



**Queensland Government Submission to the Commonwealth House of Representatives
Standing Committee on Regional Australia Inquiry into the use of 'fly-in, fly-out (FIFO) and
'drive-in, drive-out' (DIDO) workforce practices in regional Australia**

Executive Summary

The Queensland Government believes that workers should be afforded a choice about where they live and work. This choice can be facilitated by determining if housing for workers and their families can be made available in existing communities during project assessment. The provision of Government infrastructure and services in line with community development and regional planning strategies supports liveability in resource towns. There are immediate challenges in keeping up with rapid growth in emerging resource areas and planning for future downturns.

FIFO is already a way of life for a large number of existing workers in the resource industry – and other sectors. The use of FIFO/DIDO workforce practices in regional Queensland in the resource industry has costs and benefits that can vary according to location, worker preference, corporate practice and community aspiration. The FIFO benefits of wider access to necessary skills and workforce needs to be balanced against the sustainability of towns near resource projects. Resource projects bring substantial economic benefit to the State and communities should benefit from the surge in economic activity.

The Queensland Government's preference is for local workforces to be used where available and FIFO/DIDO to be used where the workforces or skills aren't available locally. Building skills locally and FIFO/DIDO that connects labour sources in other areas of regional Queensland is an important strategy. The recent *Work for Queensland Summit* initiated work to match areas with high unemployment in regional Queensland with resource sector jobs. The outcome of the summit was an agreement for the Queensland Government to host mining and gas jobs expos in Cairns, the Wide Bay-Burnett, Sunshine Coast, Whitsunday and the Gold Coast in October 2011, with the support of local Councils. Representatives of the resource sector also committed to identifying the jobs and skills required immediately and in the longer term and bringing those vacancies to the expos.

The impact of a proposed FIFO workforce on existing communities also needs to be carefully managed. These impacts have mainly been around housing and accommodation stresses. In order to address emerging FIFO impacts, the Queensland Government has put in place strong social impact assessment processes for new and expanded resource projects. This includes the requirement for resource proponents to prepare a Social Impact Management Plan (SIMP) that includes housing and workforce accommodation strategies. The Queensland Government introduced the Major Resource Projects Housing Policy in August 2011 to establish principles to guide proponents in the identification and assessment of housing impacts.

Regional Plans have also been initiated by Growth Management Queensland in areas subject to rapid resource related growth. While planning has been the responsibility of local government, the Urban Land Development Authority is facilitating housing supply in Blackwater, Moranbah, Roma, Mackay and Gladstone to meet housing pressures from growth in the resource sector. At a State-wide level, the Queensland Government is in the process of finalising and releasing the *Queensland Regionalisation Strategy (QRS)* and *Queensland Infrastructure Plan (QIP)*. The QRS aims to grow the regions outside South East Queensland by strengthening regional economies and improving liveability. The QIP identifies the infrastructure that will facilitate and further encourage growth across Queensland's major regional economic zones.

The Queensland Government seeks to work in partnership with the Commonwealth and local governments to coordinate programs, funding and policies which build the capacity and capability of all levels of government to respond to growth and mitigate impacts. These partnerships particularly require Commonwealth Government support.

This submission includes recommendations that the Commonwealth could consider with regard to FIFO/DIDO strategies.

Introduction

The Queensland Government acknowledges and supports the significant contribution the resource sector makes to Queensland's economy, driving growth and job creation in most regions across the State. Recent growth in the Queensland resource sector means that new jobs are increasingly located in the regional and remote areas of the state. Queensland is a highly geographically, demographically, and economically dispersed state. These characteristics present significant and on-going challenges in the development and delivery of the large construction and operational workforces that will be required to deliver the major coal, liquefied natural gas (LNG) and other resource projects already approved or currently going through the environmental assessment process.

To satisfy the demand for labour, many resource project workers are recruited throughout the state, interstate and in some cases internationally. This economic expansion brings additional people to resource towns and regions on both a permanent and temporary basis. Most Queensland regional communities have welcomed the resource boom to broaden their economies and become more economically viable, but this needs to be balanced with building a sustainable future.

The use of a FIFO workforce is not new and has been the practice of many mining operations in regional and remote Queensland for some time. The majority of large metaliferous mining operations in the north-west of the state operate on a FIFO basis through Townsville, Cairns, Mount Isa, the small Gulf communities and Brisbane. A number of these mines operate on a 100 per cent FIFO basis. These 100 per cent FIFO mines include: Cannington, Ernest Henry, Century Mine, Phosphate Hill, Osborne and Mungana.

FIFO/DIDO can allow for greater development of ore bodies that have previously been inaccessible due to remoteness. FIFO/DIDO allows for the skills of workers who reside far from the mine location to be employed in production. Technology has reduced the working lives of mines, as ore bodies that are identified as being economic can now be mined at a rate faster than in times past. This can impact on the economics of building supporting infrastructure to support resident workforces.

The use of FIFO/DIDO workforces in the Queensland mining industry has increased in the last few decades. There has been significant public interest recently, particularly in Central and North West Queensland, about what is seen as an acceleration in the number of FIFO/DIDO workers for mining projects. Feedback from resource communities, industry and local governments indicates that there are two critical issues relating to non-residential workers – 1) the impact of workforces comprising large proportions of FIFO/DIDO workers on the sustainability of towns near resource projects and 2) providing extra accommodation for FIFO/DIDO and other workers and the effects on housing affordability and availability.

The Queensland Government believes that, wherever possible, workers should be afforded a choice about where they live and work.

This choice will vary depending on the location of the work-site and a range of other factors. There are a number of existing operations in Queensland that rely on a FIFO/DIDO workforce due to their location (e.g. Cannington Mine near Mt Isa). In addition, experience has shown that a proportion of resource workers may choose a FIFO/DIDO arrangement over living locally for lifestyle and other reasons. Alternatively, a worker recruited from outside the region of the mine might prefer to relocate and settle locally. The key issue is maximising the opportunity for workers to choose the working arrangements that best match

their needs within the constraints posed by the location, type of project, and workforce requirements.

In this complex environment, industry, community and all levels of government must develop collaborative solutions to workforce development issues that maximise support for economic development activities, protect and enhance the lifestyles and liveability of local communities most affected by the rapidly expanding resource sector, and strengthen regional development opportunities.

Major considerations for all levels of government in considering FIFO proposals include:

- Resource industry requirements for a skilled workforce and the flexibility to accommodate that workforce according to project needs.
- Facilitation of industry and government collaboration to maximise local labour sources and to connect FIFO/DIDO workforce strategies to geographical areas with available labour.
- The Queensland Government's priorities in sourcing labour are to:
 - 1) maximise local workforce participation rates thereby improving local economic and social benefits;
 - 2) consider FIFO/DIDO strategies which connect the project workforce requirements to labour sources in other areas of regional Queensland, which can supply workers directly or over time through targeted skills development programs thereby strengthening regions; and
 - 3) draw suitable workers from interstate and overseas migration as a fallback.
- When exercising flexibility in accommodating their workforces, proponents must consider and mitigate the impacts on communities and infrastructure. Each project will be different but guiding principles include:
 - construction workforces have a shorter length of tenure and specific skill requirements;
 - operational workforces offer more opportunities for local employment and accommodation;
 - locally available labour will be sourced before considering FIFO/DIDO options;
 - the views and growth aspirations of local communities will be included in the development of project workforce strategies; and
 - the FIFO/DIDO workforce needs to be provided with accommodation that is designed to meet their needs, may differ from accommodation for local residents but is of high quality and located appropriately.

In August 2011, the Queensland Government released the Major Resource Projects Housing Policy which establishes principles to guide proponents in the identification and assessment of housing impacts as part of the social impact assessment for major resource projects. The Major Resource Projects Housing Policy covers both the direct requirements of resource project workforces for housing and the broader housing market impacts and provides a consistent way for government to assess these housing impacts. Housing mitigation strategies that are developed during the SIA will be incorporated as Housing and Accommodation Strategies to be implemented over the life of the project as part of the proponent's SIMP.

