

Many mine workers prefer to flee the 'red dust, snakes and boiling heat' of remote areas.

Photo: ERIN JONASSON

# Rio argues for fly-in, fly-out flexibility

Fleur Anderson

Mining giant Rio Tinto has backed calls for improved financial assistance for local councils in mining areas and for greater incentives for workers and non-resources businesses to move to remote areas.

But Rio Tinto is one of a number of miners to oppose demands by some community groups to set maximum levels for fly-in, fly-out (FIFO) employees working in remote regions as a way of benefiting townships near mining sites.

The comments were made in submissions to a federal parliamentary inquiry that is investigating the extent, costs and benefits of FIFO work practices.

The Queensland government and some local governments in mining regions have called on the Commonwealth to overhaul the tax arrangements that direct tax benefits to FIFO workers through the Australian Taxation Zone Rebate and favour temporary workers' villages over permanent housing through the fringe benefits tax system.

But AngloGold Ashanti told the inquiry a temporary workforce was the only option for many goldmines that had a life of just 10 to 15 years.

AngloGold worker Matthew Mason, a mechanical maintenance technician based in Perth, said he preferred a FIFO arrangement because it gave him a decent break at home with his family.

"I earn a good salary at the sacrifice of being away from home for just over a week, then I get to come home and enjoy my break in a relatively civilised and cosmopolitan society; away from red dust, flies, snakes, dry boiling heat and every other reason not to live permanently in a remote area," Mr Mason said.

Resources contractor Thiess suggested its operations would shut down without a FIFO workforce because its contracts were generally short-term in nature.

"It is not economically viable for Thiess as a mining contractor to create townships or invest in community housing," the company told the inquiry. "Our preference is to make use of camp facilities located near the mine site, typically owned and operated by the mine owner."

## KEY POINTS

- The Queensland government wants to overhaul tax schemes that favour FIFO practices.
- Rio is among miners to insist that temporary workers are vital to the viability of its operations.
- The Minerals Council urges more research before making changes.

The pipeline industry is another example of FIFO being the only viable option for employers.

The Australian Pipeline Industry Association said in its submission that a pipeline construction project was unlike a resource project because it was not confined to a single site. Rather, it was a moving project with a finishing line that was often hundreds of kilometres away from the starting point.

Pipeline companies transport stand-alone camps to the relevant area to house workers for the duration of a project.

Rio Tinto said in its submission to

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Rio Tinto's submission

the House of Representatives inquiry that at present, 46 per cent of Rio Tinto Iron Ore's 10,700 workers were employed on FIFO schemes. About 13 per cent of Rio's FIFO workforce already lived in regional Western Australia in towns such as Broome, Busselton, Carnarvon, Derby, Geraldton and Meekatharra and flew to mining operations in the Pilbara, the company said.

Rio added that the composition of its workforce was determined on a project-by-project basis.

"It does not seem sensible to impose restrictions on mining operations that would affect the viability of certain mines and quite possibly result in a reduction of overall economic opportunity for regional communities," Rio Tinto said.

The Minerals Council of Australia (MCA) urged the federal gov-

ernment to hold off developing any policies about the long-term future of FIFO workers until it had accurate data about the prevalence of the practice, the industries and regions FIFO workers came from and where they worked.

The MCA suggested governments might find it more cost-effective to provide the infrastructure and services of increased mining populations by locating workers in existing coastal towns, instead of building more remote communities.

Vale employs 385 people at the Carborough Downs coalmine, in Queensland's Northern Bowen Basin - only 13 of whom live locally. The miner expects its Australian workforce to grow from 1500 to 5000 by 2016 and many will use fly-in, fly-out or drive-in, drive-out (DIDO) practices.

"Given that all of Vale's growth projects... will occur in areas where other organisations are also investing in the development of new mining operations, Vale anticipates that the competition for what is an already scarce supply of local labour will in all likelihood result in a situation whereby only a very small element of Vale's labour requirement will be satisfied by local residents," the company said in its submission.

"Vale considers the use of FIFO/DIDO work practices to be an essential element of the strategy employed by the industry as a whole to attract sufficient... skilled labour to meet the requirements of the current investment boom."

A submission from the Moranbah Medical Centre in Queensland urged the inquiry to consider the impact of non-resident workforces on the town's soft infrastructure such as medical services.

The centre, which has four general practitioners for every 2750 people, said the percentage of patients who were non-resident workers and accessing medical services in Moranbah was "significant".

"Moranbah's health-care delivery service is stretched to capacity at the moment and in light of the unprecedented growth expected, support from the industry whose workers are being cared for is essential," the submission said.