



**STANDING COMMITTEE ON REGIONAL AUSTRALIA**

**INQUIRY INTO AND REPORT ON THE USE OF 'FLY-IN, FLY-OUT (FIFO) AND  
'DRIVE-IN, DRIVE-OUT' (DIDO) WORKFORCE PRACTICES IN REGIONAL  
AUSTRALIA**

**SUBMISSION FROM THE SHIRE OF KALAMUNDA**

**TERMS OF REFERENCE**

The Standing Committee on Regional Australia will inquire into and report on the use of 'fly-in, fly-out (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in regional Australia, with specific reference to:

1. the extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised;
2. costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce;
3. the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;
4. the impact on communities sending large numbers of FIFO/DIDO workers to mine sites;
5. long term strategies for economic diversification in towns with large FIFO/DIDO workforces;
6. key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development;
7. provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees;
8. strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry;
9. potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce; current initiatives and responses of the Commonwealth, State and Territory Governments; and
10. any other related matter.

The deadline is Friday October 2.

For more information please refer <http://www.aph.gov.au/house/committee/ra/fifodido/index.htm>

# **SUBMISSION FROM THE SHIRE OF KALAMUNDA**

## **EXECUTIVE SUMMARY**

The Shire of Kalamunda has identified a recent trend has emerged that shows “FIFO” workers may have caused an impact on the real estate market in the Shire which the Shire believes is connected to FIFO workers choosing residential properties in and around the Airport precinct. This anomaly has interested the Shire as it sees there is an opportunity to be exploited which will enhance the lifestyle of FIFO workers and their families.

In this context the Shire is making a submission to ensure the Federal Government takes into account in its inquiry the potential for local governments to play an important role is providing support services to the FIFO workforce and their families.

The Shire of Kalamunda has uniqueness unlike other regions of Perth. Containing two distinct “community of interests” namely the Hills and the Foothills, the Shire is bonded together with one goal to be able to find employment and prosperity in a self-contained environment. It is be a region that could provide an excellent range of diverse accommodation and services which would be tailored to meet the needs of FIFO families.

The Shire of Kalamunda is partnering with FIFO Families, an organisation providing ‘on-ground’ support to this sector’s families. The partnership that the Shire is currently developing with FIFO Families is to build community capacity for FIFO families currently living in the Shire’s suburbs and then to undertake research to better understand the ongoing needs of this sector. It is envisaged that local government can then play a more integral role in providing targeted support services to this sector of its community.

A long term strategy for the Shire of Kalamunda will be to create a liveable destination attracting FIFO workers and families to purchase their residential home in the Shire. The Shire’s close proximity to the Perth Airport, the Perth CBD, as well a range of quality lifestyle enhancing attractors such as the Perth Hills, the Swan Valley , retail shopping precincts are all aspects making Perth’s eastern region unique and a perfect location for the permanent occupancy of FIFO workers and their families to live and feel supported.

If FIFO workers recognise the advantages of living in a region then they will also have a stronger voice and this will assist local government to facilitate and ensure targeted services are provided supporting families; as distinct from mainstream services.

Whilst FIFO workers remain highly dispersed and largely hidden within existing mainstream communities it is very difficult to understand their special needs and for local government to plan and budget for these needs.

This submission proposes a collaborative model be piloted in the Shire of Kalamunda that includes the Federal and State Government and the Resource Sector as funding partners, with the Shire of Kalamunda and FIFO Families as delivery partners.

The Shire submission outlines a significant opportunity that the Federal Government should look to nurture.

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### **OVERVIEW OF THE SHIRE OF KALAMUNDA**

The Shire of Kalamunda derives its names from local Aboriginal words Cala (home) and Munnda (forest). Thus Kalamunda means "A home in the forest".

The Shire contains 560 hectares of natural bushland reserves which are open for use by residents and visitors. The community is encouraged to make use of the extensive public assets which include approximately 150 hectares of grassed parks and recreation areas. The annual cost of maintaining this level of service for natural areas, passive and active reserves is significant.

The Shire of Kalamunda is situated on the eastern fringe of the metropolitan area, 24 kilometres east of Perth, along the Darling Scarp. The Shire comprises of an area of 349 square kilometres, predominately consisting of State Forest, National Parks, Regional Open Space and water catchment area. Kalamunda is renowned for its mountainous terrain and has a range of native fauna, creeks, rivers, waterfalls and walking trails.

The Shire is a known and popular tourism destination branded as the "Perth Hills" and is home to the Northern Terminus of the Bibbulmun Track, Western Australia's only long-distance walking trail. It runs from Kalamunda to Albany, a distance of 963 km.

