

Wind up FIFO camps in Pilbara, Nationals tell miners

THE AUSTRALIAN | JANUARY 25, 2016 12:00AM



SAVE



[Andrew Burrell](#)

WA Chief Reporter
Perth

[Follow](#)



Miners have been told to end the boomtime FIFO practice. Picture: Stuart McEvoy

The nation's major resources companies could radically cut their costs by ending the boomtime practice of paying for flights, meals and camp accommodation for thousands of employees, according to Pilbara MP and former West Australian Nationals leader Brendon Grylls.

He said it no longer made economic sense for companies facing decade-low commodity prices to maintain large fly-in fly-out workforces as they had done for the past 10 years, especially when most people could now afford to live in mining towns.

“It makes no sense to me why you would be screwing all your suppliers, why you would be trying to wash out all these costs, but FIFO would sit there untouched,” he said

“I just don’t know why a company would be paying \$70,000 to \$90,000 a year to house a FIFO worker in a camp in Karratha, when just down the road that person can rent a very nice house.

“People I know are looking to get out of company housing and into their own house because they think that will make them safer when the next redundancy round comes.”

Mr Grylls, who wants to entice more people to live in the Pilbara, said the FIFO model had been used by most companies to attract and retain skilled employees amid the skills shortages that occurred during the sudden growth in the resource sector. He agreed FIFO remained the only option for remote mine sites.

But he said towns in the Pilbara had become more affordable and boasted better infrastructure and community services, making them more attractive for families.

“It makes no sense to me that Fortescue Metals Group employees in Port Hedland are living in a donga camp right next to a new sports stadium,” he said

However, the resources industry says it needs to retain FIFO workforces because most people still do not want to live in regional towns.

WA Chamber of Minerals and Energy deputy chief executive Nicole Roocke said a workforce survey by the chamber last year found that just one in four FIFO workers would stay in their job if it changed to a local role. “People have created their lives around doing fly-in fly-out,” she said. “There is a real sense that you can’t force people to go and live in the regions.”

Ms Roocke agreed that FIFO labour was more expensive but said it should be up to companies to decide on the most cost-effective way to employ people.

The FIFO issue has come to a head in WA after mining giant BHP Billiton refused to bow to demands by the Nationals to slash the capacity of its accommodation camp for workers outside Newman.

Nationals leader Terry Redman said BHP had insisted, in talks before Christmas, that the Newman FIFO camp needed to remain at more than 1000 beds to house workers for its Mt Whaleback iron ore operations.

But Mr Redman said he would refuse to sign a 10-year lease extension unless the miner agreed to cut the camp to just 600 beds.

Premier Colin Barnett has backed BHP's request to expand the Kurra Village camp, but Mr Redman, as Lands Minister, is responsible for signing the extension to the lease which expired on December 31.

Mr Redman has accused Mr Barnett of "screwing" Newman and undermining the government's own Pilbara Cities program which seeks to boost population growth in regional mining centres such as Newman, Karratha and Port Hedland.

The rift is threatening the Liberal-National alliance that has been in place in WA since 2008.

BHP declined to comment on details of the December 21 meeting with Mr Redman.

A spokesman said the company was willing to accept a lease for 1200 rooms, noting this was a compromise after Mr Barnett had originally accepted a proposal for 1600 rooms. About 750 BHP employees and their families already live in Newman.