



# Submission

to

House of Representatives, House Standing Committee on  
Regional Australia

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

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# Terms of Reference

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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:

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

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## About the Australian Services Union

1. The ASU welcomes an inquiry that seeks to identify the impact on communities sending large numbers of FIFO/DIDO workers to mine sites. It is important to consider all strategies that can facilitate FIFO/DIDO phenomenon for employees as well as their families, communities and industry; and create inclusive opportunities for the benefit of a sustainable regional Australia. It is also important residents of regional Australia be able to submit their views to parliament as part of the parliamentary process.
2. The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 120,000 employees.
3. The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare, information technology workers and transport workers.
4. Today, ASU members work in a wide variety of industries and occupations; especially in the following industries and occupations:
  - Local government (both blue and white collar employment)
  - Social and community services, including employment services
  - Transport, including passenger air and rail transport, road, rail and air freight transport
  - Clerical and administrative employees in commerce and industry generally
  - Call centres
  - Electricity generation, transmission and distribution

- Water industry
  - Higher education (Queensland and South Australia)
5. The ASU has members in every state and territory of Australia, as well as in most regional centres. The Union has approximately equal numbers of male and female members, with some variation of the proportions in particular industries.
  6. The ASU has always been well placed to observe and comment on the status of regional Australia on behalf of our members in those communities and the industries they depend upon. As a nation we contend that the continuity of regional communities must be secured; that the answers to address documented decline are common sense: motivate people to relocate to regional areas. The ASU supports developing regional Australia through creation of sustainable career opportunities, working conditions and lifestyle, strong and supportive communities, and access to services and rewarding jobs.<sup>1</sup>
  7. The ASU believes the extent and projected growth in FIFO/DIDO work practices has not been given due consideration and the impact to Australian society is a worrying decline of cohesive society within long standing regional communities experiencing the effects of the industry practice. The ASU believes the regions have and continue to be adversely affected and asks whether discrete benefits for companies, and individuals, choosing a FIFO/DIDO work arrangement can continue unregulated in the face of the pernicious effects and rapidly diminishing alternative resident workforces within associated regional communities.
  8. Unfortunately, ASU members living in regional communities local to mining activities report issues underlying an overwhelming failure to

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<sup>1</sup> McLean, G 2010 , *Inquiry into regional skills relocation*, ASU National Net, accessed 1 May 2012, <[http://www.asu.asn.au/data\\_man/submissions/asusub-lg-regionalsskillsrelocation20100416.pdf](http://www.asu.asn.au/data_man/submissions/asusub-lg-regionalsskillsrelocation20100416.pdf)>

consistently provide adequate and sustainable services that ensure infrastructure and encourage regional development. Local government employees, their associated contract services employees and employees working in community infrastructure services such as transport and social services, all compete to live and work with the FIFO/DIDO mining workforces. In fact, the opportunities for development that may appear possible are impaired by unprecedented competition with mining sector for access to land, existing services, funding jobs and training.

9. As a consequence, the mining sector has so far failed; also, to ensure ongoing benefits for all regional Australians and many communities near mining operations are now hit by infrastructure decay. Due to the lack of funding and resources for increasing costs of all amenities caused by rapid population growth of FIFO/DIDO workers, ASU members report a shocking negative impact on availability and quality of community services. In 2007, the ASU conducted a survey of Social and Community Services sector (SACS) workers and some respondents said they could not earn enough to pay rent and have to move away.<sup>2</sup> In some local government areas in Queensland, the ASU have negotiated agreements way in excess of non-mining areas for the sole purpose of retaining skilled staff. If much needed regulation of FIFO/DIDO work practices is ignored for any further period of time, it will thus be difficult for communities to recover from the attrition of permanent residents and migration trends away from regional areas.
10. The ASU will provide key examples from our membership of the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure.

