Parliamentary Inquiry
Mental Health Impact of Fly in Fly out Work Arrangements

Prepared By
Adrienne LaBombard
a.labombard@cmewa.com
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About CME

The Chamber of Minerals and Energy of Western Australia (CME) is the peak resources sector representative body in Western Australia funded by its member companies, which generate 95% of the value of all mineral and energy production and employ 80% of the resources sector workforce in the state.

The Western Australian resources sector is diverse and complex, covering exploration, processing, downstream value adding and refining of over 50 different types of mineral and energy resources.

In 2013-14, the value of Western Australia's mineral and petroleum production was $121.6 billion, accounting for 91 per cent of the state's total merchandise exports. Furthermore, the value of royalties received by the Western Australian government from the resources sector increased by 33 per cent from the 2012-13 financial year to reach a record $6.98 billion in 2013-14.

Recommendations

FIFO Workforce

- CME recommends the Committee recognise use of this employment option by all sectors and ensures recommendations made are applicable across all industries who utilise FIFO work practices.

FIFO – A matter of choice

- CME recommends the Committee recognise the importance of FIFO employment as a mechanism to:
  - meet operational needs and demand for skilled labour in remote and regional areas; and
  - provide flexibility for employees to choose where they work and live.

Resource Sector Company Initiatives

- CME recommends the Committee recognise the positive contribution to the health and wellbeing of resources sector workers made by companies through the significant scope and breadth of wellbeing strategies as well as industry's ongoing commitment to these issues through integrated workplace programs, community engagement and partnerships with wellbeing and mental health service providers.

Focus on Contributing Factors

- CME recommends the Committee canvass opportunities for research aimed at assessing the effectiveness of strategies to address wellbeing issues and how these can be improved and for a central repository for this information to be created.

- CME recommends further efforts be aimed at understanding issues such as societal stigma and how to break down the barriers of access to support services across industries as well as the broader community.

- CME urges the Committee to take a holistic, evidence based approach and complete an empirical investigation into contributing factors for all suicides to ensure targeted strategies are able to be identified to address this issue within the broader community.
Need for a Broader Focus

- CME recommends the Inquiry take a broad view of the issues in line with the Western Australian Suicide Prevention Strategy and focus on identifying strategies to improve mental health and wellbeing outcomes across communities, sectors and rural and regional areas within the state.

Looking at the Data

Mental Health within the FIFO workforce

- CME recommends the Committee explore opportunities to support partnerships between government, service providers, community and industry sectors to promote effective strategies to address these issues and promote the sharing of information and resources.

Suicide

- CME recommends the Western Australian Coroner’s office be resourced to:
  - ensure the maintenance of a comprehensive record of deaths by suicide; and
  - enable the Coroner to collate and analyse data looking at contributing factors and demographic information to enhance understanding of at risk populations and key risk factors relating to these deaths.

- CME recommends the Committee support empirical research into the incidence of suicide which adequately control for demographic and other factors prior to determining the need for future strategies targeting any specific work practice.

- CME supports the ongoing implementation of the Western Australian Suicide Prevention Strategy.

Fly in Fly out Rosters and Working Hours

- CME recommends the Committee does not impose prescriptive requirements on working hours or roster cycles but rather recognises the continued need for a risk based approach to be taken which provides flexibility to safely address the operational imperatives of the resources sector and ensure it is able to attract and retain a skilled workforce.

Legislative Context

- CME does not consider occupational safety and health legislation is the appropriate mechanism for addressing this issue and recommends the Committee recognise mental health as a public health issue in considering the adequacy of current policies and legislative instruments.

Conclusion

- In support of this submission and the Western Australian resources sector’s commitment to employee safety and wellbeing, CME requests the opportunity to appear before the Committee to provide any additional information as may be required.
Context

CME welcomes the opportunity to make a submission to the Education and Health Standing Committee (the Committee) in relation to the Parliamentary Inquiry into Mental Health within the Fly-in, fly-out (FIFO) Workforce in Western Australia (the Inquiry).

‘Long distance commuting’ for work can be traced back to the first half of the 20th century when shearing teams, recruited in Perth and other regions, travelled from sheep stations in the Kimberley to pastoral areas. In the resources sector, long distance commuting has manifested into FIFO (or in limited cases DIDO) and had its beginnings during construction of the iron ore mining and shipping facilities in the Pilbara in the 1960s and 1970s. Today FIFO is used by a large number of industry sectors to maintain delivery of services to regional areas and ensure access to appropriately skilled personnel.

While awareness of mental health and the need to take a holistic approach to health and wellbeing is increasing within the broader community, there is still a concerted effort required to address a range of factors which inhibit individuals being able to access support. As in other areas, the approach of the resources sector to health issues in the workplace has been one of continuous improvement where it has transitioned from compliance, to broader and more proactive fitness for work strategies and now comprehensive wellness programs.

The following submission seeks to provide specific resources industry information as requested by the Committee, responds to the broader terms of reference and addresses additional issues the resources sector considered to be relevant and important. Case studies and examples of initiatives demonstrating the resources industry’s ongoing commitment to employee wellbeing are provided throughout.

Further information is also available in the 2011 CME submission to the Standing Committee on Regional Australia’s Inquiry into the Use of Fly-in, Fly-Out (FIFO) and Drive-In, Drive-Out (DIDO) Workforce Practices in Regional Australia. The submission contains an extensive examination of the use of FIFO and DIDO in Western Australia including social and economic benefits and is enclosed at Appendix 2.

Additionally, CME’s report *A Matter of Choice: Capturing the FIFO Opportunity in Pilbara Communities* released in April 2012, canvasses the facts behind the growth of FIFO; the different needs of construction and operational FIFO employees, and identifies actions taken by resources sector companies to provide a balance between residential and FIFO workforces in Pilbara towns. This report is provided at Appendix 3.

In developing this submission, CME has collaborated with other industry peak bodies including the Australian Petroleum Production and Exploration Association (APPEA) and the Chamber of Commerce and Industry of Western Australia (CCI). CME has also directly engaged with a broad range of our member companies including those from small, medium and large mining, oil and gas, contracting and construction companies across the state.

The Western Australian Resources Sector Workforce

According to the Australian Bureau of Statistics Labour Force series, as at May 2014, there were 102,300 people working in the Western Australian resources sector\(^1\). This number includes employees in head offices and on-site in metal ore mining, coal mining, oil and gas extraction, services to mining and ‘other’ mining.

Over the last ten years, the Western Australian resources sector workforce has grown significantly, from 46,100 people in May 2004 to 102,300 in May 2014, peaking at 122,500 in August 2012. This represents growth in employment of over 120% in the last decade. Over

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\(^1\) Australian Bureau of Statistics: 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, May 2014
the last year, the industry has commenced a general transition from construction of projects to operations and production in the context of falling commodity prices, which has been reflected in the labour force with a decline in total numbers.

Throughout this period of rapid growth, the resources sector has continued to place the highest priority on the health, safety and wellbeing of its workforce and the incidence of fatalities in the sector has continued to decline. Industry achieved a significant milestone with zero work related fatal injuries recorded between 16 August 2011 and 14 August 2013.²

![Figure 1 Annual workforce and fatality figures for the Western Australian mining industry from 2000 to 2012](http://www.dmp.wa.gov.au/documents/Reports/MSH_R_SafetyPerformanceInTheWAMineralIndustry2012-2013.pdf)

**FIFO Workforce**

The CME Resources Sector Outlook, a ten year look-ahead for key drivers for the Western Australian resources sector including people, water, infrastructure and energy, identifies around 60% of the resources sector operations workforce are on FIFO rosters with 80% of the construction workforce on FIFO rosters. Given this, it is estimated approximately 67,000 resources sector employees are on a FIFO roster, which equates to approximately 4.9% of the overall workforce in Western Australia.

Approximately 70% of the resources sector FIFO workforce is based out of the Perth-Peel region with the remaining 14% from the rest of WA, 14% from interstate and just 2% from overseas⁴. Just over half of the employees in the rest of WA classification are based in the South West/Great Southern regions.

While the overall resources sector workforce number has declined over the past 12 months, CME expects demand for FIFO employment to remain strong even as the workforce composition largely changes from construction to operations.

While the resources sector is a significant user of FIFO work practices due to the remote location of operations, many different sectors also utilise long distance commuting such as public administration, scientific and technical services, and health care.

In 2013 a study undertaken by KPMG in partnership with the Minerals Council of Australia found the proportion of the total Australian workforce identified as a long distance commuter

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³ DMP, 2014, *Fatal accidents in the Western Australian mining industry 2000-12: what lessons can we learn?* Investigation Services and Resources Safety Division, Department of Mines and Petroleum, Western Australia, p 5.

⁴ CME, 2014, *Resources Sector Outlook*, as yet unpublished data due be released November 2014
(LDC) to be 1.7% in 2006 and 2.1% in 2011. The study identifies the distribution of LDC is spread across all 19 industries of employment with mining representing 21% and construction represented 13% of total LDC workers.\(^5\)

FIFO is a workforce model that is not unique to the resources sector. Governments and other sectors also need to be able to fly employees in to and out of communities regularly, in order to provide services across distances, while avoiding the establishment of infrastructure at prohibitive cost.

Like employers in the resources sector, government agencies and others encounter extreme difficulty in meeting demand for skilled labour in regional Western Australia and today deliver services using non-residents on FIFO rosters. This, for example, occurs in the health sector, where distances between communities means a FIFO workforce model is, at times, essential to the delivery of health care services, and also occurs in large-scale Government infrastructure projects, for example roads, where a large workforce is required for a relatively short period of time.

Given this broad use of FIFO it is important to ensure the Inquiry does not just focus on the resources sector FIFO workforce.

**CME recommends the Committee recognise use of this employment option by all sectors and ensures recommendations made are applicable across all industries who utilise FIFO work practices.**

FIFO – A matter of choice

The resources sector has developed an employment model to attract and retain its skilled workforce in the safest and most competitive manner which involves a combination of residential and long distance commuting.

In Western Australia, the majority of resources operations are remotely located without a nearby regional centre that has sufficient infrastructure, services or existing population base necessary to attract the number of people to sustain the natural turnover at existing operations or support future growth. This will require ongoing use of FIFO as a work practice to enable access to skilled personnel.

In addition, FIFO is the only practical employment option for mines having a short Life of Mine (LOM), with some operations having a LOM as short as five years or less. The establishment of a residential workforce in such cases is neither a viable nor practical option.

Employees in the resources sector have a wide variety of sporting and cultural interests, hobbies and pastimes that contribute to their personal health and wellbeing, their families and communities. They also have individual preferences about climate and lifestyle choices. FIFO provides flexibility and choice in working arrangements, which can greatly contribute to meeting employee needs and expectations arising from these different social and family backgrounds.

Research indicates FIFO employees are largely family orientated individuals with 70% of FIFO employees being in relationships with children. These families all have their own specific needs and preferences which influence the choice people make about employment.

FIFO provides choice for families wishing to access services and amenities such as particular schools and medical facilities, by allowing some family members the opportunity to reside outside of remote locations, while benefiting from other family members working in the regions.

In addition to this, the majority of families are now in a position where both parents have careers. FIFO provides the opportunity for one parent to work on FIFO arrangements and the other to remain where their career is located. This arrangement also may offer superior support options for children, including day-care and support from other family members.

The Department of Regional Development 2013 Living in the Regions survey examines why individuals choose to live in the regions and also gives consideration as to why they look to move away. The survey suggests 41% of people were considering moving – 26% away from their current region and 17% to leave the regions entirely. Of respondents from the Pilbara and the Kimberley, 58% and 41% respectively indicated they were seriously considering leaving these regions. The most common destinations people considered moving to in WA were Perth and the South West. The reasons people stated as to why they were moving include access to better shopping, health services, family support, professional development opportunities and social activities.

FIFO work arrangements allow for families who do relocate to be able to enjoy these benefits, while remaining employed in the resources sector.

Member companies have also noted due to an apparent shortage of skilled local employees the allied health industries in rural and remote residential towns are increasingly staffed by FIFO employees or temporary agency staff from Perth and the South West of WA as employees chose not to move to rural and remote parts of WA.

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6 Creating Communities, 2013, FIFO Life Survey, Creating Communities and FIFO Families August 2013
7 The Australian Institute of Family Studies, 2013, Parents working out work, Australian Family Trends No. 1
Furthermore, a recent accommodation survey undertaken by the Queensland Resources Council found 44 per cent of surveyed residential and non-residential resources sector employees were in “preferred accommodation arrangements” and therefore chose their respective positions based on the associated accommodation arrangements. The QRC notes the implication that “if either residential or non-residential options were not available across the sector, there would be a significant number of people who would not choose to work in the sector”9. As such, enforcement of one employment type over another may risk the employment of a significant number of Western Australians choosing to work in the Western Australian resources sector.

The preference for FIFO work is particularly evident with employees involved in the construction phase of a resources project, where a worker may only be required to perform their specialist trade for weeks or months at a time. It is not viable or appropriate for a company to only offer residential employment that would require the employee to move themselves or their families to a new town and change their preferred lifestyle for such a short period.

It is important to note FIFO and residential employment are complementary, not supplementary approaches in a total workforce management package, with the mixture of employment types governed by the location of the resources operation and the individual’s circumstances and lifestyle choices.

Forcing individuals or the sector to utilise one employment option over another (residential or FIFO) can negatively impact on attraction and retention of a skilled workforce and create further challenges, particularly for operational projects.

FIFO is not an appropriate work practice for all. While FIFO provides choice to individuals as to their employment, this choice must be made in an informed way and involve discussion with their families to understand what it will mean for them to be in this situation.

Resources sector companies understand the imperative of ensuring potential new employees understand the implications of doing FIFO. Through pre-employment induction processes and procedures companies provide information sessions, on-boarding booklets and other resources to ensure there is alignment with employees in terms of expectations around FIFO rosters.10

FIFO is essential to meet the industry’s needs for skilled labour, flexibility and global competitiveness in a challenging operating and economic environment. Importantly, FIFO is also meeting many employees’ desires for flexibility in deciding how to match career and quality of life aspirations.

In a competitive labour market, employee choice is paramount in attracting and retaining a skilled workforce: choice of what job they do, who they work for and importantly, where they choose to live.

CME recommends the Committee recognise the importance of FIFO employment as a mechanism to:

- meet operational needs and demand for skilled labour in remote and regional areas; and
- provide flexibility for employees to choose where they work and live.

9 Queensland Resources Council Workforce Accommodation Survey, [https://www.qrc.org.au/_dbase_up/WorkforceAccommSurvey_URS_FINAL.pdf](https://www.qrc.org.au/_dbase_up/WorkforceAccommSurvey_URS_FINAL.pdf)

Resource Sector Company Initiatives

CME member companies, which include those engaged in mining, oil and gas, contracting and construction, demonstrate a high level of commitment to employee health and safety including mental and physical wellbeing. Industry utilises a broad range of integrated wellbeing strategies as well as targeted mental health initiatives.

These strategies and initiatives occur in a range of areas including:

- Education and Awareness Raising
- Fitness to Operate
- Peer Support and Encouraging Open Communication
- Family Support and Connectivity
- Early Intervention and Crisis Management
- Healthy Lifestyle Options
- Building Sense of Community
- Employee Assistance Programs (EAPs)
- Partnerships with Wellbeing Service Providers and the Community

An overview the types of initiatives in these categories are included at Appendix 1.

In the resources industry these strategies and programs have been in place for many years and industry is continuing to work to better implement health and wellbeing programs in addition to understanding the risk factors relating to mental health within the resources sector’s residential and FIFO workforces.

In recent years, significant improvements have been made in the quality of accommodation and amenities available on-site including remote FIFO sites. For example, air conditioned living spaces, high quality and variety of food and telecommunications access in room or on-site are commonplace. Many sites also provide a range of social and recreational spaces and activities including:

- fitness centres, tennis courts, pools and other sporting facilities;
- music rooms, employee clubs, libraries, retreat rooms; and
- cinema viewings, video gaming and quiz and entertainment nights.

The resources industry also contract expert site village accommodation specialists to ensure employees comfort and safety in addition to promoting a positive community culture on site.

Case Study - Civeo

Civeo is a global workforce accommodation specialist that helps people maintain healthy, productive and connected lives while living and working away from home.

With a focus on wellbeing, Civeo provides integrated accommodation solutions for a range of clients. Civeo owns and operates over 22,000 accommodation rooms across Australia and North America, with two villages in Western Australia in Karratha and Kambalda.

Civeo Life Program is a comprehensive health and wellbeing program which aims to provide worklife balance information for all Civeo employees. This includes information around Wellbeing (monthly newsletters), Giving (workplace donations and volunteering), Nutrition (recipes, nutritional information and tips) and Exercise (tips and discussion boards). Civeo Life is available on the intranet for all office based staff, and through free-standing intranet kiosks in all village staff rooms.

As an example of broader wellbeing initiatives, Civeo is a leading partner in the Moranbah...
Community Health Partnership, joining local health providers, government, businesses and the resources industry. Civeo’s contribution aims to help improve access to medical treatment for Bowen Basin residents by providing heavily discounted guaranteed short-term accommodation for visiting allied health and medical professionals and students in central Queensland.

The goal of this project was to increase the variety of services available for both residents and non-residents, particularly allied health services. All monies raised from this accommodation are donated back to the local community to improve health services and to promote healthy lifestyles.

The resources sector is a significant contributor to community wellbeing programs and partner to many mental health and wellbeing support services such as Lifeline WA, Beyondblue and FIFO Families.

Additional initiatives include:

- Support for research initiatives through partnership with Universities and service providers;
- Support for broader community wellbeing through funding for community medical and wellbeing services such as general practitioners and the Royal Flying Doctor Service; and
- Construction and maintenance of community recreational and leisure infrastructure to promote a healthy lifestyle.

It is recognised, by proactively addressing wellbeing issues, a broad range of improvements can be achieved, not only safety and health outcomes but also in productivity.¹¹

**Case Study - Downer EDI Mining**

Downer EDI Mining (Downer Mining) is a contract mining and civil earthworks services provider which has had over 90 years’ experience in the industry.

The Enhancing Workforce Health (EWH) program was developed in conjunction with the Queensland University of Technology (QUT) and represents a holistic, diversified and continuous-improvement approach to injury prevention and health management.

As an example, one of the components of EWH is a resource of digital stories in which employees recount their personal experience with a life-threatening illness followed by expert commentary. So far these have included mental health, breast, skin and prostate cancer, and cardiovascular health.

The partnership with QUT also provides Downer Mining with access to industry best-practice guidance from internationally recognised experts as well as opportunities to collaborate with QUT to develop and trial evidence-based, innovative solutions to Downer Mining priority health risk areas: obesity and nutrition, musculoskeletal disorder and mental health.

As part of this strategy Downer Mining invests in health infrastructure and employs an in-house team of multidisciplinary health professionals to develop and deliver initiatives and programs including occupational therapists, physiotherapists, exercise physiologists and psychologists.

Downer Mining is also focused on healthy lifestyle and weight management. For example, to complement the cardiovascular health campaign, ‘Healthy Heart’ checks were conducted at a number of sites and offices, and a partnership was entered into with Diabetes Western Australia.

In addition to targeted health campaigns, the company has run voluntary medical checks, fitness

evaluations, and dietary and physical activity interventions to improve lifestyle behaviours. In some situations, links have been made with external or local community providers for the delivery of voluntary health enhancement programs.12

The success of Downer Mining’s EWH program was recently recognised at the Queensland Mining Health and Safety Conference in August 2014 receiving the Health Award for “the best company Health Program that results in improvements to the health of its workers”.

Additional Downer Mining initiatives promoting mental health and a healthy work-life balance include:

- Provision of mental health awareness training, equipping employees, supervisors and managers with the knowledge and skills to recognise and support workmates that may be experiencing depression or anxiety;
- Preparation for in-house delivery of Mental Health First Aid certification in 2015, firstly to Supervisor level and above;
- Inclusion of a focus on the potential demands and benefits of the FIFO lifestyle, as well as available supports in induction training, on-boarding documents, Graduate Development Program modules and the HSE Leadership course (which is mandatory for Supervisors);
- Conducting a mental health awareness-raising program. In one exercise an explosives truck was painted blue and co-branded with Beyondblue and for every tonne of explosives poured $1 was donated to the charity (with the total raised matched by the client);
- Access to the Downer Corporate Family Program (in conjunction with SeventeenHundred). This is a free support service specifically designed to assist parents with children aged 0-18 years, those transitioning into retirement and those with ageing family members to achieve a healthy work-family balance; and
- Participation in ‘Heads Up’, Beyondblue and the Mentally Healthy Workplace Alliance, and acceptance of the Downer Mining Case Study for inclusion in the ‘Get Inspired’ section of their website.13

Employee Assistance Programs

The vast majority of resources sector companies provide employee assistance programs (EAP) as well as general health services to provide ongoing support and facilitate employee and family access to these and other services through communication and peer support programs.

Despite the common perception, EAPs are not simply ‘a last line of defence’ with most EAP providers offering a broad range of proactive and preventative services including:

- Early intervention support provisions;
- Proactive mobilisation following significant events;
- Training for peer support programs;
- Access to data and measurement tools for mental health programs;
- Education and awareness raising programs;
- Support for family members; and

• Support and training for line managers, HR and OSH staff.

