

*24/2/17*

24 February 2017

Infrastructure, Planning and Natural Resources Committee Secretariat

**QUEENSLAND PARLIAMENTARY SERVICE**

Parliament House

Cnr George and Alice Streets Brisbane Qld 4000

## **Submission: to the Public Hearing at Mount Isa**

**From: Mount Isa to Townsville Economic Zone Inc. (MITEZ)**

**To: The Committee Chair**

Thank you for inviting MITEZ as a witness to the public hearing to be held in Mount Isa on 24 February. MITEZ is the regional development organisation responsible for the seven local government areas between Mount Isa and Townsville and for many years MITEZ has provided submissions concerning FIFO to both the State and Commonwealth Government as the impacts of un-regulated FIFO have been experienced to the detriment of local communities and their economies.

MITEZ believes the Strong and Sustainable Resource Communities Bill 2016 will allow large resource companies, regional authorities e.g. Local Government, employment / recruitment agencies to have a clear understanding of the requirements for operating in the resources environment.

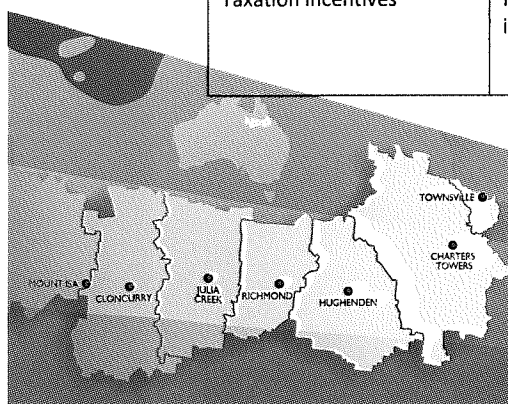
Through a clear understanding, this should avoid any un-necessary litigation that could result from any possible breaches to the Act which would become an added impost to the delivery of resource projects in the region. A fair go for all concerned would be the best outcome.

Attached is a broad overview of FIFO issues that MITEZ has considered as well as our response to various sections in the document covering the Strong and Sustainable Resource Communities Bill - 2016.



## FIFO Issues North West Minerals Province

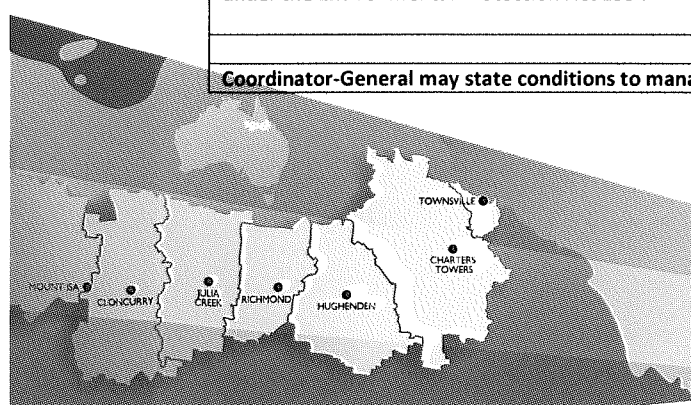
ISSUE	RESPONSE	Reasoning	Outcome
FIFO as it applies to the Carpentaria Minerals Province	100% FIFO should only be considered in special circumstances where there are no other viable options.	In isolated mine sites too far from established communities.	A reality
DIDO Drive In-Drive out locally as opposed to coastal FIFO	Company operated bus service to take workers to mine sites where workers spend 7 days on site and returning to families in nearby communities for days off	Fatigue factors to be considered with self-drive	Safety and compromise  DIDO could be a solution in places currently using a 100% FIFO workforce
EIS Process, Social Impact Assessments and Local Government involvement	In the early stages of assessing the social impact of proposed projects, any negotiations between project proponents and Local Government authorities needs to reflect clear expectation by both groups as to the make-up of workers, i.e. residential and FIFO	This may result in an agreed percentage of FIFO that would be needed to overcome any shortfall in skilled workers and professional people who would be required to work on-site.	A win-win for local communities and for the mine.
Incentives to live locally	If there is a nearby community such as Mount Isa or Cloncurry, mining companies should provide special incentives for workers to reside locally.	If a worker wants the option to FIFO then <b>the worker</b> should pay for the airfares and organise their roster accordingly and not be able to receive the same incentives as a local worker.	Could encourage workers to choose to live locally
Incentives	Classify local workers differently to FIFO workers e.g. EBA	FIFO workers understand why they are foregoing incentives	More conversion to residential worker
Strengthening options for flights for locals	Robust numbers of FIFO passengers sustain airplane companies resulting in use of bigger aircraft and more flights	A win-win all round	A positive
Impact of Boom cycles on local tourism industry	Established outback tourist accommodation is often converted to cater for FIFO leaving a shortage for tourists as caravan parks are converted to cater for worker accommodation.	Easy market shift, however operators become overly dependent on this short term market	Loss of tourist accommodation during boom cycles
Spending by FIFO workers	Most of their earnings are taken back to the coast Some money is spent on local businesses whilst they are in towns such as entertainment, meals, hire cars, taxis, etc.	These wages are lost from the region  Boost for a limited number of businesses	A reality
Taxation incentives	Increase zone allowance for living in isolated areas	FIFO workers not entitled to special zone allowances if residing on coast	Could encourage workers to choose to live locally



