



Inquiry into fly-in, fly-out and other long distance commuting work practices in regional Queensland

**Report No. 9, 55th Parliament
Infrastructure, Planning and Natural Resources Committee
October 2015**

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Acknowledgements

The committee thanks those who briefed the committee, provided submissions and participated in its hearings. In particular, the committee acknowledges the assistance provided by the Coordinator-General and Department of State Development and the Queensland Parliamentary Library and Research Service.

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Chair's foreword

This report presents a summary of the Infrastructure, Planning and Natural Resource Committee's inquiry into fly-in, fly-out and other long distance commuting work practices in regional Queensland.

The committee travelled extensively throughout Central Queensland and the Darling Downs and heard from the people of impacted resource communities and other stakeholders.

The overwhelming message was that a person should have a choice as to where they live for work and equal access to job opportunities. The committee has made recommendations based on the evidence presented to it and that are fair, reasonable, and achievable.

Submitters to the inquiry advocated for the up to 100% FIFO condition of a mine approval to be removed so that any candidate for a job at a mine be permitted to apply for a position without a requirement to live in an area determined by the employer.

A fundamental recommendation of the committee's inquiry is for the government to consider amending the *Anti-Discrimination Act 1991* to include location as a prohibited ground of discrimination. The committee was of the view that this is one of the ways to facilitate choice for local people without making retrospective amendments and creating sovereign risk.

Some stakeholders suggested that when Caval Ridge and Daunia mines were approved to operate up to 100% that it was the beginning of the end for job security across the region. It is clear to me that this inquiry has demonstrated the need for all resource companies to proactively demonstrate their social licence to operate which would start with ending 'postcode discrimination'.

The State and Federal Governments and resource companies all have an obligation to the people to ensure that the benefits of resource activity such as employment, are able to be accessed by all.

Genuine choice means workers being able to make their own informed decision about where they live for work. Workers should also be given the choice about whether they live in an accommodation village or in a nearby resource community with their family.

During the course of the inquiry, the committee examined the role of the Coordinator-General and related legislation. The committee heard throughout its inquiry that there was a lack of effective monitoring in relation to compliance with the Coordinator-General's conditions for a resource project. The committee has made recommendations to improve the monitoring of compliance with conditions.

The committee also noted the recent development of the workforce principles in relation to the Red Hill mining project. I am of the view that the current wording of some of the principles are ambiguous and provide wide scope for the proponent to apply them as they see fit. I am concerned that the principles do not provide enough protection for workers in relation to choice.

Lastly, I consider that it is important to clearly define two key terms that are commonly misunderstood or misrepresented by stakeholders and the media – 'FIFO' and 'local'. It is important to recognise that FIFO can relate to all forms of long distance commuting including fly-in, fly-out, drive-in, drive-out and bus-in, bus-out. It is also equally important to recognise that 'local' in the context of proximity to a resource operation, should be taken to mean 'within the immediate area' and not 100s of kilometres from the operation. When these two terms are misunderstood and miscommunicated, it skews the picture in relation to the impacts of non-resident workforces in favour of the resource company.

To assist with this, the government needs to ensure that it is consistent in its wording within policy documents, particularly during the development of the whole-of-government framework for managing the impacts of FIFO work practices.

On behalf of the committee, I thank all witnesses, particularly the individuals who took the time to make a written submission and to participate in the committee's hearings. Some community members took time away from their work and family responsibilities and travelled long distances to participate in the public hearings.

I would like to thank the Coordinator-General and the Department of State Development who provided the committee with valuable and timely information. I would also like to thank the Deputy Chair and committee members for their perseverance and determination in addressing the issues raised by this inquiry. I also thank the committee's secretariat, Hansard and the Parliamentary Library and Research Service.

I commend the report to the House.

A handwritten signature in black ink, appearing to read 'Jim Pearce'.

Jim Pearce MP
Chair

October 2015

Deputy Chair's foreword

In March this year, the Infrastructure, Planning and Natural Resources Committee was asked to report into fly-in, fly-out and other long distance commuting work practices in regional Queensland. There can be no doubt that there is a strong feeling in Central and Northern Queensland that the growth in non-residential workforces, attached to resource projects in their regions, is having a detrimental effect on the liveability of those communities.

With this in mind, the committee has made a number of recommendations to Parliament that if adopted by the government, may go some way to altering the situation.

In reading this report, it should be noted that the committee was extremely cognisant of the sovereign risk involved in recommending any form of retrospective action to place limits on existing FIFO workforces.

Instead, the committee seeks to encourage resource companies to both purchase locally and employ local workers where possible. The committee has also recommended that the government consider amending the *Anti-Discrimination Act 1991* to include location as a prohibited ground of discrimination.

I would like to thank the other members of the Infrastructure, Planning and Natural Resources Committee and the hard working secretariat for their work on this report.

I join the Chair, Jim Pearce, in commending the report to the House.



Michael Hart MP
Deputy Chair

October 2015

Abbreviations and acronyms

AMEC	Association of Mining and Exploration Companies
AMWU	Australian Manufacturing Workers' Union
BBCGP	Bowen Basin Coal Growth Project
BHP	BHP Billiton
BIBO	Bus-in, bus-out
BMA	BHP Billiton Mitsubishi Alliance
CFMEU	Construction Forestry Mining and Energy Union
CRM	Caval Ridge Mine
DIDO	Drive-in, drive-out
EA	Environmental authority
EIS	Environmental impact statement
EP Act	<i>Environmental Protection Act 1994</i>
ETUQ	Electrical Trades Union of Employees Queensland
FACE Network	Fly-in Fly-out Australian Community of Excellence Network
FBT	Fringe benefits tax
FBTAA	<i>Fringe Benefits Tax Assessment Act 1986 (Cth)</i>
FIFO	Collective term for fly-in, fly-out, drive-in, drive-out, and bus-in, bus-out work practices and non-resident workers
IAR	Impact assessment report
IRC	Isaac Regional Council
LAFH	Living-away-from-home allowance
LDC	Long distance commuting
LGA	Local government area
LGAQ	Local Government Association of Queensland
POQA	<i>Parliament of Queensland Act 2001</i>
QCU	Queensland Council of Unions
QGSO	Queensland Government Statistician's Office
QIPA	<i>Queensland Industry Participation Policy Act 2011</i>
QNU	Queensland Nurses' Union

QRC	Queensland Resources Council
SDPWOA	<i>State Development and Public Works Organisation Act 1971</i>
SIA	Social impact assessment
SIMP	Social impact management plan
SPA	<i>Sustainable Planning Act 2009</i>
STDs	Sexually transmitted diseases
The Charter	Queensland Charter for Local Content
The Code	Resources and Energy Sector Code of Practice for Local Content
UQ	University of Queensland
WDRC	Western Downs Regional Council
ZTO	Zone tax offset

Recommendations

The committee generated its recommendations after making the following determinations:

- The committee considers that all people seeking employment, in particular in the resource sector, should have a choice of where they live for work.
- The committee is not against long distance commuting practices.
- The committee recognises that some resource operations would require total FIFO workforces due to their remoteness or during construction.
- The committee has considered the impacts of FIFO work practices in the context of long-term operational workforces.
- The committee's recommendations also apply to labour hire companies, contractors and sub-contractors.
- The committee acknowledges that the resource industry is in a downturn.
- The committee has no intention of impacting the job security of current FIFO workers.
- The committee does not support retrospective recommendations to current project approvals.
- The committee acknowledges that matters relating to taxation and industrial relations rest within the jurisdiction of the Australian Government and was therefore limited in making recommendations for change.

Recommendation 1 **31**

The committee recommends the social impact assessment process for major projects be prescribed by legislation.

Recommendation 2 **31**

The committee recommends the social impact assessment guideline provides a specific framework for assessing a resource project's application of the principles of a social licence to operate.

Recommendation 3 **31**

The committee recommends the Minister reinstate the cross agency reference group or similar, as part of the social impact assessment process.

Recommendation 4 **31**

The committee recommends the Queensland Government review all resource project approval processes (including under the *Environmental Protection Act 1994*) and the process for granting a mining lease, to:

- (a) determine how the assessment of potential social impacts (including cumulative impacts of multiple resource projects) could be included or enhanced
- (b) ensure that commitments made by proponents during the environmental impact assessment process form part of the conditions of approval, and
- (c) determine how the participation of local governments could be enhanced.

Recommendation 5 **31**

The committee recommends the *State Development and Public Works Organisation Act 1971* be amended to provide that the Coordinator-General must demonstrate consideration of submissions received on a draft environmental impact statement and change application in the associated reports.

Recommendation 6 **31**

The committee recommends the Queensland Government provide additional resources to expand the Office of the Coordinator-General to establish a compliance and engagement unit to undertake:

- (a) proactive and detailed assessment of compliance with conditions and recommendations
- (b) engagement and liaison with resource communities
- (c) the collection of adequate baseline data in order to accurately assess compliance with conditions set in relation to the numbers of non-resident workers, and
- (d) the assessment of complaints made in relation to a proponent's compliance with conditions and recommendations (which would include the establishment of a formal complaints process).

Recommendation 7 **50**

The committee recommends the Queensland Government assist local governments to undertake additional compliance checking relating to temporary accommodation villages to determine whether any villages are operating outside of their conditions of approval.

Recommendation 8 **50**

The committee recommends as part of the development of a whole-of-government policy framework for managing FIFO impacts, the Queensland Government include minimum standards for the provision of substantial temporary and permanent accommodation for FIFO workers that include:

- (a) room design that provides for adequate protection from noise and light to aid with fatigue management
- (b) permanent private spaces for each employee and storage facilities
- (c) reliable access to communication services in a private space
- (d) access to health services, including social activities and gyms
- (e) recreational areas to encourage socialising, and
- (f) a variety of healthy food options, and

that the standards advise against the practice of 'motelling' or 'hot-bedding'.

Recommendation 9 **59**

The committee recommends the Minister include best practice principles for commuting, rostering and fatigue management in the whole-of-government policy for managing the impacts of FIFO work practices and that the policy emphasise that resource companies have a duty of care to workers for ensuring their safety and well-being when travelling for work.

Recommendation 10 **64**

The committee recommends the Queensland Government investigate options for providing independent mental health support services for FIFO workers.

- Recommendation 11** **64**
- The committee recommends the Minister for State Development, in consultation with the Office of Industrial Relations and Queensland Mental Health Commission, progress the FIFO workers mental health project and undertake additional research to examine and identify strategies to address:
- (a) the characteristics that promote resilience within FIFO workers
 - (b) effective workplace programs or external programs to prevent mental health injuries in FIFO workers
 - (c) effective family support programs, and
 - (d) the presence of suicide risk and protective factors.
- The information gathered from this project should be used to contribute to the whole-of-government framework for managing the impacts of FIFO work practices.
- Recommendation 12** **64**
- The committee recommends the social impact assessment process consider the mental health of workers and that accommodation standards include measures addressing mental health needs and access to effective workplace health initiatives.
- Recommendation 13** **70**
- The committee recommends the Queensland Government makes further representation to the Australian Government to include non-resident population numbers in the census data.
- Recommendation 14** **70**
- In the event that the Australian Government does not support the inclusion of the non-resident population being captured in the census data, the committee recommends the Queensland Government ensures that planning for essential services in resource communities is based on the data collected by the Queensland Government Statistician’s Office on the non-resident population.
- Recommendation 15** **70**
- The committee recommends the Minister investigate the issue of notifying local governments about accommodation villages on a mining tenement in further detail with a view to amending the mining legislation to provide more effective notification of accommodation villages and their capacities to the relevant local government.
- Recommendation 16** **76**
- The committee recommends the Queensland Government consider amending the *Anti-Discrimination Act 1991* to include location as a prohibited ground of discrimination with the intent of ensuring that all workers are provided a choice of where they live for work.
- Recommendation 17** **77**
- The committee recommends the whole-of-government framework for managing the impacts of FIFO work practices highlights the importance of offering local apprenticeships and traineeships in the resource industry and that the Queensland Government explore options for providing resource companies with additional incentives for employing local apprentices and trainees.
- Recommendation 18** **80**
- The committee recommends the Queensland Government’s policy position sets out that project proponents are required to source accommodation for operational workforces from the local

community where possible, and that the proponent would be required to demonstrate the need for alternative accommodation.

Recommendation 19

83

The committee recommends the Minister:

- (a) review the effectiveness of industry led programs to determine whether such programs are maximising the procurement opportunities for small local businesses
- (b) consider whether the Charter for Local Content should apply to private sector projects, and
- (c) evaluate the current procurement gateways including the effectiveness of the Industry Capability Network in providing procurement opportunities for small local businesses.

1 Introduction

1.1 Role of the committee

The Infrastructure, Planning and Natural Resources Committee was established by the Legislative Assembly on 27 March 2015 and consists of government and non-government members.

The committee's areas of portfolio responsibility are:

- Transport, Infrastructure, Local Government, Planning and Trade, and
- State Development, Natural Resources and Mines.¹

1.2 The referral

Section 92 of the *Parliament of Queensland Act 2001* (POQA) provides that in relation to its portfolio area, a portfolio committee may consider:

- Appropriation Bills
- proposed legislation
- public accounts and public works, and
- issues referred to it by the House (whether or not the issue is within its portfolio area).

On 27 March 2015, the Legislative Assembly requested the committee inquire into fly-in, fly-out (FIFO) and other long distance commuting work practices in regional Queensland and to report by 30 September 2015. On 17 September 2015, the Legislative Assembly agreed to extend the committee's reporting deadline to 9 October 2015.

1.2.1 Terms of reference

The Legislative Assembly requested the committee consider:

- 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.
- The effects on families of rostering practices in mines using FIFO workforces.
- The extent and projected growth in FIFO work practices by region and industry.
- The costs and/or benefits and structural incentives and disincentives, including tax settings, for companies choosing a FIFO workforce.
- 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.
- The quality of housing provided in accommodation villages for FIFO workforces.
- Strategies to optimise the FIFO experience for employees and their families, communities and industry.
- 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.

¹ Schedule 6 of the *Standing Rules and Orders of the Legislative Assembly*, effective from 31 August 2004 (amended 17 July 2015).

- The effectiveness of current responses to impacts of FIFO workforces of the Commonwealth, State and Local Governments.
- Any other related matter.

The Legislative Assembly also requested the committee seek public submissions and consult with key stakeholders including local communities, resource companies, unions and local government.

1.3 The committee's inquiry process

On 10 April 2015, the committee called for written submissions by placing notification of the inquiry on its website, notifying its email subscribers and sending letters to a range of stakeholders. The closing date for submissions was 25 May 2015. The committee received 235 submissions (see Appendix A).

On 20 May 2015, the committee held a public briefing with the Department of State Development. On 25 June 2015 and 15 July 2015, the committee held public hearings in Brisbane. The committee also conducted 12 regional hearings in the Central Queensland and Darling Downs regions (see Appendix B):

- 15 June 2015: Mackay and Moranbah
- 16 June 2015: Dysart and Middlemount
- 17 June 2015: Emerald and Blackwater
- 18 June 2015: Moura and Gladstone
- 19 June 2015: Rockhampton
- 27 July 2015: Toowoomba and Dalby, and
- 28 July 2015: Roma.

The regional hearings heard from invited witnesses and individuals who wished to make a community statement. The committee's hearings were very well attended by members of the community.

Copies of the submissions and transcripts of the public briefing and public hearings are available from the committee's webpage.²

1.4 Ministerial response

Section 107 of the POQA requires the responsible Minister to respond to the committee's recommendations within three months of the committee's report being tabled. The response is required to be tabled in Parliament. The response is to set out any recommendations to be adopted and the way and time within which they will be carried out, and any recommendations not to be adopted and the reasons for not adopting them.

² See www.parliament.qld.gov.au/ipnrc.

2 Policy context

The Queensland Government does not currently have a substantive whole-of-government policy relating to FIFO work practices in regional Queensland.

The committee's inquiry took place following a significant Australian Parliament House of Representatives Standing Committee inquiry and during a Western Australian Parliamentary Committee inquiry. The Queensland Government appointed a panel to conduct a review of FIFO arrangements whilst the committee's inquiry was in progress.

The committee's report considers some of the recommendations made by other parliamentary committee inquiries and the Queensland Government's review panel. The committee has echoed those recommendations where appropriate and generated further recommendations based on the evidence received throughout its inquiry.

2.1 House of Representatives Standing Committee on Regional Australia

On 13 February 2013, the House of Representatives Standing Committee on Regional Australia tabled a report on its inquiry into the use of fly-in, fly-out (FIFO) workforce practices in Regional Australia: *Cancer of the bush or salvation of our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in regional Australia*. This report is commonly referred to as the 'Cancer of the bush' report or the 'Windsor Report'.

The terms of reference were:

- the extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised
- costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce
- the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure
- the impact on communities sending large numbers of FIFO/DIDO workers to mine sites
- long term strategies for economic diversification in towns with large FIFO/DIDO workforces
- key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development
- provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees
- strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry
- potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce
- current initiatives and responses of the Commonwealth, State and Territory Governments, and
- any other related matter.³

³ Parliament of the Commonwealth of Australia House of Representatives Standing Committee on Regional Australia, *Cancer of the bush or salvation of our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, tabled 13 February 2013, p xiii.

On 4 June 2015, the Australian Government provided a response to the 21 recommendations made by the House of Representatives Committee. The Australian Government supported four recommendations and noted 14 others. Other recommendations were recognised as state government responsibilities or directed at state governments.⁴

The Australian Government acknowledged that FIFO work practices were a legitimate way for employers to meet their skills needs, particularly in remote locations and that FIFO arrangements have unique impacts on local communities.

In addition, the Australian Government recognised the broad issues raised in the committee's report and stated it would continue to work with state and territory and local governments, industry and regional stakeholders to address the issues and monitor the effectiveness of existing Commonwealth programmes.⁵

2.2 Western Australian Legislative Assembly Education and Health Standing Committee

On 18 June 2015, the Western Australian Legislative Assembly's Education and Health Standing Committee tabled a report on its inquiry into mental health impacts of FIFO work arrangements: *The impact of FIFO work practices on mental health*. The inquiry was initiated in response to concerns within the community, parliament and media about reports that nine FIFO workers had suicided in a 12-month period.⁶

The terms of reference were:

- contributing factors that may lead to mental illness and suicide amongst FIFO workers
- the current legislation, regulations, policies and practices for workplace mental health in Western Australia, and
- current initiatives by government, industry and community, and recommend improvements.⁷

The committee made 30 recommendations and directed the Minister to provide a response.⁸ At the time of writing this report, a ministerial response had not been received.

2.3 Queensland Government Review Panel

On 6 May 2015, the Minister for State Development announced that the government would review FIFO arrangements in Queensland and appointed a panel. The Minister stated 'the Government was fulfilling its election commitment to introduce choice for workers to live in the resource communities

⁴ Hon Warren Truss MP, Minister for Infrastructure and Regional Development, 'Australian Government responds to FIFO report', media release, 4 June 2015.

⁵ Australian Government, Department of Infrastructure and Regional Development, '[Australian Government response to the House of Representatives Standing Committee on Regional Australia report](#)'.

⁶ Western Australian Legislative Assembly Education and Health Standing Committee, '[The impact of FIFO work practices on mental health](#)', Final report.

⁷ Western Australian Legislative Assembly Education and Health Standing Committee, '[Inquiry into mental health impacts of FIFO work arrangements](#)'.

⁸ A committee's report may include a direction that a Minister is required within not more than three months, or at the earliest opportunity after that time if the Assembly is adjourned or in recess, to report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the committee: Standing Order 277(1), Standing Orders of the Legislative Assembly of the Parliament of Western Australia (as amended on 26 June 2014).

near to where they work'. The Minister also stated that the review would inform the committee's inquiry.⁹

The panel members were:

- Mr Leo Zussino, Former Gladstone Port Authority Chairman (Chair)
- Councillor Anne Baker, Mayor of Isaac Regional Council
- Councillor Deirdre Comerford, Mayor of Mackay Regional Council, and
- Dr Geoff Dickie, Chair of the Queensland Exploration Council.

The review panel investigated the use of FIFO during the operational phase of resource projects and focused on the:

- identification of 100% or predominantly (ie. 90% or higher) FIFO resource projects in Queensland including those projects near a resource town or a regional community
- existing approvals and existing approval processes for FIFO, including monitoring and reporting by resource companies
- characteristics of the current workforce for predominantly FIFO projects – eg. principal place of residence, gender, cultural background, new industry entrants, apprentices
- workforce profile of resource towns or regional communities near predominantly FIFO resource projects
- economic costs and benefits for resource towns/regional communities as well as source communities from predominantly FIFO workforce arrangements
- economic costs and benefits for companies and individuals choosing a predominantly FIFO workforce as an alternative to a resident workforce or to a workforce with a FIFO component
- circumstances where predominantly FIFO workforce arrangements may be appropriate, where a suitably skilled workforce is not available in a nearby resource town or a regional community, including consideration of the productivity impact on other resource projects and other industry sectors
- policy or legislative options in relation to 100% FIFO resource projects located near a resource town or regional community, and
- any other relevant matters considered appropriate.¹⁰

Consultation was undertaken with targeted stakeholders (ie. local governments, industry, peak bodies, and relevant government agencies) within affected communities across Queensland.

The findings of the review and recommendations were provided to the Minister on 31 July 2015. The report was released publicly and provided to the committee on 1 October 2015.¹¹

The report made 8 recommendations to be considered by the Government alongside the committee's inquiry report.

⁹ Hon Dr Anthony Lynham MP, Minister for State Development and Minister for Natural Resources and Mines, 'Expert panel examines FIFO mines', media release, 6 May 2015.

¹⁰ Department of State Development, '[Terms of Reference](#)'.

¹¹ Department of State Development, '[Fly-in, Fly-out \(FIFO\) Review](#)'.

2.4 Strong and Sustainable Resource Communities

'Strong and Sustainable Resource Communities' is a policy document of the current Queensland Government. The document signals an expanded role for the Coordinator-General in managing FIFO in resource regions. Specifically:

- requiring the Coordinator-General to monitor and report on the number of non-resident workers in the Bowen and Surat Basins, with the support of the Queensland Government Statistician's Office
- assess the flow-on social, community and economic impacts on the communities in those two regions, and
- report annually to Parliament on those matters.¹²

The department advised that the government's commitments in the policy document, the government's Review Panel, and the outcomes of committee's inquiry would inform the development of a whole-of-government policy framework for managing the impacts of FIFO.¹³

Committee comment

The issues surrounding FIFO work practices have generated significant national and state attention over the years. Recently, there have been strong statements expressed by the Queensland Government that it would not support 100% FIFO projects.¹⁴

The committee is of the view that the review panel process caused an unnecessary distraction to the committee's inquiry. Some stakeholders to the committee's inquiry were confused by the concurrent processes and questioned why they were being asked to contribute to both.

The committee understands that the policy realm cannot always be stationary when undertaking a parliamentary inquiry, particularly when matters are politically and emotionally sensitive. However, the committee is of the view that in future, the government should not undertake a review into the same subject matter at the same time as a parliamentary committee.

Part of the intent of the review panel process was to inform the committee's inquiry. The review panel's report and recommendations were provided to the Minister by 31 July 2015 and the government considered the report in August.

Unfortunately, despite the committee's request for a copy of the report in September to enable the committee to meet its original reporting deadline of 30 September 2015, a copy was not provided until 1 October 2015. The committee is disappointed by this process as the committee has not had adequate time to consider the recommendations of the review panel.

Nevertheless, the committee received a substantial amount of evidence from stakeholders through our efforts in consulting widely, explaining the parliamentary process and taking evidence from individuals from affected communities. The success of the committee's inquiry hinges on those contributions. The committee is confident that its inquiry will significantly contribute to the development of a whole-of-government policy for managing the impacts of FIFO work practices.

¹² Public briefing transcript, 20 May 2015, p 2. See Queensland Labor '[Strong and Sustainable Resource Communities](#)'.

¹³ Public briefing transcript, 20 May 2015, p 2.

¹⁴ See for example, Queensland Parliament, Record of Proceedings, 25 March 2015, p 13; Queensland Labor '[Strong and Sustainable Resource Communities](#)', p 5.

3 Overview of FIFO

3.1 What is FIFO?

The committee was tasked to inquire into FIFO and other long distance commuting work practices. The committee has focused on FIFO work practices in the resources industry.

FIFO can be explained as:

Fly-in/fly-out is one of several terms used to refer to a set of work arrangements for resource operations that are typically located at a distance from other existing communities. The work involves a roster system in which employees spend a certain number of days working on site, after which they return to their home communities for a specified rest period. Typically the employer organizes and pays for transportation to and from the worksite and for worker accommodations and other services at or near the worksite. While most remote operations fly their workforces to and from their worksites, other modes of transport may be used. Fly-in/fly-out is used here as a generic term for these types of commute work arrangements.¹⁵

In this report, the committee uses the generic term of FIFO to cover long distance commuting work practices which includes non-resident workers who fly-in, fly-out, drive-in, drive-out (DIDO) and bus-in, bus-out (BIBO), or a combination of these. It is important to understand that when the term FIFO is used in the media and by the community that it can include all forms of long distance commuting.

Some of the reasons for the prevalence of FIFO in Queensland include:

- the remote location of many resource operations
- demand and resulting competition for labour across the resources sector, particularly during construction phases
- limited skilled labour availability in the regions
- lack of suitable accommodation and infrastructure
- preference of many employees and their families to live in areas with greater amenities or where they have existing social and family networks
- enables the benefits of labour to be spread, and
- without the use of FIFO, the industry would not be able to meet its labour needs, which could threaten project viability.¹⁶

3.2 History of FIFO

FIFO work practices have evolved over time. FIFO and the establishment of temporary accommodation has its origins in the 1950s offshore oil industry in the Gulf of Mexico where the long distances between work and place of residence made daily commuting impractical. In Australia, the use of FIFO gathered momentum in the 1970s due to the expansion of mining activity and the

¹⁵ Professor K Storey, '[Fly-in/Fly-out: Implications for Community Sustainability](#)', *Sustainability*, 2010, 2, p 1161.

¹⁶ For example, Rio Tinto Coal Australia Pty Limited, submission 167; Anglo American Coal, submission 225.

remote location of these activities in relation to workforce populations.¹⁷ FIFO work practices also became more common with improvements to the reliability and cost-effectiveness of air travel.¹⁸

In the 1920s, companies such as Mt Isa Mines started to invest in the construction of company towns and provide company-built accommodation for their employees.¹⁹ In the 1960s and 1970s, the Government offered incentives to resource companies to build residential towns in the form of development licences. Dysart, Moranbah and Middlemount were three towns in Queensland built for the purpose of housing FIFO workforces.²⁰ Over time, these towns have developed permanent populations, which are in close proximity to mines.

3.3 Extent and projected growth of FIFO

As part of its resource communities' research, the Queensland Government Statistician's Office (QGSO) monitors the population and accommodation impacts of resource developments in Queensland. The QGSO collects data annually for the state's resource regions, including the Bowen Basin, Surat Basin, Galilee Basin and Gladstone, from resource companies, accommodation providers, and others. As non-resident workers are not included in the Australian Bureau of Statistics' estimated resident population data released every year, the data collected by the QGSO, which includes the full-time equivalent population estimates (combined resident and non-resident populations), 'provide a more complete indicator of total demand for certain services than either measure used alone'.²¹ The data includes:

- annual estimates of the non-resident (FIFO/DIDO) and resident populations for local government areas and population centres in resource regions (resource regions population reports)
- non-resident population projections (to a seven-year horizon)
- information on the supply and take-up of commercial accommodation, including worker accommodation villages, hotels, motels and caravan parks
- input into QGSO's official resident population projections, and
- analysis and advice on the population and accommodation impacts of resource developments to government agencies, the private sector and community organisations.²²

3.3.1 Annual estimates of non-resident population

The annual estimates of non-resident population in the state's resource regions show a decline from June 2013 to June 2014 in the Bowen Basin but an increase in the Surat Basin and Gladstone region.

¹⁷ Professor K Storey, '[Fly-in/Fly-out: Implications for Community Sustainability](#)', *Sustainability, Sustainability* 2010, 2, p 1162.

¹⁸ Parliament of the Commonwealth of Australia, House of Representatives, Standing Committee on Regional Australia, *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, Canberra, tabled 13 February 2013, p 12.

¹⁹ P Bell, 'Fabric and structure of Australian mining settlements', in AB Knapp, VC Pigott, EW Herbert, eds., *Social Approaches to an Industrial Past: The Archaeology and Anthropology of Mining*, Psychology Press, London, 1998, p 32.

²⁰ Construction, Forestry, Mining and Energy Union (CFMEU), submission 190.

²¹ Queensland Government, '[Bowen Basin population report, 2014](#)'.

²² Queensland Government, '[Resource communities research](#)'.

