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To whom it may concern,

Please see below for my submission to the Minister for Regional Australia, Regional Development and Local Government, The Hon Simon Crean MP, regarding his inquiry into *the use 'fly-in, fly-out' (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in Regional Australia.*

**Terms of Reference**

**The Standing Committee on Regional Australia will inquire into and report on the use of 'fly-in, fly-out (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in regional Australia, with specific reference to:**

1. the extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised;
2. costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce;
3. the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;
4. the impact on communities sending large numbers of FIFO/DIDO workers to mine sites;
5. long term strategies for economic diversification in towns with large FIFO/DIDO workforces;
6. key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development;
7. provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees;
8. strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry;
9. potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce;
10. current initiatives and responses of the Commonwealth, State and Territory Governments; and
11. any other related matter.

Firstly, a little about myself and my background in relation to this matter - I am a long term resident of Port Hedland, born and raised here, with a young family of my own now. I have spent time away from the town, but have a deep love for the place that I have called home all my life.

1. I can say as an insider, that there are at least 10,000 beds of CAMP ACCOMMODATION in the pipeline, specifically for a particular company and its development projects. This is based over a few parcels of land being released by the government for to the company.
2. As far as I am aware, though the costs of a FIFO are higher than a residential, the reason for the encouragement of it is that these costs are in some form or another tax deductible, so in the end, the FIFO costs less to employ.
3. There is a huge effect of a FIFO workforce on an established community like Hedland – to name a few:
  - a. Sustainability of residential workforce – with lack of accommodation available for those who wish to live here, the costs of living have risen to even more extreme rates, with the average house renting for \$1200-\$1800/week which filters down to services such as childcare having to bump up their costs to be able to maintain ESSENTIAL SERVICES to the town
  - b. Services – with such a large amount of FIFO workers, there is a lack of development in the town – this is slowly being corrected with the help of our lovely Mayor Kelly Howlett pushing for the development that previous councils have done nothing about. Our hospital should be able to service the greater regional population with oncology and other specialist services, but we don't have the residential numbers to justify a better health service. We don't have the data services that should already be in place, again because of the lack of residential numbers.
  - c. Infrastructure – the infrastructure of the town is at least 10 years behind where it should have been. This is schools, hospitals (I should have been born in the new hospital, and am now in my mid-twenties) police stations, roads (i.e. the double lanes between Port & South Hedland). Because of the lack of land release fast enough to ensure that the boom didn't encourage a 'spike' in real-estate market, this has put the infrastructure development back further – the government will lose a lot of money earned in stamp-duties and other taxes on land and development if they released the amount they should, because the value of these

'multi-million dollar' houses will drop and the market would stabilise. The infrastructure planned does not cater for all types of residents – single, couple, young family, small family, large family, students/apprentices, high, mid-range and low-income earners. There needs to be a large number of high-apartments similar to the Lawson St apartments

4. There are so many mines close to Hedland, that it seems ridiculous that everyone flies in and out of Perth, instead of encouraging those that live here to stay here and pursue DIDO as a resident of Hedland, Karratha, etc. It is essentially driving jobs away from the Pilbara, to be outsourced by Perth, Melbourne etc. WHY? If we developed the towns into places that people wanted to live, this would become a reality. A lot of money is made in the Pilbara, but most of it is taken and spent away from the Pilbara.
5. I think that for diversification, yes we need to accept that there are some FIFO, but making it so that the perk of working in Hedland is getting to live here, not getting to live out of town.
6. One question that has always been in my mind regarding skills and training, is WHY DON'T WE HAVE THE TRAINING FACILITIES WHERE THE INDUSTRY IS? We have mines throughout the Pilbara, and yet no training facility for apprentices of all trades, and a university. Why send students away from their work and families (in my case, my husband is an apprentice, and sometimes away for a month-long block, 3-4 times a year) as opposed to those in Perth who are on day-release. There are enough people in town, and the Pilbara region to warrant a university and upgrade of the TAFE to service the mining, transport, health and education industries needs.
7. I am disgusted with the way that FIFO employees are looked after as opposed to residents. There are a 4 categories that people fall under when working here:
  - d. Full Time Employee, Residential, housing supplied
  - e. FTE, Residential, no-housing supplied
  - f. Contractor, FIFO
  - g. Contractor, Residential

Of these categories, 'B' & 'D' are continuously losing out – with the increases in rental and purchase prices for housing, its becoming increasingly difficult for people to live and work in Hedland without some kind of assistance. If you have a young family, you are very reluctant to share-house with strangers, yet if you were on a single wage, or both 'low-income' earners (still more than city areas, but its not proportionate to the costs of living here) you simply can not afford \$1500/week for a property, plus bills and food. Most people struggle to make \$1500/week, especially after tax is taken out as well.

