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AUSTRALIAN PARLIAMENT
HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON REGIONAL AUSTRALIA

**Inquiry into the use 'fly-in fly-out (FIFO) workforce
practices in regional Australia**

ADMINISTRATORS BRIEF SUBMISSION

6 October 2011

INTRODUCTION

Council welcomes the opportunity to make a submission into the Parliament of Australia House of representatives House Standing Committee on Regional Australia relating to the Inquiry into the use of 'fly-in, 'fly-out' (FIFO) workforce practices in Regional Australia.

Given limited resources of Council this submission will be by necessity be brief. Nevertheless a number of important references will be attached which should aid the committee's deliberations.

In particular as Roxby Council Administrator since June 1999 I will endeavour to relate some of the experiences that are considered relevant to this important inquiry.

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 various elements. This brief submission touches on the following elements

- 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;
- 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.

ROXBY EXPERIENCE

Roxby Downs is a purpose built town, established under the Roxby Downs (Indenture Ratification) Act 1982 (Indenture). This act and the schedule is essentially an agreement between the State Government of South Australia and the then Joint Venturers (WMC Resources/BP) (now BHP Billiton) to enable the company to develop the Olympic Dam Copper and Uranium Mine in the Far North of South Australia some 550km north of Adelaide.

Interalia this agreement places a number of obligations on both the company and State Government to establish a town (Roxby Downs) as the service centre for mine workers, contractors and families with the foresight that one day the town may reach a population of 9000.

Putting aside the then huge political considerations associated with the mining of uranium, that the State Labour Party in opposition opposed the mine requiring one of its Upper House Members to cross the floor in the State Upper House to enable the legislation to pass; what is clear that both the State Government and Mining Company had shared interests in establishing Roxby Downs

It is this "shared interest" element that is a clear and positive standout that provides certainty for all parties but importantly there was then a defined policy recognising the huge advantages that pertain to a particular town and region when a mining company becomes strategically a key player and establishes a permanent workforce as opposed to a FIFO one. Whilst this may not be articulated precisely the Indenture largely became the definitive compliance tool.

Fast forward from 1982, when the legislation was passed, to 1988 when construction of the mine and supporting town commenced and to 2011 when Roxby Downs has delivered a high degree of success for the Mining company, State Government and residents to a point where the town is on the potential cusp of a major expansion to make the Olympic Dam Mine the largest in the world. By all accounts its the best mining town in Australia.

Council's role has over the years become pivotal. Since its inception the Roxby Downs Council has been managed by an Administrator under the Indenture. The Council delivers water, sewerage and electricity services as well as the traditional municipal operations; the later which operates at a loss supported annually by BHP Billiton and the State Government.

Structurally, the town has been laid out with design such that there are large economies of scale with Council owning and managing many facilities such as parks, leisure and cultural facilities with local clubs and agencies hiring space. For instance the local Area School does not own its own play spaces and ovals and instead by way of user agreements with Council contributes towards the running costs on a shared basis with the balance of the community

Since the town has been established to service the mine, strategically Council and the Community have embraced this in their respective community vision and Councils strategic plans. This is an important policy position with important lessons for all governments when it comes to harnessing the potential of mining developments.

Council has a well defined strategic direction for its actions which is encapsulated by the following statement that recognises the community's "interdependence" with the mine's operations as per the public focus of BHP Billiton:

To turn a World Class Mining Deposit into a World Class Mining Operation requires people with the high specialist skills that choose BHP Billiton and Roxby Downs as their preferred destination over many other world-wide alternatives.

Similarly the Roxby Downs Community aspirations as articulated in the 2005 Community Plan highlighted the following vision.

"Roxby Downs is a young vibrant town with a caring, tolerant, diverse community that aims for strong interdependent business and social partnerships, to provide for a safe, healthy and financially secure lifestyle."

POTENTIAL ROXBY EXPANSION (FIFO) EFFECTS

BHP Billiton, State and Australian Governments are currently in the concluding stages of assessing the Environmental Impacts associated with a potential major expansion of the Olympic Dam Mine.

As part of the public consultation process FIFO requirements issues have been canvassed with the overwhelming sentiment by BHP Billiton to expand the Roxby Downs Township. The success operationally thus far using a predominately local workforce is well accepted and understood by BHP Billiton; it is also likely cheaper on a long term basis. Nevertheless there is an understanding that the current 30% FIFO element will be needed in recognition that mining is a worldwide operation and that competing with many other countries worldwide

So how in an expansion is this element proposed to be addressed?

In part by building an airport capable of landing 737 jets from anywhere in Australia and in part by constructing a construction camp; not in and around the Roxby Township but some 15 km from the Roxby Downs and 15 km from the Andamooka Township.

