

# TOWN OF PORT HEDLAND



Mr Tony Windsor, MP  
Chairperson  
Standing Committee on Regional Australia  
P.O. Box 6021 (Parliament House)  
Canberra, ACT 2600

Our Ref:

Your Ref:

Enquiries:

Direct Line:

Dear Mr Windsor

## **Inquiry into the Use of Fly-in, Fly-out Workforce Practices in Regional Australia**

The Town of Port Hedland welcomes your inquiry into the use of fly-in, fly-out (FIFO) workforces in Australia.

### **Background and Preamble**

Port Hedland, situated 1,600km north of Perth, is home to the world's largest bulk export port and is committed to forging new avenues for trade in the Pilbara for the benefit of the state and national economies. In 2010/11, the Port Hedland Port Authority reported exports of \$40 billion, arguably making our Town the economic powerhouse of the Australian economy. Much of this growth has come on the back of a fly-in, fly-out workforce. However, members of the community including our local business community have expressed to Council their concerns surrounding the social and economic repercussions FIFO workforces are having on the Town. Indeed, this concern is acerbated when considering the expected increase in the export of Iron Ore through the port of Port Hedland predicted to occur in the new few years.

The Town of Port Hedland is envisaged to become a regional Port City of 50,000 residents. To guide the required growth and development to achieve our vision we have developed a City Growth Plan in consultation with our community and our major stakeholders. This plan has identified a number of core themes that will underpin the success of our community's growth and sustainability that are relevant to the subject of this submission. These themes are as follows:

- To sustain and diversify economic growth which provides opportunities for regional and local employment generation and diversification through establishing the right conditions for robust economic growth to occur across a range of industries.
- The need for strengthening local communities and culture through fostering the development of safe, friendly and inclusive communities supported by appropriate community facilities and amenity.

- The need to ensure housing diversity and land supply capacity through providing an orderly and adequate supply of land along with increased choice in housing products and tenure options to cater for a diverse and permanent population.

The Town of Port Hedland was like to frame this submission by addressing the impact of FIFO work practices in our community on the achievement of these identified themes. We would also like to suggest some alternative strategies that would ensure the objectives of the industry groups that are needed to ensure the economic viability of our nation and at the same time ensure the continued vibrancy of our Town.

### **Impact on Diversity of Economic Growth of FIFO workforce**

The Town of Port Hedland is an area of great scenic beauty which has traditionally attracted a significant tourist base. It is also located to leverage of the internationally acknowledged Kimberly region with the significant benefit of having an international airport of some significance. However in recent years the tourism industry in Port Hedland has been almost nonexistent majorly due to the severe shortage of tourist accommodation and services and industries that support the tourist industry.

FIFO based resource operations are usually accompanied by FIFO trade and service industries. These arrangements operate to the detriment of our local residential community. These services (eg. electrical and mechanical) are only available to the resource sector and do not service the local population.

Small business, unrelated directly to the mining sector, struggles to be viable in our community due to the high cost of housing for employees, the resulting lack of residential population. Residential population growth is hampered by the high cost of housing and the lack of social and economic amenity, as so the cycle continues.....

### **Impact on the Development and Sustainability of Local Community and Culture of FIFO Workforce**

Remote, mineral-rich towns have long struggled to attract permanent workforces because their capacity to support the needs and desires of families, workers and locals have been lacking. National and state level re-investment in Port Hedland since the 1960s has not been at any great level. This was acknowledged in the *Western Australian Planning Commission's Pilbara Planning & Infrastructure Framework (2011)*. In this document severe infrastructure shortages, high living costs, demand for amenity improvement, housing affordability, lack of access to government provided services such as health, education plus lack of services provided by small business such as allied health and retail were all identified as major constraints to Port Hedland's sustained growth and development as a City. These findings are consistently supported by all social impact documentation and community consultation undertaken by or on behalf of the Town of Port Hedland. Recent state government funding through the Royalties for Regions initiative has commenced to address some of the communities concerns with amenity improvement however qualified residential staff to facilitate services and programs through these new facilities continues to be problematic. Indeed many of our medical practitioners, police officers, dentists are themselves FIFO workers.

The growth of FIFO workers in the Port Hedland has come at the expense of local sporting and recreational clubs and community groups. This is attributed to the transient nature of a FIFO workforce who sees themselves as visitors to our town, not permanent residents and also due to the nature of their work life which precludes them from participation of activities that span over many weeks or months.

There is a perception among some local residents in the Town of Port Hedland that FIFO workers do not value the Town and are not appropriately integrated in the community-at-large. Some community members have expressed the concern that the Town's law and order issues are the product of a steady influx of young, bored, relatively affluent men.

The obvious health and emotional well being of the FIFO worker who is separated from families and friends is also concern to the Town of Port Hedland.

### **Impact on Housing Diversity of FIFO Workforce**

The proliferation of FIFO workforces in our community has had extremely detrimental impact on local housing markets. This situation has arisen through mine related service industries and indeed mining companies themselves renting housing in Port Hedland and using it for short stay accommodation for groups of FIFO staff members or at best permanent based company employees. This industry sector has no difficulty or hesitancy in paying rentals of up to \$2, 5000 per week for an average three bedroom 1 bathroom home. Many permanent residents or small service and retail businesses employed or trying to house staff to work in non mining industry related have found they are unable to pay these resultant high rental rates.

Much modeling and social impact documentation about the Pilbara supports this lack of housing affordability as a critical factor in the growth or sustainability of our community.

### **Alternatives to Long Term FIFO Workforce**

Obviously the Town is keen to attract a workforce of permanent residents and to reduce the size of its FIFO workforce. Despite this the need for short term FIFO workforces in Port Hedland in some circumstance is well recognized by the Town of Port Hedland. Short term use of FIFO workforce, housed in temporary camps, outside town sites is recognized as being necessary in periods of construction or productivity spikes. However, operations staff required for longer terms needs to largely be provided by a resident workforce to normalize our community as far as possible. Finding such a balance will be critical for ensuring the continued growth of the Town of Port Hedland into a regional city through the attraction and retention of local residents.

Australia as a nation is experiencing shortage in skilled and unskilled workers and immigration is being used to provide this workforce. The Alliance suggests that the redirection to regional centers for both overseas skilled and unskilled labour as permanent residents to service major construction projects and operational projects would be beneficial. This would alleviate unemployment of these people around large cities such as Sydney and Melbourne. This strategy, like the previous strategy of attracting domestic immigration to regional centers would require the provision of increased levels of government services and facilities to support these new residents of Australia.

Thank you for the opportunity to provide input into the inquiry. The Town of Port Hedland is committed to working with all levels of Government to enhance the long-term growth and sustainability of the Pilbara region. Please contact me on 08 9158 9313 should you wish to discuss this submission in greater detail.

Yours sincerely

PAUL MARTIN  
Chief Executive Officer

6 October 2011