

Submission Number: 137
Date Received: 28/10/2011



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**SUBMISSION TO THE HOUSE STANDING COMMITTEE ON
REGIONAL AUSTRALIA**

**INQUIRY INTO THE USE OF
'FLY-IN, FLY-OUT' AND 'DRIVE-IN, DRIVE-OUT'
WORKFORCE PRACTICES IN REGIONAL AUSTRALIA**

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AUSCO MODULAR

Ausco Modular is one of Australia's largest providers of modular and transportable buildings, with 10 manufacturing facilities and 15 branches servicing customers nationally. The company provides a range of buildings for hire or purchase, and has a network of 'resort-style' accommodation villages, *Stayover[®] by Ausco*, in six regional locations.

Ausco Modular works in a number of industries including mining & energy, building & construction, education, residential housing, commercial & industrial, and government.

For more than 50 years, Ausco Modular has been heavily entrenched in the mining and energy industry, providing accommodation solutions for remote workers. During this time, the company has witnessed the evolution of traditional mine site 'camps' and has played an integral role in re-defining the standard of remote area accommodation.

Today, Ausco Modular provides a complete and flexible range of remote area accommodation solutions – from low density housing to medium density townhouses & apartments, through to our higher-density 'resort-style' village accommodation.

INTRODUCTION

Attracting and retaining skilled employees in Australia's mining and energy industry is becoming increasingly difficult. The quality and logistics of remote living has always been a key challenge faced by the industry.

'Fly-In Fly-Out' (FIFO)/'Drive-In, Drive-Out' (DIDO) is one of several solutions that exist for remote area accommodation. It is a model which is necessary to help meet the rapidly increasing demand for skilled works in remote locations.

Many people choose to work in these remote locations based on their ability to commute to and from their preferred location to live outside of their rostered working period. The FIFO/DIDO model supports the freedom of choice people have in relation to where they live permanently. In many respects, it is the right solution to a growing problem but it is very important to note that "one size does not fit all".

The most appropriate and reasonable solution to accommodate remote workers varies between different circumstances and is based on many factors including mine location, project phase, companies' operational models, surrounding towns and infrastructure, distance between the community and mine, and availability of development land.

Determining the most suitable accommodation relies heavily on co-operation between providers, mining companies, governments and local councils to offer a tailored, flexible and feasible solution. FIFO/DIDO is a



necessary solution to address the issue of labour scarcity, but it should also be embraced as part of a broader community-integrated accommodation strategy.

TERMS OF REFERENCE RESPONSES

Evolution of remote area accommodation

Remote area accommodation has been provided to miners since the inception of the mining industry. In Australia, modular building companies such as Ausco Modular have been instrumental in the provision of this accommodation since the early 1960's.

Traditionally, mining companies directly took on the responsibility of providing remote accommodation to house the majority of their employees. Companies often provided accommodation on the mine site itself or alternatively established mining townships, with short-term contractors being housed independently or in local caravan parks.

Many mining companies now recognise the value in outsourcing the construction and ongoing management of remote accommodation to enable them to focus upon their own core activities. Today's mining accommodation philosophy is also very different to what existed in traditional mining camps many years ago.

Employees and contractors are demanding better accommodation with modern facilities such as individual rooms with ensuites, quality meals and catering, laundry services, recreational entertainment and sporting facilities to enhance their quality of life when living away from home.

The evolution of mining accommodation has been driven by a number of factors:

- Companies needing to attract and retain the desired workforce
- Introduction of modified shift systems (e.g. "7 days on, 7 days off")
- Associated productivity of employees after a "good night's sleep"
- Demand for more comfortable living environments in arid and isolated areas is linked to expectation of comfort to compensate for working away from home
- Sustainability of rural and regional communities in supporting mining activity
- Changing infrastructure and service requirements
- Advanced design and engineering requirements to meet the longevity of remote accommodation
- Increasing size of projects with higher numbers of employees
- Short-medium term "spikes" in employee numbers associated with a construction phase, as distinct from an ongoing operational requirement.
- Need to integrate remote workers into local communities.



The negative connotations associated with mining camps is still a very prominent legacy issue for the mining and energy industry as companies, suppliers, governments, councils and community groups weigh up the requirements and challenges of FIFO/DIDO.

