

**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 THREE**

**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 1.56 pm****Mr ROBERT WATSON****Group Manager, Health and Safety, Fortescue Metals Group, examined:****Mr TIMOTHY LANGMEAD****Director, External Relations, Fortescue Metals Group, examined:**

**The CHAIR:** On behalf of the Education and Health Standing Committee, I would like to thank you for your appearance before us today. The purpose of this hearing, as you know, 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. On my left is Murray Cowper; on his left, Rob Johnson, and on his left, Janine Freeman. Rita Saffioti is another member but she is an apology today. This hearing is a formal procedure of Parliament—hopefully, not too formal for you, but it does command the same respect given to the proceedings of the house itself. Even though the committee is not asking you to give 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 it will be recorded by Hansard. Lucy Roberts and Daniel Govus are the executive team helping us with this inquiry. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record, and if you would like to give evidence in closed session, then please tell me, but at this stage we are in open session.

Before we proceed to the questions we have for you today I need to ask you a series of questions. Have you both completed the “Details of Witness” form?

**The Witnesses:** Yes.

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

**The Witnesses:** Yes.

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

**The Witnesses:** Yes.

**The CHAIR:** Thank you very much. I might just kick off with a question of you about where there is an incident with an FMG employee or contractor where a person attempts a suicide or completes a suicide. Does Fortescue have a policy of reporting this immediately to DMP for investigation? If yes, how many investigations have taken place and what have the outcomes been of those investigations; and, if not, what are the reasons for not reporting these incidents?

**Mr Watson:** We have fairly good communications with DMP, so any attempted suicide would be brought to my attention from the site registered manager and then I would ring both Colin Boothroyd from the prosecutions group and either Andrew Chaplyn or Simon Ridge from DMP and brief both those guys. DMP I would normally get referred to Neil Woodward and they would contact me.

[2.00 pm]

**The CHAIR:** Do you have any knowledge of the grey area that the committee has formed and included in our discussion paper about which jurisdiction in work safety and reporting accommodation facilities actually fall into? There is a reference in our discussion paper about those

jurisdictions and some confusion, if you like, or lack of knowledge of where an accommodation facility fits in mine regulation and mine safety.

**Ms J.M. FREEMAN:** If there is anything that can tell us that, it is FMG given that you have had lawyers working on that for a while.

**Mr Watson:** I do not think there is any confusion on the actual mine site because our mine site —

**The CHAIR:** I am talking about accommodation facilities.

**Mr Watson:** The accommodation on our mine sites sit on mining leases or miscellaneous licences, so they are straight under the Mine Safety and Inspection Act, so that is pretty clear. Accommodation facilities such as Hamilton motel based in the town of Port Hedland would be an area that would be grey, but we would consider if it was work-related, it would be WorkSafe; if it is non-work-related, it is grey.

**Mr Langmead:** That is right.

**Mr R.F. JOHNSON:** If a Fortescue employee fails a drug or alcohol test, what steps are taken as a consequence and does Fortescue have a return to work rehabilitation policy for workers who report having a drug or alcohol problem?

**Mr Watson:** There is a number of components. There is a speak up program where people can self-speak up and if they say, “I have got a problem,” we work with them with our EAP program, our chaplains and depending on the problem, they would probably be stood down for a while until they sorted out that problem, because we could not allow them in the workplace, but we would support them in that period and keep their jobs open. There has been a recent workshop with our Indigenous employees who struggle in this area and they are formalising this program right at the moment. We have met over the last couple of weeks to nut out the details of how that will work with those guys. That is being formalised in terms of the support, the process, the structure, and how they could come back through our VTEC program into the workplace.

**Mr R.F. JOHNSON:** What about the ones that fail the drug or alcohol test?

**Mr Langmead:** The speak up policy applies if you put your hand up before the drug testing.

**Mr R.F. JOHNSON:** If you carry out the drug and alcohol test and they fail them, what is the policy? What actions do Fortescue take in that instance?

**Mr Langmead:** It is compulsory that we then have a disciplinary process that will flow through, but Rob might step you through that as well.

**Mr Watson:** They would immediately be stood down, and then it would depend on the situations of that positive test. Typically—I can only talk typically—with an alcohol test, you would have a discussion, and we would give you a second chance around an alcohol-positive test, but it depends on the circumstances again. With a drug test, we would go through all the circumstances. The first test is a non-negative; all the confirmatory—once it is all clear that it is a positive for illicit drugs, not prescription, then it could result in termination.

**Mr R.F. JOHNSON:** With illicit drugs, in particular, obviously they are the ones that most people have a concern with. You know, we are all on prescription drugs from time to time and that is fine, but if it is illicit drugs, do they immediately get a window seat while you carry out further investigations? Do you then still keep that job open for a time, being until you have made a final decision, or is it: “You’ve taken illicit drugs; you brought them on site. There’s the plane; there’s the window seat. Go”?

**Mr Watson:** Two answers: one is that if they had illicit drugs in their possession on site, that would be pretty close to —

**Mr R.F. JOHNSON:** Dismissible offence.

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**Mr Watson:** Pretty dismissible. If the test is positive—within that testing, the first stage is a non-negative—then we go through all the process, and a fair and just process, where we interview them and talk through the circumstances, and then it would depend on their history et cetera, but it is pretty close.

