SUBMISSION TO THE HOUSE STANDING COMMITTEE
ON REGIONAL AUSTRALIA INQUIRY
INTO THE USE OF ‘FLY-IN, FLY-OUT’ (FIFO) WORKFORCE
PRACTICES IN REGIONAL AUSTRALIA

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INTRODUCTION

i. The AusIMM

The AusIMM (The Minerals Institute) is the leading organisation representing minerals sector professionals in the Australasian region, primarily in the disciplines of mining engineering, metallurgy and geoscience. We have more than 10,600 members spread across industry, government and academia, of which over 1,200 are student members currently enrolled in undergraduate studies.

More than 25 per cent of AusIMM members are currently engaged on fly-in, fly-out (FIFO) or drive-in, drive-out (DIDO) employment arrangements. Given their technical expertise and first-hand experience of these types of employment arrangements, they are uniquely placed to comment on workforce practices in regional Australia and the wide range of issues covered by the Inquiry Terms of Reference.

As a professional organisation whose members have an ethical duty to put the community first, The AusIMM constitutes a forum through which technical experts in the minerals sector can comment on policy for a sustainable industry, free of private and sectional interests.

ii. This submission

This submission includes a range of member views and experiences regarding workforce practices in the minerals industry throughout Australia. Member views and experiences included represent those with experience of FIFO and DIDO arrangements (past and present) and residential employees. Research studies conducted by our members over the last 10 years have also been included in this submission.

Our members’ broad range of views regarding long distance commuting workplace practices represent a spectrum of opinions on this issues from those that strongly support FIFO and would not consider living locally to those that prefer residential living and do not support the use of FIFO outside of remote mine sites. Regardless of support or rejection of this employment practice approach, all members recognise that FIFO is not a long term solution to the minerals industry’s skills shortage and does not assist regional Australia in remaining an economically or socially sustainable place to live.

This submission acknowledges that fly-in, fly-out (FIFO) and drive-in, drive-out (DIDO) employment arrangements, whilst presenting a number of similar challenges for mining professionals, companies and families, are not the same and should not be grouped under the heading of FIFO. Both employment arrangements present their own experiences and challenges and will be addressed accordingly in this submission. It should also be recognised that FIFO into a remote mining camp is very different to FIFO into a remote or rural community.

These distinctions highlight the complexity of current workplace practices in regional Australia and demonstrate that there is never one approach that suits all minerals industry operations.

We thank the House Standing Committee on Regional Australia for the opportunity to provide a submission to the Inquiry into the use of varying workforce practices in Regional Australia.
RECOMMENDATIONS

1. Ensure that mining professionals are able to choose where they live and the type of workplace arrangement that is best for them and their individual circumstances.

2. Do not impose targets or requirements on minerals companies for the employment of residential versus FIFO employees.

3. Consider taxation incentives to offset the additional costs of living in regional areas.

4. Release affordable land in regional areas with tax incentives to offset the additional cost of construction.

5. Support the development of affordable 24/7 childcare facilities and recreational facilities to support shift workers.

6. Remove fringe benefit tax on employer-provided childcare centres.

7. Allow 100% deductibility of the costs of childcare if both parents are in full-time employment in regional Australia.

8. Review the adequacy of community support available for families affected by FIFO.

9. Minimise the costs of relocation by introducing tax and financial incentives for families to relocate to regional areas where employment opportunities exist.

10. Ensure regional infrastructure is of the comparable level as metropolitan Australia.
BACKGROUND

History

The use of fly-in, fly-out workforce practices is not new in Australia nor is it unique to the minerals industry. Australian mining operations have utilised non-residential workers for many decades yet it appears that it is the increase in the reported use of these practices coupled with focused media attention of the negative social impacts and the reduced viability of many regional and remote town centres that has ultimately led to this inquiry.

FIFO began with small gold operations in remote locations where it distance to the nearest town made it impractical to be a residential employee. Whilst FIFO is often seen as a last resort by companies, its preferred use is related to the typically remote geographical location of Australia’s natural resources. FIFO is just one of many workforce practices available to the minerals industry, and like all employment practices, will have an economic, environmental and social impact on society.

FIFO has now morphed into a lifestyle choice where an adequate town can be close enough to live in, yet the preference of the Australian population to live in proximity to the coast continues to pose challenges for the Australian minerals industry.

Industry traditionally resolved this issue by constructing mining towns near or at the mine or processing plant. More recently, however, changes in how the mining industry operates, together with financing considerations and changes in the attitudes and expectations of the mining workforce have caused fly-in/fly-out (FIFO) to emerge as one of the most significant workforce options within the resources sector.

The introduction of FIFO to the minerals industry has generated much public and private debate about the relative merits of FIFO and residential mining employment over recent years, focussing in particular on the impact on the sustainability of regional towns and on the wellbeing of individuals and families, without focussing on any positives. It is perhaps telling that Governments have not placed a high priority upon the issues such as those related to FIFO operations until they either directly affect or are perceived to directly impact on businesses and marginal communities in times of political insecurity.

The mining company’s engagement with critical social issues is important to ensuring business success yet according to research, it remains the least well understood dimension of sustainable developments. Public reporting on environmental, social and sustainability performance is embedded in Industry’s best practice models as a means to legitimise mining operations and as part of the industry’s commitment to enduring value principles and the social licence to operate. There will always be some barriers and constraints to company capacity to implement higher order social policies.

Community perceptions

Community perceptions regarding FIFO have been often stereotypical and negative. Minerals professionals are prone to being stereotyped and FIFO employees are especially targeted, particularly young male employees. Nevertheless many young men in general are prone to anti-social behaviour as they determine their place in society. Whilst alcohol and drug abuse may be a problem for some, the majority of young professionals use their income to save for their first home, to travel overseas and to purchase lifestyle items that improve their standard of living.

1 Solomon, Katz, & Lovel. (2007)
It should be acknowledged that there can be a number of social trade-offs with FIFO. Long work hours and rosters are gaining increasing attention because of the potential implications for health and safety, families and gender equality. The impact of the ageing population on society in general will have a significant impact on minerals operations and is likely to impact upon any future reliance on FIFO as the mining workforce also ages.

