



## SUBMISSION

Infrastructure, Planning and Natural Resources  
Committee

*Strong and Sustainable Resource Communities Bill  
2016*

**THE ELECTRICAL TRADES UNION OF EMPLOYEES  
QUEENSLAND**

**DECEMBER 2016**

## 1. Overview

The Electrical Trades Union (ETU) Queensland and Northern Territory Branch welcomes the opportunity to provide a submission to the Infrastructure, Planning and Natural Resources Committee on the *Strong and Sustainable Resource Communities Bill 2016* ('the Bill').

The ETU represents over 14,000 members working across Queensland and the Northern Territory including many employees employed in electrical contracting, the electrical supply and generation industries, the resources sector and the government sector. Many ETU members currently work on projects that the Bill will directly impact on, and many more live in the communities directly affected by the Bill and have the potential to work on major resource projects as per the Bill.

The Bill is part of the government's broader Strong and Sustainable Resource Communities (SSRC) policy in response<sup>1</sup> to the report of the Infrastructure, Planning and Natural Resources Committee and an independent FIFO review panel. The SRCC policies and laws aim to:

- improve social impact assessments by mining companies;
- establish workforce plans that maximise the opportunity for local workers to get jobs;
- see workers to live in local existing housing, or in purpose-built villages, where there is community support;
- result in accommodation that provides a safe, clean and healthy environment for workers;
- support resources communities to attract and retain workers and their families;
- improve participation of local governments in the social impact assessment process for each project;
- improve access for local businesses to resources project supply chains;
- help protect resources worker health and wellbeing;
- provide flexibility to respond to peaks and troughs in the resources sector; and

---

<sup>1</sup> <http://statements.qld.gov.au/Statement/2016/3/17/govt-to-deliver-choice-for-resource-communities-workers>

- minimise any consequential increases in costs to both proponents and governments in the assessment and operation of resources projects.

Over the course of the 2000s the most recent Queensland resources boom saw high global prices and demand across the board for mineral exports with particularly rapacious growth in both the coal and gas mining sectors. The wave of resource investment drove an explosion in the demand for resource project workers, who were sought to be engaged as quickly as possible on the most favourable terms for investors. This resulted in Fly-in fly-out (FIFO) and Drive-In Drive-Out (DIDO) employment arrangements becoming a common feature of the Queensland resources sector. In fact, in our experience a majority of large resource proponents appear to operate on a default position of securing a FIFO workforce, as evidenced by the fact that some resource projects have even operated with 100 percent FIFO workers. There are well established concerns about the impact of a non-resident lifestyle on non-resident workers and their family, the regional communities in the area around mines, labour turnover and the supply of skills in other sectors.

The implications of FIFO/DIDO practices on workers, local communities and project proponents are longstanding, numerous and complex and present challenges for government. The Bill currently before the Committee goes some way towards meeting some of these challenges by seeking to ensure that the FIFO/DIDO work practice cease to be, or do not become the dominant practice.

We make the following recommendations to ensure that Bill is effective as possible.

## **2. Recommendations**

1. That the Bill, subject to the recommendations in this submission, be supported
2. The prohibition should include all the construction, operation and de-commissioning phases of a project.

3. Require that an owner must recruit first within the local area, and only if positions are not filled, recruit from the region next, and finally the State for all positions. Definitions for local, regional and state should be added to Schedule 1.
4. Section 8(2) to provide for between 400 (minimum) and 4000 penalty units for a breach, where a breach is defined as per employee or worker sought or advertised for.
5. Schedule 1 be amended to include a definition of 'local employees'.
6. That amendments be made to the Schedule of the Bill to include a requirement to ensure that there are positive employment and industrial arrangements that deliver outcomes to the local economy.
7. The establishment of a Queensland FIFO Code of Practice to be developed in a consensus driven, tripartite manner between government, industry and non-government organisations that have expertise in mental health and worker representation and assistance.
8. The FIFO Code of Practice include minimum industrial, health and accommodation standards.
9. The FIFO Code of Practice be enshrined by regulation as part of the *Strong and Sustainable Resource Communities Bill 2016* upon its completion.
10. To avoid application of the 100% FIFO prohibition that is outside of the spirit of the Bill, for example by hiring a team of cleaners, the definition of 100% FIFO be made to explicitly include all occupations and professions for which there are over 20 employees.