**Mr R.F. JOHNSON:** What is your alcohol policy?

**Mr Watson:** Zero.

**Mr R.F. JOHNSON:** Completely zero?

**Mr Watson:** Yes.

**Mr R.F. JOHNSON:** Even on rostered days off?

**Mr Langmead:** Even in the Perth office, yes.

**Mr Watson:** Well, you would not be tested on rostered days off.

**Mr Langmead:** Unless you are called in.

**Mr Watson:** It is only if you are at work.

**Ms J.M. FREEMAN:** So, in your accommodation on your rostered days off.

**Mr R.F. JOHNSON:** That is what I meant, yes.

**Mr Watson:** No, you can have a beer.

**Mr R.F. JOHNSON:** How many can you have on your days off if you are in accommodation on site?

**Mr Watson:** Technically, it varies a little, but most of our camps will only sell you four.

**Ms J.M. FREEMAN:** Opened, as you come?

**Mr Langmead:** Yes, that is right.

**Mr M.J. COWPER:** Full strength?

**The CHAIR:** No.

**Mr Watson:** Most camps are full strength; some are mid strength. It is not consistent. But four is typically the most we will allow you to purchase in a day. You would have to somehow breach the rule, get someone else to breach the rule, to get more than four.

**Mr R.F. JOHNSON:** Do you keep a database of the number of your employees that breach these alcohol and drug conditions of employment?

**Mr Watson:** Yes.

**Mr R.F. JOHNSON:** What sort of percentage are we looking at out of your total employees?

**Mr Watson:** It would be in a spectrum, but last time we looked, it was less than 0.5 per cent of tests are positive—point zero, sorry. How do I say that?

**Ms J.M. FREEMAN:** Point zero five.

**Mr Watson:** Less than half a per cent of our tests are positive.

**Mr Langmead:** Point five.

**Mr Watson:** I always get confused when there are too many zeros.

**Ms J.M. FREEMAN:** When you do things as per cents, there are too many zeros!

**Mr Langmead:** That is right; as soon as you do that, yes.

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**Mr Watson:** Yes. So across our workforce, and all the tests we do, we do not see a high percentage, and our information is we are actually a bit below the industry average in terms of positive tests—very low alcohol positives though; they are probably around the 0.1.

**Ms J.M. FREEMAN:** Just going back to that other question, because I did get caught off guard when you said that, I understood that you said that you believed that the Mines Safety and Inspection Act covered your accommodation units. Under the case that WorkSafe took against Fortescue for cyclone George—WorkSafe took that case against you, as I understand—Fortescue argued that it was the Mines Safety and Inspection Act, but that was not successful, was it? It was WorkSafe that ended up prosecuting the case. They lost—I get that—but you were found not to have not breached your duty of care, but it was WorkSafe and the occ health and safety act that did that, was it not?

**Mr Watson:** That was a construction safety camp.

**Mr Langmead:** That was a rail camp during construction, yes.

**Mr Watson:** That was not accommodation associated with the mine; that was accommodation associated with construction, which was in those days under WorkSafe.

**Mr M.J. COWPER:** It was not on a mine lease.

**Mr Watson:** No.

**Ms J.M. FREEMAN:** So all of your accommodation is on the mining leases for your sites?

**Mr Langmead:** Yes. It varies; it is highly variable. But if you look at all our accommodation facilities today, they are either on mining leases—do we have any rail camps?

**Mr Watson:** Yes, we have one—195.

**Mr Langmead:** So a special rail licence, and in the town of Port Hedland itself, we have a short-term accommodation facility. It is actually a converted motor inn that is fit for purpose at that place. Now, that is in the town of South Hedland itself, so it is not on mining tenure or any other type of tenure other than what the town provides.

**Ms J.M. FREEMAN:** Are you saying, Robert, that it has changed now for construction sites that are coming under the Mines Safety and Inspection Act?

**Mr Watson:** We used to often annex construction work to WorkSafe, and DMP gave it under a memorandum of understanding to WorkSafe to look after it. With changes to the act and the way they are funded and all that, they now have the capability to manage it themselves under DMP.

**Ms J.M. FREEMAN:** They have not changed the act, though, have they?

**Mr Watson:** What they have changed is the levy, which is self-funding, so if they stay under DMP —

**Ms J.M. FREEMAN:** Then you get levied for the —

**Mr Watson:** — we pay a levy and they get funded and are able to buy the inspectors to look after it. Nowadays almost all construction on a mine site stays under DMP.

**Ms J.M. FREEMAN:** So would you say, therefore, that the accommodation has the same duty of care as the mine site in terms of your accommodation?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** And what you provide?

**Mr Watson:** Yes.

**The CHAIR:** Following on from that, the Mines Safety and Inspection Act still applies to workers who are staying in accommodation facilities on the mining tenement as part of the mining operation and those off-shift workers fall under the mines safety jurisdiction off shift, because what we have

heard, gentlemen, previously at one of the first hearings was that all this applies to people on the tools. But if they are not on the tools and they are back home in their accommodation, but it is not their real home—it is just their home for the moment because they are fly in, fly out—there does appear to be some not perhaps confusion, and I will take your point that maybe “confusion” is too serious a word, but there is some vagueness in and around the legislation and the regulation when it comes to workers off shift in accommodation. For instance, how do you determine whether, and what would be the view in and around this legislation, an attempted suicide is work related when it happens in the donga in the accommodation that happens to be on the mining tenement—part of the mining operation?

**Mr Watson:** We had some discussion with Colin Boothroyd about a year ago, and they expressed an interest to know about all these things, so we have always kept them informed as part of that, and then through the investigation determined whether it is work related or non-work related. We have just simply taken the view that we notify and we go through the process. We had an attempted suicide earlier this year. We notified the department. They sent investigators up. They investigated it, so we go from there.

