



Statement to the
Inquiry into the use of 'fly-in, fly-out' workforce practices in regional Australia
of the House of Representatives Standing Committee on Regional Australia

Introduction

I very much thank the members of the committee for coming to the Mackay region to hold this most important inquiry into the impact of FIFO work practices on regional Australia. The Mackay region, in Queensland at least, is ground zero in terms of the impact of FIFO.

Today I want to briefly address the committee on this issue. My take home message to committee members is this:

Large-scale FIFO has a detrimental impact on many mining towns, mining regions, families and communities and therefore it is imperative that government policies are directed to ensuring that a majority of people engaged in jobs in regional areas actually live in regional areas; and also that there is assistance provided to strengthen families where FIFO or indeed DIDO – drive in, drive out – is part of the working life for one or more parents.

Families

Let me start with that last point first. I understand the Australian Research Council has provided a submission to this inquiry that highlights a growing trend of family relationship breakdowns for FIFO workers primarily due to the large amounts of time they spend living away from home. I reiterate that these same issues are being faced by families in mining regions like Mackay who drive in and drive out or bus in and bus out of the mines for work.

I am not a family counsellor or a psychologist so I won't pretend to offer any empirical evidence but I will offer a real life story.

I had the fortune one Friday afternoon to be sitting in the General Gordon Hotel, a local country pub and I struck up a conversation with a cane farmer turned miner. The bloke had a wife and a young child. He relayed to me a story of coming home from one of the seven day rosters at the mines and having to zip off to the bathroom to do his business. When he opened the door, his son was sitting there, directly in front of the toilet door absolutely terrified. "I thought you'd gone away again, daddy," he said. This bloke broke down crying on my shoulder after telling me this story. The personal impact that a rostered work life at the mines had on his family was clearly taking its toll.

The ultimate outcome of this could be not just break ups and divorces but possibly homeless kids, kids who self harm and abuse substances and kids who drop through the gaps.

It is clear to me that government needs to provide both proactive and reactive assistance to families where one or more parents are engaged in FIFO or drive-in/drive-out work practices in order to strengthen the relationships and make them resilient enough to withstand work pressures and the fact of living away from home.

I commend to the committee the work already being done in this field by the organisation Mining Family Matters which runs a website and produces several publications including "Working Away: A Survival Guide for Families". If I could, I would put a copy of this publication in every household in this region.

I would suggest for those families that have run into trouble because of the impact of FIFO that there could be counselling services funded by the federal government, along the lines of that already funded through Centacare for families coping with drought-related stress.

This all requires funding, I know and, in this vein, I commend to the committee a particular proposal put forward in the report, For Kids' Sake: Repairing the Social Environment for Australian Children and Young People, authored by Professor Patrick Parkinson AM, professor of law at the University of Sydney. The report recommends:

The Federal Government should support the establishment, in each local government area, of community trusts and give tax-deductible status to donations to such trusts in order to support children and families. The goals of each community trust should be:

- To raise funds for local area organisations that support children and families.***
- To distribute funds to local community organisations that support children and families.***
- Where needed, to co-ordinate and provide strategic leadership to local initiatives that seek to improve the wellbeing of children.***
- To identify gaps in services and to develop priorities for filling those gaps over time.***
- To monitor the effectiveness of strategies to improve children's wellbeing in the local area.***

While the report in question called for a trust to be established in each local government area, it may be that a trial of the concept could be started in local government areas where there are higher proportions of the working population engaged in FIFO or drive-in/drive-out work practices.

Communities

For two years, I served as a councillor on the Mackay Regional Council and held responsibility for council's community services area. What became apparent to me over that period of time was a downturn in volunteerism in the community as a direct result of drive-in/drive-out work practices associated with the mines.

Again, I do not have the empirical evidence to give to this inquiry but I note that the Australasian Institute of Mining and Metallurgy, in its submission to this inquiry has stated that "since the minerals industry went from five days per week, 8 hour shifts to continuous 12 hour rosters, the fabric of regional town societies has fundamentally changed with significant impacts on sporting clubs, volunteer groups and social events." The reality is that, on their days off, the last thing mine workers wish to do is more work, unpaid, even if it is for the community.

Thus consideration needs to be given to policies that seek to re-energise the social capital in regional areas where FIFO and drive-in/drive-out are a reality. **One suggestion that the committee could consider is making volunteer hours for certain community groups a tax-deductible activity in regional areas impacted by mining.** A set hourly rate could be decided upon and community groups could register for approval under such a scheme as they do for Deductible Gift Recipient status. This would be an incentive for many in the mining industry who may see working for the community as an easy way to lower their (in many cases high) taxable income while assisting community groups currently suffering from a lack of volunteers.

Regional economy

With the growth in FIFO in the Bowen Basin, we find the only winners are the airlines and the mining companies. Few regional businesses benefit from a workforce that is largely made up of southern residents, that flies into and out of Mackay, takes the company car to and from the mine, eats and sleeps at the local mining camp and some cases drinks at the camp bar. As the committee no doubt heard in Moranbah, mining towns and, indeed, the entire region also suffers from a transient workforce using local services without income coming forth to assist in the provision of those services. For instance, local and State roads are at capacity in the region and many of those using them do not pay local rates and, for those FIFO workers from interstate, they do not pay car registration. With public health, the transient population is not taken into consideration when the State government funds local services. For the sake of regional economies, it can be seen that there is a need for government to ensure its policies are promoting mine workers actually living in mining regions. The policies that need to be looked at in this regard are: housing, training, and regional funding mechanisms.

