

OUTBACK COMMUNITIES AUTHORITY



SUBMISSION TO STANDING COMMITTEE ON REGIONAL AUSTRALIA

Outback Communities Authority (OCA) was a contributor to the written submission by Regional Development Australia Far North to this enquiry, dated Monday 10 October 2011.

OCA specifically responds to terms of reference

"3. the effect of a non-resident FIFO/DIDO workforce on established communities, including community well being, services and infrastructure", and

"4. the impact on communities sending (large numbers of) FIFO/DIDO workers to mine sites", and

"7. provision of services, infrastructure and housing availability fo FIFO/DIDO workforce employees.

INTRODUCING THE OUTBACK COMMUNITIES AUTHORITY (OCA)

The OCA was established by the Outback Communities (Administration and Management) Act SA, in December 2009, and commenced operations on 1 July 2010, replacing the previous Outback Areas Community Development Trust. That Trust was established in 1978 to secure Commonwealth funding and administer via an appropriate local government type body for 'out of council' areas in far north South Australia. The basis of this Trust was to support outback communities, through volunteer progress associations, to manage their own needs and aspirations, not to perform the role traditionally undertaken by the local government sector. However over time this has evolved to managing some "local government type services".

In 2007 the State Government instigated a review which highlighted the fact that outback communities are facing particular challenges in meeting those expectations for a number of reasons, including volunteer "burnout", critical mass, and lack of capabilities with respect to managing local infrastructure and good governance. The result was the passing of the Outback Communities (Administration and Management) Act SA, in December 2009, establishing the Outback Communities Authority.

The OCA conducts its operations within the 'unincorporated areas' of the State – that is, the areas that are not within a incorporated Local Government Council area. This area represents 63% of South Australia or 8% of Australia. The population of this vast region is about 4,500 to 5,000 people spread across 30 communities and numerous pastoral farming entities.

The OCA's functions and objectives state:

- (a) to manage the provision of public services and facilities to outback communities; and
- (b) to promote improvements in the provision of public services and facilities to outback communities; and

- (c) to articulate the views, interests and aspirations of outback communities.

THE OUTBACK GOVERNANCE MODEL

Local management and maintenance of essential services and infrastructure (waste management, aerodromes, water supplies) is primarily undertaken by volunteer progress associations in individual outback communities, with the assistance and advice of the OCA. The progress associations also play a vital role in social cohesion and cultural development. The reliance on volunteers to undertake these roles and responsibilities is becoming increasingly burdensome. Communities are faced with volunteer burnout, the lack of capacity or capability to perform certain functions within some communities, and a reliance on 'one-off' grant funding adds to the problem.

This has been exacerbated by increased mining and tourism activity in outback areas and the increased pressure on existing infrastructure in some communities, such as airstrips, waste management, accommodation and water supplies.

While OCA welcomes the benefits these activities bring to the state's economy, it must be acknowledged the burdens they can place on some of our most remote and vulnerable communities. We focus here however on the FIFO/DIDO issues.

THE MINING BOOM

The Regional Development Australia Far North submission articulates the extent of mining activity in the Far North Region of South Australia (which includes the outback areas), and acknowledges that given the tyranny of distance in the Far North region and the isolated location of resources, FIFO for some projects is the only option.

There are two well established resource projects in the outback areas where a town was established to service mining. Leigh Creek and Roxby Downs (neither of which are within the jurisdiction of OCA). The resources sector no longer constructs these purpose built towns, instead, they build employee villages on site and utilise FIFO and DIDO where location allows. Again, Regional Development Australia Far North submission refers to where FIFO and DIDO practices apply and expected growth in the resources sector.

The mining boom, whilst incredibly positive for South Australia and the outback, is causing pressures on volunteers who struggle to manage infrastructure and governance in outback areas. The most significant negative impacts of FIFO/DIDO can be seen in towns such as Roxby Downs, Coober Pedy

and Andamooka, Andamooka being within the jurisdiction of OCA. However, impacts on other townships and settlements in the outback are also acknowledged.