**Ms J.M. FREEMAN:** You have been doing that for a year.

**Mr Watson:** We have been notifying them.

**Ms J.M. FREEMAN:** Notifying them for the last year if there are attempted suicides?

**Mr Watson:** In accommodation on a mine site, yes.

**Ms J.M. FREEMAN:** Accommodation on a mine site and a mine site.

**Mr Watson:** It is about a year—I would have to confirm proper dates.

**The CHAIR:** Can you provide us with how many notifications you have made in the last 12 months to DMP?

**Mr Watson:** On suicides or on everything?

**The CHAIR:** No, just on suicides or attempted suicides.

**Mr Watson:** At least two.

**The CHAIR:** You can provide that to us later. We do not expect you to do it now.

**Mr Watson:** Yes. I would have to go and check the details, but I can personally recall two we have notified.

**Ms J.M. FREEMAN:** Okay; that is great. I am just going to go back to that question because it is a question that I think is really pertinent, because we are looking at the changes to the WorkSafe legislation and there is the discussion about the green paper for the Mines Safety and Inspection Act coming up. You know there is a bit of a process, but I am sure it will come at the beginning of next year by the minister in Parliament. My question is that you would be aware that there have been media reports about Barrow Island and their preparations for the cyclone that has just recently come to Barrow Island. In the evidence that we were just given by UnionsWA, the appropriate person to talk about workers in accommodation—the appropriate authority—has been WorkSafe. That would be against what you understand to be the case?

**Mr Watson:** It depends which camp.

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

**Mr Watson:** I think we have a clear understanding what we believe is in which jurisdiction.

**Mr Langmead:** It is also an oil and gas project. I am not sure if there are any differences in tenure.

**Ms J.M. FREEMAN:** Okay—oil and gas; yes, that is true.

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**Mr Langmead:** We have no tenure at our mine site unless we have made an application for a miscellaneous licence or what have you for the purposes of infrastructure.

[2.15 pm]

**Ms J.M. FREEMAN:** That is a very good point that it is oil and gas.

**Mr Watson:** I think the Mines Safety and Inspection Act has a definition of “mining operations” that includes accommodation on the mining lease, so I think it is pretty clear.

**The CHAIR:** Then the addition to that is all the petroleum activity that comes under mines safety, and WorkSafe deals with often construction and LNG and they have this definition in the act. I am reading it is not a natural hydrocarbon. When it is a natural hydrocarbon just coming out of the earth, that is mine safety. When it comes out of the earth, but then you process it and wash it and refrigerate it, that is not deemed as natural and that comes under WorkSafe. Therefore, as I say, for me as an outsider not deeply involved in work safety and regulation, it is somewhat confusing.

**Mr M.J. COWPER:** Gentlemen, I note that there has been a position held by Fortescue saying that they believe that mental health concerns in Australian communities are a societal issue rather than an industry specific or FIFO workplace issue. I suspect that there is validity in some of that statement, but do you agree that when you take a human being and put them in an isolated situation, whether it be on a naval ship, in a prison or at Guantanamo Bay, or you put them on a tractor at the back of somewhere isolated from other human beings, the amplification of underlying issues becomes more prominent? Can you accept that there is an environmental issue here that comes into play?

**Ms J.M. FREEMAN:** He does not suggest that any of your camps are Guantanamo Bay!

**Mr M.J. COWPER:** When you put a human being in isolation, no matter where it is—on a tractor or any of the other places—do you accept that there is an amplification of an underlying problem?

**Mr Langmead:** Yes. I guess the way we are looking at this and the way we come at the issue is it is not an isolated problem to one industry or one strata of society or what have you. It is everyone’s problem is how we are looking at it. We are absolutely putting our hand up and saying it is a real issue, it exists and we have got to tackle it as best we can. We think that governments and companies are only going to be partly successful if we work fantastically together. The rest of society has a role to play as well, including families and friends. Everyone has got to be looking for different behaviour when people are struggling or experiencing issues. Certainly, employers can do things and workmates can do things, but it is a whole-of-society issue. That is where we are coming from. In terms of the nature of the industry, we are extremely up-front in saying to everyone internally and externally that FIFO does not suit everyone. FIFO is something that people should talk over as a lifestyle choice with their families, because it is —

**Ms J.M. FREEMAN:** That is not the best terminology to use at the moment!

**Mr Langmead:** That might have been subconscious.

**The CHAIR:** Someone else used that and got into trouble recently.

**Mr Langmead:** For example, if you look at the diversity of our FIFO workforce, you have got people who FIFO out of South Hedland and Roebourne and Fitzroy Crossing to our operations and you have got people who FIFO out of Perth. I do not know, but some people might think Fitzroy is more remote than Christmas Creek, but how do you make that judgement call across your whole population that is employed in that enterprise? Some people may not be suited; some people may be absolutely suited. But it is about having an open and honest discussion with everyone to say this is not necessarily everyone’s cup of tea.

**Mr M.J. COWPER:** I agree. Having lived in Fitzroy Crossing and having lived in the Pilbara, the difference between FMG and, say, your counterparts or your colleagues in BHP and Rio is they

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have been there for many years and they have built up a town situation, whereas FMG have come in, if you like, and had to nuzzle their way in there a little bit. You do not have the infrastructure on the ground that perhaps BHP and Rio have, although you are accumulating them and you may have—I am not sure—a higher number of fly in, fly out compared with Rio and BHP perhaps.