It is important that the issues related to the use of FIFO are not universalised or generalised. A longer term perspective needs to be taken regarding legacy in mining and the impact on regional communities where residential workforces are the primary source of labour supply.

Much of the FIFO debate centres on the perceived lack of community involvement. This debate should be more focussed on finding a balanced approach to workforce arrangements and identifying strategies that will successfully allow mining operations to co-exist with town centres. Regulations and restrictions are not the answer as not everyone can or will want to live in the regional towns.

Governments that wish to review the efficiencies and possibly reduce the number of FIFO operations should be asking what it would take to encourage or motivate families to move to regional Australia and what services are required to overcome the “now” generation.

**Workplace practices**

*FIFO is a workforce choice not an employer choice*

Much of Australia’s mineral wealth is not found in major population areas with well-developed infrastructure and services. FIFO is just one strategy offered by companies to respond to the challenges of operating mines in harsh and inhospitable environments with a limited supply of suitable labour.

Australia has a relatively mobile population however this movement largely remains within urban areas and has resulted in significant migration away from regional and remote areas. The AusIMM strongly encourages Government to move away from the notion that it is appropriate to regulate and change workforce practices in regional Australia and force employees to live somewhere that is lacking a standard of living the rest of Australia takes for granted. The belief by sections of the community and the media that FIFO does not provide choice to workers in where they live is a fallacy.

The view that mining companies force employees to work on FIFO rosters is also a misconception. The choice to work on FIFO is an individual choice based on individual circumstances. FIFO minerals professionals (and their families) are a heterogeneous group and the ways in which they manage and adapt to the FIFO lifestyle are unique to their particular circumstances, and as such, are dependent on the interactions of a number of factors that are related to their individual, family, community and workplace systems. Factors that influence a professional’s decision to either work on a FIFO roster or engage as a residential worker include, but are not limited to: remuneration, career opportunities, employment conditions, employment culture, family satisfaction levels and social supports.

AusIMM members report that two of the main issues impacting upon their company’s profitability were workforce turnover and skills shortages, and that lifestyle factors such as work-life balance were important when considering job options.

Minerals professionals generally make informed choices based both on employment satisfaction which includes remuneration, working hours and opportunities for training and advancement; and on the developmental needs of family members, including children’s educational needs, availability of family support, health services, and employment and career opportunities for family members.
The salience of these needs varies according to the professional’s position in the family lifecycle. At certain stages, one particular mining lifestyle option might be more suitable to meet the family’s developmental needs than at another time. However, while some people would move between the two lifestyles others have reported that they would only ever consider one option - FIFO or residential.

**Time is money**

Like the resources being mined, time is a commodity that can be bought and sold. “Time is money” is the constant pressure, and in the minerals industry this is most evident in the management and coordination of labour. The mining boom has generated further pressures to increase the pace, scale and rate of development. Speed, efficiency and reliability of production are part of what makes companies competitive and new technologies are sought and applied to achieve these goals. The variety of workforce practices such as FIFO rosters that attempt to cover 24-hour operations and relatively high wages are attempts to address the challenge of attracting and retaining labour in remote locations.

An extensive field of research has demonstrated that as a result of social change, work and home are no longer viewed as separate worlds but as parts of life-systems that intersect and overlap, and mutually influence each other\(^2\). Changes in the composition of the workforce (e.g. industry age profile, increases in the number of dual income families, and women in mining), working arrangements and the structure of families have resulted in the need to better understand the interrelationships between work and home/family life and the relationship with various workforce practices.

A more traditional view of working hours and non-work life rarely applies to the mine site. The modern trend toward a 24-hour-society has resulted in non-standard working hours such as shift work, weekend work and compressed work schedules becoming more prevalent and visible in the urban areas of Australia and other industrialised nations. The twelve-hour shift pattern that originated with FIFO is now well entrenched in town based (residential) operations and the workforce seem to prefer this. Where there is a mixed FIFO-residential workforce, our members report that this works best on a FIFO style roster system.

**Defining FIFO**

The provision of transport by the employer between the home city and work on a fly-in, fly-out arrangement is a significantly different to drive-in, drive out, where an employee usually provides their own means of transport. There are quite specific stresses associated with this including personal cost which is not as significant for FIFO employees. The average time spent travelling to and from a mining operation is around 2.5 hours for both FIFO and DIDO workers\(^3\) however this is likely to increase for FIFO as more workers that are based in the south eastern States take up FIFO rosters in the west of Far North Queensland.

FIFO is usually directly into a mining camp, where provision of maintained accommodation, facilities and food alleviates further demands on the employee during the work cycle. DIDO employees may be part of a larger community and are responsible for managing these activities in their own time, over and above the worked hours during the roster cycle.

\(^2\) Sibbel, 2010.  
\(^3\) CME, 2005.
Member Views

Whilst the submission will include a range of member views, this section details member views that do not address specific items within the Terms of Reference.

A large number of members expressed their surprise that the terms of reference did not specifically refer to work schedules given the impact this has on the viability of mining operations and the professionals themselves. Members felt that it took a long time to get 8-hour shifts introduced so that miners did not become too fatigued and put themselves and fellow miners at risk. Not only were 8-hour shifts mandatory, but rosters were rotated so that no individual became too tired to carry out their work safely. Currently within current workplace practices, the majority of professionals will be on a 12-hour roster. As mining goes more and more underground, as it must, the associated problems with long, compressed shifts will become more significant for industry.

Members also expressed concern that the impact of the current skills shortages facing the minerals industry was not mentioned in the terms of reference particularly as this is one of the primary driving forces behind the increased use of FIFO workplace practices. Regardless of where a mining professional chooses to work, the shortages of skilled professionals is affecting workplaces, leaving employers short staffed. The shortage of skilled professionals has meant that there is a perception among members that there are more people performing in more senior roles without sufficient professional experience and that employers are forced to pay more for less experienced personnel to fill the gaps. This is placing significant pressure on mining professionals which has flow on effects into other areas of their professional and personal lives.

AusIMM members felt that whilst FIFO can offer the best of both worlds to minerals professionals it also has its fair share of problems. Members felt that if the Government wants evidence that demonstrates how the alternative to FIFO can result in the worst case scenario, then look no further than what happens when companies pull out of small regional towns. Workers are usually encouraged to move to town with their families, often as a condition of their contracts. Then, when the site closes down, house prices drop significantly, families relocate and services such as schools are no longer viable which is detrimental to those residents left behind.

