

The ACELG study has also become a pivotal piece of evidence provided to the House of Representatives Parliamentary Inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia released a report in February 2013 titled: *Cancer of the Bush or Salvation for Our Cities?*

The independent Member for New England, Tony Windsor, who tabled the report as Committee Chairman of the Parliamentary Inquiry says although some areas of remote Australia can only be serviced by FIFO workforces, many communities remain concerned about the negative impacts on their towns.

Mr Windsor says these communities feel that although they may be the site of the resource activity, they are not a major beneficiary.

"Despite the rapid increase in FIFO/DIDO [drive-in/drive out] workers in Australia and the impact the practice is having on regional communities, state and federal governments and some companies appear to be oblivious to the damage that it is causing to the lives of regional people, FIFO/DIDO workers and their families," Mr Windsor says.

The Parliamentary Inquiry made 21 recommendations including investigation by the Australian Bureau of Statistics (ABS) to accurately measure the extent of FIFO and a comprehensive research study to determine the actual economic impact of the demand for local government services and infrastructure from FIFO workforces.

Another recommendation asks the Commonwealth to identify areas where local governments affected by FIFO work practices would benefit from better skill sets and training programs for councillors and senior staff.

### MINERS DIG-IN

A political force to be reckoned with, the mining sector is pushing its own evidence base for policymakers. The powerful Minerals Council of Australia has backed a report from KPMG titled *Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities*, which states that increased mining, oil and gas activity is creating employment opportunities in remote Australia.

The report says that the relatively recent phenomenon of large-scale FIFO workforces servicing mines is "only part of the solution to the challenge of getting workers to remote workplaces".

It also says the other part of the solution involves commitment to developing "sustainable local communities".

### HOME AND AWAY

A core problem that affects all parties concerned is a vicious cycle that occurs through the distribution of federal funding to local

government through financial assistance grants (FAGs) that are calculated on population census data from the ABS.

Regional advocates like Tony Windsor question the reliability of such population measures because people often provide the home address of where they flew in from instead of where they are staying in the mining town.

Such anomalies put councils at risk of receiving significantly less money from the federal government.

An added problem is that many miners either don't pay rates to councils in exchange for essential services or have struck special agreements with councils and the state government which exempt companies from paying their rates.

The Western Australian Local Government Association (WALGA) is another stakeholder questioning how financial costs and benefits are divided.

The chief executive of WALGA, Wayne Scheggia, says the ABS' data doesn't always reflect the service population, so federal grant allocations thus do not fully reflect the population that they intend to serve.

"If [a miner's] shift is two weeks on and one week off, or even week on week off, where are they living?" Mr Scheggia asks. "This scenario stretches on council resources and capacity," he adds.

"It's not like council is getting overpaid," Mr Scheggia says.

He maintains there's a "real question" over the appropriateness of how data is collected and used as a basis for determining funding. "We need a better model."

The ACELG report similarly pushes the need for improved methods of collecting data on residents in mining communities, a recommendation adopted in the final Parliamentary Inquiry report.

The senior researcher behind the ACELG study, Dr Robyn Morris, says FIFO workers are registering their primary residence as where they consider their home to be – as opposed to the mining town where they are working – creating underestimations of the actual population in local government areas.

"They only get paid a certain amount of funding based on their permanent resident population," Dr Morris says.

The same difficulty befalls local governments when it comes to essential services such as health, policing and education because funding allocations do not take into account their "transient" populations.

Dr Morris says underfunding puts "huge pressure" on communities to provide services needed by a FIFO population.

She says this has resulted in a call for a review of the way the ABS estimates population in areas where there is a large FIFO population.

"That will in turn impact on how the grants commission funding and any other essential service resourcing is determined," Dr Morris says.

### UNDER RATED

A compounding effect from population underestimation is that councils often provide services by default to mining companies working in their areas without raising revenue from rates in return, straining essential services like rubbish collection and road maintenance.

Mr Scheggia says the rules and ways of operating vary between councils, but companies are largely exempt from paying council rates under state-based agreements and laws.

"They can go in there and they can establish and the council is not a beneficiary of rating revenue from that operation," Mr Scheggia says.

The rates exemption is often negotiated into the state agreement that allows a company to mine, Mr Scheggia says.

"A lot of those are...products of history; they've been in place for a long time. We've been trying to convince the government [this] is an antiquated approach," he says.

Mr Scheggia argues that rates don't "make or break" the viability of a mine and thus miners should be paying rates as good corporate citizens.

"Equally, the council should be reasonable about the rating effort that it puts onto the mining companies. It should be cognoscente of the real level of service that's being provided and what the companies can expect in return for their dollar," he says.

He says there is capacity for councils and mining companies to agree on where the companies can pay rates on certain elements of their operation, like an office complex or a recreation centre.

This was the result of negotiations between WALGA and the state government, which created a policy that would allow these agreements between councils and companies to take place.

### DEATH OF A TOWN

According Mr Scheggia, if FIFO goes on into the future, at best there will be struggling communities that can't get necessary funding for infrastructure and service delivery.

He says this could create "split communities." On one side are mining companies' residential work camps and proprietary facilities made affordable through a "favourable tax regime".

On the other side, town communities funded by councils with limited resources and an inability to adequately maintain or replace infrastructure.

Social breakdown in communities is now a real danger. The Parliamentary Inquiry revealed an "us versus them" mentality of anti-FIFO sentiment from some locals staking out their "turf", which has in turn has directly contributed to social disorder in some circumstances.

Dr Morris says some towns will "shrivel up and die" if resources companies leave an area that has become dependent upon mining.

"In other cases, I'd say they have been able to diversify but it varies," Dr Morris says.

"Dying towns is a really bad legacy," Mr Scheggia says.

He says the consequences would be school closures because families move away, priced out by the expense of living in a community where cost increases are propelled under the pressure of mining companies "chewing up" housing stock that was once affordable for those not earning big money in the mining sector.

"There's this cycle that goes on, so you lose what you might describe as core community and that is quite literally the death of a town," Mr Scheggia says. **GN**