**Mr Watson:** I am not sure. I can talk about ours, but I am not sure about how many they have got.

**Mr M.J. COWPER:** How many do you have? What percentage of your workforce is fly in?

**Mr Langmead:** One hundred per cent of the workforce at Cloudbreak, Christmas Creek and Solomon are fly in, fly out. In relation to the operations in Port Hedland, the port and rail operations, our aspiration is to have an entirely residential workforce, so we are somewhere around the 65 to 70 per cent residential figure.

**Mr M.J. COWPER:** At the moment?

**Mr R.F. JOHNSON:** In Port Hedland?

**Mr Langmead:** In Port Hedland.

**Ms J.M. FREEMAN:** When you say “residential”, that is residential with families in houses.

**Mr Langmead:** Yes, that is in houses, not in the accommodation that we mentioned earlier.

**Mr M.J. COWPER:** So how many in Cloudbreak?

**Mr Watson:** Two and a half thousand.

**Mr M.J. COWPER:** How many in area —

**Mr Watson:** Christmas Creek is about 2 500 as well. Roughly, you can say 2 500 at all our mines.

**Ms J.M. FREEMAN:** Solomon?

**Mr Watson:** It is about that as well. They vary up and down.

**Mr M.J. COWPER:** So 65 per cent in port and rail. How many in port and rail?

**Mr Watson:** One thousand.

**Mr M.J. COWPER:** So 650 live in town.

**Mr Langmead:** Yes. On top of that, you would add in the people who actually FIFO out of Port Hedland and Roebourne potentially. I am not sure where you classify them in that mix, but they are flying out.

**Mr M.J. COWPER:** What is the total number of employees?

**The CHAIR:** They have got 4 873.

**Mr R.F. JOHNSON:** Can I ask you a question? In relation to your FIFO workforce, how many different rosters do you have in operation? That is the first question. I have got a follow-on one, but it depends on the answer to this one.

**Mr Langmead:** In operations?

**Mr R.F. JOHNSON:** Yes.

**Mr Watson:** Employees are predominantly eight and six. Contractors are predominantly two and one, but some are eight and six. Then there are some even times and some sportsmen’s. I do not know; I am going to have a shot at a dozen main rosters.

**Mr R.F. JOHNSON:** There are a dozen?

**Mr Watson:** Maybe.

**Mr R.F. JOHNSON:** Going from a long time on and not quite so long off, and two weeks on and one week off, is that the most popular roster or the most commonly used roster?

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**Mr Watson:** The most common is probably —

**Mr Langmead:** In our operation, it is eight and six.

**Mr Watson:** Eight and six and two and one. They are the two biggest ones.

**Mr Langmead:** For Fortescue people, it is eight and six, and as well we are saying for contractors it is two and one.

**Mr R.F. JOHNSON:** It is two and one for the contractors.

**Ms J.M. FREEMAN:** Two and one for the contractors, is it?

**Mr Langmead:** Yes; that is the predominant roster among the contractor workforce.

**Mr R.F. JOHNSON:** Do you have some that are two on and one off that are direct employees of Fortescue?

**Mr Langmead:** We would have some, yes.

**Mr R.F. JOHNSON:** Do you keep any data records of how many people suffer possibly stress, anxiety or whatever or perhaps some signs of mental health problems or perhaps suicidal problems that are more prone in, say, one roster system than another? With eight weeks on and whatever it is off, I would have thought you would get more problems with families than you would with two weeks on and one week off. Do you keep any data at all in relation to people who suffer anxiety, depression or whatever in those different roster systems? We are trying to find out what is the ideal roster, obviously, that suits people's mental health and their wellbeing and we are wondering whether you, as a responsible employer, keep that sort of database as to what sort of problems are more prevalent in one particular roster than another. Do you understand my question?

**Mr Watson:** Yes, but sorry; the answer is no.

**Mr R.F. JOHNSON:** Do you think you should?

**Mr Watson:** We keep all the records of the issues and what we would do is analyse frequencies and address the higher frequency things. The most prominent issue we face is cardiovascular with our workforce. That is the number one. That is where we put most of our energy.

**Ms J.M. FREEMAN:** Cardiovascular as in heart disease?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** Is that due to lifestyle issues of weight and food and exercise and age and those sorts of things?

**Mr Watson:** For our demographics, we are a third of what you would expect in the normal population.

**Ms J.M. FREEMAN:** For cardiovascular?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** A third of what you would expect?

**Mr Watson:** If you take the Australian datasets for age normalised, you would see our incidence of cardiovascular is a third less than what it is in the general population.

**Ms J.M. FREEMAN:** So why are you worried then?

**Mr Watson:** Because that is still the largest issue for us.

**Ms J.M. FREEMAN:** People having heart attacks on you?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** How many heart attacks have you had?

**Mr Watson:** Over what period?

**The CHAIR:** Give us 12 months. You can take it on notice.

**Mr Watson:** Over the last, say, six or seven months, we would have had 40 RFDS evacuations for cardiovascular.

**Ms J.M. FREEMAN:** My goodness!

**Mr Watson:** But they have two or three at Subiaco every game.

**Ms J.M. FREEMAN:** Can I quickly just go back? He said their demographics. Tell me what your demographic is.

**Mr Watson:** We understand the age of our population and it is plotting against all the age groups and what percentage of that age group should have a cardiovascular issue. Young people would be less and older people more.