During the public consultation period associated with the Olympic Dam Draft EIS Council questioned the desirability and justification of placing Hiltaba Camp remote from Roxby Downs. This view remains. The financial capital and ongoing maintenance spend if undertaken in town using existing physical infrastructure would have significant cost benefits to the community as a whole and businesses generally. It also seems to treat FIFO worker as a different class of citizen.

In part this view was also because local businesses would have far less opportunity to enhance their viability and the opportunities for new businesses to establish would be restricted. An enhanced business sector has direct service and employment benefits to the community as a whole. Facilities and services that may not be economically viable at our current size may be so with a closer town based facility/s. Opportunities for FIFO workers to directly experience what Roxby has to offer, contribute economically to the town's prosperity in an enhance way have unfortunately been missed.

Obviously the potential social effects from an influx of predominately male workers is an issue for any community and must be considered and addressed buy in doing so this must be from a rational logical experiential viewpoint based on a collective management response.

In this regard attached are extracts from Councils submission. However from the Committees perspective Council was able to obtained a variety of information, papers and studies which it is suggested are of value as they articulate from reputable sources some of the key lessons to be learnt world-wide and in Australia on how best to address the impact of mining in regional areas.

POLICY DIRECTION

The issue of a policy direction in this area can be illustrated by two examples relatively localised to Roxby. Ie the establishment of Prominent Hill mine some 100km or so from the struggling town of Coober Pedy and proposed planning policy that allows a mining camp to be established as complying (as or right) development anywhere in Far North of South Australia, regardless of the distance from an existing township.

At a glance it appears that a planning or a regional impact perspective have not been considered

LESSONS

In terms of the Committees Terms of Reference the major lesson from Roxby's experience thus far are as follows:

- Having a shared vision of the Governments of all persuasions relating to regional development has long term benefits. Mining companies need certainty and should be part of a regional solution not just driven by short term cost savings.
- Harnessing resources in a shared manner in remote areas has significant cost savings and huge upside on community benefit

The question do government have this at the forefront when considering mining development and if not should this be an all encompassing policy initiative throughout Australia?

FURTHER INFORMATION

Further information relating to this submission may be obtained by contacting Bill Boehm, Administrator Roxby Council, PO Box 124 Richardson Place Roxby Downs SA 5725

An opportunity to further address the Committee in person is also requested if the Committee so desires.

Bill Boehm
Administrator

REFERENCES

The following additional reference material is considered relevant to the Committee's deliberations

(Aitken A 2000)

Aitken, A. 2000, 'Identifying key issues affecting the retention of emergency service volunteers', Australian Journal of Emergency Management, Winter 2000

(Cobar's Primary Health Centre)

(National Rural Health Alliance 2009, 'Cobar's Primary Health Centre – a winning formula', Partyline, No. 36, July, p.28)

(Community Plan)

Roxby Downs Community Plan prepared by the Roxby Downs Community Board for the community of Roxby Downs, April 2005 including Roxby Downs Community Plan Day Analysis prepared as a supporting document for the Roxby Downs Community Plan, Weekend in June 2004

(Drewery)

(Drewery, L. 2009, Remote Control Communities, Central Darling Shire, p.13

(Graham F. Parsons & Ron Barsi)

Graham F. Parsons and Ron Barsi - (Uranium Mining in Northern Saskatchewan: A Public-Private Transition Chapter 7 Part 2). cited in Large mines and the Community: Socioeconomic and Environmental Effects in Latin America, Canada, and Spain Edited by Gary McMahon and Felix Remy ; IDRC/World Bank 2001

(Kitsaki)

(Kitsaki) Development Corporation, La Ronge, January 12, 2000

(McMahon & G Remy)

(McMahon & G Remy 2001, Large Mines and the Community - Socioeconomic and Environmental Effects in Latin America, Canada and Spain. The Development Research Centre, Ottawa, ON, in association with The World Bank, Washington DC.

(Monitor 1)

The Monitor Community Newspaper. - Volume 6, Wednesday July 15th 2009, pg 7 "Editorial & Letter to the Editor"

(Monitor 2)

The Monitor Community Newspaper. - Volume 6, Wednesday June 24th 2009, pg 1, "Hiltaba to be isolated" and pg 3 - "Business Questions Draft EIS"

(Monitor 3)

The Monitor Community Newspaper. - Volume 6, Wednesday July 22nd 2009, pg 1 - "English Lessons Needed Here"

(Munn)

(Munn, P. 2003, 'Rural Community Context of Service Coordination', Rural Society, vol.13, no.2, p.166

John Rolfe, Stewart Lockie and Maree Franettovich = Economic and Social Impacts of the Coppabella Mine on the Nebo Shire and the Mackay Region Faculty of Business and Law and Centre for Environmental Management Central Queensland UNIVERSITY P.O. Box 197 Emerald 4720 Queensland Australia April 2003

ENCLOSURES

The following additional information is attached

- Extract from Roxby Council's submission to the Olympic Dam Expansion Draft EIS

EXECUTIVE SUMMARY

Council's response to the Draft EIS contains a number of major themes which run throughout the submission. They are highlighted in the following Executive Summary. However, to gain a complete picture of Council's response it is recommended that the submission should be read in its entirety.

