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26 September 2014

Dr Graham Jacobs MLA  
Chair  
Legislative Assembly Education and Health Standing Committee  
Level 1, 11 Harvest Terrace  
WEST PERTH WA 6005

Via email: [laehsc@parliament.wa.gov.au](mailto:laehsc@parliament.wa.gov.au)

Dear Dr Jacobs,

**RE: Inquiry into mental illness in fly-in, fly-out workers**

The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing Australia's oil and gas exploration and production industry. APPEA has more than 85 full member companies exploring for and producing Australia's oil and gas resources. These companies currently account for around 98 per cent of Australia's total oil and gas production and the vast majority of exploration. APPEA also represents over 240 associate member companies providing a wide range of goods and services to the industry.

Western Australia's oil and gas industry is a major contributor to the state and national economies. More than \$100 billion is being invested in production infrastructure and the industry invests more than \$3b per annum exploring for oil and gas both onshore and offshore Western Australia. Petroleum activities onshore WA and offshore in Commonwealth waters contributed over \$1.2b to the WA state budget in 2013-14.

A fit, healthy and happy workforce is of prime concern to the oil and gas industry, which has attracted significant collaborative effort globally in such areas as fitness to work, managing stress, substance misuse and managing psychosocial risks. The oil and gas industry has used a fly in, fly out model for its offshore operations for decades and recognises that this will remain a safe and reliable model for decades to come.

APPEA welcomes the opportunity to make a submission to the Legislative Assembly Education and Health Standing Committee's Inquiry into mental illness in fly-in, fly-out workers. APPEA and member companies contributed to the development of the Western Australian Chamber of Minerals and Energy (WA CME) submission which reflects the use of fly-in, fly-out workforce models across the broader resources sector. APPEA supports the WA CME submission and recommendations. APPEA's submission should also be considered in conjunction with the individual submissions of our members.

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## **Mental Health**

APPEA is co-ordinating extensive effort by its oil and gas industry members to deliver continuous improvement in all aspects of health and safety performance. The industry's interest in health issues is evidenced by the number of health presentations, workshops and exhibitions that formed part of APPEA's recent HSE Conference in Perth during the first week of September 2014.

APPEA welcomes the Parliament's focus on mental health, an important public health issue, in undertaking the current inquiry. Employee health and safety, including mental and physical wellbeing, is a top priority for APPEA's member companies.

Industry uses a broad range of integrated wellbeing strategies as well as targeted mental health initiatives. These strategies and programs have been in place for many years and industry continues to improve these strategies. The WA CME submission provides an extensive list of initiatives employed by the resources sector. It is well recognised within industry that by proactively addressing wellbeing issues, a broad range of improvements can be achieved, not only safety and health outcomes but also in productivity<sup>1</sup>.

## **Workforce Models**

The fly-in, fly-out model is an essential component of the oil and gas industry's employment arrangements for offshore operations and projects in WA and around the world. The use of fly-in, fly-out is also one of a number of workforce models that is used onshore to facilitate personal choice. Industry fully expects that this workforce model will remain a key requirement to sustain oil and gas development in the future.

Geographic mobility is a critical element of a well-functioning labour market, and has been an important mechanism for adjusting to the demographic, structural and technological forces shaping the Australian economy. Advances in transport and communication technologies, including telecommuting and long-distance or fly-in/fly-out or drive-in/drive out commuting, have broadened the scope and extent of geographic labour mobility.

Workforce requirements for oil and gas projects vary according to project phase. During the construction phase a very large but temporary labour requirement exists, while project operations typically require fewer but highly specialised workers to manage the operation and maintenance of production facilities on an ongoing basis.

The use of fly-in/fly-out work models, particularly during the temporary construction phase, is essential to enable mobile, flexible and highly skilled operators to be deployed in their most productive capacity in support of these projects. It is also important to avoid the 'boom-to-bust' cycle that can impact remote regional centres during the construction phase of projects.

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<sup>1</sup> PWC, Beyondblue and Mentally Health Workplace Alliance, 2013, *Creating a Mentally Health Workplace, Return on Investment Analysis*, 2013, available at: [www.headsup.org.au/docs/default-source/resources/bl1269-brochure---pwc-roi-analysis.pdf?sfvrsn=4](http://www.headsup.org.au/docs/default-source/resources/bl1269-brochure---pwc-roi-analysis.pdf?sfvrsn=4)



It must also be acknowledged, however, that fly-in/fly-out is the only option available for workers employed on offshore oil and gas platforms.

**Conclusion**

APPEA appreciates the opportunity to support the inquiry and looks forward to understanding the opportunities to improve this priority public health issue. Should the Committee require further information, please contact Mr Adam Welch, Senior Policy Advisor, on 9426 7205 or [awelch@appea.com.au](mailto:awelch@appea.com.au).

Regards,

A handwritten signature in blue ink, appearing to read "Stedman Ellis". The signature is fluid and cursive, with a distinct flourish at the end.

**Stedman Ellis**

Chief Operating Officer – Western Region