**Ms J.M. FREEMAN:** So what is your demographic?

**Mr Watson:** I do not have the graph here, but we plotted all that out.

**Ms J.M. FREEMAN:** Can you give that to us?

**Mr Watson:** We can share that.

**Mr R.F. JOHNSON:** Finally, on the question that I was asking originally, which started all this off, if I could, do you think you should keep some demographics of any of your employees or contractors who are suffering mental problems, anxiety or depression who have to put their hand up or seek assistance? Do you not think you should keep some demographics and also those who eventually suicide?

**Mr Watson:** We do keep demographics; I do not think we keep the demographics against —

**Mr R.F. JOHNSON:** Sorry; I meant data.

**Mr Watson:** We do not keep the demographics against roster type. We do keep the demographics, but not against roster type.

**Ms J.M. FREEMAN:** Do you keep the demographics for heart attacks against roster type?

**Mr Watson:** No.

**Mr Langmead:** We have obviously an incident database where we capture every incident and have it recorded in posterity and closed out. We do have data, but, as Rob says, we are not looking to look at that from that perspective. Let us do a hypothetical. If there is an incident related to mental health and the investigation suggests that there are contributing factors, then that information would be relevant potentially and collected.

**Mr M.J. COWPER:** How does the company respond on the notification of someone self-harming on site and perhaps off site?

**Ms J.M. FREEMAN:** He has said that.

**The CHAIR:** He has already done that.

**Mr Watson:** On site there is a structured checklist process to go with. It involves our chaplains, EAPs —

**Mr M.J. COWPER:** What about off site?

**Mr Watson:** We would not necessarily know.

**Ms J.M. FREEMAN:** If you did?

**Mr Watson:** We would notify our chaplains if we knew. If someone told us, we would offer that service. The EAP program is whether you are at work or not at work, so that is always available.

**Ms J.M. FREEMAN:** Who is your EAP?

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**Mr Watson:** BSS.

**The CHAIR:** FMG pioneered the eight days on and six days off. It pioneered the two weeks on and one week off. Why did it do that?

**Mr Langmead:** There are a number of factors, I think, that go into those sorts of decisions and they will be related to workforce planning and the best possible utilisation of the equipment assets related to that piece of work, and that is why there are different legitimate decisions made in relation to different parts of the business. The other factor is certainly in terms of attracting the best people. We have found that an eight and six roster, which affords every second weekend at home, is an attractive benefit of employment if you think of it that way in terms of the proposition.

[2.30 pm]

**Ms J.M. FREEMAN:** People self-selected to come, so you offered it as an incentive for quality workers in the industry during a time of shortage of workers?

**Mr Langmead:** I think it is fair to say that it is part of the decision-making as well as a number of other factors.

**The CHAIR:** What I was getting at and what I am leading to is one of the reasons for the decision was it was more family friendly.

**Mr Langmead:** Correct.

**The CHAIR:** So, what work did you do in the industry in that resource FIFO space that indicated that this roster was the most family friendly and the others were perhaps a little more detrimental to family relationship and emotional health and wellbeing? Did you do any work around that? Because one of the issues we have when we talk to people and say, “What is the best roster?” and they say, “Well, you know, it’s very variable, it’s an individual thing, some workers like this, some workers like that.” But you guys obviously went out and pioneered this rotation because, okay, it fitted with some of your workplace structures but it also was more family friendly.

**Mr Langmead:** That is right.

**The CHAIR:** So, how did you lodge on this?

**Ms J.M. FREEMAN:** It was the roster of choice.

**Mr Langmead:** It was the roster of choice. There is a trade-off, and that is salary. So, if you are on two and one, you will earn more over a year than on an eight and six. So, that is a factor as well. But just saying that, I have not got the background as to the decision-making that was made at the time.

**Mr Watson:** Neither Tim nor I were here when that decision was made in Fortescue, to be honest.

**The CHAIR:** I am just trying to find out whether there was any work done that would suggest that this rotation is more family friendly than any of the other rosters that were existing in the space at the time.

**Mr Watson:** Whenever we have a roster that we want to change or make alterations to, we engage independent people to review that roster. So, BSS would come in or Shiftwork Solutions—they are the other company we have used—and they would analyse it and say, “Here’s all the fatigue issues.” And so, any roster change under our system has to be assessed by an independent for: is it going to introduce any new hazards?

**The CHAIR:** That is great. That is an interesting bit of work. Can you provide us with any of that?

**Mr Watson:** Only on roster changes that are not on the eight and six because I do not know when that actually occurred.

**Mr R.F. JOHNSON:** Am I right in saying that you said people earn more money if they do a two and one than they do on an eight and six?

**Mr Watson:** Yes.

**Mr R.F. JOHNSON:** Why the hell do they want to choose an eight and six then? I mean, they are spending far, far longer a time away from their families.

**Mr Watson:** An eight and six is seven nights of work and seven nights at home.

**Ms J.M. FREEMAN:** It is not eight weeks?

**Mr Watson:** No.

**Mr Langmead:** It is not eight weeks; it is eight days.

**Ms J.M. FREEMAN:** It is not.

**Mr R.F. JOHNSON:** I beg your pardon; I thought we were talking about weeks.

**Ms J.M. FREEMAN:** Every second weekend home.

**Mr Watson:** Every second weekend at home.

**The CHAIR:** Could I ask you about your chaplaincy program? You have outlined in your submission that pastoral care is offered to Fortescue workers and the contractors by your chaplaincy program. Can you tell us how this came into reality and what was the reason for it?

