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CFMEU

Mining and Energy and Construction and General Divisions



Submission to the House of Representatives Select Committee on Regional Australia Inquiry into “Fly-In, Fly-Out” and “Drive-In, Drive- Out” Work Practices



Spring Session, 2011

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EXECUTIVE SUMMARY

1. The “fly-in, fly-out” (“FIFO”) ¹ working arrangement has expanded rapidly in recent years. It is now a common form of operation on construction and mining sites in remote – as well as some not so remote – parts of Australia. There is little doubt that much of the push is a result of the resources boom with its focus on mineral and gas developments.
2. FIFO involves a working arrangement where workers temporarily reside away from home in accommodation within close proximity to the actual working site. Through a working roster system that involves a combination of long shifts and compressed hours, workers will work for a period of time, say two weeks (or longer for the construction phase) and then go home for a week. The process then repeats itself. This working arrangement is one that differs to that experienced by most Australians who leave for work from home and return home on a daily basis.
3. The Construction, Forestry, Mining and Energy Union (“CFMEU”) has a significant part of its membership working on construction and mining sites throughout Australia where FIFO is in use. The experience of the CFMEU and its members reveals that the unregulated introduction of FIFO has brought a number of problems in its wake.
4. In the immediate sense are the effects on the workers themselves and their partners/families. Whilst the money may be good FIFO brings with it a number of sacrifices. Periods of separation and loneliness can and do take their toll. This is particularly so in a FIFO situation where a worker will spend more time *away from* home than *at* home. Experience shows that FIFO working is not taken on for the long term.

¹ In this submission the term “fly-in, fly-out” (“FIFO”) is used to also include other modes of work – eg “drive in, drive out” (“DIDO”), “bus in, bus out” (“BIBO”), *etc.*

5. Further to this are the communities where the FIFO system operates e.g. mining towns and towns where large construction sites are located. In addition to an unfortunate tension between the “locals” and the FIFO workers, many local communities see the situation as one where they are incurring great cost and little benefit. They want to attract permanent residents and to do so they need modern infrastructure and services.
6. As regards the broader community, the use of FIFO allows corporations to expand their sources of labour. When this is combined with a lack of training the community begins to experience a skills deficit.
7. To date, both Federal and State Governments have not grasped the implications of FIFO. It is time they did so. For this reason the CFMEU welcomes the decision by the House of Representatives Standing Committee on Regional Australia to inquire into the use of FIFO. To that end, this submission sets out what we see as the issues associated with FIFO and makes a number of recommendations that we believe, if implemented, will put the use of FIFO on a proper foundation and one where it is the workers and their partners/families, the local communities and the broader community which benefit and not just the corporations.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: That the Government establishes a process to conduct an impact assessment of any proposal from a corporation to establish a workplace that employs employees on a fly-in, fly-out basis.

Recommendation 2: That the process established by the Government operates on the basis that the corporation seeking to introduce a FIFO operation carries the onus of proving why the particular workplace can only operate with a FIFO workforce, whether in whole or in part. The process should give priority to providing employment opportunities to local and regional residents on local and regional projects. Further, the process should critically address any

proposal for FIFO relating to the use of labour from outside Australia and the consequent impact on the Australian workforce and migration.

Recommendation 3: That the process is open to interested parties to make submissions and that interested parties, upon request, are provided with the case in support of FIFO being made by the corporation.

Recommendation 4: That the process addresses the impact of FIFO on the local community and in particular the provision of infrastructure and services that the community can provide or should be able to provide with appropriate assistance from government and the employers in the area. Where the township lacks suitable infrastructure and/or facilities, steps should be taken to remedy that deficit.

Recommendation 5: That the Government establishes a uniform set of standards for the "Worker Accommodation Villages". In doing so the Government should call for submissions from interested parties and conduct inspections of a range of accommodation villages, together with interested parties. This may include consideration of whether camp accommodation is fit for instances of extreme weather.

Recommendation 6: That the Government ensures that all worker accommodation villages have access to modern digital technology such as the internet and Skype so as to permit FIFO workers and their families to overcome the tyranny of distance and enhance their opportunities to communicate with each other.

Recommendation 7: That those corporations that utilise FIFO be obliged to provide the necessary technology to the family of their FIFO worker to facilitate communication between the worker and his/her family.

Recommendation 8: That the employers of FIFO workers provide and pay for access to any assistance required by the FIFO worker, their partner and/or member of their immediate family who is experiencing difficulties coping with the personal/family consequences of FIFO.

Recommendation 9: That the Government legislates to ensure that where a Union Representative wishes to enter an accommodation village to consult with Union members or potential union members, the Union Representative is permitted to do so. FIFO workers should be entitled to all workplace rights whilst on camp, including those pertaining to disputes resolution and OH&S. In particular, worker accommodation village matters that have the potential of depriving a FIFO worker of his or her accommodation should be amenable to disputes resolution procedures through Fair Work Australia and the Fair Work Ombudsman. Due process should be afforded and Union Representatives should have standing to assist the FIFO worker. As to the provision of accommodation, the *status quo* should remain until the disputes resolution procedure is completed.

Recommendation 10: That corporations using FIFO consult with their employees and their representatives on their rostering system so as they ensure that they do not result in fatigue and that rosters be as family friendly as possible.

Recommendation 11: That corporations using FIFO consult with their employees and their representatives to develop a set of parameters for fatigue management.

Recommendation 12: That corporations using FIFO pay into Industry Training Funds to ensure that the wider economy is not “caught out” with a deficit of much needed skills. Further, that Government approval for FIFO work practices for major projects should be conditional on satisfying training quotas in targeted work classifications.

Recommendation 13: That corporations meet on a regular basis with the employees and their representatives to discuss any issues the employees and their representatives may have regarding the FIFO system.

Recommendation 14: That travel time is properly taken into account as part of working hours and that travel time is to be taken from the usual place of residence of the FIFO worker, and not the point of hire.

Recommendation 15: That the Federal Government undertakes a study of the incidence of road accidents in the Bowen Basin with the objective of determining whether there is a

correlation between the incidence of road accidents and drive-in, drive out and, if so, identify the cause and make recommendations to overcome those causes.

Recommendation 16: That the Federal Government undertakes an analysis of the types of data and information necessary to understand and monitor the operation and impact of FIFO on the workforce, families, local communities and the Australian Community generally. Upon the completion of that analysis, the Federal Government should implement a program to collect and disseminate that information.

Recommendation 17: That the Federal Government undertakes an extensive public inquiry into the operation of FIFO in Australia. Without being exhaustive, the inquiry should address:

- Impact on the local community
- Impact on the community where the FIFO workers reside
- Impact on skills development
- The incidence of FIFO
- Where FIFO workers come from
- Conditions in the Worker Accommodation Villages (and "dongas")
- The hours of work and rosters
- Travelling time
- Impact on the workers and their partners/families

1. INTRODUCTION

The Construction, Forestry, Mining and Energy Union (“CFMEU”) welcomes the opportunity to make this submission to the House of Representatives Standing Committee on Regional Australia inquiry into the experience of “fly-in, fly-out” (“FIFO”) and “drive-in, drive-out” (“DIDO”) workers in regional and remote Australia.

To our knowledge, this is the first time any Parliament (Federal or State) - let alone Government - has determined to examine the impact of FIFO on the workers who work the system and the communities in which it operates. Whilst we are aware of a number of studies on various aspects of FIFO, we are not aware of any systematic and all-embracing study of FIFO. In an environment where FIFO has been growing exponentially in recent years and in a context where it demands a working experience that is significantly different to the "norm", this inquiry is both timely and necessary.

The CFMEU consists of three industry-based Divisions, namely the Mining and Energy Division, the Forestry and Furnishing Products Division and the Construction and General Division, which together represent in excess of 110,000 members across those industries. This submission was jointly compiled by the Mining and Energy and the Construction and General Divisions of the CFMEU, whose membership may cover the entire lifespan of a given mining project – from the building and construction of key ‘brownfields’ mine and port infrastructure sites to the operation of the mine including the transport of the end product from the mine to port.

With the rapid growth of the resources economy, it is increasingly the case that our members – whether in construction or in operational mining – have been confronted with no choice but to take up a FIFO work regime. As the major union in the resources economy, we have cast a keen eye on FIFO work practices as part of our mission in vigorously furthering our members’ industrial, economic and social interests.

This submission is designed to provide some background to FIFO operations that affect our respective industries and to highlight our areas of concern, drawing on the CFMEU’s vast collective experience with the practice. Further, our submission will provide a series of

recommendations aimed at allaying our areas of concern for the benefit of an increasingly large portion of our membership.

2. THE “FIFO” PHENOMENON

2.1 Background

It is commonplace, both in an historical and contemporary context, for workers to be employed within daily commuting distance from their home. They leave home for work and return home upon the completion of that work. This has been and remains a critical part of daily life for most people who are engaged in paid employment. Communities are built around this work regime. Social and recreational activities and family life in general are inextricably bound up in this work regime. They are designed to fit in with the worker who leaves and returns home every working-day and are generally at home during non-working periods. Where a worker has chosen to accept employment at another location outside reasonable daily travelling time, the tendency has been to relocate to a new location that permits daily travelling time.

Whilst the daily commute to and from work remains the dominant work regime, a different regime has emerged in the last 30 years or so and has accelerated over time. Commonly known as “FIFO”, it covers a work regime whereby workers commute from their home to a temporary residence, from where they travel to and from the actual work location on a daily basis. Depending on the nature of the roster, workers then travel periodically between their temporary residence and their home for an extended period before returning to their temporary residence. For example, a worker who lives in Sydney may fly to Karratha to work in Port Hedland for some twenty-eight days followed by seven days off – and this cycle is repeated until the project comes to an end.

As we shall see, however, FIFO is much more than a means of travelling between home and work. FIFO encapsulates a particular lifestyle and a particular set of working conditions. FIFO cannot operate on its own; it requires a broader set of parameters and prerequisites for its successful implementation and operation.

To date FIFO has tended to be introduced in workplaces located in regional, rural and remote localities. Ostensibly it has been introduced in those parts of the country to overcome labour supply problems in the area. As we shall see however, in a number of places this is a contentious issue – indeed, in many cases the employer has a realistic choice between FIFO and daily commute or a mixture of the two. Perhaps unsurprisingly, FIFO has been associated with industries such as mining and the extraction of hydrocarbons that usually experience an initial construction phase, followed by an operational phase, which whilst sharing many similarities also have key differences which impact on how FIFO is exercised.

There are a number of locations where material to be mined is some distance from any township or community; however, we are finding that FIFO is encroaching closer and closer to regional communities where its need becomes problematic. FIFO is becoming increasingly common in the operation of a large number of mines; not all of whom may require a FIFO workforce or solely a FIFO workforce. In some places, corporations are trying to replace their daily commute workforce with a FIFO workforce. The CFMEU is concerned there are some operations where FIFO is being used in circumstances where it is either unnecessary or warrants limitations on its use, and that these are the “thin end of the wedge”. There are currently examples where local communities are protesting against the overuse of FIFO in their region and the negative consequences that have followed in its wake.

As corporations focus more and more on their “bottom line” with little regard for the community and regions in which they operate, the CFMEU is becoming increasingly concerned that FIFO, left to its own devices, will spread beyond its natural boundary. This would be contrary to the interests of workers, their families, the relevant communities and, just as important, it would be contrary to the public interest.

2.2 The Economics of FIFO

According to Storey, FIFO had its origin in the 1950s with the development of the off-shore oil sector in the Gulf of Mexico and Scotland.² But it was a phenomenon that was not immediately taken up in Australia. In Western Australia, for example, the development of mines in remote regions in the 1960's and 1970's was accompanied by the construction of townships within the vicinity to the mines to accommodate the workforce and their families. Examples include the townships of Goldsworthy, Newman and Tom Price. The companies also contributed to the cost of infrastructure development in townships like Port Hedland. In Queensland, as noted earlier, the township of Moranbah emerged from the development of coal mines in the Bowen Basin. Further, as Storey points out, the mining companies *received benefits from government in the form of lower rates and taxes.*³

Over the last 20 years or so, the construction of townships to house employees has disappeared and where the townships currently exist, their viability as ongoing entities are under strain as companies seek to increase the relative size of their workforces employed under FIFO conditions.

On the economics of FIFO, Storey refers to a survey of 26 FIFO sites by the Department of Mines in Western Australia, and describes how the survey identified 5 reasons for the adoption of a FIFO operation.⁴ Those reasons are:

- Isolation
- Short life of the Project
- Structural change in the industry
- Search for qualified labour
- Taxation

² Storey K., Fly-in/Fly-out and Fly over: Mining and regional development in Western Australia, AUSTRALIAN GEOGRAPHER, Vol. 32 No. 2 , 2001, p.135

³ Storey, (2001) p.136

⁴ Storey, (2001) pp. 136-139

Of these, the first 2 set out above are regarded the most important.

