

**EDUCATION AND HEALTH  
STANDING COMMITTEE**

**INQUIRY INTO MENTAL HEALTH IMPACTS OF  
FIFO WORK ARRANGEMENTS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 16 MARCH 2015**

**SESSION TWO**

**Members**

**Dr G.G. Jacobs (Chair)**  
**Ms R. Saffioti (Deputy Chair)**  
**Mr R.F. Johnson**  
**Ms J.M. Freeman**  
**Mr M.J. Cowper**

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**Hearing commenced at 1.00 pm****Mrs RUTH MURDOCH****Director, Acorn Life Path Pty Ltd, examined:**

**The CHAIR:** Ruth, on behalf of the Education and Health Standing, I would like to thank you for your appearance before us today. The purpose of this hearing is to assist the committee with its inquiry into the mental health impacts of fly in, fly out work arrangements. I am Graham Jacobs, the Chairman of the committee; and on my left is Murray Cowper, on his left is Rob Johnson, and on his left is Janine Freeman. Rita Saffioti is another member of the committee but she is an apology today. This hearing is a formal procedure—hopefully not too formal—of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking you to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing, and Hansard is recording the proceedings. On my right is Lucy Roberts, and on her right is Daniel Govus. They are executive assistants who help us very much in this inquiry. If you refer to any documents during your evidence, it would assist Hansard if you announce what those documents are and provide the full title for the record.

Before we proceed, I need to ask you a few questions. Have you completed the “Details of Witness” form?

**Mrs Murdoch:** Yes.

**The CHAIR:** Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

**Mrs Murdoch:** Yes.

**The CHAIR:** Did you receive and read the information for witnesses briefing sheet provided with the “Details of Witness” form today?

**Mrs Murdoch:** Yes, I did.

**The CHAIR:** Do you have any questions for us before we start?

**Mrs Murdoch:** No.

**The CHAIR:** Maybe you could give us a bit of—I was going to say a nutshell!—of Acorn and what it represents.

**Mrs Murdoch:** Okay. I have some notes. Is it okay if I read these?

**The CHAIR:** Absolutely.

**Mrs Murdoch:** Lovely. “You work FIFO; you must be loaded.” This could not be further from the truth for many FIFO workers from our experience. At Acorn, we help FIFO workers and their families to set and achieve life goals, to find a balance in their life, and to manage their finances. At the FIFO expo in Joondalup in September last year, I spoke on how financial stress can affect FIFO families. After a talk, a lady came up to speak with me. She burst into tears. She said, “My husband works FIFO. There is no way he can come home. We just need the money that he earns”. She then went on to tell me that he speaks to her every day, and he is in tears on a daily basis with her. It was clear to see that she was suffering, and so was he, from a form of depression. They were stuck with the golden handcuff and they could see no way out. This story is typical of what we are dealing with on a daily basis. The patterns that we are seeing show a direct correlation between financial stress and mental health, and I believe that is going to get considerably worse in the near future due to the retraction in the resources industry. Employees will not risk letting on that they are

in stress for fear of being stood down and losing their job. People who do lose their job may have to take a large pay cut, and they may have to try to live on lower money. They already have financial commitments. My submission into the mental health of FIFO workers outlines my findings that financial stress is what we are calling the new mental health problem. It is something that no-one is talking about.

A couple of weeks ago I spoke with a FIFO wife who is financial stress. Their relationship is strained, they can hardly scrape enough money together for food, they have consumer debts, and it is causing anxiety and affecting their mental health. At Christmas when her husband came home, he went out and purchased a brand new dirt bike. She was sure that the banks would say no to his criteria for lending. She in fact had worked for a bank in the borrowing department before leaving to have children. The bank said yes to his loan. Meanwhile, she is raising two young children in their new Perth home, with no air-conditioning.

I have shared with you in my submission 11 other case studies, and each story has patterns relating to financial stress and mental health. These we believe are just the tip of the iceberg.

“You work FIFO; you must be loaded.” Yesterday, we spent time with a couple who works a two-and-one roster. He brings home \$62 000 and he pays child support of \$11 000 out of that. A large portion of the people we work with earn between \$85 000 and \$95 000 per annum, which is a good income, but it is not the huge dollars that the media would have us believe. Sure, there are a lot who are earning a lot higher incomes than this. But there is a real danger in assuming that all FIFO workers have a large disposable income. Many are struggling to pay their bills, because they lack the basic financial education of how to manage their money, and they have made poor choices in the past.