With the breakthrough of modern remote accommodation solutions, higher expectations from workers and a shift in mining accommodation philosophy, remote accommodation has changed dramatically in the last 50 years.

Today, responsible suppliers will recommend a mix of living accommodation options suitable to the type of project, project phase, workforce demographic, location and access to regional communities. These may include permanent housing, apartment or townhouse complexes, or temporary village accommodation; or a combination of these elements.

Specialised accommodation providers like Ausco Modular, endeavour to offer companies and councils innovative ideas to create more effective and appealing accommodation solutions, tailored to the location and specific needs of the project and the needs of the community.

The effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure

When planning for remote accommodation, companies like Ausco Modular endeavour to consult heavily with local councils and planning authorities. Ausco Modular views this, not just as a desirable approach, but a critical one, to ensure the effective planning and execution of any development and the additional infrastructure required to be constructed or provided as part of the project. Core public infrastructure services such as water, electricity and sewage should be considered.

The interface with the broader community itself is an important consideration and one which Ausco Modular is cognisant of in relation to the planning of any new development. There are two aspects to this – the ability to provide broader community benefits during the construction/development phase; and over the ongoing operational requirements that exists in relation to our *Stayover® by Ausco* villages.

Whilst each development has significant differences, examples of Ausco Modular's potential contribution to the broader community during the development and construction phases include the following:

1. Contribution to Headworks/Infrastructure Charges;
2. Construction of Major Infrastructure related to the development which can incorporate components such as: sewage upgrades which may subsequently provide benefit to future down-stream users; provision of electricity to new locations within the community; construction/widening of new roads and improved traffic flows;
3. Involvement of local professional services such as Engineers, Surveyors, Town Planners, etc in the development process itself;



4. Involvement of local tradespeople & other service providers in the construction phase which can involve civil works providers, electricians, plumbers, carpenters, etc. Note that the scarcity of these resources can mean we need to source these specialists skills from outside of the local community; and/or
5. Support for the local retail community (hardware, landscape supplies, etc).

During the operational phase of our *Stayover® by Ausco* villages, there are also opportunities for community engagement and support. For example:

1. Supporting Indigenous Participation Programs through our own workforce and those of our providers;
2. Supporting local retailers through village purchases in areas such as bakery products, fresh fruit and vegetables, etc;
3. Supporting local retailers through the direct purchases of our guests with local retailers (e.g. café's, grocery stores, entertainment, etc);
4. Utilising local community infrastructure such as sporting fields, swimming pools, in situations where village guests are encouraged to join local community-based clubs, contributing financially to these entities and assisting them to develop critical mass. Local shuttle-buses, for example, can be utilised to facilitate this involvement; and/or
5. Supplementing community infrastructure in situations where the existing scale of the broader community means that certain facilities are not currently in place (eg. conference facilities, training rooms, gymnasiums, public event facilities for art exhibitions etc). Where this is desirable, village facilities of this nature can be made available for use by the broader community.

As a general comment, Ausco Modular supports proactive and open communication between key all stakeholders – service providers such as ourselves, mining companies, local councils, planning authorities and the broader community.

A number of regional councils have expressed concerns about the perceived negative impacts associated with large numbers of workers living temporarily in local communities. Within the community itself, there can also be a strong preference for workers to become permanent residents.

While this might be a positive outcome for the local community, there are a number of reasons why this solution could become impractical in the long-term.

- The type of work performed by remote workers is often of a temporary nature, associated with the construction phase of a mining project. Throughout the life of a mine, this will result in peaks and troughs in the number of workers requiring remote accommodation in, or near to, the closest community.
- This means that permanent low-density housing is not always an ideal solution. There is a likelihood that, at the completion of the contract, many workers will move away – resulting in houses being uninhabited.



- Mine sites are often located in isolated areas. Whilst some people are happy to live locally or commute from a close by regional hub, many workers prefer to travel from their permanent place of residence – where they have existing houses and social networks – for the duration of each of their ‘on’ shift cycles.