With respect to isolation, it is argued that it makes the construction of a township much more expensive and subject to stricter environment considerations. On the other hand the costs of FIFO have been reduced through such things as improved communications networks, and improvement in travel arrangements, and access to skilled labour that is amenable to being mobile. The costs of isolation are accentuated by the short life of many projects.⁵ The need for skilled labour is a need faced by most companies.

On taxation, it is argued that the tax regime *tends to penalise companies operating in remote areas*.⁶ A major source of complaint was the fringe benefits tax (FBT) albeit the Federal Government responded to complaints about the impact of the FBT by providing a 50% concession for remote-area housing, holiday travel benefits and FIFO travel. Storey also argues that the FBT is not as important as some regional representatives claim and refers to surveys that show the FBT to be a minor factor on a company's decision to use FIFO.

With respect to the costs of providing a township base operation compared to a FIFO operation, Storey says that the Argyle diamond mine operation in north-west WA was estimated to have saved some A\$50-70 million in capital expenditures. Companies opting for FIFO arrangements could write off the costs of mine-site camps and avoid paying capital gains on the properties 'developed'⁷

It is axiomatic that a company would implement the system of operation that is cheaper and at least as efficient from the company's perspective. But that does not mean that the use of FIFO is cheaper all round. Whilst a FIFO operation may be a cheaper operation from the company's perspective, much of this is achieved not by a reduction in the overall cost but rather by transferring the cost from the company to others- including workers, their families, the local communities, and the community generally and the taxpayer. In other words, FIFO may permit the company to externalise more and more of its costs.

⁵ In this context, Storey refers to gold mines as having a short life span. Storey (2001)p.137

⁶ Storey (2001) p.138

⁷ Storey (2001) P. 136

And it is self-evident there is a cost that is not borne or insufficiently borne by those who have the most to gain from FIFO - the corporations. This submission identifies a number of negative factors on the individual worker, his/her family and the local communities. These are costs that would diminish (but not disappear) with a reduction in FIFO and an increase in the daily commute arrangement. The problem is that there is a dearth of data and research to quantify the costs of FIFO in both quantitative and qualitative ways.

At another level, it is known that labour turnover in the mining industry is extraordinarily high relative to many other industries. The Resources and Infrastructure Industry Skills Council has identified that the workforce turnover for the coal sector is around 8% and for the metalliferous sector it is around 19%.⁸ In a 2003 study on labour turnover it was stated that⁹:

Evidence from other studies indicates that FIFO sites tend to experience higher turnover than non-FIFO operations. However, it is also clear that some FIFO operations perform significantly better than others in terms of employee retention.

Two points are worth making here. Firstly, given the nature of FIFO operations and in particular its impact on the lifestyle of workers, it is hardly surprising that the labour turnover is higher than average. Indeed it is very much to be expected and points to a conclusion that it is not a long term consideration for most workers. Secondly, it is noted that labour turnover is lower in the more highly unionised coal sector with a higher level of collective agreements by comparison with the lower unionised metalliferous mining sector with a higher level of individual contracts.

It is also worth noting that the National Resources Sector Employment Taskforce, which was established by the Federal Government to address the skills problem in the resources sector, stated in relation to labour turnover¹⁰:

⁸ Skills DMC- Resources and Infrastructure Industry Skills Council, ENVIRONMENTAL SCAN 2011, pp.35-36

⁹ Centre for Social Responsibility in Mining and Minerals Industry Safety and Health Centre, WORKFORCE TURNOVER IN FIFO MINING OPERATIONS IN AUSTRALIA:AN EXPLORATORY STUDY, University of Queensland, 2003, p.26

¹⁰ National Resources Sector Employment Taskforce, DISCUSSION PAPER (March 2010) p.23

Local people are potentially more likely to remain working for an operation for the longer term, ensuring the retention of site-specific knowledge and skills, and addressing the need for succession planning.

Clearly, if there is a need to address the skills problem in Australia, any such work will only be partial to the extent it ignores the impact of FIFO on the workforce.

Not only do FIFO operations bring a labour turnover problem but it has helped to exacerbate the labour skills problem in Australia. Where a company can pay high wages and expands its labour pool beyond the immediate region or state to across the country – and if they can to overseas countries – the incentive to train people diminishes significantly. There has been plenty of complaints about mining companies- heavy users of FIFO – “bodysnatching” workers trained by other companies and industries by offering a much higher wage. The Skills DMC Environmental Scan 2011 stated¹¹:

Training with the engaged companies was undertaken by a mixture of in-house trainers and assessors and Registered Training Organisations. In the majority of cases, training was not undertaken to nationally recognised standards, although all of the companies indicated that this would be something that would be addressed in the mid – to medium- future. Safety training was predominant, as was training related to working in remote locations.

As such, not only does FIFO permit the corporations who use it to cast their net far and wide to attract skilled labour that has been trained by others at their cost, but it permits those corporations to undertake little training themselves. The cost of having a sufficiently skilled workforce in Australia is transferred from the mining corporations to others or, as is the regular complaint, we end up with a workforce with an insufficient skills mix.

As we see it there is little to indicate that the corporations in the mining sector see this as their problem. In a media release on FIFO, the Australian Mining and Metals Association is quick to

¹¹ Skills DMC (2011) p.28

point the finger at government to provide incentives for development of regional Australia. The media release says¹²:

AMMA is calling for enhanced incentives to localise workforces in regional towns, but has welcomed the Queensland Government' acknowledgement that FIFO arrangements are an ongoing reality in the resource industry.

The incentives are often not there for permanent residency and it's important for all levels of government to review existing services and infrastructure where communities wish to entice workers to a particular area.

The contents of this media release imply that whether a mining corporation uses FIFO is simply an internal decision for the company. If by using FIFO it can externalise some of the costs then that's its choice. Regional development is someone else's problem. In other words, the mining corporations expect that in terms of the public policy considerations inherent in FIFO, the taxpayer, through the government, should pick up part of the tab for their preferred method of working. Whilst the government certainly has an important role to play, it cannot become a means by which the mining corporations can avoid their responsibilities. This is even more so in an environment where the mining companies are making super profits from a workforce that has a significant quota of FIFO.

2.3 Travel

Travel to and from site for the commencement or conclusion of a roster is often referred to as "employment mobilisation" and "employment demobilisation". It is usually the case that employers pay all (reasonable) expenses including fares and, as the case may be, meals during mobilisation/demobilisation.

As distinct from mining operations workforces, construction workers are generally paid for up to eight ordinary hours' towards travel time per occasion. It can and does occur, however, that significant amounts of travel time go unpaid. For FIFO, travel time invariably includes time

¹² Australian Mines and Metals Association, Regional development key factor in FIFO debate, MEDIA RELEASE, 2 September 2011

spent travelling to airports, going through and waiting in airports, waiting for take-off and disembarking, and making flight connections. Often, the flying time in itself is lengthy - for example, where FIFO workers have to travel from the East Coast to perform work in the Pilbara. Where workers have limited time off due to their rosters, this may take out a significant portion of the time they could otherwise spend on R&R and with family. In addition, some workers experience difficulty re-adjusting to different time zones, which also impacts on sleep and fatigue.

Of course, for all long distance commuting fatigue is a serious implication. But it is especially pronounced where workers perform work on “drive in, drive out” bases. Usually, where DIDO operations are in place, workers invariably leave at the end of a work cycle (including therein what may be a final shift of some twelve hours). This obviously has safety implications for those workers given fatigue can and does weaken driving performance. This is indeed exacerbated by the dark, winding and uneven¹³ roads that connect regional remote locations where the work is performed and home communities. Speeding is also a problem as workers who try to maximise their time at home and reduce their time away try to make up for that lost time.

2.4 Temporary Work Accommodation (Camps)

Whilst workers are rostered onsite and cannot return home in the evening, they take up temporary accommodation that is either provided or subsidised by the employer or sourced by themselves. Usually, it is provided by the employer free of charge. On occasions, the temporary accommodation may be a house in a township. Far more frequently, accommodation consists of “single person’s” quarters – prefabricated, transportable self-contained dwellings otherwise known as “dongas”. A donga is much like a motel room with a bedroom/living and (although not always) an ensuite comprising the bathroom and toilet. In most cases, motel room-type facilities are provided – television, radio, (more rarely) an internet connection, air conditioning etc. Dongas are invariably found in (often large) clusters known as “worker accommodation villages” (“WAVs”). For their part, WAVs can and do comprise many hundreds of dongas and have increased in size with the greater use of FIFO.

¹³ due to the heat and frequent heavily-loaded vehicles.

Often the employer runs and manages the WAVs, but it is increasingly the case that this is outsourced to contractors. WAVs may be in a township, adjoining a township or remote to a township and even somewhat integrated into a worksite. Facilities at WAVs vary from location to location, and range from basic (or even substandard) to reasonably well-equipped, where there may be some recreational and leisure facilities such as a gymnasium. WAVs usually provide canteen-style meals and may contain a “wet mess”, where alcohol is served. We do recognise that it has become common practice for these to only provide light beer.

Camps are not always a hive of social activity, however. Workers come from all over Australia, with some even further. Other than the time spent between shifts or due to a shift change, the FIFO worker is always somewhere else. Indeed, camps are not the best places for building long-term relationships. It is possible that you may never see the person in the donga next to yourself let alone know them. Earlier this year, for example, a 55 year-old man was found dead in a donga in the Pilbara. Whilst there were no suspicious circumstances, what was surprising was that the deceased had lain in his donga for several days before anyone discovered anything was wrong.¹⁴ Clearly there must be a problem where an individual can lie dead in a room for a number of days before he is discovered. One of the problems with the camps was pointed out by CFMEU Official, Mick Buchan when he said “you never know who is going to be next to you.”¹⁵

Obviously, temporary worker accommodation can never fully replace home life, but in extreme instances, WAVs can be more akin to prison quarters, where grounds are surrounded by 3 metre high barbed- and ring-wire fences and entry is only through a security checkpoint where bag searches are conducted. Members of our organisation have complained of undertrained security staff who officiously patrol grounds and ‘supervise’ adult workers in their R&R time.

Further, camp ground-rules can be highly discretionary and it occurs that even minor misdemeanours are dealt with through the withdrawal of accommodation which invariably

¹⁴ ABC News, Worksafe Considering Donga Death Probe, 7 January 2011, www.abc.net.au/news/stories/2011/01/3108324.HTM?

¹⁵ Styles, Aja, “Motelling blamed for unreported Woodside death”, WAToday, 7 January 2011, www.watoday.com.au/action/printArticle?id+212311.

leads to the termination of employment. Of course, because FIFO workers are not *tenants*, they are not afforded a full gamut of rights that a tenant would otherwise enjoy. Indeed, any contract for the provision of accommodation would be that between the employer and the camp provider – and not between the FIFO worker and the camp provider, or even the employer. It follows that in the event of disputes arising from the provision of accommodation, the FIFO worker has very few (if any) possibilities for recourse. This may lead to innocent FIFO workers who are wrongfully accused of misconduct in the camp to lose not only a place to stay whilst away from home, but also their employment.

As regards occupational health and safety in WAVs, common complaints are the lack of undercover areas and walkways between dongas and other facilities. In more extreme circumstances, in March 2007, category five cyclone winds caused dongas at a construction camp in the Pilbara to dislodge, resulting in the death of two workers and injury of some twenty others. It is our submission that work accommodation camps should be well-equipped and fitted to sustain extreme weather conditions.

Case Study: Construction Worker “A”

Construction Worker “A” is from urban Queensland and does FIFO work in the Bowen Basin, around Moranbah. Currently, he performs various construction roles on an ammonium nitrate (used in explosives) processing plant. Whilst working away from home, he stays in camp accommodation provided by his employer and which is in close proximity to the ammonium nitrate processing plant. Despite the proximity between the plant and the camp, neither have a windsock in the event of an industrial accident.

The conditions are very basic at the camp and he describes staying at the camp as being akin to staying at prison quarters. The grounds are surrounded by 3-metre-high wire mesh fences topped with barbed/razor wire. Entry to the camp is by guarded checkpoint where bag searches are conducted. By night the camp is patrolled by security guards and workers are told to go to bed.

He further points out that the walkways around the camp, including from the dongas to other camp facilities are not undercover, which becomes difficult when there is rain.

