



6th October 2011

Committee Secretary
The House of Representatives Standing Committee
On Regional Australia
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Parliament House
CANBERRA ACT 2600

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Dear Sir/Madam,

Inquiry into Fly-in/Fly-out [FIFO] Drive-in/Drive-out [DIDO]

Regional Development Australia Murraylands and Riverland Inc. [RDA MR] is thankful to have the opportunity to lodge a submission to the enquiry. We include in our short summary our driving factors in lodging a submission which should capture for the reader our interest in the matter. [Summary as a separate attachment]

Some documents that give explicit detail on our region that underpin the interest in building the regional adaptive capacity:

- Our Regional Roadmap; available via http://www.rdamr.org.au/regional_roadmap.html
- The Riverland Prospectus; available via <http://www.rdamr.org.au/423.html>

RDA MR believes that the mining industry opportunities, available through FIFO and DIDO, are in the area of supplying a skilled workforce from the region and further attracting mining workers to locate in our region. We also believe that we can become a reliable supplier of goods and services to the wider mining industry through identification and collaboration of like-minded businesses. However to address the guidelines we will concentrate on the provision of skilled labour supply and the attraction of mining workers to live in our region.

The Murraylands and Riverland region has been significantly disadvantaged over the last 8 years through drought in the Murray Darling Basin and subsequent loss of water entitlements for irrigated industries. This has affected an array of industry including horticulture, viticulture, stone and pomme fruits, row crop vegetables and the dairy industry. The entire region was EC declared and the majority of the region continues to hold EC status. The loss of income to primary producers and downstream manufacturing has been immense, many have left the irrigation industries and more will in the near future as the EC status ends next year. The Riverland portion of our region has been the most effected due to the dependence on irrigated agriculture; this is acknowledged by:

- More than 5000 Hectares of established vineyards removed
- The Riverland region developed with the expectation of 100% reliable water. However, since 2006-07 the Riverland has suffered a series of low allocations, being finishing

allocations of 60%, 32% and 18% and starting allocations of only a few %, which makes planning very difficult.

- In excess of 170 Exit Grant Packages to established operators
- Low water allocations leading to high debt from annual water purchases e.g. in 2007-08 interstate temporary trade into SA was around 150 GL.
- Low water allocations combined with low commodity prices have resulted in 6,780 ha of perennial plantings being dried off (17% of perennial irrigated horticulture).
- Under a long-term, 25 per cent reduction in water availability in the Riverland and Murraylands regions modelling undertaken for the Murray Mallee Local Government Association showed that regional employment would fall by around 630 fte (4.0% of the regional workforce), gross regional product would drop \$68 million (4.7% of the regional total), household income would be down \$25 million (3.4%) and population would fall by more than 340 (1.0%).
- These impacts would moderate over time with improvement in water use efficiency and, in the case of employment and population impacts, labour productivity.

The production of the Riverland Prospectus through the period of the Riverland Futures Taskforce is testimony to the importance the South Australian Government attaches to the issues in the Riverland. The Prospectus was developed as a tool to attract investment and indicates an extra 7000 persons are needed in the area to give critical mass and enable growth opportunities for existing infrastructure. Moreover, the South Australian Government has created a \$20 million dollar "Riverland Sustainable Futures Fund" to be available over 4 years, culminating in 2013 to assist diversification and new investment intentions.

To achieve anywhere near the 7000 extra people identified in the Prospectus, we will need more than recovery from drought and organic growth. The Riverland will need diversification and apart from those strategic directions from the prospectus, the region could benefit greatly from the adaptive capacity of its regional workforce.

There is a singular mining operation in the region, namely "Murray Zircon"; a sand mining operation, centrally located within region. Murray Zircon, when recommissioned in 2012, will require approximately 100 workers. This demand can be satisfied from within our region by DIDO.

We believe that there are already around 90 people employed outside of the region in mining activity that return to their homes in the Riverland in their time off.

RDA MR understands that exporting our current skilled workforce is not ideal nor should the intention be misinterpreted. Opportunities for mobile, skilled workers currently exist; thus, they may be attracted away. In any event, should skilled workers leave then there is the opportunity to backfill those roles within the region through workforce and skill development.

A FIFO and DIDO approach invokes a diverse range of opinions regarding the potential effect on communities, families and businesses. This point has been researched internally and found opposing views on benefits and risks. In any event, potential effects can be measured and properly managed by a community once properly understood.

A strong focus is cast upon the operators who have been engaged in agriculture with multiple skills in land and machinery systems. These skilled operators are work orientated and have the ability to adapt with a solid work ethic. These people are seeking work opportunities within and from outside of the region. RDA MR's desire is to support their transitioning into the mining sector whilst remaining residents of our region. The wealth which will consequently be brought into the region is "new money" and will increase our overall community prosperity.

The region is extremely interested in a strategic approach to work with the mining sector. Moreover, RDA strives to have the region acknowledged for having the capacity to offer very cost effective accommodation and lifestyle benefits, particularly in the Riverland. The region affords sufficient infrastructure and service provision to adequately grow our population by several thousand people through this mining FIFO and DIDO option.

The nearest large scale airport in the area is across the border in the Sunraysia at Mildura, which is considered a reasonable proposition for FIFO. The other option is an airport facility at Renmark that would need a substantial upgrade should it be required to provide a regular service. RDA MR has asked for assistance to conduct feasibility enquiries on airport upgrades in our region or in the Mildura area. It is expected that this request be viable through restructuring as a result of the implementation of the Murray Darling Basin Plan. To date, feedback has suggested our application to fund the feasibility has not been successful through the Regional Development Australia Fund. Nonetheless, we urge this be reconsidered. In addition to the subsequent generation of FIFO opportunities it would increase our regional infrastructure to assist a wide range of business enterprise, particularly in the Tourism and Education industries.

Similar discussions have suggested our submission should raise the opportunity for our region to present itself as a training hub for the mining sector. We believe that given the opportunity we could establish the region as a formidable supplier of training services to the mining industry and in its own right could provide a diversified strategy for economic and community growth.

Whilst, this matter has been thoroughly researched internally, I am of the strong opinion that a broader community forum on the topic of FIFO or DIDO would be an advantage in gaining community ownership of the initiative.

I close by inviting a response to the proposals put within our submission and we indicate our willingness as a region to go further in developing a broader proposal should our submission find favour of the Standing Committee.

Yours sincerely

Brenton Lewis
Chief Executive

SUMMARY STATEMENT

Regional Development Australia Murraylands & Riverland Inc. [RDA MR] is intent on assisting the mining sector by identifying suitable people, either with appropriate skills or trained to acquire the skills required. This is to support a region undergoing a transition in irrigated farming that has been accelerated by years of drought and loss of water. Further it will provide career opportunities to others in our region that will not continue into traditional industries through the changed environment and most likely would leave our region permanently.

We wish to present our region as very cost effective and attractive lifestyle option for those that don't currently work in the region but will be employed by the mining sector. Many of these new arrivals may be international and looking for permanency within Australia. They may be families looking for the opportune place to support the overall FIFO or DIDO and at a time of considering a move from another region within Australia. We believe we offer quality life and community engagement in a really great country environment.

We welcome ongoing dialogue following the submission especially to support assistance on feasibility of existing airport infrastructure to provide FIFO.

RDA MR would also welcome consideration as a training hub within the region for workforce development to resource the mining industry, this we see as a form of diversification that would have lasting and sustainable benefits.

RDA MR would be most willing to convene and facilitate wider community consultation on going forward through events such as a forum if the submission gains favour with the committee.