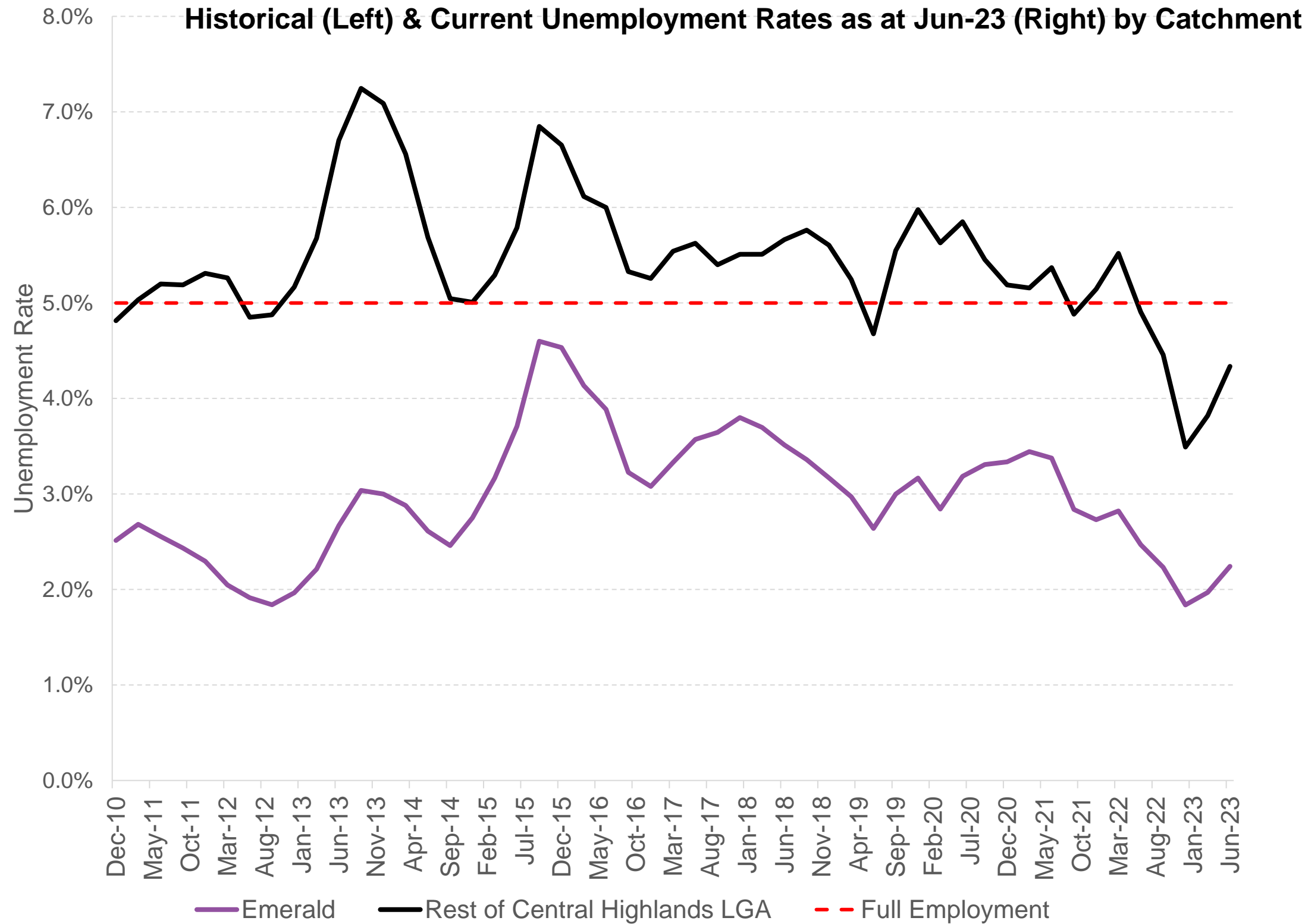
Workforce

Occupations of Employment by Catchment

Catchment	2011			2016			2021		
	#	Occupation	%	#	Occupation	%	#	Occupation	%
Emerald	1	Technicians & Trades	21%	1	Technicians & Trades	19%	1	Technicians & Trades	19%
	2	Machinery Operators & Drivers	18%	2	Machinery Operators & Drivers	16%	2	Machinery Operators & Drivers	15%
	3	Clerical & Admin	14%	3	Professionals	14%	3	Professionals	14%
	4	Professionals	13%	4	Clerical & Admin	13%	4	Labourers	12%
	5	Labourers	10%	5	Sales	11%	5	Clerical & Admin	11%
	6	Managers	9%	6	Labourers	10%	6	Managers	10%
	7	Sales	8%	7	Managers	10%	7	Sales	10%
	8	Community & Personal Service	6%	8	Community & Personal Service	8%	8	Community & Personal Service	9%

Rest of Central Highlands LGA*	1	Machinery Operators & Drivers	23%	1	Machinery Operators & Drivers	19%	1	Managers	20%
	2	Managers	20%	2	Technicians & Trades	18%	2	Machinery Operators & Drivers	20%
	3	Technicians & Trades	17%	3	Managers	15%	3	Labourers	16%
	4	Labourers	13%	4	Labourers	12%	4	Technicians & Trades	15%
	5	Clerical & Admin	9%	5	Professionals	11%	5	Professionals	9%
	6	Professionals	9%	6	Clerical & Admin	11%	6	Clerical & Admin	8%
	7	Community & Personal Service	5%	7	Sales	7%	7	Community & Personal Service	7%
	8	Sales	4%	8	Community & Personal Service	7%	8	Sales	5%

Workforce



Source: ABS & The NPR Co.