Bowen Basin

The Bowen Basin is Queensland's major coal mining region, 'with 42 surface and underground coal operations and one metalliferous mine in production as at January 2015.' While one new coal project (Drake Coal) commenced operations during 2014–15 and two coal mining projects are currently under construction in the region (Grosvenor and Eagle Downs Coal Projects), it is expected that the 'rationalisation' of the Bowen Basin's mining workforces will continue due to market conditions for coal.²³

In 2010–11, coal mining activity increased rapidly in the region. This, coupled with the use of FIFO/DIDO workforces, led to the non-resident population peaking in June 2012 at 25,040 persons. However, at the end of June 2014, there were 29 percent fewer non-resident workers on-shift in the Bowen Basin than in June 2013, a drop from 22,900 to 16,355, which continued the downward trend from June 2012. According to the QGSO, this decrease 'signals an end to the expansion of mine capacity that started in the Bowen Basin in 2010–11'. The QGSO reported that 'completion of mine construction, mine closures and workforce restructuring in the coal industry', as well as the completion of CSG pipelines and civil works projects in the southern Basin Bowen in 2013–14 contributed to the decline in the non-resident population.²⁴

The QGSO has calculated non-resident population projections from 2015 to 2021 based on four different series, which represent possible outcomes from the future development of resource projects in the Bowen Basin:

Each series estimates the cumulative non-resident population that would be present in each LGA [Local Government Area] at 30 June of each year to 2021, should the operations and projects listed in each category proceed according to advised timeframes and workforce numbers.²⁵

The results of QGSO's projections for the Bowen Basin are summarised as follows:

The Series A projection, which takes into account the non-resident workforces of existing resource operations and projects that have passed final investment decision (FID), anticipates that the region's non-resident population will moderate to 13,670 persons by 2021, a level similar to that recorded in 2008 (13,660 persons).

Series B, C and D projections for the Bowen Basin include elements of the proposed Galilee Basin mine, railway and port projects that would occur within the LGAs of Isaac (R) and Whitsunday (R) (Bowen only). Series B, which takes into account projects that have had an Environmental Impact Statement (EIS) approved but have yet to reach FID, expects that the Bowen Basin's non-resident population will increase substantially from 2016, peaking at 20,040 persons in 2018 before falling to 18,380 persons by 2021.²⁶

Surat Basin

Between June 2012 and June 2014, the number of estimated non-resident workers on-shift in the Surat Basin increased 125 percent from an estimated 6,440 persons to 14,490 persons. The increase is linked to the FIFO/DIDO construction workforces of three CSG projects, which are estimated to have peaked in 2014.²⁷

²³ Queensland Government, '[Bowen and Galilee Basins non-resident population projections, 2015 to 2021](#)'.

²⁴ Queensland Government, '[Bowen Basin population report, 2014](#)'. The Bowen Basin region comprises the local government areas of Banana, Central Highlands, Isaac and Whitsunday.

²⁵ Queensland Government, '[Bowen and Galilee Basins non-resident population projects, 2015 to 2021](#)'.

²⁶ Queensland Government, '[Bowen and Galilee Basins non-resident population projects, 2015 to 2021](#)'.

²⁷ Queensland Government, '[Surat Basin population report, 2014](#)'. The Surat Basin region comprises local government areas of Maranoa, Western Downs and Toowoomba.

QGSO has three projection series representing ‘a range of potential non-resident population outcomes for the Surat Basin, based on different assumptions about future project and operations workforces’. In all three scenarios, it is expected that the region’s non-resident population will rapidly decline in 2014–15 due to the winding down of CSG construction activity.²⁸

Gladstone region

The estimated non-resident workers on-shift in the Gladstone region in June 2014 increased by 36 percent from 4,885 to 6,655 persons in June 2013. Most of these workers were engaged in constructing three LNG processing plants, a coal export terminal and other associated infrastructure.²⁹

Non-resident workers in the Gladstone region ‘are closely linked to levels of project construction activity’. It is expected that future production workforces for these projects will largely be local residents from the Gladstone region and not be comprised of FIFO/DIDO workers. The QGSO has undertaken three project series for potential non-resident population outcomes for Gladstone, ‘based on current activity and the workforces of future projects in the Environmental Impact Statement (EIS) process’.³⁰

The results of QGSO’s projections for the Bowen Basin are summarised as follows:

The Series A projection, which takes into account the FIFO/DIDO workforces of all existing operations and projects currently under construction, sees the non-resident population declining to 670 persons by June 2016, then stabilising at 590 persons by 2019 and beyond. This residual non-resident population includes the relatively small number of non-resident workers involved in ongoing operations.

The Series B projection includes projects that have had an EIS approved but are yet to reach final investment decision (FID). This series projects the non-resident population to fall to 1,110 persons in June 2016, before increasing to a peak of 3,610 persons in June 2018. The non-resident population would then decline to 1,100 persons by June 2021 under this scenario.

Series C projects the non-resident population to fall to 1,290 persons in June 2016, before increasing to 4,340 persons in June 2018. This series, which factors in projects that have lodged an EIS but are yet to proceed through to final approval, then follows a similar trajectory to Series B, reaching 1,190 persons in June 2021.

3.3.2 Submitter comments on the current use of FIFO

FIFO Families and Creating Communities stated that the increased use of FIFO work practices is due to its ‘cost effective approach to quickly and efficiently mobilising skilled workforces to undertake key project work’.³¹ It also suggested that FIFO work practices have increased over time for the following reasons:

- Workers choosing to access work in remote locations, without having to move their family away from social, family or community networks and services.
- The decrease in travel costs.
- The increase in access to communication, thus breaking down issues of isolation, which was previously a barrier to taking on this work model.

²⁸ Queensland Government, ‘[Surat Basin non-resident population projects, 2015 to 2021](#)’.

²⁹ Queensland Government, ‘[Gladstone region population report, 2014](#)’. The Gladstone region includes the city and port of Gladstone, other residential centres and the rural hinterland.

³⁰ Queensland Government, ‘[Gladstone region non-resident population projects, 2015 to 2021](#)’.

³¹ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

- The increased work choice it provides.
- The ability for companies to attract and retain skilled workers by providing both residential and FIFO work options, allowing families to decide where they wish to live and who they choose to work for.³²

The Queensland Resources Council (QRC) made several points in relation to the current use of FIFO work practices. These included:

- Resources companies need to be flexible to remain productive and competitive. A key component of this flexibility is the ability to offer choice in workforce arrangements.
- The majority of the long distance commuting (LDC) workforce in the Bowen Basin travel from the outskirts of Mackay or Rockhampton. Other source communities for these workers include Cairns, Emerald and the broader Bowen Basin region.
- Mines with larger proportions of LDC workers are frequently in more remote areas where there are no nearby communities or where demand for skilled labour outweighs local supply.³³

3.4 Status of the resource industry

A number of media articles and submitters have pointed to a downturn in the resource industry.³⁴ BHP Billiton advised that it was transforming its business to 'reset our cost base and improve productivity' given the current 'challenging circumstances for the coal industry'.³⁵ QRC characterised the current downturn in the industry as 'severe' with recovery likely 'to be a slow process for some commodities'. QRC reported that some 'uncompetitive' mines have closed with resource jobs lost as a consequence and stated that the industry was focussed on 'reducing costs and improving productivity in order to recover global competitiveness'.³⁶

BHP summarised the current market conditions as follows:

Today the premium hard coking coal price is about US\$81 per tonne. When our last major coal mining project in Queensland was approved in 2011, the price was about \$181, and prior to that it traded above \$300 per tonne. The price has deteriorated by 22% since January this year and we do not expect a recovery in the medium term.

The stark reality is that we must continue to improve the viability of our each of our operations through a continuation of our drive to reduce the cost of production.³⁷

QRC also commented on the impact of the downturn on employment:

Over the 10 years to 2013-14, the strongest employment growth in mining occurred from 2009-10 to 2010-11, with employment increasing by 28 percent. However, since 2010-11 employment in the mining industry has increased at a reduced rate and has actually been declining since the end of 2013.

³² FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

³³ Queensland Resources Council, submission 221.

³⁴ See for example, [Coal downturn cost cutting makes industry more sustainable says Queensland Resources Council](#), Australian Broadcasting Corporation, 5 May 2015; [Severe mining downturn forces Anglo American to slash jobs and sell assets](#), *The Courier-Mail*, 27 July 2015; *beyondblue*, submission 163; Westfund Health Insurance, submission 204; Queensland Resources Council, submission 221; BHP Billiton, submission 234.

³⁵ BHP Billiton, submission 234.

³⁶ Queensland Resources Council, submission 221.

³⁷ BHP Billiton, Submission 234.

Employment levels in December 2013 reflect the peak level of resources sector operational activity in Queensland in response to historically high levels of demand and prices paid for Queensland's commodities.³⁸

BHP responded to concerns regarding unemployment levels in regional towns:

There have been claims made about increasing unemployment in central Queensland mining towns like Moranbah. While we acknowledge that a number of mine operators have closed or suspended operations at some sites due to the current market conditions, the most recent State Government labour force and unemployment figures do not support this – unemployment in Moranbah at December quarter 2014 is 1.8%. Unemployment has though increased in other parts of Queensland, which we believe firmly supports our decision to diversify our workforce and employ people from Cairns and South East Queensland.³⁹

Arrow Energy advised that the workforce arrangements, residential and non-residential, for its planned Bowen Gas Project and Arrow Bowen Pipeline will 'depend on local worker and skill availability and the preferences of workers themselves'. Arrow advised:

Arrow's Bowen Gas project planning assumption, at this time, indicates a local operational workforce of up to 20 per cent, with the remainder being long-distance commuters (Arrow Energy, 2014).⁴⁰

³⁸ Queensland Resources Council, submission 221.

³⁹ BHP Billiton, Submission 234.

⁴⁰ Arrow Energy, Submission 224.

4 Resource project approval processes

4.1 Background

Resource projects in Queensland are assessed and may be approved under a number of Acts. This report does not detail all approval processes. The report is focused on the assessment and approval of coordinated projects by the Coordinator-General under the *State Development and Public Works Organisation Act 1971* (SDPWOA).

4.2 Role of the Coordinator-General

4.2.1 Background

The role of the Coordinator-General was established in 1938 to coordinate the provision of public infrastructure and encourage development and job creation in post-Depression times.⁴¹

The role has evolved over the past 80 years. The Coordinator-General's principal functions are provided under the SDPWOA and focus on facilitating and regulating major projects, such as mining, petroleum, rail, port, tourism and large urban infrastructure developments (including managing the impact assessment process of such projects).⁴²

4.2.2 Coordinated projects

Under Part 4 of the SDPWOA, the Coordinator-General can declare a project to be a 'coordinated project'. There are two types of coordinated project declarations: those requiring an Environmental Impact Statement (EIS) and those requiring an Impact Assessment Report (IAR).⁴³

The Coordinator-General may make a decision to declare a coordinated project based on one or more of the following factors:

- complex approval requirements, involving local, state and federal governments
- strategic significance to the locality, region or state, including for the infrastructure, economic and social benefits, capital investment or employment opportunities that may be provided
- significant environmental effects, and
- significant infrastructure requirements.⁴⁴

The Coordinator-General is not bound to make a decision to declare a coordinated project if it meets the criteria above.⁴⁵ In making a decision, the Coordinator-General must have regard to:

- detailed information about the project given by the proponent in an initial advice statement
- relevant planning schemes or policy frameworks of a local government, the State or the Commonwealth

⁴¹ Department of State Development, Coordinator-General, '[Coordinated projects impact assessment process: Fact Sheet](#)'.

⁴² Department of State Development, Coordinator-General, '[Coordinated projects impact assessment process: Fact Sheet](#)'.

⁴³ *State Development and Public Works Organisation Act 1971*, s 26(1).

⁴⁴ *State Development and Public Works Organisation Act 1971*, s 27(2)(b). Department of State Development, '[Coordinated Projects](#)'.

⁴⁵ *State Development and Public Works Organisation Act 1971*, s 27AC(5).

- relevant State policies and government priorities
- a pre-feasibility assessment of the project, including how it satisfies an identified need or demand
- the capacity of the proponent to undertake and complete an EIS or IAR for the project, and
- any other matter considered relevant.⁴⁶

Schedule 2 of the SDPWOA defines 'environment' as including:

- ecosystems and their constituent parts, including people and communities
- all natural and physical resources
- the qualities and characteristics of locations, places and areas, however large or small, that contribute to their biological diversity and integrity, intrinsic or attributed scientific value or interest, amenity, harmony and sense of community, and
- the social, economic, aesthetic and cultural conditions that affect, or are affected by, things mentioned in paragraphs (a) to (c).

4.2.3 Impact assessment process

When a project is declared 'coordinated' there is a requirement for either an EIS or IAR to be undertaken.⁴⁷

The next sections focus on the EIS process. If the Coordinator-General makes a declaration that a coordinated project requires an IAR, the Coordinator-General must be satisfied that the environmental effects of the project, having regard to their scale and extent, do not require assessment through the EIS process.⁴⁸

Environmental Impact Statement

The Coordinator-General must advise the proponent that an EIS is required for the project. A public notification may also state that an EIS is required, where copies of the draft terms of reference may be obtained, and that comments on the draft terms of reference are invited.⁴⁹

Following this process, the terms of reference are finalised and a copy is provided to the proponent. The Coordinator-General is also required to have regard to any comments made on the draft terms of reference.⁵⁰

There are generic terms of reference for resource projects which guide the Coordinator-General and stakeholders.⁵¹ The guidelines for managing the impacts of major projects in resource communities also provides guidance during the EIS process.⁵²

⁴⁶ *State Development and Public Works Organisation Act 1971*, s 27. Department of State Development, '[Coordinated Projects](#)'.

⁴⁷ Projects can also be assessed under the *Environmental Protection Act 1994* for which an EIS may be required.

⁴⁸ *State Development and Public Works Organisation Act 1971*, s 26(2).

⁴⁹ *State Development and Public Works Organisation Act 1971*, s 29.

⁵⁰ *State Development and Public Works Organisation Act 1971*, s 30(1). The primary difference between the EIS process and the IAR process is that the IAR is not required to address terms of reference. An IAR must include details of the project and the necessary information about the likely environmental effects of the project. See Department of State Development, '[Coordinated projects impact assessment process](#)'.

⁵¹ Department of State Development, '[Generic draft terms of reference for an environmental impact statement](#)'.

The proponent is then required to draft an EIS for the project which addresses the terms of reference to the satisfaction of the Coordinator-General.⁵³

The proponent must then publicly notify where a copy of the draft EIS is available and that submissions may be made to the Coordinator-General about the EIS.⁵⁴

At the end of the submissions period, the Coordinator-General decides whether to accept the draft EIS as final after considering the draft, any properly made submissions and any other material relevant to the project.⁵⁵

If the Coordinator-General decides to accept the draft EIS as final, the Coordinator-General must prepare a report evaluating the EIS. In evaluating the EIS the Coordinator-General may:

- evaluate the environmental effects of the project and any other related matter
- state conditions, and
- make recommendations (for example, for approval or rejection of the project).⁵⁶

After completing the evaluation report a copy is provided to the proponent and publicly notified.⁵⁷ Once a coordinated project receives the Coordinator-General's recommendation for approval, project proponents must obtain subsequent approvals for their projects - for example, an environmental authority (EA) under the *Environmental Protection Act 1994*.

Social impact assessment

If the terms of reference stipulate, the EIS must include a social impact assessment (SIA). The SIA identifies the direct social impacts of the project and strategies to manage, mitigate or offset the impacts. A SIA includes:

- community and stakeholder engagement
- workforce management
- housing and accommodation
- local business and industry content
- health and community wellbeing.⁵⁸

The assessment of social impacts involves collecting qualitative and quantitative data. Once the impacts are identified the proponents consult with impacted communities and develop management strategies.⁵⁹

The SIA guideline sets out core principles. Some of these include:

- proponents are expected to mitigate impacts that are directly related to their project
- an SIA covers the full lifecycle of the project to the extent possible
- an SIA is based on the best available data, and

⁵² The Department of State Development (formerly, the Department of State Development, Infrastructure and Planning), '[Managing the impacts of major projects in resource communities, July 2013.](#)'

⁵³ *State Development and Public Works Organisation Act 1971*, s 32.

⁵⁴ *State Development and Public Works Organisation Act 1971*, s 33.

⁵⁵ *State Development and Public Works Organisation Act 1971*, s 34A.

⁵⁶ *State Development and Public Works Organisation Act 1971*, s 34D(3).

⁵⁷ *State Development and Public Works Organisation Act 1971*, s 34D(4).

⁵⁸ Department of State Development, '[Social Impact Assessment](#)'.

⁵⁹ Department of State Development, '[Social Impact Assessment](#)'.

- communities of interest will be engaged in a meaningful way during the development of the SIA and that community participation should continue across the project lifecycle.⁶⁰

The assessment by the Coordinator-General takes into account the SIA guideline and how the proponent has met those guidelines.⁶¹

In terms of projects that are assessed by the Department of Environment, the Coordinator-General stated that those projects can have social impacts but that there is no ability for those to be evaluated and conditioned.⁶²

Proponents are required to implement, monitor and report on their impact management strategies.⁶³ The Coordinator-General may also request annual progress reports during the construction phase and for the early years of the project's operations phase (for example, up to two years for most projects). Larger and more complex projects may be required to report for more than two years of its operational phase.

The Coordinator-General may consider the review reports in conjunction with state agencies, local governments and community groups and recommend further action or publish the reports if necessary.

After the reporting requirements have concluded, the proponent may also choose to continue to publicly report on their measures to address the social impacts including to demonstrate their social licence to operate.⁶⁴

History of social impact assessment

In 2008, the Queensland Government released the Sustainable Resource Communities Policy. The policy initiated a social impact assessment function in response to the resource boom and the growing demand on resource communities.⁶⁵

In 2010, social impact management plans were introduced (referred to as SIMP guidelines). This was a prescriptive process which included the provision of cross-agency reference groups with project proponents to discuss projects and agree upon mitigation strategies.⁶⁶

In 2011, the Major Resource Housing Policy came into effect which complemented the SIMP process and set additional principles for proponents to consider in addressing housing supply and affordability. Housing supply and affordability was a prominent issue at the time.⁶⁷

In July 2013, the current SIA guideline was introduced which superseded the SIMP and is currently applied to the assessment of coordinated projects.

One of the major differences between the former SIMP and current SIA is a shift towards outcome focused conditions and commitments. Another difference between the two processes is that the current SIA reporting requirements are generally for the first five years of the project whereas the former SIMP reporting requirements were for the life of the project.⁶⁸

⁶⁰ Department of State Development, '[Social impact assessment guideline, July 2013](#)'.

⁶¹ Public briefing transcript, 20 May 2015, p 2.

⁶² Public hearing transcript, 15 July 2015, p 22.

⁶³ Department of State Development, '[Social Impact Assessment](#)'.

⁶⁴ Department of State Development, '[Social impact assessment guideline, July 2013](#)'.

⁶⁵ Public briefing transcript, 20 May 2015, pp 1-3.

⁶⁶ Public briefing transcript, 20 May 2015, p 3.

⁶⁷ Public briefing transcript, 20 May 2015, p 3.

⁶⁸ Public briefing transcript, 20 May 2015, p 3.

4.2.4 *Coordinator-General's conditions*

As mentioned above, the Coordinator-General may state or impose conditions for a project.⁶⁹ The Coordinator-General's evaluation report is not an approval of a project in itself. The conditions of approval in the evaluation report only gain legal effect when they are attached to an approval given under other specific legislation.⁷⁰

The Coordinator-General may state conditions that must apply to:

- development approval under the *Sustainable Planning Act 2009* (SPA)
- mining lease under the *Mineral Resources Act 1989*
- environmental authority (mining lease) under the *Environmental Protection Act 1994* (EP Act)
- petroleum lease, pipeline licence or petroleum facility licence under the *Petroleum and Gas (Production and Safety) Act 2004*
- non-code compliant environmental authority (petroleum activities) under the EP Act
- greenhouse gas injection and storage lease under the *Greenhouse Gas Storage Act 2009*, and
- geothermal production lease under the *Geothermal Energy Act 2010*.⁷¹

The Coordinator-General can also impose conditions on a project in the absence of a relevant approval regime; and these conditions do not need later approval to be given effect.⁷²

As an example, in relation to a development approval, the assessment manager under the SPA ultimately decides whether the approval would be granted for the project. The assessment managers are:

- required to attach the Coordinator-General's conditions to any development approval that is granted
- not limited in their ability to refuse a project, even if the Coordinator-General's report on the EIS has recommended the project be approved
- able to impose additional conditions on the development approval, provided they are not inconsistent with the conditions stated in the Coordinator-General's report.⁷³

4.2.5 *Changes to a project*

Under Division 3A of the SDPWOA, the Coordinator-General can assess changes to a project either upon application by the proponent or upon the Coordinator-General's own initiative.⁷⁴ The

⁶⁹ Stated conditions are conditions stated but not enforced by the Coordinator-General under sections 39, 45, 47C, 49, 49B and 49E of the SDPWOA. For example, the Coordinator-General may state conditions that must be attached to a development approval under the SPA. An imposed condition is a condition imposed by the Coordinator-General under section 54B of the SDPWOA and may nominate an entity that is to have jurisdiction for the condition: The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', pp 231-232.

⁷⁰ Queensland Government, Business and Industry Portal, '[Environmental impact assessment of 'coordinated projects' in Queensland](#)'.

⁷¹ Department of State Development, '[Coordinator-General's evaluation report](#)'.

⁷² Department of State Development, '[Coordinator-General's evaluation report](#)'.

⁷³ Department of State Development, '[Coordinator-General's evaluation report](#)'.

⁷⁴ Sections 35M and 35N of the *State Development and Public Works Organisation Act 1971* relating to the Coordinator General's assessment of project changes on his or her own initiative were inserted by the *Economic Development Act 2012*. The provisions sought to address the case where the Coordinator-

Coordinator-General can evaluate the environmental effects of the proposed changes as well as any other related matter. As part of this process the Coordinator-General can decide to seek public comments.

In evaluating the change, the Coordinator-General must consider the following:

- the nature of the proposed change and its effects on the project
- the project as currently evaluated under the Coordinator-General's report for the EIS or IAR for the project
- the environmental effects of the proposed change and its effects on the project
- if, under section 35G, public notification was required—all properly made submissions about the proposed change and its effects on the project
- if the change relates to a project for which an EIS was required—the material mentioned in section 34A(1)(a) to the extent the Coordinator-General considers it is relevant to the proposed change and its effects on the project, and
- if the change relates to a project for which an IAR was required—the material mentioned in section 34(1)(a) to the extent the Coordinator-General considers it is relevant.⁷⁵

The Coordinator-General is then required to produce a change report outlining the evaluation and whether the change is accept or refused. The report can also state conditions relevant to the proposed change or any other matter, or make recommendations.⁷⁶

If the report on the EIS or IAR conflict with the change report, the change report prevails to the extent of the inconsistency.⁷⁷

4.3 Case studies: Caval Ridge and Daunia Mines and Red Hill Mining Lease Project

4.3.1 Caval Ridge Mine and Daunia Mine

Caval Ridge Mine (CRM) and Daunia Mine are two of the four components of the BHP Billiton Mitsubishi Alliance (BMA) Bowen Basin Coal Growth Project (BBCG).⁷⁸

Both mines are open-cut coal mines and coal handling preparation plants. The Caval Ridge Mine project features an accommodation village.

The Caval Ridge Mine entrance is located 17km south of Moranbah and the Daunia mine is located 30km south-east of Moranbah. Both are approximately 170km south-west of Mackay.

On 27 May 2008, an application for the declaration of 'significant project' (now called 'coordinated project') was made for both mines. On 18 July 2009, the Coordinator-General gazetted the significant project declarations.

Consultation on the draft terms of reference for the EIS for both projects occurred during 2008 and 2009. On 26 October 2009, the Coordinator-General's evaluation report on the EIS for the Daunia

General had become aware of activity that would be regarded as a change to the project without the proponent having to have made an application for change: Economic Development Bill 2012, Explanatory notes, p 138.

⁷⁵ *State Development and Public Works Organisation Act 1971*, s 35H.

⁷⁶ *State Development and Public Works Organisation Act 1971*, s 35I.

⁷⁷ *State Development and Public Works Organisation Act 1971*, s 35K.

⁷⁸ The other two components (now discontinued) were Goonyella Riverside Mine Expansion and the new Moranbah Airport. Department of State Development, '[Caval Ridge Mine](#)' and '[Daunia Mine](#)'.

Mine was released. On 9 August 2010, the Coordinator-General's evaluation report on the EIS for the Caval Ridge Mine was released.⁷⁹

Caval Ridge Mine conditions

A total of 467 submissions were received on the draft EIS. The majority of submissions received in relation to Caval Ridge's EIS raised concerns about either direct social impacts of the mine or the impacts on living amenity matters such as dust, noise, vibration and traffic. In response to those concerns, and the findings of the EIS, the then Coordinator-General imposed conditions relating to BMA's overall communication responsibilities and the establishment and operation of a community liaison group – 'Moranbah BMA Community Network'.⁸⁰

The Coordinator-General also imposed a condition for BMA to develop a Social Impact Management Plan in consultation with the then Department of Infrastructure and Planning's Social Impact Assessment Unit and the Moranbah BMA Community Network, to address cumulative impacts, housing and accommodation issues, community health, safety and wellbeing, social infrastructure, workforce matters, employment and economic development, indigenous engagement, and stakeholder engagement.⁸¹

The Coordinator-General considered that the mine would have a significant impact on housing cost and availability in Moranbah. This was despite BMA's operational workforce strategy for 70% fly-in, fly-out workers to be accommodated in workers village(s).

The Coordinator-General accepted BMA's proposal to accommodate 100% of its construction workforce in accommodation villages, initially at the Denham Village and then at another location that was to be identified and subject to a future application for approval.

The Coordinator-General imposed a condition requiring BMA to provide new dwellings in Moranbah for any new construction personnel living there if the number of such workers exceeded 1% of the forecast peak CRM construction workforce.

In accepting BMA's proposal to accommodate 70% of its operational workforce in accommodation village(s), the Coordinator-General concluded that the acceptance should not be considered to set a precedent for future phases of the BBCG project.

Further, the Coordinator-General stated that while the evidence considered that it may not be prudent to support a FIFO strategy of greater than 70% of the operational workforce, any such future proposal would need to be assessed on its merits at the time.⁸²

In relation to impacts on the Moranbah housing market, the Coordinator-General concluded that the EIS documents did not present sufficient data to enable an adequate quantification of the impacts of the mine on the broader housing market.

Therefore, the Coordinator-General imposed a condition that required BMA to engage the Office of Economic and Statistical Research to undertake a 'BBCG Project Housing Impacts Study', and then subsequently to present a 'BBCG Project Housing Impact Plan' for approval by the Coordinator General. The recommendations of the approved plan would then be incorporated into the SIMP and

⁷⁹ Department of State Development, '[Caval Ridge Mine](#)' and '[Daunia Mine](#)'.

⁸⁰ The Coordinator-General, '[Bowen Basin Coal Growth Project: Caval Ridge Mine Coordinator-General's evaluation report for an environmental impact statement, August 2010](#)', p 7.

⁸¹ The Coordinator-General, '[Bowen Basin Coal Growth Project: Caval Ridge Mine Coordinator-General's evaluation report for an environmental impact statement, August 2010](#)', p 7.

⁸² The Coordinator-General, '[Bowen Basin Coal Growth Project: Caval Ridge Mine Coordinator-General's evaluation report for an environmental impact statement, August 2010](#)', pp 7-8.

may be incorporated as conditions of future BBCG Coordinator-General's EIS Assessment Reports or relevant Change Reports.⁸³

Daunia Mine assessment

A total of 19 submissions were received on the EIS for the Daunia Mine project. The majority of the submissions were from advisory agencies (local government and state agencies). One public submission was received from the Construction, Forestry, Mining and Energy Union (CFMEU).⁸⁴

The Coordinator-General considered the impacts of the Daunia Mine project alone on social infrastructure, including housing and social services, were moderate. However, it was said that an analysis of BMA's growth projects, together with other resource projects in the Bowen Basin, needed to be assessed in some detail to determine the potential for significant cumulative impacts on social infrastructure in the region. It was also stated that identifying cumulative impacts and developing mitigation measures for new projects was the responsibility of industry in partnership with local and state governments and community sector stakeholders.

A social impact management plan was not required for the Daunia Coal Mine Project. However, the Coordinator-General required that social impact assessments of future projects that form the BBCG project take into account the cumulative aspects of all projects including those impacts that are being experienced from the Daunia Project.

The Coordinator-General made observations, and recommendations, on ways in which the proponent of the Daunia Mine could reinforce its commitment to community engagement and social impact management.⁸⁵

Caval Ridge and Daunia project changes

Since the publication of the Coordinator-General's report on the EIS, BMA has applied for 10 changes to the project between 29 September 2010 and 3 April 2014. Following an evaluation, all requested changes have been approved by the Coordinator-General.

