

CFMEU

Construction, Forestry, Mining and Energy Union

Preliminary Submission

to the

Productivity Commission

Research Study into Geographic Labour Mobility

The Mining Boom

Let's spread it around

Sent by email: labour.mobility@pc.gov.au

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Contents

1 Introduction	3
2 Extent of labour mobility in the Australian construction and mining industries.....	3
2.1 Residential population mobility	3
2.2 FIFO/DIDO mobility	5
3 FIFO/DIDO, working hours and roster issues	12
3.1 Historical trends in the mining industry	12
3.2 Standard of work camps	13
3.3 The (mis)use of FIFO/DIDO.....	14
4 Improving the liveability of mining towns	15
5 Recruitment practices.....	16
5.1 Mining recruitment.....	16
5.2 “Blacklisting” and FIFO Worker Deployment.....	17
6 Housing tenure, housing prices and housing transaction costs.....	19
6.1 Incentives to owner occupation and impacts on prices	19
6.2 Rental market prices.....	20
7 International migration.....	21
Appendix 1	26
CFMEU construction worker responses to FIFO survey	26

1 Introduction

The Construction, Forestry, Mining and Energy Union (CFMEU) welcomes the opportunity to make a submission to this Research Study. The CFMEU consists of three Divisions, namely the Mining and Energy Division, the Forestry and Furnishing Products Division and the Construction and General Division. We are the major union in these industries and represent approximately 110,000 members across Australia.

This submission will be brief – the CFMEU is likely to further respond after the release of the Commission’s Draft Report in December 2013.

The specific focus of this CFMEU submission is on a selected number of issues, namely:

- The extent and nature of geographic mobility in the construction and mining industries;
- FIFO/DIDO, working hours and roster issues;
- Improving the liveability of mining towns and construction camp sites;
- Recruitment practices in the mining and construction industries;
- Housing tenure, housing prices and housing transaction costs; and
- International migration, as covered by the study’s terms of reference.

2 Extent of labour mobility in the Australian construction and mining industries

There has been much uninformed comment alleging that few Australian workers are prepared to move to take up jobs in the resources sector, for both the construction phase and the production or mining phase.

For example, columnist and demographer Bernard Salt has said “The Nullarbor Plain is proving almost as effective a barrier as the Berlin Wall in keeping east from west.”¹

The CFMEU submits that that there is ample evidence of substantial labour mobility in the sectors of mining and construction measured in both the growth of people living in mining towns and, even more so, in the numbers of construction and mining workers engaging in FIFO/DIDO to mining regions.

2.1 Residential population mobility

The Australian Bureau of Statistics (ABS) has recently analysed “booming” mining towns based on 2011 census data. In 2011 there were ten urban centres (Figure 1) that were described by the ABS as “booming”, based on two criteria:

¹ Bernard Salt, “Nullarbor is our very own Berlin Wall”, *The Australian*, 30 May 2012.

- at least one sixth of all employed people who were staying in the urban centre on Census Night worked in the mining industry in their main job in the week before the Census; and
- an average annual population growth (based on Census Night counts) of at least 2% between 2006 and 2011.

For all ten of these urban centres, their populations increased by at least double the national rate during this period, ranging from 3.4% per year to 8.6% per year. Seven of these ten urban centres were also high growth mining towns between 2001 and 2006. Apart from Roxby Downs (near a large copper, uranium, gold and silver ore body in South Australia) and Weipa (on the west coast of Queensland's Cape York Peninsula, mining mainly bauxite), mining towns experiencing strong population influx between 2006 and 2011 were located in either the Pilbara region of north-west Western Australia (mainly iron ore, oil and gas) or the Bowen Basin in central-eastern Queensland (mainly black coal).

FIGURE 1 LOCATION OF "BOOMING" MINING TOWNS



Source: ABS 4102.0 - Australian Social Trends, April 2013

ABS Census data from 2006 and 2011 shows that the residential population of Port Hedland grew from 11,957 to 15,044 between 2006 and 2011, or 25%. Given the well-publicised lagging pace of housing development in Port Hedland, and the resulting high house prices and rentals, this is substantial population growth in response to industry needs.

2.2 FIFO/DIDO mobility

The CFMEU has conducted an analysis of unpublished 2011 census data that shows that FIFO/DIDO mobility of the workforce in both the Australian construction and mining industries is extensive.

The tables from ABS Census data presented below show that, in the Australian *construction* industry in August 2011 at least **3.0%** (24,961 persons) of the employed workforce were located away from their home State/Territory or away from their usual residence within their home State/Territory.²

Summary table 2.1 shows that:

- In terms of *interstate* mobility, there were **11,695** employed persons in construction who were located on census night in a State or Territory that was not their home State/Territory – representing **1.4%** of the total employed workforce in Australian construction as recorded in the census.
- In terms of *intrastate* mobility, there were a further **13,266** employed persons who were located on census night in their home State or Territory, but on census night were located away from their usual residence in the capital city or the rest of the State/Territory – representing a further **1.6%** of the total employed workforce in Australian construction as recorded in the census.
- Note that this indicator of intrastate mobility is limited and understates the true extent of intrastate labour mobility, because it does not capture movements within capital cities (eg to outer suburban fringes) or between centres located within the Rest of the State/Territory. In large resources States such as WA and QLD, these latter movements can be significant, as shown in the example of the Pilbara, presented below.

In the case of the *mining* industry, the absolute numbers are smaller than in construction but the relative significance of mobile workers in this sector is larger. In August 2011 at least **9.9%** (17,405 persons) of the employed workforce were located away from their home State/Territory or away from their usual residence within their home State/Territory.

- In terms of *interstate* mobility, there were **6,109** employed persons in mining who were located on census night in a State or Territory that was not their home State/Territory – representing **3.5%** of the total employed workforce in Australian mining as recorded in the census.
- In terms of *intrastate* mobility, there were a further **11,296** employed persons who were located on census night in their home State or Territory, but on census night were located away from their usual residence in the capital city or the rest of the State/Territory – representing a further **6.4%** of the total employed workforce in Australian mining as recorded in the census.

² The CFMEU opted for an analysis based on 'Place of Usual Residence' versus 'Place of Enumeration' on census night, rather than the alternative of 'Place of Work'. This was based on advice that there was a much higher non-response rate to the 2011 census question on 'Place of Work', which therefore limited the usefulness of data relying on answers to that census question.

Table 2.1 Employed persons in CONSTRUCTION and MINING who were located away from home on census night 2011: place of location (selected categories)

Location away from home census night August 2011	Construction	Mining	Total	Construction	Mining	Total
	<i>% of total Aust employed workforce</i>					
Located interstate (a)	11,695	6,109	17,804	1.4	3.5	1.8
Located intra-state (b)	13,266	11,296	24,562	1.6	6.4	2.4
Total	24,961	17,405	42,366	3.0	9.9	4.2
Total employed, Aust	828,910	176,560	1,005,470	100	100	100

Source: ABS census 2011. Tablebuilder Pro (Monash Centre for Population & Urban Research).

