

Submission to the
Infrastructure, Planning and Natural Resources Committee

Inquiry into
Fly In, Fly Out and Other Long Distance
Commuting Work Practices in
Regional Queensland

May, 2015

Introduction

The Queensland Nurses' Union (QNU) thanks the Infrastructure, Planning and Natural Resources Committee (the Committee) for providing this opportunity to comment on the the Inquiry into fly In, Fly Out and Other Long Distance Commuting Work Practices in Regional Queensland.

The QNU - the union for nurses and midwives - is the principal health union in Queensland. Nurses and midwives are the largest occupational group in Queensland Health and one of the largest across the Queensland government. The QNU covers all categories of workers that make up the nursing workforce in Queensland including registered nurses, registered midwives, enrolled nurses and assistants in nursing who are employed in the public, private and not-for-profit health sectors including aged care.

Our more than 52,000 members work across a variety of settings from single person operations to large health and non-health institutions, and in a full range of classifications from entry level trainees to senior management. The vast majority of nurses in Queensland are members of the QNU.

Nurses and midwives are at the forefront of health care and have direct experience of the outcomes of alcohol and substance abuse in regional, rural and remote areas. They are the largest occupational group in Queensland Health and one of the largest across the Queensland government. Nurses are the most geographically dispersed health professionals in Australia, working independently or collaboratively to provide professional and holistic care in a range of circumstances.

For the information of the Committee, the QNU has made a previous submissions to the House Standing Committee on Regional Australia - Inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia (2011)

Recommendations

The QNU recommends all MPs genuinely represent the interests of their communities by:

- Denying application from mining companies to staff their operations with 100% FIFO;
- Making new jobs open to all members of the community;
- Investing in training and apprenticeships.

The rise of the FIFO Workforce

With the rapid development of resource extraction and associated industries, demand for mining workers in regional and remote areas of Australia has risen exponentially. This demand has resulted in the growth of FIFO workers who reside in purpose built work camps for the duration of their engagement at work and who fly out to their urban residences, usually in the coastal towns or cities, for the intervening periods. The size of the non-resident workforce can vary depending on resource projects, but the presence of these workers has a significant impact on the local towns and communities.

The lifestyle of the mostly male workers living in these camps does not fit easily with the local residents who invest their time in family and community building. Many of the workers are rostered on 12 hour shifts in extreme climactic conditions. They are compensated by high incomes which some spend excessively on alcohol and gambling. Their conspicuous consumption is often a source of resentment by less well-off locals and universally abhorred by community representatives (Carrington, 2010).

There are cases where mining companies in some remote localities in this state and elsewhere in Australia have found themselves 'filling the gap' in local service delivery, supplementing and in some cases substituting the state provision of essential health, education and community services (Cheshire, 2010). In these areas, the mining companies have secured a 'social license to operate' that takes the form of patronage rather than partnership with government, business and the community. Although these interventions may meet the short term community needs, they cannot offer longer term sustainability when the mines eventually close (Cheshire, 2010).

The increased use of fly-in fly-out workers in the mining industry has also produced social and infrastructure problems. There is evidence of potentially serious consequences for commute workers such as fatigue related illness and injury, and increased family and home life stress. Possible impacts on the psychosocial well-being of miners include loneliness, depression, substance abuse and marital relationship strain (Torkington, Larkins & Gupta, 2011).

Importantly, the lack of a permanent workforce in mining communities restricts the expansion of education, health, emergency and other critical services and puts added pressure on existing services, particularly nursing and midwifery.

Impact on Communities

It is within this precarious context that rural and remote mining towns are juggling the economic flow on (recognising that not all towns benefit) with the social consequences of a transient population. Our members are at the front line of health services dealing with the fallout of these excesses.

In 2013, the House of Representatives Standing Committee on Regional Australia conducted a comprehensive national review of FIFO and drive-in, drive-out (DIDO) work practices in regional Australia. Amongst other matters, the committee's report addressed the extent and projected growth in FIFO/DIDO. In respect to the impact on communities, the Committee's report (2013, p. 41) found

The primary concern about the use of FIFO operations is their impact on established communities and the perceived rejection of towns and their way of life in favour of high wages and temporary camp living environments.

Established resource communities were keen to emphasise that they did not oppose resource companies and development. On the contrary, these towns expressed great pride in the resource operations that they sustained and that had sustained them, in some cases for generations. However, these communities expressed concern at an apparent shift in the balance where companies are prioritising quick profits over long-term sustainability.