He describes the food as “disgraceful” and cites numerous instances of food poisoning; he doesn’t bother with the food provided on camp and incurs extra expenses in sourcing food from the nearest town.

The accommodation is now a big factor to him - to the point that he will not work for his current employer in future.

2.5 International FIFO and immigration

In more extreme instances of FIFO, workers travel long-haul distances from overseas to perform work on locations around Australia. For the most part, this may mean sourcing FIFO workers from New Zealand who are entitled to work in Australia or indeed sourcing Australian expatriates who live overseas in locations such as Indonesia and Thailand. In these instances, it can make economic sense for corporations to bring in such workers since airfares for international flights are often cheaper than for domestic flights – in particular where flights are from the East Coast to the West Coast of Australia. Certainly, the CFMEU has reservations about such practices where travelling times are in excess of what are already lengthy standards.

More worrying, however, is the use of FIFO work practices as a means of obtaining workforces comprising temporary 457 visa holders and undocumented workers from overseas. The CFMEU is steadfastly opposed to an immigration policy in which hardworking people from overseas are treated as expendable labour at the behest of big business only to be ejected from Australia when big business is finished with them. It is our view that where migration happens it should be on a permanent basis and migrants should enjoy the same rights as Australian resident workers. It is in this vein that we also submit that temporary overseas labour (including in particular labour brought in on FIFO bases) should not be increased at the expense of training young residents with the skills they need to obtain employment.

2.6 Family

The idea of spending 3 weeks out of every 4 weeks – or even more – away from home in a *de facto* motel room eating canteen food and experiencing reduced leisure time is not something that would immediately appeal to most people. It would be even less appealing if you have a

spouse and young family at home and spend an inordinate amount of time travelling between home and the work site.

Whilst the higher pay may have its attractions or it's better than no job at all, it's reasonable to assume that most people would not want to make a career out of this kind of living.

Appended to this submission are two newspaper articles where FIFO workers and their families discuss the impact of FIFO on their family life (**see Appendix**).

These two examples reveal what our experience says are some common features indicative of the impact of FIFO on families.

- Generally FIFO offers a higher earning capacity;
- The alternative is unemployment or employment at a much lower wage;
- Significant travel is involved;
- At least a significant part of travel is in the FIFO worker's time;
- More time is spent at the work location than at home;
- There is emotional pressure on the family caused by the absence of one of them;
- FIFO is not regarded as a long-term lifestyle;
- FIFO is regarded as a necessary road to travel to somewhere else.

A recent discussion paper on employment in the resources sector sums up a number of these characteristics of FIFO:

*FIFO can pose particular challenges for employees with young families and workers who are single parents. It is generally incompatible with starting a family and caring for young children.*¹⁶

Some studies reveal a more ambivalent description of the effects of FIFO on families. Clifford, for example, in a preliminary report, finds that FIFO workers and their families are generally no

¹⁶ National Resources Sector Employment Taskforce, DISCUSSION PAPER, March 2011, p.28

more likely to show high stress levels or poor relationship equality than other employees. However, she recognises that some find the working arrangements stressful and goes on to suggest improved FIFO facilities, roster design and tailored assistance to mitigate the impacts of FIFO on the vulnerable.¹⁷ Fresle notes that the impact can be contingent on the circumstances of the family but says nevertheless that there is a strong need for social support for the partners of FIFO workers due to the “many stressors involved with the cyclic lifestyle.”¹⁸

A problem in understanding the effect of FIFO on families is the lack of documented research on the subject.

In a recent report on the state of the Australian family, Anglicare Australia provided a perceptive summary of the impact of FIFO. The report states¹⁹:

The large influx of workers into regional areas where there is demand for specific skills can create a community of 'fly-in, fly-out' people. This phenomenon can create difficulties for those who are part of the fly-in, fly-out workforce, for the community where the workers are located, and for those left behind in the family home. Workers experience isolation from friends and families for the duration of their shift, which can be up to two or three weeks with a week off, back at home

Family and marital difficulties can flow from isolation and change in routine for both parties. Recently, our mental health workers in a coastal town described an increase in women seeking assistance to deal with issues arising from the fly-in, fly-out situations. Many couples move to the area of employment and with their male partners away working for long periods, women were finding managing children combined with separation from family and friends, created significant difficulties. Better incomes can be

¹⁷ Clifford S., The Effects of Fly-in/Fly-Out Commute Arrangements and Extended Working Hours on the Stress, Lifestyle, Relationship and Health Characteristics of Western Australian Mining Employees and their Partners: Preliminary Report of Research Findings, School of Anatomy and Human Biology, The University of Western Australia, August 2009

¹⁸ Fresle N., The Role of Social Support Systems in Reducing Loneliness and Social Isolation for Parents whose Partners Work Fly-in/Fly-out, Report submitted in partial fulfilment of a Bachelor of Arts (Psychology) Honours, Faculty of Computing Health Sciences, Edith Cowan University, Western Australia, October 2010, p.41

¹⁹ Anglicare Australia, STAYING POWER: Anglicare Australia's State of the Family Report, Anslie, October 2011, pp. 47-48.

irresistible for many families but studies also show family violence and family breakdown are real consequences of this type of work arrangement.

Mental health, depression and stress-related problems associated with the fly-in, fly-out workforce are common. Kennedy (2011) finds that some people working fly-in, fly-out become isolated and lonely, often having difficulties managing the house or family when they return home. It's no small challenge to work for up to six weeks at a time and then try to re-establish family relationships - particularly when everyone is aware that the separation soon begin all over again.

A study of these communities in Australia published in the British Journal of Criminology (Fences 2010) revealed that a lack of entertainment options other than alcohol for fly-in, fly- out mine workers often led to a spike in violence, a higher risk of sexually transmitted diseases and mental health problems. The impact on the rural and remote communities that host fly-in, fly-out workers can be significant. They may have limited resources and infrastructure and camps constructed within or close to them bring a whole range of social issues that present radical challenges for what may have been relatively small, quiet, stable communities for many years.

This submission by the CFMEU both reinforces and builds on the observations of Anglicare Australia in its recent report. Not unexpectedly, the CFMEU has a stronger focus on the FIFO worker and the workplace.

Case Study: Construction Worker “B”

Construction worker “B” currently lives with his wife and two sons in the Newcastle area and these days regularly takes up jobs in remote Western Australia (eg the Pilbara) and in Central Queensland (eg Blackwater). He performs a variety of roles onsite, including plumbing work, general labouring, steel fixing, dirt digging.

Before settling in Newcastle, C and his family moved from region to region for C’s employment. This usually meant he would have to seek accommodation for his family in those areas and his sons would have to change schools. Tired of the disruption this caused, C decided to settle his family in Newcastle and to work FIFO only. This invariably means regular absences from his

family for up to 28 days straight, and experiencing fatigue upon arrival back at home. He laments that a consequence of this is that he misses out on seeing his sons grow up as he is often unable to attend sport and school events. During one absence, one of his teenage sons was beaten up and school and hospitalized. His son received facial scars and a broken hand. It was not easy being absent from home at that time and he could not simply return home as he was on the other side of the continent.

2.7 Community

The operation of FIFO extends beyond the worker and his/her immediate family and/or personal life. Townships within the vicinity of mines or large construction projects where FIFO is used are also affected. Our research in this area, combined with the personal experience of our members and their families who live in towns such as Moranbah in Central Queensland and Karratha in the Pilbara in Western Australia have identified a range of problems associated with FIFO. And these problems are not diminishing over time but are increasing.

In this regard, it is not only the regional locations where the FIFO workers temporarily reside that are impacted, but the locations where FIFO workers come from. This is so even at a time when some regional local governments are mounting campaigns to attract FIFO workers to establish their “permanent” abode in their township. As we see it, it is difficult for a worker to have a foot in two locations simultaneously without it having some effect.

The relationship between “locals” and FIFO workers is not always a comfortable one. In a number of places, the locals regard them as interlopers with little interest in promoting a vibrant and productive community. In an environment with a lot of men and an uneasy level of underlying tension, it does not take much for conflict to arise. This conflict then further exacerbates the already existing tension and confirms pre-existing views.

There is little doubt that the communities that accommodate FIFO have a “love-hate” relationship with the corporations who resort to FIFO for the supply of their labour. Perhaps the most significant manifestation of that relationship can be seen in a survey undertaken by the

Queensland University of Technology in June 2011.²⁰ This survey focussed on the operation of mines in Queensland and not on the construction phase in developing the mine. In the executive summary of the aggregate results of the survey, the authors say:

Of particular originality and significance of the study is the finding that the majority of respondents (61%) supported new mining projects with an expected non-resident work force of 25% or less, but most (82%) opposed the development of new mining projects planning to recruit a non resident workforce in excess of 75%. These results confirm the study hypothesis that the social license to develop new mining projects requiring a 25% or less non-resident workforce diminishes significantly thereafter and is very weak for projects planning to recruit a non-resident workforce in excess of 75%.²¹

The following summary of the survey results is very telling about what the local communities think of FIFO in their neighbourhood²²:

After answering socio-demographic questions to validate responses, participants were asked to rate their perceptions about the impact of non-resident mining workforces in temporary accommodation on a range of aspects relating to their community. Responses were overwhelmingly negative:

- *75% felt mining developments with non-resident workforces housed in their communities had an adverse impact (47% very negative and 26% somewhat negative).*
- *75% felt the impact on housing availability and 79% on housing affordability was negative*
- *76% thought the impacts on local infrastructure was negative (and most very negative)*
- *76% felt the impact on local services was somewhat or very negative.*
- *63% felt the impact on the amenities for recreation was either somewhat or very negative*
- *62% felt the impact on local employment opportunities was somewhat or very negative*
- *60% felt the impact on local business and economy was somewhat or very negative*

²⁰ Carrington K., and Pereira M., Social Impact of Mining Survey: Aggregate Results Queensland Communities, School of Justice, Queensland University of Technology, Brisbane, June 2011.

²¹ Carrington and Pereira, (2011) p.5

²² Carrington and Pereira, (2011), pp.4-5

- 59% regarded the impact on crime and justice as adverse
- 58% felt the impact on community safety was adverse
- 55% felt the impact on lifestyle was negative

Far fewer respondents felt positive about the social impact of non-resident mining workforces on their total economy, infrastructure, employment and community wellbeing. The highest ranking perceptions about positive impacts were as follows:

- 26% thought the impacts on local economy would be positive
- 23% thought the impacts on the local liquor outlets would be positive
- 21% regarded the impacts on local employment opportunities as positive
- 14% thought the local impacts on amenities for recreation would be positive

Only

- 11% regarded the impacts as having a positive impacts on their lifestyle
- 10% regarded the impacts as positive for overall community wellbeing
- 9% were positive about the impact on the local infrastructure
- 9% were positive about the impacts on housing and rental availability
- 7% were positive about impacts on community safety
- 6% were positive about impacts on crime and justice
- 6% were positive about the impacts on housing and rental affordability

At face value these results should not be surprising. Few communities would be happy with a large itinerant population arriving in their town in circumstances where the existence of the town is regarded as merely incidental to the operation of the mine.

This survey is not the only source of material identifying a negative impact of FIFO operations on the life of the local community. In 2001, Keith Storey outlined the following issues with FIFO²³

Disadvantages of commute arrangements are perceived to include:

- *The failure of the system to provide employment or training opportunities for people in the area*
- *The need for young people (the children of those who settled in the mining towns of the 1960's) to leave the area in order to find work which ironically could be situated in their own region*
- *The inhibition of population growth in the area*
- *The receipt by the region of only a small share of the Royalties*
- *The lack of development of regional resources*
- *The problem that the approach shows no concern for regional or community social development*
- *The undermining of government policy with respect to decentralisation and regional growth*

These comments followed the outcome of a review Storey had conducted of the concerns of regional centres about FIFO. In that regard Storey says²⁴:

The regional centres in WA have become increasingly concerned about the effects of FIFO. A review of regional strategy documents, media reports and other materials indicates that the criticisms fall into three overlapping areas: the health and well being of the individual and the family; the economic impacts of FIFO on local businesses and the economic and social vitality of regional communities. More specifically:

²³ Storey K., (2001), p. 139.

²⁴ Storey K., (2001), p.39

- *FIFO has negative consequences for individuals, families and the communities where they live, contributing to greater abuses of alcohol and drugs, family violence and break-ups, parenting problems and reduced community involvement;*
- *Companies benefit from resources in the regions, but, by basing their workforce in Perth, give little back to those regions;*
- *Business in the regions fail to benefit from FIFO, as most of the benefits go to service and supply companies in Perth; and*
- *FIFO arrangements harm the regions by contributing to population decline and associated federal grant decreases, and negative business decisions such as the closure of bank branches.*

Storey refers to the “flyover” effect where the benefits of FIFO fly over the regional centres in favour of the metropolitan centres.²⁵

The QUT survey and the Storey article, albeit some 10 years apart, do not paint a very attractive picture of the impact of FIFO on local communities. The fact that the two documents are 10 years apart indicates that the concerns of the local citizenry in townships where FIFO has an impact have not changed in recent years. Indeed they may have increased.

