



From: Smith, Cheryl
Sent: Friday, 27 July 2012 4:10 PM
To: Committee, RA (REPS)
Subject: The Standing Committee on Regional Australia
Attachments: Submission Drive in Drive
Inquiry into the use of fly-in, fly out drive-in-out workforce practices in regional

Attached is a submission from Singleton Council and the relevant Council Resolution.

If you require any further information please contact our General Manager, Lindy Hyam,

Thanks

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Submission Fly-in Fly Out/Drive-in Drive Out

The Hunter Coalfields is the largest coal producing area in NSW with 4493 million tonnes or 39% recoverable coal reserves. Of saleable coal sourced from this area, around 80% is exported. Singleton accounts for 70% of the mining jobs in the Hunter region. Operating in Singleton Local Government Area are 16 coal mines.

In 2008/09 99.32 million tonnes of raw coal production and 69.24 million tonnes of saleable coal production are sourced from mines within the Singleton LGA (Buchan Consulting 2011).

Singleton Local Government Area enjoys a young skilled labour force of 12 346 along with one of the lowest unemployment rates in NSW at 1.1% (DEEWR 2012). Singleton also has a higher than average weekly individual income rate of \$642 (ABS 2012) compared to NSW average of \$561. Power generation, agriculture, military and tourism/viticulture are other key industries contributing to the local economy of Singleton.

The growth experienced in the mining sector has been accommodated by some increased recruitment of local residents, but mainly by a major increase in the mobile workforce, who commute from areas in the Lower Hunter (or from further afield with some who stay in the area during their shift periods). There is major competition for skilled labour in these areas and this is impacting on other industries that cannot pay the wage rates that are offered in mining.

Direct Employment in Mining: Upper Hunter Region LGAs (Employed Residents and Working Population)

Industry	Singleton		Share of Upper Hunter Region
	Employed Residents	Jobs	%
Mining, nfd	104	153	67.1
Coal Mining	1705	3293	70.2
Oil and Gas Extraction	8	6	40.0
Metal Ore Mining	9	13	19.1
Non-metallic Mineral Mining and Quarrying	11	14	26.9
Exploration and Other Mining Support Services	224	315	70.6
Total	2061	3794	69.0

Mining Employment by Occupation Group – Estimates 2006

Occupation	Singleton
Professionals	
Total Mining Related Professional Jobs	398
Trades Persons	
Total Mining Related Technician and Trade Worker Jobs	2371
Machinery Operators and Drivers	
Total Machinery Operators and Drivers Jobs	2723
Labourers	
Total Mining Related Labourers Jobs	442
Total Mining & Related	
Total Mining & Related Jobs	5934
Total Jobs in LGA	12367
Mining & Related Jobs as % of Total Jobs	48.0

Mining and Mining Related Employment Estimates 2006

Industry	Singleton Jobs
Mining	
Mining nfd	153
Coal Mining	3293
Oil and Gas Extraction	6
Metal Ore Mining	13
Non-metallic mineral mining and quarrying	14
Exploration and other mining support services	315
Total Mining (Direct)	3794
Mining Support Activities (estimated mining related jobs)	
Chemicals	75
Metals & Engineering	230
Heavy Construct & Services	201
Machinery & Equip Wholesale	65
Road Transport	166
Equipment Hire Services	56
Professional & Technical Services	257
Maintenance & Repair Services	268
Other Services	265
Totals Mining Support	1583
Total Mining and Support	
Direct Mining	3794
Total Mining Related Jobs – Support	1583
Total Direct & Support	5377
Total Jobs in LGA	12368
Total Mining Related Jobs as % of total jobs	43.5
Direct Mining %	30.7
Mining Support %	12.8

Employment in Mining: Upper Hunter Region (Working Population) 2001 – 2006

Singleton		
	2001	2006
Mining		
Mining, undefined	66	153
Coal Mining	2775	3293
Oil and Gas Extraction	0	6
Metal Ore Mining	3	13
Other Mining	11	14
Services to Mining	57	315
Total	2912	3794

Commuting to Mining Jobs

A major issue is the extent of commuting to jobs located in Singleton. In 2006, in Singleton there were a total of 1733 persons commuting to jobs in mining. These commuters mainly came from other adjacent LGAs in the Upper Hunter and from the Lower Hunter. The figures now would be considerably higher.

The mines generally have a policy of local recruitment (meaning the Hunter Region) for operational workforces. For example BHP Billiton has a local recruitment policy, with 80% of employees being recruited locally. The pattern for construction workforces is different, with 20% of the construction workforce usually recruited locally and 80% being from outside the LGA. (Buchan Consulting 2011)

As the 2011 Census Data has not yet released employment related statistics, we are still comparing 2006 census data for employment at the mines.