The most significant change raised in the context of the committee's inquiry was *project change application 4 – 100 per cent fly-in, fly-out operational workforce*.

An application to change the operational workforce for Caval Ridge and Daunia for up to 100% FIFO was made by the proponent on 15 June 2011. BMA wrote to the Coordinator-General to request the change and stated that it was driven by the following considerations:

- Securing the operations workforce for the Caval Ridge mine in a tight labour market
 - BMA must widen its recruitment options, by providing greater flexibility and choice for employees.
- Minimising impacts from Caval Ridge Mine on BMA's existing operations
 - An increase from 70 per cent to up to 100 per cent fly-in fly-out for the Caval Ridge mine provides the opportunity for BMA to secure the workforce required for the Caval Ridge mine without drawing workers from BMA's existing mines and adversely impacting [those] operations.

⁸³ The Coordinator-General, '[Bowen Basin Coal Growth Project: Caval Ridge Mine Coordinator-General's evaluation report for an environmental impact statement, August 2010](#)', p 8.

⁸⁴ The Coordinator-General, '[Bowen Basin Coal Growth Project: Daunia Mine Coordinator-General's evaluation report for an environmental impact statement, October 2009](#)', p 19.

⁸⁵ The Coordinator-General, '[Bowen Basin Coal Growth Project: Daunia Mine Coordinator-General's evaluation report for an environmental impact statement, October 2009](#)', p 51.

- Ensuring effectiveness at the Caval Ridge mine and improved road safety outcomes
 - A 100 per cent fly-in fly-out arrangement allows a one roster system essential for operational effectiveness on the Caval Ridge mine site. The fly-in fly-out arrangement will also improve road safety through reduced road travel, compared to the alternative arrangement.
- Spreading employment and economic benefits from the Caval Ridge mine throughout Queensland
 - The fly-in fly-out arrangement will allow BMA to access areas in Queensland with high skills availability, usually also areas of high unemployment. The Company would consider recruiting up to half of the workforce from North Queensland, if feasible, and sourcing the balance from Southern Queensland, thereby spreading the economic benefits of the Caval Ridge mine more widely outside the Bowen Basin.
- Providing upside for Moranbah
 - Moranbah will be better off with the Caval Ridge mine than without it. However, the change from 70 per cent to up to 100 per cent fly-in fly-out will help to relieve additional pressure on community infrastructure and services.
 - BMA does not see the proposed change as a choice between a fly-in fly-out arrangement and ongoing support for Moranbah. That support will continue and increase. Moranbah will continue to grow. BMA is continuing its significant housing investment in Moranbah and is expanding its investment in community support programs to approximately \$85 million over FY11 and FY12.
 - Finally, the additional 30 per cent being requested needs to be considered in the context of BMA's total workforce. The change to up to 100 per cent fly-in fly-out equates to only 1.3 per cent of BMA's existing workforce (employees and contractors) and represents only 150 fly-in fly-out jobs. The workforce in BMA's existing operations is predominantly residential and BMA has no plans to change this.

In seeking the change from 70 per cent fly-in fly-out to up to 100 per cent fly-in fly-out, BMA provided the following undertakings:

- The operations workforce for the associated expansion of the Peak Downs mine will be predominantly residential. This expansion involves 350 new operations jobs in addition to the 500 jobs at Caval Ridge. Taking the two projects together, less than 70 per cent of the combined workforce will be fly-in fly-out.
- Apprentices will be recruited locally where possible and will live locally.
- BMA will support local suppliers and contractors under its Local Buying Program.
- BMA will target areas of high skills availability (and consequently high unemployment) as fly-in fly-out sources in Queensland.
- BMA will maintain its commitments to Moranbah.

Public consultation occurred on the project change application between 16 July 2011 and 15 August 2011. A total of 14 submissions were received: 8 from advisory agencies, 4 from private organisations and two private submitters.⁸⁶ The issue of 100% FIFO was objected to by submitters in the first

⁸⁶ Department of State Development, correspondence dated 27 May 2015, Attachment Q.

change requested by BMA relating to accommodation. A total of 177 submissions were received on the change, of which 80% objected to 100% FIFO.⁸⁷

On 2 September 2011, the Coordinator-General released a report on the project change, approving the change.⁸⁸

The key findings of the Coordinator-General's evaluation were:

- acceptance of the need to recruit from outside the region given the labour market challenges faced by resource companies
 - it was desirable that workers were offered a choice to relocate their families if it was a viable option
 - employees should have a choice of where and how they live, where practicable
 - it was not the role of the Coordinator-General to regulate the number of long-distance commuters; rather, it was his role to facilitate workers' choice of their accommodation arrangements
 - the requirement for BMA to ensure that 30 per cent of its operational workforce resides in Moranbah was removed. Instead, BMA was required to maintain a residential workforce across its operations in line with current practice, and provide substantial investment in employee housing
- community concern about an upward trend in long-distance commuting arrangements should be allayed by the Coordinator-General's requirement for BMA to construct houses for its residential workers
- BMA was expected to incorporate specific measures in the SIMP to mitigate the impacts of increased pressure of the construction and operational workforce on non-government community services including healthcare, counselling, childcare and education/training
- in response to submitter concerns that economic benefits of a 100% FIFO model would bypass Moranbah the Coordinator-General stated that the requirement for BMA to continue to provide housing for its growing workforce should address the concerns, and
- additionally, BMA had begun implementing its Local Buying Program which allowed small businesses in Blackwater, Emerald, Moranbah and Dysart with fewer than 15 full-time employees, to register their interest in tendering to supply goods and services. The Coordinator-General imposed a condition to ensure BMA implements, monitors and reports on the program.⁸⁹

4.3.2 Red Hill Mining Lease Project

BMA's Red Hill Mining Lease project (Red Hill project) is an underground coal coking mine located 20 kilometres north of Moranbah in Central Queensland. The project also involves the extension of three long wall panels of BMA's existing underground Broadmeadow Mine and incremental

⁸⁷ The Coordinator-General, '[Coordinator-General's change report on 100 per cent fly-in fly-out operations workforce: Application for project change, number 4, September 2011](#)', pp 5-6 and The Coordinator-General, '[Coordinator-General's change report on the accommodation village location and capacity](#)', p 11.

⁸⁸ Department of State Development, '[Project Changes](#)'.

⁸⁹ The Coordinator-General, '[Coordinator-General's change report on 100 per cent fly-in fly-out operations workforce: Application for project change, number 4, September 2011](#)', pp iv-vi.

expansion of BMA's existing open-cut Goonyella Riverside Mine. The project is expected to create 2000 jobs during the construction phase and 1500 jobs during the operational phase.⁹⁰

The Red Hill project was evaluated by the Coordinator-General. The EIS report was released on 4 June 2015. A total of 56 submissions were received on the EIS report and concerns were raised about a predominately remote workforce, amongst others.⁹¹

An SIA was conducted for the project. The Coordinator-General advised that he would not accept any proposal for a 100 per cent FIFO operational workforce due to its potential impacts on local communities and workers. The Coordinator-General worked with BMA to develop workforce management principles which are to be reviewed following the government's review and the committee's inquiry.

The workforce principles are:

- anyone must be able to apply for a job regardless of where they live
- provided they can meet the requirements of the job, people must have choice where they live and be able to apply for jobs in the mine
- the percentage of FIFO must be less than 100 per cent
- a thorough audit of existing housing capacity must be undertaken before the project starts. To support those who wish to live locally, BMA will ensure the availability of accommodation that is fit for purpose and will make optimal use of existing housing capacity
- the proponent must thoroughly assess its workforce requirements and plan to accommodate the likely numbers of workers who may live locally
- social impacts associated with the local workforce, in relation to local housing, services and infrastructure, must be identified and mitigated in consultation with relevant local and state government service providers, and
- the proponent's social impact mitigation measures should support regional towns in pursuing opportunities to ensure communities are strong and sustainable and they are attractive places to live and work.⁹²

The Coordinator-General also set imposed conditions including an Operational Workforce Management Plan, a Social Impact Assessment Review to be undertaken 12 months prior to construction. In addition to bi-monthly and annual reporting on the FIFO workforce (including DIDO).⁹³

Committee comment

The committee notes the Coordinator-General stated in the evaluation report on the EIS for the Red Hill project:

I have worked with the proponent to develop a set of workforce management principles, that it has agreed to apply, to minimise the reliance on a FIFO workforce and maximise local opportunities. These principles will form the guiding framework for this project. They will be reviewed following the

⁹⁰ The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', p vi.

⁹¹ The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', pp 8-9.

⁹² The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', p viii.

⁹³ The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', p ix.

completion of the state government's inquiries and definition of the government's resultant policy position on FIFO.⁹⁴

The committee is of the view that when the workforce management principles are reviewed by the Coordinator-General, any ambiguity in wording should be addressed in order to minimise the reliance on a FIFO workforce and maximise local opportunities.

4.3.3 Monitoring compliance with conditions and enforcement

The conditions imposed by the Coordinator-General (and occasionally recommendations) are legally enforceable.⁹⁵ The Coordinator-General has ultimate responsibility for auditing and enforcing imposed conditions. However, if nominated by the Coordinator-General, another administering authority may have responsibility for monitoring conditions such as the Department of Environment and Heritage Protection.

The Office of the Coordinator-General undertakes a number of compliance activities which include:

- provision of advice to the Coordinator-General on the conditioning of approvals, to ensure that conditions are reasonable, relevant and enforceable
- monitoring of proponent compliance with imposed conditions of approval
- assessment of non-compliance notifications and provision of possible enforcement options to the Coordinator-General. The Coordinator-General decides on the most appropriate enforcement option.
- reviewing of third-party audit reports and provision of advice to the Coordinator-General on audit outcomes and any actions that may be required, and
- maintenance of collaborative working arrangements with state agencies, or other entities that have condition jurisdiction or a compliance role.⁹⁶

These activities are outlined in the Coordinator-General's 'Strategic compliance plan'.⁹⁷

In relation to enforcement, the Office of the Coordinator-General uses a range of measures to encourage industry and individuals to comply with the legislation.

Within the scope of its compliance role, compliance officers assess all notifications received with respect to a proponent's failure to comply with conditions and recommendations imposed by the Coordinator-General. Based on these assessments and any associated investigations, recommendations are made to the Coordinator-General as to a possible compliance response. The Coordinator-General will choose the most appropriate enforcement option, depending on the situation, the desired outcome and the seriousness of the offence, or threatened offence.⁹⁸

There are a number of offence provisions under the SDPWOA relating to the contravention of conditions imposed by the Coordinator-General. Responses to contraventions of an enforceable condition can include:

- written notices (requesting information or warning letters)
- enforcement notices under section 157B of the SDPWOA requiring a person to comply with the condition, and

⁹⁴ The Coordinator-General, '[The Red Hill Mining Lease project: Coordinator-General's evaluation report on the environmental impact statement, June 2015](#)', p viii.

⁹⁵ Department of State Development '[Compliance](#)'.

⁹⁶ Department of State Development '[Compliance](#)'.

⁹⁷ See, The Coordinator-General, '[Strategic compliance plan](#)'.

⁹⁸ The Coordinator-General, '[Strategic compliance plan](#)'.

- an enforcement order from the Planning and Environment Court under section 157I of the SDPWOA. It is an offence for a person to contravene an enforcement order. The maximum penalty is 3000 penalty units or two years imprisonment.⁹⁹

Submitters to the inquiry commented on the monitoring of conditions, for example:

I submit that the State Government spends a lot of time on the Housing and Accommodation Policies of proponents at the approval phase, but does not put enough time or resources into following up to ensure that commitments are enforced.¹⁰⁰

Local governments have little or no involvement in the implementation or monitoring of conditions and as such, these can sometimes contradict the direction of Council planning. Involvement in the monitoring and implementation of conditions as well as the ability for local government to place reasonable and relevant conditions on EIS approvals would assist in Council developing strong, resilient and sustainable communities.¹⁰¹

In the context of the Red Hill project, the Coordinator-General discussed steps that had been taken to enhance the monitoring and review process. For example, a workforce management plan for the Red Hill project is required to be approved by the Coordinator-General.

The Coordinator-General also alluded to future initiatives that could continue the enhancement of the monitoring and review process. For example, more third-party audits of the social impact assessment undertaken every six to twelve months. The Coordinator-General also suggested that there could be a greater role for other stakeholders to contribute data.¹⁰²

4.3.4 Long-term impact of the decision to remove the cap

Caval Ridge and Daunia were the first mines to have a cap on the percentage of FIFO. Whilst the removal of the cap brought Caval Ridge and Daunia into line with other mines, the timing of the approval, the location, and status of the resources cycle were some of the reasons that caused those mines to become a focus.¹⁰³

One submitter suggested:

The approval [of the change request] tore at the very heart of mining communities when discrimination against local, regional and workers across the state became sanctioned by State Government. This has ultimately changed the landscape for mining communities and industry workers in the inevitable down-turn period of mining, where the 100% FIFO developments continued to recruit, and the residential pits slashed and burned jobs for workers across the regions. For those seeking the security of permanent employment in uncertain times, it meant relocating to Brisbane or Cairns to work just kilometres down the road.¹⁰⁴

The decision was also thought to have:

removed genuine choice ... [and] specified potential employees would only be recruited from Cairns or Brisbane, metropolitan areas, excluding permanent relocation as an option.¹⁰⁵

BHP submitted that at the time when the decision was made to invest in Caval Ridge and Daunia, unemployment in Central Queensland was around 1.3% and BMA had 750 unfilled positions across

⁹⁹ See, The Coordinator-General, '[Strategic compliance plan](#)'.

¹⁰⁰ Castra Consulting, submission 8.

¹⁰¹ Whitsunday Regional Council, submission 196.

¹⁰² Public hearing transcript, Brisbane, 15 July 2015, p 22.

¹⁰³ Public hearing transcript, Brisbane, 15 July 2015, p 28.

¹⁰⁴ Cr Kelly Veve, submission 188.

¹⁰⁵ Isaac Regional Council, submission 207.

their operations. Additionally, the existing housing stock at Moranbah was mostly occupied with high rental costs.¹⁰⁶

BHP further submitted that other contextual factors included:

- Around 950 people in total FIFO to Caval Ridge and Daunia.
- Operational employees are on an even time one week on/one week off roster.
- About 250 workers are from Cairns and the remainder are from South-East Queensland.
- Outside of greater Brisbane, Logan and Ipswich, about 70 FIFO from the Gold Coast and 170 FIFO from the Sunshine Coast.
- When the 950 positions were recruited, 33,000 applications were received.¹⁰⁷

BHP further added:

... careful consideration was given to the accommodation strategy of these mines. The Coordinator General's deliberations were thorough and his decisions were made following extensive consultations through a public EIS process.

The factors which prompted the original application have not significantly changed and in these circumstances there is little to justify a reconsideration of the approval.¹⁰⁸

The Queensland Resources Council submitted:

There are very few resources sector operations in Queensland with a 100% FIFO workforce and in the majority of cases, these arrangements are in place because the operation is remote and there is either no nearby community or an insufficient skills base from which to draw locally and the workforce is often sourced from regional centres.

Two 100% FIFO operations near Moranbah were approved by the state government at a time of effective full employment in the Bowen Basin and surrounding regions rendering LDC the only viable option. The FIFO workforce for these two operations represents around 10% of the company's employees in the Bowen Basin, where most of its workers live. Even at those two mines, in any one month some 1000 local contractors provide on-site services.¹⁰⁹

In managing the future impacts of resource projects with a FIFO component including the ability for anyone to apply for a job at a mine, the Coordinator-General stated:

... going forward the conditions that I set really are a way to deal with it—that there must be a requirement that anybody can apply for a job. That is a very prescriptive, mandatory statement in those ads [BHP job ads] and the forward conditions are that people must be able to apply for a job. They must have choice and there cannot be a restriction. The question is how you monitor that. In some ways it is going to be self-monitoring because, if that comes into force, as it will for Red Hill, and if someone cannot apply for a job, hopefully they will inform us.¹¹⁰

...

... anybody must be able to apply for a job and have choice in where to live. So for the Red Hill project and for other future projects—and we are talking to one of the proponents in the Galilee Basin about one of the next mines and they have accepted these principles as well. I think that is a positive step forward. It is an awareness and an education for industry to see that there are different ways of doing things and this is where it is heading. I am confident that they will comply.¹¹¹

¹⁰⁶ BHP Billiton, submission 234.

¹⁰⁷ BHP Billiton, submission 234.

¹⁰⁸ BHP Billiton, submission 234.

¹⁰⁹ Queensland Resources Council, submission 221.

¹¹⁰ Public hearing transcript, Brisbane, 15 July 2015, p 26.

¹¹¹ Public hearing transcript, Brisbane, 15 July 2015, p 27.

4.3.5 Social licence to operate

A social licence to operate is metaphorical and cannot be easily defined. It means different things to different people at different points in time.¹¹² In the context of the resource industry, it is said that a social licence to operate stems from corporate social responsibility. As mentioned above, companies are required to demonstrate their 'social licence to operate' through reporting mechanisms.

It could be said that the social impact assessment is the practical vehicle for assessing a company's social licence to operate.

One submitter's comments in this regard includes:

The Mining Social License needs to be reinvigorated to take specific responsibility for industry's part in shaping social and development outcomes in mining communities.

Mining companies should not be able to leverage their enormous political and economic power to unduly influence decision makers and public opinion regarding important public policy.

Develop a new social licence to operate framework for current and future mines in consultation with community and industry and include the issuing of regular score cards based on stakeholder feedback and state assessment ...¹¹³

Another submitter suggested that the granting of a mining lease should be subject to a similar social impact assessment process outlined above:

... [conduct] a social impact study before any mining licence is granted. ... [Granting of the licence] should depend on a company's commitment to invest in training, engage with local businesses and provide permanent jobs.¹¹⁴

Queensland Resources Council submitted:

Over recent years attention has been focused on making the EIS approval process, including Social Impact Assessments more timely, efficient and effective which the resources sector has applauded.

Changes should not be made to EIS approvals retrospectively as these are arrangements upon which Final Investment Decisions have been made and operational arrangements are based. For example resource companies will have negotiated long-term contracts with airlines and loan funds will have been committed by financial institutions.

Projects must already cope with changes to commodity prices, fluctuating world demand and increased competition. Any changes to the government landscape in which resources sector projects operate, whether it be taxation, royalties, environmental or social policies, have the potential to create uncertainty and ultimately sovereign risk.¹¹⁵

4.4 Role of local governments in approval processes

The Coordinator-General's evaluation report on an EIS will describe the other approvals required to establish the project which may include an accommodation village. Local governments have varied responsibility for the relevant approvals.

For example, local governments usually assess development applications for accommodation villages located off resource tenements. Any such application would be considered under the *Sustainable Planning Act 2009*.

¹¹² Bice, S. 'What gives you a social licence? An exploration of the social licence to operate in the Australian mining industry', *Resources* 2014, 3, pp 62-80.

¹¹³ Cr Kelly Veve, submission 188.

¹¹⁴ Construction Forestry Mining and Energy Union, submission 190.

¹¹⁵ Queensland Resources Council, submission 221.

When an accommodation village is located on a mining lease, the responsible Minister makes the approval decision under the relevant resource Act (for example, the *Mineral Resources Act 1989*) as part of the resource tenement approval. The local government has no approval responsibility when it is located on a resource tenement.

If an environmental authority is required, for example for a sewerage treatment plant, the approval is granted under the *Environmental Protection Act 1994*. Similarly, the local government has no approval responsibility.¹¹⁶

The LGAQ submitted:

Government policy and legislation concerns – [l]ocal government currently has no input into tenure approval for major resource developments. [Sometimes mining companies not required] to advise local or state governments of the construction of FIFO villages on tenures or the numbers housed in these FIFO camps. ... Local government and ratepayers bear the cost burden of infrastructure development ...¹¹⁷

Accordingly, the LGAQ recommended:

- decisions relating to non-resident workforce should occur in full consultation with the relevant local government at the earliest opportunity.
- views of local government should be given greater weight in EIA process
- formal governance structure and reporting process should be established between Council, State Government and proponent.¹¹⁸

Representatives from the Central Highlands Regional Council stated:

... a lot of the non-resident workforce accommodation is erected within the mine lease area, which is part of the environmental impact statement process. If a non-resident workforce accommodation complex is identified as part of an EIS and the EIS is approved, that is also approving the non-resident workforce accommodation and council has no say in that process, apart from being part of the stakeholder engagement.¹¹⁹

The Whitsunday Regional Council submitted:

[Additional weight should be given] ... to Council submissions during the Environmental Impact Statement assessment process to effectively address unique local issues and appropriately reflect the level of impact on Regional Councils.¹²⁰

The Isaac Regional Council submitted:

The current approvals process is fundamentally flawed insofar as numerous changes to the original conditions placed on a project can be enacted by state government at the request of the proponent with limited, if any, consultation with key stakeholders including local government ...

...

[It is possible for the proponent to seek changes to the conditions but] [o]ther stakeholders, including Local Government ... are denied the opportunity to request changes to the initial conditions imposed by the [Coordinator-General], despite the undeniable fact communities, not just projects, are subject to change ...¹²¹

¹¹⁶ Department of State Development, correspondence received 10 June 2015.

¹¹⁷ Local Government Association of Queensland, submission 189.

¹¹⁸ Local Government Association of Queensland, submission 189.

¹¹⁹ Public hearing transcript, 17 June 2015, Emerald, p 7.

¹²⁰ Whitsunday Regional Council, submission 196.

¹²¹ Isaac Regional Council, submission 207A.

4.4.1 Local government approval of accommodation villages on mining tenement

Some local government submitters expressed concern about not having approval powers for accommodation villages on a mining tenement.

In relation to approving development in accordance with a local government planning scheme, the committee understands that a local government planning scheme cannot regulate resource activities carried out on resource tenure.

The committee understands that local governments are consulted during the environmental impact assessment phase but that this does not provide the local government with any approving authority.

A specific concern raised by Maranoa Regional Council was that proponents are not required to inform councils of camps located on rural properties or the number of beds, making it difficult to plan for infrastructure impacts (particularly on roads), having a significant negative impact on telephone and internet service capacities, on emergency services response and on medical and allied health service.¹²²

Committee comment

Social impact assessment and social licence to operate

The committee has made a range of recommendations to reinvigorate the philosophy of a 'social licence to operate'.

The practical mechanism for implementing a social licence to operate is through the social impact assessment process. Therefore, the first step is to strengthen this process. The committee notes there are comprehensive guidelines available to assist with the social impact assessment process. However, the committee is concerned that a social impact assessment is only required to be undertaken if the terms of reference for an environmental impact statement require it.

The committee considers the status of the social impact assessment process needs to be raised. Accordingly, the committee recommends that the social impact assessment process should be prescribed by legislation. The committee also recommends the social impact assessment guideline provides a specific framework for assessing a resource project's application of the principles of a social licence to operate.

The committee noted the Social Impact Assessment Cross Agency Reference Group held its last meeting on 15 November 2012.¹²³ The committee considers a cross-agency reference group (or similar) should be reinstated as part of the social impact assessment process.

The committee also sees merit in the Minister reviewing all resource project approval processes (including under the *Environmental Protection Act 1994*) as well as the granting of a mining lease, to determine:

- how the assessment of potential social impacts (including cumulative impacts of multiple resource projects) could be included or enhanced
- ensure that commitments made by proponents during the environmental impact assessment process form part of the conditions of approval, and
- how the participation of local governments could be enhanced.

¹²² Maranoa Regional Council, submission 182.

¹²³ Department of State Development, correspondence dated 27 May 2015.

Role of the Coordinator-General and Office of the Coordinator-General

Consideration of submissions

In relation to the approval of the change request for Caval Ridge and Daunia mines, the committee is concerned that the then Coordinator-General did not adequately consider the views expressed by the community about the future impacts the removal of the cap would create.

The committee appreciates that the Coordinator-General is in a position where he or she must weigh up a range of factors based on the best information presented at the time. However, the committee wants to ensure that future decisions in relation to resource projects reflect the community concerns expressed at the time.

The committee notes that in relation to a decision to accept a draft EIS as final, the Coordinator-General must consider any properly made submissions for the draft EIS¹²⁴ and in relation to an evaluation of a proposed change, the Coordinator-General must consider all properly made submissions.¹²⁵ The committee is of the view that the legislation needs to provide that the Coordinator-General must demonstrate such consideration.

Accordingly, the committee recommends the *State Development and Public Works Organisation Act 1971* be amended to provide that the Coordinator-General must demonstrate consideration of submissions received on a draft environmental impact statement and change application in the associated reports.

Monitoring of compliance with conditions

The committee is satisfied that the *State Development and Public Works Organisation Act 1971* sets out adequate enforcement options and penalties for non-compliance with the Coordinator-General's conditions and acknowledges that the Office of the Coordinator-General undertakes a range of compliance activities detailed in the Strategic Compliance Plan.

However, the committee noted that compliance officers assess notifications received with respect to a proponent's failure to comply with conditions and recommendations imposed by the Coordinator-General and is concerned that this approach is not proactive.

The committee is also concerned that resource companies mostly self-report on the compliance with the Coordinator-General's conditions or implementation of recommendations and is of the view that there needs to be greater scrutiny of such reports.

The committee recommends the Queensland Government provide additional resources to expand the Office of the Coordinator-General to establish a compliance and engagement unit to undertake:

- proactive and detailed assessment of compliance with conditions and recommendations
- engagement and liaison with resource communities
- the collection of adequate baseline data in order to accurately assess compliance with conditions set in relation to the numbers of non-resident workers, and
- the assessment of complaints made in relation to a proponent's compliance with conditions and recommendations (which would include the establishment of a formal complaints process).

¹²⁴ *State Development and Public Works Organisation Act 1971*, s 34A.

¹²⁵ *State Development and Public Works Organisation Act 1971*, s 35H(d).

Recommendation 1

The committee recommends the social impact assessment process for major projects be prescribed by legislation.

Recommendation 2

The committee recommends the social impact assessment guideline provides a specific framework for assessing a resource project's application of the principles of a social licence to operate.

Recommendation 3

The committee recommends the Minister reinstate the cross agency reference group or similar, as part of the social impact assessment process.

Recommendation 4

The committee recommends the Queensland Government review all resource project approval processes (including under the *Environmental Protection Act 1994*) and the process for granting a mining lease, to:

- (a) determine how the assessment of potential social impacts (including cumulative impacts of multiple resource projects) could be included or enhanced
- (b) ensure that commitments made by proponents during the environmental impact assessment process form part of the conditions of approval, and
- (c) determine how the participation of local governments could be enhanced.

Recommendation 5

The committee recommends the *State Development and Public Works Organisation Act 1971* be amended to provide that the Coordinator-General must demonstrate consideration of submissions received on a draft environmental impact statement and change application in the associated reports.

Recommendation 6

The committee recommends the Queensland Government provide additional resources to expand the Office of the Coordinator-General to establish a compliance and engagement unit to undertake:

- (a) proactive and detailed assessment of compliance with conditions and recommendations
- (b) engagement and liaison with resource communities
- (c) the collection of adequate baseline data in order to accurately assess compliance with

conditions set in relation to the numbers of non-resident workers, and

(d) the assessment of complaints made in relation to a proponent's compliance with conditions and recommendations (which would include the establishment of a formal complaints process).

5 Costs and/or benefits and structural incentives and disincentives for companies

A number of suggested benefits for a company in choosing a FIFO workforce (including tax benefits for employees) were raised by submitters and witnesses; the benefits included the fringe benefits tax regime, zone tax offsets, productivity gains and access to labour.

5.1 Australian taxation system

Some submitters suggested that the Australian taxation system provides incentives to mining companies to employ FIFO workers in preference to local workers,¹²⁶ a proposition rejected by mining companies.¹²⁷

With respect to taxation, submitters proposed:

- provisions which benefit FIFO workers and/or their employers over local workers and/or their employers should be removed¹²⁸
- the Queensland Government should work with the Commonwealth Government ‘to progress the broad range of tax changes recommended by the Windsor Report to remove incentives for companies that favour FIFO over residential workforces’,¹²⁹ and
- incentives should be introduced to encourage workers to live in regional areas and to encourage the employment of local workers.¹³⁰

The committee notes that the fringe benefits tax regime, in particular, potentially provides some benefits to FIFO workers relating to travel and accommodation that are not available to local workers.

5.1.1 Fringe benefits

A fringe benefit is a ‘payment’ made to an employee, but not in the form of salary or wages.¹³¹ A fringe benefit may, for example, be provided when an employer provides accommodation to an employee or provides an employee with living-away-from-home allowance.¹³² The fringe benefits tax

¹²⁶ See, for example, Alan Greaves, submission 1; Luke Pohlmann, submission 131; Jason Mathewson, submission 145.

