



Association of
Mining Related Councils Inc

The Committee Secretary
House of Representatives Standing Committee on Regional Australia
Parliament House
CANBERRA ACT 2600
via email ra.reps@aph.gov.au

Inquiry into Fly-in/Fly-out/Drive-in/Drive-Out Mining Operations

Thank you for the opportunity to make a submission on the Government's abovementioned Inquiry.

The Association of Mining Related Councils (AMRC) represents Local Government Councils across NSW who have within their boundaries, mines, mineable deposits, mine related infrastructure, quarries, gas extraction, or are subject to impacts of mining from neighbouring areas. AMRC acknowledges the importance of the mining industry to the economic wellbeing of the State and the Nation's economy. However, mining does have an impact on the social, economic and physical environment of the regions and part of the Association's brief is to work with all levels of Government and the industry, to ensure any negative impacts will be limited and engender continuous environmental, social and economic improvements for those communities.

FIFO and to a lesser extent, DIDO, are not the preferred options for AMRC members as both can have detrimental impacts on mining reliant communities. From information readily available from member councils, it is often hard to quantify actual FIFO/DIDO workforce numbers and related, abstruse impacts, hence the following comments are of a general nature. However, where there are specific examples, these have been identified.

In the Central and far West areas of NSW, such as Cobar and to a lesser degree, Broken Hill, FIFO operations provide the skilled workforce to some of the major mining projects in these remote regions. There is also a perception that FIFO/DIDO might spread to the North-West areas such as Mudgee, Gunnedah and Narrabri as new mines develop and the local workforce may be unable to meet the volume and required skills base, although this is yet to be realised. In these areas because of their geographic location and distance from the major cities, it is often difficult to attract skilled workers and their families as permanent residents because of lack of available facilities and basic services such as health and education or attractive lifestyle amenities. With any decline in commodity prices, over a number of years, these towns are subject to a boom and bust cycle, which greatly affects their capacity to remain buoyant in times of economic downturn. Capital investment in mining in the regions is significant and the councils seek to balance the social and economic growth for the benefit of their communities and minimise any negative impacts. Over time it has become an emerging role of Local Government to build communities, as well as provide traditional services and infrastructure. Therefore it is almost without exception, Local Government's preferred position is to encourage people to live in the towns and provide opportunities and training for their youth, with prospects of being an integral part of the town's future potential and skilled workforce.

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The challenge for Local Government in the resource regions is to manage the local capacity effectively and provide adequate development of infrastructure and services, land tenure, attraction and retention of skilled workers, without overlooking the needs of their existing population, all on a very constrained budget.

Broken Hill, like many country towns, has a diminishing population, although it is asset rich in heritage and culture from previous mining boom times. The council is now struggling to maintain the fine architecture and assets built in the golden years, some of which were handed back by mining companies at close of mining. Fortunately, it has been able to diversify and grow other ventures as well as continue to support services to the mining industry with the re-opening of old mines within the town and a number of other projects in the Unincorporated Area and across the border in South Australia. Its development scenarios include growth in a number of industry sectors and flow on businesses, training of the unemployed into the local labour force, ability to attract and retain skilled labour in the region as permanent, contract or FIFO. Broken Hill's goal is a permanent residential workforce to service the region. Such plans would be unsustainable faced with the challenge of FIFO only operations.

By comparison, Cobar does have a large contingent of FIFO and over the years, has been subject to temporary mine closures because of mining downturns. It too has become entrepreneurial in its efforts to attract a permanent workforce to reside in the town and become a destination of choice for families to live. Based on the people centred model by Ernesto Sirotli (www.sirotli.com) of finding the strengths within a community to develop new relationships between social, civic, educational, economic and industry strands, the council, along with the mining industry and others, is a partner in the establishment of a business enterprise centre. The centre is looking at diversification beyond just mining, but also investigating other ventures and attractions to support families of mining employees.

Singleton in the Hunter Valley and the other towns adjoining it such as Muswellbrook, have a large daily flow of DIDO sourced from the Central Coast and Port Stephens areas. Traffic delays during peak times are a normal occurrence as vehicles travel between the valley and the coast. Figures five years ago record 25,000 traffic movements crossing the Hunter River on an average working day with the peak times from 6am and 4pm. No doubt these figures would have significantly increased since then and with new mining developments. There are safety concerns for those working twelve hour shifts, in addition to travelling times of an extra four hours to and from work and the potential risk they may pose to other motorists.

