

FIFO AND THE DEVELOPMENT INDUSTRY

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FIFO and the Development Industry – UDIA Hot Topics presentation

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INTRODUCTION

Too often when a new phenomenon arises we respond in very predictable ways. Firstly, we deal with it in isolation to everything else that is occurring and secondly, we adopt it as the cause of all of society's woes. It's as though we need something to blame for the mess we're in as we conveniently forget all other factors that have existed and continue to exist in our world.

The same is so with FIFO. It is being treated in isolation from the context within which it sits and is being blamed for everything that is wrong with society as a whole and with families, communities, relationships, crime rates, towns, companies, the economy and everything else, individually.

The truth is that our communities have been crumbling for years, family breakdowns haven't just started, young people haven't simply decided to be difficult, volunteerism has been in decline, community clubs have been struggling and so on. It is just handy to have something external to blame.

Before we look at some of the opportunities that the rise of FIFO has created for the urban development sector, it is worth having a brief look at the historical and societal context within which it sits.

But let's first get our minds ready. I believe that the opportunities for solutions to the complexity of FIFO will require a paradigm shift in the urban development sector if you want to be successful. Already there are some interesting shifts occurring in the resource sector as the reality for competing for employees both in gaining and retaining sets in. The decisions that a worker makes about employment means that the resource companies are pondering what it takes to care for a worker and the workers family even if that family lives thousands of kilometres away. The reality is that there are more factors than simply dollars in the decisions that workers are taking. Things like the quality of the experience in the village, the relationship with the host community and how well the family is coping, matter too.

THE MOVEMENT OF PEOPLE

Transience, the movement of people, is not new.

Throughout history people have moved from one place to another due to political and religious reasons, environmental changes, economic necessity and for whimsical desires. Sea change and tree change being the latest examples of whimsical movement. We are now the most nomadic society we've ever been.

In the western hemisphere for at least the last seven hundred years, the dawn of the current mercantile era, people have moved to where they have been able to gain the best economic outcome for themselves and their families. As the centre of the mercantile world moved throughout Europe, people followed. Changes to agricultural practice saw mass movements of people from country to urban settings. The industrial revolution witnessed another massive change in location of people.

The progress of the USA was significantly driven by economic migration allowing it to become the largest economy in the world by around 1880.

Interestingly, in the eastern hemisphere around the same time as the dawn of the mercantile era in Europe, during the Ming Dynasty, there was a significant increase in the movement of Chinese overseas, sure there were political reasons, but often to strengthen the economic opportunity for people.

There have been different clusters of movement – whole towns, ethnic groups, families and individuals – but what did start to happen no matter the cluster type, was the remittance of money back to the source community.

It is enough to know that in the late 1940's 21% of the GDP of Spain was from overseas remittance and that today many countries, such as the Philippines, rely heavily on remittance money from individual members of families working overseas to support their families. (Interestingly in 2010 the top recipient countries for remittances were Israel, China and India.)¹

(Important to note that in many countries there is a strong kinship support system around the FIFO worker's family and that the worker is treated with some honour for being willing to live overseas to help their families live a better life.)

The point is that the movement of people to where the economic opportunities lie, where the work exists is "normal". FIFO is simply the latest iteration of the phenomenon.

¹ Remittance, retrieved from <http://en.wikipedia.org/wiki/Remittance> on 27 July 2012

FIFO IN OUR SOCIETY

Without FIFO many towns and communities in WA and more broadly throughout Australia and perhaps even into New Zealand would wither.

Let's take a couple of real examples:

A small town in the south of WA has 17 FIFO workers. They bring some \$2.5 – 3m into the local economy. If they shifted to their work sites the town would lose 17 families. Imagine the impact on the local school – perhaps two less teachers. Imagine the knock on effect as a range of services down-sized. Perhaps such towns are expendable in the name of Pilbara Cities!

Some suburbs of Perth have 25% of their work-force fly out. Try and imagine the impact of all those families leaving!

Source communities are not just in the south, Broome, Exmouth, Derby and the like, are becoming source communities for other northern locales.

On the other hand the question has to be asked about the ability of host towns to cope with the influx and turn-over of people. Sure the Pilbara Cities vision has merit but it needs to also be considered in the light of reality.

