

SUBMISSION
on behalf of the
Electrical Trades Union
of Employees Queensland



**Inquiry into Fly-in, Fly-out and
other Long Distance Commuting
Work Practices in Regional
Queensland**

MAY 2015

The Queensland Government should be commended for undertaking this review and the Union sees this as a first step towards ensuring the quality of working life for all people involved in the mining industry/resources sector¹ in Queensland. The ETU encourages the government to develop and implement policies that provide benefits to all the parties involved in the resources sector.

The resources sector, based in regional Queensland, has a high demand for skilled workers. In order to meet this demand the sector has increasingly relied on non-resident or FIFO workers².

Until recently, employers were limited in the number of non-resident workers that they employed. Further, the majority of non-resident workers in the Coal industry were bussed in and out to work, meaning most workers lived in and around the Mackay region and so the benefits of the mining industry were being shared with the local regional community.

However, this has changed with the State Government allowing BHP at Caval Ridge to engage a workforce that comprises 100% non-resident labour, despite opposition from the local community and the regional council. Since that time there have been a number of other mines that have been allowed to engage in excess of 90% of their workforce as non-resident workers.

The impact of a non-resident workforce is felt not only by the workers and their families, but also by the local communities where mines are located. Non-resident workers face demanding working conditions, isolation, limited living conditions, boredom and community isolation which, in some cases, may lead to higher alcohol consumption and violence.

The introduction of a FIFO workforce also impacts on local communities. For example, they may experience conflict between resident and non-resident workforces as the lifestyle of the (usually) male non-resident workforce does not necessarily reflect or sit easily with the lifestyle of local residents who frequently have family and community commitments.

Local communities may suffer from the 'fly-over effect' where mining companies source goods and services from outside the local community, thus having a negative impact on the economic viability and survival of the local community. In addition, people living in local communities often suffer from "post code discrimination" where employers refuse to employ workers from the local area, despite them having the necessary qualifications and experience, increasing unemployment and limiting job opportunities for young local resident, and the impact of the economic cycle of the resources sector.

¹ The terms mining industry and resources sector are used interchangeably throughout this submission. They include mining, oil and gas exploration and production

² The term "non-resident worker" and "FIFO worker" includes workers who fly-in fly-out (FIFO), bus-in bus out (BIBO) and drive-in drive-out (DIDO).

Introduction

The Electrical Trades Union (ETU) Queensland and Northern Territory Branch welcomes the opportunity to provide a submission to the Committee on matters relating to Fly in/Fly out (FIFO) and other long distance commuting work practices in regional Queensland.

The ETU represents over 14,000 members working across QLD and NT in various sectors, including many employees employed in the resources sector. ETU members work across various skills, classifications and occupations. The impact of the resource sector's labour demands is experienced by all ETU members, not just those working in the resources sectors.

FIFO employment has long been a feature of the resources sector.³ It is particularly timely to review the impact of FIFO as it is a feature of the resource sector's workforce which is projected to be an increasing proportion of the total workforce.

In addition to the growth in the coal mining sector Queensland has seen the introduction of a significant number of gas related projects in recent years. This has added to the explosion in the number of employees working as non-resident workers.

The ETU is concerned about the impact of a non-resident lifestyle on non-resident workers and their families, the regional communities in the areas around mines, labour turnover, labour mobility and the supply of skills in other sectors. In order to better inform our policies in this regard the Union is currently undertaking a National Survey of members in relation to FIFO and would welcome the opportunity to share the outcome of that survey on its completion.

Different types of FIFO

The issues that impact on the workers in the mining industry are different from those in the gas exploration and extraction industry, for example rostering arrangements, but there are some issues that are common across the board, such as the impact on family life. It is time for the resources sector to recognise its social responsibilities to their workforce and to the regional communities in which they operate.

In order to achieve this, the ETU proposes that the Queensland Government develop policies that support creating a broader skills base in the regional communities that would enable the resources sector to employ local labour and thereby reduce its reliance on FIFO and temporary overseas skilled labour.

³ The Chamber of Minerals and Energy Western Australia; *Fly In Fly Out: A Sustainability Perspective*, 2005 p9.

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

It is clear that both Government and employers have a role in ensuring the quality of working life for non-resident workers. However, while there is much anecdotal data, to date there appears to be a lack of research into the conditions that lead to either the positive and negative outcomes associated with the non-resident lifestyle.

