

Chapter 2

The Socio-economic Impacts of Long-Distance Commuting on People and Communities

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Abstract This chapter explores the socio-economic impacts of long distance commuting on host and source communities. It explains why companies and people choose to commute long distances to work, how and where they spend their incomes and discuss who benefits and who loses through long distance work arrangements. It also discusses the public policy implications of peripatetic work-force arrangements and reviews several government enquiries into the practice.

Keywords Socio-economic impacts • Fly-in/fly-out • Drive-in/drive-out • Long-distance commuting • *Host* communities • *Source* communities • *Hybrid* communities

2.1 Introduction

This chapter will focus specifically on the long-distance commuting practices of the resources industry workforce, explaining why long-distance commuting has grown to be an embedded feature of the sector and the socio-economic impacts of this work arrangement.

Much of Australia's resource wealth is located in remote areas, long distances from regional and urban centres where the labour and the workforce generally tend to be concentrated. For a variety of reasons which will be discussed later in this chapter, the resources workforce has favoured long-distance commuting whereby workers leave their *resident* or *source* community and live away from home in a *host community*, (usually considerable distance away), returning (typically, several days or weeks later) for furlough. While at work, the workforce lives in company-provided accommodation with meals and often entertainment, and transport to and from the mine site. 'The work rosters are usually compressed work weeks (where workers work longer shifts, compressing their standard work week

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into fewer days, enabling them to have more leisure time off’ (Haslam McKenzie 2011, p. 357), although the length of the rosters (‘swings’) is often determined by the particular resource being extracted, and whether the employee works on an ongoing operation or as a contractor with shorter time commitments on a particular site. In the mining industry, the work/furlough pattern tends to be two weeks at work and one week at home, or the more family-friendly ‘swing’ of 8 days away and 6 days at home. In the oil and gas industries, the ‘swings’ tend to be measured in weeks rather than in days, and in some cases, months. The rosters are different again for contractors, many of whom do not have secure work patterns and their ratio of work away from home to furlough can be punishing for all concerned.

Over the last decade, there has been considerable interest in the socio-economic impacts of LDC on *host* communities (Watts 2004; Rolfe and Kinnear 2013; Pick et al. 2008; Lawrie et al. 2011; House of Representatives Standing Committee on Regional Australia 2013; Brueckner et al. 2014), and to a lesser extent on *source* communities (Hoath and Pavez 2013; Haslam McKenzie and Hoath 2013; McKenzie et al. 2014). There has also been extensive work undertaken on the impact of LDC on the individual worker including the impact of compressed work rosters on worker health and productivity and the effects of the prolonged absence of a parent on children and relationships more generally (Sibbel 2001, 2010; Beach 1999; Gallegos 2005; Clifford 2009).

By and large, the media in Australia has not been supportive of LDC and most particularly FIFO, highlighting the more sensational bad behaviour of some workers and reported ill effects on communities which have experienced unplanned rapid growth due to resource extraction. Further, the final report of the Australian House of Representatives Parliamentary Inquiry into the use of ‘fly-in, fly-out’ (FIFO) workforce practices in regional Australia (House of Representatives Standing Committee on Regional Australia 2013) did little to establish useful benchmark information, basing much of the report on anecdotal evidence. Contrary to the claims made in that report, there has been considerable research done to assess the socio-economic impacts of LDC on communities. As expected, there are a wide variety of experiences of LDC; for individual workers, their families and networks, for communities, for resources companies, for small and medium enterprises, for the services which endeavour to support people and communities and for the various spheres of government. This chapter revisits earlier work undertaken about the topic (Storey and Shrimpton 1991; Houghton 1993; Beach 1999; Storey 2001; Beach et al. 2003; Haslam McKenzie 2011) and presents new work which has examined the diaspora of the resources workforce and strategies for enhancing the benefits of LDC and mitigating the disadvantages. It draws on research undertaken in resource boom towns, particularly in the resource-rich states of Western Australia and Queensland, and workforce *source* towns from which there are direct flights to mine sites and/or other workers who commute by vehicle to airports to fly to mine sites many kilometres away. All of these studies have assessed the impact of long-distance commuting on workers, families, communities, businesses, local economies and regional economies using qualitative and quantitative research methods and have been conducted over almost two decades.