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<sup>2</sup> White, L 2007, *Building Social Inclusion in Australia*, ASU National Net, accessed 1 May 2012, <<http://www.asu.asn.au/media/building-social-inclusion2007-recommendations.pdf>>

# **The ASU experience with ‘fly-in, fly-out’ (FIFO) and ‘drive-in, drive-out’ (DIDO) workforce practices in regional Australia**

## **Airlines and transport employment**

11. Aviation security is a critical issue for the ASU, because it relates directly to the safety and working conditions of our members. The ASU is the largest Australian union covering aviation industry workers – with members in the widest number of companies and activities in the industry. Our members work for Qantas, Jetstar, Virgin Blue, Regional Express, Qantaslink, Singapore Airlines, United Airlines, Emirates, Malaysia Airlines, Thai, Garuda, Cathay, Air Niugini, South African Airlines, Air France – KLM, Air New Zealand and twenty other overseas airlines. As well as contractors in the industry like Menzies Aviation Services and Toll Dnata, and Airfreight companies such as Australian Air Express.
  
12. Safety and training is a key issue for the Airlines industry to regulate effectively. At regional airports, what were previously 1 or 2 person ground-handling operations have grown, running teams to accommodate the steadily increasing flow of FIFO passengers. Regional airports that are established regional hubs need critical programs that address delivery of consistent safety training, updates and refreshers; all of which maintain airline safety and security around Australia. The ASU is now very concerned to know what and how ground-handling teams are developed and what standard of security measures are in place for growing regional airports. For example, what security is there for on loading bags; also, how are ground-handlers trained? How is the airport infrastructure maintained and what plans are there for upgrading airports experiencing increases to traffic. The need is greater than ever and ensuring effective training programs will support employment at a greater number of regional airports.

13. The ASU's concerns about safety extend to matters of airport security and are well documented in previous submissions.<sup>3</sup> Our members have identified clear vulnerabilities in airport security; which urgently need to be addressed. Aviation employees stand to lose the most when security breaches occur. It is the front line staff that can lose their lives or livelihoods when security measures fail. Employees and unions are important allies in the effort to secure our airports. It is those on the ground who on a daily basis see the real efficacy of our safety and security arrangements.
14. The rapidly increasing FIFO passengers – all of whom are travelling through terminals in dire need of aforementioned upgrades – also, poses an alarming need for a review of airport security and safety measures around the country. To meet the needs of the FIFO traffic, RPT regional towns and the workers become exposed to delays and safety and security breaches. For example, Perth Airport is a 24 hours/day 7days/week Commonwealth airport in the City of Swan, WA. FIFO workers dominate the dual domestic and international passenger terminal, waiting for their flights out of the city at regular times of each day, causing pressure at busy periods. Ground-staff are at the frontline experiencing those pressures. Traffic to and from Perth Airport due to FIFO passengers stretches staff on the ground and many work shifts and receive over-time payments as well as other associated penalties.
15. Flights for FIFO workers now compete with the Regular Passenger Transport (RPT), freight and tourism sectors, for access to reliable transport hubs. Gladstone Airport, QLD is a good case in point servicing without significant airport upgrade approximately 136,000 additional passengers in the first year operators flew the recently established

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<sup>3</sup> Most recently: White, L 2009, *ASU Submission – Inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime*, ASU National Net, accessed 1 May 2012, <[http://www.asu.asn.au/data\\_man/submissions/asusub-aviation-security061009.pdf](http://www.asu.asn.au/data_man/submissions/asusub-aviation-security061009.pdf)>



Brisbane and Gladstone route.<sup>4</sup> Gladstone is not the busiest airport experiencing increased traffic. Routes flying FIFO traffic out of Brisbane and Perth Airports are each year, edging closer to a million passengers per annum. The impact of such a traffic increase is inevitable delay for RPT and delivery of essential freight and services destined for remote and regional areas.

16. Even the DIDO work arrangement has flow-on effects for road transport safety made critical by one of the essential differences between the contracted and the salaried work arrangement. The welfare of all drivers using roads near mines is at risk. The preference of the mining sector to keep contract employment high in their mix of work arrangements leads to staff taking greater risks travelling to and from mine sites. In contrast to starting shift at the mine site, salaried workers tends to be paid for their travel time to and from shift. The situation on the Peak Downs Highway is a good case in point. Mining sector DIDO workers headed for the Bowen Basin coal mines drive in from Mackay on the coast to Clermont through Moranbah. The drive takes more than 6 hours along a 2-lane road that has not been upgraded for traffic beyond its aim to service smaller communities in the 60s. A death about every 2 weeks and the type of heavy DIDO traffic is well recognised by the community as an priority for government to provide urgent transport infrastructure upgrades.