The Queensland Government has put in place strong SIA processes for significant resource projects. The Social Impact Assessment Unit has been established in the Office of the Coordinator-General to provide a coordinated whole of government response to selected new and expanded mining and petroleum developments. The Coordinator-General and the Department of Environment and Resource Management now require proponents with resource projects subject to environmental impact assessment to conduct a SIA and to

prepare a SIMP. The Coordinator-General also routinely sets conditions, where needed, on social impacts which require mitigation and management. Recent resource project assessments (Caval Ridge Mine, Wandoan Coal Project and three liquefied natural gas projects) have resulted in significant housing impacts being identified and housing related conditions being imposed by the Coordinator-General to be included and implemented in proponent SIMPs. Elements of the SIMP will remain enforceable for the life of the project.

Response to the Terms of Reference

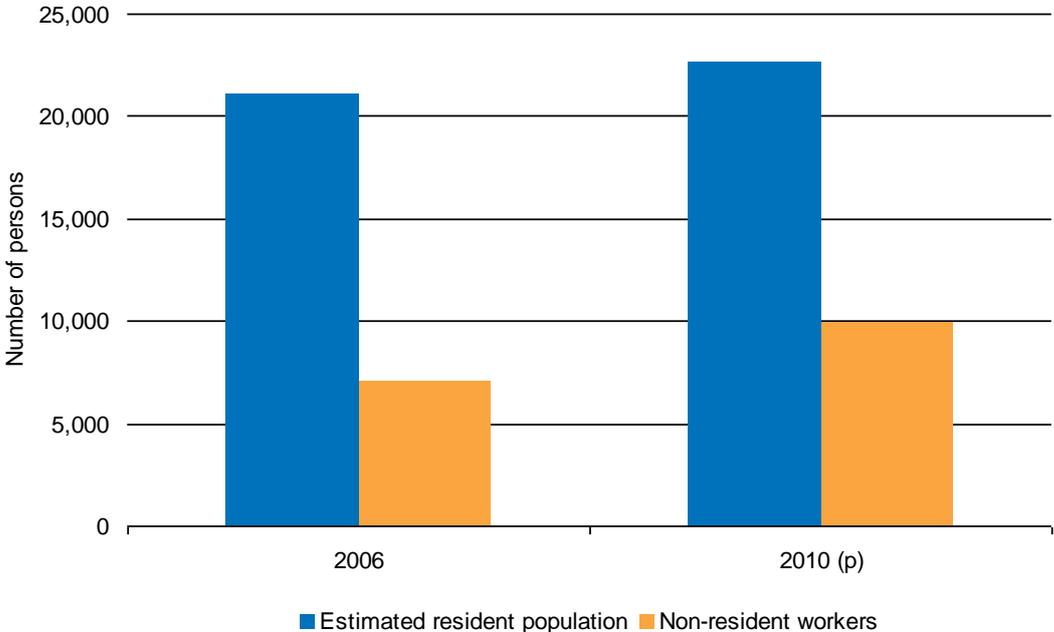
The following section addresses the Standing Committee requests made in the Commonwealth inquiry.

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

Bowen Basin

Recent research in the Bowen Basin by the Office of Economic and Statistical Research (OESR), Treasury Department demonstrates that between June 2006 and June 2010, the Bowen Basin’s full-time equivalent (FTE) population increased by 9,613 people to an estimated 98,452 people (around 15 per cent). This comprised 83,839 residents and 14,613 non-resident workers. Between 2006 and 2010, the number of non-resident workers increased by 3,850. Around 14 per cent of the total population in the Bowen Basin is therefore non-resident. Refer to Figure 1.

Figure 1: Estimated resident population and non-resident worker numbers, Isaac (R), 2006 and 2010 (p)



(p) - preliminary estimated resident population
 (R) - Regional Council
 Sources: Bowen Basin Population Report 2010, ABS Cat. No. 3218.0

Details of this research are available in the 2010 Bowen Basin Population Report on the OESR website. OESR clarifies that the FTE population measure has two components – the resident population (people who normally live in the area, even when off-shift) and a count of non-resident workers (those who stay in the area for extended periods when working, but who are not counted as residents). Given the high incidence of DIDO workers in mining areas like the Bowen Basin, the FTE population estimate provides a more relevant measure of total demand for goods, services and infrastructure than the resident population estimates released annually by the Australian Bureau of Statistics (ABS).

Non-resident workers form an increasing proportion of the region's FTE population, accounting for around 15 per cent of the Bowen Basin's FTE population in 2010 compared with around 12 per cent in 2006. More than two-thirds of the Bowen Basin's non-resident workers stay in the Isaac Regional Council local government area. (Appendix 1 illustrates the location of the Bowen Basin in the context of the Isaac Regional Council area.)

The research also identifies that worker accommodation villages provide most non-resident worker accommodation. As at June 2010, they housed 85 per cent of all non-resident workers in the Bowen Basin. The remaining non-resident workers in the Bowen Basin in June 2010 were housed in commercial accommodation in hotels or motels (9 per cent) and caravan parks (6 per cent). Many operators of worker accommodation villages indicated an intention to expand in 2011 to meet an anticipated increase in demand for transient or non-employee accommodation.

Non-resident workers in the Bowen Basin coal mines are in the main DIDO as currently many workers and their families live on the coast. There is little FIFO at this time; however a number of proposed mines are considering FIFO in order to assist in sourcing of their workforce.

North-West Queensland

Due to their remoteness, the majority of large metaliferous mining operations in the north-west of the state operate on a FIFO basis through Townsville, Cairns, Mount Isa, the small Gulf communities and Brisbane. In the case of Xstrata's Mount Isa mine, the majority of the permanent workforce resides in the Mount Isa region. Appendix 2 is a map illustrating the location of Queensland's North West Mineral province.

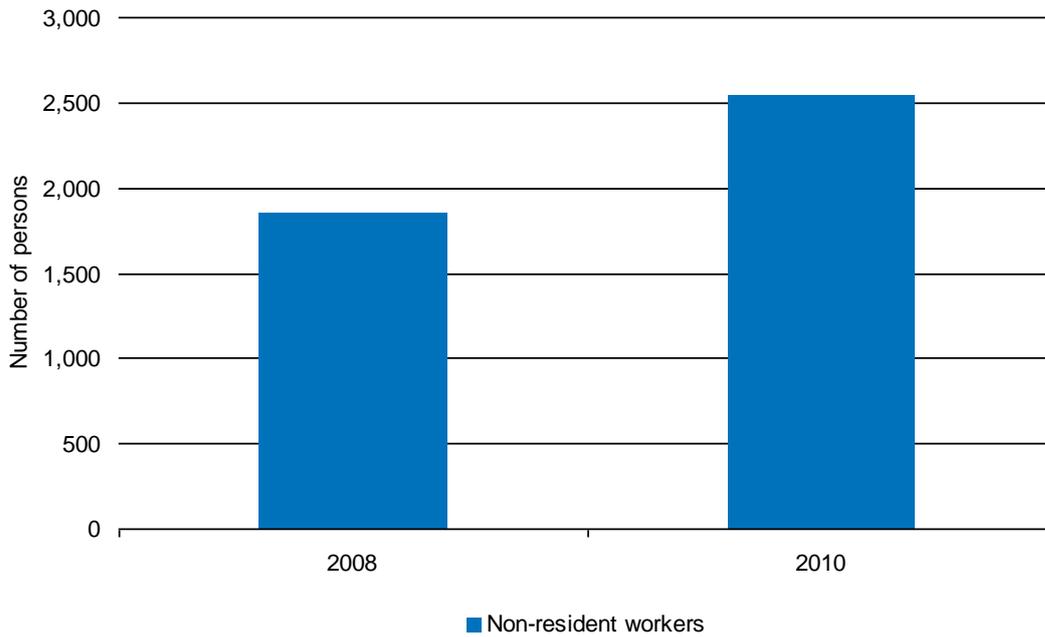
Outside of Mount Isa, 12 of the large metaliferous mines have over 80 per cent FIFO workforce access (10 being 100 per cent FIFO).