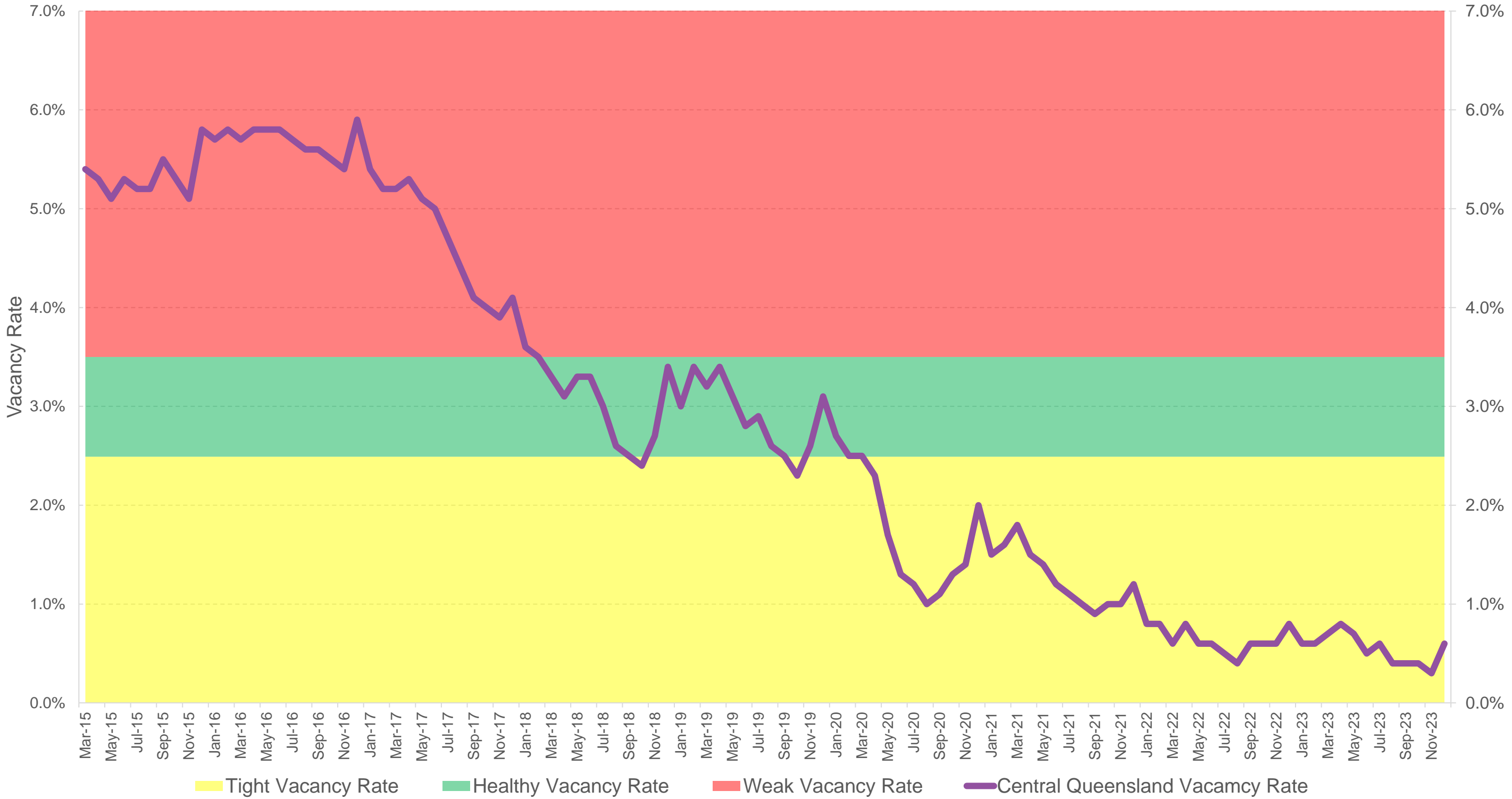
The unemployment rate for the region reflects sound economic fundamentals and a labour force that is well below full employment reflecting the current economic cycle. Despite this, even during periods of low demand, unemployment rates in Emerald have rarely been above 4.0%. What is also evident is that the current unemployment rates are below those during the resource boom and could create a new record low in the coming months/years.



Source: ABS & The NPR Co.

