



# DARK SIDE OF THE BOOM

## Communities throughout Australia are feeling the effects of a workforce on the move.

STORY: ANDREW DAWSON

**T**he mining boom is changing lives across Australia, but not always for the better. For towns that are gateways to the giant resources projects, change has come fast, too fast, as they struggle to cope with the stresses of being the transit lounge for the fly-in fly-out (FIFO) roadshow created by the boom.

Cam Martin has worked on mine sites for years and is now part of the travelling workforce attracted to leave their families for weeks on end to snare the hefty pay packets on offer in some of the remotest parts of Australia. It's a "mongrel lifestyle", he says, "definitely a single man's game".

He has seen firsthand the impact of the mining boom on the Western Australian town of Karratha, and how the influx of FIFO workers living in the camps around it is transforming this once close-knit Pilbara community.

"The only time you do get to spend any money that the company gives you is when you have a rostered day off," he says. "After working 13 days straight or whatever the company requires, you get one day off in two weeks. A young bloke's first instinct is to go into town, where all the backpackers and pubs are, and basically run amok.

"When you go into the pub you have got 300 blokes and 10 ladies in there and everyone is trying to be the alpha male. There are lots of blues. Fly-in fly-out camps are not a real good scene – not for the communities anyway.

"Down in Karratha we had an old bloke pass away in one of the Woodside camps. This poor bloke lay in his room for a couple of days before anybody even bothered to look."

Many stories about FIFO are emerging from a public inquiry being conducted by the House of Representatives Regional Australia Committee, which has visited a number of the towns feeling the effects of FIFO. And many of the stories show the stresses that are being placed on the communities and people now part of the FIFO phenomenon.



GETTY



HOME WHEN AWAY: Purpose-built housing for FIFO workers

The wife of one FIFO worker broke down in tears during a public hearing in Karratha when she told the committee how her husband was dreading his return to being a FIFO worker on a multi-billion dollar natural gas project in the Pilbara.

“Over 30 years ago my husband worked as a FIFO worker and he hated it,” Judith Wright recalls.

“He said that his major problem was depression. Every time he rang home he said it only made it worse. His current position will become FIFO very shortly and he will be forced to become FIFO. We have lived in Karratha for more than 28 years and have a child and grandchildren currently living here.

“We regard Karratha as our home. We own a house in Karratha and are willing to live in Karratha at our own expense but the company will not allow you to live in Karratha while you are on the FIFO roster.

“The company’s justification for this is fitness for work. By that I mean the company believes that, because you work 12 hours per day, 14 days straight, if you live with your family you would not get enough sleep and therefore would be unfit for work.

“The FIFO roster insists that you fly in and out of a state capital city. There are a few people we know who finish their FIFO roster and are flown to Perth. At their own expense they fly back to Karratha, they live with their family for two weeks and then have to fly back to Perth again, at their own expense, to enable them to catch the plane back to Karratha to work their FIFO shift for two weeks.”

According to Mrs Wright, cost-savings are the reason why some companies prefer their production and maintenance workers to be FIFO.

“It is cheaper for the company to employ fly-in fly-out labour than to have a house on the ground here where we live – to supply us with a house here. That is a really big concern, because it is cheaper for them to bring everybody up and put them into a camp and have them live there than to have them live in a family situation,” she says.

Committee member Barry Haase (Durack, WA) whose electorate takes in Karratha was surprised by Mrs Wright’s claims after being given previous assurances by senior

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Woodside Petroleum executives that “no-one will be forced out of a job or into FIFO who is resident in Karratha with their own home”.

But he told his fellow committee members that all of Mrs Wright’s comments “are absolutely believed to be true throughout this community, and the circumstances – those quirky, unbelievable, unique circumstances that we find so appalling – were the ground rule”.

With billions of dollars at stake, many Australian mining or gas projects have been ramping up their use of FIFO, drive-in, drive-out, or bus-in, bus-out workers, to help projects overcome skills shortages and meet looming production deadlines.

Rio Tinto told the inquiry cost-savings were not a significant factor in the growth of a FIFO workforce, especially in the Pilbara.

