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# The role of private corporations in regional planning and development: Opportunities and challenges for the governance of housing and land use

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ABSTRACT

There is a broad consensus that the corporate sector has an active role in facilitating community development through corporate-community investment. However, there remains uncertainty as to how much the sector should invest without taking on responsibilities and influencing decisions which are traditionally within the realm of the state. This paper explores the contemporary role of mining companies in regional governance through a case study of housing and residential land use planning and supply within the Bowen Basin coal mining and coal seam gas extraction region in Queensland, Australia. Mining companies were found to have a broad role in planning and development with far-reaching implications for land use and the wider regional community. These arrangements have emerged in response to corporate sensibilities, some recent policy requirements and most importantly, in pragmatic response to the institutional void apparent in many regional communities. In the absence of an effective regional framework with a clear and defined role for governments and corporations, powerful corporate interests risk effectively 'capturing' the regional development agenda within a framework that works on short-term paternalism rather than long-term regional partnerships. This also has implications for the efficiency of governance. Stronger institutional arrangements need to be developed to strengthen the capacity of the state to oversee these relationships. Regional governance and planning theory also needs to address this deficit.

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## 1. Introduction

Global mining companies are increasingly prioritising the alignment of their own interests with the values of society, and in particular, with the communities in which they operate. Driven primarily by the need to secure a social licence to operate, the momentum for voluntary social investments by mining companies has increased significantly in recent years with the promise of community development and well-being in mine-affected regions. However, while many mining companies are conscious of their obligation to offset the effects of industry operation, the nature and extent of mining company interventions in regional communities presents a new set of problems for regional planning and development. These problems take place within broader changes in the way society is governed, whereby the activity of governing is no longer anchored solely in the domain of the 'sovereign' state, but rather exercised by a broad range of state and non-state actors. This changing exercise of rule is best described as a shift in regulation from government to governance.

There is a growing body of empirical research which focuses on the changing modes of contemporary rural and regional regulation (Jones and Little, 2000). Much of this effort has concentrated on the destabilisation of the state and the emergence of new forms of community or local government-level bodies in regional governance (Herbert-Cheshire, 2000; Jones et al., 2002; Morrison, 2007). Seldom does this work involve a holistic examination of the role played by the corporate sector in rural governance.

Yet in some rural localities the restructuring of the state and the subsequent incorporation of corporate actors into a 'diffused' model of governance has created an institutional void (Cheshire, 2010). In these communities, active and well-resourced mining companies are increasingly recognised as 'filling the gaps' in regional planning and service delivery where government activity is weak and community capacity is low (Esteves, 2008; Cheshire, 2010). However, while the case for community partnerships is accepted at a general level, there remains uncertainty as to how

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much mining companies should invest without absorbing responsibilities and influencing decisions that are traditionally within the realm of government (Hamann, 2004; Russell and Lawrence, 2007).

This article explores the contemporary role of mining companies in regional planning and development through a case study of housing and residential land use planning and supply by mining companies within the Queensland coal mining region of the Bowen Basin. After presenting an overview of the practice and theory of corporate mining involvement in regional planning and development, we give a brief introduction to the region. The case study then outlines the current and varied roles of mining companies in housing and residential land use planning and supply, and how these intersect with government and community arrangements. We then summarise the implications for regional planning and development. Finally, the longer-term consequences for regional governance are discussed and the broader public policy implications are outlined. Our findings are, in brief, that contemporary regional governance models fail to properly acknowledge, define, and manage the role of an active and well-resourced corporate sector in regional planning and development. Rather than operating through a partnership/social responsibility model, regional planning and development is occurring on the back of pragmatic commercial decisions, with only a fleeting nod to government policy (where it exists). While positive benefits may arise, there are also conflict and inefficiencies associated with the involvement of mining companies in an expanded scope of governance. Specific characteristics of the institutional void in rural communities include: lack of a statutory regional framework for development planning, assessment, and management; the lack of a defined coordinating body managing relations between the corporate sector and the community, and enabling strategic and cumulative assessment; and lack of data sharing. These factors conspire against efforts to achieve long-term regional partnerships and sustainable communities. Regional governance and planning theorists also need to incorporate this emerging phenomenon.

