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The Resource Industry Group submission.

Fly-in-Fly-out Inquiry by Infrastructure, Planning and Natural Resources Committee.

Introductory letter to:

Jim Pearce MP
Chair, Infrastructure, Planning and Natural Resources Committee
Parliamentary Inquiry into Fly In, Fly Out Resource Sector

To: Mr Pearce Chair and Committee

Please consider this submission from the Resource Industry Group Inc (RIG) for the future of fly in, fly out work practices across regional Queensland and the impacts on these workers, their families, communities and industries.

Resource Industry Group draws its membership from proponents, to suppliers and all levels of the supply network. We originate from Rockhampton but are non-geographic in our scope and draw members from a wide area. Our purpose is to enable our Members to advance, grow and prosper. We facilitate effective engagement to capture, share and apply industry knowledge and capability for mutual benefit to ensure that where possible these benefits continue to be kept in and flowing to our region (this can be as specific as Rockhampton, or as wide as Australia depending on the issue or opportunity we are facilitating). The working groups we utilise include Resources Education, Transport Logistics and Infrastructure (covering FIFO), Strategic Networks and Collaboration and Environment and Community. RIG provides a framework for facilitation of effective engagement, to showcase capability and to connect members around:

- Specific industry challenges and opportunity i.e. innovation, technology and human capital
- Specific capabilities and capacity
- Specific projects and opportunities

As such we are well positioned to present for the purpose of your review contributions from qualified and experienced individuals and organisations for your consideration. RIG is keen to ensure that industry and the relevant community who have a vested interest in seeing the outcome of this inquiry contributing to a strong and sustainable resource community are heard.

We thank you for the opportunity to contribute and trust the report will be given full and fair consideration.

Yours Sincerely,
Richard Chappel

Chairman
Resource Industry Group Inc

The effects on families of rostering practices in mines using FIFO workers

Recommendation: that a program is devised – collaboratively between government and industry – providing comprehensive and realistic information to employees and their families for their consideration so that the right decisions are made regarding entering into the long distance commute workforce.

This could ensure that those not well suited to this lifestyle do not enter into it, and that those who do make the most of the situation. Avoiding problems in the first place is a wise move. The discussion therefore turns more to optimisation rather than correction of unnecessary problems.

The way Proponents manage the employees will affect the families and as such best practice should be strongly encouraged i.e. as identified by the Centre for Social Responsibility in Mining, Sustainable Minerals Institute at the University of Queensland. These include:

- Flexible rosters
- Quality accommodation facilities with en-suite, air-conditioning, television and internet access. Accommodation should be well insulated for sound and temperature.
- Sporting and recreation facilities i.e. pool, gym, tennis/ basketball courts, as well as organised team sports
- Mobile phone reception and free wi-fi
- 24 hour on-site medical facilities, with Doctor on call
- Initiatives to develop closer interaction between employees and inhabitants of nearby communities, such as sponsored sporting events
- The opportunity for site visits from partners and family to understand the workplace and employee work life
- Quality fresh food in the mess with lots of variation and healthy options available

The Resource Industry Group believes that the host and destination community should be developed to maximise the benefits from the development of a strong and sustainable resource community, for the social and economic well-being of the community, and to minimise any negative effects. Proponents have a vested interest in contented employees and are likely to want to contribute towards this shared goal.

Recommendation: that host and destination community development is adopted consistently across all affected areas with support from both Government and Industry.

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

The Resource Industry Group recognises that these practices will become more prominent especially with the advent of more remote sites being developed as in the Surat and Galilee basin.

The Resources Industry Group does not support 100% FIFO in all cases, as a variety of scenarios necessitate varying solutions. Equally the use of postcodes to limit access to work from areas is unfair and

discriminatory. It should be based on availability of skilled, ready and available workforce who have access to necessary transport. Taking this approach would open up the opportunity for communities to build their presence and the transport solutions to enable them to participate. This is one area of focus for RIG Transport, Infrastructure and Logistics working group that includes long distance commuting in its remit.

Recommendation: Utilise FIFO as a tool to build capacity in regional Queensland enabling regional centres to expand their economic base not only enhances their resilience but strengthens the State economically as a whole.

It should be noted also, that historically FIFO is utilised by Brisbane, Gold Coast and Cairns and BIBO, DIDO is for regional locations such as Rockhampton and Mackay. In future with more remote sites in Galilee and Surat, it will be more feasible to include these as FIFO source hubs. Measuring the real impact of long distance commute practices and allowing for future trends will enable an intelligent response to be made with workable solutions that optimise the outcomes of various scenarios. Imposing current thinking with limited flexibility will not. New improved solutions are required and an acknowledgment that companies such as GVK are considering these should encourage Government to support win –win approaches rather than impose a one size fits all, as could happen.

