



Standing Committee on Regional Australia
House of Representatives
Mr Tony Windsor, MP
PO BOX 6021
Parliament House
CANBERRA ACT 2600

26/10/2011

INQUIRY INTO THE USE OF FLY-IN FLY-OUT WORKFORCE PRACTICES IN REGIONAL AUSTRALIA

The MAC Services Group Pty Ltd (The MAC) would like to make a submission to the above noted inquiry generally in support of the current workforce practices and to bring further understanding to many of the common issues that often misrepresent the workforce accommodation industry.

BACKGROUND

The MAC is a leading integrated accommodation provider specialising in quality accommodation for people in key resource regions. The MAC develops, owns and operates high quality villages for people that work in regional areas of economic significance.

The MAC currently employs over 500 staff nationally and has more than 6000 permanent rooms under management in the Bowen and Surat Basins (Queensland), Regional NSW and WA.

The MAC strives to be the leading provider to the resource industry through high quality, innovative and flexible service offerings and best value-for-money solutions.

Its unique 'Develop-Own-Operate' (DOO) 360° business model incorporates land acquisition, village design, regulatory approvals, manufacturing, construction and ongoing management. By resolving the challenges of workforce accommodation, The MAC frees clients to focus on their core business.



SUBMISSION

Address of Terms of Reference relevant to our business.

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

The MAC currently owns and operates eight workforce villages within regional areas of Queensland, NSW and WA. It is a key part of The MAC's community strategy to work in partnership with the local communities in which we operate, to build a shared vision for long term sustainability.

Some of the ways we are positively contributing and integrating with our local communities include:

- *Upgrades to public infrastructure*

The MAC has recently upgraded the town of Narrabri's sewer main to help adequately service the village. The upgrade will also accommodate for the future development of any adjoining third party residential development.

In response to a proposed workforce accommodation village in the nearby town of Boggabri, The MAC has proposed to upgrade the town's water supply with additional high level water storage which will be handed back to Council to manage. While servicing our own development, this will also provide for any further third party rural or residential development of an adjoining 25 hectare lot. The MAC has also proposed to construct a 400m lit public pedestrian and cycleway at the town of Muswellbrook that will extend the existing local cycle network improving the cycleway connection back to town.

- *Tailored service provision within The MAC villages to complement the existing services in the adjoining towns*

Following community consultation and gaining an understanding of the towns' business dynamics, The MAC has refrained from building residential bars and gymnasiums within our accommodation facilities where existing businesses within the town are able to provide similar services and benefit from the additional patronage from FIFO workers. Alternatively, where we may have facilities that include a gymnasium or conference facilities within the village, full public access will be granted where there is a potential benefit for the local community. The MAC also operates restaurant facilities that are also open to the public.

- *Support local communities and contributing to the region's economic health*

Engaging in community activities and providing sustainable support and contribution in the communities in which The MAC operates has had a positive impact within these local towns. Below is an example of some of the more recent activities and support The MAC has given over the past 2 years.

Upper Hunter NSW	
Location/Town	Supporting Event/Organisation
Muswellbrook	Major sponsor of Muswellbrook Rugby Club
Narrabri	Major sponsor of Narrabri Rugby Club
Narrabri	Sponsorship of the Narrabri annual Business Awards
Narrabri	Sponsored the annual 'Nosh on the Namoi' food and wine festival
Bowen Basin QLD	
Coppabella	Supported the Coppabella annual Australia Day Awards
Coppabella	Sponsor of the Coppabella Community family weekend
Coppabella	2009 & 2010 Brigalow regional athletics carnival
Coppabella	Provide food and services in kind for the Coppabella State School
Coppabella	Provided labour, construction and materials for the Coppabella Cubs playground renovation
Dysart	Major Sponsor Dysart Bulls Rugby League team
Dysart	Sponsor of the 2010 Dysart Triathlon
Dysart	Catered for the Dysart Disability Services Christmas party
Middlemount	Silver Sponsors of the annual Middlemount Race Day for the past three years
Middlemount	Sponsors of the Highlands Indigenous Women's Rugby League Team
Middlemount	Sponsor of Middlemount Junior Motocross
Middlemount	Catered for providing food and services for the Middlemount Breast and Prostate cancer fund raising dinner
Middlemount	Sponsored the Middlemount 30 year celebrations event
Moranbah	Major sponsor of Moranbah BMA Race Day for 3 years
Moranbah	Provided a meals and service for the Moranbah Traders association Gala awards presentation night.
Moranbah	Major sponsor of the Moranbah Miners Rugby League team for 3 years
Moranbah	Sponsored and participated in the Cancer Council's Moranbah relay for life for 3 years
Moranbah	Moranbah Rodeo – ran a food stall donating the proceeds back to the community
Nebo	Major sponsor Nebo Rodeo and camp draft
Nebo	Major sponsor of the Isolated children's Parents Association
Nebo	Provide food and services in kind to the Nebo State School