Surat Basin

In the Surat Basin in southern Queensland, emerging coal and LNG industries are driving workforce demand, with construction and operations requiring a larger workforce and industry specific skills. The area's population is expected to continue growing at an average of 1.8 per cent annually toward 2031. However, FIFO transient employment being driven by growth in the resource sector is expected to produce temporary and fluctuating impacts on the area's infrastructure, local economies and social infrastructure.

The 2010 Surat Basin Population Report shows that, in June 2010, the FTE population of the Surat Basin was 210,040, comprising 207,500 usual residents and 2,540 non-resident workers. This was an increase of 8,380 people or 4 per cent since June 2008 when the FTE population was 201,660. Refer to Figures 2 and 3.

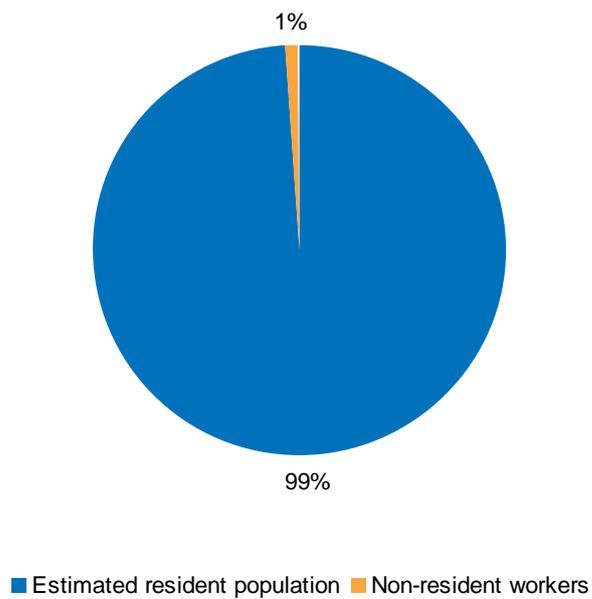
Figure 2: Non-resident workers, Surat Basin, 2008 and 2010



Note: Non-resident workers in Toowoomba Regional Council were not collected in the 2008 survey of accommodation providers and are therefore excluded from the 2008 total.

Source: Surat Basin Population Report 2010

Figure 3: Share of FTE population, estimated resident population and non-resident workers, Surat Basin, 2010 (p)



(p) - preliminary estimated resident population

Source: Surat Basin Population Report 2010

Almost half (49 per cent or 1,250 workers) of the non-resident workers in the Surat Basin in June 2010 were counted in Western Downs. The remaining non-resident workers were found in Maranoa (930 workers or 37 per cent) and Toowoomba (360 workers or 14 per cent).

The Western Downs Regional Council area that includes Tara, Wandoan, Jandowae, Condamine, Kogan and other small communities faces increasing pressure on essential services, impacting on the capacity of these small towns to offset the high growth taking place in the larger centres of Chinchilla, Dalby and Miles.

Worker accommodation villages housed 1,260 workers, or 50 per cent of all non-resident workers in the Surat Basin in June 2010. Commercial accommodation in hotels and motels accounted for a further 1,070 workers or 42 per cent, while caravan parks made up the balance, housing 210 non-resident workers or 8 per cent in June 2010.

The Galilee Basin

The Galilee Basin is emerging as a major coal resource region. There are currently five declared significant projects proposed in the Galilee Basin, with four projects located in close proximity to the small town of Alpha (population of approximately 400) which is located 170 km west of Emerald within the Barcaldine Regional Council local government area. These projects could create more than 21,000 jobs during the construction phase of the project and 11,000 long-term operational jobs.

Due to the sparsely populated nature of the Galilee Basin it is expected the proposed workforce will largely be FIFO/DIDO.

Government (State) use of FIFO: Department of Health

FIFO/DIDO workforce practices are also used by the Department of Health to provide outreach services to communities in which medical staff recruitment is problematic and/or resident demand is not large enough to justify a full-time service. A large proportion of specialist health services are delivered to rural and remote communities through a FIFO/DIDO model from either rural hubs, regional or metropolitan hospitals.

2. Costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce

The costs and benefits associated with a FIFO or DIDO workforce are influenced by a range of factors such as the shift work arrangements, accommodation arrangements or distance of the originating workforce.

Industry Perspective

Access to labour

Resource companies prioritise achieving efficient, profitable and effective business operations. In a tightening labour market the need to attract and retain workers becomes very competitive. Providing on-site accommodation options supports this process, especially during the construction phase. A company may have multiple workforce arrangements across many projects depending on location and skills availability.

Cost considerations

Cost comparisons of workforce accommodation options can indicate a greater profitability and efficiency for project workforces to be flown in and out and housed in on-site villages rather than build permanent accommodation in nearby towns. For projects located far from existing towns, the FIFO option may be the only realistic option available short of creating a new town.

From a company's perspective, FIFO/DIDO arrangements offer a number of advantages and disadvantages which are discussed below.

Advantages

- FIFO/DIDO provides access to a larger supply of qualified labour. Rapid mining industry growth has resulted in pressures on the availability of skilled labour. The population and the availability of suitably skilled workers in local centres are relatively limited. Finding sufficient skilled and experienced labour locally or finding workers who are willing to relocate on a permanent basis to the region is challenging.
- The overall level of on-site capital expenditure required is likely to be substantially less than if permanent dwellings are built to accommodate workers and their families. Therefore FIFO/DIDO offers a reduction in the front-end cost of establishing a new mine.
- Further, new town approval and construction, or the expansion of an existing town, all require longer lead times.
- Once the resource is exhausted or is no longer economically viable, FIFO/DIDO offers lower exit costs compared with town closure. The social costs of a legacy township are also avoided.

Disadvantages

- Mining companies have to pay for air travel costs for employee travel (which may include setting up regular charter flights).
- Mining companies have to pay significant additional allowances to workers in recognition of being away from family and home.
- Costs to companies include those of contracting for the provision of accommodation and associated services (e.g. food, cleaning and maintenance) where the workforce is accommodated in purpose-built workers villages.
- There are on-going recruitment costs involved in managing the turnover of FIFO workers who may elect not to continue commuting long distances to work for more than a few years.

Worker Perspective

From a worker perspective, FIFO/DIDO has a number of advantages and disadvantages which are discussed below.

Advantages

- The option of being a FIFO/DIDO worker may provide a wider range of employment options without workers having to permanently relocate themselves or their families from an established home and support network.
- Rosters allow for time off for travelling, spending time with the family and friends, study or pursuing other interests.
- Rosters are typically becoming 'even time', meaning workers spend just as much time at home as they do at work - but in concentrated periods. For those able to manage the separation from family and friends, it is often a preferred option.

- The financial benefits of FIFO/DIDO stem from employees and contractors typically being paid additional allowances in recognition of being away from family and home.

Disadvantages

- Working extended numbers of hours over extended periods of time can be tiring and stressful for workers.
- The long absences from personal support networks (e.g. family and friends), can have negative consequences, including being unable to fully participate in family social and domestic activities.
- The partners of FIFO/DIDO workers may experience negative effects of their partner's working arrangements, such as having to take on more significant responsibility for running a household and raising children.
- Sometimes it can be hard to get home or to contact loved ones in the event of an emergency depending on the location (i.e. offshore or remote inland).

Recommendation 1 – Review health impacts on FIFO/DIDO Workforces

There have been a number of studies regarding FIFO and DIDO workforce practices in regional Australia. However, a review of the published literature with a focus on health impacts, within a chronic disease prevention framework, has not been undertaken. The Department of Health would be willing to participate in such a review.

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

The rapid growth currently being experienced or anticipated in regions such as the Surat, Galilee and Bowen Basins, is placing significant additional demands on services and infrastructure in resource towns and they are struggling to keep pace.

There are two main reasons for this. Firstly, government services and infrastructure are traditionally distributed according to resident population. As FIFO workers are non resident workers they are not counted in the National Census of Population and Housing conducted by the ABS or ABS intercensal estimates of the resident population of local government areas. This issue contributes to the under-estimation of growth funding requirements for social infrastructure and services in resource communities and regions.

Secondly, funding for government services is generally based on five-yearly census data, and experience demonstrates that the supply of services can struggle to keep pace with the demand caused by the rapid growth such as that seen in the resource sector. This is particularly pertinent to the FIFO issue where service provision is required in two locations to support a worker's permanent place of residence and their temporary work location.