¹²⁷ See, for example, Queensland Resources Council, submission 221; Arrow Energy, submission 224; AngloAmerican, submission 225; BHP Billiton, correspondence dated 7 August 2015.

¹²⁸ See, for example, Alan Greaves, submission 1; Luke Pohlmann, submission 131; Jason Mathewson, submission 145; Robert Mortimer, submission 200; Isaac Regional Council, submission 207; Bowen Business Chamber, submission 232; Hon Bob Katter MP, submission 233. See also, Cheryl Gothmann, submission 166; Ian Wright, submission 171.

¹²⁹ Construction Forestry Mining and Energy Union, submission 190.

¹³⁰ See, for example, Benjamin Medhurst, submission 30; Taroom District Development Association Incorporated, submission 152; Whitsunday Regional Council, submission 196, attachment; Hon Bob Katter MP, submission 233. See also, Construction Forestry Mining and Energy Union, submission 190 (recommended an additional levy be placed on each camp bed, paid to local and state governments to contribute to the services and infrastructure publicly provided to worker camps); Mount Isa to Townsville Economic Development Zone, submission 29.

¹³¹ Australian Government, Australian Taxation Office, *Fringe benefits tax – a guide for employers*, Chapter 1, 1.1. See also, *Fringe Benefits Tax Assessment Act 1986 (Cth) (FBTAA)*.

¹³² Australian Government, Australian Taxation Office, *Fringe benefits tax – a guide for employers*, Chapter 1, 1.2-1.3. A living-away-from-home allowance is an allowance paid to employee which is ‘intended to compensate for additional expenses incurred and any disadvantage suffered because the employee has to

(FBT) is paid by the employer.¹³³ The FBT rate for the FBT year ending 31 March 2016 is 49%.¹³⁴ The cost incurred by an employer in providing either a fringe benefit or exempt benefit is usually an allowable income tax deduction.¹³⁵

Fringe benefits for FIFO and DIDO workers

The Australian Government Treasury advised that the main taxation concessions relevant to employers of FIFO, DIDO and regional workers relate to the provision of fringe benefits. Specifically:

- the cost of transport for FIFO employees who work in remote areas is exempt from FBT
- there is a 12 month cap on FBT concessions for the provision of living-away-from-home (LAFH) allowances for general employees but not for LAFH allowances provided to FIFO and DIDO employees
- FBT concessions are available for certain housing related benefits such as electricity, gas or other residential fuel, and holiday travel for employees and their families living and working in remote areas. These concessions generally take the form of a 50% reduction in the taxable value of the benefit for FBT purposes.¹³⁶

The concessions apply in conjunction with other aspects of the taxation system, such as deductions.¹³⁷ BHP Billiton, for example, advised that the whitegoods it provides in its camp accommodation in Central Queensland are depreciating assets but may be immediately deductible for tax subject to a *de minimis* value test.¹³⁸

The QRC summarised the benefits and tax treatments relevant to FIFO and residential workers in the table below.¹³⁹

live away from home to perform employment-related duties.’: Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 1, 1.4.

¹³³ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 1, 1.2.

¹³⁴ Australian Government, Australian Taxation Office, [‘Fringe benefits tax – rates and thresholds’](#), 17 February 2015.

¹³⁵ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 1, 1.10. However, some benefits, such as entertainment expenses, are not deductible: Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 1, 1.10. Where a GST credit is available in respect of a fringe benefit, the income tax deduction is the GST-exclusive value of the fringe benefit. If no GST credit is available, the income tax deduction is the full amount paid or incurred on the relevant acquisition, including GST where applicable: Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 1, 1.10.

¹³⁶ Australian Government, The Treasury, correspondence received 3 August 2015.

¹³⁷ Australian Government, The Treasury, correspondence received 3 August 2015.

¹³⁸ BHP Billiton, correspondence dated 7 August 2015.

¹³⁹ Queensland Resources Council, submission 221.

Table 4: Benefits and Tax Treatments

	FIFO remote (e.g. Dysart)	FIFO non-remote (e.g. Gladstone)	Residential remote (e.g. Moranbah)	Residential non-remote (e.g. Rockhampton)
Accommodation	No FBT	No FBT	No FBT or reduced FBT	FBT applies
Meals	No FBT or reduced FBT	No FBT or reduced FBT	FBT applies	FBT applies
Flights	No FBT	FBT applies	Reduced or full FBT	Reduced or full FBT
Utilities	No FBT	No FBT	Reduced or full FBT	FBT applies
Zone tax offset*	Possibly, subject to time requirement	Depends on whether location qualifies and time limit	Available to individual	Depends on whether location qualifies and time limit
Corporate deductibility	Yes	Yes	Yes	Yes

*Recent Federal Budget changes will have implication for this zoning.

5.1.3 Transport for FIFO workers in remote areas

FIFO transport is exempt from FBT if all of the following apply:

- an employee’s usual place of employment is at a remote location in Australia or overseas, or on oil rigs or other installations at sea
- employees are provided with accommodation at or near the worksite on working days
- on a regular basis the employee works for a number of days followed by a number of days off, returning to their usual place of residence on their days off
- the employer provides the employee with transport between their usual place of residence and their place of employment, and
- having regard to the location of the two places, it would be unreasonable to expect the employee to travel to and from work on a daily basis.¹⁴⁰

Accommodation is considered to be in a remote area in Australia if:

- it is not in or near an urban centre. That is, the accommodation must be located at least 40 kilometres from a town with a census population between 14,000 and 130,000, and at least 100 kilometres from a town with a census population of 130,000 or more (population figures based on the 1981 Census).
- the accommodation is in Zone A or B (for income tax purposes). It must be located at least 40 kilometres from a town with a census population between 28,000 and 130,000, and at least 100 kilometres from a town with a census population of 130,000 or more.¹⁴¹

¹⁴⁰ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 20, 20.2. See also, [FBTAA](#), s 47(7).

¹⁴¹ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 20, 20.2. Where the shortest practical surface route between a locality and an eligible urban area includes a route by water, the distance travelled by water is doubled for the purposes of working out how remote that locality is from the eligible urban area: Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 20, 20.2.

5.1.4 Living-away-from-home allowance

For FBT purposes, LAFH allowance is an allowance paid by an employer to an employee 'to compensate for additional expenses incurred and any disadvantages suffered because the employee's duties of employment require them to live away from their normal residence.'¹⁴² The LAFH allowance may be paid in cash or by:

- reimbursing the employee's actual food costs and/or accommodation expenses incurred at the new location, or
- providing the food and accommodation.¹⁴³

In general, access to the tax concessions for LAFH allowances and benefits is limited to a period of 12 months for an employee at a particular location but special rules apply to FIFO and DIDO employees. These employees do not have to maintain a home in Australia for their own use and enjoyment for the concessional tax treatment to apply in relation to those living away from home fringe benefits and are not limited to a 12 month period for the concessional tax treatment.

Whitsunday Regional Council submitted:

Currently, Australian Taxation Office ... provisions (such as Living Away from Home Allowance) ... encourage or provide incentives for resource workers not to reside in resource communities and promotes them to FIFO or DIDO. This practice does not assist in developing the social fabric of our communities.¹⁴⁴

5.1.5 Housing related benefits, food and holiday travel

Some fringe benefits attract concessional treatment which means that the taxable value of the fringe benefit is reduced, resulting in a reduced amount of FBT (or no FBT) being payable.¹⁴⁵ There are certain reductions, such as for residential fuel and for remote area holiday transport, that are relevant to FIFO and DIDO workers.¹⁴⁶

An employer who provides an employee with residential fuel (such as electricity and gas) for use in connection with their usual place of residence may reduce the taxable value of the fringe benefit by 50% in certain circumstances.¹⁴⁷

An employer may reduce the taxable value of the fringe benefits arising from the transport, accommodation and/or meals in connection with the transport to and from a remote area for a holiday by 50% if:

- the employee travels from the work locality to the town where they lived before being engaged to work at that locality, and
- the employee travels to the capital city of the state or territory in which the workplace is located.

The following requirements must also be satisfied:

¹⁴² Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 11, 11.1.

¹⁴³ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 11, 11.1.

¹⁴⁴ Whitsunday Regional Council, submission 196, attachment.

¹⁴⁵ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.1.

¹⁴⁶ Australian Government, The Treasury, correspondence dated 3 August 2015.

¹⁴⁷ See also, Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.2; [FBTAA](#), s 59.

- the holiday is of three working days or more, and
- specified records are kept.¹⁴⁸

The reduction in taxable value also applies to the holiday transport, accommodation and food benefits given to an employee's family. If a child or spouse of the employee does not live at the employee's work locality, the concession will also apply if the holiday travel by the spouse or child is for the purpose of meeting the employee.¹⁴⁹

If the benefit is reimbursement for car expenses calculated on a cents per kilometre basis, the maximum reduction is 50% of the amount that would be paid if the reimbursement were to be calculated at a specified rate. In addition, a rate of 0.63 cents per kilometre is permitted where more than one family member travels in the car.¹⁵⁰

If a particular fringe benefits satisfies all the above requirements relating to remote area holiday transport except the requirement that the locality of the place to which the employees travels from the remote area, and from which the employee travels to return to the remote area. In this instance, the employer may reduce the taxable value of the fringe benefit by the lower of 50% of the taxable value or 50% of the usual cost of return travel between the work locality and the capital city of the state in which the workplace is located.¹⁵¹

5.2 Zone tax offset

Residents in defined remote and regional areas are able to obtain assistance through the Zone Tax Offset (ZTO) 'in recognition of the disadvantages of an uncongenial climate, isolation and high cost of living associated with living in identified locations'.¹⁵²

While FIFO and DIDO workers have been able to claim the ZTO in the past, changes in the 2015-2016 federal budget mean that FIFO and DIDO workers who live outside a 'zone' and travel into a 'zone' to work will not be eligible to claim the ZTO from the 2015-2016 income year.¹⁵³

The change to the rules regarding FIFO and DIDO worker eligibility for the ZTO follows a recommendation by the House of Representatives Standing Committee in the Cancer of the Bush Report that the Commonwealth Government review the ZTO arrangements to ensure that they are only claimable by permanent residents of a zone or special area.¹⁵⁴

¹⁴⁸ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.2; [FBTAA](#), s 61.

¹⁴⁹ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.2.

¹⁵⁰ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.2.

¹⁵¹ Australian Government, Australian Taxation Office, [Fringe benefits tax – a guide for employers](#), Chapter 19, 19.2; [FBTAA](#), s 60A.

¹⁵² Australian Government, The Treasury, correspondence received 3 August 2015.

¹⁵³ Australian Government, The Treasury, correspondence received 3 August 2015.

¹⁵⁴ Parliament of the Commonwealth of Australia, House of Representatives, Standing Committee on Regional Australia, *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, Canberra, tabled 13 February 2013, pp 122-126, recommendation 14. See also, Australian Government, [Australian Government response to the House of Representatives Standing Committee on Regional Australia report: Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia](#), June 2015, pp 8-9.

The Queensland Council of Unions submitted that the changes to the ZTO would affect workers ‘who most likely have no choice over whether they are FIFO workers or not’ and would not end the practice of FIFO. Instead, it would ‘simply result in those workers paying more tax.’¹⁵⁵

The Zone Tax arrangements will be further considered as part of the Australian Government’s White Paper on the Reform of Australia’s Tax System that is being coordinated with the White Paper on the Reform of the Federation.¹⁵⁶

5.3 Tax incentives for companies and the decision to employ local or FIFO workers

As noted above, some submitters were of the view that the Australian taxation system provides incentives to mining companies to employ FIFO workers in preference to local workers. According to the Queensland Council of Unions:

... existing taxation arrangements encourage FIFO by virtue of companies’ capacity to write off all expenses associated with FIFO expenses and fringe benefits taxation favouring building camps rather than community investment ...¹⁵⁷

Conversely, resource stakeholders stated that the taxation system was not a key determinant in deciding whether to employ FIFO or local workers.

There are not clear tax incentives provided to companies which would privilege a LDC workforce over encouraging a residential workforce. While some taxation measures, including FBT concessions, encourage the development of LDC work practices, there are an equal number of taxation benefits to workers living in regional and remote areas. In fact, concessions for remote residential arrangements provide scope for the largest value of assistance.

...

The cost of providing a fringe benefit together with any applicable FBT is a deductible cost for corporate income tax purposes. Whether an employee was provided with assistance in a LDC, residential, remote or non-remote context, the cost of the benefit plus any applicable FBT would be deductible to the employer.

Structural incentives and disincentives in tax play only a small role in workforce decision making. There are many other decisions that have greater impact on the decision to have a LDC workforce over residential ... The most pertinent aspect is skill portfolios ... Economically, the costs of transporting and accommodating workers at site will be greater than the tax concessions applicable for companies which have LDC workers, leaving residential workforces as the preferred option if skill levels are equal. Any changes to the existing tax settings, such as the recent amendment of the zonal tax offset allowance from the Federal Government’s 2015 budget, will not make a difference to businesses choosing LDC over residential workforces, it will simply make it harder and more costly for businesses to operate, and discourage labour mobility.¹⁵⁸

Anglo American Coal stated that taxation structures are not a key factor for it in deciding to pursue a predominantly LDC workforce. It submitted that there is only a marginal difference between accommodation costs for a LDC employee and a residential employee for its businesses in the Middlemount and Moranbah areas. The company submitted that it pays minimal FBT in respect of remote area LDC arrangements because they are FBT exempt and that company provided

¹⁵⁵ Queensland Council of Unions, submission 170. See also, Construction Forestry Mining and Energy Union, submission 190.

¹⁵⁶ Australian Government, [Australian Government response to the House of Representatives Standing Committee on Regional Australia report: Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia](#), June 2015, p 9.

¹⁵⁷ Queensland Council of Unions, submission 170.

¹⁵⁸ Queensland Resources Council, submission 221. See also, Arrow Energy, submission 224.

accommodation is not liable for FBT (in accommodation villages or Single Persons Quarters). The provision of food, however, attracts a \$2 FBT liability per meal.¹⁵⁹

BHP submitted that the cost for an LDC worker 'is broadly similar to the cost of a residential worker when you include travel costs and housing costs for locally accommodated employees'.¹⁶⁰

In its 2011 submission to the Federal inquiry, the Queensland Government expressed a view that FBT provisions favoured LDC over the provision of permanent housing:

Fringe benefits tax arrangements currently benefit companies providing temporary accommodation in special purpose on-site or off-site workers villages in contrast to providing or subsidising permanent housing for workers in towns and centres near mining operations. The Commonwealth could consider tax incentives that encourage the provision of housing in resource towns.¹⁶¹

Recommendation 12 of the Federal Parliamentary Committee's inquiry recommended the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* (Cth) to examine the:

- removal of impediments to the provision of residential housing in regional communities
- removal of the exempt status of fly-in, fly-out/drive-in, drive-out work camps that are co-located with regional towns, and
- removal of the exempt status of travel to and from the workplace for operational phases of regional mining projects.¹⁶²

The Australian Government agreed to the recommendation and stated that existing taxation arrangements will be considered in the White Paper on the Reform of Australia's Tax System (White Paper). The White Paper is expected to be finalised by the end of 2015.¹⁶³

Recommendation 13 of the Federal Parliamentary Committee's inquiry recommended the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* (Cth) to:

- remove the general exemption for fly-in, fly-out/drive-in, drive-out workers from the 12-month limit of payment of the living-away-from-home allowance
- enable specific exemptions for construction projects that have a demonstrated limited lifespan, and
- enable specific exemptions for projects in remote areas where the fly-in, fly-out/drive-in, drive-out work practice is unavoidable.¹⁶⁴

¹⁵⁹ AngloAmerican, submission 225.

¹⁶⁰ BHP Billiton, submission 234.

¹⁶¹ Queensland Government, 'Submission to the Commonwealth House of Representatives Standing Committee on Regional Australia Inquiry into the use of "fly-in, fly-out" (FIFO) and "drive-in, drive-out" (DIDO) workforce practices in regional Australia', submission 109, received 11 October 2011, cited in Department of State Development, correspondence received 10 June 2015, p 6.

¹⁶² Parliament of the Commonwealth of Australia, House of Representatives Standing Committee on Regional Australia, *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, Canberra, February 2013, p 119.

¹⁶³ Australian Government, [Australian Government response to the House of Representatives Standing Committee on Regional Australia report: Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia](#), June 2015, p 8.

¹⁶⁴ Parliament of the Commonwealth of Australia, House of Representatives Standing Committee on Regional Australia, *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, Canberra, February 2013, p 122. The Australian Government noted Recommendation 13: See, Australian Government, [Australian Government response to the House of](#)

5.4 Productivity

BHP Billiton submitted that the FIFO model in place for Caval Ridge and Daunia mines has led to greater productivity compared to its residential mines. The company stated with respect to Caval Ridge and Daunia mines that:

- they are 26% more productive than residential sites
- they have a 1.5% average unplanned absence rate compared with nearly 4% at residential mines
- the retention (turnover) rates at the FIFO mines is about 0.8%, compared with about 1.2% at residential mines, and
- employee disputes measured per person is about 47 times less.¹⁶⁵

In relation to BHP's FIFO mines being 26% more productive than its residential mines, BHP advised that Caval Ridge and Daunia were 'set up specifically for small numbers [with] high productive pieces of equipment.'¹⁶⁶ BHP added:

[W]e have been able to establish operating hours and things along those lines from the word go and have generated a smaller gap in the number of operating hours that we lose in comparison to some of the other mines sites.

...

... [FIFO workers] start the shift on the bus. ... So they have had their prestart by the time they get to the go line and they are straight on their trucks. So, in terms of actual productivity hours, we have greater hours in terms of productivity and time on equipment in the FIFOs than we do in the residential.¹⁶⁷

BHP also stated that the FIFO models at Caval Ridge and Daunia mines provided greater access to skilled workers which has also contributed to productivity:

... we had 33,000 people apply. We could actually pick the people who we thought, based on our specifications for those roles and our training, having 50 per cent of the people coming into the roles new to the industry and training them in a certain way. We were able to create a workforce that was able to achieve greater productivity.¹⁶⁸

... from the employment of new people to the industry, what we have seen is a marked resilience in wanting to improve and wanting to generate a good site ...¹⁶⁹

5.5 Access to labour

Long distance commuting positions enable companies to broaden the number and range of applicants available to them. During the peak of the mining boom, unemployment rates in mining towns and regions were at low levels and there were thousands of job vacancies.¹⁷⁰ In granting the change to conditions for BMA's non-resident operational workforce to up to 100% in 2011, the Coordinator-General noted the difficulties of recruiting labour locally:

[*Representatives Standing Committee on Regional Australia report: Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*](#), June 2015, p 8.

¹⁶⁵ BHP Billiton, submission 234.

¹⁶⁶ Public briefing transcript, Brisbane, 15 July 2015, p 13.

¹⁶⁷ Public briefing transcript, Brisbane, 15 July 2015, pp 13-14.

¹⁶⁸ Public briefing transcript, Brisbane, 15 July 2015, p 14.

¹⁶⁹ Public briefing transcript, Brisbane, 15 July 2015, p 13.

¹⁷⁰ Queensland Resources Council, submission 221; Public briefing transcript, 15 July 2015, pp 2, 11.

[The significant period of strong growth in Queensland's resource sector] has caused a significant shortage of skilled workers who live in or near towns close to mining operations such as Moranbah. This is demonstrated by the unemployment rate for people in the Isaac [local government area], where unemployment is very low at 1.3 per cent, when compared with the unemployment rate for the State of Queensland (5.5 per cent) ...

It is acknowledged that non-resident workforces are a key feature of the Australian mining industry, and BMA's proposal to broaden the geographical recruitment area is one option of attracting and retaining skilled workers in a very tight labour market. The concept of LDC is not new, and it can work effectively in both the resource and non-resource sectors, where workers choose to work under such an arrangement.¹⁷¹

As noted above, BHP contended that a key benefit of FIFO is that it widens the pool of applicants 'resulting in materially different diversity outcomes' and productivity gains.¹⁷²

At present, following the downturn in the coal industry, residents in mining communities are having difficulty finding work in the mines.¹⁷³ The committee was advised that these people feel discriminated against by BMA because of the FIFO model being used at Caval Ridge and Daunia.¹⁷⁴

Committee comment

The evidence presented to the committee about the costs and benefits, and structural incentives and disincentives, including tax settings, for choosing a FIFO workforce is somewhat contradictory. Unfortunately, despite requests, the committee was unsuccessful in obtaining advice from external consultants due to a perceived conflict of interest. The committee was therefore unable to make an informed assessment about how tax settings can influence the commercial behaviour of businesses. The committee was provided with a brief overview of the key concessions for FIFO employers and workers from the Australian Government Treasury.

The committee considers that the current tax system should be reviewed, with the view to improving the liveability of resource communities. The committee supports the Queensland Government participating in the Australian Government's review of the tax system.

¹⁷¹ Coordinator-General, [The Bowen Basin Coal Growth project – Caval Ridge Mine: Coordinator-General's change report on 100 per cent fly-in fly-out operations workforce](#), Application for project change, number 4, September 2011, p 11.

¹⁷² BHP Billiton, submission 234.

¹⁷³ See, for example, Public hearing transcript, 16 June 2015, p 2.

¹⁷⁴ See, for example, Public hearing transcript, 16 June 2015, p 17. 'Postcode discrimination' is discussed below.

6 Quality of housing for FIFO workers

6.1 Quality of accommodation villages

Accommodation for non-resident workers may include a variety of forms, including large camp-style facilities, in-fill micro camps, and small and larger apartment or motel type developments. The accommodation may also be a mix of permanent and temporary housing, and include housing for singles, couples or families.¹⁷⁵

Accommodation villages are subject to assessment under a number of mechanisms. Some of these may include a number of different state and local government policies, such as the Queensland Building Code, local government planning schemes, the Coordinator-General's Social impact assessment guideline, and Economic Development Queensland's *Non-resident worker accommodation PDA guideline no. 3*.

There are also different assessment requirements when the proposed accommodation is on a mining lease:

In relation to worker's accommodation, the EIS and the Coordinator-General's Evaluation Report describe local government and other regulatory approvals required to establish and operate accommodation villages. Local governments usually assess development applications for accommodation villages located off resource tenements. These applications are considered in accordance with the *Sustainable Planning Act 2009* (SPA), and the local government who may take the advice of the relevant state agency where required. Approvals under SPA may include material change of use, lot reconfiguration, building, health and safety, and waste disposal approvals.

When an accommodation village is located on a mining lease, the responsible Minister makes the approval decision under the relevant resource Act (for example, the *Mineral Resources Act 1989*) as part of the resource tenement approval. Any environmental authorities required for the village are considered under the *Environmental Protection Act 1994* (for example, for a sewage treatment plant). In this case, local government has no approval responsibility for the village.

For accommodation villages, the Coordinator-General's Evaluation Report may state conditions to be attached to an approvals under either SPA or the relevant resources Act. It is rare for the Coordinator-General to state conditions under SPA for other than the primary approval (the material change of use). The council may add conditions to those stated by the Coordinator-General, but those cannot be inconsistent with the Coordinator-General's conditions.¹⁷⁶

Anecdotal evidence suggested that the quality of non-resident worker accommodation varies widely.¹⁷⁷ Submitters raised several concerns relating to the quality of accommodation facilities including:

- the design of the accommodation and the impact on sleep and fatigue management
- isolating conditions
- shared facilities
- lack of recreational facilities
- unsuitable conditions for nightshift workers (for example, using an outdoor toilet in daylight rest hours)
- quality of food provided

¹⁷⁵ Economic Development Queensland, 'Non-resident worker accommodation, PDA guideline no. 3', March 2014, p 2.

¹⁷⁶ Department of State Development, correspondence, 'Response to submissions', p 10.

¹⁷⁷ See for example, Child Family Community Australia, submission 75; CFMEU, submission 190.

- lack of reliable access to phone and Internet services to maintain relationships with family and friends
- onerous rules and regulations, and
- ‘motelling’ or ‘hot-bedding’ arrangements.¹⁷⁸

The Electrical Trades Union of Employees Queensland (ETUQ) advised that it had received the following reports from FIFO workers regarding the quality of the accommodation provided:

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.¹⁷⁹

QRC submitted that resource companies recognise the importance of providing high quality accommodation villages to ‘attract and retain employees’.¹⁸⁰ A number of companies, including Arrow Energy and Anglo American Coal, highlighted the key attributes of their accommodation villages.

Arrow Energy’s accommodation village includes:

- health care facilities
- rooms with quality finishings
- well-equipped gym
- entertainment areas and facilities to encourage socialising, and
- on-site store and licensed bar.¹⁸¹

Arrow also submitted that it sought feedback from its employees to determine their satisfaction with accommodation arrangements and the results showed ‘strong satisfaction with the quality of accommodation, food and amenities’.¹⁸²

Anglo American Coal advised that it provided access to ‘nutrition information, exercise equipment and personal trainers’ and encouraged social interaction in its accommodation villages to improve the wellbeing of workers.¹⁸³ Its accommodation village strategies include:

- dietician planned menus
- Internet access
- common areas for socialising
- on-site gyms
- roster based room allocations, and
- fatigue rooms to access pre and post roster.¹⁸⁴

Civeo Pty Ltd, which provides workforce accommodation facilities globally, advised that the focus for its accommodation facilities was on ‘providing a quality property, with communal facilities and

¹⁷⁸ Child Family Community Australia, submission 75.

¹⁷⁹ Electrical Trades Union of Employees Queensland, submission 210.

¹⁸⁰ Queensland Resources Council, submission 221.

¹⁸¹ Arrow Energy, submission 224.

¹⁸² Arrow Energy, submission 224.

¹⁸³ Anglo American Coal, submission 225.

¹⁸⁴ Anglo American Coal, submission 225.

activities, where guests are free to integrate with the local community just as the public are free to enter the village'. Civeo advised its facilities were 'designed with superior thermal and acoustic qualities in mind, ensuring the internal environment is conducive to healthy living and restful sleep' Civeo supported the 'establishment of minimum quality standards for accommodation villages to ensure a positive experience for guests (workers) and also the requirement for all providers to demonstrate integration with local communities'.¹⁸⁵ Other submitters also supported the establishment of minimum quality standards for accommodation villages.¹⁸⁶

The committee noted the results of the 2015 *Workforce Survey – Workforce Accommodation Arrangements in the Queensland Resources Sector* commissioned by Queensland Resource Council. The survey, which was conducted in July and August 2015, included responses from over 1,800 resource sector employees. Of the respondents, 1,265 stay in employer provided accommodation (1,129 non-residential workers and 136 residential workers). The survey focused on workers' satisfaction with their current accommodation and journey to work arrangements, as well asking employees to rate their own physical and mental health. The survey found the following:

- 83 percent of residential respondents indicated that it was 'very important' to be given the option of deciding between long-distance commuting and living locally (residential). 65 percent of non-residents considered it 'very important' to have the option.
- 82.6 percent of respondents 'indicated that they would not change their accommodation arrangements if given the option'.¹⁸⁷

Anglo American Coal informed the committee that its accommodation service provided had also undertaken a survey, which showed a '92% satisfaction rating'. In support of this result, Anglo American Coal also cited a 2013 University of Queensland (UQ) report, which found that, based on a survey of 286 FIFO workers in the Australian resources industry, 63 percent of respondents rated their accommodation as good or very good with 23 percent not wanting to change anything.¹⁸⁸

The committee noted, however, that this report also found the following:

Facilities that were particularly sought after and where demand outstripped supply included:

- Having exclusive use of a room
- Having the same room each swing
- Having internet and TV connections to the room.¹⁸⁹

Submitters raised these concerns with the committee during its inquiry.

The report also stated that 'perhaps the most important finding from the survey is the extent to which respondents value their privacy and personal space' and recommended several strategies relating to accommodation to improve worker wellbeing, including one focussed on ensuring workers had access to quiet sleeping arrangements, which the committee noted improve fatigue management:

¹⁸⁵ Civeo Pty Ltd, submission 206.

¹⁸⁶ Construction Forestry Mining and Energy Union, submission 190; Electrical Trades Union of Employees Queensland, submission 210.

¹⁸⁷ Queensland Resources Council, 'QRC Workforce Survey – Workforce Accommodation Arrangements in the Queensland Resources Sector', September 2015.

¹⁸⁸ MA Barclay, J Harris, J Everingham, P Kirsch, S Arend, S Shi & J Kim, [Factors linked to the well-being of Fly-In Fly-Out \(FIFO\) workers](#). Research Report, CSRM and MISHC, Sustainable Minerals Institute, 2013, University of Queensland: Brisbane, Australia; Anglo American Coal, submission 225.

¹⁸⁹ MA Barclay, J Harris, J Everingham, P Kirsch, S Arend, S Shi & J Kim, [Factors linked to the well-being of Fly-In Fly-Out \(FIFO\) workers](#). Research Report, CSRM and MISHC, Sustainable Minerals Institute, 2013, University of Queensland: Brisbane, Australia, p ii.

