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Department of Sustainability, Environment, Water, Population and Communities

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

Dear Sir/Madam

The Department of Sustainability, Environment, Water, Population and Communities (the department) welcomes the opportunity to provide a submission to House of Representatives Standing Committee on Regional Australia the inquiry into 'fly-in-fly-out' (FIFO) workforce practices in regional Australia.

Mining towns are experiencing significant pressures as a result of the booming resources sector, including in some areas, a housing affordability crisis that can result in many mining and resource sector workers and non-mining families sharing accommodation. The department is committed to working with stakeholders to increase the supply of affordable housing across Australia, including in mining regions.

A short submission in response to the terms of reference of the inquiry is attached.

Yours sincerely

Malcolm Thompson
Deputy Secretary

24 October 2011



Australian Government

Department of Sustainability, Environment, Water, Population and Communities

Australian Government Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC)

Submission to the inquiry into the use of 'fly-in-fly-out' (FIFO) workforce arrangements in regional Australia

The Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) is responsible for helping to build a more sustainable Australia through implementing a strategy to help respond and shape changes in our population, and improve the supply of affordable housing.

Australia has a serious housing supply problem that is impacting on housing affordability for all households, in particular low income households. To assist in addressing this issue, the Government has committed about \$20 billion to understanding and addressing issues affecting housing affordability in Australia. Major investments administered by DSEWPaC include the National Rental Affordability Scheme, the Housing Affordability Fund, the Building Better Regional Cities Program, and the National Housing Supply Council.

Additionally, DSEWPaC is helping to ensure that future population change is compatible with the economic, environmental and social wellbeing of Australia through *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia*.

These core portfolio responsibilities have a clear alignment with the terms of reference of the inquiry, including:

- the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;
- provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees; and
- current initiatives and responses of the Commonwealth, State and Territory governments.

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

DSEWPaC recognises that the recent resources and mining boom has resulted in significant changes to the location and structure of some populations. This situation has been driven by the rise in the use of long distance commuting workers often referred to as the Fly-In/Fly-Out (FIFO) or Drive-In/Drive-Out (DIDO) workforce. The increased use of long distance commuting arrangements have come about because of the need for workers to fill the employment needs of specific projects, often on a short-term basis, and often located in remote areas.

It is important to note that non-resident workers are not unique to resource regions.

The impact of these FIFO/DIDO workers on resource and mining based communities is magnified due to the often small size of the existing resident population.

In many instances, FIFO/DIDO arrangements offer the most effective solution for both employees and resource-based communities. Temporary measures can best support the FIFO/DIDO workforce and help communities to adapt to structural and economic changes associated with the mining and resources boom. For employers, FIFO/DIDO arrangements can help to attract skilled workers and minimise the costs of setting up permanent infrastructure and services for a non-resident workforce. FIFO/DIDO working arrangements can allow employees to maintain relative proximity and connections with their families, friends and communities.

2. Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees and current initiatives and responses of the Commonwealth, State and Territory Governments

Increased numbers of FIFO/DIDO transient workers in communities can place pressure on existing infrastructure and services within a local area or region. This increase in the non-resident population can also have an impact on the cost of living for all residents, particularly in relation to the cost of housing and other accommodation costs.

Affordable housing supply

DSEWPaC is committed to working with stakeholders to help increase the supply of affordable housing across Australia, including in mining regions. The Australian Government is making an unprecedented investment in increasing the supply of affordable housing in Australia, through major programs such as the National Rental Affordability Scheme and the Housing Affordability Fund. A number of projects funded under these programs are located in mining regions.

In Queensland, National Rental Affordability Scheme incentives for 420 dwellings have been allocated in the regional locations of Bundaberg, Emerald, Gladstone, Mackay and

Townsville (as at the end of September 2011). In Western Australia 999 incentives have been offered in regional locations, including Karratha, South Hedland and Broome.

Through the Housing Affordability Fund, the Government is funding a number of projects in Queensland and Western Australia, some of which are in mining regions, or are bases for FIFO/DIDO workers, to assist families and communities to reduce the cost of new homes. In Queensland, \$2.5 million has been approved to fund development of 63 affordable residential lots in the township of Nebo, 100km from Moranbah. In Western Australia, the \$4.5 million project in Broome North, a booming mining and gas region, will deliver 242 affordable dwellings to communities, and the \$3.4 million Beachlands project in Geraldton will deliver 100 affordable lots, passing on savings to eligible home buyers.

Sustainable Population Strategy

Australia's first ever sustainable population strategy *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia* (the Strategy) sets out a framework for improving the mix of services, jobs, skilled training opportunities and affordable housing, whilst boosting the liveability of our regions to ensure they are places people want to live, work and build a future.

The Strategy aims to ensure that population changes are well managed to avoid possible impacts on the quality of life in our communities, our economic prosperity and our natural environment. The Strategy can be accessed at
<http://www.environment.gov.au/sustainability/population/index.html>

Concluding points

As with any significant change in the structure and location of a population, there are issues for all parties involved in non-resident work arrangements.

Many of the issues underlying housing affordability in mining regions require coordinated action by the mining industry, communities and all levels of government.

A number of major resource project proponents are recognising the need for housing for employees in booming areas and are investing accordingly. Regional planning that includes management of resource and mining projects can help to ensure a more sustainable and effective non-residential workforce.