The lack of nationally consistent data to enable accurate quantification of the FIFO population makes it difficult to plan for government services (e.g. health), the establishment of which can have a long lead in time. In addition, the fluctuation in workforce size associated with different project stages (e.g. construction versus operation) requires the development of flexible models of service provision that can accommodate peaks but do not invest in services and infrastructure that are not required in the long term. It is for this reason that the OESR measures changes in the population of key resource areas of the state.

Assessing what the future needs will be difficult as projected population growth as a consequence of resource sector expansion in these regions may be dependent on a range of variables such as Commodity prices, government approvals, funding availability and market

influences. Although many large scale resource projects have been identified as probable - and are in the early planning stage - there is no guarantee that these projects will progress. Although work has been undertaken by the OESR to enumerate the FIFO workforce, it is particularly challenging for the reasons outlined above.

New mining and energy developments rely on local communities for social infrastructure and services which include policing, emergency services, medical, allied health and welfare, education, and the needs of families. Although many services and their related infrastructure is the normal responsibility of government, there is often a service gap in funding where rapid growth in demand for these community services will outpace their planning and budgeted funding allocations.

It is considered that where mining companies have facilitated rapid growth in a specific area, project proponents should have some responsibility to contribute to the capacity of local services and infrastructure to respond adequately to the increased demand. Accordingly, it is expected that resource project proponents will incorporate specific measures in their SIMP to assist the state to mitigate social impacts from the increased pressure of construction and operational workforces on government community services, including health care, counselling, child care, and education/training.

These mitigation measures should also include strategies that facilitate the provision of affordable housing for low to moderate income service providers. Such measures are often most needed to address situations where the market is unable to respond adequately and some form of facilitation is needed, such as short-term capital injections and local capacity building for non-government organisations and local governments to strengthen the local community's ability to anticipate and respond to change.

The impact on established communities depends on a range of factors, including:

- The location of the FIFO/DIDO workforce accommodation – which may be on or near the work site and away from existing communities or dispersed and integrated within existing communities.
- The quality and self-sufficiency of the accommodation and associated services provided to FIFO/DIDO workforces that may impact on the level of use of community-provided services and infrastructure.
- Company policies on, and community capacity to exploit, opportunities for the local provision of goods and services to the FIFO/DIDO workforce.
- Where the FIFO/DIDO workforce relies in full or in part on the existing community's housing market for accommodation (rental housing and short-term such as camping grounds or motels), significant price pressures occur. This can lead to some in the existing community being priced out of the rental market.

The FIFO/DIDO issue came to prominence recently in the BM Alliance Coal Operations Pty Ltd (BMA) change request for a up to 100 per cent fly-in fly-out operational workforce for the proposed Caval Ridge Mine near Moranbah. In the change report the Queensland Coordinator-General determined that it was not his role to prescribe the precise amount of FIFO workers *for a particular mine site*. Instead, the Coordinator-General determined his role to be one of conditioning proponents to provide a choice of accommodation arrangements for workers and their families *across the region*. For this reason the Coordinator-General required the proponent BMA to invest in housing within Moranbah and the wider Bowen Basin region to ensure the workforce had a choice as to where they live.

The Coordinator-General's report for the Caval Ridge Mine project requires BMA to complete a SIMP. The SIMP must include a workforce accommodation strategy that includes:

- the location and accommodation preferences of workers;
- details of recruitment plans and strategies to ensure that all suitable applicants considered for employment will be treated equally irrespective of their accommodation and location preferences; and
- employee health and welfare programs targeted to non-resident workers.

The Coordinator-General has formalised BMA's proposals to invest in community facilities in the Moranbah area to mitigate project-related growth issues by conditioning the proposals.

Regional communities benefit from resource development through job creation and strengthened regional economies. Other benefits may include local business development through supply chain opportunities, resource sector investment in community infrastructure, and population increases that lead to the upgrading of government services and infrastructure.

However, major resource development projects may also place significant pressure on social infrastructure and community services, creating or exacerbating quality of life issues for those communities. A number of social impacts have been identified consistently across regions in response to resource sector developments, including:

- increased pressure on housing availability and affordability;
- increased pressure on community infrastructure and services, including those relating to health and education, particularly as FIFO and DIDO workers are not included in ABS census data upon which local government funding support is based;
- competition for and access to skilled workers; and
- increased demands on the resources of local governments in securing good outcomes for their communities that balance the economic opportunities with community liveability.

To assist in addressing these impacts, in 2008 the Queensland Government committed \$100 million over three years through the Sustainable Resource Communities Policy to support the provision of community and economic infrastructure in three of the State's resource regions. These funds have been fully allocated to 35 projects in the Bowen Basin, Surat Basin and North West Minerals Province providing new and improved health, housing, youth, aged care, leisure, and community safety facilities and road safety improvements.

Impacts of rapid growth on services and infrastructure

When located within the town, FIFO/DIDO practices can change the demographics of the area by typically increasing the proportion of young single men living in temporary accommodation. Where best practice workforce management practices are not implemented effectively, these demographic changes can lead to a perceived or actual decline in community safety and cohesion related to public order offences, sometimes alcohol related, and low rates of volunteering and participation in civic activities. As has already been discussed, the impacts on worker health also need to be considered.

Service provision and quality of life issues are key aspects of the state and local government's service delivery responsibilities. The presence of appropriate community infrastructure and support services makes a significant contribution to balanced regional growth and the liveability of communities.

By investing in infrastructure and services that support the existing strengths and future needs of resource communities, state and local governments can protect and improve the quality of life in regions, while encouraging more people to settle outside South East Queensland. By aligning investments in infrastructure, incentives and services, and planning to anticipate and lead growth in regional centres, Queensland will continue to build regional communities around sustainable, liveable and prosperous foundations.

Achieving this goal is traditionally a shared responsibility of all tiers of government. The Queensland Government seeks to work in partnership with the Commonwealth and local governments to coordinate programs, funding and policies which build the capacity and capability of all levels of government to respond to growth and mitigate impacts.

Local governments are often the key service delivery agents in resource communities and play a vital role in balancing the economic opportunities derived from resource industry activity and the corresponding challenges relating to the liveability, wellbeing and long-term sustainability of their communities.

Tourism Industry Impacts

The FIFO/DIDO model has the potential to reduce the capacity of regional Queensland to benefit from tourism. For example, tourist accommodation in local towns that would typically be used by leisure visitors may be utilised - particularly during the pre-construction and construction phases, by the FIFO/DIDO workforce, putting pressure on the availability of tourist accommodation. In some cases, employers of FIFO/DIDO workers have booked out accommodation premises for an extended period of time, even if not fully utilised. In other cases, mining companies have purchased accommodation premises (e.g. caravan parks). Reports of complaints from travellers about the unavailability of accommodation in towns that tourists wish to visit are not isolated. As a result, these destinations have lost these visitors and the economic benefit (in terms of expenditure) tourists would have otherwise brought.

A strong sense of community and pride in local amenity and culture is an important feature of Queensland's tourism industry, particularly in rural and regional areas. Any loss of social cohesion and amenity has a direct negative impact on local tourism operators through reduced visitor numbers and expenditure in the community/region.

Against this, a positive FIFO/DIDO economic impact is often derived in towns which otherwise might not receive significant traffic through local airports, benefiting from FIFO workers who may spend at the airport and overnight (at accommodation and restaurants) before and after driving out to work sites. Special accommodation built in the local community for workers (as an alternative to FIFO/DIDO) can relieve the pressure on local tourist accommodation. It can also allow more economic benefits to flow into the community, thus increasing the potential for investment to occur. Upgrades to local airports are also supported by the workforce, triggering investment in this community infrastructure.

Many communities, just beyond the mapped area of resource development where there are FIFO/DIDO employees, are points of travel or residences for resource workers and their families and may experience increased needs for infrastructure and resources (e.g. accommodation and health resources). These needs should be considered as to ensure the sustainability and liveability of these communities as well.