Research findings relating to resources sector workforce access to support such as company EAPs are also positive. Notably, the Lifeline WA study found 9 out of 10 FIFO/DIDO workers reported easy access to an industry employee assistance program and 4 out of 5 FIFO/DIDO workers reported they had access to on-site mental health and counselling facilities.14

**Case Study - Saracen Mineral Holdings**

Saracen is a gold producer focused on operations in the north eastern goldfields of Western Australia. Saracen has implemented a number of initiatives to support the healthy lifestyle of its employees, beginning with pre-employment medicals to identify any at-risk conditions.

The focus on health and wellness continues past the initial employment stage, with a third party contractor engaged to offer healthy eating programs for Saracen employees. Healthy eating is encouraged on site by occupational health and safety communications and healthy catering options and re-enforced by an onsite gym, tennis court and group fitness activities. Employees are also provided with the option of regular health checks, including flu-shots and skin checks.

Saracen provides employees with access to mental health support if required through an EAP, with information regarding the program provided in new-starter packs and readily available around site.

All Saracen employees and their family members have access to 24/7 counselling through the EAP. This confidential service can be accessed face to face, online or via phone, whichever the employee decides. All sessions are paid for by Saracen. Employees and their families also have access to ‘eapdirect’, which is an online library with over 900 articles on psychological & physical wellbeing. To further assist, this library also has access to self-assessment tools.

When new-starters begin, they’re provided with all the information and details about how to access the service. Employees are additionally provided with information from Mining Family Matters, an organisation providing professional advice and practical advice to people working a FIFO or DIDO roster.

Contractors at Saracen arrange for “Mind Your Mates” workshops on site, which educate people of suicide prevention awareness. This workshop is designed to facilitate discussion around a topic often considered taboo, and so aims to reduce the communication barriers for people in need.

Noting the challenge of ensuring employees seek assistance when they need it, the resources industry is implementing a wide range of strategies aimed at awareness, early prevention and promotion of general wellbeing as well as targeted initiatives to address challenges specific to particular sites or workforces.

Given the Mental Health Commission has noted 1 in 5 employees is likely to experience poor mental health within a given year, the uptake of EAP appears to be quite low. Factors such as societal stigma, lack of mental health awareness, and concerns regarding confidentially may contribute to the low uptake of these services across industry.

EAP providers Davidson Trahaire Corpsych provided a desktop analysis of utilisation within their client base over the past year (1 September 2013 – 31 August 2014) and found uptake within the resources industry to be 5.74% compared to an ‘all Industries’ average of 3.82%. Davidson Trahaire Corpsych client base includes more than 2,000 organisations

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representing over 100,000 employees across the private, public and not for profit sectors with offices located across Australia as well as Singapore.\(^{15}\)

This data indicates resources industry efforts to increase awareness and promote the availability of EAP services, and utilising a wide range of services provided by their EAPs, may be helping to reduce the stigma and increase the uptake of these services by employees.

Member companies closely monitor a range of de-identified data collected by their EAP providers to enable ongoing refinement of programs and to understand the types of issues raised by employees.

**Peer Support and Communication**

Peer support programs along with strategies to promote open communication and raise awareness of health and wellbeing issues are central to many company wellbeing strategies.

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**Rio Tinto Iron Ore – Peer Support Program**

The Peer Support program was introduced at Rio Tinto Iron Ore WA (RTIO) in 2013 with implementation across sites and divisions.

The RTIO Peer Support Program is an early intervention program which provides non-judgmental and confidential support that is accessible to all employees through a network of trained volunteer Peer Supporters. Peer Supporters are available to provide an informal avenue for employees to discuss personal and work related issues and concerns and where required can provide assistance to colleagues and facilitate pathways to professional help (e.g. EAP/other community programs/supports).

The Peer Support program is promoted across sites to provide awareness to the workforce and encourage utilisation of the program. Peer Supporters understand their workplace and the problems their workmates are dealing with, and are often able to reach workers who may not usually ask for help.

Training is provided to Peer Supporters in the form of a two-day training course delivered by experienced professionals. They are trained to:

- Provide a confidential listening ear and practical assistance;
- Assist in the problem solving process;
- Provide information on resources and facilitate pathways to appropriate support; and
- Encourage workmates to access early assistance.

Regular evaluation of the program is undertaken to identify common themes and opportunities for improvement.

Peer Supporters self-nominate for the program. All candidates are then interviewed by the Peer Support Coordinator. Candidates are sourced across work levels and areas to ensure broad coverage to enable appropriate peer relationship development. The Peer Supporters receive ongoing training and development.

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Many EAP providers assist in implementing these initiatives and companies also develop and promote in-house programs in addition to partnering with wellbeing service providers. Examples of these types of initiatives include:

- Promotion of open communication about safety and health issues at toolbox meetings and pre-starts;
- Onsite chaplaincy and counselling services available to employees;
- Site presentations, including "Mind your Mates" talks which encourage peer support;
- Buddy systems put in place to encourage discussion of health and personal issues amongst colleagues;
- Partnerships with third parties to encourage peer support and open communication. Examples of this include R U OK?, a field campaign targeting workers separated from their family and friend support networks. R U OK? helps workmates talk to their peers when they suspect someone might be depressed;
- Promotion of men's mental health awareness in conjunction with Movember;
- Mental health awareness topics and EAP services discussed during toolbox meetings and pre-starts; and
- Support for employees who actively assist colleagues when required.

**BGC Contracting – Mates in Construction and Mates in Mining**

BGC is a leading mining and civil construction company, employing around 3,100 people. Central to BGC’s mental health strategy is to partner with organisations providing support to on-site workers. This includes being a financial member of FIFO Families, which allows free membership for families of FIFO and DIDO BGC employees. BGC also has an arrangement with Mates in Construction (MIC) to provide onsite support services.

General awareness training is provided to all employees working on site to ensure they have an appreciation and understanding of mental health issues. The aim of this service is to assist with self-identification, a vital aspect of overcoming a mental health issue.

The MIC program includes ‘Connector Training’ which is a four hour training course to up-skill a group of employees to act as a peer support network. The training is rolled out to 5% of the workforce who then become a resource for the rest of the workforce to speak with about issues they are having.

Employees who have done the course are trained to identify mental health indicators and recognise where an issue may require further action.

Additionally, 1-2 workers on each site are nominated to do a 2 day course run by MIC, where they are trained to be a ‘mental health first-aid’ provider. These people are able to provide further on-site peer support and assessment. When an employee believes they have an issue and requires further advice, they are able to access the company’s EAP.

CME promotes collaboration across industry to identify best practice mental health strategies through facilitation of the Mental Health Working Group (MHWG). New approaches and solutions to a broad range of safety and health issues are also celebrated through our annual Safety and Health Conference Innovation Awards.

Through partnerships with other state council chambers CME also supports ongoing research into industry specific risk factors and initiatives to support the wellbeing of the resources sector workforce.

**CME recommends the Committee recognise the positive contribution to the health and wellbeing of resources sector workers made by companies through the**
significant scope and breadth of wellbeing strategies as well as industry’s ongoing commitment to these issues through integrated workplace programs, community engagement and partnerships with wellbeing and mental health service providers.

Focus on Contributing Factors

CME welcomes the Inquiry’s objective to investigate contributing factors that may lead to mental illness and suicide. While industry does not support limiting the focus to the FIFO workforce as discussed below, any efforts to improve industry, community and government understanding of the risk factors which may contribute to the broader issues of mental illness and suicide in the Western Australian population must be considered.

The resources industry undertakes a risk management approach to avoid, reduce and mitigate all hazards and risks with the potential to impact the workforce, environment and community in which companies operate. Identifying and understanding the risks is a critical first step and is ingrained in industry risk management processes.

Companies recognise employee wellbeing, including physical and psychological wellbeing as important aspects of fitness for work. Fitness for work is critical to employee safety and companies have strict policies and procedures in place as well as education and awareness programs to reduce the factors which can contribute to lack of alertness and poor judgement.

Industry considers an understanding of contributing factors, or risk factors, is essential to assist companies, communities and mental health service providers to target mental health and wellbeing strategies to focus support in areas of highest risk and encourage proactive prevention and awareness.

Likewise, understanding of best practice approaches and ability to assess the effectiveness of various strategies is critical. Industry continually monitors employee wellbeing and measures the uptake of existing services and strategies. However, access to further information on the effectiveness of various wellbeing strategies in the workplace setting would assist and inform the development of on-site measures.

CME recommends the Committee canvass opportunities for research aimed at assessing the effectiveness of strategies to address wellbeing issues and how these can be improved and for a central repository for this information to be created.

Mental health and wellbeing issues are not restricted to one type of employee or one type of industry. It is important to note the wellbeing challenges faced by the resources sector’s workforce are much the same for those located in regional areas or working in male dominated industries such as defence and agriculture.

A wide range of available research demonstrates wellbeing challenges faced by the broader community, including a social stigma towards help seeking, particularly among males, a lack of awareness about the importance of looking after personal mental and physical health and a lack of immediately available and/or affordable public health services often compounded by remoteness and limited access to community support and other support services.16

The World Health Organisation (WHO) also identifies stigma, particularly surrounding mental health disorders and suicide, as a critical factor which may prevent people from seeking help.

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and recommends strategies focus on education and raising awareness to increase early help seeking.17

The Department of Health’s Western Australian Suicide Prevention Strategy 2009-201318 supports taking a coordinated approach to suicide prevention. Recommended actions under the strategy include:

- Improving the evidence base and understanding of suicide prevention through targeted research;
- Building individual and community resilience and addressing issues of stigma; and
- Encouraging and resourcing integrated solutions to local suicide prevention needs.

CME recommends further efforts be aimed at understanding issues such as societal stigma and how to break down the barriers of access to support services across industries as well as the broader community.

The Mental Health Commission notes contributing factors associated with suicide are multiple and complex and may include:

- social isolation;
- pre-existing mental illness;
- regular exposure to high-risk situations;
- feeling like a burden to others;
- difficulty regulating distressing emotions; and
- financial, emotional or relationship stress.19

WHO suggests worker suicide is a result of complex interaction between individual vulnerabilities and work-related environmental factors that trigger stress reactions and contribute to poor mental wellbeing.20

Additionally, both WHO and the Western Australian Department of Health note social, psychological, cultural and other factors can interact to lead a person to suicidal behaviour. WHO do not consider any single factor is sufficient to explain these occurrences with several risk factors typically acting cumulatively to increase a person’s vulnerability to suicidal behaviour.21

Challenges identifying the causal factors leading to suicide have also been noted, given these individuals often do not articulate this intention and/or provide clear reasons for doing so. On occasions when these reasons are articulated, for example through a suicide note, these are intrinsically subjective and difficult to verify.22

This reinforces the importance of a multifaceted and collaborative approach between all stakeholders, including communities, workplaces and service providers to respond to the broad range of complex, interrelated factors associated with suicide and mental illness. It is not something that is able to be dealt with in a work context alone.

18 Department of Health, 2009, Western Australia Suicide Prevention Strategy 2009-2012, Government of Western Australia.
21 Ibid
22 Ibid
As will be discussed further in the submission, CME notes there is a paucity of data on the incidence of and contributory factors related to suicide in Western Australia. CME considers this lack of data will limit the potential for the current inquiry to undertake an adequate assessment of the issues and to make recommendations regarding areas for improvement. Good risk management starts with comprehensive identification and assessment of the risks. To enable informed recommendations to be made CME urges the Committee to take a holistic, evidence based approach and complete an empirical investigation into contributing factors for all suicides to ensure targeted strategies are able to be identified to address this issue within the broader community.

Need for a Broader Focus

CME considers mental health and suicide prevention to be important public health issues which have broad, complex, and significant impacts across our society. Management of mental health requires sophisticated and accessible support services, education to reduce stigma, promotion of proactive prevention approaches and research to identify risk factors and improve mental health outcomes. CME strongly supports efforts to make a real impact in all these areas.

However, CME is disappointed the Legislative Assembly has limited the scope of the present inquiry to an examination of mental health within the FIFO workforce and considers this to be a missed opportunity to address these important issues in a more comprehensive and meaningful way to the benefit of the broader Western Australian community.

CME is also concerned the Inquiry’s focus on FIFO will stigmatisate these workers and the FIFO employment option. Parliamentary debate and media interest leading up to the Inquiry has brought to the fore a number of negative myths associated with FIFO despite the ongoing lack of evidence. CME considers this attention is unwarranted, misdirected and unproductive.

The FIFO workforce has been the subject of a number of state and federal inquiries, research and other investigations. However, while these studies have identified potential challenges with long distance commuting and assisted in the development of risk mitigation strategies and controls, findings do not support negative assertions regarding the FIFO workforce’s resilience, relationships, or general wellbeing.

Rather, a number of the studies have identified FIFO provides benefits to both host and source communities, from an income, education and regional development perspective. The Productivity Commission recently concluded geographic labour mobility has spread the benefits of the boom “across the economy” and has enabled employment, the distribution of higher incomes and consequently wellbeing, more broadly across Australia. 23

The evolution of how companies in all sectors address physical and psychological wellbeing within the workplace is continual. As these programs develop and mature it is important to take an evidence and risk based approach to ensure resources and efforts are directed where they are most needed and targeted to address the identified contributing factors and company specific needs.

In order to measurably improve mental health outcomes in the general population, CME considers Government must look broadly across the state, sectors and communities to foster an environment for stakeholders to work collaboratively on addressing issues such as societal stigma attached to mental illness.

The World Health Organization (WHO) promotes the development of national suicide prevention strategies which make prevention a multi-sectoral priority involving the health sector as well as education, employment, social welfare, the judiciary and others.\(^{24}\)

CME is concerned the current Inquiry has taken as a starting point an assumption there is a higher incidence of mental illness and suicide within the resource sector FIFO workforce and has therefore limited the focus of this review. It should be noted this limited focus does not appear to align with the Western Australian Suicide Prevention Strategy and is not supported by empirical evidence as will be discussed in the following sections.

The resources industry is committed to the safety and health of its workforce and plays a leading role in building resilient safety and health cultures on site. This leadership extends beyond site with the resource industry workforce increasingly bringing home an appreciation of the importance of safety and health in routine household tasks such as mowing the lawn and the importance of proper sleep, diet and exercise.

While the resources industry welcomes the Government’s focus on mental health and suicide prevention in undertaking the current Inquiry, CME encourages the Committee to look beyond the terms of reference to identify and assess risk factors and recommend areas for improvement within the broader government, workplace and community to ensure wellbeing strategies and services are available to assist in addressing mental health as a priority public health issue.

CME recommends the Inquiry take a broad view of the issues in line with the Western Australian Suicide Prevention Strategy and focus on identifying strategies to improve mental health and wellbeing outcomes across communities, sectors and rural and regional areas within the state.

**Looking at the Data**

**Mental Health within the FIFO workforce**

The extensive 2012 national inquiry into FIFO (the Windsor Inquiry) found “No evidence was presented that supported a claim mental health issues were any higher in the FIFO worker population than in the wider workforce.”\(^{25}\)

Examination of available research does not suggest any significant association between employment in the resources sector and poor wellbeing: a range of recent research finding workers in the resources sector, including FIFO and DIDO workers, do not report having a higher prevalence of mental health problems, compared to the general population.\(^{26}\)

Additionally, employees in the sector report overall satisfaction with the FIFO lifestyle. Research undertaken by Dr Anne Sibbel in 2010 found “both FIFO employees and their partners are within the norms for healthy functioning on the scales and sub-scales of the measures of psychological wellbeing, relationship satisfaction and perceptions of family function”\(^{27}\).

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\(^{25}\) Commonwealth of Australia, (2013). Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia, House Standing Committee on Regional Australia. P 100.


In a 2013 national study into factors linked to the wellbeing of FIFO workers conducted by the Centre for Social Responsibility in Mining, Minerals Industry Safety and Health Centre and the University of Queensland a lower prevalence of depression, anxiety and stress was found when compared to the general population.\(^{28}\)

In response to previous research suggesting workers who commute long distance and are away from home regularly for extended periods can suffer from depression, anxiety or stress, this study included the DASS21 as a measure to ascertain the prevalence of these negative emotional states within the study group and compare this with the general Australian population. The results are represented in Table 1 below clearly demonstrating depression, anxiety and stress in FIFO workers to be lower than the general population.

<table>
<thead>
<tr>
<th>Group</th>
<th>Depression</th>
<th>Anxiety</th>
<th>Stress</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Population</td>
<td>6.34</td>
<td>4.70</td>
<td>10.11</td>
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<tr>
<td>Study Sample</td>
<td>5.00</td>
<td>4.62</td>
<td>7.41</td>
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</table>

Table 1 – Emotional Wellbeing of Fly-in, Fly-out Workers\(^{29}\)

CME notes findings from available research do assist in identifying stressors, challenges and where further improvements can be made to wellbeing programs. For example research has identified a range of potential stressors relevant to FIFO employment, including: transitions to and from site, separation from home and family, rosters and swing length, stigma associated with mental health, remoteness and social isolation, and finances.\(^{30}\)

While some of these factors are not unique to the resources sector or the FIFO workforce, companies do give consideration to research findings relating to factors which may contribute to poor physical or psychological wellbeing in order to fine tune strategies on-site to provide best practice support to their workforce.

At an industry level, CME facilitates a Mental Health Working Group (MHWG) to provide an ongoing forum for companies to discuss these challenges and share information regarding mental health and wellbeing strategies to promote learnings around what is working and where improvements can be made.

Most recently the MHWG commenced a project to review existing tools including the Heads Up initiative developed by Beyondblue and the Mentally Healthy Workplace Alliance, with a view to identifying and sharing information on the key elements of effective wellbeing strategies for the resources sector.

CME welcomes the initiative of organisations such as Beyondblue and Lifeline WA in partnering with industry to promote strategies to improve mental health and wellbeing outcomes across sectors and the community.

Recognising each site will have different needs and approaches based on the specific operating environment, workforce demographics and other factors, the resources provided by Beyondblue and others will assist companies to identify and access available resources, research and tools to continue improving site specific strategies.

**CME recommends the Committee explore opportunities to support partnerships between government, service providers, community and industry sectors to promote effective strategies to address these issues and promote the sharing of information and resources.**


\(^{29}\) Ibid.

Suicide

Each suicide is a personal tragedy that prematurely takes the life of an individual and dramatically affects the lives of families, friends and communities. It is important to ensure as a society there is a focus on proactive prevention and treatment of mental illness and for strategies to be in place for suicide prevention.

Data provided by the Mental Health Commissioner indicates of the 366 suicide deaths in Western Australian in 2012, 74% of those deaths were males with a significant proportion of these aged 15 to 55.\(^{31}\)

Additionally, the Western Australian State Coroner’s Office provides data relating to suicides to the Western Australian Mental Health Minister. This data indicates men, as well as individuals living in regional or remote areas, to be at risk groups for suicide. The 2013 report notes between 1986 and 2006, the suicide rate for men in rural areas increased. The factors that influenced this increase were noted to include financial stress; increased unemployment; social and geographic isolation; difficulties accessing services; and greater availability of means of lethal self-harm.\(^{32}\)

Where there is a death from suicide, information has not been obtained regarding the occupation or sector of employment of individuals at that point in time. In the course of preparing this submission it has been difficult to establish empirical data on the incidence of suicide within the FIFO workforce or indeed by sector specifically is limited.

CME understands the Coroner’s Office is working to develop a comprehensive database of deaths from suicide in Western Australia including a record of causal factors and relevant demographic information. However, CME understands this valuable data collection and research work has been delayed due to funding and resourcing issues.

As the office with sole jurisdiction to determine cause of death in these cases, CME strongly supports the role of the Coroner’s office in undertaking further work in this area.

**CME recommends the Western Australian Coroner’s office be resourced to:**

- ensure the maintenance of a comprehensive record of deaths by suicide; and
- enable the Coroner to collate and analyse data looking at contributing factors and demographic information to enhance understanding of at risk populations and key risk factors relating to these deaths.

In this way targeted strategies can be put in place to assist those individuals who are at risk of suicide.

Demographic profiles are important to note when comparing largely anecdotal information regarding recent suicides within the resources sector FIFO workforce to the incidence of suicide in the general population.

Australian Bureau of Statistics data for the years 2000-2010 notes the incidence of suicide within the Australia male population between the ages of 35-39 to be 27.4 per 100,000 persons. This is significantly higher than the incidence for males in all age groups.\(^{33}\)

The FIFO workforce is predominately male (85%) with an average age of 38.\(^{34}\) This does not mean there are elevated levels of suicide within this group, rather it highlights the need

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\(^{31}\) Presentation at CME workshop  
\(^{32}\) Department of Health (2009), *Western Australian Suicide Prevention Strategy 2009-2012*, Government of Western Australia.  
\(^{33}\) Australian Bureau of Statistics (2012). *Suicides, Australia. Table 3.2 Suicide, Age-specific death rates, 5 year ages groups by sex, Australia 2000-2010.*  
to control for demographic and other factors in determining the incidence of suicide within industry sectors.

CME is concerned the current Inquiry has taken as a starting point an assumption there is a higher incidence of mental illness and suicide within the resource sector FIFO workforce and has therefore limited the focus of this review. Due acknowledgement should be given to the positives of FIFO including, but not limited to, existence of a well-developed safety culture; feeling like a valued member of the FIFO/DIDO workforce and well paid employment.