Due to the media coverage and government interventions, if conditions are placed on operations, forcing a residential workforce will create not just a sense of distrust but a lack of social cohesion in regional towns. In many regional centres, mining professionals are charged exorbitant accommodation rentals and the cost of living is not comparable to major cities. Minerals professionals must be afforded the choice on where they live and what type of employment arrangement is best for them.
SUBMISSION

Terms of Reference

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

Extent

Whilst there is a strong business case for the minerals industry to employ local labour, FIFO employment is likely to be an increasing feature of global resource sector operations. Throughout the world FIFO has replaced the development of residential townships as a means of accommodating employees (professional, skilled and unskilled) especially for remote minerals operations.

The most common reasons mining companies state for the preferred use of FIFO is the isolation of the mine site and the short project life. The remoteness of many new mine site promotes the use of FIFO and the construction of on-site mining camps. As productivity through technology and improvements in working practices increases, it is likely that more projects will have shorter project lives. The preference of workers and their families for metropolitan over rural living is a strong determinant in the use of FIFO practices.

In 2010, about 50 per cent of the mining operations in Western Australia use FIFO. As a result of the ongoing growth in the resources sector WA has more than 80 mining operations that use FIFO arrangements compared with just 38 in 2001. Interestingly, the proportions of FIFO and residential mining employees remained relatively stable over the past decade up to 2010, especially when compared with 100% residential in the 1970s. In 2010 the percentage of residential and FIFO employees was close to equal in WA. By 2020 it is expected that 62 per cent of the mining workforce in WA will be FIFO and it is estimated that by 2015 around 92 per cent of WA FIFO workers will be employed in the iron ore sector.

Using WA as a case study, with the projected workforce shortfall in WA alone, additional minerals industry employees will be fly-in fly-out (FIFO) with an estimated peak requirement of 27,000 in 2012 versus a residential workforce requirement of 11,000 in the same period in Western Australia alone. CME FIFO projections for the Pilbara region are projected to grow at a faster rate, increasing by 83 per cent between 2010 and 2015 and by a further 23 per cent to 2020.

Obtaining data on the actual number of minerals professionals that engage in FIFO around Australia is difficult as ABS data is often inaccurate due to professionals living away from home more than six months in a year and the rate of employee turnover currently sitting around 33%.

As many companies aim to double and triple production in the short-term to capitalise on the growth in Asia, so too will workforces need to increase. Estimates regarding Queensland’s coal fields predict that the number of minerals professionals required, given the current skills shortages, will increase by three times the current rate of FIFO workers in the area and that many of these workers will need to be sourced from overseas.

Recent media coverage demonstrates that there appears to be a misnomer that FIFO operations and residential workforces are mutually exclusive or that residential workforces place no role in the development of FIFO camps. Many companies have policies to employ locally and to use local

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4 Department of Minerals and Energy [DME], 2001
5 CME WA, 2010
6 CME WA, 2010
7 The AusIMM 2010 Remuneration and Employment survey
businesses and services wherever possible, however businesses must operate sustainably if they want to remain viable. An initial reliance on a FIFO workforce does not exclude the increased utilisation of a residential workforce throughout the stages of the life of a mine or a move away from FIFO in the future, in a planned and sustainable manner.

FIFO will continue to be a response to local skills shortages. In reality, even if the issues relating to increasing participation of all unemployed and underemployed people, including women, Indigenous people, and older workers, are addressed, many remote and regional areas where the minerals and industry operates do not have a large enough local population of working age to meet the needs of the sector. In a nation with a diversity of regional growth, it is imperative that there be a balanced approach between FIFO and local community development.

The increased reliance on FIFO has and will continue to place an additional burden on airports and airlines and increase the demand for temporary accommodation. Remote sites demands for water, electricity and gas is projected to grow significantly in the next 3 years with most growth expected in the Pilbara and Mid-west regions of WA where new and expanding projects, in particular iron ore, are planned.

**Growth**

A decrease in the use of FIFO has been hypothesised in the future as the industry focuses on better employment conditions and staff retention strategies. However in reality, given the projected skills shortages in the minerals industry, an increase in FIFO in the short-term is inevitable.

It will remain difficult for policy makers to draw more general conclusions about how FIFO arrangements will grow or change and how regional communities might be impacted upon by this type of workplace practice when there are broad scale changes in the level of employment and activity in mining and due to the unpredictability of fluctuations in commodity cycles.

One of the key drivers for professionals choosing FIFO over the last ten years has been the erosion of services in remote and regional towns. Many AusIMM members would prefer to live and work in the same place as regular commuting is tiring to the body and mind. However the majority of members feel that FIFO is the only viable option when faced with living in expensive, poorly serviced towns.

Many families that do decide to relocate to a small community discover how limited services and supports are within a few months. Whilst many make the best of the situation and some will take steps to improve things, when the fundamental support for these regional communities is inadequate, it is inevitable that these families will leave. Our members tell us that a significant proportion of professionals with families do not last two years in regional towns and change jobs. This has a significant cost for the community and the company.

In order to retain good people, more favourable rosters are offered to allow the families to move to more complimentary places while the employee is then faced with a rostered commute on either DIDO or FIFO. A move to DIDO/FIFO has an effect on every stakeholder involved in any mining project.

The social and community dimensions of mining are dynamic and complex as are the issues relating to the use of different employment practices within the minerals industry e.g. the utilisation of FIFO or a residential workforce. These issues are not simple and regulation or forced restrictions on mining company choices in employment arrangements will not be beneficial to the industry, mining professionals or the communities in which they live.
2. costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce;

Company

Economic reform practices starting in the 1980s exposed Australian exporters to global competitive pressures. This meant that in order to remain competitive, industry was forced to significantly reduce costs and the development of an entire mining town, and more recently the reliance on regional town centres with limited labour supplies is no longer economically viable.

There have been a number of further trends in recent years that have improved the economic viability of operations in favour of FIFO over the construction of new towns or the reliance on regional towns for the supply of labour. In addition to cost savings and improvements in the reliability and safety of transport options, regional towns increasingly lack the economic diversity and alternate employment opportunities required by contemporary two income families. A number of extra factors, including lower employee absenteeism, access to a wider pool of potential employees and a preference for metropolitan living by many minerals professionals and their families continue to encourage the use of FIFO.

