



The socio-economic impact of mine industry commuting labour force on *source* communities

Fiona M. Haslam McKenzie*, Aileen Hoath

Co-operative Research Centre – Remote Economic Participation and Curtin University, Australia

ARTICLE INFO

Article history:

Received 6 May 2014

Received in revised form

8 September 2014

Accepted 8 September 2014

Available online 15 October 2014

Keywords:

Long distance commuting

Labour force mobility

Source communities

Economic distribution of mine income

ABSTRACT

There has been considerable interest in, and often criticism of, long distance commuting (LDC), an encompassing term for the fly-in/fly-out (FIFO), drive-in/drive-out (DIDO) and bus-in/bus-out (BIBO) work arrangements utilised by the resources industry that have sustained the mining industry in Australia in recent decades. LDC workers leave their resident community and live away from home in a host community, (usually considerable distance away), returning (typically, several days or weeks later) for furlough. The majority of the academic interest has focused on the impact of LDC on the host community (the community where a person works), individual workers and their families. To date there has been limited focus on how LDC impacts on the resident community (where the LDC worker lives when not working) and where their family usually resides.

This paper documents a comprehensive research project which examined the socio-economic implications of long distant commute (LDC) workforce arrangements in the resources sector for two source or resident localities and their communities in regional Australia, (as distinct from the host communities where mines operate). They are distant from mining operations, but now home to significant or growing LDC population cohorts. Focusing on two Western Australian case study sites, the project employed a multi-method, iterative approach to identify and document the size and distribution of the LDC cohort in each case study area, and the associated diverse but interrelated effects and issues. This paper reports that LDC takes considerable personal and community effort to be successful, but there are benefits to be had.

Crown Copyright © 2014 Published by Elsevier Ltd. All rights reserved.

Introduction

Australia has experienced a prolonged economic boom since the mid-2000s, based on Asian, particularly Chinese, demand for mineral resources including coal, iron-ore and gas. The impacts have been far reaching with many commentators noting broad national economic benefits especially during the global financial crisis (Minifie, 2013, Battellino, 2010, Richardson, 2009). There have been negative effects on other trade exposed industries due to an appreciating exchange rate and increased pressures from rapid population growth which generated considerable concern at the height of the boom (Goodman and Worth, 2008, Richardson, 2009). Within this context, distributive effects ensuing from the long distance commuting (LDC) workforce arrangements operating within the resource sector and associated service industries have considerable significance (Hajkowicz et al., 2011, Minifie, 2013).

LDC work arrangements in Australia are neither new nor exclusive to the resource sector. Mobility in the workforce has been common

since colonisation, with swagmen, fishermen, explorers, military personnel, travelling salesmen, fruit pickers and miners historically all spending long periods of time working away from home. Improved transport, especially aviation, and the propensity for the majority of the Australian population to live in major cities and coastal regions, have meant that work mobility persists across a range of sectors nationally (KPMG, 2013, Storey, 2001). However, the conspicuous growth of fly-in/fly-out (FIFO) and drive-in/drive-out (DIDO) and associated structural arrangements and workforce conditions within the resource sector, have generated considerable debate in the public domain, much of it relating to observed and potential negative effects on individual and collective wellbeing. Media reports frequently highlight associations between LDC lifestyles and relationship breakdown, anti-social behaviours, child behavioural issues and drug and alcohol abuse (Code, 2013, Christian, 2013, Mills and Collins, 2013, McCathy, 2011).

The distinctive feature common to all modes of LDC is that employees regularly leave their usual residence and family for a typically distant place of work, where they live in company accommodation while completing a compressed work block of extended shifts before returning home for rostered time off. More

* Corresponding author.

particularly, as Storey, 2001, (p. 135) notes, companies provide 'food and lodging accommodation for workers at the work site but not for their families'. There is a range of rosters. Eight days on, six days off, or two weeks on, one week off are common in mining. More extended but equal time rosters such as four weeks on, four weeks off, are common in oil and gas, while contracted services tend to operate on less generous time on-time off ratios. Typical shifts across all vary from 10 to 14 hours.

Academic interest in LDC workforce arrangements operating within the resource sector in Australia has focused on the industrial relations developments which enabled 12 h shifts and block rosters (Shrimpton and Storey, 1991, Clifford, 2009, Hartley et al., 2004), the psychological and social impacts on individual workers and their families (Sibbel, 2010, Gallegos, 2005), social and governance issues for host communities proximate to mine sites (Morrison et al., 2012, Cheshire, 2010), and associated economic impacts on host communities (see for example, Storey, 2001, Haslam McKenzie, 2011, Cheshire et al., 2011, Lawrie et al., 2011, Haslam McKenzie et al., 2009, Watts, 2004, Chamber of Minerals and Energy WA, 2005, Maxwell, 2001, Acil, 2006). To date, there has been limited focus on how LDC in the sector impacts on source communities, where LDC workers live when not working and where their families typically reside. Questions remain concerning the potentially different sets of costs and benefits accruing to such communities through LDC arrangements. Knowledge gaps in this crucial area were highlighted in responses to a recent House of Representatives Inquiry into the use of FIFO workforce practices in regional Australia (2012) and the subsequent report (House of Representatives Standing Committee on Regional Australia, 2013).

