



# FLY-IN, FLY-OUT AND DRIVE-IN, DRIVE-OUT WORKFORCES IN NSW MINING

## NSW GOVERNMENT SUBMISSION

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## **Executive Summary**

Mining makes a significant contribution to the NSW economy in terms of employment, investment, skills formation and exports. This is especially significant in regional and remote communities.

It is anticipated that continued strong demand for resource commodities will buoy investment and continued growth in the sector.

In the context of the current resources boom, Fly-in, Fly-out (FIFO) and Drive-in, Drive-out (DIDO) workforces have grown in significance in the mining industry, especially in regional and remote locations. This submission raises a number of issues which the Commonwealth needs to consider in its public policy responses to this.

In NSW, these workforces are concentrated in mines in western and north western regions, while FIFO/DIDO workforces are sourced mainly from metropolitan Sydney, the Illawarra, the Central West and the Hunter.

The most significant benefits flowing from FIFO/DIDO operations for regional NSW are the jobs and skills brought to locations which would not otherwise have attracted them. This, in turn, supports high value operations and expenditure which continue to generate employment and jobs for regions.

Additionally, these mining jobs are increasingly a source of potential employment for workers in other sectors – such as manufacturing – where workers have lost jobs due to structural adjustment. In this sense FIFO/DIDO jobs represent opportunities for spreading the benefits of the mining boom.

FIFO/DIDO workforces can, however, pose challenges for host and source communities. These include:

- impacts on local housing markets leading to reduced availability and affordability;
- limited local employment generation, and therefore reduced longer-term employment legacies for host communities;
- negative social impacts arising from large temporary resident populations with a strong gender imbalance and relatively high incomes;
- impacts on the FIFO/DIDO workers and their families;
- the ability for pre-existing sectors, such as trades, transport, retail and hospitality, to compete with the high wages offered by the mining industry, which can cause skills shortages affecting local communities and businesses;
- increased pressures on physical and social infrastructure, especially in the development phase of projects when FIFO/DIDO workforces increase substantially; and

- increased demand for services in locations which can affect the capacity of service providers to meet demand.

The NSW Government is putting in place a number of strategies and initiatives designed to stimulate and manage the impacts of economic growth. These include:

- an over-arching strategy for the State, *NSW 2021*, to guide policy and budget decisions;
- a *Jobs Action Plan* which targets jobs growth across NSW, and particularly in regional NSW;
- a new emphasis on infrastructure provision to support economic growth. Additional funding allocated under *Restart NSW* is being dedicated to infrastructure development, with 30 per cent of funds dedicated to regional NSW, including mining affected communities;
- a focus on land use planning strategies, in recognition of the need to manage growth and respond to competing land uses. The first of these plans are being developed in the upper Hunter and New England North West, both of which are significant mining regions;
- a clear commitment to supporting decentralisation through the *Decade of Decentralisation* policy which specifically promotes steady and strategic growth in regional NSW. The Government is implementing a broad strategy to increase population in regional NSW and support balanced population growth across the State. Elements of this commitment include:
  - increasing regional NSW population by 470,000 by 2036;
  - providing \$7,000 *Regional Relocation Grants* to encourage people to relocate to regional NSW;
  - investment attraction for residential development in mining affected communities; and
  - actively promoting regional locations through the State Migration Plan to skilled migrants and business migrants;
- implementing a *Resources for Regions* policy which specifically addresses the challenges faced by mining affected communities. Under this policy, the NSW Government is injecting up to \$160m extra funding over four years to fund infrastructure projects in these communities;
- working to improve the planning approaches to mining and managing regional population growth; and
- working with local government to deal with the impacts of mining on regional towns and cities.

There are potential job generation benefits flowing from mining in regional and remote communities. However, to adequately meet the demand for workers ongoing training and workforce strategies are needed that target local communities, which the industry has the capacity to provide or contribute towards.

One of the major challenges for education providers will be sourcing sufficient qualified staff to meet the demand for training, particularly in the context of competitive salaries being offered to skilled personnel by the mining sector.

Many mines already contribute significantly to local communities by funding local community facilities. Combining training and employment opportunities (including on-the-job training) can complement these community contributions by helping to establish a stable and sufficiently large workforce, which is a particularly strategically valuable resource for long-run mining operations. The related development of community facilities, infrastructure and education resources will also contribute to establishing a sufficiently broad base of physical and intangible assets to help the community accommodate structural changes when the resources boom eventually recedes.

Mining presents particular opportunities for increasing both indigenous employment and the participation of women in non-traditional employment – both of which are goals under *NSW 2021*.

Many of the mines in western NSW are located in communities with relatively high levels of indigenous unemployment and have demonstrated positive effects. Cowal gold mine (West Wyalong), for example, has demonstrated success in creating employment opportunities for local Aboriginal communities, while in Cobar a job compact has been established with the local Aboriginal community.

As identified in the National Resources Sector Workforce Strategy, Aboriginal and broader local employment strategies would serve to ensure that a greater economic benefit and enduring legacy would flow to the regional communities most directly impacted by the mining operation. Movements of large numbers of mobile workers in and out of mining affected communities continue to present challenges not only for those communities (and host communities) but also for governments, not-for-profit organisations and other businesses servicing those communities. In particular, the remote locations of some mining communities (and FIFO/DIDO workforces) present particular challenges in terms of service delivery.

The negative impacts associated with some of these workforces place additional demands on the delivery of social and support services within those communities, which should be carefully and sustainably addressed by both government and the industry in a manner which is sensitive to the particular characteristics of each community.

The NSW Government recognises the value of mining to the State economy, and especially to regional NSW economies. Strong growth prospects for the sector and ongoing investment in resources projects suggest that FIFO/DIDO workforces will become an enduring feature of the NSW labour market, and will present challenges that will need to be managed by all levels of Government.

## The significance of the NSW mining industry

Mining has always played an important part in the NSW economy. This significance has increased over the last decade in terms of the sector's contribution to employment, investment and export revenue.

Over the next decade the industry is expected to continue to grow, with a large number of projects in the development or planning stages. This will have positive impacts in terms of employment generation, state revenue and the economic sustainability of regional communities. However, the expansion of the sector will pose challenges to infrastructure, export capacity, labour supply and mobility, workforce development, and delivery of services into regional and remote communities. This rapid growth will have significant social impacts on mining affected communities as well as the communities from which workers will be sourced.

### Mining employment

Employment in the resources sector is relatively low when compared to other NSW industries.

Employment in the industry in 2010 was around 34,000, or 1.0 per cent of the total NSW workforce. Yet, the output of mining activity, including coal and metal ores (such as iron, gold and copper), provides large scale employment in other NSW industries, including metals manufactures. Primary metal product manufacturing alone (dependent on mining inputs), employed approximately 28,000 people.<sup>1</sup> Additionally, high wages in the mining industry have flow-on benefits to the communities from which this employment is drawn. Expenditure by mining workers flows through to services and retail activity in local communities across the State.