### **Local Government and regional employment**

17. Lack of housing and affordable cost of living in mining areas has become an entrenched issue for Local Government staff. All members affected by this topic are disheartened and angry that the cost of living is so high in their towns. The common opinion reflected is that the local governments, private home owners and business owners are utilising the mines to their advantage for monetary gains by charging

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<sup>4</sup> Bureau of Infrastructure, Transport and Regional Economics 2011, *Air transport service trends in regional Australia (2011 update) Report 130*, Australian Government, accessed 1 May 2012, <[http://www.bitre.gov.au/publications/2012/report\\_130.aspx](http://www.bitre.gov.au/publications/2012/report_130.aspx)>

excessive rates, rents and prices. Employing new staff and retaining existing staff who can no longer keep up with cost-of-living expenses, is problematic for Councils.

18. The ASU recently completed negotiations for an Enterprise Bargaining Agreement 2011 (EBA) with Isaac Regional Council (IRC). IRC have staff situated in Carmila, Coppabella, St Lawrence, Dysart, Middlemount, Clermont, Moranbah, Nebo and Glenden. The IRC covers an area of 58,862 square kilometres; contains an estimated resident population in 2006 of 20,443. IRC's statistical snapshot shows that they modestly expect annual population growth of 2% to continue to until 2031.<sup>5</sup> Staff turn-over is excessively high. Current vacancies for IRC on Wednesday 2nd May 2012 were 120.
  
19. Housing matters are one issue contributing to skills shortages. Housing is either not available or simply costs too much; a fact that was recognised and acknowledged by IRC's CEO, Mark Crawley at recent negotiations. A single outside worker receives \$40,654.74/annum for the first 6 months; which equates to approximately \$1,347/fortnight net pay. Average range of rental prices start at about \$900/week for a 2 bedroom flat to over \$1,700/week for a simple 2 bedroom house and anywhere from \$3,200/week for a comfortable 4 bedroom house of greater standard. In negotiations for the 2011 Enterprise Bargaining agreement with the IRC, the members of all Unions included claims for subsidies and/or extending Salary Sacrifice options available to staff who do not rent council housing (including rate payers), and; housing availability for staff non-resident in the council community. (At the time there were 10 employees living outside community without housing.)
  
20. The housing situation in the IRC area has been exasperated by the lack of an appropriate housing policy. ASU members have been calling for

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<sup>5</sup> .id Informed Decisions 2011, *Isaac Regional Council Community Profile*, .id Consulting Pty. Ltd., accessed 1 May 2012, <<http://profile.id.com.au/Default.aspx?id=405&pg=210>>

a housing committee to be established to ensure that housing is issued on an unbiased basis. The ASU has pursued policy for over 18 months and the council has continued to advise the Union that a housing policy is being prepared. In the meantime council housing continues to be unfairly issued. A few examples of the incidents that have occurred in IRC:

- i. Council asked a lower level employee to move out of their home to be able to house a higher level/skilled employee as an incentive to remain in Moranbah.
  - ii. A council employee currently pays \$700/week but due to an increase in rent to \$1,700/week, the employee resigned and relocated.
  - iii. Two council employees living in a de facto relationship acknowledge 1 works just to pay the rent.
  - iv. A single council employee lives in a 4 bedroom council house whilst a family with children has no housing.
21. The unavailability of housing has repercussions on the community as a whole. Non-resident FIFO/DIDO workforces are often housed in local motels. Motels are paid to set-aside rooms for FIFO/DIDO employees and vacancies are released after a set time on any given day. The practice can create a dilemma for a new local government employees aiming to migrate in from out of town. Securing accommodation for a short term stay is practically impossible at short notice. Motel owners recommend reserving accommodation at least three months in advance.
22. The issues the IRC face are similar throughout the mining area and the sentiments of staff are echoed wherever ASU Union officials visit – especially when the topic of council rates is discussed. Here is an email from a Circulation and Interlibrary loans Officer – Moranbah, employed by Isaac Regional Council:

Thank you for giving me the opportunity to express my concerns about the housing in Moranbah.