Accommodation – Rental

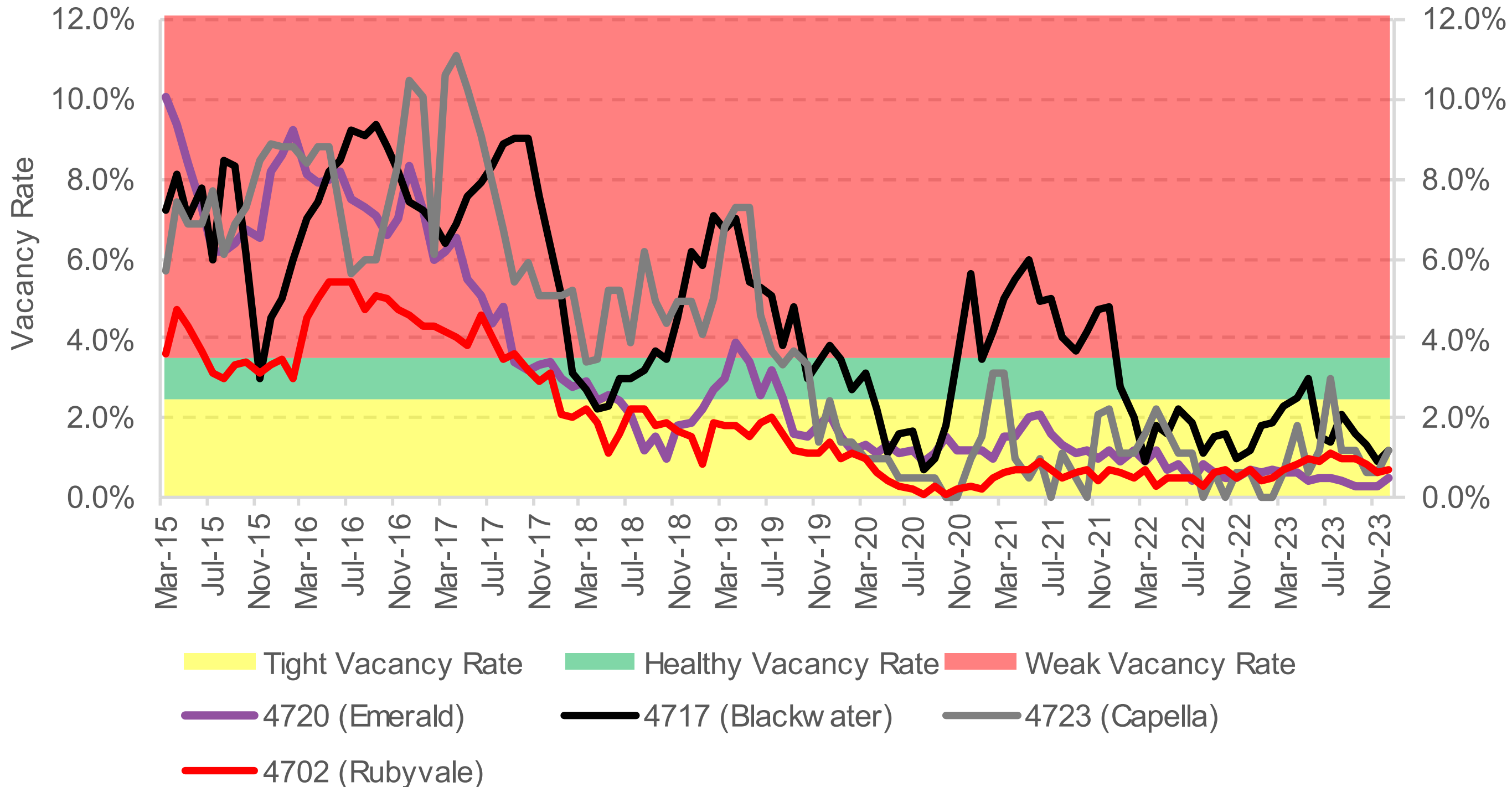
Central Queensland Historical Vacancy Rates



Note – Central Queensland comprises Banana LGA, Central Highlands LGA, Gladstone LGA, Rockhampton LGA, Woorabinda & Livingstone LGA.
Source: SQM Research