Accommodation camps should be designed to maximise peace and privacy. As far as possible, sleeping quarters should be distanced from communal areas and comfortable beds and blackout curtains provided to minimise sleep disturbance. Hot-bedding was highlighted as a particularly adverse arrangement.¹⁹⁰

The committee notes Rockhampton Regional Council's support of the UQ report's recommended strategies.¹⁹¹

6.2 'Motelling' or 'hot-bedding' arrangements

The practices of 'motelling' and 'hot-bedding' were raised by several submitters.¹⁹² ETUQ explained the practice of 'motelling' as follows:

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.¹⁹³

One witness also stated:

... in the early days in the camps you were given your room. That was your room. You were able to store your stuff, keep your stuff, keep your memorabilia or whatever in your room. It is no longer your room, apart from as a place to put your head.¹⁹⁴

ETUQ defined 'hot-bedding' as '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'.¹⁹⁵

The CFMEU stated that the motelling or hot-bedding arrangements may lead to a lack of community among workers, less security for female workers, increased fatigue and less privacy:

Not only does this create extra hassle for the workers who have to check in and out of different rooms each time, and cannot leave any gear behind when they finish their roster, it also prevents any sense of community among the mineworkers who live in different parts of the camp for each roster.

A sense of community is very important for the mental wellbeing of workers, especially commuting workers who are subject to other high risk factors as outlined above. It is also particularly important for female workers, who have a greater need for security in their living arrangements, particularly in the heavily male-dominated resources industry.

Similarly, less common 'hot bedding' arrangements involve workers sharing a bed while on the same roster but different shifts, so one worker will sleep in it during the day and the other one at night. This arrangement denies workers any privacy and also means that fatigue can be an issue if the room is not ready when needed after a shift.¹⁹⁶

The ETUQ recommended that workers be provided with a 'dedicated room, where they can "personalise" their accommodation and where they are able to leave their belongings between work

¹⁹⁰ MA Barclay, J Harris, J Everingham, P Kirsch, S Arend, S Shi & J Kim, [Factors linked to the well-being of Fly-In Fly-Out \(FIFO\) workers](#). Research Report, CSRM and MISHC, Sustainable Minerals Institute, 2013, University of Queensland: Brisbane, Australia, p 31.

¹⁹¹ Rockhampton Regional Council, submission 213.

¹⁹² See for example, Electrical Trades Union of Employees Queensland, submission 210; Public hearing transcript, Middlemount, 16 June 2016, p 17; CFMEU, submission 190.

¹⁹³ Electrical Trades Union of Employees Queensland, submission 210.

¹⁹⁴ Public hearing transcript, Middlemount, 16 June 2016, p 17.

¹⁹⁵ Electrical Trades Union of Employees Queensland, submission 210.

¹⁹⁶ CFMEU, submission 190.

cycles'. In regard to the practice of hot-bedding, the ETUQ strongly expressed its opposition and called for the Government to ensure that the practice ceased.¹⁹⁷

The FACE Network recommended that for those camp sites that have hot-bedding arrangements, companies should provide storage facilities for workers so they 'do not have to pack and carry heavy luggage every time they commute'.¹⁹⁸

6.3 Quality of food and access to health initiatives

Several submitters raised issues relating to:

- the quality of food and availability of healthy options
- the lack of access to on-site health promoting initiatives.¹⁹⁹

In regard to the quality of food, the ETUQ advised:

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.²⁰⁰

QRC responded that it was 'not uncommon' for accommodation village kitchens and mess facilities to have Certification to ISO 22000 – the International Standard for Food Safety Management – which ensures a 'level of food safety guarantee beyond those in many public dining facilities'.²⁰¹ Civeo submitted that quality of food was critical to the wellbeing of FIFO workers and advised that its kitchens are ISO 2000 Food Safety certified and open to the public.²⁰²

A number of resource companies also advised the committee of health initiative services provided. For example, BHP provides its employees with access to health coordinators and gyms. BHP also advised it regularly surveyed its workforce to determine if any changes were necessary.²⁰³ Arrow provides a wide range of food options to its employees.²⁰⁴ Anglo American Coal advised that it provides information, exercise equipment and personal trainers at its accommodation villages for employees.²⁰⁵

6.4 Access to technology

Many submitters considered that access to reliable phone and Internet services was important for the wellbeing FIFO workers and essential for maintaining relationships.²⁰⁶ The FACE Network recommended that employers should provide workers with adequate access to internet and communication technology at all times, including during the work day, and especially in workers'

¹⁹⁷ Electrical Trades Union of Employees Queensland, submission 210.

¹⁹⁸ FACE Network, submission 208.

¹⁹⁹ See for example, Child Family Community Australia, submission 75; Electrical Trades Union of Employees Queensland, Submission 210; K Blyton, submission 65; FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

²⁰⁰ Electrical Trades Union of Employees Queensland, submission 210.

²⁰¹ Queensland Resources Council, submission 221.

²⁰² Civeo Pty Ltd, submission 206.

²⁰³ BHP Billiton, submission 234.

²⁰⁴ Arrow Energy, submission 224.

²⁰⁵ Anglo American Coal, submission 225.

²⁰⁶ See for example, Jason Blackett, submission 17; Child Family Community Australia, submission 75; *beyondblue*, submission 163; Rick Hibble, Submission 172; Construction Forestry Mining and Energy Union, submission 190; Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

private rooms.²⁰⁷ ETUQ supported the view that the services be provided in a private environment and suggested that this be considered when determining mining licences/lease applications.²⁰⁸

These views are also supported by the findings of the 2013 University of Queensland's report into *Factors linked to the well-being of Fly-In Fly-Out (FIFO) Workers*, which found that:

[T]he desire for a private room where they can use the internet, phone family and friends, or watch TV at a time of their choosing, and without other people nearby, was clearly expressed. The ability to connect with family and friends is important for the psychological health of FIFO workers – a sense of belonging reduces stress and loneliness and reassures people that they play an important role in the lives of people closest to them.²⁰⁹

The UQ report recommended:

Design improvements in accommodation villages that focus on enhancing people's personal space and communication channels. Private rooms with direct internet access and their own TV/ video connections were highly valued.²¹⁰

The committee noted that Anglo American Coal and Civeo villages advised that they provide Internet access.²¹¹

6.5 Rules

Several submitters raised concerns about the rules that FIFO workers in accommodation villages were required to adhere to.²¹² Of particular concern was that workers living in accommodation villages lacked the 'freedom' to leave the accommodation village and travel into town, and that this resulted in workers feeling 'powerless, hopeless and stressed'.²¹³ CFMEU reported that workers had advised they had been disciplined or terminated for leaving camps without prior authorisation from management.²¹⁴

QRC stated that '[A] number of companies require their residential, locally-based workers to stay within the workers accommodation village while they are on shift for the purposes of fatigue management'.²¹⁵

BHP advised:

From a village point of view, there is no restriction on people coming in or going out. There is not transport provided. However, there are taxis and things along those lines. There are a number of people who have relatives that come and pick them up and they go and have meals with the families.

The community was giving us some feedback some time ago that they did not want people from the camps in the community—so I think there has to be a bit of balance applied to this—and that is

²⁰⁷ Fly-in Fly-out Australian Community of Excellence (FACE) Network, Submission 208.

²⁰⁸ Electrical Trades Union of Employees Queensland, Submission 210.

²⁰⁹ MA Barclay, J Harris, J Everingham, P Kirsch, S Arend, S Shi & J Kim, [Factors linked to the well-being of Fly-In Fly-Out \(FIFO\) workers](#). Research Report, CSRM and MISHC, Sustainable Minerals Institute, 2013, University of Queensland: Brisbane, Australia, p iii.

²¹⁰ MA Barclay, J Harris, J Everingham, P Kirsch, S Arend, S Shi & J Kim, [Factors linked to the well-being of Fly-In Fly-Out \(FIFO\) workers](#). Research Report, CSRM and MISHC, Sustainable Minerals Institute, 2013, University of Queensland: Brisbane, Australia, p iii.

²¹¹ Anglo American Coal, submission 225; Civeo Pty Ltd, Submission 206.

²¹² See for example, Child Family Community Australia, submission 75.

²¹³ Paul Baker, submission 158; Luke Ludlow, submission 183; Electrical Trades Union of Employees Queensland, submission 210.

²¹⁴ Construction Forestry Mining and Energy Union, submission 190.

²¹⁵ Queensland Resources Council, ['QRC Workforce Survey – Workforce Accommodation Arrangements in the Queensland Resources Sector'](#), September 2015.

partially the reason there have not been buses organised for people to go into the community. We remain open to the views of our community stakeholders.

One of the things we do remind them of as well—and this is for everybody—is the fatigue management point of view. That is the only thing we just remind them of—that there are specific rules and regulations around fatigue management. Providing they do not breach those and things along those lines, they can go out if they want to go out.²¹⁶

6.6 Strategies proposed to improve life in accommodation villages

Submitters proposed a number of strategies to improve the quality of accommodation, food and lifestyle within accommodation villages. FIFO Families recommended that accommodation facilities provide:

- social activities
- a range of social gathering places
- a range of activity options to maintain health
- a village communication strategy such as a newsletter
- the opportunity for residents to exercise personal responsibility and choice, such as being able to decorate their rooms
- a variety of food options.²¹⁷

ETUQ also recommended a number of strategies to improve the FIFO experience for employees, including:

- undertaking further research to consider the quality of life for workers on-site, including the quality of accommodation, the quality and variety of food available, the facilities provides and the ability to freely enter and leave the site during workers' off duty hours.
- providing access to, and a minimum standard in the provision of, communication services, including mobile phone coverage, and applications such as Skype and Facebook.²¹⁸

Isaac Regional Council recommended the ability for workers' families to access self-contained camp accommodation for short-term stays.²¹⁹

The CFMEU stated the *Non-resident Worker Accommodation (PDA, guideline no. 3)* but stated that these were not enforced and recommended, along with several other submitters as noted above, the establishment of minimum standards for non-resident accommodation villages.²²⁰

However, Ausco Modular, a provider of accommodation villages, suggested that mandates for permanent housing may not achieve the best outcomes for the following reasons:

The type of work performed by remote (non-resident workers) workers is often of a temporary nature where a large number of employees are required for a set period of time or project phase. This sometimes results in high peaks and troughs in the number of workers needing remote accommodation in or near the closest community to the project location.

Mine sites are often located in remote or isolated areas. Workers and their families may prefer not to live permanently in these locations. As a nation, and for a variety of reasons, we tend to gravitate towards coastal locations; rather than inland places.

²¹⁶ Public hearing transcript, 15 July 2015, p 18.

²¹⁷ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

²¹⁸ Electrical Trades Union of Employees Queensland, submission 210.

²¹⁹ Isaac Regional Council, submission 207.

²²⁰ Construction Forestry Mining and Energy Union, submission 190.

Shortages of skilled labour in isolated areas mean companies have to provide a variety of flexible accommodation options to accommodate workers who may be working on more than one site.²²¹

6.7 Temporary accommodation and motels

Some submitters expressed concern about the impact of temporary accommodation villages on other sources of accommodation, particularly motels, and the flow on effects for the nearby towns. A submitter in Moura described how the presence of accommodation villages in the local area has affected the town:

... we have a situation where other people are coming into town other than mineworkers, who are living in these camps – contractors. ...

It has had a devastating impact on the town. ...

This camp essentially competes with long-term housing and also short-term accommodation. So the fellow who built the motel and spent \$4 million doing it all of a sudden found his motel empty and all of those people went out there. ... All of our kids who rent our houses, who were making beds and making meals and doing all of those things, all of a sudden were without jobs and they left.²²²

It was asserted that in some instances, accommodation villages were operating without planning permission and there was inadequate enforcement of the planning laws.²²³

The committee recommends the Queensland Government assist local governments to undertake additional compliance checking relating to temporary accommodation villages to determine whether any villages are operating outside of their conditions of approval.

Committee comment

The committee notes submitters' concerns regarding the quality of accommodation, food and other lifestyle arrangements within non-resident accommodation villages and acknowledges the impact that these have on a worker's sense of wellbeing. The committee also notes the results of surveys conducted on behalf of resource companies that generally indicate a high level of satisfaction with the accommodation provided.

Based on the evidence presented to the inquiry, it was difficult for the committee to make a determination on whether the accommodation villages referred to by stakeholders met the standards set out in *Non-resident Worker Accommodation: PDA guideline no. 3*. However, it is clear to the committee that there are significant variations between the current accommodation villages.

The accommodation design matters that may impact on fatigue management need to be addressed, such as noise and light and access to facilities. The committee also supports the view that non-resident workers should have access to reliable communication services at all times and in a private space. The committee also encourages resource companies to provide transport for FIFO workers into local communities.

The committee recommends as part of the development of a whole-of-government policy framework for managing FIFO impacts, the Queensland Government include minimum standards for the provision of substantial temporary and permanent accommodation villages that include:

- (a) room design that provides for adequate protection from noise and light to aid with fatigue management
- (b) permanent private spaces for each employee and storage facilities
- (c) reliable access to communication services in a private space

²²¹ Ausco Modular, submission 191.

²²² Public briefing transcript, Moura, 18 June 2015, p 13.

²²³ See for example, Public hearing transcript, Dalby, 27 July 2015, p 17.

- (d) access to health services, including social activities and gyms
- (e) recreational areas to encourage socialising
- (f) a variety of healthy food options, and

that the standards advise against the practice of 'motelling' or 'hot-bedding'.

Recommendation 7

The committee recommends the Queensland Government assist local governments to undertake additional compliance checking relating to temporary accommodation villages to determine whether any villages are operating outside of their conditions of approval.

Recommendation 8

The committee recommends as part of the development of a whole-of-government policy framework for managing FIFO impacts, the Queensland Government include minimum standards for the provision of substantial temporary and permanent accommodation for FIFO workers that include:

- (a) room design that provides for adequate protection from noise and light to aid with fatigue management
- (b) permanent private spaces for each employee and storage facilities
- (c) reliable access to communication services in a private space
- (d) access to health services, including social activities and gyms
- (e) recreational areas to encourage socialising, and
- (f) a variety of healthy food options, and

that the standards advise against the practice of 'motelling' or 'hot-bedding'.

7 Impacts of FIFO

The impacts of FIFO work practices are wide ranging. The impacts can be felt at an individual level in terms of mental health and fatigue and at a local community level in terms of employment opportunities, impacts on services, local housing market and businesses.

This section of the report focusses on the issues raised by stakeholders regarding commuting practices, rostering practices, mental health and other health issues and the impacts on local communities.

7.1 Commuting practices

Submitters raised the following matters regarding commuting practices for FIFO workers:

- amount of time spent travelling
- inadequate transportation links, and
- adequacy of compensation paid for commuting travel times and related contract conditions.

As mentioned in the sections above, long distance commuters may travel to their worksite by FIFO, BIBO or DIDO, or a combination of some. The travel times for an individual will vary depending on the distance between the work site and place of residence as well as the transport infrastructure available.²²⁴

QRC stated that commuting practices and travel times vary and depend on 'site-specific factors such as the resource location, transport infrastructure and condition and, above all, safety considerations'.²²⁵

BHP Billiton reported on the commuting arrangements for its FIFO workers at Caval Ridge and Daunia mines:

Employees who FIFO to Caval Ridge and Daunia mines are transported to Moranbah from Cairns and Brisbane by charter flights that are operated by QantasLink ... and on arrival to Moranbah are transported to their village accommodation by bus.²²⁶

Peabody Energy advised that in relation to its operations in the Bowen Basin, eight percent of its employees chose to live locally (within one hour's travel time of the mine). The remainder of its employees are non-residential with approximately 40 percent of these residing in Mackay. Approximately 300 of its 1,400 operational employees in Queensland fly in and out of the Bowen Basin region.²²⁷

Anglo American Coal advised that 43.8 percent of its workforce commute to work using BIBO, DIDO or FIFO arrangements with the majority of these workers either bussing or driving from locations that are near to the work site.²²⁸

Rio Tinto advised that, while it does not have any 100 percent FIFO operations, it does use commuting arrangements including DIDO, which incorporates company-supported BIBO, and FIFO at some sites. At its Hail Creek operation, the mine provides employees with the option to use a bus

²²⁴ Queensland Resources Council, submission 221; Australian Mines and Metals Association, Submission 223.

²²⁵ Queensland Resource Council, submission 221.

²²⁶ BHP Billiton, submission 234.

²²⁷ Peabody Energy, submission 197.

²²⁸ Australian Mines and Metals Association, submission 223.

service to and from the mine ‘to ensure safe transit and mitigate fatigue related risks (rather than people driving personal vehicles)’.²²⁹

7.1.1 Travel time

Several submitters were concerned about the length of travel time to and from a site which included long waits at airports for connecting flights and the distance between the airport and the employee’s final destination.²³⁰ Some submitters suggested that travel time should be considered as work time in order to manage fatigue should be paid accordingly.²³¹ One submitter suggested that the time spent at airports and booking flights to and from work would be avoided if resource companies employed local workers.²³²

The FACE Network advocated for companies to consider the impact of long travel times on rest periods for FIFO workers:

While the absence of comprehensive accounts restrict reliable recommendations to improve the LDC experience, some preliminary suggestions could be ... for companies to purchase tickets to the airport lounge for their workers to increase the comfort during waiting times, and for companies to account any excessively long commuting time into the length of the week off so workers get the necessary recovery.²³³

The FACE Network recommended that any research undertaken into the health and well-being of FIFO workers should ‘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’.²³⁴

QRC submitted:

Jobs in the resources sector are highly sought and well paid with good employment conditions including attractive rosters. ABS data shows wages in the resources sector are consistently higher than wages paid across all industries.²³⁵

Prospective workers apply for and ultimately accept positions in the full knowledge of employment conditions including where the position is located and the likely commuting travel times and arrangements.²³⁶

Peabody Energy advised that it pays for the travel of 45 of its approximately 300 FIFO employees. The remainder of Peabody’s employees self-fund and salary sacrifice to pay for their own flights.

These employees are free to make their own travel arrangements, provided they comply with fatigue management guidelines.²³⁷

The Australian Mines and Metals Association stated that compensation for commuting travels times ‘is an industrial relations matter, and will be payable under some agreements and not others’ and that LDC workers were remunerated at a higher rate than other workers in comparable occupations

²²⁹ 85 percent of the workforce at Hail Creek Mine reside in the Mackay Regional Council area, the majority within three hours of the site. Rio Tinto, submission 167.

²³⁰ Blackwater Community Progress Group Inc, submission 218; Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

²³¹ Construction, Forestry, Mining and Energy Union, submission 190; Fly-in Fly-out Australian Community of Excellence (FACE), submission 208.

²³² Ken Knuth, submission 134.

²³³ Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

²³⁴ Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

²³⁵ Queensland Resources Council, submission 221.

²³⁶ Queensland Resources Council, submission 221.

²³⁷ Peabody Energy, submission 197.

in the general community.²³⁸ Anglo American Coal also supported the position that jobs in the resources sector are highly sought after and well paid with good employment conditions including attractive rosters.²³⁹

Several submitters recommended that improved transportation links may reduce the time waiting for connecting flights or buses.²⁴⁰

7.2 Rostering practices

Work rosters were central to many issues raised by stakeholders and are a key to a FIFO worker's, and their family's, satisfaction with the FIFO lifestyle.²⁴¹

7.2.1 Roster variations

The committee heard of many different rosters including:²⁴²

- 3 days on, 1 day off, 3 nights on, 5 days off²⁴³
- 4 days on, 5 days off, 5 days on, 4 days off²⁴⁴
- 28 days on, 7 days off²⁴⁵
- 14 days on, 7 days off²⁴⁶
- 8 days on, 6 days off²⁴⁷
- 7 days on, 7 days off²⁴⁸
- 4 weeks on, 1 week off²⁴⁹, and
- 2 weeks on, 2 weeks off.²⁵⁰

The Australian Mines & Metals Association (AMMA) said there are a number of factors that are taken into account in determining a roster, including:

- providing work/life balance
- fatigue management
- safety
- flight and accommodation availability
- availability of experienced, quality crews
- industry standards for rosters, and

²³⁸ Australian Mines and Metals Association, submission 223.

²³⁹ Australian Mines and Metals Association, submission 223.

²⁴⁰ See for example: John Kelly, submission 52; Charters Towers Regional Council, submission 25.

²⁴¹ See for example, FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

²⁴² See submissions 26 and 225 for examples of more rosters. Australian Mines & Metals Association, submission 223, advised the committee that over 30 different rosters are used in the resources industry.

²⁴³ Rio Tinto Coal Australia Pty Limited, submission 167.

²⁴⁴ Rio Tinto Coal Australia Pty Limited, submission 167.

²⁴⁵ Glen Hamilton, submission 174.

²⁴⁶ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

²⁴⁷ Name withheld, submission 165.

²⁴⁸ Casey Blandford, submission 19.

²⁴⁹ Jason Blackett, submission 17.

²⁵⁰ Maranoa Regional Council, submission 182.

- attraction and retention.²⁵¹

Longer work rosters can suit people who have to commute a long way.²⁵² However, according to FIFO Families, the greatest impact on the families of FIFO workers is when the worker's roster is long (three or more weeks) or the worker is away for considerably longer than they are at home, such as on a four week on, one week off or a three week on, one week off.²⁵³

Beyondblue commented on the findings of the Western Australian (WA) inquiry into FIFO regarding the impact of high compression rosters (ie. rosters with longer periods at work than at home) on families: it found that such rosters have negative impacts on family relationships. A FIFO worker relevantly commented that if a roster has fewer rest days compared to work days, it can lead to tiredness, resentment and sadness at missing family occasions, the homemaker feeling unsupported, family breakdown and suicide.²⁵⁴ Another submitter described how a high compression roster leads to workers being less focussed on their work, anger issues and a higher rate of safety incidents.²⁵⁵

The Australian Manufacturing Workers' Union submitted that the following factors relating to rostering arrangements can cause stress for the worker and their family:

- length of time away from family
- missing out on key life events
- isolation and remoteness
- poor telecommunications, and
- adjustment between home and work.²⁵⁶

The FACE Network submitted that Issues with rostering can be worse for contract workers.²⁵⁷ Other submitters commented that often contractors have their staff working on longer roster cycles than principals²⁵⁸ and that many contractors make their employees work at different sites on their days off.²⁵⁹

Most submitters who commented on rosters favoured even time rosters, or close to even time rosters over more compressed rosters to enable better work/life balance.²⁶⁰ One FIFO worker

²⁵¹ Australian Mines & Metals Association, submission 223.

²⁵² Name withheld, submission 26.

²⁵³ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203. See also, Name withheld, submission 165; Australian Manufacturing Workers' Union, submission 28. The Construction Forestry Mining and Energy Union described three or four week on, one week off rosters as 'punishing': Construction Forestry Mining and Energy Union, submission 190.

²⁵⁴ Mark Hensel, submission 6.

²⁵⁵ Jason Blackett, submission 17.

²⁵⁶ Australian Manufacturing Workers' Union, submission 28. See also, Isaac Regional Council, submission 207.

²⁵⁷ Fly-in Fly-out Australian Community of Excellence (FACE) Network, Submission 208. Note however, BHP Billiton, submission 234, states that most contract rosters are the same or similar between contract company employees and BMA employees because all rosters 'are required to be evaluated and approved by the Site Senior Executive ... prior to commencing onsite.'

²⁵⁸ Castra Consulting, submission 8.

²⁵⁹ Eric Hertsch, submission 128.

²⁶⁰ See for example, Mark Hensel, submission 6; Eric Hertsch, submission 128; Alan Lawry, submission 143; Alan Lawry, submission 143; Mastermyne, submission 153; Name withheld, submission 165; Nathan Bath, submission 180; FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203. See however, Australian Mines & Metals Association, submission 223 who stated: 'There is no single or preferred roster model.'

submitted that 7 days on, 7 days off is the best roster for work/fatigue/lifestyle balance: 'I love it, my wife loves it, my kids love it.'²⁶¹

Another FIFO worker who was on a 7 days on, 7 days off roster submitted: 'I love my work roster and work life balance' and it 'encourage[d] more females to the mining industry'.²⁶² The submitter further added, 'I work long hours and hard while I am at work, but my accommodation and travel to and from work is set up and organised so well that I feel fresh for work every day for my days off.'²⁶³ Another submitter stated that he and his family have a great lifestyle 'thanks to even time roster and FIFO'.²⁶⁴ According to another submitter, even time rosters reduce time away from home and result in less divorces.²⁶⁵

Not all FIFO worker submitters were satisfied with even time rosters. One submitter stated:

... 7 on 7 off turns into 2 days travel, 8 nights in camp leaving 6 nights in my home bed. Every 7 weeks our rotation is changed from [Friday] to [Friday] 4 days pyjama day 3 nights to [Tuesday] to [Tuesday], 3 days pyjama day 4 nights.²⁶⁶

Another submitter suggested that even time rosters would not fit well with the families of residential workers. Even time rosters could be disruptive, particularly if the roster did not follow a weekly timetable such as 7 days on, 7 days off. It was suggested that the rosters were designed for FIFO practices specifically and to apply them to residential workers could impact fatigue management. This is because a residential worker would have home responsibilities to deal with after each shift which would impact their ability to rest.²⁶⁷

Similarly, rosters with a shorter 'swing', such as 4 days on, 4 days off were viewed as suiting local workers and 7 days on, 7 days off were more appealing to long distance commuters.²⁶⁸

It was submitted that the introduction of 12 hour shifts from a standard 8 hour shift in the late nineties to eliminate the need for a shift change and increase efficiencies made FIFO a more appealing option.²⁶⁹ It was also submitted that longer shifts were preferred by some FIFO workers because they could maximise their earnings.²⁷⁰

The FACE Network submitted that research showed FIFO partners were dissatisfied with longer rosters whereas FIFO workers were more concerned about the shift ratio. In addition, childless partners were found to be more stressed than those with children.²⁷¹

It was also suggested that long rosters impact on the local community because it does not promote relocation to regional areas as longer shifts suit the FIFO lifestyle.²⁷² Maranoa Regional Council submitted that a CSG worker from Brisbane effectively:

²⁶¹ Casey Blandford, submission 19.

²⁶² Name withheld, submission 173.

²⁶³ Name withheld, submission 173.

²⁶⁴ Daniel Smyth, submission 157.

²⁶⁵ Jason Blackett, submission 17.

²⁶⁶ Alan Lawry, submission 143.

²⁶⁷ Name withheld, submission 26.

²⁶⁸ Construction Forestry Mining and Energy Union, submission 190.

²⁶⁹ Glenn Hamilton, submission 174; Castra Consulting, submission 8. The increased shift length also increased productivity and occupational health and safety risks and the likelihood of being fatigued when driving home at the end of a roster, and providing employees with additional days off.: Queensland Council of Unions, submission 170.

²⁷⁰ Mastermyne, submission 153.

²⁷¹ Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

²⁷² Castra Consulting, submission 8.

... has the same opportunities to spend time with his/her family as compared to a worker whose place of residence is within half an hour of the gas fields. This encourages local CSG workers to relocate to the south-east corner to capitalise on the standard of living afforded to metropolitan residents.²⁷³

The Queensland Council of Unions submitted that mining sector employees 'have no or little input into the rosters they work'.²⁷⁴

AngloAmerican submitted that it offered a variety of rosters at its operation in the Bowen Basin.²⁷⁵ Rio Tinto Coal Australia Pty Ltd also stated that it had introduced a number of measures aimed at optimising the FIFO/DIDO experience for employees and their families, including:

... regular roster reviews ... to ensure the needs of employees and the business are met. These reviews focus on safety (e.g. fatigue management) ... Rosters are structured to support work/life balance (e.g. the introduction of a nine day fortnight).²⁷⁶

Recommendations made by submitters regarding rosters included:

- using rosters to encourage workers to move with their families to mining communities²⁷⁷
- designing rosters in consultation with employees and unions to encourage engagement with families and reduce fatigue²⁷⁸
- limiting night shifts on rosters to a maximum of three so that workers' circadian rhythms are not unduly impacted and reduce health risks²⁷⁹
- having a maximum of five days of 12 hour shifts²⁸⁰
- considering the mental health impact on employees a health and safety issue with legislative minimum standards for rosters and strengthening of protections for workers suffering from mental health injuries,²⁸¹ and
- undertaking more research to better understand the impact of different rostering practices of families.²⁸²

7.3 Fatigue

Fatigue was a consistent concern raised in submissions.²⁸³ FIFO worker fatigue was said to affect 'safety at work and relationships at home'²⁸⁴ and result in workplace injuries and road fatalities.²⁸⁵

²⁷³ Maranoa Regional Council, submission 182.

²⁷⁴ Queensland Council of Unions, submission 170.

²⁷⁵ AngloAmerican, submission 225.

²⁷⁶ Rio Tinto Coal Australia Pty Limited, submission 167.

²⁷⁷ Alec Andrews, submission 129.

