

\$45bn gas plan draws workers of the world

WORKERS from as far away as Ireland will be part of the massive fly-in, fly-out workforce needed to build the \$45 billion development turning coal-seam gas into liquified natural gas on Curtis Island off Gladstone, central Queensland.

About 800 people are now working on the mangrove-fringed island on the north side of Gladstone Harbour, but this is expected to rise to at least 6000, housed in specially constructed camps, within two years.

There will also be up to 2000 contractors, who will not live on site but will be ferried across from Gladstone every day to help build the three liquid natural gas plants, expected to be operating by 2015.

While protests against coal-seam gas continue in areas such as the Darling Downs, where 40,000 coal-seam wells will be constructed, the export industry is proceeding rapidly.

The pipeline that carries the coal-seam gas from the Darling Downs to Gladstone is under construction, and work on the plants that will convert the gas into 38 million tonnes of liquid to be exported to Asia each year is well under way.

Three LNG plants are being built -- by the British-owned BG Group, Santos and Origin -- but all three \$15bn plants are being built by US construction giant Bechtel, which owns the intellectual property rights to the technology. Bechtel, one of the world's biggest contractors with a global workforce of 55,000, is already a big employer in Gladstone, with about 1500 people working at the expansion of Rio Tinto's alumina refinery at Yarwun.

The company anticipates swinging most of this workforce across to the three LNG projects over the next year.

But demand for skilled labour to construct the three plants is fuelling wage pressures in the supercharged resources sector, forcing local employers to pay more or lose staff.

Bechtel has not yet finalised how much of the workforce will come from offshore, but at least some will come to Gladstone after finishing an LNG refinery in Angola at the end of this year.

Another source of specialists for the project is expected to be workers previously employed at the recently finished Shell LNG plant at Qatar in the Middle East.

Gladstone Economic and Industry Development Board chief executive Ken King said hiring a workforce of this size and bringing it into a small town was a considerable challenge.

"Bechtel are trying to source as many people locally as possible, and there are a lot of training organisations getting into the picture so people can be trained up for some of these jobs," he said.

"It's in their interest to employ as many people locally as possible, but they will have to recruit outside the region and internationally as well."

Jacqueline King, chief executive of Future Skills, a company owned by the union movement, said it was working with its Irish union counterparts to provide accreditation for Irish workers -- electricians in particular -- to come to Australia. "Because their economy crashed so quickly they had a lot of people nearly finished apprenticeships who can be skilled up. We've told them that if they want to come to Australia, it's all in the regions."

The sheer scale of the three projects is having a debilitating effect on the central Queensland region, already suffering a skills shortage because of the mining boom.

While wages for unskilled workers in mining average between \$80,000 and \$120,000 a year, with up to \$150,000 for more skilled workers, labour hire operators estimate the short-term nature and urgency of the jobs on Curtis Island mean the pay on offer is 15-20 per cent higher than in mining industries.

Mining employers expect to pay more as competition for skilled workers grows. A mine worker paid \$150,000 a year might be able to get \$180,000 as the Curtis Island workforce increases.

The managing director of Mackay's Mining Logic, Glen George, says his company is experiencing problems in retaining staff and attracting new workers. "It's already tightening the labour market around here, and it's going to get a lot worse," he said.

Australian Workers Union Gladstone organiser Tony Beers said about 500 of the 800 people working on Curtis Island were fly-in, fly-out workers, but he anticipated the proportion would rise.

"We have a stable and skilled workforce in Gladstone, but there is no way we can cope with a project of this size, especially since there are several other big projects around town as well," he said.

The Queensland government yesterday confronted the issue of fly-in, fly-out workers when it required the BMA Alliance -- a syndicate of miners based on BHP -- to build 160 new houses in a town near the Caval Ridge mine as a condition for approving the mine.

BMA wanted to have a complete fly-in, fly-out operation, but the application was opposed by the union movement, which called the BMA request "a line in the sand".

Queensland Premier Anna Bligh said this week the CSG industry would deliver 18,000 jobs and \$750 million a year in royalties. "This industry was unthinkable a decade ago," she said. "It was unbankable five years ago. It was confronting a sceptical marketplace even 12 months ago -- and today it's unstoppable."