

# WILL FIFO OVER-REGULATION DRIVE DOWN GROWTH?

Fly-in, fly-out (FIFO) has long been referred to as the 'backbone' of Australia's resource industry, vital to facilitating the movement of workers to regional and remote mining, oil and gas projects.

The practice increased during the peak of the resource industry's intense investment and construction phase, but as FIFO became part of the Australian vernacular, it also became the focus of intense public debate and both federal and state government inquiries.

This debate heated up in Queensland again in October when a parliamentary committee handed down a raft of recommendations following a four-month inquiry into FIFO and other long distance commuting work practices in regional Queensland.

One of the most controversial recommendations from the committee, chaired by state Labor Party MP Jim Pearce, was for the government to consider changes to the Anti-Discrimination Act 1991 'to stop local workers being discriminated against on the basis of where they live for work'.

The recommendation is in response to some submissions which called for the up to 100 per cent FIFO condition of a mine approval to be removed, claiming it 'locked out' potential employees from mining operations engaging a full FIFO workforce.

"The message to the committee was loud and clear - all people should have a genuine choice of where they live for work," Mr Pearce said in his foreword to the report.

The issue of 100 per cent FIFO was also raised in a separate report handed down a week earlier by a review panel tasked with examining the economic impact of FIFO work in regional resource communities. That

panel recommended that all future mining operations be prevented from utilising a 100 per cent FIFO workforce.

But the suggestion that 100 per cent FIFO be banned or anti-discrimination laws changed saw the peak body representing resource employers raise 'serious concerns' about the impact this could have on an industry struggling with a commodity price slump and investment downturn.

Executive director of the Australian Mines and Metals Association Scott Barklamb said the changes might risk damaging the state's reputation as an attractive place to do business at a time when government and industry needed to work together to stimulate greater investment.

"Providing employees a choice of where they live for work sounds fine in principle, but in practice the proposal to amend anti-discrimination laws would give rise to

unwarranted lawsuits across Queensland workplaces, not just those in the resource industry," Mr Barklamb said.

"Queensland resource companies take their social licence to operate very seriously, with many already investing in comprehensive recruitment, training and apprenticeship programs to source skills from local communities."

Among its 19 recommendations, the parliamentary inquiry committee also called for a whole-of-government policy framework for managing FIFO which would include minimum standards for the provision of substantial temporary and permanent accommodation for FIFO workers.

These minimum standards would advise against 'hot-bedding' and relate to room design, private spaces and storage facilities, communication services, health services and facilities, recreational areas, and food options.

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AMMA and other industry representatives believe this heightened level of regulation would send the wrong signal to the international investment community.

"International analysts already rank Queensland as an increasingly less attractive place to invest," Mr Barklamb explained.

"The recommendations would impose a range of new reporting requirements and penalties on resource companies and those who do business with them, precisely when Queensland is under growing pressure as a viable destination for future global resource investment.

"Comprehensive health and wellbeing programs for both FIFO and non-FIFO employees are already well-established across the industry with employers providing the best possible food and accommodation facilities. However, having a government prescribe what employees eat and the décor of their bedrooms would be over the top."

While resource employers, employees and the broader community will have to wait until early 2016 for the state government to formally respond to the recommendations, AMMA is hoping it will mirror the 'sensible and considered' responses to recent Commonwealth and Western Australian inquiries.

In June, the Australian Government agreed to just four of 21 recommendations made in a 2013 House of Representatives Committee

report which heavily criticised FIFO working arrangements.

Led by now-retired independent MP Tony Windsor, an outspoken anti-FIFO advocate, the controversially titled report *Cancer of the bush or salvation for our cities?* Fly-in, fly-out and drive-in, drive out workforce practices in regional Australia, was widely condemned by industry.

More recently, the WA Government gave a cautious response to recommendations from a parliamentary inquiry into the mental health impacts on FIFO, preferring to strengthen existing codes of practice and conduct greater research instead of creating a new separate code of practice for FIFO.

Both responses acknowledged the important role that FIFO plays in responding to the demand for skills in remote and regional locations.

"We hope the Queensland Government will display the same level of responsibility and practicality demonstrated by the Commonwealth and West Australian Governments in responding to recommendations handed down by the committee," Mr Barklamb said.

"The key to addressing any concerns with FIFO work is cooperation and engagement with industry, not more regulation. We urge the government to properly consult with industry before attempting to give effect to any recommendations that would change access to FIFO work."

PROFILE

## SCOTT BARKLAMB AMMA Executive Director

The Australian Mines and Metals Association is the country's largest national resource industry employer group.

Scott came to AMMA from the International Organisation of Employers (IOE) in Geneva; the peak global body representing employers' organisations in more than 140 countries. He has coordinated employer advocacy to the G20 and international labour ministers' forums. During his time in Geneva, Scott has worked extensively on behalf of employers with the International Labour Organisation, the World Bank, the OECD, the WTO and other international organisations.

In addition to his global employment and workplace policy role, Scott has focused on developing employer representation in Asia, and maintains active contacts throughout the region.

Scott holds a Master of Arts (Hons) - Industrial Relations and Management, Bachelor of Arts (Hons) majoring in Political Science and Public Administration, and a Graduate Diploma of Labour Relations Law.