In the short-term, building accommodation using traditional methods (on site construction) can cause bottlenecks due to building delays & labour shortages; resulting in artificial housing bubbles which ultimately, are not sustainable. Modular building companies, like Ausco Modular, that specialise in remote accommodation have skilled workers in metropolitan areas that can construct and transport facilities more efficiently and quickly.

Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees

Mining companies’ planning and operational models of living and working remotely are now taking on more flexible and holistic approaches. *Stayover*[®] by Ausco villages are a good example of this form of accommodation, which proactively seeks to integrate residents with the local community.

The integration with the broader community is an important aspect that is considered when planning and designing our *Stayover*[®] by Ausco villages. However, we also take into account many other important aspects such as the scale of the development, the quality of construction, its’ environmental sustainability, village aesthetics, the need to facilitate adaptive infrastructure for the community, resident interaction within the village & the broader community, and green spaces, etc.

Ausco Modular has several projects underway where the client is involved in making significant infrastructure and social contributions to the community as part of the developments, such as bringing power into new areas, contributing financial and operational support to sporting clubs, and organising sporting competitions and other communal recreational activities with members of the existing community and village residents.

The current widespread shortages of short-medium term accommodation within a number of regional locations has created significant ‘spikes’ in house values and the associated rental costs. This has resulted in a significant number of external ‘speculators’ entering into this real-estate market.

Unfortunately, it is a situation which is ultimately detrimental for many long-term community residents; a significant proportion of whom rent their own homes within this inflated market. The ability of mining companies and service providers to efficiently bring additional accommodation into line within these communities helps to address this demand/supply imbalance; ultimately resulting in more sustainable purchase/rental prices.



Modular construction – such as that provided by Ausco Modular – provides the critical benefit of speed. Ausco Modular can deliver permanent or temporary accommodation within a fraction of the time associated with constructing houses within locations where there are already significant shortfalls of available skilled labour.

Strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry

Regardless of the remote area accommodation solution chosen, proactive engagement strategies with local communities during the planning stage should be developed by all parties in conjunction. There are a number of ways that mining companies sourcing remote accommodation for workers can bring economic benefit to the communities in which they operate.

Remote accommodation can become beneficial to the regions in which they are built when they help to fast-track the development of infrastructure in the community. This includes building infrastructure and services that will remain available to other industries and the rest of the community when the non-resident workforce leaves or scales back to more sustainable, long-term levels.

Where possible, it is also mutually beneficial to use local companies and labour within the supply chain to improve the establishment and ongoing operation of remote accommodation villages and to allow local business to provide services within villages.

To facilitate positive integration with local communities it is important to use and support local industry throughout the development and operating stages and encourage suppliers to do the same. For example, sourcing food and other supplies from local businesses, and employing local engineers, tradesmen, landscapers and other services providers.

Other employment opportunities can also be offered to existing residents to help educate, train and up-skill the local workforce.

RECOMMENDED SITE VISITS

Ausco Modular would be proud to open its doors to demonstrate the evolution of modular infrastructure across a full range of high, medium and low density accommodation options - as well as our capabilities in providing mining accommodation options that enhance work life balance.

Site visit options are recommended below, and additional supporting information in the way of recent project case studies can be found in Appendix 1.

***Stayover*[®] by Ausco villages**

- Kingfisher Stayover, Karratha, WA



- Stayover on Zeller Street, Chinchilla, Qld

Visits to these properties can be arranged by contacting:

Patrice Simpson, National Marketing & Communications Manager, Ausco Modular

Ausco Modular Housing

- Ausco Modular Baynton West display home, Baynton West development, Karratha, WA.

Visits to this property can be arranged by contacting:

Patrice Simpson, National Marketing & Communications Manager, Ausco Modular

CONCLUSION

In Australia, there is an accepted culture that every person has freedom of choice. This applies to where a person chooses to work and the place they want to live.

Australians tend to gravitate towards coastal regions but our resource hubs are often not in these locations but in more isolated communities. This makes FIFO/DIDO practices an attractive option for people wanting to achieve balance between their work and lifestyle and a critical solution for companies requiring skilled and specialised labour.

Shortages in skilled labour and higher expectations from workers have caused a significant evolution in remote area accommodation during the last 50 years.

