



## FIFO Health Woes

*How do we manage the health risks associated with an increasingly transient workforce?*

**If your organisation is engaged in non-residential workforce (NRW) practices, there is little doubt that there are some concerning trends emerging around the health and wellbeing of your workforce.**

The ongoing Federal inquiry into Fly in- Fly out (FIFO) and DIDO (Drive In-Drive Out) mining operations is exposing significant concerns around high risk behaviours, mental health issues and a deterioration of physical wellbeing leading to obesity, fatigue and sleep disorders. Managing the health and wellbeing of your workforce has never been more important particularly given the push towards greater productivity from an already stretched workforce resource.

There is no doubt whatsoever that FIFO and DIDO workforce practices will remain in the Australian mining landscape and indeed demonstrate exponential growth over the next 2-3 years. It is simply impractical to target a residential workforce as the infrastructure requirements make it unmanageable, costly and highly unattractive to mining organisations. Residentially based areas such as Broken Hill and Mount Isa, have their own set of unique problems, accommodating their residential workforce and non-residents, who fly in for projects, maintenance periods and smaller FIFO operations.

The issue that all these approaches have in common is the inability to provide adequate resources to maintain the health and wellbeing of the workforce. As an example in Mount Isa, where I worked as a contractor over a 10 year period, I observed a significant impact on both the private and public

health systems due to the difficulties in attracting and retaining the specialist occupational health and medical services so desperately needed. To make matters worse, residential workers were forced to fly in-fly out for medical services in order to meet their family medical requirements.

The old adage “*if in pain, catch a plane*” is alive and well in many rural mining towns.

It should come as no surprise that FIFO and DIDO operations have an effect on the local community and one only need open up any Queensland or Western Australian newspaper to gain some understanding of the problems presented to the Federal Government’s FIFO enquiry, which is currently doing the rounds of mining communities in Western Australia.

For me, the most pressing issue surrounding FIFO and DIDO operations is that of the health and wellbeing of the individual workers and how, by getting that wrong, we run the risks of endangering not just the individuals themselves, but the overall viability of mining organisations engaged in this unique workforce solution.

Easily accessible and low cost mass air travel has created new opportunities for organisations and individuals and the fact that the resource sector has adopted non-resident workforce (NRW) practices on a larger scale than any other industry should be cause for reflection on the greater workforce flexibility that can be achieved under innovative agreements (*Queensland Resource Council. Inquiry into Fly In-Fly Out and Drive In-Drive Out workforces, October 2011 report to the House of Representatives Standing Committee on Regional Australia*).

One of the key benefits for FIFO workers is their ability and freedom to choose where to live and where to work and by doing so, maintain both family and social networks in their home communities. Arguably, the health strain placed upon their work location is reduced compared to a scenario where the whole family moved. By staying in their normal place of residence, both the worker and his or her family maintain their normal health and medical requirements within their community which typically includes more family orientated medical and health services.

With this approach, family members are less likely to require more specialist and mental health services than would be the case if they were isolated away from family and friends.

Whilst this arrangement may accommodate the remaining family unit very nicely, it does little in terms of supporting the individual engaged in FIFO operations, which by their very nature can have a deleterious effect upon their health and wellbeing and in turn rebound upon the family unit in areas such as a mental health.

### **What are the health requirements for FIFO and DIDO workers?**

In my opinion, the health requirements for FIFO and DIDO workers centre on an organisations ability to deliver a flexible and mobile health solution that allows them to both maintain and promote the benefits of a healthy workforce. It is too simplistic to look at this in terms of what an organisation must provide without understanding the need for workforce buy in.

The Federal Government inquiry has heard from a number of different organisations and individuals, chief amongst them is AMA (Australian Medical Association), which reports an increase in sexually transmitted diseases, mental health issues, deteriorating physical health and resulting factors such as weight gain, fatigue and sleep disorders.