There are also a number of factors that inhibit the further development of regional towns in remote locations including longer lead times and costs associated with new housing developments and construction, diminished financial and infrastructure support from government, the ecological footprint of large resource towns, and concerns for the sustainability of the town following the conclusion of the operation. Indeed, many smaller operations would not be viable without the economic benefits afforded by FIFO.

Technological advancements in mining operations will increasingly mean that some mine operations can be conducted remotely and FIFO for these types of roles will be the only option as the professional will not need to physically be present at the mine for long periods of time.

As highlighted previously, FIFO camps result in a much smaller carbon footprint than a residential town. The extent of land clearing and space required for housing and amenities is much smaller than what is required for housing and associated infrastructure such as energy needs, water, sanitation, roads, schools and health services in regional towns. When establishing or expanding a town, there is no way to control for the introduction of pests such and domestic animals and exotic fauna which can have detrimental effects on the local environment and wildlife.

At the end of a mining operation and therefore the FIFO camp, the land can be rehabilitated together with the mine site, whereas the remnants of a town are much harder to restore. The smaller footprint and generally shorter project life associated with FIFO operations also means that there can be less disruption to Indigenous communities, traditions and sites of cultural significance.

Labour supply

FIFO workplace practices enable employers to attract and retain key people from a diverse labour pool. Many employers believe that the reliance on FIFO made it more difficult to recruit and retain employees due to the number of other opportunities currently available and fatigue workers experience after being engaged on FIFO for extended period of time.

However our members report that many minerals professionals tend to have a “temporary” outlook on their job when they have no emotional or financial stake in their place of work. Shortcomings in work performance can be managed however managers find it increasingly difficult to motivate and manage employees who are emotionally disconnected from their workplace. As expected,
emotional disconnection from the workplace is reported at higher levels among those engaged on DIDO/FIDO rosters and this includes all levels of employee responsibility across an organisation, meaning that the strong culture of a healthy workplace that is evident elsewhere across the minerals Industry can be readily lost, having an effect on staff retention.

In many roles, because of the rostered work arrangements and the 24-hour nature of many mine sites, two people must be hired to fill one role. This directly contributes to the skills shortages facing the minerals industry and increased operating costs, not just due to higher salary costs but is also related to lower productivity due to the start–stop mode of working. Balancing home and work lives has seen the reduction of roster cycle lengths, from sometimes 3 and 4 weeks on / one week off, to more friendly even time rosters. This has created labour pressures on the mining industry over and above the commodities boom, with now 2 or even 3 people employed to do the job previously occupied by one person.

In most cases where a residential workforce is an option, the residential workforce is more cost-effective for the company to operate than a FIFO workforce. This is due to savings in lost productivity due to time lost flying or driving to the mine site. It is estimated that it costs between 22k and $25k per FIFO person per year for flights and accommodation, and some other allowances for town based living in recognition of the higher cost of living. There is a capital cost (or operating lease cost) to establish a camp with the modern standard of en-suited rooms, and a capital cost of building houses in small towns. In larger towns in boom times, accommodation can be the limiting factor and FIFO is the only possibility when there is no more accommodation. In smaller towns it’s often the local Councils that need to fund infrastructure such as roads, sewerage and water to expand the town, and without efficient and cheap power sources alternatives are very expensive.

In addition to this FIFO workers are less available than residential workers. For example, if a FIFO worker misses a plane they are often out for a whole roster or at least until the next plane which could be 3 to 5 days away, where as a residential person only loses the shift or part of the shift they are absent from.

Getting back to a productive level of work is more of an issue in management or leadership roles, as those professionals need to have a meaningful connection with their subordinates and an understanding of any workplace issues. Problems can arise in the workplace every day, not just on those days when the FIFO manager is on site. Often within the minerals industry, the structure is such that there is one manager and during rostered breaks those duties are delegated to a subordinate of less experience. This is of course a great learning experience for the second in charge (2IC) but does little for continuity of leadership unless both manager and 2IC are extremely well aligned. This issue is not restricted to the FIFO situation but appears to occur more frequently because of the work arrangement which produces extended periods of a manager being away from the mine site.

In recent years many AusIMM members that hold management positions at mining operations situated near regional communities have shared a similar experience in that their companies had a firm policy that the majority of staff had to be residentially based. However many have experienced growing numbers of experienced and important staff expressing their need to cease employment at that mine site due to family reasons e.g. partner not being happy, children suffering at school, not being able to support elderly parents etc.

The focus on retaining experienced staff has resulted in the modification of key company policies and the adoption of more flexible workplace arrangements such as FIFO or DIDO. Other companies have adopted other practices that allow professionals more time at home with their families, such as an RDO system where they have a three-day weekend every second week with no reduction in benefits. Each of these is an attempt to keep people happy and to allow the company to retain crucial experience and corporate knowledge.
Literature suggests that annualised employee turnover at FIFO sites ranges from 10 to 28 per cent with the highest turnover rates reported among minerals professionals and mine operators.\textsuperscript{8} This can be attributed to both the rapid change in roles within the industry in recent years and to a range of factors that includes the utilisation of FIFO arrangements, the skills shortage of minerals professionals, head hunting of skilled professionals and general workforce patterns. Members’ suggests that it costs a company up to 1.5 times a miner’s salary to replace a lost worker. This is a significant cost to the employer in terms of expenditure and productivity as the average professional mining salary in 2010 was $186,000\textsuperscript{9}.

Turnover also fluctuates over time often in response to internal events such as changes in working arrangements and management interventions. Research supports the notion that the Impact of FIFO rosters on employee turnover can be mediated by management strategies and the nature of the workplace culture.\textsuperscript{10}

With many FIFO operations in NSW and other minor resource States now choosing to bypass major mining centres such as Perth for fear of their staff being poached by rival companies at the airport terminal, effective, high functioning regional service centres are becoming more relevant to companies amidst intense labour competition.