I have enquired about the National Rental Affordability Scheme (NRAS), at present there are three houses available in Moranbah under this scheme. Due to the income requirements of this scheme I am unable to apply. The maximum income for a single person to apply is \$44,000 per annum at the time of application. After tax this is approximately \$716 per week. The cost of rent for the properties through NRAS is \$400 per week. Once rent is deducted from the weekly income it would leave approximately \$316 per week. As a local government employee there is compulsory superannuation to be deducted weekly, based on an annual wage of \$44,000 this is would amount to \$50 per week. Taking compulsory superannuation deductions into account it would now leave approximately \$266 to pay for living expenses. The average Australian person would consider living expenses to include the following: electricity, content insurance, car registration, car insurance, medical insurance and food. Based on an average income of \$716 per week and taking into account the rent and cost of living in Moranbah, this is an unrealistic living situation.

I have also enquired about ELAM housing at the Moranbah office. The income requirement for this housing scheme for a single person is approximately \$38,000 per annum.

Due to the rental issues and increased cost of living in a mining community like Moranbah, individuals like myself earning a national award wage (not mining) are forced to resign from their employment and relocate elsewhere. This leaves gaps in all areas of the service sector eg: Police, Local Government, Post Office, Banks, Education, Retail Industry and Hospitality industry.

Without affordable housing in a mining community like Moranbah, you will continue to see individuals and families relocating or forced to separate. This eventually results in business within this service sector either closing down or relocating also.

At present I am working for Isaac Regional Council in Moranbah, where the position I hold is Circulation and Inter Library Loans Officer at Moranbah library. My annual wage of approximately \$50,000 per annum does not allow me to apply for NRAS housing or ELAM/Queensland Housing Commission housing. At present there is no council housing available, I have been on the waiting list for approximately 18 months. In the past 18 months I have been staying with family. However this situation has changed and they have relocated. This now leaves me without housing, unable to apply for affordable housing, and unable to pay the market rental prices. I have temporary accommodation for one month after which I will be forced to resign and relocate if I am unable to obtain affordable housing.

This is not only my situation, it is also the situation for many other people in this town, until the affordable housing/rental issue is truly addressed more families, individuals and businesses will follow in the footsteps of Bollywood, Kardoe, Habitat Living and the Dentist i.e. closing their doors and leaving town.

23. An immediate consequence of the lack of temporary accommodation in the towns is that visitors will travel through the towns without staying, keeping tourist expenditure to a minimum and stagnating tourist economies. Another impact to tourism is that the non-resident FIFO/DIDO workforce tends to spend their income elsewhere: not in the community they have come to work from. Therefore, many local businesses do not survive for more than a year; the hospitality/alcohol industry notwithstanding. The resultant decline of job opportunities outside the local government and mining industries for future generations will begin to devastate the whole community in the long-term.
24. Councils; also, are having to respond to gaps in essential community services such as medical facilities; which have been kept at their minimum and seriously lack the capacity to service the influx of FIFO/DIDO workforce into the mining towns. Nebo has medical facilities but no doctor. Moranbah currently does not have a dentist, the closest being Emerald or Mackay (both about 200 kilometres distant).
25. An ever burdensome challenge persists for local government to retain skilled employees in mining areas as both employer and employee become less able to meet the financial capacity required to compete with mining sector. Councils rely on potential employees that desire a different work and family lifestyle to the conditions of the mines. A contracting-out clause commonly included in council EBAs, is commonly utilised for mining areas because a council is unable to recruit sufficient local people to fill vacant positions and have to source labour from business based outside the local region. In IRC essential areas of service to the community that are currently contracted out and the problematic implications that are associated are, as follows:
- i. The Technical and Civil road department are down from 10 to 3 in staff numbers. The workgroup consequently maintain roads at a significantly reduced service level. Unable to hire mechanical staff to service council equipment further increases down time because mechanics are sourced

externally and insufficient numbers of mechanics are based in the local area.

- ii. Parks, maintenance and mowing department; also, has insufficient staff and in peak wet weather seasons the council cannot hire contractors to keep-up with the work load.
- iii. Sewerage treatment upgrade is behind as there was not enough accommodation for contractors hired for the development works. Council resorted to building a small donger village to house skilled employees. The conditions in the donger village are sub-standard; for example, kitchen facilities consist of a kettle and a microwave.