In late 2010, an article published in the British Journal of Criminology received some attention in the Australia as it focussed on violence in locations where FIFO operates.²⁶ Whilst the study keeps the names of the townships and regions confidential it noted that one particular region had a *violent crime rate currently 2.3 times the state average*, and that *the rate of offences has risen almost threefold since the beginning of the resources boom.*²⁷ The article goes on to discuss the link between the pub and the workplace, the relationship between alcohol

²⁵ Storey K., (2001) p.135

²⁶ Carrington K, McIntosh A and Scott J, Globalisation, frontier masculinities and violence: booze, blokes and brawls, BRITISH JOURNAL OF CRIMINOLOGY, 2010

²⁷ Carrington K. et al, (2010) p.4

consumption and male-on-male violence in remote locations and a lifestyle that is conducive of excessive alcohol consumption. One of the authors, Professor Carrington is quoted as saying²⁸:

Such workers put in a 12 hour day, for two weeks straight, with few entertainment options other than the pub.

Professor Carrington goes on to say: “High stress, job insecurity, long hours and isolation are catalysts for violent cultures to flourish.”²⁹

This article reinforces the concerns raised by those who live in townships of the downside of FIFO on their communities. On the other hand the article brought some negative responses such as the Queensland Resources Council CEO saying that the problem was a West Australian problem and not one in Queensland³⁰ and representatives from Port Hedland and Roebourne in Western Australia either denying the problem or accusing it of being “sensationalised”.³¹

Case Study: Caval Ridge

A recent event in Queensland has brought to the forefront the relationship between FIFO and the local community. The event concerned a decision by the BMA – a joint venture of BHP Billiton and Mitsubishi Coal to staff the Caval Ridge Mine with 100% FIFO employees. Initially BMA had received approval from the Queensland Government’s Coordinator General for a 70% FIFO workforce. The Caval Ridge Mine is located near the township of Moranbah in Queensland’s Bowen Basin.

Moranbah is an interesting case in point. Moranbah was built as a mining town in the 1970s by Utah Development Company. It became the base for the workforce in the Goonyella and later the Peak Downs mines. Thirty years later, the township is still there. It is now well established as a regional centre in the Bowen Basin. As the Moranbah Action Group states³²:

²⁸ Australian Associated Press, Fly-in, fly-out fuelling violence, HERALD SUN, 7 December 2010

²⁹ HERALD SUN, 7 December 2010

³⁰ HERALD SUN, 7 December 2010

³¹ Mercer D., Bored mine workers turn to violence, THE WEST AUSTRALIAN, 7 December 2010

³² Moranbah Action Group, Submission to Coordinator General 100% Fly-in, Fly-out, Moranbah Action Group, 2011, p.5

Moranbah at one time had more than 60 active clubs and sporting teams. It is considered a friendly modern town and hosts more than 70 general retail and commercial outlets, as well as an Olympic size swimming pool & heated pool, hospital, community centre, 2 primaries and 1 secondary school, 2 long day care centres, golf course, modern gymnasium, as well as a modern Coalfields Excellence Centre.

Importantly, 70% of BMA Moranbah mine workforce lives in and around Moranbah.³³ Moranbah has a population of 11,000.³⁴

The case for moving to 100% FIFO put by the BMA relies on the “usual suspects” – the lack of appropriately skilled persons in the area to fill the vacancies. Moving from 70% to 100% FIFO means an additional 25 employees. In our submission to the Coordinator General we say that with respect to the immediate issue there are some 100 unemployed CFMEU members in the region who would like a job and, there is a large labour hire and contractor workforce in the area who would be attracted by the advantages of permanent employment and commuting to and from work each day.³⁵

But, of course, the issue of an appropriately skilled workforce goes beyond the requirements of the Caval Ridge Mine. FIFO does not solve the skills problem – it merely facilitates its transferral from one place to another through the aptly named process of “bodysnatching”. Our submission on the issue of the impact of FIFO on the demand and supply of an appropriately skilled labour force is addressed in the next section.

The Caval Ridge issue has led to the Moranbah Action Group and a number of Queensland Regional Councils to formulate a number of principles that government should consider when addressing mining applications. The regional councils are Mackay Regional Council, Rockhampton Regional Council, Whitsunday Regional Council, Isaac Regional Council Central and the Highlands Regional Council. The State Member for Dalrymple, Mr. Shane Knuth and the Federal Member for Capricornia, Ms. Kirsten Livermore also supported the principles.

³³ Moranbah Action Group (2011) p.14

³⁴ Moranbah Action Group (2011) p.29

³⁵ Construction, Forestry, Mining and Energy Division, SUBMISSION TO COORDINATOR GENERAL RE CAVAL RIDGE MINE – OPERATIONAL WORKFORCE CHANGE REQUEST 4, 4 June 2011, pp.5-6.

The principles are as follows:

Choice – giving people a genuine choice to live with their families and work in one of our many communities or coastal centres across our region, should be a priority for the State Government.

100% fly-in fly-out from the south east corner policies – remove those choices.

Economic Development Strategies – To ensure that the small businesses and communities helping mining companies to achieve record profits, also receive benefits from the unprecedented expansion of the industry.

Sustainable Growth – to ensure our communities are given the opportunity to achieve a sustainable population balance between resident and non-resident workers, to improve the liveability of communities and enable the appropriate provision of services for residents and non-residents alike.

Sustainable Development – To ensure our region promotes investment in, and development of permanent family housing that provides genuine choice for families and improves affordability, rather than promoting an explosion of temporary accommodation structures.

State Regionalisation – Ensuring the region’s biggest private sector employer provides an opportunity for families to live and work in our region, should be the cornerstone of any successful attempt by the state government to regionalise Queensland’s population away from the south east. 100% FIFO flies in the face of this strategy.³⁶

These principles encapsulate many of the problems inherent in FIFO for local communities. They are about people living as families on a permanent basis, about ensuring that local business shares some of the bounty of the mining industry, about growing the local community, about local infrastructure and services and about fulfilling the state government’s regional policies.

It uses the term “genuine choice”. This, in our view, should not be misread. Genuine choice is not “Hobson’s choice”. The idea is to create regional centres that people will have little hesitation to move to. Hence we see the references to the provision of infrastructure and

³⁶ Moranbah Action Group, Central Queensland Leaders Unite Against 100% Fly-in, Fly-out. Undated

services and to features that generate a vibrant community. If there is no decent housing at reasonable costs, people will not move; if there are not decent schools families will not move; if there are not decent cultural and sporting services, people will not move. Or to put it another way, people will not accept a *de facto* FIFO situation with no other home to go to. That is not choice in any use of the term. In that regard, the mining companies share a responsibility. Their responsibility and interest cannot be confined to what lies under the ground and once they've got that they up and move to the next place leaving behind a hole in the ground and the shell of a town.

In our submission to the Coordinator General we also make the reference to choice, and that means a real and genuine choice. In saying that, the CFMEU submission notes that the current Caval Ridge Enterprise Agreement enables the employment of a locally based workforce or a combination of a locally based workforce and FIFO.³⁷

At the same time, we are conscious that the interest of the mining companies lies essentially with profit and that where the cost of a locally-based workforce is deemed to be the more expensive option; the mining company will exhibit little interest in the notion of "genuine choice." As such, there may be case where choice, though essential is not enough: in September 2011 the Coordinator General released its report on the application by BMA for 100% FIFO at Caval Ridge. Whilst the Coordinator General approved the increase, he also required BMA to make a substantial investment in housing of some 400 new dwellings so as to maintain approximately 80% of employees in the area being locally based.³⁸

Housing

A classic example of the failure to address infrastructure requirements and other services in areas where the mining boom has directly impacted can be seen with housing. It's fair to say that in certain locations the price of housing for most people has become prohibitive. A 2008 report stated that the cost of rental in the Pilbara exceeded the income of a \$40,000 a year

³⁷ CFMEU (2011) pp,8-9

³⁸ The Coordinator General, COORDINAOR-GENERAL'S CHANGE REPORT ON 100 PERCENT FLY-IN FLY-OUT OPERATIONS WORKFORCE, Queensland Government, September 2011.

social worker; that average rental properties in Port Hedland and Karratha were between \$1,200 and \$1,500 per week and that shop rents more than doubled overnight to \$42,000 per year in the iron ore town of Newman.³⁹ A more recent report stated that the *dusty Karratha suburb of Nickol has become the first country suburb to crack the \$1 million median house price mark as the emerging resources boom pushes prices sky high.*⁴⁰ The overall median price in Karratha was \$830,000. The report went on to identify housing rents in the order of \$2,500 per week, around double the rental in 2008. Then there was a submission to the National Resources Sector Employment Taskforce, which stated: *In our area (McKay) it is a Dutch auction with rents up to \$1,800 per week.*⁴¹

The housing price situation puts the relevant local communities in a catch-22 position. People will not move to those communities if they cannot afford the house prices or the rentals. This in turn makes it harder to resist companies using FIFO. At the same time it makes it difficult to attract the necessary services to the town. As the National Resources Sector Employment Taskforce Report states:

*These rising housing costs are making it difficult for resources companies, businesses, local governments and public services to attract staff. It is increasing costs for resources companies and affecting the sustainability of important community services. Housing price rises not only affect mining and construction workers but doctors, nurses, teachers, child care workers, taxi drivers, hospitality staff and other who make a community viable.*⁴²

Observations such as this only emphasise our earlier statement clarifying what we mean by the term “genuine choice”. On their own, individuals and/or concerned parts of the community cannot fix any deficit in housing. It takes government to play a role; and it takes the companies who gain from the area to pay their share. In this regard the CFMEU has already called for a

³⁹ Laurie. V., Now it's fly-in, fly-out welfare as high rents force services out, THE AUSTRALIAN, 19 September 2008

⁴⁰ MacDonald K., Karratha homes join the million-dollar club, THE WEST AUSTRALIAN, 24 January 2011

⁴¹ National Resources Sector Employment Taskforce, REPORT, July 2010, p.92. The submission was from a group named “MAIN Cooperative”.

⁴² National Resources Sector Employment Taskforce, REPORT, July 2010, p.92

portion of the mining tax to be spent in the regions. The President of the Mining and Energy Division, Mr. Tony Maher, in addressing a delegates' meeting said⁴³:

If companies won't directly spend money on housing and roads and other essential social infrastructure then the government should use the tax...from the mining companies to do that job for them indirectly.

Whilst so ever life in the communities in and around the mines is beyond reach, people will be compelled to accept a lesser option if they are to be employed in the area. In other words, if the choice is between FIFO and living in a town near the workplace where you cannot afford to purchase a house and which is slowly being drained of resources, it is fairly clear which one will win.

It is also worth making some points about where FIFO workers come from. It appears that increasingly FIFO workers are coming from more distant places. For example workers who normally reside in the eastern states are working in the Pilbara. Some regional councils regard the incidence of FIFO as an opportunity to attract people to live in their region. The Sunshine Coast in Queensland is an example. According to the Courier Mail, the Sunshine Coast Council is undertaking a "12-month campaign to attract fly-in, fly-out (FIFO) mining workers to the region."⁴⁴ To that end the Sunshine Coast Council has offered to expand the local airport to accommodate the FIFO workers and to develop a mining training facility in the region. According to the article the focus of the Council is on the purported economic opportunities FIFO will bring to the local community. Whilst the Council has been in consultation with mining companies such as the BHP Billiton – Mitsubishi consortium, BMA, it is not known whether it has contacted other regional councils who are on the other end of FIFO.⁴⁵ Perhaps if it did, it may take a more cautious approach.

⁴³ quoted from Towns must get slice of mining tax:union, BRISBANE TIMES, 6 December 2010.

⁴⁴ Council's fly-in fly-out campaign continues, COURIER MAIL 28 July 2011

⁴⁵ Interestingly the Courier Mail article says that the Sunshine Coast Council has met with the BMA on its intentions for the Caval Ridge Mine – the very mine that has been causing angst in the township of Moranbah and surrounding area on the use of FIFO.

The further one lives from the work place the greater the travelling time between the two locations. As at least a significant amount of travelling time occurs in the workers' time, the result is that less is spent at home. The less time that is spent at home, the more the strain of the absentee parent becomes. Home on the beach may be fun, but it's not much fun if you are never there.

