



Submission 213

11.1.2

25 May 2015  
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**Mr Jim Pearce MP**

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

To Mr Pearce, Chair and Committee

Please consider this submission from Rockhampton Regional Council for the future of Fly In, Fly Out work practices across regional Queensland and the impacts on these workers, their families, communities and industries.

For the purpose of this report, we are providing information on those issues we consider most directly relevant to Rockhampton, but in the context of the industry as a whole, our workforce, and what we believe will be similar considerations for other like communities.



Rockhampton Regional  
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the CQ **NRL BID**

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### Effects on families of rostering practices in mines using FIFO workers

RRC recognises that FIFO has significant impacts on families, understanding that those who choose this work do so voluntarily. We believe that Proponents can support employees on site by adopting best practices, as identified by the Centre for Social Responsibility in Mining, Sustainable Minerals Institute at the University of Queensland. These recommended practices include:

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

Equally RRC considers it the responsibility of the host community to integrate and support the families back at home. "Rockhampton Connect" is an approach developed by RRC to optimise the FIFO experience for employees, their families, communities and industry as part of the RRC FIFO Strategy and implementation plan. Rockhampton Connect is designed to proactively engage families into the community, streamlining access to housing, education, health, entertainment, sports and special interests. It is used to ensure that the community embraces into its core those who are part of the FIFO community.

***RRC recommends that the "Rockhampton Connect" approach be considered for application by all host communities.***

Effective delivery will require three tier government support and a common framework. This approach benefits both worker productivity and the social and economic well-being of the host community and for these reasons, we believe Proponents / Resource Companies will want to ensure its success.

### Extent and projected growth in FIFO work practices by region and industry

RRC is concerned that as mine sites become more remote, and are no longer adjacent to existing communities, that the effects of LDC (long distant commute, in terms of FIFO, DIDO and BIBO) will become more prominent.

***RRC does not support the practice of exclusive or biased draw from specific postcodes.*** RRC considers this practice detrimental to the Proponent as well as the source communities that are excluded. Drawing from a single area creates the potential for over reliance on that skilled labour source and of damaging the social makeup of the community during cyclical downturns.







***RRC recommends adopting a strategy that distributes the worker catchment by drawing from a selection of regional service hubs.***

This approach supports the State Government's position of redirecting the focus of employment and residents from the South East Corner of Queensland to regional Queensland.

***Rockhampton Regional Council recommends that it be included in this expanded list of FIFO source communities***

The following is offered in support of this recommendation:

- Rockhampton has a pool of highly skilled, affordable, ready and willing workers.
- Rockhampton has the third highest number of FIFO/ DIDO workers in Queensland, comprising 1570 long distance resource industry commuters. The vast majority of these work in the Bowen Basin (2013 KPMG survey prepared for Minerals Council of Australia). Others work in Pilbara's iron ore operations and as far afield as Mongolia.
- The airport has capacity and capability to include a variety of flights to support transport to remote sites.
- Rockhampton is already established as a service centre for central Queensland and with further planning we will be able to drive more value through, from and to the regions.

Augmenting regional infrastructure to enable access to additional pools of skilled workers will create opportunities beyond transportation of employees. As regional cities expand their economic base, this not only enhances their resilience but the economic strength of the state as a whole. It also helps to mitigate the negative impacts that result from downturns in the industry.

Drawing from a selection of regional service hubs will also provide opportunity for workforce logistics to be organised via coastal hubs such as Rockhampton, then connected to their final destination, rather than forcing all employees to travel via Brisbane. Not only would this save time for the employee, it would also reduce air traffic to an already busy airport and redirect to smaller airports that can be more flexible with on-routes.

***RRC recommends that the broader economic impacts of a range of FIFO options be further evaluated and appropriate mitigation and optimisation measures developed.***

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

***RRC does not support 100% FIFO.***

***RRC recommends that all stakeholders prioritise the development of liveable and sustainable communities at host and destination sites as the primary determinant for evaluating the merits of various FIFO strategies.***





We recognise that each project is affected by different circumstances, and that an overarching long term approach is needed to achieve mutually sustainable outcomes for all parties. The current one size fits all approach is unacceptable to the majority of industry stakeholders and is not in the best interests of those stakeholders or the State. The preferred model encompasses meeting Proponent needs but to the maximum degree possible doing so by supporting local townships and the regional communities best able to supply workers.

It is accepted that Proponents must draw on workers from a broader base to build their business case and garner financial and political support for the development of remote sites. We know that local townships are simply too small to meet this demand. But there needs to be a conscious effort to avoid the negative consequences that can result from a sudden influx of external workers on local communities. These negative effects include skewing the cost of living and property values, burdening limiting local services and infrastructure, and creating new social issues relating to the speed of change, community identity, income inequality, and local outsider conflicts. For these reasons:

***RRC recommends that the federally funded FIFO co-ordinator roles be extended to address the broader community/social consequences of FIFO as well as localised economic development impacts.***

A collaborative and coordinated approach is essential to embed optimum outcomes from LDC (FIFO, DIDO and BIBO) employment across each affected region. These should be globally co ordinated but locally implemented to enable adaptation to local circumstances. Federal support is required to ensure effective delivery of this approach.

