



Jane Mouritz (Special Projects Volunteer)

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To; The Secretary of the Committee

FAX: (02) 6277 4773 or e-mail: [ra.reps@aph.gov.au](mailto:ra.reps@aph.gov.au)

**To Whom it May Concern:**

Thank you for the opportunity to express comments on behalf of our rural eastern Wheatbelt community's experiences of Fly-in and Fly-out mining. We have some concerns, but also recognize the positive affects and potential for growth of our community, both economically and socially, if nearby mining interests modify their fly-in and fly-out practices.

To put Hyden's situation in context, let me explain;

- Hyden, is small rural and isolated – in eastern wheatbelt of Western Australia
- It supports a community of interest of around 100 ks to the east and 60 ks north, west and south - population around 800
- The district's income and employment is primarily agricultural with boradacre crops, sheep, cattle and some olives reaping about \$50,000million/per annum.
- There is also Wave Rock centred tourism that employs about 60 people and grosses \$10,000.00 per annum.
- Mines and exploration in the Forestania region 100kilometres east of Hyden has co-existed for the past 40 years, with high grade nickel ore mining growing significantly in the last 10 years.
- There is now a 500 strong fly in/fly out mining crew at any given time at Western Area's Cosmic Boy Mine Accommodation centre. There are indications that this will grow.
- Western Areas maintains close links with the Shire of Kondinin (Hyden is in this shire), and they pay a substantial amount in rates, and the roads to and from the mines are maintained on a shared responsibility basis by both parties.

- Western Areas is a hospitable corporate that invites community to visit the minesite in limited numbers on pre-assigned days each year. They also contribute, on request, to some community sponsorship – about \$10,000 per annum in Hyden which is gratefully received. There is minimal other interaction between mine staff and the Hyden community – it's closest neighbour. Their supplies are largely also fly in and fly out – they do not utilize many local grocery or other product suppliers, though local tradespeople (plumber, electrician, auto electrician ) do get some work (up to 10%) from this company, and they drive out to the minesite to do it.
- However, there are numerous drilling and exploration teams that drive through Hyden to access their areas of interest in Forestania mining zone, on a regular basis.
- Many of these get their grocery and other hardware supplies from Hyden and this help[s sustain our local businesses. A local freight company does three trips each week to Forestania to take out orders that have come from Perth and Eastern States for various contractors. This is core business for the local provider – especially during drought years when agricultural demand for services dropped dramatically.
- Hyden is currently under threat of losing its butcher shop and abattoir that has been operating successfully in Hyden for 40 years, supporting three families – and killing locally grown lamb, pork and beef. Whilst it supplies the local motel and tourist trade, many farmers resorted to home-kill and buying less from the butcher during the 2009/11 drought and this has affected business seriously. **If only the mines sourced their meat in Hyden** – it would mean the difference between a viable or not business.
- A fully qualified physiotherapist – partner of a Hyden farmer – has been keen to relocate to Hyden for several years, but she needs to ensure she has full-time viable physio-therapy work. Her applications to provide services to the mines for at least several days per week, have so far been declined. Other mines have on-site physio's, and staff benefit in terms of better health and the mines potentially gain better productivity and less loss of injury recovery time if there is regular physio available – but so far this offer has not been taken up. Similarly our town can provide mental health counseling an some other respite/care services part –time as well.
- Some local men do work shifts at the mines – just like fly-in/fly out workers, but driving from Hyden to the mine and staying out there for their shifts. This ensures that their partners and children are in a nearby community – just a

90minute drive away – should there be an urgent need for them at home, and the partner and children have a slightly closer 'connection' to where their partner/father may work. It also means they often have family or other surrogate grandparents in the Hyden community to support them when their partner is away on shiftwork – though I have hear some of the women coping with this say it feels like being a 'single parent' for 2/3 of the time. Such arrangements is of greater benefit to rural communities than fly in/fly out as it means their family is utilizing local shops and local schools, and when employees are off shift they do play the odd game of football of cricket and contribute locally when they can.

- One of the disadvantages and anomalies of having a mine as closest neighbour is that, when there is a mine injury, they often call on the local St John Ambulance volunteers to come out and collect the injured patient. Even for a squashed finger, it seems (detail of reasoning not confirmed for this submission), that in order to claim workers compensation (or such), the ambulance service must be called and must be used to transport the patient. This puts a lot of unnecessary extra strain and demand on Hyden's small volunteer brigade. Whilst we understand that some donations are made to St Johns in lieu of this, having a small team of volunteers overworked for 'non-emergencies – is not reasonable or sustainable.
- In all, the Hyden community would prefer if there were more mine employees who purchased or built homes in Hyden – with their families enjoying a close-knit and supportive community and in turn spending on essentials locally. People are our most valued commodity and knowing that the mines are flying people over the top of our little town, which has great little shops, relatively cheap residential blocks for housing, and wonderful self built community facilities, is pretty frustrating.
- **However, if given the choice we would rather have fly in fly out mining as close as we do, and in some ways reaps some benefits, rather than be just an agricultural-centric town with a single facet economy and no mining interests at all.**

Yours sincerely

JANE MOURITZ

Special Projects volunteer – HPA

Please also see the comments of a local community leader in his assessment of fly in/fly out. Fly in fly out came about as a direct result of fringe benefits tax. Prior to this company's built housing for workers and families (Newman, Tom Price etc) and created their own communities in close proximity to their operations / infrastructure. As they expanded and required more employees they built more housing.

The fringe benefits tax meant that for a subsidised rent of \$300/wk, the company then had to pay approx \$270 in tax meaning a total cost of \$570/wk to company. Flying people in is cheaper, a tax deduction, and they not have to supply the extra infrastructure of a town. Over time (20 years +) this has become the norm for a whole generation of employees, and expectations have flowed to every other industry of high wages available by FIFO. Reality is this is unsustainable (high wages across the economy) – manufacturing industry is closing down with escalating costs, margins in agriculture are just not there to afford these wages (2 sectors competing directly for similarly skilled employees).

When we hear stories of house rents in Karratha at \$2000/wk+, large mining wages have big costs to local small business owners from the flow on effects and expectations of employees throughout the economy.

FIFO is very hard on family life, some juggle it very well – vast majority are single male's (though increasingly females as well now). The event of flying to work ultimately means that their "home" will be within close proximity to airports of reasonable size/capacity. Opportunities for communities without this infrastructure - (regional WA away from coast) - excludes a big percentage of these high income homeowners from investing there.

The FIFO people always seem disconnected with both places of residence – on site are only for the high wages and work, time off is only for leisure and 30% (or less) of life there, so not connecting and contributing as a caring community member.

I not in favour of FIFO, but until the fringe benefits tax is removed, company's will always find the cheapest way to get employee's to their business. Tax system needs to change so company's are not penalised, and employees are encouraged to reside in regions.

Labours' fault in the 80's?

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

### **Terms of Reference**

The Standing Committee on Regional Australia will 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.