

## Guest Editors' Introduction to the Special Issue on FIFO Work

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This special edition of the Australian Bulletin of Labour is concerned with the recent and much-hyped phenomenon of Fly-In Fly-Out (FIFO) workers. We stress that our focus is on FIFO, not on the related question of work and employment in the resources sector, or on the broader impact of the resources sector on the regions and communities where it is located. There have been recent special editions of other journals on these matters: one assessing the impact of the Australian resources sector on rural societies (*Rural Society* 22, 2 2013) and another examining the dynamics and pattern of development in the Pilbara (*Australian Geographer* 44, 3 2013), as well as an inquiry—reported in 2013—undertaken by the Australian House of Representatives Standing Committee on Regional Australia (FHRE 2013).

This special issue originated from a two-day seminar organised jointly by Curtin University, Edith Cowan University, and Murdoch University. It was generously supported with a grant from the Association of Industrial Relations Academics of Australia and New Zealand (AIRAANZ). The seminar was entitled *Is WA Different?* It was held in central Perth in May 2013 at the Curtin Graduate School of Business. Not surprisingly, most (though not all) papers had a WA focus. Furthermore, a significant number were focused on FIFO and attendant concerns. When we called for papers on FIFO employment, we attracted a number from Queensland—another resource-rich state with long-distance commuting arrangements.

How many FIFO workers are there? In any given week in 2013, 52,500 people passed through Perth airport bound for the resource sector's various

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operations in the north of the state. Their destinations were places like Karratha, some 1,500 kilometres or around 16 hours by road away from Perth. This helped to make Karratha the fourth largest domestic destination from Perth airport, with around 700,000 passengers annually. Karratha was far from being the only FIFO flight destination and not all FIFO workers went through Perth; increasingly, they flew in from regional hubs in towns like Busselton in the south of Western Australia, or from emerging hubs on the Sunshine Coast on the eastern coast of Australia. FIFO workers were known to base themselves in Bali and then fly in for their shifts. The image of the FIFO worker in the popular press was often negative—cashed up bogans (chavs)—as was their impact on the communities around resource sites—cancer of the bush. Further, the impact of FIFO on source communities, particularly on FIFO families, was seen as problematic.

Such was the level of concern that the Australian House of Representatives Standing Committee on Regional Australia took masses of evidence and reported in 2013 (FHRE 2013). The report (FHRE 2013, p. 4) defined FIFO/DIDO (Drive in, Drive out) as work which is undertaken by long-distance commuting on a regular basis for an extended period, at such a distance from the employee's home that they are not able to return to their permanent residence at the end of a shift. Discussion of FIFO tends to include Drive In Drive Out (DIDO) and Bus In Bus Out (BIBO). For this reason, some commentators have suggested replacing FIFO with the term Long-distance Commuting (LDC) (Hoath and Haslam Mackenzie 2013, p. 1) or Non-resident Worker (NRW) (Carrington et al. 2011). For this article, we retain FIFO as an all-encompassing term.

A survey of research on FIFO reveals some limitations. First, there is as yet limited research; however, unsurprisingly it is growing rapidly. We do not know a lot about this important phenomenon, including its very scope. The House of Representatives Inquiry (FHRE 2011, p. 3) concluded that there is a lack of nationally consistent data on the scope, effect, and cost of FIFO. Second, as a number of commentators have acknowledged, a lot of existing work is descriptive and is based, at best, on anecdotal evidence (see for example Hoath and Haslam Mackenzie 2013). Australian Bureau of Statistics (ABS) data are not particularly helpful in calculating the extent of FIFO, and the FHRE concluded that most estimates were unrealistically low. Nevertheless, the Chamber of Minerals and Energy Western Australia projected that in the construction phase of projects up to 2015, 92 per cent of the total workforce will be FIFO and only 8 per cent local; in the operations phase, 77 per cent will be FIFO and 23 per cent local (AMWU 2013, p. 5).

At the time of writing, some of the more apocalyptic predictions regarding the growth of FIFO have been tempered by a transition from the construction phase to the operational phase in the resources sector. Further, major corporations such as Rio Tinto are slowing down expected rates of greenfield expansion, resulting in at least a slowing down in rates of employment growth directly and also of subcontractors and labour-hire firms. Further, with BHP and Rio Tinto planning further savings, and increasingly bringing services in-house, there is increased competition between contractors. In February 2013, the Forge Group announced 1300 job losses—largely contract workers on construction and mining sites—in Western Australia and Queensland (Business Spectator 2013). A recent PricewaterhouseCoopers report concluded that for mining service contractors ‘the worst is yet to come’ (PWC 2013, p. 31).

The image of the FIFO worker as being single, young, and male—more pejoratively as cashed-up bogans—although powerful is not necessarily accurate (Hoath and Haslam Mackenzie 2013). Weeramanthri and Jancey (2013, p. 5) reported a WA study suggesting that although overwhelmingly male, 5 per cent of FIFO workers were aged 16 to 24; 60 per cent were 25 to 44; and over one-third were older than 45. Compared with other workers, they were more likely to perform heavy labouring and (or) physically demanding work, but over one-third did sedentary work. Relative to other workers, they were more likely to be overweight, obese, to drink to excess on a regular basis, and to smoke.