Coincidentally, research examining local impacts of increased mining activity in the Peel hinterland conducted by Hoath for the CSIRO *Regions in Transition* project also alerted the authors of this paper to a need for a greater understanding of the socio-economic implications of LDC for regional source communities. The research highlighted the heavy reliance of new and expanded major projects on DIDO workforces drawn not only from the Perth metropolitan area, but also from Mandurah in the Peel region and other regional centres in the South West of Western Australia, including Busselton (Hoath and Pavez, 2013).

This paper discusses findings from a subsequent study that has responded to identified areas of concern by exploring the socio-economic implications of resource sector LDC workforce arrangements, focusing on two source communities in regional Western Australia. Both study sites are distant from mining operations, but now home to sizable LDC resident populations (Hoath and Haslam McKenzie, 2013b).

The following section of the paper outlines the evolution and drivers of LDC practices in the resource sector in Australia. The previous focus on the pressures and challenges for communities that host significant FIFO populations in particular, has tended to overlook questions concerning the economic and social wellbeing of source communities. To explore these complexities, the paper turns to the two Western Australian case study sites to briefly contextualise the rise of LDC in each, and outline the research approach before summarising key findings, which are discussed in relation to particular recommendations from the House of Representatives Inquiry (House of Representatives Standing Committee on Regional Australia, 2013).

Evolution and drivers for LDC in the Australian resource sector

Contemporary FIFO work practices were first developed to supply labour to off-shore oil sector operations in the Gulf of Mexico and have since been applied for both off-shore and isolated on-shore resource sector operations located across the globe (Haslam McKenzie, 2011).

Storey, (2010) notes that the timing of an intensified global demand for mineral resources, coinciding with a corporate trend towards lean and flexible modes of operation and moves away from developing remote single-industry communities, was significant in the rise of FIFO. This is evident in Australia where the use of non-resident labour became integral to the operation of many on-shore resource projects from the mid-1980s as companies withdrew from building dedicated mining towns to support specific operations (O' Connor, 2013).

FIFO arrangements deliver considerable cost savings to mine companies; the burden of building, maintaining and eventually dismantling a mining residential community outweighing costs associated with regular charter flights, purpose-built temporary worker accommodation (TWA) facilities and adjacent airstrips (Shrimpton and Storey, 1991). Industry bodies and individual companies express a preference for flexible cost-effective arrangements for periodic demand peaks during mine construction and ongoing maintenance, and for short to medium term operations in remote or inhospitable localities where suitably skilled labour is scarce (Hoath and Haslam McKenzie, 2013b, Chamber of Minerals and Energy, 2012).

The case is also made that by limiting demand for additional housing and other services, TWA facilities can effectively shield isolated communities and poorly resourced local governments from potentially negative impacts associated with a large transient mining workforce (Rolfe et al., 2007). This is not unproblematic, as a lack of investment in local communities further discourages potential residents, hence compounding reliance on non-resident workers (Catchpole and Gafforini, 2011). However shortfalls in infrastructure, services and housing supply can result in LDC becoming the dominant option even where new resource operations are more favourably located and have a long anticipated operational life (Haslam McKenzie et al., 2013, Haslam McKenzie et al., 2009, Lawrie et al., 2011, Storey, 2001).

Company priorities and government policy frameworks clearly influence workforce mobility. Yet there is evidence that the individual preferences of scarce labour have also affected LDC trends within the mining sector. Miners and their families are often reluctant to relocate, usually from well-serviced urban or coastal centres and established networks, to remote and rural communities with limited services and opportunities (Hajkowicz et al., 2011, Sibbel, 2010). Recent research in the Peel hinterland revealed that despite preferential 'employ local' policies and relocation incentives introduced by a major mining operation, most workers chose to maintain their usual place of residence in a regional or metropolitan centre, DIDO to and from the mine and use camp accommodation during their work block (Hoath and Pavez, 2013).

LDC: highly visible but poorly quantified

Despite intense public interest in the increase of LDC workforce arrangements in the resource sector in Australia, accurate assessment of the current scale, spatiality and mobility of the LDC workforce is constrained by the limitations of available data sets (Hoath and Haslam McKenzie, 2013b; O' Connor, 2013. KPMG (2013) acknowledges a conservative bias in its analysis of recent LDC trends in Australia due to under-reporting and other inherent weaknesses in Australian Bureau of Statistics (ABS) (2011) 'journey to work' census data. We note that KPMG's definition of the LDC worker as a 'person who travels 100 km or more from their place of usual residence to place of usual work', further discounts a significant LDC resource sector cohort who live away from home during work blocks but DIDO less than 100 km to their place of work. This is an important omission as occupational health and safety standards restrict the distance that can be travelled either side of a standard 12 hour shift to less than 100 km (Hoath and Pavez, 2013).

Download English Version:

<https://daneshyari.com/en/article/986138>

Download Persian Version:

<https://daneshyari.com/article/986138>

[Daneshyari.com](https://daneshyari.com)