In contrast, a FIFO worker has residence in a camp, where they have free food, transport and accommodation, as well as access to facilities such as a gym, free of charge. The average weekly stay at a camp costs a business \$1400+ per person, adding another \$300+ for car hire. On top of this, they also get tax breaks for CHOOSING to work away from their family and friends.

Where I am currently working, there is a shortage of FIFO accommodation, so they have put the FIFO personnel in private and company owned housing, including in PRETTY POOL, with a \$300/week TAX FREE food allowance and transport, yet none of the residential people who are contracted have any kind of help close to that. We have been promised \$1000 per week, but no one has told us when, or if its taxable. The full time workers who aren't supplied a house get a choice of mortgage assistance or rental assistance, so its only the residential contractors who are losing out, yet make up a large portion of the workforce.

Some of these 'FIFO' people who have housing has even been so bold as to ask for free memberships to the local gym, as they don't have access to the camp one – seriously? Its really gone too far.

8. Personally, I can not see the need for a FIFO workforce in a place like Hedland. There is plenty of space for building housing, high to low density, upgrading the education and health services and town infrastructure to accommodate more people living here, and make the town like Darwin or Brisbane – attractive to all walks of life, entertainment facilities to attract bands and the arts and sports, nightlife, retail etc. so that if you don't have a job in the mining sector, its still a place to live and work and thrive.

Whilst there is a need for FIFO to a degree, it should be focused on places like the mine sites themselves like Area C, Telfer etc. not the towns like Newman, Hedland etc. There is absolutely no need for it, why not growth the residents and towns themselves and encourage DIDO from the Pilbara towns.

9. Other than the health sector, there wont be much good coming from non-mining sectors getting FIFO workers. Places like hospitals building on the rapport and trust gained with their patients building relationships with their doctors and nurses. The same with the education sector and its students. For other businesses such as restaurants, cafes, hairdressers and other retail areas, its not work the cost of flying and accommodating people, compared to the amount of sales made. The same for supermarkets – its not a viable option. And providing housing has the same drawback, due to the high costs compared to the not-guaranteed sales output of the retailers.
10. As far as I am aware, there are no initiatives that are actually making a difference to the status of the town. Yes we have put some parks in, and yes we have a new hospital (which is smaller in capacity than the old one, yet we want the town to grow, so why not do the expansions when building in the first place), but there is no forward planning to get us to where we should already be, and too prepare us for the next decade.
11. The government needs to bite the bullet and release land and packages for everyone to access affordable accommodation to rent or buy. They need to disregard the minority who will take a small loss on their investment properties, which would still be positively geared anyway. If they don't, then the residential workforce will essentially be FORCED to become FIFO.

Over the years I have watched the deterioration of the status of Port Hedland as a habitable town due to the mining booms that have happened and as a long term local, fail to understand how a place like Hedland, with all the land and income around it has failed to be engaged and developed. A stark example in relation to the developments in Broome and particularly Karratha. Hedland is only a couple of hundred km's away, we are neighbouring towns, both with strong mining and export capabilities and industries, yet the differences are huge in the way the towns are referred to and treated.

The lack of infrastructure (power, water and data services; commercial and residential accommodation) has no explicable reason for occurring – with all the development of the businesses like BHP, FMG and Rio Tinto, there is no justification for the government to not release large lots of land for all levels or occupancy, not in dribs-and-dabs like it has. The last land ballot only had TWELVE lots for sale, yet we are lacking in thousands of residences that are urgently needed.

Personally I care more about seeing land released so that first home owners can but their first house for \$350-400K, not \$600+ and be able to live in it than I care about developing a hotels and a marina. What's the point if there is no one living here to enjoy it?

**Suzan Chesson**