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05 October 2011

Committee Secretary
House of Representatives Standing Committee on Regional Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary,

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

The RAAA and its Members

The Regional Aviation Association of Australia (RAAA) was formed in 1980 as the Regional Airlines Association of Australia to protect, represent and promote the combined interests of its regional airline members and regional aviation throughout Australia.

The Association changed its name in July 2001 to the Regional Aviation Association of Australia and widened its charter to include a range of membership, including regional airlines, charter and aerial work operators, and the businesses that support them.

The RAAA has 29 Ordinary Members (AOC holders) and 57 Associate/Affiliate Members. The RAAA's AOC members directly employ over 5,000 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than \$1b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. Annex A lists the Ordinary Members of the RAAA.

RAAA members operate in all States and Territories and include airlines, airports, engineering and flight training companies, universities, finance and insurance companies and government entities. Many of RAAA's members operate successful and growing businesses providing employment and economic sustainability within regional areas.

Some examples of RAAA members' presence in regional Australia is the REX hub in Wagga Wagga, SkyWest in WA, Sharp Aviation in Hamilton, Airnorth, Chartair and Vincent Aviation Northern Territory networks, West Wing Aviation in Mt Isa, Airlines of Tasmania in Hobart and Skytrans operations from Cairns, to name a few.

Serving regional aviation, and through it, the people and businesses of regional Australia

Unit 11, 26-28 Winchcombe Court, Mitchell ACT 2911

ABN: 23 008 568 054 Telephone: 02 6162 0305 Facsimile: 02 6162 0308 Email: office@raaa.com.au Website: www.raaa.com.au

RAAA Charter

The RAAA's Charter is to promote a safe and viable regional aviation industry. To meet this goal the RAAA:

- ➔ promotes the regional aviation industry and its benefits to Australian transport, tourism and the economy among government and regulatory policy makers;
- ➔ lobbies on behalf of the regional aviation industry and its members;
- ➔ contributes to government and regulatory authority policy processes and formulation to enable its members to have input into policies and decisions that may affect their businesses;
- ➔ encourages high standards of professional conduct by its members; and
- ➔ provides a forum for formal and informal professional development and information sharing.

The RAAA provides wide representation for the regional aviation industry by direct lobbying of Ministers and senior officials, through parliamentary submissions, personal contact and by ongoing, active participation in a number of consultative forums.

RAAA Response to the Inquiry into the use 'fly-in, fly-out' (FIFO) workforce practices in regional Australia

General and People Factors

Fly-in/fly-out (FIFO) remains a popular and sustainable practice for many in the resource industry. It has been used in WA for decades and is increasingly used as a legitimate labour transport practice in other states and territories.

The resources sector is experiencing ongoing skills shortages. FIFO enables a wider range of employees to access opportunities offered by the resources sector. These include indigenous people, women and skilled migrants.

Australia has experienced significant labour tightening in recent years. This is sometimes exacerbated in regional and remote areas. FIFO offers employees a broader range of employment and family choices. In WA just over 50% of the resource sector's workforce have chosen the FIFO option. This trend is likely to be mirrored in other parts of Australia as FIFO services increase.

There is little doubt that FIFO rosters have encouraged significant improvements in the quality of life for many resource workers and their families. These benefits include a wider choice of health, education and housing options, as well as easier access to relatives in the extended family.

FIFO is not offered as an exclusive option, rather as a possible choice alongside living locally or within a regional hub.

Mining camps have changed dramatically over the past twenty years. Most now offer modern facilities, including excellent meals, gyms, pools and ensuite rooms.

Economic Issues

There is no doubt that FIFO is a prominent choice in the resources sector but it is also used by other industries and government agencies to meet a range of operational needs.

In the next few years a significant increase in the construction workforce will be required for the resources industry. The workers' contracts are relatively short-term. It is expensive and inefficient for these workers to take up permanent long-term residence, nor is it likely that there is sufficient local housing stock available for rental. FIFO is clearly the best option for this group of workers.

FIFO also offers significant benefits to people living in non-resource intensive parts of Australia. The modern FIFO aircraft can open up resource sector jobs not normally available within a worker's home region.

If commodity prices remain relatively high companies will be encouraged to push into more isolated areas in search of the resources demanded by commodity buyers. It is unrealistic and wasteful to expect a new town to be constructed every time a project reaches the operational stage, particularly when the mine site may have a relatively short life-span, that is, less than one or two generations. FIFO supplies a much better option on all fronts.

The cost of building permanent housing in regional and remote Australia can be exorbitant and if not of sufficient quality, will act as a deterrent to prospective employees. At a time of labour shortages this can be a poor option for resource companies.

Regional Factors

Australia's large land mass and dispersed population dictates economies of scale must play a role in bringing labour to the highly dispersed mine sites.

The decision to build a new town is not taken lightly, nor at all frequently, and may require billions of taxpayer dollars, particularly in relatively remote settings.

Mining companies understand clearly that they have environmental responsibilities and a FIFO camp has a much lighter footprint than a permanent town. After a mine's closure, the rehabilitation of the land is easier and less expensive.

FIFO operations can enhance local economies through investment stimulation and enhanced services to those communities.

While urban environments do not suit every family, an urban option is an increasingly frequent choice in developed and developing countries across the world.

Summary

FIFO operations are taking advantage of spectacular gains in commercial aviation in recent years. Current aircraft and those just coming into service are safe, fast and efficient with the latest in satellite based navigations aids and many with glass cockpits.

The aircraft are crewed by highly trained personnel operating under ICAO recognised regulations and procedures.

These technological and operational improvements show no sign of slowing and have the potential to underpin the growth of the resources industry for many years to come.

This labour force flexibility can deliver significant productivity gains and open up even more employment options for Australian families.

It should be noted that the modern mining workforce is mixed gender, well trained and motivated. FIFO has played an important role in bringing a broader skill base to mining activities.

Rather than dividing the city from the bush FIFO is exposing a much wider range of people and skills to mining operations and regional/remote settings.



As well as being an economic necessity in support of the major driver of our economy, ie the resources industry, FIFO operations are bringing a new social and economic dynamic to the bush. It is applying modern technologies to remote operations but is also overcoming the tyranny of distance and long-term family dislocation.

FIFO operators are audited regularly by CASA and the contracting companies to very high international standards. FIFO operators strive to exceed these standards by a considerable margin.

The RAAA represents around 90% of current FIFO operators.

The RAAA is appreciative of being able to respond to this inquiry. If we can be of any further assistance in this matter please don't hesitate to contact me.

Regards

Paul Tyrrell
Chief Executive Officer

Annex A: RAAA Ordinary Members