1. Recruitment & retention has been identified as perhaps the single most important influencing factor upon the viability of the mine and the township and success will largely be determined by the quality of the social amenities provided. To this end the Council's short and long term viability is a significant factor.
2. The following findings based upon the international experience of successful mines, highlight a range of key factors that are relevant to the proposed expansions to Roxby Downs and Olympic Dam:
 - A focus on developing sustainable benefits to the local population has proven to be a key issue. Evidence, highlights the particular importance of implementing proactive policies with a local focus that cover issues including training with respect to mine employment, non-mine employment, and policies which encourage local involvement in the procurement of goods and services related to both mining and servicing the resultant population. The general consensus is that in world class mines, success is closely related to the local participation. Sustainability is also partially dependent on the provision of infrastructure that could be used for other activities.
 - Examples of 'Best Practice' describe relationships between mining companies and local communities that are characterised by a long-term vision and an endeavour to establish a venture designed for mutual benefit. These elite operations universally demonstrate a strategic commitment to their corporate responsibility for the quality of the role and the relationships they develop with local communities and this commitment is generally embedded into their corporate ethics. It is also clear from the examples of 'Best Practice' that similar symbiotic role of Central and Local Government is essential in the trilateral dialogue with the local communities and the mining companies.
 - The implementation of a successful development strategy for the local communities demands an adequate institutional design and the organized participation of the community. The creation of local social capital was an extremely important component of these ventures. It proved to be a significant catalyst in assisting with recruitment and retention, not only for the mining companies and their contractors, but also for the local businesses and the essential support services.
 - On a regional basis, mining development is rarely limited to one mine within a region and evidence demonstrates that mining development is more sustainable in a regional context when the end of one mine is replaced by the opening of others. It is not uncommon for several generations of a family to work in the mines. The developments at Olympic Dam and Roxby Downs offer a unique opportunity to plan for a future role that considers mining from the perspective of both the current mine and the regional mining prospect. The successes in Saskatchewan were a result of considering the long term regional opportunity. Successful mining towns with well developed amenities and social capital have been successful in establishing themselves as regional hubs

servicing the mining ventures of the region and beyond. Given the State Government's supportive regulatory framework and the range of identified mining sites and the extent of ongoing exploration in the region, there is a high probability of a continuity of mining that could sustain the region for a prolonged period of time. The proposed expansion of Olympic Dam also offers South Australia a unique opportunity to develop Roxby Downs into a world class regional mining hub to service the region's extensive mineral resources in the most cost effective manner.

- The most important result of the Canadian experience, however, is that it clearly demonstrates that although there are some fundamental rules that apply to all mining operations, each mine has its own historical, social, cultural, and geographical characteristics that preclude the use of a "one size fits all" prescription.
3. Without a realistic financial analysis Council's financial sustainability cannot be determined with any degree of certainty. While it is recognised that this analysis needs to be done it requires access to additional information not currently available to Council. Ensuring that all facilities and infrastructure are located within the municipality with ongoing management provided by Council will/could potentially reduce BHP Billiton's long term financial commitments but would require changes to the Indenture.
 4. Overall, on the basis of the evidence provided, the location of the proposed Hiltaba Camp remote from Roxby Downs, is not justified

Many of the concerns cited in the literature that support segregated camp sites are predominately based upon studies involving mines with shorter life spans and in locations where the socio-economic and educational gap between the local populations and mining staff are substantial and the subsequent power balance disadvantageous to the local population. They also relate more to locations where there is little social amenity or an established infrastructure to monitor and regulate law and order issues.

Given that the veracity of the evidence for the proposed Hiltaba Camp is disputed, there is merit in exploring alternative locations closer to the southern boundaries of the township.

5. Planning efforts for quality urban environments, the provision of suitable infrastructure and services and for suitable community and social support services will need to be sustained and well resourced over the long term. Much of the emphasis for the quality of the urban environment will fall upon the shoulders of local government but the overall social environment will only be improved if all parties, BHP Billiton, State Government and Council work cooperatively towards a shared vision. This includes health and welfare services, business integration and a range of community economic development actions as identified later in this submission under Social Environment.
6. There needs to be more consideration given to identify the most suitable means of achieving Master Plan visions. There is a risk to BHP Billiton of inadvertently alienating the local community and in the process reducing their competitive recruiting and retention advantages by having an unfettered hand in implementing what it sees to be the design vision as espoused in the Master Plan. There is a clear role for local government as the development authority and the broader community as participants in the planning process. Development activity undertaken by the company within Roxby Downs should be required to

meet all provisions and approval procedures of existing state development legislation, rather than those currently contained within the Indenture.