This chapter begins by considering why companies and people choose to commute long distances to work and the varying experiences of LDC work. It then examines the evidence which documents how *host* communities are impacted by large cohorts of people who work in the resources industries and live in worker accommodation for blocks of time before returning to their home communities and networks elsewhere. The documented experiences of *source* communities and those who are the homed-based partner in a LDC relationship are then reviewed. Inevitably, the experience of LDC is not homogenous and a discussion of who benefits and who loses through long-distance work arrangements will be considered. This chapter also introduces the notion of a *hybrid* community which is a community where there is both a residential workforce that works on a nearby mine *and* a workforce which travels elsewhere for a block of time to work on a mine site considerable distance away. Finally, the findings of recent government and political enquiries into the impact of long-distance commuting will be discussed in the light of the findings documented in this chapter.

2.2 The What, Why and Who of Long-Distance Commuting

As documented by Storey (2001, p. 135), ‘fly-in fly-out (FIFO) work practices were developed in the Gulf of Mexico’s offshore oil sector where the establishment of permanent communities was not possible’. The practice has been widely adopted throughout the world over the last five decades, particularly in mining areas which are remote with limited support services, such as the Scottish and Norwegian oil fields, the Canadian mineral sands region, Africa and remote and regional areas of Australia (Storey 2001, 2010; Houghton 1993; Haslam McKenzie 2011). While LDC work arrangements are not new in Australia, nor are they restricted to the resource extraction industries, the practice really accelerated during the most recent resources boom dating from about 2001 when Chinese demand for Australian mineral resources escalated.

Despite the media attention and more recent public policy focus on the practice, the Australian Productivity Commission (2014) reported that LDC constitutes only 2 % of the Australian workforce based on work undertaken by KPMG (2013). Definitive data on the residential distribution and mobility of the LDC workforce are difficult to obtain because, to date, the Australian Bureau of Statistics (ABS) does not collect information specific to the LDC workforce. There are also obstacles to obtaining sufficiently comprehensive workforce data from all companies sourcing labour from a given area. Nonetheless, indicative estimates of LDC populations are developed by calculating the differences between *Place of Usual Residence* (POUR) and *Place of Work* (POW) (Australian Bureau of Statistics 2001, 2007, 2012; KPMG for the Minerals Council of Australia 2013) for specific ABS spatial units at given points in time. Accuracy is further diminished by the lack

of clarity regarding the description of particular job classifications. While it is generally accepted that the operational workforce of a resource project who regularly commute on a fixed roster are LDC workers, there are many contractors who also commute but their tenure at a particular location or workplace is highly variable and therefore difficult to accurately capture in the data. Contractors are more likely to work intensely while the work is available and then spend time at home between jobs or contracts (Haslam McKenzie et al. 2013). Furthermore, their commuting work pattern is often highly erratic depending upon work availability and access to transport and accommodation (see Hoath and Pavez 2013).

As identified in earlier work (see Storey 2001, 2010; Houghton 1993; Haslam McKenzie 2011; Haslam McKenzie et al. 2013), workers choose LDC work patterns for a variety of reasons. In work undertaken in 2012 and 2013, researching attraction and tenure patterns of LDC workers in the mining industry Hoath and Haslam McKenzie (2013) confirmed other research findings (Haslam McKenzie et al. 2013; Storey 2001, 2010; Sibbel 2010; Rolfe 2013; Hajkowicz et al. 2011) regarding why LDC is attractive to a growing cohort of the Australian workforce. These findings were reinforced by a comprehensive survey conducted by the SeaStone Group in 2015 of more than 600 resources industry workers. The high incomes were the most commonly cited incentive to have entered or to remain in the LDC workforce. Generally, LDC workers are compensated for their absence from home and are therefore paid more than residential workers. LDC enables workers to have a well-paid job in remote areas while at the same time retaining family and friendship ties in their residential communities, taking advantage of facilities and leisure opportunities there in the furlough period which are not available in remote and small communities. In research undertaken in 2012–2013 in *source* communities in the south-west of Western Australia, some LDC workers chose the higher paid FIFO salaries which subsequently underwrote otherwise unviable lifestyle horticultural and agricultural operations. The block time on furlough gave the LDC workers, and often their families too, the opportunity to dedicate workable stints of time on these holdings which, without a work arrangement such as LDC, was not achievable (Hoath and Haslam McKenzie 2013).