Housing

In its submission to the inquiry, Mackay Regional Council rightly states that “the price of housing in the communities close to the mines is often prohibitive, due to the very short supply and associated building costs. The employers in many cases only assist in the provision of additional permanent housing in these communities to a limited extent.” To address this problem, there needs to be consideration of the following:

- **Ensuring mining companies are required to build new housing stock to cater for at least 60% of their prospective workforce as a condition of their permit to operate.**
- **Ensuring that there are enough developable blocks in supply by consulting with the agricultural sector to determine where poor quality or surplus land could be released from existing planning restrictions.**
- **Reinstating the Queensland State government subsidies for water and sewerage infrastructure to local government areas in regions where mining operations are having an impact.**
- **Doubling the First Home Owners Grant to new home owners in local government areas in regions where mining operations are having an impact.**
- **The provision of a sizeable regional tax offset (e.g. \$5,000) for those whose principal place of residence is in a mining region.**
- **Reversing a recent decision to have away from home allowances treated as taxable income.**

Training

I am aware of local training organisations that are increasingly being squeezed out by the mining industry. One local organisation has reported to me that:

- Mines are now engaging with training organisations (in some cases where they are subsidiaries of the mining companies) that are located in southern centres (e.g. Brisbane and Newcastle). This is in preference to local training companies. This encourages FIFO.
- The training organisations that the mining industry is using as a FIFO conduit are being funded by the federal government for every participant that lands a job at a mine site. This is an example of government policy clearly promoting FIFO.
- Because of this situation with training, there is limited investment by mining companies in training locally.
- Larger mining and mining service companies are acquiring small local training companies and doing “in house” training – all funded by the taxpayer. The trainers and assessors they get for this training are often FIFO workers and instead of doing the training at local premises, it actually happens on site at mines.

- All of this decreases the opportunities that locals have to be employed in the mining sector.

While many think that anyone who wants a job in Mackay gets one, this report suggests otherwise and it tallies not only with the continuous number of constituents who I see who are looking for work in the mining industry but cannot get a foot in the door, but also with recent alarming youth unemployment data of which I have been in receipt.

The most recent unemployment data available for the electorate of Dawson are from December 2011. At this time, the unemployment rate for youths aged 15 to 24 years was estimated to be 13.5 per cent. The unemployment rate in the previous month (November 2011) was 3.8 percentage points lower, or 9.6 per cent. The unemployment rate one year earlier, in December 2010, was also 9.6 per cent. This clearly shows youth unemployment is on the rise.

In light of all of this, **the committee should consider recommendations that discontinue government subsidies that go toward training operations that encourage FIFO. Instead greater subsidies could be provided to training that will result in resident workers operating in mining regions.**

Regional funding

Almost \$1.1 billion went into the State coffers in the 2010 financial year through royalties on the coal that was exported through the ports of Hay Point, Dalrymple Bay and Abbott Point—all of which are in the Mackay region. And that was in the middle of the global financial crisis. The year before that, we contributed more than \$2.2 billion and in the last financial year, just ended, there will have been another multibillion dollar bonanza in royalties from our region for the state of Queensland. However, local residents rightly complain about seeing little for the dollars that are produced in the region. This lack of investment in mining regions not only makes local upset but it makes cities and towns in these regions less competitive in terms of liveability with southern centres (e.g. Brisbane, Gold Coast).

A “royalties for the regions” policy is needed whereby 20% to 30% of all royalties raised from mining are returned to mining regions, principally for community infrastructure. Such funding should not be used to fund capital works that would ordinarily be funded out of State government capital expenditure programmes (ie State-controlled road upgrades). The funding should be used to improve the amenity of the regions making them more competitive with southern centre and therefore more liveable. **As the federal government moves ahead with its Minerals Resource Rent Tax, consideration also needs to be given to linking 20% to 30% of the income generated from that tax to mining regions.** While I personally do not support the tax, it is only right that while this remains government policy, a fair share is returned to regions that create the wealth.

Conclusion

In order to address the negative impacts of FIFO on families, communities and regional economies the committee needs to consider the following recommendations:

- **The provision of both proactive and reactive assistance to families where one or more parents are engaged in FIFO or drive-in/drive-out work practices in order to strengthen the relationships and make them resilient enough to withstand work pressures and the fact of living away from home;**
- **Making volunteer hours for certain community groups a tax-deductible activity in regional areas impacted by mining;**
- **Ensuring mining companies are required to build new housing stock to cater for at least 60% of their prospective workforce as a condition of their permit to operate;**
- **Ensuring that there are enough developable blocks in supply by consulting with the agricultural sector to determine where poor quality or surplus land could be released from existing planning restrictions;**
- **Reinstating the Queensland State government subsidies for water and sewerage infrastructure to local government areas in regions where mining operations are having an impact;**
- **Doubling the First Home Owners Grant to new home owners in local government areas in regions where mining operations are having an impact;**
- **The provision of a sizeable regional tax offset (e.g. \$5,000) for those whose principal place of residence is in a mining region;**
- **Reversing a recent decision to have away from home allowances treated as taxable income;**
- **The discontinuation of government subsidies that go toward training operations that encourage FIFO;**
- **Encouraging greater subsidies to training operations that will result in resident workers operating in mining regions;**
- **Ensuring 20% to 30% of all mining royalties are returned to mining regions, principally for community infrastructure; and**
- **Ensuring 20% to 30% of all Minerals Resource Rent Tax income is returned to mining regions, principally for community infrastructure.**