

## *FIFO and Regional Development*



**Professor Fiona Haslam McKenzie**

**October 2008**

# Bush beats the suburbs

S/Tunis 0710.07



WEDNESDAY, DECEMBER 5, 2007  
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## Miner forced to find nurses

**DEBRIE GUEST**  
Mining giant BHP Billiton has been forced to work with the local state health department in an

rural doctor of 25 years, who said it was not a private firm's responsibility to do the Government's recruiting work. "The big Australian BHP must be shaking their head with the

THE WEST AUSTRALIAN  
News 17

## Tents, humpies home for desperate families

**DAWN GIBSON**  
Families in the North-West are living in tents and humpies after being

sometime to die to get a government home. She knew of families who were living in humpies because

Perth were waiting an average of five years and sometimes up to seven to get into subsidized housing.

## Jet stuck in Karratha

Eighty passengers had to sleep at Karratha Airport last night after the Qantas passenger jet which was due to take them to Perth yesterday afternoon was grounded because of mechanical faults.

The West Australian understands locally based passengers returned home but those who did not live in the town were forced to spend the night in the airport because of a lack of accommodation in town. An engineer was flying to the town on a charter flight last night to repair the problem.

# Gorgon to double, says Chevron chief

The Age 12/12/07

**Nigel Wilson**  
Energy writer

THE Gorgon gas project in Western Australia will eventually double the 10 million tonnes annual production capacity for which it last week received environmental approval.

Chevron's global chief, David O'Reilly, gave the new capacity after welcoming Friday's announcement by the WA Government that it had given final environmental approval for a

destroyed. State government officials have made it clear that any increase in plant capacity would require further environmental assessment.

But yesterday, Chevron Australia chief executive Jay Johnson said that expansion of Gorgon would be contained within the existing approved site of 300 hectares.

Mr O'Reilly, who heads the world's fourth largest oil and gas company, also disclosed that Chevron believed the existing

The Australian Financial Review  
www.afr.com • Wednesday 22 November 2006

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# Property

Edited by: jclout@afr.com.au

Breaking news at www.afraccess.com

# Housing shortage an economic threat

Tina Perinotto

### KEY POINTS

Housing nurses, teachers and low-skilled, low-paid service staff in Australia's major cities has moved from being a difficulty to an outright social and economic threat, according to the findings of the

- Cities are becoming unaffordable to a range of people necessary for a diverse economy.
- Sydney housing is more expensive than New York and London.

At least 750,000 people nationally are suffering housing stress, paying a third of their incomes on housing, the paper says. In Sydney that rate rises to 37 per cent.

And in Sydney 13 people a day are being evicted from houses they can no longer afford.

Sydney's City West Project in the inner west had succeeded in producing only 381 affordable dwellings in more than 15 years.

Top of the list of recommendations was to increase land supply nationally, improve strategic planning, lower taxes on housing, boost savings

as recommended by Sydney's Metropolitan Strategy, had to be dealt with. This was not easy as suitable sites were fast disappearing.

Mr Morrison recommended more commissions similar to the Redfern-Waterloo Authority that could push through development.

# FIFO - the cancer of the bush *quote from then Minister for Industry and Resources, John Bowler, 2006*



## FIFO is not popular because:

- by definition, it is a transient workforce
- there is no community commitment or sense of place
- the fly-over effect
- limited local investment or expenditure
  - Poor income multipliers at the local level
- local employment strategies secondary to FIFO

## Regional Disadvantages of FIFO

- Marginalisation of other industries, eg tourism and retail due to caravan parks/camping areas over taken by FIFO
- Some government and corporate policies work against local workforce
- Some transient workforces are ill disciplined and wreak havoc from time to time
- alcohol and drug abuse
- family breakdown

# Why FIFO?



- cost of building and maintaining remote towns
- cost and difficulty closing towns
- technology has enabled shorter mine life (difficult to justify capital outlays)
- enhanced management of workforce
- increased difficulty attracting and retaining people in non-metropolitan settings especially families
- access to qualified labour force – more global than local