Extra road traffic generated by DIDO workers has the potential to increase traffic and reduce safety on the road networks in regional areas, making them less attractive for the

self-drive touring market. The safety, reliability and efficiency of Queensland's road network has direct impacts on Queensland's tourism industry because of the regionalised nature of our population centres and tourist attractions/destinations.

Growth Management

In order to better analyse and plan for resource related growth, the Queensland Government has developed a Cumulative Growth Management Framework (CGMF). The CGMF is a program to develop information on growth (including projections) from multiple major projects in a region to enable government agencies, including local government and the Commonwealth Government, to have information to plan and program infrastructure and service delivery in regions characterised by rapid but uncertain rates of growth.

Monitoring will provide a set of data on actual development and the probabilistic modelling will provide projections over a 10 year period for employment (construction and operational), major project worker accommodation requirements in towns and camps, heavy vehicle movements and annual production of commodities – particularly coal and gas. This information will complement the statewide OESR Population and Household Projections which are produced every two to three years. OESR also prepares current and forward estimates of non-resident worker populations in resource regions based on annual surveys of the resource industry and other sources.

Recommendation 2 - National ABS Work

The ABS, in conjunction with states and territories, develops a methodology to measure service populations for resource communities including FIFO/DIDO workers.

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

Community

These impacts can include social disruption in the community where FIFO families reside (e.g. where individuals cannot commit to regular participation in social and community activities and organisations), and family isolation (e.g. lack of support for child rearing or caring responsibilities).

Transport

Airport services and facilities are placed under significant pressure in large FIFO source centres, often prompting significant investment in airport and facility upgrades.

Driver Fatigue

Driver fatigue is a concern where persons are working longer shifts over extended periods. Research into DIDO appears to show that this practice has the potential to negatively impact on road safety through increasing fatigue. In studying the DIDO workforce in Central Queensland's Bowen Basin, Di Milia (2007) concluded that a DIDO workforce is at an increased risk of vehicle crashes as a result of greater levels of sleepiness generated by the work schedule and the long-distance commute.

In the Bowen Basin, the practice of mine workers finishing long shifts and then driving long distances to their homes is a cause for concern. Most mines require their staff to rest before

the drive but some workers want to get on the road as soon as possible and do not avail themselves of rest facilities. A number of mines provide buses to and from mine sites and encourage employees to use them rather than private vehicles.

Fatigue related crashes are in general difficult to define due to the intangible nature of fatigue (e.g. drink driving or not wearing a seatbelt is more easily identifiable during a crash investigation). Fatigue can not be measured by an index such as Blood Alcohol Concentration and therefore, it is difficult to measure the extent that driver and rider fatigue contributes to road accidents in Queensland.

In an attempt to address these issues, Queensland has introduced a surrogate fatigue definition, which is applied in the case of a single vehicle crash in a speed zone of 100 km/h or greater during the typical fatigue times of 2pm to 4pm or 10pm to 6am.

Fatigue represents a significant social and economic cost to the community in relation to road crashes, especially fatal crashes. Fatigue-related accidents are often more severe than other crashes as drivers' reaction times are often delayed or drivers have not employed any crash avoidance manoeuvres.

The Queensland Mines Inspectorate regularly inspects/audits mines to ensure they are meeting their obligations with respect to fatigue management¹.

5. Long-term strategies for economic diversification in towns with large FIFO/DIDO workforces

The Queensland Regionalisation Strategy will assist in broadening the economic base of Queensland's regions to smooth the effects of the boom and bust cycles of the resource industry. This will be achieved by leveraging the region's existing competitive advantages and preparing for the future through a longer term series of developments to support growth.

The *Surat Basin Future Directions Statement* was developed as a proactive approach to the emerging growth in the Surat Basin resulting from the coal seam gas industry. It established a framework for the Queensland and local governments, industry and the community to work together to manage the opportunities and impacts of growth from resource development in the Surat Basin to shape a sustainable and prosperous future for the region.

The statement included initiatives which respond to a variety of critical issues such as regional economic development, workforce development, housing affordability, transport needs, and planning and settlement pattern, among others.

The Surat Basin Economic Development Strategy informs and guides the efforts of all stakeholders in the future economic development of the region. It aims to support growth by strengthening the region's priority sectors of agriculture, energy, education and training, heavy engineering, food processing and tourism.

The Queensland Government Department of Local Government and Planning has worked collaboratively with local government, community and industry stakeholders as part of the development of the *Surat Basin Future Directions Statement* to produce a Surat Basin

¹ To better inform the mining industry, the Mines Inspectorate is about to publish a contemporary *Guidance Note for Fatigue Risk Management (QGN16)* which will supersede the current *Guidance Note for Management of Safety and Health Risk Associated with Hours of Work Arrangements at Mining Operations*.

Regional Planning Framework and a Resource Town Housing Affordability Strategy to plan for and manage sustainable growth in the Surat Basin. The impacts of an anticipated significant FIFO/DIDO workforce have been considered in these documents in relation to settlement patterns, residential land supply and housing diversity, availability and affordability.

The development and/or review of local government community plans, planning schemes, and statutory regional plans under the *Local Government Act 2009* and *Sustainable Planning Act 2009* respectively also contributes to better planning and the mitigation of the impacts of FIFO/DIDO workforces on local communities.

A constraint on delivering economic diversification is the ability to attract workers into industries that are remunerated at a considerably lower rate than mining and resource workers. Mining and resource communities report a continual drift of local staff to the higher paid mining industry jobs.

Local Industry Participation Policy

The Queensland Government is committed to supporting competitive local industry and to ensuring that local industry is provided with full, fair and reasonable opportunity to tender for work on infrastructure, resource-based projects and major procurements in Queensland. Accordingly, the Government expects that project proponents, and their developers and operators will:

- recognise that involving local industry in projects and capital asset acquisitions provides economic benefits to all parties and is crucial to the long-term development of a strategic manufacturing and service industry capability that underpins a strong and diversified Queensland economy;
- Queensland and Australian suppliers, contractors and manufacturers are given full, fair and reasonable opportunity to tender and participate in all stages of projects and acquisitions subject to this policy;
- seek to maximise levels of goods and services, including design services, from local companies where they are competitive;
- seek to incorporate this policy into contracts entered into with third parties for the supply of goods and services; and
- encourage private sector project proponents, who are not formally subject to the provisions of the policy, to apply the principles espoused in the policy to their projects on a voluntary basis as good corporate citizens.

Many resource companies already have a commitment to a Local Buying Program. While it is reasonable to expect that mining companies wish to maximise their supply chain efficiencies, it is unreasonable to expect that local businesses will not have real opportunities to participate and share in the mine's economic benefits.

6. Key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development

A critical success factor in realising the potential of the resource boom is access to skilled workforces. The Queensland Government works closely with industry and other levels of government to support the development and availability of skilled workforces in three major ways:

- locally, through workforce participation and skill building activities;
- improving and increasing the sourcing of labour from within Queensland and elsewhere in Australia, as well as through skilled migration; and

- use of FIFO/DIDO workforce.

Industry is faced with tight labour market conditions and requires a degree of flexibility in recruiting its workforce so that projects can proceed and meet the state's desired social and economic objectives for local and regional populations.

A priority for government is to maximise opportunities for local residents and communities. The Government, through its training and employment programs, is working with industry to maximise appropriate labour supply.

In some places, the workforce numbers needed for resource projects are far greater than local communities can provide or accommodate, or there is no local community nearby. A FIFO/DIDO workforce allows a project proponent to source skills from elsewhere in the state and interstate on a roster basis before considering overseas migration solutions.

In this context, it is important to consider linking FIFO/DIDO strategies with sources of available labour. This could include regions with high levels of unemployment or areas where population growth needs to be encouraged. Workers could also benefit from having secure jobs, while living in communities with lower housing costs.

Strong growth in the number of mining related occupations in Queensland is forecast to occur over the period 2014-15. Recent work undertaken by the Department of Education and Training (DET) provides an estimate of approximately 38,000 FTE jobs (construction and operations) being realised over this period.

Much of the growth will occur in the Mackay, Fitzroy and Central West Region, where approximately 28,000 jobs will be generated, accounting for over 70 per cent of the newly created jobs.