Accommodation – Rental

Central Highlands LGA Vacancy Rates by Key Postcode

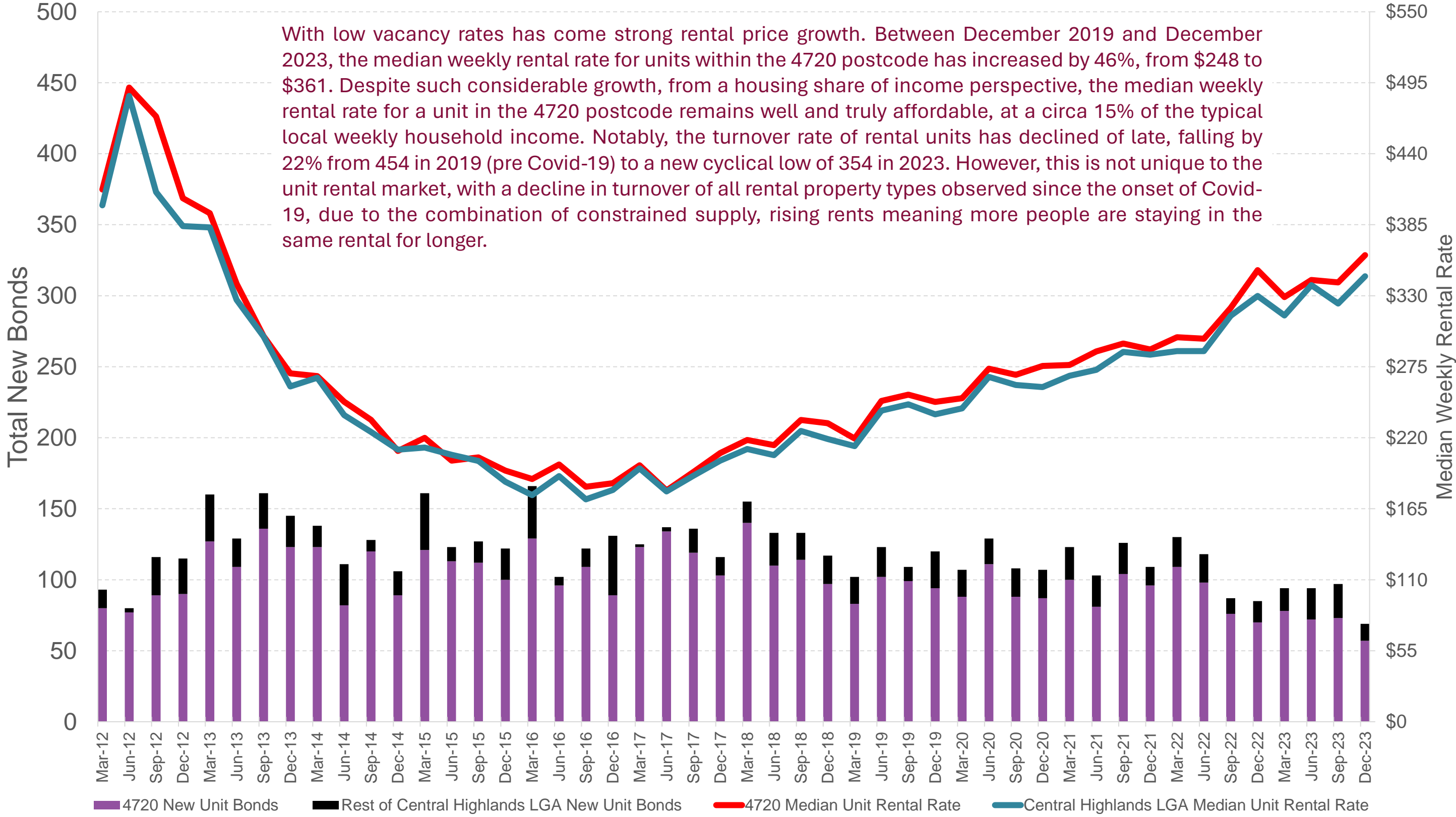


Source: SQM Research

Low residential vacancy rates is a common theme throughout the entire Central Highlands LGA. In general terms, each of the four key postcodes have seen their vacancy rates trend within the tight range since February 2022. Notably, the 4720 postcode has recorded tight vacancy rates for 52 months in a row dating back to September 2019, whilst the 4702 postcode has experienced an even longer period (72 months) of tight vacancy rates which extends back to January 2018.

