Research Brief 201204

The Northern Territory’s Non-Resident Workforce

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1. BACKGROUND

In this research brief, we look at people who reported ‘usually working’ in the Northern Territory but were ‘usually living’ somewhere else at the time of the 2006 Census. The purpose of the brief is to get some understanding of the size and scope of the non-resident workforce in the Northern Territory, and to set a baseline for analysing changes in that workforce by comparing the 2006 Census data to the 2011 Census data, due to be released progressively throughout late 2012 and early 2013.

There has been a lot of discussion within the Northern Territory and elsewhere in Australia about the apparently increasing volume of non-resident workers (known as ‘FIFO’ [fly-in/fly-out], ‘DIDO’ [drive-in/drive-out], ‘BIBO’ [bus-in/bus-out] and so forth) associated with the mining and resources boom that commenced in the early 2000s. Discussion has centred on: workforce turnover (Beach, Brereton and Cliff 2003), the impact on workers and their families wellbeing (Gent 2004; Kaczmarek and Sibbel 2008; Taylor and Simmods 2009), the impacts on ‘host’ (where the mines are situated) and ‘source’ (where the workers come from) communities (Storey 2001; Markey, Storey and Heisler 2010; McKenzie 2010; and Storey 2010).

Although most of the discussion concentrates on the rotational FIFO workers in the mining and resources industries, in reality there are many different kinds of ‘non-resident’ workers across a broad range of industries. Some engage in the ‘two weeks on/two weeks off’ pattern of work that is often associated with mining FIFO workers. Some engage in short term but regular contract work (locum doctors, nurses or teachers, for example). Some live and work in the Northern Territory for a single longer period of time, but maintain their ‘residence’ somewhere else (consultants working on a specific project, seasonal workers etc.). The Census data do not distinguish between these types of non-resident workers, but they do provide some insights into the extent to which work in the Northern Territory is carried out by people who consider their place of residence to be somewhere else.

In the Northern Territory there has been very limited profiling of the non-resident workforce, with little understanding of their basic economic and demographic characteristics. We are interested in the industries in which non-resident workers work, their age and sex and Indigenous status, the locations in which they work, the locations in which they live, and whether they changed their place of residence in the five years before the 2001 Census. We want to investigate –

- The extent to which non-resident work extends beyond mining and associated industries;
- How the demographic characteristics of the non-resident workforce differ from that of the resident workforce;
- How the geographic distribution of non-resident workers differs from that of resident workers; and
- What residential choices are being made by non-resident workers (are they moving to urban or rural regions, for example?)
2. METHODS

Data was drawn from the 2006 Census. A ‘non-resident’ worker was defined as somebody usually resident outside of the Northern Territory, but who usually worked in the Northern Territory. Variables analysed for the non-resident NT workforce were: age, sex, Indigenous status, industry of employment and place of usual residence in 2001. To describe the changing residential locations of the non-residential NT workforce we looked at changes of address between Statistical Divisions from 2001 and 2006. Using Statistical Divisions excluded people who changed address within the same general region within Australia (e.g. moving from one part of Sydney to another).

3. RESULTS

3.1. Industry of Employment

There were approximately 3,800 people who said they worked in the Northern Territory but lived elsewhere at the 2006 Census. This equated to about 4.5% of the Northern Territory workforce. The industry in which non-resident workers were most prominent was the mining industry, where 23% of workers (about 450 people) were non-resident. However, in absolute numbers there were more non-resident workers in construction (740 non-resident workers, about 12% of that workforce), and government administration and defence (460 non-resident workers, about 3% of that workforce). While there were fewer non-resident workers in agriculture, forestry and fishing (200 or 10% of that workforce) and manufacturing (270 or 6% of that workforce), they represented a larger proportion of the workforce in those industries.

Figure 1 shows the percentages of non-resident workers both as the percentage within each industry (blue columns), and as the percentage of the total workforce that was non-resident (red columns). Around 80% of non-resident workers claimed to be working in the private sector, but this still meant 20% were public sector employees.
3.2. Age and Sex

Nearly 75% of the non-resident workforce was male, compared with 55% of the total workforce. Non-resident workers made up about 6% of the total male workforce, but only 3% of the female workforce. They were consistently four or five percent of the total workforce across all age groups, however there were higher proportions of non-resident workers who were male and aged between 45 and 64 years (about 7% of the workforce in this group). Notwithstanding this, nearly one third of all non-resident workers were aged 30 to 44 years. Figure 2 shows the percentage of each age and sex group who were non-resident workers (blue columns) and the difference between the percentage of the non-resident workforce who were in each age and sex group and the percentage of total workforce in that age and sex group (red columns). For example, while 26% of male non-resident workers were aged 45 to 54 years, only 21% of male workers in total were in this age group – a difference of 5%. Non-resident workers were over-represented among males aged 45 to 54 and 55 to 64, and females aged 15 to 29 and 55 to 64, but under-represented among males aged 15 to 29 and females aged 30 to 44.
3.3. Indigenous Status

There were about 120 Indigenous non-resident workers. This represented 1% of the Indigenous workforce (compared with 5% of non-Indigenous workers being non-resident). The most common sectors of employment for Indigenous non-resident workers were government administration and defence (23 workers) and agriculture, forestry and fishing, and mining (12 each).