Western Australia	
Kambalda	Annual sponsor of the Kambalda (WA) Senior citizens Christmas Luncheon
Kambalda	Donation of a computer to the local Kambalda school for year 3 & 4 special needs students.
Kambalda	Annual sponsor of the Kambalda Australia day Breakfast

Example of The MAC's community contribution

The MAC, where possible, uses local subcontractors, employs local operational staff and purchases local supply items. This capital investment brings significant funds into local economies. The figures below illustrate this and relate to our recent Narrabri development.

Narrabri Village Local Spending through to September 2011	
Village Construction - subcontractors and suppliers (electricians, plumbers, etc.)	\$4,039,000
Operational Wages - staff of The MAC who live locally	250,000
Operational Supply - goods & services including food, linen services etc.	428,450
TOTAL LOCAL SPEND TO DATE	\$4,717,450

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

- The MAC provides opportunities for local businesses to supply services to FIFO workers staying The MAC village (eg. food, personal laundry, pharmaceuticals, medical, coffee etc.).
- The MAC works in partnership with local communities consulting with Councils on the provision of services such as gymnasiums and bars with our villages. If there is services available within the town that Council believes the local businesses will benefit from the increased patronage from FIFO workers The MAC will not incorporate these added facilities within the village, encouraging the workers to integrate with the local town.
- The MAC sources food, cleaning and other services locally (such as linen services) where possible.
- The MAC also provides opportunities for hospitality industry employment within the village and seek to employ local people over FIFO. The MAC is a major employer of hospitality personnel within the industry.

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

High demand for accommodation in resource growth areas can drive up housing prices and rentals which can make it very difficult for low income earners to stay in the market, or for first home buyers to enter. Workforce villages take the pressure off local housing and rental prices allowing much greater accessibility and sustainable growth of the community.

There is some concern in communities in which we operate, relating to empty housing estates should a downturn occur. This has historically resulted in a reduction in housing demand which leads to reduced property values. This concern leads to support the need for quality accommodation villages, as it addresses the rapid expansion phase of mining development and allows workers to establish themselves in their jobs within a local region.

The MAC's experience has been that once workers feel that their jobs are of a permanent and secure nature and have had the opportunity to evaluate the local community and town, they may choose to move locally depending on the available real estate opportunities. Workforce accommodation villages can absorb the increased population demand when workers move into a mining area which can allow for sustainable and manageable residential growth within the region over time.

Our anecdotal evidence is supported by a study carried out in 2009 by researchers from the Queensland University and the ANU (*"Mining developments and social impacts on communities: Bowen Basin case studies"*, Vanessa Petkova, Stewart Lockie, John Rolfe and Galina Ivanova) and published in Rural Society (Vol. 19, Number 3 Oct 2009 p211) several relevant points were made including the following:

- *"High building costs and the reluctance of banks" to finance developers and individuals in remote areas that were mining dependent "promoted inflation in the value of existing housing stock"*
- The following argument of one worker is quoted in the report *"Mining has encouraged people to buy \$300,000-\$400,000 homes in a town where maybe in five years' time [those houses will] not be worth anything"*
- It was seen by local government that *"Work camps were generally seen as a practical way to deal with the short term need for accommodation, and with fluctuations in employment levels, but less desirable in the long-term than permanent housing"*

The report then goes on to say that *"Paradoxically though, the majority of the non-resident workforce who were interviewed or surveyed preferred to commute to the area, and would not move to the mining towns, even if more housing became available"*.