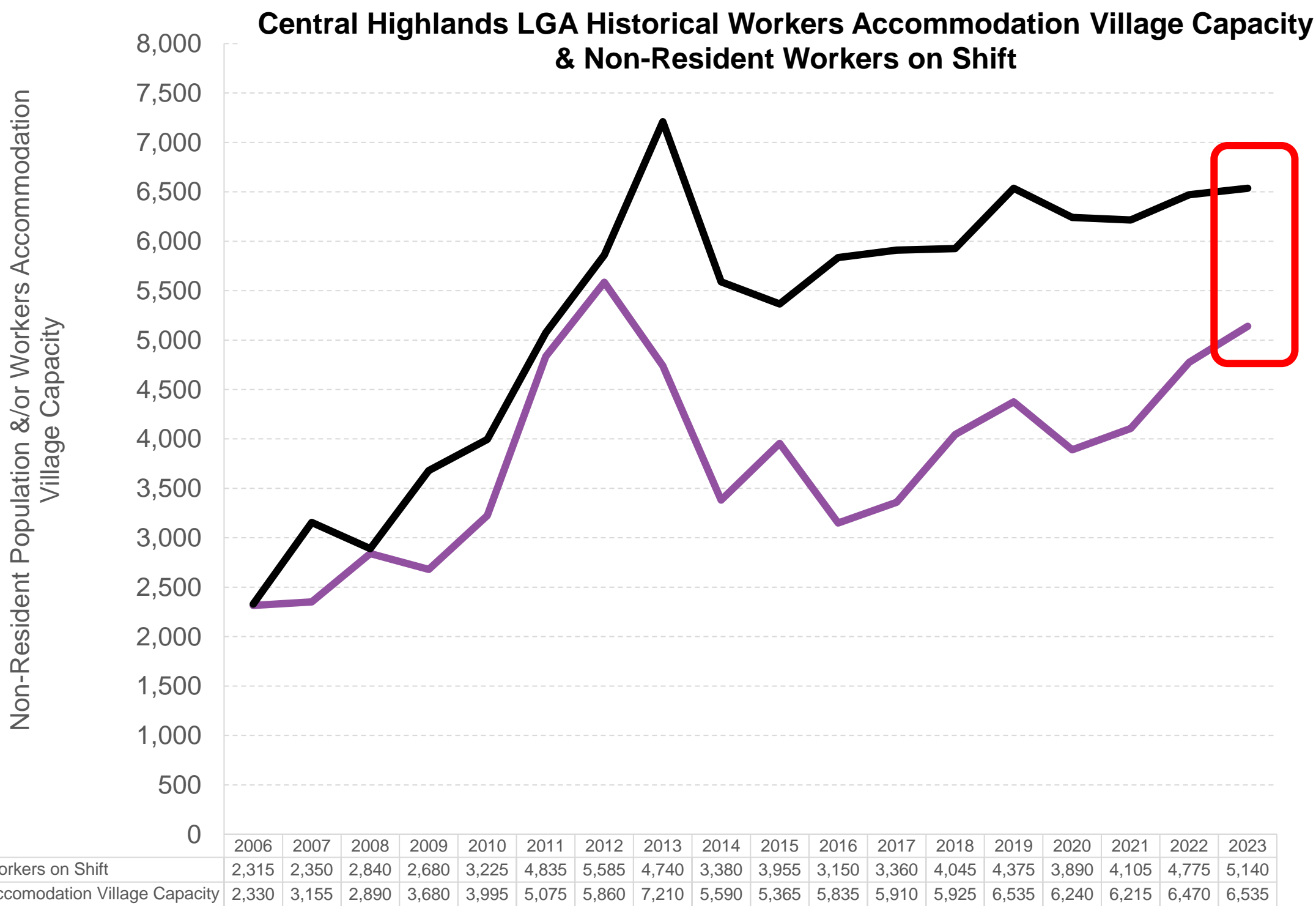
As at the end of December 2023 all four postcodes recorded tight vacancy rates, ranging between 0.5% (Emerald) and 1.2% (Capella). Conventional market theory suggests that the logical flow on effect of such tight vacancy rates will be continued rental price growth. For the Central Highlands LGA, this is likely to place rising pressure on housing affordability – an issue that will be furthered compounded by the current lack of future housing supply due to construction industry constraints and costs.

Accommodation – Rental



Source: RTA & The NPR Co.

Accommodation – Workers accommodation



The relationship between the two variables tracked is more complex than presented. There is a contingent of the non-resident DIDO and/or FIFO workforce who are allocated a permanent room/bed within certain workers accommodation villages, as to avoid ‘hot bedding’. This means that even when these workers are not staying within the village, their room/bed is unoccupied awaiting their return on the following swing. Note this also applies to leave / long service leave.

This highlights the need to retain a sizeable buffer between the combined Workers Accommodation Village capacity and the non-resident workforce population, acknowledging that the non-resident population figure shown only accounts for workers on shift at any one point in time, rather than the total non-resident workforce.

Accordingly, this figure ignores additional workers not on shift, but who will also require a room/bed upon their return to work. It also does not take into account shut-downs.

Source: QGSO & The NPR Co

Childcare

Across 19 centres, there is a total of 734 licensed spots for children between 0-5 years. However, there is at least 32 vacancies known within these licensed spots mainly due to staff shortage with at least 7 FTE shortage today.

The total cohort of children in region aged 0-5 is 2548 – meaning that 29% of that cohort could be accommodated by the total licensed spaces.

In reality, this is actually less given current vacancies. This compares with the Queensland average of 53% of spots for the accommodated cohort.

There is development approval secured for two additional centres within Emerald for 225 spaces. Whilst these are DA approved, the developers who gained the approvals are not childcare operators and both sites are for sale.

Further in the current market construction cost and staffing will make the developments difficult to come to fruition without additional intervention measures to support and underwrite development.

If you have a vacant residential property now – I’m sure that a childcare operator in region would be happy to chat with you further so that we can get the existing centres running at capacity.

Count of Childcare Centres With & Without Vacancy - Excluding Exclusively Before & After School Care				
LGA	Total Childcare Centres			Total
	With Vacancies	Without Vacancies	Unknown	
Central Highlands	9	5	3	17
Banana	8	3	0	11
Isaac	6	7	0	13
Maranoa	10	0	0	10
Total	32	16	3	51

Total, Known Licensed Childcare Spots as Share of 0-5 Population			
Catchment	Estimated Total Number of Day care Spots for Kids Aged 0 - 5*	Total Population Aged 0 - 5 in 2022	% of Population Able to be Accommodated in Day care Spots
Central Highlands LGA	734	2,548	29%
Banana LGA	305	1,201	25%
Isaac LGA	567	1,978	29%
Maranoa LGA	335	1,076	31%
Total	1,941	6,803	29%

Total Count of 0 - 5 Year Old's Using Childcare Spots in QLD As a Share of 0 - 5 Population (June 2022)			
Catchment	Estimated Total Number of Kids Aged 0 – 5 Utilising Care	Total Population Aged 0 - 5 in 2022	% of Population Able to be Accommodated in Day care Spots
Queensland*	197,830	371,246	53%

*Includes Centre-based and Family Day care but excludes Outside School Hours Care & In Home Care.
Source: The NPR Co., QGSO & Australian Government Department of Education

So what are we doing?

