Chapter 1: Long distance commuting in Australia.

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Abstract

This chapter provides an introduction to this book. It explains why long distance commuting is growing in Australia as an entrenched workforce practice. It goes on to introduce the chapter contributions of a variety of scholars whose work on different aspects of worker long distance commuting is presented in this volume. While this book focuses on the mining industry, there are diverse workforce supply, logistical, and employee preference reasons throughout Australia in a varied range of industry sectors which have contributed to why LDC arrangements exist. Consequently, the economic and social consequences of LDC are also varied and complex. The use of a non-resident workforce is now an integral part of many mining operations in Australia. The use of LDC such as fly-in/fly-out (FIFO) and drive-in/drive-out (DIDO) initially focused on remote locations where it was difficult to provide appropriate labour, infrastructure and services. Now however, there is increasing application of LDC for a significant component of the mining workforce who travel from urban, regional, rural and even internationally, to equally diverse locations where mining is conducted.

1.1 Introduction

Mobility, particularly labour mobility is not new in Australia. For millennia Australian Aboriginal people have traditionally pursued a hunter gatherer lifestyle, roaming across designated country satisfying food and sustenance needs, cultural obligations and comfort, according to the seasons. When Europeans came to Australia in the eighteenth century, they too travelled long distances to find work and establish communities, small businesses, farming and mining operations. While Aboriginal people generally travelled in large family groups, many non-Aboriginal workers commuted alone long distances between their home base and place of work. Swagmen, drovers, priests and missionaries, salesmen, labourers, teachers and health workers often travelled, spending considerable periods of time away from home to earn a living while their families stayed in rural settings, regional towns and emerging cities, close to supportive networks and services.

As noted by the Australian Productivity Commission (2014, p. 5), “Australia’s pattern of settlement reflects the influences of factors such as climate, arable land, rivers and ports, industry and resources”. Since the 1901 census, Australia has progressively become a more urban-based population. In 2011, more than 82 per cent of the Australian population lived in a city or large regional centre (Australian Bureau of Statistics 2012a). This does not necessarily mean that all urban-based Australians work in cities or regional centres. The relative decline of more static industry sectors such as agriculture and manufacturing and the rise of other sectors such as the service industry have triggered considerable structural changes to the way work is conducted, with labour force mobility increasingly becoming a regular feature of the Australian workforce. A case in point is the recent resources boom (2001-2014) which contributed significantly to changes to the way labour is managed and the geographic distribution of economic activity (Productivity Commission 2014).

Long distance commuting (LDC) is an encompassing term for a range of commuter work arrangements including fly-in/fly-out (FIFO), drive-in/drive-out (DIDO), bus-in/bus-out (BIBO) and ferry-in/ferry-out (FEFO). LDC for work purposes has been of considerable social, economic and public policy interest in Australia for some time, but particularly for the last decade due to the escalation of the practice in response to the prolonged resources boom spanning more than a decade and the often chronic labour shortages. Media and political attention has focused on the resources industries’ fly-in/fly-out practises but in fact long distance commuting for work purposes has become a regular feature of a variety of industries and sectors including government and white collar workers. Australian airports over the last decade have shown considerable growth (Bureau of Transport and Regional Economics 2015), most of which is work related, with many travellers spending more than four nights away from home on work related activities.

1.2 Data inaccuracies

As noted by several authors in this book, it is difficult to know exactly how many people regularly commute long distances for work and for what periods of time they are away from home. The five yearly Australian census does not specifically ask about labour force mobility. This is surprising given that the Australian Productivity Commission conducted a comprehensive study of geographic labour mobility in 2013 which demonstrated the scale of LDC. There have been numerous commissioned studies by the Australian House of Representatives (House of Representatives Standing Committee on Regional Australia 2013), State parliamentary and government committees (Department for Child Protection and Family Support 2013; Western Australian Legislative Assembly Education and Health Standing Committee 2015; McKenzie 2013), NGOs and private organisations to

understand the nature and scale of labour mobility throughout Australia, and its impacts. The Productivity Commission (2014, p. 18) stated that:

analysis of trends and patterns in labour mobility in Australia lead to the broad conclusion that geographic labour mobility has been an important mechanism for adjusting to the demographic, structural and technological forces shaping the Australian economy. It has accommodated differences in the pace of economic activity across Australia and enabled wealth to be more widely distributed across the country.