## Why FIFO? <sub>2</sub>

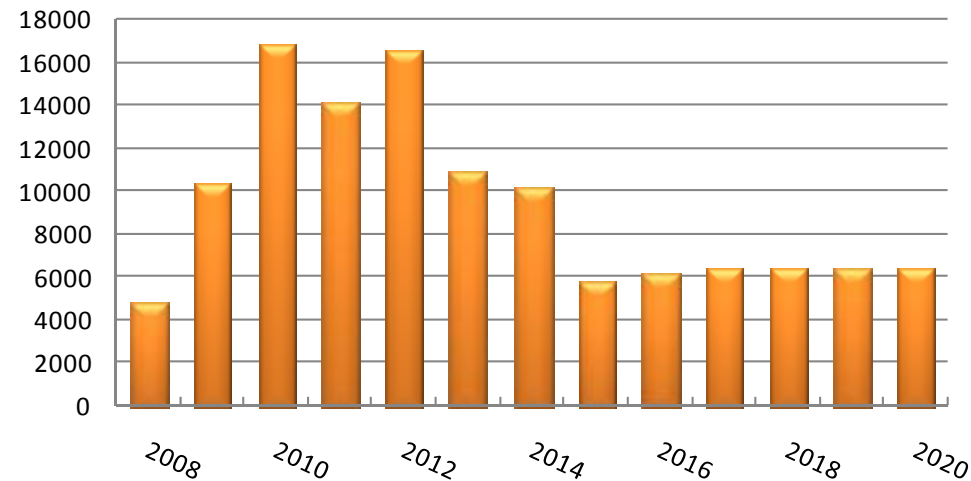
- low air travel costs
- enhanced communications systems
- Fringe benefits tax
- urban-centric government policies
- poor regional investment, especially in health, education and housing



## What are the Drivers?

- an ongoing escalation in resource demand and mining activity
- inattention to demographic and economic indicators
- under-estimation of time lags to bring land to development status
- high cost of land

**Pilbara: construction employment 2008 - 2020**



# Local Issues



- **Inadequate housing**
- **Inadequate supply of serviced land**
- **High cost of construction**
  - Seismic and cyclone ratings
  - Suburban Perth style housing
  - High cost of transport
  - High cost of maintenance
  - Shortage of tradesmen
- **Aged or inadequate infrastructure (water and sewage)**
- **Services not coping (schools, medical services, higher education)**





# Housing for Key Workers



- Key workers – police, teachers, nurses, utility workers (GEHA not able to maintain quality or quantity of appropriate housing)
  - **Government paying up to \$2000/week in the private rental market**
- Homelessness – increasingly a problem for people in work
  - the retail sector
  - the tourism industry
  - services sector

# What Makes 'Liveability'?



- Affordable and climatically appropriate housing
- Services
  - Retail
  - childcare
  - Health
  - Education (at all levels)
- Community activities
  - Sport
  - Culture
  - volunteers
- Infrastructure
  - Water
  - Sewage
  - Power
- **PEOPLE**

# What if FIFO was outlawed tomorrow?



- Where will people live?
- Is there sufficient land at development stage?
- Is local government sufficiently able to cope with increased demand for local services? Strategic planning?
- Where will people shop? (Will they get served?)
- What will they do after work?
- WHO IS IN CHARGE OF CREATING A SENSE OF PLACE?

## The Blame Game?

- Who is in charge?
- Is it the resource companies?
- Is it government?
- How do we avoid
  - Hotbedding?
  - Overcrowding?
  - Indigenous ghettos
  - Marginalisation?

# The Role of Government



- **Landcorp is critical**
- **Public housing (the Department of Housing and Works)**
  - Heavy competition for housing
  - Waiting lists are not particularly long – people have given up
- **Community housing – where is it?**
- **Who cares?**
  - How often do the State representatives of the Pilbara visit and experience the Pilbara lifestyle?
- **An accurate and responsive Census**



## The Role of Resource Companies

- Alerting planning authorities to scale and timing of future growth (particularly in a market-sensitive industry such as mining).
- Community partners without being the munificent ‘sugar daddy’
- Responsible local employers and trainers
- Fly in/fly out not universally popular, but makes good sense under certain circumstances