Apparently there are over 14,000 FIFO workers in and around Karratha at the moment (according to the Shire President). Could the education infrastructure of that town cope with just another 1,000 students let alone 10,000?

Let's not forget that some of the biggest issues in the health and education sectors in regional Western Australia relate to workforce – gaining and retaining appropriately qualified and experienced people, let alone the provision of housing for them!

Furthermore, construction workers may only stay on a job for three to six months. Could the education system cope with 1,000 students entering and leaving schools every six months?

This is just one of the realities of doing away with FIFO. So it is time to get real. FIFO is here to stay. Rather than vilifying FIFO the challenge is to ensure that the very best outcomes for workers, families, host and source communities, and businesses are achieved with a phenomenon that will be here for the next few decades.

FIFO – NOT ONE TYPE

FIFO is often only characterised as one type of person doing one type of job with workers accommodated in one type of place. This is far from the truth.

A quick look at some of the variations of accommodation types:

There are at least three different types of accommodation groupings:

- Fly camps – short-term, often basic accommodation for those building the construction camp
- Construction camps – house those involved in constructing the infrastructure for a resource operation
- Operational villages – often long-term villages housing those who work day-to-day in the operations of a resource company

These accommodation clusters may be located close to or in an existing town – host community – or could be located many kilometres from the nearest residentially based community.

The villages may be managed by the resource company or they may be outsourced.

The villages may be for resource company employees, contracting company employees or both, and now many also house essential workers.

The importance of the design of these villages, their location and how they are managed, has significant ramifications for those who wish to accommodate employees in this manner and creates a series of opportunities for those who wish to participate in their design and construction.

Just another thing on location;

As mine sites move further east, closer to the Northern Territory border, the question needs to be asked; “will there be desert cities to house residential communities?” The logical answer is no, workers will be FIFO, from where? Perhaps even on the coast!

NEIGHBOURHOOD AND COMMUNITY

There is a fundamental difference between neighbourhood and community.

Neighbourhood is a spatial construct while community is a social construct.

Neighbourhood is about physical things:

- Amenity
- Access
- Transport
- Facilities

Community is about people and the manner in which they interact. It is the coming together of people to achieve things whether that be friendship, joint activities or joint actions.

The camps and villages, host and source locations need to be thought about in terms of both neighbourhood and community.

Too often when we use the word “community” we are really taking about “neighbourhood.”

Anecdote:

When we talked about this to some spatial people (engineers, planners and project managers) in relation to FIFO camps and villages, one of them said, “Some places you go to feel much better than others yet they have fewer physical assets, is this what you are taking about, a vibe?”

Imagine the difference between being greeted by name at breakfast and asked about how you are, compared with eating the same food but heading to work without speaking to anyone.

THE FIFO WORKER AND THEIR FAMILY

Let's just think about the people who are making the choice of FIFO currently.

It is essential to recognise that the decision to become a FIFO worker has significant impacts upon all those who are involved.

(I may use the term "he" for FIFO worker as they represent about 80% of the workforce currently². However, the employment of women is significant and increasing and needs to be taken into consideration when planning and managing)

It is important to note that the decision is often a family decision not just the worker themselves. (I'll give some description of FIFO workers in a minute)

The worker starts to live a dual and sometimes multiple based life. "Home" in the source community with his family and friends, and "work" in the village and in host communities. Some workers actually feel more at home in the village and in their relationship to the host community rather than the source community.

The worker and family are sort of trapped in-between their existences in these places.

The better the understanding of the pressures that such a decision will create, the better the preparation that is made and the better developed the support processes are, the more likely the FIFO experience will maximise the potential opportunities that exist and the mitigation of the stresses.

(I trust you are beginning to see the opportunities that exist and the competitive advantages that you can develop!)

The same thinking needs to occur with regards to the host community.

² City of Mandurah, October 2011, Submission number 45: Inquiry into Fly –In, Fly-Out/Drive –In, Drive-Out Mining Operations.

THE FIFO WORKER

A CUB, Cashed Up Bogan, is the normal view of a FIFO worker, yet the reality couldn't be further away from this description. Yes, undoubtedly there are CUBs out and about spreading the image of FIFO by their behaviour and spending patterns.