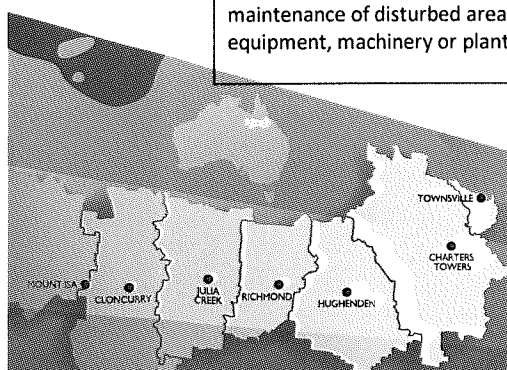
Declining population in Outback communities is recognised as the cancer of the bush	FIFO is a big factor in small outback communities where local jobs are being converted to suit FIFO or DIDO workers which means families don't move to these towns. Wages spent elsewhere etc.	People are able to negotiate contracts that enable them to be FIFO or DIDO and some of these are in Government jobs	Affecting everything schools, hospitals, If you want the job then live where the job is.
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## Comments on the Strong and Sustainable Resource Communities Bill - 2016

<b>Part 1 Objects of the Act</b>		
(1) The object of the act is to ensure that residents of communities in the vicinity of large resource projects benefit from the operation of the projects.	MITEZ supports	
(2) The object is mainly achieved by requiring the owners of, or proponents for, large resource projects -		
(a) To prepare a social impact assessment for the projects; and	Agree	
(b) To employ people from nearby regional communities; and	Agree when it is practical	
(c) Not to discriminate against residents from nearby regional communities when employing for the projects.	Agree	
<b>Part 2 Provisions for the benefit of residents of communities in the vicinity of large resource projects</b>		
(2) The owner must not employ a workforce <b>for the operational phase</b> of the project that compromises 100% of workers who are FIFO workers.	There needs to be definition around "in the vicinity" E.g. More than 100 kilometres from a populated community	
(3) The owner is taken to contravene sub-section (2) whether it is the owner, a related body corporate of the owner, or an agent of the owner or related body corporate, that employs the for the project	Agreed	
Prohibition on 100% fly-in Fly-out workers for large resource projects taken to be an enforceable condition	Unless local communities, local government who support the project have agreed to a lesser percentage as part of the Social impact assessment.	
The owner must not-		
(a) Advertise positions for workers for the project in a way that prohibits residents of the nearby regional community for the project from applying for the positions: or	Agree	
(b) Otherwise state, in any way in a document, that residents of the nearby regional community for the project are not eligible to be workers for the project.	Agree	
<b>Requirement for the owner of, or proponent for, large resource project to operate a social impact assessment</b>		
(3) The social impact assessment must provide for the following in relation to the project -		
(a) Community and stakeholder engagement (b) Workforce management (c) Housing and accommodation (d) Local business and industry procurement (e) Health and community well-being	MITEZ agrees with all of these items being included in the Social Impact Assessment	
(5) In preparing the social impact assessment under subsection (2), the owner or the proponent must consult with the local government area in which the large resource project is situated	MITEZ agrees however what defines a large project?	
<b>Requirement for social impact assessment for large resource projects under the Environmental Protection Act 1994</b>	MITEZ agrees that the social impact assessment is to be included as part of the EIS for large resource projects.	
<b>Coordinator-General may state conditions to manage the social impact</b>		