The Shire's population has grown steadily and is currently approximately 54,000 residents which over the last four years is a growth rate of 9.6%. It is forecasted that an additional 24,867 people will be living within the Shire by 2031 which will represent a 45.8% increase.

The growth of residential areas in Wattle Grove, Forrestfield, Maida Vale and High Wycombe are primarily responsible for the increase in population and the Shire is, therefore, committed to ensuring increased and adequate service provision in the region.

The Shire has a commitment to community development, culture, education and sport and recreation. Kalamunda has a number of community halls, libraries, sport and recreation facilities and assets of cultural or heritage value. During 2010/2011 the Shire commissioned the development of a Community Facilities Plan to assess and formulate community needs over the next 20 years. This Plan will drive future planning, development and rationalisation of community facilities in order to meet the population growth challenges the Shire will face in the next 20 years.

In 2010/2011 the Shire commissioned a study to identify all land and property assets and classify assets into a hierarchy with respect to disposal and reallocation of surplus to requirement property. The Shire has established a Land and Property Development Business Unit to facilitate investigations, community consultation and to transform excess land assets into a source of funds specifically for the development of much needed community infrastructure.

The Shire places an emphasis on economic development and has allowed for the Forrestfield Industrial Zone to be developed under a guided development scheme with funding held in trust accounts to cover the cost of the land development processes.

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The highest employment industries within Kalamunda are Road Freight Transport and Education. The Shire of Kalamunda adjoins Perth Airport and contains major industries connected with the serving and supplying the resource sector in the remote and regional Western Australia. A recent trend has emerged that show "FIFO" workers have caused an impact on the real estate market in the Shire. The Shire of Kalamunda believes this is connected to FIFO workers choosing residential properties in and around the Airport precinct. This anomaly is of interest to the Shire as it sees there is an opportunity to enhance the lifestyle of FIFO workers and their families within the community in which they have chosen to reside.

The Shire believes with its new land use planning, strategic and financial planning in place it is well positioned to emerge as a key partner with the resource sector. This submission will outline the vision the Shire has to enable a model to be developed focusing on supporting the resource sector and its workers into the future.

### **Vision for Shire of Kalamunda**

The Shire of Kalamunda has, over the past two years, strategically assessed the its land holdings potential in light of a number of related strategic planning documents which have been produced by the State Government, the Westralian Airport Corporation and the Shire's recently drafted Local Planning Strategy. These strategies and studies have duly recognised the potential, the proximity and accessibility of Shire land in and around the Forrestfield Industrial area to the extent it can no longer be ignored. If developed correctly, this land will be so significantly important to the economy of the State the Shire of Kalamunda is taking deliberative action to proactively and strategically plan toward bringing this land to the market in the next five years. This region east of the Perth Airport will not only provide affordable residential housing options within 15 to 20 minutes of the Perth CBD, it will also deliver a servicing hub which will seek to meet future demand of the State's resource sector over the next 50 years

The Shire of Kalamunda envisions a new "satellite CBD" to emerge specifically designed to service the resource sector in and around the Forrestfield area. The Shire of Kalamunda seeks to plan this land area in such a way that it will lead to investment attraction from the resource sector. The potential for public private partnerships with the resource sector will assist with the provision of high order community infrastructure, this could extend to public transport.

The Shire of Kalamunda seeks to establish this new major activity centre with a commercial zone to act as headquarters for Resource sector companies who employ FIFO and DIDO workers in "a yet to be designed" high end commercial hub to be collocated with services, retail and amenity all in close proximity to a diverse mixed range of affordable housing options in the surrounding suburbs of High Wycombe, Maida vale and Wattle Grove, Lesmurdie and Kalamunda.

This vision will deliver high end development on the east side of the Airport, similar to the emerging west precinct of the Airport where Rio Tinto has established its headquarters and training facilities.

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The Perth Airport commercial “east and west bookend locations” will provide suitable conditions for this region to become Perth’s premier employment generator for the future of the growing City and in particular the Resource sector and its workers.

The Shire of Kalamunda is the integral facilitator for this vision, to be realised, but it cannot deliver the vision without State and Federal government support for the delivery of high order infrastructure in partnership with the Resource sector. This type of partnership arrangement would provide significant benefits to the resource sector and its workforce being largely FIFO and DIDO workers.

The Shire of Kalamunda has uniqueness unlike other regions of Perth. Containing two distinct “community of interests” namely the Hills and the Foothills, the Shire is bonded together with one goal; to maintain a “home in the forest” and to be able to find employment and prosperity in a self-contained environment. It would be a region providing an excellent range of diverse accommodation and services which could be tailored to meet the needs of FIFO families.