AMA WA President, Professor David Mountain told one hearing there was evidence of “high risk behaviour” as a consequence of “being young, cashed up and bored” in an isolated area, whilst the head of AMA’s Queensland branch, Dr. Richard Kidd said that “just being employed as a FIFO worker was enough to put your health at risk”.

This leads me to the conclusion that workers need to be encouraged to take some level of personal ownership around managing their individual health, effectively keeping themselves fit for work. High risk behaviour and deteriorating physical health must have personal ownership. It is almost inevitable that workers will navigate towards FIFO operations that offer the best rosters, wages, accommodation arrangements and other conditions. QRC (Queensland Resource Council) chief Michael Roche said “workers were always treated well, because they are in such high demand and that the overwhelming point we need to make is that FIFO workers will vote with their feet if they don’t like their accommodation arrangements or other conditions”. He said “mining villages, or camps, that house the workforce were consistently encouraging healthy eating and exercise and that they promote healthy diet options and many recreational facilities.”

From my experience with FIFO operations, whilst these facilities are being provided they are typically underutilised. This may provide some insight in to why the health issues described earlier are on the increase. Understanding why the utilisation of these facilities is low will provide further insights on how we can arrest the escalating health concerns. One contributing factor that I have observed is the impact of rosters that do not provide the flexibility that enables workers to be in a position to easily utilise the facilities.

Getting the balance right in health and wellbeing services for FIFO workers has never been more critical. The comments by the AMA to the Federal Inquiry may well be the tip of the iceberg as statistical analysis invariably has a delayed response, which may see these issues slingshot over the coming months into quite significant problems.

There is no doubt that there are considerable cost savings to be made by mining organisations through not providing residential based operations. However, the utilisation of a FIFO workforce must include a far greater emphasis placed upon the health and overall wellbeing of the workers and indeed, can and should be used as a considerable “point of difference” in not just attracting, but retaining workers.

On the 18<sup>th</sup> April, Fortescue Metals Group reported that on average it costs \$100,000 more to employ a person who lives in the Pilbara than to employ a person FIFO. It is also worth considering that some media reports indicate that the average wage for a FIFO worker is between \$120,000 and \$186,000 per year. More recently, the Australian Institute of Mining and Metallurgy reported that it costs a company up to 1.5 times a miner’s annual salary to replace a lost worker, which is a considerable figure given that some operations are experiencing an up to 50%-60% attrition rate.

Therefore, it is my opinion that if there are savings to be made through FIFO as suggested in the FMG article, and costs attributable to losing employees through attrition, surely this should be considered in any business case for maintaining the health and wellbeing of a FIFO workforce.

For even a smaller mining operation of 200-400 employees, these amounts are catastrophic in terms of gaining any sort of a profitability footprint and indeed, must have a knock on effect in terms of training and administration costs, not to mention the loss of corporate knowledge and expertise.

Clearly, the costs associated with attracting and then retaining employees needs to be addressed with a degree of urgency or the sustainability of upcoming projects must be bought into question. Specifically, WA Goldfields are searching for 10,000 new employees, Atlas Iron 1,000 and Hancock Prospecting's Roy Hill Iron Ore mine needing 10,000 new employees - the need has never been more apparent.

### **What is the solution?**

By and large, the most important component of any health and wellbeing program is actually engaging the workforce with a sense of ownership and personal benefit. Whilst this essentially becomes a cultural issue, this presents management with a significant opportunity to improve productivity and extend the productivity of employees.

In addition to addressing the cultural impacts, assessing the health risk profile of any workforce using a dedicated health risk assessment (HRA), is a relatively easy process. After assessing the health risk profile, targeted health and wellbeing programs can be implemented that meet the specific geographic, demographic and occupational footprint of each FIFO operation.

In order for an HRA to be of benefit on an organisational level, the health data needs to be analysed and a strong business case developed. If management cannot clearly see a benefit, history tells us that health and wellbeing programs are usually the first to be cut when times get tough.

Ironically, this is the time when these programs are most needed, as maintaining a healthy and productive workforce goes a long way to maintaining the bottom line of any operation.

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