There is no evidence to support a claim the contributing factors identified in the previous section of this submission are more prevalent in FIFO working arrangements.

It should be noted this limited focus does not appear to align with the Western Australian Suicide Prevention Strategy nor the findings of WHO which promotes a multi-sectoral approach.  

CME recommends the Committee support empirical research into the incidence of suicide which adequately control for demographic and other factors prior to determining the need for future strategies targeting any specific work practice.

CME supports the ongoing implementation of the Western Australian Suicide Prevention Strategy.

**FIFO Rosters and Working Hours**

Workforce models vary from company to company, site to site and depend greatly upon what stage each project is at: construction, operational or maintenance/shut-down. Each of these workforce models will require different skill sets and different accommodation options at different times.

Similarly there is a large variety of roster lengths utilised by industry and the diversity of roster types is often driven by the need to provide greater flexibility to the workforce as well as respond to dynamic operational needs.

It is widely recognised working hours can have implications for employee health and safety. Fatigue is a complex issue as it is not only influenced by the hours spent at work, as well as job tasks, shift and roster design, but is also influenced by activities and circumstances outside work.

The development of a roster and shift framework to balance capital utilisation, employee desires and health impacts requires considered change management processes based on data and industry standards for work scheduling.

The Working Hours Code of Practice, into which the resources sector was a significant contributor to its development, aims to assist employers comply with their ‘duty of care’ obligation to ensure, as far as reasonably practicable, employees are not exposed to hazards and risks that could arise from their working hours arrangements and to address them through a systematic risk management process.  

In 2010 CME commissioned Data Analysis Australia Pty Ltd to undertake a survey of current roster and shift practices. This was the fourth in a series of surveys conducted between 2003 and 2010 aimed at providing a current industry profile and monitor trends in working hours, including shift length, roster patterns and average weekly hours. A range of information was

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35 Department of Health (2009), Western Australian Suicide Prevention Strategy 2009-2012, Government of Western Australia.

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collected relating to shifts, rosters and journey arrangements across various work areas, regions, resources and business type.

The 2010 Survey was completed by 84 sites. Principal employees accounted for 89% of those covered by the survey with contractor employees representing 11%. Findings from the surveys are presented below\(^{37}\).

As shown in Figure 3, the most common roster category used by survey respondents was greater than even time, up to 2:1 (for example 2 weeks on, 1 week off). The proportion of employees on this roster increased over the survey period to 43%.

Exceptions to this trend include construction, where the higher roster ratios are often used. However it must be noted construction projects differ significantly to those of mining with multiple discrete and often shorter term projects requiring additional flexibility in employments options and roster type. Further, while some of these swings may be longer, employees working these projects are likely to have the opportunity for longer breaks as they move from project to project over time.

Overall, the 2010 survey found an apparent shift away from the higher roster ratios, particularly greater than 3:1. Less than 0.1% of employees covered in the 2010 survey were in this roster category.

Industry recognises the contributing factors and risks associated with shift work and longer working hours and has strict policies and procedures in place within safety management and health management systems to mitigate these risks and ensure the wellbeing of its workforce.

However, it is important to note while companies have controls in place to mitigate the risks and educate employees to promote safety and health outcomes, employees also have a responsibility to ensure they are fit for work and do not endanger themselves or others.

\(^{37}\) For the purpose of the report, roster types are categorised into six groups, either ratio or working day specific. This classification enables broad industry trends relating to ‘rosters’ to be identified with ease. With D = days, N= nights and X= time off, the six categories are:

a) Even time ratio or lower: Common rosters within this category are (2D 2N 4X), (7D 7X 7N 7X)

b) Higher than even time ratio, up to and including 2:1: Common rosters within this category are (7D 7N 7X), (8D 6X)

c) 9&5 (9 days / nights on, 5 days off): Although 9&5 fits within the ratio of ‘higher than even time ratio, up to and including 2:1’ it has been included as a separate category as it is a specific and well-known roster pattern.

d) Higher than 2:1 ratio, up to and including 3:1: Common rosters within this category are (6D 1X 6D 1X 6D 1X 6D 1X 6D 1X 6D 1X 6D 14X), (6D 1X 6D 1X 6D 1X 6D 7X)

e) 5&2 (5 days on, 2 days off): Otherwise known as a ‘typical working week’. Although it fits within the ratio of ‘higher than 2:1 ratio, up to and including 3:1’ it has been included as a separate category as it is the standard working week

f) Higher than 3:1 ratio: The most common roster within this category is (6D 1X).
CME recommends the Committee does not impose prescriptive requirements on working hours or roster cycles but rather recognises the continued need for a risk based approach to be taken which provides flexibility to safely address the operational imperatives of the resources sector and ensure it is able to attract and retain a skilled workforce.

Legislative Context

Western Australian safety and health legislation encompasses both physical and psychological wellbeing under existing duty of care and risk management provisions. CME would be strongly opposed to the introduction of additional prescription within the current resource safety regulatory environment relating to workforce wellbeing.

Industry recognised employers have a duty to provide for safe and healthy workplaces including managing risks which may impact employee wellbeing. As a consequence strategies are implemented and education is used to raise awareness of factors which may contribute to poor wellbeing.

Further, it is noted a range of guidance material is already in place to assist companies in managing risks to health and safety within resource sector operations. For example:

- General Duty of Care in Western Australian Mines – Guideline;
- Petroleum Resources Safety – Information Sheet;
- Working Hours Code of Practice – Risk Management Guidelines;
- Prevention and Management of Violence, Aggression and Bullying – Code of Practice; and

Safety and health legislation relevant to workplaces in Western Australia currently covers both physical and psychological aspects of employee wellbeing under general and specific duties placed on employers and employees.

Where the premises are owned or controlled by the employer, or are outside the metropolitan area or a gazetted town site and workers must live there due to lack of alternate accommodation, employers have a specific duty to maintain accommodation premises so that occupants are not exposed to hazards. In meeting this requirement companies also extend this to include opportunities for employees to have adequate exercise, good diet and social activities.

Current workplace safety and health legislation also places a reciprocal duty on the employee to take all reasonable steps to avoid placing themselves or others at risk and to be accountable for their own safety and health as well as those around them. Companies support this duty through establishing clear policies and safe work procedures and providing training and education to ensure employees can identify and manage risks related to their work. Additionally, the on-site health and wellbeing programs have the potential to flow on benefits to an employee’s personal life.

However, it should be recognised employers have limited control over factors outside of the work environment.

De-identified feedback provided to members from EAP providers indicates employees tend to utilise EAP services to discuss a wide range of personal, social, relationship and financial issues rather than issues directly related their work or work environment. Given mental
health issues are broader than the work environment, it is inappropriate to utilise workplace safety and health legislation to address this. Rather, multi-faceted approaches to improve access to support should be promoted throughout the community.

Resources sector companies are required to maintain first aid and emergency response capability on-site. This capability should not extend to having to diagnose or treat mental illness within individuals on an ongoing basis. Where potential mental health issues are identified, colleagues, supervisors and other personnel should be able to recognise there is an issue and be able to assist the individual to access the required support.

Given the remote location of resources sector operations, it is essential there is access to affordable medical and psychological services in regional, remote and regional areas.

Given the complex and interrelated factors affecting an individual’s mental health, efforts to address these issues must also be multifaceted including social, community and medical support services. Likewise any legislative or policy changes should recognise mental health as a public health issue and remain focussed on increasing access to affordable services, reducing societal stigma, and providing integrated support structures to address these issues in the broader societal context.

CME has consistently advocated best practice safety regulation is easily understood, simple to administer and flexible enough to be adapted to different working environments. An open, transparent and flexible risk based regulatory model is essential if it is to have widespread ownership and reflect the needs and aspirations of the people it will affect.

The current work being undertaken regarding health and safety legislation in Western Australia is an opportunity to improve our regulatory environment through removing unnecessary and outdated prescription and formalising a best practice risk based approach.

**CME does not consider occupational safety and health legislation is the appropriate mechanism for addressing this issue and recommends the Committee recognise mental health as a public health issue in considering the adequacy of current policies and legislative instruments.**
Conclusion

CME would like to thank the Committee for the opportunity to provide input into the Inquiry.

Despite concerns regarding the limited terms of reference to a review of mental health within the FIFO workforce, CME considers mental health is a critical public health issue and welcomes the focus on improving wellbeing outcomes for employees.

As has been demonstrated throughout this submission, industry is committed to the wellbeing of its workforce, including physical and psychological wellbeing and is continually working to enhance existing strategies and implement new initiatives.

In making recommendations as outlined in this submission, CME would emphasise the need to view and respond to the issues of mental health and suicide as public health issues, with an integrated, multi-faceted, cross-sectoral approach as recommended in the Western Australian Suicide Prevention Strategy.

In support of this submission and the Western Australian resources sector’s commitment to employee safety and wellbeing, CME requests the opportunity to appear before the Committee to provide any additional information as may be required.

If you have any further queries regarding the above matters, please contact Adrienne LaBombard, Manager Workplace Health and Safety, on (08) 9220 8520 or a.labombard@cmewa.com.

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<th>Authorised by</th>
<th>Position</th>
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<tr>
<td>Reg Howard-Smith</td>
<td>Chief Executive</td>
<td>01/10/2014</td>
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### Appendices

#### Appendix I – Examples of Western Australian Resource Sector Company Wellbeing Strategies and Initiatives

<table>
<thead>
<tr>
<th>Themes</th>
<th>Overview of Program</th>
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| Education and Awareness Raising             | • Pre-employment information on 'what to expect' in taking on the role and information on the available support, on-site facilities and services  
• Inductions  
• BUPA’s Creating Healthier Workforce Programs – funded from corporate membership fees, which includes a range of activities and information seminars  
• Promotion of wellbeing as a critical aspect of fitness to operate and employee safety  
• Continued EAP promotion through posters and brochures in lunch rooms and on notice boards  
• Distribution of health bulletins outlining stress management and work/life balance strategies  
• Provision of support service booklets in induction packs, such as those developed by Mining Family Matters  
• Mental health talks and workshops focusing on awareness raising arranged for managers and employees (topics included Beyondblue with information and brochures provided)  
• Seasonal communication campaigns around festive periods, such as Christmas  
• Awareness raising and education programs such as *Mates in Construction and Mates in Mining* run on sites |
| Fitness to Operate                          | • Training and raising awareness of hazards and risks on site  
• Drug and alcohol training and testing  
• Raising awareness of signs of fatigue and implementing fatigue management plans  
• Health monitoring                                                                                                                                                                                                                                                                  |
| Peer Support and Encouraging Open Communication | • Promotion of open communication about safety and health issues at toolbox meetings and pre-starts  
• Mental health awareness topics and EAP services discussed during toolbox meetings and pre-starts  
• Onsite chaplaincy and counselling services available to employees  
• Site presentations, including "Mind your Mates" talks which encourage peer support  
• Buddy systems put in place to encourage discussion of health and personal issues amongst colleagues  
• Partnerships with third parties to encourage peer support and open communication.                                                                                                                                         |
### Parliamentary Inquiry into Mental Health within the FIFO Workforce

#### Themes

<table>
<thead>
<tr>
<th>Family Support, Connectivity and Financial Management</th>
<th>Overview of Program</th>
</tr>
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<tbody>
<tr>
<td>- ANZ @ Work</td>
<td></td>
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<tr>
<td>- Financial literacy programs to assist employees and their families with financial planning and management</td>
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<tr>
<td>- Internet and telephone services available onsite to ensure employees can call family and friends</td>
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<tr>
<td>- Site visits available for families on weekends or specifically available times</td>
<td></td>
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<tr>
<td>- Financial support for employees to join FIFO Families or Mining Family Matters</td>
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<tr>
<td>- Online Wellness centre available 24/7</td>
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<tr>
<th>Early Intervention &amp; Crisis Management</th>
<th>Overview of Program</th>
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<tr>
<td>- Proactive mobilisation of EAP services following events deemed to have emotional response risk</td>
<td></td>
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<tr>
<td>- Employee access to company counsellors or psychologists</td>
<td></td>
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<tr>
<td>- Professional medical presence on site</td>
<td></td>
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<tr>
<td>- First aid training courses offered to employees and family at company expense</td>
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<thead>
<tr>
<th>Healthy Lifestyle Options</th>
<th>Overview of Program</th>
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<tr>
<td>- Healthy eating seminars and programs and health management programs offered to employees</td>
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<tr>
<td>- Pre-employment medicals undertaken to identify at-risk conditions</td>
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<tr>
<td>- Regular continued health checks offered, including flu shots and skin checks</td>
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<tr>
<td>- Healthy eating options on site, supported by OHS communications to encourage healthy eating practices</td>
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<tr>
<td>- Onsite exercise options, including cardio and weights gyms, tennis courts, swimming pools, basketball courts, group fitness rooms and activities</td>
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<tr>
<td>- Engagement of third parties or employment of &quot;Active Life Coaches&quot; to run group exercise classes, personal training appointments and to tailor personal exercise and lifestyle plans for employees</td>
<td></td>
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<tr>
<td>- Health and Wellness Programs, outlining strategies for work/life balance, opportunities to partake in exercise and volunteering and nutrition tips</td>
<td></td>
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<tr>
<td>- Sponsorship for employees to participate in community health and wellness events, such as City to Surf and Global Corporate Challenges</td>
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<tr>
<td>- Lifestyle and recreation options available to the workforce, including music rooms, employee</td>
<td></td>
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<tr>
<td>Themes</td>
<td>Overview of Program</td>
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<tr>
<td></td>
<td>clubs, library, retreat rooms, cinema viewings, video gaming and quiz and entertainment nights.</td>
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<td></td>
<td>• Life style coaches on site</td>
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<td></td>
<td>• Fitness for work medicals every two years</td>
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<tr>
<td>Building Sense of Community</td>
<td>• Community health and social support in communities, including support for medical services, community health programs and support organisations, such as Beyondblue</td>
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<td></td>
<td>• Site events, such as raffles and quiz nights, contributions made towards chosen charities or local community organisations</td>
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<td></td>
<td>• Depending on vicinity to towns, villages can be open to the general public and are not gated or segregated. Local businesses, community groups and sporting teams are able to promote services within villages, encouraging employees to interact with the local community.</td>
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<tr>
<td></td>
<td>• Provide information to employees on what events are happening in their home town on their R&amp;R - weekly information, e.g. Family events, concerts etc.</td>
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<tr>
<td>Employee Assistance Programs (EAPs)</td>
<td>• Information materials regarding FIFO lifestyle and the EAP provided at initial company inductions</td>
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<tr>
<td></td>
<td>• Establishment of and training for peer support programs</td>
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<tr>
<td></td>
<td>• Access to data and measurement tools for mental health programs</td>
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<td></td>
<td>• Education and awareness raising programs</td>
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<td></td>
<td>• Support for family members</td>
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<td></td>
<td>• Free 24/7 access to independent, professional and confidential counselling service for employees Assistance in providing early intervention support</td>
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<td></td>
<td>• Provision of online tools and resources (website and smartphone applications)</td>
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<tr>
<td></td>
<td>• Provision of training, advice and support for leaders managing workers with mental health issues</td>
</tr>
<tr>
<td></td>
<td>• Management of fit for work referrals including supporting employees with issues relating to fatigue management, drug and alcohol issues</td>
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<td></td>
<td>• Return to work evaluation conducted by EAP providers including assessing the mental wellbeing of the employee and their ability to return to work</td>
</tr>
<tr>
<td></td>
<td>• Provision of specialised tools such as managerAssist®, an EAP advisory service that assists managers and team leaders in managing a range of wellbeing and related issues.</td>
</tr>
<tr>
<td>Partnerships with Wellbeing Service</td>
<td>• Support for service providers such as Beyondblue and FIFO Families</td>
</tr>
<tr>
<td>Providers and the Community</td>
<td>• Support for research initiatives</td>
</tr>
<tr>
<td></td>
<td>• Support for broader community wellbeing through funding for Royal Flying Doctors Service and other medical and wellbeing services</td>
</tr>
<tr>
<td>Themes</td>
<td>Overview of Program</td>
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<td></td>
<td>• Construction and maintenance of community recreational and leisure infrastructure to promote a healthy lifestyle</td>
</tr>
</tbody>
</table>
Appendix 2 – 2011 CME submission to the Standing Committee on Regional Australia’s Inquiry into the Use of Fly-in, Fly-Out (FIFO) and Drive-In, Drive-Out (DIDO) Workforce Practices in Regional Australia
Chamber of Minerals and Energy of Western Australia

Submission to the Standing Committee on Regional Australia’s Inquiry into the Use ‘Fly-In, Fly-Out’ (FIFO) and ‘Drive-In, Drive-Out’ (DIDO) Workforce Practices in Regional Australia.

October 2011
Executive Summary

The Chamber of Minerals and Energy of Western Australia (CME) is the peak resources sector representative body in Western Australia, representing 95 per cent of the State’s minerals and petroleum production value. The resources sector is a major driver of both the WA and Australian economies. In particular, the sector has a total export income worth more than $100 billion and produces royalty income for the WA Government valued at $4.9 billion.

The WA resources sector has grown significantly in recent years with strong growth expected to be sustained well into the future, with a project development pipeline approaching $300 billion capital expenditure. Initially it was gold, from the 1960’s iron ore and now Liquefied Natural Gas (LNG), which in many ways drive the large investments in the WA resources sector.

Iron ore exports have increased from 150 million tonnes in 2000, to around 400 million tonnes in 2010. Recent announcements will see tonnage continue to grow into the future. The LNG sector in WA is in the midst of enormous growth, headlined by the Gorgon Project, valued at over $42 billion. In September 2011, Chevron added the $29 billion Wheatstone project to the list.

With this growth we’ve seen the shortage of skilled labour in WA present ongoing challenges to industry. CME’s 2011 State Growth Outlook forecasts the workforce required to meet current growth plans in the minerals and energy sector to peak at over 119,500 people in 2012 – around 43,800 above the 2009 sector workforce of 75,600.

In WA, the majority of resource operations are remotely located without a nearby regional centre that has sufficient infrastructure, services or existing population base necessary to attract the number of people to support future growth.

Fly-In, Fly-Out (FIFO), along with investing in skills and training, increasing workforce diversity with more women and Indigenous employees and a flexible skilled migration program will all play their role in addressing current and future skill shortages in the resource sector.

In WA, the majority of long distance commuting workers commute on a FIFO basis, with a minority utilising Drive-In, Drive-Out (DIDO) arrangements. As such CME’s submission will primarily reference FIFO as a descriptor of non-residential workforces.

The demand and supply of suitably qualified personnel has created in WA a skilled labour market that is tight, competitive and reliant upon flexibility and adaptability. Over time the industry has developed an employment model to attract and retain its skilled workforce in the most safe and competitive manner. The workforce model is a combination of residential and FIFO.

Workforce models vary between company to company, site to site and depend greatly upon what stage each project is at – construction, operational or maintenance/shut-down. Each of these workforce models will require different skill sets and different accommodation options at different times.

FIFO and residential employment are complementary, not supplementary approaches in a total workforce management package, with the mixture of employment type governed by the individual’s circumstances and lifestyle choices.
FIFO is essential to meet the industry’s needs for skilled labour, flexibility and global competitiveness in a relentlessly tough operating environment. FIFO is undeniably sensible from a public policy standpoint, and perhaps most importantly is meeting many employees’ desires for flexibility in deciding how to match career and quality of life aspirations.

In a competitive labour market, employee choice is paramount. Choice of what job they do, who they work for and importantly of where they choose to live. Employees cannot be forced to live in regional or remote locations if they don’t choose to do so. FIFO enables employees to work in an industry or region and live where they choose.

In summary CME believes the debate about FIFO should be less about whether it should continue to occur and more how all relevant stakeholders can work together to ensure employees have access to an employment option that suits them best, is sustainable for families and communities, while ensuring the State and nations ongoing economic prosperity.
Term of Reference 1

“The extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised.”

The resources industry in Western Australia, which is a primary driver of the State's rapidly growing economy, is largely located in regional and remote areas of the State. The main locations are in the Pilbara (iron ore, hydrocarbons) and the Goldfields (nickel, gold) regions. The export value of key minerals and energy resources in the last two quarters is shown in Table 1. The Western Australian resources industry contributes about $100 billion to Australia’s exports.

Table 1: Export value of key WA commodities

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Description</th>
<th>Dec Qtr 2010</th>
<th>March Qtr 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore</td>
<td>Iron ore and concentrates (lump and fines)</td>
<td>13,707</td>
<td>13,430</td>
</tr>
<tr>
<td>Gold</td>
<td>Refined and unrefined gold bullion</td>
<td>3,598</td>
<td>3,378</td>
</tr>
<tr>
<td>LNG</td>
<td>Liquefied natural gas</td>
<td>1,911</td>
<td>1,964</td>
</tr>
<tr>
<td>Copper</td>
<td>Copper ore and concentrates</td>
<td>479</td>
<td>349</td>
</tr>
<tr>
<td>LPG</td>
<td>Liquefied propane and butane</td>
<td>195</td>
<td>195</td>
</tr>
<tr>
<td>Titanium dioxide</td>
<td>Titanium dioxide pigments and preparations</td>
<td>114</td>
<td>136</td>
</tr>
<tr>
<td>Nickel</td>
<td>Nickel ore and concentrates</td>
<td>107</td>
<td>273</td>
</tr>
</tbody>
</table>

Source: CME (2011a)

Developments underway in the Kimberley (hydrocarbons, base metals, nickel, coal), Pilbara (iron ore, gas) and in the Mid West (iron ore, copper) will add greatly to this picture. At the end of April 2011, there were 39 projects at an advanced stage of development in WA, with total capital expenditure at a record $109.5 billion. Examples of the projects being developed in regional and remote WA at April 2011 are presented in Table 2.

