



**Title:** Parliamentary Inquiry into the use of “fly-in, fly- out” (FIFO) workforce practices in regional Australia.

**Submission by:** The Social Welfare Advisory Group (SWAG), Norfolk Island

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**Date:** 25 October 2012

## **Parliamentary Inquiry into the use of “Fly In/Fly Out” (FIFO) workforce practices in regional Australia**

### **Terms of References addressed in this submission:**

1. TOR 4- The Impact on communities sending large numbers of FIFO/DIDO workers to mine sites;
2. TOR 8- Strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry;
3. TOR 10- Current initiatives and responses of the Commonwealth, State and Territory Governments.

### **Background**

Norfolk Island is a self-governing Australian Territory. It is Australia’s oldest territory and was the second settlement in Australia, some six weeks after Sydney in 1788. Its main industry for the past 60 years has been tourism. The Global Financial Crisis has severely impacted this industry due to the downturn in tourism Australia wide and Norfolk Island has suffered more seriously than most other Australian States and Territories. Due to the collapse in the Tourism market here many residents are now working a number of part time jobs to make ends meet as unlike other Australian States and Territories Norfolk Island does not have an Unemployment Benefit. The FIFO work practices have given some Norfolk Island residents the opportunity to earn a greater income, however this has come at a cost to both families and the Norfolk Island community. The impact has not been effectively measured statistically but there are signs of the significant social impact which has been confirmed in the Norfolk Island Economic Development Report (2012) that details:

*The economic downturn on Norfolk Island has been relatively severe, and can be described as an economic depression. There is relatively strong evidence that the economic downturn is impacting the quality of life on Norfolk Island and resulting in the depreciation of social capital. The Norfolk Island government fiscal position is poor; and to ensure basic government functions continue, between 2004 and 2012 the Commonwealth has provided soft loans...<sup>1</sup>.*

A significant proportion of the Norfolk Island population of 1795<sup>2</sup>, are involved in FIFO workforce practices to mainland Australia, and as such Norfolk Island should be considered an ‘origin community’.

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<sup>1</sup> The Norfolk Island Economic Development Report, (2012) ACTIL Tasman, Department of Regional Australia, Regional Development and Local Government, p viii.

<sup>2</sup> Norfolk Island Government (2011) Norfolk Island Census of Population and Housing, Norfolk Island Government: Norfolk Island.

It is estimated that at least 200 individuals may be involved in such workforce practices at the present time, mainly with the mining industry in Australia

There are extremely limited employment opportunities on Norfolk Island and similarly the range of welfare benefit entitlements is also limited as the Island is not part of the Australian Taxation system, and so therefore there is no access to Centre Links range of benefits.

**Issues:**

**1. TOR 4- The impact on communities sending large numbers for FIFO/DIDO workers to mine sites**

- The impacts of FIFO on Norfolk Island are not evidenced based as statistical collection such as the Australian Bureau of Statistics does not operate here, however some social impacts have been documented by various local agencies (e.g. Police, counselling services, church and community service organisations). The social impact ranges from issues such as separation anxiety, relationship pressures and increased incidences of drug and alcohol abuse. The undermining of family, community, and business infrastructure is now leading to social dislocation and a tearing of the community fabric.
  
  - Increasing number of men and women over the past 2 years have become FIFO workers in Australia and overseas. Whilst the experiences has been generally financially rewarding, the separation stress has been so great that entire families have left Norfolk Island to join the FIFO worker on the mainland some even further afield. In addition to extremely poor tourism, this has resulted in increased human resource losses both in the paid and volunteering sectors in the already struggling community- for example:
    - **Volunteer base** - the island is heavily reliant on its volunteers ranging from Volunteer Rescue Squad, St Johns Ambulance, Red Cross, various statutory boards and community service groups such as Rotary and Lions Clubs.
  