(a) State/Territory of Usual Residence different from State/Territory Place of Enumeration (Location).

(b) Located in State/Territory of Usual Residence, but in Capital City (if usual residence Rest of State) or Rest of State (if usual residence Capital City). Broad indicator only, see text.

The following tables provide more detail.

Table 2.2 Employed persons in CONSTRUCTION (ANZSIC 06) and MINING who were located outside their State of usual residence on census night 2011: State of usual residence

State of usual residence	Located interstate on census night		
State/Territory	Construction	Mining	Total
New South Wales	3,252	1,248	4,500
Victoria	2,784	1,016	3,800
Queensland	2,622	1,494	4,116
South Australia	1,122	684	1,806
Western Australia	1,020	1,182	2,202
Tasmania	417	263	680
Northern Territory	204	188	392
Australian Capital Territory	274	34	308
Other Territories	0	0	0
Australia	11,695	6,109	17,804

Source: ABS census 2011

Table 2.3 Intra-State mobility: Employed persons in construction and mining industries who were located in home State/Territory on census night 2011 (a), but located outside broad area of usual residence (b): location on census night

Home State/Territory of Usual Residence	Location on census night		
	Capital city	Rest of State	Total
<i>Construction</i>			
NSW	826	1,466	2,292
VIC	817	1,115	1,932
QLD	834	2,223	3,057
SA	300	572	872
WA	661	4,002	4,663
TAS	122	92	214
NT	66	170	236
ACT	0	0	0
OT	0	0	0
Total	3,626	9,640	13,266
<i>Mining</i>			
	Capital city	Rest of State	Total
NSW	172	227	399
VIC	90	204	294
QLD	1,199	536	1,735
SA	575	134	709
WA	6,473	1,288	7,761
TAS	10	16	26
NT	322	50	372
ACT	0	0	0
OT	0	0	0
Total	8,841	2,455	11,296

Source: ABS census 2011. Tablebuilder Pro (Monash Centre for Population & Urban Research).

(a) State/Territory of Usual Residence.

(b) Capital city vs Rest of same State/Territory.

Table 2.4 below provides another way of looking at interstate geographic labour mobility of the construction workforce in the resources States of WA and QLD. This shows that on census night 2011, 2.4% of the total construction workforce enumerated in WA were from other States (2,727 workers) with the largest numbers usually resident in QLD and NSW followed by Victoria.

In QLD, over 3,100 construction workers were from out of State representing 1.7% of the total construction workforce in QLD on census night. While the largest group was resident in NSW, over 1,000 construction workers from Victoria were in QLD on census night.

Table 2.4 Employed persons in CONSTRUCTION industry in QLD and WA on census night 2011, by State/Territory of Usual residence

State of usual residence	State of enumeration	
	QLD	WA
NSW	1,266	727
VIC	1,055	633
QLD	181,155	896
SA	299	267
WA	285	110,821
TAS	151	103
NT	49	84
ACT	54	17
OT	0	0
Total	184,314	113,548
<i>Out of State workers</i>		
No	3,159	2,727
%	1.7	2.4

Source: ABS census 2011.

Discussion

The data in tables 2.1 to 2.4 above will understate the true extent of FIFO/DIDO labour mobility in the Australian construction and mining workforces, for at least two reasons.

First, some categories of construction and mining workers on FIFO/DIDO rosters will not be recorded as away from their 'Place of Usual Residence' in the census. This includes workers on FIFO/DIDO rosters but rostered off in the week of census night in August 2011 and back at home (ie, at their 'Place of Usual Residence'); and those on other leave (eg annual, sick, long service leave, injury time etc). It is impossible to quantify accurately the number of FIFO/DIDO workers so affected. But a conservative estimate is that possibly 20% of the total FIFO/DIDO workforce in these industries will be recorded at their Place of Usual Residence on census night. This estimate takes into account average rostered time off, considering both blue collar and white collar occupations in the FIFO/DIDO workforces.

Second, census figures will understate the true numbers employed in the construction and mining industries because of 'census undercount' which is particularly high in construction.

The CFMEU is undertaking further analysis of the 2011 census data for the construction and mining workforces, to identify mobility by occupational groups and family characteristics of FIFO/DIDO workers. The CFMEU will be pleased to provide this additional analysis to the PC study.

Recommendation: The Productivity Commission should recommend that the Federal Government commission the ABS to conduct regular systematic employer- or business-based surveys of employment in resources construction projects and mining production, preferably funded wholly or in large part by the resources sector itself. The survey data should seek to cover FIFO/DIDO status, hours worked and preferably type of roster.

Pilbara LGAs

Table 2.5 presents data on the construction industry workforce enumerated in the four Pilbara LGAs on census night. The table shows that:

- 45% of all 9,013 construction workers located in the Pilbara region on census night (4,011 workers) were usually resident outside the 4 Pilbara LGAs.
- 20% of all Pilbara construction workers usually resided in Perth (many will have relocated to Perth from other States, to be considered for Pilbara jobs).
- 15% of the Pilbara construction workforce was from outside WA (1,378 workers).

Given the vast distances between and within LGAs in the Pilbara (eg Roebourne Shire covers an area of 15,000 square kilometres), it can be safely assumed that a large proportion of the 5,000 construction workers enumerated and resident in the Pilbara LGAs were also FIFO/DIDO workers.

Table 2.5 Employed persons in CONSTRUCTION industry in Pilbara LGAs on census night 2011, by Pilbara LGA where enumerated and place of usual residence (selected areas)

	<i>Pilbara LGA where enumerated</i>				Total	%
	Roebourne	East Pilbara	Port Hedland	Ashburton		
Total employed persons	4,348	1,076	1,877	1,712	9,013	100.0
Usual res same LGA	2,483	565	1,102	852	5,002	55.5
Usual res OUTSIDE LGA	1,865	511	775	860	4,011	44.5
<i>Usual res OUTSIDE LGA/ Place of usual residence</i>	1,865	511	775	860	4,011	
Other WA						
Perth	774	277	357	429	1,837	20.4
WA Remainder	249	92	131	160	632	
WA NUA and Unincorp.(a)	49	10	23	31	113	
Other 3 Pilbara LGAs	12	4	19	16	51	
Subtotal	1,084	383	530	636	2,633	29.2
QLD						
Brisbane	128	16	32	20	196	
QLD Remainder	204	28	65	42	339	
Subtotal	332	44	97	62	535	5.9
NSW						
Sydney SD	110	9	30	21	170	
NSW Remainder	99	20	37	38	194	
Subtotal	209	29	67	59	364	4.0
VIC						
Melbourne	49	15	24	35	123	
Victoria Remainder	77	15	17	28	137	
Subtotal	126	30	41	63	260	2.9
All others						
Capital city	79	10	28	18	135	
Remainder of State/Territc	28	14	15	43	56	
Subtotal	107	24	43	61	191	2.1

Source: ABS census 2011.

