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‘Benefits & Burdens of the Mining Boom for Rural Communities’

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Rural communities of the Australian interior have long enjoyed a special place in the Australian national identity. In 1900 over 60% of the population lived in inland rural Australia; however fewer Australians now live in these communities. Today almost nine in ten Australians reside within 50 kilometres of the coast, while 84 % live in 1% of the land mass concentrated in metropolitan centres – compared to a miniscule 0.3% of the population dispersed over half the continent¹. This presents major obstacles to sustaining rural communities in much of the continent, as the geographer John Holmes noted some 30 years ago². The situation has only worsened.

At the core of the Australian rural ideal was the family farm around which stable patterns of settlement and small townships were expected to flourish. Yet the demise of the family farm alongside the rise of global agribusinesses since the 1960s has eroded the need for a local labour force and hence rural communities. Governments, both state and federal, have also significantly retreated from an older nation-building agenda, which saw many government services and cross-subsidisation make up some of the shortfall in the provision of local services. This has created a negative multiplier effect, deepening the structural problems identified by Holmes concerning the difficulties in servicing regional Australia, leaving rural communities at the mercy of global market forces.

Violence turned inward on rural family members and the abject self is just one of the outcomes of the rural crisis, reflected in the higher than average rates for suicide, risky alcohol consumption, and sexual and domestic violence in rural Australia.³ Yet those who experience these adverse consequences from living in rural Australia have far less access to the support services compared to metropolitan centres.⁴

Some may look hopefully on the mining boom to revive services, employment and community in many parts of regional Australia. If so they may be disappointed. Australia is no stranger to mining booms. From the gold rushes of the 1850s, which brought with it the first big wave of free immigrant settlers to the colonies, mining booms have punctuated Australian history and made a significant contribution to population growth, economic development, and the establishment of towns, transport networks and other infrastructure in the interior.⁵ The resources sector is now the largest contributor to Australia's export trade, with a total value of \$118.4 billion in 2008-09, it is growing at 15% per annum and has invested \$133 billion in new resource projects.⁶ Global

demand, especially from rapidly growing Asian economies, together with improved methods of extraction, processing and transportation and lucrative commodity prices, has fuelled this boom.

There is ambivalence about the mining-based development of the Australian rural interior. Farming was seen as conducive to social order, permanence and cultivation (of individual, family and national virtues, as much as the landscape). Farming settlement schemes served the ends of nation-building, national defence and the husbanding of scarce resources: that is, they constituted a moral and political, and economic, enterprise. Mining, on the other hand, is often seen as a rapacious mode of activity: temporary, speculative, exploitative, prone to rent-seeking, and inclined to engender disordered landscapes and rootless lives. These images stretch back to anxieties surrounding the impact of the first great mining boom, the 1850s gold rush,⁷ and are borne out by the many mining settlements that have come and gone since.⁸ Yet the negative images are belied by the resilience of rural mining communities prospering in many parts of Australia, like the Hunter Valley in NSW and the Bowen Basin in Queensland, with their strong traditions of local community identity and solidarity.⁹

Nor is Australia a stranger to the terrible human tragedy that can attend mining activities. Mine collapses, causing mass deaths in small tightly knit communities, have been a recurrent feature of the coal industry over its history in Australia.¹⁰ The shift to open-cut mining alongside a safer mining culture has done much to reduce this harm. While many of these risks and dangers have significantly abated, new post-industrial mining regimes raise a fresh set of challenges for communities engaged in a David and Goliath struggle to survive.

Until the 1970s mining leases tended to be issued by governments subject to conditions that companies build or substantially finance local community infrastructure, including housing, streets, transport, schools, hospitals and recreation facilities. Townships and communities went hand in hand with mining development. However, Roxby Downs was the last mining town to be built in Australia, in the 1980s. Since that time, and under the growing influence of global economic forces, mining companies have moved progressively to an expeditionary strategy for natural resources extraction. This involves increasing reliance on non-resident (fly-in, fly-out or drive-in, drive-out) contract work forces, who typically work block rosters (seven days on, seven days off is common), reside in work camps adjacent to existing communities and travel large distances from their homes. This new regime of resource extraction operates a continuous production cycle involving 12 hour shifts alternating day and night with each roster cycle. Post-industrial mining regimes take corporatist neo-liberal logic to an extreme, one perhaps encapsulated in the figure of the fly in, fly out worker – contracted, non-unionised, with bulging pay packet, compressed work roster, fragile job security and truncated family and community life.

