

The varied lives of towns after mining

Penny Carr, Senior Adviser, Communities, Dampier Salt Limited

Louise Thomas, Manager Pilbara Towns Development, Rio Tinto Iron Ore

Don Burnside, Principal Consultant, URS Australia



Penny Carr



Louise Thomas



Don Burnside



What is the issue and why does it matter?

Rio Tinto Iron Ore's activities dominate the economic lives of five small to medium (600 to 3,000 people) towns in the remote Pilbara Region

The towns were purpose-built mining towns, and the company has on-going responsibility for infrastructure and service provision

Business planning needs to consider the impacts of changes in mining operations on the economic and social lives of these communities

What guidance can we obtain from the experiences of other towns and communities as they adjust to changing levels of mining activity?

Objectives

Review adjustment experiences after mining of a range of purpose-built towns that were developed to support mining activities

Document what worked well, and what did not in these adjustment processes

Consider the legacy for companies and communities

Identify common themes and issues that will need to be addressed in planning for the future of towns that RTIO impacts

Categorising towns

Situation of town before mining	Situation after mining finishes	Towns
Long-established town	Town closes (mixed ownership – normalised)	No examples considered
	Town develops diverse support, maintains size	Leonora-Gwalia, Charters Towers, Mt Morgan, Broken Hill, Clermont
	Town struggles as small services centre	Inverell, Cobar, Tennant Creek, Laverton
	Town develops single new industrial support	Captains Flat
'New' purpose built town	Town closes (mixed ownership –normalised)	No examples considered
	Town closes (mining company owned)	Mary Kathleen, Shay Gap, Goldsworthy, Radium Hill
	Town develops diverse support, maintains size	Batchelor
	Town struggles as small services centre	Wittenoom, Rossarden
	Town develops new single industrial support	No examples considered

There are lots of towns to choose from many towns in outback Australia started to support mining

Towns	Pop'n ranges	Snapshot
Cobar	4,000-8,000	Fluctuating mining fortunes, aging population with strong ties to the region,
Leonora	340-1800	Roller-coaster ride with recession and booms over the last 50 years
Laverton	200-1,700	Early prosperity, followed by a long period of decline, interspersed with 30 years of growth after the nickel boom.
Tennant Creek	3,800-3,000	Loss of mining jobs, continued importance as regional service centre and for Indigenous community support
Mary Kathleen	1,000 to nil	Closed and reopened, then finally closed
Goldsworthy	1,500 to nil	Straightforward closure and complete removal of town
Radium Hill	1,000 to nil	Closure followed by development of heritage trail
Broken Hill	25,000-20,000	Long period of slow decline, large level of strategic planning for the future of the town. Mining more active now
Wittenoom	1,000-8	Difficulty in effecting closure as people wish to 'hang on' despite disablement of services
Rossarden	800-80	Sudden closure and rapid adjustment caused considerable discontent.

Some questions

Town history before mining; Town status during mining

Options considered and decisions made as mining completed?

If the town did not close, what adjustments took place?

What was the company's, local government's, and State government's role?

How was the process of transition (including closure) managed?

Cont....

What has been the legacy for company?

What has been the legacy for community?

What has been the impact on neighbouring Indigenous communities?

If it were to occur again, what would be done differently?

Broken Hill

Broken Hill' population has declined (25,000 in 1986, predicted 16,500 in 2016)

The community is striving to re-invent itself, but unemployment is high (13%)

Considerable government and community investment in renewal

Important as regional centre for new mining projects

Broken Hill cont...

Tourism is now an economic driver

Local and regional service centre, and is able to support local and regional mining investment

Local residents' commitment to the city is strong, based on several generations of occupancy

Broken Hill - lessons?

Rate of decline in population has slowed in part due to retirees staying (or re-locating) in the city, but the increasing age of residents is of concern.

Indigenous population is increasing, which will alter the demographics and create new service needs.

Important that young Indigenous people have opportunities in the workforce

Mary Kathleen

Purpose built in 1955 to support uranium mining.

Operated as a company town until mining finished in 1963.

Mine re-opened in 1974 under the control of CRA and continued operation unto 1982, when all activity ceased.

The decision to close

Mary Kathleen was an important social and economic unit in the area and it was desirable that it be maintained if at all possible

Any proposal for an economically viable future for the town was welcome.

No viable alternative use was proposed

Mary Kathleen, located close to Cloncurry and Mount Isa was not able to re-invent itself

It seems that closure was a sensible and realistic option.

Tennant Creek

Employment in mining declined from 824 (1981) to 25 (2006)

Tourism and regional services grew over this time, strongly supported by Territory Government

Employment in food processing doubled between 1981 and 1985

By 2001 employment concentrated in services

Tennant Creek – Learnings?

Diversification can be achieved, but the circumstances need to be right, and plenty of external and internal support is needed

Given post-mining prospects, Tennant Creek as an 'open' town permitted the development of a free market in accommodation, which helped small businesses establish

Indigenous people's situation is unsatisfactory, with an array of social problems and disadvantage

Conclusions

Relatively easy to shut down company-owned or ‘closed’ towns, and the level of controversy has been comparatively low

‘Open’ or ‘normalised’ towns do not close after mining winds down. They can shrink to low population levels and still persist because of

- ‘sense of place’ factors operating in older towns
- a perceived need to provide services
- a base for local government
- people own assets in the town
- other smaller economic drivers
- climate and recreational activities
- access to affordable housing

Some other conclusions

Some resilient towns are also ageing towns

Why close? If the area is in a diversified mineralised zone, the town can be an asset as a base to support renewed activities – but at what cost?

The lure of economic diversification can be overstated – circumstances need to be right

Indigenous people may not easily adjust to changing town fortunes, given strong associations with land and town history

Lack of economic opportunity likely to cause disadvantage for remaining residents.

Implications for Companies and Governments

Consider carefully before proceeding to 'normalisation' – what are the 'post-mining' options?

Decision-making in 'open' towns provides a difficult area for Government

Shared planning is needed for post-mining futures when mining ceases, or reduces to much lower levels

Without planning, mining companies can be left to manage towns with reduced prospects and services.