We group FIFO workers and their families into three broad categories. Category A are those who are making quite a good time out of the FIFO lifestyle. They have got plans for their finances, they are likely to have investments, and they are setting themselves up while working FIFO. Then there is category B. These people are not really that concerned about their money. They are likely to have a great time. They might be accumulating some debt. At the moment, it is just about having fun for them. Then there is category C. These are the ones who work FIFO because they generally want to get ahead, but they are not managing well. Maybe they want to buy a house, have investments, pay off debts and build a better future for their families and themselves. They usually have families; they would be aged in the mid-thirties to forties; and they have few very assets or savings behind them. The problem is this group is failing to see the results they expected because they just do not how to plan for them. They have never learnt how to manage their money, and they end up working FIFO for little tangible benefit. There is a sense of failure, helplessness and being trapped.

Induction processes usually take new employees through how to be safe physically on site, but there is no-one out there teaching them how to be safe financially. However, the stress associated with finances actually has an effect on incident rates on site. In the majority of cases we see, the worker on site has little involvement or even interest in the day-to-day money management of the finances at home. This is usually left to the partner at home. There is a disconnect between the partners around their finances; they cannot, and do not, communicate about money; and both partners are frequently feeling extreme stress as a result, both in their money and in their relationship. Without some external help, the reality is that this typical family does not resolve this, and we seeing people cracking under the strain of years spent in stress without a lot of hope or anywhere to go for help. The inquiries into FIFO mental health need to be addressing the mental health of the partner at home just as much as the partner on site. To the best of our knowledge, the current induction processes rarely provide practical support to the partner. We know that some companies do assist with networking with other FIFO partners in providing some resources and seminars. However, we believe this does not go far enough and in some cases there is no practical help to help ease that problem. With an increasing number of retrenchments and redundancies in the resources

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sector at present, there is an even bigger need for people to look after their money and pay down their debts as quickly as possible. But where do they go for help?

Our mission is to help FIFO workers and their families with their relationship, their money, and setting goals for their future. We believe that there are three pillars to being successful and experiencing good mental health when working FIFO. Number one is building strong relationship; number two is healthy finances; and number three is a plan or a goal or a vision for their future. If someone has these three things firmly embedded in their lives, they are going to have high resilience to life's challenges, and they will be able to better deal with the stress that comes with the FIFO lifestyle.

I was encouraged last week to listen to the FIFO mental health talk at the AOG and hear both Coert du Plessis and Alistair Box talk about the financial impact and financial stresses on some FIFO families. Their finding seems to be some hard data backing up what we know to be true. I believe it is vital for companies employing FIFO workers to take some responsibility for financial stress in their policies, inductions and training. They must associate financial education to the mental health of the workers. If mining, construction and oil and gas companies can reduce the incidents and injuries, they can increase their productivity and they can add to their bottom line by taking an active part and providing basic financial education to their staff. This can no longer be ignored and it is emerging as the root cause of relationship stresses in families.

Last Friday, I was invited into a company that is about to lay off their staff. Actually, it is more that the project is coming to an end, and that is a typical pattern in construction—it has a completion date. This company wants to help their staff plan for this eventuality. The comment I heard on Friday was that some of their staff were over-committed financially. I think that is a gross understatement. If I were to ask this staff who had three months of living expenses set aside, I bet there would be less than two per cent. Like Coert and Alistair last week, this manager thought that their staff needed financial advice and financial planning help. They are almost on the right track. However, with all due respect, financial advice or financial planning is not what is needed for improved mental health. What is required is financial education and support. This will lead to reduced stress, stronger relationships, and improved mental health of the FIFO workers and their families. My recommendation today is to provide a good financial education program for the companies to deliver at a level that people understand, and provide the support for their staff to talk with someone confidentially about their personal financial situation.

**The CHAIR:** Thank you very much, Ruth, and thank you for your attendance the other day at the AOG discussion. I understand what you saying about financial education. But for that person in group C who you described, who wants to get ahead but has few assets and no planning, how do those people engage your service and know about your service? Presumably it is not talked about much on boarding; there is not a lot of talk about it on boarding. How does someone engage your service, and who pays?'