15.0

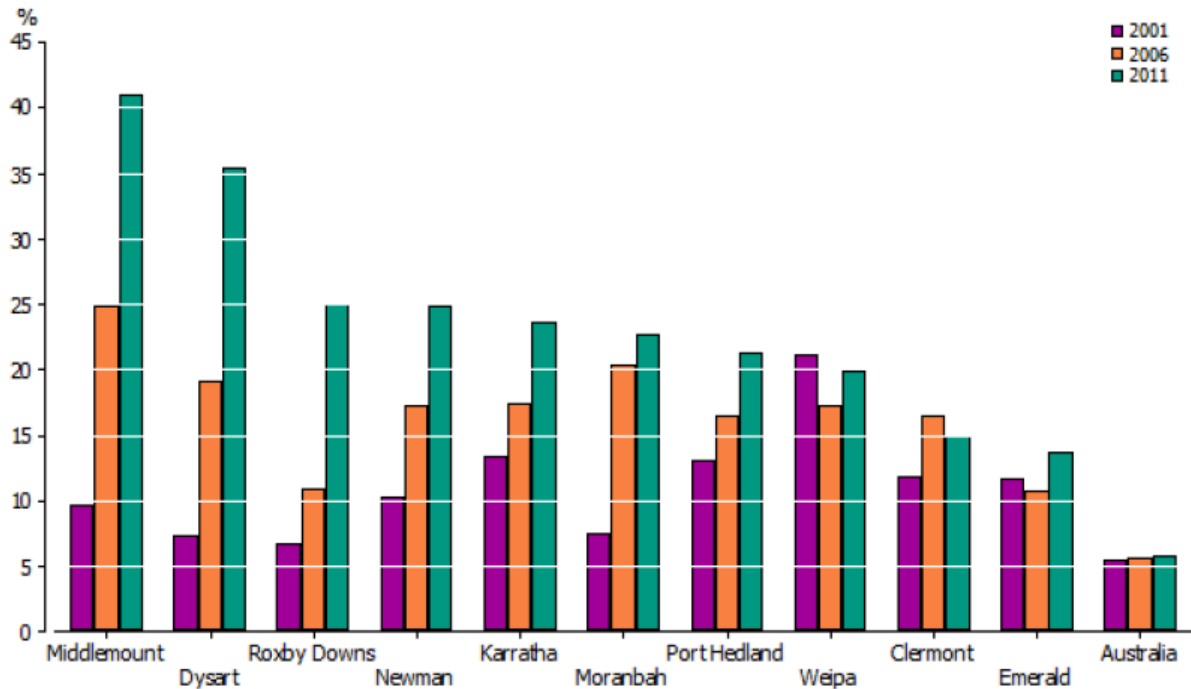
(a) WA "No Usual Address" and "WA Unincorporated".

Another way of presenting the Census FIFO/DIDO data is to look at the changes in particular mining towns in terms of non-residents.

The ABS Census showed increasing rates of people not residing at home within these booming mining towns and this is shown on Figure 2. 41% of people who spent Census Night in Middlemount

were not at home on Census Night (6% nationally). In Weipa the figure was steady at 20%, Emerald and Claremont 15%, Dysart 35%, Roxby Downs 25%, and Moranbah 23%. Over the course of the last three censuses, the proportion of people in mining towns who are FIFO/DIDO workers has increased dramatically. (While the Census data is for “visitors” rather than just FIFO/DIDO workers, it is expected they correlate closely).

FIGURE 2 PROPORTION OF THE CENSUS NIGHT POPULATION WHO WERE VISITORS



Source: 4102.0 - Australian Social Trends, April 2013

These ten mining towns also had more men and fewer older people compared to the national average. Around 15% of women were directly employed in the mining industry compared with 40% of men. However, with many men working in the mining industry and a tight labour market, women in these towns were more likely to be in the labour force than the rest of Australian women (75% compared with 59%). In addition, many non-mining jobs were dominated by women to a greater extent than in the rest of Australia. For example, the ABS data shows that, in high growth mining towns, 93% of bank workers were women, compared with 72% in the rest of Australia.

The CFMEU regards this data as indicative of both high mobility and labour market flexibility in/to mining towns. That is to say that a reallocation of labour that reflects structural economic adjustments is already underway and that this can only be enhanced through reforms which address some of the clear drawbacks to mining and resources construction work in the resources sector – most notably in respect of hours of work (rosters) and FIFO/DIDO arrangements – more below.

3 FIFO/DIDO, working hours and roster issues

3.1 Historical trends in the mining industry

Analysis of the benefits and drawbacks of FIFO/DIDO, whether in respect of geographic labour mobility or other matters, needs to take place within an analysis of changes in working arrangements and rosters in mining and resources construction.

While the rapid growth of mining for export in the 1960s and 1970s was accompanied by the establishment of numerous mining towns, the mining employers switched away from the building of such towns from the time of the establishment of the Argyle diamond mine as possibly the first FIFO operation in 1985. Mining town development became static, even moribund. The town developed by BHP Billiton for the Ravensthorpe nickel project in the last five years was said to be the first new company-developed mining town in two decades. BHP Billiton's decision to build the permanent housing was an implicit acknowledgement of the social and turnover problems associated with FIFO camps.

There has been a shift to greater use of contractors (that often do not have access to mining company housing, and that have contracts of limited duration) and to longer shift lengths. Shifts of 12 hours or more became standard in the latter half of the 1990s in metal ore mining and subsequently in coal mining. Concomitant with the trend to 12 hour shifts has been "compressed" rosters – many more days being worked in row.

Work published by the International Labour Organisation in 2000³ showed that average hours worked in mining increased substantially to more than 51 hours per week over the decade to 1997, entrenching the industry's position as that with the longest working hours of any Australian industry. It also showed the rapid growth of FIFO and associated compressed rosters, with the most common roster in Western Australian mining involved 14 days or more of 12 hours shifts. (The typical roster was 14 days on, 7 days off, producing a working week of 84 hours in "on" weeks and an average of 56 per week over the roster cycle).