<b>of large resource projects generally</b>		
(2) The Coordinator General may, as part of the EIS for the project, state conditions to manage the social impact of the project,	Agreed	
(a) The stated conditions are taken to be enforceable conditions for the project under the State development and Public Works Organisation Act 1971	Agreed	
(c) the proponent for the project may apply to the coordinator General to change a stated condition	Local Government and affected stakeholders must be notified on what grounds the proponent is seeking any changes	
<b>The Coordinator-General may, as part of the EIS for the project, nominate a large resource project for which no person employed during the construction phase of the project is a worker for this Act.</b>	MITEZ agrees as it resources projects could ask that those employed on a mine site during the construction phase to be deemed exempt from any agreement regarding the make-up of workers. This is important as in most communities there will be workers who can be engaged at the construction stage and in some case remain employed once the project transitions to the operational phase	
(a) the name of each nearby regional community for the large resource project; (b) the name of the large resource project and the date the operational phase started; (c) the name of the owner of the large resource project; (d) if the ownership of the large resource project changes, the name of the new owner, the previous owner and the date ownership changed	MITEZ agrees these points are valid	
<b>Owner of large resource project must advise Coordinator General of particular matters</b>		
The owner of a large resource project that has a nearby regional community must immediately give the Coordinator- General written notice of the following -	MITEZ agrees these points are valid	
(a) the start of the operational phase of the project, including the date it started (b) any change of ownership of the project, including the name of the new owner, the previous owner and the date ownership changed.		
<b>Prohibition of discrimination against persons in nearby regional communities in relation to work on large resource projects</b>		
(2) The owner or principal contractor must not- (a) discriminate against a resident of the nearby regional community when recruiting workers for the project; or (b) discriminate against a worker by terminating the worker's employment because the worker is, or becomes, a resident of the nearby regional community and chooses to travel to the project other than as a fly-in fly-out worker	In general this is supported by MITEZ, however if a worker is eventually chosen for a key position on the basis of their experience and qualifications and they elect to be FIFO and there is no person living locally who is suitable then the resource company should be able to select the better applicant and be able to justify that if required to avoid unnecessary litigation. Such justification may be necessary to avoid complaint from a local resident who was not selected but felt they were discriminated against by recruitment staff.	
<b>Activities under mineral development licence include:-</b>		
Rehabilitation or environmental management; environmental monitoring; improvement/ restoration for the mineral; care and maintenance of disturbed areas; maintaining, moving or removing equipment, machinery or plant etc.	MITEZ agrees with these points and local residential workers should be given priority for these jobs if they have the necessary qualifications and or experience/ skills.	

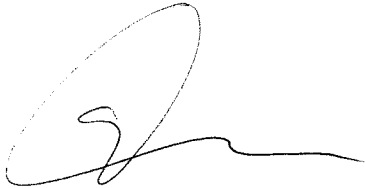


Mining along with agriculture and beef cattle are the major industries in the North West in particular Mount Isa, Cloncurry and McKinlay local government areas and Charters Towers in the east. Mining is the greatest employer within these communities and it is vital that the benefits from large resource projects continue to flow onto nearby local economies.

Fly-in Fly-out has been operating in a number of existing mines and this is generally due to logistics, location and life of the project. However there have been a few instances that MITEZ is aware where FIFO has been used to provide workers to nearby mine sites to the detriment of communities in close proximity to large resource operations which no doubt has resulted in Government action to address this situation, such as the Strong and Sustainable Resource Communities Bill - 2016.

We trust our submission is of value to the committee responsible for the process.

Yours faithfully



David Glasson (President)