11. The establishment of dedicated mental health training and counselling services that are offered by providers that are independent of employers and separate from existing Employee Assisted Programmes.
12. Include additional provisions that prohibit any requirement for workers to live in project accommodation should the worker live within close commuting distance (within 100km) from the project.

### **3. Resource Sector Employment Contraction**

Recent economic modelling<sup>2</sup> has indicated that mining investment is likely to fall by around 70 per cent from its current level over the next three years, implying that we are currently just over halfway through the current mining investment cycle. 122,000 mining construction jobs were created between the start of the mining construction boom in 2005 and its peak in 2013, compared to only 34,000 operational and 13,000 exploration-related jobs. That has unwound with 46,000 jobs lost between the 2013 and 2015 financial years. The modelling indicates that approximately 50,000 more mining jobs to be shed, which is expected to bottom out in the next two-and-half years.

Exacerbating the contraction in the labour market is the larger-than-expected declines in commodity prices, even from recent 2014 levels which were well below those of the height of the boom period, and the likely prolonged nature of the current low commodity price environment. This is further confirmed with data from the Australian Bureau of Statistics on mineral and petroleum exploration spending, which has consistently fallen well below expectations in the past few years, with total metres drilled falling by 8 per cent last year. As the reduction in construction jobs outpaces the increase in operational workers in the mines we expect the downturn in mining employment to continue.

### **4. Prohibition on 100% FIFO workforce for large resource projects**

The Bill limits the use of FIFO workers in the operation of large resources projects and ensure that local workers from nearby regional communities are employed. The Bill proposes the prohibition against a 100% FIFO workforce will be an enforceable condition for the project

---

<sup>2</sup> NAB Group Economics, 'The Mining 'Cliff' – How far have we come', 10 June 2016.

under the *State Development and Public Works Organisation Act 1971 (Qld)* (SDPWO). The prohibition is not retrospective and does not affect existing approvals for resources projects. The prohibition will only apply to future hiring practices.

The Bill defines large resources projects as large scale mining, petroleum and other resources projects that require an environmental impact statement (EIS) under the SDPWO or the *Environment Protection Act 1994 (Qld)* (EPA). The Bill defines 'nearby regional communities' as towns that have a population of more than 200 people with any part of the population of the town is within 100 km of the entrance to the future project that is closest to the town's boundary and are published on the Department of State Development's website. A FIFO worker is defined broadly to include any worker who travels to a project by aeroplane or another means from a place that is not a nearby regional community.

Section 6(2) of the SSRC Bill states:

*The owner must not employ a workforce for the operational phase of the project that comprises 100% of workers who are fly-in fly-out workers.*

The ETUQ supports having no 100% FIFO workforces beyond just the operational phase. The prohibition in this section does not extend to the construction and demobilisation phases of a project. Furthermore, there is not specified threshold for the employment of non-FIFO workers. This suggests that where a single local worker is employed, it will achieve compliance.

The Bill provides that advertising for recruitment for affected future projects should not prohibit residents of nearby regional communities from applying for those positions. For example, stating in an advertisement that a position is for FIFO workers only is discriminatory, as local applicants would be precluded from applying.

## **5. Penalty Provisions**

We are concerned that the penalties contained in the Bill are insufficient to provide any real deterrence. For example, Section 8(2) provides for up to 400 penalty units for a breach of the domestic labour market testing requirements in the Bill. This equates to a \$48,760 fine for a

breach. When you consider that the investments in large resource projects range between hundreds of millions of dollars to several billions, a \$48, 780 fine is no deterrence at all.