The truth is that FIFO encompasses almost every profession and every type of skilled and unskilled worker.

They include:

- Labourers
- Electricians/plumbers
- Medical staff from doctors to paramedics
- Teachers/trainers
- Scientists
- Engineers
- Office staff/administration
- Cooks and kitchen hands
- Planners
- Builders
- Chaplains
- Drivers
- Environmentalists
- Lawyers
- Managers
- Security officers
- Tug masters
- Social workers/counsellors
- Sailors

They are employed by resource companies and their contractors, by government and not-for-profits, by business and commercial enterprise. In fact it pervades most employment sectors that exist.

Some other facts to consider:

- The average age is in the forties
- Most are married and have children³
- 80% are male

Some other very important information includes:

- The rate of family breakdown is about the same as the general population
- They are about as healthy as the general population

³ City of Mandurah, October 2011, Submission number 45: Inquiry into Fly –In, Fly-Out/Drive –In, Drive-Out Mining Operations.

FIFO STRESSORS ON FIFO WORKERS AND THEIR FAMILIES, AND IN HOST AND SOURCE COMMUNITIES

But here is the interesting bit:

The stressors that a FIFO worker and his family face are different or more pronounced in certain areas when compared to the remainder of the population.

The stress:

- Of separation and reunion
- Of parenting singularly, remotely and collectively
- Of a regulated life on site and unregulated at home
- Of boredom, isolation and loneliness both at home and in the village
- Of changed friendship networks.

Yet the many benefits that FIFO brings means that families and individuals make a choice to enter this lifestyle for a season, whether that is lengthy or short.

There are also pressures that FIFO places on host and source communities. Some of them are real and some are perceived!

There are real pressures on amenities and services but there are also perceived stressors based around feelings of safety and security and so on.

Without minimising these stressors, it is enough to say that, to date, very little has been done to mitigate the “negatives,” provide options around stressors and create opportunities from FIFO rather than accept it as an evil.

FIFO OPPORTUNITIES

IT IS NOT ABOUT WELFARE AND BUILDING DEPENDENCE

Often the default position of organisations and government is to approach each new phenomenon from a welfare perspective.

“Oh the poor things, what can we do for them?”

This is the direct opposite to what is required.

It is about ensuring that the structures of our neighbourhoods and the services that are provided consider the totality of the FIFO experience and adapt to suit them.

Consider this:

According to epidemiologists and sociologists the three greatest health risks to our society (and these were identified prior to the current FIFO frenzy) are:

- Isolation
- Feelings of lack of control of the present
- Fear of the future

Place that into the context of the stressors on those that choose FIFO and it is easy to see the need for a collective approach to creating the physical environment and social fabric in host and source communities as well as the villages themselves that support that choice and create benefits for the whole.

IT IS ABOUT CHARACTER AND SPIRIT, HARDINESS AND FUNCTIONING COMMUNITIES

Our endeavours should be about ensuring that we don't create monocultural places that replicate each other but exciting towns and neighbourhoods that retain and build upon their individual character and spirit.