In most cases, the new developments are occurring in locations remote from sizable established communities, while expansion in the existing resources powerhouses in the Pilbara and the Goldfields cannot be supported by those regional communities and their infrastructure alone. The demand for labour in regional and remote WA is large and growing.

Table 2: Snapshot of selected major projects (proposed, advanced and completed)

<table>
<thead>
<tr>
<th>Project</th>
<th>Commodity</th>
<th>Location</th>
<th>Status</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jimblebar mine and rail (BHP Billiton)</td>
<td>Iron ore</td>
<td>Pilbara</td>
<td>Committed</td>
<td>US$3.6 bn</td>
</tr>
<tr>
<td>Brockman 4 project (Phase B) (Rio Tinto)</td>
<td>Iron Ore</td>
<td>Pilbara</td>
<td>Committed</td>
<td>US$1.1 bn</td>
</tr>
<tr>
<td>Macedon Gas Project (BHP Billiton/ Apache)</td>
<td>Gas</td>
<td>Pilbara</td>
<td>Construct</td>
<td>US$1.5 bn</td>
</tr>
<tr>
<td>DeGrussa (Sandfire Resources)</td>
<td>Copper</td>
<td>Mid West</td>
<td>Construct</td>
<td>$400 m</td>
</tr>
<tr>
<td>Karara (Gindalbie Metals/ Ansteel)</td>
<td>Iron ore</td>
<td>Mid West</td>
<td>Construct</td>
<td>$2.6 bn</td>
</tr>
<tr>
<td>Extension Hill Magnetite (Asia Iron Holdings)</td>
<td>Iron ore</td>
<td>Mid West</td>
<td>Approved</td>
<td>$2.5 bn</td>
</tr>
</tbody>
</table>

Source: CME (2011a).

There is no specific data available on the aggregate dollar value of mining operations in WA that are reliant on FIFO. However, analysis of the mining operations of publicly listed companies in Western Australia has shown that 46.6 percent of companies utilise FIFO as part of their workforce arrangements.
In 2009 and again in 2011, the CME has investigated the Western Australia’s outlook for growth in the resources development, and the resultant impacts on labour, electricity demand, domestic natural gas demand and water demand. Whereas in 2009, the industries were facing a slow-down precipitated by the 2008 global financial crisis, in 2011, there is a return to a strongly positive outlook for the resources sector (CME 2009, 2011b).

As shown in Chart 1, the workforce required to meet current growth plans in the minerals and energy sector is expected to peak at over 119,500 people in 2012 – around 43,800 above the 2009 sector workforce of 75,600. This profile is consistent with forecasts developed in the 2009 study, although the peak in 2012 is forecast to be much sharper.

Chart 1 Minerals and Energy Workforce outlook 2009-2020

The operations workforce will continue to increase over the period with Western Australia requiring an additional 27,000 operations staff by 2015. The construction workforce will peak in 2012 and then reduce by 2015 as committed projects move towards full operation.

It is estimated over the period to 2020, an additional 30,000 to 50,000 people every year will be employed in other industry sectors as a result of increased minerals and energy activity (CME 2011).

The report released by the National Resources Sector Employment Taskforce (Australian Government 2010) entitled Resourcing the Future notes the demand for resource sector workers has national implications, stating that ‘… resources sector labour shortages can quickly become regional, state, and then nationwide skills shortages’ (p. 2). The same report predicted the resources sector could be 36,000 tradespeople short by 2015.

History

‘Long distance commuting’ – including FIFO as its most recent manifestation has a long history in WA. It could be argued the arrangements whereby shearing teams recruited in Perth and travelling from sheep stations in the Kimberley south through the pastoral areas in

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34
the first half of the 20th century were an early form of this workforce management practice.

Early construction of the iron ore mining and shipping facilities in the Pilbara in the 1960s and 1970s was undertaken by gangs of specialist labour recruited from outside the region who were housed in temporary camps. At the completion of construction, some of these workers took permanent jobs in the region, but most returned home. Similarly the development of the North West Cape Naval Communications Facilities in the 1960s and the associated construction of the Exmouth town-site were done by workers housed in temporary accommodation.

The new towns built to service the mining industry in the 1960s and 1970s were located immediately adjacent to the major resources (e.g. Tom Price and Mt Tom Price, Newman and Mt Whaleback, Leinster and Leinster Nickel Operations) and the port facilities (e.g. Dampier and Dampier Port, Wickham and Cape Lambert). Some towns that were located near resources that have become exhausted have subsequently been removed entirely – such as Goldsworthy and Shay Gap. This history of short term settlement and then abandonment of mining towns is not new – as the legacy of abandoned towns from the early 1900s in the Goldfields shows (e.g. Kanowna, Niagara, Kurrajong, Lawlers etc).

In other instances some resource company established towns have since become ‘normalised’ as the communities have become more diversified, either with more than one resource company operating in the area or through different industries. Where this type of diversification hasn’t occurred to a large degree, the towns have remained partially ‘closed’ such as Leinster.

**FIFO today**

FIFO evolved into its current form to break from the expensive (to both government and industry) and socially challenging process of town construction and then abandonment – or rapid expansion and then slow contraction (as in Nullagine, Yalgoo etc). It has also developed to compensate for the increased urbanisation of Australia, a trend that has been in place for more than a century. Census data shows in 1921, the population living in metropolitan Australia increased from 43 per cent to almost 70 per cent in 2006. With most resource projects operating or under development in regional and remote Australia, resource companies are working against this long term trend in sourcing a skilled workforce. This requires different and innovative approaches to obtain the required workforce in a tight and highly competitive labour market. The importance of FIFO for resource projects is recognised nationally, where mobility in the workforce is required to service new projects as they emerge.

FIFO and residential employment are complementary, not supplementary approaches in a total workforce management package, with the mixture of employment type governed by the individual’s circumstances and lifestyle choices. The percentage increase in FIFO employment in recent years has been driven by a tighter and more competitive labour market, increasing volatility in the resources sector, increased disparity between the relatively large construction workforces and smaller operational workforces in new projects, and increased dispersion of resources operations. FIFO employment offers companies and individuals the spatial and temporal flexibility necessary to develop these resources profitably and in a sustainable way.
More mines, more locations remote from existing towns
As discussed above, there is an increasing number of resource projects underway in WA, with many of these located some distance from existing towns and communities. In most cases, the new developments are occurring in locations remote from sizable established communities, while expansion in the existing resources powerhouses in the Pilbara and the Goldfields cannot be supported by those regional communities and their infrastructure alone. In the Pilbara region, new iron ore mines are invariably located remotely from towns built in the 1960s and 1970s to service projects in operation at that time.

The contrast between large, highly mobile construction workforces employed for a short timeframe and smaller operational workforces over longer timeframes, means it is unrealistic for construction workers to be expected to take permanent residence in remote communities.

In summary, the short-term nature of construction versus ongoing operations, the relatively short life of some new mines, the cost of building towns with a limited life and with no alternative economic supports, and the reality of workers seeking to make individual lifestyle choices for themselves and their families, requires that many new and expanding mines be operated by long-distance commuting workforces.

This is not a situation peculiar to WA, but is exacerbated here by the large size of the state, and the mineral rich regions being in the less populated areas. While mineral and energy development will be the most important industry in regional Australia for the foreseeable future, an increasing proportion of resource recovery will occur in locations at some distance from existing towns.

It is worth noting the desire for FIFO employment is not confined to the resources industry, with an increasing number of state and local government employees in regional WA opting for the flexibility these arrangements provide for themselves and their families. The further capital intensification of broad-acre agriculture in WA is also leading to less people being permanently resident on farms with some seeking FIFO arrangements with the resources sector to supplement their incomes.

Further, expansions in many developments that are close to existing towns cannot be supported by the small workforces available in those communities. For example, the iron ore mine being developed at Karara will require a construction workforce of 500 and an operating workforce of 130. The nearby Wheatbelt town of Perenjori has a population of about 220, and has very limited infrastructure, services and pool of available skilled labour.

Strengthening regional FIFO ‘source communities’
Most FIFO employees in Western Australia live in the Perth-Peel Region. There is a move encouraged by companies and local governments to increase the number of employees living in regional centres and employed on FIFO arrangements in more remote parts of WA. Some towns participating in this approach to easing workforce pressures include Broome, Carnarvon, Geraldton and Busselton. Other towns such as Manjimup and some Wheatbelt towns are keen to participate as a means of diversifying their economies and maintaining a sustainable population base. The situation and its advantages are explored in more detail under Terms of Reference 3, 4, 5 and 9.

CME regards this approach as a ‘win-win’, combining regional development and industry development benefits. CME supports complementary initiatives such as the Royalties for
Regions and Pilbara Cities Programs in strengthening regional communities and increasing their attractiveness as lifestyle locations for workers in the resources industry who are employed elsewhere on FIFO rosters. In the particular case of Pilbara Cities, achieving populations of 50,000 plus in Karratha and Port Hedland should lead to these cities being attractive locations for some families to live, with family members employed on FIFO in remote mines in the Pilbara.

While the majority of FIFO workforce is sourced from the Perth/Peel region, many other communities around the state and Australia are benefitting from the employment opportunities available in WA. It is expected that resource companies in WA will increasingly look to underutilised workforces in other states as the skilled labour market in WA continues to tighten.

**Predicted increase in long distance commuting (FIFO)**

In 2011, the mineral and energy sector’s workforce in WA is estimated to be close to 90,000 with approximately 52 per cent or 46,800 people employed on FIFO rosters. This number will increase as the new projects commission and existing activities expand. Regions of highest labour demand are in the Pilbara and Mid West, with the majority of the additional workforce driven by projects in the Pilbara. Current planned projects indicate an additional 34,000 workers in 2012 in the region, reducing to 21,000 above the 2009 workforce by 2015. The Mid West will require an additional 7,500 workers by 2012, experiencing the highest labour force growth rate of any region.

Most of this additional workforce demand will be met by increased long distance commuting (i.e. FIFO) from the Perth and Peel regions, supplemented by interstate arrangements, and company-specific programs established with towns in regional WA that have surplus skilled labour. Factors such as the rapid growth in labour demand, the dispersed nature of resources projects in regional and remote WA, the inability of existing communities in these areas to respond in a sufficient and quick enough manner to the demand for skilled labour and the reality of individuals seeking to make a lifestyle choice for themselves and their families— are key drivers of an increased reliance on FIFO workforces in the resources industry. The increase above 2009 numbers in the FIFO workforce is expected to peak at around 30,000 in 2012, remaining at around 16,500 by 2015.

In summary, by 2015, the WA resources industry will employ about 110,000 people, with an estimated 63,500 (or 57 per cent) of that workforce employed on FIFO arrangements.
Term of Reference 2

“Costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce.”

As noted in addressing the previous term of reference, FIFO is a long established work practice, having been in operation in WA for decades. The nature and location of the resources industry in WA is resulting in an increased reliance by companies on this workforce model as a means of addressing regional and skill-type labour shortages, and by employees as a means of achieving flexibility in where they work and where they live.

Many of the benefits to companies in employing FIFO workforces are also benefits to individuals. Therefore, in addressing this Term of Reference, there may be some duplication in the points presented.

For companies …

The importance of FIFO in addressing skill shortages in regional Australia

FIFO is a critical element of maintaining a viable resources sector as the industry is challenged by significant tightening in the labour market. While skill shortages are an issue for many industries across Australia at present, the problem is exacerbated in regional and remote areas due to the smaller pool of skilled labour being available. FIFO, along with investing in skills and training, increasing workforce diversity with more women and Indigenous employees and a flexible skilled migration program will all play their role in addressing skill shortages in the resource sector.

Providing temporal and locational flexibility in obtaining workforces

Many employees and their partners and families opt for FIFO arrangements because they have a preference for metropolitan over regional and/or remote living. For example, less than 20 per cent of FIFO workers in Moranbah (7,000) in the Bowen Basin would like to live in the town (Rolle, undated) and those living in Mackay (population 75,000) in 2007 stated they would require a $55,000 increase in salary to move 180 km inland to live in Moranbah. Key factors that are important in the choice of communities are the level of health and education services, availability of jobs for partners and children, and the standard of public infrastructure (Rolfe et al. 2007). Although equivalent WA data is not available, it is likely that a similar situation occurs vis-à-vis the smaller Pilbara towns and Perth, Broome or Geraldton. The clear implication is that if resource companies are not able to offer FIFO employment in a tight labour market, then either these people will be lost to another company or the industry, or the labour costs will become prohibitive.

Although some operations may already have a residential workforce, the resident population may not fill all the technical positions required. FIFO allows industry to fill these labour and skills shortages when needed.
Migration of people between roles in defence, agriculture and mining over time is occurring in some regions. ‘Off-farm’ work in the mining industry is already an important source of income for people in parts of WA, especially in areas where the agricultural and pastoral industries are in some difficulties. People looking for this flexibility also require the flexible working conditions that FIFO and/or DIDO can provide.

With high commodity prices, companies are operating mines with a limited resource (shorter mine life) that was not previously economically viable. The majority of these mines are more remote or isolated from existing population centres. These resources would not be viable without FIFO as a workforce option, which would result a loss of economic return to the State via taxes and royalties.

Competition between industries and operators across the resources sector in all jurisdictions for labour is requiring employers to be able to offer increased flexibility in terms and conditions of employment.

The increased expectation of flexibility is not confined to the resource sector. Both State Governments and Local Governments outside major urban centres have had to adjust to employees seeking ‘long distance commuting’ working conditions.

**The impact of capital intensive, specialised technology in the resources industry**

Resource industry operations are capital and technology intensive, and are becoming more so with technological advancements. The bulk of labour demand is in the construction phase, in the development of mines, gas plants, rail and port facilities. During this phase there is a demand for a relatively large, highly skilled and specialised workforce, and specialised equipment. However, once a project is operational, the advanced technology being used means the demand for labour is often very small. Hence a town that accommodates construction workers will likely have surplus accommodation once operations commence unless they have a diversified population base. Conversely, there are no towns in regional or remote WA that are able to provide residential accommodation to a transient construction workforce. It is also worth noting major maintenance or shut downs occur during the life of a project and during that time there is often a large, short term workforce on site. The flexibility FIFO can provide is an essential part of labour force management in facilitating the development and operation of most projects in regional and remote WA.

**The feasibility of building new towns to service resource development**

The location of most of WA’s resources industry being in regional and remote areas, with few large scale population centres located in close proximity has already been referred to as a driver for FIFO employment. The argument by some commentators is that companies should commit to the construction of towns and/or associated infrastructure to support residential workforces in these areas, as occurred in the 1960s and 1970s (e.g. with towns such as Dampier, Newman, Pannawonica and Leinster).
In a global economy, and given Australia’s high costs of labour and infrastructure compared to other resource rich countries, it is no longer feasible to construct purpose built towns to support resource projects that increasingly have a shorter project life than the early large mining operations. Where these towns exist as a legacy of past and different economic circumstances, expansions are possible (as in Wickham, Newman, Port Hedland and Karratha). Some of the principal factors preventing investment in towns to support residential workforces are:

- Government is unable to provide financial support for new town development. For example, the introduction of Fringe Benefits Taxation (FBT) in the 1980s imposed a tax impost on the benefits received by employees in such company owned and operated towns. It is no coincidence that Leinster in the Northern Goldfields, which was constructed in the early 1970s, was the last such ‘company town’ built in WA. In a further example, the Pilbara Cities project in WA, which is funded through the WA Government’s Royalties for Regions program is focusing investment in developing critical mass in Port Hedland and Karratha to enable them to be ‘hubs’ in supplying services and labour to smaller remote towns and mines in the region.

- The cost of building and operating new resource towns in remote locations is prohibitive. In 1989, it cost 1.5 times more to build a mining town compared to a similar size city suburb. Another consideration of cost is the knowledge that there is a projected life expectancy of the mine. (Fisher 1989). The discrepancy in 2011 is even greater, with construction costs for urban infrastructure (including houses) estimated as being twice the cost of similar construction activities in Perth.

- For some companies the shorter project life of many projects is due to both high commodity prices and a market bias towards investment in precious metals linked to risk aversion strategies that favour projects with low cost, short life commitments. For others, it is simply that the large scale deposits discovered in the 1960’s and the 1970’s have been or are being mined with only small to medium sized deposits being discovered today. All these factors have tended to reduce the operating time frame of many of the State’s mining operations, and therefore lends itself to both employees and employers seeking to utilise FIFO arrangements.

- Resources companies are not urban planners, developers or local governments. Obtaining approval for town design and construction requires a long lead time that is sometimes not aligned with market conditions for commodities, and the short-term return required on capital. Operating ‘company towns’ is expensive, especially given the need to provide community infrastructure and activities where community expectations are ever increasing, and is therefore not core business for resource companies. Finally companies are not able to address the costs associated with town closure, once a resource is exhausted or no longer economically viable.

In summary, in 2011, opening a new town based on a finite resource simply does not make sense – many of the struggling small towns in the more remote parts of WA are a legacy of mining activity that did not last and was close to the town (e.g. Nullagine, Laverton, Wiluna) – and the more realistic approach is to increasingly rely on FIFO arrangements so that skilled labour can follow the resources market.

Other factors encouraging companies to use FIFO employment
The improvements in transport arrangements in Western Australia mean most workers can travel more quickly and more safely to their place of work. There have been dramatic
improvements in aircraft design, safety and efficiency, and lower transport costs. It is almost certain that most FIFO workers are able to spend more time ‘on the job’ earning incomes than if they were employed where daily commuting eats into that time.

The quality of telecommunications is reducing the isolation factor associated with FIFO employment. Many workers have access to on-line communication to maintain contact with families and friends, and to engage in distance education and training. The introduction of the National Broadband Network to regional WA will further improve the quality of telecommunication.

FIFO camps are low environmental impact settlements, in that they have a smaller footprint, require less land clearing, less impact from recreational activities, lower risk from exotic species and a smaller scale of requirements for services and infrastructure such as power, water and wastewater treatment. At the conclusion of a mine’s operating life, the area utilised for the FIFO camp will be rehabilitated in line with the company’s obligations under its mining approvals. This situation is in stark contrast with the construction of a residential town.

For individuals …

The take-up of FIFO employment within the labour market is high and is increasing, whereas there is evidence that significant inducements are required to attract employees and their families to relocate permanently to a regional town. Clearly, employees in the resources industry perceive significant benefits in the FIFO workforce model for themselves and their families.

Choice in employment and residence
FIFO arrangements have enabled large numbers of resource sector employees and their families to obtain attractive incomes, while retaining a residential base in a preferred location. By maintaining a family base in a large regional or metropolitan centre, resource sector employees have been able to maintain employment in their industry while also ensuring they and their families are able to enjoy a good level of government and commercial services. In short, FIFO adds a ‘spatial dimension’ to career development, with movement between companies as opportunities present themselves, without the need to move the family base.

There is also a temporal basis to the opportunity to move from FIFO to residential employment and vice versa. It is becoming more common in some regional areas for employees to move from residential work in a small town to a period of FIFO employment to ensure their children have access to a preferred secondary and tertiary education in a metropolitan centre. Conversely, there is anecdotal evidence some older workers choose to return to a residential location once their children have become independent.

Equally important for employees when deciding on a career in the resources sector is the career and employment opportunity for their partners who may not be working in the same industry. FIFO arrangements provide greater opportunity for both partners to achieve their career and employment objectives. Without that flexibility, it is likely recruitment into the resources industry in regional Australia would be even more difficult.
A special case is the opportunity for FIFO work to assist individuals with their adjustment to structural shifts in the Australian economy. The employment declines in other sectors of the economy, as in eastern Australia in recent months, can be mitigated by workers being able to obtain FIFO employment in the Pilbara or Goldfields region, while their families can remain in a secure and supportive environment, with income derived from the WA resources sector. The alternatives of either relocation of the whole family or remaining in the community on unemployment benefits are clearly less attractive.

In another unique case, for Indigenous people in isolated communities remote from mainstream employment, FIFO employment may be one of the few opportunities to be involved in the industrial wage economy without having to leave their particular social and cultural environments. Earned incomes mean taxes for government, and where incomes are spent locally there will be spin-off employment and income benefits for other community members and local businesses (see Storey 2010). In the Pilbara, Indigenous FIFO (or DIDO) is being developed in some of the small mainly Indigenous towns and communities in the region.

**Work-life balance**
FIFO enables employees to enjoy a different and arguably better work-life balance. While at work, many people work long days (up to 12 hours shifts are common) but with no ‘waste time’ involved in daily commuting as occurs in jobs in metropolitan areas. The benefit is that when not away at work, they are able to enjoy relatively long, uninterrupted periods with friends and family and in their community.