To ascertain, approximately, the number of people who commute long distances on a regular basis, ‘working population’ data is compiled by comparing census *place of usual residence* data with census *place of enumeration* data. As explained by Haslam McKenzie in Chapter Two, Rampellini and Veenendaal in Chapter Three and Chapman et al in Chapter Four, a comparison of the number of people who state they live in a particular locality (*place of usual residence*) with the number of people who work in that locality (but do not live there) gives an indication of the commuting workforce. The census *place of enumeration* data shows people who are mobile and away from home for a variety of reasons, including LDC for work purposes (Australian Bureau of Statistics 2012b). However, calculating the long distance commuting workforce using these methods, there are too many opportunities for individual interpretation and consequently, inaccuracies. Accurate data is important for State governments and local government authorities which depend upon Commonwealth grants and payments for a range of service delivery commitments including health, education, disability services and affordable housing. Payments are made based on Commonwealth estimates of growth factors, including population. In places where there is a high rate of workforce mobility there are invariably complaints of demand exceeding supply of services or inadequate infrastructure investment.

Furthermore, where and how people live while away for work purposes is difficult to ascertain. There is no single system in place that captures and monitors data in relation to transit worker accommodation. Agencies such as local government authorities and the Pilbara Development Commission in Western Australia have tried a number of different methods to accurately assess non-residential workforces and non-permanent accommodation. The available data is complicated by the use of privately owned homes, hotels, camping facilities and caravan parks (Pilbara Development Commission 2012).

1.3 Why commute long distances to work?

The reasons for LDC are numerous, but put simply, generally, it is matching labour demand with labour supply. However, locational factors influence peoples’ decisions about where they live. These range from aesthetic reasons; for example,

sea/tree changers who want to live by the coast or in a small picturesque inland place away from the city to less esoteric reasons such as personal preferences and access to work and transportation. Others choose to live in particular places because of the range of infrastructure and services available, while the life stage will also influence decisions about where people live. On the demand side, companies offer LDC options because of labour shortages, lack of adequate or appropriate accommodation and infrastructure, increased need for labour flexibility and workforce fluctuations.

As noted earlier, labour force mobility is increasingly common and all industry sectors in Australia are likely to have some labour mobility, including government (Productivity Commission 2014; Haslam McKenzie 2007). However, over the last two decades the prolonged international demand for mineral and energy resources escalated the demand for flexible and readily available labour and the resources industry became synonymous with FIFO and LDC. Australia's mining industry workforce grew from 74,800 in 2000 to an estimated peak of 276,300 in 2012 (Australian Bureau of Statistics 2013) and KPMG (2013) estimated that 2.1 per cent of the Australian workforce undertook LDC at the time of the 2011 census.

This book focuses on the resources industries, particularly the mining industry and how its use of LDC has impacted on people, families, communities, public policy, economies, places and businesses. While the boom mining conditions have waned, there are no signs that LDC is a redundant workforce arrangement. There have been criticisms of LDC, however the contributions in this book present evidence that there are both advantages and disadvantages of LDC. It is clear that well planned LDC makes an important contribution to people, industries and economies and that there are valuable lessons to be learned.

The next Chapter provides a broad overview of LDC in Australia and its escalation in the last fifteen years. The drivers of LDC and how they and the practice have impacted the various stakeholders in the mining industry are discussed. It explores the socio-economic impacts of LDC on both *host* communities (communities where workers commute to and are therefore *hosted*), and *source* communities (communities where workers commute from). It also examines the many reasons why companies and people choose to commute long distances to work, and how and where they spend their incomes and the distribution of the monetary benefits of LDC. This chapter considers the personal and community benefits as well as the disadvantages and challenges associated with long distance work arrangements. The public policy implications are considered, particularly in light of recent public enquiries into the practice of LDC and suggested strategies to mitigate the negative effects of geographic labour mobility are assessed.

The contribution by Rampellini and Veenendaal examines in detail the changing labour force dynamics in the Pilbara region of Western Australia where Australia's

largest and most lucrative iron-ore mines are located. This region is very remote with a small resident population and limited infrastructure and services, augmented by a large LDC workforce and scattered, company-owned transit worker accommodation. The Pilbara region has experienced numerous mining booms, (and the inevitable busts), since 1960 when the embargo on iron-ore exports was lifted (Battellino 2010; Measham et al. 2013). This Chapter examines spatial and temporal distributions of mining-related geographic labour mobility and assesses how this has impacted on the regional and urban centres of Australia more broadly. It demonstrates the importance of planning for these impacts, particularly in a remote setting such as the Pilbara with relatively small populations spread over vast areas. The impact of large scale development in such a setting is consequently amplified. Rampellini and Veenendaal show how tools such as spatio-temporal modelling and geo-visualisation could improve understanding of how and where growth pressures are most likely to occur due to large scale developments and population shifts. Using these technique would highlight the spatial and temporal relationships which then influence linkages with other interrelated factors that shape community development and would therefore assist policy makers, planners and community leaders to make decisions about investment and policies before demand and supply forces overwhelm them.