7. The efforts of all parties should be towards enticing Long Distance Commute workers to take up permanent residence in the town, through the creation of affordable, high quality housing and a high amenity urban environment with a good range of social and community services, a diverse economic base to provide employment for partners and an enticing environment for families.
8. The Master Plan identifies an improved conceptual layout for the expansion of the town which involves expanded residential, industrial, retail, civic, cultural, recreational and leisure facilities. Subject to revisions as identified and adequate design and construction and management these should form an excellent base to fulfil the town's requirements. Many will require joint sharing of facilities and this should be a prime requirement to in partnership with stakeholders with a community management model central to efficient ongoing service delivery.
9. With such a long mine life (70 years) decisions made now will invariably have a great impact that will be difficult to resolve later. If the town and its facilities and services are not up to the high standards required to attract and retain the right sort of people the expansion will not be the financial success that it ought to be. Moreover, the opportunity to develop Roxby Downs into a regional mining hub will be compromised
10. The success or failure of the expansion is therefore significantly determined by the outcome of negotiations between BHP Billiton and the State Government relating to new legislative framework. Whilst these are naturally and appropriately undertaken in confidence between BHP Billiton and the State Government such that the success of the expansion as it relates to community infrastructure and facilities is within their control. Consistent with overseas experience a partnership approach with Council is desirable.

RECRUITMENT & RETENTION

Introduction

The vision of BHP Billiton is to turn the World Class Mining Deposit at Olympic Dam into a World Class Mining Operation. The company has identified that for this vision to be realised **it** will require people with highly specialist skills to choose BHP Billiton and Roxby Downs as their preferred destination over many other competing world-wide alternatives.

The ability to recruit and retain the required mix of people with the range of highly specialist skills will be a constant challenge throughout the extended life of the mine and will remain the single most critical factor in BHP Billiton achieving their goal of turning a world class mining deposit into a world class mining operation.

The vision of the community and the Roxby Downs Council is for a vibrant town with a caring, tolerant, diverse community that aims for strong interdependent business and social partnerships, to provide for a safe, healthy and financially secure lifestyle. In short a place that people would choose to come for work, enjoy and stay.

The Government of South Australia is committed to assist Olympic Dam's transition into a World Class Mining Operation and to ensure the social and economic sustainability of both the township and Roxby Downs Council.

To achieve the collective vision for the township and the mine the Roxby Downs Council accepts its responsibilities within a mutually supportive partnership with BHP Billiton, the Government of South Australia, local businesses and the local and surrounding communities.

This involves our commitment to ensure that the social amenities of the township actively support the ability of all of the key players in attracting and retaining the targeted population.

Draft EIS examines in detail the overall economic and social impacts of mining generally and includes an overall economic analysis. It is not proposed to comment on this other to highlight that it is obvious that there will be substantial financial, economic and benefits. Already history shows the too be true.

With such a long mine life (70 years) decisions made now will invariably have a great impact that will be difficult to resolve later. If the town and its facilities and services are not up to the high standards required to attract and retain the right sort of people the expansion will not be the financial success that it ought to be. Moreover, the opportunity to develop Roxby Downs into a regional mining hub will be compromised.

Overseas Experience

With this in mind Council has reviewed some of the literature and references to see what lessons can be translated to Roxby Downs. Whilst much of this is overseas it is worth exploring a few elements particularly in Canada which does have many parallels Australia. *(McMahon & G Remy)*

The scope of the mining industry's involvement in the regional and community development of the (Canadian) North can best be understood through the details of specific uranium industry

experiences in the mining company's commercial as well as developmental relationships with northern communities. (*Graham F. Parsons & Ron Barsi*)

The Canadian studies demonstrated that involvement in mine procurement proved to be as important as direct mine employment. Environmental Impact (EI) submissions for Cigar Lake confirmed that spending on the purchase of goods and services in northern Saskatchewan exceeded the direct salaries paid by the joint venture to its northern employees. A large share of the contractor services was in the form of wages and salaries for contractor employees.

Historically, supply of goods and services to mines in northern Saskatchewan was undertaken by national and international companies who came into the region with their own, usually non-resident, employees, undertook the contract and left. This left little benefit for the region or its communities which instead saw many benefits from mining activities transferred away from the North to other regions.

The Kitsaki Development Corporation (KDC) has developed from a narrowly based involvement e.g. in road construction into an increasingly sophisticated capacity in a much wider variety of mining ventures. Shaft sinking and construction, mine fuel and materials supply, environmental analysis and management, are all evolving into the business mix of the company.

The professional skills, capital accumulation and management developed in mining have now been applied to other sectors of the Northern economy. These include tourism with the purchase of the La Ronge Motor Hotel, forestry with Woodland Cree Resources Inc. and Wapawekka Lumber, foods with Kitsaki Meats and La Ronge Industries, and financial services. These are interests that extend well beyond mining, which are developing a basis of sustainable activity beyond the extractive mining industry. KDC has, therefore, developed both financial and leadership skills that earned the company several Canadian and Provincial Awards of Business Excellence.