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

The experience of workers who choose to accept a job which involves living away from home is greatly enhanced by staying in a high quality, landscaped serviced environment.

The food and service quality is noted as critical to the wellbeing of the FIFO/DIDO worker. All of The MAC village kitchens are ISO 22000 certified and enjoy a reputation of consistently serving a high quality, varied menu with a range of healthy options. Nutritional information on menu items is readily available in our eateries. A yearly competition called “The MAC Dare” is run throughout the organisation to promote living a healthy lifestyle. Again, all our eateries are open to the public.

The MAC’s operations are internationally certified in relation to Quality and Safety requiring regular audits to be carried out to maintain our high quality service provision. The MAC also offers extensive training programs to all hospitality staff including offering traineeships in Hospitality or Frontline Management. The MAC believes the primary source of our achievements is our team. Professional, service-orientated employees who are engaged in their roles with a good understanding of our client’s needs are integral to our success and provide a consistent and high standard at our villages.

The MAC provides lifestyle facilities such as in-house gymnasiums and fitness facilities including multi-purpose courts (basketball, volleyball and tennis) and recreational swimming pools. The MAC also employs Lifestyle Co-ordinators, certified personal trainers who are available to guests for fitness and health advice, personal training and run group fitness classes within the village. All of these services are complimentary to guests and are provided as part of their accommodation.

The MAC provides guests with superior en-suited private rooms. The MAC standard room includes an en-suited 16m² room with air-conditioning, a flat screen TV with Foxtel channels, a desk, wireless internet and a king single bed. Additionally The MAC also provides some 19m² or 24m² rooms with added cabin furniture and queen sized bed.

Providing a quality landscaped and relaxed environment within the villages is also critical to the experience of workers when living away from home. Provision of BBQ areas, lawns and gazebos within the village surroundings provides casual recreational areas which promote social interaction. In our experience, it has proven that when the environment provided is attractive and well maintained then it is respected by those using it.

Other village services such as gymnasiums, restaurants, licenced facilities and conference facilities are open to the public and the local community.



5. Any other related matter

It is widely supported that the growth of the resources sector needs to be facilitated in Australia as it underwrites many of our future wealth aspirations. This growth cannot occur without a large construction and long term operational labour force living and working physically in the resource rich areas.

Accommodation in resource rich areas is essential for the projected growth to transpire. Without adequate accommodation provision to meet the mining companies' ever increasing rate of production and output time frames, the projects cannot go ahead.

The FIFO/DIDO practices exist to support the labour requirements in remote areas and in more populated areas where there is an inadequate labour market from which to draw upon.

Workforce accommodation villages are the only form of accommodation that can respond to this labour force requirement in remote and developing regions of the mining industry in the short and medium term. This is not a new concept and has been the foundation of many Australian towns and cities since settlement where new industries have been developed.

Quality of life and potential social issues are mitigated by providing high quality, well managed and landscaped living environments for people. The MAC provides this type of accommodation and while we would never claim to be the whole solution to the workforce accommodation issue, our villages are certainly an essential part of the solution, in many areas now and into the future.

More traditional forms of residential development require established water sewer and power infrastructure to exist prior to development. The timeframe around the provision of this infrastructure generally prohibits these potential developers from responding in a timeframe suitable to the mining industry labour requirements. Infrastructure investment will occur over time as mining activities become established and a long term view is taken.

The MAC would be happy to provide any further detail required by the inquiry and to participate in any further dialogue with the committee as you progress the study.

Thank you for the opportunity to participate in this timely and important inquiry.

Kind Regards

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The MAC Services Group Pty Ltd