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Terms of Reference

Inquire into the use of 'fly-in, fly-out (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in regional Australia:

To whom it may concern,

Please see below my submission to the Minister for Regional Australia, Regional Development and Local Government, The Hon Simon Crean MP, regarding his inquiry into *the use 'fly-in, fly-out' (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in Regional Australia.*

I am a long term resident in the town of Port Hedland having been born here prior to the mining boom, I attended primary and secondary school in Port Hedland, completed a Bachelor of education externally through Murdoch while residing in the town, bought up four children to adulthood here, remarried and have started another family. Through most of those years I have always considered that this is my home and it would be where I would more than likely live out my day, yet the coming of FIFO has seen the town become little more than a cheap hotel. Now I find I am an Australian citizen who owns a house but through the policy of governments (local, state and federal) I'm without a place to call home.

1. There is a huge effect of a FIFO workforce on an established community like Hedland. Remote town in this area have always relied heavily on the families of mine workers to be the workforce behind the businesses and community groups that have been a vital part of making mining towns strong communities. If you talk to people who have lived in this area prior to the introduction of FIFO they will always say "The environment is harsh but it is the people that make the place" When more than 50% of a towns workforce are FIFO then quickly community groups die and services close as they are unable to find employees, attracted committee members or find interested people to join sporting teams for competitions.
2. Many mining towns have been struggling since the introduction of the "fringe benefit tax". This tax removed the incentive that mining companies had to build communities. Towns such as Newman, Pannawonica, Karratha and many others would never have been if it was not for the incentive governments gave through tax breaks. Is it any wonder when, though more expensive to run a FIFO operation, the taxable return far outweighs the expenditure of promoting a local workforce? In these current economical conditions companies are looking at the best way to make money and in a purely cost-effective sense reducing your tax is a good thing, if this is to be through providing local housing or through FIFO is something only the government can address.

3. Housing has become an unaffordable pipe dream for most residents and their children as prices have reached well above the norm for houses of a similar ilk in non mining areas in Australia and Australia's major cities. Needless to say and as a direct response to the way big business can run this tax reducing scheme, (It matters little what the cost if it can be claimed as a tax break) housing prices have skyrocketed. Long-term residents can no longer afford the high costs and are being forced to consider relocation away from family because the only people able to afford houses are big business or FIFO workers who are again profiting from the towns by purchasing properties they are then able to charge exorbitant rentals on.
4. Living expenses have always been higher above the 26th parallel and people who have lived in this area have accepted this as a part of life. Recently though prices have jumped over and above what could be considered a reasonable increase because employers have to pay higher wages in order for their employees to be able to afford housing costs. Some small businesses will pay a rent allowance of between \$300 and \$1000 a week but this is not always the case and in these instances the small local businesses are being disadvantaged as they pay a fringe benefit tax that could be avoided through the FIFO system. Of course these costs are then passed on to locals who have no choice but to pay for the services they need but FIFO have all needs supplied while working in the town and return to a cheaper home environment. I just had a quote to replace 4 doors in my house the quote was just over \$1000 for each door, this was not replacing frames but was simply the cost of purchase and hanging of new internal hollow core door.
5. FIFO also sees a huge drain of money from mining towns and population centralisation. These are not people who are spending in the town, they live in camps where all their needs are met and take their money to other parts of Australia to spend. The government wants to introduce a mining tax? Well by allowing FIFO to flourish they have already done so in relation to these towns and as such are promoting centralisation to major population centres and the demise of small communities. Governments talk of developing communities to reduce the pressure on cities unable to cope with the growing demand on public infrastructure. Water has become a major issue in many cities as supply is often outstripped by demand and yet FIFO in its very makeup encourages people to move to cities from small communities in order to gain the same benefits. Even our regional Hospital is turning to FIFO to meet staffing needs and there is talk of moving the practice into farming regions. At this rate we will have over 20 000 000 people living in 6 cities with FIFO camps dotted around the country where once there were communities.
6. Businesses in mining towns flounder under high overheads and people already under pressure because of the cost of normal living expenses are unable to afford the goods these businesses supply. I have memories of a town with a baker and a butcher but all those are things of the past in this new hotel like community encouraged by big business and allowed by government. Small businesses are unable to find staff when wages do not allow the average person to meet basic living costs and family members that once filled these positions no longer follow partners to mining towns. When average homes within the town rent from between \$1400 to \$2500 a week and an employee at a fast food outlet makes around \$656 a week it soon becomes apparent these people are unable to meet basic living expenses. Even rooms renting at \$400 see them struggle to make ends meet and when other expenses are taken into account they are forced to make the decision to leave.

7. Limits on the land available have also seen a change in the way our shire appears to operate. Now it seems that locals are not good enough to be housed within walking distance of the beach, our hospital had been moved from the ocean front of Port Hedland to the outskirts of South Hedland where the temperature has always been a good 5 degrees higher. Land that has been used for recreational purposes is now earmarked for redevelopment as high density housing. The Shire of Port Hedland is stopping people from building their own homes within the town centre and encouraging high density housing for the growing FIFO workforce using the excuse that the dust is a health issue dangerous for long term residents but not for short. I would be interested in the findings of this research as I lived for 20 years across the road from stock piles before dust suppression became a huge part of the companies work ethos.

8. Under the FIFO policy there is also a rise in our locals finding it difficult to enter the workforce. My 19 year old son and many of those he went to school with have been unable to find a position that would enable them to start out on their own and begin to gain the experiences needed to work in a mining town. We have spent countless hours looking at sites offering employment opportunities only to find that the majority are aimed at FIFO applicants not locals. We have also spent hours driving around to companies to drop off resumes and return application forms that companies don't even have the common decency to acknowledge receipt of. This has been the same situation my partner and many others I know of that live locally are finding. I'm also aware of several long term residents who have moved from the town to the city in order to break into the lucrative FIFO job sector. Jobs that are offered within the town are generally for those with trade qualifications while unskilled work is advertised for those looking to join the FIFO workforce. In this way companies are able to claim they are unable to source workers locally and increase the FIFO population within towns. When FMG first started to operate within the town locals were promised that they as a company were making a commitment to a local work force but as with all big companies this is no longer holds true.

Since the introduction of FIFO and fringe benefit tax I have watched this town go from a vibrant community to one that appears to be in its death throes. Governments talk of Pilbara cities and developing infrastructure to make mining towns appealing to those who wish to work in that industry. Yet a FIFO policy in its nature decreases the need to live anywhere but in the major population areas. We need a return of policy that encourage mining companies to have a local workforce with housing and living tax incentives and a policy that makes FIFO a less economical choice for business if we are to save the communities associated with mining. Mining company's talk of it giving people choice, of employees being able to give their children a better education and the better standard of living that is available in cities. Yet in catering to those who already live in cities people who live in towns like Port Hedland become second class citizens within their own country. We will not see the development of better schools and better community services in these towns because they don't develop if there is not the permanent population to support them. It is up to the government to turn around this growing disparity between locals and FIFO before the problem is no longer community unrest but cities unable to cope with huge population increases as people are forced out of towns to find work and a decent wage.

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