**Individual**

FIFO rosters come in varying patterns however FIFO patterns that approximate an even amount of time at work and at home appear to result in greater retention rates than other rosters\textsuperscript{11}. The lowest level of employee turnover stated in the literature is a 9/5 FIFO roster as this enables miners to be home every second weekend. However it should be stated that high employee turnover is not a symptom of FIFO or a rejection by professionals of FIFO but merely a reflection that people change jobs for many reasons that are relevant to their personal circumstances. Similarly, low employee turnover does not mean that employees who remain on FIFO for extended periods of time are somehow immune to the social stresses that are associated with being absent from the family home for long periods of time.

Members have observed 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 economic need to work assets continuously has been the driving force behind this in many towns, but the quality of life for town based families has been reducing across the country and often acts as an impediment to choosing to live residually. Many single professionals and minerals families believe that with these rosters and having so much time off in blocks that there is little point remaining in a town especially when they want coastal standards of living.

Members described the advantages of FIFO as having greater access to a broader range of educational, health, social and other facilities in capital cities or larger regional centres for themselves and their families. In particular, those with secondary school-aged children valued the access to a variety of secondary schools. Greater career and employment opportunities for partners and children of FIFO employees are also commonly cited advantages of FIFO. These preferences were based in part on their perceptions that in recent years housing, health, education and other essential services and facilities in many regional towns have not been adequately maintained or

\textsuperscript{8} Beach & Cliff, 2003.
\textsuperscript{9} The AusIMM 2010 Remuneration and Employment Survey
\textsuperscript{10} Beach & Cliff, 2003.
\textsuperscript{11} Sibbel, 2010
provided to residential mining employees. This understanding is based on personal experience, anecdotal evidence, reports in the media and articles in mining publications and the like.

A small number of employees stated that although their preference was to live in a residential town, they had taken FIFO employment to meet various family needs, such as having a spouse who did not want to live in a mining town, meeting a spouse’s career needs, or having a child or caring responsibilities for an elderly parent whose medical issues or specialist care needs could only be met in a capital city. Thus, although it might not be the preferred option of all family members, FIFO employment did provide mining families with flexibility to meet career and family needs in a way that might not otherwise have been possible.

The ease of changing employers that FIFO provides was also perceived as helping to shield families from the cyclical nature of the minerals industry and the often devastating effects of the “boom and bust” cycles. Being engaged on a FIFO workplace arrangement meant the employee could change jobs with minimal disruption to, and stress on the family. Many professionals feel that having a capital city as a base means that if the mine closes then there is no impact on the professional’s family and the need to relocate. Professionals also state that being open to the idea of FIFO employment means that they have more employment opportunities, thus further protecting them and their families from the cyclical downturns experienced in the minerals industry.

Gender plays an important part in the FIFO debate. Too often commentaries neglect the fact that more and more women are pursuing a career in the minerals industry, often on a FIFO roster - although most female minerals professionals do not regard FIFO as a long-term work option. Issues that affect female professionals operating on FIFO and residing in regional towns include little peer female contact, lack of privacy, maintaining appropriate boundaries with male work colleagues and coping with discrimination and harassment. Female professionals that are best able to moderate the negative aspects of FIFO are those that are open-minded, independent, sociable, resourceful and determined to reach one's goals. Companies that largely employ residential workforces have more capacity to employ and retain female minerals professionals.

In general, FIFO workplace practices discriminate against anyone who has caring responsibilities which is more often females. Very few female FIFO employees have young children as it is not usually that easy to leave your child with a carer for several days on a regular basis especially without very supportive partners and family. FIFO professionals with young families report a high degree of impact on normal family life particularly associated with the division of household labour and child care. Restricted access to childcare (expense and limited to working mothers), limited spousal employment opportunities and a sense of alienation from the community was also reported as an issue for families living in regional centres.

**Well-being**

Professionals who choose FIFO working arrangements attempt to balance the difficulties associated with their careers and the reported added stresses that FIFO places on families. Industry criticisms of FIFO largely come from the professionals themselves and their families and are aimed more at the working hours and time spent away from home rather than the argument relating to where the minerals professional resides.

While longer working hours are definitely a feature of FIFO practices, many who chose FIFO report that they are happy to work longer hours in exchange for extended periods at home with family when they are away from work. These FIFO employees valued the advantages of extended periods of leisure and the relatively high earnings, as well as their families' continued access to services, facilities, families and friends.
Trying to maintain the balance between family and work has been shown to impact on several domains including the psychological wellbeing of personnel, job satisfaction, turnover and intentions to turnover and family relationships. These impacts have been found across the range of employment types including blue collar workers accounting and other professionals and managers, in the police force, nurses, engineers, teachers, retail, female administration staff, married male naval personnel and health care workers amongst others.

FIFO also plays an important role in allowing minerals professionals to continue in caring roles be it their own children, for elderly parents or children/adults with a disability. FIFO enables this function to continue. Access to quality and resourced aged care and disability services is limited in rural or regional areas.

Literature shows that mining professionals and their families suffer more psychological stress related to social isolation, boredom, climate, the transient nature of towns and their atypical populations, alcohol abuse and other relationship issues, however these levels are the same for those that engage in FIFO or who reside locally. Research also suggests that an employee’s absence from home, combined with the repeated entry and exit from the family can overload the partner at home and isolate the miner on site.

Whilst there is evidence to support the notion that there are added stresses associated with FIFO rosters, there is also evidence which refutes this as being the norm. Research shows that, many families, despite being exposed to risk factors of parental absences associated with hazardous employment conditions; did not experience significantly higher levels of depressive symptomology, anxiety or family dysfunction than non-FIFO families.\(^\text{12}\)

There is evidence that people remain in FIFO employment for differing amounts of time and for different reasons.\(^\text{13}\) A recent survey of AusIMM members who are FIFO employees found that while they did not necessarily dislike the FIFO lifestyle, over time it “wore them out” and FIFO workers will leave a position if the FIFO roster is too long.

**Relationships**

The majority of research conducted on work and home lives of FIFO employees has focused on the negative side of work-family conflict. There have been substantial changes to the structure of Australian families over the last 20 years. Few studies have investigated other areas such as how different work and family roles can benefit each other, the interactions between work, families and communities including the impacts on social networks, social cohesion and social capital or the work family interactions for single parents, single individuals or minority groups such as women in mining.\(^\text{14}\)

FIFO is deemed most appropriate for single individuals or professional couples with no family responsibilities and no issues sustaining two different home towns for extended periods of time. There also has not been much consideration given by FIFO opponents to the relocation of single professionals to small isolated communities where it is unrealistic to expect family, friends and support networks to relocate with them. Sometimes it is these young people who are most in need of a stable environment and end up finding themselves in difficult situations that have the potential to ruin promising lives.