Of the 3794 people employed in the mining industry, 1924 (ABS 2006) have their place of usual residence in Singleton, in turn seeing 1870 mines staff travelling from other areas to work within the mines in the region. 30.7% of jobs in the Singleton LGA are mining direct and 12.8% mining support, therefore 40.5% of jobs in the Singleton LGA are mining related (Buchan Consulting 2011).

Commuting to Jobs in the Region

Location	2006 Mining Jobs	2006 Employed Residents	Difference Commuters (Employees Living Outside the LGA)	Jobs in Transport (Mining Related)	Jobs 2006 Mine + Transport
Singleton	3794	2061	1733	194	3988
Muswellbrook	1522	1097	425	113	1635
Other UH Region	184	654	-470	15	199
Total Upper Hunter Region	5500	3812	1688	322	5822

Mining Jobs and Residents Employed in Mining – Lower Hunter 2006

LGA	Coal Mining Jobs	Total Mining Jobs (includes Coal)	LGA Residents Employed in Mining	Difference (Jobs – employed residents)
Maitland	138	337	1183	-846
Cessnock	229	286	1384	-1098
Newcastle LGA	37	232	597	-365
Total	464	855	3164	-2309
Coal industry profile – shows mine employment in the above areas 2006		1514		

References: Buchan Consulting 2011 – Economic Diversification Report

Drive in drive out – road safety and stress on infrastructure

With the increase in mining activity comes significant pressure on Singleton’s infrastructure as approximately 35% of mine employee’s work and live permanently in the Singleton area, the majority of the remainder utilise Singleton’s infrastructure without contributing through rates to the local economy. This pressure manifests itself most noticeably in traffic congestion but also independent reports related to drive in drive out have identified health issues such as:

- Increased stress levels and health conditions including stress, depression, excess drinking, obesity and recreational drug use, and
- Car accidents resulting from fatigue symptoms.

The extent of traffic through Council’s main streets results in congestion and bottlenecks for traffic passing through Singleton. The congestion results in lines of traffic kilometres long in the early morning and evening. In between, large vehicles servicing the mining industry pass through the main street. Audited capacity levels are exceeded on some inner town roads by as much as 40% over recommended carrying levels.

Local versus regional traffic adds to the burden on local and residential side streets as drivers seek to avoid the congestion. For example rural local roads such as Glendon Road and Hermitage Road have become alternative routes to the New England Highway due to the highway congestion. Since 1998 traffic on Glendon Road has increased by 98%. A number of suburban streets have also become short cuts as the travel time along the New England Highway through Singleton becomes slower and slower. Once quiet local streets have become heavy traffic

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thoroughfares. The congestion coincides with the mine shifts in the mornings and afternoons.

Speeding and significant impacts on alternate routes are not limited to Glendon, Elderslie, Stanhope, Hermitage, Broke and Wallaby Scrub Roads. Congestion, accidents and near accidents occur as vehicles enter the New England Highway at the T intersection of the Golden Highway.

Increased traffic and travel times directly result in loss of productivity for all the mines as deliveries are scheduled outside these hours. Another direct impact is the stress caused to drivers and pedestrians. There are also well documented safety issues from fatigue and the direct conflict between small and large vehicles.

Traffic surveys have revealed mining related traffic on local roads traveling at high speeds. For example Nelson St Broke mine related traffic is recorded travelling at 100 kph plus in a 50 kph zone a number of times during morning and afternoon peaks.

Council's hard and soft infrastructure have increasing demands placed upon them due to the mining activities in the local government area. Council's ability to meet these demands is currently very limited even with normal usage. The impacts of the mining industry on for instance roads, bridges and community assets are amplified by the type and intensity of use.

With vehicle numbers having doubled in the last ten years on some local roads due to additional mining related traffic, greater wear and tear on the roads and increased maintenance costs are evident. For example local roads are usually resealed every 10 to 12 years. Due to the high wear these roads will require resealing or full rehabilitation well before the scheduled time.

High travel speeds on local roads in recent years as mine related workers travel the back local roads to avoid highway congestion leads to Council being called upon to do additional upgrade work to resolve traffic safety issues. For example Singleton Council is planning a \$2.2m bridge upgrade on Glendon Road in 2012 as part of these works.

Other Related Issues

It is noted through recent processes of consideration of applications for expansion of mines that the application process does not adequately address the broader community benefits which should be provided to offset the economic, social and environmental impacts of mining. An economic assessment of the local socio-economic impacts should be carried out as an essential element of the proposal. This is necessary to establish the net cost of mining to the community. These studies should have a focus on the impact on the local communities including the drive in/drive out impacts while also considering regional impacts where relevant.

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Housing and Accommodation

Singleton is currently suffering from a critical permanent and temporary accommodation shortage, primarily as a result of the mining boom and associated activity in the area. Current estimates indicate that the demand requires approximately 300 additional houses per year.