***RRC recommends that Coordinator positions sit within already established industry bodies and organisations so that they are credible, industry connected and driven, and easily implementable.***

These roles should address:

- Propensity of local industry to contribute and benefit from the different phases of projects including exploration, FEED, Construction, Operation and Maintenance, and closure.
- Connection of local companies into the wider supply network – beyond project specific, connecting SMEs with larger companies and incorporating local companies into the value chain.
- Co-ordination of best practice implementation between Proponent and local industry and wider supply network per “Procuring from SMEs in local Communities – Good Practice Guide for the Australian Mining, Oil and Gas sectors.”
- Facilitation of innovation/technology uptake across the network (including Proponent) and connection to IP/capability from CQ University and others.
- Co ordination of available workforce into FIFO/DIDO/BIBO positions including inclusion of disadvantaged work-pool and effective use of apprentices. Rockhampton region can draw from a number of organisations in this field, including Back-on-Track which specialises in indigenous participation plans and employment strategies.





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RRC can provide further material to support the recommendation for including wider economic development functions under FIFO Coordinator roles. ***RCC invites the Committee to further discuss the merits of this approach at your convenience.***

***RRC recommends that FIFO not be evaluated in isolation from other legacy issues stemming from resource projects.***

FIFO is just one of the challenges/opportunities that results from resource projects. RRC has highlighted the need to build strong host and destination FIFO communities to foster resource-independent economic growth and thereby ensure resilience to cyclical downturns.

Per the 'Rockhampton Connect' model, other issues to address include:

- Integration of FIFO workers into the destination community
- Ensuring access to appropriate education including resource industry specific subjects
- Ensuring access to quality healthcare in the local community including mental health
- Supporting development of appropriate physical infrastructure (with maintenance provisions) between the three tiers of Government and Proponent

#### **Economic Costs and Benefits**

There is a strong sense of expectation from communities that they be better consulted and engaged in projects so this current review is much appreciated. Currently there is no mandatory requirement on the Proponent to engage with local companies, nor for them to mandate this practice to the EPCM / top tier supply networks. The Corporate Social License to Operate has resulted in "programs" being developed around "local buy" but these generally result in utilisation of local suppliers for low value items drawing from existing provisions. This misses the opportunity to extend the capability and capacity of local industry to participate in the high value, advanced capability arenas that would build a stronger, enduring local business base, particularly in regional host communities.

Proponents frequently cite concerns re scalability of business to explain why local companies are by passed. This is a real risk for Proponents but we believe it can be overcome through the application of proven business models such as SME Gateway. But it will take the Commonwealth Government facilitating coordination between multi region industry organisations to make this work, as no individual community has the capacity or pull. Australian SMEs need this level playing field to effectively participate.

RRC recognises the importance of facilitating industry to work together strategically. As such it has become a primary sponsor of The Resource Industry Group (RIG). The Council has partially seconded its Senior Resource Officer to assist RIG during its establishment phase.

RIG is an industry driven organisation that serves its members at all levels of the supply network from Resource Companies through to SMEs operating at the lower tiers. RIG assists in the development of relationships, using varied tools and approaches to connect their membership, including several working groups. These address Resources Education, Transport Logistics and Infrastructure (covering FIFO), Strategic Networks and Collaboration, and Environment and Community.





RIG is non-geographic in scope and draws its members from Proponents, suppliers and all levels of the supply network to enable round table conversations and build effective knowledge communities that are able to focus on the key issues and opportunities that need improvement and resolution in the resource industry. RIG provides a framework for facilitation of effective engagement, to showcase capability and to connect members around:

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

***RRC recommends that consideration be given to encouraging replication of the RIG model where suitable.***

While there are clear challenges that result from the current application of FIFO, RRC believes these can be further mitigated. We also want to stress that we understand the significant benefits of FIFO, including:

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

#### **Effectiveness of current responses to impacts of FIFO workforces by Commonwealth, State and Local Governments**

RRC contends there is considerable confusion in the market over intervention and support programs and services available from the three tiers of government. There is an urgent need to eliminate duplication and competition by mapping support and coordinating delivery functions across the three tiers. In pursuing this, care should be taken not to displace any support that industry currently provides. To this end:

***RRC recommends that a memorandum of understanding be developed between Proponents, all levels of the supply network, and the three tiers of government on the agreed target outcomes from resource developments.***

This will ensure that policy development and implementation by government and Proponents is transparent and focused. The MOU can be used to drive the activities of the Resource Communities Advisor.

For our part, RRC has appointed a Senior Resources Advisor to work with all levels of government, and various industry bodies and organisations (including RIG) to identify and coordinate opportunities for improvement, and to ultimately build a sustainable resource industry and community. While the primary focus of this role is to attract benefit to the Rockhampton region, Council fully understands that industry decisions (especially by Proponents) are made with a global context.







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Responding effectively to these global considerations therefore requires cross-council collaboration, and extension across traditional geographical boundaries and organisations. This is imperative. Rockhampton Regional Council thanks the Committee for the opportunity to submit this response and invites questions and further discussion as appropriate.

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