
The Parliament of the Commonwealth of Australia

Cancer of the bush or salvation for our cities?

**Fly-in, fly-out and drive-in, drive-out workforce practices in
Regional Australia**

**House of Representatives
Standing Committee on Regional Australia**

February 2013
Canberra

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Cover photograph: Workers boarding a flight in Port Hedland, WA, March 2012.
Photograph credit: Michael McCormack MP, Member for Riverina



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Foreword

The Mayor of Kalgoorlie called the workforce practice of 'fly-in, fly-out/ drive-in, drive-out' (FIFO/DIDO) the 'cancer of the bush'. He claimed, and many others agreed, that it is eroding the way of life in traditional mining communities like Kalgoorlie, Karratha, Mount Isa, Broken Hill and Moranbah.

In a different light, FIFO/DIDO is presented as offering work opportunities to ease unemployment in cities and coastal areas, spreading the wealth of the resources industry and raising the question: could this be the salvation for our cities?

A century ago, many country people migrated to the cities in search of work as technology dictated less jobs on the land.

A century later, many see jobs being created in the mining sector in inland Australia with many of those jobs being taken up by city or coastal people who do not live where they work (FIFO/DIDO).

There are warning signs for inland Australia, particularly in those areas that are relatively closely settled, as well as opportunities for coastal regional centres. Obviously, some areas of remote Australia can only be serviced by FIFO/DIDO workforces, but many communities are concerned about the negative impacts on their towns and feel that although they may be the site of the resource activity, they not a major beneficiary.

This inquiry heard extensive arguments from both sides of the debate – the benefits that the high wages and time at home bring to FIFO/DIDO workers and their families, and the damage that the practice is doing to the prosperity of some of those in regional communities.

Above all else, this inquiry heard the mantra of 'choice' – that choice must be provided to workers to fuel the high-speed mining economy. However, the work practice is eroding the liveability of some regional communities to such an extent that it is increasingly removing the choice to 'live-in' rather than simply 'cash-in'. The subsidisation of FIFO/DIDO work practices through taxation concessions to mining corporations distorts the capacity of workers to make the choice to live and work in regional communities and in fact encourages the practice.

Despite the rapid increase in FIFO/DIDO workers in Australia and the impact the practice is having on regional communities, state and federal governments and some companies appear to be oblivious to the damage that it is causing to the lives of regional people, FIFO/DIDO workers and their families.

Some regional communities see an opportunity to become a hub for FIFO/DIDO services. The report examines the implications to those towns and the towns to which the workers travel and highlights challenges for all levels of government.

Policy makers must develop a policy mix that ensures the FIFO/DIDO work practice does not become the dominant practice, as it could lead to a hollowing out of established regional towns, particularly those inland.

The Committee commenced this inquiry not knowing what it would find. What the inquiry found was a dearth of empirical evidence. This means that the state and federal governments have no capacity to respond to this phenomenon in a way that will support regional communities. Corporate employment choices have become the regional Australia policy of many governments and this is simply unacceptable.

There are simple and practical measures that can be put in place to provide more incentive for FIFO/DIDO workers to become residential workers but foremost, governments at all levels must acknowledge that, for some communities – particularly those traditional resource communities, FIFO/DIDO is a cancer.

Regional communities need a champion. This report calls for that champion. It recognises that there are some circumstances where FIFO/DIDO is warranted – for construction and very remote operations. But for operational positions located near existing regional communities, every effort should be made to make FIFO/DIDO the exception rather than the rule.

The same resource companies operating in Australia demonstrated, both in Canada and Mongolia, that they are capable of operating profitably while building regional communities and this report challenges them to extend this approach to their Australian operations.

The inquiry also heard evidence about the use of FIFO/DIDO in delivering remote health services and the benefits that this can bring for both medical practitioners and small communities without the population to support full-time medical specialists. The report supports measures to encourage the continuation of this service provision, as long as it is not at the expense of regional healthcare.

I would like to thank the Deputy Chair, Steve Gibbons MP, and members of the Committee for their dedication to the inquiry. The Committee travelled extensively, including overseas, and has collected a significant body of evidence regarding the impact of FIFO/DIDO in regional Australia. I call on all stakeholders to take careful note of the evidence and recommendations of this report and work towards building a stronger regional Australia.

Tony Windsor MP
Chair



Membership of the Committee

Chair Tony Windsor MP

Deputy Chair Steve Gibbons MP
(from 12 January 2012)

Sid Sidebottom MP
(until 12 January 2012)

Members Hon Joel Fitzgibbon MP
(from 9 May 2012)

Barry Haase MP

Kirsten Livermore MP

Michael McCormack MP

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Research Officer Casey Mazarella

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Emily Costelloe



Terms of reference

The Committee is to 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.