There is evidence to suggest that working as a non-resident worker may have a negative impact on employees' physical and mental wellbeing. There is also evidence that it affects the workers' family. The effects on workers that have been identified include depression, loneliness, fatigue substance abuse and strain on marital relationships. In addition, non-resident workers also report problems such as to sleep disturbance, interference with their ability to be involved in family, domestic and community activities, and a limited ability to engage in sport, look after their children, and to attend medical and other health related appointments.

The Lifeline WA FIFO Mental Health Research Report 2013⁴ identified some of the challenges of FIFO work, including telecommunications, rostering, shifts and transport, adjustment between work and home, workplace conditions and organisational management.

However, there is also evidence that for some employees working FIFO there is strengthening of family relationships, improved coping skills and better general health.⁵

The role of Government includes researching the factors that impact on employees' health and the health of their families, including their mental health, and introducing legislation and policies which promote and support health development, such as the establishment of a FIFO Employee Health and Well-Being Code of Practice. This would ensure that companies take into account the health and well-being of workers and their families when they are preparing their application for a mining licence and would require the consideration of the mental health implications of legislation and policies governing the establishment and management of FIFO workforces to be assessed and incorporated in all decision-making processes.

It is clear that employers engaging FIFO workers need to ensure that the working conditions and the workplace environment promote and support mental health by having clear and demonstrated support for employee mental health throughout all levels of leadership within the organisation, delivering workplace-based programs to support and improve the mental

⁴ <http://www.lifelinewa.org.au/download/FIFO+DIDO+Mental+Health+Research+Report+2013.pdf>

⁵ Torkington, Larkins and Gupta 2011

health of FIFO workers. There also needs to be strategies to develop and implement programs to improve health and wellbeing, including mental health, and to improve access to all health services, including mental health services, that are independent of the workplace and are separate from existing Employees Assistance Programs in the workplace.

Mental health problems in mining and resource companies are not confined to any particular age, gender or social group, but represent a risk to all.⁶ Workers with young families present a high risk because they may be particularly vulnerable to the stresses associated with FIFO lifestyle. However, piecemeal approaches and initiatives, such as putting mental health brochures in the workplace, do not constitute a properly mental health strategy.⁷

Government should fund ongoing research to explore the relationship between FIFO working arrangements and health and wellbeing of workers, and their families, and support the establishment of programs and services that assist individuals and employers to promote and support health and well-being, and in particular mental health, for FIFO workers and their families.

The ETU recommends that the government develop a FIFO Employee Health and Well-Being Code of Practice that particularly addresses the concerns of FIFO workers.

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

While some work has been done in relation to this at this stage the Union believes it is insufficient to allow final recommendations to be made.

The 2013 Lifeline Report⁸ identified the following issues arising from roster pattern or shifts include:

- Being away from family and friends for extended periods;
- Being on the opposite shift to a partner who also works FIFO
- Difficulty in accessing leave;
- The length of shifts; and
- The impact of working night shift.

⁶ <http://www.news.com.au/finance/work/they-hate-themselves-and-the-world-tragic-toll-of-fifo-work/story-fnkgbb6w-1227303596277>

⁷ Australasian Centre for Rural and Remote Health, 'Implementing a mental health strategy can be an opportunity not a challenge', 2012.

⁸ *ibid*

Traditionally in coal mining FIFO workers have worked an equal time roster, that is 7 days on and 7 days off. Many FIFO workers report that this roster works well for them in achieving a work/family life balance, however, there is some indication that employers are moving away from this type of roster to longer roster cycles.

On the other hand, in areas such as the CSG industry, rosters are typically extended rosters, with 4 week's on and 1 week off, and workers being expected to work over 50 hours per week for the time they are at work, not being unusual. In workplaces with working arrangements such as this the Union is aware of anecdotal information about the impact on workers and their families, including family breakdowns and mental health issues.

There is now talk of the construction company, Goodline, offering a roster in WA which would involve working 12 weeks on and 1 week off⁹. Given that a link has been made between the length of the roster and mental health, this is a worrying situation. This would suggest that industry cannot in this instance self-regulate and government needs to take active steps in limiting the length of rosters.

The ETU recommends that the government undertake research to identify the effects of rostering on FIFO workers and their families.

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

As the mining industry expands globally, there continues to be a shortage of skilled workers and the electrical trade is one of the trades that will feel the impact of this.