Some of the key impacts of mining in the outback and in particular of FIFO and DIDO arrangements are as follows:

- Community leaders in townships and in Aboriginal communities (those who are volunteers involved in planning and administration locally) are those most likely to take up employment opportunities with the various mining companies. This has resulted in the loss of capabilities in local communities, and in some cases leaves no-one with the capabilities to take up the volunteer roles. There is added pressure in engaging volunteers to undergo various types of skills development to fill the gaps.
- Anecdotal evidence suggests that when these community leaders come home they are more likely to disengage with their community at a strategic level. Whilst this is not an uncommon phenomena, for a small community relying on these community leaders for direction and leadership, the very fabric of the community begins to break down.
- FIFO/DIDO operations are luring some trades and other professionally skilled people away from townships creating skills gaps in local communities to the extent that some services are no longer available and no qualified person to fill the gap. Local employers struggle to offer the level of wages offered by the mining companies.
- FIFO/DIDO workers do not spend locally in these communities – other than small every day purchases. They see these places as somewhere they sleep in between shifts. This places pressure on the infrastructure provided by small communities, with no investment back into the community.
- Additional strain is placed on volunteer progress associations (and service providers) with increasing demand for services and facilities and no pathway to source funds, other than by local volunteer effort.
- Significant social and behavioural issues which come hand in hand with large numbers of mainly men in stand alone FIFO/DIDO mining camps, which affect families in the communities - the prevalence of alcoholism, binge drinking, drugs, prostitution, and anti-social behaviour – leading to relationship break-ups, mental health issues and other associated health issues.
- Housing availability for local people becomes less affordable, through increased demand for purchase or rental, increasing property values. (Andamooka)

- FIFO/DIDO arrangements lure families out of the area to larger regional centres, resulting in risk to local services for those left behind, for example school numbers drop which in turn jeopardies teacher numbers.

ANDAMOOKA

Andamooka is the OCA's largest individual community and the community situated closest to the Olympic Dam mine, being some 33kms from Roxby Downs via the sealed Andamooka Road. The OCA-supported local community association is the Andamooka Progress and Opal Miners Association (APOMA), members of which account for about 350 town residents of a total population of around 800.

Andamooka township was established in the 1930s by opal miners and for many years attracted few residents. Those who chose to live in the township were attracted by its independent frontier lifestyle, were comfortable with its lack of urban services and governance, and generally content to eke a living from the opal deposits around the town.

This has changed since the commencement of mining at Olympic Dam in 1988. The town has become increasingly popular as a residential choice for Olympic Dam workers (non BHP Billiton employees in particular, for example contractors works in service industries), partly because of its distinctive "outback frontier" character, but also because it has offered housing that is easier to access and more affordable than housing in Roxby Downs. Andamooka's popularity as a residential location has been historically highest whenever housing supply and/or affordability is low in Roxby Downs.

The potential impacts on Andamooka in particular were articulated in detail in OCA's response to the Olympic Dam Expansion Draft EIS. It was noted that, particularly during the last expansion phase of the Olympic Dam mine, Andamooka has attracted "fugitive" land uses and activities not catered for in the "company town" at Roxby Downs. Regulation of land use, always difficult in remote areas, has struggled to control the establishment of facilities for bikies, sex workers and barracks for single male workers. The local community has been faced with a range of social issues as a result of these incompatible land uses being established in the town.

Of particular concern is the location of the FIFO/DIDO worker accommodation in close proximity to Andamooka. The Draft EIS has acknowledged the *relative isolation and character of Andamooka, and limited police presence, may increase the likelihood of prostitution, anti-social behavior or illicit*

activities. An important element in managing these risks will be ensuring that BHPB make no distinction, in terms of expected worker behaviour, between workers who live in Andamooka and those who live in the “company towns” of Roxby Downs and Hiltaba Village.

In addition it is clear that essential infrastructure and services in Andamooka are grossly inadequate for a potential growth in population to over 1000 people. While the current volunteer-led and largely ad-hoc arrangements may have been acceptable for a small town on the outback “frontier”, they are not adequate currently and will become less so as the township grows in the future. Future arrangements are currently being considered to address these governance arrangements.

BHPB has indicated that, as part of its Zero Harm policy, workers who violate the rules of the policy will be denied access to the Olympic Dam worksite. They will thus lose access to employment and will be left no practical choice but to leave the area. It is vital that BHPB adhere to this commitment as it will provide a valuable option for influencing worker behaviour in Andamooka and preventing social issues in the township.

There is also a clear need for a conscious growth management strategy to be implemented for the township of Andamooka, covering not just key township infrastructure but also social and economic development issues.