#### Mining employment in NSW by Statistical Division, ('000)

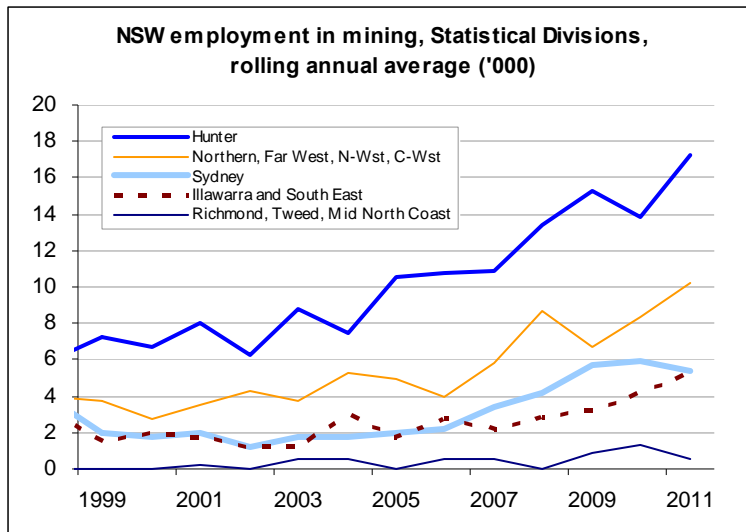
Statistical Divisions	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sydney (including Gosford)	2.0	1.3	1.8	1.8	2.0	2.3	3.4	4.2	5.7	6.0	5.4
Hunter	8.0	6.3	8.8	7.5	10.5	10.8	10.9	13.5	15.2	13.9	17.2
Illawarra and South East	1.8	1.3	1.3	3.0	1.8	2.8	2.3	2.9	3.2	4.1	5.2
Northern, Far West, N-Wst, C-Wst	3.5	4.3	3.8	5.3	5.0	4.0	5.8	8.7	6.7	8.3	10.2
Richmond, Tweed, Mid North Coast	0.3	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.8	1.3	0.5
Murray-Murrumbidgee	0.3	0.3	0.0	0.3	0.0	0.3	0.3	0.6	0.2	0.3	0.2
<b>Total</b>	<b>15.8</b>	<b>13.3</b>	<b>16.0</b>	<b>18.3</b>	<b>19.3</b>	<b>20.5</b>	<b>23.1</b>	<b>29.8</b>	<b>31.8</b>	<b>33.9</b>	<b>38.7</b>
Annual change in total		-16%	21%	14%	5%	6%	13%	29%	7%	6%	14%

Source: ABS 6291.0, Labour Force, 4 quarter averages, except 2011, 3 quarter average

Over the 10 years to 2010, mining employment more than doubled in NSW, to 34,000. Since the 2010 year average, total mining employment in NSW has risen further, by up to 14 per cent to August 2011. Regionally, since 2010,

<sup>1</sup> ABS Cat. No. 6291.0 Labour Force. See ANZSIC subdivision 21, Primary metal and metal product manufacturing, average of 4 quarters total employment.

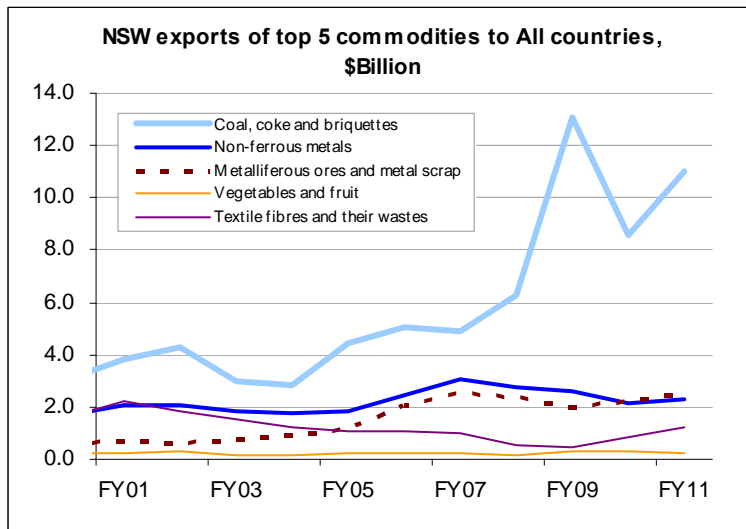
total mining employment in the Hunter, for example, has risen by up to one-quarter to August 2011. Other regions with significant growth in mining employment include the Northern, North-Western, and Central West corridor.



Source: ABS Cat. No. 6291.0

### Mining industry output

The relatively small scale of mining employment belies its value and impact on the economy, derived from its capital intensity and multiplier effects. In 2010, mining directly contributed 3.1 per cent of total industry value-added in NSW<sup>2</sup>. Commodity exports from NSW are also dominated by the outputs of the mining and mining-related industries and have been growing in importance over the last 10 years.



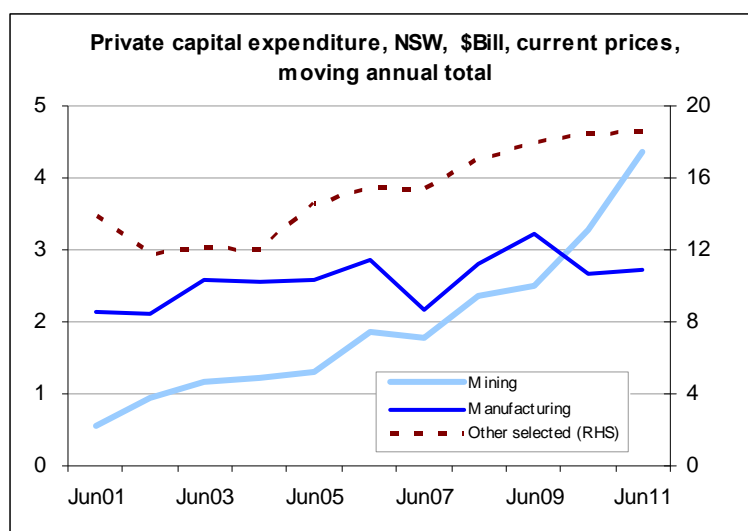
Source: ABS unpublished data, SITC, 2 digit commodities

In 2009-10, mining-related exports were 45 per cent of total NSW commodity export value, at \$14 billion. Mining-related export values have increased 133

<sup>2</sup> Access Economics, The NSW economy in 2020, A foresighting study, August 2010, page 133. Data for financial year.

per cent in the last 10 years, while exports as a whole increased only 65 per cent.<sup>3</sup>

The reason for the disproportional value-creation of the mining industry and its employees is related to the capital intensity of the industry and high commodity prices generated by demand in key export markets. Despite its small employment base, new private capital expenditure in the mining industry surpassed that of manufacturing investment in 2010, reaching 17 per cent of total NSW capital expenditure for the year to June 2010<sup>4</sup>.



Source: ABS Cat No. New Private Capital Expenditure, 5625.0

NSW mining is dominated by coal production, with coal production representing 86 per cent of the value of minerals produced in NSW in 2008-09<sup>5</sup>. Coal exports are also the dominant export from NSW, at around 27 per cent of total commodities in 2009-10. Employment in coal mining represents around half of all mining industry employment<sup>6</sup>. This coal production is concentrated in the Hunter region. Total mining employment in the Hunter in 2010 was around 14,000, or more than 40% of the NSW total.

### Outlook for NSW mining

It is anticipated that continued strong demand for resource commodities will buoy investment and continued growth in the sector. This extends to all stages of the mining process, including mining exploration, mining, processing and export. High demand is also flowing through to significant investment in mining-related infrastructure in the State. For example, plans for the

<sup>3</sup> Unpublished ABS trade data. SITC 2-digit. Mining-related commodities refers to “coke, coal, briquettes”, “non-ferrous metals”, “metalliferous ores and scrap”, “petroleum, petroleum products” and “gas, natural and manufactured”. These items together made up 32% of NSW commodity exports in 1999-2000.

<sup>4</sup> ABS Cat. No. 5625.0 New Private Capital Expenditure. Manufacturing employed around 8.5% of the NSW workforce in 2010.

<sup>5</sup> Estimates based on: The contribution of primary industries to the NSW economy: key data 2011, Industry & Investment, Economic Policy and Research Branch. Available on request.

<sup>6</sup> ABS Cat. No. 6291.0 Labour Force

expansion of the coal loading capacity of Newcastle Port are underpinned by high export demand. Already the largest coal exporting port in the world, coal export capacity in Newcastle is expected to grow from a current level around 110 Mtpa (2011) up to 300 Mtpa by 2020.<sup>7</sup>

Current NSW mining investment includes the \$1.9 billion expansion of the Cadia East gold mine near Orange. Another large project in development is the Xstrata Mangoola coal mine near Muswellbrook, valued at \$1.1 billion. Also near Muswellbrook, and currently under consideration, is an open-cut coal mine valued at \$400 million, at Mt Pleasant.<sup>8</sup>

New mines are also planned for other parts of the State: for example, four new mines are proposed in an area around 60km radius of Mudgee, commencing between 2013 and 2016.<sup>9</sup> Alongside expansion of existing mines in the region, total direct employment is expected to increase by around 3,000. During the development phase, this employment impact will be boosted by construction work.

Although (thermal) coal production remains the largest mining industry for NSW, there are prospects for developments in other mining sub-sectors over the next 10 years. NSW is notably Australia's second largest gold, silver and lead producer and the third largest copper producer. New projects are planned for these mineral resources and others. While natural gas currently represents a relatively small share of value added in the State, it is expected to grow in significance into the future as an alternative source of energy supply.

Overall, Access Economics estimates that the mining sector is expected to grow by 67 per cent to 2020, with natural gas production gaining in its share of this growth.<sup>10</sup> The NSW Minerals Council estimates that, in total, about 50 new projects and extensions are planned over the next decade, involving investment of \$14 billion.<sup>11</sup>

## **Fly-in, Fly-out and Drive-in, Drive-out workforces in NSW**

Fly-in, Fly-out (FIFO) and Drive-in, Drive-out (DIDO) workforces have become more significant in regional Australia in the context of the current resources boom.

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<sup>7</sup> HVCCC, Hunter Valley Coal Chain Coordinator, 2011. Newcastle coal port capacity briefing, Sept 2011

<sup>8</sup> Access Economics, Business Outlook, June 2011, page 98

<sup>9</sup> Coal mining in Mid-Western Region, a snapshot of activities and issues, NSW Trade & Investment, Mineral Resources Branch

<sup>10</sup> Access Economics, The NSW economy in 2020, A foresighting study, August 2010, pages 22, 38, 133

<sup>11</sup> Speech by Dr Nikki Williams, CEO, NSW Minerals Council, 30 August 2011.



In this submission, FIFO and DIDO workforces are taken to mean workers who travel considerable distances to their places of work, and who have their primary residence considerably removed from that work.

These workforces are often deployed in circumstances where sufficient suitably qualified labour is not readily available locally.

No definitive data are available on the number of workers under such arrangements. However, nationally, it is estimated that the FIFO workforce totals around 50,000 people (including contractors and additional service providers such as caterers).<sup>12</sup> To date, Western Australia and Queensland have experienced the most significant growth in such operations, with NSW also seeing a growth in FIFO/DIDO mining workforces, especially in the west and north-west.

It is worth noting that FIFO/DIDO workforces are not confined to mining. In fact, there is a long history in NSW of using such workforce management strategies to bring skills to regional and remote areas.

For instance, the NSW Department of Education and Communities has a policy of filling teaching positions according to a scheme that favours teachers who have worked in remote areas of NSW. The policy is called "priority transfer", with a hierarchy of points applying broadly to the remoteness of the NSW school location.<sup>13</sup> This system encourages the provision of teachers to remote locations, where there is a lack of local skills to provide vital education services to local communities. While this workforce is not strictly speaking a FIFO/DIDO workforce, it shares many of the characteristics.

TAFE NSW Institutes also use such work practices to expand the provision of vocational education and training to rural and regional Australia. This allows TAFE NSW Institutes to provide a broader range of vocational education and training to rural communities and industry workplaces.

Similarly, the NSW Department of Health has a program to direct medical practitioners and health professionals to relocate to remote regions in NSW. The Area of Need Program assists employers in NSW who are experiencing difficulty recruiting medical practitioners with specialist registration (including General Practitioners), to recruit suitably qualified international medical graduates to vacant positions that have been approved by the NSW Department of Health as an Area of Need.<sup>14</sup> The Flying Doctor Service also provides mobile medical services across remote and rural parts of NSW on a daily basis. The services operate out of four bases in NSW: Broken Hill, Dubbo, Mascot and Bankstown.<sup>15</sup>

Within the mining industry, FIFO/DIDO workforces are most prevalent in the Far West and North West regions of the State, with workers being sourced

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<sup>12</sup> *The Australian*, 23 July 2011.

<sup>13</sup> <http://www.teach.nsw.edu.au/documents/procedures09.pdf>

<sup>14</sup> [http://www.health.nsw.gov.au/policies/pd/2010/pdf/PD2010\\_070.pdf](http://www.health.nsw.gov.au/policies/pd/2010/pdf/PD2010_070.pdf)

<sup>15</sup> <http://www.flyingdoctor.org.au/about-us/facts-and-figures/ff-se>

from the Central West, Hunter, Illawarra and Metropolitan Sydney. In some instances, this workforce is relatively small compared to total employment. For example, at the Perilya mine in Broken Hill, the practice is used mainly for senior personnel, some of whom live in metropolitan Sydney and other capital cities and can only be attracted to working in the mine on FIFO packages.

Elsewhere – especially in the north-west of the State – larger FIFO workforces are being utilised. For example, mining operations around Narrabri, Gunnedah and Werris Creek all use FIFO workforces. Similarly, the Tritton mine (Nyngan) is planning an expansion of 140 workers, which will increase the total workforce, including contractors, to over 500. This will necessitate building accommodation for about 175 people to alleviate accommodation pressures in the district. Other areas in NSW where FIFO workforces are being deployed or considered include: the Newcrest mine (Blayney Shire) and mines around Mudgee.

Workers for these mines are sourced largely from the Greater Metropolitan Sydney area, although a proportion of these workers also come from other regional locations such as Orange or the Hunter. Notably, the Hunter has a sizeable DIDO workforce, with significant numbers of workers driving to work in the Upper Hunter from homes in the Lower Hunter and as far afield as the Central Coast. These workers could also be defined as commuters, since they reside in their principal place of residence while at work. However, they also bring significant pressures to bear on infrastructure which need to be considered in the longer-term, and involve commuting across traditional regional boundaries.

FIFO operations are also sourcing NSW workers to work in other States. For example, the Newcrest company is flying workers from Orange to the Telfer mine in Western Australia. Currently around 50 workers make this journey, but it is expected that numbers will increase to around 330 per week.<sup>16</sup>

Significant numbers of workers are also being sourced from the Illawarra. For example, a consortium called 'Securing the Future' is offering workers flights between the Illawarra and Emerald (Qld) to work on coal mines operated by BHP Billiton, Rio Tinto, Peabody, Anglo American and other companies. According to media reports, the consortium has already contracted 120 employees on this basis, and estimates that it will need up to 400.<sup>17</sup>

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<sup>16</sup> <http://www.miningaustralia.com.au/news/orange-minings-new-fifo-centre>

<sup>17</sup> <http://www.illawarramercury.com.au/news/local/news/general/flyin-flyout-approach-to-work/2279492.aspx>

## **Impacts of FIFO/DIDO workforces**

The impacts of FIFO/DIDO workforces on mining communities depend on a number of factors, including:

- the size of the FIFO/DIDO workforce;
- the extent to which FIFO/DIDO workforces crowd out other economic activity;
- the nature and location of accommodation for these workforces; and
- the extent to which FIFO/DIDO workers interact with local communities.

In some instances the perceived negative social impacts of these workforces on local communities detract from their economic benefits.

It is also worth noting that the impacts (both positive and negative) of FIFO and DIDO workforces are not evenly distributed, either spatially or socially.

If the benefits of increased mining operations are to be realised at the local/regional level, it is important that potential impacts on communities are well understood, and that implications for service providers are planned for well in advance.

### **Employment and skills supply for regions**

The most significant benefit flowing from FIFO/DIDO operations to regional NSW is the skills attracted to locations where these skills are not currently present. This, in turn, supports high value operations which continue to generate employment and jobs for regions.

Many of the workers attracted through FIFO/DIDO employment are highly skilled in engineering, machinery operations, maintenance and management roles.

Mining companies across the State conduct on-the-job training and also contribute to specific skills initiatives that deepen the skills base in regional NSW and contribute to productive capacity and competitiveness. For example, TAFE NSW - Western Institute has provided training for employees of Peak Gold (Cobar) using a specialist mobile training resource to remote locations to reduce travel time for mine employees. This training was commissioned by the mine to address specific needs associated with new safety requirements.

Another example of skills formation generated by mining is in the Hunter, where TAFE NSW – Hunter Institute has established the Mining Industry Skills Centre at Muswellbrook in partnership with major black coal mining companies in the middle and upper Hunter. The Centre is a purpose built facility that addresses the long term needs of training for the black coal mining industry through an integrated suite of training in engineering, electrotechnology and automotive trades. Participating mines subsidise the training, while the centre has developed relationships with schools in the

region in order to establish a training pathway for school-leavers. The mining skills generated in this region are now benefitting not only the Hunter, but a growing FIFO workforce to other regions in NSW and interstate.

Communities such as Cobar, Parkes, West Wyalong, Nyngan, Gunnedah and Narrabri that do not have large resident populations cannot supply the skilled workforce required by nearby mining operations. Consequently, the mining operations rely on FIFO/DIDO workers. This has flow on effects in terms of training infrastructure and services. In many of these areas slow population growth – or indeed, population decline - makes it challenging to justify the expenditure on infrastructure required to improve the basic college presence that currently exists in these communities.

With the growth of metalliferous mining in Western NSW, TAFE Institutes have implemented strategies to provide more workplace training, and also utilise drive-in, drive-out workforce strategies to facilitate training.

In addition to the above strategies, Western Institute has invested \$2 million in mining simulators to support its training. These simulators provide a safe environment to train new and existing staff in the use of mining equipment including haul trucks, loaders, face shovels and excavators.

These strategies enabled Western Institute to provide customised training resources and regular visits for training and assessment to over 300 trainees since 2005 working at the Bemax Murray Basin Operation located 40 kilometres west of Pooncarie and on site at Barrick Gold's Cowal Gold Mine 40 kilometres north of West Wyalong.

Larger regional centres, in particular, have benefited from increased direct investment in infrastructure for vocational education and training. For instance, TAFE NSW Western Institute and New England Institute have invested in new and improved infrastructure to support training in trades including heavy automotive, mechanical engineering and electrical. Much of this demand for training comes from the mining sector and mining service industries.

Prior to 2002 Western Institute did not have a specialist heavy automotive training centre. Based on evidence of demand from the mining and allied industries, Western Institute established a heavy automotive training centre initially in rented premises, and in 2010 built a specialist facility on the Rural Skills and Environment Centre in West Dubbo. At the same time, New England Institute expanded its heavy automotive training centre in Tamworth to cater for the increased demand.

Regional Institutes - including Western, New England, Riverina and Hunter Institute - have also invested in infrastructure and equipment in regional cities of Orange, Tamworth, Wagga Wagga and Muswellbrook in other trade areas including fitting and machining, welding and electrical cater for the increased demand from businesses that service the mining industry.

TAFE NSW Institutes provide a broad range of training customised for the mining industry from a number of Training Packages. Recently, in addition to the traditional trade training in Fitting and Machining, Automotive and Electrical, TAFE NSW has expanded its offerings in regional NSW to meet mining sector-led demand. Areas of increased training provision include:

- frontline management;
- business management;
- project management;
- human resources;
- financial services;
- information technology;
- metalliferous mining open cut and processing;
- surface extraction;
- laboratory operations; and
- warehousing and storage.

This training is provided in the workplace using specialist TAFE staff. In the context of continued growth in mining, demand for this training is expected to continue to grow. One of the major challenges for TAFE will be sourcing sufficient qualified staff to meet the demand for training as well as matching salaries for skilled personnel with those being offered in the mining sector.

These positive skills impacts notwithstanding, FIFO/DIDO mining workforces also have potential negative impacts, especially for skills formation in local communities.

Due to the large FIFO/DIDO workforce in many mining areas, employment opportunities for local communities have been limited. It is acknowledged that the necessary skills may not be available in local areas, however more work could be done to build these skills. Increased employment opportunities in local areas would benefit local communities, particularly in more remote areas of the state that have limited employment options.

FIFO/DIDO workforce management often relies on short-term, contract labour. This makes it difficult for resource sector companies to take on apprentices and trainees – arrangements which, by definition, are underpinned by longer term contractual relationships. Mining companies could address this by providing more opportunities for local school-leavers through pre-employment programs at lower skill levels, as well as longer-term training opportunities for young people, especially in local communities.

Many mines already make significant financial contributions to local communities through the funding of local community facilities. Employment opportunities and on-the-job training should complement these community contributions and lead to a legacy of employment for locals as well as a stable supply of workers, especially for mine operations with a long life-span.

### **Employment opportunities**

Despite the capital-intensive nature of the resources sector, it nevertheless generates employment across the State, often in regions with historically low employment growth, relatively high unemployment and low participation rates.

Labour demand by the sector has also benefited workers – many of whom are highly skilled – who have lost jobs, often due to structural adjustment. Manufacturing workers, for example, have increasingly found opportunities to utilise their skills in heavy machinery operation, engineering and electronics in the mining sector, albeit in locations far from their homes. For instance, FIFO employment has been secured by workers who have been stood down recently in the Illawarra by BlueScope Steel. Similar employment opportunities were associated with the downsizing by Pasminco at Broken Hill.

FIFO employment helps to spread the economic benefits of the mining boom across the State. This has been beneficial to regions with high unemployment.

### **Housing impacts of FIFO/DIDO workforces**

Mine operators deploy a range of housing solutions for their FIFO/DIDO workers. In some cases, workers have the responsibility to source their own housing (and goods and services) on the open market in surrounding towns. In other instances, mines – or contractors – construct purpose-built townships or temporary dwellings to accommodate these workers. The model chosen is usually a business decision for the mine operator (or associated contractor), and often depends on the local supply of housing, proximity to town services/goods and local government planning provisions which provide a framework for development decisions.

In north-west NSW, for example, the Narrabri Shire Council has opted to support construction of a new township by the MAC Services Group Pty Ltd ('the MAC Group') on the outskirts of the town. The planned capacity for this 'MAC Village' is 900. The eventual capacity is based on full capacity growth over 10 years. The MAC Village has approval for 242 residents under the current Development Application. By the first week in November 2011, the current capacity (242) of the Narrabri MAC village will be fully utilised. Stage 2 involves a further 650 rooms. This expansion is subject to State Government approval of Ashton and Indomitius mines near Boggabilla.

The decision to construct a MAC Village was shaped, in part, by a severe shortage of visitor accommodation in the town, crowding out other short-term visitation (business or tourist). Similarly, the impact of sudden, sharp increases in local population can significantly impact the availability and affordability of housing for existing residents. According to Legal Aid NSW, local community workers have reported an 80 per cent increase in homelessness in Narrabri in the last 6 months as local residents are without private rental options due to available properties instead being leased to

higher paid FIFO workers. Similar crowding-out effects have been experienced in Nyngan, Cobar and Orange.

Similarly, in Werris Creek, another village is expected to be constructed (also by the MAC Group) to accommodate mine workers at expanding mine operations in the area. The Werris Creek MAC Village is still in the mid-stages of development and it is expected that 450 rooms will be operational by late 2014. The full capacity of the Werris Creek MAC Village is expected to be 1,500. The high number is due to Werris Creek's proximity to the rail network and associated project development in that area. In 2006, Werris Creek had a population of 1,490. When the MAC Village is fully operational, it is expected that the population of the town will double.

Approval is also pending for a Boggabri MAC Village for the initial stage of 300 rooms. It is planned that the village will be occupied by 2013. The eventual capacity of Boggabri MAC Village is expected to be 850. In 2006, Boggabri had a population of 901 people. When fully operational, the Mac Village will result in a near doubling of the population of Boggabri.

In some instances, local infrastructure/service provision has been leveraged through mining-related housing investment. Narrabri, for example, currently has 75 building blocks ready for development which had not been developed previously due to the expense of providing sewerage infrastructure. The MAC Village has provided the sewerage infrastructure, and therefore this development can now take place. Further block development on the flood plain is subject to approval to build above flood levels.

Other mining communities have been less positive about purpose-built mining townships. For example, Gunnedah Shire Council has supported the use of existing housing stock as well as the building of new dwellings on the plentiful supply of housing lots in the town.

Flow-on impacts on local housing supply vary considerably. However, they can include:

- significant rises in house price values which impacts positively on local home-owners, but negatively in terms of housing affordability for those seeking to buy or rent homes. Anecdotal evidence suggests that housing affordability issues are now an issue in Tamworth and many smaller surrounding towns;
- increases in the extent of speculative residential building, resulting in local market distortions (e.g. a two-tiered market); and
- sharp, short-term impacts on the housing market associated especially with the development phase of a mining operation (during which the mining-related workforce increases exponentially).

Negative impacts on housing availability and affordability are already being seen in many communities hosting FIFO/DIDO workforces. In Narrabri, for example, rents have trebled in some areas and low income earners are being forced to relinquish their tenancies.

At the same time there, is a limited amount of social housing stock available in many of the towns and villages in the targeted areas because, until mining came into more advanced production, these centres were showing population decline. Housing NSW data suggests that public housing represents 4.7 per cent of all housing in Narrabri, which is above the average for non-metropolitan NSW of 3.5 per cent. However, this may not be adequate given the changing circumstances driven by the expansion of local housing demand. The situation in Narrabri is expected to be replicated in towns and villages throughout the Namoi Basin & Gwydir Valley.

In order to cater for the associated needs of local communities, there will need to be consideration of the capacity of Specialist Homelessness Services in the region to provide crisis accommodation and housing support to people who are dislocated.

### **Expenditure impacts of FIFO/DIDO workforces**

Generally, accommodation providers and retailers of basic foods/services in mining towns and communities stand to benefit most from increased FIFO/DIDO workforces. Discretionary and luxury expenditure, on the other hand, is not captured in the same way locally.

Some larger centres in NSW have grown substantially on the back of the current mining boom. Dubbo, Orange, Broken Hill and Tamworth have all benefited from the direct and indirect economic impacts of mining in surrounding areas. Broken Hill, while traditionally a mining town, is positioned to become a residential centre for a FIFO/DIDO workforce servicing several prospective mining developments in the region and in South Australia. This urban growth will, however, generate new demands for housing, health services, education and child-care services to support an expanded resident population.

Although there is significant economic activity generated in the regions where there are high proportions of FIFO workers, income earned often flows out of the region. Inevitably, FIFO workers with families living elsewhere tend to 'save to leave', resulting in the investment of funds elsewhere in anticipation of their departure. Often referred to as a 'hollow economy', the result is that local investment and micro-economic benefits in the host community are compromised.

This loss of expenditure in regional and remote communities needs to be balanced against the fact that the income benefits flow to communities elsewhere in NSW. Local economies benefitting in this way include: metropolitan Sydney, the Illawarra, the Central West (Orange and Dubbo), the Hunter and the Central Coast, where many FIFO/DIDO workers are sourced.

Mining companies could look at ways of making longer-term contributions to local communities through targeting increased local employment and by making stronger commitments to training of potential employees locally. Local



communities are increasingly opposed to 100% FIFO/DIDO workforces.<sup>18</sup> It may therefore be prudent for companies to build local employment initiatives into overall workforce strategies.

In this context 'local' could be defined broadly, as workers from within the locality, the LGA or the regional economy. Also, there is potential for mining employment to make particular contributions to increased indigenous employment, since many of the mines in western NSW are located in communities with relatively high levels of indigenous unemployment. Cowal gold mine (West Wyalong), for example, has demonstrated success in this regard. While in Cobar, a job compact has been established with the local Aboriginal community.

As identified in the National Resources Sector Workforce Strategy, Aboriginal and broader local employment strategies would serve to ensure that a greater economic benefit and enduring legacy would flow to the regional communities most directly impacted by the mining operation.

### **Social impacts**

A growing body of research has been documenting the social impacts of FIFO/DIDO workers on regional or remote communities, as well as on workers themselves and their families.

From 7 March to 27 May 2011, an online survey called the *Social Impact of Mining Survey* was undertaken in Queensland. A total of 559 respondents from mining regions participated in the survey. The people who were surveyed were asked to rate their perception about non-resident mining workforces housed in temporary accommodation. The responses were overwhelmingly negative, with 75% of the respondents stating that there was a negative impact on housing availability and 79% of the respondents assessing that there was a negative impact on housing affordability. The Survey allowed for qualitative responses.<sup>19</sup>

It is suggested that many of the negative impacts associated with FIFO/DIDO mining employment arise from the relatively high wages secured in the industry, the above average spending power of these workers and the potential for micro-inflationary effects on local goods and services. In regional/remote communities, these workers have incomes that are often far in excess of that of the local population. This inequality of purchasing power, it is suggested, produces a 'two-tier economy', often resulting in resentment and

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<sup>18</sup> See, for example, community protests in regional Queensland on this issue: <http://www.abc.net.au/local/stories/2011/07/20/3273634.htm>; and <http://www.themorningbulletin.com.au/story/2011/07/26/cq-mayors-unite-against-fifo-workforce-mining/>

<sup>19</sup> Carrington, K. Pereira, M. (2011) '*Social Impact of Mining Survey: Aggregate Results Queensland Communities*', School of Justice QUT June 2011.

conflict with those in the community who do not have the same spending capacity.

Social service providers in NSW also indicate that there are negative social impacts associated with the large gender imbalance of FIFO/DIDO workforces, and that isolation from family and other supports can lead to increased use of alcohol, drugs and prostitution. Sudden increases in population in regional centres have also been observed to coincide with an increase in alcohol-related violence (including domestic violence).

Increases in such anti-social activities also have flow-on impacts for law enforcement agencies, legal services, and support services in those communities, such as sexual assault, housing, financial counselling and medical services.

Recent research suggests that sometimes serious negative impacts can be felt by these workers' families. Some of the impacts identified include family breakdown and violence, suicide and fatigue related deaths and injuries.<sup>20</sup>

Similar findings were reported in research conducted with Western Australian FIFO workers in 2005. FIFO work was found to place considerable strain upon families. In most cases, FIFO work was not seen as a long-term option and participants looked forward to a future where they were not involved in a FIFO operation. The study looked at the differing impacts and the coping mechanisms that families used to deal with the impacts. All the participants reported having fluctuating emotions based on where the family was in the cycle of the shift rotation. For most respondents, the primary motivation of participating in FIFO operations was financial gain.<sup>21</sup>

Research also suggests that the incidence of relationship and family breakdown for FIFO workers is higher compared to that of the average population, leading to increased social and economic costs for the community and individuals concerned.<sup>22</sup>

These impacts place additional burdens on providers of social and community services, both in regional/remote locations and in source communities.

### **Infrastructure and service impacts**

Generally, mining operations have significant infrastructure impacts. This applies as much to the mines as to the workforce deployed on them. FIFO/DIDO workforces place additional demands on infrastructure, both

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<sup>20</sup> Carrington, K. Hogg, R. (2011), 'Benefits & Burdens of the Mining Boom for Rural Communities', *Human Rights Defender*, UNSW Law Faculty, Sydney.

<sup>21</sup> Gallegos, D. (2005). *Aeroplanes Always Come Back: Fly-in Fly-out Employment: Managing the Parenting Transitions*. Perth, Western Australia: Centre for Social and Community Research, Murdoch University.

<sup>22</sup> Haslam McKenzie, F., Fly-In Fly-Out: The Challenges of Transient Populations in Rural Landscapes, in G.W. Luck et al. (eds.), *Demographic Change in Australia's Rural Landscapes*, 2011

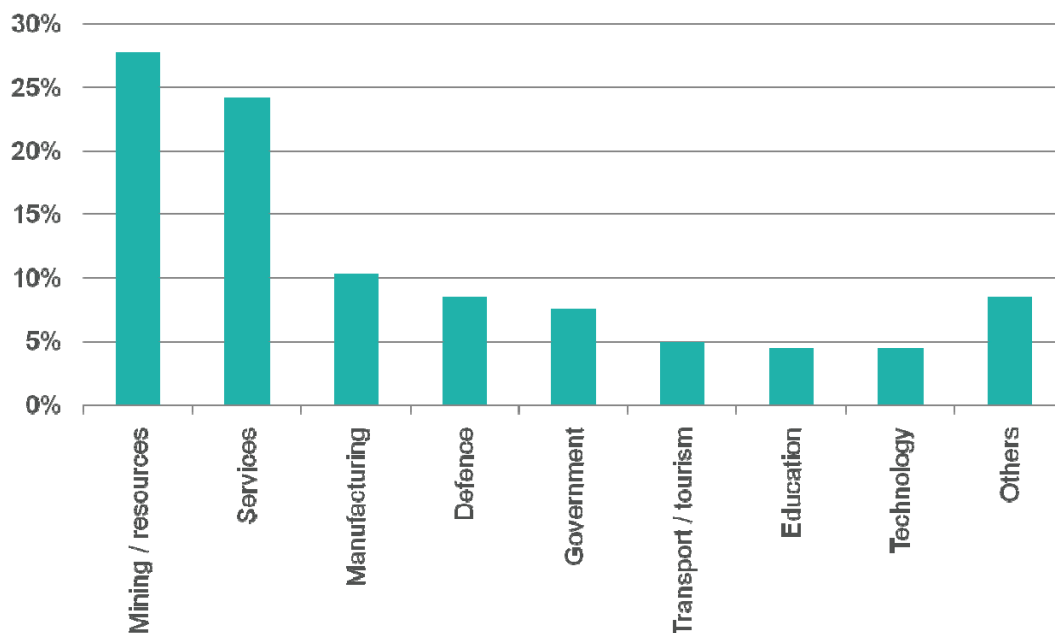
within the mining communities and at a broader State level. They also impact on physical and social infrastructure and services, including:

- increased demand for transport;
- high volume use of transport infrastructure at particular times of the day or week;
- increased demand for water for domestic and mining use, in a context where there are longer-term water constraints;
- increased demand for use of local community infrastructure – including social infrastructure and services (e.g. hospitals and clinics); and
- increased demands on law and order services.

Mobile workforces, by definition, rely on transport in order to travel between their place of domicile and work.

Whilst data on FIFO/DIDO expenditure on transport are not readily available, transport providers and gateways can provide indicative data. For instance, mining/resources travellers constitute the largest industry group of business travellers using the Newcastle airport.

**Business travellers by industry – Newcastle Airport**



Newcastle Airport Ltd. estimates that a sizeable proportion of passengers travelling to Brisbane each week (4,908), and by far the majority of passengers flying to Mackay (274 per week) and Perth (583 per week), are resources workers. Notably, of the passengers travelling to Perth, 72% need to travel via Sydney due to limited Newcastle-Perth capacity.

In some instances, local communities have been the direct beneficiaries of the increased demand for air services associated with FIFO workforces. For example, the State regulated Cobar-Sydney route was established by

Brindabella Airlines in September 2010 on the back of the mining boom and with the support of local mining companies and the local Council. The Cobar Council has recently completed a runway extension, which is going through the final stages of approval from the Civil Aviation Authority.<sup>23</sup> Benefits of the route are experienced not only by FIFO workers, but by regional residents and businesses as well.

Narrabri airport, which is operated by Narrabri Shire Council, has experienced a significant increase in traffic associated with the mining expansion in the area. In 2009-10, the airport handled 12,459 passengers. During 2010, the airport hosted an estimated 3,600 aircraft movements, of which private aircraft accounted for 35% movements, Regular Passenger Transport for 32%, and freight for 26%.<sup>24</sup> This is placing pressure on the airport itself as well as on associated infrastructure (e.g. roads).

There may be a need for consideration to be given to faster development of regional and local airports to enable a rapid response to changing demand associated with mining operations. However, high levels of capital expenditure associated with airport infrastructure upgrades – and transport infrastructure more generally - means that some consideration also needs to be given to the longer-term return on investment on such infrastructure. This is especially the case when demand in the development phase of mining far outstrips ongoing demand.

Similar pressures are being placed on road infrastructure by DIDO workforces. In the Hunter, for example, large numbers of workers commute by road from the Lower Hunter and Central Coast to the coal mines in the Upper Hunter. The extension of the F3 will provide a direct link to the south of Singleton, and is likely to encourage more people to seek out jobs in the area on a DIDO basis. However, the additional capacity provided by the F3 will bring additional pressures to road infrastructure in and around Singleton. Localised capacity constraints are likely to present an ongoing problem not only for the DIDO workforce, but for the local community in general.

## **NSW Government initiatives**

The NSW Government recognises the value of mining to the State economy, and its contribution to the State's export performance, research and development, employment and skills formation, especially in regional communities.

Strong growth prospects for the sector and ongoing investment in resources projects suggest that FIFO/DIDO workforces will become an enduring feature of the NSW labour market, and will present challenges that will need to be managed by all levels of Government.

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<sup>23</sup> <http://www.brindabellaairlines.com.au/news/22-09-11/cobar-sydney-anniversary>

<sup>24</sup> Narrabri Shire Airport Masterplan, 2011, p.8.

Many of the issues raised by FIFO/DIDO workforces will need to be managed through more effective and timely delivery of infrastructure and services, both for mining communities as well as for communities from which workers are sourced.

In NSW, the State Government is putting in place a number of strategies and initiatives designed to stimulate population and economic growth, especially in regional NSW.

### **NSW 2021**

*NSW 2021* is the NSW Government's 10-year plan to guide policy and budget decisions. It includes specific targets for economic growth (including in regional NSW) and delivering quality services to the communities across the State.

A strong economy generates opportunities for fulfilling jobs, choices and financial security. One of the targets of *NSW 2021* is to grow employment by an average of 1.25 per cent per year to 2020. Specific priorities for employment are:

- reducing the gap in employment outcomes between Aboriginal and non-Aboriginal people within a decade;
- increasing the proportion of young people (aged 15-24 years) in employment;
- increasing the proportion of people over 55 participating in employment; and
- increasing the proportion of women employed in non-traditional occupations in NSW.

Under the *Jobs Action Plan*, the Government is committed to creating 100,000 new jobs, of which 40,000 will be in regional NSW. The mining industry can contribute to employment growth, especially in regional and remote NSW. In particular, there are considerable opportunities for local Aboriginal communities, provided employment is matched with training and appropriate support. In 2010 the unemployment rate for Aboriginal people was over three times higher than for all NSW residents, at 18.2 per cent. The mining industry could be key to help close this gap.

Increasing Aboriginal employment in mining can have significant benefits to both the Aboriginal community and the mining industry, including:

- the availability of longer-term workforce in key mining regions;
- building positive relationships with Aboriginal communities;
- reducing costs associated with FIFO/DIDO workforces; and
- leveraging the Government assistance available to private sector companies employing Aboriginal people.

Similarly, the mining industry could play a significant role in providing jobs for women in non-traditional occupations, provided appropriate workplace support and training is available to them.

Under *NSW 2021*, a number of Industry Action Plans are being developed to support high growth, innovative sectors. These plans will be complemented by Regional Action Plans – to be developed in 2012 – which will identify specific opportunities and challenges in each region in NSW. It is likely that many of the issues associated with mining growth and flow-on impacts will feature in these plans.

### **Infrastructure provision**

A key element of *NSW 2021* is to take a more strategic approach to the State's infrastructure needs and increase expenditure on critical infrastructure to support economic growth, whilst improving productivity and competitiveness and the quality of life of NSW residents.

The Government established Infrastructure NSW to provide independent, strategic policy direction and oversee infrastructure planning and delivery.<sup>25</sup> Infrastructure NSW is developing a 20-year Infrastructure Strategy for the State, as well as 5-year Infrastructure Plans which will identify immediate priority infrastructure projects, their rationale for selection, timing, estimated cost and funding and delivery models. *Restart NSW* is being established to fund projects that will provide better public transport, roads, infrastructure for improved economic competitiveness and local infrastructure in regional areas. Thirty per cent of funds in *Restart NSW* is being dedicated for non-metropolitan areas, including mining-affected communities.<sup>26</sup>

As part of its Local Infrastructure Backlog Policy, the NSW Government has implemented a number of interrelated initiatives including:

- an audit of each council's local infrastructure backlog, so there is better information on where investment is needed; and
- a Local Infrastructure Renewal Scheme to provide interest subsidies valued at up to \$70 million over 5 years to local councils to assist in addressing infrastructure backlogs.

Under the National Partnership Agreement to support local government and regional services, the NSW Government is using its funding allocation from the Commonwealth's Local Government Reform Fund (\$3.250 million) to assist councils to improve their financial sustainability. This initiative aims to support local councils in addressing their infrastructure needs and reduce any local infrastructure backlogs.

Working with the Local Government Managers Australia (NSW), the Local Government and Shires Associations of NSW and the Institute of Public Works Engineers Australia, the NSW Government is implementing a support

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<sup>25</sup> *Infrastructure NSW Act 2011*.

<sup>26</sup> For more detail, see *NSW Budget Papers 2011-12*, Infrastructure Statement.

program for all councillors and council senior management, as well as providing targeted financial support and asset management advice to 42 councils assessed as most in need.

### **Development of skills**

With the growth of metalliferous mining in Western NSW, TAFE Institutes have implemented strategies to provide more workplace training, and also utilise drive-in, drive-out workforce strategies to facilitate training. TAFE NSW Institutes across regional NSW provide a broad range of training customised for the mining industry.

Larger regional centres, in particular, have benefited from increased direct investment in infrastructure for vocational education and training. Much of this demand for training comes from the mining sector and mining service industries.

### **Land use planning**

The Government recognises that mining and associated impacts can present challenges in terms competing land uses. A number of regional strategies are in place for areas of NSW that identify residential, commercial and industrial land capacity to accommodate projected population growth. In 2011-12, \$2.4m has been allocated to focus on new Strategic Regional Land Use Plans for the Upper Hunter and New England North West. These plans will identify ways that these regions can manage growth, protect the environment and respond to competing land uses.

The NSW Government is also conducting a broader review of the planning legislative framework to ensure that it provides greater certainty for both investors and residents.

Mining projects can bring significant investment to rural and regional communities. The wide-ranging review is likely to take into account the assessment process for mining projects which are considered State significant developments. Other issues that may be considered include land release in the context of regional land use plans, and the mining industry's needs for housing and services. These considerations will also be relevant to the government's policy for encouraging people to relocate to the regions, and for progressing its decentralisation agenda.

The planning review will involve extensive community and business consultation, with a report due by the end of 2012.

### **Managing population growth**

The NSW Government has a clear commitment to supporting decentralisation through its *Decade for Decentralisation* policy which promotes steady and strategic growth in regional NSW. The Government is implementing a broad strategy to increase the population in regional NSW to support balanced

population growth across the State, invigorate regional economies and relieve congestion in Sydney. Elements of this commitment include:

- a target of increasing regional NSW population by 470,000 by 2036 under the *NSW 2021* plan;
- implementing the \$7,000 *Regional Relocation Grants* to encourage people to relocate from Sydney to regional areas;
- market job opportunities in regional areas and work with Regional Development Australia committees to attract skills to regional NSW; and
- the Government also actively works through its State Migration Plan to attract skilled migrants and business migrants (who can establish new businesses) to regional NSW.

Additionally, under the *Decade for Decentralisation* policy, the Government aims to:

- identify more public sector job opportunities to locate in regional areas;
- ensure the services people need to make regional living attractive and viable are available and of high quality;
- return to local communities as much local decision-making and participation as possible, along with appropriate accountability and responsibility;
- give local communities opportunities to help identify more ways to devolve decision making to regions, cities, towns, neighbourhoods, schools and local health services;
- manage NSW's predicted population growth with a balance between green-fields, urban infill and regional housing growth; and
- work with local councils and shires to deliver the right priorities and the best value for local areas from the NSW roads budget.

It is worth noting, however, that to some extent the deployment of FIFO/DIDO workforces may discourage decentralisation.

### **Investment attraction to mining communities**

The NSW Government is also actively working to attract investment for residential development in regional centres experiencing growth due to mining. Recently, for example, the Government partnered with the Mid-Western Regional Council and Dubbo City Council to host a group of property developers in Mudgee and Dubbo to identify opportunities in residential and commercial property development. Both, Dubbo and Mudgee are experiencing demand for housing due to the high activity in the mining industry impacting the areas. Accelerating residential development in these towns will satisfy the unmet demand resulting from economic growth and maintain the supply of suitable housing to attract skilled workers to the area.



### **Resources for regions**

The NSW Government has recognised that mining regions are facing particular challenges, and has therefore made a specific commitment to supporting these communities through a new policy, *Resources for Regions*. Under this policy the Government will inject up to \$160m extra over four years from *Restart NSW* funds to fund infrastructure projects in mining affected communities.

The first phase of implementing this policy is already underway, and involves an economic assessment of mining affected communities to establish the amount of mining royalties generated by these communities and the funding being returned to them through infrastructure and service provision. This first phase of the policy implementation is expected to be completed by the end of 2011, and will support more informed funding decisions into the future.

### **Service delivery issues**

Movements of large numbers of mobile workers into and out of mining affected communities continue to present challenges not only for those communities but also for governments, not-for-profit organisations and other businesses servicing those communities. Under *NSW 2021*, the NSW Government is committed to improvements in the quality and choices of people using Government services. Specific targets in relation to delivery of health services, services for children and those targeting disadvantage have particular relevance to mining affected communities.

The remote locations of many mining communities (and FIFO/DIDO workforces) present particular challenges in terms of service delivery. Technology enabled innovations in service provision could potentially play a significant role in delivering quality services to these communities into the future. However, remote parts of NSW are still significantly under-served by effective communications technology, and a significant investment in infrastructure would be needed to address these issues.

As noted elsewhere in this submission, FIFO/DIDO workforces can place considerable pressure on local housing markets. Additional impacts are felt by providers of emergency and supported accommodation in these communities. Without access to refuge, motel, caravan or other temporary accommodation, services are unable to offer assistance for people in need of safe emergency housing, e.g. women and children escaping domestic violence.

More broadly, there is a concern in many local government areas and Chambers of Commerce as to the use of services and infrastructure by FIFO workers who do not directly contribute to rates and thus local infrastructure.

The NSW Government is working with local communities impacted by mining to plan for more effectively. An example of this is the Department of Planning and Infrastructure's study currently being undertaken to assess the capacity of services in Mid Western LGA and the impact of mining on these services. Mid

Western Council is actively encouraging revitalisation of towns in close proximity to the mines (e.g. Gulgong) rather than the construction of temporary housing at the mines. Mid Western Council has recently advertised its Principal Local Environmental Plan and is exhibiting its draft Development Control Plan. These key planning documents contains provisions for Temporary Workers Accommodation and the Council is also seeking to have a new planning definition to cover this type of accommodation.

Early and focussed planning for the potential impacts on service delivery at the regional level need to be recognised, prioritised and appropriately resourced to ensure the best chances for the potential benefits of population growth to be maximised, and the potential negative impacts to be ameliorated.

In order to plan effectively, more detailed information is needed about the characteristics of FIFO/DIDO workforces. A better understanding is needed of the nature of the work, as well as the gender, age, race, skills, qualifications, family and relationship status of these workers.

The experience of these workers – and their impacts on local communities – is also likely to be very different in regional locations as opposed to remote locations. These differences flow through to service needs.

### **Destination 2036 - NSW local government**

The NSW Government is also working more broadly with the local government sector to better coordinate and plan for the future of the sector and to achieve the NSW 2021 goals. In August this year, the mayors and general managers of every council in NSW came together to develop a vision for the sector and to identify a set of actions to achieve that vision. Through Destination 2036, the NSW Government will be working with the sector, with the regions and with individual councils to ensure that they are well placed to understand and to meet their communities' needs.

### **Local Government Integrated Planning and Reporting**

As part of the Integrated Planning and Reporting framework, and in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*, councils are required to prepare a Community Strategic Plan for a minimum of ten years, based on the outcomes of a community engagement process, which identifies the community's goals and aspirations into the future. The Community Strategic Plan (CSP) is to be supported by a Resourcing Strategy, comprising long-term financial planning, workforce management planning, and asset management planning and a Delivery Program, which identifies the principal activities each council will undertake to implement the strategies established by the CSP during its four year term of office. Councils are also required to develop an annual Operational Plan, which identifies the council's proposed activities, projects, revenue policy and fees and charges.

While mining and FIFO/DIDO workforces pose service delivery challenges for councils, it provides significant long term opportunities for councils to strengthen the economic foundation of local communities. The Integrated Planning and Reporting Framework provides a structure through which mining companies, and their workforces, should be engaged in the development of Community Strategic Plans and the development of strategies that strengthen local infrastructure, business opportunities and services.