**Mrs Murdoch:** At the moment, a lot of people are in closed Facebook groups. Facebook is a really good way of marketing these days, as you are probably aware. People are talking about us in those groups. I am not privy to that, but I do know and I do get the feedback that they hear about us through social media. It is also word of mouth. Our current clients talk to other people about what they are doing on our program. At the moment, the people who pay for it is the families themselves.

**The CHAIR:** How is that done? Is that done on a sessional rate? You have obviously got an organisation that has costs and overheads to cover.

**Mrs Murdoch:** Our program goes for 12 months, and it is an education program, and through that 12 months, they have payment plans. So they can choose if they want to pay on a five-monthly basis or a two-monthly basis.

[1.15 pm]

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**The CHAIR:** Are there any cases in which mining companies would contract your services to deliver, for instance, some of this financial education you are talking about?

**Mrs Murdoch:** That is what we are hoping to do this year. It is our focus for our company. This is the fourth year we have been in business. For the last two years we have been working with the FIFO families to get the stories and to make sure that the program was working before we talk to the mining and resource companies.

**The CHAIR:** How many people do you have to deliver this resource? Tell us about your organisation as far as people and skills go.

**Mrs Murdoch:** We are life coaches in our organisation. We have two life coaches. There are five of us working in the company. We have very good CRM systems and that helps us a lot. We provide workshops for our FIFO families, and they come to us in those workshops. We provide webinars, an online seminar, to help with that education and we Skype people. If we have people outside the Perth area, which we do, they Skype into us or phone for support. We also coach a lot of people with their relationships and issues relating to the relationships.

**Mr M.J. COWPER:** How do you get a 19 or 21-year-old focussed enough to come on board?

**Mrs Murdoch:** Thank you for that question. The answer is they have to qualify to come onto our program. This would not work if somebody said, "Look our company is going to provide this for you, here, go and do it." Somebody has to be willing and ready and in the place where they want to make a difference in their lives. That is why we see those three categories of people. The youngest client we had was a 23-year-old young man. He decided he was sick of having debt and decided that he wanted something different for his life. He has come on board with us. He had \$17 000 of debt to start. Within six months, he had \$17 000 in the bank and after 12 months he had \$60 000 in the bank, plus he had paid off a near new car.

**Mr M.J. COWPER:** When you say they have to qualify, what are the qualifications?

**Mrs Murdoch:** It is around mindset. If I see somebody that is not engaged or they say to me, "Yes, I know that; I know that; I know that", and they have all the knowledge but they do not take the action, there is really not a lot I can do. I know when somebody who sits in front of me and says, "We're not educated people; we earn this money; we know that we have got some leakage in our money; we need some help with that." I can certainly work with them. A lot of it is the mindset—understanding their values and then aligning their values to the goals.

**Mr M.J. COWPER:** I am probably going to declare my hand here a little bit; traditionally, that is the domain of, I suppose, parents —

**Mrs Murdoch:** Correct.

**Mr M.J. COWPER:** — who try to teach, but then when they get to their independent stage and they have completed their diploma, degree or trade certificate, for instance, and go off into the wide world, it is pretty hard. Do you have any parents come to you and say, "Listen, I need you to come and talk because they're not listening to me?"

**Mrs Murdoch:** Yes, regularly. The parents can see it, but it is when the person themselves wants a change in their lives is when we can work with them. It is like leading a horse to water; you cannot make them drink.

**Ms J.M. FREEMAN:** Do you have any anecdotal or statistical data that you have gathered in terms of financial stress about workers in FIFO and the roster patterns—whether there is any sort of link between roster patterns and financial stress?

**Mrs Murdoch:** We certainly know through talking with our clients. We have a lot of clients on Barrow Island on a four-and-one roster. We certainly that know the reason they go up there is not for the view.

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**Ms J.M. FREEMAN:** Yes, we have been there.

**The CHAIR:** It is pretty barren; you are right.

**Mrs Murdoch:** They are there for the money. It is tough on them. If they do not really have a clear plan for why they are there, they will come out; they will not stay there. Certainly, that is harder on the families because of the roster and they come home for only one week. What we do see is some overcompensation of those people who come back because they feel they deserve to spend. They want to give their family something. “Mum can have the week off; she doesn’t need to cook.” There is overcompensation. There is also quite a lot of financial stress for the people we are working with, and they go back. Usually, they go back having had an argument about money. On the smaller eight and six roster they do not earn the big money. It is a bit of a misconception.

