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*"Regional Centre in Western NSW"*

GW:AJS:M4-9

Mr Tony Windsor, MP  
Chair  
Standing Committee on Regional Australia  
House of Representatives  
PO Box 6021  
Parliament House  
Canberra ACT 2600

**Submission Number: 5**  
**Date Received: 15/9/2011**



15 September 2011

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

Dear Mr Windsor

Cobar Shire Council welcomes your inquiry into the use of fly-in, fly-out (FIFO) workforces in Australia. Cobar Shire currently has three separate mines operating, with a further three likely to open in the medium term. Work on developing two of these new mines for production is well underway.

It is very difficult for Council to ascertain the degree of fly-in, fly-out workforce use in Cobar. Two of the newly developing mines are flying their workforce in at present, one of which uses their own airfield, the other a Council maintained airfield, for which no data is kept that would assist this inquiry. In addition, it is unknown how many people fly in and out of Cobar airport either on commercial or charter flights.

Many of the major contractors in town are flying workers into Cobar. It is expected that the use of a FIFO workforce will increase as the availability of qualified labour continues to fall.

Isolated towns like Cobar will continue to struggle to attract a permanent workforce when there is ample employment available closer to large cities that have far greater levels of infrastructure and facilities to attract families and workers to make it their home. Cobar does not have a high standard of health or education provision which families look for when relocating. Without some of the mining royalty funding returning to towns like Cobar, it is very difficult for Council to increase the level of services and facilities available to attract new residents to town. Governments are not increasing their service and infrastructure provision either.

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

Projected growth in the FIFO workforce in Cobar Shire is unknown, but is only going to increase as more mines come into production and the existing mines continue to develop and expand – thus increasing the demand for all types of labour. While some mines do not use FIFO practices, their main contracting companies, do as it is the only way they can fill their contractual obligations, and these expenses are factored into their tenders for work.

Cobar is in western NSW with mines producing copper, gold, silver, lead and zinc. Mining is the main source of income for the 5000 residents. All mines to date are underground mines, however some open cut type mining will take place in the developing mines. One mine will have a wholly contracted workforce, which are currently being flown in. The other mines have a mix of their own workforce and contractors.

**The effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure.**

FIFO workforces do not value their town, do not become involved in their town and are not integrated into the community. This can have law and order issues, social issues regarding what is often a large influx of men 25-40 years old and the development of an 'us versus them' attitude. Sporting and community groups suffer as they can no longer attract enough volunteers, players or participants. FIFO people are less likely to contribute to the community either with their time or finances, and hence fundraising efforts can also be affected.

Cobar suffers severe water shortages in summer. The water filtration plant operates at a maximum. Only half of our water allocation actually makes it to Cobar (the water travels 200km from the river off-take to Cobar) and the rest is lost en-route. This water allocation is adequate for our usual resident population, let alone the additional pressures placed on water requirements from FIFO workers. The allocation is based on the population data received as being permanent residents. This does not account for the FIFO workforce. More people in Cobar will require more water, further exacerbating the current shortages we experience.

Towns like Cobar have limited medical facilities and an extremely basic hospital. Increases in FIFO workers increase the demand on these services which are already struggling to meet the requirements of the resident population.

**Long term strategies for economic diversification in towns with large FIFO/DIDO workforces**

In order to attract mine employees and their families to relocate to Cobar, it is important to ensure there are good work opportunities for the partner and other family members and good community support for new businesses to become established. Getting mine employees to relocate with their family is preferable to having them FIFO.

Cobar recognises this and has established a local initiative known as the Cobar Enterprise Facilitation Project (CEF). This project is entirely funded by the local community. Some government funding would be fabulous and allow the local management team to focus solely on managing the project and less on fundraising to keep the project going.

CEF has employed an Enterprise Facilitator who is a free and confidential resource for any established business and anyone contemplating establishing a business. He assists would-be entrepreneurs to undertake business planning and goes through step-by-step with them the process of establishing a business and determining if it would be viable. Two of the rationales behind the project are to diversify away from the town's reliance on mining and to increase the business opportunities of family members of those employed by the mines. This is a great model that could be replicated around Australia and Council and the CEF Management Team would enjoy further discussing the initiative with any interested Committee member.

The initiative does rely on community volunteers to drive and manage the project. Like all community initiatives in Cobar it is difficult as the population is very transient due to the nature of mining employment!

#### **Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees**

The shortage of housing locally can be overcome by companies using a FIFO workforce. Rather than housing each person individually, a group house is established, with cross shifts sharing the dwelling. This is the case in Cobar and has seen a large increase in the cost of rentals in town as the cost spread over a large number of people for a contractor is negligible, however other residents cannot afford the ever increasing house rental price for themselves and family.

Group houses also have negative impacts on the community. For instance a large group of people living in what used to be a family home can increase the instance of socially inappropriate behaviour and has negative impacts on neighbours in terms of traffic congestion and noise.

With our developing mines, which are over 100km from Cobar, separate on-site portable accommodation is being established to accommodate the workforce. When this happens, the FIFO workforce will not even come into Cobar town at all.

#### **Strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry**

Cobar Shire Council believes it is critical to find ways to entice families to relocate to Cobar, rather than to focus on a fly-in, fly-out workforce that never participates in the community and has no affiliation with the community. Families are needed to make a community.

Council also believes it is critical that more revenue from mining is returned to towns like Cobar. This will assist Council and government departments to increase facilities and service provision to attract new families to Cobar. Infrastructure includes

improvements to the local hospital and other medical facilities, educational facilities, recreational and sporting facilities and transport infrastructure.

Cobar has been very fortunate in attracting a regular RPT service. There are two daily return flights coming to Cobar direct from Sydney five days a week. Whilst this has assisted local businesses to develop a FIFO workforce, it has also helped to attract more families to Cobar as the city is now very accessible. Many other isolated communities have not been so fortunate.

Council appreciates the opportunity to provide input into the inquiry.

Yours sincerely

Gary Woodman  
**General Manager**