²⁷⁸ Construction Forestry Mining and Energy Union, submission 190.

²⁷⁹ Glenn Hamilton, submission 174. See also Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

²⁸⁰ Glenn Hamilton, submission 174.

²⁸¹ Australian Manufacturing Workers' Union, submission 28.

²⁸² *beyondblue*, submission 163.

²⁸³ See for example, Ian Park, submission 33; Joseph Van Der Werff, submission 35; Troy Brown, submission 127; Rick Hibble, submission 172; Australasian Sleep Association and Sleep Health Foundation, submission 198. A survey commissioned by the Construction Forestry Mining and Energy Union found that 80% of commuting workers considered fatigue to be 'a big issue in their workplace': Construction Forestry Mining and Energy Union, submission 190.

²⁸⁴ Joseph Van Der Werff, submission 35.

²⁸⁵ See for example, Stewart Malcolm, submission 40; Rick Hibble, submission 172.

The Australasian Sleep Association and the Sleep Health Foundation (ASA and SHF) submitted there is 'little information in relation to FIFO/DIDO work practices and the impacts on health related to sleep and circadian disruption. However, shiftwork more generally is associated with negative health outcomes'²⁸⁶ such as sleep disorders. Shift workers are more likely to suffer conditions including metabolic disorders, Type II diabetes, some cancers and mental health conditions, than day workers.²⁸⁷ The organisations also submitted that '[l]ong hours and night shifts are associated with an elevated likelihood of fatigue and elevated risk of incident and accident'.²⁸⁸

For example, a person's performance after being awake for 17 hours is equivalent to a blood alcohol concentration (BAC) of 0.05 and at 24 hours awake is equivalent to a BAC of 0.1. A worker is likely to be awake for an extended period on the first and last days of their roster because of the commute. On the last day, this may mean that they drive home from the site or airport at 'an elevated level of fatigue-related risk', putting themselves and other road users at risk of injury.²⁸⁹

The possibility of road accidents resulting from fatigue was a source of concern for many submitters.²⁹⁰

Workers are spending many hours travelling to and from work, leading to fatigue for those workers and dangerous conditions on our roads. Many workers are starting their shifts after journeys taking many hours and often including several transport modes, e.g. car, plane and bus. Many workers report lack of adequate facilities at the beginning and end of their shifts to manage fatigue. Regional Queensland roads have become extremely dangerous due to worker fatigue.²⁹¹

The findings of an inquest into the deaths of a Central Queensland mine worker and police officer in 2005, and a mine worker in 2007, due to road accidents noted that the:

... general import of evidence from Queensland Transport and Queensland Police Service was that the proportion of fatigue-related crashes in Central Region (an area including the Bowen Basin with significant coal mining activities) is significant in comparison to the rest of the State.²⁹²

In addition:

The management of the risk of fatigue from shiftwork, especially in a commuting workforce, needs to be considered within an occupational health and safety framework with flexibility for individual workplace variations. Further, the framework needs to be developed as a result of extensive consultation with employers, employees, regulators and researchers.²⁹³

Various recommendations to address fatigue related concerns were suggested by submitters, including:

²⁸⁶ Australasian Sleep Association and Sleep Health Foundation, submission 198.

²⁸⁷ Australasian Sleep Association and Sleep Health Foundation, submission 198.

²⁸⁸ Australasian Sleep Association and Sleep Health Foundation, submission 198.

²⁸⁹ Australasian Sleep Association and Sleep Health Foundation, submission 198.

²⁹⁰ See for example, Taroom District Development Association Incorporated, submission 152; Stewart Malcolm, submission 40; Queensland Council of Unions, submission 170; Australian Christian Lobby, submission 202; FIFO Families and Creating Communities, submission 203; Isaac Regional Council, submission 207; Blackwater Community Progress Group Inc, submission 218; Lindsay Creighton, submission 13.

²⁹¹ Luke Ludlow, submission 183.

²⁹² Office of the State Coroner, Inquest into the deaths of Malcolm Mackenzie, Graham Peter Brown and Robert Wilson, [Finding of inquest](#), 23 February 2011, p 32, par 138. See also, pp 39-40, paras 158-165. The report findings were referred to in the submission provided from the Australian Christian Lobby, submission 202.

²⁹³ Office of the State Coroner, Inquest into the deaths of Malcolm Mackenzie, Graham Peter Brown and Robert Wilson, [Finding of inquest](#), 23 February 2011, p 32, par 140.

- drive in drive out from long distances should be avoided where possible and FIFO put in place²⁹⁴
- workers who drive after shifts should be provided with 'more education with regards to fatigue, use of illicit drugs, driving tired and personal health advice'.²⁹⁵
- that the government:
investigate the [companies'] positions, policies and procedures regarding fatigue, mental health, rest and travel between shifts and excessive work hours to ensure the companies are adhering to their own policies and procedures and if any FIFO or Long Distance Commuting arrangement is impacting this then ... the companies need to be stopped from allowing them to happen.²⁹⁶

Section 42 of the Coal Mining Safety and Health Regulation 2001 mandates that a coal mine's safety and health management system must provide for controlling risks at the mine associated with matters including personal fatigue. The system must provide the following about personal fatigue for persons at the mine:

- an education program
- an employee assistance program
- the maximum number of hours for a working shift
- the number and length of rest breaks in a shift, and
- the maximum number of hours to be worked in a week or roster cycle.

The site senior executive must undertake certain consultation in the preparation of the provisions relating to personal fatigue.

The Queensland Resources Council submitted that many resources companies put 'significant effort into managing fatigue and providing sleep, health and nutrition options that encourage a healthy lifestyle'.²⁹⁷

AngloAmerican stated that it provides fatigue rooms for LDC workers to access pre- and post-roster. It also provides fatigue management training that includes:

- driver safety and road legislation, and
- how to better manage fatigue on 'pyjama days' and night shift.²⁹⁸

GVK Hancock Coal submitted:

Fatigue management will be a crucial element of our safety and health management system and all employees will be required to commit to personal journey management plans for any travel to and from the mustering points of Emerald, Barcaldine and the airport for the beginning and end of their shift roster as a condition of their employment.²⁹⁹

BHP advised that all rosters at BMA mines, including those of contractors, have to be evaluated and approved by the Site General Manager and that BMA Fatigue management standards include:

- rosters that provide the opportunity for at least 7 hours sleep within any 24 hour period, and

²⁹⁴ Andrew Telfer, submission 115.

²⁹⁵ Glenn Hamilton, submission 174.

²⁹⁶ Luke Ludlow, submission 183.

²⁹⁷ Queensland Resources Council, submission 221.

²⁹⁸ AngloAmerican, submission 225.

²⁹⁹ GVK Hancock Coal, submission 187.

- the maximum number of consecutive day shifts worked must not exceed 14 and the maximum number of consecutive night shifts must not exceed seven.³⁰⁰

Isaac Regional Council recognised the efforts by companies but did not consider the mechanisms to be sufficient for managing fatigue:

While most companies have fatigue management plans in place, they do not address the underlying cause: long shifts and a desire to be home with family.³⁰¹

Committee comment

The impacts associated with commuting, rostering and fatigue are related and each affect the well-being of FIFO workers and their families.

For a range of reasons, including the business needs of a resource company and requirements of individual projects, there is a lot of variation between commuting and rostering practices.

In terms of conditioning projects to mitigate these types of impacts, the Coordinator-General would aim to achieve a balance between being overly prescriptive and addressing the community concerns.

The committee is of the view that further work needs to be undertaken in order to determine best practice guidelines for commuting, rostering and fatigue management related to FIFO work. The committee considers that these impacts are different to other types of industries with shift work due to the commuting components.

The committee recommends that the Minister include best practice principles for commuting, rostering and fatigue management in the whole-of-government policy for managing the impacts of FIFO work practices and that the policy emphasise that resource companies have a duty of care to workers for ensuring their safety and well-being when travelling for work.

Recommendation 9

The committee recommends the Minister include best practice principles for commuting, rostering and fatigue management in the whole-of-government policy for managing the impacts of FIFO work practices and that the policy emphasise that resource companies have a duty of care to workers for ensuring their safety and well-being when travelling for work.

7.4 Mental health

7.4.1 Prevalence of mental health problems among FIFO workers and their families

The committee was advised that insufficient research has been undertaken on the mental health impacts of long distance commuting on Queensland workers and their families to indicate the prevalence of mental health problems. *Beyondblue* submitted:

Current research on the mental health of FIFO workers and their families is limited and somewhat conflicting, leading to some uncertainty about whether this population group experiences mental health conditions at the same, or higher rates than the general population.³⁰²

Resource company stakeholders submitted that there was no evidence of mental health issues being more prevalent amongst FIFO workers and their families compared to the general community.³⁰³

³⁰⁰ BHP Billiton, submission 234.

³⁰¹ Isaac Regional Council, submission 207.

³⁰² *beyondblue*, submission 163.

However, the Parliament of Western Australia Education and Health Standing Committee ‘found three recent, reliable studies which suggest that the prevalence rate of mental health problems amongst the FIFO workforce could be approximately 30 per cent, significantly higher than the national average of 20 per cent.’³⁰⁴

7.4.2 Factors impacting mental health

There are a combination of FIFO lifestyle factors that can lead to mental health problems.

While the exact prevalence of mental health conditions in FIFO workers is currently unknown, there is a clear recognition that there are a range of general workplace stress factors and specific aspects of the FIFO role that may put workers, their families and communities at risk for mental health problems.³⁰⁵

Stakeholders suggested that these factors can include:

- separation from family and friends
- challenges in transitioning between home and work life and the disruption to family life³⁰⁶
- strain in maintaining regular meaningful communication (and therefore strong relationships) with family and friends
- challenges in maintaining connection to the broader community (such as sporting or social groups, volunteer work arrangements)
- fatigue and stress associated with long working hours and long work swings³⁰⁷
- missing out on key life events³⁰⁸
- low control over work and life while they are at camp,³⁰⁹ and
- the tendency to not seek help – due to workplace culture or stigma regarding mental health difficulties.³¹⁰

It was also submitted that:

- the mental health and wellbeing of off-duty workers ‘can be significantly impacted by the environment in which they are living while on-roster’.³¹¹
- FIFO workers with young families are at high risk of mental health problems ‘because they may be particularly vulnerable to the stresses associated with the FIFO lifestyle’.³¹²

³⁰³ See for example, Australian Mines & Metals Association, submission 223; Association of Mining and Exploration Companies, submission 201; Queensland Resources Council, submission 221.

³⁰⁴ Western Australia Legislative Assembly, Education and Health Standing Committee, [The impact of FIFO work practices on mental health](#), final report, p i. See also, pp 16-22.

³⁰⁵ *beyondblue*, submission 163.

³⁰⁶ See also, Paul Baker, submission 158.

³⁰⁷ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203. See also, Australian Manufacturing Workers’ Union, submission 28; Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³⁰⁸ Australian Manufacturing Workers’ Union, submission 28.

³⁰⁹ *beyondblue*, submission 163.

³¹⁰ Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³¹¹ Queensland Mental Health Commission, submission 195.

³¹² Electrical Trades Union of Employees Queensland, submission 210.

- there is often no family support network for FIFO workers who leave hospital after being treated for a mental health issue and follow up care is difficult to organise because the workers reside elsewhere.³¹³

7.4.3 Barriers to seeking help

The AMWU asserted that FIFO workers do not always report mental health issues for reasons including:

- stigma attached to mental health issues
- general male negative attitudes towards asking for help and difficulty identifying symptoms and credible coping strategies, and
- concern about negative impacts on future employment opportunities.³¹⁴

A submitter suggested that some workers are concerned that their confidentiality would not be maintained at their workplace clinic and therefore there is an underreporting of mental health issues and chronic diseases amongst FIFO workers.³¹⁵

It was also submitted that '[e]xtended periods of time away means accessing services or reaching out to family and friends is more difficult for commuting workers'.³¹⁶

In addition, '[p]ervasive job insecurity'³¹⁷ makes it even more unlikely that a FIFO worker would seek help.³¹⁸

7.4.4 Action by resource companies

QRC submitted that long distance commuting 'can expose vulnerable workers to risk factors' therefore many of its members have 'strategies and services in place to promote mental health, remove stigmas around help-seeking behaviour, and provide services such as on-site occupational health nurses and employee assistance programs 24/7'.³¹⁹

AMEC submitted that companies are aware of the impact of rostering on workers, their families and the community:

Companies are extremely cognisant of the health and well-being of their employees and the effect their operations have on any nearby communities. They offer family friendly and flexible rosters and maximise initiatives promoting the health, safety and well-being of their employees.³²⁰

AMEC told the committee that 'counselling and other support mechanisms are widely implemented'³²¹ to support the families of FIFO workers as well as the worker.³²²

³¹³ Central Queensland Hospital and health Service, submission 230.

³¹⁴ Australian Manufacturing Workers' Union, submission 28.

³¹⁵ Paul Baker, submission 158.

³¹⁶ Construction Forestry Mining and Energy Union, submission 190.

³¹⁷ Construction Forestry Mining and Energy Union, submission 190.

³¹⁸ Construction Forestry Mining and Energy Union, submission 190.

³¹⁹ Queensland Resources Council, submission 221. See also, Australian Mines & Metals Association, submission 223.

³²⁰ Association of Mining and Exploration Companies, submission 201.

³²¹ Association of Mining and Exploration Companies, submission 201.

³²² Association of Mining and Exploration Companies, submission 201.

7.4.5 Impact on families

The Fly-in Fly-out Australian Community of Excellence Network identified the following risks factors for partners of FIFO workers:

- higher rates of distress
- parenting challenges
- family stress, and
- relationship dissatisfaction.³²³

The organisation further stated, 'The challenge of providing for the emotional and physical needs of children, compounded by the lack of a partner at home, can add to stressors for families involved in FIFO'.³²⁴ The '[p]otential impacts on children can include escalating behavioural problems, particularly for males, linked to the working away parent's absence'.³²⁵

7.4.6 Suicide

The committee did not receive any evidence of suicides in Queensland resulting from the FIFO lifestyle. The committee is aware, however, that the Western Australian inquiry into the impact of FIFO work arrangements on mental health in the resources industry was commissioned following concern about the reported suicides of nine FIFO workers in the Pilbara in Western Australia.³²⁶

7.4.7 Recommendations by stakeholders

Submitters made various suggestions to improve the mental health of workers including:

- The mental health impact on employees should be considered a health and safety issue with legislative minimum standards for rosters and strengthening of protections for workers suffering from mental health injuries.³²⁷
- Workers should be given an induction before commencing FIFO work because it can result in a lower incidence of mental illness and suicide.³²⁸
- FIFO workers and their families and support networks should have access to good communication technology so that individuals feel well connected despite the distance. This can provide them with greater resilience.³²⁹
- The Social Impact Assessment should consider the mental health needs of workers and communities and access to adequate health services.³³⁰

³²³ Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³²⁴ Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³²⁵ Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³²⁶ See Construction Forestry Mining and Energy Union, submission 190. The committee notes, however, that the Western Australian Legislative Assembly Education and Health Standing Committee was 'unable to identify the nine cases of suicide in a 12-month period that triggered this inquiry': Western Australia Legislative Assembly, Education and Health Standing Committee, *The impact of FIFO work practices on mental health*, final report, p i. See also, pp 9-22.

³²⁷ Australian Manufacturing Workers' Union, submission 28.

³²⁸ FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203.

³²⁹ Fly-in Fly-out Australian Community of Excellence Network, submission 208.

³³⁰ Queensland Mental Health Commission, submission 195.

- Mining companies should consider strategies to support employees to protect their mental health, including awareness of available supports and coping strategies, and have those strategies supported by all levels of management.³³¹
- Telephone-based and health services delivered by fly-in fly-out clinicians can be used but should not be seen as ‘an equal alternative to face-to-face service delivery’.³³²

Queensland Treasury Office of Industrial Relations FIFO workers mental health project

In late 2014, the Office of Industrial Relations commenced a project to explore the mental health of FIFO workers in response to concerns raised with Workplace Health and Safety Queensland.

The project comprised a literature review and stakeholder consultation with FIFO employers, peak bodies and support providers. Roundtable discussions were held in Brisbane, Chinchilla and Mackay.

The project found limited studies on the mental health and/or suicide risk of FIFO workers. There was an absence of research in relation to:

- the mental health and wellbeing of FIFO workers
- the characteristics that promote resilience within FIFO workers
- safe systems of work for FIFO workers, and
- specific hazards that may impact on the mental health of FIFO workers.

Further research could include:

- examining the presence of suicide risk and protective factors
- the relationship of these factors to occupational stress risk factors, and
- the principles of good work design.³³³

Committee comment

It is clear to the committee that the FIFO lifestyle can, for a range of reasons, exacerbate a person’s predisposition to mental health problems and that this is recognised by resource companies through their various programs.

Whilst the committee did not receive any evidence of suicides in Queensland resulting from the FIFO lifestyle, any future action should not be predicated by such a devastating occurrence. Anecdotally, the committee was advised that workers can be reluctant to go to their employer to discuss any mental health problems as they felt the service was not confidential and feared that having a problem could put their job at risk.³³⁴ The committee recommends the Queensland Government investigate options for providing independent mental health support services for FIFO workers.

It is, however, difficult to determine a way forward when there is a limited and conflicting research about the mental health of FIFO workers. The committee is of the view that further research regarding the mental health of FIFO workers and their families would provide more certainty in relation to the issue and better direction for informing strategies to address mental health issues among FIFO workers and their families.

³³¹ Queensland Mental Health Commission, submission 195.

³³² Queensland Mental Health Commission, submission 195.

³³³ Queensland Treasury, correspondence dated 22 September 2015.

³³⁴ See for example: Public hearing transcript, Moranbah, 15 June 2015, p 12; Public hearing transcript, Rockhampton, 19 June 2015, p 8.

The committee acknowledges the project undertaken by the Office of Industrial Relations and suggests that its scope be expanded. Specifically, the committee recommends the Minister for State Development, together with the Office of Industrial Relations and the Queensland Mental Health Commission progress the FIFO workers mental health project to undertake additional research to examine and identify strategies to address:

- (a) the characteristics that promote the resilience of FIFO workers
- (b) effective workplace programs or external programs to prevent mental health injuries in FIFO workers
- (c) effective family support programs, and
- (d) the presence of suicide risk and protective factors.

The research undertaken should be used to contribute to the development of the whole-of-government framework for managing the impacts of FIFO work practices.

Additionally, the committee recommends the social impact assessment process consider the mental health of workers and that the accommodation guidelines include measures addressing mental health needs and access to health initiatives.

Recommendation 10

The committee recommends the Queensland Government investigate options for providing independent mental health support services for FIFO workers.

Recommendation 11

The committee recommends the Minister for State Development, in consultation with the Office of Industrial Relations and Queensland Mental Health Commission, progress the FIFO workers mental health project and undertake additional research to examine and identify strategies to address:

- (a) the characteristics that promote resilience within FIFO workers
- (b) effective workplace programs or external programs to prevent mental health injuries in FIFO workers
- (c) effective family support programs, and
- (d) the presence of suicide risk and protective factors.

The information gathered from this project should be used to contribute to the whole-of-government framework for managing the impacts of FIFO work practices.

Recommendation 12

The committee recommends the social impact assessment process consider the mental health of workers and that accommodation standards include measures addressing mental health needs and access to effective workplace health initiatives.

7.5 Other health matters

7.5.1 Substance use

The LGAQ submitted that the adverse effects of FIFO work have been found to include binge drinking and recreational drug use.³³⁵ The Queensland Mental Commission noted reports that '12 per cent of the mining industry workforce engage in illicit drug use, and the industry records a higher than average rate of short term risky drinking with 21.9 per cent drinking high levels of alcohol at least monthly'.³³⁶

FIFO Families and Creating Communities presented the committee with findings from research undertaken with partners and family members of FIFO workers. It indicated that just over half of the respondents considered that their alcohol consumption level had not changed since their partner commenced FIFO work and almost all respondents said that neither their own or their partner's level of drug consumption had changed since their partner commenced FIFO work. The results with respect to the FIFO workers' level of alcohol consumption was more mixed – 33% had increased and 31% had decreased.³³⁷

The committee also noted that anecdotally, there are social issues within the town of Dysart where there has been an increase in alcohol and drug abuse:

I would say there is the social impact of issues surrounding Dysart at the moment. I would say there are some major pressures put on staff and contractors, either FIFO or local residents. I would say the 12-hour shifts are not helping as far as the staff are concerned. With the pressure that has been put on them, a lot of it has been taken out in alcohol abuse and we have seen an escalation in drug abuse within Dysart. An example, I suppose, is the needle exchange program. The number of needles that we issue in Dysart has escalated drastically in the last two years, which tends to suggest that alcohol and drugs are becoming a crutch, given the pressure that residents are suffering at the current time.³³⁸

7.5.2 Managing illness

The CFMEU submitted that it may be difficult for FIFO workers to manage illness because of 'inflexible travel and shift arrangements'.³³⁹

A worker who is ill at the start of their roster has to decide whether to take a day off to see the doctor and seek treatment, risking high costs to book a flight the following day and financial penalty from their employer.

The outcomes of this include:

- Higher absenteeism as workers choose to simply take their whole week-long shift off because managing a short illness to fit with FIFO work patterns is logistically difficult or impossible.
- Employees going to work sick because of the financial penalties of not attending are too high, compounding the illness and spreading it across the workplace.

Many FIFO workers choose to go to work while sick because they fear they'll lose their jobs or face disciplinary action if they take time off.³⁴⁰

³³⁵ Local Government Association of Queensland, submission 189, attachment, p 8.

³³⁶ Queensland Mental Health Commission, submission 195.

³³⁷ FIFO Families and Creating Communities, submission 203.

³³⁸ Sergeant David Gillies, Officer in Charge, Dysart Police Station, Queensland Police Service, Public hearing transcript, Dysart, 16 June 2015, p 22.

³³⁹ Construction Forestry Mining and Energy Union, submission 190.

7.5.3 Obesity

Even though nutritious meals and gyms are available at some accommodation villages, and some mining companies provide health and wellness programs,³⁴¹ the committee was informed that a 2013 survey of 800 long distance commuting workers showed that the average long distance commuting worker was overweight.³⁴²

Long rosters may be a contributor to the lack of physical activity. One FIFO worker told the committee:

... by the time our day is done and we have made it back to camp motivation is all but gone, [don't] get me wrong there are a few ... that pay gym fees and make an effort, some walk but no where near enough.³⁴³

7.5.4 Sexually transmitted diseases

A couple of submitters mentioned an increase in sexually transmitted diseases (STDs) in mining communities.³⁴⁴ Wandoan, for example, reportedly had low STD rates which increased after FIFO workers were accommodated nearby.³⁴⁵

7.6 Local community

7.6.1 Provision of services and infrastructure

A number of submitters provided anecdotal evidence of the impact of a FIFO (non-resident) workforce on the delivery of health, law enforcement, education services, and infrastructure in local communities. Some submitters suggested that the impact of employing FIFO workers rather than local workers resulted in local residents moving out of town. They argued that the departure of local residents led to:

- reduced numbers in the classroom, which resulted in fewer teachers, a decrease in the quality of education and the threat of school closures
- fewer volunteers for other essential services, such as the Volunteer Rural Fire Brigade, as volunteers either moved out of the local community or were required stay at camps for work
- fewer doctors, dentists and ambulance services.³⁴⁶

³⁴⁰ Construction Forestry Mining and Energy Union, submission 190.

³⁴¹ See for example, AngloAmerican, submission 225; Rio Tinto Coal Australia Pty Limited, submission 167.

³⁴² FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203. The survey found that average male Body Mass Index (BMI) of the participating long distance commuting workers was 28.8 compared with the Australian male average of 27.9 and that the average BMI of the participating female long distance commuting worker was 26.9, which is overweight although less than the average Australian female BMI of 27.2: FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd, submission 203. The BMI classifications are: less than 18.50 is underweight, 18.50-24.99 is the healthy range, 25.00-29.99 is overweight, and 30 or more is obese: New South Wales Government, Health, Get Healthy Information and Coaching Service, '[BMI calculator](#)'. Being overweight can lead to many health problems including 'musculo-skeletal problems, cardiovascular disease, some cancers, sleep apnoea, type 2 diabetes, and hypertension': Australian Government, Department of Health, '[About overweight and obesity](#)'. See also, Fly-in Fly-out Australian Community of Excellence (FACE) Network, submission 208.

³⁴³ Alan Lawry, submission 143.

³⁴⁴ See for example, Australian Christian Lobby, submission 202.

³⁴⁵ Paul Baker, submission 158.

The Queensland Nurses' Union (QNU) and Queensland Council of Unions (QCU) supported the views of these submitters. QCU stated:

The provision of health services is driven by population and it is well known that any reduction in population will have a knock effect for a range of services ...³⁴⁷

The QNU highlighted the impact on the remaining services:

... the lack of a permanent workforce in mining communities restricts the expansion of education, health, emergency and other critical services and puts added pressure on existing services, particularly nursing and midwifery.³⁴⁸

Several submitters raised the issue of non-resident workers not being included in census data and the impact this has on the planning for and delivery of local services and infrastructure. Local governments particularly expressed their concern regarding the impact of inaccurate data collection and how that data influences government services, including education, health, law and order, and infrastructure development.³⁴⁹

Both the Whitsunday and Isaac Regional Councils supported the view that FIFO workers needed to be captured in the census data to, according to the Whitsunday Regional Council, 'improve accuracy of allocation of royalties and government funding'.³⁵⁰ The Isaac Regional Council added that the lack of information on FIFO populations often leads to a lack of capacity for essential services, including health and emergency, to keep up with demand:

... population data utilised in decision making processes determining staff allocation to public sector services does not incorporate the non-resident workforce and as such services are significantly constrained in their capacity to meet the demands of the true population.

The public health system is especially impacted by the non-resident population. Health services are utilised extensively by the non-resident population however they are not resourced in accordance with the non-resident population. This situation is broadly echoed across the public sector with other essential services such as police, fire and ambulance, also experiencing diminished response capacity.

As many non-resident workforces are housed in WAVs that supply their own water, power and sewerage infrastructure, it is often supposed that they have little impact on mining communities. However, this does not take into account the wear and tear on roads nor the indirect employees who are housed in towns and utilise community infrastructure.³⁵¹

Western Downs Regional Council (WDRC) also emphasised its support for the capture of non-resident population and demographic statistics for the purposes of local government, community services and infrastructure funding. WDRC stated:

The lack of information relating to proponents activities including FIFO and the housing of employees and contractors in workers accommodation villages on tenement makes it difficult for WDRC to plan for the augmentation of key infrastructure or prioritise community needs and strategic planning due to lack of knowledge of the cumulative effects of major projects on councils assets.

The non-disclosure of camps and worker numbers could present substantial public health risks such as bio-security issues, spread of communicable diseases and health issues. The ability of WDRC and

³⁴⁶ See for example, Christine Ellrott, submission 10; Julie Widt, submission 14; Vladimir Nikolic, submission 21; Ian Park, submission 33; Jason Hill, submission 49; Ian Neilson, submission 138, Frederick Hempseed, submission 154; Construction Forestry Mining Energy Union, submission 190.

³⁴⁷ Queensland Council of Unions, submission 170.

³⁴⁸ Queensland Nurses' Union, submission 178.

³⁴⁹ See for example, North West Regional Organisation of Councils, submission 222; Local Government Association of Queensland, submission 189, attachment, p 15.

³⁵⁰ Whitsunday Regional Council, submission 196.

³⁵¹ Isaac Regional Council, submission 207.

other emergency services to plan appropriately and effectively for disaster management and emergency services levels is compromised.³⁵²

The Honourable Bob Katter MP submitted:

Because FIFO workers are not ratepayers, there is an inability of local councils to acquire revenue commensurate with the actual population utilising the town services and infrastructure. Mining towns like Mount Isa and Cloncurry already suffer from a lack of government funding attributable to Census figures that, due to FIFOs, fail to accurately reflect the true number of people utilising infrastructure and services.³⁵³

Hon Katter MP also made particular reference to the provision of health services:

FIFO stretches the limits of Mount Isa's badly under-resourced government services such as health, again because FIFO workers are often not counted as living in the area so health and other services are not funded to provide services for these people.³⁵⁴

Isaac Regional Council recommended that funding decisions relating to health service provision be determined by the full-time equivalent population, inclusive of the FIFO population, rather than the estimated resident population alone.³⁵⁵

Central Highlands Regional Council recommended the development of an infrastructure charging regime (or royalties distribution scheme) that more closely reflects the costs of meeting the demands of resource projects to account for the impacts of FIFO workforces on local governments and communities.³⁵⁶

QRC submitted:

- Resources companies recognise the importance of working with governments and other stakeholders to support the liveability of the regional communities in which they operate.
- The appeal of resources communities as places to live and raise families is greatly influenced by the level and standard of social services and infrastructure available.
- Government's obligations are to provide base levels of service in these areas that are equivalent to other communities of comparable size.
- Spending on social infrastructure in resources communities should be seen as a form of reinvestment of taxes and royalties into maintaining the productive potential of the state's minerals and energy resources regions.
- Allocation of sufficient funds by government to improve the level and standard of social services and infrastructure is essential if resources communities are to become more liveable, sustainable, and as a result, more attractive to people to live locally.
- Governments must encourage diversification of regional economies, especially those heavily reliant on single industries like resources, if these communities are to be sustainable and resilient.³⁵⁷

In order to bridge the information gap, the Queensland Government Statisticians Office provides non-resident worker population estimates and projects which can assist agencies in planning for services.