**Mr M.J. COWPER:** Are you saying, when you have gone through someone’s spending habits and they have presented to you, do you get much of the situation where people are particularly trying to compensate for the kids for not being there with a new push bike or whenever it might be?

**Mrs Murdoch:** Yes, definitely. That is one of the things we do in terms of teaching them, and for dad because dad is usually the one who is away onsite. He typically does not have anything to do with the finances. It is very rare for us to have somebody where the father has an understanding of the finances. We say to them, “That’s not fair.” It does not mean he has to manage it, but he has to have an understanding of where that money is going. Our system has pockets of money—little buckets, all colour coded, easy for dads, particularly who are visual, to see what happens with the money. When he comes back and says, “Where’s the money for such and such?” She shows him the piece of paper, “Which bucket would you like it to come out of? In this bucket is our fun bucket.” It is really simple; the program really easy—software I have designed and written and it really works well and the guys just go, “Oh, that’s fantastic.”

**Mr M.J. COWPER:** Is that software available widely; can you buy it?

**Mrs Murdoch:** No; it is only for our clients.

**Ms J.M. FREEMAN:** Just going back to a couple of things you have talked about—men not managing the money, the longer roster or the less time at home, the overcompensating stuff—one of the witnesses we had last week talked about masculinity and hyper-masculinity in terms of FIFO workers and the fact that they have control over a situation and, therefore, when they lose control over that situation, that can be more devastating. Is there an incidence of that in terms of your dealing with financial stress and financial issues?

**Mrs Murdoch:** That sounds like Dr Paul Pulé.

**Ms J.M. FREEMAN:** Yes.

**Mrs Murdoch:** Paul and I often have conversations about this. Absolutely; he is correct. When the man feels that they are out of control with their finances, that is when you have problems with mental health, anxiety, depression and suicide. I have a client who was on Barrow Island a few years ago earning \$240 000. He was in extreme financial stress. You would think, “How could that possibly be the case?” He was crying in his donga every day, he admitted to me, before going to work. He said, “Ruth, I feel like I’m just working for the mortgages”, and he was.

**Ms J.M. FREEMAN:** What had he done in terms of mortgages; how did he get into that situation?

**Mrs Murdoch:** If I can get on my high horse for a moment; I see a number of companies targeting FIFO families —

**Ms J.M. FREEMAN:** The Joondalup thing was like that, was it not?

**Mrs Murdoch:** Yes. They might be a property company. They are targeting them, saying, “You pay so much money in tax; come and buy an investment property and reduce your tax.” This family had done that; they had three properties. They were all negatively geared. A lot of people do not

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understand the concept of negative gearing. He lost his job. What happens then? They were in extreme stress before he lost his job. I was working with him. They did not know how to look after their money on a day-to-day basis and they did not know where it was. It was like this big funnel. All this money comes in and they do not have any separation: This is for these bills; this is for the investment properties; this is for us to have fun on. It is just too hard to manage, which is why I wrote the software to help people to put it into perspective.

**Ms J.M. FREEMAN:** How is that different from someone working on a major building project in the city?

**Mrs Murdoch:** It differs in a couple of ways. One, that person is home every night; two, those projects are at a Perth wage; they are not at inflated trade assistants with no experience going up to Barrow Island-type wages. Usually, that means they can jump from project to project on a Perth wage rather than having the income up here and then dropping. People raise their lifestyle as they raise their income.

**Ms J.M. FREEMAN:** We went to Barrow Island and Wheatstone, and one of things we were told anecdotally was that a lot of the young men who were coming up to work in the construction industry had never worked on a construction site in Perth. Suddenly they found themselves working on a construction site and they had not had any of that pre-training about what the work involved. Given what you have just said, that means they had not had any of the pre-life experience in terms of management of money either? Is that what —

**Mrs Murdoch:** Absolutely correct. When I was with this company on Friday, they were saying to us that a number of their staff came from places like retail into construction. They had to learn construction and they did not want to go back to retail because obviously of the money they were earning. You are right; there is no induction. We are currently working with a mining company that is aware that they need to put this into their induction program, and that will be one of the first —

**The CHAIR:** Are there any doing it? Have any companies put it into their induction and their on-boarding?

**Mrs Murdoch:** Not that I am aware of. I am meeting with this company in a couple of weeks' time and it will be the first. I am hoping they will pave the way for it.