Uranium mining companies have become catalysts for community and regional development in northern Saskatchewan. It is apparent that the economic, social, human, and institutional capital that has been developed for uranium mining is now being used to open many new opportunities for both new and traditional ways of life in the region.

On a regional basis, mining development is rarely limited to one mine. Where the regulatory framework is supportive a continuity of mining has evolved that is expected to sustain northern Saskatchewan for a century. Mining development has proven to be more sustainable in a regional context. Where key towns have developed sufficient infrastructure and social capital they have demonstrated the capacity to serviced new mines from their 'regional hub', so that when the end of one mine occurs the labour and support services continue. It is not uncommon for several generations of a family in these regional centres to work in the mines. It is critical to consider mining from the perspective of both the individual mine and the regional mining prospect. The successes in Saskatchewan were a result of a tripartite approach considering the long term regional opportunity.

The prospect of being able to transfer those skills and capital developed in mining to other sectors of the community was enhanced in the 1970s and 1980s when it was decided that mining towns would not be created. Instead, mining infrastructure was built on the existing community structure. Fly-in commuting schedules and related work rotations allowed mining income and infrastructure to support the community base. Today, the scope of mining influence extends throughout the region into communities both large and small across the North.

Capital accumulation from profits generated from mining business is making its way into a more diversified northern economy, including tourism, transportation and service-industry investments, and community infrastructure for power, transportation, and health facilities. Uranium mining companies have become catalysts for community and regional development in northern Saskatchewan. It is apparent that the economic, social, human, and institutional capital that has been developed for uranium mining is now being used to open many new opportunities for both new and traditional ways of life in the region. (*Kitsaki*)

While there are substantial differences in the Northern Canadian circumstances and those at Olympic Dam and Roxby Downs the concept of using these developments as the catalyst and hub for regional mining development has merit and deserves to be explored further. This is especially important given the extent of planned and future mining activity within convenient commuting distance to Roxby Downs.

Lessons to Apply

Several lessons can be applied to Olympic Dam and Roxby Downs. These include the following; (*McMahon & G Remy*)

- The key issue is the identification and sustainability of benefits. It was particularly important that there were proactive policies and training with respect to mine employment, non-mine employment, and goods and services provision. The most successful cases were those where the local communities (often gradually) provided many of the goods and services needed by the mining companies. In some cases, the mining companies played an active role in training their suppliers to enhance the quality of their products. The skills developed in all of these cases often were transferable to other industries. Companies and communities that took a long-term view, including mine closure, were also more likely to have a clearer vision of what types of training and programs might provide sustainable benefits.
- The studies confirm that sustainability is closely related to the local participation of the neighbouring communities in the decisions affecting them. The need to ensure sustainability through increased participation of the local communities is present in the Canadian cases and quite consistent with the more recent, and less evolved Latin American experiences. Most importantly, the Canadian cases illustrate the importance of the participation of government in the process, and the establishment of a trilateral dialogue. It is critical that the three main stakeholders, the community, company and government all have direct communication with each other. This should be, in addition to a formal three-way dialogue where other stakeholders also participate. A key result of the studies is that legal licence is no longer adequate. Companies must obtain a social licence, and this depends on consultation, participation, and, increasingly, a strong trilateral dialogue.
- Sustainability is partially dependent on the provision of infrastructure that could be used for other activities. Key characteristics of sustainability identified by the Canadian experience are:
 - non-renewable resource development should not threaten the environment and the renewable resources upon which future generations depend;
 - mineral wealth should be maintained from one generation to the other;