The Bill is also silent on what constitutes a singular breach as opposed to multiple breaches. For example, if an owner advertises for 100 FIFO workers in breach of the Bill, the Bill does not specify whether each employee sought is its own breach or whether the overall amount constitutes a single breach. If it is the latter is clear that many owners will happily pay the fine as simply the cost of allowing high numbers of FIFO workers to be used.

To remedy this we recommend that the Bill be amended to provide for between 400 (minimum) and 4000 penalty units for a breach, where a breach is defined as per employee or worker sought or advertised for.

#### **6. Amendments to the Anti-Discrimination Act**

The Bill amends the *Anti-Discrimination Act 1991 (Qld)* (AD Act) to prohibit discrimination against locals during the recruitment processes for new workers and enable FIFO workers to move into the local community if they choose. Unlike the prohibition on employing 100% FIFO workers, the amendments to the AD Act apply to both future and existing resources projects that were issued with an EIS requirement under the SDPWO or EPA after 30 June 2009 and have a nearby regional community as defined by the Bill.

The Bill will amend the AD Act so it will be an offence if the owner/employer of a large resource project advertises, or otherwise recruits, workers for the Specified Project and the local resident is not offered work or is disadvantaged in the recruitment process because they are a resident of a nearby regional community. It will also be an offence if the owner/employer of a large resource project terminates a worker's employment because the worker is or becomes a resident of a nearby regional community and chooses to travel to the project rather than fly-in/fly-out.

If a principal contractor contravenes the restriction, both the owner and the principal contractor are jointly and severally civilly liable and a proceeding may be taken against either or both of them.

## **7. Social Impact Assessments**

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 encouraged people, including young families to leave the area, which then impacts on the provision of services such as health and education.

We support using local expertise as much as possible, but we are concerned that there may be some instances where there is potential for a negative impact on the goal of stimulating local economies through decent job creation if the employment of local people is not on fair wages and conditions.

We ask the Committee to be alive to this concerns and to put an emphasis on ensuring positive employment arrangements as part of the Social Impact Assessment and through the subsequent project delivery and operation.

While not every employer is unscrupulous, we are seeing more and more companies taking advantage of the current economic downturn and high unemployment to attack the working conditions of their current or future employees. Our members tell of attending job interviews where comments have been made by the employer to the effect of “this is the rate, take it or leave it. If you don’t want the job, there is 100 others that do”.

For example, the Incitec Pivot – Phosphate Hill Mine as recently made 40 permanent maintenance and trade employees redundant while contracting out their work. These same employees have been advised to apply for work with the labour hire company that has



secured the contact as they are a strong chance of getting their jobs back at a \$50K reduction in salary.

While we do not have an expectation the government would get directly involved in such situations, we are concerned that the overarching policy and regulatory environment established by bills such as the one currently before the Committee, will not delivering the intended outcomes. In order to mitigate these risks there needs to be some safe guards put in place to ensure prospective new employees are protected and treated fairly and they in turn can stimulate and drive growth in local economies.

## **8. Mental Health Impacts**

Thousands of workers have for many years now being splitting their lives in two due the nature and demands of fly-in, fly-out work arrangements which mean they must work long shifts on a mining site before flying home to rest, recuperate and see their families and friends. These arrangements can be disruptive to workers lives and families, lead to low job satisfaction and mental health issues such as depression and higher than average rates of suicide. Having a partner/spouse/parent at home half of the time, in separate blocks, can cause great instability and stress for FIFO workers which in turn can lead to mental health illness due to the challenges of coming to terms with issues like social isolation, exposure to increased risk of alcohol or drug abuse, lack of adequate prevention and support programs, defining new workable roles in the family unit and difficulty maintaining personal relationships due to the challenges of being away for regular prolonged periods. Compared with locally resident miners, FIFO miners report higher levels of sleep disturbance, and more interference from work in the ability to perform social and domestic activities such as participating in sport, attending the doctor, looking after children<sup>3</sup>.