**Mr M.J. COWPER:** Do you do all workers or just those on fly in, fly out?

**Mrs Murdoch:** No, resources industry; so, FIFO and resources industry. I have residential people. People in Kalgoorlie who are not fly in, fly out but are residential. Our company is just —

**Mr M.J. COWPER:** Only in the resource sector?

**Mrs Murdoch:** Yes. We are just FIFO and resources.

**Ms J.M. FREEMAN:** I want to ask a question about that. In terms of financial stress and depression—you have already made the comment that you think it makes a difference on what roster swing they are on—do you think it would be different if they lived in the same town like Wickham or Newman or something like that in terms of —

If they lived in the town and then worked on the production, you do not think their financial management would be any different?

**Mrs Murdoch:** No; I do not; not at all. When I speak with people who do lots of networking sessions and meetings who are not FIFO or not in the resources industry; they often say to me, "Can I have that?" There are so many people that do not have the financial literacy —

**Ms J.M. FREEMAN:** No; I mean in the resources sector.

**Mrs Murdoch:** I understand but what I am saying is that no matter whether you are FIFO or residential, the same issues apply. You could be a farmer and the same issues apply. You could be

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an engineer working in a Perth-based office and a lot of the same issues apply. It will not make very much difference, I do not believe.

**Ms J.M. FREEMAN:** That counters what you have just said in terms of your other stuff about they earn such significant amounts of money and they are not going home at night and not dealing with those sorts of things. On the basis of that evidence you gave that when they are fly in, fly out, they are not going home at night; they are not dealing with the day-to-day issues and they are on hyper-inflated salaries, if they were then placed in Wickham, Dampier, Newman or something like that, would that not mitigate some of the issues you have raised?

**Mrs Murdoch:** It would mitigate the over-compensation. If, usually the male, is not prepared to look at the finances, then they will have the same issues. The overcompensation is the only thing that would really —

**The CHAIR:** But Ruth, if the male breadwinner goes home at night, as distinct from FIFO being away for weeks, would he not be able to be more involved and engaged in the financial management?

**Mrs Murdoch:** What I find with relationships is that, usually one person looks after the money and usually the second person has nothing to do with it, and often sabotages it, unconsciously.

**The CHAIR:** Even if he is living in Wickham and working, he just leaves it to the partner?

[1.30 pm]

**Mrs Murdoch:** The issues are still similar. There are some little sort of idiosyncrasies. In fact, one of the worst cases of borrowing was one of my resident clients. He owns his own home and had plenty of equity in it. He went and borrowed \$5 000 from a second-tier lender and did not know what that was and the interest rate they charged was 38 per cent. He had no idea until I asked him. He was residential. He still does not have any understanding. He in fact asked his company five years ago—he has been working for them for 10 years—if he could have some help with his finances. The company thought he meant financial advice or financial planning, and they had said no. He was not asking for planning, he was not asking for advice: he wanted some education. He went from earning, \$35 000 a year, to paying \$35 000 a year in tax. He said, “I’ve got all this money and I have no idea what to do with it.” Then what happened to him was that people would come along and say, “Would you like a Kirby vacuum cleaner?”, he would say, “Yes, please.” “Would you like shutters on your house?”, “Yes, please.” “Would you like new air conditioning?”, “Yes, please.” He had all these bills on hire purchase. He hurt his back in May last year and was stood down from this company while he was getting treatment. The HR manager of that company rang me and said, “Can you speak with this guy; we are very concerned about his mental health.” I spent probably a month with him initially and just turned that around. I helped him with his finances and helped him to talk to somebody. He had no relationship with his parents. Like you were saying, his parents had been telling him to look after his money; he was not listening to them. He did not have a relationship with his siblings. Now he speaks to his parents every week and he talks to his siblings every week. It is just a huge turnaround in this chap’s mental health; he is happy. He is actually drilling more than he has ever drilled in his life. He is probably the safest, happiest employee this company has. He is just so grateful for what he has gone through and where he has come out from.

**The CHAIR:** I know we have touched on this before, but in your discussion with companies re: introducing a financial education program, what do companies feel? Do they feel it is appropriate for them to provide some financial counselling for workers? Is that what you feel or not?