Labour turnover contributes significantly to the cost to industry. It is important to note that the rate of turnover for non-resident employees is 25%, with FIFO workers even higher at 31%.¹⁰ In addition, non-resident workers on average have a much lower length of service than resident workers. Resident workers have an average of 4.3 years whereas FIFO workers have an average length of service of 3.5 years and a resignation rate of 17%, which is triple that of resident workers at just 6%. While some of this may be explained by the nature of the work, some is because of the effects of the FIFO lifestyle on workers and their families.

⁹ <http://www.watoday.com.au/wa-news/port-hedland-fifos-face-new-nightmare-roster-20150503-1myq0j.html>

¹⁰ Ibid.

Encouraging training in regional communities would help to reduce reliance on a FIFO workforce, limit the skills drain from other sectors and build opportunities in local/regional communities. In addition, building community infrastructure and services supports local employment, encourages relocation to regional areas, allows for the development of training facilities at a local level and encourages the provision of health and education services that provide benefits for both the local community and non-resident workers.

Planning for the long-term needs of the resources sector is important when developing policies and practices that ensure the greatest benefits for the mobility, productivity and skills development of the economy as a whole as well as supporting FIFO arrangements. As previously mentioned the turnover rate for non-resident employees is 25%, with FIFO workforce even higher at 31%. Turnover rates beyond 20% are considered by mine site management to be detrimental to productivity.¹¹ Factors identified that would assist in reducing the high rate of labour turnover include management commitment to employee training and skills development and shorter shift patterns.¹²

Using FIFO and overseas temporary visa workers to supplement the local labour market does not assist in developing long term stability in the workforce nor does it assist regional communities. While there are various reasons for any skill shortage, policies need to be developed to encourage employers to engage and train local apprentices and to ensure that apprentice completion rates are maintained or improved and provide for the up-skilling of existing workers. In addition to that, by choosing to diversify the pool of potential workers by employing under-represented groups like female or indigenous workers, employers may reduce the incidence of substance abuse and violence that has been identified as a source of friction in local communities between local residents and the non-resident workers.¹³

The ETU recommends the government develop and implement a program, and allocate specific funds to encourage employers in the mining sector to employ apprentices to address long and short term supply of skilled workers in the sector.

¹¹ Workforce Turnover in FIFO Mining Operations in Australia: An Exploratory Study. Summary Report; University of Queensland 2003 for Centre for Social responsibility in Mining p3.

¹² Ibid p5.

¹³ Carrington, K et al; *Globalisation, frontier masculinities and violence: booze, blokes and brawls*; ,Oxford University Press, 2010

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

It is clear that the introduction of 100% FIFO workforce is having a significant effect in many regional communities around the state, including towns considered to be mining towns, such as Moranbah, as well as towns in the vicinity that have historically had a relationship with the mining towns, such as Mackay.

The refusal of some employers to consider potential employees in the immediate vicinity of the mine exacerbates the impact of the introduction of the 100% FIFO workforce. This “postcode” discrimination amplifies the effects of the mining downturn in regional communities by increasing unemployment, eliminating job opportunities, particularly for young people in the region, and reducing the income in the area, all of which has a knock on effect to the local economy. This in turn encourages people, including young families to leave the area, which then impacts on the provision of services such as health and education.

Local governments and the Local Government Association in Queensland have done research in relation to this¹⁴ and the Union does not intend to reiterate that research, however the decline of regional communities is of concern to the Union and its members.

The Union believes that employers should employ both local and FIFO employees, based on their ability to perform the work required, rather than the post code in which they live. However, it is not the Union’s intention to see existing workers removed from employment.

The ETU recommends for all future employment in mines the government ensure that the employer employ a proportion of local, resident workers in addition to non-resident workers.

¹⁴

http://www.ancelg.org.au/system/files/publication-documents/1336624408_ACELG_Scoping_Study_FIFO_May_2012.pdf

The quality of housing provided in accommodation villages for FIFO workforces

FIFO workers frequently report concerns about the quality of the accommodation with which they are provided as well as the on-site lifestyle. The accommodation is often cramped, with thin walls and of poor quality. This makes sleeping difficult further adding to the fatigue they face due to the long shifts they work. There is often a lack of facilities on site ranging from rooms not having en-suite facilities and a lack of toilets to a lack of recreation facilities, such as gyms, recreation areas and quiet reading rooms. There are also frequent complaints about the quality of food served in the accommodation villages, including uncooked or undercooked meat and/or chicken and over-ripe and rotting fruit.