    - The **relocation** of a part of the local workforce particularly in the 25 – 45 age group is creating potential and real skills shortages. Norfolk Island has a limited number of qualified trade persons. With the departure of many people with these skills the result has been a lack of competition and availability of skills in the trades sector.
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- **Loss of Corporate knowledge** - The Administration of Norfolk Island is equivalent to an Australian city council and has over time trained and up skilled many of its employees, only to now have those qualified, certified employees leave as FIFO workers. The result is that this leaves a void and causes the potential for increased cost implications to retrain and up skill new workers. In the current financial depression this is a cost that is unable to be quantified and it is unlikely that there will be the local capacity to address the lowering of the skill base in the near future.
- **Reduced school student numbers** - As the FIFO worker and their partners reassess family life, some are realising that separation on Norfolk Island is no longer a viable option for their families. The partner and children are relocating to Australia, to towns closer to the works sites. As these families depart the island, student numbers at the school are decreasing and concern is then for the continuing high quality of education to accommodate the remaining families with children at the school. Some consequences may be a likely reduced teacher component which will then impact on the range of subjects that will be on offer at the school.
- **Family support networks** - There are strong family ties on the island, but as families move away social networks are being decimated. In some cases aging relatives are already relying on family members to provide much needed and valued assistance to enable them to remain at home. For some older citizens the consequence may be earlier admission to costly care facilities, or being forced to leave the Island. Living at home as an older person with family close by means the older citizen does not become a burden on either family or the wider community. Older relatives do as well provide support in this community by caring for young children enabling a parent to continue to work. Once united families are becoming, virtual ‘single parents’ with one of the parents away for weeks if not months on end. This in turn impacts on the family dynamics with the role of the FIFO parent diminishing and the ‘single parent’ taking on a larger role – even when the FIFO parent is back home.

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

Norfolk Island is not only a rural and remote Australian Territory, it is extremely isolated from Australia, lying approximately 1600 kilometres to the east of the Australian seaboard. The nature of the Island’s geographical isolation is compounded by the protracted nature of

the economic downturn the Island has experienced since 2008. This has caused significant and unique inner tensions within the local population. There is considerable local debate concerning the Island embracing the taxation and health systems of Australia and the uncertainty of commencement is impacting on all sectors and demographics within the community. Many local residents are carrying significant debt burdens. Being unable to meet current health care and general living costs, has meant for many their only choice has been to leave the Island to find alternative employment elsewhere. This choice is in order to survive and to be able to provide for their family and in some cases extended family.

Currently there are no real strategies to deal with this phenomenon, nor is there any capacity available to the Norfolk Island Government in these current economic circumstances or for the foreseeable future to be in a position to fund support of the FIFO and their families. Given the current financial climate in both Norfolk Island and in Australia it seems unlikely that funding will become available in the long term.

The existing Norfolk Island Government and Administration social, health and welfare services are extremely limited and at present stretched to capacity. There is one community counsellor and one child welfare officer, funded by the Government, but with no supporting administration staff, community health or social worker. The ability to provide even minimal professional support to ageing relatives or mothers with young children is virtually non-existent.

Any strategic solutions will be at best minimal and in the short term will most likely be provided through volunteer groups, with timeframes and outcomes that will be extremely fluid and variable. Some strategies currently under consideration by volunteer groups are aimed at awareness raising for families and potential FIFO workers. Information will be provided in the form of pamphlets and documentaries’ detailing what is involved in mining work, life at the mines and life style changes that can be expected for the workers and their families.

### **3. TOR 10- Current initiatives and response of the Commonwealth, State and Territory Governments**

Given the current financial climate on Norfolk Island this submission reiterates that the Norfolk Island Government is not in a position to initiate or implement any positive and sustainable programs to assist the FIFO worker and their families at this time.

Indeed it is the pay packet of the FIFO worker that is sustaining, to some degree, the Norfolk Island economy, as the worker is now able to pay Administration accounts on time and also finalise those in arrears.

It is disheartening that local legislation has had a negative impact on the FIFO workers. The Absentee Landowners Levy actively discriminates against the FIFO worker who shares a land title with their resident partner. The FIFO worker is considered to be an absentee landowner and currently must pay a percentage of the unimproved land value or no more than \$500 (whatever is the greatest). As a result some families are transferring the land title into the resident partners’ name, which has the potential to create family friction in the future as the major asset is now listed under one name.

**Conclusion:**

The opportunity to provide the Norfolk Island FIFO story to the Committee is sincerely appreciated. This is an attempt to detail the concerns of those residents and their families currently involved in the FIFO industry. It is believed there is a need to continue to further examine the extent and impact of FIFO workforce practices on the unique local community that is Norfolk Island. In order to study the Island in more depth it would be prudent for the Committee to travel to Norfolk Island so that Committee members gain first hand some appreciation and knowledge of this very different remoteness and isolation. It is vitally important to visit in order to gain a realistic perspective of how this issue impacts locally and gain the correct understanding of the effects that FIFO has placed on Norfolk Island families who continue living in the Norfolk Island community