- sustainable mining balances economic growth and protection of the environment by sensible trade-offs that consider all costs and benefits in the decision making process;
 - recognizing that mining will affect the social structure and culture of local people and considering these impacts as part of the decision-making process;
 - reducing, reusing and recycling while avoiding the waste of the resource base by inefficient mining techniques; and
 - policy and taxation decisions which consider the economic health of the mining industry.
- There were few negative social and cultural effects.
 - The relationship that a company is endeavouring to establish must include a long-term vision. The company must be clear that the responsibility it is about to assume in front of the local communities is part of its corporate ethics. It is not an obligation, but a practice, that the medium-term must benefit both the company and the community. Thus, the final objective of a company's assistance must be to strengthen local governance and the local capability to formulate projects.
 - The implementation of a successful development strategy for the local communities demands an adequate institutional design and the organized participation of the community. An important consideration for a company which is about to undertake an initiative related to local economic development refers to the instruments to be used for the channelling of funds and project implementation. Some companies have chosen to set up a "foundation" as an independent institution and assign them such responsibility.
 - The creation of local social capital was found to be extremely important in all of the studies. Local communities are generally at a profound disadvantage when negotiating with large mining companies, and it often takes considerable effort and several years before they can be considered true partners. In the interim, higher level governments must fund NGOs or other institutions to provide advice and training to the local community members. Over the longer term, foundations or similar institutions, funded by both companies and governments, have become a very common way of providing social services and, more importantly, building up human and social capital in communities
 - It is clear from the case studies in the Andean countries that that central government needs to become more involved in the community development work. Its role in the trilateral dialogue with the local communities and the mining companies is essential. Only the participation of central government will ensure the adequate insertion of the local plans with the national programs, thus multiplying their beneficial impact. In this context, central governments should:
 - redistribute more tax revenue to local governments — or simply ensure that law-mandated redistributions are complied with (although often this will need to be accompanied by capacity building at local levels);
 - promote social responsibility among the companies and the opening towards mining enterprises among the communities (this could initially be accomplished by playing the role of go-between that shows both the company and the community the fundamental nature and legitimate aspirations of each side); and play a proactive role in community development programs either directly or indirectly through the use of NGOs, community-based organizations, or religious organizations.

The most important result of the Canadian experience, however, is that it clearly demonstrates that although there are some rules that apply to all mining operations. e.g. tripartite negotiations and transparency, each mine has its own historical, social, cultural, and geographical characteristics that preclude the use of a “one size fits all” prescription.

Local Sustainability

In a local context in line with these lessons this will require a significant and ongoing involvement by Council in attracting and developing social amenities and support services for our communities and identifying and monitoring the key social indicators underpinning our social sustainability.

Council's submission addresses these issues as they relate to the management of the town and immediate environs and has been outlined in a manner to provide constructive feedback to assist BHP Billiton to achieve its goals.

The success of ultimate expansion of the Roxby Downs township, community and mine is a complex matter as it covers a large range of economic, social and environmental considerations..

The Draft EIS admirably attempts address all of these matters, which in itself is a complex task but the broader sustainability for many elements will inevitably remain beyond BHP Billiton's direct control as responsibility is devolved from BHP Billiton by implication and legislation to various sectors including the State Government Agencies, Council and the community as a whole.

Whilst far from the complete picture much of this will depend on the standard of new and upgraded infrastructure, buildings and facilities but importantly of the ongoing maintenance and replacement of assets and the level of delivery services to the community.

Funding of this will be a significant issue for Council and the community with this part of the overall sustainability addressed as follows.

Current Council Sustainability

Primarily Roxby Downs Council operates under the Local Government Act 1999 but with various additions under the Roxby Downs (Indenture Ratification) Act 1982 (Indenture). This Act of Parliament also requires the State Government and WMC Resources to meet certain obligations. From BHP Billiton's perspective it requires them to build the town's infrastructure, which is then handed over to Council; whilst the State Government needs to provide and maintain a certain level of public facilities.

The State Government and BHP Billiton are also required to annually contribute to the costs of running the Municipal portion of Council's operations by way of an annual financial subsidy. This is achieved by splitting the operations of Council into three discrete entities; namely, Municipal, (traditional local government services), Roxby Power, (electricity supply) and Roxby Water (water & sewerage services).

HILTABA VILLAGE

Section 4.12 (pg 81)

Draft EIS proposes that an fully self contained short term accommodation facility to accommodate up to 10,000 people during the construction period is constructed 17km east of Roxby Downs approximately midway between Roxby Downs and Andamooka.

This location and its purported justification is severely questioned remains a significant concern to Council and the Community. (*The Monitor - 1*)

There are five reasons stated in the Draft EIS for justifying the proposed location but as indicated below a number when analysed do not support the preferred location:

Justification 1

"Expressed views of residents in Roxby Downs and Andamooka to accommodate the construction workforce at a distance from the township."

Draft EIS Appendix Q4.3.1 Construction Workforce (pg 74) states that

"Community views are mixed about accommodating the construction workforce, with some wanting construction workers to be self contained and not integrated into the Roxby Downs Township, while others think that they should be integrated into the town and not accommodated in accommodation villages. Some residents at Andamooka have also expressed concern about the impact of the construction workforce"

The Draft EIS Appendix documents themselves do not support the stated justification as claimed.

Justification 2

"To reduce possible social impacts and disruption in Roxby Downs and Andamooka."

Draft EIS Appendix Q4.3.1 Construction Workforce (pg 74) states that

"Local residents, government agencies and service providers have expressed some concern about potential impacts associated with the arrival of a large temporary workforce, based on their experiences of the 1997 Olympic Dam Expansion including

- *an increase in drug and alcohol consumption and anti social offending behaviour including assault and violence, prostitution, property damage, illegal gambling, driving and other offences*
- *insufficient facilities to meet the needs of the transitional and construction workforce and increased demands on recreation and entertainment in Roxby Downs*
- *Integration issues between temporary and permanent workforce and local residents*
- *flow on effects to nearby communities, pastoralists properties, Arid Recovery and outlying settlements*

However, given that on these occasions the majority of contract workers were located at Camp 1, (approximately 10km from Roxby Downs and 32 km from Andamooka) then clearly this sort of buffer distance has in reality not proved an effective barrier in the past.

