Resource Boom Times: Building Better Towns and Cities in Remote Places

Dr Fiona Haslam McKenzie
Curtin University and the Cooperative Research Centre for Remote Economic Participation

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The research ....

• Two phases:
  – Karratha – research conducted over 3 years (2007-09)
  – Port Hedland – research conducted over 2 years (2010-11)

• Method
  – Multi-disciplinary including:
    • Comparative analysis of statistical data, anthropological data and corporate and government reports
    • Analysis of public policy re. housing and regional planning
    • In depth interviews with government, corporate, local, SME owners and community leaders
Port Hedland...

- Established in 1863, 1760 north of Perth and 240 km north of Karratha
- Port expanded in 1960s after iron-ore discovered and Australia lifted the export embargo
- In 1970s, a new subdivision, 14 kms south of Port Hedland built using the Radburn town plan (South Hedland)
- In 2010, residents were about 14,225
- The town services a very large area, especially FIFO workers, Aboriginal people and some tourists
Port Hedland (2)

Karratha...

- 11,725 permanent residents (70% of the Shire resides in Karratha)
- The town was established in 1968 – a bastard child of government and Hamersley Iron
- Surrounded by several satellite towns
- Karratha is developed along a flat strip, separate from Dampier (14kms distant) and the industrial area
Royalties for Regions

- Established in 2008 after tight State election
- Quarantines 25% of State’s mining and onshore petroleum royalties for additional project investment (infrastructure, community services) in 3R areas, over and above State government obligations
- The Pilbara was a target area of expenditure
Pilbara Cities Blueprint

• Launched in 2009 “to secure the Pilbara’s future long after the resources sector has reached its peak ... To create places that people choose to settle on a permanent basis” (Premier Barnett)

• Plans to develop towns differently – suitable for climate and remote location

• Emphasised high density and liveability

• A diverse population in a diverse regional economy
How?

• Development driven by Landcorp in partnership with private sector partners
• Government looking to private sector for innovation
• Encouraging local government to be more flexible
• Mining companies, government and other businesses expected to be more forthcoming with their development demands and intentions
• Mining company contributions to infrastructure
The Challenges ....

- Has the housing horse bolted?
- Housing market collapse
  - Median cost of renting a house in Pilbara rose 325% over previous 5 years
  - Median weekly rent in Pilbara $1650
- Infrastructure catch-up
- A poor history of planning co-ordination across government jurisdictions
- Very slow land release
The Challenges .... (2)

- In Port Hedland in particular, development limited by physical and industrial considerations
- FIFO work patterns well entrenched
- Aboriginal housing
- Cost of construction
- Expensive building materials
- Dearth of labour
Potential solutions ...

- Rules governing sale of Crown land to Landcorp could be relaxed to enable more affordable housing (Treasury)
- Modification and relaxation of some rules re. access to public housing for key workers and others on low income (Treasury, Department of Housing, FACSHIA)
- Encourage greater opportunities for the community housing and N-F-P sector (Treasury, Department of Housing)
Potential solutions ... (2)

• State and Commonwealth government:
  – Commonwealth through NRAS (tax incentives for up to 10 years for discounting market rents) Is this feasible in a hot property market such as the Pilbara?
  – State government: guarantor for community housing sector in some circumstances
  – Keystart: State shared equity scheme (But .... Pilbara price thresholds still too high ...)
  – Development Assessment Panels
Potential solutions ... (3)

• Local government – greater flexibility
  • Revision of R-codes, changing the emphasis away from development limitations to development minimums
  • Greater density
  • Consideration of ancillary housing
  • Toleration of planned mixed use

• however, still there is poor government cross-jurisdictional co-ordination or communication

• FIFO likely to have an ongoing role but how worker accommodation is integrated into towns could be changed
Concluding remarks ...

- This paper highlights the interdependencies between housing, mining and the social and economic sustainability of mining communities.
- If we are to build better towns and even cities in remote places, such as have been outlined in the Pilbara Cities Blueprint, entirely new mindsets must be applied to overcoming entrenched challenges.
- Timely, responsive leadership and co-ordination of all stakeholders and shared goals is critical in the planning process.