## 2. The changing role of the corporate mining sector in regional development in Australia

Growth in the resource industries (e.g. farming, mining, forestry, etc.) is historically the backbone of regional development in many countries. For rural areas in Australia, the establishment of mining operations once elicited rapid development and many changes, often including significant population growth, higher per capita incomes, and increased business opportunities (Hugo, 2005). Until the 1980s, mining companies traditionally established 'company towns' to provide the infrastructure and community support required to sustain these operations (Maude and Hugo, 1992). Within this model, mining companies undertook responsibility for the provision and maintenance of infrastructure, including housing, roads and community facilities, and in some instances, governance and civic management. However while this is still the case in some remote communities (those still operating on a 'company town' model include Weipa, Jabiru, and Roxby Downs), the traditional company mining town is no longer seen as a viable option and perceived as 'high cost, small and lack[ing] the range of services that are available in larger urban centres' (Hogan and Berry, 2000, p.649). In light of these constraints, the majority of company towns established during the 1960s and early 1970s in Australia were 'normalised', with the responsibility of development, services and infrastructure provision returned to the free market under local and state government jurisdiction (Thomas et al., 2006; Haslam McKenzie et al., 2008).

Within Australia, the issue of 'who is responsible for what' operates within the context of a sustained mining boom since early 2004 (ABARE, 2008). Rising demand, in turn, has resulted in substantial private and government investment in extractive operations and supporting processing infrastructure, particularly in rural parts of Western Australia and Queensland where the mining industry is a vital part of the economy for these states. For most mining companies, new development prospects are still located in these relatively remote locations with small populations. Accordingly, finding the labour to staff growing mining activities within these locations has proved problematic, particularly where employees and their families are less keen to relocate to remote locations (Storey, 2001). Mining companies have also demonstrated a reluctance to invest in permanent infrastructure, particularly where the expected mine life is relatively short (CSRM, 2007). As a result of these factors, fly-in/fly-out (FIFO) commuting has increasingly been adopted by the mining industry as an alternative to the development of new, permanent communities (Houghton, 1993; Storey, 2001). Under these arrangements, workers move on a regular cycle between their home and their workplace, living for an extended period in close proximity to the mine site, and commuting by air to and from their 'usual' residence. Cycles vary, but commonly involve 7, 10 or 14 days on-site, followed by similar or shorter periods at home (Gillies et al., 1997; Heiler et al., 2000). Drive-in drive-out (DIDO) arrangements involve similar commuting patterns over shorter distances, often between remote mine sites and larger regional centres, and are now a common form of labour supply in Queensland's Bowen Basin (OESR, 2011).

Now grouped broadly under the rubric of Long Distance Commuting (LDC) (Green et al., 1999), FIFO had its origins in Canada and was first adopted in South Australia in the late 1960s to service the Moomba gas fields (Houghton, 1993), subsequently spreading across the continent through Queensland, the Northern Territory and Western Australia in an echo of the counterclockwise exploration for gold that drove Australia's first mining boom a century earlier (Blainey, 1963). The regular periodic cycle of FIFO and DIDO operations represents a classic form of circular mobility (Chapman and Prothero, 1983) that forms part of the rising tide of temporary mobility in the developed world. FIFO workers are essentially part-time residents from elsewhere who become a part of the community for a period of time. The mine is largely self-contained (in terms of services, activities etc) so while FIFO workers physically reside in these communities they are largely separate from the wider community.

FIFO arrangements are favoured because they essentially 'relieve both government and the private sector from the provision of a raft of housing and infrastructure responsibilities' (Haslam McKenzie et al., 2009, p.14). However, a major criticism of modern mining operations is that they result in the so-called 'fly-over effect', where rural regions have missed out on the economic benefits of mining (Storey, 2001). This debate has manifested itself in national and provincial debates about the interregional and intergenerational distribution of mineral wealth and attempts by mining companies to embrace a range of local engagement strategies. There has also been much resistance to, and debate about the appropriation of local land, water and unpolluted environments. These two conflicts, identified by Arellano-Yanguas (2011) as Type 1 (resource use) and Type 2 (revenue transfer) conflicts, have resulted in a concerted move globally by leading mining companies to promote an image of their companies – and the industry more generally – as socially responsible and committed to sustainable development. Yet is our contention that there are two other types of conflict (Type 3 – regional governance and Type 4 – energy policy) which have not yet received adequate attention by scholars and policymakers (Authors' own work, *forthcoming*). This paper is concerned with the Type 3 (regional governance) conflict. We are

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