### **Social and Community Services (SACS) community infrastructure**

- 26. Australian communities depend upon provision of social and community services such as youth refuges, women's refuges, family support services, disability services, community legal centres, employment and training services, Community Employment, Training and Support Services (CETSS) like Job Futures, Aboriginal organisations, community or neighbourhood centres, family day care centres, community transport services, home and community care services, environmental organisations, aged pensioners and superannuates associating community sector peak bodies, migrant or ethnic services and aid agencies. Large employers in the SACS industry include the Catholic Church (including St Vincent de Paul), Anglicare, The Smith Family, Mission Australia, Uniting Church, Relationships Australia, Amnesty International, Oxfam, ACF and Greenpeace.
- 27. Some of the most remote communities where we have members in the SACS industry are in close proximity to mining operations. For example, in Western Australia (WA) the ASU has a close association with the work of The Pilbara Association of Non-Government Organisations (PANGO). Our members report that the influx of non-resident FIFO/DIDO workforce to the Pilbara region has put the cost of rentals in some places to \$2000.00 per

week; accommodation is inadequate for (mostly) indigenous people who come in to Port Hedland to attend Hedland Health Campus public hospital and people sleep outside rather than in the hostel accommodation provided. Similar to the example of the IRC area tended, an issue that has come to the attention of the ASU is the number of union members saying that they could only afford to work in the SACS sector if their partner had a job with the mining companies and was provided with a house. Meetings with some of the refuge employees provide some disturbing information about cycles of community violence associated with living amongst the FIFO/DIDO workforce, such as “I can put up with the violence and bashing because a] I can't afford to move out and b], he will be gone for a few weeks in a couple of days.”

28. Remarkable increases to costs-of-living seriously threaten the service delivery capacity of the SACS sector in the Pilbara, along with lack of suitable staff to deliver the services. The average wage in the NGO sector is about \$50 to \$55,000/annum; while rents continue to soar past the \$2,000/week rate and heading towards \$3,000/week; average house prices for a standard 3-bedroom unit are more than \$700,000 and climbing up to the “magic million” mark. The massive increase in FIFO/DIDO workforce into Pilbara towns has indirectly placed undue pressures on the economy and infrastructure of the towns, and indirectly impacted negatively on the ability of the SACS sector to recruit and retain an effective workforce.
29. The Pilbara Association of Non-Government Organisations (PANGO) is the peak body for the community service sector in the Pilbara region of WA, delivering those health, education, child care, Aboriginal services, legal and family services, substance use, homeless, family violence, sexual assault, women’s and relationship services amongst others, directly to the community, with the majority of their client base (more than 85%) being Aboriginal.

30. It is obvious to PANGO that the lack of land release by the WA State Government, whether through Landcorp or the WA Department of Housing, combined with the selling off of some 140 State houses by Homeswest to the private market, has driven land and house prices up to prices unaffordable to the individuals' not attracting mining salaries. While the WA Department of Housing continues to sell off State houses with no building program, millions of dollars gained in a joint venture with Jaxons Construction has not come back to the Pilbara. Local people, mostly Aboriginal people, live in tents as well as makeshift camps and cars – under the shadows of 1,000-room plus FIFO/DIDO workforce camps.
31. Chronic overcrowding of homes occurs in town. Families share what roof-space there is available with up to 16 people living in a three-bedroom house. Some FIFO/DIDO workers; also, cram into company-leased or purchased homes (many of which were previously Homeswest units). The direct consequences of a housing crisis being felt around the community, includes deteriorating health issues (for example, some dialysis patients still camp in the bush); substance use issues; family violence; family breakdowns and children being forced to live in over-crowded and unsafe environments.
32. The unacceptable prices rises in land and housing costs – up more than 500% in the last decade – has forced many locals and locally born people and families out of their homes and home-town. Some have reverted to FIFO/DIDO themselves in from Perth and other eastern states because house prices and costs are a third of Pilbara prices. For example, a land and house package in the northern suburbs of Perth; 3-bedroom and bathroom ready to move in for \$340,000, compares attractively to a transportable module in the Pilbara for \$970,000.
33. At the present point in time, the WA State Government has totally ignored the recommendations to alleviate the housing crisis, and appears quite relaxed about allowing prices to rise to their current levels. An example in Newman advertised in late March 2009 shows the depths the



land situation has gotten 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, [The type 19 possesses 4 self-contained 1x1’s] is the best way to maximise the potential of the block.