The vision outlined lends itself to the Resource sector and its workforce – namely the FIFO and DIDO workers and their families. The Shire is rediscovering itself through visionary leadership and effective long term future land use and resource planning. This presents a timely and unique opportunity to build a community incorporating the Resource sector and its associated community as central tenants to the region.

The key to success for the new Forrestfield industrial area will be its fluid access to the airport and the 15 minute journey to the Perth CBD along a well-constructed and well-connected choice of high speed highways that can access all parts of the city within a 20 to 30 minute range. The centrality and connectivity of the region cannot be overlooked.

The Forrestfield Industrial Centre will also have the land capacity to collocate warehouse, manufacturing and logistics activities and a second Intermodal freight terminal (T2). It is also possible a resource sector supply chain analysis could be undertaken by the Shire to assess the feasibility for a purpose built hub for companies who service and supply the resource sector. This design would facilitate business to business efficiency when suppliers are located in close proximity to a key client base and also having access to the transport routes leading to the North West. This component would be similar to a Bentley Technology Park, but would focus primarily on research and development and servicing the specific needs of the resource sector. Highly skilled knowledge workers would be attracted to such an area and this would dovetail with the high-end commercial area as well as Resource workers undertaking induction and training development programs all in close access to homes and families.

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The Forrestfield Industrial area has the capacity to be designed as an employment hub for the 21st Century, designed in a manner which has yet to be conceptualised but can only be achieved if the State Government, Local Government and the Resource sector partner to conceptualise the vision and maximise this opportunity.

The Shire welcomes the opportunity to comment on this important Inquiry and looks forward to working with the Federal Government to ensure workers and their families of the Resource sector are supported at the local level in order to maximise the economic benefit they bring to this nation.

## SUBMISSION FROM THE SHIRE OF KALAMUNDA

### Comments addressing the Inquiry's Terms of reference

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

In Western Australian the Chamber of Minerals and Energy (CME) predicts steady incremental growth in FIFO and DIDO workers with around 30-40 per cent of those works being sourced from the Perth and Peel metropolitan area.

The 2006 ABS identified the following areas from which FIFO Workers live.

<b>Federal Electorate</b>	<b>No of FIFO/DIDO Workers</b>	
Brand	1494	
Canning	1414	
Cowan	1020	
Curtin	862	
Durack	2681	
Forrest	844	
Fremantle	805	
<b>Hasluck</b>	<b>1466</b>	<b>Shire of Kalamunda</b>
Moore	1326	
O'Connor	4139	
Pearce	1809	
Stirling	1055	
Swan	925	
Tangney	1378	

**Source: CME ABS Labour force May 2686006**

The Shire of Kalamunda and the CME believe with the latest 2011 ABS statistical results to be released in 2012 it is felt the 2006 patterns may have changed in terms of numbers within these localities but the localities themselves will likely still be the prominent localities from where FIFO workers are being drawn.

