

Housing markets in resource boom towns

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map 1 Advanced minerals and energy projects

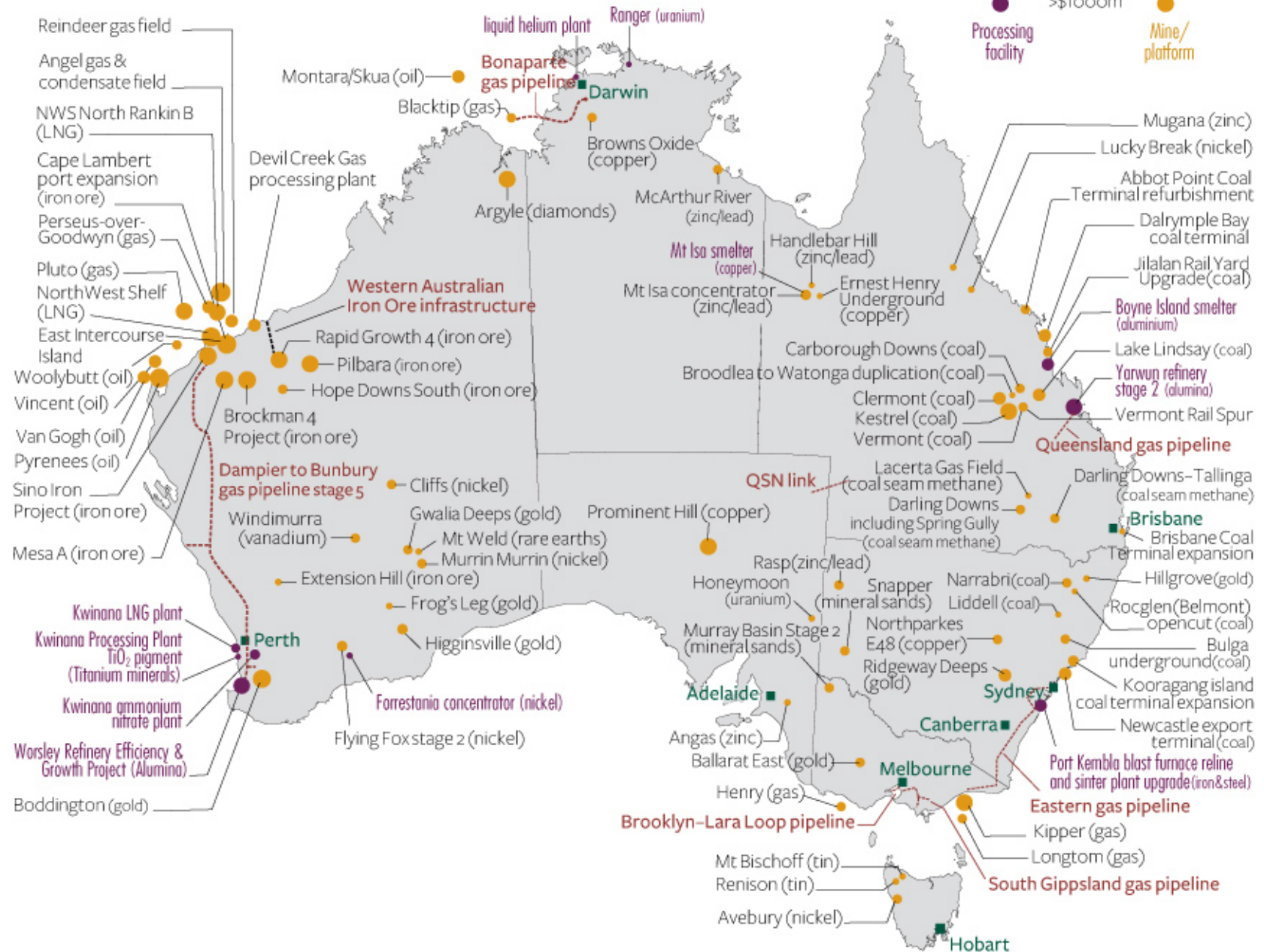
April 2008

Capital expenditure

- \$0-100m
- \$101-500m
- \$501-1000m
- >\$1000m

Processing facility

Mine/
platform



Bush beats the suburbs

S/Times 0710-07

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Miner forced to find nurses

DEBRIE GUEST

Mining giant BHP Billiton has been forced to work with the local...

...dental doctor of 25 years, who said if she got a private firm's responsibility to do the Government's recruiting work. "The Big Australian, BHP, must be shaking their head with the

THE WEST AUSTRALIAN

News

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Tents, humpies home for desperate families

DAWN GIBSON

Families in the North-West are living in tents and humpies after being...

...someone to die to get a government home. She knew of families who were living in humpies because they had nowhere else to go.

Perth were waiting an average of five years and sometimes up to seven to get into subsidised housing.

Jet stuck in Karratha

Eighty passengers had to sleep at Karratha Airport last night after the Qantas passenger jet which was grounded because of mechanical faults.

The West Australian understands locally based passengers returned home but those who did not live in the town were forced to spend the night in the airport because of a lack of accommodation in town. An engineer was flying to the town on a charter flight last night to repair the problem.

Gorgon to double, says Chevron chief

Nigel Wilson
Energy writer

THE Gorgon gas project in Western Australia will eventually double the 10 million tonnes annual production capacity for which it last week received environmental approval.

Chevron's global chief, David O'Reilly, gave the new capacity after welcoming Friday's announcement by the Western Australian government that...

destroyed. State government officials have made it clear that any increase in plant capacity would require further environmental assessment.

But yesterday, Chevron Australia chief executive Jay Johnson said that expansion of Gorgon would be contained within the existing... of 300...