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\(^\text{12}\) Sibbel, 2010.
\(^\text{13}\) Beach & Cliff, 2003.
\(^\text{14}\) Sibbel, 2010
There are benefits and negative side effects for all FIFO workers. The benefits are that they can choose to travel home to a more culturally diverse and better serviced community. The worker may be able to better disconnect from the work environment because they get a longer duration at home away from work pressures than residential workers. Negative impacts can include an even unhappier spouse because their partner is rarely home and worse, never home when things go wrong.

Overall there is no substantial evidence to suggest significant differences between the general and physical health, levels of chronic fatigue, and perceptions of availability of social support from work colleagues, family and friends between residential and FIFO workers. One research study found evidence of greater use of more effective and positive coping strategies by FIFO workers. This group also recorded healthier lifestyle habits, had greater levels of physical activity, lower caffeine and tobacco consumption, as well as lower risk of harm from alcohol in both the long and short terms. However, compared with residential workers, the FIFO employees reported higher levels of sleep disturbance and disruption to their social and domestic lives.

Remuneration

The 2010 AusIMM Employment and Remuneration Survey showed that there is a significant difference in mean income between those that choose to FIFO and those that live near regional mines across all responsibility levels with FIFO employees earn on average $8,600 more in salary alone (max $15k, min -$4k). Similarly, those living in working capital city based offices compared to those living and working regional centre offices earned on average $13,000 more in salary (max $45k, min -$8).

Given the disparity in living costs in regional towns many AusIMM members expressed difficulty in choosing to live in an area that will disadvantage them financially and where they have limited access to services and support structures.

The AusIMM members believe that mining professionals are highly adaptable and will make sacrifices if it is of long term benefit to them.

\cite{Sibbel, 2010}
3. the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;

**Services & Infrastructure**

Whilst it is common for companies to be cast in the role of being solely focussed on profits, the majority of companies are equally concerned about the legacy they leave behind at the end of a mining operation when it becomes no longer viable.

Historically, there are numerous examples where regional and remote settlements dependent upon mining have suffered long term decline due to exhaustion of the mineral deposit or related global factors. Caution must be taken when attributing causal factors for regional decline. Whilst the increasing utilisation of FIFO working arrangements may play a part in some regions, it is rarely the sole or major contributing factor to such decline.

The adequacy of local government funding in many FIFO mine areas is not sufficient to ensure that local governments are able to deliver services that are required in prospective residential towns. The standard and availability of housing in regional and remote communities is a severe limiting factor in advocating for restrictions to be placed on any FIFO operation.

Forcing a move towards residential workforces without adequate examination of ways in which capacity of regional businesses, health, education and recreational services can be enhanced to maximise the opportunities in regional areas is poor practice. The first priority of government must be to explore options relating to enhancing the attractiveness of regional centres as a residential base for families.

There is a reported view among regional development councils that the increasing use of FIFO in resource projects in regional areas represents a loss of real and potential benefits to regional communities. Failure to fully understand the regional impacts of a proposed project prevents government, community and project proponents from developing and implementing strategies that would result in better regional outcomes without negatively affecting the mining operation and allow for forward planning to address possible bottlenecks and shortcomings.

Partners of mining professionals more often bring with them valuable skills to regional economies. However the focus on partners being teachers, nurses or unskilled and therefore can fulfil lower paid employment such as in hospitality, does not recognise the growing number of women in mining or different career opportunities available to partners in more populated areas. It should not be assumed the miner is a male and therefore the spouse female. Such idealised roles demonstrate the lack of understanding of the use of FIFO as a labour practice and the needs of mining professionals and their families.

In some mining areas, FIFO is the only option as there is no community to support the operation. In areas where there is (or was) a supportive community, any reliance on FIFO employees in lieu of residential workers will affect the sustainability of some regional communities. Atypical work patterns of any workforce reduces the viability of government or private sector provision of human services as well as reducing the viability of the volunteer organisations that frequently provide these supports in lieu of governments especially in rural and remote communities.

A decline in medical and educational services can be viewed as both a cause and effect of the move away from residential workforces. If the services in a regional community are inadequate or poorly provided many minerals professionals cannot be attracted to work without the option of a rostered commute. If people are not permanently residing in a town, the medical services are used for emergencies only and not for general family care and specialist medical treatment is non-existent. Instead of businesses in these remote or regional centres catering for families and a variety of
shopping needs, the only businesses do well are the motels and the pubs. Recreational facilities fall into disrepair because people on a roster do not tend to join the local sports groups. Sporting groups fail to attract participants e.g. football teams. Community groups like Rotary, Apex and the like fail to attract members and their good work falls by the way.

Where some regional councils take steps to stop FIFO operations by limiting housing approvals, this further intensifies already strained relationships. The stance on the provision of “family friendly” accommodation will not necessarily achieve the goal of developing more sustainable mining communities as it is not representative of the demographics of the Australian minerals industry.

In addition, the focus by some regional councils solely on the negative aspects of FIFO draws attention away from the communities and regional centres that are successfully working with industry to provide positive outcomes for residents and minerals professionals. Most companies are interested in doing what is right for the long term and promote greater interaction between staff and the community. Some companies are beginning to promote incentives for mining professionals who chose to relocate and live in towns near mining operations.

Community well-being

Mining professionals who choose to be part of a residential workforce, like residents of any community around Australia, are involved in their communities to varying extents. Whilst a residential workforce does theoretically provide regional communities with access to different community leaders, volunteers and community participants, it is naive to believe that simply because you live in that community you have a strong sense of belonging or that being a residential worker reduces anti-social behaviour within that community. The long shifts and atypical workforce patterns of mining professionals often precludes them from volunteer or community support roles anyway.