**Mr M.J. COWPER:** Education.

**The CHAIR:** Or financial education for workers.

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**Mrs Murdoch:** I have not talked to many companies yet about that, so I am not properly qualified to answer that fully. However, of the couple of companies I have discussed with, one is very keen to talk to us; that is one in a couple of weeks' time. One company believed that we were providing financial advice, and they were not at all interested. Another company I was speaking to are not prepared to put their hand in their pocket to pay for it. They are happy to tell their staff about us, but not to do that themselves. But I believe there is a place here for induction. Having financial stress has to be linked to occupational health and the safety. Physical safety is what we think about, but what about the mental safety. You would have remembered that Alastair, last week on Friday, talking about a case where—in fact I think it was Coert—when the people working on the big machinery were having six times the amount of injuries. When they dug into the reasons for that they realised that mum was worried about finances back at home. They were significant findings, which was great.

**Mr M.J. COWPER:** How do you get to become a life coach? Do you cross an accountant with a gym worker or with a social worker?

**Mrs Murdoch:** No.

**Mr M.J. COWPER:** I am not sure. Where does that niche from?

**Mrs Murdoch:** Life coach is a qualification, so I went and got qualified to get that. My qualifications are national and international. I am a member of the International Coach Federation in the States, and I also hold a Masters in neuro-linguistic programming, which is another method, if you like, that we use with coaching. So it is a qualification.

**Mr M.J. COWPER:** In Australia? Here in WA?

**Mrs Murdoch:** Yes, in Australia.

**Mr M.J. COWPER:** Was it TAFE?

**Mrs Murdoch:** They are private institutions usually. There are lots of them around. I did mine in Queensland, so I flew over there for that.

**The CHAIR:** Janine and I visited quite a few sites in the Pilbara, and we used to go to a gym and we would find out that these people were active life coordinators or something.

**Ms J.M. FREEMAN:** Yes.

**The CHAIR:** What is your understanding of that terminology and what do you think they provide?

**Mrs Murdoch:** I have never heard of it. My concern with life coaches is that anybody in Australia can pick up a pen and paper and say, "I'm a life coach." They do not have to have qualifications. When somebody like me has spent a lot of money and a lot of time getting educated, there is a concern around that because what coaches are qualified to and what somebody else could say—you were suggesting, Murray, that people can be a gym member or whatever it might or accountant and say, "I'm a life coach". That is a concern for me. Coaches have a specific way of working with people, and it is opposite to counselling. Counselling looks back, and financial counselling will look back at what you have done and they drag up the past and they re-traumatise people with that. A life coach puts a line in the sand and says, "There's no point beating yourself up about what you have done or not done in your past, let's look forward from this point forward." That is the beauty about coaching, and that is the difference when somebody is a trained coach and knows how to do that properly.

**Ms J.M. FREEMAN:** Can you talk about the incidence in any of your dealings of gambling, whether there is a gambling problem in the resources industry that you are aware of?

**Mrs Murdoch:** Yes, we have a client who was in that situation.

**Mr M.J. COWPER:** You say you have a bucket for your fun. Drugs and alcohol?

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**Mrs Murdoch:** Yes, that is in there, for sure. The client we saw yesterday, he admitted to us he is spending \$300 a week in that bucket. That is pretty high. If you work that out on an annual basis, that is pretty high. When you are in financial stress, which they were —

**Ms J.M. FREEMAN:** On alcohol or on —

**Mr M.J. COWPER:** Well, you can imagine, can't you?

**Ms J.M. FREEMAN:** But \$300 is not —

**Mrs Murdoch:** Smoking, alcohol, and I am sure drugs are there. I have not personally come across anyone —

**Mr M.J. COWPER:** Yes, but they are not going to say it, are they?

**Mrs Murdoch:** They are not. I have one client who has admitted that to me; just one though.

**Ms J.M. FREEMAN:** It would be more than \$300, would it not?

**Mrs Murdoch:** I would think so. He said to us it was \$30 000 a year he was spending on that.

**Mr M.J. COWPER:** You would have to be a life coach there —

**Ms J.M. FREEMAN:** You read it out and you talked about financial stress and depression and the issues of failure, helplessness and lack of control. They are the sort of things you see happening in the resources industry, but in your view how widespread is that amongst FIFO workers?