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Property

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Breaking news at www.afr.com.au

Housing shortage an economic threat

KEY POINTS

- Cities are becoming unaffordable to a range of people necessary for a diverse economy.
- Sydney heading to more expensive than New York and London.

Dino Perinella

Housing market, teachers and low-skilled, low-paid service staff in Australia's major cities has moved from being a difficulty to an outright social and economic threat, according to the findings of the

At least 750,000 people nationally are suffering housing stress, paying a third of their incomes on housing, the paper says. In Sydney that rate rises to 37 per cent.

And in Sydney 13 people a day are being evicted from houses they can no longer afford.

Sydney's City West Project is the first west had succeeded in producing only 381 affordable dwellings in more than 15 years.

Top of the list of recommendations was to increase and supply nationally. Improve strategic planning, lower taxes on housing, boost savings

as recommended by Sydney's Metropolitan Strategy, had to be dealt with. This was not easy as available sites were fast disappearing. Mr Morrison recommended more commissions similar to the Redfern Waterloo Authority that could push through development.

Issues prompting research...

The negative impact of mining 'super-cycles' on housing in resource-dominated towns

- Land & housing shortages
- Escalation in cost of living and accommodation prices
- Marginalisation of indigenous population
- Key workers squeezed out
- Mono-economies
- Cashed-up bogans



Other warning bells

- Low levels of private home ownership
- Relatively low proportion of families, especially families with high school aged children (compared to regional State average)
- High levels of mobility (the 1, 5 and 20 year cycle)
- Few people over the age of 65 years
- Social issues
 - Increased domestic violence
 - Overcrowded housing
 - Inappropriate housing
 - Elevated drug abuse

Research method

Two stages:

- An Australian and international review of the literature
 - Policy document review
 - Media scan
 - Analysis of secondary data
-
- Examination of four cases studies, (2 in Queensland and 2 in Western Australia), applying the analytical frameworks developed from Stage 1

Case study sites

Karratha (Pilbara, Western Australia)

→ Town created in 1968 to service government and mining industry

Kalgoorlie (Goldfields, Western Australia)

→ Established regional centre with diversified economy

Emerald (Bowen Basin, Queensland)

→ Established regional centre with diversified economy

Moranbah (Bowen Basin, Queensland)

→ Purpose built town (est-d 1971) for Utah Development Company Ltd

Key characteristics of case study sites

Characteristic	Karratha (WA)	Kalgoorlie (WA)	Moranbah (Qld)	Emerald (Qld)
Type of town	Remote regional service centre – medium	Remote regional service centre – large	Rural sub-regional town - small	Remote regional service centre – medium
Population	10,730	28,242	7,133	10,999
Temporary residents	2,523 (19%)	782 (3%)	1,127 (14%)	468 (4%)
Approx distance from capital city	1500 km	600 km	1100 km	830 km
% workforce employed in mining	33%	38%	47%	18%
Median house prices (2008): 3 bedroom	\$700,000	\$280,000	\$350,000	\$350,000
Weekly rents: 3 bedroom	\$1500	\$350	\$600	\$360
% rental properties in town	52%	31%	49%	40%

Housing (or its lack) is critical



- Extremely high demand for accommodation
 - Hotel
 - Housing
 - Temporary (caravans, camping, cars, industrial area)
- High competition between resource, government and the private sector



Key findings?

- Inadequate housing
- Inadequate supply of serviced land
- Variable standard of housing
- High cost of construction
 - Seismic and cyclone ratings
 - Suburban style housing
 - High cost of transport
 - High cost of maintenance
 - Shortage of tradesmen
- Aged and inadequate infrastructure (water and sewage)
- Services not coping (schools, retail, key workers, medical services, higher education)

Housing for key workers

- Key workers – police, teachers, nurses, utility workers (GEHA not able to maintain quality or quantity of appropriate housing)
 - Government paying up to \$2000/week in the private rental market
- Homelessness – increasingly a problem for people in work
 - The retail sector
 - The tourism industry
 - Services sector
- Hotbedding
- Overcrowding
- Transience and obfuscation

But ...

- There is considerable variation between mining towns depending on:
 - Reliance on FiFo/DiDo
 - Role of private market
 - Responsiveness to market conditions
 - Role of mining companies in provision of housing



Housing for the future in mining towns

- Housing critical for the attraction of a workforce, both mining and services
- Housing critical for the development of a sense of place and sense of community
- Affordability critical for some sectors of the community
- Housing integration
- Housing diversity
- Energy efficiency likely to be a concern in the future
- Fly in/fly out not universally popular, but makes good sense when nothing else on offer

Policy and governance

Implications

- Housing is a whole of government, whole of community issue
- Who is in charge?
 - Fragmentation = inefficiency
 - Clarification of roles & responsibilities
 - Co-ordination of action is critical
 - Planning, native title, environmental clearances, land titles, utilities etc
- In Western Australia, Landcorp is critical as a supplier of land
- Community housing – where is it?



Policy and governance

Implications

Cont...

- The role of local government?
 - Identification of community needs
 - Potential responses
 - Co-ordination of stakeholders at the local level
- Commitment to long term tenure of towns
- Commitment to liveability and attractiveness – private investment very important



Policy and governance

Implications

Cont...

- Commitment to broadening of the demographic and economic diversity of mining towns to ensure future sustainability
- Commitment to the provision of affordable housing and infrastructure
- **NEW GOVERNANCE MECHANISMS** at the regional level



Recent developments

- Qld sustainable Resource Communities Policy and preparation of Social Impact Plans
- Pilbara Industry's Community Council (PICC)
- Royalties for Regions Program (WA)