Case Study: Construction Worker "C"

"C" is a crane operator who lives in Port Hedland and works principally on resources projects. He moved to Port Hedland from Perth some 16 years ago and, as such, is now a local: he owns his own home and sends his children to the local school. He acknowledges that there has been a need for FIFO workers in his area because there simply isn't the local workforce to meet the demands of industry. That said, he notices the strain FIFO has placed on his local area and feels that the 'fabric' of his local community has eroded with the increased use of FIFO. For example, he has observed that there are increased instances of violence at the local pub where previously, there would be a gender mix but which no longer exists. Further, he cites plans of a 5,000 person camp in the area, despite refusals to extend the town because of water and sewerage issues. He says that there is some increased economic activity in the local area on account of FIFO but feels that this is mostly on alcohol, cigarettes and the odd bit of retail which does not compensate for the strain on public services. For example, he finds it difficult to get access to a GP. He feels that FIFO workers get preferential treatment from employers because they ultimately have longer and more frequent bouts of time off and get guaranteed earnings. This latter point makes him somewhat financially worse off than other workers who have less experience and skills than him but who perform work on a FIFO basis.

He says that he was fortunate enough to buy his house in Port Hedland when the market was low, but believes that he could now easily sell his house or rent it out at an inflated price and not have to work at all – despite there being apparent skills shortages in his work classification.

2.8 Worker Welfare

Members of the Australian Constructors Association (“ACA”) have difficulty recruiting crane drivers, riggers, and a number of other construction trades, especially welders and boilermakers, and have observed a high rate of labour turnover. They suggest, amongst other things, that this may be because of burnout arising from FIFO work arrangements.

According to the most recent Australian Bureau of Statistics figures, the national suicide rate in 2008 for men was 16 deaths per 100,000, while for women it was about five per 100,000. Ozhelp, a suicide prevention group funded to run suicide programs in the Pilbara, estimates suicide rates among mining and construction workers to be up to 70 per cent higher than the national average. With data from the Construction and Building Industry Super Fund (“CBus”), OzHelp has found that up to 172 of its 36,499 WA members committed suicide between 1998 and 2003, a rate of 79 per 100,000 compared to the average for fund members of 43 per 100,000. The CFMEU submits that this is due largely to fatigue, its association with mental health problems including depression, and time spent in work accommodation camps where alcoholism and social isolation are problematic.

2.9 Worker Representation

Another example of the isolation that can occur in a camp is where some companies have taken advantage of some of the characteristics of FIFO and weaknesses in the *Fair Work Act* 2009 to undermine freedom of association. Under the *Fair Work Act*, a union official is permitted to enter a workplace under certain conditions.⁴⁶ As a FIFO camp is not a workplace, the company can deny camp entry to union officials to meet with workers whose industrial interests they represent, under threat of trespass and, ultimately, the potential loss of their right of entry permit. The requirement of the *Fair Work Act* that a union official only confer with members or potential members during a break is of little value in such circumstances. Furthermore, where worksites are in especially remote areas, including those that are only accessible by air, the camp provided by the employer is the *only* form of accommodation and it occurs that union

⁴⁶ Part 3-4, ss 478-521.

officials are not permitted to stay at the camps. This makes it virtually impossible for workers to have the benefit of union representation in those locations. The situation becomes even more difficult when the FIFO worker, upon completing a work cycle, is ushered onto a plane and leaves the region altogether, only to return when due to work again.

Pursuant to the important conventions on freedom of association ratified by the Australian Government at the International Labour Organisation, workers are entitled to join and become active in a trade union. A trade union is to be given the opportunity to encourage employees to become members free from any interference from employers and/or the State. The nature of FIFO arrangements frustrates the implementation of that obligation.

2.10 Data Deficit

As a subset of the broader notion of work, the world of FIFO is a relatively mysterious place in terms of its broader community understanding and the amount of research that has been undertaken on the subject. To our knowledge, there are no available statistics that will inform the public of how many workers across Australia work in a FIFO situation. We do not know how many, we cannot say with any degree of accuracy where they are working, what work they undertake, what are their hours of work and rosters, where they come from; their expectations of longevity as a FIFO worker, their attitudes to FIFO and a list of other issues worthy of consideration. This is not to say that data deficiencies do not exist elsewhere; it merely says there is a problem with obtaining reliable data on the incidence of FIFO.

3. CONSTRUCTION WORKFORCE AND FIFO

3.1 Works Performed

The construction sector is critical to the resources economy in both direct and indirect ways. Principally, it is charged with transforming vast 'brownfields' sites into major industrial hubs, with all the buildings, infrastructure and facilities that are required for the extraction, production and transportation of minerals or hydrocarbons.

Construction work is generally finite in nature. Construction workers only perform work until a given project (or aspect of a project) is completed. That is not to say, however, that work performed is necessarily short-term. Some construction projects may last many months and even years. Further, it is often the case that construction workers move from project to project, spending much of their working life in a perpetual state of itinerancy. Alternatively, construction workers with varied and/or transferrable skills (for example, plant and engine operations) may also continue to perform work into the operational phase of a mine, and *vice versa*. Furthermore, many workers return to sites for maintenance and shutdown work.

The CFMEU recognises, however, that for certain projects in the construction phase, there will be little alternative to FIFO. There is little doubt, for example, that on a large construction project requiring a workforce in the thousands, located in a remote part of the country and where upon completion of construction the workers will pack their bags and go home, FIFO will be the only feasible way to undertake construction. It is simply not possible or reasonable to expect a locally-based permanent workforce to perform the work.

3.2 Rosters

Perhaps the most critical aspect of FIFO work arrangements is the design and implementation of work rosters. On most major projects, the ordinary hours of work are 36 per week. Typically, employers provide two or three roster models, depending on whether the employee is locally-based or sourced from elsewhere (see **Table 1: Sample local and FIFO rosters** below). This allows for working time for FIFO workers to be compressed with shorter and fewer breaks and longer shifts whilst on location. Rosters may vary from site to site but generally they range from (rarely) '5 days on / 5 days off' to (usually) '28 days on / 7 days off' or '21 days on / 7 days off', with the 'days on' component invariably consisting of 12-hour shifts. Construction rosters for FIFO workers are thus extremely intensive.

FIFO workers are often made to travel part of their journey in their own time, which may significantly limit the time in which they are meant to rest, recover, recreate and/or perform family or community duties. Indeed what might be seven days' offsite may easily become only

three or four days off if travel time is factored in. Further, it goes without saying that when FIFO workers return home, they are often too tired to do anything other than rest.

Table 1: Sample local and FIFO rosters

Examples of local workforce work-cycles							Legend																				
Every week							D – normal scheduled work day (12 hours)																				
M	T	W	T	F	S	S	d – reduced hours scheduled work day																				
D	D	D	D	d	d	R	O – rest day (taken at usual place of residence)																				
Every week							R – Rest day (taken in local area)																				
M	T	W	T	F	S	S	IN – Travel into site on the afternoon/evening before the first scheduled day of new work																				
D	D	D	D	d/D	d/D	R																					
Examples of FIFO/DIDO work-cycles																											
Week One			Week Two				Week Three				Week Four																
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
I	D	D	D	D	D	d/R	D	D	D	D	D	D	d/R	D	D	D	D	D	D	D	d	O	O	O	O	O	O
N					R							R									OUT						
Week One			Week Two				Week Three				Week Four																
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
IN	D	D	D	D	D	d/R	D	D	D	D	D	D	d/R	D	D	D	D	D	D	d/R	D	D	D	D	D	D	D
Week Five																											
M	T	W	T	F	S	S																					
d	O	O	O	O	O	O																					
OUT																											

(Source: Bechtel Hay Point Expansion 3 Project Union Greenfields Agreement 2009-2011)

One area of concern for our members and organisation is that many rosters are not always constant in that they are not incorporated into enterprise agreements but, rather, often remain at the discretion of employers. This can sometimes cause uncertainty for workers which, coupled with other sensitivities associated with FIFO work including fatigue, has the potential of leading to industrial disputes and/or higher labour turnover.

3.3 Employment

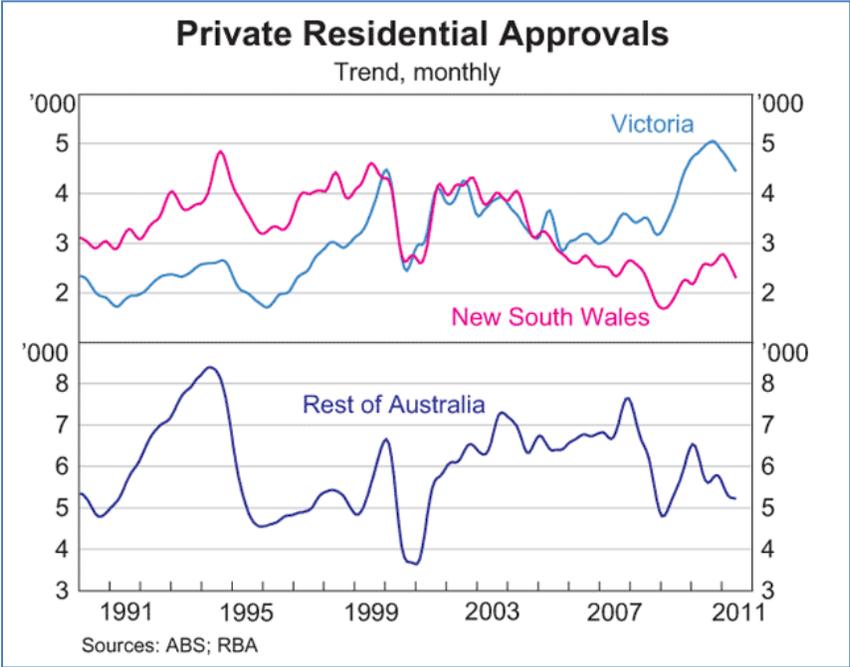
In this so-called “patchwork” economy, it is not necessarily the heightened earning capacity associated with FIFO work on resources projects that attracts (and retains) workers but too often the otherwise poor employment prospects that subsist in construction workers’ home communities. Construction workers are often faced with the false choice of either being

employed away from their homes and families in regional or remote Australia or being unemployed in their home communities, unable to support themselves and their families. As put by the Department of Treasury in relation to the non-residential building sector in 2010:

“Investment in new non-residential building [...] is expected to remain subdued. Outside the stimulus-related activity, there is a limited pipeline of work in the building sector, reflecting credit constraints, high vacancy rates and soft property prices. Despite support from the Government’s Building the Education Revolution program, investment in this sector has fallen sharply over the past year.”⁴⁷

Subdued construction activity is not, however, confined to non-residential building. Since 2009-2010, residential building has been in decline both in major capital cities and in the rest of Australia as ABS/RBA data on trends suggests (see Graph 1 below) – despite the unprecedented investment in the resources economy and high commodity prices.

Graph 1



⁴⁷ Australian Treasury 2010, Budget Papers, Statement 2: Economic Outlook, pp 2-21, Commonwealth of Australia, Canberra, viewed 15 September 2011, www.budget.gov.au/2010-11/content/bp1/download/bp1_bst2.pdf.

This is partly explained by the tightening up of the finance which otherwise drives construction projects in what is inarguably a tempestuous global economic climate. But it is also explained by the effects the commodities boom has on the rest of the Australian economy, notably with the onset of higher costs of living and the substantial increase in value of the Australian dollar. As the Australian economy experiences an unprecedented commodities boom, the growth in value in the Australian dollar as against other currencies has made it difficult for other industries (upon which the construction industry otherwise depends) to compete internationally. As summarized by the Reserve Bank, “...mining investment and exports continue to increase, [as] growth in the non-mining economy is likely to remain slower than growth in overall GDP.”⁴⁸ It follows that there are large numbers of construction workers in areas like Cairns and the Gold and Sunshine Coasts, where tourism and residential construction are facing downturns, are having to (or will have to) take up FIFO opportunities in Central Queensland and the Pilbara.

Further, this phenomenon is not only adversely affecting the onsite construction industry, but is also associated manufacturing sectors. Many offsite “shop” workers in areas including the Illawarra in New South Wales and parts of Tasmania have faced – and continue to face – mass redundancies; and, despite FIFO opportunities being open to them, these workers are well-established in their home communities and have family commitments that render them relatively immobile.