**Mrs Murdoch:** That is why I am calling this the new mental health. People are suffering in silence; they are not telling their employers. This is the real big issue, I believe. Ten years ago people did not talk about mental health; they did not understand it, they did not talk about it. Right now, or for the last four years, people we are seeing are in incredible financial stress but they are not talking about it. The guy who was crying every morning before going to work, in his donga up on Barrow Island, was in a senior position. His work colleagues would say to him, "You're all right, you've got a lovely house in the hills and you have rental property; you're doing okay." He was like a duck on water, floating around really nice and looking very pristine on top, and underneath he was going like this, trying to stay afloat, and he was not staying afloat. It is absolutely rife out there. The message I am hoping to get through to the companies this year is that a number of their staff are suffering from financial stress.

**Mr M.J. COWPER:** What you are saying is that from your perspective and viewpoint that underlying financial issues are attending this problem, but there are other factors such as relationship breakdowns that may or may not have anything to do with finances.

**Mrs Murdoch:** It is multi-dimensional; you are absolutely right. There are a lot of things: there is rosters and there is depression. There are a whole lot of things.

**Mr M.J. COWPER:** Illnesses in the family, and that sort of thing?

**Mrs Murdoch:** Yes, there is a lot of that. If you look at the connection and we go from suicide being the last thing, prior to that is mental health, prior to that is depression, prior to that is anxiety, and then we look at what is next is relationship and family stresses. That is the model of Lifeline WA and beyondblue. For 83 per cent of people who come to us with relationship stress, we can directly correlate that to financial stress. The root cause of a lot of those stresses in the family we can relate back to financial stress. If we get the financial stress and the financial education into companies to stop the financial stress, to stop the leakage—people have a huge amount of leakage in their day-to-day spending—we are going to have an impact on the family and how happy the family is. That then has an impact on the anxiety and depression levels, which is why we are saying there are three pillars to success: strong relationships, healthy finances and having a goal for your future. If you think about the people you know who have suicided in the FIFO environment, if they had had those three things going well in their lives I bet you they would still be here today.

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**The CHAIR:** Ruth, I know this is a difficult question, but you talked about that group category C: what do you think the magnitude of that is in the FIFO space, if you like? Are you talking about one in 10?

**Mrs Murdoch:** We would say one in three.

**The CHAIR:** One in three?

**Mrs Murdoch:** That is what we are saying, yes. It is scary. That is 33 per cent.

**Mr M.J. COWPER:** Thirty-three per cent are doing what, sorry?

**Mrs Murdoch:** In the category 3, suffering financial stress.

**The CHAIR:** Those ones who want to get ahead, but they have a family, they are usually around mid-30s —

**Mr M.J. COWPER:** Not managing.

**The CHAIR:** Little assets, not planning, sense of failure.

**Mrs Murdoch:** When I say one in three, do not forget that we still have the category B who are probably the 19, 20, 21-year-olds who are going to turn into category C people, typically. They will come. At the moment they are not ready, but you give it 10 years and they go from being footloose and fancy-free and single to then having a wife, a family, needing a home. They are going to move into that, so I think it is really vital that we get this education in at the ground level so that these people are given the education they need. They do not get this at school, they often do not hear it from their parents, or they are not listening to their parents, and the banks do not tell them.

**Ms J.M. FREEMAN:** Or the parents never earned that sort of money?

**Mrs Murdoch:** You are absolutely, right; they have never earned that sort of money. One of my clients, her father said to her, “Don’t worry, love, your mother and I have struggled all our lives with money, you will too.” So she made this come true for her—we call it a “limiting belief” in coaching sense. I dissolved that with her through NLP—through coaching—and she then saved \$20 000 within three months of being on our program, just by not owning a belief her father had instilled in her.

**Ms J.M. FREEMAN:** A lot of the people you deal with, would they come from backgrounds where their parents were, for want of a better word, working-class parents who did not have excess money, had one property, had very meagre means, or is it across the board?

**Mrs Murdoch:** I think it is a different world we live in today. You think about your grandparents: they did not have easy access to money. Consumerism was not rife. It is so easy; people are told, “You deserve it. Have it now and pay later.” They have not earned that money and they have not really earned the right to do that. I think it is a different world we live in. My chap in Kal who had the 38 per cent, his father was a retired chemist, so an educated man. Some of my clients have university degrees and they just say, “We don’t know about money; can you help us?” University degrees. I have a medical background, and some doctors, believe it or not, who I work with have no idea about money. They are very good at what they do. Lawyers are the same. It is not just FIFO people. We just are in the FIFO environment because when we set up this business we realised that average length of time somebody works FIFO, with the research I did about five years ago, is six years. So they have six years to make a difference of what we are calling “banking the benefit” when they are earning that big money.