Delivering 16 actions across four areas



**FOCUS AREA 1
WORKFORCE**



**FOCUS AREA 2
ACCOMMODATION**



**FOCUS AREA 3
CHILDCARE**



**FOCUS AREA 4
LIFESTYLE**

Identified Priorities – Short-term (by June 2024)



ACTION 1 – ESTABLISH W.A.C

COLLABORATION

CHDC to establish the Workforce and Accommodation Collective (WAC) to deliver and monitor the agreed priorities and continue to drive the broader recommended actions. Membership will include members of the already established Resources Roundtable as well as other businesses, institutions and CHRC. The State Government will also be invited to participate. The WAC will meet monthly and communicate outcomes publicly.

TIMEFRAME:- The first meeting of the group will be held in May 2024.



ACTION 2 – PROPERTY REVIEW

ACCOMMODATION

CHDC to partner with major property portfolio holders (both public and private sector) to actively review housing stock and seek opportunities to release surplus supply, encourage redevelopment and/or commitment to new development. Initial priority on available stock that could be used to house key-workers such as Childcare, Education and Health workers in Blackwater.

TIMEFRAME:- Review to commence 1 April 2024. Opportunities to support Blackwater to be identified by 30 May 2024.



ACTION 3 – FUTURE SKILLS FACILITATOR

WORKFORCE

CHDC has identified a funding source to create a new Full Time Equivalent (FTE) for a Future Skills Facilitator. The position will be tasked with the coordination and collaboration between education systems, government, and industry sectors across the region. The role will initially review current Regional Training Organisations (RTO)s and certification offerings for the region with a focus on skills shortages such as early childhood and construction. The role will also engage directly with the CH VET Network and Indigenous groups to ensure the region is gaining access to the right programs and schools to industry pathways.

TIMEFRAME:- Funding proposal to be finalised an application sought by June 2024.



ACTION 4 – BUILD 12 IN 12

ACCOMMODATION

CHDC to develop and launch an Expression of Interest from developers /builders to support the “12 in 12” campaign which will see at least 12 new builds across the region within 12 months. CHDC to work with key property owners, government and companies to also develop other incentives that may support the new build (traineeships, materials, additional grants for first home buyers). Land (as identified in Action 2) would be across the region in all towns and nominated by both government and private sector.

TIMEFRAME:- EOI to launch by 1 May 2024.



ACTION 5 – CHILDCARE ALLIANCE

CHILDCARE

CHDC to engage with and develop business case to expand the Childcare Leadership Alliance (CLA) into the Central Highlands Region with focus on Blackwater as the first priority area. CLA to be formally invited to address the WAC at its first meeting in June 2024. The WAC with the CLA would be utilised to investigate whether additional centres are needed, where and how they should be developed.

TIMEFRAME:- CLA discussions to commence by 1 June 2024. Business Case to be finalised by 1 September 2024.



ACTION 6 – CAPITAL INVESTMENT



LIFESTYLE

Capital investment (such as CHRC capital budget and trunk infrastructure delivery) to be directed to areas of highest need. Initial investment should be directed to significant park upgrades in Blackwater (Dempsey Park), new park in Emerald (Devonport Street) and engagement directly with the owner of Blackwater Town Centre on its upgrade and expansion of hours of operation through the State Government to enable Sunday trade for supermarket.

TIMEFRAME:- CHRC to consider appropriate inclusions in the upcoming budget by June 2024 and meeting with Blackwater Town Centre owner by 30 June 2024.

Identified Priorities – Short-term (by June 2024)



ACTION 7 – INVESTMENT INCENTIVES

COLLABORATION

CHDC to review and consolidate all known current incentives and outline suggested new incentives and/or amended policy to support investment in region. Review should include CHRC’s Regional Economic Development Incentives as well as rates on non-principal place of residence and other potential opportunities for support directly from major employers or suppliers.

TIMEFRAME:- Review to be completed by 30 May 2024.



ACTION 8 – FAIRER AIRFARES

LIFESTYLE

CHDC to develop position paper to work directly with the airlines to find solutions on reducing the cost of airfares and expanding regional subsidy schemes for residents. Monitoring of new fleet and its impact on costs and availability of flights to also be undertaken and improvements to be appropriately communicated to community.

TIMEFRAME:- Position Paper to be finalised by 30 June 2024 and roundtable held through WAC in July 2024.



ACTION 9 – TALENT ATTRACTION

ATTRACTION

Ensure that the Talent Attraction Campaign is considerate of the findings of this work and is timed appropriately. Stage 1 to be focused on placing the region on the radar and then Stage 2 to target identified areas of need.

TIMEFRAME:- Ongoing.



ACTION 10 – SMALL BUSINESS FRIENDLY

COLLABORATION

CHDC together with CHRC to engage with local Small Businesses to discuss benefits of the CHRC joining the Small Business Friendly Program. Based on general agreement from local businesses on the benefit of the program, CHRC will prepare and lodge application to join the Small Business Friendly Program and commit to the Program Charter.

