

19 January 2012



**Submission Number: 162**  
**Date Received: 19/1/2012**

Committee Secretary  
House of Representatives Standing Committee on Regional Australia  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600  
Email: ra.reps@aph.gov.au

Dear Sir/ Madam

**INQUIRY INTO THE USE 'FLY-IN, FLY-OUT' (FIFO) WORKFORCE PRACTICES IN REGIONAL AUSTRALIA**

Thank you for allowing the Mount Isa Chamber of Commerce to contribute to the inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia through this submission.

The Mount Isa Chamber of Commerce has a proud history of serving the region as an active leader and strong voice for the commercial, industrial, civic and general interests of north west Queensland. The Chamber is also a proactive force involved in employment issues, regional and economic development, government relations and events management.

Mount Isa has existed in partnership with the mining industry for almost 90 years. The city has supplied a residential workforce and many of the services industries that are required of the industry, and this residential workforce has supported small business and the social fabric that is the community of Mount Isa.

The local government area of Mount Isa significantly contributes to Queensland and the commonwealth through royalties, company taxes and individual income taxes, yet Mount Isa lacks essential services and infrastructure required to progress the city and benefit from current and future mining activities.

For the 2010/2011 financial year the Queensland Resources Council estimated that for every resource sector job created another 3 indirect jobs are created in Mount Isa. The direct and indirect economic contribution for 2010/11 from the resources sector in Mount Isa local government area amounted to:

- \$3,666 million in output/turnover which converts to \$2,289 million in value added (i.e. contribution to gross regional product)
- 11,736 full-time equivalent jobs, or 95 percent of the entire workforce in Mount Isa.

Economic activity in the North West Minerals Province is largely dependent on mining and changes to workforce arrangements within the many mines operating in our region would significantly impact the economy and general well being of the Mount Isa community.

In the 12 months ending 30 September 2011, there were only 54 dwelling units in new residential buildings approved in Mount Isa, despite a housing shortage and an estimated 400 permanent available jobs for that same period. Currently the Mount Isa City Council's sewerage system does not have the capacity for further developments within the city nor do they have the financial resources to expand it.



At present, the demand for workers, the rapidly growing mining industry, and the lack of company financial incentives is fashioning a shift in company commitment to employ local residents.

Likewise, the lack of funding for Mount Isa to deliver essential services, social infrastructure, personal or household financial incentives and improving the general liveability of the area is increasingly making the FIFO option more desirable for employees.

A greater commitment, backed by legislation and funding schemes, is required from both state and federal governments to provide incentives to both companies and employees to live, work and invest in regional Australia.

We appreciate that FIFO workers maybe required for short term and construction work. However, when you have people who want to live in resource regions, be with their families every night and contribute to the community but who are choosing FIFO because of issues with housing, childcare, education, access to sport, taxation and remuneration or cost of living, then there is a still along way to go to achieve the balance required.

#### Recommendations:

- A goal of 95% - 100% of permanent employees to be employed from local residents when a mine is in the proximity of established towns or cities
- Develop long term strategies to ensure FIFO does not increase
- Introduce Tax reform and initiatives for resource regions to increase housing stock (salary sacrifice housing in resource regions)
- Eliminate FIFO workers eligibility of zone income tax concessions intended to assist regional Australian's with isolation or relatively high living costs
- Establish a funding scheme similar to Western Australia's Royalties for Regions program
- Ensure essential services and standard of living in resource regions are, at the very least, equal with other regions
- Solutions should be investigated to assist both the housing shortages in resource regions and the declining building industry in Queensland's larger cities such as the Gold Coast
- Temporary construction and contractor positions be housed in purpose built, company supplied accommodation
- The North West Minerals Provenance is granted an FBT exemption for housing payments.

Should you have any questions regarding our submission please contact me on

Yours sincerely

Zoe Dark

Manager  
Mount Isa Chamber of Commerce