



This is a Submission to :-

The Committee into the impact of Fly-In/ Fly-Out strategies by Mining Companies on Regional Australia.

By Brian Gaull

This brief and simple submission is my attempt to convey my deep concerns regarding the FIFO practices currently used by mining companies, not only on the Regional Communities of Australia but also on the broader Australian community as a whole.

As a normal Aussie, I have spent quite a lot of time living, working and travelling through regional Australia over my lifetime and consequently this has made me aware of some of the downsides of it. This approach may well be a good solution for the short-term labour shortage at the various mine sites throughout the country, but in the longer term I have witnessed the following broad negative outcomes:

- 1) The “two-speed economy” is immediately apparent as we have the mining employees who have much higher incomes than the rest of the communities in these mining towns.
- 2) Local businesses suffer as the workers bring in most of their personal requirements with them;
- 3) Because the majority of the mineworkers do not spend their time off in these communities there is no opportunity for proper integration as normally occurs.
- 4) Factionalism builds in these communities between the mineworkers and townsfolk due to points 1-3 above.
- 5) Absence of the mineworkers from their families back in other parts of the country has a personal cost which should also be taken into account.

Now taking each of these points in turn, I would like to provide more details:

- 1) We have read many accounts in the media about how rents in the mining towns have escalated to the point where the non-mining sector like teachers and other public servants haven't the means to pay it. This clearly impacts on the service industries like education, police and medical. Of course this would be exacerbated further if everyone started living in the communities. Hopefully the Barnett Government's initiative to build more housing in the Pilbara towns of Dampier, Karratha and Newman will start to address this problem. This needs to be addressed everywhere else if we are to reverse this effect.

Accommodation in Pt Hedland during the 2011 Dry Season was so short that we could not even find room for our Camper Trailer whilst passing through on holidays. We had to stay in a makeshift site at the Golf Club along with numerous other tourists. The conditions there were friendly but over-crowded to say the least. Trying to get a simple tyre repair done in town was difficult due to the one business being stretched to the limit. Of course once our tyre was repaired we had no choice but to leave the town which means the potential tourist revenue was not being harvested.

In 1992 my wife and I were on a similar holiday and we found the town looked cleaner, friendlier and meant, stayed longer and spent more money.

Another obvious economic impact of this practice, which is easily visible in Australia, is the inflated prices of real estate in our cities. Home ownership becomes an almost impossibility for a larger portion of Australians as a direct result of this artificial rise.

- 2) As the mineworkers have their own sub-communities and facilities whilst they are on the job, they have no cause to venture into town to purchase a meal, some food, clothing and other consumables, the local businesses miss out. This is bad economics and has to lead to disastrous outcomes for them.
- 3) I was privileged to be with some people who used to live at the town of Goldsworthy just as it was being dismantled. It was so impressive to see how the people in the community all used to live together and play sport on the weekend as evidenced by the sporting grounds still there. Also, in some of the places, the mine-workers also lived within the towns. For example Newman where the mine employees and other townspeople were living happily together. Historically that is what regional towns were all about and as a consequence this was one of the attractions of them. Happy communities produce happy kids and happy tourists which in turn produce happy businesses.
- 4) Factionalism is a problem in any circumstances. But when something can be done about one of the now known causes of it, it should be. Previously I wrote a letter to our local newspaper called the "Bunbury Mail". I have attached two documents ("Income Inequality" and "WA Crime Rates"). In the first file, I have explained the details of how income inequality can lead to all sorts of problems in the community, like suicide, depression, drugs, alcohol dependence, crime, health problems etc (see attached). In the second file it displays how the crime rate in our state is escalating out of control. I realise that income inequality is not caused only by the inflated salaries in the mining sector but they clearly contribute to it and committee members should be made aware of these effects.
- 5) I have also personally witnessed cases of stress in marriage caused by one of the partners being absent for most of the time. In my own life I witnessed it when I spent time in Antarctica away from the family and ramifications of this persist even today, some 30 years later. It is tragic to see what is happening to the fabric of these partnerships. I don't need to present statistics here as I'm sure they will be available to the committee on websites such as the Australian Bureau of Statistics. We are all familiar with what happens to the kids when the parents separate. It is there for the rest of their lives.

So Committee Members, I appeal to you to think carefully about the overall effect of FIFO in Australia. If I had more time I would like to chase up more statistics for you and show that we must try to reduce these negative elements on Australian society before it is too late.

Brian Gaull

15th September 2011.

File: My Documents/ Letters/ Submission to Parliamentary Committee.docx

Dear Editor,

I am concerned about the escalating violence in our community. Authors Wilkinson and Pickett in their excellent book "The Spirit level" show that this is what is expected when disparities in incomes within the population reach the levels now seen here. They also show that as income inequality rises, levels of anxiety and mistrust also rise. These in turn impact significantly on people's health, happiness and longevity. One doesn't need to be reminded of the resulting societal outcomes of increasing drug-use and imprisonment. We all know how the Health and Law Enforcement costs have been escalating dramatically for decades.

To see if this hypothesis works here in Western Australia I had a look at our crime statistics. You can check my figures at the following site:

<http://www.police.wa.gov.au/Aboutus/Statistics/Crimestatistics/tabid/1219/Default.aspx>

I found that acts of violence including all forms of assault are on a non-sustainable trajectory of doubling every decade or so (see attached graph). So how do we fix it? Japan, Norway and Sweden have done it through lower levels of income disparity between the haves and the have-nots. They have shown that it is achievable within a market-driven and democratic model. These countries have an enviable track record and I will vote for any politician who stands to work towards achieving this worthy goal.

Brian Gaull

WA Crime statistics