Queensland (as with many other parts of Australia) is experiencing both mismatch of skills and labour, with the resource industry making claims of significant skills shortages, while underutilised labour resources are available in other regions of the state.

Where FIFO/DIDO workforces are proposed, the Queensland Government is working with local communities, councils and project proponents to make sure that the liveability and sustainability of towns is protected or enhanced and that workers have choice about where they live. FIFO/DIDO workers, after a period of time, may decide to relocate themselves and their families to the town where they work, and strategies to encourage this can improve the sustainability of towns.

Access to skilling infrastructure

Use of FIFO/DIDO workers from regional centres and/or urban centres allows for the more intensive use of existing skills training infrastructure. FIFO/DIDO hubs (e.g. Brisbane, Mackay and Rockhampton) often have better skills training infrastructure (Technical and Further Education centres and private Regional Training Organisations) than many mining locations. As such, these centres can better serve the needs of the industry and of the workforce as well as remaining accessible to those who wish to train into this industry.

Some groups of Queenslanders have substantial barriers preventing them from participating in the workforce. Provision of employment and skilling assistance is provided through Queensland's Skilling Queenslanders for Work initiative which provides a comprehensive suite of employment assistance measures and customised employment and training

assistance to meet an individual's needs. The Queensland Government invests more than \$100 million in this initiative each year.

The recent *Resourcing the Future* document released by the National Resources Sector Employment Taskforce recognised the difficulties of the FIFO/DIDO approach. This report made several recommendations relating to improving the utilisation of available skills and labour. The report also recommended that the Commonwealth Government fund an industry-based, FIFO development coordinator in Cairns as a pilot project. The aim is to develop links between resource projects in remote locations and skilled workers, including local unemployed job seekers, while remaining cognisant of potential fatigue issues. Queensland supports implementation of the recommendations and, through our industry partners', including the Queensland Resources Council, is examining practical ways to do this.

Skills Queensland's role is to facilitate development of a skilled workforce to meet industries' current and future needs. Skills Queensland is at the same time working to ensure the workforce needs of service and supply chain industries and local and regional communities are supported through any impact from the current increased resource industry activity.

Work for Queensland Summit

On 16 August 2011, the Queensland Premier and Minister for Reconstruction, the Honourable Anna Bligh MP, held the *Work for Queensland Summit* with senior executives from resource companies, Mayors from areas with high unemployment and representatives of the Commonwealth Government. The aim of the summit was to discuss strategies to address the high unemployment levels experienced in some regional areas, and the potential for reducing the unemployment rate by matching people with job vacancies currently available in the resource sector.

The outcome of the summit was an agreement for the Queensland Government to host mining and gas jobs expos in Cairns, the Wide Bay-Burnett, Sunshine Coast, Whitsunday and the Gold Coast in October 2011, with the support of local councils. Representatives of the resource sector also committed to identifying the jobs and skills required immediately and in the longer term and bringing those vacancies to the expos. A government-industry taskforce will also be established to develop a comprehensive *Resources Employment and Skills Plan*.

A specific resource company's FIFO arrangements may assist in addressing the current skills mismatch and provide opportunities to those skilled, semi-skilled and those who are currently unemployed.

Metropolitan urban centres are becoming the main source of FIFO/DIDO and headquarters for major mining supply and service corporations in the State. For example, the Sunshine Coast Regional Council is seeking to attract FIFO mine workers to settle in the region. This initiative is being carried out in conjunction with the Sunshine Coast airport. The airport authority and the council have contacted mines in the Bowen Basin regarding what the Sunshine Coast has to offer. There are also plans for miner training facilities to be established on the Sunshine Coast. The Gold Coast City Council has similar plans and the old Terminal Two at the Gold Coast Airport has been earmarked as a base for FIFO services to the mine sites.

Indigenous Employment

The Queensland Government, through the Closing the Gap initiative, pursues opportunities for enhanced Indigenous employment and economic participation outcomes.

The Council of Australian Governments (COAG) has committed to halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade. This is estimated to require an additional 29,100 jobs for Indigenous people across Queensland by 2016. The State and Commonwealth Governments signed the National Partnership Agreement on Indigenous Economic Participation (NPA IEP) in 2009 to improve opportunities for Indigenous people to find and retain employment and to connect more Indigenous people with employment and the real economy.

The FIFO Inquiry provides an opportunity for the FIFO methodology to be critically analysed to ensure Indigenous Australians are linked to opportunities a particular project may provide.

Indigenous communities often have difficulties training, employing and retaining technically skilled people. The growing labour demand from the resource and energy sectors, including the dependency on FIFO/DIDO workforces, is expected to heighten this situation. It is important for government agencies to work with Indigenous communities to establish and implement community based workforce development plans, to ensure that municipal and other essential services can be maintained. The flow of technically skilled people out of Indigenous communities may create ‘backfilling’ opportunities for other people within the communities to be trained and employed.

Many of Queensland’s Indigenous people live in towns within the footprint of current or proposed energy and resource sector projects. These communities typically experience high levels of social and economic disadvantage, including high levels of unemployment, a high proportion of children living in households without a working parent, welfare dependency and low average incomes.

A project’s prioritisation of FIFO/DIDO workforce practices can reduce employment opportunities for local Indigenous people who want to live in the community and be employed on the ‘worksites’. Prioritisation of FIFO/DIDO workforce practices also reduces a project company’s incentive to develop local workforce development plans and invest in developing a suitably skilled/qualified local workforce through training and work-placement programs.

A number of the State’s current and proposed energy and resource projects have or require an Indigenous Land Use Agreement (ILUA) with the Traditional Owners of the Project area. Often ILUAs contain obligations around employment and training of local Indigenous people. FIFO/DIDO workforce practices can make training, employment and retention and the creation of a culturally aware workplace and accommodation arrangements more difficult due to the requirement on local Indigenous people to leave their community for work and the consequential transitory nature of the workforce.

Resource sector companies should be encouraged by all governments to identify and maximise opportunities for Indigenous employment and economic development. This might include a requirement for appropriately-resourced Indigenous employment strategies and small and medium enterprise business development plans as standard practice in SIMPs. The sector could be encouraged to develop consensus on “off the rack” pre-employment protocols and minimum standards for entry level positions. Resource sector companies could be encouraged to ensure procurement processes are focussed on maximising

participation by Indigenous individuals/companies, with a strong emphasis on training and support. In some circumstances such initiatives could be captured in ancillary ILUA's that are linked to the stages of site development decision-making.

Even though the resource sector workforce may be FIFO, this is invariably on a weekly or fortnightly rotation, and there will be opportunities for local Indigenous people to participate in other work. These opportunities can include small enterprise development opportunities such as laundry and cleaning services, catering, mechanical repairs and bus services.

There are opportunities to encourage resource sector companies to enlist the services of workers from the discrete Indigenous communities on a FIFO basis. These are significant opportunities that may need to include work readiness training in addition to skills development programs.

Recommendation 3 - Enterprise Migration Agreements

It is understood that under the Commonwealth's proposed Enterprise Migration Agreements (EMAs), employers will be able to source overseas workers where local labour is not available. Individual employers who sponsor overseas workers under an EMA will be required to demonstrate investment in the training of local workers. It is suggested that, due to the special requirements of migrant workers with regard to housing, services, and integration into existing communities, the Commonwealth expand the focus of these agreements to also include the development of regional community infrastructure.

7. Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees

As stated above, the Queensland Government has put in place Social Impact Assessment processes for significant resource projects. The Coordinator-General and the Department of Environment and Resource Management now require proponents with projects subject to the environmental impact assessment to conduct a Social Impact Assessment and to prepare a SIMP.

A SIMP establishes the roles and responsibilities of proponents, government, stakeholders, and communities throughout the life of the project, in mitigating and managing the social impacts and opportunities during construction, operation and decommissioning of major resource development projects. A *Social Impact Assessment: Guideline to preparing a social impact management plan* has been developed to assist proponents of new or expanded resource projects to develop a SIMP (see above).

