



25<sup>th</sup> May 2015

Research Director  
Infrastructure, Planning and Natural Resources Committee  
Parliament House  
George Street  
Brisbane Qld 4000

## **INQUIRY INTO FLY IN, FLY OUT AND OTHER LONG DISTANCE COMMUTING PRACTICES IN QUEENSLAND**

Advance Cairns welcomes the opportunity to contribute to the Infrastructure, Planning and Natural Resources Committee inquiry and report on fly-in fly-out (FIFO) and other long distance work commuting practices in regional Queensland, and thanks the Committee for its consideration of our submission.

Advance Cairns is the peak regional economic development and investment promotion organisation for Tropical North Queensland. It plays a key role in advocacy for growth creating projects, investment and development for the region. Advance Cairns facilitates connections between private enterprise, industry, community, government agencies and political representatives to maximise the opportunities for economic and social development for Tropical North Queensland (TNQ), focussing on diversification for economic growth, and improving the lives of the region's residents.

As a major city in northern Australia and a key Australian gateway to Asia and beyond Cairns is perfectly positioned as a major provider of expert workforce, goods and services. As a developed city in the tropics, we have technology, health, education and social structures within a politically stable environment that create an excellent base for FIFO and other long distance commuters for work.

Collated comments are provided below on each of the issues identified by the Committee.

### **The health impacts on workers and their families from long-distance commuting, particularly mental health impacts, and the provision of health services in mining communities;**

The Cairns and Far North Queensland community has a strong and active mental health network and experience with remote primary health care. Cairns Alliance of Social Services provides a network of social service organisations delivering

government and private programs across the community. Infrastructure to support mine workers and families include strategies that see mining companies partnering with Council and local sporting and recreational associations to engage and support workers when they are rostered off.

**The effects on families of rostering practices in mines using FIFO workforces;**

The most distinctive characteristic of FIFO employment is the roster. In the case of day shifts, while three and four week cycles exist, the vast majority of FIFO workers (93%) complete two week cycles. Within that two week cycle the most common are either seven days of work followed by seven days off, or eight days of work followed by six days off. If the FIFO worker is on a night shift roster (a quarter of the FIFO workers surveyed were about to commence a night shift roster), a roster typically converts into a seven nights on; seven nights off roster.

In a James Cook University study commissioned by Advance Cairns as part of its FIFO Coordination Project in 2012-2013 - One of the key identifiers and potential dissatisfying elements of FIFO work are the extensive periods FIFO workers are away from their home and families in Cairns. Depending on the structure of the roster that could be every second week or if a three week roster applies, two consecutive weeks in every three weeks.

Respondents were asked to indicate extent of interaction with family/friends based in Cairns and sport and social clubs based in Cairns, while on roster and while off roster. 30% of the FIFO workers interact often with family while on roster, 60% have some contact with them and a further 10% do not contact family at all. That changes dramatically once the FIFO worker is off roster, when more than 80% often interact with their families. A similar but less pronounced picture appears for Cairns based friends and club members: much more contact while off roster.

**Advance Cairns**

51 The Esplanade • PO Box 3065 • Cairns Queensland 4870, Australia

p +61 (0)7 4080 2900 f +61 (0)7 4031 3994

e admin@advancecairns.com w www.advancecairns.com

The JCU FIFO survey also asked workers to indicate with whom they would like to have more (or less) contact while on and off roster. While on roster, FIFO workers would like more contact with their family, friends, and (members of) sport and social clubs in Cairns, whilst they prefer less contact with their bosses. Interestingly, the same pattern is apparent while off roster, where again the FIFO workers prefer more contact with their family, friends and (members of) sport and social clubs in Cairns. Clearly, being away from home is not considered a barrier FIFO workers face to engaging with the people with whom they wish to interact.

In September 2011 URS Australia delivered a report commissioned by Queensland Resources Council that found ... "The key finding of the survey is that there are no major differences between resident and non-resident workers. That includes age, marital status, industry experience, home ownership, and children by number and age." Further the report confirmed "a 90% preference for 'living on the coast'"; and that a determining factor in where to live among non-resident worker respondents was family and lifestyle preferences.

FIFO workers exist outside the resource industry. Particularly in Cairns as a significant tourism destination, the last 3 decades have seen a growth in transport and tourism related FIFO – airline crew based in Cairns, Cruise and dive crews and long haul truck drivers; agriculture where many work away from home but within the region seasonally for cane harvest, sugar production and fruit harvesting seasons.