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

The lack of skilled workers within the mining industry has contributed significantly to FIFO/DIDO in some regions. Until the national skills shortage is addressed, the practice can only increase as more mines are developed across the nation. The industry requires its workforce to be highly trained with often a minimum one year 'on the job' experience. Whilst many young people aspire to employment within the industry, there are limited opportunities for those without experience and those who lack the academic qualifications to gain basic entry level. Mining requires strict OH & S observance and even the more menial positions require adequate training and certification, to learn the skills to do the job. The mining industry has an ageing workforce with an average age of 45. To attract young people to choose a career in the mining industry, many mining companies now offer scholarships, apprenticeships and sponsorship incentives to eligible youth in the towns where they operate. This is commendable but makes little difference to the number of positions required now to meet the national shortage.

Costs and benefits for companies and individuals choosing a FIFO/DIDO workforce as an alternative to a resident workforce

Like any business, mining must fulfil its obligations to its shareholders and make a profit, otherwise it ceases to operate. The mining industry pays well for highly qualified staff to meet production quotas. As such, it offers attractive remuneration to those prepared to work the shifts and balance their lifestyles. Individuals often chose the option of working in remote areas to afford houses in other locations that provide amenities and services for their families. The degree of flexibility in shifts and number of positions available provides the incentive to work hard in one area but reside in another. It suits the mining companies and their employees, at least in the short term, or until the mortgage is repaid.

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

There is little benefit to established communities, particularly if the workforce is housed in camps, on the mine site. Where short term accommodation is sought within the town, there is a benefit to the motels and hotels and food outlets, although full occupancy can act as a deterrent to passing tourists. FIFO would provide little opportunity for employees' recreational activities. Research seems to indicate that FIFO workers often suffer social dislocation and cannot integrate into the local community, even when it is their own. It can also have adverse effects on health and wellbeing and create anti social behaviour. This can also impact on overstretched medical practices and hospitals. Country towns often do not have the level of services and infrastructure, nor the funds to adequately maintain them compared to the major cities. This has a flow on effect to the resident community and increases doctors and hospital waiting times.

The impact on communities sending large numbers of FIFO/DIDO workers to mine sites

There is limited economic benefit back to a town comprised of a transient society. It also highlights social inequity and marriage breakdown as recruitment and retention in the mining industry becomes a family and community issue. Relocation problems, including social isolation and loneliness, face all families who have a member in the mining industry doing FIFO. While some families will thrive on change and cope, some will not. Understanding family needs and supporting families through impacts from long periods of FIFO/DIDO is an issue for the communities where the family lives. How the mining industry retains its employees is vital to the growth of the mining industry. An employee's family commitments and the family's response to change are key factors in decisions to change jobs, companies or locations.

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

To achieve economic diversification and sustainability, most local councils prefer mining companies to invest in the town, by being part of the community. This greatly assists with maintaining teachers at marginal schools, increasing medical services and facilities and generating other employment opportunities. As stated previously, in some instances, mining companies in partnership with local councils and other stakeholders such as Business Chambers of Commerce have become entrepreneurs to make their towns sustainable and a preferred place to live.

Key skill sets targeted for mobile workforce employment and opportunities for ongoing training and development

For those prepared to work the hours and leave their families, the opportunities exist, particularly for the young and unattached. The mining industry does offer continuous training incentives and those prepared to avail themselves of such, will be rewarded. For what period of time this is appealing to itinerant workers is a matter of individual choice.

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

In some areas, there is a shortage of housing, both for sale and rent, because of mining population increase. This can also inflate the price and make it extremely difficult for non mining people, on substantially less income, to even gain entry into the market. Whilst not prevalent in NSW, mining camps are now becoming an option. The lack of affordable housing does cause resentment and can increase the need for social welfare assistance to those less fortunate.

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

As previously stated, this is not a preferred option for local government who want employees and their families to reside in the towns. Although the increase in regional airline services to these areas would benefit not only the FIFO workforce but make the areas more accessible and inviting to tourism, the short term gain is linked to patronage and services can again be easily reduced with any decline in mining.

Potential opportunities for non mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce

If there is a decline in mining, the mining communities move onto the next town to find work. To attract and retain a FIFO/DIDO workforce, the challenge would be to increase the size of the local workforce and the community capacity to improve training and post-school educational resources, to attract people to come to the town, with the promise of work. This is part of a corporate social responsibility philosophy of large corporations in other parts of the world to disadvantaged communities with different cultural values. The village becomes a potential supply chain with health facilities and services, training and education and food supply in more remote areas.

As to its long term efficacy, AMRC is not in a position to comment.

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