In the SeaStone survey (SeaStone Group 2015) of 620 respondents, the results showed that while financial rewards are important for many in the resources industries, work which involves long-distance commuting suits many people's lifestyle preferences and will often enhance career progression. In addition, families are often reluctant to relocate themselves in remote and rural communities where jobs for partners, and education, health, recreation and other social services are limited. Remote communities are usually expensive places to live with poor services and inadequate infrastructure (Lawrie et al. 2011; Haslam McKenzie et al. 2009). For example, in 2014, the cost of living in the Pilbara region, one of the largest resource regions in Australia and 1500 kilometres north of the capital city Perth, was 119 % that of Perth, which is a considerable improvement on that of 2011 when it was 137 % (Department of Regional Development and Lands 2011a, 2013). LDC workers indicated in the *source* community research that they would

prefer to invest in housing stock and other capital in more predictable, stable and affordable markets. LDC also enables workers to be flexible, giving them choice about who they work for, how long and where, particularly in a tight labour market.

This body of research consistently identifies the range of individual circumstances guiding these decisions are diverse and include specificity and level of experience and qualifications, time of life and family demands, the economic robustness of the local place of residence, availability and range of local employment options, and priority given to residing in a specific locality for natural and lifestyle amenity. It is also evident from a wide range of studies (Hoath and Haslam McKenzie 2013; Watts 2004; Windle and Rolfe 2012; Carrington and Pereira 2011) that LDC does not suit everyone. The regular disruptions to routines, separation from family, friendship and community networks, the challenges associated with managing the two different ‘worlds’ (the workplace and home), loneliness, the constant travel and fatigue for both the LDC worker and the partner managing at home, often on their own with limited support are all common complaints about the practice. Nonetheless, there is a significant cohort of LDC workers and their families who have pursued the lifestyle for long periods of time and are committed to it. Many, when asked, are committed to the LDC and block roster lifestyle and preferred the arrangements over the more conventional residential, regular 9–5 work pattern (Hoath and Haslam McKenzie 2013; SeaStone Group 2015).

Research has also found that many workers have tried LDC work and intensely disliked it. Most who fall into this category leave quickly. However, there is also a cohort of LDC workers who do not enjoy the lifestyle but are trapped, usually because of financial commitments often made on the basis of an ongoing highly paid LDC job, or the lack of viable employment alternatives at their place of residence (Hoath and Haslam McKenzie 2013).

LDC is favoured by companies. The arrangement is considerably cheaper than providing company towns with all the amenities and infrastructure required for a functioning community, which was the expectation prior to the 1980s. The introduction of the Commonwealth fringe benefits tax (FBT) in 1986 which imposed a substantial tax on the employer for any non-salary benefits provided to employees significantly influenced company’s (un)willingness to provide residential accommodation (a benefit), rather than incurring the cost of LDC (an operational cost). The relative efficiencies, flexibility and low costs of air travel and enhanced communications make FIFO a more attractive business option (Haslam McKenzie 2011: 361). Storey (2010, p. 1161) describes this as the ‘new town’ model being replaced by a ‘no town’ model.

With sophisticated resource extraction technology, many ore bodies have a limited mine life and LDC arrangements reduce the risks associated with the cyclical vagaries of international metal prices and high capital investments. In effect, as noted by Houghton (1993, p. 282), ‘large-scale capital outlays on urban infrastructure are replaced by transport costs’ which are distributed across the life and productivity levels of the project. During the recent boom period, there was extremely high demand for a range of construction workers whose skills were needed for a short intense period, but after the construction phased morphed into the

operational phase, the workforce, and hence demand for accommodation and other local services contracted. Not surprisingly then, the Australian Productivity Commission views LDC as an effective method of moderating ‘the boom–bust cycle that mining towns might otherwise experience if all employees had to be residential’ (Australian Government Productivity Commission 2014, p. 125).

2.3 Long-Distance Commuting and *Host* Communities

Because the private sector provides the bulk of short-term accommodation for the mobile workforce (and for some residential workers too), it therefore alleviates the pressure on the public sector to meet and support high accommodation demand, especially during the construction phase when housing pressure is at a peak. For these reasons, governments also favour LDC arrangements. It absolves them from developing towns and providing expensive infrastructure for the mining workforce, their families and the service providers. Instead, the responsibility for the provision of services to the workforce is shifted to the corporate sector. Investment in rural, regional and remote Australia over the last four decades has been limited by neo-liberal principles; government resources are allocated based on efficiency rather than efficacy or equity measures (Haslam McKenzie 2011). Consequently, there has been general unwillingness to invest in remote, small communities separated by significant distances and with no likelihood to achieve efficiency in service delivery. Despite generating extraordinary export income for the nation, mining regions across Australia have experienced deteriorating government services and infrastructure investment, further deterring population shifts, especially to remote places.