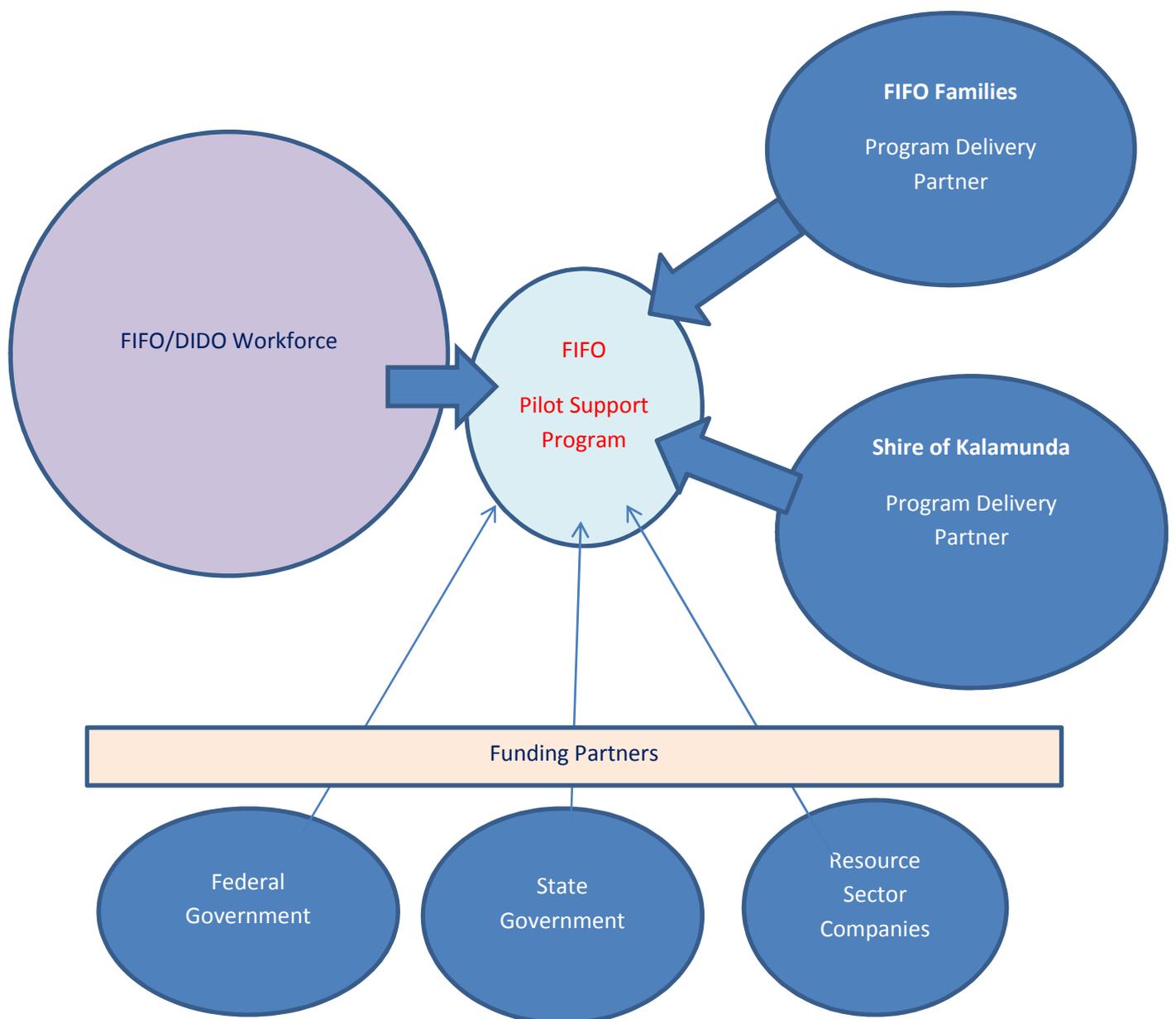
In 2010 the State Valuer General's Office undertook a revaluation of properties across the Perth region. The impact on suburbs in and around the airport was so significant it has led the Shire of Kalamunda to conclude the impact is being propelled by FIFO workers wanting to live in suburbs close to the Airport and this in turn has increased demand for rental properties and pushed rental accommodation prices up by significant amounts.

The Shire has begun to investigate and look for partners to further pursue the notion. Through a research program the Shire of Kalamunda will seek to quantify the impact of FIFO workers upon real estate markets. Furthermore the Shire seeks to better understand the motivators and the processes FIFO workers use in making decisions around where they live and locate their families.

## SUBMISSION FROM THE SHIRE OF KALAMUNDA

The Shire of Kalamunda is partnering with FIFO Families, an organisation providing 'on-ground' support to this sector's families. The partnership the Shire is currently developing with FIFO Families is to build community capacity for FIFO families currently living in the Shire's suburbs. Through this partnership research will be undertaken to better understand the ongoing needs of this sector. It is envisaged that local government can then play a more integral role in providing targeted support services to this sector of its community.

**Model for Collaboration Figure 1**



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

From a local government perspective, if the FIFO workforce does in fact have an impact on the real estate market within particularly suburbs it chooses to live then for Local Government this impact will result in unstable and unrealistic property valuations. Due to the uncertainty that obviously would likely reside in the minds of a FIFO workers when making residential choice for their families there will be a range of contributing factors. One factor will be the decision to rent or buy. For Local Government the option to buy is far more preferable for a number of reasons.

- Owning a property in a local government area will provide greater connectivity and long term certainty within the local community, particularly if the local government is willing to understand and meet the needs of this sector of its community;
- Gross Rental Values will not be as severely impacted as there will be less competition forcing prices up in the rental market.
- Local property owners would not experience as severe fluctuations in the triennial rate values, often causing hardship and distress for marginal income earners.

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

Other than what has been experienced in the Shire of Kalamunda with the forcing up of Gross Rental property values, and hence significant rate increase being imposed upon these suburbs, it is not possible to determine the effect of a FIFO workforce upon mainstream communities because the research is not available and is largely anecdotal. The FIFO workforce is currently so dispersed and hidden there is no coordinated communication channel to this workforce.

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

Without a concerted local government and community effort as well as deliberate focus upon its FIFO families, the issues of social isolation, loneliness, depression will likely be obvious manifestation of this policy.