TIMEFRAME:- Engagement with Subject Matter Experts (SMEs) by 30 May 2024 and application prepared for briefing to CHRC by 30 June 2024.

We are already well underway with a number of actions.

- WAC invitations issued and first meeting will be held 14 May 2024.*
- Meeting with Blackwater Town Centre owner on 30 April 2024.*
- Meeting with Childcare Leadership Alliance on 1 May 2024*
- And lots more that will be announced soon!*

We are committed to delivering these actions.

Identified Priorities – Mid-term (by March 2025)



ACTION 11 – REGIONAL BUILD-TO-RENT

ACCOMMODATION

Potential land identified in Action 2 as well as EOIs from Action 3 to be used to develop a Regional Build-to-Rent Scheme. Land to be identified across the region and firm proposals sought from EOI respondents. Pilot BTR scheme to be confirmed from a feasibility perspective and ‘if viable’ scheme delivered in region in 2025.

TIMEFRAME:- Proposals to EOI respondents sought by 30 August 2024. First Pilot BTR, if feasible, to be identified and delivered by 1 March 2025.



ACTION 12 – SHUTDOWN COORDINATION

COLLABORATION

CHDC with support from the Resources Roundtable, to develop a Shutdown Coordination Calendar. The calendar will be developed as a soft copy prior to seeking proposals from software developers to pilot a platform-based Bowen Basin Mines Calendar.

TIMEFRAME:- Soft copy Calendar by 30 July 2024. Proposals to be sought by 30 September 2024 and decision made on next steps by 1 December 2024.



ACTION 13 – ACCOMMODATION MANAGEMENT

ACCOMMODATION

CHDC to seek proposals from software developers to develop a proof-in-concept real-time occupancy of mining accommodation across the region. Understanding real-time vacancy would substantially improve efficiency and availability with opportunity to free up other in-demand accommodation such as motels and hotels in town. If the proof-in-concept is viable, then funding to be sourced to develop further.

TIMEFRAME:- Proposals to be sought by 30 October 2024. Proof-in-concept by 15 December 2024.



ACTION 14 – FIT-FOR-PURPOSE ACCOMMODATION

ACCOMMODATION

Through the WAC, coordinate and acknowledge the need for fit-for-purpose accommodation across the region. Identify appropriate sites for additional village style accommodation in the right locations across the region including expansion of existing in-town locations such as Pritchard Road. Facilitate the required community conversation and necessary engagement with community to balance the need for different forms of accommodation.

TIMEFRAME:- Appropriate sites to be identified by 30 September 2024.



ACTION 15 – MOVE TO MORE CAMPAIGN

ATTRACTION

As members of the Regional Activators Alliance CHDC to ensure that the region is represented in the Move to More campaign. CHDC to understand investment requirement and ensure appropriate budgeting to cover cost if benefit is identified.