Under these circumstances, small mining communities, in particular, can do little to attract permanent residents. Mining companies compensate for the lack of housing and other accommodation by establishing large ‘transit worker accommodation’ (TWA). During the boom (2001–2014), competition for labour ramped up and TWA became more sophisticated, moving away from the ‘donga’ (basic sea container) style to, albeit basic, prefabricated transportable housing (see Chap. 8). In the Pilbara, there are literally dozens of these villages, some with more than 2000 rooms. In 2011, the Pilbara Development Commission (2012) calculated there were 50,388 TWA beds in the region while the total estimated residential population of the Pilbara was 48,610 people (Australian Bureau of Statistics 2012). At the peak of the construction phase of the boom, mining companies were extremely protective of their worker accommodation with highly controlled access to TWA limited to their staff. All meals, laundry services, entertainment and leisure amenities were provided within the confines of the TWA complex and transport to and from the mine site also provided by the company. Consequently, LDC workers in these camps did not have to engage with the *host* community at all prompting complaints by local residents, small businesses and local government authorities that TWAs do very little to augment local patronage. They complain of the ‘fly-over’ effect (Haslam McKenzie 2011; Storey 2010; Houghton 1993) whereby goods and services, such

as catering and cleaning supplies, vehicles and even waste management are procured in bulk by the larger companies from metropolitan centres at significant savings, thereby bypassing local suppliers and snuffing out local entrepreneurialism. 'Even where companies have local procurement policies, many regional economies simply do not have the capacity or a sufficiently diversified local economy to supply large scale mining operations' (Haslam McKenzie 2011, p. 363).

The majority of the submissions made to the House of Representatives Standing Committee Inquiry into the use of fly-in/fly-out workforce practices in regional Australia (House of Representatives Standing Committee on Regional Australia 2012) were from local government authorities and local businesses in *host* communities complaining they did not receive any local benefits from the extended minerals boom. Instead, the competition for housing and accommodation had squeezed many out of the local communities, especially those who were not employed in the minerals industry and therefore not able to afford the highly inflated cost of housing (see Haslam McKenzie et al. 2009; Pick et al. 2008; Lawrie et al. 2011; Pilbara Development Commission 2012). Many local businesses had become unviable due to the inflated cost of living (Department of Regional Development and Lands 2011a), and local economies were increasingly becoming mono-economies, shutting out local small business opportunities and making communities vulnerable to the vagaries of the international resources markets.

Most of the submissions made to the House of Representatives Standing Committee Inquiry were based on anecdotal evidence because there is little consistent, formal data which records workforce and other mobility. The impact of inaccurate data regarding population estimates is amplified in small, remote communities because government funding for many services delivered through Commonwealth grants (such as General Purpose Payments and Special Purpose Payments) is premised on the residential population data. While the census fails to accurately record labour force mobility, *host* communities can not accurately document visitor pressures on infrastructure and services, and hence will continue to bear the costs from their own revenue sources or through grants negotiated with resource companies. For the small communities of the Pilbara for example, where the LDC workforce is greater than the resident workforce, the impact on infrastructure, services, roads and utilities such as power, potable water and waste management can be crippling. This situation was made even more dire as local residents left some small communities due to the high cost of living, thus suggesting in the formal data that the local population was decreasing when in fact the number of people in the community on any given night was escalating.

Many community leaders complained that the constant churn of people in mining regions undermines a sense of community and belonging; people do not stay long enough to invest in the community. They also objected to the disruption to their towns caused by unruly, badly behaved LDC workers, using and abusing facilities and people with no regard for permanent residents or the community (Carrington et al. 2012). Many of the larger companies took umbrage at this

criticism claiming they have very strict guidelines regarding drug and alcohol abuse and general behaviour in *host* communities.

Criticism and blame is regularly directed at contractors who do not have any long-term commitment to the communities or the short-term work undertaken. Onslow, one of the last communities in the Pilbara region to be transformed by the boom, insisted that all employees should respect the town and its residents. The principal resource company, Chevron and all its subcontractors, committed to work with the community to ensure the potential negative impacts of growth would be minimised (Haslam McKenzie 2013).

Many community leaders and business owners in resource boom towns consistently blame mining companies, contractors and FIFO workers for the weakness in the local markets, the high population churn and the lack of business loyalty. However, research also shows that there has been limited effort by the local government authorities, established business and community organisations to make overt efforts to attract people and especially small business to town. There are regular complaints of cost shifting, poor service, 'mates' rates', an unwillingness to accommodate diverse work arrangements for sporting and other social fixtures and a general lack of suspicion and unfriendliness to newcomers. Consequently, newcomers do not stay and do not invest in the communities.