The department advised that the Queensland Government's submission to the federal committee inquiry recommended 'that the Australian Bureau of Statistics, in conjunction with states and

³⁵² Western Downs Regional Council, submission 151.

³⁵³ Honourable B Katter MP, Submission 233.

³⁵⁴ Honourable B Katter MP, Submission 233.

³⁵⁵ Isaac Regional Council, Submission 207.

³⁵⁶ Central Highlands Regional Council, Submission 219.

³⁵⁷ Queensland Resources Council, Submission 221.

territories, develop a methodology to measure service populations for resource communities including non-resident workers.³⁵⁸

With respect to data collection, the federal committee recommended ‘the Commonwealth Government fund the Australian Bureau of Statistics to establish a cross-jurisdictional working group to develop and implement a method for the accurate measurement of:

- the extent of fly-in, fly-out/drive-in, drive-out workforce practices in the resources sector; and
- service populations of resource communities.³⁵⁹

The Australian Government agreed in part to the recommendation.

The Australian Government recognises the need to maintain and continually enhance regional population data to support planning and the delivery of regional infrastructure and services. Through the Australian Bureau of Statistics (ABS), the Government has an existing capability in data analysis and research to inform decision making on regional infrastructure and services.

The ABS’ official population statistics are managed through its demography programme, which provides leadership in the development of proposals to improve population measures to meet client needs. The ABS is aware of the growing demand for high quality service population measures, and is working towards a programme of continuous improvement in its data collection methodologies.³⁶⁰

Build Our Regions Regional Infrastructure Fund

The committee notes the Queensland Government’s ‘Build Our Regions’ program which replaced the Royalties for the Regions Program. The program includes \$200 million of funding over two years from 2015-16 for the provision of local government infrastructure projects. There are four infrastructure funds under the program including:

1. Regional Capital Fund (\$70 million over two years).
2. Royalties for Resource Producing Communities Fund (\$55 million over two years).
3. Remote Communities Infrastructure Fund (\$15 million over two years).
4. Transport Infrastructure Development Scheme (TIDS) (\$60 million managed by the Department of Transport and Main Roads).³⁶¹

It is too early to comment on the effectiveness of the Build Our Regions program, however the committee is of the view that funding for the provision of regional infrastructure is of vital importance, particularly in communities impacted by FIFO work practices.

Committee comment

The committee shares the concerns raised by submitters, particularly local governments, of the impact of not recording non-resident populations in the census data and the flow on effect to funding and the delivery of essential infrastructure and services. The committee recommends the

³⁵⁸ Department of State Development, correspondence received 10 June 2015, p 10.

³⁵⁹ Parliament of the Commonwealth of Australia House of Representatives Standing Committee on Regional Australia, *Cancer of the bush or salvation of our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in regional Australia*, tabled 13 February 2013, p 40.

³⁶⁰ Australian Government, Department of Infrastructure and Regional Development, [‘Australian Government response to the House of Representatives Standing Committee on Regional Australia report’](#), p 3.

³⁶¹ Department of State Development, [‘Building Our Regions’](#).

Queensland Government make further representation to the Australian Government to include non-resident population numbers in the census data.

In the event that the Australian Government does not support the inclusion of the non-resident population being captured in the census data, the committee recommends the Queensland Government ensures that planning for essential services in resource communities is based on the data collected by the Queensland Government Statistician's Office on the non-resident population.

The committee is also concerned about the issue raised in relation to the lack of information about non-resident workers in accommodation villages that are located on a mining tenement. Accordingly, the committee recommends the Minister investigate this issue in further detail with a view to amending the mining legislation to provide more effective notification of accommodation villages and their capacities to the relevant local government.

Recommendation 13

The committee recommends the Queensland Government makes further representation to the Australian Government to include non-resident population numbers in the census data.

Recommendation 14

In the event that the Australian Government does not support the inclusion of the non-resident population being captured in the census data, the committee recommends the Queensland Government ensures that planning for essential services in resource communities is based on the data collected by the Queensland Government Statistician's Office on the non-resident population.

Recommendation 15

The committee recommends the Minister investigate the issue of notifying local governments about accommodation villages on a mining tenement in further detail with a view to amending the mining legislation to provide more effective notification of accommodation villages and their capacities to the relevant local government.

7.6.2 Community wellbeing

Submitters expressed concern on a wide range of issues relating to community wellbeing and the impact of non-resident FIFO workforce on local communities. In a number of examples, submitters considered that non-resident FIFO workforces had led to the decline in resident populations due to residents moving away to access employment and better education and other services.³⁶² Anecdotal evidence provided to the committee suggested that this had the following flow on effects:

- a decline in community sporting clubs and social groups
- decline of volunteers to assist at community events or for community organisations
- lower classroom numbers as noted previously
- falling patronage of businesses

³⁶² See for example, Amy Matthews, submission 72, Lindsay Creighton, submission 13; Julie Widt, submission 14; Blackwater Community Progress Group Inc, submission 218.

- decrease in morale as houses and businesses become empty
- further decline in local job opportunities
- an increased feeling of being unsafe, and
- downturn in real estate.

The Blackwater Community Progress Group Inc provided the following evidence:

Our group was formed back in 2008 when the community felt they had no voice and were losing our identity as we were witnessing a great increase in mining camp developments and applications within our community. Having huge amounts of dongas with a high unknown transient workforce has left a perception of being unsafe and a feeling we have been disregarded and just become a miners stopover. Since then we have noticed a great increase in transient workers as major mining companies have really promoted this practice with some workers not even offered the choice to reside in our community with their families.

This alone has had a devastating impact on our community as it is families that make communities and with less families in town it has placed a real strain on those that still reside here with businesses closing, essential services losing volunteers, pressure being put on schools as they no longer have the numbers in class sizes for certain subjects and local sporting groups struggling to field teams as there are less kids in town. As a parent you then start to question living here yourself as your kids are not getting the opportunities that they deserve.³⁶³

A number of submitters appealed to the Queensland Government and resource companies to do what they could to keep local communities attractive to residents.³⁶⁴

Several submitters also expressed concern regarding the lack of integration between FIFO workers and local residents.³⁶⁵ LGAQ stated that FIFO impacted lifestyle and safety for local communities with the lack of integration of FIFO workers into the community resulting in social problems, such as violence and crime in 'host' communities.³⁶⁶

7.6.3 Employment in local communities and choice for workers

Two of the most significant issues raised regarding 100 percent FIFO work arrangements in the context of community wellbeing were: a) the impact on local employment levels, and b) the removal of choice for workers about where to live for work.

Some submitters objected to companies having up to 100 percent FIFO work arrangements on the basis that it discriminated against people that live in close proximity to the mine site. Submitters and witnesses at regional hearings repeatedly asked why workers living in the mining towns were unable to apply for a job at a local mine unless they moved to a city from which they would then have to fly-in, fly-out. It was argued that the impact of 100 percent FIFO work arrangements contributed to an increase in local unemployment, particularly for young people, with local residents having to move away to find work. This then impacted on local businesses. As a result, a number of these submitters called for the removal of 100 percent FIFO work arrangements which would allow eligible locals to be offered jobs. They argued that this would have a positive impact on the sustainability of local towns.³⁶⁷

³⁶³ Blackwater Community Progress Group, submission 218.

³⁶⁴ See for example, Frank Creighton, submission 14.

³⁶⁵ Local Government Association of Queensland, submission 189, attachment, p 16; Isaac Regional Council, submission 207.

³⁶⁶ Local Government Association of Queensland, submission 189, attachment, p 16.

³⁶⁷ See for example, Carol Paul, submission 4; Dysart Community Action Association, submission 16; Australian Manufacturing Workers' Union, submission 28; Timothy Trewin, submission 98; Ken Knuth,

Isaac Regional Council (IRC) advised that, while it was not opposed to FIFO work arrangements, the need for workers to have real choice about where to live was important:

It is important to clarify that IRC is not opposed to FIFO/DIDO and recognises that it is sometimes the only viable workforce solution. However a key area of concern is the removal of genuine choice from workforce participation options via mandated FIFO practices which effectively exclude the local labour market.³⁶⁸

In this regard, IRC recommended that:

Every person everywhere should have genuine choice as to where they live. Isaac Regional Council recommends choice be conditioned / facilitated through a range of mechanisms including, but not limited to the social impact management plans, housing/accommodation availability, workforce modelling, and independent workforce reporting.³⁶⁹

ETUQ recommended that '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' based on the following:

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.

...

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.³⁷⁰

The AMWU also was concerned that the 100 percent FIFO work arrangement could lead to some employees falsifying their place of residence in order to secure jobs:

The AMWU is aware of circumstances where workers travel considerable distances to high capacity airports such as Brisbane in order to satisfy the FIFO requirement to secure a position. In some cases employees travel to Brisbane in their own time only to fly back out to mines or other projects even in circumstances where a commute directly to the workplace is quicker. This absurdity arises from Employers who engage workers only on FIFO basis.

Aside from the obvious unnecessary financial expense from the Employer and the Employee, the fatigue risks associated with extra travel not known by the Employer poses even greater risks to workers in FIFO work arrangements. Again this problem arises out of a lack of option and a lack of employment opportunities in regional opportunities. There is no reason why Employers should impose 100% FIFO work arrangements in circumstances where suitable and qualified workers reside nearby.³⁷¹

submission 134; Vernon Kemp, submission 140; Queensland Nurses' Union, submission 178; Robert Mortimer, submission 200; Electrical Trades Union of Employees Queensland, submission 210; Honourable Bob Katter MP, submission 233; Public hearing transcript, Moranbah, 15 June 2015, p 23; Public hearing transcript, Blackwater, 17 June 2015, p 2; Public hearing transcript, Emerald, 17 June 2015, p 9; Public hearing transcript, Middlemount, p 10; Public hearing transcript, Mackay, 15 June 2015, p 5; Public hearing transcript, Moura, 18 June 2015, pp 2-3.

³⁶⁸ Isaac Regional Council, submission 207.

³⁶⁹ Isaac Regional Council, supplementary submission 207A.

³⁷⁰ Electrical Trades Union, submission 210.

³⁷¹ Australian Manufacturing Workers' Union, submission 28.

Submitters and witnesses recommended that workers in mines be given a choice about where to live. Several submitters also suggested that all mining approvals should include either a community impact statement which outlined the resource company's commitment to providing local jobs or strengthen the social impact assessment process to ensure genuine consultation and cooperation with the local community and leaders.³⁷² The CFMEU further recommended that resource companies conduct a social impact study before any mining licence is granted, 'recognising that while the whole state benefits from mining it is host local communities that must live with the negative fallout'. Specifically, the CFMEU recommended:

Mining licenses should depend on a company's commitment to invest in training, engage with local businesses and provide permanent jobs.³⁷³

QRC advised that there are very few resources sector operations in Queensland that operate a 100 percent FIFO workforce and that, when they do operate this way, they have specific reasons for doing so:

... these arrangements are in place because the operation is remote and there is either no nearby community or an insufficient skills base from which to draw locally and the workforce is often sourced from regional centres.³⁷⁴

QRC was of the view that FIFO workforces were not responsible alone for impacting local employment levels:

First, at the time of those approvals [to enable 100% FIFO at Caval Ridge and Daunia mines] in 2011 BHP Billiton Mitsubishi had around 750 vacancies at their other Bowen Basin coalmines, and the peak in the superheated housing market in towns like Moranbah was still some 12 months away. The unemployment rate in the Bowen Basin in 2011 was 2.2 per cent. In the surrounding region around Daunia and the Caval Ridge mines the unemployment rate was 1.3 per cent against a statewide average of 6.1 per cent.

The second point I would like to make is that I would be the first to acknowledge that many Central Queensland communities are hurting right now—not because of 950 FIFO workers at two of the state's 56 operating coalmines but rather because of the loss of over 9,000 coal industry jobs over the past three years in the face of some of the toughest market conditions in around 20 years.

Thirdly, the committee needs to understand that there is no such thing as a 100 per cent FIFO mine in the Bowen Basin. As records confirm, there are around 1,000 local worker and contractor visits per month to those two mines to support operations, and that is typical of all sites.

Finally, the committee must, as I was saying earlier, avoid falling into the trap of looking in the rear-vision mirror. According to Queensland Treasury's latest Bowen Basin population report, the number of non-resident workers has actually fallen 35 per cent since its 2012 peak.³⁷⁵

QRC also commented on submitters' concerns that workers are not given the choice of where to live:

We are not going to second-guess the recruitment strategies of each of our companies about particular assets. What we do see is that, across 56 operating coalmines in Queensland, there are plenty of opportunities for people to live and work locally or commute from within the region and we have two mines that operate on a FIFO basis for their operational workforce ...

In terms of what we learned from our survey of those 2,300 workers ... I can summarise it this way: resident workers like being resident workers because it suits their lifestyle arrangements and their family arrangements, but commuting workers likewise are very happy with their lifestyle choices and commuting arrangements. The message for our industry is that we need across the sector—I am not talking about individual sites but across the sector—to offer opportunities to live locally or to

³⁷² Rick Hibble, submission 172; Cr Kelly Vea Vea, submission 188.

³⁷³ Construction Forestry Mining and Energy Union, submission 190.

³⁷⁴ Queensland Resources Council, submission 221.

³⁷⁵ Public hearing transcript, Brisbane, 15 July 2015, p 2.

commute. That is the way we will maximise the recruitment of our workforce in the Queensland resources sector.³⁷⁶

Arrow Energy advised that it does provide workers with a choice of either living residentially or participating in long-distance commuting and the reasons for offering this choice:

These employment options provide improved workforce flexibility, assist with attracting the best people for the job, increase Arrow's diversity mix and support workers and their families at different stages of their lives.³⁷⁷

BHP advised that only about 10 percent, or 1,000 of its workers, are FIFO workers. In regards to choice, BHP advised:

A lot has been said about choice since this inquiry started, and I would like to reiterate that we do offer choice. If our employees and prospective employees choose to live in the region, there are nine operations with locally based workforces where they can work. However, for employees who choose a fly-in fly-out arrangement, we offer this mode of employment at our Caval Ridge and Daunia mines.³⁷⁸

BHP stated that the reason it applied for the removal of the cap on its FIFO workforce at its Caval Ridge and Daunia mines was due to a large number of vacancies and the low local unemployment level:

When we applied to the Coordinator-General to remove the cap on a FIFO workforce for our Caval and Daunia mines, we had more than 750 vacant roles at our other mines unfilled. Unemployment was almost zero in the region. We simply could not get any people except from our other mines. When we advertised for the 950 roles at Daunia and Caval Ridge, more than 33,000 Queenslanders applied, demonstrating the demand for FIFO roles from other areas of the state, especially where unemployment is higher.³⁷⁹

BHP also called for the government not to apply retrospective change to the conditions of its Caval Ridge and Daunia mines for the following reasons:

Mr Chairman and committee members, I would like to reiterate our very strong view against retrospective change to the approval conditions for the Caval Ridge and Daunia mines. We make critical business decisions including workforce logistics for the long term. Mining projects are planned over many years to operate for around 30 years. Any change puts at risk the commercial basis on which we made our investment decision and has the potential to unwind critical productivity measures. Our employees at the Daunia and Caval Ridge mines are delivering a true step change for our business across many dimensions, and we have outlined some of the productive and efficiency benefits at these mines in our submission.³⁸⁰

QRC supported this view:

Investment decisions and operational arrangements for these two 100% FIFO mines were made on the basis of the approvals given by the government of the day.³⁸¹

Discrimination on the basis of location

Submitters and witnesses suggested that the practice of only employing people from a certain location was discrimination. This was suggested in the context of BHP's policy of recruiting FIFO

³⁷⁶ Queensland Resources Council, Public hearing transcript, Brisbane, 15 July 2015, p 7.

³⁷⁷ Arrow Energy, submission 224.

³⁷⁸ Public hearing transcript, Brisbane, 15 July 2015, p 11.

³⁷⁹ Public hearing transcript, Brisbane, 15 July 2015, p 11.

³⁸⁰ Public hearing transcript, Brisbane, 15 July 2015, p 12.

³⁸¹ Queensland Resources Council, submission 221.

workers from Brisbane or Cairns for their Caval Ridge and Daunia mines.³⁸² Attachment C to this report provides an example advertisement with location criteria.

It discriminates against all Queensland workers outside of identified FIFO hubs for employment opportunities³⁸³

If it is discrimination to not employ pregnant women or if it is discrimination to not employ people with tattoos et cetera, how are we allowed to discriminate by postcode? Why does 4720 suddenly have a big black mark against it?³⁸⁴

It would be interesting to see whether a court case could be taken up on behalf of a group of employees who have lost their job or who perhaps would like a job and want to live in the area. The only way to find that out is to test it in a court of law.³⁸⁵

The committee notes the *Anti-Discrimination Act 1991* (Qld) specifies the circumstances in which discrimination is unlawful and discrimination on the basis of residential address is not a prohibited ground of discrimination.

Apprenticeship opportunities

Witnesses to the inquiry were concerned about the limited opportunities for apprenticeships in the resource industry:

With all the mines across our region, just in the next 12 months, there are 12 apprentices. So BMA are putting on 12 apprentices across the Bowen Basin...³⁸⁶

I sit awake at night with my husband trying to work out what we are going to do with our son. We are going to fly him away while these companies fly people in to take jobs that our children could have! I do not mean necessarily jobs in the mines. I mean jobs in the businesses in the towns that used to employ hairdressing apprentices that they cannot afford anymore. We are talking about Coles when they used to put extra people on. They do not have the need to do that anymore. We are talking about the signwriters. We are talking about every business in Moranbah.³⁸⁷

They cannot get a job a few kilometres out on the road and get an apprenticeship.³⁸⁸

It is probably a sign of the times. Everywhere I suppose is cutting back.³⁸⁹

BHP submitted:

BHP Billiton currently employs more than 300 apprentices and trainees in our Queensland Coal operations, to provide a starting point for those entering the industry.

In the context of the Red Hill project approval the Coordinator-General has required the proponent to report annually on local employment and training opportunities.³⁹⁰

³⁸² See for example, Carol Paul, submission 4; Joe Maw, submission 83; Ian Wright, submission 171; Luke Ludlow, submission 183; Cr Kelly Vea Vea, submission 188; Local Government Association of Queensland, submission 189; Construction Forestry Mining and Energy Union, submission 190; North West Queensland Regional Organisation of Councils, submission 222; Cr Neil Fisher, submission 229.

³⁸³ Local Government Association of Queensland, submission 189.

³⁸⁴ Public hearing transcript, Emerald, 17 June 2015, p 21.

³⁸⁵ Public hearing transcript, Roma, 28 July 2015, p 11.

³⁸⁶ Public hearing transcript, Moranbah, 15 June 2015, p 5.

³⁸⁷ Public hearing transcript, Moranbah, 15 June 2015, p 23.

³⁸⁸ Public hearing transcript, Moranbah, 15 June 2015, p 26.

³⁸⁹ Public hearing transcript, Blackwater, 17 June 2015, p 9.

³⁹⁰ BHP Billiton, submission 234.

Committee comment

Choice for workers

There has been an incredible amount of sentiment raised in relation to having a genuine choice for where someone lives for work, particularly in relation to Caval Ridge and Daunia mines.

The committee will not make retrospective recommendations to the approved conditions of Caval Ridge and Daunia mines to avoid generating sovereign risk.

However, the committee is of the view that if a person would like to apply for a job at Caval Ridge or Daunia mines (or any future mine in Queensland) – they should be afforded that choice regardless of where they live. If a FIFO worker commuting from Brisbane or Cairns would like to settle in a resource community and continue working at Caval Ridge or Daunia mines – they should be afforded that choice.

The committee notes that one of the purposes of the *Anti-Discrimination Act 1991* is to promote equality of opportunity for everyone by protecting them from unfair discrimination. It could be argued that the practice of only hiring workers who reside in Brisbane or Cairns is unfair.

Therefore, the committee recommends the Queensland Government consider amending the *Anti-Discrimination Act 1991* to include location as prohibited ground of discrimination with the intent of ensuring that all workers are provided a choice of where they live for work.

The committee is strongly of the view that workers need to be provided with genuine choice for where they live for work and that legislation needs to facilitate such choice. This is one of the fundamental recommendations of the committee's inquiry.

In making this recommendation, the committee has no intention of affecting the current employment status of FIFO workers who reside in either Brisbane or Cairns.

Apprenticeships and traineeships

The committee also wants to maximise the ability for people to participate in an apprenticeship (including school-based apprenticeships) or traineeship within the resource industry. In particular, the committee considers that additional incentives should be provided for resource companies to employ local apprentices or trainees.

The committee recommends that the whole-of-government framework for managing the impacts of FIFO work practices highlights the importance of offering local apprenticeships and traineeships in the resource industry. The committee also recommends the Queensland Government explore options for providing resource companies with additional incentives for employing local apprentices and trainees.

Recommendation 16

The committee recommends the Queensland Government consider amending the *Anti-Discrimination Act 1991* to include location as a prohibited ground of discrimination with the intent of ensuring that all workers are provided a choice of where they live for work.

Recommendation 17

The committee recommends the whole-of-government framework for managing the impacts of FIFO work practices highlights the importance of offering local apprenticeships and traineeships in the resource industry and that the Queensland Government explore options for providing resource companies with additional incentives for employing local apprentices and trainees.

7.6.4 Housing affordability and availability

Some submitters suggested that FIFO work practices impact on housing affordability and availability. The main concerns included:

- driving up the costs of rent during boom times³⁹¹
- an increase in the number of vacant houses impacting community morale³⁹²
 - The Australian Christian Lobby submitted that Moranbah had approximately 150 houses for sale and 200 for rent.³⁹³
 - Another submitter stated that Blackwater had 100 empty houses.³⁹⁴
- the devaluation of houses³⁹⁵
 - One submitter, a pensioner, advised that this had occurred to her and caused her 'extreme financial pressure and stress' as she had bought a house in Dysart for \$305,000 but that the value of the house was now \$100,000 with a \$280,000 mortgage remaining.³⁹⁶

The Australian Workers' Union submitted:

FIFO isolates local established communities who are most closely situated to mines and mining projects. The influx of high wage FIFO employees with large levels of disposable income, a lack of supply in housing and infrastructure leads to high, sometimes extreme, levels of localised inflation and a degradation in the standard of living.³⁹⁷

The AMWU stated that many workers would like to live in Moranbah but the mining company has not built enough new houses in the local town to attract workers at the mine to relocate their families. Others supported the view that mining companies should provide affordable housing.³⁹⁸

The Taroom District Development Association stated that the key requirement for ensuring workers had the freedom to choose where they wanted to live was ensuring housing availability and affordability in local communities. In this regard, the Association recommended:

³⁹¹ See for example, Castra Consulting, submission 8; Paul Baker, submission 158; Isaac Regional Council, submission 207.

³⁹² See for example, Sean Ewart, submission 12; Julie Widt, submission 14; Owen, submission 23; Margaret Morrissey, submission 162; John Stocks, submission 168.

³⁹³ Australian Christian Lobby, submission 202.

³⁹⁴ Owen, submission 23.

³⁹⁵ See for example, Christine Ellrott, submission 10; Anthea Huntly, submission 15; Owen, submission 23.

³⁹⁶ Anthea Huntly, submission 15.

³⁹⁷ Australian Workers' Union, submission 209.

³⁹⁸ Australian Manufacturing Union of Australia, submission 28; Wayne Antsey, submission 111; Troy Deeth, submission 120; Glen Bunt, submission 141.

Mining companies should be required to provide low cost family housing for at least 25% of their workforce within a 100km radius of the work site.³⁹⁹

LGAQ viewed one of the key challenges for FIFO was addressing housing shortages and high rents from increased accommodation demands. LGAQ considered that this could lead to:

- lack of choice of housing/accommodation for willing buyers and renters
- increases to the cost of living in rural and regional communities
- additional difficulty of attracting and retaining staff
- displacement of lower income workers and families in rural and regional communities
- tourism being discouraged.⁴⁰⁰

The Central Highlands Housing Company Ltd suggested a number of strategies that could be used to attract people to live in regions affected by FIFO:

- live local grant - similar to the Queensland Government's first home buyers grant but aimed at enticing owner occupiers to purchase and live in the area
- targeted shared-equity homeownership scheme with interested not-for-profit housing organisations to overcome barriers that prevent marginalised groups or others from entering the home ownership market in the area
- home loan interest subsidy – new homeowners apply for a one-off home loan interest subsidy up to a maximum of \$20,000 upon presentation of their first year home loan repayment statement
- government owned finance corporation to provide low-deposit home loans
- relocation grant for people relocating from metropolitan areas to regional areas
- local council rates relief for new home owners
- live local campaign to promote rural and regional towns to all FIFO workers
- review company travel incentives with a view to making it more financially attractive to live in regional areas than FIFO
- develop a classification table to clearly define the characteristics of the location of different resource operations to assist in clarifying when a FIFO workforce is required
- limit total percentage of FIFO workers at every resource operation, dependent on the zone's location.⁴⁰¹

The Association of Mining and Exploration Companies (AMEC) agreed that the cost of housing and rental accommodation could be 'exorbitant' in these communities, but that this contributed to the decision-making process for companies to base their workforce on-site rather than in local communities.

The exorbitant cost of housing and rental accommodation, as well as a lack of government infrastructure and services, can be major setbacks to a workforce based in a local community on a permanent basis. In order to deal with this workforce issue, despite additional costs, mining companies, contractors and suppliers choose to use FIFO as a successful workforce strategy.⁴⁰²

³⁹⁹ Taroom District Development Association Incorporated, submission 152.

⁴⁰⁰ Local Government Association of Queensland, submission 189, attachment, pp 9, 16.

⁴⁰¹ Central Highlands (Qld) Housing Company Ltd, correspondence dated 30 July 2015.

⁴⁰² Association of Mining and Exploration Companies, submission 201.

Some submitters expressed a different viewpoint in that housing FIFO workforces in specially-built accommodation villages improved housing affordability and availability. Civeo Pty Ltd expressed the view that accommodation villages, rather than using town houses, contributed positively to house and rental prices for local residents:

Civeo's experience in Queensland over the past 19 years has shown the value of providing high-quality integrated accommodation villages. Essentially, these villages act as shock absorbers in the period where increased demand exceeds existing local housing supply. As a result, the accommodation villages form part of the accommodation solution for these towns, taking pressure off house and rental prices for local residents, while preserving capacity in local hotels and motels to accommodate tourists visiting the area. Where workforce accommodation villages do not exist, house prices are likely to inflate in value, in some cases dramatically, and the prospect of selling up to "cash in" and move away from the area becomes an attractive option for local families.

During the recent "boom" period, accommodation "camps" were incorrectly blamed for negative impacts to regional communities, particularly with regard to the availability and affordability of housing. In fact, without this additional supply of accommodation provided by "camps", the impact on affordability would have been far worse. There would also likely have been negative impacts upon the delivery of state-significant resource projects.

...

In summary, without the flexibility provided by workforce accommodation villages in regional towns, the substantially fluctuating number of workers in the region to meet industry demands would have an exponentially greater impact on the existing local housing supply and the community as a whole.⁴⁰³

Similarly, QRC submitted:

The operation of accommodation villages within mining communities helps to offset the 'boom and bust' mining cycle, especially how it can impact the local housing market.⁴⁰⁴

In response to suggestions that resource companies build new houses, Anglo American Coal stated that building company-owned housing was not always the best option and could exacerbate an already stressed housing market. Anglo American Coal commented on the situation in Moranbah:

Anglo American Coal supports the position that accommodation villages within mining communities help to control the "boom and bust" effect of mining on the housing market. Moranbah is a recent example of how businesses that did not provide village style accommodation for their workforce can trigger the establishment of quasi camps with multi-sharing arrangements in residential streets. Moranbah also witnessed an unprecedented inflation in rental and house purchase prices as transient workers entered the market pushing up costs for non-mining related residents.⁴⁰⁵

In relation to the Coordinator-General's conditioning for housing impacts, the department advised:

The SIA [Social impact assessment] of housing impacts of a resource project will inevitably be strongly influenced by the economic cycle of the time, especially in relation to housing availability and cost. Consequently, migration and management strategies to minimise negative impacts and maximise opportunities must be capable of adapting to significant changes in housing and employment markets. ...⁴⁰⁶

During the committee's Emerald hearing, a witness discussed the fluctuating housing market:

... you are getting variations in value like you see in a place like Moranbah, where you could have bought any house you liked in Moranbah for \$50,000 in 2002 to an average value of \$700,000 in 2012 to \$175,000 today.