It also ignores the fact that in the past accommodation shortages and the lack of police resources was then an issue. The planning and construction was also undertaken in a very short time frame which caused a high degree of elevation in worker's incomes, costs and some adverse behaviours.

Importantly this assertion is also not supported by *Appendix Q4 fig Q4-2 - Trends in the rates of recorded offences in Roxby Downs from 1996-2006 (pg 70)* which shows that trends have risen more on a consistent basis than particularly during the previous 1996-99 Construction period.

In this instance the Draft EIS proposes substantial mitigation measures including requiring workers to sign a behavioural agreement (*Section 19.5.2 pg 612*). A substantial new Police Station with dramatically increase in police numbers is also to be constructed in the near future Roxby Downs.

What is of significance is how the social and behavioural issues are managed and what support services are actually provided.

Accordingly the stated justification is not supported as is the resultant criteria for having the village located arbitrarily more than 5km from the town

Justification 3

"To reduce dust and noise impacts from establishing and operating the open mine pit"

It is noted that the Hiltaba village is impacted by potential noise nuisance being within the same noise impact contour the northern parts of Roxby Downs during inversion conditions. As it is marginally closer to the mine, it is right on the border of the noise impact contour during inverse weather conditions. This site therefore will experience a level of noise nuisance which would not occur should the village be located further to the south. In addition the close proximity of the village to the airport may be affected by aircraft noise, hardly an ideal situation for those trying to sleep.

Accordingly the stated justification is not supported.

Justification 4

"It does not have the potential for significant impact on a matter of national environmental significance as defined in the EPBC Act."

Noted

Justification 5

"The selected location is appropriate for co-locating the new airport and therefore assists in managing the transport logistics associated with the arrival and departure of personnel."

This is an operational issue in that theoretically the distance between village and airport is less than if the village is located elsewhere so travel times are reduced. However, as a consequence travel times and hence waking hours for workers are increased on a daily basis. Over a two (2) week working cycle this becomes significant. Traffic on the Roxby Downs - Andamooka Road is also affected as a direct consequence. Both these would outweigh any logistical advantage which in any event is considered minor, especially as in the future air travel times to Roxby Downs will be significantly less than current.

Section 4.12.2, Reasons for rejecting other options and Table 4.2, Criteria for Hiltaba Village (pg 84) outlines the stated reasons for rejection of other alternative site locations. As stated above when the criteria "Distance from Roxby Downs" and "Ability for co-location with the new airport" are excluded, as they are not of realistic relevance justification for the chosen site at the exclusion of a number of other alternatives is not met.

Policing

Discussions with local police reveal that as it currently stands the location of the proposed Hiltaba Village falls within the Police District of Andamooka which is currently a one officer Police Station. The Government and SAPOL at this time do not intend increasing the staff at Andamooka in the short term and any primary response will come from Andamooka to any incident. Andamooka operates on basically a day shift roster it will require call out procedures for after hour matters. Roxby Downs will also task patrols to Hiltaba to back up Andamooka Police.

All crime statistics associated with Hiltaba Village will be allocated against Andamooka which is a statistical requirement. It is these crime and tasking trends that may see an increase to Police staffing at Andamooka but not until at least 12 months to 24 months of statistical collation. I would foresee that Roxby Downs Police Station will offer substantial support to Andamooka Police in the policing of incidents at Hiltaba.

My main concern would be the security of the village, to have such a large construction workforce with shops and licensed premises within the camp would require quite a substantial Security Force to deal with the issues associated with alcohol.

It is unknown if this Security presence is going to be 24/7 or only during the day shifts, if at all but as indicated under *(Crime & antisocial behaviour)*. This element is critical. If there are no security personnel on a 24/7 basis at the camp then Police resources would have to be increased in the Andamooka area for the time the camp is in place or this response and coverage would fall on Roxby Downs.

As indicated the Andamooka Police Station is a one officer Police Station and it is projected to remain that way for some time. When the officer is absent on rostered days off or Annual Leave/courses etc, Roxby Downs Police cover the area. If the Hiltaba Village is constructed at the at proposed site, I would anticipate that some of the workers would attend Andamooka Licensed Premises rather than Roxby Downs owing to the difference in Police numbers to both

areas. This would add to the problems associated with alcohol and having to recall the single officer at Andamooka more regularly. Response from Roxby Downs would take about 30 minutes to assist in these matters.

Regardless of Hiltaba Village having its own licensed facility, people will always be attracted to attending Andamooka or Roxby Downs for entertainment, which will increase the chances of road crash and disturbances in each area.