Increasingly, employers are offering 'motel style' accommodation arrangements. Motel style accommodation means that an employee may be allocated to different rooms for each cycle that they work on site. This practice contributes an additional layer of stress to the lives of workers who are already under the significant mental stress of living in 'donga' style accommodation. The ETU believes that workers should have access to a dedicated room, where they can 'personalise' their accommodation and where they are able to leave their belongings between work cycles.

The ETU National Office has suggested that motelling creates significant health implications and should be totally eliminated¹⁵. ETU Queensland Deputy Secretary Peter Ong has been pushing to eliminate motelling in Queensland and the Northern Territory.

The Union is also aware that employers are beginning to introduce the concept of "hot bedding" where two employees, working opposite shifts, are required to share a room, such that when one gets up and goes to work the other is required to sleep in that bed. The Union is totally opposed to this concept and calls on the government to ensure that it does not occur.

The ETU recommends that the government mandate a minimum standard of accommodation.

Such minimum standards would include:

- Each employee being allocated accommodation for the duration of the project to enable them to "personalise" their accommodation, that is, motelling and hot-bedding be prohibited on all FIFO accommodation in Queensland;

¹⁵ ETU National Journal Issue 1 2015, p4.

- Accommodation being suitable for, and reflecting the needs of, different groups of employees, including women and indigenous workers;
- Free movement within, and outside of, the camp consistent with health and safety; and
- Provision of basic facilities, such as gyms, community centre and quiet reading area.

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

There needs to be further research into the effects of living and working a FIFO lifestyle. Specifically there needs to be research into basic conditions of employment, such as optimal rosters, shift length, hours of work and overtime. There also needs to be consideration given to the quality of life for the workers when they are on-site, so that the quality of the accommodation, the quality and variety of the food that is available, the facilities that are provided and the ability to freely enter and leave the site during the workers' off duty hours is taken into account when considering their health and well-being. All of these areas have the capacity to enhance or detract from the FIFO experience.

FIFO workers rely on regular communication with family and friends whilst on-site to help them while they are away from home and their local community. This includes using mobile phones, and various applications such as Skype and Facebook to share information and experiences.

In addition to using telecommunications to contact family and friends, they also need access to reliable services to contact independent support services should the need arise.

It is not surprising that if there are problems with the communication systems, this can pose a significant challenge to workers and can have a negative effect on the worker's stress and mental wellbeing. Unfortunately, this is frequently the case, with Union members reporting limited or no mobile phone and/or internet access in their accommodation. Typical problems include no access to mobile phones, no mobile coverage, no internet access and/or low quality mobile/wireless coverage.

The ETU recommends that the industry adhere to a minimum standard in the provision of communication services, including, but not limited to, access to reliable phone and internet services of sufficient capacity to enable workers to maintain contact with family, friends and support services in a private environment and that this be a consideration when considering all mining licences/lease applications.

The 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;

A number of additional challenges are raised in relation to non-resident workers travelling to and from work. These challenges include the time taken to travel to and from site because of things such as long distances to be travelled, inadequate roads, long waits at airports for connecting flights and the distance between the airport and the employee's final destination. The time taken to travel to and from site is often done during the employee's own time and may take place before or after working on site, which then raises the issue of fatigue.

The issue of fatigue is particularly relevant for workers who live in remote areas who may have travelled for many hours to the closest airport, who then fly to site and are required to commence work that same day. Similarly, in reverse, fatigue has been raised as an issue when returning home from work at the end of a rostered work cycle, particularly in relation to driving home after flying back to the airport closest to their home.

In some instances it has been reported that where an employee has been on sick leave, they are required to transport themselves to work, with no guarantee of reimbursement for the cost of the transport.

The ETU recommends that any research into the health and well-being of employees take into account the implications for employees travelling to and from site when they are mobilised/demobilised, as well as when they are commencing, or returning from, a period of sick leave.

Any other related matter

Industrial Arrangements

There is evidence that suggests that the industrial arrangements in place at the workplace have a significant impact on the health and well-being of non-resident workers and their families. Extended rosters that require workers to work over 50 hours per week create a situation where workers are extremely fatigued, particularly when working in an environment where temperatures can be over 40 degree during the day.

This fatigue impacts directly on their health and well-being while they are at work. It impacts on their ability to remain connected with their family when they are on-site. Significantly it can also affect their ability to reconnect with their family on their return home.

The ETU recommends that the government undertake research to identify the optimal conditions for ensuring employees' health and well-being.