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

FIFO is an essential element of any proponent being able to build a strong business case in order to attract necessary investment when projects are being considered alongside other national and international projects. IT is important therefore to focus on optimising the impacts.

FIFO certainly has a place as part of the solution to build a workable business case to effectively service projects where there is no adjacent infrastructure. Where it is used over the top of existing host communities it can be detrimental to local economies and can create further negative impacts as below.

Positive impact of FIFO on families and employees

- Employees can live where they choose (albeit currently limited to only a few selected communities)
- Employees have greater freedom to choose their employers and the best available employment conditions
- Employees and their families have greater access to quality facilities and services
- Long distance commuters (LDC) employees can continue their careers, in the knowledge that their partners can continue their lives and own careers at home.
- Employees are less vulnerable to cyclical employment demands of individual projects

Negative impacts of FIFO

- Social issues including effect on community identity
- Creation of inequality (relative incomes e.t.c.)
- Cost of living increase
- Additional pressures on infrastructure, facilities and services.

The Resource Industry Group recommends that the cumulative impacts of the development of projects are considered holistically rather than FIFO in isolation. In order to develop a strong sustainable resources community the three elements mentioned are key – families, communities and industry. It is clear that these are affected by far more than just long distance commute practices. This should include long and lasting legacy from projects around infrastructure, industry capability and capacity augmentation for Australian SMES, and social infrastructure that is often overlooked.

We further recommend that *federally funded FIFO co-ordinator roles be extended to address wider economic development (and community / social) impacts* i.e. Resource Communities Advisor.

- **To include:** Propensity of local industry to contribute, therefore benefit from the different phases of projects including exploration, FEED, Construction, Operation and Maintenance, and closure.
- Connection of local companies into the wider supply network – beyond project specific, connecting SMEs with larger companies and incorporating them into the value chain
- Co-ordination of best practice implementation between Proponent and local industry and wider supply network as per “Procuring from SMEs in local Communities – Good Practice Guide for the Australian Mining, Oil and Gas sectors.” produced with contribution from Bechtel, BHP, Newmont, Santos and others.
- Facilitation of innovation/ technology uptake across the network (including proponent) and connection to IP/ capability from CQ University and others.
- Co-ordination of available workforce into FIFO/DIDO/BIBO positions including inclusion of disadvantaged work pool and effective use of apprentices.

A collaborative and coordinated approach is essential to embed optimum outcomes from LDC (FIFO, DIDO and BIBO) employment across each affected region. These should be globally co-ordinated but locally implemented / delivered to enable adaptation to local circumstances. Clearly this would require Federal support to be delivered effectively.

We Recommend that the Resources Industry Group be used as a suitable host organisation the proposed Resource Communities Advisor.

We believe we are a suitable host for such an employee given that our role is to utilise the working group framework to facilitate round table conversation and to build effective knowledge communities designed for specific focus on key issues and opportunities for improvement and resolution in the resource industry.

The effectiveness of current responses to impacts of FIFO workforces of the Commonwealth, State and Local Governments

It is our members experience generally that there is considerable confusion in the market over intervention and support programs and services available from the three tiers of government

The Resources Industry group recommends that a holistic review – across Government and Industry of industry development support in order to eliminate conflicting programs and to optimise the impact of Government resources invested to this end

Further RIG recommends that a common, agreed outcomes memorandum of understanding is developed between Government and the Resources Industry so that all Stakeholders can transparently work towards a common goal. The content of the MOU can be used to drive the activities of the Resource Communities Advisor.

The Resource Industry Group was established in order to address missed opportunities in collaboratively addressing, solving and progressing issues and opportunities in the industry instead of in the traditional way and in silos.

We recommend that the Resource Industry Group model is extended and utilised as a vehicle across regions and across strict industry boundaries to facilitate optimal resource industry and community development.

Our intent is to clearly work with other industry organisations, do not displace, and support regional organisations to achieve positive outcomes. We are not limited by parochial responses, industry limiting viewpoints, political sway, and include members from all levels of the supply network in order to achieve our purpose.

This paper was prepared by the Strategic Networks and Collaboration Group – of which Jane Whyte is Principal. Would you please address any written communications in response to strategic@resourceindustrygroup.com.au and copy in secretary@resourceindustrygroup.com.au. We thank you for the opportunity to contribute.

- Due Date: Monday 25 May 2015.
- To: ipnrc@parliament.qld.gov.au