**Mr Langmead:** How did it come into reality?

**The CHAIR:** You would be the only guys that have a chaplaincy program.

**Mr Langmead:** Yes.

**The CHAIR:** What I am asking is: what was the driving need for that and how that came about?

**Mr Watson:** I can only tell you my observations, that they turned up, the chaplains.

**Mr M.J. COWPER:** A good job too!

**The CHAIR:** Turned up to where? Turned up to who?

**Mr Watson:** In our business, and I do not know who made the decision, but they were really well received. And they just developed into this group that are supported by everyone.

**Ms J.M. FREEMAN:** So if I just turn up, I can get a job?

**Mr Watson:** No. I do not know who instigated it, but I do know that I just saw it grow and that I saw the business get behind it and the workforce get behind it, and they just have such a great reputation on all the work they do.

**The CHAIR:** Did “Twiggy” have a role in this?

**Mr Langmead:** Yes, look, I think he was the CEO at the time, and I think the reality is that the company wanted to make decisions consistent with its values in terms of setting up the operation. And at Fortescue we have a very live conversation, not in a sort of forced way, on a regular basis about what our values are as a company. So, one of the key values, and the second value after safety, is family. And family is something that Fortescue is about, caring for others. And so, naturally as part of that, fell out the idea that we wanted to have proper pastoral care. And we did not just want to have, you know the option; we obviously recognised that we had to have an EAP and that that is something that some people might need to access an anonymous service, but we also wanted to make sure that there was a personal Fortescue-coloured service, if you like, and that is where that came from. So, it was definitely driven out of the family value. I cannot point to who made what decision when about starting that, but I think it started, as Rob suggests, with a sort of a toehold by David Bradbury, I guess, as the leader of our chaplaincy program. He pretty quickly was joined by other men and women of the cloth, in fact, and they now provide a service that we would consider is something we cannot do without.

**The CHAIR:** You have got eight chaplains, I believe.

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**Mr Langmead:** That is right, yes.

**The CHAIR:** You have six on staff and two contracted.

**Mr Langmead:** Yes, that is right.

**The CHAIR:** Do they arrive on site; do they provide services on site?

**Mr Langmead:** Absolutely. They line up before 6.00 am on a Monday morning at the airport and —

**Mr Watson:** They work an eight and six.

**Mr Langmead:** — hop on the plane with everyone else and go up to site.

**The CHAIR:** I am not knocking this and I am not critical of it; I just wondered how it happened because it is a facility that is characteristic of FMG and it obviously could be making a difference.

**Mr Watson:** It makes a huge difference in my area.

**Ms J.M. FREEMAN:** What if you wanted a non-religious or a different religious chaplaincy or service?

**Mr Watson:** They are non-denomination.

**Ms J.M. FREEMAN:** They are all Christian. I have looked at your chaplaincy service; they are all Christian.

**Mr Langmead:** I did not know that.

**Mr Watson:** At the moment we do not have a Buddhist on there but I am not sure —

**Ms J.M. FREEMAN:** You do not have a Buddhist on there?

**Mr Watson:** No, but the idea is that they are non-denominational, so —

**Ms J.M. FREEMAN:** They are non-denominational in the fact that they are a couple of Anglicans and a couple of different ones, but they are all Christian.

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** You know, I come from an area which I represent in Mirrabooka which is, you know, a large Buddhist community, a large Muslim community, and you know, I am not suggesting that they might not want to talk to someone but how do you deal with that, or in the case of when I look at the census for the area, there is a large non-religious area as well.

**Mr Watson:** I do not think religion comes into this.

**Ms J.M. FREEMAN:** It does in the stuff that is on the website. It talks about the fact that they can pray with them and stuff like that.

**Mr Watson:** I think it probably could, but I am just saying that the service I see them providing is nothing, it is holding hands, it is more counselling.

**Mr R.F. JOHNSON:** More counselling?

**Ms J.M. FREEMAN:** But they are not trained as counsellors.

**Mr Watson:** It is talking where you need to talk; it is support.

**Ms J.M. FREEMAN:** Again, I am not criticising. I am asking how do you address the other issue if you want a non-religious chaplaincy, or a different religion-type chaplaincy?

**Mr Langmead:** If people have specific needs and they are looking to access them on site, then I think the best person for them to talk to would be one of the chaplains. I think they would be sympathetic to that and they would bend over backwards to help out. My discussions with the chaplain service, I think they pride themselves on being able to relate to anyone any time anywhere. And I think to a person they are not going to take a different approach to people based on different

religions. So, they will be looking to provide comfort for the soul to any person that is looking for it, and if they cannot do it, I am absolutely certain that they will find a way to get that done.

**The CHAIR:** How long has the program been in existence and have you been able to provide any data collection around basically engagement, effectiveness, uses of the program? Is there any data in and around that?

**Mr Watson:** I do not know how long it has been there?

**Ms J.M. FREEMAN:** It says it on your website.

**Mr Langmead:** Does it?

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

**Mr Langmead:** That is good. At least five years. There are monthly reports on all the people that they engage with on what types of issues, but there are no details of people's names.

**The CHAIR:** No, we do not want that. I am just asking you is there a data collection —

**Mr Watson:** There is data collection, yes.

**The CHAIR:** — on the effectiveness and usage of the program?

**Mr Watson:** I had a quick look at usage. I think there were about 150 engagements last month, in February across our business.

**The CHAIR:** And all these chaplains, how many chaplains have you got; how many major sites have you got; and what, have you got a couple of chaplains on each site?