Recently, a 4x4 with a single living area rented for \$3,500/week. The land is listed at \$390,000. If not-for-profit housing initiatives are not adopted, the type 19 development will obviously come into the other Pilbara towns including Port Hedland and Karratha where more FIFO/DIDO units will be encouraged into residential areas.

34. The ASU believes that the exorbitant land and housing costs for the community and business in the Pilbara, drives the ever-expanding and thriving FIFO/DIDO 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. South Hedland currently hosts the Club Hamilton FIFO/DIDO camp for the FMG FIFO/DIDO 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/DIDO workers.

35. A number of other FIFO/DIDO 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/DIDO 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/DIDO workers. The local community and in particular the sporting community has seen this request to the Minister for FIFO/DIDO 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.

36. FIFO/DIDO 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.
37. Another very real concern is that the FIFO/DIDO situation is driving a wedge between the community and the FIFO/DIDO workers; workers who have access to top-class living quarters with air-conditioning; access to free transport to and from work and to community facilities; also, free access to otherwise public facilities such as fitness centres and pools; laundry services and 3 square meals each day at no charge. That is a lifestyle undisguised in its contrast to some sections of the resident Pilbara community who have struggled 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 servicing the whole community to and from work, shops, facilities, training; fees to join clubs and fitness centres are out of reach, and; some families cannot afford basic food, nor power to running an air conditioner.
38. The ASU recognises that FIFO/DIDO 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/DIDO” arrangements, with BHP Billiton Iron Ore moving entire operational sections in the Pilbara to FIFO/DIDO arrangements, while FMG Ltd has publicly stated that the cost of residential workforce is three

times higher than FIFO/DIDO and announced they (FMG) will be expanding their FIFO/DIDO operations in Port Hedland by more than 300%.

## Recommendations

39. Encourage mining interests to invest regionally. In the ASU's experience; for example where Energy Authorities are based, we have seen secure solid regional employment growth and other industries spin off from that regional growth. Of note is the capacity that has allowed Essential Energy (NSW) to substantially prioritise regional employment and remain a focused, true regional employer. Its 8 regional offices office have been constructed in large regional locations, including the current head office in Port Macquarie, NSW providing infrastructure and jobs to over 1,300 with a total state wide workforce of 4,500 plus contractors and its relationship with contestable work have all benefited regional Australia.<sup>6</sup> The deep and unsustainable pressure on the infrastructure servicing regional Australia, as well as provisions for ensuring security and safety to and from mine sites makes an undeniable and strong framework with which the Australian Government can act and draw on responsibility of the mining sector to make greater returns back to the communities and appropriately planned regional investments.
40. In response to the immediate needs of Pilbara residents, the ASU supports 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 Former WA Department of Resources and Development and produced by Stamfords Consultants Perth.<sup>7</sup> A community-controlled not-for-profit

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<sup>6</sup> McLean, G 2012, *Draft Energy White Paper 2011 Consultation*, ASU National Net, accessed 1 May 2012, <[http://www.asu.asn.au/data\\_man/submissions/asusub-draft-energy-white-paper2012-04.pdf](http://www.asu.asn.au/data_man/submissions/asusub-draft-energy-white-paper2012-04.pdf)>

<sup>7</sup> Stamfords Advisors Consultants, 2008, *Feasibility Study for Affordable Rental Property*

housing association managing community housing investment in partnership with the State Government. Key implementations recommended are, as follows:

- i. 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; act immediately to develop and release appropriate residential and commercial land within 12 months;
  - ii. Negotiate with the four Pilbara councils through the Pilbara Regional Council (PRC) 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.
  - iii. Finally, the State Agreement Act be negotiated for modification to ensure that operational FIFO/DIDO is utilised only when residential status is a distinct disadvantage to either party.
41. The ASU calls on the Australian Government to prioritise such housing and development initiatives that encourage migration into communities and make it possible to live there long-term. The example of Trundle is a case in point where community members agreed to strategically entice people to live in Trundle NSW, and the *Rent a Farmhouse Scheme* was developed. The contrast to mining communities where it is not so much a case of enticing people to come to the town as it is necessary to find ways to draw diverse groups back to those regions permanently, merely necessitates a circumstance specific scheme. A key factor to focus on is recognising the benefit of community consultation with the resident community.