In any event the distance (13km) will greatly affect response times even if the Police districts were changed.

On a policing perspective the village could be catered for more efficiently if it was broken up into approximately three (3) smaller camps on the outskirts of Roxby Downs without licensed premises within the each camp. This would also allow for the growth to infrastructure and business within Roxby Downs to cater for the temporary construction workforce. Police have advised that they already work with BHP Billiton to address behavioural problems under their code of conduct and disruptive tenants programme.

Overseas Experience

As indicated (*Overseas Experience & Lessons to be learnt*) Canadian and overseas experience evaluated on the basis of the potential impact likely upon regional mining development. Sustainability, infrastructure and local participation, are key issues as is the need for the mining company to have a long term vision and clear responsibility about the impact on communities as part of its corporate ethics.

Overwhelmingly however overseas research clearly demonstrates that although there are some rules that apply to all mining operations each mine has its own historical, social, cultural, and geographical characteristics that preclude the use of a “one size fits all” prescription

Many of the concerns cited in the literature that purportedly support segregated camp sites are predominately based upon studies involving mines with shorter life spans and in locations where the socio-economic and educational gap between the local populations and mining staff are substantial and the power balance one sided.

They also relate more to locations where there is little social amenity or an established infrastructure to monitor and regulate law and order issues.

Clearly this does not apply to Roxby Downs

Other Considerations

There are also a number of other considerations that have not been analysed compared with other locations within the vicinity of the Roxby Downs Township that ought to be examined. These include the following:

- Increased vehicular travel and travel times not only for construction workers but for the large number of mainly Roxby Downs residents required to work at the village
- Social isolation for construction workers. This could be improved by being located within the Roxby Downs Township environment. Anecdotally workers are more likely to see the benefits of the town and operating environment if exposed to all elements and is more likely to lead to some electing to stay in Roxby Downs and potentially relocate.
- Potential impacts on Andamooka with construction workers more readily accessible to that township which has already demonstrated as having been affected by the current operation.
- Potential positive financial impacts on businesses are diminished. As a consequence suggestions have been made to bus remote construction workers into town. (*Monitor 1 & 2*) This highlights that local business are eagerly desire the economic stimulus. Economic benefits would then translate throughout the township with obvious multiplier effects.
- Potential positive financial impacts and community engagement opportunities for local clubs are not possible. Clubs are used to welcoming transient people. This is a feature and make up the town.
- Isolation from the township “pre supposes” that all of the construction workers that are recruited may cause problems and that isolation physically from Roxby Downs is the solution. By implication this characterises these individuals as not being worthy of inclusion and is more not less likely to lead to adverse behaviours. It is also contrary to the values adopted by the community and reinforces a segregated society.
- Increases in servicing costs such as power and water savings of which could be used to positive effect in ongoing management.
- From a land use and planning perspective it seems incomprehensible that approval to create effectively three (3) separate discrete townships would be even contemplated without a major justification.
- Residential Analysis (*Appendix F4 pg 21*) claims that mining workers are able to choose to move to where the facilities are perceived to be the best is an extremely significant point that ought to underpin the philosophy of a redeveloped township as it directly impacts on BHP Billiton's recruitment and retention. It is noted also that "*it is socially preferable that long stay Camp residents employees be re-sited into the town itself, particularly as an alternative to the substandard accommodation of camp 1.*"

However, this begs the question of why is it not socially acceptable for other short stay workers to be similarly treated?

- Location of the Hiltaba Village outside the boundaries of the municipality, but still dependent upon Roxby Downs social infrastructure and services, robs the permanent community of potential contribution through rate income and places unfair burden on those residents.

Depending on timings the size of the camp compared to the size of the town some logistical issues may arise. This in itself is not a major issue provided adequate pre-planning is undertaken and appropriate resources are mobilised. Downsizing into modules may be a solution.

In any event even if the comparative sizes remain an issue this would not apply when the construction phase is completed and the ratio of permanent to transition workers dramatically alters. At this time the Draft EIS does not support with any justification retention of a smaller village remote from Roxby Downs.

The Roxby Downs Municipality has been historically established to service the mine and the village which has similar role should be located within the municipal boundary.

Summary

Overall, on the basis of the evidence provided, the location of the proposed Hiltaba Camp remote from Roxby Downs, is not justified

Many of the concerns cited in the literature that support segregated camp sites are predominately based upon studies involving mines with shorter life spans and in locations where the socio-economic and educational gap between the local populations and mining staff are substantial and the subsequent power balance disadvantageous to the local population. They also relate more to locations where there is little social amenity or an established infrastructure to monitor and regulate law and order issues.

Given that the veracity of the evidence for the proposed Hiltaba Camp is disputed, there is merit in exploring alternative locations closer to the southern boundaries of the township