Case Study: Construction Worker “D”

“D” is a tradesman from Brisbane, where he has spent all of his working life working on commercial building projects. He has a wife and two children (aged 3-5 years) in Brisbane, but has only been able to find enough steady work on the constructions phase of mining (and ancillary) projects in Central Queensland. Whilst he would prefer to continue working on commercial building locally, he now regularly performs FIFO work in areas in the Bowen Basin. He has needed to work as a labourer in order to keep the work going. Because his wife works full-time, he and his wife have to incur significant expenses for childcare which wouldn’t be

⁴⁸ Reserve Bank, *Statement on Monetary Policy – August 2011 - Box B: Measuring the Mining and Non-mining Sectors*, viewed 1 October 2011, www.rba.gov.au/publications/smp/2011/aug/html/box-b.html.

necessary if he were still working in Brisbane on commercial projects. This leads them to question whether it is worthwhile for both of them to be working.

Case Study: Construction Worker “E”

Construction Worker “E” is a young labourer from the Gold Coast. He currently has some work lined up on the Gold Coast Hospital site and the new light rail project.

He does not foresee there being much work beyond that locally and believes he will have to consider taking up labourer work on a FIFO basis. He doesn’t see much choice in the matter although he would have much preferred getting a trade and being around his mates.

Case Study: Construction Worker “F”

Construction worker “F” is a plant operator from Wollongong, who has been made redundant following the closure of BlueScope Steel Limited’s operations in Port Kembla. (BlueScope Steel was a major client of his former employer). He is middle-aged and has children in high school. His wife also works full-time in order for them both to meet their mortgage payments. He acknowledges that he is tempted to perform FIFO work, but can only rule it out on account of himself and his family being so established in their local community and the needs of his wife and children.

3.4 Blacklisting

As has already been discussed, work in the construction industry is often short-term and generally itinerant. This is because employment in the construction industry is usually limited in time to the duration of a given project. It follows from this that in the ordinary course of events, construction workers are required to regularly seek employment with a number of different contractors on a variety of different construction projects.

A practice has developed – notably in Western Australia – for the recruitment of construction workers on major resource and infrastructure projects to be managed by a “registration of interest” process under which prospective employees are asked to provide a significant amount of personal information including education, training, trade or other qualifications and medical and employment history. Use of this “registration of interest” process is stated by the prospective employers to be a pre-condition for employment on these projects; and, part of its pretext is to obtain data for the purposes of FIFO mobilisation/demobilisation, which is then passed onto third parties (e.g. to coordinate flights, accommodation etc).

The practice referred to above is used in the labour recruitment processes of a large number of contractors and sub-contractors engaged in the construction of major resource projects. Use of the process is widespread if not universal on all such projects. Given the number and scale of such projects in recent years, we estimate that many thousands of workers and others have provided personal information through the use of this system.

Members of the CFMEU have complained to the union that the databases maintained are being used to extract and disseminate information relating to their membership of a trade union, their participation in trade union activities, seeking recourse under workplace laws, or seeking compensation under workplace health and safety laws. Such members complain they have been hindered in their efforts to obtain employment because of the information obtained and provided through databases. Indeed, prospective employers have advised them that the reason they are unable to be employed is that the information provided to them through databases is to the effect that they are unsuitable for employment because of previous union membership or activity or because the project developer/manager or head contractor has obtained information about those matters and has advised the prospective employer that the person concerned is regarded by them as not suitable for employment on their project for those reasons.

Case Study: Construction Worker “G”

“G” has been a carpenter for some twenty years, five years of which he had been performing FIFO work in WA. At the start of his most recent (and final) stint doing FIFO, he was told by his superintendent that if anyone ever “crossed” him, he would make sure that they would never work in WA construction again – and perhaps not even in Australia again. Initially, G saw this as an empty and exaggerated threat.

During that stint, however, a dispute erupted over allowances. He says that the superintendent became “nasty” to the point that one of his work colleagues was on the verge of tears. G complained about this to the project manager who was dismissive about the complaint. G flew out that day as it was his scheduled 7-day R&R. Upon his departure, the superintendent announced to G’s workmates that G would not return and was blacklisted and would not get work again.

He has since been unable to gain employment on resource projects, despite the apparent multitude of opportunities for workers of his classification on such projects. He suspects that he was blacklisted, as was threatened by his former superintendent. He cites database and IT companies operating out of Perth who provide information on industrial activity *etc* to prospective employers and that similar services were found to be provided to employers in the United Kingdom who also operate in Australia.

3.5 Skills Development and Labour Supply

Industry has expressed concerns about skills shortages. For example, both the Minerals Council of Australia (“MCA”) and members of the Australian Constructors Association (“ACA”) contend that they experience difficulty in recruiting workers in key trade and non-trade roles. But the CFMEU submits that where there are skills shortages, it is because industry recruitment strategy has focussed on *sourcing* labour rather than generating skills through investment. Paradoxically, FIFO is both central to this strategy *and* causal to the apparent skills shortages industry laments. On the one hand, employers in the resources sector engage in ‘body snatching’ whereby skills are acquired (and paid for) in other parts of the economy, only then for the skilled workers to be flown-in and flown-out for resources projects. Naturally, this

creates huge disincentive for employers in other sectors to train workers with skills that may then be used in resource project construction or operations but are needed elsewhere for a healthily diversified economy. On the other hand, even the ACA attributes burnout arising from FIFO arrangements (and associated work schedules, workplace culture and lack of social infrastructure in project locations) to high labour turnover and workforce attrition.⁴⁹

Furthermore, as the resources sector treats skills as an “externality” through practices such as FIFO, this leads to serious and multiple ripple effects across the economy, as set out in **Diagram 1** below:

Diagram 1: Ripple Effects of Skills Shortages from Resources Projects



According to DEEWR, multiplier effects “can be substantial” and place significant demand on regional and remote communities, as was experienced in particular by many Western Australian communities including Karratha and Port Hedland. For example, skills shortages may constrain projects in areas such as health, public amenities and community services.

⁴⁹ ‘Resourcing the Future’, National Resources Sector Employment Taskforce Discussion Paper (March 2010), p 17.

Case Study: Construction Worker “H”

Construction Worker “H” has worked in construction for 22 years. He began working in the sector as an apprentice, commuting to remote locations (usually five hours’ drive by car) in regional New South Wales. Over many years, he has since performed a great deal FIFO work – these days, usually in the Pilbara. He hardly ever (“if ever”) sees apprentices working on major resources projects as he once did. His observation is shared by his workmates.

4. MINING WORKFORCE AND FIFO

4.1 Work Performed

Upon the completion of the construction phase, an operations workforce is necessary. Whilst not necessarily of the same size as the construction workforce, it will be needed for a much longer period – as long as the product delivers an acceptable profit to the corporation, an operations workforce will be needed. Many mines have a life in excess of 20 years. Further, in that time we often see other mining operations open up in the same area.

On the operations side, the nature of the workforce depends on the type of mining being undertaken. For example, a coal mine may be underground or open cut as may be some of the other mines such as gold mines. On the other hand, the metaliferous mines such as iron ore are open cut. The mining and production of coal requires coal washing plants whereas other mines have ore crushing machinery. Some mines use rail to transport the product to the port for export. Others use road services or extract the final product within close proximity to the mine. Whatever the form of mining, the major form of employment is the plant operation which is directly involved in the mining and movement of the product from the mine. The mine also requires tradespersons, being predominantly mechanical and electrical to maintain the equipment. The mine will also employ engineers and managers to administer the day to day operation of the mine.

4.2 Rosters

Whilst away from home, work is the dominant feature of a worker's life. Mines tend to operate 24 hours a day, 7 days a week, 365 days a year with the possibility of the mine closing on Christmas Day. Depending upon the roster, a worker may spend up to half of each working day at work. Shifts of 12 hours' duration are common features in FIFO operations. Simultaneously, to facilitate the operation of FIFO a worker will compress his/her working time into as short a period as possible. This is necessary to permit the worker to spend a longer continuous period at home. Thus, we will see a number of workers undertake a continuous number of shifts of 12 hours' duration, with a minimum break in a shift change from a day shift to a night shift operation. The reality is that a FIFO worker will spend a lot more time away from home than at home.

In the coal mining industry, the ordinary hours of work are 35 per week and in mining other than coal, the ordinary hours of work are 38 per week. In addition, many rosters also provide for rostered overtime. As with the construction phase, a characteristic of FIFO rosters is that they provide for extended shifts, usually up to 12 hours (and beyond in some cases) and compressed time where the ordinary hours per week are compressed into a shorter period by averaging the hours over a period of weeks.

In a submission to Fair Work Australia in 2009, the Australian Mines and Metals Association ("AMMA") identified a wide variety of hours of work rosters across 25 mining and drilling sites, the majority of which operated a FIFO regime. The mining sites did not include any coal mining sites.⁵⁰ The submission identifies hours of work patterns such as, 4 days on – 4 days off, 5 days on – 5 days off, 8 days on – 6 days off, 14 days on – 7 days off, 9 days on – 5 days off, 2 weeks on - 1 week off.⁵¹ One feature of these rosters is their tendency to see workers spending more time away from home than at home. Most of the working year is spent either working or residing in a donga.

⁵⁰ Submission by the Australian Mines and Metals Association to vary the Mining Industry Award 2010. 7 August 2009.

⁵¹ Submission by Australian Mines and Metals Association Submission. pp. 7 -14

There are roster patterns that provide for even longer work periods. A worker at a gold mine in Western Australia reported that he worked a 3 week on, 1 week off roster and 12 hour days for 21 days straight.⁵² In another example, a FIFO worker is away from home for stints of 3 weeks.⁵³ A report by the Pilbara Regional Council found that the most common rotation patterns in the Pilbara are 2 weeks on/1 week off, 3 weeks on/one week off, 6 weeks on/1 week off.⁵⁴

These types of rosters can be accompanied by a regimented and constant workload where the employer has systems in place to ensure the worker is constantly on the job and downtime is minimised. For example there is the practice of “hot seat” changes where one-worker steps away from his/her work location to be immediately replaced by another. During the award modernisation process, the AMMA sought to include a provision in the Mining Industry Award to oblige employees to undertake handover work. This was rejected by the then Australian Industrial Relations Commission, which noted that the clause as sought “did not provide for the manner in which an employee would be compensated” and nor was it a clause in existing mining awards.⁵⁵

The CFMEU is not aware of too many studies that have addressed this pattern of work. We are aware of a case study in 2007 that addressed rosters in a FIFO mining operation.⁵⁶ The mine operated an hours of work pattern of 10 days day shift work on site, 5 rest days off-site, 8 days night shift on site and 5 days rest off-site. The study concluded as follows:

The results show that a FIFO working arrangement incorporating 10 consecutive 12-h day shifts is of concern as significant performance decrements appeared after eight consecutive shifts. Even more obvious effects were seen during the consecutive 12-h night shifts. At the end of the

⁵² Davey M. Fly-in, fly-out gig forces family to relocate. SYDNEY MORNING HERALD, Monday 25 April, 2011, p.4

⁵³ McCarthy J. Ins and outs of taking mine jobs on fly, COURIER MAIL, 17 August 2011

⁵⁴ Pilbara Regional Council, BEST OF BOTH WORLDS? Seeking a Sustainable Regional Employment Solution to Fly-in – Fly-out Operations in the Pilbara, Pilbara Regional Council, no date, p. 30

⁵⁵ Australian Industrial Relations Commission, AWARD MODERNISATION DECISION, [2008] AIRCFB 1000 @ para.[214]

⁵⁶ Muller R., Carter A., Williamson A., Epidemiological Diagnosis of Occupational Fatigue in a Fly-In – Fly-Out Operation in the Mineral Industry, ANNUAL OF OCCUPATIONAL HYGIENE, Vol. 52, No.1, PP. 63-72

*first two night shifts, workers showed significantly elevated fatigue ratings and significantly slower response times compared to the beginning of the shift.*⁵⁷

This result was the product of a period of consecutive 12-hour working days and followed by a change in the time of work in a manner inconsistent with the body's circadian rhythms.

The rosters worked by FIFO workers raises occupational health and safety considerations, with a particular focus on fatigue. In that regard it is recognised that whether fatigue becomes a problem depends on the parameters of the rosters being worked. Given the paucity of data and published or available material on FIFO rosters and fatigue it is difficult to make any accurate judgements on that issue. But there are grounds to be sceptical.

In April 2001 the Queensland Government issue a Guidance Note on the hours of work arrangements at mining operations.⁵⁸ This guidance note provides some 17 pages of information and advice on the subject. However when it comes to FIFO, it takes up no more than half a page and all it does is provide some ideas that may contribute to improving FIFO arrangements.⁵⁹

Another important feature of mining operations rosters and FIFO is that the time spent travelling to and from the work camp does not form part of the worker's ordinary hours (although this is not the case for construction workers). In other words travelling time is the worker's own time. What this can mean is that the time actually spent at home can be reduced by up to 2 days, depending upon how far the worker has to travel. For example, an employee who lives on the Gold Coast and works in the Pilbara can take 24 hours to get home.⁶⁰

⁵⁷ Muller et. al. (2007), p. 67.

