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SHIRE OF MOUNT MAGNET

Submission to

INQUIRY INTO THE USE OF “FLY IN, FLY OUT” WORKFORCE

PRACTICES IN REGIONAL AUSTRALIA

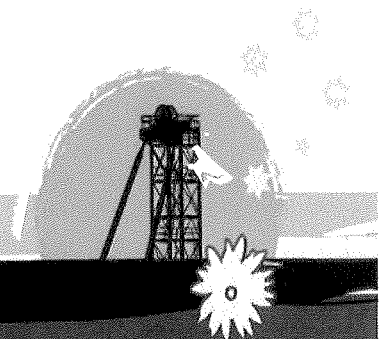
Shire of Mount Magnet Agenda for Executive Committee Meeting held 14 September 2011

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Introduction:

I have over 42 years experience in local government in Western Australia, with the major portion of this time being employed as Chief Executive Officer.

I have been Chief Executive Officer for various Shires that have had major resource development, including Wyndham East Kimberley (Argyle Diamond Mine), Laverton (2 gold mines plus a major Nickel mine at Murrin Murrin) and at present Mount Magnet (Gold and Vanadium mines).

I have a son 39 years of age, who works on various mines on a FIFO basis. He has a wife and three daughters aged 10, 10 and 3 years of age.

He continues working on a FIFO basis because he can earn around \$160,000 per annum and he needs this to support his 4 girls (wife included) and the 3 mortgages. With recent interest rate increases and the reduction in property valuations in Perth and Kalgoorlie he is stuck in a situation where he cannot sell the houses as their value is now lower than the mortgage debt.

My son lives half a day's drive from Perth, he has to make his own way from and to Perth for his FIFO and his break, unfortunately reducing his time at home on break from 7 to 6 days, (he works 14 days on and 7 days off).

He believes this being away from home is having some effect on his family.

For him to relocate close to his worksite (ie) Karratha is not practical due to the shortage of housing there and rentals being too high (estimated at \$2000 per week).

Murray Brown
Acting Chief Executive Officer
4th September 2011

Mount Magnet Shire Comments

The Mount Magnet Shire Council is keen to see as much development here as is possible.

This will improve work opportunities for local residents and also improve opportunities for local established and new businesses.

A local community can benefit significantly from a resource project work force that recruits locally.

It improves the social fabric of the town and makes use of existing and planned infrastructure.

The Shire of Mount Magnet has two major mining operations in this Shire. Both of these mines are gearing up following a period of closure.

(1) Windimurra Mine (Vanadium and Iron Ore) – 50km East of Mount Magnet

This mine is almost totally FIFO however they do use the Shire owned Aerodrome for their charter plane flights.

There is minimal “spin off” to local businesses or the local community.

(2) Ramelius Resources – Mt Magnet Gold NL

This company recently acquired the historical Hill 50 mine from Harmony Gold.

Their plans are well advanced in commencing mining operations here again.

A single person’s accommodation camp facility has been constructed in Mount Magnet.

This facility is located close to various town facilities including hotels, shops and recreation facilities.

In recent newspaper advertisements by Ramelius Resources seeking employees, the employees will be given the option of FIFO from Perth and or Geraldton or an “attractive housing package” to reside in Mount Magnet.

We understand that the major earthmoving contractor for this mine is only offering the FIFO option.

Council supports the options provided to employees by Ramelius regarding FIFO employees and local housing options.

These options support employment of local residents, and will have a positive impact on local businesses and local voluntary organisations.

Council makes the following comments on FIFO workforce:

- (A) Organisations using the FIFO options to towns that have appropriate infrastructure that has been provided in most cases using Federal State and Local Government funds, should be required to have a percentage of their staff reside in that area.
- (B) The Federal Government could use its taxation powers to make the FIFO option less attractive for the employer.
- (C) Many FIFO workers claim “A” or “B” zone tax rebates, but spend their monies and invest in the area that their families reside, not in Regional Australia, and therefore should not qualify for this concession.
- (D) During the Census of Population, most FIFO workers record their residential address as where their family lives and therefore the region where they work is not recognised and as a result the regional or remote Council’s miss out on many/less grants for that Local Government. Many grants are based on population numbers.
- (E) Council recognises that some FIFO is inevitable (specialised and short term contractors etc).
- (F) An incentive that would provide some benefit to residents of remote areas is a large increase in Zone “A” and “B” tax rebates. Zone Tax rebates have not increased for many years and are not of the incentive value that they used to be when they were introduced. An increase in Zone Tax rebates to a realistic level is requested.