There have now been a significant number of research projects into the FIFO and working hours phenomenon, though they have largely occurred "after the fact". The Commission will be well aware of the 2013 House of Representatives Standing Committee on Regional Australia report on FIFO/DIDO – "Cancer of the bush or saviour of our cities" ("the Windsor Report"). The CFMEU draws the attention of the Commission to other reports:

- Centre for Social Responsibility in Mining (2003), *Workforce Turnover in FIFO mining operations in Australia* – documents the very high labour turnover in many FIFO operations

³ International Labour Organisation (2000), *Working Time Arrangements in the Australian Mining Industry, Sectoral Activities Programme Working Paper*, Geneva

- David Peetz, Georgina Murray and Olav Muurlink (2012), Work and hours amongst mining and energy workers, Australian Coal and Energy Survey, Griffith University – shows that many mineworkers feel they have no control over their working hours and have higher distress levels resulting from that.
- Lifeline WA (2013), FIFO/DIDO Mental Health Research Report – shows negative health issues associated with FIFO/DIDO

These various trends have implications for labour mobility in mining:

- Mining towns have become less desirable places to live due to lack of services/social infrastructure. The proliferation of FIFO work camps, with their high concentrations of single men and associated alcohol, drug, mental health and crime problems also make mining towns less desirable for permanent residents.
- Longer hours and compressed rosters have made mine work a more arduous job than it used to be – it requires a certain physical and psychological toughness to endure the job.⁴
- Long hours, compressed rosters and FIFO limit the proportion of the workforce that is able to consider mining employment. It is almost self-evident that workers with primary responsibility for children are unable to undertake most mining jobs. Similarly, workers with substantial family, sport or community commitments are effectively excluded from mining employment.

While the mining industry and economists will argue that the relatively high wages compensate for the worker-unfriendly hours and rosters, it is clear that financial compensation does not overcome the hurdles that work intensification in mining has put in place. The mining industry needs to “humanise” its working hours and rosters if it is to make mining employment attractive to a higher proportion of the workforce.

3.2 Standard of work camps

While there are some very good FIFO/DIDO work camps, the sector has massive variability in its standards. This in turn affects the desirability of FIFO employment and therefore geographic mobility.

Variable factors include:

- the fabric and quality of residential units – from truck-mountable “dongas” to architect designed buildings;

⁴ It is not being asserted here that mine work has become more physically arduous than in past periods. Clearly it has not – though the underground mine environment continues to be more physically challenging. Instead it is argued that the long working hours and the intense production focus – with much electronic monitoring of work performance – requires workers to be physically tough in order to survive. The job does not make one fit – quite the reverse with long hours driving mining equipment – but one needs a certain level of robust health to endure the work.

- the availability and quality of air-conditioning;
- the square metres of living space per person;
- presence or absence of covered walkways;
- grassed green space versus dirt;
- presence or absence of recreational / entertainment facilities – gym, pool, etc;
- the quality of common living areas;
- the quality of the food;
- security and supervision – barbed wire fences, bag inspections, frequency of alcohol and drug testing;
- access to communication – telephone, mobile phone, internet.

In the worst cases, work camps can feel like prisons, are mud baths when it rains and dust bowls the rest of the time.

The recent news stories about construction workers on the Gorgon project being asked to undertake “hot-bedding” – sharing a room with a double bunk bed with another worker on the alternate shift – shows the lack of standards in the area.⁵ That financial compensation is offered for the sharing does not address the central problem. Workers in FIFO work long hours – 12 to 13 hours per day, and have very little free time apart from sleeping time and meals. While on duty the level of supervision (including automated supervision via computer monitoring of speed, loads carried, etc) is often intense. The couple of hours of awake time in one’s room become the only private personal space a worker has. Hot bedding or other shared accommodation arrangements remove that personal space and are a significant decline in living conditions.

An appendix to this submission has a sample of construction worker comments on their participation in FIFO, including work camp arrangements. While this material is anecdotal, it shows the considerable apprehension that may be experienced by workers contemplating FIFO employment.

The Commission may want to consider what standards should apply to the provision of FIFO/DIDO work camps that may provide greater certainty of reasonable housing conditions for workers considering such employment.

3.3 The (mis)use of FIFO/DIDO

The CFMEU accepts, as does the Windsor Report, that FIFO/DIDO is a more common proposition for resources construction sites where the need for labour is for a limited period. Of course, the “inevitability” of FIFO/DIDO arrangements for construction workers can be somewhat negated where it is, as a matter of fact, possible for employers in the resources sector to recruit local or regional workforces. But in this respect, the question of whether or not local or regional workforces can be recruited is all too often a question employers in the resources sector fail to face up to. Indeed, in this regard, there are strong parallels between employers’ wanton and unquestioning

⁵ For example – ABC News, 19 August 2013: “Hundreds protest against double-bunking arrangements at Chevron’s offshore project”

reliance on FIFO/DIDO and their push for so-called “enterprise migration agreements”, unfettered access to the 457 visa scheme, as well as to other temporary workers holding so-called “working-holiday” and “student” or “graduate” visas. Until now, such employers have not been required to seek to recruit locally or regionally, let alone to invest in creating or developing a local or regional skills base. But in relation to both domestic mobility and international migration, as put in the CFMEU submission to the Windsor Inquiry: “[if and where] there are skill shortages, it is because industry recruitment strategy has focussed on sourcing labour rather than generating skills through investment.”⁶

The CFMEU therefore recommends that employers seeking to utilise FIFO workforces should have their proposals for FIFO arrangements subjected to an impact assessment study, through which it should be for the prospective employer to prove why a particular project can only use FIFO workers rather than local or regional workers (whether in whole or in part).

Further, the CFMEU recommends that employers in the resources sector using FIFO workforces should be made to contribute to industry training funds to ensure that Australia’s skills base is properly maintained, replenished, and responsive to the needs of workers as an integral (and indeed critical) part of the wider economy. The CFMEU submitted to the Windsor Inquiry that only through satisfying these requirements should FIFO/DIDO be approved, including as part of proposed “Community Benefits Plans” processes.

4 Improving the liveability of mining towns

Alongside improving the working and living conditions attached to FIFO/DIDO work is the need to improve the “liveability” of mining towns.

The Windsor Report – cited above – has useful material on this issue. The CFMEU will shortly be releasing a significant commissioned report on social infrastructure issues in mining towns that will be of interest to the Commission.

Firstly, there is the issue of availability and affordability of both owner-occupied and private rental housing in mining towns – discussed below.

The broader social infrastructure issues can be defined as “the community facilities, services and networks which help individuals, families, groups and communities meet their social needs, maximise their potential for development, and enhance community wellbeing”⁷. There are three broad categories of social infrastructure:

⁶ CFMEU submission to the Windsor Inquiry, page 44.

⁷ Office of Urban Management (OUM) (2007), South East Queensland Regional Plan 2005-2026 Implementation Guideline No. 5 – Social Infrastructure Planning, Queensland Government

- Universal facilities and services such as education, training, health, open space, recreation and sport, safety and emergency services, religious, arts and cultural facilities and community meeting places;
- Lifecycle-targeted facilities and services such as those for children, young people and older people; and
- Targeted facilities and services for groups with special needs, such as families, people with a disability and Indigenous and culturally diverse people.