The competition for skilled labour in the WA resources industry is leading to a wider range of shift arrangements to ensure that potential employees can select arrangements that best suit them and their families. While rosters will vary from site to site and employer to employer, popular rosters are 2 weeks on site, 1 week off site and 9 days on, 5 days off. FIFO employees highly value the lengthy times off which allow them to participate for example, in children’s sport, community work, education, cultural and family activities.

**Inability of existing towns in mining areas to provide desired services**
The corollary to the expressed preference for metropolitan/large regional centres to small town residences for most Australians is the difficulty being experienced by many regional and remote towns in providing comparable services. Housing is a critical issue, especially in the Pilbara where housing affordability (ownership and rental) is beyond the reach of most families. Although governments are investing significant funds in land release and town infrastructure, the high cost, as well as the perception of inadequate and ageing housing, of inappropriate design, and with high costs of maintenance and improvements all act as deterrents for people considering entering the private housing market in these towns (see Haslam McKenzie 2008).

Beyond housing, which is a core challenge in the Pilbara, are numerous reports of residents’ dissatisfaction with key social services in secondary and higher education, health services, childcare provision, and services for the youth and aged (see Haslam McKenzie 2008). Finally, many towns in regional WA, lack the economic diversity and alternative employment opportunities required by contemporary two income families.
**Improved facilities in FIFO accommodation**

There has been a vast improvement in mining camp facilities. Standard facilities on-site now include en suite rooms, extensive recreation amenities such as swimming pools, gyms, sporting courts and games rooms. Meals provided in the mess facilities would rival most hotel buffets with a selection of hot and cold dishes with healthy low-fat options always available.

Employee expectations for quality accommodation are increasing. Hence building layouts, style, and facilities are critical considerations for employers seeking to ensure they recruit and retain employees in WA's tight and competitive labour market. Throughout the resources industry, the construction of this type of accommodation is moving away from rows of ‘dongas’ to more attractive ‘villages’ that are able to provide high quality amenities.

While the form of the accommodation continues to be of the transportable type, able to be dismantled and removed, more attention is being directed towards the design, liveability and energy-efficiency of the structures and the landscaping and amenity of the surrounds. Further, where located adjacent to existing towns (such as for construction workers), they may also be able to provide some facilities and services to the community and enable construction workers to still utilise community services and facilities in an integrated manner.
Term of Reference 3

“The effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure.”

The term used in this submission for a town where a FIFO workforce is housed in an existing town is termed a ‘host’ community or town. The term ‘source’ community or town is used in describing the town or city where the FIFO worker’s permanent residence is located and where his/her partner and dependents live.

Many smaller mining towns are not ‘established’

It is important in this context to distinguish between large regional centres that have a critical mass for services in the private and public sectors (e.g. Geraldton, Kalgoorlie, Karratha, Port Hedland, Broome) and smaller mining-dominated towns that have fluctuating populations and limited services (e.g. Leonora, Paraburdoo, Newman). The focus in this section is how well these smaller towns function and the challenges they face.

Many smaller towns dominated by mining activities in regional WA are not easily categorised as ‘established communities’ as compared to major regional centres in the south west of the State. Towns in the Pilbara and the inland Mid West with a high dependency on the mining industry have mono-dimensional economies with mining (and sometimes one company) contributing up to 70 per cent of their primary economic activity. They are susceptible to variations in both price and demand for the commodities; leading to fluctuations over time in populations and commercial activity. The dominance by a single industry reduces the role that small and medium enterprises can play in economic life.

Newer towns dominated by mining operations lack mature, properly functioning housing markets. People who may choose to work for large private and public employers (e.g. mining companies and government employers) in an area for five years or less will not likely commit to a house purchase, and will instead expect their employer to provide housing. This makes it difficult for people not employed by the company or government to obtain affordable accommodation (Haslam McKenzie 2008).

A related feature of these towns is a high population turnover with ABS statistics showing that less than 30 per cent of people at a census date having lived in the community five years previous (1). This indicates many residents live in the town for employment opportunities rather than the amenities offered by the town. Many transient populations in regional WA operate on a cycle of life approach to residency – living in towns as young families, to bigger towns with older families; and then opting for FIFO to accommodate children’s education needs and partner’s careers etc. The conclusion is that people resident in the town are largely attracted by the work opportunities, and not by the town itself, with a time horizon set on the period of residency. Further, managing expectations around what can be provided in a small community is difficult – with expectations from people raised in major urban settings being unlikely to be met in many small settlements.

In short, the economic environment in these towns, the nature of employment available, and the infrastructure and services on offer make it difficult for many communities to develop as

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1 The same percentage in the Perth metropolitan area is about 49 per cent.
‘established communities’. CME supports the Western Australian Government’s Royalties for Regions Program which is addressing infrastructure and community service deficits in some of these type of towns which will improve their attractiveness to longer-term residency.

It is worth noting a major regional development program in WA – Pilbara Cities – is focusing on supporting Karratha and Port Hedland to become sustainable ‘established’ cities, with populations of about 50,000 people, but recognises the same cannot be achieved for many smaller towns in the region. As noted earlier, CME supports this program which should in time make these towns important ‘hubs’ or ‘sources’ for workforces and small businesses provided throughout the Pilbara region, in a manner that already occurs in Geraldton and Kalgoorlie and their respective ‘regions of influence’.

**FIFO as a driver for regional investment**

Many of the resource projects currently being developed or in production in regional WA would not be economic to develop without FIFO arrangements.

FIFO enables the development of resource projects that would be uneconomic in the event a residential workforce was the only option. The provision of associated services and infrastructure for FIFO operations generates economic benefits to the region that would otherwise be lost. For example, FIFO has enabled investment in the regional aviation industry in WA and has enhanced their ability to provide services to regional and remote communities and other industries – principally tourism. Increased services and reductions in ticket prices have been made possible through economies of scale attributable to FIFO operations (CME 2005).

In Pilbara towns, the workforce is a mixture of residential and FIFO – it is typically only in operations remote from an existing town that all employment is on FIFO basis. This flexibility in working arrangements allows people to move between the working modes, and also adds diversity to the community. Initial FIFO operations may lead to residential based workforces, in that a relatively large FIFO construction workforce may be used to establish a project, with the company then moving towards a smaller residential based operational workforce in a graduated, planned and sustainable way.

There are limits to what can be achieved. In the construction phase of a project there is a requirement for a large workforce for a short period of time, typically two to three years. It is worth noting that while the construction phase may last a few years, many employees or contractors are only on site for a much shorter period of time. Once a project shifts to the operations phase the size of the workforce reduces considerably. This is a real challenge in small regional towns, where there is no alternative to FIFO for the construction phase. It is simply not realistic for a community to gear itself for a construction ‘boom’ and then to find itself in a slump when the construction phase is over and operations commence.
Several commentators have referred to the ‘fly-over effect’ of FIFO in taking funds from the town that is hosting the FIFO workforce. While this is partly true, it is also true that FIFO workers located in an established town inject considerable funds into retail and hospitality businesses in the towns. Given the low costs to most towns in supporting a FIFO workforce, the money spent by workers in these towns is a direct benefit.

There is evidence residential workforces also direct funds away from the town, in investments in real estate in larger centres (many people have one or two investment properties outside the town), and particularly in high levels of on-line shopping. For example, Karratha residents are reported to spend six times the national average for on-line shopping, and ranking 14th in Australian cities for on-line shopping (Pilbara News, 21 September 2011, p. 4).

As noted previously, high FIFO employment has improved air services to regional and remote WA, which benefits all community members, and in some cases local governments where they are the owners and operators of regional airports. The Shire of Roebourne, which operates Karratha Airport, the busiest regional airport in Australia receives revenue of about $30 million per year as a result of the high traffic, most of which is from a FIFO workforce.

**Social impacts in ‘host’ communities**

There is some commentary suggesting high FIFO workforce numbers generate higher anti-social and crime problems for ‘host’ communities. The evidence from Pilbara towns does not support this claim.

In Karratha, a town with a relatively large FIFO workforce, reported key community safety issues and statistics are similar to those occurring throughout regional towns in Western Australia, with no specific issues relating to life in Karratha, or, the Pilbara more generally. Police spokespersons routinely report no specific community safety issues related to FIFO workforces, however, they did note the excessive alcohol consumption across the Pilbara region. As such, much of the crime that occurs in Karratha and the Pilbara more generally is associated with alcohol consumption, but this is certainly not confined to FIFO workforces. Indeed, managers of FIFO accommodation are able to exert a greater influence over the behaviour of residents than can be achieved in the wider community. In support of these observations, the crime statistics for Karratha in Chart 2 show a steady decline in reported crimes over the period 2007-2011, despite a growth in FIFO workforce numbers. Crimes of ‘assault against the person’ have decreased since 2007, however, motor vehicle theft has peaked in that period.
Further evidence is provided in Police Service numbers, which are similar in terms of persons per sworn officer in most Pilbara towns to the state average.

**FIFO infrastructure and workers as a potential social and environmental benefit**

FIFO accommodation facilities and FIFO workforces can make positive social contributions to the life of small mining-dominated towns. In small towns, workforce planning needs to account for the balance between FIFO and permanent resident numbers and ideally to provide opportunities for the FIFO workforce to make a positive economic and social contribution to the town, and mitigate any undesirable financial pressures on town assets and functioning.

**Location of FIFO villages to provide benefits to residents**

A well located FIFO village, integrated sensibly with town facilities provides a significant opportunity for local businesses to benefit; provided the FIFO workers can readily access shops, and facilities. Apart from the increase in revenue to local businesses from an increase in the workforce numbers there are opportunities for local businesses to increase per capita spending of workers. Further, townspeople can also make use of the dining room facilities, gym and recreational facilities. There can be an opportunity for local businesses to increase the supply of goods and services by:

- delivering orders of goods and services to workers;
- establishing a temporary (limited hours) shop or mobile van-come-shop at the accommodation camp; and
- providing other opportunities, such as movie theatres, indoor sports facilities and personal services.

A number of companies are addressing this need with the construction of temporary high quality modular workers’ accommodation in many areas across Australia. These structures can be removed or re-purposed as workforce accommodation needs change. In this way,
structures may then be utilised by the community in which they are housed during or after the period of FIFO use. For example, the Four Seasons Motel in Newman commenced life as single person's quarters in the 1970s. Being able to use FIFO accommodation after it is no longer required for that purpose is also a means of increasing housing diversity for people, which is being advocated for Pilbara towns.

**Indigenous participation in FIFO**

FIFO arrangements may offer some particular benefits for Indigenous people in that the smaller footprint and generally shorter mine life of FIFO operations are arguably less disruptive to indigenous communities than residential towns. For those Indigenous people entering the resources industry, it has been found that positive employment programs which encourage participation in resource development while maintain key elements of traditional lifestyle and culture could be are more successful under FIFO than residential arrangements.

**Environmental benefits of FIFO**

Resource companies are focussed on reducing their environmental impact, where possible. The creation of new towns would increase the environmental impact of mining operations, whereas a camp for FIFO workers occupies a smaller environmental footprint than a residential town. Rehabilitation of mine camps is also far easier and more likely to occur than in a residential town, following mine closure.

The WA Government's Department of Mines and Petroleum's annual 'Golden Gecko' award for environmental excellence have recently recognised mining company, St Barbara for their innovative and sustainable temporary mine village in Leonora. Initiatives at the site included improved insulation, photovoltaic power units, solar hot water, water-wise landscaping, energy efficient appliances and flyscreen windows to encourage the use of natural ventilation. Monitoring undertaken since the completion of the project has demonstrated a 30 per cent reduction in energy use and a 50 per cent reduction in water consumption.
Term of Reference 4

“The impact on communities sending large numbers of FIFO/DIDO workers to mine sites.”

The desire to be ‘source’ communities

Although most of the FIFO workforce in WA is resident in the Perth-Peel area, several regional towns in WA are already ‘source’ communities, with many others keen to participate. Existing towns providing FIFO workforces to the Pilbara include Broome, Carnarvon, Derby, Geraldton and Busselton. Special transport arrangements have been set up by companies to facilitate FIFO employment from these towns.

Local Governments in these towns and others (e.g. Manjimup, Exmouth) are keen to be source communities for the extra population they will attract, the economic benefits they will derive and in some cases, to address structural difficulties in their own circumstances. For example, Rio Tinto is working with the Exmouth community to obtain workers to assist the small, largely tourism-dominated economy of this small town, and in Manjimup, FIFO employment is seen as a means of off-setting the decline in traditional employment in the timber industry.

FIFO as a source of economic benefit and diversification

Following on from the points above, FIFO employment offers towns with small populations and limited services (e.g. Carnarvon, Morawa, Exmouth) an opportunity to grow the residential population, add another industry to the town’s economy and bring income to the town. In particular, this is seen by some agricultural shires as being a way of reversing a long period of population decline in their country towns while working on FIFO rosters in the Pilbara or Goldfields. The case is easier to sell in larger, well services communities such as Busselton and Geraldton, with the City of Geraldton-Greenough advocating people move to the town to participate in FIFO employment in the Pilbara and Mid West.

As well as broadening the economic base of these communities, opportunities for FIFO work in construction projects in the resources industry can assist in covering periods of low labour demand in industries with high seasonality, such as the rock lobster industry along the west coast, cereal cropping, and the tourism industry in the Kimberley. For example, the WA Department of Agriculture and Food’s North East Agricultural Region (NEAR) Strategy includes a program directed at facilitating employment in the Mid West mining industry on terms suitable to industry and farming demands.

Perceived stresses associated with FIFO

FIFO enables people living in other areas of WA and Australia to engage in and benefit from the economic opportunities offered by the resources sector. By maintaining a family base in a large regional or metropolitan centre, FIFO employees have been able to maintain employment in their industry while also ensuring that they and their families are able to enjoy a good level of government and commercial services.

While these are obvious benefits, several commentators have suggested long periods of separation within families as a result of FIFO employment can generate a range of problems including increased divorce rates, stresses for the primary carer of children, and increased substance abuse. These perceived negative impacts of FIFO arrangement on families are
not supported by studies in the WA environment. Research which examined the psychological stresses upon the families of FIFO workers revealed

‘…preliminary indications that despite being exposed to the risk factors of frequent parental absence associated with hazardous employment conditions, children from FIFO families did not experience significantly higher levels of depressive symptomatology, anxiety and family dysfunction than non-FIFO children’ (Sibbel 1991).

These findings have been supported by more recent research which found FIFO employees and partners were generally no more likely to have high stress levels, poor relationship quality or poor health behaviours than residential employees and their families or other community members. In summary, 62 per cent of FIFO and 76 per cent of residential employees felt their commute arrangement suited their lifestyle (Clifford 2009). A small proportion of those people in the study who found the working arrangements particularly stressful sought to adjust their working arrangements. The researcher Susan Clifford suggested:

‘the project findings can be used to inform current and potential FIFO employees and families about the likely impacts of FIFO and extended working hours on their lives, assist industry stakeholders to improve FIFO facilities and roster design to minimize negative impacts on their workforce, and provide tailored assistance to those identified as being most vulnerable to finding the lifestyle stressful.’ (Clifford 2009).

Social benefits for source communities
Many mining companies have corporate commitments totalling many millions of dollars to support neighbouring communities where their workforce lives. Where a percentage of the entire workforce is FIFO, this extends to investing in the social development of source communities, although these may be a long way from the project location. For example, companies with operations in the remote parts of the Mid West of WA who draw their workforce from Geraldton as the major population centre in the region, invest in community projects in the town as a means of supporting the ‘source’ community.

These investments can include education and training projects designed to assist local people (especially young people) into the FIFO workforce. The support provided by resource companies into source communities is highly welcomed by the WA and local governments and community groups.
Term of Reference 5

“Long term strategies for economic diversification in towns with large FIFO/DIDO workforces.”

The nature of some host communities
The peculiar nature, of many mining towns in WA that act as host towns to FIFO workforces, has been noted in addressing earlier terms of reference. These towns have economies dominated by the resources industry and sometimes by one company. The economic future of these towns fluctuate with commodity prices and the availability of sufficient resources nearby to sustain a workforce, whether resident or FIFO.

The economic homogeneity in some cases has led to a distortion of the economy as is evident in many Pilbara, inland Mid West and Goldfields towns. These towns struggle in addressing the following questions.

- How does a town subject to fluctuating mining fortunes (and the ebb and flow of construction and operational workforces) build economic diversity?
- What other options can realistically be developed?
- How can feasible options be developed?

Limited diversification opportunities in many host towns
The reality is economic diversification options for towns hosting large FIFO workforces in WA are limited. By ‘diversification’, CME means an industry that has an entirely different set of economic drivers to mining and oil and gas projects.

The WA Government and local governments have worked hard to develop tourism in these regions, based on the natural heritage, and in some locations (Eastern Goldfields, Mid West) building on the mining heritage. Although towns in the Pilbara such as Tom Price, Newman and Dampier are located close to important attractions such as the Karijini National Park, the Dampier Archipelago and Burrup Peninsula rock art, tourism contributes a small percentage to these towns’ total economic activity (less than 10 per cent). In part this is because of the nature of tourism activity in these regions. Expenditure by domestic tourists tends to be low, less than $100 per day per person and the regions do not tend to attract the high end of international tourism (Broome being an exception due to location and history). Finally, the tourist industry is seasonal, with maximum activity in the winter months, and reduced activity over summer. These factors limit what can be achieved through diversification by tourism alone.

Beyond tourism, other diversification options can occupy ‘niche’ opportunities, with a range of ideas suggested including specialised irrigated horticulture, air crew training on underused airstrips, and specialist Indigenous cultural tourism. None of these have taken off in any WA remote towns to any degree. The NBN roll-out to regional areas could serve as the spur for more diverse economic activities in the region, but this will need support and encouragement from all levels of government.
Although linked to the resources industry, the best opportunity for a form of diversification is to build the small and medium business (SME) sector in regional resource-dependent towns. Data for the Pilbara show the number of SMEs is roughly the same in 2010 as in 1999 – about 2,200 businesses – although the total economy is now much larger (ABS 2011). Expansion of the SME sector will result in a higher percentage of the services to the resource industry being sourced locally, with these businesses employing a larger percentage of the total workforce.

Policies to encourage local flow of resource industry benefits
Government-industry partnerships around strategic regional development activities can assist the broadening of resource industry activities in regional towns hosting FIFO populations. The Pilbara Industries and Communities Council (PICC) in WA, which includes representatives from CME, BHP Billiton Iron Ore, Rio Tinto Iron Ore, Fortescue Metals Group, Woodside, Chevron and the North West Shelf has developed strategies in health, education and Indigenous employment which by supporting town populations, can increase the ability of these communities to access direct and indirect opportunities with resources industries.

Companies in WA have local and regional procurement policies for labour, goods and services that seek to maximise local area benefits from resource projects. At the same time communities need to appreciate and align with industry requirements to ensure that they are pursuing realistic and achievable benefits (see Storey 2010).

The development of a high quality and competitive local suppliers is of vital importance to the WA resources industry. The resources industry advocates the policy of full, fair and reasonable opportunity for competitive local suppliers to participate in WA’s resource projects. Advice from CME members indicates a very high level of local industry participation in spending in the mining sector, with 86% Australian spending in construction phase, and 95% Australian spending in operations phase. With the dramatic expansion of the WA resources sector, operations spend has increased substantially, representing a significant and sustained opportunity for local suppliers

Many of the challenges being faced in widening the economic base in many resource industry towns is the supply of land, infrastructure, water and energy. The 2011 State Growth Outlook (CME 2011) has highlighted the requirement for increased investment in water and energy supplies. Difficulties with accessibility and cost of housing in many towns are also limiting opportunities. Poorly functioning private housing markets, limited diversity in housing styles, and high costs for the purchase and rent flow, through to difficulties in staff recruitment and retention for SME enterprises.
Term of Reference 6

“Key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development.”

The need for skills in FIFO construction workforces

Construction work in the resources industry, especially in the oil and gas sector, requires unique skills and experience across a wide range of infrastructure types. The report released by the National Resources Sector Employment Taskforce (Australian Government 2010) entitled Resourcing the Future highlights the importance of a dedicated construction workforce, and states:

….. the resources economy is indirectly supported by: the engineering and construction sectors – whose workers undertake the construction of mining infrastructure, including desalination plants, power generation, crushers, conveyors, constructors, road, ports and rail. Construction is usually short term, often done on a fly-in fly-out (FIFO) or drive-in drive-out (DIDO) basis by workers from every state and territory in Australia (p. 1).

The Report highlights deficits across the whole gamut of construction skills and recommends much closer coordination between industry, government and training providers in increasing the numbers of trades and professionally qualified people available to the industry. Suggested approaches in developing qualified trades people include the use of onsite and mobile training centres at mining sites, better recognition of prior learning and flexible combinations of on-site training and campus based learning. The intent of the Report’s recommendations is closely aligned with the CME’s position outlined in the State Growth Outlook 2011 which urges greater investment in education and training initiatives to increase the total skilled workforce over the longer term.

Developing career paths

For many individuals FIFO work offers opportunities for on-the-job training and career advancement at a faster rate than might be the case in more traditional workplaces (Storey 2010). Progression through roles that require mobility between sites operated by the one company is easy in FIFO employment, but constrained if re-location of a family is required. It is common in the Pilbara environment for workers of major companies (e.g. BHP Billiton, Rio Tinto and Fortescue Metals Group) to move between sites (mines to ports, etc) as part of personal skills acquisition and career development while at the same time addressing company priorities. FIFO arrangements support this flexibility.