**Mr Watson:** Yes.

**Mr Langmead:** So, they work back-to-back to ensure that coverage on the sites, so they are working on an eight and six roster with a buddy. Then in Port Hedland, that is a different arrangement where there are two people physically located there.

**Ms J.M. FREEMAN:** I have some questions. Thank you, you have been really helpful. When we talked before and we talked about duty of care and duty of care covering mental health issues, the regulatory arrangements for existing duty of care and risk management provisions provide a necessary and adequate framework to address hazards, you say is good enough for mental health. I suppose my question is: does that cover, again, accommodation, or am I just repeating myself? So, with regard to the existing regulatory arrangements for mental health, your submission states that existing duty of care and risk management provisions provide a necessary and adequate framework to address hazards, and given your comment about accommodation facilities, are they covered by those regulatory arrangements? That is your understanding. So, mental health is covered under that area. I am sorry, for the purposes of *Hansard*, they are nodding at me.

**Mr Langmead:** Yes.

**The CHAIR:** Can I ask about motelling? There are some large companies on some sites we saw when we visited the Pilbara where they will not have a bar of motelling. They believe that it reduces the sense of community in the accommodation, and that is critical to emotional health and wellbeing. In your submission, you suggest that the practice of motelling allows a 20 per cent higher daily utilisation of the asset. If you talk to BHP at Yandi, they would say that the cost of accommodation, when you take it in the global sense of running a mining operation, is infinitesimal. They say, "If a guy is two weeks on, one week off, we leave the room empty so that that is actually his room when he returns." Could you please explain the reasoning behind adopting motelling for employees and contractors in your facility, whereas in other facilities we do not see it?

**Mr Langmead:** I think it is fair to say that the company has been built on a counterintuitive position and we take one on this issue as well, and that is we think that the sense of community, belonging, fellowship with your workmates is actually enhanced by motelling, because it does not

allow people to be left in isolation or left, you know permanently in one dark corner of a camp; they are able to be moved around to have a more vibrant experience in terms of their life in that facility. But Rob might add further to that.

**Mr Watson:** I think there are always counterarguments for every bit made. There are two parts to this: utilising your asset and part of it is the motelling movement. There are a lot of good bits around it. I do not know if you have ever stayed in a camp.

**The CHAIR:** Yes, we have.

**Mr Watson:** If your neighbour tends to be a snorer, one swing would be a good thing to move—so, I mean, I am just being practical here—and sometimes you are close to the mess and sometimes you are close to the theatre and sometimes you are close to the pool and sometimes you are not, so the neighbours outside are different all the time. So, there are lots of things that are good about it. But having a set room every time, I have worked in both and I do not think it matters.

**Mr R.F. JOHNSON:** Can I say that I think two weeks on, two weeks off is quite a good roster. Obviously, it is a nice roster for FIFO workers, and that is the one they use extensively up at the Argyle diamond mine. I have been up there and they have not motelling, but you have your same room. You lock your stuff away when your two weeks' work is finished, and then the other locker is the person who always comes in and takes over from that person.

**Mr Watson:** We have that with our agencies.

**Mr R.F. JOHNSON:** You have it with your eight and six, do you?

**Mr Watson:** Yes, it is in not all rooms but in a lot of the rooms there will be lockers and there will be an A and a B, and so the person in some places will be the same.

**Ms J.M. FREEMAN:** But they are not actually free ones.

**Mr Watson:** Some do not, but we have both models operating. So, I like the idea of always moving in somewhere different, but there are groups that have a back-to-back and never change rooms.

**Mr R.F. JOHNSON:** Okay, but the ones that have to move every time in motelling, have they got facilities where they can keep stuff in a locker while they are back home, if you like, with their families?

**Mr Watson:** Yes. There are locker rooms and all that, so you can store all your gear and everything.

[2.45 pm]

**Mr R.F. JOHNSON:** Do you feel you do enough on your mine sites in relation to accessibility, communications, for your workers and the contract workers to be able to talk to their families via Skype, via mobile phone coverage and that sort of thing? I think we have found generally there is a lack of—what do they call it, what is the word?

**The CHAIR:** Broadband width.

**Mr R.F. JOHNSON:** Broadband width, yes. A lot of people want to use it at the same time. We are told some people have to wait up until midnight to try and get online in some way or to skype somebody. Do you have those problems on your sites or do you think that you do a much better job than some of the other mines?

**Mr Langmead:** I am not sure that we compare ourselves but the reality is we have wi-fi in each of our accommodation facilities. I could not tell you today what the data speeds are but, sufficient to do skype. I have done it myself.

**Mr R.F. JOHNSON:** At any time during the evening or any time when you are off time?

**Mr Langmead:** I do not know about that.

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**Mr Watson:** I have never experienced—I have experienced slow, but I have never experienced that I cannot do it.

**Mr Langmead:** I think it is fair to say that it is not an issue that has been raised.

**Mr Watson:** I have not heard anyone raise it.

**Mr R.F. JOHNSON:** If that is the case, that is very good. What about mobile phone coverage?

**Mr Watson:** I have heard of little black spots in some little areas but then they have put in extra, whatever they are.

**Mr R.F. JOHNSON:** Is that Telstra?

**Mr Langmead:** No, it is Fortescue.

**Mr R.F. JOHNSON:** Fortescue did it themselves?

**Mr Watson:** Yes. They have fixed it up, but that was predominantly in brand-new camps as they teemed and all that. I have not heard of anything recently.

**Mr R.F. JOHNSON:** In a nutshell, you believe that the facilities that you have in your camps are certainly more than adequate for your employees and your contract workers to be able to communicate with their families when they are not working?