3.4. Place of Work of Non-resident Workers

Over 30% of non-resident workers worked in the East Arnhem region of the Northern Territory, and a further 28% worked in Darwin City. However, just 7% of the total workforce worked in East Arnhem (meaning non-resident workers were greatly over-represented in the workforce there), while 45% of the total workforce worked in Darwin City (meaning non-resident workers were greatly under-represented in the workforce there). Figure 3 shows the extent to which non-resident workers were under or over-represented in the workforce in each Statistical Subdivision in the Northern territory. They were over-represented in East Arnhem, Lower Top End (Katherine), and Barkly, but under-represented in Darwin and Central Australia (including Alice Springs).
3.5. Place of Residence of Non-resident Workers

Brisbane was the most popular place of residence for non-resident workers in the Northern Territory (12%). Collectively, the State capital cities excluding Hobart (which was home to less than one percent of non-resident workers) were home to 43% of non-resident workers. When regions immediately adjacent to State capitals (e.g. the Gold Coast for Brisbane) are included in the analysis, the metropolitan conurbation zones were home to over 60% of non-resident workers. The only prominent non-metropolitan regions were the Far North of Queensland (7% of non-resident workers) and Northern Queensland (4%).
3.6. Mobility of Non-resident Workers

Nearly 10% of non-resident workers who said they worked in the NT in 2006 had been resident in the Northern Territory in 2001. Moreover, 23% of all non-resident workers who changed address between 2001 and 2006 (about 1500 non-resident workers or around 40% of the non-resident workforce) changed from a Northern Territory address to a non-Northern Territory address. The level of residential mobility among non-resident workers was very similar to that of the Northern Territory workforce as a whole.

The most popular destinations for non-resident workers who changed address were Brisbane (11% of those who changed address), Far North Queensland (8%) and Perth (7%). A total of 35% of changes of address were people moving to mainland capital cities and over 50% were people moving to metropolitan conurbation zones. Overall, the residential migration of non-resident workers resulted in redistribution away from mainland state capitals to adjacent regions and to the coastal regions in Queensland and New South Wales. The exception was some movement into south-eastern Western Australia, probably due to shared mining labour forces.

Regions were considered to have a net gain of Northern Territory non-resident workers if the proportion of workers who migrated there was greater than the proportion that lived there. For example, 5% of non-resident workers who changed address moved to Northern Queensland, but only 4% of non-resident workers lived there (a ‘net gain’ of one percent). Figure 4 shows regions with net gains in blue and net losses in red. Northern Territory regions are excluded because by definition no non-resident workers lived there.

Figure 4: Migration of NT non-resident workers – regions with net gains and losses
4. SUMMARY AND CONCLUSIONS

A diverse cross-section of people comprised the non-resident workforce of the Northern Territory at the time of the 2006 Census. There were non-resident workers across a wide range of industries, although mining was by far the most prominent. There were male and female, younger and older non-resident workers, and although males dominated and the age profile was somewhat older than might have been expected given the attention paid to young males in much of the media discourse. There were even a small number of Indigenous non-resident workers. The more remote parts of the Northern Territory had relatively larger non-resident workforces (and especially the major mining region of East Arnhem), but the greatest number of non-resident workers worked in Darwin. Non-resident workers tended to live in metropolitan and major urban centres in mainland States, but migration patterns since 2001 indicate some movement away from metropolitan areas to other coastal regions.

Perhaps the most interesting finding from this research is the large proportion of non-resident workers who used to be resident (and presumably workers) in the Northern Territory. This, combined with the indications of diversity of industry and demography, suggests that modes of non-resident work are being used not only to recruit workers, but also to retain them. Clearly there is value in retaining corporate skills and knowledge accumulated during the period of residence in the NT within the NT workforce, albeit on a FIFO basis. This is likely to be particularly important in the more remote parts of the Territory. What needs to be assessed is whether retaining of workers who have moved away is reducing opportunities for potential new permanent resident workers. Conversely, non-resident workers may be filling positions which employers failed to occupy by recruiting from the resident workforce. The older age structure of the non-resident workforce suggests that these may be more senior positions, whereas traditionally the Territory’s ‘new workers’ are in the early parts of their careers. Another key issue is whether and how non-resident workers transfer internal knowledge and social capital to build the capacity among other workers and the industry in which they work. For example, is there sufficient contact between (generally later career) non-resident workers and (early career) resident workers to ensure knowledge transfer and capacity building?

It will be interesting to see whether, and to what extent, the non-resident workforce grew and further diversified between the 2006 and 2011 Census. We might expect an increased non-resident workforce in mining because of the growth in that (and related) industries, but there may also be increases in industries such as health and education which have continued to struggle to recruit and retain local staff but have had increased labour demands due to initiatives such as the Northern Territory Emergency Response. What is clear is that workforce planning in the Northern Territory needs to consider the contribution of non-resident as well as resident workers, and to do so across many industries, locations, and work functions.
5. REFERENCES:


