

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

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## ***Dysart Community Action Association***



*10 December 2011*

This submission takes account of the effects of FIFO/DIDO work practices on the Dysart community, including community wellbeing, services and infrastructure. It also looks at the response of Local, State and Commonwealth Government in relation to the sudden, and overwhelming impacts of this current 'Coal Rush'.

The Dysart Community Action Association was formed 7 months ago as a result of community concerns regarding the increased use of FIFO/DIDO workers, the increasing cost of rental accommodation, increased pressure on medical and ancillary services, the sub-standard condition of roads in and around Dysart, chronic fuel shortages, the residential development of Jacaranda Court shopping centre and resulting impact on business tenants at the centre, as well as the issues at the privately owned, Garden Plaza Shopping Centre, and the urgent need for a bigger police presence in Dysart.

The Dysart Community Action Association (DCAA) appreciates the need for FIFO/DIDO/BIBO to service the growth and ongoing needs of the mining industry, however, also appreciates that, unregulated, this is a monster out of control and adversely impacts the sustainability of our community, both commercially and socially.

Dysart was purpose built in 1973 to cater to Saraji and Norwich Park coal mines. It is situated 250km south-west of Mackay and 240km north-west of Rockhampton. Isaac Regional Council puts the current resident population at 3,130<sup>1</sup>. The Bowen Basin Population Report, June 2010<sup>2</sup>, estimates Dysart's resident population to be 3,447 and non-resident as 1,480<sup>3</sup>.

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<sup>1</sup> Isaac Regional Council website <http://www.isaac.qld.gov.au/web/guest/dysart>

<sup>2</sup> Bowen Basin Population Report, 2011, Office of Economic and Statistical Research, Queensland Treasury  
<http://www.oesr.qld.gov.au/products/publications/bowen-basin-pop-report/bowen-basin-pop-report-2010.pdf>

<sup>3</sup> Bowen Basin Population Report, 2011, Office of Economic and Statistical Research, Queensland. P.24



■ *Middle Crescent, Dysart.*

The builder advised a neighbour that the inside of this property had been altered and now has 10 bedrooms and 2 kitchens. IRC's only comment to date, 'there is no planning approval for this.'



*Dysart Squash Courts, Queen Elizabeth Drive, Dysart*

Converted to a boarding house and occupied by the builders of the Jacaranda Court Units. There was no application sought by the owner for a Material Change

There are currently 3 camps in Dysart. The MAC (Marley Accommodation Centre) camp in Queen Elizabeth Drive; the BMA (BHP Mitsubishi Alliance) camp in Fisher Street; and Lake Vermont Village, owned by Thiess (Leighton Holdings) also on Queen Elizabeth Drive.

The MAC Dysart Village has 1296 approved rooms with a further 188 currently under construction. There is an application before Isaac Regional Council (IRC) seeking approval to create an additional 432 units and 30 tourist caravan sites. Total proposed capacity will be 1916 units upon completion. BMA have plans to build another camp behind the Dysart Golf Club which will be its own purpose built contractors' village, inclusive of golf course and swimming pool, capable of housing 400 workers. Lake Vermont will eventually have capacity for 600 workers.

**While unit numbers give an indication of the rooms available to FIFO/DIDO/BIBO workers it does not reflect the real number of non-resident workers in Dysart. It does not reflect 'hotbedding' or the number of private rental properties which have been converted into boarding houses and the number of transient workers who reside in these privately owned boarding houses.**

A report for the Australian Housing and Urban Research Institute, AHURI Western Australia Research Centre, in July 2009<sup>4</sup> demonstrated the important linkages between housing and the resources industry. This research confirmed the role of housing as an essential component of the physical infrastructure underpinning the mining industry. According to the report the links between housing and economic and social wellbeing in a regional context are clearly demonstrated.

BMA employees who were astute enough to purchase their homes from BMA for a token sum in past years, subject to a 7 year BMA caveat at the time and now with clear title, are actively selling their homes at artificially inflated sale prices that could purchase a beach house on the Gold Coast. Often home owners are being approached by private investors wanting to purchase their properties as they are coming out of their 7 year caveat, and often before a sale is even considered. One Sydney investor, well known to locals, reportedly owns in excess of 30 homes in Dysart. This investor purchases high set homes and builds further bedrooms underneath these houses. Rooms are rented by the week for \$500 per week, per person, per room.

Dysart is land locked. There is no further land available in Dysart on which to build residential homes for 'normal' people, however, BMA have land-banked over the years and have sufficient land to build a second camp for contractor use, and 180 more homes for employees in Dysart. Local farmer, Ted Murphy, on whose land Dysart was built, is to release sufficient acreage for another 150 homes. This is, however, a 20 year plan and will not solve Dysart's immediate problem of a lack of housing, affordable or otherwise, for those who choose to live and work in Dysart.

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<sup>4</sup> Housing Market Dynamics in Resource Boom Towns by Fiona Haslam McKenzie, Rhonda Phillips, Steven Rowley, David Brereton & Christina Birdsall-Jones AHURI Final Report No. 135 ISSN: 1834-7223 ISBN: 978-1-921610-16-5 P.1

## Examples of 'coal rush' inflated sale prices -



**20 Garnham Dve, Dysart, Qld 4745<sup>5</sup>**

**Range: \$740,000 - \$860,000**

Property No. 105152319 realestate.com.au

Property Description

2382 M2 ALLOTMENT – ZONED BUSINESS (MOTEL)

- Existing Building Used as Offices
- Great Opportunity For Accommodation Relief
- Ideally Located
- 25 Metre Frontage
- Freehold Land
- Ideal Location

This may be a great opportunity to alleviate some of the housing shortages being experienced in Dysart.

Currently zoned business with Motel being one of the preferred businesses for the land. Great location with easy access to both mines and local township a 5 minute stroll away.

### Local Sales

Address	Price	Beds	Sale Type	Sale Date
<a href="#">23 Edgerley St</a>	\$600,200	3	Normal Sale	17/11/11
<a href="#">6 Beardmore Cr</a>	\$670,000	4	Normal Sale	15/11/11
<a href="#">4 Beardmore Cr</a>	\$480,000	3	Normal Sale	28/09/11
7 Brennan St	\$430,000	4	Normal Sale	28/09/11
<a href="#">32 Middle Cr</a>	\$500,000	3	Normal Sale	27/09/11
25 Phillips St	\$545,000	3	Normal Sale	16/09/11



**6 BRENNAN STREET, Dysart...**  
House: 5 2 9   
**\$710,000 Under Contract**



**30 Edgerley street...**  
**NEW** House: 5 2 4   
**\$695,000**



**44 Beardmore Crescent...**  
House: 5 1 3   
**\$695,000**



**20 SPRING CRESCENT...**  
House: 4 1 2   
**\$695,000**

Source: <http://www.realestate.com.au/property-house-qld-dysart-105152319>

Rentals range from \$1000 to \$3000 per week for family housing<sup>6</sup>. This has forced the non-mine worker out of Dysart impacting local business, schools and community associations. The increasing cost of rentals is compounded further by contracting companies freely paying inflated rentals to house their employees. One national mining equipment supplier has reportedly paid \$400,000 recently for a 5 year lease on a Dysart property.

<sup>5</sup> <http://www.realestate.com.au/property-house-qld-dysart-105152319>

<sup>6</sup> <http://www.realestate.com.au/rent/in-dysart,+qld+4745/list-1>

**Daily Mercury**

HOME NEWS SPORT BUSINESS ENTERTAINMENT LIFESTYLE TRAVEL PHOTOS PROPERTY CLASSIFIEDS

## \$2000 a week to rent in Dysart

Kate Bastable | 26th November 2010 A+ A-

MANY renters in Dysart are being forced to pay \$2000 a week – and residents say it is destroying the town's family-oriented community.

Isaac regional councillor Ann Crawford said business people and residents met to discuss their concerns on Wednesday night.

"I was told somebody pays rent of \$3000 a week out here," Cr Crawford said.

"I know for sure there are people paying in excess of \$2000 a week in rent for their homes. BMA is subsidising employees' rents and that's exacerbating the problem. You've got your people who work for council, you've got people who work in the supermarket and hotels, the butcher, the baker.

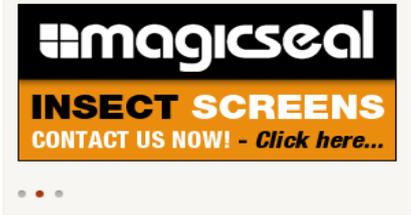


With housing shortages in mining communities, worker's camps such as this planned for Dysart are becoming more popular. However, concern about the impact on family life has been raised.

**Contributed**

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"Hot bedding" is rampant with both private rentals and camps. "Hot bedding" has miners and contractors sharing their beds with those on opposite shifts. In private rentals this can ease the cost burden through sharing, and in the camps a matter of necessity in order to keep up with the demand for accommodation.

It is almost impossible to obtain accommodation in Dysart's only motel, Country Roads, as Queensland Rail, contracting companies, and BMA bulk book rooms against their anticipated demand for labour in and around the Dysart area.

The demand for residential land in our land locked town has had a direct impact on Jacaranda Court Shopping Centre where the land owner saw more value in converting these commercial premises to high density, residential accommodation. Unfortunately for the commercial tenants, Jacaranda Court was zoned residential and never commercial during its life span of approximately 30 years. As a result, commercial tenants' leases were not renewed as they expired, leaving them with a valueless business. The plans of the landlord were not discovered until the owner of Jacaranda Court Laundromat placed her business on the market and a prospective buyer, who did their homework with council, discovered plans for the proposed demolition of the shopping centre and replacement with residential units.



1. Jacaranda Court with new 3Br units to the left 2. Business that used to be here 3. A message from the butcher 4. Vacant shop used as accommodation 6. Rear view of Jacaranda Court showing Stage 1 & 2 units

The only 2 remaining businesses at Jacaranda Court are the Dysart Medical Centre and Top Shop Entertainment, a video rental outlet, who has recently executed their right of renewal to a further 3 year lease. All other tenants have chosen to close their doors or relocate at their own expense. Dysart's only butcher, who was encouraged by Isaac regional Council to set up at Jacaranda Court, recently left Dysart with his family to settle in Bowen. He simply closed the doors on his thriving business leaving the above sign on his window.

The flow on effect to local business of increasing rental costs means many businesses are not able to source service staff, and often cannot compete with mining wages to retain the staff they have. AHURI's executive summary states 'An enduring issue is the inability of the public and private sectors to attract and retain staff in resource boom towns whatever their occupation, but this is especially apparent for workers in the service sector. Business and community development are stymied by the ever-decreasing locally resident workforce, a direct result of the increasing lack of available and/or affordable housing. A range of skill sets for the resources industries are in short supply. The nature and locations of mining operations, combined with the lack of available and affordable housing and associated industry cost structures, has led the resource sector to increasingly rely upon a long-distance commuting workforce. The increase of fly-in, fly-out (FIFO) and drive-in, drive-out (DIDO) workers has led to a reduction in the permanently resident workforce.'<sup>8</sup>

Both Primary and High Schools have lost teachers because families have either chosen to move away or have been forced to move away due to the increased cost of renting. This year alone 75 families are reported to have left both Dysart State Primary School and Dysart State High School. This flow on effect has also reduced the number of children available to make sports teams viable. The only fully supported sport in Dysart this past year has been Dysart Junior Rugby League, along with 1 senior rugby league team. Soccer and netball are both still played, however, Aussie Rules footy, rugby union, cricket, and softball are no longer played due to our inability to field a team, or even coaches who are available for regular training. This lack of permanency also has a ripple effect on volunteer organisations in Dysart. The only national service group still functioning in Dysart is Lions with a membership of only 10 people.

<sup>8</sup> Australian Housing and Urban Research Institute, AHURI Western Australia Research Centre, July 2009, AHURI Final Report No. 135 ISSN: 1834-7223 ISBN: 978-1-921610-16-5 Executive Summary P1

Garden Plaza Shopping Centre, at the heart of Dysart's township, is also victim of this current 'coal rush'. It is a privately owned shopping complex which is a disgrace to any community in its current condition. Run down and lacking shelter or adequate facilities, particularly for mothers or the disabled, it is an Injury Lawyer's potential dream. Of the 27 retail shops in the complex, 7 are currently vacant, 12 are actual retail outlets, and 8 provide services to the community. The owner advised the community that he was not in a financial position to be able to undertake improvements to the centre until he had support to go ahead with the development of the below units and pre-sold the initial 12 units which would allow funding of badly needed improvements to the shopping centre. This development is proposed for the outer fringe of the existing shopping centre.

The community's concern with this development is that it targets FIFO/DIDO workers and does not provide long term family accommodation. It seems this is yet another developer cashing in on the current mining boom.

# DYSART UNITS AND COMMERCIAL



- 24 x 3 Bedroom Units
- 24 Covered Car Accomodation
- 14 Open Car Bays
- The 136m<sup>2</sup> Units will incorporate 12 Ground Floor and 12 First Floor Units - (two units per floor) each with a single carport and separate secure storage component.
- They include Fully Air Conditioned Living areas and Bedrooms, Full Bathroom and Ensuite to all Bedrooms, Floor Coverings, Blinds, Insect Screens, Inbuilt Dishwasher, Fully Equipped Kitchen, Undercover BBQ areas. The units are concrete slab and concrete block construction.
- Price for stage 1A ONLY is from \$415,000 with a 10% Deposit and Balance on completion.
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The net effect of FIFO/DIDO workers translates to a lack of commitment, or care, to the Dysart community in which they are currently working. As they leave on days off their money leaves with them. Camp dwellers want for nothing and their provisions are generally sourced from out of town, rather than being purchased locally. For non-camp dwellers a certain amount of their income is spent on food, fast food, alcohol, gaming machines, and certain other forms of entertainment. The bulk of their income is not spent in Dysart or the surrounding towns.

There are currently only 2 police officers in Dysart, this number is based on the resident population and does not factor in the increasing number of transient workers. When one officer is on leave and there is an issue which requires police presence then the officer on duty must wait until he gets support from either Middlemount or Moranbah police, approximately 50 minutes away. Dysart's Senior Sergeant was to avail of some well-deserved long

service leave but due to a lack of resources within the district was requested to return early otherwise Dysart would have been left with only one policeman.

Other essential services impacted by the unprecedented influx of FIFO/DIDO workers include Dysart's ambulance service, Dysart Hospital, and Dysart Medical Centre, with undue pressure placed on all of these services by the swelling numbers of transient workers. The situation for these essential services can only be expected to worsen as the camps continue to grow while service personnel numbers, based on resident population, remain static. Accuracy of the 2011 census results for Dysart will also remain questionable as donga residents on the fringes of town, reportedly, never received a census form to complete. The census exercise wasn't particularly well managed for our town with no training or follow up received for the 3 Dysart census collectors.

Dysart's waste water treatment plant has also felt the pressure of the increased population. Originally commissioned in 1973 when the town was built it no longer meets environmental regulations. However, there are no state subsidies for waste water and insufficient capital is raised through Dysart ratepayers to provide a substantially improved waste water service at this time.

Isaac Regional Council has largely been bound by the inadequacies of the old Broadsound Shire Planning Scheme which was adopted in 2005. Local authority amalgamations in March 2008 combined Nebo, Broadsound and Belyando Shires into the Isaac Regional Council, however, the planning schemes associated with the former Shires are yet to be amended or amalgamated to form their new Sustainable Planning Act 2009 compliant scheme. In the meantime, any development applications are assessed under the old Broadsound Scheme, known as "a developer's dream and a councillor's nightmare". As a result of exemptions under the Sustainable Planning Regulation 2009 (SP Regulations) many projects do not require an approval under the planning scheme, nor need to meet any scheme requirements. SP Regulations in relation to assessable and self-assessable development continue to apply (e.g. in relation to carrying out building work or making a material change of use for an environmentally relevant activity). The planning schemes continue to apply to proposed development that is not consistent with the exemptions under the SP Act and SP Regulations.

One of the outcomes of the Broadsound Shire Planning Scheme development plan is the Maintenance of Community Wellbeing<sup>9</sup> which specifies Dysart's residential preferred use areas provide predominately for single detached houses with a limited number of multiple dwellings, second houses and houses on small lots. While not specifically tackling the issue of the number of non-related persons residing in one residential dwelling, or having the foresight to see this possibility, I believe the intent of the planning scheme is clear and it behoves Council to enforce compliance of the many residential properties in Dysart that have been materially altered to become, in effect, boarding houses rather than family homes for which they were originally built.

Summary:

Many of the issues impacting Dysart during this current resource boom have been a result of cumulative years of belief that, as a purpose built town, Dysart had a limited life span; limited to the life span of coal mining in the district. There was little thought given by State Government to the needs our town would face in a future that has come sooner than town planners expected. Marginal rural land should have been made available for residential development in Dysart at least 2 years ago had Local Government lobbied State Government and research been heeded.

In 2009 the Australian Housing and Urban Research Institute report<sup>10</sup> cited an enduring issue is the inability of the public and private sectors to attract and retain staff in resource boom towns whatever their occupation, but this is

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<sup>9</sup> Broadsound Shire Council Planning Scheme 4.3 (2) (r)

[http://www.isaac.qld.gov.au/c/document\\_library/get\\_file?p\\_l\\_id=33999&folderId=133772&name=DLE-6651.pdf](http://www.isaac.qld.gov.au/c/document_library/get_file?p_l_id=33999&folderId=133772&name=DLE-6651.pdf)

<sup>10</sup> AHURI Final Report No. 135 Housing Market Dynamics in Resource Boom Towns, by Fiona Haslam McKenzie, Rhonda Phillips, Steven Rowley, David Brereton & Christina Birdsall-Jones, July 2009, ISSN: 1834-7223 ISBN: 978-1-921610-16-5 Executive Summary P1

especially apparent for workers in the service sector. Business and community development are stymied by the ever-decreasing locally resident workforce, a direct result of the increasing lack of available and/or affordable housing. Research from the report confirms the role of housing as an essential component of the physical infrastructure underpinning the mining industry. The authors believe the links between housing and economic and social wellbeing in a regional context are clearly demonstrated throughout the report. The authors also argue that a holistic appreciation by the industry and government of the important role of housing at each stage of the mining cycle has been lacking in Australia.

Interestingly, the report's authors also put forward a range of proposals for immediate and longer-term strategies to better manage housing issues during peak industry cycles. It is unfortunate to note that two and a half years later their suggestions appear to have been ignored by Government at all levels.

The report cites the need to improve co-ordination within and between the different levels of government and between mining companies and government. It also notes while towns are vulnerable to the resources super-cycle, their future is tenuous, however, If efforts were made to plan and design towns to enhance liveability and attractiveness there would be a greater likelihood of increased private investment in businesses and the community. By broadening the demographic and economic diversity of resource boom towns, communities like Dysart are likely to achieve some measure of sustainability. The report deems it is government responsibility to ensure that economically disadvantaged people living in mining regions are not forced out, or kept out, due to a lack of affordable housing and/or infrastructure.

It is accepted by the Dysart community FIFO/DIDO/BIBO is here to stay. It is the reality of the current boom cycle as local communities, like Dysart, are not in a position to provide the required workforce, or adequate housing to accommodate the increased workforce needed to service the industry. Workers should, however, be able to choose whether they live in our town or commute from outside our town to the work of their choice.

It is also accepted the issues impacting our town are not unique to our town, but Dysart residents want to see a visibly more proactive, and urgent, approach by Isaac Regional Council to the issues confronting Dysart's essential services, its infrastructure, and housing shortage (which doesn't include an increase in camp accommodation). Dysart residents want State Government to take a more proactive approach, and accountability, over their support of local government, as well as their representations to the commonwealth on behalf of towns such as Dysart. We want to be heard! We want to be supported by government into the next 30 years of our town. Children were born in Dysart and mine employees have retired in Dysart. This is home, we are here to stay!

The Dysart community want Commonwealth Government to enforce a return of royalties to the local district from which the coal resource is extracted, to improve vital infrastructure such as roading, water, and sewerage. We want State Government to mitigate the impacts of future flooding, cutting Dysart off from the world beyond our town's borders; to reduce red tape and the effects of out dated town planning schemes which do not serve the community, and to address all issues presented in this document with some urgency; to meet our needs today and not place us on hold while addressing the issues of larger communities such as Moranbah.