Kevin Lewis, human resources manager for Rio Tinto Iron Ore, says their long-term view for operations in the Pilbara is that their workforces in Karratha and Dampier should remain “predominantly residential”.

“There is an imbalance at the moment as we go through a construction phase, but our long-term view is we will build as many houses as we need there and as we can, but land supply and infrastructure is always going to take some time to catch up,” he says.

That imbalance is causing tensions on both sides of the continent. Residents in Western Australian towns have complained to the committee about increasing antisocial behaviour by FIFO workers.

According to one Broome resident, FIFO mining workers from Mt Tom Price and a mining camp near Hamersley Gorge have been utilising the nearby national park as “an



FAR OUT: *Kelly Ve Ve Ve wants caps on temporary FIFO housing*



AAP

uncontrolled party place, particularly on weekends”, blatantly disregarding park protocols.

A Port Hedland resident complained about the “greed” wrecking her home town, which is being run down by “those who know nothing about it, invest nothing, and take everything they can out of it”. The committee was told: “FIFO workers come into town; they do not support the town due to the fact that they live in their own little purpose-built bubbles on the outskirts of town and have no need to support local business.”

On the other side of Australia, the Queensland coal mining town of Moranbah is also struggling to cope with the influx of hundreds of mostly male mine workers, with many driving three hours inland from the coastal city of Mackay.

The mining sector’s growing demand for housing and rental accommodation in Moranbah has made the price of some basic houses soar to nearly a million dollars. Many rent out for between \$2,000 and \$3,000 a week, making it much harder to attract the families of miners and also recruit the doctors, nurses, shop assistants or council workers every town needs.

The Isaac Regional Council, well aware of these problems, wants a greater share from state mining royalties to help build better infrastructure and more affordable housing. Council planning director Scott Riley believes if the huge mines surrounding Moranbah are destined to produce coal for many decades to come, then much more needs to be done to leave a lasting legacy from this mining boom.

“Why wouldn’t we build a community or do something constructive for a regional centre in that sense if we know there’s going to be a project going for a 100 years,” Mr Riley says.

“In terms of the local regional economy for the Isaac region, the 25 to 35-year-olds with their young families are critical to the region not simply to support our local economy but also provide employment in the service industries that go on the back of mining. Dad works in the pit, mum and the kids are in town, it’s essential in terms of having a diverse and sustainable community.

“This mining boom is like a gold rush but what are we actually building out of that? Are we building an opportunity

for people to come and live regionally, to grow alternative industries and to look to the future or are we going to be entrenched in the thinking that all we’ve got at the moment is what we’ve got – fly-in fly-out.”

Local mayor Cedric Marshall fears it will be unsustainable to have thousands of mine workers commuting back and forth from Mackay and living in temporary workers’ camps.

“There’s over 50 per cent non-resident population here,” Mr Marshall says. “They’re using all of our infrastructure. We’ve got to try and maintain that infrastructure and we’re not getting the returns back to be able to maintain it at a 100 per cent.”

Rio Tinto’s government relations adviser Mark O’Neill insists the multinational makes a significant contribution to federal and state government coffers and these governments should be providing the vital community infrastructure such as health services, education, emergency services and housing, especially in the regional areas under the most pressure from the mining boom.

“In 2011, for example, Rio Tinto paid around \$5 billion in corporate income tax and over \$2 billion in state royalties. And I understand that overall, in the past decade or so, state royalties have increased four to five times in line with increased output from the sector,” he says.

During the committee’s visit to Moranbah, MPs heard residents’ concerns about their town being sidelined by a fast-growing drive-in drive-out workforce.

The Moranbah Action Group has been leading local protests against the Queensland government’s approval of a 100 per cent fly-in, fly-out workforce on the nearby Caval Ridge Mine, just seven kilometres from town.

Action group chair Kelly Ve Ve Ve says the group formed in late 2010 in response to governments “contradicting their policies” by approving massive new mine developments with unnecessarily high proportions of fly-in fly-out workforces.

“This just does not make sense,” she says. “We should be leveraging the mining boom to develop our region sustainably, not orchestrating this smash and grab frenzy that will allow regions to be turned into mere bus stops on the road to massive mining industry profits.”