Cairns has been a principal port of call for re-supply and refit prior to heading to New Guinea, Java, the Solomon Islands and many other destinations throughout the Pacific since World War II. In 1974, HMAS *Cairns* was established and now has 900 Navy and civilian personnel and is the homeport for 14 Naval Vessels.

### **The extent and projected growth in FIFO work practices by region and industry;**

Resource industry related jobs are a significant factor in the Tropical North Queensland workforce.

**Table #15: Employment in Mining in Relation to Total Employment, Cairns & Immediate Region (SA4), 2011 Census**

<b>Mining</b>		<b>Total</b>	<b>% Mining of total</b>
<b>Managers</b>			
Construction	6	840	0.7%
Supply & distribution	7	184	3.8%
* Production managers	63	271	<b>23.2%</b>
Other specialist	11	323	3.4%

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### Professionals

Accountants	8	771	1.0%
* HR professionals	15	377	4.0%
* Training & development	9	185	4.9%
Marine transport professionals	9	505	1.8%
Surveyors & special scientists	13	156	8.3%
Industrial mechanics & production engineers	4	54	7.4%
* Mining engineers	21	27	<b>77.8%</b>
* Environmental scientists	14	336	4.2%
* Geologists & geophysicist	32	50	<b>64.0%</b>
Occupational & environmental health professionals	12	197	6.1%
* Registered nurses	3	2039	0.1%
* ICT professionals	4	52	7.7%
<b>Technicians &amp; Trades</b>			
Technicians & trades nfd?	4	248	1.6%
* Science technicians	16	186	8.6%
Architectural building & surveying	10	534	1.9%
* Other building & engineering technicians	92	182	<b>50.5%</b>
Motor mechanics	14	999	1.4%
Structural steel & welding trades	46	756	6.1%
* Metal fitters & machinists	208	1125	<b>18.4%</b>
* Electro technology & telecommunications	5	38	<b>13.2%</b>
Electricians	76	1349	5.6%
Chefs & cooks	12	1535	0.8%

### Community Services

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Fire & emergency workers	5	197	2.5%
Security officers & guards	3	501	0.6%
<b>Clerical &amp; Administration</b>			
Contract program & project admin	14	1175	1.2%
Off ice managers	11	1178	0.9%
General clerks	25	2408	1.0%
Accounting clerks	11	968	1.1%
Purchasing & supply logistics clerks	18	473	3.8%
Transport & dispatch clerks	10	231	4.3%
Machinery operators & drivers nfd	26	123	<b>21.1%</b>
Machine operators nfd	11	154	7.1%
* Drillers, miners & shot firers	521	645	<b>80.8%</b>
Other stationery plant operators	34	246	<b>13.8%</b>
Earthmoving plant operators	56	556	<b>10.1%</b>
Tram & train drivers	10	170	5.9%
Truck drivers	111	1683	6.6%
<b>Labourers</b>			
Commercial cleaners	12	1624	0.7%
Structural steel workers	12	159	7.5%
* Other construction & mining labourers	51	103	<b>49.5%</b>

*Note: Those percent highlighted are occupations where mining represented 10% or more of the workforce.*

Queensland Resources Council members indicate that their members employ 870 workers who live in the Cairns region, spend over \$100m in wages (\$125,000 per worker) and \$205m in goods and services<sup>1</sup>.

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<sup>1</sup> FIFO Workforce in the Cairns Region 2013-14, Cairns Economics  
 51 The Esplanade • PO Box 3065 • Cairns Queensland 4870, Australia  
 p +61 (0)7 4080 2900 f +61 (0)7 4031 3994  
 e admin@advancecairns.com w www.advancecairns.com

The operation of a range of non-QRC member mines inside Queensland and mines in the Northern Territory, Papua New Guinea and Papua Indonesia which draw workforce, goods and services out of the region must also be added to gain a true picture of the FIFO workforce related to resource industries out of the Cairns region.

Australian Bureau of Statistics 2011 Census data indicates that the number of Cairns region residents who gave their 'place of work' in other regions across the north of Australia totalled 2880, and, with estimates of numbers 'not stated', was probably of the order of 3200. Those related to mining are estimated to be in the order of 2350 and increased to 2600 by the end of 2013 when BMA commenced direct flights from Cairns to Moranbah for 250 workers.