The CFMEU will not rehearse this issue in detail here due to the forthcoming CFMEU report, and because the Commission will be aware of other source material on this subject. However, the following points are made:

- It is acknowledged that community expectations have changed, and that what was considered adequate in terms of social infrastructure in mining towns in the 1970s is now considered less so, BUT
- The deterioration of mining towns is due in part to a decline in mining company willingness to fund social infrastructure, and public agencies have not filled that void;
- Where governments do take remote region social infrastructure commitments seriously, such as the Royalties for Regions program in Western Australia, it does produce results;
- Advances in information technology – for example the National Broadband Network – have the capacity to overcome some of the tyranny of distance issues;
- While mining towns are often located in harsh environments, this does not inevitably mean they are undesirable places to live, and social infrastructure is the key determinant. Perth was once considered a harsh place to live, but now it is considered desirable for many lifestyle attributes, and is a major base for FIFO flights.
- FIFO work camps located in or near towns frequently strain the social infrastructure of the town – they need considerable policing and health infrastructure, and their extreme demographics – mostly single men or men away from their partners – degrades the demography of the town.

Alongside improving minimum standards for FIFO/DIDO camps, the Commission could consider what can be done to improve the social infrastructure of mining towns and thereby make them more attractive destinations to which people might relocate.

5 Recruitment practices

5.1 Mining recruitment

Due to mining work becoming more physically and psychologically challenging (discussed above), and the associated high labour turnover problems, there has been a trend for mining employers to engage in a high level of screening to find suitable workers, and also to “try before you buy” by employing workers indirectly via contractors. This multi-level and often harsh recruitment process discourages potential workers from entering the industry.

It had become a truism in the industry that major mining companies rarely advertised directly for production level jobs. They poached workers from contracting firms, or tested out workers via labour-hire companies. The National Resources Sector Employment Taskforce noted that the mining industry has a poor record of training new starters.

A worker from Sydney or Melbourne seeking employment in the Western Australian mining industry is often obliged to relocate to Perth – as a major departure point for FIFO flights – “on spec” without a job offer. They must pay for their own basic training, then seek to be listed with several labour-hire firms and then wait for a vacancy to come up. Usually it will be at short notice – often less than a day – when a contractor loses some workers that are either leaving the industry or who are being poached by a mining company.

The labour hire work that is offered to new starters is typically the worst in the industry – with the most difficult rosters, the harshest locations and the least employment security. From there the aspiring mineworker seeks better/easier mining jobs – full-time employment in a better location with better pay and conditions.

When the Australian Government set up the Resources Sector Jobs Board to help address industry claims of labour shortages, it was noticeable how slow the industry was to advertise jobs in significant numbers. While that situation has improved, and the industry is now experiencing a downturn, the Jobs Board has about 3,400 jobs advertised as of mid-August. (And of those, just 12 were available on a part-time basis. The industry is not accommodating the substantial proportion of the labour force that needs to work on a part-time basis due to other commitments).

The Commission may wish to consider what should be done with recruitment practices in the mining industry if it wants to improve the proportion of the workforce that might engage in geographic mobility to meet industry labour requirements.

5.2 “Blacklisting” and FIFO Worker Deployment in Resources Construction

Given the short-term and itinerant nature of onsite construction work, workers in the resource construction sector are necessarily required to seek employment with a number of different contractors on a variety of resource construction projects.

Over a number of years, a practice has developed for the recruitment of construction workers on major resource and infrastructure projects to be managed via a “registration of interest” process handled by third parties, whereby prospective employees are asked to provide a significant amount of personal information as a pre-condition for employment.

At its core, the “registration of interest” process is utilised by recruitment consultancy firms to collate vast amounts of data, including as to prospective employees’ education, training, trade or other qualifications, employment history, and history of Work Cover and similar claims. The purpose of collating such data, however, is twofold: on the one hand, it is used for the purposes of FIFO

mobilisation/demobilisation; on the other, it is used to scrutinise a prospective employee's "suitability" (however defined) for work at a particular site.

Use of the "registration of interest" process is widespread if not universal on major resource construction projects: accordingly, we estimate that many thousands of workers and others have had their personal information collated in databases through the use of the system.

Of significant concern, however, is that members of the CFMEU have complained to the union that the databases are being misused to extract and disseminate information relating to prospective employees' membership of a trade union, their participation in industrial and trade union activities, their seeking recourse under industrial and employment laws, or their seeking of compensation under workplace health and safety laws.

Numerous union members have complained that they have been hindered in their efforts to obtain employment in the resource construction sector because of the information obtained and provided through databases. Indeed, in some instances, union members have been advised by prospective employers that the reason they are unable to employ them is because information provided to them through the databases is to the effect that they are unsuitable for employment because of their union membership or activity or, further, because the head contractor is in possession of such information and refuses to have them onsite.

On 19 February 2010, the CFMEU lodged a complaint with the then Office of the Privacy Commissioner about the "registration of interest" process and the databases allegedly being misused to "blacklist" union members.

In default of any reply from the Commissioner in relation to the complaint, the CFMEU followed up the complaint on 27 September 2011 (more than eighteen months after lodgement of the initial complaint). Resultantly, on 5 October 2011, the Office of the Australian Information Commissioner replied to the CFMEU, dismissing the complaint on the basis of its interpretation of the (porous) "National Privacy Principles" under Commonwealth law and "advice" provided to it by the very organisation against which the complaint was made.

Further, at no point in its response did the Commissioner indicate that it had seen any part of the databases in question. Clearly this was an inadequate response in light of the Commissioner's apparent acceptance that personal and sensitive information was being collected, collated and disseminated amongst participating contractors for the purposes of determining job applicants' "suitability" for work on resource construction projects.

On 26 March 2013, the UK House of Commons Scottish Affairs Committee handed down its interim report into blacklisting in the UK construction industry, which makes for relevant and timely reading for the purposes of the Productivity Commission study into Geographic Labour Mobility.⁸

⁸ [Blacklisting in Employment: Interim Report](#), from the UK Houses of Parliament website (accessed 19 July 2013).

In particular, the Committee report identifies Balfour Beatty and Skanska – both multinational construction companies with a presence on major civil projects in Australia (including the Gold Coast light rail and Victorian Desalination Plant projects) – as having used blacklisting via the so-called “The Consulting Association”, an ostensibly non-profit outfit which ran a subscription-based database on behalf of major construction firms.

Further details have emerged in relation to the use of construction worker blacklisting at the London Olympics construction site and the “Crossrail” rail project – currently the biggest construction project in Europe – by other large construction contractors who operate widely across Australia. Extracts from the files held by The Consulting Association and seized by UK authorities are available on the Committee website.⁹

The CFMEU notes that the House of Commons Committee has criticised the UK Information Commissioner’s Office for its inaction on blacklisting, even with proper regard to the confines of its statutory role.