The Western Australian political landscape changed in 2008 when a minority government was formed with the assistance of a minor party whose constituency was non-metropolitan-based. In return for parliamentary support, they insisted that 25 % of the state's mining and onshore petroleum royalties were quarantined for additional investments in projects, infrastructure and community services in rural, regional and remote communities—over and above the state government service obligations (Haslam McKenzie 2013; Department of Regional Development and Lands 2011b). The Royalties for Regions policy was subsequently legislated and more than a billion dollars has been allocated to rural, regional and remote communities across Western Australia. The Pilbara region was a major beneficiary of the Royalties for Regions programme through the Pilbara Cities Plan, with more than a billion dollars invested in upgrading town plans, housing development, services and infrastructure in the five major towns which service the resource industries.

Unfortunately, however, in 2014, just as new town planning schemes and government investment in mining towns were implemented, the heat went out of the mining boom as the multitudes of projects transitioned from construction to operational. By the end of 2014, there were signs that the Chinese economy was faltering and the exponential demand for iron ore declined, with the price of iron ore decreasing from a high of \$US160/tonne in 2011 to \$US63/tonne in December 2014 (Department of State Development 2015). After more than a decade, housing and accommodation is no longer at premium levels and in some cases, there are now vacancies. Regardless, LDC as a workforce practice is now well entrenched and there is no indication that companies or government are likely to change back

to promoting or underwriting large-scale residential workforces in rural, regional and remote areas. The flexible cost-effective arrangements of long-distance commuting outweigh the costly infrastructure development for residential workforces.

2.4 Long-Distance Commuting and *Source* Communities

Until recently, the research regarding labour force mobility and its impacts have mostly focused on *host* communities. As discussed above, much of that work has reported negative experiences, particularly the many disadvantages caused by growth pressures and uneven distributions of mining wealth and benefits (Garton 2008; Reserve Bank of Australia 2009; Deloitte 2010; Hajkowicz et al. 2011). As discussed in other chapters of this book, there is growing interest in how LDC affects *source* communities and it would appear that there have been some positive outcomes (Hoath and Pavez 2013; Rolfe and Kinnear 2013; Rolfe 2013; Greer et al. 2012; Hoath and Haslam McKenzie 2013; McKenzie et al. 2014). If the not inconsiderable incomes paid to LDC workers are not spent in the *host* communities, then where are they spent?

As noted earlier, it is difficult to have a firm grasp of exactly how many workers are employed on a commuting arrangement and as the Australian Productivity Commission (2014) identified the Australian workforce is more mobile than ever before. Furthermore, the ‘swings’ (the period spent away vis-a-vis the time spent at home) or rosters vary depending upon the industry sector; the oil and gas industry tend to have longer swings of up to a month away, while the mining industry is typically 8 days at work and 6 days at home, or two weeks at work and one week at home. Contract workers have highly varied schedules depending on their role (whether they are involved in the construction industry, or support services or a myriad other different arrangements). Until relatively recently, most long-distance trips to mine sites were from city airports to regional and remote sites, but since 2009 Rio Tinto has ramped up the company’s regional labour force strategy, targeting mostly coastal communities with a sizeable regional airport nearby from which the company can fly charter flights direct to mine sites (Haslam McKenzie and Hoath 2014).

The socio-economic impact of LDC on city-based employees is dissipated over a large economic base, but the impact on relatively small rural and regional communities is considerably greater (Rolfe 2013) as discussed in this book by Maybee and Packey (see Chap. 5). Furthermore, longer ‘swings’ at home provides considerable latitude for workers and their families regarding lifestyle choices. As documented by Hoath and Davies (see Chap. 10), not only do long-distance commuting workers live in Australian cities, but they also choose to live in non-metropolitan communities, sea/tree change locations and even in places such as Bali and New Zealand.

A research project targeting a regional labour *source* community, Busselton on the south-west coast of Western Australia was undertaken in 2012–2013 to assess

the socio-economic impact of a LDC workforce (Hoath and Haslam McKenzie 2013). While there are direct flights from the Busselton airport to several Rio Tinto mine sites, the town and region around Busselton is also well known as a drive-in/drive-out (DIDO) hub for other mines and a place where a cohort of workers from the oil and gas industry live when not working on rigs thousands of kilometres away. In addition, also in 2013, a similar study was undertaken in regional Victoria, where a group of miners fly from a town in rural Victoria to a mine site in regional New South Wales (McKenzie et al. 2014) (see Chap. 6). Both projects investigated the size, distribution and workplace linkages of local LDC workers, their experiences of the LDC lifestyle and how that impacted on families and wider community structures, such as local government, support agencies, sporting and other community-based organisations and local businesses.