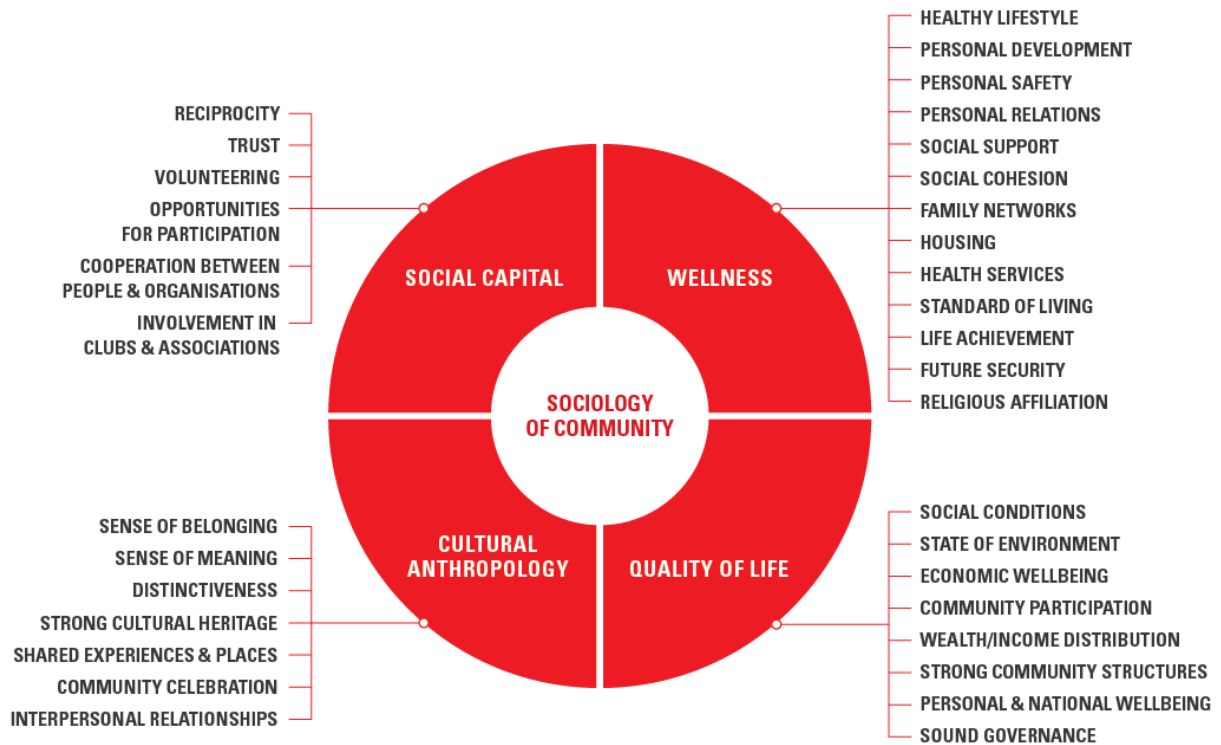
We need to help people learn to adjust to a changing world by building their hardiness around their desires and skills to take on challenges, embrace new ideas and participate in society.

We need to build the sociology of communities⁴ to ensure that there are networks of support, individuals are healthy, the social structures of a community contain the ingredients that decreases dependence on government and that the culture and heritage of places are enhanced.

⁴ Model developed by Creating Communities Australia.



INTENTIONAL COMMUNITIES MATRIX © CREATING COMMUNITIES AUSTRALIA PTY LTD



SOCIOLOGY OF COMMUNITY © CREATING COMMUNITIES AUSTRALIA PTY LTD

WAYS FORWARD

To me it appears as though there are two clusters of opportunities for the urban development sector.

The first lies in participating in the development of both neighbourhoods and communities in camps, villages and host communities.

To a large degree this will involve an intimate relationship with resource companies singular or plural, but also with local and state government agencies with responsibilities in this arena.

Other innovative solutions need to be addressed around housing affordability... anecdotally we're hearing of Aboriginal people from the north getting a job and moving to Perth and doing FIFO to their home town. Why? Because if their income passes a certain threshold they can no longer stay in government housing!

I wonder if you approach these opportunities with your normal offering of roads and houses whether that will appear enticing. Perhaps not!

The second cluster of opportunities lies in appealing to FIFO workers and their families and the government agencies with responsibilities in source communities.

As you are no doubt aware, those that create places that attract FIFO workers and their families could create a competitive advantage that has significant impacts on profitability.

But it is more than that. You need to be careful that a focus on FIFO doesn't limit your market appeal to non-FIFO families! How to avoid this, work in partnership with others to create great places for all and develop strategies together that turn challenges into assets.

The ability to create supportive environments for FIFO families is going to take the combined resources of a number of entities rather than just doing it by yourself.

Sure, there are parts of the FIFO market that will respond to a range of options as far as built form is concerned. Some boys do have their toys and the need for sheds. There is a market for larger blocks with space to do things. There is a market located close to the ocean and bush for people to use their toys.

There is probably also a built form solution that looks at lock it and leave for those without families.

In host communities there are opportunities to build multi-entry houses so that a range of people can afford to rent one dwelling.

There are urban solutions around amenity, access, safety and so forth.