**Mr M.J. COWPER:** There, in essence, is the problem, because when you get these 19 and 20-year-olds they may not be mature enough to know that until they get to year 29 and 30.

**Mrs Murdoch:** You are absolutely right, Murray. I have had people come up to me after I have been speaking, and they say, “Gosh, I wish I knew you 15 years ago. I worked FIFO, I came out, my family is no better off. I wish I knew what to do with my money then.”

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[1.45 pm]

**Ms J.M. FREEMAN:** Can you just tell us about the research that you did about five years ago? Was that for studies?

**Mrs Murdoch:** For my coaching, in fact. When I first moved here to WA, I was hearing about these FIFO workers who earned good money and wasted it and in some cases came out of that environment with less than what they went in with.

**Mr M.J. COWPER:** Twenty years ago only 30 were fly in, fly out; now it is 70 per cent. So, those figures are probably skewed since when you did your research.

**Mrs Murdoch:** Probably. It is probably worse.

**Mr M.J. COWPER:** I cannot imagine it being better.

**Mrs Murdoch:** I cannot either; you are right. When I did that research and I heard that people were coming out with less than what they went in with, I could not understand that and I said, “You’ve got to explain this to me.” They said they would go into the FIFO environment, they would buy a house, so they had a modest house, they would buy another house in a better area with more mortgage on a 30-year term, they would go work FIFO, come out of that environment and then they could not afford the higher repayments, so they would have to sell the house; they have lost their equity, the bank has got their money and they have got none. I just thought: that is wrong. That is why I set up Acorn—to help people live for today while planning for tomorrow.

**Mr M.J. COWPER:** You are not actually doing the financial planning stuff. You are not saying, “Go buy shares” or “Go and buy a house.” You are saying, “This is how you manage your money.”

**Mrs Murdoch:** We send our clients to a financial adviser when they are in that space. That young guy I spoke to you about who had the \$60 000 after a year, we could not help him anymore. He had the right mindset; he had the right path that he was working on. We sent him off to the financial advisor to go and get some advice about how to look after that money and what to do with it now. Our education is around—we call it a spending plan because budgets do not work. We say, “Throw your budget out the window. It makes you look back and feel guilty and it does not work.” We have a thing called a spending plan, which is the colour-coding thing called buckets. From there, let us find out where the leakages in your spending; let us plug up those holes. Let us look at and understand your values and align them with your goals, and when you have your head right and your money right, you are on the path to then be able to look at your future and where that might be.

**The CHAIR:** Just one little question about the rounds of redundancies that we are seeing in the industry—does that mean you are busier?

**Mrs Murdoch:** Yes, with this company that has asked us to go in last Friday, they want help with their staff, so, yes, we are going to be much busier with helping those people. They get a redundancy and what happens—I saw this two years ago. A couple, FIFO, he got a redundancy; it was \$30 000. They were not in the best financial position anyway. He came out of that job, thought that he had had another job lined up, so they decided that they deserved a holiday. They went to Bali; she bought a \$1 000 handbag, which was her typical pattern: “I deserve it.” Came back—the job fell through. They had spent all their money and then they were trying to put food on the table and they could not do that. That is why those companies are getting us in. When those people get the redundancy packages, they do not know how to negotiate with their creditors, first of all. They do not know what they should do. The creditors are pretty ruthless when it comes to, “You have got some money now; I’m going to take that, because we do not know when you are going to get some more” and they are taking it. These people are uneducated; they are just allowing that to happen. We say, “No, you need to protect your capital. You need to have a conversation with your creditors about what you can and cannot do and then let us have a look at what are your basic living expenses for the next three months.” We make sure that they do not go into their shell; they will put up a wall and she will not know how to penetrate that wall. The relationship starts to break down.

The family is unhappy and it is all because he is feeling, “I was the main income earner and I cannot provide anymore. When am I going to get another job?”

**Mr M.J. COWPER:** How many in your company, you say? You and another?

**Mrs Murdoch:** Five of us. Would you like to come over and help us!

**The CHAIR:** You are busy, are you not! Ruth, thank you very much for your evidence before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made to the transcript and returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on certain points please do so for the committee’s consideration when you return your corrected transcript of evidence. Thanks again for your time.

**Mrs Murdoch:** Thank you very much. I appreciate that. Let us hope we can make some changes.

**Hearing concluded at 1.49 pm**

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