



Standing Committee on Regional Australia

Inquiry into the use of 'fly-in, fly-out' (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in regional Australia

The Pilbara Association of Non-Government Organisations is the peak body for the community services sector in the Pilbara region, delivering those health, education, child care, Aboriginal services, legal and family services, substance use, homeless, family violence, sexual assault, womens and relationship services amongst others directly to the community, with the majority of our client base (more than 85%) being Aboriginal.

The massive increase in Fly In, Fly Out workers into our towns has indirectly placed undue pressures on the economy and infrastructure of our towns, and indirectly impacted negatively on the ability of the community services sector to recruit and retain an effective workforce.

The average wages in the NGO sector is around \$50 - \$55,000 per annum, while rents continue to soar past the \$2,000 per week rate and heading towards \$3,000 per week, with average house prices for a standard 3-bedroom unit at more than \$700,000 and climbing up to the "magic million" mark.

All of this seriously threatens the service delivery capacity of the community services sector in the Pilbara, along with the across the board price increases, regional CPI and lack of suitable staff to deliver the services.

It is obvious to our organisation that the lack of land release by the State Government, whether through Landcorp and/or the Department of Housing, combined with the selling off of some 140 State houses (Homeswest) to the private market has driven the land and house prices up to unsustainable prices.

While the Department of Housing continue to sell off State houses, with no building program, the millions of dollars gained in this venture with Jaxons Construction are NOT coming back to the Pilbara, and the local people, mostly Aboriginal people, live in tents, makeshift camps and cars under the shadows of 1,000-room plus Fly-in, Fly-out camps.

Added to this is the chronic overcrowding of homes in the town, with families sharing what roof- space there is available with up to 16 people living in a three-bedroom house, with even FIFO workers also cramming into company-leased or purchased homes, many of which were previously Homeswest units.

The impact of the housing situation is being felt around the community with deteriorating health issues, where some dialysis patients still camp in the bush; substance use issues; family violence; and family breakdowns where children are being forced to live in over-crowded and unsafe environments.

The unacceptable price rises in land and housing costs – up more than 500% in the last decade – have forced many locals and locally born people and families out of their homes and home town, with some even reverting to FIFO themselves from Perth or Eastern States where house prices and costs are a third of Pilbara prices. (E.g. land and house package in northern suburbs of Perth – 3-bed 2-bath ready to move in - \$340,000 – compared to a transportable module in the Pilbara for \$970,000).

PANGO has made some recommendations in relation to community and affordable housing, supporting a State Government Report “Feasibility Study for Affordable Rental Property in the Town of Port Hedland” financed by the Department of Resources and Development (now defunct) and produced by Stamfords Consultants Perth. The report basically recommended that a community-controlled not-for-profit housing association manage the community housing investment, in partnership with the State Government. This emanated from the Hedland Regional Partnership Agreement

Instead the State Government has totally ignored the report and recommendations, and appears to be quite relaxed about allowing prices to rise to their current levels.

An example in Newman that was advertised in late March 2009 shows the depths the land situation has gone to: a 259 square metre block within a development called “Kurra” is on the market for \$390,000 with the developer recommending:

Lot 145 is 259 square metres of land, with a 12.94 metre frontage and a depth of 20 metres. This type of block will suit a four or three bedroom property. However, the type 19, (see attached) is the best way to maximise the potential of the block.

Recently, a 4x4 with a single living area rented for \$3500 per week. The type 19 possesses 4 self-contained 1x1's. The land is listed at \$390,000. These figures give you an idea of the potential of the block.

This type of development will obviously come into the other Pilbara towns including Port Hedland and Karratha, where more FIFO units will be encouraged into residential areas.

South Hedland currently hosts the Club Hamilton FIFO camp for the FMG FIFO workers in Hamilton Road, backing on to the Marie Marland sports reserve. Currently this camp is being expanded with double storey “dongas” being installed to accommodate hundreds more workers, while across the sports reserve on the Southern boundary, ESS is building another camp for up to 1200 FIFO workers.

A number of other FIFO camps are believed to be planned for South Hedland, while the Town of Port Hedland have just released for public comment a Draft TWA (transitional workforce accommodation) and FIFO Strategy for the Town.

Even the Town of Port Hedland local Shire has made a request to the Minister for Land to change the vesting of a large parcel of land on the north boundary of Marie Marland sports reserve, vested in the Shire for the use of “Recreation”, to “Transitional Workforce Accommodation” to house FIFO workers.

The local community and in particular the sporting community has seen this request to the Minister for FIFO land as a direct threat to recreation and sports in the community, and mounted a campaign against the move, attracting some 220 signatures in a formal petition opposing this venture, which was presented to the Mayor at a formal Council meeting, as well as to the State Minister for Land.

FIFO arrangements have had a direct negative impact on the sporting fraternity of Port Hedland, with some sports declining in numbers while the reducing numbers of volunteers in coaching, umpiring and administering sports is placing undue pressure on those long-term administrators and volunteers.

PANGO recognises that FIFO arrangements are required in our remote regional areas for construction projects, however the major mining companies have been reverting to more and more “operational FIFO” arrangements, with BHP Billiton Iron Ore moving entire operational sections in the Pilbara to FIFO arrangements, while FMG Ltd has publicly stated that the cost of residential workforce is three times higher than FIFO and announced they (FMG) will be expanding their FIFO operations in Port Hedland by more than 300%.

It is the position of PANGO that the exorbitant land and housing costs for the community and business in the Pilbara, is driving the ever-expanding and thriving FIFO operations for industry and business, to the detriment of the very social fabric of the Pilbara communities, which have been more than 150 years in the making, and tens of thousands of years for the Aboriginal peoples.

There is also a concern that the FIFO situation is driving a wedge between the community and the FIFO workers; workers who have access to top-class living quarters with free air-conditioning at no or minimal cost; access to free transport to and from work and to community facilities – and even free access to some of those facilities such as fitness centres and pools; free laundry services and three square meals each day at no charge – while at the same time some sections of our community struggle each and every day, particularly the aboriginal community – living in tents, cars, caravans and sea-containers, or overcrowded houses. There is NO Regular Passenger transport system to take the community to and from work, shops, facilities or training; huge fees to join clubs and fitness centres; and some families struggling to buy basic food, and power disconnected due to running an air conditioner.

PANGO recommends:

1. The State Government immediately implement the recommendations of the Feasibility Study for Affordable Rental Property in the Town of Port Hedland in partnership with the State Government.
2. State Government act immediately to develop and release appropriate residential and commercial land within 12 months.

3. The State Government partner and negotiate with the four Pilbara councils through the PILBARA REGIONAL COUNCIL to ensure equitable Pilbara mining royalties are returned back to the Pilbara region to assist in capacity-building the communities, specifically in the retention and housing of community service workers to enable continuity of service delivery.
4. The State Agreement Act be negotiated for modification to ensure that operational FIFO is utilised ONLY when residential status is a distinct disadvantage to either party.

Bob Neville
PANGO Chairperson