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*in the Town of Port Hedland*, Community Housing Coalition of WA, accessed 1 May 2012, <<http://www.communityhousing.com.au/resources/Appendix%201%20-%20Final%20Report%20Feasibility%20of%20Affordable%20Rental%20Property.pdf>>

42. The ASU recommends the Federal Government address the conflicting outcomes from 2 areas of planning policy: the conflict between sustainable regional development planning and national resources management. The differences in circumstances of shrinking populations in regions as well as growth of urban communities, and must drive changes to layers of governance across Australia. The differences highlight 2 serious consequent issues of policy that effectively stagnate responses needed for remote and regional Australians:

- i. Firstly, planning objectives are approached to meet needs of who lives where but in the case of FIFO/DIDO regions, need is driven by who is working where and their proximity to established communities. The mining sector intentionally places FIFO/DIDO housing proximal to regional areas so they do not have to pay to provide community services. The effect is as demonstrated: the region loses resident population who cannot afford inflated costs of living nor to go without essential services like road maintenance; when regions lose resident population local area services suffer; which places meager services under further pressure from increasing non-resident FIFO/DIDO populations. Also in effect here is the closing-out of more remote communities that are satellite to traditional regional hubs. The inadequacy of current planning initiatives to address that distinct difference between urban and regional planning of, in the main, physical distance to services is a direct cause contributing to the decline in service provision for remote and regional communities.
- ii. Secondly, the imbalance between benefits State governments draw from mining projects and the lack of requirement to re-invest in the regions, has allowed mining interests to operate in competition with sustainable regional development aims of the Australian Government. State Governments appear to have accepted monetary benefits of mining boom but washed their hands of contributing responsibly to regional Australia. Compounding that competition between Federal and State Government aims is the inability of Local Government to raise revenue through means other than raising council rates collection and thus causing the so-called 2-speed economies of FIFO/DIDO work arrangements alongside residents, who are losing their way of life.

43. ASU recommends a response to the increasing preference of the resources sector for contract labour. Whilst comprehensive evidence is not collected, employment of contract labour reportedly dominates the mining industry. FIFO/DIDO work arrangement in WA surpassed 56% of the mining sector workforce in 2009. The mining sector argues that contract labour is integral to specialisation needs of the industry as well as cost-efficiency measures. If you look at the historical facts; however, most mining interests have not moved-on from the regions; since the 70s and continue to operate today in locations such as the Pilbara and Moranbah. It is difficult to understand given the on-going nature of projects, the need for a dominance of contract labour but primarily, the freedom of utilising it at the expense of the economies of mining regions. The impact of FIFO/DIDO employment in regions is in effect a kind of colonisation; an economy that disproportionately allocates 'fly-over' benefits from resources management, away from the host community and creates historic upheaval of lifestyle for residents. Understanding over-use of contract labour within the mining sector and better regulating its use as an employment contract would go some way to reversing the impact of the FIFO/DIDO populations on regional Australia's way of life.
44. The consequences of repeat contract to the socio-environment and therefore, longevity of residency in some regions must also be addressed. The ASU has previously made the following recommendations to government. Direct funding from the federal government to local councils is urgently needed. Regional Australia is an area of national significance and funding at to local levels of government is needed to reverse corrosive trends and rebuild local infrastructure and services. It is critical to attract families to remain and return to regional communities. For example, the provision of family friendly workplace conditions such as varying types of employment, are essential. Families are the supporting structure of any community, whether friends and families live in the region or a new resident moves to a location without individual social support. Families ensure diversity of a community and continuity of essential services that in turn address employment choices and assist with retaining young

residents who will in their turn perpetuate the community. The government must address and re-balance the competition with the mining sector for land and services of our regional communities.

## **Conclusion**

45. A response to the adverse effect of the FIFO/DIDO work arrangements utilised by a booming resources sector, upon the perpetuity of regional Australia is urgently needed and must address the proportionately negative benefits to resident communities coexisting with FIFO/DIDO workforces; deteriorating culture of regional communities; current limitations of local revenue that can be dedicated to local development; pressures on existing transport infrastructure; and the socio-environmental risks of ongoing, long-term exploration.
  
46. Market forces have failed to impress firms to meaningfully invest in the regions and their supporting infrastructures. Flexibility has allowed the very fabric of Australian working life to be revolutionised by the mining sector. It is time for a reform agenda that conducts thorough research into the issues and winds the resources sector into line within other Australian workplace practice.