There has also been a tendency to attribute a wide range of problems to FIFO. The image portrayed in media of FIFO leads to a tendency to attribute all problems to it when in reality the issues are more complex and there are many other influences on people’s lives and wellbeing such as stage in the family life cycle, availability of social support or the presence of pre-existing issues. Both residential and FIFO mining lifestyles offer different benefits and challenges to the wellbeing of employees and their families depending on their particular needs at different stages in their lives. For example, FIFO allows access to a wider choice of education and health facilities for families with school aged children, while residential employment allows parents to be home every night and share in the achievements of daily events like “first steps” of babies.

There are also a number of community positives of residential workforce. These include: population growth and diversification; increased financial support in towns; increased land and property values; education in communities; improved service levels; infrastructure improvements amongst others. Whilst the perceived negatives include: increased population turnover attributed to concerns about culture changes with increased mining employment keep that population growth is usually associated with atypical growth (e.g. age and gender issues).

Community residents that are not accustomed to living near mining operations often associate FIFO with a decline of community organisations, lack of integration with the community, criminal and anti-social behaviour, unhealthy work practices, family stress and breakdowns, substance abuse and an increase in motor vehicle accidents.

\[16 \text{ Sibbel, 2010}\]
The lack of interaction and integration between permanent and temporary residents contributes to an “us and them” attitude among some permanent residents. Yet some also believed that locals did not give mine workers a chance to integrate. Many members have shared stories of business owners welcoming a contract to service the mining industry on one hand and then disparage FIFO workers on the other. The problem for the business owner is that cashed up FIFO workers don’t spend any money at the local businesses as they are provided with food, accommodation and other facilities.

Too often FIFO workers are not seen as being part of the community. FIFO and DIDO have the greatest impact on communities and residents where the itinerant population outnumber the permanent population. In some cases where this occurs, this makes the regional community more attractive to temporary residents.

Opponents of FIFO express concern that the impact on regional communities is a lack of economic and social value to regional areas. However FIFO operations enable the development of non-traditional regional resources and services that would not be economically viable such as regional aviation operations in the event that a residential workforce was in place. Mining operations provide significant employment in regional and remote areas and remain one of the biggest Indigenous employers in Australia.

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

The increased use of FIFO operations in remote and regional operations has influenced the pattern of economic growth in Australia, the most rapid growth being shown in areas where FIFO workers are predominately based e.g. coastal areas and capital cities. FIFO enables mining families to access all the essential elements of a modern Australian society without the need to compromise on health, education, social, recreational and retail services that can occur in rural and remote towns and regional centres.

The increased ability to access FIFO arrangements has provided profound improvements in the quality of life for large numbers of mining professionals and their families whilst also having significant detrimental effects on some family relationships and professionals’ social and emotional wellbeing.

It is acknowledged that many FIFO workers who work long shifts for extended periods of time go home exhausted, spend a week recovering, and then go back to work. In these cases it in not surprising that family life can suffer. One of the biggest negatives to FIFO is that the families left behind and with no comparison of living in a regional town, can build up resentment against the mining industry because of the disruption to family life. This can further aggravate the divide between metropolitan and regional Australia. Future generations have the potential to develop a strong dislike for the mining industry just when the industry needs them to be enrolling in increasing numbers in minerals-related disciplines. Families that live in regional mining towns tend to have a greater appreciation for how important mining is to Australia and to the community at large.

The economic side effect for regional communities in the use of a FIFO workforce as opposed to a residential workforce is the additional local spending associated with a residential workforce and the opportunities this creates. Whilst FIFO may limit economic opportunities for some inland regional communities, FIFO arrangements have been reported to have important benefits for the tourism market, particularly coastal Queensland.
5. **long term strategies for economic diversification in towns with large FIFO/DIDO workforces;**

The tendency for government and regional communities to focus on the mining industry’s role as an economic driver and provider of raw materials for development of present and future generations is expected. However whilst industry delivers many important regional, remote and charity supports, the perception that the minerals industry, more than others, should negate business needs in favour of increased community-based, industry-funded initiatives is not reasonable nor the core responsibility of industry.

Expected economic benefits from residential workforces have rarely met Local and State government expectations in the past. Multiplier effects that many hypothesise are often smaller than anticipated and demonstrate the lack of understanding by local governments of the needs of mining professionals and their families. The perception that FIFO arrangements magnify this effect is not supported by evidence.

While some towns may experience less economic and social disruption than others, history shows that few towns will be able to use the current mining boom to leverage other economic development opportunities that might provide additional insurance against welfare dependence in their region. FIFO workers could offer significant benefits to local economies and help shield them from the downsides of the boom and bust cycle.

FIFO workplace practices can be utilised as a mechanism to manage population growth in regions, reducing the impact of the boom and bust cycle, ensuring house price stability, the availability of adequate infrastructure and prevent local economies stagnating because of a drop in the number of mining workers living in the town.

In order for regional centres to be attractive destinations for mining professionals (and their families) to live, the town must have the capacity to provide options and opportunities for local people and families of mining professionals. Much focus has been placed on the mining company developing their reputations in order for the community to accept them and their workers in their town. However it can also be argued that the town should also aim to improve its reputation and attractiveness to mining professionals and their families.

FIFO provides opportunities for jobseekers living in communities where there are few other local employment opportunities, thus contributing to the economy of those communities as well as the communities at the mine sites. FIFO is also appropriate for construction and expansion projects that initially require large numbers of people for a limited period of time.

The attempt by governments to strategically plan expansions of existing communities to meet the needs of future mining residents has been shown to foster a greater inclusiveness and community spirit among residents and attract services.
6. **key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development;**

It must be recognised that mining is a cyclical industry. Employment needs fluctuate over time and is related to the different stages in the life cycle of mines as well as fluctuating commodity prices and export costs.

Similarly, the misalignment of having technical, administrative, OHS and training departments on a calendar aligned roster and work crews on something other, can create issues with the consistency / regularity of training applied across all crews.

The setting of targets and quotas has proved mildly successful among mining companies that have set hard targets for Indigenous employment within their own and contractor employees. Similar targets are being set for women in mining. Whilst setting a target for percentages of employees living in regional towns may appear tempting, any labour target setting is likely to be cost-prohibitive for many small to medium enterprises.