Pursuit of a high income is the most commonly cited reason for joining the FIFO workforce. Hoath and Haslam Mackenzie (2013) reported diverse financial pressures experienced among individuals in their study who had taken up FIFO. These pressures included:

- contraction in the local economy or the loss of their job;
- recovery from a financial setback (for example post-divorce);
- supplementing income from or funding the development of an agricultural enterprise;
- older workers seeking the opportunity to bolster their superannuation or savings.

Busselton is an emerging FIFO hub town south of Perth and around two thousand kilometres from the major resource worksites. Hoath and Haslam Mackenzie (2013) reported that mean annual income in the Busselton local area was \$43,665 compared to an average annual income of all Rio Tinto employees who live in the Busselton LGA as \$166,797. However, it

is recognised that salary structures and working conditions vary widely between oil and gas, and mining companies, and contractors in mining.

This special edition commences with an overview article by Rainnie, Fitzgerald, Ellem, and Goods on the development of FIFO arrangements in the mining sector. It highlights many of the substantive issues associated with FIFO arrangements, such as the impact on workers and their families, and the impact on mining communities. It places FIFO arrangements within a framework that examines the dynamics of resource-based regions using Global Production Network (GPN) analysis. It then develops a theoretical background to FIFO arrangements within GPNs based on labour-process theory.

Then follows three articles that examine FIFO in the context of the WA resources sector. The article by Brown, Susomrith, Sitlington, and Scott is based on a survey of intentions to quit in an iron-ore mining company that has FIFO arrangements. Rosters and company culture were found to be important. Family-related matters and a desire for a career in mining were pertinent, thus highlighting personal issues. Perhaps surprisingly, pay was not a major contributor to turnover intention. Barrett, Bahn, Susomrith, and Prasad examine the impact of the growth of FIFO on smaller firms in the resources sector. The rapid growth in the sector has led to skill shortages for many firms, regardless of size. However, smaller firms experience difficulties in competing with the pay levels on offer from larger organisations. As a result, smaller firms have increasingly resorted to employing temporary skilled labour on 457 visas. The firms involved incur substantial costs, not only through the process itself but from relocation, training, and socialisation expenses. This, as the authors conclude, is a complex, highly formalised, and fragile solution to ensuring business stability and growth. Connell and Burgess draw on the findings of a large research project investigating HRM in multinational companies in Australia. The focus in their article is two organisations in Western Australia that employ large numbers of FIFO workers. Using a job-quality framework, the aim is to examine the factors that affect FIFO workers' job quality and what employers are doing to enhance the quality of FIFO jobs. The four job-quality dimensions are job prospects, extrinsic job quality, intrinsic job quality, and work-life balance. The authors conclude that Strategic Human Resource Management and human resource managers have a key role to play in supporting a job-quality framework. Further, HPWP comprising various bundles of HR practices are important because if employees are recruited without development or empowerment, outcomes are suboptimal.

The next three papers report research from the other side of the country—Queensland. The article by Blackman, Welters, Murphy, Eagle, Pearce, Pryce, Lynch, and Low focuses on two-parent FIFO families and reports the outcome of a survey conducted with North Queensland FIFO workers. Pay levels, time off, and variety in jobs were seen as positive elements. On the other hand, the effects of rosters on time with families, travel and recovery time, and elevated levels of employment and security anxiety were negative elements. Pryce, Welters, Lynch, Blackman, Murphy, Eagle, Low, and Case report the findings of a study of the qualifications, skills, and experience of potential FIFO workers in Tropical North Queensland. An online survey of job seekers was conducted which concluded that with upskilling, the participants did constitute an untapped pool of talent that could help to alleviate skill shortages. Cameron, Lewis, and Pfeiffer explore the historic and contemporary use of FIFO and DIDO (drive-in, drive-out) workers in the Gladstone region of Central Queensland. Based on archival and documentary analysis, as well as interviews with stakeholders, the authors argue that the Gladstone experience is atypical, departing radically from the usual story of a company-built, inland mining town. The conclusion is that due to a number of contextual variables, Gladstone has been relatively successful in absorbing most of the effects of a large-scale construction site and an influx of over 10 thousand workers.

In the final article, Vojnovic, Michelson, Jackson, and Bahn draw on Job Demands-Resources and Psychosocial Safety Climate theories to examine the adjustment, wellbeing, and help-seeking of FIFO workers. The approach frames aspects of FIFO workers' employment context as either demands leading to strain and negative outcomes, or as resources used to mediate against strain and in favour of positive health and organisational outcomes. The article outlines a number of propositions from the model that they develop. The authors suggest that their findings will better inform employee relations and human resource practices in the mining industry in designing targeted mental-health interventions.

Taken together, the articles in this special edition cover a wide range geographically, methodologically, and conceptually in examining various aspects of FIFO. However, FIFO is a relatively recent phenomenon, at least on the scale that we are witnessing in the Australian resources sector; it shows no sign of diminishing in importance in the near future. Research to date is growing but far from comprehensive. We hope that this special edition of the Australian Bulletin of Labour can contribute to this important debate.

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