TIMEFRAME:- 1 December 2024



ACTION 16 – COMMUNITY SUPPORT

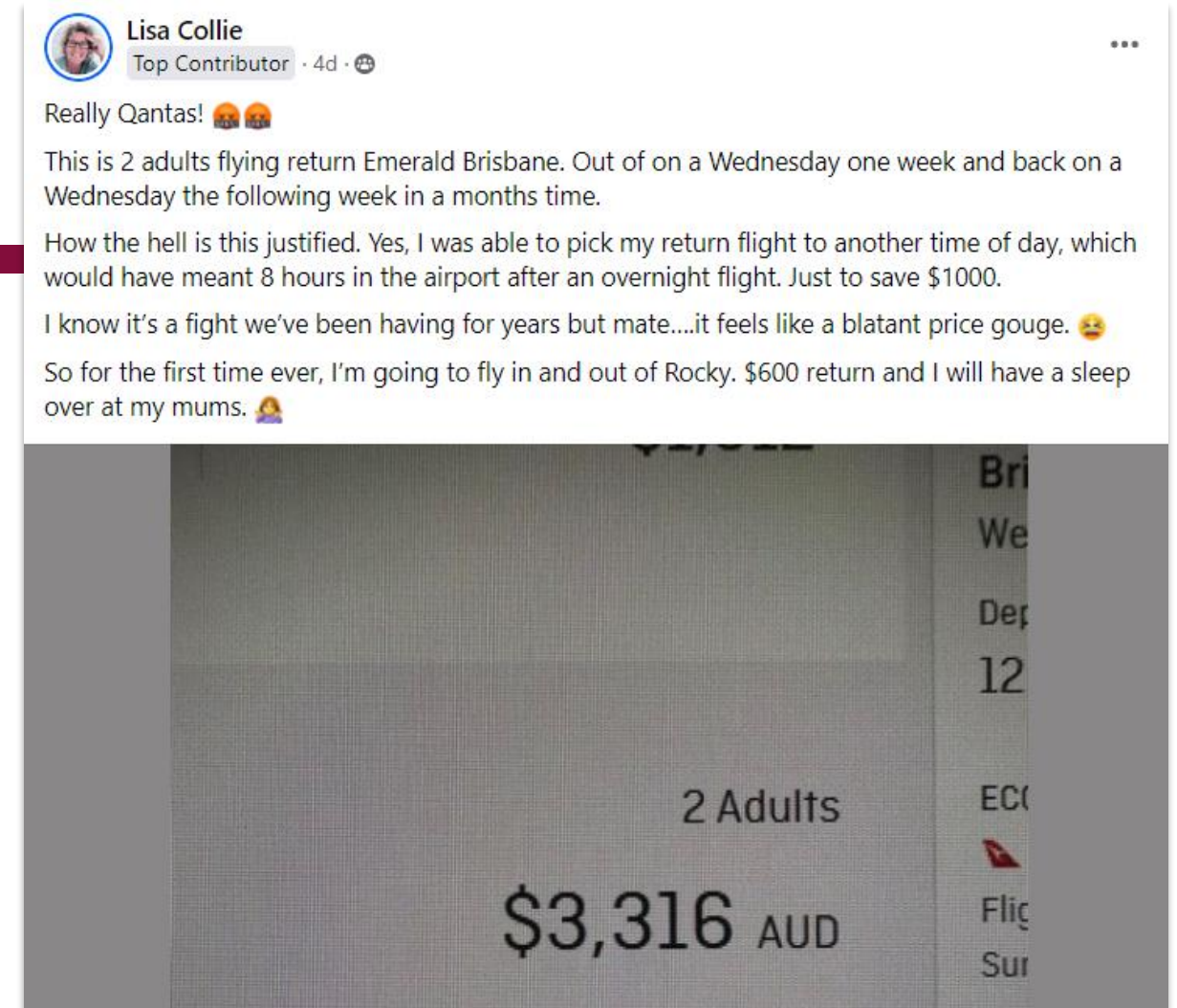
COLLABORATION

CHDC together with CHRC to coordinate and better promote access to available funding opportunities for community groups across the region. Encourage major employers to partner with and sponsor community activities and events. A centralised webpage on CHDC’s website to direct community members to the opportunities such as Grant Finder, Company Community Partnership Schemes, Council Sponsorship Opportunities.

TIMEFRAME:- Centralised webpage to be published by 1 February 2025.

Something topical

- The cost of flights to and from Emerald was and has been a hot topic. There are many factors that contribute and what we learnt included that:-
 - Emerald can land aircraft up to approximately 45 tonne – which impacts the type of aircraft that can land.
 - Commercial flights through the airport operate from Brisbane to Emerald through Alliance and Qantas, with Qantas operating the most flights per week.
 - Mondays into Emerald are generally close to 100% full. Then Thursdays & Fridays are the opposite, the aircraft comes to Emerald ½ full, but returns close to 100% capacity. This is reflective in the fare pricing also, and the closer to travelling the more expensive the flight.
 - **From May 2024, the fleet for both airlines will be upgraded to E190s. This will increase passenger capacity by approximately 30% per aircraft.**
 - **E190s are 94 and 97 seat jet aircraft and are known to be less expensive to fly than the current Dash 8 fleet and F70 jets. Airlines have advised that travellers should see a reduction in the fare price.**
 - **The lease arrangement for the aircraft is that they are “wet” hired so come guaranteed with flight crew which should therefore improve efficiency and reliability.**
- Rex Aviation, Qantas and Alliance are actively reviewing “milk run” flights that include Emerald.
- Virgin is the only airline that currently includes the postcodes of the Central Highlands in its Regional Residents discounted fare program for its Velocity members based on their principal place of residence being in region. Qantas excludes the Central Highlands from its regional resident scheme however have advised that they will review in light of this strategy. We are meeting with Qantas (again) on 30 April 2024.



LIFESTYLE

ACTION 8 – FAIRER AIRFARES

CHDC to develop position paper to work directly with the airlines to find solutions on reducing the cost of airfares and expanding regional subsidy schemes for residents. Monitoring of new fleet and its impact on costs and availability of flights to also be undertaken and improvements to be appropriately communicated to community.

TIMEFRAME:- Position Paper to be finalised by 30 June 2024 and roundtable held through WAC in July 2024.

Something exciting – Build 12 in 12

The "12 in 12" campaign is a bold initiative aimed at tackling the pressing housing shortage across Central Highlands. With the goal of constructing 12 new homes within a span of 12 months, this campaign is set to shift the region's approach to housing development.

Expressions of interest will be sought from a wide spectrum of builders, ranging from those employing traditional build methods to those utilising cutting-edge modern methods of construction techniques. This inclusive approach ensures that the campaign embraces diversity in building practices while encouraging creativity and innovation in the construction industry.

Local Builders will be incentivised to participate with additional weighting provided to ensure the protection of local assets. Growth of local employment by other builders will also be seen favourably to help drive down the cost of construction.

The cost is the main barrier to new builds and therefore a key component of the campaign will be the donation of vacant land (valued at its market rate) as well as other potential bonuses. Of particular note is the provision of incentives for builders who commit to constructing homes for key workers at a discounted rate, thereby addressing the critical need for affordable housing for essential members of the community.



Expression of Interest
for the “12 in 12”
campaign to launch
by 1 May 2024.

We are committed to delivering the WDAS.

Further details on the WDAS can be found on the CHDC website.

Thank you.