The increasing reliance on non-resident workforces has meant an ever-decreasing permanent resident workforce undermining sustainable community development.¹¹ ‘Fly-over’ effects threaten the continuing sustainability of some towns,¹² fostering tensions between residents (‘insiders’) and the non-resident workers (‘outsiders’).¹³ Residents see themselves as having a long-term commitment to the community and as bearing a disproportion of the social costs of resource developments. In addition to the sheer number of transient workers (mostly male) with no meaningful commitment to place, the block roster system of 12-hour shifts, has hugely disruptive effects on families and communities. Where economic drivers subjugate all else, where a sense of local community based on dense patterns of acquaintanceship, participation in local sporting and other activities and high levels of implicit trust is seriously eroded, rural communities become much less attractive places to live.¹⁴

Insofar as new mines are being developed in or near existing communities it is typically the case that few of the benefits accrue to those communities but they are lumbered with a whole new set of burdens. The effective local population may massively increase overnight as a predominantly male, itinerant labour force moves in, reversing the hard-won inroads of women into this traditionally male dominated industry.¹⁵ The burden on local services soars along with housing costs and other local costs of living.

Some of the costs relate to new patterns of violence. The housing of thousands of men in work camps with little else to do off roster than consume alcohol, can have a profound impacts in some cases on chronic levels of male-on-male alcohol fuelled violence.¹⁶ While most of this violence is unreported and managed informally by private security guards, ‘hotspots’ for violence are being recorded for mining towns at the forefront of the boom. In one Western Australian mining community the rate of violence was 2.3 times the state average and had risen almost threefold since the beginning of the resources boom.¹⁷ In another mining community at the forefront of the boom in Queensland, the rate of offences against the person had grown from 534 per 100,000 in 2001 to 2,315 per 100,000 in 2003 – a rate more than twice the state average.¹⁸

Non-resident workers are seen to benefit more under these post-industrial mining regimes. But do they? There are handsome economic rewards for workers but one could hardly devise a work regime more hostile to sustainable family and community life. The routine separation from family, support and informal social controls and sense of belonging to a community can have seriously negative impacts on the wellbeing of non-resident workers and their families – among them suicide, family breakdown and violence, alcohol and substance abuse, and fatigue related deaths and injuries.

Most non-resident workers live in work camps located adjacent to the towns. These are typically demountable dwellings or ‘dongas’ uniformly arranged in compounds with a common mess, laundry and entertainment facilities, usually little more than a wet mess. They vary greatly in conditions from air-conditioned five star quarters with en-suite amenities, to hastily and sometimes illegally erected structures, surrounded by barbed wire, resembling a modern day ‘gulag’.¹⁹ There is a paucity of planning regulations regarding such temporary dwellings.

More flexible work arrangements are part of a larger global trend in the pattern of employment in a post-industrial world.²⁰ Research about increasingly precarious employment conditions suggests that these can adversely impact on worker health and well-being, occupational health and safety, union membership, job satisfaction, gender equity, and skills development.²¹ In crude terms, the resources sector has been at the forefront of a trend to encourage the trading of rights, security and conditions for high wages. A longer term, more holistic, view of the role of work in relation to well-being, personal identity, family and community is giving way to a narrower, shorter term focus on immediate economic benefits. Precarious work practices may have a range of diffuse, often adverse, social consequences for individuals and communities, even if work is generously rewarded. The problem is that these regimes, by their very nature, ensure there is no collective voice to register and articulate these wider, longer term consequences. They are extruded from the collective consciousness because the vehicles of that consciousness (communities, trade unions and other forms of social life) are seriously eroded.

The present mining boom is producing huge economic benefits and is widely regarded as safeguarding Australia’s prosperity into the future. This is the key to its unstoppable expansion. What receives far too little attention is that the distribution of the benefits and burdens of the mining boom are highly uneven. Even some within the industry question whether these regimes are sustainable in the long term. Efforts to leaven the adverse effects have been limited, but still noteworthy.

There is Queensland’s new social impact guidelines and Western Australia’s ‘Royalties for Regions’ program as well as the Australian Labor Government’s proposal for a mining super profits tax driven by a desire to secure some of the wealth of the boom for future generations. The 2011 budget strategy of leveraging off the resources boom to revitalise regional Australia gives some hope for optimism. However unless this strategy is accompanied by a self-enlightened resources sector acting in concert with mining communities to maximize their social licence to operate, one of the many escalating costs may be a continuing rise in violence and other social harms among workers, families and communities adversely affected by the mining boom.

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¹⁴ Hogg & Carrington, above n. 2.

¹⁵ Murray & Peetz, above n. 7; Lozeva, S. & Martinova, D., *Gender Aspects of Mining: Western Australian Experience*. Curtin University Sustainability Policy Institute, Curtin University of Technology, Perth, 2008.

¹⁶ Carrington et al, above n. 11.

¹⁷ Armstrong Community Safety and Crime Prevention Plan, 2009, in Carrington et al, above n. 11.

¹⁸ Carrington, K. Hogg, R, McIntosh, A., ‘The Resource Boom’s Underbelly: The Criminological Impacts of Mining Development’, *Australian and New Zealand Journal of Criminology*, forthcoming 2011.

¹⁹ Carrington et al, above n. 11.

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²¹ Ibid, pp. 466-67.