Estimated total mining related workforce in the Far North Queensland Statistical Division (Cairns and Immediate Region plus Far North Outback) including residential mining employment is estimated at 4100, up from the 2010 estimate of 3300.

It is estimated that about 2000 residents in the immediate Cairns/Cassowary Coast/Tablelands region are on fly-in to mining centres outside the immediate region, most on incomes of \$100,000 plus, bringing income into the region of the order of \$200m. On top of this, is a substantial value of aviation activity generated at the Cairns airport.

Meeting the skills needs of mining while meeting workforce needs of other industry sectors is addressed in the Cairns Skills Report developed by Skills DMC and the Queensland Resources Council.

The situation highlighted a need for:

- a) More training capability in the region for those skills that tend to be mining specific and in which the mining industry is the dominant employer;
- b) Collaborative efforts with other industry sectors to meet demand for skills and occupations where there are substantial overlaps;
- c) A need to be flexible in responses to an economy that has exhibited strong average growth, but accompanied by strong volatility over time.

Apart from direct employment in mining companies, there can be employment of FIFO workers as:

- mining contractors;
- construction contractors;

**Advance Cairns**

51 The Esplanade • PO Box 3065 • Cairns Queensland 4870, Australia

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e admin@advancecairns.com w www.advancecairns.com

- mine maintenance, catering, medical services, a whole range of equipment installation and repair contractors, and government agency staff carrying out regulatory services.

The existence of FIFO air services can also lead to supply of air freighted equipment, replacement parts and perishable items, as well as associated servicing and contractor activity. A mining company that develops commercial links with a community for workforce and air freighted supplies and services, is also more likely to develop links with businesses in that community for supply of goods and services by road or sea transported services.

The Cummings 2013 FIFO report proposes that “even a doubling of demand for mining personnel seems unlikely to pose major strains on the regional labour market for truck drivers, electricians, structural steel and welding trades.” In fact the ebb and flow of skills among industry sectors supports skills retention in the region.

The Cairns region has a long history of being attractive for a workforce based in the region evidenced in:

- a) High levels of self-employed;
- b) Relatively high unemployment rates alongside strong job creation rates;
- c) Acceptance of lower incomes to remain in the region;
- d) Lags in workforce responding to economic impacts

Factor (c) above makes the higher remuneration from mining FIFO highly attractive compared with other alternatives.

Further, males dominate the mining FIFO workforce. Cairns with its high level of service industries, including tourism education and health, has a relatively high availability of work opportunities for female partners.

Against this background, communities supplying workforce and other services and air transported equipment, parts and perishables improves the chances of the mining companies establishing corporate management and administrative offices in that community.

The additional income generated in the community by the FIFO workers themselves is only the start of potential economic benefits. The existence and growth of the FIFO air services has the potential to provide much wider business opportunities for the community.

While growth in resource industry FIFO may well slow with the closure of mines such

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e admin@advancecairns.com w www.advancecairns.com

as Century Zinc, FIFO work practices out of Cairns will continue to grow as the region has much to offer those who choose to live here, but work globally.

**The costs and/or benefits and structural incentives and disincentives, including tax settings, for companies choosing a FIFO workforce;**

Improved mining technologies, more cost effective air travel and shorter mine life make FIFO work practices a sound and viable option for mining companies. A regional distribution of FIFO ensures best fit for the jobs, opportunity for workers living in non-mining areas and in the case of Cairns greater range of work opportunities for partners at their chosen base.

Opportunities exist for cost conscious mining companies to use regional bases, limiting travel time for workers, distributing the expertise around regional Queensland and creating flow on benefits for goods and service industries at regional base points. Such a strategy would also serve to ease congestion issues out of Brisbane airport impacting flight schedules, and goods supply.

FIFO families establishing themselves in a regional centre and the number of seats workers occupy on planes support important flow on employment in regional cities and should not be overlooked as a contributor to broadening the economic base of a region.

**The effect of a 100% non-resident FIFO workforce on established communities; including community wellbeing, the price of housing and availability, and access to services and infrastructure;**

Impacts of FIFO workforce on the Cairns and tropical north region communities are minimal as a proportion of total population. FIFO families broadly support the existing infrastructure in Cairns through airport movement as noted above.