The CFMEU therefore urges the Productivity Commission to examine the role of the “registration of interest” as a pre-condition for employment on resource construction projects, and its effect as a scandalous impediment on geographic labour mobility in Australia. Further, the Productivity Commission may wish to examine the effectiveness and impact of privacy laws on labour mobility in Australia.

6 Housing tenure, housing prices and housing transaction costs

6.1 Incentives to owner occupation and impacts on prices

There are a number of ways in which housing law, tax concessions and investor practices in Australia restrict people’s geographic mobility.

The private rental market is constituted as a temporary and less-desirable form of housing. Private rental leases tend to be of short duration – often six months – and there is little in the way of security of tenure apart from minimum notice of termination periods. This acts as an incentive for people to prefer owner-occupied housing. Added to this are the powerful tax and social security advantages to owner-occupied housing – notably Capital Gains Tax exemption, and the exclusion of the home from social security asset tests.

These incentives to owner-occupation are so entrenched and pervasive that home-ownership is considered to be the key foundation to retirement planning.

⁹ [Annex A—Examples from the blacklist](#), from the UK Houses of Parliament website (accessed 19 July 2013).

The concessional treatment of owner-occupied housing contributes to higher overall house prices – with Australia frequently being reported as having some of the highest house prices in the world relative to earnings.

Placing the majority of individual or family savings and assets into home ownership inevitably reduces the propensity or willingness of people to relocate. But on top of this are the high levels of stamp duty and other transaction costs associated with buying and selling a home.

Stamp duty on property purchase in Australia appears to act as a de facto wealth tax, but it is a very crude one that only affects people when they buy a home. The typical rate of a few percentage points becomes a considerable cost when moving home that is additional to the other inevitable costs. It thus becomes a significant disincentive to people moving home.

On a fairly typical house price of \$500,000, stamp duty in NSW will be in the order of \$18,000, while in Western Australia it will be around \$20,000.

Real estate agent fees for selling property are also significant – usually over 1% of the sale price plus all costs. The practice of major real estate websites restricting listings to real estate agents forces home sellers to use estate agent services. In this manner, the original advantage that estate agents had – the capacity to generate listing publicity across their network of affiliated agents – is now being perpetuated rather than broken down by the restrictive practices of real estate websites.

The all-up costs of selling a home and buying another will readily approach 7-8% of the purchase price of a home and may approach 10%. Unless the household has substantial savings or is downsizing, the transaction costs must be added to the mortgage, substantially increasing household debt.

The combination of these transaction costs on top of high house prices is a significant impediment to the willingness of households to relocate.

6.2 Rental market prices

The vast majority of private rental stock is let at current market prices. This is due to the structure of the market, with dominance by relatively small investors seeking to maximise returns. Some other developed countries have significant alternatives – housing cooperatives and larger scale housing systems where rental costs are based on historic cost rather than current market rates.

When market rents for rental housing are combined with the dominance of small investors and State/Local Government planning practices that tend to lag and be reactive to demographic trends, we face housing shortages and very high rental costs. The Commission will have no difficulty in obtaining information on the spectacularly high rents that have been payable in mining towns during the resources boom. Rents for a 3-4 bedroom house in the Pilbara and central Queensland mining towns have approached \$2,000 per week – clearly unaffordable to most Australian households and even unaffordable to an individual on relatively high mining wages.

Mineworkers in remoter areas are therefore typically dependent on the employer to provide housing. This in turn creates pressure for more jobs to be FIFO/DIDO in order to avoid these housing costs. This is exacerbated by the high use of contractors in the mining industry with shorter time horizons due to the timeframes of their contracts, and because FIFO/DIDO work camps and associated transport costs are considered normal business expenses rather than fringe benefits and are exempt from the Fringe Benefits Tax.

The Commission is urged to consider what might be done to encourage the development of a much deeper and more liquid private rental market.

7 International migration

The PC study terms of reference and the Issues Paper note that the study's interest in this aspect concerns the impacts of international migration on geographic labour mobility. The CFMEU considers this an important issue, and will make further submissions on this matter in addition to these introductory comments.

The evidence does not support much of the conventional wisdom that international migration enhances the geographic mobility of the workforce.

This conventional wisdom overlooks some key realities about international migration, for example, that the vast majority of international migrants settle in Australia's capital cities and not in regional areas, where geographic labour mobility is most critical.

In addition, much international migration actually impedes geographic labour mobility within Australia. This is particularly the case with employer-sponsored migration (both permanent and temporary) which is now the top priority in the Australian Government's skilled migration program via the 457 visa and the employer-sponsored permanent residence (PR) visa programs, the Employer Nomination Scheme (ENS) and the Regional Sponsored Migration Scheme (RSMS).

The reason these skilled visa programs actually impede rather than facilitate labour mobility is that they tie the visa-holders (and their families) to a particular employer in a specific location – that is, they effectively act as disincentives to mobility. These visas do this because of the terms and conditions of the visa regulations for employer-sponsored visas, and because of the way that employers exploit these visas in practice to maintain a captive workforce for as long as possible, in their own commercial interests.

The Department of Immigration and Citizenship (DIAC) says that some 50-60% of all 457 visa holders go on to take out a PR visa, predominantly an employer-sponsored PR visa (in trades occupations, the figure is even higher). At end-May 2013, there were around 108,000 primary 457 visa holders in

Australia plus roughly the same number of 457 secondary visa holders (spouses and accompanying family members).

Under visa rule changes effective from 1 July 2012, 457 visa workers must now stay with their 457 sponsor for a minimum period of 2 years before becoming eligible for an employer-sponsored PR visa with that employer (previously the rule was only 12 months with the sponsor but 2 years in Australia as a 457 visa worker).

The effect of this rule change is to tie the 457 visa worker to a particular employer for a longer period of time, thereby reducing overall labour mobility. Furthermore, the 457 visa worker has no automatic entitlement to an employer sponsored PR visa - it is entirely at the sponsor's discretion whether the sponsor will nominate the 457 worker for a PR visa, and when. This is regardless of any undertakings employers may have given.

Thus 60,000 457 visa workers (and their families) are at any time prevented from moving to where the jobs might be.

On top of that, the employer's hold on the worker continues even after the worker has been sponsored for a PR visa. In August 2013, there are an estimated 80,000 skilled workers in Australia who have been granted an employer-sponsored PR visa within the last 2 years (ENS or RSMS visas), plus at least that number of persons again in the families of these workers.

For those granted an RSMS visa (approx 40,000 workers), DIAC retains the discretion to cancel the so-called 'permanent residence' visa if the worker leaves the sponsor's employment within 2 years of the RSMS visa grant. Around 80% of all RSMS (and ENS) visas are granted to former 457 visa workers.

The RSMS visa is notionally a PR visa but this "permanent residence" visa can be cancelled by DIAC in certain circumstances. The DIAC website on RSMS says, under the heading 'Employee's Obligations':

- The visa-holder must "remain employed in the nominated position in the regional area for at least two years".
- "The visa may be cancelled if the employee does not comply with these obligations to complete the two year contract with the employer."