Chapman *et al.* in Chapter Four also examine spatial linkages created by a long distance commuting workforce however from the perspective of the *source* community. To date, there has been a considerable research attention on the impact of workforce mobility on the *host* community but not a lot of resources have been spent on understanding how *source* communities experience the phenomena, particularly of people leaving from rural communities. This Chapter utilises a Q-sort technique and qualitative interview material to assess local perceptions on the positive and negative impacts of fly-in/fly-out in three Western Australian communities that have traditionally had little or no direct involvement in mining. The research findings reported show that there is a growing level of economic and social integration between mining activities and the towns, induced by the local residents who work away. Unlike the views of *host* community residents and business owners, the feedback regarding LDC was generally positive, citing increased economic and employment benefits at the local level. The work of Chapman *et al.* shows that more should be done in developing a more comprehensive understanding of the inter-linkages and flows in economic, social or demographic terms. This information could underpin more prescient and targeted policies and strategic planning initiatives which would assist regional communities to more effectively capitalise on workforce mobility.

Maybe's and Packey's contribution to this volume follows a similar theme, calculating the economic multipliers generated by the mining sector in a community

which is serviced by a drive-in/drive-out workforce in rural Western Australia. The intensive capital nature and the high wages paid to employees in the resources sector attract considerable media and other attention. Anecdotally, there is an assumption that this capital will be distributed throughout the economy via the trickle-down effect with the assumption that in a small community, the effect will be greater. This Chapter tests this assumption and explores the effect of economic multipliers generated by the resource sector on rural economies using traditional input-output multiplier analysis techniques. It outlines the trends in the minerals sector which are important for understanding the true economic impacts of a large mining development. It also considers economic leakage, why it occurs and the relative impact it has on a regional economy.

Most of the research documented in this book use Western Australian case studies from the most recent resources boom to show the complexities, linkages and consequences of workforce mobility and its impacts on a range of economic, social and demographic indicators. In Chapter Six, McKenzie presents details of a well-established mining workforce in a western Victorian community where gold extraction has been an important industry sector for more than 150 years alongside agriculture. Contrary to the often negative connotations linked with FIFO and *host* communities, Stawell is actively encouraging the practice labour force through out-migration mobility. The initiative provides a new acronym for the long distance commuting literature; FOFI, fly-out/fly-in. It is likely that the gold mine in Stawell will soon be unviable as the gold runs out. Miners, their families, local businesses and the local council are considering a strategic response to the likely mine closure which will keep workers and their families resident in the town but provides a transient workforce to mine sites elsewhere, using existing airport infrastructure and local technical expertise. It is planned that local miners will fly out of Stawell to another mining location in New South Wales which is currently experiencing labour shortages and flying back into Stawell after a compressed work cycle. McKenzie documents in this Chapter the demographic profile of the Stawell workforce, the costs and benefits for individuals, families and the community and the long term workforce potential of the proposed initiative. The mobility of labour is viewed as an advantage, enabling two communities, considerable distance from each other, to thrive. Stawell will retain residents and wages will be repatriated back to the community, while the New South Wales mining community will not have to expend resources on infrastructure and support services, instead shifting the costs to the proponent to provide transit worker accommodation.

Chapter Seven focuses on two communities in remote South Australia and the nexus between planning and labour force mobility. This Chapter also underscores how over time, labour force preferences and planning trends, particularly in remote places, have changed. Both communities are host to large mines, but with different

commodities, (coal in Leigh Creek and copper, gold, silver and uranium at Roxby Downs), and at different stages in the mine lifecycle. The two communities have very different profiles; Leigh Creek has been a government-owned, closed, residential town, built specifically to accommodate miners and their families. The mine is now leased to a private entity and the resource supply is becoming unviable. Roxby Downs on the other hand, is an open town although it was constructed in 1987 to service mining activities. The mine is projected to have a mine life of at least 100 years provided commodity prices remain sustainable. Despite both towns being intended as residential sites for the respective mines, Robertson and Argent document the increasing practice of long distance commuting by the workforce, and argue that the companies in both cases are making the practice increasingly attractive despite remoteness and local business and government angst. Their research highlights the broader impacts labour force mobility has on neighbouring towns, localities and regions and the complex interactions which can lead to unforeseen and unavoidable impacts on businesses, people and communities not necessarily directly connected with the mine. The shift to labour force mobility is often as much about economic efficiencies as about liveability and place aesthetics.

Where a mobile workforce lives while at work has also become contentious. Towns and communities complain that transit worker accommodation (TWA) draws potential business away from local operators because usually the work ‘camps’ or ‘villages’ are self-contained with all the catering and other services including laundry, entertainment, cleaning and transport provided. There is no need for workers to patronise local businesses. Mining companies, on the other hand argue that well planned TWA 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. Company controlled accommodation means that there is greater control over LDC behaviour and their social impact on local communities and can help to transition communities to new futures.