The Cairns population has been growing at a long term average rate of between 2.5 - 3%. Rental vacancy rates have been below 3% for the past 3 years. Building approvals have been trending upwards with 27% increase noted from January 2014 to January 2015<sup>2</sup>. Property sale volumes have been steadily increasing over the last three years, with the December quarter 2014 sale volumes 48% higher than in the December quarter of 2011. Median property prices for houses and land in Cairns have steadily increased over that same period from mid \$300,000's to \$402,400 in January 2015, indicating that the region is managing its growth response.

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<sup>2</sup> HTW Cairns Watch / ABS data



Cairns and surrounds have a history of growth spikes from gold rush days through cane cutting and banana picking seasons to the influxes to tradespeople during periods of disaster recovery.

This long history of seasonal work and transient workforce means Cairns businesses and service organisations have developed strategies to manage most peaks and troughs. Moreover, Advance Cairns has identified the development of the region into a hub for FIFO workers who reside in the region while off roster as a strategy to diversify the economy, reducing its cyclical nature. Indeed many accommodation houses have built business around seasonal workforces.

**Quality of housing provided in accommodation villages for FIFO workforces;**

In Cairns and nearby towns FIFO accommodation would predominantly be absorbed within current housing stock and therefore the quality of housing is good. Additionally, the trend for resource companies to recruit from within 90kms of the airport provides a range of accommodation options for FIFO workers in Tropical North Queensland ranging from inner city apartment living to rural residential acreages and would include sites from Port Douglas and Mossman, Mareeba and Atherton down to Innisfail as well as Cairns city and suburbs.

**Strategies to optimise the FIFO experience for employees and their families, communities and industry;**

Cairns is a vibrant community with quality schools, sporting teams, arts, culture and recreation that enhance the quality of life and make it attractive as a FIFO hub.

Its prominence as a tourist destination both domestically and internationally presents a wide range of entertainment and recreation offerings.

As the nation adjusts to part time as the increasingly dominant work type, Cairns and the region finds itself in a strong position of managing a diversity of options in work and lifestyle for other than 9-5 workers that have been continuously developing over decades.

Cairns and Tropical North Queensland has naturally embraced FIFO as a positive progression in work practices. The existence of a FIFO workforce base in Cairns supports population and skills retention, minimises family disruption, living costs and social impacts. FIFO workforce is a positive contributor to Cairns community through families who choose to plant themselves here and to the local economy.

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**Commuting practices for FIFO workforces, including the amount of time spent travelling, the methods of transportation, and adequacy of compensation paid for commuting travel times;**

Cairns is a strategically placed terminus for air road and sea travel across Northern Australia and into Asia and beyond. This coupled with ease of access to a diverse range of accommodation options from inner city apartment to rural residential within 1 hour from the airport makes it an attractive base for FIFO workers and their families.

Companies such as BMA have acknowledged the impact of commuting to and from transport bases and now require FIFO workers to live no more than 90 kms from airport to be eligible for work. RTA in Weipa only use the FIFO model as a transition to residency.

A steady increase in FIFO workforce has also been paralleled by a significant reduction in road fatalities due to fewer mine workers driving extended distances to work or to transit bases.

**Effectiveness of current responses to impacts of FIFO workforces of the Commonwealth, State and Local Governments;**

The *Leading Long Term Population Growth in Northern Australia* report, released in May 2015 by Cairns Regional Council estimates the greater Cairns region would soar in population to 550,000 (lower estimate), assuming the current long term growth trend continues, followed by Northern Territory (400,000) Townsville (380,000) Mackay Rockhampton-Gladstone. The report by Cummings Economics bases the projections on historical data between 1976 and 2011. It also highlights that population estimates for Tropical North Queensland have often been lower than actuals. In the 35 years from 1976 the city of Cairns grew by 182% compared to Townsville at 85%, Darwin at 173% and Mackay at 105%. This data is being used by Cairns Regional Council to plan for future infrastructure and community needs including negotiations with State and Commonwealth agencies.

Consecutive Queensland governments over the past 5 years have supported training and preparation to manage the flow on impacts of resource workforce growth through skilling and now labour market programs and through monitoring of impacts via the Regional Managers Coordination Network.