DIAC has on occasions exercised its discretion and cancelled (at the behest of employers) these so-called PR visas granted under RSMS. This is grossly offensive and the DIAC power to cancel RSMS visas on the above grounds must be removed.

It is unacceptable that a single employer can effectively determine whether a worker can continue to hold a PR visa in Australia and exercise such control over the mobility of skilled workers. This arrangement continues the state of labour bonded to the employer that is such an objectionable feature of the original 457 temporary visa program.

It places excessive powers in the hands of employers and completely distorts the bargaining relationship between employers and workers.

It is irrelevant that DIAC claims it has only exercised this power to cancel RSMS visas a few times. The more relevant consideration is that the RSMS visa-holder knows that this power exists, and that his/her PR visa may be cancelled if their employer chooses to notify DIAC that the employment relationship has been terminated, for any reason before the 2 years is up.

Bonding RSMS visa-holders to their employers in this way, often after several years effectively locked in as a 457 visa worker, should be rejected. It means that in practice some workers may be tied to the same employer for 5 years or more – say 3 years on a 457 visa plus 2 more on the RSMS visa.

The Commission may wish to request data from DIAC on the duration of employment of visa holders (457s, ENS and RSMS) with their current sponsor.

A regional WA business leader, Busselton Chamber of Commerce CEO Mr Ray McMillan, in promoting employer-sponsored visas, was reported thus in an August 2011 story:

However, Mr McMillan said local businesses that needed to fill skilled positions should consider sponsored migration visa

These would require the worker to stay in the region or position for at least two years, he said.

"Many businesses think migration is too long a process, but what it does is allow employers to secure an employee for a number of years, as a result of the application," Mr McMillan said.¹⁰

ENS visas and impediments to mobility

These employer-sponsored PR visas do not have the same visa condition (ie 2 years stay with the employer sponsor) as applies to the RSMS visa. However, many employers effectively achieve the same result by the imposition of Return of Service Obligations (or 'ROSO')¹¹.

¹⁰ Stephanie Vanichek, 'Cautious approach to work visa change', *Busselton Dunsborough Times*, 12 August 2011.

¹¹ ROSOs typically arise in the Australian Defence Force and medical profession. ROSO arrangements often involve the Commonwealth, through the relevant government department, entering into a deed of agreement with a person to undertake specialized and highly skilled training. The person is then required to work for the Commonwealth for a certain period of time. The ROSOs in defence and medical professions generally are expressly allowed or recognised in legislation. In case of defence force, this is via the Defence (Personnel) Regulations 2002 and for the medical profession's rural bonded scholarship, this is via the *Health Insurance Act* 1973.

The CFMEU is aware of occasions where ENS or RSMS sponsoring employers have attempted to recover visa-related costs from the visa-holders by way of so-called Return of Service Obligations (“ROSOs”). These costs were suggested at \$15,000 to \$20,000 by one employer.

ROSO arrangements have also been imposed by sponsoring employers with subclass 457 workers which is unlawful under Immigration Regulations.

Under a ROSO arrangement in the RSMS visa context, the sponsor attempts to recoup from the visa-holder the direct costs to the employer of fees and charges involved in obtaining the visas for the primary applicant and any family members, additional fees for less than functional English, migration agents and consultants’ costs.

If the employee serves out the period determined by the employer as the ROSO period, the employee has no further liability. But if the employee leaves before the end of the ROSO period, the employee must pay the employer a pro-rata amount calculated on the basis of time remaining to the end of the ROSO period.

According to advice from DIAC, a ROSO contract offered to 457 visa workers under the subclass 457 program would be unlawful and unenforceable. DIAC has also suggested in the past that ROSO arrangements may be 'unreasonable' under s.326 of the *Fair Work Act 2009*, rendering the contract unenforceable.

The CFMEU has previously supported this finding and noted that payments payable to the sponsoring employer do not answer the description of reasonableness in Regulation 2.12 of the *Fair Work Regulations 2009*.

We strongly urge the Commission, in the interests of geographic labour mobility, to recommend that Government extend the employer obligation under Item 2.87 of the *Migration Regulations* to sponsoring employers under the ENS, RSMS and all permanent employer sponsored programs.

Case Study: Filipino 457 Plant Operator

“J”, a Filipino plant operator working in South Australia on a 457 visa was promised by his employer that he would be sponsored for permanent residency after serving out the qualifying two-year period as a 457 worker. J’s brother, “R”, an Australian permanent resident himself, also worked as a plant operator for the same employer. When R notified the employer of his intention to leave his employment for a better-paying job in the mining sector, where plant operators were in high demand and short supply, the employer threatened to send J (along with his wife and infant son) back to the Philippines. When R eventually left, J’s employer stalled on its promise to sponsor J for permanent residency and again threatened to send him and his family back to the Philippines “at the click of his fingers”. With the assistance of the CFMEU, J has since acquired permanent residency and has found a new employer.

The new 457 legislation

In June 2013, landmark 457 legislation passed both Houses of Parliament and received the Royal Assent on 29 June 2013. This is the *Migration Amendment (Temporary Sponsored Visas) Act 2013*.

Among other things, this Act provides for Labour Market Testing or LMT (as defined) before certain 457 visa nominations may be approved by the Minister. The principle underlying LMT and incorporated in the Act is that Australian workers (citizens and permanent residents) have priority rights to jobs in Australia, subject to very limited exceptions such as in international trade agreements.

The CFMEU believes the Commission's research study should endorse this principle and its wide application, as essential to promote desirable geographic labour mobility by Australian workers.

Unless this principle is firmly entrenched in Australian immigration law, employers will be tempted to access temporary foreign workers as a first resort. This is because the costs of accessing such workers is forever reducing (eg, 50% of 457 visas are now granted to foreign visa holders already in Australia, many already working for their 457 sponsor); the ease of accessing such workers is increasing; and the demand from foreign workers for access to the Australian labour market is likewise increasing at a rapid rate.

The fundamental principle that temporary foreign workers should be admitted only when Australian are not available is one recognised and supported by Ross Garnaut in his 1989 landmark report:

There will continue to be pressure from China and the Republic of Korea for Australia to accept temporary entry for labourers and skilled workers on, for example, joint venture developments. Australia's approach has been to welcome migrants on a non-discriminatory basis but to refuse entry to guest workers unless they possess an important skill that is not available in Australia. *This approach has deep roots in Australian labour and immigration policy. In a country receiving migrants from diverse sources, it is important to the maintenance of national coherence and identity. It is defensible in principle and should be maintained.*¹² (emphasis added)

The CFMEU considers that Garnaut's reasoning and recommendations are even more relevant nearly 25 years on in 2013, and for the coming decades.