Results from these two studies were compared and there were striking similarities in the results (McKenzie et al. 2014). For some research respondents, the high salary from the resources industries enabled them to live in highly sought after sea/tree change areas, and for others, their salaries underwrote otherwise unviable farming or hobby ventures. In some cases, there was local resentment about some families' increased buying power, but others appreciated the importance of maintaining local populations and the services and infrastructure they attracted, for everyone's benefit.

For those workers who have the advantage of local flights, it meant less time and money was spent commuting and therefore more time spent in the community. The opportunity to work on a mine site and commute from a regional centre such as Busselton rather than having to drive three hours to the main airport gave families peace of mind, and it was often this arrangement that enabled the family to stay in the region and hence they (and the community) enjoyed the benefits of continuity.

Despite claims that LDC workers do not contribute to their local community, research showed this was generally not the case (Hoath and Pavez 2013; McKenzie et al. 2014). Most LDC workers and their families wanted to be part of the community and participate in community activities. The shorter rosters such as eight days away on site and six at home, an increasingly popular mine site roster, enabled many to participate in regular sporting and community activities, provided the club showed some willingness to be flexible. LDC workers indicated in interviews and surveys, their time at home was quality time when they could focus on family and community activities. LDC research participants indicated that the levels of interest, commitment and ability to participate in volunteering opportunities varied widely across the LDC cohort, much as it does across the broader community. While not everyone volunteered, many reported they were members of the volunteer fire brigade, ambulance and similar organisations, many contributing skills which have been upgraded since working for a resource company.

Media and community commentators have suggested that the families of LDC workers are negatively impacted by the work arrangement, suggesting that children regularly miss school, there are more family breakdowns in LDC families and increased drug and alcohol abuse. These issues were also investigated and the results were not definitive. Interviews were conducted with a range of community

leaders and service providers, including representatives from regional development commissions, local government authorities, state government agencies, mining companies, and non-government and not for profit organisations as well as LDC workers and their families. In short, it was clear that LDC workers and their families are not exceptional, and there was no indication that they were any more inclined to family dysfunction than other working cohorts in the community.

Nonetheless, the research shows the LDC lifestyle is not easy and requires some working out. As noted earlier, not everyone likes it and some do not last in jobs which require these routines. The consensus amongst research interviewees is that LDC arrangements do not necessarily cause problems such as drug and alcohol abuse, domestic violence, child behaviour issues, but have the propensity to exacerbate them (Hoath and Haslam McKenzie 2013). Service providers admitted there is an increase in demand for their assistance regarding counselling, school chaplaincy programmes and substance abuse but rather than attributing blame on any particular cohort in the community; it is more likely that the increase in demand for services is a function of growth in population. Like all members of the community LDC workers and their families are likely to need support and assistance at times.

LDC has provided positive benefits to individuals, families and *source* communities, although there are undoubtedly also challenges to nonconforming work arrangements. It is therefore important the social and economic impacts, especially on small communities and regions, are properly understood and managed for enduring benefit.

2.5 Long-Distance Commuting and *Hybrid* Communities

A small but nonetheless important community in the analysis of long-distance commuting in the mining industry is the *hybrid* community. A *hybrid* community is one where there is a cohort of employees who live and work locally on a mine site and a cohort whose family live in the same community but they choose to commute long distances to work elsewhere. There are numerous reasons why this occurs, but they essentially distil down to workers and their families choosing their work and lifestyle preferences. Geraldton in Western Australia's Mid West region (Hoath and Haslam McKenzie 2015), Boddington in rural southern Western Australia (Hoath and Pavez 2013), Ravensthorpe in southern Western Australia, Stawell in Victoria (McKenzie et al. 2014) and several towns in the Bowen and Surat Basins (Beer et al. 2011) in regional Queensland are examples of *hybrid* communities. Each of the communities cited here have long histories of established communities with broad networks and diverse industry bases. The resources industry is just one of several sectors offering employment. Pastoral and other agricultural ventures have all been present, and mining has offered a financial and job security antidote to the market and policy restructuring pressures of the agricultural industries over the last 50 years. In the case of Ravensthorpe, however, both agriculture and mining were marginal industries over many decades until BHP Billiton announced in 2002 the

construction of a large nickel mine. Expectations of an affluent future were rampant and many local residents took high paying jobs associated with the mine, which ultimately impacted on the viability of some farm operations (Haslam McKenzie 2011). This scenario changed very quickly when the mine ceased operation, but by then, local employment patterns and services had changed considerably. The lack of community expectation management and poor long-term planning was to have deleterious community and industry impacts for years. While many people, especially those who followed the fortunes of the mine, left, there was a core population who stayed, and many commuted to other mines elsewhere in the state and kept their home base in Ravensthorpe or nearby, coastal, Hopetoun, thus ensuring that services and businesses continued, albeit at a reduced scale.