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

**Housing**

Permanent housing stocks in towns close to mining operations are notoriously over-priced and whilst the perception exists that miners earn more money than other industries, the cost of rental properties means that it is difficult for anyone to afford to rent a property and live locally without entering into a share house arrangement. This inability of residential towns to generate enough housing to underwrite human services and other facilities undermines the desirability of the town to possible permanent residents. Affordable housing is a common factor identified by minerals professionals and their families that would encourage them or other families to stay longer in the area.

Research suggests that local residents of mining towns believe that housing for mining professionals is a mining company responsibility whilst the government should provide more housing in residential centres for local residents to meet housing demands. While companies once saw the provision of social infrastructure in regional centres as essential to attract workers and minimise industrial disputes, volatile commodity markets and tax regimes that limit the company’s ability to provide non-salary benefits have justifiably reduced their willingness to invest as much in town centres and shoulder responsibility for their governance.

The failure to provide adequate housing for prospective permanent residents locks communities into two socially negative feedback cycles. In existing towns that are expanded to accommodate mine workers, history shows that the capacity of unskilled and semi-skilled miners to earn more money and occupy better housing than non-mining residents has created resentment and conflict in the past.

Housing arrangements within communities near a mining operation, remote or regionally based, are associated with the inherent difficulties of high population turnover such as most professionals only planning to stay 4-5 years and the demographic imbalance e.g. a gender imbalance and an age imbalance. Limited services and amenities and limited opportunities for economic and demographic diversification also influence high population turnover.
Services and Infrastructure

There needs to be a national framework to address the issues around mining development and workforce planning over the next century. FIFO workplace practices will remain for years, making this inquiry a vital opportunity to ensure any negative impacts for communities and minerals professionals are limited in the future. Physical infrastructure and recreational services within regional towns near a mining operation are largely under serviced, especially in terms of human services.

Most young professionals prefer FIFO so they can live in a high population area with a broader range of entertainment and recreational facilities and proximity to family supports. An example provided by one member showed that their mine site used to have 50/50 residential/FIFO, with residential people being allowed to relocate to the coast after three years. Now at the end of the mine life with few new residential employees the ratio is 80/20 FIFO/residential – minerals professionals, especially young professionals are voting with their feet!

Health and specialist services available in regional towns are very limited whereas FIFO families have full coastal services and workers have access to nurses on site. Any influx of people to a regional area will affect the provision of human services, particularly medical services, in that area and affect the level of service provision to permanent residents.

Members report that being on a waiting list for around 2 weeks to see a general practitioner (GP) is not uncommon. Residents who need to see a health specialist must fly to the coast (or capital city) often taking 2 days of sick leave for one appointment which would only be 2 hours for a FIFO person off roster.

This is not unexpected as rural and regional Australia also has a shortage of GPs. The influx of many new patients means that regular patients will have to wait longer for appointments and too often regional services will not be able to offer same day service as they have been able to in the past.
8. strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry;

Having the current choice of FIFO and residential employment was valued by members and this is directly linked with their satisfaction with the FIFO lifestyle. Some members explained that they would only ever “do” FIFO and never consider residential employment. Some members reported that having grown up in a mining town, they don’t want to live in another small regional town again! Where others report having greater personal satisfaction when living in a regional town that is closer to where they work. Others reported that having bulk days off at one time as afforded on a FIFO roster make it very difficult to go back to only having weekends off. While others again, were more likely to move between FIFO and residential depending on their needs at a particular time.

**Having the choice was the most important aspect to members**

The choice between FIFO and residential employment was particularly related to employment opportunities, life stage and access to material and psychosocial resources for individuals and their family members. Some employees wanted to conserve their financial resources and not waste the advantages of the good income believing it was more expensive to live in a mining town than in a capital city.

The reduction of roster cycle lengths to non-calendar aligned arrangements (4 on / 4 off, 5 / 5, 6 / 6 etc.) is perceived to create better work-life balance as members report that “it is much easier to plan your weekends with family when you know you’re home every second weekend”.

Women should not be a rare commodity in the mining industry but unfortunately they still are, especially in FIFO workplace arrangements. While there may be many women on FIFO rosters that do not have children, these women rarely return to the mine site after maternity leave. This is in part due to the need to leave the child for extended periods of time and due to the high effective taxation rate and out of pocket expenses related to childcare which does not encourage females to return to paid work after having children.

As stated previously, women are typically the caregivers in families, be that for children or elderly parents. The Commonwealth government must support the development of affordable 24/7 childcare facilities and recreational facilities to regional workers and FIFO employees. The government must remove fringe benefit tax on employer-provided childcare centres. Where such centres are not available, the childcare rebate must be extended to alternate forms of child care such as the use of nannies. Where both parents in regional Australia are in full-time employment, 100% of the costs of childcare should be tax deductible. In addition the childcare rebate cap should be removed or increased to reflect the increased costs associated with the provision of child care around Australia.

The Commonwealth government must consider taxation incentives to offset the additional costs of living in the regional areas. Both state and Commonwealth governments must consider the release of affordable land in the regional areas, with tax incentives to offset the additional cost of construction in these areas.

State and Commonwealth governments can also play a part in minimising the costs of relocation by introducing tax and financial incentives for families to relocate to the regional areas where employment opportunities exist. Existing state based regional tax allowances need to be reviewed to more accurately reflect the additional costs of living in regional Australia.

Through the leadership of COAG, State governments must review the adequacy of community supports available for families affected by FIFO and resource these communities accordingly. All levels of government have a role to play in ensuring regional infrastructure is of the same level as metropolitan Australia.
9. potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce;

See ToR 5

10. current initiatives and responses of the Commonwealth, State and Territory Governments;
    and

Previous government policies favoured the construction of single company towns even when existing towns were located in close proximity to new mines and a new pattern of development emerged that included the expansion of established agricultural service centres and mining towns alongside the construction of purpose built towns.

Many within the minerals industry are heartened by government action to seize potential benefits from the resources boom at the local community level. However it is widely believed that more can be done to address pressures placed on social infrastructure by the mining boom through sustainable development at the local government level. Long-term infrastructure is the key to making regional centre more desirable to mining professionals.

11. any other related matter.

Mining Family Matters is Australia’s first online mining community. They have released “The Survival Guide for Mining Families” that offers practical tips and professional advice from a registered psychologist. Go to www.miningfm.com.au.
References


