



PO Box 169  
Cobar NSW 2835



**Submission Number: 38**  
**Date Received: 6/10/2011**



# Cobar Business Association

6 October 2011

## **FIFO and DIDO Workforce Practices in Regional Australia**

The Cobar Business Association represents the business community of Cobar. We have over 60 members covering all industries – manufacturing, mining and trades, service provision, retail and tourism. Our members are either directly involved in the mining industry, provide services to the mining industry or are dependent on the fortunes of the mining industry. Whilst Cobar has always had mining as key industry, the town has also suffered from the ‘boom and bust’ nature of the industry, with the population of the town very dependent on the health of the three local mines.

We offer this perspective to the Standing Committee on Regional Australia inquiry into the use of ‘fly-in, fly-out’ (*FIFO*) and ‘drive-in, drive-out’ (*DIDO*) workforce practices in *Regional Australia*.

1. The extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised.

The three currently operating mines in Cobar are predominantly residential operations with about 90% of the workforce residing in Cobar. This percentage is likely to increase over the next few years as the mines are having to increasingly offer DIDO/FIFO positions to new employees and existing employees whose family situations have changed. The mines that are being developed in the Shire are focusing on a DIDO workforce with the workers housed on the mine site. The primary reasons given for those not wanting to be based in Cobar are lifestyle, lack of services, poor education choices and closeness to family.

The Business Association is concerned about this trend and the impact it has on Cobar socially and economically. A town this size deserves a good standard of infrastructure and service provision that will attract employees and their families to the town to live on a permanent basis. Some of the wealth that is generated by industry in Cobar should be invested in the town to ensure this can happen.

2. Costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce.

DIDO is a more expensive option than residential employment. Working hours on site are less to allow employees time to travel home at the start and end of shift blocks and sometimes a premium is paid. In addition, travel costs are paid. Providing messing and accommodation is expensive. If you have to build housing then single person units are more efficient than standard housing. Benefits are that it allows the mines to attract a broader group of people that ordinarily would not come to Cobar.

Cobar has been very fortunate to have regular passenger flights reinstated to the town in the last year. This has allowed FIFO practices to occur. However, the mining industry is very sensitive to the flight schedule. Should that fall over it is expected that most of the FIFO workforce would reconsider their employment.

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

The effect can be disruptive if not managed well. Mining companies prefer to recruit local labour, it makes economic sense to do so. The impacts do depend on the size of the FIFO workforce. As it is currently a small percentage locally, it currently has a minimal impact on the community. If the percentage of the workforce that was FIFO/DIDO increased then the impact can be quite damaging. The Association would expect to see increases in antisocial behaviour, a more fragmented community, issues with local sporting and community groups being unable to attract players, volunteers etc. People not engaged and therefore not caring about their community. We do see some of these issues at present, but on a small scale.

4. The impact on communities sending large numbers of FIFO/DIDO workers to mine sites.

Usually this is done from major population centres and has few negative effects on that community. The community however does benefit from an increase in disposable income coming in.

5. NA

6. Key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development;

Certain skill sets and experience ranges are very hard to attract to areas such as Cobar. The local labour pool usually satisfies the lower end of the skill market. As skill levels increase, the workforce becomes more mobile. Generally professionals (engineers, geologists, accountants etc) and specialist tradesman (instrumentation technicians, electrical) are difficult to attract.

7. Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees;

Housing is usually provided by the company and this will impact on local accommodation providers, such as the local motels and caravan park. While it is good that our local motels are fully booked, it makes it very difficult for other businesses in town, including the local Council and contractors, to find accommodation for visiting professionals. It also has a significant impact on our local tourism industry with many tourists who intended to stop in Cobar forced to continue their journey due to a lack of accommodation options. Separate, purpose built accommodation would be more suitable,

however this would be dependent on some certainty in the mining industry to encourage the developments to occur. The boom-bust nature of mining severely impacts on Cobar and the nervousness of investors to develop such infrastructure in Cobar.

Most of the mines have a limited number of units available for FIFO accommodation to reduce the use of motels. One mine bought a local motel to house their FIFO workforce and contractors. This has a significant impact on accommodation options for other sectors of the local business community. Some mines also provide pool cars and bus services to allow transport to and from site.

8. Strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry.

We need to make Cobar a place people would want to live in by choice. The local mines try to target young families with children either primary school age or below for residential positions. The FIFO employee is all about the roster, they have little concern for the community that they work in. Even the large regional mining centres such as Broken Hill, Mt Isa and Kalgoorlie are falling out of favour to the capital cities. Employees have much more disposable income than say 10 years ago and can afford to live in the cities and enjoy all the trimmings there and fly in and out as required.

9. Potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce;

Some local contractors currently benefit by providing top-up labour from other areas. Training organisations and service industries also benefit although many contractors and suppliers are from large regional centres who are already benefiting from the DIDO workforces. Centres such as Dubbo also receive far more of the disposable income of local mining workers who live in Cobar than Cobar businesses. The Cobar Business Association struggles greatly to Keep our Cash in Cobar. Local retail businesses in particular are not profiting from the mining boom, but rather centres like Dubbo do.

All businesses and residents of Cobar would rather that people in these non-mining communities make the move to places like Cobar as a residential worker rather than FIFO.

I trust you find our submission of use.

Yours sincerely

**Angela Shepherd**  
**Secretary**