**Mr Langmead:** We believe that that is always something that we should look to and continue to address, but yes, we feel that we are providing an adequate means for people to communicate effectively.

**Mr R.F. JOHNSON:** Thank you.

**The CHAIR:** On a lot of sites that was reasonably well done. There were a few exceptions, but generally your communications were quite good. Can I get back to some of the regulatory arrangements and the duty of care and risk management? In your submission you stated that existing duty-of-care and risk-management provisions provide a necessary and adequate framework to address the hazards. Are you two quite convinced that the hazards referred to in there not only relate to hazards to physical wellbeing, but relate to hazards of emotional health and safety?

**Mr Watson:** I think we get the definition out of DMP—psychological hazards is the one they use. We assess all those in terms of our structures, of our camps, our rosters and our service, so I believe so.

**The CHAIR:** Okay.

**Ms J.M. FREEMAN:** Can I congratulate you on having won the “Women in Resources” champion for Linda O’Farrell five days ago.

**Mr Langmead:** I will pass that on to Linda.

**Ms J.M. FREEMAN:** Yes. I saw it; it was very good. What are your demographics like in terms of the number of women employed?

**Mr Watson:** I only read the report a couple of days ago.

**Ms J.M. FREEMAN:** You have just won a major award on the basis of it!

**Mr Watson:** I can tell you about my team.

**Ms J.M. FREEMAN:** It is okay. I can —

**Mr Watson:** I can quickly look it up?

**Mr R.F. JOHNSON:** Put it on your website.

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**Ms J.M. FREEMAN:** I just thought in terms of if you did have any demographic figures. I will ask a different question now, but can I congratulate you on that. Do you have a fatigue management procedure?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** So the fatigue management procedure would go into when you assessed any shiftwork changes you look at it from the point of view of fatigue management?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** Okay. You said when you assessed shiftwork changes you assessed it if it is going to introduce new hazards. Do those hazards include the welfare of workers and the mental health of workers?

**Mr Watson:** Yes, I believe so.

**Ms J.M. FREEMAN:** Okay. That is great, thanks.

**The CHAIR:** Do you have a code of practice when it comes to FIFO workers and fatigue management?

**Mr Watson:** We just have a fatigue management procedure for the whole company—for everything.

**The CHAIR:** In the mining area there are lots of codes of practice for how you deal with all sorts of things which are of a technical nature. These are a code of practice —

**Ms J.M. FREEMAN:** Codes of practice are more the regulations than in terms of policies.

**Mr Watson:** We use the WA code of practice for design of —

**Ms J.M. FREEMAN:** Working hours.

**Mr Watson:** Yes, working hours. It is in our procedure; we adopt that but we do not have our own code of practice.

**The CHAIR:** When FMG goes through a tendering process seeking a contractor partner—you have got a huge number of contractors; 8170 of them—you mentioned in your submission that one consideration is the alignment of the company to FMG's values and standards. What consideration do you give to the company's record and employee mental health and its policies and procedures surrounding mental wellness?

**Mr Watson:** We would look at all the things that we think are relevant to mental health and not mental health in itself. We would look at their compliance to our shiftwork and fatigue procedures, fitness for work procedures, that they have got an EAP, that they do general health awareness, all those sorts of things make it up because mental health is an outcome that could be associated with these other things. We look at all the systematic components.

**The CHAIR:** In relation to the employee assistance program, do you sometimes offer your EAP to contractors if they have not got an EAP of their own? A smaller contractor, for instance? Do you just have an umbrella EAP for use for contractors?

**Mr Watson:** I think the majority have to have their own to contract to us, but small ones would still be able to use our service. We would not stop them.

**Ms J.M. FREEMAN:** Do you apply your fatigue management policy to those contractors? Do they have to apply the fatigue management policy?

**Mr Watson:** Yes.

**Ms J.M. FREEMAN:** Does that have an impact on their rosters, do you know?

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**Mr Watson:** Their rosters would have to be compliant with it. We do not get down to the nuts and bolts but the general principle is that they cannot work more than 14 days straight; they are not allowed. That is the rule.

**Ms J.M. FREEMAN:** What do you do when it is really hot?

**The CHAIR:** Like 50 degrees.

**Ms J.M. FREEMAN:** In terms of fatigue management, what do you do? Do you ever stop the job because it is too hot?

**Mr Watson:** No. We have controls in place around lots of things for heat: access to water, rotational policies. Most of our people work in air-conditioned comfort nowadays, to be honest. There are not too many people outside and all those people are rotated through. We have very few cases of dehydration nowadays. We do a lot of education.

**Mr Langmead:** A lot of shade and that sort of thing as well. I saw a job happen recently in relation to some of our water infrastructure and there is shade for rest areas erected purposefully for the job, CamelBaks and extra water.

**Mr Watson:** Our hygiene program monitors dry and wet bulb to work out heat stresses of areas, so we are doing all those sorts of assessments.

**The CHAIR:** Then there is the icy pole van.

**Mr Watson:** You can get icy poles on site for 50c, I think.

**The CHAIR:** Thank you very much, gentlemen. I will just read you this closing statement. Thank you for your evidence before the committee today. A transcript of this hearing will be forwarded to you for the correction for minor errors. Any such corrections must be made and the transcript returned with 10 days of the date of the letter attached. If the transcript is not returned within this period, it will be deemed that it is pretty much 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 particular points, please do, and please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you, Tim and Robert, for your appearance before us today.

**Hearing concluded at 2.55 pm**

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