


Wednesday, 20 May 2015

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

Re: Fly in, fly out and other long distance commuting work practices in regional Queensland:

Please accept this position statement on the issue of FIFO workforce and the effects on regional communities on behalf of the Board and members of Resource Industry Network.

Regards,
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Operations Manager

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Connecting

Developing

Promoting

“Mandating workforce commuting strategies by government is an unnecessary intervention that could discourage future investment in the industry”.

1. About Resource Industry Network:

The Resource Industry Network is a member based organisation that represents approx. 150 mining services and related businesses in the Mackay and surrounding regions. Aggregated, our members employ thousands of workers delivering services in workshops and on mining sites across the Bowen Basin and in some case interstate.

2. A blended workforce strategy which includes a combination of: FIFO, DIDO and residential labour provides a wider economic benefit.

We advocate that FIFO is a sustainable and necessary commuting strategy in the Resources Industry when operated in combination with other workforce strategies and that FIFO delivers benefits unable to be derived from a single residential workforce strategy:

- Improves access to the diverse skills required in modern mining operations
- Provides choice to workers who have differing social needs
- Improves productivity through an appropriately skilled and resourced workforce
- Mitigates the volatility of housing and rental values in mining communities
- Spreads the economic benefit from mining operations across a wider geographic area

3. Any modern operation involves the engagement of contractors to generate an integrated business outcome.

Even mines with 100% FIFO direct workforce will often engage a substantial number of contractors based locally.

We note the distinction between a *permanent mining workforce* and a *supporting contractor/supplier workforce*. Contractor workforces are utilised to provide specialised skills to mine operators and to compliment workforce engagement strategies.

All mining operations, including those that use a 100% FIFO production workforce, require the support of contractor services and offsite suppliers. The ratio of production jobs to contractor/offsite supplier jobs is conservatively estimated to be 1:3.

The majority of the contractor businesses that service the Queensland Coal Industry are regionally based and employ local people.

4. Australian competition policy is fundamental to our international competitiveness. Competition drives up productivity and therefore wealth.

By introducing a component of FIFO to the overall workforce portfolio of labour supply, the labour base becomes more productive. This has been seen in practice where the use of FIFO has caused improved productivity and improved diversity within the workplace (which contributes to national labour participation).

5. Industry is capital intensive, so the greatest economic impact from resource operations stems from their procurement decisions rather than from where their workforce reside.

The most enduring economic benefits come from the recurrent operational procurement rather than the one-off capital decisions.

Discouraging investment in Queensland's Resources through rigid commuting policies has potential negative flow on effects to mining service hubs like Mackay.