The FIFO ‘downtime’ spent in the source community represents an opportunity for structured learning in well-resourced facilities, or on-line through distance education. It is anticipated that some education and training providers will seek to restructure their course delivery in order to provide flexibility for the FIFO workforce.

Exploiting on-line opportunities

The NBN roll-out to regional areas will assist in providing better education services in regional and remote areas. This will need investment in ‘virtual product development and delivery’ to ensure that the potential offered by the new broadband technology can be realised. Properly developed, the technology offers the opportunity to provide instruction to FIFO employees, on-site apprentices and trainees as part of obtaining trades qualifications, as well as updates to people with existing qualifications.
Term of Reference

“Provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees.”

Improving FIFO workforce accommodation

As noted earlier, heightened accommodation expectations and competition for skilled labour has resulted in a change to the standard and quality of temporary workforce accommodation. Modern facilities include en-suite individual rooms, high standard dining facilities, indoor sports and recreation rooms, swimming pools and tennis courts and well landscaped gardens, often based around native plant species to minimise water use. As noted elsewhere, the environmental footprint of such villages is low, and certainly lower than that for an equivalent number of people housed in conventional detached ‘suburban housing’. High quality of FIFO accommodation is more attractive to workers, and can result in higher standards of expected behaviour in and around the facilities.

Sharing FIFO facilities with residents

Where FIFO accommodation is located in a town, some of the facilities (e.g. dining room, gym, outside sporting facilities) can be shared with townspeople in a manner that builds a relationship between the FIFO and local communities, and adds to the social benefits for the town.

Longer term, well designed ‘high density’ dwellings constructed as FIFO accommodation can be an asset to a town and its community. Construction of this type of accommodation in towns is moving away from rows of ‘dongas’ to more attractive ‘villages’ that blend in well with the existing townscape. It can be converted easily for residential use after the demand for FIFO accommodation has declined. This pattern of development is starting to occur in the ‘Pilbara Cities’ of Karratha and Port/ South Hedland, and will assist in blurring the boundary between FIFO (e.g. dongas) and residential (e.g. 4 x 2 houses) accommodation, and will result in a legacy of more diverse housing for the town (see commentary in Haslam McKenzie et al. 2009).

Arguably the best outcome would be for a mixed-use blend of flats and apartments (for transient worker accommodation) and houses and duplexes (for resident families and couples). Finally, construction of this type of facility will increase its value post-mining use, either for alternative accommodation on site (as in the Four Seasons Hotel in Newman) or for relocation for another purpose. Providing shared facilities and services is attractive for both companies and employees, where this can supplement existing town facilities, but not compete with existing commercial enterprises.

Social and cultural interactions

The conventional wisdom is that townspeople and FIFO workers do not interact well. Interestingly, the presence of FIFO workers in a town does not feature highly in the issues raised by residents when queried on the issues they believe need addressing in their towns. Instead, there is potential for beneficial interactions between townspeople and FIFO workers which in turn generates benefits for the town, and social outlets for the workers.
Some local governments have publicly welcomed FIFO workers to their town for the contribution they can make to retail activity, sporting activities (on rostered days off), volunteering activities and fund-raising. Examples include the ‘Yalgoo Yahoo’ Charity Walk between the Golden Grove Mine and the small town of Yalgoo (56 km), with mine workers raising funds for Variety WA (www.mmg.com/shared/1631.aspx), and contributions made by workers at BHP Billiton’s Macedon Gas Plant to a family in Onslow whose house was burnt down. These are not isolated instances, with many FIFO workplaces raising funds for community causes (e.g. RFDS) through the wet messes, and providing assistance with community projects (e.g. playground construction etc).
Term of Reference 8

“Strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry.”

Social investments in ‘source’ communities

Some source communities are large, well resourced and preferred places to live in (e.g. Perth, Broome, Geraldton, and Busselton). The income from FIFO workforces into these centres is useful, but not essential supplement to the towns’ economies. Quality health, education and community services for the partners and families of FIFO workers are readily available, although some specialist services to assist new participants adjust to a FIFO model may not be. This point is further explored in following sub-sections.

Smaller centres, such as Carnarvon, Exmouth, Manjimup and remote Indigenous communities will benefit significantly from the economic income provided by FIFO workers. However, some of these centres have limited social and community services and families with FIFO workers may be looking for additional support. CME supports the WA Government’s Royalties for Regions program which is tackling the social infrastructure and service deficits in many of these towns. This is a tangible investment of resource company royalties into communities where some of the workforce lives.

Companies also recognise a social obligation to contribute to the communities where their FIFO employees live, with direct investments into social and community infrastructure and activities, education and training programs and cultural activities. These contributions are welcomed by communities, who are able to use them to leverage support from governments and other private sector organisations.

Supporting people considering FIFO employment

There is an increasing body of work available to advise professionals and participants in adjusting to and managing FIFO employment. One outcome has been developing rosters that enable workers to optimise their time on-site and off-site to the benefit of their careers, work-life balance, and most importantly, their home life. All this flows through to higher job satisfaction and retention rates in the industry which benefits employees and employers alike.

The Centre for Social and Community Research, Murdoch University has published *Fly-in fly-out employment: managing the employment transitions which provides important insights into decisions to be made and the nature of supports required for people entering FIFO employment* (Gallegos undated). Much of the findings were developed from the experiences of long-term FIFO employees and their families, who were able to offer practical advice to others considering a FIFO schedule. The advice from families and others (agencies, industry) included (Gallegos undated):

- ‘making sure the decision is a joint one;
- preparing the children as much as possible;
- maintaining regular contact;
- accepting help if offered and asking for help when needed;
• maintaining a consistent routine;
• keeping the worker involved in parenting and the household.’

The research also highlighted the need for collaborative programs involving industry and government agencies focusing on increasing psychological, human and social capital including developing domestic time-management and financial management skills.

Overall, the research found families in the study had a clear understanding of the reality of the FIFO lifestyle and the implications for their domestic life. They were able to develop lifestyle patterns in the context of FIFO employment that worked for them (Gallegos, undated).

Support for existing FIFO employees and dependents

The growing number of people who are involved in FIFO employment (either as a participant or partner, or family member) and the desire of people to share experiences and knowledge and provide assistance to others, has led to the development of support groups for ‘FIFO people’. Two organisations are profiled. These organisations are supported by industry.

• FIFO Families (www.fifofamilies.com.au) is a support organisation for families where a member of the family is a FIFO employee. The organisation which established in 2008 provides a network, website, resources, events and newsletters for FIFO families allowing them to form a community. Approximately 70 events are held annually in Perth, Kings Park and Rockingham. The organisation also provides some assistance during an employee’s induction process.

• Mining Family Matters (miningfm.com.au) is promoted as Australia’s first on-line mining community and is committed to providing information, services and support to families in the mining and resources industries. The on-line services include contact with health and social services specialists, advice with money management, lifestyle information and advice, and career development, as well as blogs and newsletters.

As referred to earlier, the NBN roll-out to regional areas will be beneficial in upgrading telecommunications between resource projects areas and towns. Improved communication through means such as Skype will reduce the sense of isolation between on-site workers and their partners and families.
Term of Reference 9

“Potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce.”

FIFO as a source of economic diversification
The opportunity for regional towns to use FIFO employment as a means of diversifying their economic base has been referred to in addressing earlier terms of reference. It is likely that as the demand for labour in the resource sector increases, that an increased number of towns in the agricultural areas of WA will be supporting residents who are working in the industry on a FIFO basis. The benefits have already been described and include supporting adjustment to structural changes in industries without losing population, building flexibility in the town’s economy, and increasing the net income to these source communities. There may be situations where families move to cheaper housing in country towns, while also participating in FIFO employment, leading to an increase in regional population. This strategy is being progressed by some local governments in regional WA.

Although the focus in addressing the earlier terms of reference has been on regional towns and cities, FIFO employment is already providing a buffer against unemployment and low incomes in parts of the Perth-Peel metropolitan area where a significant proportion of the workforce operates in a few workplaces – as in Kwinana in WA, and in the eastern suburbs. Being able to provide the social investments and support to current and potential FIFO employees, partners and families referred to earlier will be important in facilitating participation in FIFO, and hence delivering the diversification needed.

Housing, health, education and childcare in regional towns
Reports on the standard of living in smaller regional towns has identified housing availability and affordability, access to quality health and education services and childcare availability as the ‘big four’ issues. Addressing these issues will be important for communities keen to act as ‘source communities’ for FIFO employment, especially if they wish to attract people to move to a town to participate in FIFO employment.

Mechanisms are needed to improve the supply and diversity of housing, perhaps by stimulating land availability, private investment and building activity. Quality health and education services are key drivers in people’s decisions to re-locate their families. Towns intending on hosting FIFO workers need to offer competitive services in these areas. Finally, child care services are important for sole carers of young children who want to enter the workforce.

Transport requirements
Improvements in transport arrangements will facilitate FIFO recruitment in smaller centres across regional WA. Currently, a FIFO worker living in a small town in the agricultural areas of the South West needs to drive (or bus) to Perth to travel by air to sites in the Pilbara, Mid West or Goldfields. This can add significant travel time, which reduces the time spent in the home environment and requires strategies in managing fatigue. Increased FIFO recruitment in agricultural towns needs to be supported by the upgrade of strategic airstrips across the South West to improve travel efficiency between source and host communities.
Term of Reference 10

“Current initiatives and responses of the Commonwealth, State and Territory Governments.”

FIFO Coordinator trial

In the *Resourcing the Future Report* (Australian Government 2010), the National Resource Sector Employment Taskforce recommended:

‘That the Australian Government fund an industry-based, fly-in fly-out development coordinator in Cairns for two years from July 2010 as a pilot, to develop links between resources projects in remote locations and skilled workers, including local unemployed job seekers. If successful, this measure could be replicated in other appropriate locations, jointly funded by the sector and governments’ (p. 6).

The FIFO Coordinator will assist resources companies to attract and connect skilled workers from the Cairns region to available work on mining, construction and infrastructure projects in remote areas; establish training and employment pathways for skilled workers and unemployed job seekers; and link mining companies with airline and airport services to facilitate the engagement of FIFO workers.

‘If this FIFO coordinator pilot is successful and leads to a self sustaining model, the Government will then consider providing other regional centres an opportunity to establish a FIFO coordinator.’

The recommendation and its acceptance by government is implicit recognition (i) that FIFO is a sustainable workforce model, and (ii) it can contribute to addressing regionally specific structural adjustment issues affecting labour supply and demand. CME supports this initiative and if it proves to be successful will be encouraging the establishment of a similar program in WA.

The Australian Government have recently announced that they will consider rolling out similar program in four other regions around Australia. CME believes that this is a positive policy response to assist in the mobility of labour throughout Australia.

Royalties for Regions

As discussed earlier, the WA Government’s Royalties for Regions program is delivering important economic and social infrastructure throughout the state. CME is supportive of this investment as it can bring tangible improvements to the available amenities in regional WA. This, in turn, will ensure that these towns and regions become more viable in attracting a skilled workforce to the area.

It should be noted that many WA Government agencies also struggle to find skilled labour in regional WA. As such WA has seen an increasing reliance on contract/agency nurses and other services delivered using FIFO rosters. In employment terms, the WA Government, along with the resource sector will benefit from the outcomes of the Royalties for Regions program.
Conclusion

In WA, FIFO employment in the resources industry has a long history and is a popular and sustainable work practice for many. FIFO, along with investing in skills and training, increasing workforce diversity - with more women and Indigenous employees and a flexible skilled migration program will all play their role in addressing skill shortages in the resource sector.

FIFO employment has become a critical element of maintaining a viable resources sector as the industry is challenged by significant tightening in the labour market. While skill shortages are an issue for many industries across Australia at present, the problem is exacerbated in regional and remote areas due to the smaller pool of skilled labour available. By 2015, the CME predicts the WA resources industry will employ about 110,000 people, with an estimated 63,500 (or 57 per cent) of that workforce employed on FIFO arrangements.

At the most basic level, FIFO is about providing choice for workers. While some are happy to live locally or in a regional centre, many more prefer to reside in the city, where they have existing homes, social networks and services and facilities they prefer for their children and partners. By maintaining a family base in a large regional or metropolitan centre, FIFO employees have been able to maintain employment in their industry while also ensuring that they and their families are able to enjoy a good level of government and commercial services. FIFO enables employees to enjoy a different form of work-life balance. They can enjoy longer periods of time with their friends and families when not at site. The ability to access suitable FIFO rosters, with a wider array of options becoming available is improving these working conditions.

Along with changes to rosters, there has also been a vast improvement in mining camp facilities. Standard facilities on site now include en suite rooms, excellent meals and dining facilities, extensive recreation amenities such as swimming pools, gyms, sporting courts, team sports and games rooms.

In the next few years, the vast majority of FIFO workers will be involved in construction of resource projects. The work is short-term making it unreasonable for these workers to be expected to take permanent residence. With high commodity prices and the disparate location of new deposits, companies are operating mines with a limited resource life. Many of these mines are more remote or isolated from existing mining and population centres.

We are now facing skilled labour supply challenges that are potentially more acute than those experienced prior to the Global Financial Crisis. The ability to respond to the rapid increases in demand for skilled labour in the sector will be a determining factor in the on-time delivery of minerals and energy projects.

The ability of companies to offer, and individuals to take up, flexible working arrangements available through FIFO will be an essential component of the overall strategy to maintain and grow the WA resources industry’s contribution to national well-being.
From the perspective of industry, use of FIFO as part of an overall workforce management strategy to support mining projects is partly a function of:

- project life and locations – it being not possible for resources projects with a short life in remote locations to support the development of a town;
- fluctuating workforces (construction and operating) over time horizons that are impractical to house in a residential situation near the project;
- the high cost of providing town infrastructure and operating that infrastructure in regional areas; and
- the clear desire by a significant proportion of the workforce for the flexibility that FIFO provides in terms of life choices – as in allowing partners to obtain/maintain work, and children higher education needs in ‘source’ communities.

In conclusion, FIFO employment is a sustainable and sensible approach to meeting the requirements of companies and individuals working in the WA resources industry. The task facing governments, industry and communities is to develop refinements as to how this model meshes with other workforce models to enhance and sustain regional and remote economic and social development.
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Appendix 3 – A Matter of Choice: Capturing the FIFO Opportunity in Pilbara Communities
A MATTER OF CHOICE
CAPTURING THE FIFO OPPORTUNITY IN PILBARA COMMUNITIES
As the peak representative body for the Western Australian resources sector, the Chamber of Minerals and Energy of Western Australia (CME) facilitates and supports the Pilbara Industry’s Community Council (PICC). PICC is a collaborative forum that provides opportunities for BHP Billiton Iron Ore, Chevron Australia, Fortescue Metals Group, Rio Tinto Iron Ore and Woodside Energy Limited to work with the Federal, State and Local governments, as well as Pilbara communities, to address specific priorities. One of these is the development of a shared vision and strategy in relation to the sustainability of Pilbara towns.

A significant challenge faced together by Pilbara towns and the resources sector is a rapid increase in employees and their families choosing Fly In Fly Out (FIFO) employment in preference to residentially based employment. Fortunately, opportunities are inherent in such challenges and – in keeping with its commitment to leading policy development in the sector – the CME is working hard to identify and optimise opportunities associated with FIFO and, in so doing, deliver benefits to Western Australian workers, families and communities.

'Long distance commuting’ for work can be traced back to the first half of the 20th century when shearing teams, recruited in Perth, travelled from sheep stations in the Kimberley through to pastoral areas. In the resources sector, long distance commuting has manifested into FIFO and had its beginnings during construction of the iron ore mining and shipping facilities in the Pilbara in the 1960s and 70s. Groups of specialist labour recruited from outside the region were housed in temporary camps while they completed their work. When they were done, some of these workers took permanent jobs in the region, but most returned home.

With the abundance of natural resources located in regional and remote areas of the state, it’s becoming more common for workers in the sector to live in Perth and other regional locations where they have existing homes and social networks, their children have school and sporting teams and their partners have jobs in the city, while they travel between the two.

At the most basic level, FIFO is about providing choice for workers. In a competitive labour market, employee choice is paramount. Choice of what job they do, who they work for and, importantly, where they choose to live.

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In the next few years, the majority of FIFO workers in WA will be involved in construction of new resources projects and maintaining existing ones. Industry is very supportive of viable, liveable communities and focuses on improving the regions in which they operate; however, construction work is short-term, and expecting all workers to take up permanent residence in regional towns is unrealistic. Similarly, expecting resource companies to develop new towns in remote areas is also unrealistic.

This document not only charters the aspirations for in-town FIFO developments, but it also addresses a range of topical issues including the facts behind the growth of FIFO; the different needs of construction and operational FIFO employees, and the description of actions PICC member companies are taking to provide a balance between residential and FIFO workforces in Pilbara towns.

We commend PICC member companies for their thorough examination of FIFO issues as they relate to the Pilbara region. This document marks a significant step forward. It articulates current practice and new directions for both industry and the broader community as the sector continues to expand over the next decade.
INTRODUCTION - SO WHY FIFO?

FIFO employment is much talked about, but is not well understood. In remote areas of Australia today, and Western Australia particularly, it provides a significant and growing proportion of the workforce needed by the resources sector, and is anticipated to double within the next 3–5 years.¹

Workforce mobility and employment choice has become, and will continue to be, a significant factor in the nation’s prosperity through contributing to the significant role of the resources industry in the national economy.

PICC member companies have been amongst the pioneers of residential workforces in Western Australia through the establishment of towns such as Newman, Dampier, Wickham, Paraburdoo, Pannawonica and Tom Price. All PICC member companies continue their commitment to providing residential-based employment in Pilbara towns through the provision of permanent residential accommodation and by investing in the communities in which they operate.

Providing choice to workers is critical to the resources industry and the economy, and reflects the need to attract and retain a mobile, skilled national labour pool. Workers and their families shape the nature of the FIFO opportunity through their decisions on where they wish to live and who they choose to work for. Each company responds to the preferences of many workers and their families who want to commute from their existing home location rather than take up residential employment opportunities in the Pilbara. PICC member companies also recognise that labour-intensive, short-term activities such as construction and maintenance work are best managed through FIFO arrangements. This practical approach recognises that it would be inappropriate to expect workers to uproot themselves and/or their families in order to take on a residential position that only offers a short-term employment contract, as is often required in construction and maintenance positions. The reasons for workers choosing FIFO employment can be many and varied, particularly when considering the opportunities of a larger urbanised environment, where many reside, which often has more varied community services, and amenities, lower cost of living, and a broader range of spousal employment opportunities.² Other considerations include different weather conditions and physical separation from family and friendship networks.

Today’s employers cannot afford to overlook the high value placed on choice by those they need and want to employ, and nor are they, or should they be, in a position to force people to live in particular locations.

The preference for FIFO work choice is particularly evident with employees involved in the construction phase of a resource project, where a worker may only be required to perform their specialist trade for weeks or months at a time. It is not viable or appropriate for a company to only offer residential employment that would require the employee to move themselves or their families to a new town and change their preferred lifestyle for such a short period.

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Providing choice to workers is critical to the resources industry and the economy, and reflects the need to attract and retain a mobile, skilled national labour pool.
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The Western Australian Government’s Pilbara Planning and Infrastructure Framework (2012) acknowledges that FIFO workforces are an important method of adapting to constantly changing labour requirements, particularly for specialist skills and during the construction stage of projects. The Framework also recognises that there has been a cause and effect relationship between an insufficient supply of land and accommodation, and the demand for FIFO workforce accommodation.

It is important to note that the use of FIFO employment options can provide a buffer for governments and communities to develop local community infrastructure and services once there is an assurance of sustainable populations. Contributing to the development of a shared vision and approach to the sustainability of Pilbara towns is a priority for PICC. In relation to this priority, PICC recognises the need for a higher level of discussion about FIFO challenges, opportunities and benefits. PICC is committed to promoting innovation in this area and member companies are committed to meeting the needs of its workforce and optimising opportunities for host communities. The potential is for mutually beneficial outcomes – social and economic benefits for communities; benefits for employees in the areas of lifestyle choice and employment experience; and benefits for employers in the areas of attraction and retention of skilled staff. A Matter of Choice: Capturing the FIFO Opportunity in Pilbara Communities articulates PICC’s aspiration and response to stakeholder expectations in the Pilbara by moving towards integration between ‘in town’ FIFO accommodation facilities and host Pilbara communities. It also promotes a more balanced understanding of the critical importance of FIFO to regional communities and the broader economy.

FIFO camps that are remote from towns present a different set of issues, and PICC believes a ‘one-size fits all’ approach to FIFO is not appropriate. Locating FIFO accommodation facilities, particularly for operational employees, within or proximate to towns is preferred by PICC member companies wherever possible, and is now encouraged by a number of Pilbara local governments. This is likely to increase over time, with anecdotal evidence suggesting that town access assists with the attraction and retention of employees and can create greater economic and social benefits for the host communities. PICC member companies are committed to collaborations that optimise integration for the mutual benefit of communities and FIFO employees.