List of abbreviations

ABS	Australian Bureau of Statistics
ADF	Australian Defence Force
AEC	Australian Electoral Commission
AMA WA	Australian Medical Association of Western Australia
AMMA	Australian Mines and Metals Association
AMWU	Australian Manufacturing Workers Union
AOD	Alcohol and Other Drugs
APIA	Australian Pipeline Industry Association
ARHEN	Australian Rural Health Education Network
ARHRI	Australian Rural Health Research Institute
ASU	Australian Services Union
ATO	Australian Taxation Office
AusIMM	Australasian Institute of Mining and Metallurgy
AYAC	Australian Youth Affairs Coalition
BBRCP	Building Better Regional Cities Program
BIBO	Bus-In, Bus-Out
BREE	Bureau of Resources and Energy Economics
CCIWA	Chamber of Commerce and Industry Western Australia
CCYPWA	Commissioner for Children and Young People Western Australia

CEPU	Communications Electrical Plumbing Union
CFMEU	Construction Forestry Mining and Energy Union
CMEWA	Chamber of Minerals and Energy of Western Australia
CQU	Central Queensland University
CSRM	Centre for Social Responsibility in Mining
CSU	Charles Sturt University
CTEC	Coalfields Training Excellence Centre
CU	Curtin University
DEEWR	Department of Education, Employment and Workplace Relations
DIDO	Drive-In, Drive-Out
DIISR	Department of Industry, Innovation, Science, Research and Tertiary Education
DRALGAS	Department of Regional Australia, Local Government, Arts and Sport
EOWA	Equal Opportunity for Women in the Workplace Agency
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FBT	Fringe Benefits Tax
FIFO	Fly-In, Fly-Out
GP	General Practitioner
GPNNT	General Practice Network Northern Territory
GST	Goods and Services Tax
GUAG	Geraldton University Access Group
GUC	Geraldton Universities Centre
HAF	Housing Affordability Fund
JSCEM	Joint Standing Committee on Electoral Matters
LAFHA	Living Away From Home Allowance
LGAQ	Local Government Association of Queensland

MCA	Minerals Council of Australia
MSOAP	Medical Specialist Outreach Assistance Program
NAHRLS	Nursing and Allied Health Rural Locum Scheme
NAP	National Apprenticeships Program
NCVER	National Centre for Vocational Education Research
NCW	National Council of Women
NDCAS	Narrabri and District Community Aid Service
NHSC	National Housing Supply Council
NRAS	National Rental Affordability Scheme
RHA	National Rural Health Alliance
NRSET	National Resources Sector Employment Workforce
NRWS	National Resources Workforce Strategy
NSWRDA	New South Wales Rural Doctors' Network
NTA	National Tourism Alliance
PHAA	Public Health Association of Australia
PICC	Pilbara Industry Community Council
PPVC	Pre-Poll Voting Centre
QOESR	Queensland Office of Economic and Statistical Research
QRC	Queensland Resources Council
RaRMS	Rural and Remote Medical Services
RDA	Regional Development Australia
RDLWA	Department of Regional Development and Lands Western Australia
RET	Department of Resources, Energy and Tourism
RFDS	Royal Flying Doctor Service
RGPLP	Rural General Practitioner Locum Program
RSDC	Regional Social Development Centre
SACOME	South Australian Chamber of Mines and Energy
SEIFA	Socio-Economic Indexes For Areas

SEWPaC	Department of Sustainability, Environment, Water, Population and Communities
SISO	Ship-in, Ship-Out
STI	Sexually Transmitted Infection
TAFE	Technical and Further Education
TTF	Tourism and Transport Forum
ULDA	Urban Land Development Authority (Queensland)
VET	Vocation Education and Training
VMO	Visiting Medical Officer
WALGA	Western Australian Local Government Association
WANADA	Western Australian Network of Alcohol and other Drug Agencies
WAPC	West Australian Planning Commission
WARCA	Western Australian Regional Cities Alliance
YACWA	Youth Affairs Council of Western Australia



List of recommendations

2 The FIFO workforce practice for resource development

Recommendation 1

The Committee recommends that the Commonwealth Government fund the Australian Bureau of Statistics to establish a cross-jurisdictional working group to develop and implement a method for the accurate measurement of:

- the extent of fly-in, fly-out/ drive-in, drive-out workforce practices in the resource sector; and
- service populations of resource communities.

Recommendation 2

The Committee recommends that the Commonwealth Government, in consultation with state and territory governments, review allocation of funding for communities that receive fly-in, fly-out/ drive-in, drive-out workforces so that funding is based on both resident and service populations.

3 'Fly-in' communities

Recommendation 3

The Committee recommends that the Commonwealth Government commission a comprehensive research study to determine the actual economic impact on the demand for and consumption of local government services and infrastructure from fly-in, fly-out/ drive-in, drive-out workforces.

