



28 February 2012

The Secretary
House of Representatives
Standing Committee on Regional Australia
Inquiry into Fly-in Fly-out workforce practices
in the Mining Industry.

Dear Sir

I write to you on behalf of the Regional Community Consultative Council in order to make a submission to the House of Representatives Standing Committee on Regional Australia's Inquiry into Fly-in Fly-out workforce practices in the Mining Industry.

The RCCC is an independent advisory body appointed by the Minister for Regional Development to provide advice to the Minister on ways in which the Government and regional communities can work together to strengthen the capacity of communities to respond to current and emerging local issues and opportunities to maximise the competitive advantage of regional South Australia.

This paper presents issues that have been identified by the RCCC as relevant to regional communities.

Positive Impact

The Mining industry has generated a significant economic return for the Australian community. Many families in regional areas have been able to benefit from high paying employment opportunities presented by the mining industry with one partner working FI-FO or DI-DO while the other has been able to maintain a stable base and continue to enjoy the lifestyle benefits of living in a regional community.

Regional businesses particularly in the engineering and building industries have been able to access opportunities to service mining companies through a FI-FO basis. This has generated important economic activity for regional communities.

Regional communities that have developed and maintained effective partnerships with mining companies and governments have demonstrated that long term positive regional development outcomes can be achieved.

Regional Sustainability

Regional Communities that have not been able to develop effective partnerships with government and mining companies can be negatively affected by FI-FO work practices. These impacts can damage the sustainability of regional communities both economically and socially.

The following issues have been identified as factors that will impact on the sustainability of regional communities.

Planning/ Services

Local governments have planned infrastructure and services on the basis of the needs of their permanent residents. The introduction of a FI-FO workforce on these facilities can place an unexpected, but significant additional loads on the local government services.

Local communities may be deprived of many of the services and trades which would be normally be found in communities of comparable size due these service trades and businesses servicing the resource industry and its FIFO workforce.

Communities that cannot provide comparable levels of services lose population to either capital cities or larger regional centres. This further undermines the sustainability of these communities.

Housing

A rapid increase in the number of FI-FO workers staying in a community can have an extremely detrimental impact on local housing markets, particularly when associated mining industry service businesses also operate the FI-FO model. Increasing housing and accommodation costs can have the following effects:

- Many permanent residents, who are not employed in the mining Industry, are unable to pay the inflated rentals resulting from FI-FO staff competing in the domestic housing market. These permanent residents are then forced to leave the community;
- Small businesses and other local employers (including government), who have traditionally been required to provide staff housing, are unable to compete in local rental markets due to prices paid by mining industry businesses who are housing FI-FO staff;
- Accommodation price pressures resulting from traditional tourist accommodation being used by FI-FO workers, can drastically reduced the financial viability of the tourism industry.

Community

The majority of FI-FO workers rarely spend in local shops and businesses or get involved in local sporting clubs and community organisations/services. This places pressure on local businesses and services as the resident population declines due to people leaving for more affordable housing options or improved services. With FI-FO workers making up a larger proportion of the population there are fewer rate payers to maintain local government services or spend money in local businesses.

The demographic mix of regional communities is impacted by the introduction of a FI-FO workforce. If families leave a community and they are replaced by a primarily

male transitory workforce this reduces the regions social and economic sustainability beyond the mining industry. With many mines having medium term life spans (20-50 years) regional communities need to partner with mining companies and government to ensure that there are positive outcomes that build regional sustainability into the longer term. This may include developing alternative industries, growing those already operating within the region and encouraging migration.

Many regional families that have a member who works a FI-FO arrangement report significant stress on the family structure. Where one adult family member works a FI-FO roster extra pressures are placed on the adult who remains behind often looking after children, maintaining a household and working. These pressures include extra stress and time pressures on the stay at home adult and potential relationship disconnect between the family member who works a FI-FO roster and those who stay at home. These issues are often increased when the family are running a farm due to the added pressure for the stay at home adult of managing of the farm. In many instances it is the female member of the family who has to manage the extra pressure of running the farm business and maintaining the household for long periods on their own.

Summary

Regional communities do benefit from the extra income brought in by people working FI-FO rosters in the Mining Industry. Many regional communities and farms need that extra income to be financially sustainable. The challenge for regional communities which are close to FI-FO operations is to ensure that there is adequate planning around infrastructure, housing and service provision. For regional communities that have people working FI-FO rosters the challenges are about maintaining skills within the population and supporting families who have members working away from the home for extended periods.

Yours sincerely

Peter Blacker
Chair
Regional Communities Consultative Council