Although there are economic benefits for mining companies and their FIFO workforce, the industry has also created some adverse consequences for local communities. The majority of negative socio-economic impacts associated with mining were seen to flow directly or indirectly from three inter-related factors: the introduction of atypical work schedules throughout the mining industry; the availability of local accommodation; and the dramatic expansion of a non-resident workforce. Such impacts were seen to include:

- Dramatic inflation in the cost of housing and accommodation. This led, in turn, to significant numbers of people living in sub-standard accommodation, commuting long distances to work, and/or spending an unusually large proportion of their income on accommodation; conversely, when mines closed, the property market plummeted;

- The separation of families who would prefer to live in town but who were forced to live elsewhere while one partner commuted for the duration of their shift block, placing significant pressure on family relationships;
- Social isolation among workers living in camp accommodation and/or spending large amounts of time commuting. This was believed to be exacerbated by the fatigue that all workers must manage when working 12 hour shifts;
- Increased demand for counselling and other services from men seeking help to cope with living away from their families and friends and to cope with problems such as depression, relationship breakdown, and social isolation;
- Increases in alcohol/substance abuse and in family violence;
- Declining capacity of local health, retail and other services to cope with demand;
- Declining visual amenity due to growth in the number of houses occupied by multiple temporary residents who did not care for gardens or premises. The more houses in the street taken up by miners sharing the rent, the bigger the decline in neighbourhood status with many large vehicles parked in the area and increases in noise levels;
- Increased risk and incidence of motor vehicle accidents;
- Increased income disparities between those who worked in the mining sector and those who either worked in less lucrative industries or did not work. This was exacerbated by the high cost of accommodation;
- Shortages of labour in other industries that could not compete with the mining sector on wages. Again, this was exacerbated by the high cost of accommodation;
- Increased dust and vibration;

(Rolfe et al., 2007).

Housing

Adequate housing in regional and remote areas and particularly in 'mining' towns was a major concern at the height of the boom around four years ago. In towns such as Moranbah, shortages in suitable and affordable housing constrained both population growth and business development.

The lack of housing meant that many new employees in the region became used to commuting from their homes, making it harder to attract them as permanent residents. The high cost of housing prevented people from moving to the area to take up employment, and

made it difficult for local businesses to employ labour (Office of Economic and Statistical Research, 2010).

In October, 2011, Moranbah, one of Queensland's coal mining centres that has experienced the full impact of FIFO and DIDO workforces, had one of the highest median rental prices of the state, at about \$1800 a week for a house (Suburb View, 2011). As the mining industry provided massive wages in central Queensland, landlords set huge rents for modest homes. A four bedroom house in Moranbah could demand as much as \$3000 a week compared with a suburban home in the south west of Brisbane where median rent prices are about \$360 a week (Suburb View, 2011).

However, those days are over and housing prices have dropped dramatically. Properties that sold for \$800,000 a few years ago are now worth around \$200,000. There are over 300 empty rental properties in Moranbah alone (Lewis, 2014). IN 2014, the biggest employer in the region, BHP Billiton Mitsubishi Alliance (BMA), announced it planned to cut 700 positions from six local coal mines. Hundreds more are without work following Brazilian miner Vale and Japanese trader Sumitomo cessation of production at Isaac Plains. Rio Tinto, Peabody and Glencore have also had to cut jobs from the sector, which has been struggling under low commodity prices and high costs.

When the Prime Minister Tony Abbott officially opened BMA's Caval Ridge coal mine he claimed that coal was "good for humanity", declaring it had "a big future" (Massola, Ker & Cox, 2014). However, the Caval Ridge project is staffed by FIFO workers who typically do not spend their money in the town. The 100% FIFO workforce was strongly opposed by members of the Moranbah community and local council representatives with more than 3300 people signing a petition against BMA's application to increase Caval Ridge Mine's FIFO workforce from 70% to 100%.

There is clearly extensive community concern about the impact the FIFO workforce is having on local facilities, families and way of life. Moranbah's population has always fluctuated according to the coal mining industry and the latest downturn could force more residents to leave. People living and working in these communities need permanency in income and essential services.

Conclusion

The economic challenge for regional development in mining areas is to optimise the advantages of the resource industry while minimising the impacts on workers, families and communities.

The well-being of the FIFO workforce depends on both site and individual employee characteristics, and has implications for productivity, turnover and health and safety. Major corporations profiting from a region's growth will need to accept financial responsibility for the health and welfare of their workers by providing medical and essential services.

It is imprudent and unsafe to continue to ignore the effects of the boom and bust mining cycle that at various times materially advantages some, but socially disadvantages others.

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