Recommendation 4

The Committee recommends that the Commonwealth Government commission a study of the impact of non-resident workers in regional resource towns on the provision of medical services and as a result of this study develop a health policy response that supports the sustainability of regional medical services.

Recommendation 5

The Committee recommends that the Commonwealth Government charge the Australian Small Business Commissioner to enhance the capacity of small businesses in resource communities to participate in servicing the demands of the resource sector.

Recommendation 6

The Committee recommends that the Commonwealth Government identify areas where local governments affected by fly-in, fly-out/drive-in, drive-out work practices would benefit from enhanced skills sets and develop training programs to meet the needs of councillors and senior staff in local government.

Recommendation 7

The Committee recommends that the Commonwealth Government task the National Housing Supply Council to urgently develop and implement a strategy to address the supply of affordable housing in resource communities and report to the House of Representatives by 27 June 2013 on the progress of this strategy.

4 'Fly-out' communities**Recommendation 8**

The Committee recommends that the Commonwealth Government commission a comprehensive study into the health effects of fly-in, fly-out/drive-in, drive-out work and lifestyle factors and as a result of this research develop a comprehensive health policy response addressing the needs of fly-in, fly-out/drive-in, drive-out workers.

Recommendation 9

The Committee recommends that the Commonwealth Government develop a best practice guide for employers with significant non-resident workforces aimed at assisting them to develop their own family support programs.

Recommendation 10

The Committee recommends that the Commonwealth Government commission research on the effect on children and family relationships of having a long-term fly-in, fly-out/drive-in, drive-out parent.

Recommendation 11

The Committee recommends that the Commonwealth Government commission research into the economic and social impacts of establishing regional centres as fly-in fly-out source communities.

5 Governance

Recommendation 12

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to examine the:

- removal of impediments to the provision of residential housing in regional communities;
- removal of the exempt status of fly-in, fly-out/ drive-in, drive-out work camps that are co-located with regional towns; and
- removal of the exempt status of travel to and from the workplace for operational phases of regional mining projects.

Recommendation 13

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to:

- remove the general exemption for fly-in, fly-out/ drive-in, drive-out workers from the 12-month limit of payment of the living away from home allowance;
- enable specific exemptions for construction projects that have a demonstrated limited lifespan; and
- enable specific exemptions for projects in remote areas where the fly-in, fly-out/ drive-in, drive-out work practice is unavoidable.

Recommendation 14

The Committee recommends that the Commonwealth Government review the Zone Tax Offset arrangements to ensure that they are only claimable by permanent residents of a zone or special area.

Recommendation 15

The Committee recommends that the Commonwealth Government review the Zone Tax Offset to ensure:

- that it provides reasonable acknowledgement of the cost of living in remote Australia;
- that the zones are based on a contemporary measure of remoteness;
- that the zones are based on up-to-date census figures; and
- that it includes a mechanism for regular review to ensure that the offset reflects accurate population figures.

Recommendation 16

The Committee recommends that the Commonwealth Government charge the Australian Electoral Commission to develop an electronic voting system for voters living or working in remote areas to facilitate easier access and ensure more accurate population figures are recorded.

Recommendation 17

The Committee recommends that the Commonwealth Government charge the Productivity Commission with investigating a more appropriate form of governance for remote Australia that is flexible and responsive.

Recommendation 18

The Committee recommends that the Commonwealth Government establish a dedicated secretariat, within an existing government department and based on the Province of Alberta Oil Sands Sustainable Development Secretariat, with responsibility for consulting with state governments and the resources industry in order to:

- compile nationally consistent data regarding the impact of fly-in, fly-out workforces on housing, infrastructure, healthcare, education, social services and future planned resource development;
- develop a regional social and infrastructure impact methodology that will assist resource companies and local governments in assessing the impact of current and planned resource projects including cumulative impacts;
- develop regional infrastructure plans; and
- develop, promote and coordinate community benefits agreements.

6 Delivery of health services and local training**Recommendation 19**

The Committee recommends that the Commonwealth Government develop strategies and targets for achieving fair access to health services for people living in regional and remote areas recognising the use of fly-in, fly-out/drive-in, drive-out health services, providing for appropriate funding and infrastructure support.

Recommendation 20

The Committee recommends that the Commonwealth Government require each Regional Development Australia committee, in consultation with regional health groups such as Medicare Locals, to have a health focus in its strategic plan, specifically focussing on long-term workforce and infrastructure planning and the role that fly-in, fly-out/ drive-in, drive-out medical practitioners will play in future service delivery, with a primary aim to increase residential service delivery.

Recommendation 21

The Committee recommends that the Commonwealth Government develop initiatives to encourage the provision of tertiary education providers to resource communities.



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