ISTOCK



## “When you go into the pub you have got 300 blokes and 10 ladies in there and everyone is trying to be the alpha male.”

This action group wants governments to stand up to the big mining companies. “The state government needs to have more power in being able to retract mining leases from companies that don’t comply with the guidelines set up,” Ms Vea Vea says.

“I think that we can be looking to put caps on the number of temporary accommodation. I think that the approval of new developments has to take into consideration population balance and I think that state government can really be the facilitators of ensuring that there is a mix and a genuine mix of dwellings in the plans for communities like this.”

Christopher Platt, employee relations manager for BHP Billiton, a joint partner in the Caval Ridge Mine, says many workers simply have a preference for FIFO.

“The key factors that impact on our FIFO/residential mix are employee demand and access to accommodation. Employee demand is the most significant factor,” he says

“The current labour resource market is such that BHP Billiton needs to offer choice and flexibility to suit the needs of both current and potential employees. Both have expressed a strong desire for increased access to fly-in fly-out arrangements to support their personal goals. Those goals vary during their working life.

“Our historical experience has shown that employees access FIFO and then return to residential arrangements as those needs change. BHP Billiton believes that it needs the flexibility to accommodate the changing needs of employees in order to secure and retain our workforce.”

Mr Platt defends the rise in 12-hour shifts at mine sites, which some opponents to FIFO blame for the increased dependence on FIFO workforces in the resource sector.

“I think the situation at the moment is that the majority of the mining industry is already working on 12-hour shifts ... employees who are working in a remote community are looking to maximise their potential earnings, and that is also done by working 12-hour shifts.”

Allen Hicks from the Communications Electrical Plumbing Union believes many of his members who are FIFO would prefer eight-hour shifts, even at a cost of thousands of dollars in lost wages.

“Those 12-hour shifts, seven-day rosters and equal-time rosters take away the opportunity to have equal time with family and life balance,” he says.

Tony Maher, president of the mining division of the Construction, Forestry, Mining and Energy Union, estimates about 30 per cent of its mineworker members are FIFO workers. While the CFMEU doesn’t want to stop FIFO, it has concerns about the impact on the social fabric of many regional communities.

“There are traditional mining towns whose life is being turned upside down because of the disproportionate use of FIFO in mining towns,” Mr Maher says. “I think the figures from the town of Dysart are something like 2,000 permanent residents and 4,000 people in the single person’s quarters.

“If you have a family in that town the social fabric has been changed, and not for the better. This is happening at Moranbah and all the mining towns. Some of these mining towns will go from being residential communities to basically single person towns or camps, and that is very regrettable. It does come down to affordable housing stock in many cases but also to a more judicious use of FIFO. I think it comes down to a business decision about costs, and the community’s views ought to be taken into account.”

Mr Maher is alarmed by the rise of hot-bedding in Queensland mining towns where FIFO mine workers share a bed with another worker according to when their shift starts or ends.

“Hot-bedding is a relatively new phenomenon associated with the current super boom,” he says. “What has happened, particularly in Queensland coal mining towns, is that they have two, three or four-bedroom homes that were once owned by the company, the company sold them to the workforce during a downturn and the people who ended up owning those homes turned them into bedsits.

“So now the drive-in drive-out workers or the fly-in fly-out workers can get a bedsit, but it is hot-bedded. We discovered it because someone got injured on the trip back to Mackay. He found there was someone else in the bed and he could not go and have a lie down, because there was already someone else in the bed.”

Allen Hicks says unions accept there are some mine or gas field locations too remote to build communities.

“But where there are existing communities I think there needs to be more done to make those communities attractive and to provide the social services that are needed so that if people make a conscious decision to do so they can move their families to those communities and actually have the family network and support that they need. Fly-in fly-out just destroys all of that and takes away those opportunities for families to be together.” •

**FOR MORE INFORMATION** on the House of Representatives Regional Australia Committee inquiry into the use of fly-in fly-out workforce practices in regional Australia visit [www.aph.gov.au/fifo](http://www.aph.gov.au/fifo) or email [ra.reps@aph.gov.au](mailto:ra.reps@aph.gov.au) or phone (02) 6277 4162.