For some, the families have attachment in these communities and they do not wish to leave, or one member of the family works at the local site and chooses to stay or there are services and amenity which the family wish to enjoy locally. The commuting worker will choose to work away for a variety of reasons, such as work colleagues, the type of work, the work swing, work qualifications, the type of work available locally, the desire to work in different locations, the salary being offered elsewhere and opportunities offered through LDC work.

The resources industries tend to have a lower median age than the agricultural industries and *hybrid* communities generally have greater diversity in their population and services. Managing differences, however, also takes effort. As described by McKenzie et al. (2014, p. 437) in the case of Stawell, ‘there was a recognition that local government and community groups can foster initiatives to welcome and integrate FIFO workers and their families into the community and minimise tension around perceived disparities in economic circumstances. This included community-based programmes which encourage individual and community well-being through informal and formal support networks’. In Stawell, there was an overt strategy to understand local spending patterns and sources of economic leakage and subsequently develop strategies to strengthen the local economy and encourage local expenditure and investment.

2.6 Public Enquiries into Long-Distance Commuting

In response to persistent media and public claims that long-distance commuting and FIFO in particular was the cause of relationship breakdowns, community disruption and a variety of mental health issues including suicide, there have been several government and public enquiries into the impact of long-distance commuting on individuals, families and communities. As discussed earlier in this chapter, the House of Representatives established a Parliamentary Inquiry into the use of ‘fly-in, fly-out’ (FIFO) workforce practices in regional Australia in 2011. More than 250 submissions were received. The final report was useful for documenting ‘the lack of nationally consistent data on the scope, effect and cost of FIFO/DIDO work

practices' (House of Representatives Standing Committee on Regional Australia 2013), the broad use of long-distance commuting by a variety of sectors, including government, the numerous challenges and opportunities the practice offers individuals, families and businesses but also the powerlessness of government to ameliorate the impact of long-distance commuting work practices. Since the 1980s, successive governments have pursued neoliberal-based reforms, promoting efficient allocation of resources, including government services and infrastructure through centralisation and privatisation (Ripepi 2014; Tonts and Haslam McKenzie 2005). A range of functions and services are no longer undertaken by government, particularly in rural, regional and remote communities, where the responsibility for services regularly devolves to local organisations or, in the case of resource towns, mining companies.

In mid-2015, the Australian government responded to the 21 recommendations of the Final Report. Generally, the standard response was 'noted' with an accompanying statement outlining how existing arrangements will monitor the identified issue(s). Four recommendations were refuted. New governance models specific to remote areas of Australia were rejected and so too were suggestions that Commonwealth funding arrangements for long-distance commuting *host* communities should be treated differently. It was not deemed necessary to provide local government or small business with additional resources to service the demands of the resource sector, but rather, these sectors should more efficiently draw on the support arrangements already available to them. The Australian Government agreed that the Australian Bureau of Statistics was an important source of data for planning and delivery of regional infrastructure and services and therefore would continue to support it. The existing taxation arrangements were also acknowledged as requiring reassessment.

The overarching theme of the formal response was that long-distance commuting was a legitimate way for employers to meet their skills needs, especially in remote locations and conceded that the arrangements 'have unique impacts on local communities' (Department of Infrastructure and Regional Development 2015, p. 1). The Government agreed to 'work with state and territory and local governments, industry and regional stakeholders to address the [identified] issues and monitor the effectiveness of existing Commonwealth programmes' (Department of Infrastructure and Regional Development 2015, p. 1). It was also stated that resource companies, in particular, were expected to demonstrate corporate social responsibility to support their employees and the communities in which they operate through the provision of infrastructure, community sponsorship and support services, over and above the royalties paid to government by way of rent.