In August 2011, the Queensland Government released the Major Resource Projects Housing Policy which establishes principles to guide proponents in the identification and assessment of housing impacts as part of the SIA for major resource projects. The policy covers both the direct requirements of resource project workforces for housing and the broader housing market impacts as a result of this requirement and provides a consistent way for government to assess these housing impacts.

The policy principles assist the Government to negotiate solutions to FIFO proposals which balance the public good and private sector economic interests and ensure that, where proponents propose a workforce with a high proportion of FIFO workers, they will need to clearly articulate the rationale to the community and government.

Urban Land Development Authority

The Urban Land Development Authority (ULDA) has declared Urban Development Areas (UDAs) designed to improve housing supply and deliver a proportion of affordable housing in regional centres servicing resource regions and resource towns including Mackay, Gladstone, Roma, Moranbah and Blackwater. For example, the declaration of UDAs in these locations is bringing forward affordable housing lots and dwellings to increase the supply of housing in these impacted communities – thereby mitigating housing stress for low and moderate income families.

The ULDA is facilitating residential development in resource towns in response to housing pressures as a result of the resource boom. The ULDA has identified land suitable for permanent residential development to deliver affordable housing in resource towns, targeting key workers and owner occupiers. The Moranbah and Blackwater development schemes both include ‘residential zones’ which cater for a range of residential types, and also identify portions of the residential zone which are appropriate for large-scale non-resident worker accommodation.

Recommendations

Below are recommendations for Commonwealth consideration that could also assist with the provision of services, infrastructure and housing availability with regard to FIFO workforce:

Recommendation 4 - Increased rebates or tax offsets for workers in remote areas

It would be beneficial for the Commonwealth to review the provision of tax offsets for regional and remote workers to provide incentives for workers to locate in these areas. High mining wages means that key workers - teachers, nurses, council officers and retail and hospitality industry - can find it difficult to absorb high living costs in accommodation air travel and other services.

Recommendation 5 – Taxation treatment of resource town housing

The private housing market has shown little appetite for building new housing on the basis of speculative demand. Consequently, there are shortages in specific types of dwellings appropriate for non-resident workers (such as units and shared accommodation) and in housing generally.

Fringe benefits tax arrangements currently benefit companies providing temporary accommodation in special purpose on-site or off-site workers villages in contrast to providing or subsidising permanent housing for workers in towns and centres near mining operations. The Commonwealth could consider tax arrangements that encourage the provision of housing in resource towns through better tax policy neutrality.

Recommendation 6 - National Rental Affordability Scheme in Resource Towns

An increase in the demand for housing associated with major resource industries has impacts on housing costs within the local market. Those not directly employed in the resource industry may experience housing stress associated with increased housing cost and availability.

The reduction of market rents by 20 per cent through the structure offered by the National Rental Affordability Scheme (NRAS) could be utilised in resource towns to improve housing affordability.

Properties approved under this scheme would need to be managed by the local council or a not-for-profit housing organisation to enable the rents to be controlled in these markets so that they remain affordable for low to moderate income families for the life of the scheme. This approach has been adopted by Isaac Regional Council in the Bowen Basin and is being proposed in the Gladstone region in conjunction with a not-for-profit housing provider. This is part of a suite of housing strategies to address housing issues in the Gladstone Region. The construction of properties in Gladstone is funded by major resource industries as a requirement of their SIMP.

The use of the NRAS Scheme to assist housing affordability in resource towns would provide the opportunity for a partnership between Commonwealth, state and local government and resource industries to provide an innovative housing option for families.

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

The Queensland Government believes that resource workers should have a choice of where they live and work. The Government will work toward ensuring that these choices are available to a person or family when they are considering their living arrangements.

When exercising flexibility in accommodating their workforces, resource proponents are required, through the EIS process, to identify the accommodation and other needs of their workforces and provide appropriate housing and facilities.

In order to ensure a balanced approach, resource project proponents who propose a FIFO workforce must work with local communities, councils, unions and the Queensland Government to develop housing and accommodation strategies that protect the liveability and sustainability of resource communities and provide for choice by workers about where they live.

In a number of cases, in the north-west of the state, no towns exist within a reasonable distance of mining operations that could house the workforce and their families so FIFO is a necessity. Many families do not wish to live in isolated communities that have limited services - primary concerns being access to medical facilities and educational services, and preference for social opportunities within larger communities on the coast.

Non-resident accommodation

There is significant variation in the design, quality and services provided within purpose-built workers' accommodation for non-resident workers. These variations can be further affected by whether the accommodation is for temporary construction workers operating in remote locations or operational workers accommodated in or near existing communities.

Design flexibility is required in non-resident workforce accommodation to provide opportunities for family members to visit workers while on roster. Housing needs to be supported by child care facilities to maximise opportunities for all workers.

Where non-resident accommodation is proposed, the Queensland Government seeks to ensure that appropriate FIFO/DIDO worker accommodation standards are maintained.

Queensland Development Code– Temporary Accommodation Building and Structures

Since 1 July 2010, under the *Building Regulation 2006* (Qld), the Queensland Development Code Part MP3.3, Queensland regulates temporary buildings used for accommodation purposes including those used as part of an employment arrangement. The Code deals with design, construction and performance of temporary buildings and with a substantial number of issues regarding equipment and facilities within those buildings.

The code applies to all temporary accommodation buildings to meet minimum standards, including:

- the same structural wind loading requirements that apply to permanent buildings;
- adequate fire safety standards, such as smoke alarms and emergency exit;
- defined amenity standards such as minimum space per bed, power points, communication facilities and storage lockers, as well as a minimum number of facilities such as toilets, bathrooms, kitchens, laundries and refrigerators;
- pest, dust and noise mitigation measures; and
- energy and water efficient fittings, as well as appropriate insulation.

Urban Land Development Authority’s Non-resident worker accommodation guideline to locating and designing high quality accommodation facilities (ULDA Guideline No. 3)

As noted above, the ULDA is responsible for a number of UDAs in resource areas such as Blackwater, Moranbah, Roma and Gladstone, which have been implemented to meet the housing pressures expected from growth in the resource sector.

The ULDA’s guidelines for non-resident worker accommodation assist in the delivery of high quality accommodation for the benefit of the occupants and the communities in which they are proposed to be located. The guideline will assist in maximising the benefits to those who will occupy non-resident worker accommodation by ensuring their safety and comfort, and also to the towns that host them, by ensuring these facilities are located and designed to be integrated into the towns.

Long-term worker accommodation

The Queensland Development Code regulations referred too above only apply to temporary buildings of two years life and ULDA guidelines only apply to UDA sites (see below). Many workers’ accommodation developments are posed for longer than two years and currently these developments are subject only to local government policy. A model code could be developed for use within local government planning schemes for development assessment of such proposed permanent developments.

With a FIFO workforce, resource companies seek to house workers in self-contained accommodation that will vary in duration according to whether it is for a construction or operational workforce. The lifespan of resource extraction in emerging regions may necessitate that infrastructure for an operational workforce is semi-permanent and this raises a number of long-term planning and sustainability issues. The cumulative impacts of a number of FIFO operations in a region will also have significant impacts. Planning for these factors is made more difficult where accommodation facilities are provided on lease sites and as a result falls outside the controls of the planning system administered under the *Sustainable Planning Act 2009* (Qld).

Workplace relations and its impact on employees and employers

Workplace health and safety is an integral part of protecting workers and the community. Workplace Health and Safety Queensland (WHSQ) is the regulator of Queensland workplaces outside the mining sector, but its jurisdictional cover extends to associated contractors in the construction, transport and other industry sectors supporting the mining industry, and to activities which are performed other than on the mining lease. Therefore, as a regulator, WHSQ has concerns with the following issues:

- the management of fatigue, particularly for workers driving to and from a worksite;
- the issue of access to medical care in the event of a serious illness, and arrangements for monitoring sick workers in their on-site accommodation;
- the increase in work intensity, particularly with contiguous 12 hour shifts; and
- the effects of isolation from family and other support systems, which may increase the risk of mental health problems, drug and alcohol misuse, and suicide.