The lack of affordable housing is an increasing problem in Singleton with more and more people unable to purchase a home, find an affordable rental with some now homeless. With the increased cost of purchasing a property there is evidence of an increase in people living in financial stress, which increases the use of services by those in our community as well as placing increased pressure on relationships and families. Unlike mining towns in Western Australia and Queensland, mining companies are not constructing accommodation in Singleton.

There are a number of mining expansions which are in various stages of approval, which will only exacerbate the housing stress and place further pressure on Singleton's social and support infrastructure.

There is good availability of land in Singleton, however a greater diversity in the range, size and cost of housing needs to be addressed to better meet the needs of the community. These changing demand patterns such as smaller/single occupant dwellings will be addressed in the soon to be commissioned Singleton Housing and Accommodation Strategy.

The current shortage of housing is continuing to increase the cost of housing making affordability a significant issue. Singleton's temporary/short term accommodation, such as motel, hotel rooms and caravan parks, is operating to capacity most of the time including providing shift accommodation for drive in drive out workers which results in very few options for accommodation being available to people for tourism and conference events or/for conducting normal business.

Between December 2001 and June 2007, the proportion of dwellings affordable for purchase to households, at the 40th percentile of median income in Singleton declined from 21.2% to 4.8% (compared to 18.8% in the rest of NSW and 2.2% in the Greater Metropolitan Region at June 2007).

There are reported examples in and around Singleton of miners hot-bedding, living out of their vehicles or travelling great distances to and from work. This is an unacceptable situation when Council and the mining companies consider the consequences of such situations.

Additionally with the increased popularity of short terms accommodation in dwellings by multiple miners feed-back from the community identifies a loss of socialisation within the communities within Singleton.

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The loss of community manifests itself in the recreational activities mine workers can actively engage in as participants, observers or coaches. These restrictions result from the shifts being worked and perhaps alternating and the inability for mine workers to commit to participation in these activities in a regular way.

The loss of recreational activity affects not only the mine worker but also impacts on their family's ability to participate in activities.

In addition to loss of personal participation and volunteering for recreational type activities there is also the loss to community service and volunteer organisations. The declining support also adds further pressure to those already volunteering to maintain an organisation and serve our community.

Cost of living

The perception is that the cost of living in Singleton is higher than the lower Hunter. A significant proportion of the Singleton community has economic links to the mining industry. It is known through Hunter Valley Research Foundation surveys and recent ABS Statistics that the average income level of people in Singleton is significantly higher than other Local Government Areas (LGA's) in the region. The large income of those employed in the mining industry has meant that the Singleton community as a whole often experiences an increase in the cost of living. The cost of accommodation either through mortgage repayments or rent takes a large percentage of the workforce weekly earnings. The cost of other services and food is said to be higher in Singleton than in surrounding areas, with some members of the community traveling to Maitland or Cessnock to do their grocery shopping.

Another indicator of this is the residential sale price trends for the December quarter 2010 as released by the Hunter Valley Research Foundation. This shows the median price for a dwelling to be \$364000 while the median in surrounding LGA's of Cessnock is \$245,000 and for Muswellbrook \$290,000.

This fact only tells part of the story in that the service industry workers are not usually receiving these higher than average wages and are finding it difficult to afford accommodation and services so they are not tending to live locally. Recent press reports indicate that one in four families are suffering financial stress in the area.

Petrol Pricing and the need for families to have two cars is also an additional financial burden.

Social Impacts

Other issues identified with drive in drive out include impacts on family including:

- Family relationship issues leading to increased break-ups and divorce

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- Family disruption and stress
- Reduced social and community interaction by DIDO workers and families
- Feelings of loneliness and isolation

Stress

Living in a mining community can cause stress to both families and to services in the community. Issues outlined above exacerbate stress levels in the community. Increase in health issues particularly asthma has resulted in an increase in use of health services. Mental health services are also highly used in the area. Contributing factors include financial stress and the stress caused by shift work and long hours which all put pressure on relationships and families. The mining industry in Singleton is also contributing to Singleton having more of a transient population. Social isolation and challenges in connecting with new people coming into the community can be issues. Domestic violence is also an issue as are increased alcohol related incidents.



Lindy Hyam
General Manager

LINDY HYAM - GENERAL MANAGER

FOR ACTION

Parliamentary Inquiry into the use of fly-in, fly out drive-in-out workforce practices in regional Australia

Meeting Date: 16/07/2012
Target Date: 30/07/2012
Notes:
File Number: 12/34408

GM30/12 Parliamentary Inquiry into the use of fly-in, fly out drive-in-out workforce practices in regional Australia FILE:03/0057

The Standing Committee on Regional Australia is still receiving submissions in order to prepare a report on the use of fly-in, fly-out and drive-in, drive-out workforce practices in regional Australia. Council’s draft submission addressing the issues was considered.

^{172/12} **RESOLVED** that Council endorse the draft submission on Fly-in, fly-out and drive-in, drive-out workforce practices in regional Australia.

(Gallagher/MacBain)

ACTION TAKEN BY OFFICER