But by far the greatest opportunities lie in a partnering approach with others to create a new form of support around FIFO.

It is not about entertainment, so some of you who sell their community credentials by providing events and newsletters may need to rethink. That approach is akin to Caligula's solution at the end of the Roman times - ramp up the entertainment in the Colosseum while society falls apart around you.

It is not about simply investing more and doing things yourself because, as you can see, the complexities around FIFO make it improbable that one company could ever provide what is required to achieve something worthwhile.

It is about partnering with others that should be addressing the same phenomenon.

For example the Shire of Kalamunda has realised that it has thousands of FIFO workers living within its boundaries⁵ and is devising ways to adapt its facilities and services to make them more relevant to FIFO workers and their families. They are already partnering with some and are looking for others.

Unfortunately, some local governments think that by providing an airport they are doing their bit; a sad, narrow view of the world.

⁵ Shire of Kalamunda, 2011 Standing Committee on Regional Australia: Inquiry into and report on the use of 'Fly-In, Fly-out (FIFO) and 'Drive-in, Drive-out (DIDO) workforce practices in Regional Australia. Submission from the Shire of Kalamunda.

SOME SPECIFIC OPPORTUNITIES

There are a wide range of support structures that can be instigated without building dependence on a third party for the survival of FIFO families.

Here are just a few:

- Play groups –
- Homework assistance – adopt a grandparent – or in libraries
- Communication hubs – Skype etc
- Service hubs – financial advice, parenting/relationship counselling
- In schools – homework, volunteering for parents when at home, part time jobs
- Worker collectives – when at home off-shift
- Sport or interest groups – FIFO aware – adapting memberships, scheduling, competitions
- Home handyman assistance (network)
- Babysitting service (network)
- Support for home business
- Further education and training

The fact is that as soon as you start to think in this space, the potentials in each neighbourhood to build community are numerous.

LOGICAL PARTNERSHIPS

It is the same with the potential partners to participate in development of options. Some include:

- Land developers
- Local government
- Schools
- Not-for-profit organisations
- Community organisations
- Shopping centres
- Play group association
- Chambers of commerce
- Retirement villages

At the Creating Communities table this morning we have:

- A CEO from a local government
- Some people from the resource sector
- A CEO from a leading not-for-profit
- A brilliant doctor (used to be the Chief Medical Officer of WA)
- A leader from the land development industry
- A retail consultant
- The amazing Donna Shepherd and others from Creating Communities

Perhaps in groupings such as this lay the opportunities for the urban development sector.

The opportunity is to provide both leadership in the manner in which FIFO is addressed in host and source communities (plus villages), as well as providing appropriate environments for FIFO workers and their families as well as creating economic outcomes for the participating partners.

WHAT COMPETITIVE ADVANTAGE DO YOU BRING TO THE TABLE?

So, today we've looked at history and societal context to see that what is happening is normal and shouldn't be vilified but simply seen as the way it is and every endeavour taken to ensure that communities, families and individuals thrive in the space.

We've seen that it is a very complex phenomenon.

But we've seen that it creates enormous opportunities for those who embrace the change rather than simply keep doing what they've always done.

The interesting question to ponder is: what do you bring to the table that makes you attractive to others?

I'm pretty certain that if a developer said: "we will develop land and housing", it is not going to be as attractive to resource companies or local government as a developer who says more. Who says something like "we'll bring an approach that creates all sorts of opportunities and partnerships to ensure that both the people who make the FIFO choice and the residents in host and source communities live fulfilling lives."

I'm pretty sure that FIFO workers and their families aren't just looking for a house and land package but a supportive environment which makes their choices easier to adjust to.

I'm pretty sure existing host and source communities will be better off with an approach that looks at integrated rather than isolated communities.

The aim of this presentation hasn't been to suggest that the urban development industry has the responsibility to solve the issues of our society in general and the phenomenon of FIFO specifically.

In fact, it is important for us all to focus on achieving the outcomes for our businesses and organisations which is generally "return on investment" whether that be economic or social.

FIFO is a reality that will be here for many years to come, what this paper simply suggests is that the opportunities are enormous, but it is going to take a paradigm shift for most organisations if they wish to benefit from it.

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