Summary of Impacts and Recommended Responses

The key impacts of ODX upon Andamooka township are expected to be:

- population growth in the likely order of between 180 and 260 people, with potential for much higher growth in the event that BHPB does not maintain housing availability or affordability in Roxby Downs and/or Hiltaba Village;
- considerable strain on already-inadequate essential township services, particularly water, power and waste disposal;
- social and community development impacts, particularly associated with growth in working age single males with high disposable incomes;
- potential for establishment of “fugitive” land uses not provided for in Roxby Downs or Hiltaba Village.

Commuting and Movement Patterns

Outback communities are increasingly mobile and will travel long distances to access services or employment. As such, growth and additional services in Roxby Downs will potentially attract drive-in/drive-out commuting from areas up to several hours drive away. While the diversification of employment opportunities available to outback residents is valuable, long distance commuting can have potentially negative social impacts upon originating communities.

For example, long distance commuting to Roxby Downs or Hiltaba Village could result in a "hollowing out" of local communities, whereby potential community leaders are less able to contribute to their local areas. In extreme cases, the traditional self-sufficiency of outback communities can be compromised, potentially resulting in a "learned dependency" upon BHPB.

Roxby Downs and Hiltaba Village

Roxby Downs is a purpose built township currently located 16km south of the mining operation at Olympic Dam, a distance that will reduce as the expansion occurs. Between the 1996 and 2006 Census, the population in Roxby Downs on census night has grown 53.6% to 4,054.

It is estimated that the current population of Roxby Downs is around 4,500. Roxby Downs will gradually grow to 10,000 post-construction. Hiltaba Village, a new settlement to be constructed some 17km east of Roxby Downs on the Andamooka Road, will house the bulk of Olympic Dam's residential workforce and will have a population during the operational phase of about 3,000 with a peak of 10,000 during the construction phase.

Roxby Downs is excluded from the OCA's area of responsibility and Hiltaba Village, while situated beyond the municipal boundary of Roxby Downs and therefore within the jurisdiction of the OCA, will be operated by BHPB essentially as an adjunct or satellite of Roxby Downs (that is, the OCA will not need to take responsibility for community development at Hiltaba Village).

Taken together, Roxby Downs and Hiltaba Village will constitute a major population centre of 13,000 people and comparable in size to Aberfoyle Park, Hallett Cove and Prospect, some of the largest suburbs in the State. Increased population at Roxby Downs will generate a range of services and opportunities for outback residents within driving distance and has potential to make more services

more accessible to more outback residents. Such services could include health, retail, education, employment and key essential services.

Conversely, population growth at Roxby Downs has potential to impact negatively on surrounding outback communities – particularly Andamooka. The availability and affordability of housing in Roxby Downs is of particular importance in determining the extent to which Olympic Dam workers seek housing options in OCA townships. While it is reasonable to assume that some workers will prefer the lifestyle Andamooka provides, workers should not be forced towards Andamooka due to lack of affordable choices in Roxby Downs.

Leigh Creek

Leigh Creek is located east of Olympic Dam across Lake Torrens, either 300km via the unsealed Borefield Road or 528km via Stuart Highway. The township is controlled by Alinta Energy to service the nearby coalfields that supply electricity generation activities in Port Augusta.

The 2006 Census recorded a population of 548 in Leigh Creek on census night. This is down from 627 in 2001 and 1,000 in 1996. The population of the township has declined due to efficiencies in coal extraction and handling. It is currently anticipated that coal extraction will cease by 2017 raising significant questions about the future of the township, which was originally designed and serviced to support a population of 2,500 people.

The Leigh Creek – Regional Service Centre Report was commissioned by the Northern Regional Development Board and prepared by Collins Anderson Management in October 2007. Leigh Creek's position as a regional service centre is due to its availability to high quality regional infrastructure, services and facilities as a result of the nearby coalmine supplying the power plants via rail in Port Augusta. Stakeholder consultation has revealed the desire to strengthen the town's role and future by providing housing and services for fly-in fly-out workers. While this is not currently aligned with the Flinders Power's core business or lease arrangements, it is one opportunity for the continuation of the town after coalmining has ceased.

Leigh Creek as been described as “a town in search of a population”. While Leigh Creek is some 300km by road from Olympic Dam, it is only 92km by air. The town could accommodate considerable growth within existing infrastructure constraints.

Whether or not the opportunity exists to foster a “fly-in/fly-out” satellite community of Roxby Downs at Leigh Creek over the long term depends upon the extent of any further expansion at Olympic Dam, the relative economies of fly-in/fly-out accommodation (as opposed to onsite living) for BHPB, the arrangements under which Alinta Energy may grant access to Leigh Creek, and the workforce accommodation policies of BHPB.