In 2013, the Western Australian Department of Child Protection and Family Support with the Western Australian Police and specialist family and domestic violence crisis and support services conducted a study to assess where there was a link between FIFO work arrangements and family and domestic violence (Department of Child Protection and Family Support 2013). Data from the various agencies operating in two peri-urban areas of Perth known for their high incidence of FIFO workers were used. The study found that FIFO work arrangements were

identified across the three family and domestic violence data sets at rates which were in line with expected rates across the whole client population. Families with links to FIFO were not viewed as being over-represented in the family and domestic violence data. Nonetheless, the report noted that, similar to the findings of Hoath and Haslam McKenzie (2013), FIFO work arrangements create unique challenges and the issues are multifaceted for both families and agencies supporting them through domestic and family violence. The study made four key recommendations, two of which align with practices already developed by many resource companies committed to ensuring the safety of employees and their families. This includes comprehensive information about the unique benefits and challenges of FIFO work arrangements and how families and FIFO workers can prepare better for the highs and lows of the arrangements, especially within family dynamics. The study also recommended proactive engagement with resource companies to disseminate information regarding domestic and family violence support programmes. As noted by Hoath and Haslam McKenzie (2013), this study also suggested action was required within the court and justice system to hold 'mandated perpetrators accountable where FIFO work arrangements preclude them from participating in domestic violence group programmes' (Department for Child Protection and Family Support 2013, p. 4), and this required collaboration and cooperation with resource companies. Adolescent violence and difficulties dealing with perpetrators who are employed under 457 visa arrangements were identified as areas which to date have not been adequately addressed.

In 2014, a Western Australian Parliamentary Committee was convened to respond to claims that FIFO work had contributed to a number of work-related suicides (Western Australian Legislative Assembly 2015). In the final report, the committee acknowledged that it could not corroborate media reports of links between FIFO work arrangements and suicides. However, the committee also found that coronial records regarding suicides and specific occupations did not exist. The lack of data hindered the opportunity to identify specific problems associated with workforce employment arrangements which necessitated block periods of time away from family and other support networks, long shifts and the often challenging issues around blocks of leisure time at home when others are at work causing opportunities for loneliness on several fronts. The committee identified three studies which indicated the rate of mental health problems among FIFO workers could be 30 % compared to the national average of 20 %. The demographic profile of the majority of FIFO workers matches that of the cohort most prone to mental health disorders, males between the ages of 25 and 44 years. The additional pressure of a FIFO work arrangement therefore exacerbates the vulnerability of this cohort. The committee made several recommendations, some of which are already widely practised in the resources industry, including family-friendly work rosters (8 days at work and 6 days at home), regular workplace physical and mental assessments, regular opportunities to communicate with family and friends via the internet and phone, comfortable living arrangements and commuting arrangements which emphasise health and safety.

Most companies take the health of their employees, including mental health, extremely seriously and actively promote positive mental health and well-being among all employees. A healthy workforce is usually a productive workforce. However, not all companies, especially some contracting companies understand the economic, social and health costs associated with poor workforce health and risk management.

None of these enquiries has unequivocally established that long-distance commuting causes community, family, mental or physical dysfunction. They do, however, reinforce that labour force mobility by way of long-distance commuting is not unusual, not only for those working in the resources industries but also for those servicing communities and support industries. Nonetheless, it is an intense work arrangement and the separation from family and friends for periods of time cause pressures which some workers cannot tolerate. Without adequate and appropriate physical and mental support programmes, including comfortable living arrangements, balanced shifts, supportive family and community networks, many of the benefits of block work swings are undermined. Each of the enquiries emphasised the need for more accurate data about the work practice in order to adequately support communities and people and understand the scope and impact of LDC and labour mobility.

2.7 Concluding Remarks

The most recent resources boom imposed significant pressures on the labour market and long-distance commuting enabled companies operating in often difficult and very remote locations to meet the demand. It is nonetheless important to understand that only a minority of the workforce regularly commute, but it is an essential workforce for the resources industry. LDC enhances efficiencies and enables companies to quickly respond to the ebbs and flows of market demands. Furthermore, despite the media and anecdotal claims, for many workers and their families, LDC is a preferred work pattern for a range of workers, companies and even governments (Productivity Commission 2014), and there are no indications that the practice is likely to diminish now that the boom appears to be over.

Well-planned LDC and discrete LDC accommodation can have the advantage of keeping a large workforce influx contained, thus limiting impacts on local housing and employment markets, and managing other behavioural and social pressures. However, there is evidence to show that generally, resource-dominated *host* communities do not reap many benefits from a highly peripatetic workforce, and it can be argued, are both marginalised and penalised for having resources development nearby. Certainly, more could be done by all levels of government and the corporate sector to spread the benefits of LDC at a local level (see Haslam McKenzie et al. 2013). On the other hand, there appear to be some benefits for *source* communities, although for the benefits to manifest themselves, the challenges needs to be carefully managed.

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