⁵⁸ Department of Natural Resources and Mines (Queensland), Guidance Note for Management of Safety and Health Risks associated with Hours of Work Arrangements at Mining Operations, Queensland Government, April 2001.

⁵⁹ Department of Natural Resources and Mines (Queensland), (2001), p.14

⁶⁰ McCarthy J. Ins and outs of taking mine jobs on fly, COURIER MAIL, 17 August 2011

There was a further example in Queensland where a worker would pack his bag prior to the last day shift, drive his car to work the next day, work a 12 hour shift and then leave the work site to commence to drive by to his home, which was some 800 kilometres away from the mine.⁶¹

The CFMEU and others have been agitating for some time for better rosters in FIFO operations and in particular rosters that allow workers to spend more time at home. The CFMEU has been pushing for even time rosters; a move that would double the leave for workers.⁶² In this regard the CFMEU has expressed the discontent caused by the extent to which travelling time erodes their time at home. Other Unions such as the Australian Manufacturing Workers Union (AMWU) have also called on employers to introduce more family friendly rosters for FIFO workers.⁶³ It is also interesting to note that a 2003 study by the Centre for Social Responsibility in Mining and Minerals Industry Safety and Health Centre found:

There was little evidence to support the argument that employees were willing to trade off longer rosters for higher take-home pay. In fact, the ability to earn greater annual pay for longer FIFO patterns (e.g. working a 21/7 roster) was associated with higher employee turnover.⁶⁴

5. FIFO AND GOVERNMENT

When it comes to the role of the Federal Government in determining policy or appropriate regulation of FIFO, there is not much to say. This is because, on our research, the Federal Government has not had much to say on the subject. And where it has it has done so in the context of the provision of jobs.

Recently the Minister for Resources, Mr. Martin Ferguson was talking up the use of FIFO to create jobs for Tasmanian forestry workers who had recently lost jobs and for workers in the Cairns area who had lost jobs as a result of the downturn in tourism.⁶⁵

⁶¹ This set of circumstances was set out in a decision of the Queensland Industrial Relations Commission in Leighton Contractors Pty Limited AND Q-COMP (WC/2011/7), 20 July 2011

⁶² Macdonald K., Unions want more days off for miners, THE WEST AUSTRALIAN, 25 June 2011

⁶³ Workplace Express, AMWU calls for new FIFO shift patterns and tripartite resources body, http://www.workplaceexpress.com.au/n106_news

⁶⁴ Centre for Social Responsibility in Mining and Minerals Industry Safety and Health Centre, WORKFORCE TURNOVER IN FIFO MINING OPERATIONS IN AUSTRALIA; AN EXPLORATORY STUDY, University of Queensland, 2003, p.26

Further, consistent with one of the recommendations of the National Resources Advisory Committee, the Federal Government is establishing “fly-in, fly-out coordinators” in an additional four regions following the initial establishment of a position in Cairns. According to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans⁶⁶:

FIFO coordinators capitalise on fly-in, fly-out job opportunities in Australia’s growing resources and infrastructure industries by developing links between projects in remote locations and skilled workers in regions experiencing high unemployment.

This makes the work of this Inquiry all the more important. In our submission the impact of FIFO goes well beyond an alternative means of providing employment. This needs to be brought to the attention of government. The operation of FIFO occurs in such a way that the Federal Government ignores it at its peril.

The two states most impacted by FIFO to date are Queensland and Western Australia. At face value there is no reason why, if corporations are left to their own devices, FIFO cannot spread to locations in other states.

Recently the Queensland Government released its Major Resource Projects Housing Policy. In doing so the Treasurer and Minister for State Development and Trade, Mr. Andrew Fraser stated⁶⁷:

The policy makes clear that the Government supports choice being provided. Fly-in fly-out is a reality; it is neither new nor temporary. The convenience of modern air travel means many workers who want it all – a well paying job in the mining sector and to live by the beach – can have the best of both worlds. Similarly, many workers do not want to commute, preferring not to be away from friends and family. That is why choice is important and the policy reflects that fundamental principle. It commits the companies to do more upfront on the impact they will have on housing and services in a town and region.

⁶⁵ Maher. S., Fly-in, Fly-out focus for jobs, THE AUSTRALIAN, 5 May 2011.

⁶⁶ Senator the Hon Christopher Evans, SPEECH, ADDRESS TO THE NATIONAL PRESS CLUB, 21 September 2011

⁶⁷ Hansard of the Queensland Government, Ministerial Statement, 25 August 2011, p.2674 - 2675

Importantly, the policy will also apply to the social impact assessment component of the environmental impact assessments being conducted under the Environmental Protection Act. The sustainability and liveability of our regions are paramount and must be addressed as part of the EIS upfront. All proponents for new assessment processes will be required to submit a workforce accommodation strategy that includes accommodation and location preferences workers.

Industry, communities and all tiers of government share responsibility for achieving a balanced approach to the social and economic development of resource communities. Like most policy challenges, competing interests must be balanced. FIFO is here to stay and will increase into the future.

Accompanying the Ministerial Statement was the release of a Major Resources Projects Housing Policy: Core Principles to guide social impact assessment.⁶⁸ This policy reiterates the commitment of the Queensland Government to the development of a Queensland Regionalisation Strategy. On the issue of FIFO it says⁶⁹:

The Queensland Government believes that resource workers should have a choice of where and how they live and work. Where a fly-in, fly-out workforce is proposed, the proponent must work with local communities, councils, unions and the state government to make sure that the liveability and sustainability of towns is protected and the workers have choice about where they live.

In the section of the policy on “project workforce accommodation” it states⁷⁰:

Resource project proponents must therefore, where practicable and sustainable, locate a proportion of their operational workforce in resource towns to support growth and liveability of those towns and should provide evidence that they have considered this option in consultation with the relevant state and local government and the community.

⁶⁸ The Coordinator General, Major Resource Projects Housing Policy: Core principles to guide social impact assessment, Queensland Government, August 2011

⁶⁹ The Coordinator General, Major Resource Projects Housing Policy (2011) p.1

⁷⁰ The Coordinator General, Major Resource Projects Housing Policy (2011) p.7

Whilst this policy places an obligation on the proponents of the resource project to address the workforce arrangements, it provides such proponents with plenty of “wriggle room” where it is determined to introduce FIFO. The tests are qualified and pliable in favour of the position likely to be adopted by a corporation. Further, as mentioned earlier, the notion of having a “choice” is of little substance unless that choice is real and genuine. When it comes to the policy of the Queensland Government, the proof of the pie will be in the eating.

With respect to Western Australia, Storey argues that at the turn of the century, the state had no policy on FIFO and that in the past FIFO has been treated by the government as a minor issue⁷¹. Storey goes to state that “[t]he present government has tended to favour limited intervention in industrial and commercial activity.”⁷²

Some 10 years later, with FIFO growing at an exponential rate in Western Australia, the State Government is at least acknowledging the down side of FIFO. In a report on the need for a skilled workforce, it says the following on FIFO⁷³:

It is acknowledged that in the current economic environment, FIFO is necessary to meet labour demands in regional Western Australia. However, the State Government recognises the potential for FIFO to have a negative impact on individuals and the opportunity cost to regional communities. The so called ‘fly-over’ effect relates to regional communities missing out on economic benefits associated with mining, and is compounded if goods and services are sourced out of the area.

As part of its Pilbara Cites Plan, the State Government is committed to developing modern regional centres that can support and deliver a skilled workforce for major projects in the Pilbara.

Royalties for Regions funding will be used to revitalise the region through the creation of modern higher density centres that are supported by high quality facilities and services with the goal of ultimately establishing sustainable communities of 50,000 people.

⁷¹ Storey (2000) p.140

⁷² Storey (2000) p.140

⁷³ Western Australia Department of Training and Workforce Development, SKILLING WA – A Workforce Development Plan for Western Australia 2010, Western Australian Government, 2010, Chapter 3, p. 101.

Whilst the WA Government rightly expresses concern about the impact of FIFO, it continues to grow unabated and, as far as we can see, is paid lip service. For example, in the recent social impact assessment for the Browse Liquefied Natural Gas Precinct just north of Broome, the subject of FIFO occupied some 3 pages in a 3-volume document covering many hundreds of pages and appendices⁷⁴. And, not unexpectedly, the workforce will be overwhelmingly FIFO. In a “Frequently Asked Questions” document on the project, it asks the rather pointed question: “Will Broome become another Karratha or Port Hedland?”⁷⁵ The readers will, we assume, be relieved to know that for a variety of reasons, the answer given by the government is in the negative. Clearly this question leaves the reader with the view that the author thinks that the operation of FIFO at Port Hedland and Karratha has brought with it undesirable outcomes that can be avoided with the Browse LNG Project. Exactly how is unclear.

Government at the Federal and State levels to date has been quick to jump on the bandwagon on jobs in the resources sector. That’s fair enough. But simultaneously government has an obligation to address issues of concern and disadvantage that flow from various systems of work. To date, government has been remiss in this area.

6. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Given the issues associated with FIFO as have been elaborated upon in this submission, It is difficult not to conclude that FIFO should not be the means of finding, building and employing a workforce unless it can be shown that in all the circumstances there is no alternative. In that regard it should not be left to the particular company to unilaterally decide whether the circumstances exist where FIFO is the only realistic form of employment.

There will be cases where the alternatives to FIFO are not available. For example, on a project in a remote area where there is no urban community within reasonable travelling distance. Another example is a construction site where the construction workforce will be large but temporary.

⁷⁴ Department of State Development – Western Australia, BROWSE LNG PRECINCT STRATEGIC SOCIAL IMPACT ASSESSMENT, Volume 1: Scope and Profile, August 2009, pp. 109-111

⁷⁵ Government of Western Australia, Department of State Development, BROWSE LIQUIFIED NATURAL GAS (LNG) PRECINCT – Frequently Asked Questions. Undated, but available from the Department’s web site.

On the other hand, there are locations where FIFO is used where in our submission it is not needed or not needed to the degree it is used. Further, the idea of denying communities the infrastructure and facilities necessary to provide for a safe, healthy, active and productive community and thereby artificially creating the need for FIFO is not acceptable. As said earlier in this report, if workers are to choose between FIFO and local living, it is a choice that must be real and genuine. In our view many workers will opt to live locally given the right environment.

Further, for a social perspective and for the point of view of the public interest, living in the local community is clearly preferable to FIFO. To make the observation that most people would clearly prefer to return to their home and family at the end of each working day is, in many respects, to state the obvious. To establish a work regime that allows for that is preferable to a work regime that does not.

Left in the hands of the corporations, any decision on whether FIFO is to be used or not will be made on the basis of whether it is cheaper than the alternative and hence its impact on profit. In our submission this should not be the measuring stick. Given the broader social and economic impact on the wider community as explained in this submission, it is vital that government have a role to play in such decisions.

Public Consultation in relation to Proposed FIFO Operations

The following recommendations are based on similar practices in relation to “Environmental Impact Statements”.

Recommendation 1: That the Federal Government establishes a process to conduct an impact assessment of any proposal from a corporation to establish a workplace that employs employees on a fly-in, fly-out basis.

Recommendation 2: That the process established by the Government operates on the basis that the corporation seeking to introduce a FIFO operation carries the onus of proving why the particular workplace can only operate with a FIFO workforce, whether in whole or in part. The process should give priority to providing employment opportunities to local and regional residents on local and regional projects. Further, the process should critically address any

proposal for FIFO relating to the use of labour from outside Australia and the consequent impact on the Australian workforce and migration.

Recommendation 3: That the process is open to interested parties to make submissions and that interested parties, upon request, are provided with the case in support of FIFO being made by the corporation.

Recommendation 4: That the process addresses the impact of FIFO on the local community and in particular the provision of infrastructure and services that the community can provide or should be able to provide with appropriate assistance from government and the employers in the area. Where the township lacks suitable infrastructure and/or facilities, steps should be taken to remedy that deficit.

In essence, what we are seeking here is a process that determines whether FIFO is the only option and in doing so take into account that the local townships must have the necessary infrastructure and services to attract people to the community. Through this process it can be properly determined whether FIFO would be a positive thing or whether an alternative form of employment be used.

As such the first step in any process is to properly and objectively ascertain whether, in any particular project, FIFO is necessary from an economic, social and community perspective. If it isn't then that is the end of the matter.