This publication examines FIFO trends in the Western Australian context, literature on the subject, new directions in FIFO integration and provides examples of current practices of PICC member companies. It purposely does not address Drive-in Drive-out (DIDO) practices, as this is generally not applicable to PICC member companies, but focuses clearly on the goals, principles and strategies that will guide PICC members in optimising the benefits that flow to communities from in-town FIFO practices.
PICC member companies recognise the need to support and provide for both residential and FIFO workforces and, as such, will continue to significantly invest in Pilbara communities.

FIFO workforces enable companies to respond to constantly changing labour requirements, particularly for specialist skills and during the construction stage of projects.

In a competitive labour market, workers want choice - and many choose FIFO in preference to residential positions.

It is not often practical to expect workers and their families to relocate and take up residential positions in the Pilbara, when offered short-term construction and maintenance employment.

Australia is a highly urbanised country with most people living in major cities and FIFO provides the opportunity to attract workers to remote and regional locations.
FIFO workers come from a broad spectrum of ages, cultures, genders and family situations. Like everyone, they want to make a choice that suits their lifestyle and family.

PICC’s focus is on how to better optimise benefits for their employees as well as host and source communities. Industry and Government working together and actively planning for FIFO workforce accommodation will ensure better land use planning and community outcomes.

PICC supports regional development and investment that improves the sustainability and liveability of Pilbara communities.

Without FIFO, many resource projects would be unviable, which would negatively impact the local, state and national economies and could lead to significant increases in unemployment.

FIFO enables communities and families from across the state and nation to benefit from the resources industry in the Pilbara.
When PICC member companies developed the Pilbara over 40 years ago, they offered both residential and single person quarters for those who did not want to relocate their families, or for single people. The companies are continuing to respond to changes in the national labour market by providing choice of both residential and FIFO employment, where possible.

Many employees choose to work in FIFO based employment for a wide range of reasons, with accommodation being provided for many of them within Pilbara towns.

PICC member companies recognise their responsibilities to their employees and the communities in which they operate, and seek to promote and implement best practice in the development, management and integration of in-town FIFO accommodation facilities and FIFO workforces.

These aspirations are defined by the goals and eight Guiding Principles.

Making it Happen – Applying Best Practice in FIFO Integration (page 33) provides details of potential strategies and actions flowing from the Guiding Principles, many drawn from existing practice by PICC member companies as they work to integrate FIFO accommodation and employees with Pilbara communities.

**GUIDING PRINCIPLES**

In developing and managing in-town FIFO workforces and accommodation, in partnership with communities and government, PICC member companies support:
Carrying out research and consultation to identify the potential economic, social and environmental effects and opportunities for host communities.

Undertaking planning, implementing and monitoring strategies to manage effects and optimise economic, social and environmental returns.

Responding to stakeholder expectations by locating and integrating transient worker accommodation with local neighbourhoods, where appropriate, and investigating the potential for shared use of facilities.

Fostering mutual respect and a sense of connection between the FIFO employees and the host community.

Developing understanding, respect and tolerance of differences in cultures, heritage and faiths, within FIFO and residential workforces, as well as the host community.

Identifying potential collaborations that will mutually benefit the community, FIFO employees and the PICC company.

Providing a safe environment, with access to high-quality amenities and services that will enhance the health and wellbeing of FIFO employees.

Assisting FIFO employees and their families to understand and embrace the lifestyle that may result from long-distance commuting.
Increased flexibility and choice has underpinned employment trends for more than 20 years, and has been an important competitive advantage for the Western Australian resources sector, enabling significant economic returns to communities, the state and the nation.

PICC member companies understand that no two employees are the same and not every employee and their family want to live in remote locations. Each brings a unique set of circumstances and preferences. Some have marriages or de facto partnerships, some are single, the age range varies considerably and many have other types of relationships and friendships. Some have young children, some have older children, and some have grandchildren.

For companies faced with significant challenges of attracting and retaining skilled staff to operations in regional Australia, in a competitive market, the conditions of employment and employee choice are matters of critical importance. FIFO employment is the preference of many Australians working in the resources sector and other industries, while there are also employees who choose residential employment. Whatever the choice, companies require a labour force with specialised skills, and often recruit from far and wide to meet their needs.
Employees have a wide variety of sporting and cultural interests, hobbies and pastimes that contribute to their personal health and wellbeing, their families and their community. They also have individual preferences about climate and lifestyle choices.

Stakeholder consultation indicates that FIFO employees are largely family orientated individuals, with 75% of them being in long-term relationships and half having children. All of these significant others have their own specific needs and preferences which influence the choices that people make about employment.

Providing flexibility and choice in their working arrangements can greatly contribute to meeting employee needs and expectations arising from these different social and family backgrounds.
FIFO - FLEXIBILITY AND CHOICE

Attraction and retention of employees would be severely impacted if companies attempted to force residential employment on their employees, particularly given the severe climate conditions experienced in the Pilbara. Further, if FIFO was a highly restricted part of the workforce model, or residential terms were mandated for all workers, local communities and government would experience severe pressures on their infrastructure and services.
There are a range of positive initiatives being undertaken by the Western Australian Government through programs such as Pilbara Cities. These programs are working to provide increased residential land and housing, supported with increased community amenities for families that will likely enhance the attractiveness of residential employment in the Pilbara. While these programs are making significant gains, many workers will still choose FIFO employment rather than residentially based employment in the Pilbara.

Attraction and retention of employees would be severely impacted if companies attempted to force residential employment on their employees, particularly given the severe climate conditions experienced in the Pilbara. Further, if FIFO was a highly restricted part of the workforce model, or residential terms were mandated for all workers, local communities and government would experience severe pressures on their infrastructure and services. Discussion about FIFO in the public arena sometimes overlooks the fact that communities are in a state of constant change. Over the years, new factors influencing employee choice have arisen. Some of these are technological. Just as mobile phone technology and high speed communication have changed work practices across all industry sectors, they have considerably reduced the isolation of employees in regional Australia. While nothing can replace family life, maintaining daily contact with spouses, partners, children and friends through the internet is a real option for many FIFO employees today, and the establishment of the national broadband network will improve communications further.

It is equally true that some in the wider community hold misconceptions about the quality and range of amenities enjoyed by FIFO workers while on roster. Resources companies invest heavily in ensuring that commuting employees have safe and healthy accommodation and services, and provide them with the opportunity to engage with fellow workers and the host community. The lifestyle is more comfortable than luxurious.
DELIVERING REGIONAL BENEFITS

There are a number of benefits that need to be considered when considering the entirety of the effects of FIFO. In addition to the immense benefits to the state and national economies, the provision of FIFO in the Pilbara has also resulted in a number of positive spin-offs for host regional communities through increased investment from resources companies in towns and communities, and the expansion of airline routes that can be accessed by community members.

FIFO provides a competitive advantage to attract and retain skilled employees, with communities far away from the Pilbara region also benefiting from FIFO employment in the resources sector. Without the FIFO choice, resources projects that are significant economic drivers could not go ahead, and unemployment rates in Australian cities and in many rural areas would be much higher. Not surprisingly, many established regional and metropolitan centres in Western Australia, including Mandurah, Busselton, Broome, Carnarvon, Derby and Geraldton are now fostering growth opportunities associated with becoming ‘source’ communities for FIFO employers. Companies have responded by facilitating transport arrangements and investing in source communities, with local governments reaping both direct and indirect benefits. The Chamber of Minerals and Energy of Western Australia expects companies to also tap into under-utilised workforces in eastern states communities as the skilled labour market continues to tighten.

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There are a number of benefits to communities from which FIFO employees are sourced. These include:

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Increased training and employment opportunities for local community members.

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Broadening of the skill base in local communities.

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Economic investment in communities by resources companies, and the increased spending of their employees.

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Families continuing to live in, and contribute to, their home towns.

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Continued viability and usage of community resources and facilities.
FIFO enables many regions and communities in Western Australia to benefit from the employment and economic opportunities provided in the Pilbara.
SO WHAT’S THE DIFFERENCE BETWEEN CONSTRUCTION FIFO AND OPERATIONAL FIFO?

PICC member companies employ people to perform a myriad of roles. In considering the broad diversity in the resources sector workforce, it is important to distinguish and understand the difference between the workforce required during the construction phases of a project and that required during operational phases, and the different accommodation they require.

Construction workforces are typically much larger and transient than operational workforces, as many individual employees or contractors may only be required for a short time. For example, ground surveyors may only be utilised at the start of a construction project, whereas fit-out specialists such as painters will generally be engaged near the completion of the project. Once their specialist task is complete, they then demobilise from the site.

Large maintenance workforces are also often employed over short periods to undertake routine maintenance tasks once a project is operational. These workers typically move from one worksite to another across the state and the nation, utilising their specialist skills for a defined period of time. Operational workforces tend to be smaller, and their employment is generally for the longer-term and more stable.

It is unreasonable to expect a construction or maintenance worker on a short-term contract to shift themselves and/or their family to a new location for a defined period of time, each time they change work places and projects. Even if this offer was provided by companies to their employees, it is unlikely it would be accepted.

In accommodating construction and maintenance staff, facilities typically are less permanent and not of the same standard than those provided to operational employees, who have ongoing employment, though they may be used for multiple projects. Some facilities are not permanent, as companies, as well as local governments, naturally avoid the provision of accommodation for construction workers that is not suitable for long-term operational employees. This is not only important from an economic point of view, but can also be important for communities, as it avoids the provision of un-needed accommodation that could adversely affect the local market, particularly in times of economic change.

It may also be the preference of communities to have construction camps located at site, or outside town, due to the potential disruption that could be created by having a large workforce in the community for a short period of time.
The flipside of providing maximal flexibility and choice to employees in the resources sector is recognition of the importance of properly addressing the needs of employees who have a preference for relocation and residence to the regions. PICC member companies are supportive of residential development within easy driving distance of operational sites, and housing residential employees close to existing Pilbara towns is preferred when affordable housing options are available.

PICC member companies have always invested significantly in the provision of permanent residential accommodation, and will continue to do so, particularly in catering for operational employees, further demonstrating their commitment to providing choice for their employees and to investing in regional communities where they operate.

PICC member companies work with local governments and communities to achieve a balance of managing the effects of both residential and FIFO employees. In working to achieve this balance, the workforce requirements of specific sectors within the industry need to be reflected. For example, Rio Tinto Iron Ore strives to maintain 85% of their permanent employees in residential positions for its Pilbara coastal operations in nearby towns, while 54% of all Rio Tinto Iron Ore’s 10,700 employees have residential arrangements in Pilbara communities. At the Woodside-operated Karratha Gas Plant, approximately two-thirds of the workforce are permanent residents. Fortescue has a policy of implementing residential workforces where their operational activities are within an existing town, and further believes that when there is affordable residential land and housing, supported with community amenities for families, operations workers will choose to be resident in Pilbara towns and FIFO to accommodation villages within the Pilbara.

Achieving the right balance between residential and FIFO workforces, however, is no simple matter. For companies, providing employees with the option of FIFO employment does have an economic driver. Some estimates from...
Fortescue indicate the cost of supporting a residential employee in a major regional town can be in the vicinity of three times the expense for a similar FIFO employee.\textsuperscript{8} Clearly, improving the attractiveness of residence in the Pilbara region is an aspiration that cannot be achieved without substantial investment from each tier of Australian government, working to provide affordable housing options whilst providing families with the facilities, amenities and services that they want, need and deserve.

Other typical challenges that are faced by companies and their employees in relation to residential employment in the Pilbara region include:

- Limited availability of serviced land
- Lack of housing affordability (rental and ownership)\textsuperscript{9}
- High living costs
- Difficulty in obtaining finance\textsuperscript{10}
- Deficiencies in housing quality
- Relative lack of government and other services\textsuperscript{11}
- Changing expectations of communities and local governments in the development of FIFO practices

Various strategies have been suggested to alleviate some of these problems. For example, Fortescue suggests the removal of Fringe Benefits Tax on remote housing subsidies, which is an additional tax the employer is required to pay relative to the sum of the housing subsidy figure.\textsuperscript{12} The Australian Institute of Mining and Metallurgy (AusIMM) also proposes taxation incentives to offset the additional costs of living in regional areas; the release of affordable land in regional areas with tax incentives to offset additional construction costs. To better meet the needs of families in regional Australia, AusIMM has also suggested the development of affordable 24/7 childcare facilities and recreational facilities to support shift workers; the removal of fringe benefit tax on employer-provided childcare; and 100% deductibility of the costs of childcare if both parents are in full-time regional employment.\textsuperscript{13}

Employment patterns evolve over time, and PICC recognises that changes could follow the eventual realisation of the Western Australian Government’s Pilbara Cities vision, announced in November 2009, which is having a significant impact on Pilbara communities through investments in community services and infrastructure. Backed by the State’s Royalties for Regions program, this important initiative envisages the growth, development and revitalisation of identified regional and sub-regional centres to increase liveability in Western Australia’s north.

PICC supports regional development and investment that improves the sustainability and liveability of Pilbara communities. When towns such as Port Hedland and Karratha achieve the State Government target populations of more than 50,000, with government investment in infrastructure to support this growth, it is likely that these towns will become more attractive to the resources industry workers and their families.
CONQUERING DISTANCE - THE KEY TO AUSTRALIAN PROSPERITY

FIFO provides a practical solution to acquiring skilled workforces from across this vast continent, where the great majority of its people live in major cities. The geographical distribution of people across this nation has changed greatly over the last century, with urbanisation increasing dramatically.

Between the national censuses of 1921 and 2006, the number of people living in metropolitan areas increased from 43% to approximately 70% of the total, with many more residing only a short drive away.14

FIFO in Western Australia allows the wealth of the Pilbara to be accessed by residents of communities across the state, in particular in the South West, where most Western Australians choose to live. More broadly, it also allows the wealth and employment opportunities to be distributed to other areas of the country.

FIFO is a workforce model that is not unique to the resources sector. Governments and other sectors also need to be able to fly employees in to and out of communities regularly, in order to provide services across distances, while avoiding the establishment of infrastructure at prohibitive cost.

Like employers in the resources sector, government agencies and others encounter extreme difficulty in meeting demand for skilled labour in regional Western Australia and today deliver services using non-residents on FIFO rosters. This, for example, occurs in the health sector, where distances between communities means a FIFO workforce model is, at times, essential to the delivery of health care services, and also occurs in large-scale Government infrastructure projects, for example roads, where a large workforce is required for a relatively short period of time.

The successful management of employment flexibility and mobility in the resources industry is a matter of national importance. The sector is a major driver of the state and national economies, producing an export income of more than $101 billion and accounting for 95% of Western Australia’s total merchandise exports. In 2010-11 alone, resource companies paid $4.9 billion directly to the Western Australian Government as royalties.15 Many factors contribute to such results and FIFO choice is significant among them. In short, FIFO is breaking down that tyranny of distance which shaped so much of Australia’s economic history.
Figure 2 – Comparison of Population Dispersion in WA from 1921 to 2006

Source: Australian Bureau of Statistics, Census Data, 1921 - 2006
THE LONG COMMUTE - FIFO BACKGROUND AND TRENDS

In the 19th Century, mining communities sprang up wherever there was money to be made from prospecting or mining. Whether temporary shelters became towns – and to what extent – depended on how long mining was thought to last. Even when communities became substantial, they were often characterised by a high level of people moving in and out them. Sometimes, thriving communities became ‘ghost towns’ as the resources declined and companies moved on.16

By the middle of the 20th Century, changes started to occur. To facilitate the large-scale development of Western Australia’s iron ore export industry, the State Government entered into public and formal agreements with international mining companies, exchanging long-term security of tenure for firm commitments to develop known mineral resources.17 The terms of these agreements specified responsibilities on companies to build certain infrastructure, and led to the rise of ‘company towns’ such as Newman, Tom Price and Paraburdo.

‘Long distance commuting’ – with FIFO as its most recent manifestation – has a long history in WA. However, large-scale FIFO employment is a relatively recent phenomenon – being intrinsically linked to the availability and affordability of safe passenger air travel. Until the 1980s, FIFO in Western Australia was rare and associated predominantly with construction work in the offshore oil and gas industry. Subsequently, the combination of major export opportunities in remote and regional parts of the state, high urbanisation in population centres such as Perth, and reliable and regular airline routes made FIFO a significant factor in bolstering workforces in land-based mining enterprises.18

In a global economy, Australia’s comparatively high costs of labour and infrastructure, as well as the trend towards urbanisation, have meant that it was no longer appropriate to construct purpose-built company towns which may not be viable in the longer-term. Environmental considerations also came to the fore, with lower infrastructure and service requirements being evident for FIFO workforces and facilities when compared to residential operations, and commitment to rehabilitation following the termination of an enterprise operation. FIFO has allowed Australia as a nation to overcome the problem of major resource-based wealth promotion being long distances from major population areas.

Subsequently by 1996, just over a quarter of those employed in the Western Australian resources industry worked on a FIFO basis. There was a significant increase over the next 10 years, and by 2006, more than four in 10 workers in the sector were FIFO commuters.19 Between 2001 and 2006, the Australian Bureau of Statistics (ABS) recorded a four-fold increase in Perth residents working in the Pilbara mining industry. In October 2008, it was estimated that 34,000 Perth residents worked outside the metropolitan area, and that just over half, (54%) of these were employed in the resources sector.20

History and geography indicate that FIFO employment in the Pilbara region of Australia will remain an employment choice for the long term. The ABS estimates that the sector’s workforce in December 2011 was around 101,000, with the Chamber of Minerals and Energy of Western Australia estimating approximately 52% were employed on FIFO rosters. Workforce requirements are rising sharply, and projections indicate that 120,000 will be employed by the end of 2012.21 Research-based forecasting indicates that such workforce demand will not be met without FIFO.

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NINETEENTH CENTURY

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TWENTIETH CENTURY

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RESEARCH DIRECTIONS

Perhaps because it has been less than common to locate modern day FIFO facilities close to towns, there is little literature directly relevant to the integration of FIFO employees into host communities. The benefits of residential-based employment are well-known, particularly from the perspective of the positive social returns. However, where FIFO facilities have been located within towns, the focus has generally been one of direct investment into community facilities rather than community development initiatives with the goal of integration.

There is similarly limited research on the effects of FIFO employment on local or town economies in regional Western Australia. Research based on the Queensland experience has limited application to the Pilbara, owing to significant differences in the geographical context.22

Studies of FIFO have most often been concerned with the work/life experiences of employees and their families. This reflects the challenges and pressures peculiar to the FIFO lifestyle, different to – though perhaps not greater than – challenges and pressures associated with contemporary family life and work patterns. Some studies have used psychometric and physical tests to assess various aspects of the physical, psychological and family well-being of FIFO employees, generally concluding that FIFO employees are indistinguishable in these areas from the general population.23

Keown (2005) noted that male FIFO employees working in the Western Australian goldfields reported healthier lifestyle habits in such critical areas as physical exercise, alcohol, tobacco and caffeine consumption when compared with daily commuters.24

Clifford (2009) found no evidence of higher divorce rates among FIFO employees and no difference in the quality of relationships or levels of wellbeing in a comparative study of daily commute employees in the mining sector and FIFO employees.25

There have been a number of studies that relate to the experiences of subgroups of FIFO employees. Pirotta (2009) has reported that female FIFO employees, typically comprising a minority group, raise some specific challenges. These include lack of privacy, lack of contact with other females, establishing and maintaining appropriate boundaries with male colleagues, harassment, and the difficulty of starting a family.26

A substantial amount of research has related to the effects of FIFO on the partners and families of employees.27 Notwithstanding a large number of variables for families – as indeed there are in the wider community – findings indicate that many implement strategies to manage roles and transitions, and successfully maintain relationships and emotional connections.

Research points to some benefits of FIFO for families, such as opportunities for very high levels of parental involvement during those weeks when the FIFO worker is at home.28 Overall, there is little evidence that the general wellbeing of partners, children and families of FIFO employees is less than that of their non-FIFO counterparts.29

Significantly, Sibbel noted that negative community attitudes toward FIFO can impair the capacity of families to form strong and supportive connections in source communities.30

Clearly, the preference of resources companies and local governments for in-town or proximate FIFO accommodation provides the opportunity for ongoing research on matters pertaining to the integration of FIFO employees into host communities. Research could be undertaken to enhance the understanding of social and economic benefits of integration for the residents of those communities, and about the effect of best-practice integration on the attraction and retention of FIFO staff.
CURRENT IN-TOWN PILBARA FIFO PRACTICES

There are a range of in-town FIFO accommodation arrangements implemented by PICC member companies in Pilbara towns. Larger-scale village or ‘camp’ style accommodation facilities are the more well-known and obvious type of lodging; however, many FIFO workers are also housed in units, flats, houses, motels, caravan parks and villas. The type of accommodation utilised is often dependent on the availability, level of service and preference of employees.
The style, age, distance to town and level of amenity offered in each facility differ from one location to another. Many of the newly-developed FIFO accommodation facilities are designed to minimise environmental effects and provide a built form more in keeping with the local area, especially if the facility has been developed for longer-term use for operational employees. Extensive consultation occurs with the local government and community to inform the development of FIFO facilities, and to try to meet local expectations for facility design and site location selection.