Chapter Eight reports on work undertaken by Sibbel, Kaczmarek and Drake which assessed what LDC workers most value in accommodation and support services in TWA and then how these perceptions were linked with work satisfaction and tenure. At the peak of the boom, when labour shortages were impacting on production, continuity and expansion plans, mining companies were cognisant of the potential competitive advantage associated with worker comfort, psychological health and physical wellbeing. Sibbel et al findings show that accommodation, sense of community, the length of the roster and sense of place were all important contributors to worker satisfaction. Easy access to services, quality, fresh food, reliable communication and recreation facilities after a 12-14 hour work day were highly valued. While ‘partnering’ is an oft used axiom in resources industry public

relations, this research shows that mine workers on long shifts prefer self-contained facilities which are available when they need them and tailored to their needs.

Until relatively recently, Aboriginal people were largely excluded from the potential benefits, including direct and indirect employment, associated with mining. Since the High court Mabo decision in 1992 and the subsequent *Native Title Amendment Act 1993* mining companies are required to negotiate with traditional owners to gain access to land. In return, Aboriginal corporations and Native Title groups are paid royalties and other compensatory arrangements including training and access to jobs and work opportunities. Haslam McKenzie and Hoath report in Chapter Nine on a small but growing number of Aboriginal people who regularly commute to a large mine site owned by multinational resource company from a variety of urban, regional and remote locations.

Making the LDC lifestyle work for all employees and their families can be challenging and for Aboriginal people, the cultural and family expectations amplify the necessary trade-offs and prioritisation of obligations. The research which underpins this Chapter shows that employees entering LDC employment, and their support networks, need clear information concerning the challenges of the lifestyle. This is particularly important where the potential employee is the first in several generations to enter fulltime employment, or has limited experience working away from family and other support networks. Aboriginal liaison officers and mentors are therefore an important link between Aboriginal society and the company, brokering information, communicating, liaising across networks and educating. Opportunities for Aboriginal employment and training organisations to regularly engage with the mining companies are important if mining companies are to achieve their promised Aboriginal workforce commitments.

LDC provides this cohort of Aboriginal people with the opportunity to access highly paid work and skills development which are not easily available in many other urban and regional settings. The benefits these bring to their home communities has had long lasting impacts; many are mentors for others in their communities and they have a significant impact on remote businesses, providing custom, and in some instances, assist others to gain work.

The final chapter explores the experiences of LDC workers who work on mine sites in Australia but choose to live for a variety of reasons, outside of Australia. Hoath and Davies explore the motivations of expatriate resource industry workers and their long term aspirations for transnational commuting. They focus on LDC workers who commute from Bali, a favoured holiday location for many Australians. The extended time of the work roster furloughs enable them to enjoy the holiday lifestyle and the favourable cost of living. However, there are persistent pressures associated with different political jurisdictions, cultural expectations, sense of place and community integration. This Chapter highlights an emerging type of worker

mobility hitherto not widely researched in Australia which defies rigid categorisation.

1.4 Worker mobility and planning for the future

This book draws together a variety of long distance commuting experiences and presents a strong case to support the notion that worker mobility is likely to be an entrenched labour force pattern now and into the future. It is favoured by many workers, giving them considerable autonomy over their preferred long-term place of residence, minimising family disruption. Blocks of time away from work give workers complete separation from the workplace, enabling them to enjoy the home destination and catch up on rest and recreation. However, the pressures of LDC cannot be overlooked. For many, the long shifts, loneliness and time away from home is intolerable and they cannot sustain this work pattern. The families at home also suffer anxiety, stress, loneliness and disruption, especially in the transition period at the conclusion and commencement of block shifts. Many families cope but for others it is not a sustainable lifestyle pattern.

The contributions to this book focus particularly on the experience of worker mobility in the mining industry, but the practice of long distance commuting is not restricted to the mining industry and/or remote areas. Australian workforces have become more mobile, in part because the cost and time involved in long distance travel have reduced, but also because it enables companies and even government to respond quickly to labour force peaks and troughs and generally enhances flexibility. The practice has been especially popular in the resources industries because it lessens the need for investment in infrastructure by all levels of government and industry, particularly for remote mines and sites with short operating lives and fluctuating workforce requirements.

Although the Australian experience shows that generally, workforce mobility does not contribute a great deal to *host* communities or local development, there is evidence presented in this book which shows that long distance commuting has the potential to spread economic benefits across regions, transferring the economic and social benefits of employment away from host communities to those where the workforce resides.

It is therefore important that planners, policy makers and community leaders have an improved understanding of both the opportunities long distance commuting presents, but also its limitations and challenges for people, communities and business. It is also imperative that there is better data regarding workforce mobility; where people travel from and to, how long they stay working in a particular place, the infrastructure and services they use, the mode(s) of transport utilised to commute to and from the workplace and the regularity of the commute. To ignore this

trend is short sighted and potentially will compromise prescient planning opportunities.

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