This is because Australia's future economic prosperity will depend even more on the sustainable growth of our international education and tourism industries, and other international services. These all require the presence in Australia of a growing number of temporary residents.

Growth in all these sectors will be threatened, if the Australian community does not have confidence that our temporary skilled visa policies are adequately protecting the primary rights of Australian workers to skilled jobs in Australia.

¹² Ross Garnaut, *Australia and the Northeast Asian Ascendancy*, 1989, pp293-4

Appendix 1

CFMEU construction worker responses to FIFO survey

Case Study: Construction Worker “A”

Construction Worker “A” is from urban Queensland and does FIFO work in the Bowen Basin, around Moranbah. Currently, he performs various construction roles on an ammonium nitrate (used in explosives) processing plant. Whilst working away from home, he stays in camp accommodation provided by his employer and which is in close proximity to the ammonium nitrate processing plant. Despite the proximity between the plant and the camp, neither have a windsock in the event of an industrial accident. The conditions are very basic at the camp and he describes staying at the camp as being akin to staying at prison quarters. The grounds are surrounded by 3-metre-high wire mesh fences topped with barbed/razor wire. Entry to the camp is by guarded checkpoint where bag searches are conducted. By night the camp is patrolled by security guards and workers are told to go to bed. He further points out that the walkways around the camp, including from the dongas to other camp facilities are not undercover, which becomes difficult when there is rain.

He describes the food as “disgraceful” and cites numerous instances of food poisoning; he doesn’t bother with the food provided on camp and incurs extra expenses in sourcing food from the nearest town. The accommodation is now a big factor to him - to the point that he will not work for his current employer in future.

Case Study: Construction Worker “B”

Construction worker “B” currently lives with his wife and two sons in the Newcastle area and these days regularly takes up jobs in remote Western Australia (eg the Pilbara) and in Central Queensland (eg Blackwater). He performs a variety of roles onsite, including plumbing work, general labouring, steel fixing, dirt digging. Before settling in Newcastle, C and his family moved from region to region for C’s employment. This usually meant he would have to seek accommodation for his family in those areas and his sons would have to change schools. Tired of the disruption this caused, C decided to settle his family in Newcastle and to work FIFO only. This invariably means regular absences from his family for up to 28 days straight, and experiencing fatigue upon arrival back at home. He laments that a consequence of this is that he misses out on seeing his sons grow up as he is often unable to attend sport and school events. During one absence, one of his teenage sons was beaten up at school and hospitalized. His son received facial scars and a broken hand. It was not easy being absent from home at that time and he could not simply return home as he was on the other side of the continent.

Case Study: Construction Worker “C”

Construction worker “C” is a crane operator who lives in Port Hedland and works principally on resources projects. He moved to Port Hedland from Perth some 16 years ago and, as such, is now a local: he owns his own home and sends his children to the local school. He acknowledges that there

has been a need for FIFO workers in his area because there simply isn't the local workforce to meet the demands of industry. That said, he notices the strain FIFO has placed on his local area and feels that the 'fabric' of his local community has eroded with the increased use of FIFO. For example, he has observed that there are increased instances of violence at the local pub where previously, there would be a gender mix but which no longer exists. Further, he cites plans of a 5,000 person camp in the area, despite refusals to extend the town because of water and sewerage issues. He says that there is some increased economic activity in the local area on account of FIFO but feels that this is mostly on alcohol, cigarettes and the odd bit of retail which does not compensate for the strain on public services. For example, he finds it difficult to get access to a GP. He feels that FIFO workers get preferential treatment from employers because they ultimately have longer and more frequent bouts of time off and get guaranteed earnings. This latter point makes him somewhat financially worse off than other workers who have less experience and skills than him but who perform work on a FIFO basis. He says that he was fortunate enough to buy his house in Port Hedland when the market was low, but believes that he could now easily sell his house or rent it out at an inflated price and not have to work at all – despite there being apparent skills shortages in his work classification.

Case Study: Construction Worker “D”

Construction worker “D” is a tradesman from Brisbane, where he has spent all of his working life working on commercial building projects. He has a wife and two children (aged 3-5 years) in Brisbane, but has only been able to find enough steady work on the construction phase of mining (and ancillary) projects in Central Queensland. Whilst he would prefer to continue working on commercial building locally, he now regularly performs FIFO work in areas in the Bowen Basin. He has needed to work as a labourer in order to keep the work going. Because his wife works full-time, he and his wife have to incur significant expenses for childcare which wouldn't be necessary if he were still working in Brisbane on commercial projects. This leads them to question whether it is worthwhile for both of them to be working.

Case Study: Construction Worker “E”

Construction Worker “E” is a young labourer from the Gold Coast. He currently has some work lined up on the Gold Coast Hospital site and the new light rail project. He does not foresee there being much work beyond that locally and believes he will have to consider taking up labourer work on a FIFO basis. He doesn't see much choice in the matter although he would have much preferred getting a trade and being around his mates.

Case Study: Construction Worker “F”

Construction worker “F” is a plant operator from Wollongong, who has been made redundant following the closure of BlueScope Steel Limited's operations in Port Kembla. (BlueScope Steel was a major client of his former employer). He is middle-aged and has children in high school. His wife also works full-time in order for them both to meet their mortgage payments. He acknowledges that he is tempted to perform FIFO work, but can only rule it out on account of himself and his family being so established in their local community and the needs of his wife and children.

Case Study: Construction Worker “G”

Construction worker “G” has been a carpenter for some twenty years, five years of which he had been performing FIFO work in WA. At the start of his most recent (and final) stint doing FIFO, he was told by his superintendent that if anyone ever “crossed” him, he would make sure that they would never work in WA construction again – and perhaps not even in Australia again. Initially, G saw this as an empty and exaggerated threat. During that stint, however, a dispute erupted over allowances. He says that the superintendent became “nasty” to the point that one of his work colleagues was on the verge of tears. G complained about this to the project manager who was dismissive about the complaint. G flew out that day as it was his scheduled 7-day R&R. Upon his departure, the superintendent announced to G’s workmates that G would not return and was blacklisted and would not get work again. He has since been unable to gain employment on resource projects, despite the apparent multitude of opportunities for workers of his classification on such projects. He suspects that he was blacklisted, as was threatened by his former superintendent. He cites database and IT companies operating out of Perth who provide information on industrial activity etc to prospective employers and that similar services were found to be provided to employers in the United Kingdom who also operate in Australia.

Case Study: Construction Worker “H”

Construction Worker “H” has worked in construction for 22 years. He began working in the sector as an apprentice, commuting to remote locations (usually five hours’ drive by car) in regional New South Wales. Over many years, he has since performed a great deal FIFO work – these days, usually in the Pilbara. He hardly ever (“if ever”) sees apprentices working on major resources projects as he once did. His observation is shared by his workmates.