⁴⁰³ Civeo Pty Ltd, submission 206.

⁴⁰⁴ Queensland Resources Council, submission 221.

⁴⁰⁵ Anglo American Coal, submission 225.

⁴⁰⁶ Department of State Development, correspondence dated 10 June 2015, p 5.

...

They were people that came in for short-term projects to construct a new mine Then when it finishes it finishes, so they are out of town. That is where the camps should be part of it. Then the property market over here remains a bit more stable with the permanent workforce. In effect, when the price of those properties escalated the permanent workforce left town and became fly-in fly-outs because they thought, 'This isn't going to happen forever. I can sell my house for \$700,000 that I paid \$7,000 for, move to the Sunshine Coast and fly in and fly out. This is great. I just picked up \$650,000.' The residents turn into fly-in fly-out workers.⁴⁰⁷

Committee comment

The committee is cognisant that non-resident populations have an impact on housing availability and affordability. The committee considers that temporary accommodation villages have their place for workers during construction. However, in order to reduce the impacts of a temporary workforce on housing availability the costs of housing, the committee is of the view that housing should be sourced from the local community, where possible, before building a permanent accommodation village.

Accordingly, the committee recommends the Queensland Government's policy position sets out that project proponents are required to source accommodation for operational workforces from the local community where possible, and that the proponent would be required to demonstrate the need for alternative accommodation.

Recommendation 18

The committee recommends the Queensland Government's policy position sets out that project proponents are required to source accommodation for operational workforces from the local community where possible, and that the proponent would be required to demonstrate the need for alternative accommodation.

7.6.5 Impacts on local businesses

Some submitters expressed the view that FIFO work arrangements have a detrimental impact on local businesses.⁴⁰⁸ These submitters considered that local businesses do not gain any benefit from hosting a FIFO workforce because for example, the accommodation villages are self-sufficient and workers did not need to make purchases at a local businesses.⁴⁰⁹ Other submitters also asserted that accommodation villages take business away from moteliers. This was particularly apparent for moteliers in the Darling Downs region.⁴¹⁰

Conversely, resource stakeholders submitted that their workforces contribute to the local economy. Civeo Pty Ltd advised that it had specific policies that gave preference to local central Queensland suppliers and businesses:

Our procurement decision-making processes seek to provide opportunity for local businesses to develop relationships, subject to satisfying Civeo's relevant qualification requirements, including

⁴⁰⁷ Public hearing transcript, Emerald, 17 June 2015, p 25.

⁴⁰⁸ See for example, Jaga, submission 11; Jason Hill, submission 49; Raul Jackson, submission 58; Amy Matthews, submission 72; Tim Armstrong, submission 142; Cr Kelly Vea Vea, Submission 188, Margaret Morissey, Submission 162; J Stocks, submission 168.

⁴⁰⁹ See for example, Dysart Community Action Association Inc, submission 16; Margaret Morissey, submission 162; John Stocks, submission 168; Australian Christian Lobby, submission 202.

⁴¹⁰ For example, Public hearing transcript, 27 July 2015, p 12. Dalby moteliers submitted that a camp near Dalby which has 554 beds not only caters for mine workers but also for business people, backpackers, sub-contractors, and general workers: Carol Dregmans, speech, 16 June 2015.

capacity to supply and meeting safety and accreditation standards. In 2014, Civeo spent \$25,600,000 with Central Queensland businesses.⁴¹¹

Local industry policies

The Queensland Government introduced the first local industry policy in 1999.⁴¹² In 2011, the government introduced the *Queensland Industry Participation Policy Act 2011* (QIPA). The rationale for the legislation was:

... to require the development of a local industry policy [to] ensure that the principles of securing economic, employment and social benefits through State Government-funded major project procurement are put into practice by successive Queensland Governments.⁴¹³

The QIPA requires the Minister to develop a local industry participation policy and report annually on the implementation of the policy. The QIPA was amended in 2014:

As a result of the Queensland Commission of Audit, DSDIP undertook a review of the policy and, in consultation with agencies and industry, has developed an improved Charter of Local Content. The new Charter meets the requirements of the ANZGPA for a local industry policy, reduces costs for Government, is simpler to administer and reflects a best practice framework that complements the Queensland Procurement Policy.

A fundamental change in approach with the new Charter is to build local content requirements into the procurement policies and procedures of Government agencies. This will be reinforced through the category procurement approach to be adopted as part of the new Queensland Procurement Policy.

The new Charter includes a simplified reporting system. Consequently, the *Queensland Industry Participation Policy Act 2011* (QIPP Act) is to be amended to roll reporting on the implementation of the Charter, as Queensland's new policy, into the DSDIP Annual Report instead of preparing a separate report to Parliament.⁴¹⁴

The current Queensland Charter for Local Content (the Charter) was implemented in April 2014. The Charter is aimed at providing all businesses with full, fair and reasonable opportunities to tender for government procurements.

The Charter primarily applies to government funded projects where the total government contribution is over \$5 million or over \$2.5 million in regions. The Charter does not apply to private sector projects.⁴¹⁵

Code of practice for local content

The Queensland Resources Council manages the implementation of the Resources and Energy Sector Code of Practice for Local Content (the Code). The Code has been in place since 2013 and is aimed at supporting industry to adopt the principle of full, fair and reasonable opportunity to tender for procurement opportunities.

The Code is a voluntary code and self-regulated by the industry. Resource companies signed up to the Code are required to report their spend data for the previous financial year by 30 September of each year. This data is reported in annual Code Industry Report and details a company's progress in adopting the Code. A Code Effectiveness Report is also compiled.

⁴¹¹ Civeo Pty Ltd, submission 206.

⁴¹² Department of State Development, correspondence dated 29 July 2015.

⁴¹³ Queensland Industry Participation Bill 2010, explanatory notes, p 1.

⁴¹⁴ State Development, Infrastructure and Planning (Red Tape Reduction) and Other Legislation Amendment Bill 2014, explanatory notes, p 4.

⁴¹⁵ Department of State Development, correspondence dated 29 July 2015.

QRC advised that the following companies have adopted the Code: APLNG Origin, GLNG Santos, QCLNG, Arrow Energy, BMA, GVK Hancock, and Rio Tinto. QRC also indicated that Adani, China Stone Coal, AMCI and New Hope Group would be adopting the Code. Other companies had voluntarily completed Code Industry Reports. QRC stated that it was confident that the number of companies adopting the code would increase as the code is better understood.⁴¹⁶

The 2014 Code Effectiveness Report included the data reported by 46 companies. In 2013-14, the 46 companies procured \$42.5 billion in goods and services including:

- \$29 billion or 68 per cent was purchased from vendors located in Queensland.
- \$1.9 billion or 4 per cent was procured from vendors located outside of Australia and New Zealand.
- \$2.2 billion was procured from vendors outside of Queensland from an unassigned location due to insufficient detail in the data provided.⁴¹⁷

Local buying program

BHP Billiton provided details about the BMA Local Buying Program:

... in 2012 the BMA Local Buying Program was initiated in the Bowen Basin and has been enthusiastically supported by local stakeholders. This program facilitates all BMA and BMC mines (including Caval Ridge and Daunia) and Hay Point Coal Terminal to procure goods and services from Bowen Basin and Mackay based businesses.

As of 31 March 2015, 641 local businesses were approved to participate in the Program – 383 located in the Bowen Basin and 258 located in the Mackay region. A total of 4,294 work opportunities had been made available to local businesses with 3,604 approved work packages.

After consultation with our stakeholders in the region, Mackay businesses were added to the program in December 2014 to enable access to supplier opportunities from Hay Point operations.

Between June 2012 and 31st March 2015, over \$46 million has been awarded through the program with an average supplier payment time of 10.8 days.⁴¹⁸

In regards to how BHP Billiton monitors the program, BHP advised:

From a corporate perspective, the BMA Local Buying Program is a flagship program for the organisation so it has received a lot of attention across the company—in fact, even from our colleagues in Chile and Houston in terms of our petroleum business. It is an excellent program for the organisation, particularly the way it has been set up with the local community. We consider it a success in terms of having \$46 million having passed through the really favourable payment terms that local businesses are able to obtain from us and the number of contracts that have been let. We can always improve, and we are always open to suggestions from the community. I believe there is a structure in place where we do have direct input from local community members and we are very open to any suggestions on how to improve that.⁴¹⁹

BHP advised that the buying of staples, such as milk and bread for Buffel Park Village, which is attached to the Caval Ridge mine, is done through a contractor. The contractor, Cater Care, is not required to participate in BMA's buy local program. However, Cater Care buys the following goods and services from the local region:

- Moranbah: liquor and stationery

⁴¹⁶ Queensland Resources Council, correspondence dated 31 July 2015.

⁴¹⁷ Department of State Development, correspondence dated 29 July 2015.

⁴¹⁸ BHP Billiton, submission 234.

⁴¹⁹ Public hearing transcript, Brisbane, 15 July 2015, pp 17-18.

- Emerald: linen
- Clermont: dairy products, and
- Mackay: dry/chiller/frozen from Bidvest; consumables from Bunzi; meat/poultry/small good from Frescos.⁴²⁰

BHP further advised:

BHP Billiton is investigating the opportunity for our contractors to participate in our Local Buying Program, currently used by both BHP Billiton Mitsubishi Alliance (BMA) and BHP Billiton Mitsui Coal (BMC). This includes community consultation in the regions where we operate.⁴²¹

Committee comment

The committee acknowledges the substantial economic benefits that resource activities bring to local communities. However, the committee considers that there is still work to be done to ensure that local communities are receiving the benefits of resource projects to the greatest extent possible.

The committee notes that the FIFO Review Panel similarly found that despite all of the industry led programs there was no clear and concise evidence that the procurement practices of operational activities were maximising sustainable growth opportunities for regional businesses.⁴²²

The committee recommends the Minister:

- (a) review the effectiveness of industry led programs to determine whether such programs are maximising the procurement opportunities for small local businesses
- (b) consider whether the Charter for Local Content should apply to private sector projects, and
- (c) evaluate the current procurement gateways including the effectiveness of the Industry Capability Network in providing procurement opportunities for small local businesses.

Recommendation 19

The committee recommends the Minister:

- (a) review the effectiveness of industry led programs to determine whether such programs are maximising the procurement opportunities for small local businesses
- (b) consider whether the Charter for Local Content should apply to private sector projects, and
- (c) evaluate the current procurement gateways including the effectiveness of the Industry Capability Network in providing procurement opportunities for small local businesses.

⁴²⁰ BHP Billiton, correspondence dated 7 August 2015, p 3.

⁴²¹ BHP Billiton, correspondence dated 7 August 2015, p 3.

⁴²² Queensland Government, 'FIFO Review Report, July 2015', p 49.

8 Other matters

The committee's inquiry generated a lot of comment on industrial relations matters within the resource industry. The issues raised included:

- the extent of the casualisation of the resource industry workforce
- the use of labour hire companies
- the adequacy of compensation for travel time, and
- the relationship between unions and the resource industry.

Some union submitters considered that the greater use of FIFO enables employers to gain greater control over their workforces.

... the decision to create 100% FIFO workforces in locations where a ready workforce exists is more about control over a workforce than economic considerations.⁴²³

Isaac Regional Council submitted that using a non-resident workforce enabled industry to regulate the workforce and manage fatigue and that there was 'decreased industrial action and union influence in workforce matters'.⁴²⁴

The terms and conditions of work, the adequacy of compensation and the individual agreements between employers and employees reaches beyond the scope of this inquiry.

The rights of private sector employees are generally governed by Commonwealth legislation – the *Fair Work Act 2009* (Cth), therefore the committee has not made any recommendations in this regard.

The committee notes that the Australian Government has tasked the Productivity Commission to review the workplace relations system in Australia. The Productivity Commission has held a submissions period and intends to provide their report to the Australian Government by 30 November 2015.⁴²⁵

⁴²³ Queensland Council of Unions, submission 170. See also, Construction Forestry Mining and Energy Union, submission 190.

⁴²⁴ Isaac Regional Council, submission 207. See also, Christine Ellrott, submission 10.

⁴²⁵ Australian Government, Productivity Commission, '[Workplace relations framework: public inquiry](#)'.

Appendices

Appendix A – List of submitters

Sub #	Name
1	Alan Greaves
2	Regional Development Australia – Wide Bay Burnett
3	Paul Manche
4	Carol M Paul
5	Confidential
6	Mark Hensel
7	Steve Carter
8	Castra Consulting
9	Mount Isa City Council
10	Christine Ellrott
11	Jaga
12	Sean Ewart
13	Lindsay Creighton
14	Julie Widt
15	Anthea Huntly
16	Dysart Community Action Association Inc
17	Jason Blackett
18	Mark
19	Casey Blandford
20	Nita Patterson
21	Vladimir Nikolic
22	Stafford Ray
23	Owen Jeffery
24	Confidential
25	Charters Towers Regional Council
26	Name withheld
27	Anne-Marie Williamson
28	Australian Manufacturing Workers' Union
29	Mitez
30	Benjamin Medhurst
31	Confidential
32	Confidential
33	Ian Park
34	Confidential
35	Joseph Van Der Werff

Sub #	Name
36	Confidential
37	Brian Hobbs
38	Confidential
39	Confidential
40	Stewart Malcolm
41	Confidential
42	Confidential
43	Confidential
44	Confidential
45	Confidential
46	Confidential
47	Confidential
48	Robert Arthur
49	Jason Hill
50	Confidential
51	Confidential
52	John Kelly
53	Colleen Sturtzel
54	Peter Young
55	Confidential
56	Peter Purdie
57	Confidential
58	Raul Jackson
59	Confidential
60	Wayne Hentschel
61	Luke Hinchey
62	Alf Grasso
63	Confidential
64	Mark Clavell
65	Kevin Blyton
66	Confidential
67	Confidential
68	Confidential
69	Confidential
70	Confidential
71	Confidential
72	Amy Matthews
73	Confidential

Sub #	Name
74	Confidential
75	Child Family Community Australia
76	Confidential
77	Kristie Sutton
78	Confidential
79	Donald Eccleston
80	Confidential
81	Confidential
82	Confidential
83	Joe Maw
84	Confidential
85	Confidential
86	Confidential
87	Confidential
88	Confidential
89	Shank Cook
90	Confidential
91	Confidential
92	Glyn Jones
93	Confidential
94	Confidential
95	Confidential
96	Confidential
97	Confidential
98	Timothy Trewin
99	Confidential
100	Confidential
101	Confidential
102	William Hinrichsen
103	Confidential
104	Confidential
105	Confidential
106	Confidential
107	Confidential
108	Confidential
109	Confidential
110	Confidential
111	Wayne Anstey

Sub #	Name
112	Confidential
113	Confidential
114	Dave Wotten
115	Andrew Telfer
116	Henk Doevandans
117	Leslie Connolly
118	Confidential
119	Damian Kenny
120	Troy Deeth
121	Nick Tanner
122	Ross Russell
123	Brett Pearson
124	Mark Caton
125	Ernie Smyth
126	Bryan Dowd
127	Troy Brown
128	Eric Hertsch
129	Alec Andrews
130	Chad Stokes
131	Luke Pohlmann
132	John Cummins
133	Gregory Johnston
134	Ken Knuth
135	Tim Pigram
136	Christine Anderson
137	Nathann Larkin
138	Ian Neilson
139	Geoff Pulman
140	Vernon Kemp
141	Glen Bunt
142	Tim Armstrong
143	Alan Lawry
144	Adam Hansen
145	Jason Mathewson
146	Confidential
147	Confidential
148	Confidential
149	Confidential

Sub #	Name
150	Doug & Elaine Batchelor
151	Western Downs Regional Council
152	Taroom District Development Association Incorporated
153	Mastermyne
154	Frederick Hempseed
155	Confidential
156	Confidential
157	Daniel Smyth
158	Paul Baker
159	Confidential
160	Confidential
161	Joseph Beutel
162	Margaret Morrissey
163	Beyondblue
164	Confidential
165	Name withheld
166	Cheryl Gothmann
167	Rio Tinto Coal Australia Pty Ltd
168	John Stocks
169	Confidential
170	Queensland Council of Unions
171	Ian Wright
172	Rick Hibble
173	Name withheld
174	Glenn Hamilton
175	Confidential
176	Confidential
177	Confidential
178	Queensland Nurses' Union
179	Name withheld
180	Nathan Bath
181	Peter Marsh
182	Maranoa Regional Council
183	Luke Ludlow
184	Mitch McGirr
185	Glenda Carmody
186	Evan and Joan Hartley
187	GVK Hancock Coal

Sub #	Name
188	Cr Kelly Veve
189	Local Government Association of Queensland
190	Construction, Forestry, Mining and Energy Union
191	Ausco Modular Pty Limited
192	Cairns Regional Council
193	Name withheld
194	Paul Knight
195	Queensland Mental Health Commission
196	Whitsunday Regional Council
197	Peabody Energy
198	Sleep Health Foundation
199	Advance Cairns
200	Robert Mortimer
201	Association of Mining and Exploration Companies
202	Australian Christian Lobby
203	FIFO Families Pty Ltd and Creating Communities Australia Pty Ltd
204	Westfund Health Insurance
205	Gryphon Psychology
206	Civeo Pty Ltd
207	Isaac Regional Council
207a	Isaac Regional Council supplementary submission
208	Fly-in Fly-out Australian Community of Excellence
209	The Australian Workers' Union
210	Electrical Trades Union
211	Steve Grant
212	Mackay Regional Council
213	Rockhampton Regional Council
214	Resource Industry Group Inc
215	Confidential
216	Australian Medical Association Queensland
217	Wandoan Community, Commerce and Industry Association
218	Blackwater Community Progress Group Inc.
219	Central Highlands Regional Council
220	Independent Education Union, Queensland and Northern Territory Branch
221	Queensland Resources Council
222	North West Queensland Regional Organisation of Councils
223	Australian Mines and Metals Association
224	Arrow Energy

Sub #	Name
225	Anglo American
226	Shannon Mayfield
227	Confidential
228	Resource Industry Network
229	Cr Neil Fisher
230	Central Queensland Hospital and Health Service
231	Kerry Schultz
232	Bowen Business Chamber
233	Hon Bob Katter MP
234	BHP Billiton
235	Confidential

Appendix B – List of witnesses at the public hearings

Witnesses – Public Hearing held on Monday 15 June 2015 in Mackay	
1	Mr Scott Waters, Chief Executive Officer, Whitsunday Regional Council
2	Ms Jennifer Anne Whitney, Mayor, Whitsunday Regional Council
3	Ms Nita Patterson, Private capacity
4	Ms Lisa Corica, Director, Advantage Business College
5	Ms Vivienne Gayton, Executive General Manager, Human Resources Mastermyne
6	Mr David McKendry, Acting Chief Executive Officer, Mackay Regional Council
7	Mr Bob Katter MP, Member for Kennedy, Commonwealth Parliament
Witnesses – Public Hearing held on Monday 15 June 2015 in Moranbah	
1	Councillor Anne Baker, Mayor, Isaac Regional Council
2	Ms Jessica Dix, Manager, Economic Development and Communities, Isaac Regional Council
3	Councillor Gina Lacey, Division 3, Isaac Regional Council
4	Councillor Kelly Vea Vea, Division 5, Isaac Regional Council
5	Mr Graham Webb, Acting Chief Executive Office, Isaac Regional Council
6	Ms Melissa Westcott, Growth and Resilience Coordinator, Moranbah Traders Association
7	Ms Debbie Casey, Private capacity
8	Ms Kelly Vea Vea, Private capacity
9	Mr Peter Finlay, Private capacity
10	Mr Bob Katter MP, Member for Kennedy, Commonwealth Parliament
11	Mr Warren Clough, Private capacity
12	Ms Leanne Kettleton, Private capacity
13	Ms Cherie Miller, Committee Member, ELAM Inc.
Witnesses – Public Hearing held on Tuesday 16 June 2015 in Middlemount	
1	Mr Bill Gray, Private capacity
2	Mr Stephen Harper, Private capacity
3	Mr Alan Lawry, Private capacity
4	Mr Kristina Harper, Private capacity
5	Ms Belinda Brown, Private capacity
6	Mr Nick Wheeler, Private capacity

7	Councillor Anne Baker, Mayor, Isaac Regional Council
8	Mr Richard Campbell, Private capacity
9	Mr Michael Morris, Private capacity
10	Mr Richard Turnbull, Private capacity
11	Ms Melissa Campbell, Private capacity
Witnesses – Public Hearing held on Tuesday 16 June 2015 in Dysart	
1	Ms Anne Ahern, Secretary, Dysart Community Action Association
2	Mr Nick Wheeler, Private capacity
3	Mr Scott Leggett, Private capacity
4	Mr Sam Streeter, Private capacity
5	Mr John Crooks, Private capacity
6	Councillor Anne Baker, Mayor, Isaac Regional Council
Witnesses – Public Hearing held on Wednesday 17 June 2015 in Blackwater	
1	Mr Steve Grant, Chair, Blackwater Community Progress Group Inc.
2	Sister Colleen Livermore, Treasurer, Blackwater Community Progress Group Inc.
3	Mr Charlie Brimblecombe, Private capacity
4	Mrs Jenny Ryan, Private capacity
5	Mr Terry Kelly, Private capacity
6	Mr Glen Buckingham, Private capacity
7	Mr Lester Anderson, Private capacity
Witnesses – Public Hearing held on Wednesday 17 June 2015 in Emerald	
1	Mr Alexis Aylward, Principal Planner, Central Highlands Regional Council
2	Mr David Brown, Mining Liaison Officer, Central Highlands Regional Council
3	Ms Janice Moriarty, Manager, Community Planning and Engagement, Central Highlands Regional Council
4	Ms Katherine Blanch, Private capacity
5	Mrs Mary Herwin, Private capacity
6	Mr Mark Higgins, Private capacity
7	Mr Craig Johnston, Private capacity
8	Mr Darryl McClure, Private capacity

9	Mr Pat Lyons, Private capacity
10	Ms Martina Wenman, Private capacity
Witnesses – Public Hearing held on Thursday 18 June 2015 in Gladstone	
1	Mr Michael Pope, Private capacity
2	Mr Phil Golby, Gladstone Organiser, Australian Manufacturing Workers' Union
3	Mr Peter Masters, Private capacity
Witnesses – Public Hearing held on Thursday 18 June 2015 in Moura	
1	Mr Kenneth (John) Walker, President, Moura Community Progress Inc.
2	Ms Emma Hamilton, Private capacity
3	Mr Thomas Kennedy, Private capacity
4	Mr Steve Paton, Private capacity
5	Mr Graham McGreevy, Private capacity
6	Mr Paul Conway, Private capacity
7	Mr Aron Lang, Private capacity
Witnesses – Public Hearing held on Friday 19 June 2015 in Rockhampton	
1	Ms Mary Carroll, Chief Executive Officer, Capricorn Enterprise
2	Councillor Bill Ludwig, Mayor, Livingstone Shire Council
3	Mr Paul Baker, Private capacity
4	Mr Bruce Young, Private capacity
5	Ms Bonita Lousich, Private capacity
6	Ms Victoria Murray, Organiser, Mining Women Support Group
7	Mr John Hempseed, Private capacity
8	Mr Peter Lyon, Rockhampton Organiser, Australian Manufacturing Workers' Union
9	Mr Glen Power, District Vice-President, Mining and Energy Division, Construction Forestry Mining and Energy Union
10	Mr Terry Bradley, Assistant State Secretary, Australian Manufacturing Workers' Union
Witnesses – Public Hearing held on Thursday 25 June 2015 in Brisbane	
1	Ms Carmel Ybarlucea, Executive Director, Queensland Mental Health Commission
2	Ms Nicole Ashby, Founder and Director, FIFO Families
3	Mr Andrew Watt, Senior Associate, Creating Communities Australia Pty Ltd

4	Mr Stephen Smyth, President, Mining and Energy Division, Construction Forestry Mining and Energy Union
5	Mr John Martin, Research and Policy Officer, Queensland Council of Unions
Witnesses – Public Hearing held on Wednesday 15 July 2015 in Brisbane	
1	Mr Michael Roche, Chief Executive, Queensland Resources Council
2	Ms Judy Bertram, Director, Community, Skills and Safety, Queensland Resources Council
3	Mr Andrew Berger, Director, Economics and Infrastructure Policy, Queensland Resources Council
4	Ms Victoria Somlyay, Vice-President, Corporate Affairs, BHP Billiton Coal
5	Mr Alisdair Gibbons, General Manager, Caval Ridge Mine, BHP Billiton Mitsubishi Alliance
6	Ms Sonia Lewis, Head of Human Resources, BHP Billiton Mitsubishi Alliance
7	Mr Barry Broe, Coordinator-General, Office of the Coordinator-General, Department of State Development
8	Mr Matthew Andrew, Acting Deputy Director-General, Department of State Development
9	Mr Andrew Broadbent, Acting Executive Director, Department of State Development
10	Mr Matthew Grant, Director, Office of the Coordinator-General, Department of State Development
11	Ms Kellie Potter, Project Manager, Office of the Coordinator-General, Department of State Development
Witnesses – Public Hearing held on Monday 27 July 2015 in Toowoomba	
1	Mr Frank Ondrus, Private capacity
2	Mr Bob Oakes, Private capacity
3	Ms Helen Jentz, Chief Executive Officer, Toowoomba Chamber of Commerce and Industry
4	Mr Garry Barnes, Private capacity
5	Mr Dave Archer, Private capacity
Witnesses – Public Hearing held on Monday 27 July 2015 in Dalby	
1	Councillor Ray Brown, Mayor, Western Downs Regional Council
2	Ms Carol Dregmans, Dalby Mid Town Motor Inn
3	Ms Jane Grieve, Country Pathfinder Motor Inn
4	Mr Kevin Vinall, Chinchilla Moteliers
Witnesses – Public Hearing held on Tuesday 28 July 2015 in Roma	
1	Councillor Robert Loughnan, Mayor, Maranoa Regional Council

2	Councillor Ree Price, Maranoa Regional Council
3	Mr Bruce Scott MP, Member for Maranoa, Commonwealth Parliament
4	Mr Rick Benham, Vice President, Commerce Roma
5	Ms Ann Sommers, Secretary, Commerce Roma

Appendix C – Example job advertisement with location criteria

Specialist Analysis & Improvement (CVM)

Job number: 775514

CSG: Coal

Site: BMA - Caval Ridge

Business / Project: BMA

Job type: Full Time - Permanent

Location: Australia - Queensland

About BMA

BHP Billiton Mitsubishi Alliance (BMA) is Australia's largest coal producer with currently eight operational mine sites and a coal loading port in Central Queensland. As the world's largest seaborne coking coal supplier, and part of the BHP Billiton group, BMA is uniquely poised to offer experience and career development opportunities difficult to find elsewhere.

Benefits

You will be rewarded with an exciting and challenging career path, an attractive remuneration package including performance-based bonus, flexible work arrangements, access to the BHP Billiton Share Scheme and employer matched super contribution.

About the role

Reporting to the Maintenance Analysis and Improvement Superintendent, the **Specialist Analysis and Improvement** will be engaged to provide specialist advice, execute analysis and benchmarking of the Maintenance performance at the Caval Ridge Mine. You will be responsible for identifying and implementing improvement initiatives that enable Maintenance Excellence and support business priorities for continuous improvement. **This role is a FIFO opportunity with the requirement for you to reside within 100km radius of the Brisbane Airport on a 4/2/4/4 roster.**

Key responsibilities

- Build business partnerships and maintain strong working relationships with key stakeholders across the business;
- Develop, implement and facilitate improvement initiatives across maintenance through sound financial and technical analysis;
- Conduct detailed analysis of plant and equipment through condition monitoring reports, and plant integrity assessments;
- Initiate and conduct root cause analysis and "failure type" reviews (e.g.5 Whys) of infrastructure and field equipment including draglines;
- Analyse work management, plant and equipment performance;
- Provide technical input and develop the maintenance strategies for equipment across site; and
- Provide technical expertise to maintenance execution to support work quality and safe execution of work.

About you

The successful candidate will have relevant reliability and asset management experience within heavy industry. Your knowledge of defect elimination and extensive root cause analysis experience coupled with your strong analytical and problem solving skills will ensure success in this role. Experience with SAP and advanced excel skills will be advantageous. Strong communication and interpersonal skills are a must, allowing you to build relationships across departments and to communicate with disciplines at all levels.

Our people strategy is focused on balanced leadership and developing a high performance. BMA is an Equal Opportunity Employer and encourages female and Indigenous Australian candidates to apply.

Advertised: 16 Jun 2015 E. Australia Standard Time

Applications closed for this job on 29 Jun 2015

*Highlighting added