The Australian government through the then Department of Education Employment and Workplace Relations funded Advance Cairns in partnership with SkillsDMC to deliver the FIFO Coordination project. The former Local Employment Coordinator

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p +61 (0)7 4080 2900 f +61 (0)7 4031 3994

e admin@advancecairns.com w www.advancecairns.com

initiative funded locally specific projects in marine manufacturing, agriculture, transport and logistics in recognition of the strategic importance of these to the regional labour force with a range of experts working outside the region. It also developed the Tickets to Jobs framework to support partnerships among industries with similar occupations to continually develop skills within the region for mining, civil construction and heavy machinery operation (including in agriculture).

Regional Development Australia Far North Queensland and Torres Strait identified resource business and workforce as one of its strategic priorities.

### **Other related matters.**

FIFO development in Cairns was important during a period of downturn within the Tourism Industry, and was supported by a number of Government initiatives in sustaining a skilled workforce in the region.

FIFO activity can have major benefits to a regional community when suitably managed as in Tropical North Queensland.

For the Cairns region, it is estimated that each FIFO worker will generate an income of the order of \$125,000 a year based on Queensland Resources Council information. This calculates as an income generated by residents of the order of \$294m per annum.

This \$290m becomes available for household expenditure. Because of tax and savings, not all this income would be spent in the region and the following works on \$100,000 per employee a total of \$235m.

Mines within Queensland also look to the Cairns Region for more than FIFO workforce. Data collected by Queensland Resources Council indicates spending by Queensland mines on goods and services in the Cairns local government area alone is of the order of \$146m.

Based on North Australia Research Group Input/Output Models for the Far North Queensland region, it could be expected that \$235m would result in an addition to Gross Regional Product including flow-on effects of approximately \$270m and employment including flow-on effects of about 2700 jobs additional to the 2350 FIFO workers. Activity generated at the airport per passenger will add to the benefits.

The increased demand for resource based FIFO workforce is of a type that overlaps especially with workforce needs of Construction, Manufacturing, Electricity, gas and water, Transport and Agriculture. The steady growth of FIFO workforce out of Cairns

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has underpinned an increase in skills levels in the region. Any limitations imposed causing a reduction in FIFO workforces would have adverse impacts on the Cairns region in terms of skilling and flow on employment generation.

Conceptually, Cairns has been managing seasonal and FIFO / DIDO workforces for almost a century. Although mining may be the focus at present, cane and other agricultural workers have been part of the Cairns workforce and community since 1900's. Cairns is also a primary destination for overseas students creating similar short term influx in population for terms ranging from 2 weeks to 3 years.

Currently, marine construction, marine tourism, defence and a diverse range of consultants (re-liners, geologists, surveyors, engineers, environmental scientists, educators) servicing the Pacific Islands, Asia and beyond choose to based themselves in Cairns for reasons including lifestyle, infrastructure and services in addition to its strategic geographic positioning as a transport terminus.

FIFO has been a critical element in retaining families in the region as skills shortages shift geographically; eg: the downturn in construction in Tropical North Queensland coincided with construction phases of mines in Central Queensland and Northern Territory allowing skilled workers flexibility in employment whilst maintaining stability for the family in their chosen place of residence.

FIFO enables skills retention in the Cairns region. Most workers cycle in and out of FIFO on a 3-5 year term allowing for specialist skills development which is then applied in a non-resource based job locally. This elevated skills quality has been particularly evident in high risk and safety related skills which have transferred into the construction industry priming the region for greater infrastructure development.

Yours faithfully,



Mark Matthews  
Chief Executive

**Advance Cairns**

51 The Esplanade • PO Box 3065 • Cairns Queensland 4870, Australia

p +61 (0)7 4080 2900 f +61 (0)7 4031 3994

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**Source documents:**

FIFO Workforce in the Cairns Region – Cummings Economics 2013  
FIFO Workforce in Cairns – James Cook University 2012  
QRC Workforce Accommodation Study – URS 2012  
Cairns Skills Report – Advance Cairns, SkillsDMC, QRC  
Future Workforce Needs in the Cairns Economy – Cairns Regional Council /  
Cummings Economics 2012  
HTW Cairns Watch – Dec 2014 and March 2015  
HMAS Cairns website  
Cairns Perfectly Positioned website

**Consultations:**

Cairns Regional Council  
Cummings Economics  
Dawson Engineering  
James Cook University  
BMA Caval Ridge  
Cairns Alliance of Social Services  
Workforce North  
HR Dynamics  
FNQ Medicare Local  
North Queensland Primary Health Network  
Defence Families

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