A balanced workplace relations system

The Queensland Government supports a workplace relations system that promotes economic prosperity and social justice for all sectors of the community via the following principles:

- providing for rights and responsibilities that ensure economic advancement and social justice for all employees and employers;
- helping workers balance their work and personal responsibilities; and
- promoting and facilitating the regulation of employment by awards and collective agreements.

Queensland is working with the Commonwealth, States and Territory Governments to tighten legislation in order to protect employees and provide a level playing field for employers who recognise their responsibilities and obligations to their employees.

9. *Potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce*

FIFO/DIDO can provide employment opportunities for residents of regions outside mining areas, particularly where transport infrastructure has an established connection to mining zones. FIFO employees spread the income benefits beyond mining centres, which has a particularly significant impact on regions facing high unemployment levels.

For example, in Queensland, the Wide Bay Burnett region is ideally located to capture overflow opportunities for employment and new supply chain development from growth in the developing LNG corridor from the Surat Basin to Gladstone. The Wide Bay Burnett region is particularly well positioned to take advantage of DIDO employment opportunities in Gladstone, with potential for FIFO employment in more distant areas of the Surat and Galilee Basins.

The potential for accessing skilled labour from more remote locations through FIFO also presents an employment opportunity for the Cairns and Far North region, due to its aviation infrastructure and available labour force.

However, ensuring non-mining regions benefit from the employment and economic opportunities, rather than merely exporting labour, will remain a challenge. Specifically, skills drift could lead to labour and skills shortages in other sectors within the region, such as agribusiness.

Consideration needs to be given to making a distinction between planned FIFO regional centres and more 'ad-hoc' FIFO arrangements particularly from interstate. A planned approach would include proposals to use underutilised labour from regional areas of Queensland and may or may not be associated with skilling/employment programs or other government co-ordinated efforts. This kind of approach will benefit communities outside those in immediate proximity to the project.

Queensland is already working with the resource sector to connect individuals from regions of Queensland experiencing high unemployment to opportunities in the resource sector. In August 2011, the *Work for Queensland Summit* brought together key members of industry and government. As noted above, they agreed to host a series of Work for Queensland Mining and Gas Jobs expos in October 2011. These will be rolled out across nominated regions and provide jobseekers with the opportunity to find out about the range of jobs and careers options available in the resource industry. This approach could be replicated to promote the benefits and opportunities of FIFO/DIDO workforce.

As noted above, the Queensland Government, through the Skilling Queenslanders for Work (SQW) initiative, is unique in its provision of programs for skills and training to those disconnected from the labour market. SQW is a \$104.5 million commitment that will assist over 24,000 people in 2011-12.

Delivered across Queensland, SQW is able to develop projects tailored to the needs of the individual to gain access to the workforce, and also tailored to the needs of the specific industries and employers. Programs such as these and the Job Network are critical for ensuring that local jobseekers are supported to gain access to workforce opportunities and that labour supply is maximised in local communities. When developing a FIFO/DIDO response, the employment of locals from this pool should be considered. The programs are able to be tailored to respond to local skills needs in particular to low skilled occupations.

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

The submission above makes reference to the range of Queensland Government initiatives that support resource towns and regional development.

In addition to these initiatives, the draft Mackay, Isaac and Whitsunday Regional Plan was released for public consultation on 31 May 2011. Its objective is to maximise the opportunities, and plan for and manage the challenges, associated with providing infrastructure; building the economy; providing employment, housing and community services; and protecting the environment.

The draft Mackay, Isaac and Whitsunday Regional Plan recognises the growth of communities and that specific communities have potential to experience significant growth in the future due to the expansion of the mining industry and industrial services. The Mackay, Isaac and Whitsunday Regional Plan recognises Moranbah and Bowen as being impacted in this manner. The Bowen Basin has Australia's largest coal deposits and mining is the areas largest employer.

The Mackay, Isaac and Whitsunday Regional Plan accounts for significant population growth over the life of the plan with the majority of the region's population growth projected to be in Mackay, with an expected population increase of 66,000 by 2031. A significant proportion of growth in Mackay relates either directly or indirectly to the mining

industry. The draft plan also recognises the need to manage the cumulative social impacts on communities, particularly mining communities.

The draft plan recognises that historically, the demographic profile of communities has been predominately made up of nuclear families who reside in the community. However, recent trends in these mining communities have identified a shift in workers to FIFO/DIDO and who reside in workers' accommodation for the duration of the shift. The plan recognises the need to provide community services for the non-resident population in these mining communities.

The purpose of the Surat Basin Regional Planning Framework is to manage regional growth in the Surat Basin by setting directions and principles to inform future decision making and policy. It aims to align Commonwealth, state and local government regional planning agendas and policies for land-use planning, service delivery and infrastructure provision in the Surat Basin.

The Surat Basin Regional Planning Framework establishes a regional vision for the Surat Basin, as well as a series of key themes with associated principles. One of these themes is housing choice and affordability and its objective seeks to: 'respond to the growing and diverse demands of each community, including affordability through the provision of sufficient residential land supply and a range of accommodation within the towns of the Surat Basin'.

Recommendation 7 - Commonwealth Guidance on Regional Development Outcomes

The Commonwealth Government has a critical role in setting regional development policy and funding regional development outcomes. As part of its role in approving major resource projects, it is suggested that the Commonwealth Government articulate its position on preferred regional development outcomes for resource regions. In addition, it is also suggested the Commonwealth Government articulate its position on industry responsibility for mitigating social impacts.

This would enable both the Commonwealth and State Governments to consider the allocation of funding to address resource communities priorities, for example through existing and new funding models.

Recommendation 8 - Pilot/ Demonstration Projects for resource towns

Given the extent of the resource boom and the projected duration, the Commonwealth could consider pilot/demonstration projects for the development of resource towns. This could be part of the Regional Development Australia program and funds and the 'Building Better Regional Cities' initiative. Due to the population size eligibility criteria applied to the Commonwealth's Building Better Regional Cities program, many towns in the Bowen and Surat Basin missed out on taking advantage of this program to obtain assistance to fast-track infrastructure development. It may be beneficial to modify this program.

Recommendation 9 – Queensland SIMP as best practice model

The Queensland SIMP should be highlighted as a key tool in mitigating and managing the social impacts and opportunities during construction, operation and decommissioning of major resource development projects.

In 2010 a Guideline was developed to assist with the preparation of a SIMP.

11. Other related matters

Recommendations for the Standing Committee

Recommendation 1 – Review health impacts on FIFO/DIDO Workforces

There have been a number of studies regarding FIFO and DIDO workforce practices in regional Australia. However, it is recommended that a review of the published literature with a focus on health impacts, within a chronic disease prevention framework, be undertaken.

Recommendation 2 - National Australian Bureau of Statistics (ABS) Work

The ABS, in conjunction with states and territories, develop a methodology to measure service populations for resource communities including FIFO/DIDO workers.

Recommendation 3 - Enterprise Migration Agreements

Expand the focus of Enterprise Migration Agreements to also include development of regional community infrastructure.

Recommendation 4 - Tax offsets

Increased rebates or tax offsets for workers in remote areas.

Recommendation 5 - Tax support resource town housing

Fringe benefits tax arrangements currently benefit companies providing temporary accommodation in special purpose on-site or off-site workers villages in contrast to providing or subsidising permanent housing for workers in towns and centres near mining operations. The Commonwealth could consider tax incentives that encourage the provision of housing in resource towns.

Recommendation 6 - National Rental Affordability Scheme in resource towns

The reduction of market rents by 20 per cent through the structure offered by the National Rental Affordability Scheme could be utilised in Resource Towns to improve housing affordability.

Recommendation 7 - Commonwealth to provide guidance on regional development outcomes

Commonwealth articulate its position on preferred regional development outcomes for resource regions and a clear position on industry responsibility for mitigating social impacts.

Recommendation 8 - Pilot/Demonstration projects supporting development of resource towns

Given the extent of the resource boom and the projected duration, the Commonwealth could consider pilot/demonstration projects for the development of resource towns.

Recommendation 9 - Queensland Social Impact Management Plan (SIMP) adopted as best practice model

The Queensland SIMP should be highlighted as a key tool for mitigating and managing the social impacts and opportunities during construction, operation and decommissioning of major resource development projects.

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