Currently in the Pilbara, four of the PICC member companies (BHP Billiton Iron Ore, Fortescue, Rio Tinto Iron Ore and Woodside) operate or lease rooms at approximately 40 FIFO in-town facilities (not including houses, villas, flats and units), accommodating over 12,500 people. There are also a large number of out of town or remote FIFO villages that accommodate a large number of employees. There is significant investment from these companies in the provision of high-quality facilities.

The fifth PICC company - Chevron - is currently planning and developing facilities in, or close to, Onslow for its Wheatstone project, and also operate an out of town village on Barrow Island, a Class A nature reserve with no existing towns.

Many of the FIFO accommodation facilities are managed and operated by third-party providers. In these situations, there are detailed contractual arrangements between the resources companies and the facility operator. These contracts include, for example, requirements for the management of resident behaviour and expected level of service provision to employees.
CURRENT IN-TOWN PILBARA FIFO PRACTICES
The size, standard and design of rooms can differ from one village to another, and can also vary within the village. Room design and features now focus on providing a high level of comfort for employees that includes standard items such as an ensuite, desk, television, storage and internet access.

More significantly, PICC member companies are conscious of the need to provide opportunities to their employees to engage in social activities and live an active and healthy lifestyle while residing at the villages. Communal facilities provided across most villages are designed to enhance the liveability of the FIFO facilities and make a positive contribution to the FIFO employees’ experience.

They represent a significant investment in the villages, and commonly include:

- Additional facilities provided at some villages may include outdoor cafés, lounge areas, ice rooms, transit lounges, sporting ovals, fitness/walking tracks and pavilions.
- A range of services are also provided by many villages that are complementary to the facilities, and designed to enhance the health and wellbeing of FIFO employees. Regular services that are commonly available across the villages include:
  - Active lifestyle coordinators/fitness trainers - focussed primarily on health and fitness development
  - Sporting competitions
  - Paramedics
  - Access to an Employee Assistance Scheme for counselling and advice
  - Scheduled social activities [e.g. quiz nights, games nights]
  - Fundraising activities and volunteer activities
  - Transport to and from town
  - Shop - for essential items such as toiletries or small food items such as chocolates

Some villages also provide entertainment and organised social events [e.g. comedians, quiz nights], while others encourage residents to access town entertainment and recreation services. Others also provide access to educational learning programs for residents, for example, language lessons and musical tuition. Generally these services are provided by local residents and businesses, further enhancing the integration and interaction between FIFO facilities and local communities.
AN ASPIRATIONAL APPROACH TO COMMUNITY-FIFO INTEGRATION IN THE PILBARA
With FIFO set to remain an important part of Australian employment practice for the long term, the challenge is to identify opportunities associated with it, and optimise community benefits while minimising any negative effects.

PICC member companies concur with the Western Australian Government’s goal of aligning the development of FIFO workforce accommodation with long-term planning and community outcomes. Australia, Western Australia and the Pilbara region will all benefit from an aspirational approach to the integration of FIFO practices with community-building, the development of world’s best practice, and the removal of past stigmas.

Best practice FIFO integration is based on sound, collaborative social planning by all stakeholders and effective communication through all phases of a project. In order to realise the benefits of optimum FIFO integration into Pilbara towns, considerable work is being undertaken through collaborations between companies, communities, local governments and governments. PICC member companies have varying policies and practices relating to FIFO employment and accommodation, but all are committed to ensuring that the employment experience is a positive one and that communities benefit.

There are already examples of a range of integration initiatives, including community access of FIFO facilities, local business and employment opportunities and FIFO employees’ involvement in community activities.

The potential for the integration of in-town FIFO residential facilities with existing Pilbara towns may yield many benefits.

For FIFO workers, these benefits may include:

- The provision of community development initiatives to optimise interface between FIFO workers and residents, including opportunities for involvement in sporting and cultural activities, community organisations and events
- Increased social interaction, for example through access to shops, eating out, and participation in cultural events and community activities
- Opportunities to see partners and family members during work periods through town visits or holidays
- A higher level of access to facilities and services including banking, shopping and further education
- The use of in-town communications assets including fixed-line telephones, mobile phone reception, internet telephone and video conferencing facilities
- Increased ability to deal with change and greater resilience
- Access to a more community-focused lifestyle

In urban situations in the Pilbara, this type of accommodation can be integrated into the urban fabric rather than in segregated developments. Preference needs to be given to forms of transient workforce accommodation development, that can perform longer-term urban functions, rather than be demolished after a short life.
AN ASPIRATIONAL APPROACH TO COMMUNITY-FIFO INTEGRATION IN THE PILBARA
For Pilbara host communities, benefits may include:

- Improved community infrastructure with opportunities for the sharing of sporting, social and cultural facilities
- Economic benefit for local businesses through expenditure by FIFO workers
- More local training and employment opportunities - through local business expansion and start-ups
- Stimulus for tourism ventures through increased regional access and interest
- Potential for increased membership of community organisations, including sporting teams, voluntary groups and emergency services
- Increased pool of people for the development of personal relationships
- The integration of aesthetically designed built form with the local environment
- Improved buildings, landscaping, street and town appeal
- Enhanced transport connections through regional air routes established due to FIFO demand
- Potential for legacy community assets

Resources companies also recognise and address a variety of challenges that may arise in FIFO developments through the provision of a range of project plans. These key documents are developed through stakeholder consultation, and are utilised to guide and shape the design, construction and operation of FIFO facilities and workforce models.

These plans may develop strategies that address the following potential challenges:

- FIFO workforce use of existing community facilities
- Provision of facilities for FIFO workers and the host community
- FIFO workforce use of water, utilities and waste management
- Economic implications of the FIFO workforce on the host community
- Use of existing businesses and community services
- Managing effects of construction of FIFO facilities
- Community safety and emergency management to cater for larger populations, particularly in emergency situations such as major cyclones
- Changes in demographics within the host community
- Community misconceptions or concerns about FIFO employment
- Managing workforce behaviour
- Structuring of shifts and rosters to facilitate community involvement by FIFO workers
- Effects on the local environment
The following section demonstrates how the Guiding Principles can be delivered by PICC member companies. The potential strategies identify methods for fulfilling the Guiding Principles. Example actions have also been provided to describe what PICC member companies are already doing to fulfil the Guiding Principles and potential strategies. It is important to note that these example actions, while attributed to one company, are often evident across a number of the PICC member companies.

The following potential strategies and example actions demonstrate how PICC member companies are endeavouring to implement the Guiding Principles that will support the integration of FIFO accommodation and employees with Pilbara communities.
01
GUIDING PRINCIPLE

Carrying out research and consultation to identify the potential economic, social and environmental effects and opportunities for host communities.

<table>
<thead>
<tr>
<th>POTENTIAL STRATEGIES</th>
<th>EXAMPLE ACTIONS</th>
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<tbody>
<tr>
<td>Research and consult with host communities to inform Social Impact Assessments (SIAs) that evaluate effects and identify potential opportunities and returns for the community.</td>
<td>Chevron undertook extensive consultation and engagement with stakeholders and the local community of Onslow in developing a detailed Environmental, Social and Health Impact Assessment of their Wheatstone Project.</td>
</tr>
<tr>
<td>Develop a profile of the company’s FIFO workforce (including contractors).</td>
<td>BHP Billiton Iron Ore conducts research with its workforce that includes consultation regarding their lifestyle, and identification of any integration opportunities.</td>
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02
GUIDING PRINCIPLE

Undertaking planning, implementing and monitoring strategies to manage effects and optimise economic, social and environmental returns.

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<thead>
<tr>
<th>POTENTIAL STRATEGIES</th>
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<tbody>
<tr>
<td>Complete a Social Impact Management Plan (SIMP) to plan and manage FIFO accommodation developments and cyclical fluctuations of the FIFO workforce, due to large-scale change. The SIMP could include, for example:</td>
<td>Rio Tinto Iron Ore undertook an extensive consultation process in the Wickham community, including conducting community workshops and meetings with stakeholders to develop a detailed Social Impact Management Plan for their new in-town FIFO facilities.</td>
</tr>
<tr>
<td>• Social development strategies - such as social integration initiatives, opportunities for shared facility use and employee induction processes.</td>
<td>Woodside actively encourages the use of local suppliers by its FIFO facility providers. This is monitored on an ongoing basis and opportunities are regularly investigated and delivered. The recent opening of a new bakery in Karratha has seen the Bay Village FIFO accommodation village now purchase its bread and other bakery supplies from this local business. The Gap Ridge Village FIFO accommodation village sources cleaners, housekeeping and luggage handlers locally; and Indigenous artworks, and pottery books from the Roebourne Art Group are also available for sale to residents and camp guests.</td>
</tr>
<tr>
<td>• Economic development strategies - such as the promotion of local services and businesses to FIFO employees and the enhancement of local investment and employment opportunities.</td>
<td>Woodside develop and implement a range of environmental plans including Environmental Management Plans, Environmental Work Plans, Waste Management Minimisation Studies, and Environmental Summary Reports.</td>
</tr>
<tr>
<td>• Environmental management strategies - such as environmentally sensitive planning of the FIFO accommodation facilities, and a regime of ongoing monitoring and management of environmental effects.</td>
<td></td>
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## MAKING IT HAPPEN – APPLYING BEST PRACTICE IN FIFO INTEGRATION

### GUIDING PRINCIPLE

Responding to stakeholder expectations by locating and integrating transient worker accommodation with local neighbourhoods, where appropriate, and investigating the potential for shared use of facilities.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Collaborate with government agencies and the community to identify the most suitable sites for locating FIFO accommodation facilities, with consideration of timeliness and affordability in accessing the land, as well as identifying opportunities to optimise access to neighbourhood facilities and services.</td>
<td>Chevron have worked collaboratively with the Shire of Ashburton, government agencies and the community to identify the most suitable sites for locating FIFO accommodation facilities in Onslow.</td>
</tr>
<tr>
<td>Provide high-quality, aesthetically pleasing and locally appropriate facility designs that reflect a neighbourhood-like residential environment.</td>
<td>Rio Tinto Iron Ore have developed high-quality, motel style accommodation for its new FIFO facilities that will integrate with and enhance the local streetscape of the Wickham town centre.</td>
</tr>
<tr>
<td>Develop FIFO facilities and site so that they may be transitioned, where appropriate, to a more permanent long-term community use.</td>
<td>BHP Billiton Iron Ore have developed a variety of in-town FIFO apartments that can be utilised by FIFO or residential workers.</td>
</tr>
<tr>
<td>Undertake planning to ensure an appropriate balance between host community facilities and FIFO facilities.</td>
<td>BHP Billiton Iron Ore have invested significantly in the planning of a range of community based facilities in Port Hedland that will benefit the community, residential employees and FIFO workers, including a multi-purpose recreation centre and aquatic centre facilities. Fortescue is facilitating and sponsoring the establishment and operation of Scotty’s Training Café at Port Hedland, which will act as a community meeting point and provide a vocational training environment for workers in hospitality.</td>
</tr>
</tbody>
</table>
### Guiding Principle

Fostering mutual respect and a sense of connection between the FIFO employees and the host community.

<table>
<thead>
<tr>
<th>Potential Strategies</th>
<th>Example Actions</th>
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<tbody>
<tr>
<td>Develop induction procedures and a code of conduct to include orientation into the values and expectations of the host community.</td>
<td>All PICC member companies have induction processes and a strict code of conduct that are a pre-requisite for employment in the FIFO workforce. Fortescue provide a detailed ‘On Boarding’ pack that provides all the policies, procedures, rules and guidelines that all staff must follow.</td>
</tr>
<tr>
<td>Design, implement and evaluate a FIFO engagement and integration strategy to create a better understanding of FIFO operations in the host community.</td>
<td>Rio Tinto Iron Ore FIFO employees in towns have access to lifestyle coordinators who promote healthy habits and access town based facilities and services. The Wickham FIFO facilities include a new café-style building that is open to both the FIFO employees and all other town residents. Woodside has developed a strategy to facilitate engagement between their FIFO residents, service providers and the community. Key actions include: promoting community sporting and social events, providing transport to community events, organising team sports e.g. cricket, AFL, rugby, soccer, basketball, promoting and organising volunteers for community events e.g. Clean up Australia, and Australia Day, organising charitable fund raising events e.g. Movember, Royal Flying Doctor Service and provision of in-kind assistance (e.g. labour and use of equipment) for local sporting or community groups.</td>
</tr>
<tr>
<td>Promote the opportunity for FIFO employees to engage with their host community including participation and/or volunteering with local clubs, organisations and community activities.</td>
<td>Fortescue promotes local activities, events, clubs and organisations to their residents at their Hamilton facility in Port Hedland, through notices in the camp lobby area, in house TV messages, a monthly newsletter and a magazine that is sent to all families. The company also supports their workers involvement in a range of community activities. Rio Tinto Iron Ore FIFO employees living in Tom Price and Paraburdoo town based facilities actively participate in local sporting clubs and competitions, including local bowls clubs, squash clubs, football clubs and touch football groups. Employees who are SES and emergency response members in their source communities support their host community emergency services groups by being associate members and responding to situations if required.</td>
</tr>
<tr>
<td>Establish camp management initiatives that foster resident engagement and connection with the host community.</td>
<td>BHP Billiton Iron Ore provide their FIFO workers in Newman with bicycles that enable them to access services and engage in community activities in the town. The bicycles are constructed and maintained through a contract with a Non-Government Indigenous organisation.</td>
</tr>
</tbody>
</table>
**MAKING IT HAPPEN – APPLYING BEST PRACTICE IN FIFO INTEGRATION**

### GUIDING PRINCIPLE

Developing understanding, respect and tolerance of difference in cultures, heritage and faiths, within FIFO and residential workforces, as well as the host community.

<table>
<thead>
<tr>
<th>POTENTIAL STRATEGIES</th>
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<tbody>
<tr>
<td>Analyse workforce demographics to inform accommodation planning and workforce management.</td>
<td>Rio Tinto Iron Ore have surveyed their FIFO workforce to inform accommodation planning and workforce management at their Birrabirra and Wickham FIFO developments.</td>
</tr>
<tr>
<td>Provide cultural awareness training to staff.</td>
<td>All PICC member companies provide cultural awareness training to all employees and contractors, which include Indigenous cultural training to develop awareness, respect and understanding of local community heritage.</td>
</tr>
<tr>
<td>Consider differing cultures, faiths and lifestyles in the design and management of FIFO accommodation facilities.</td>
<td>Woodside has commissioned artists from the Roebourne Art Group to paint murals and drawings around Gap Ridge Village that depict stories of local Indigenous culture to enable the stories to be shared with residents. In recognition of payment for the artists contribution to Gap Ridge Village the Company has provided a new mini bus to enable them to travel to locations throughout the Shire and promote their artwork and culture.</td>
</tr>
<tr>
<td>Recognise and celebrate local heritage traditions and celebrations.</td>
<td>Fortescue conducts ANZAC Day services at its FIFO residences and enables its staff to attend Australia Day celebrations in Port Hedland.</td>
</tr>
</tbody>
</table>
GUIDING PRINCIPLE

Identifying potential collaborations that will mutually benefit the community, FIFO employees and the PICC company.

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<thead>
<tr>
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<tbody>
<tr>
<td>Investigate the potential use of community facilities and services, by FIFO employees that could provide appropriate access for FIFO employees, while minimising impacts on the community.</td>
<td>Rio Tinto Iron Ore FIFO employees use the local pool, ovals and other recreational facilities in Paraburdoo, which are easily accessed by the community, residential employees and FIFO workers.</td>
</tr>
<tr>
<td>Investigate the potential use of FIFO facilities by community members that could provide appropriate access for community members, while minimising impacts on FIFO employees.</td>
<td>In Port Hedland, BHP Billiton Iron Ore provides access to the Port Haven Food Hall for families and community members at a cost effective price. Special meeting rooms can also be used by the community for conferences, meetings and seminars. Set allocations of rooms are also provided for use by the community for short-term accommodation needs to support the high demand for this type of accommodation. Woodside has provided accommodation for contractors delivering government infrastructure projects e.g. roads.</td>
</tr>
<tr>
<td>Collaborate with key agencies, in particular local governments, to invest in and support the provision of appropriate and sustainable services and amenities that will benefit the community and FIFO employees.</td>
<td>In collaboration with the WA State Government, PICC’s Health Initiative (consisting of BHP Billiton Iron Ore, Chevron, North West Shelf project, Rio Tinto Iron Ore and Woodside) will see $38 million invested over five years to improve health care services in the region. These services can be accessed by both community members, residential and FIFO workforces.</td>
</tr>
<tr>
<td>Explore opportunities for community access to existing vocational training and employment opportunities.</td>
<td>Chevron is in partnership with the State Government for health initiatives in Onslow, including local training and employment opportunities in the health sector.</td>
</tr>
</tbody>
</table>
MAKING IT HAPPEN – APPLYING BEST PRACTICE IN FIFO INTEGRATION

07
GUIDING PRINCIPLE
Providing a safe environment with access to high quality amenities and services that will enhance the health and wellbeing of FIFO employees.

<table>
<thead>
<tr>
<th>POTENTIAL STRATEGIES</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Develop a high standard of facilities that meets the needs of FIFO employees, while having regard for existing community facilities.</td>
<td>At Rio Tinto Iron Ore’s Windwarri FIFO facility in Tom Price, the function centre and mess (restaurant) facilities are shared with the community. It provides a valuable service for tourists and a venue for a variety of community functions. The casual restaurant style atmosphere is welcomed by FIFO employees and community members.</td>
</tr>
<tr>
<td>Develop a range of recreational and social facilities and services that support both mental and physical wellbeing.</td>
<td>Chevron’s Barrow Island FIFO facility offers a range of facilities and services that support the recreational and social needs of employees including indoor cricket and soccer competitions, a running group, a social committee, Biggest Loser – weight management competition, Barrow Island City to Surf (fundraiser for Princess Margaret Hospital) and arts/sculpture competitions.</td>
</tr>
<tr>
<td>Ensure high quality occupational health and safety policies and procedures are implemented across all FIFO facilities, workplaces, services and activities.</td>
<td>All PICC member companies have a focus on ensuring a zero harm environment. All staff are involved in extensive health and safety training. Woodside produce detailed Health, Safety and Environmental Management plans and reports.</td>
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08
GUIDING PRINCIPLE
Assisting FIFO employees and their families to understand and embrace the lifestyle that may result from long distance commuting.

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Consult FIFO employees and their families to identify their aspirations and needs in relation to services and initiatives that will support their wellness and quality of life.</td>
<td>BHP Billiton Iron Ore consult their FIFO workforce to identify the services and programs that their employees and their families seek to enable them to optimise their FIFO lifestyle.</td>
</tr>
<tr>
<td>Recognise employee needs within the company’s corporate health services to foster positive behaviours and healthy, active lifestyles for FIFO employees and their families.</td>
<td>PICC member companies provide access for employees and their families to Employee Assistance Programs for counselling. PICC member companies also provide healthy food choices and access to the services of Active Lifestyle Coordinators who facilitate recreational programs, fitness assessments, provide dietary advice and initiate social activities for residents.</td>
</tr>
<tr>
<td>Support the families of FIFO employees to gain a better understanding of FIFO lifestyle, FIFO facilities and services, and the host community in which their family member will be located.</td>
<td>Some employees and their families from PICC companies engage in activities that explore the working away experience from the perspective of all family members, with practical strategies for adapting to a transient worker lifestyle.</td>
</tr>
</tbody>
</table>
Supporting the Prosperity of our State and Nation

The resources industry in Western Australia is a primary driver of the state’s rapidly growing economy and is largely located in regional and remote areas of the state. In 2010-2011, for the first time, the value of resources produced in the state topped $100 billion. This represents 28 per cent of the State’s Gross State Product.

With most of this production exported, the WA resources industry contributed over 90 per cent of WA’s export income and 43 per cent of Australia’s total exports in 2010-2011. The industry will contribute $4.8 billion to the Western Australian budget in 2011-2012, representing 19 per cent of total state revenue.

The North West is Western Australia’s primary resource producing minerals, oil and gas at an international scale. It is a vast region encompassing the Pilbara with a land area of over half a million square kilometres as well as extensive oil and gas fields off the coast. Commodities produced in the region include iron ore, copper, gold and silver, manganese and salt, and a range of hydrocarbons including crude oil and condensate, liquefied natural gas, natural gas, LPG, butane and propane.

The development of the resources sector in the North West has been the catalyst for the growth of the Western Australian economy in the latter half of the twentieth century. Resources companies are the primary driving force of the Pilbara economy which is often referred to as the ‘economic heart’ of Western Australia.

This significant contribution to regional development in the state contrasts with a trend towards increasing urbanisation around Australia. Further, many of the new operations being developed are located remote from sizable established regional communities, while expansion in the existing resources powerhouses in the Pilbara cannot be supported by those regional communities and their existing infrastructure alone.

Providing and supporting workforces for these operations represents a challenge in being able to attract and retain quality people in the industry. FIFO employment offers companies and individuals the spatial and temporal flexibility required to exploit these resources profitably.

FIFO and residential employment are complementary, not supplementary approaches in a total workforce management package, with the mixture of employment type governed by the project circumstances. Resource companies continue to show a commitment to providing residential based employment in Pilbara towns through the provision of permanent residential accommodation and by investing in the towns in which they operate.

* SOURCE: The Chamber of Minerals and Energy of Western Australia Inc. 2012