There needs to be strategies to implement programs to improve mental health and wellbeing and improve access to mental health services that are independent of the

---

<sup>3</sup> Keown, N. *'Digging deep for better health: A study of the health status of men in the Goldfields mining industry of Western Australia'*, 2005.

workplace and are separate to, but dovetail with, existing Employee Assistance Programs in the workplace.

In 2012 the Australian Centre for Rural and Remote Mental conducted an anonymous random survey in FIFO areas in North West Australia and found that mental health problems in mining and resource companies were not confined to any particular age, gender or social group, but represented a risk to all. However, the study did conclude that workers with young families presented a particularly high risk of being vulnerable to the stresses associated with FIFO lifestyle. The subsequent report found that piecemeal approaches and initiatives, such as putting mental health brochures in the workplace, do not properly constitute a mental health strategy.

A primary need for the establishment of external mental health programs is that there is a stigma attached to mental health issues and on top of that employees are hesitant to take action in the workplace as they feel their employment may be negatively affected. A lack of available and consistent mental health care for FIFO workers will negatively impacting on the identification and effective management of mental health problems.

Both Government and employers have an essential role in delivering workplace-based programs to support and improve the mental health of FIFO/DIDO workers. The role of Government should include supporting legislation and policies which promotes and supports mental health such as the establishment of a FIFO Employer Mental Health Code of Conduct and ensuring that companies adopt a 'mental health in all policies' approach, which would require the mental health implications of legislation and policies governing the establishment and management of FIFO/DIDO workforces to be assessed and incorporated in decision-making processes. Government can also fund ongoing research to explore the relationship between FIFO working arrangements and mental health and wellbeing of workers and support the establishment of services, programs and bodies which assist individuals and employers to promote and support mental health in the workplace.

FIFO employers should provide conditions and a workplace environment that promotes and supports mental health by having clear and demonstrated support for employee mental health by all levels of leadership within the organisation.

## 9. Accommodation

It's important to the mental health of many workers that their accommodation is their 'own space' as much as it can be under FIFO arrangements and they might customise their 'donga' accommodation to make it a 'home away from home', for instance by putting up pictures of loved ones or drawings done by children. Motel style accommodation practices removes this possibility and adds yet another layer of stress to the lives of workers who are already under the significant mental stress of living in 'donga' style accommodation. This is exacerbated further as they are allocated different rooms for each cycle on site.

An extract from the final report of the Commonwealth House of Representatives Standing Committee on Regional Australia's 2013 inquiry into FIFO Workplace Practices in Regional Australia highlights the possible level of social isolation of FIFO workers living in accommodation camps:

*"It is possible that you may never see the person in the donga next to yourself let alone know them. Earlier this year, for example, a 55 year-old man was found dead in a donga in the Pilbara. Whilst there were no suspicious circumstances, what was surprising was that the deceased had lain in this donga for several days before anyone discovered anything was wrong. Clearly there must be a problem where an individual can lie dead in a room for a number of days before he is discovered"*

Social isolation and the routine separation from family support and informal social controls as well as the lack of the sense of belonging to a community can have negative impacts on the well-being of FIFO workers. The 'institutionalised' nature of camps is also of concern. The same report states a partner of a FIFO worker noted:

*"from the camps that I have been to and just seeing how institutionalised and segregated these camps can be, I think it would be great if you could get outside that camp and go and*

*play a game of touch footy or soccer with local communities. I think it would certainly help just to be able to step out of that institutionalised environment.”*

Social isolation experienced by FIFO workers can lead to alcohol and violence problems as workers endure exacting working conditions, isolation, boredom, limited living conditions and community isolation causing in some cases an increase in drunkenness and violence. Alcohol and substance misuse can be a symptom of the mental ill-health impacts of FIFO work, some of which are directly related to the social isolation of the FIFO experience. Having one's own accommodation to an appropriate standard is critical to combating the effects of institutionalisation and social isolation that commonly occurs in FIFO camps.

Workers should have access to a dedicated room, rather than different rooms and different people on each shift, as a minimum mandatory standard.