The cost of a dysfunctional workforce to the resource sector would have long term impacts on the Australian economy.

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

A long term strategy for the Shire of Kalamunda will be to create a liveable destination which will attract FIFO workers and families to purchase their residential homes in the Shire. The Shire's close proximity to the Perth Airport, the Perth CBD, as well a range of quality lifestyle enhancing attractors such as the Perth Hills, the Swan Valley , retail shopping precincts are all aspects making Perth's eastern region unique and a perfect location for the permanent occupancy of FIFO workers and their families to live and feel supported.

If FIFO workers recognise the advantages of living in a region then they will also have a stronger voice and this will assist local government to facilitate and ensure targeted services are provided supporting families as distinct from mainstream services.

Whilst FIFO workers remain highly dispersed and largely hidden away within existing mainstream communities it makes it very difficult to understand their special needs and to plan for future services taking their needs into account in local government planning and budgeting.

Partnerships between FIFO employing companies and local government are the key to maximising the future success and longevity of the type of employment mechanism. From a strategic human resource perspective the FIFO and DIDO workforce is so unique it will need special "attraction – retention and separation" strategies to be employed which take a "whole of life approach" extending from broader community support to the home and into the remote locations where these workers will find themselves.

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

A key opportunity for training and development of this mobile workforce would be if training service providers were collocated within close proximity to where FIFO workers reside. The Shire of Kalamunda, as a case in point, can offer a residential lifestyle for FIFO families and because of its proximity to the Perth Airport and is planning the development of future industrial and commercial hubs, an economic opportunity exists for training service providers to partner with the Shire in its future land use and resource planning to deliver purpose built training facilities for the Resource sector in Western Australia.

This would provide another key attractor for FIFO families to make property ownership decisions which would enable families and workers to be together for the maximum amount of time. If workers are living five minutes away from their companies head office, the Airport and centralised training facilities then it stands to reason this will be an added advantage to enhancing the lifestyle of FIFO workers.

All this can be achieved if collocate in the proposed future industrial and commercial precincts being planned in the Forrestfield Industrial satellite adjoining the Perth Airport.

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

As outlined through this submission, the Shire of Kalamunda is keen to develop its services, infrastructure and housing diversity stock to accommodate FIFO workers. The greatest barrier to this vision is the inability to connect effectively with FIFO workers as direct communication channels are not available to local government. Furthermore, there is no Federal Government or State Government policy or support to assist local government to increase services to this sector. The sector is largely unrepresented and underserved, yet it is the back bone of the Australian economy.

If all tiers of government do not act quickly and work in partnership to nurture the capacity of the FIFO sector it will inevitably have long term impacts on the resource sectors' ability to provide an effective and responsive workforce to remote location throughout Australia.

It is important a holistic approach be conceptualised as an outcome of this inquiry in order to maximise the benefit of Australia's resource sector through effective utilisation of the FIFO workforce.

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

The Shire of Kalamunda is currently investigating an opportunity to partner with FIFO Families to deliver networking services to existing families within the Shire.

The model we wish to pilot will grow a network of FIFO families within the Shire and utilise this future network to build communication channels with the FIFO community.

### **9. Potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce; current initiatives and responses of the Commonwealth, State and Territory Governments; and**

A number of economic diversification opportunities can be opened up for the Shire of Kalamunda in the Forrestfield , Maida Vale , and High Wycombe region and is the vision Kalamunda has articulated and is driven and supported by the Resource Sector and the federal and State Governments.

The collocation of Resource Sector head office facilities, as well as training and servicing facilities in a region which currently provides all its manufacturing and servicing to the sector has many advantages for economic prosperity opportunities not only for the Shire of Kalamunda but for the development of the State.

## SUBMISSION FROM THE SHIRE OF KALAMUNDA

### 10. Any other related matter.

#### **Funding**

Federal Government funding packages direct toward local government who can present programs to service FIFO families and who can investigate and create innovative servicing delivery to the FIFO sector should be able to be accessed. This incentive would greatly assist local government to be more FIFO friendly.

#### **Conclusion**

The Shire of Kalamunda is committed to working with the Resource sector in order to support the FIFO and DIDO workforce at the local level. The Shire of Kalamunda sees it as important it makes this submission and shares its vision so local government is not overlooked as a potential a partner of any Federal Government strategies emerging as a result of the Inquiry.

**For Further Information in Relation to the Shire of Kalamunda Submission please contact:**

**Rhonda Hardy  
Director Corporate Services  
Shire of Kalamunda**

W [www.kalamunda.wa.gov.au](http://www.kalamunda.wa.gov.au)

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