Self-evidently, FIFO looms large in certain places; for example, the Pilbara and the Goldfields in WA and the Bowen Basin in Queensland. The experience of our members with FIFO in those locations has identified a number of problems.

Experience has shown that the standard of the camps is variable - from very good to very ordinary. If the dongas are to be the "home away from home", then it is reasonable to expect that the accommodation and facilities be at a decent standard. In saying this it must be kept in mind that the accommodation and facilities will be in places where the FIFO worker spends a large part of his/her working life and that in many places they are located where there is little to do outside of the accommodation village.

Appropriate Standards in Worker Accommodation

Recommendation 5: That the Federal Government establishes a uniform set of standards for the "Worker Accommodation Villages". In doing so the Government should call for submissions from interested parties and conduct inspections of a range of accommodation villages, together with interested parties. This may include consideration of whether camp accommodation is fit for instances of extreme weather.

Our submission, together with references to other reports and documents, speak to the problems of family separation as a product of FIFO working. Given the nature of FIFO it is difficult to eliminate this problem - hence the need to properly assess whether it is required - but some things can be done to diminish the problem of the "tyranny of distance" separating partners and families. The use of modern technology through the internet can be of assistance. For example access to networks such as Skype can help to bring people together in such circumstances.

Worker Accommodation and Technology

Recommendation 6: That the Government ensures that all worker accommodation villages have access to modern digital technology such as the internet and Skype so as to permit FIFO workers and their families to overcome the tyranny of distance and enhance their opportunities to communicate with each other.

Recommendation 7: That corporations that utilise FIFO are obliged to provide the necessary technology to the family of their FIFO worker to facilitate communication between the worker and his/her family.

Whilst the use of modern technology may assist in ameliorating some of the problems caused by isolation and loneliness and separation from partner and family, it will not remove the problems of separation and distance that flow from FIFO working. Cases will and do exist where FIFO workers and/or their partner/family may need assistance to address any problems.

FIFO Worker Assistance and Representation

Recommendation 8: That employers of FIFO workers provide and pay for access to any assistance required by the FIFO worker, their partner and/or member of their immediate family who is experiencing difficulties coping with the personal/family consequences of FIFO.

Given the range of issues associated with FIFO working, the need for FIFO workers to have access to representation and advice is important. Simultaneously it is a fundamental right for employees to have access to representation.

In most circumstances, a representative can visit a worker in the workplace. Further, and is often the case, workers meet collectively with their union officials or individually if need be outside of the workplace. As workers may work all sorts of shift patterns and don't necessarily all gather in one place at the same time for a meal break, the ability to meet their representative outside normal working hours is important.

However, experience has shown that in some places, employers who control the worker accommodation villages are undermining freedom of association and rights to representation by denying union officials' entry to WAVs to speak to union members and potential members. Using the facilities of FIFO to hinder union representation is not acceptable.

Recommendation 9: That the Government legislates to ensure that where a Union Representative wishes to enter an accommodation village to consult with Union members or potential union members, the Union Representative is permitted to do so. FIFO workers should be entitled to all workplace rights whilst on camp, including those pertaining to disputes resolution and OH&S. In particular, worker accommodation village matters that have the potential of depriving a FIFO worker of his or her accommodation should be amenable to disputes resolution procedures through Fair Work Australia and the Fair Work Ombudsman. Due process should be afforded and Union Representatives should have standing to assist the FIFO worker. As to the provision of accommodation, the status quo should remain until the disputes resolution procedure is completed.

This submission identifies a range of working patterns where the only constants are compressed shifts and long working days. The pattern of rostered working has a number of

impacts. It will impact the level of fatigue. It will impact the time spent at home. It will impact the relative time spent travelling, which in turn will impact on the actual amount of time spent at home. In regard to those FIFO workers who actually drive to and from the workplace e.g. Bowen Basin, there is a concern about the propensity for motor vehicle accidents.

FIFO Rosters and Fatigue Management

Recommendation 10: That corporations using FIFO consult with their employees and their representatives on their rostering system so as they ensure that they do not result in fatigue and that rosters are as family friendly as possible.

Recommendation 11: That corporations using FIFO consult with their employees and their representatives to develop a set of parameters for fatigue management.

FIFO Work, Skills Development and Worker Retention

Recommendation 12: That corporations using FIFO pay into Industry Training Funds to ensure that the wider economy is not “caught out” with a deficit of much needed skills. Further, that Government approval for FIFO work practices for major projects should be conditional on satisfying training quotas in targeted work classifications.

Recommendation 13: That corporations meet on a regular basis with the employees and their representatives to discuss any issues the employees and their representatives may have regarding the FIFO system.

Proper Remuneration for Travel Time

Recommendation 14: That travel time is properly taken into account as part of working hours and that travel time is to be taken from the usual place of residence of the FIFO worker, and not the point of hire.

Road Safety

Recommendation 15: That the Government undertakes a study of the incidence of road accidents in the Bowen Basin with the objective of determining whether there is a correlation

between the incidence of road accidents and “drive-in, drive out” and, if so, identifies the cause and make recommendations to overcome those causes.

This submission also identifies a number of deleterious impacts on the local communities where FIFO is a feature. The cost of housing, the absence of facilities to cater for the influx of FIFO workers, the uneasy relationship between the "locals" and the FIFO workers, and the "flyover effect" impact on the local community in various ways. The case study at Moranbah is a case in point. The concerns identified by the residents of Moranbah and the broader community as shown in the survey by the Queensland University of Technology cannot be ignored. They must be addressed and not on a one-off basis every time a particular issue may arise in a particular town.

The submission also shows that in general terms, the Federal and State Governments have sat idly by as FIFO has grown up around them. Some, such as the Queensland Government are now taking some notice, but the Federal Government remains some way behind. It is also clear to this point that the notion of jobs has overridden any other consideration. Undoubtedly the issue of employment is important but nobody could seriously argue that subjecting FIFO to scrutiny and ensuring that its negative consequences be identified and removed would put those jobs at risk. As most jobs are in the resources where the profits are in the "super" category, any threat of not proceeding with the work should be taken with a grain of salt.

By way of example, the impact of FIFO extends beyond the immediate workforce, their families and the local communities. As noted in this submission, it plays an important part in the skills debate by providing certain employers various advantages in accessing the available supply of skills without having to make any contribution to the supply of those skills

At present there have been a number of separate studies of FIFO, but nothing across the board. In our submission this Inquiry presents the Committee, the House of Representatives and the Government with a golden opportunity to put FIFO in the public policy agenda and to be the subject of further analysis. In doing so there is a need to identify, gather and analyse the relevant data.

Further Research on FIFO

Recommendation 16: That the Federal Government undertakes an analysis of the types of data and information necessary to understand and monitor the operation and impact of FIFO on the workforce, families, local communities and the Australian Community generally. Upon the completion of that analysis, the Federal Government should implement a program to collect and disseminate that information.

Recommendation 17: That the Federal Government undertakes an extensive public inquiry into the operation of FIFO in Australia. Without being exhaustive, the inquiry should address:

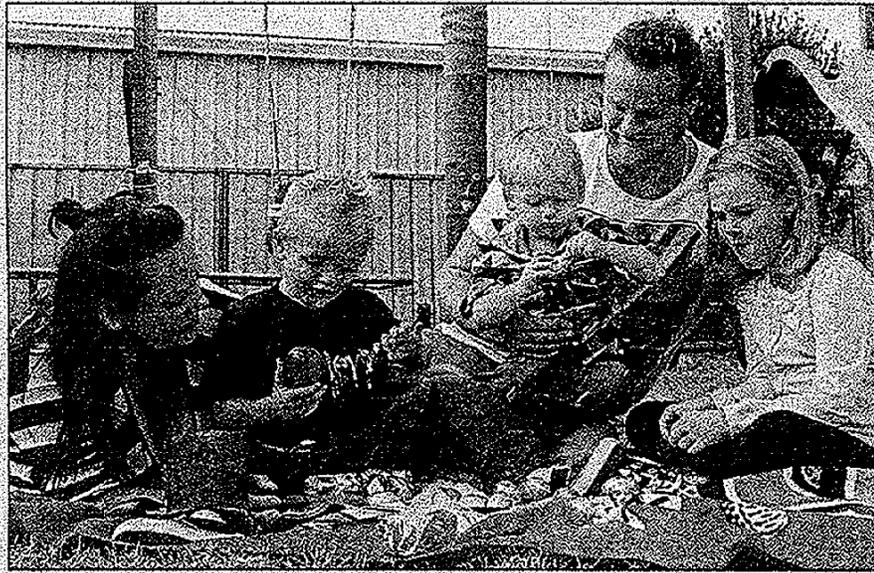
- ***The incidence of FIFO***
- ***Where FIFO workers come from***
- ***Conditions in the Worker Accommodation Villages (and "dongas")***
- ***The hours of work and rosters***
- ***Travelling time***
- ***Impact on the workers and their partners/families***
- ***Impact on the local community***
- ***Impact on the community where the FIFO workers reside***
- ***Impact on skills development***

In one-way or another, the issues identified in Recommendation 16 are addressed in this submission. But we do not pretend that this submission is exhaustive. Further, we believe that the issue of FIFO needs to be put to the Australian people in a more elaborate, public and forthright way. We also say that this should be done as a matter of priority. The impact on various people and communities, as identified so far, does not allow for inactivity. The other recommendations made by the CFMEU will, if implemented by the Federal Government, allow work to commence on ensuring that if FIFO is to apply, it does so where there is no alternative and where it does exist, to remove its rough edges by making it more palatable to those who work it, those who stand beside those who work it, the communities where it operates and the community generally.

7. APPENDIX

Sydney Morning Herald, Monday 25 April 2011, p 4.

Fly-in, fly-out gig forces family to relocate



Family time ... from left, Alana Browne, Cohem, Bryson, Shane Browne and his daughter Shyanne, from a previous relationship. Photo: Lee Besford

Melissa Davey

SHANE BROWNE is a driller's offsider from St Clair who works at the Tropicana gold mine, 330 kilometres north-east of Kalgoorlie, in Western Australia. Mr Browne works a three-week-on, one-week-off roster, and 12-hour days for 21 days straight.

His week off fell over Easter this year so he could spend time with his wife, Alana, and their two children, three-year-old Cohem and 20-month-old Bryson. But the flight interstate was long and Mrs Browne said the family would soon relocate to Perth.

"About two days of his days off are taken up by flying and it does get hard. But his job does help us financially. I am still on maternity leave and I know Shane would rather me be home with the boys than working and

also trying to pay for childcare. Fly-in fly-out work allows that."

The reason her husband worked so far away from home was because "that is where the opportunity was, and there isn't much information out there about similar work for him closer to home", she said.

Mr Browne has been working in the mine for one year, and Mrs Browne said he would do so for a few more years until the children were older and she could go back to work. "I want to study to be a primary school teacher, so after that things might change but for now I think we will stick this out."

She said the help of online support groups, including FIFO Families and Mining Family Matters, had helped her family cope.

"We just make sure we talk to him most nights and he takes photos of us to work with him. It gets easier."

Ins and outs of taking mine jobs on fly



FAMILY TIES: Clayton Barnard, on the Gold Coast with partner Danielle Glen and son Javan, 3, sees mine job pitfalls. Picture: Adam Head

Source: The Courier-Mail

CLAYTON Barnard, 34, earns well over \$100,000 and gets 16 weeks' leave a year for a job that is normally a hard slog on about \$17 an hour on the Gold Coast.

But for that he has to spend three-week stints away from home, and the commute to the Pilbara iron ore mine where he works in Western Australia takes 24 hours on train, plane and bus.

It's a good life if you're young and single, but not so good when the family needs you. That is the reality of the fly-in, fly-out workforce now promoted as a way for the mining industry to overcome the skills crisis. It has also been blamed for destroying regional towns once reliant on mining.

Places such as Cairns and the Gold Coast are being touted as home bases for the mining workforce, and BHP Billiton and its joint venture partners are pushing the State Government to allow it to have an almost complete fly-in, fly-out workforce of about 500 at its planned Caval Ridge coal mine near Moranbah.

But, as Mr Barnard says, the toll on the workers can be too much, and now he wants out.

He wants either a shorter roster or local work, but he is in the construction industry and that has been in the doldrums on the Gold Coast.

"If you have a family you initially go over there for them (for money), but people have to understand you have to make a decision some day to come back for the family," he said.

"It is a great way to set yourself up and relieve the financial side of things, but when you have a young child it's difficult to have the time away from home and when you get back it's hard to switch off from that way of life.

"You do speak to a lot of people who have sacrificed their relationships because you get used to the income and you find it difficult to adapt when you come home."