There is not one solution to solve all remote area accommodation requirements but rather a need to develop a broad accommodation strategy that incorporates a number of flexible options to attract a more demanding workforce.

Building companies, like Ausco Modular, have the experience and expertise to provide tailored accommodation solutions to meet these needs.

Ausco Modular welcomes the opportunity to work closely with mining companies, councils, governments and other stakeholders to assist in the further development of strategies for remote accommodation and integration of non-resident workers into existing communities.



Village Profile

Stayover Blackwater Village



Stayover Blackwater's winning formula doubles it's size with plans to grow further

Australia



Fast Facts

Village Name:
Stayover Blackwater Village

Location:
Blackwater, QLD

Industry:
Mining & Resources

Size:
Resort style with 240 rooms, each room is 15 sqm and includes an ensuite, remote control TV, desk area and bar fridge.

Facilities Include:
BBQ areas, entertainment centre with pool tables and a new gym coming soon.

Larger rooms, delicious meals and great service are the key to *Stayover Blackwater's* success.

In response to an accommodation shortage, Ausco Modular carefully designed, built and installed a large accommodation village for over 120 people in 2001 at Blackwater. The village was an instant success and has since doubled to over 240 rooms due to the fast growth of the open cut coal mines in the region and the many companies who choose *Stayover* to accommodate their workers.

Stayover Blackwater Village offers a full range of regular motel services designed to meet workers needs. Day to day management is handled by hospitality professionals who design nutritious meal menus and prepare fresh food daily including crib.

Recreational facilities are an important aspect of all *Stayover* villages and *Stayover Blackwater* is no exception with social BBQ areas and an entertainment area used regularly in the evenings with dart boards and pool tables providing a social space to relax and unwind. A new gym will be coming soon with a variety of cardio and weights equipment as well as flat screen TV and sound system.

Stayover Blackwater Village features a modern kitchen and dining facility with high raked ceilings to moderate the temperature and allow natural light and ventilation to make the space more comfortable.

Ausco Modular has applied it's extensive accommodation experience in the design of the *Stayover Blackwater Village* to offer 15 sqm rooms, making them larger than the industry standard, providing a more comfortable space with a larger ensuite. Each room also features a desk, bar fridge, remote control air-conditioning system and remote control TV.

Ausco Modular has the capability to add new rooms and facilities to suit customer requirements whether it's an extra 100 rooms or a new gym.

Village Profile

Stayover on Windmill Road
Chinchilla



Not just accommodation – but a real home with private bathroom, kitchen, lounge and dining areas.

Australia



Fast Facts

Project Name:
Stayover on Windmill Road

Location:
Chinchilla, Queensland

Industry:
Mining and resources

Size:
Village style with 175 rooms with a choice of single, double and three bedroom apartments; including a mix of private kitchen, bathroom and living areas.

Site Facilities:
Austar in every room, tennis court, basketball court, in-ground swimming pool and mature landscaping

A choice of rooms makes *Stayover on Windmill Road* a sensible and comfortable accommodation solution for supervisory personnel.

Stayover on Windmill Road not only boasts an in-ground swimming pool, tennis courts and other recreational facilities it also has a unique key feature in the variety of different types of accommodation options to choose from.

Four different types of buildings offer a solution for any guest, especially supervisory personnel that often demand more space and enhanced creature comforts. Many of our buildings are one bedroom apartments with their own kitchen, bathroom and lounge areas. A real home away from home.



Other options to choose from include two and three bedroom homes with private kitchen, dining and lounge areas. As well as the conventional single occupancy ensuited rooms.



Refurbishment of the existing buildings will be rolled out in September 2010 and includes new finishes, furniture and accessories. Modern dining tables and comfortable sofas will be complimented with scatter cushions and thick rugs to further enhance that home away from home feel.

Key features include:

- Provides a fully flexible accommodation solution that requires no capital investment.
- 24 hour operation ensures we're available for your staff whenever they need us – not the other way around
- A fast, flexible and efficient booking process makes it easy and stress free
- Recreation facilities such as a tennis court, basketball court and in-ground swimming pool and undercover BBQ area helps your workers relax and recharge
- A full catering service with crib lunch is prepared fresh daily at our restaurant and served in the dining facility