

BOOM or bust?

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When Dr Hermanus Lochner first met Hopetoun, it was a sleepy coastal hamlet, whose cheap housing, pretty beaches, bountiful fishing and mild climate explained its popularity with retirees and others seeking a quiet life.

Dr Lochner was soon hooked. He'd been looking for a place to settle since leaving South Africa in 2002, and the peaceful settlement on the south coast of WA seemed just perfect.

But when he moved there in 2003, he never could have guessed the turmoil that was to follow, as the mining boom that has been shaking up communities across the nation struck Hopetoun and neighbouring Ravensthorpe.

In October 2004, BHP Billiton announced its plans for the Ravensthorpe Nickel Project, including a mine and treatment plant, and sparked a construction

frenzy that drew thousands of workers to the area over the next few years.

The rapid pace of development would prove challenging for many locals, including Dr Lochner, whose professional endurance was tested to the max by a doubling in his catchment population.

Hopetoun and Ravensthorpe had known mining booms before. Their history shows a pattern of boom and bust, of mines opening and closing, of development stopping and starting. But nothing to compare with this latest rush.

The accommodation market soon gave a dramatic illustration of the laws of supply and demand. Rents and property prices shot up, and there were even reports of garden sheds and garages being let for hefty sums.

"The saddest part was the people who were renting and who were on the bor-

derline of income, they had to leave town and find somewhere else because the rents went up from \$100 to \$400 a week," Dr Lochner recalls.

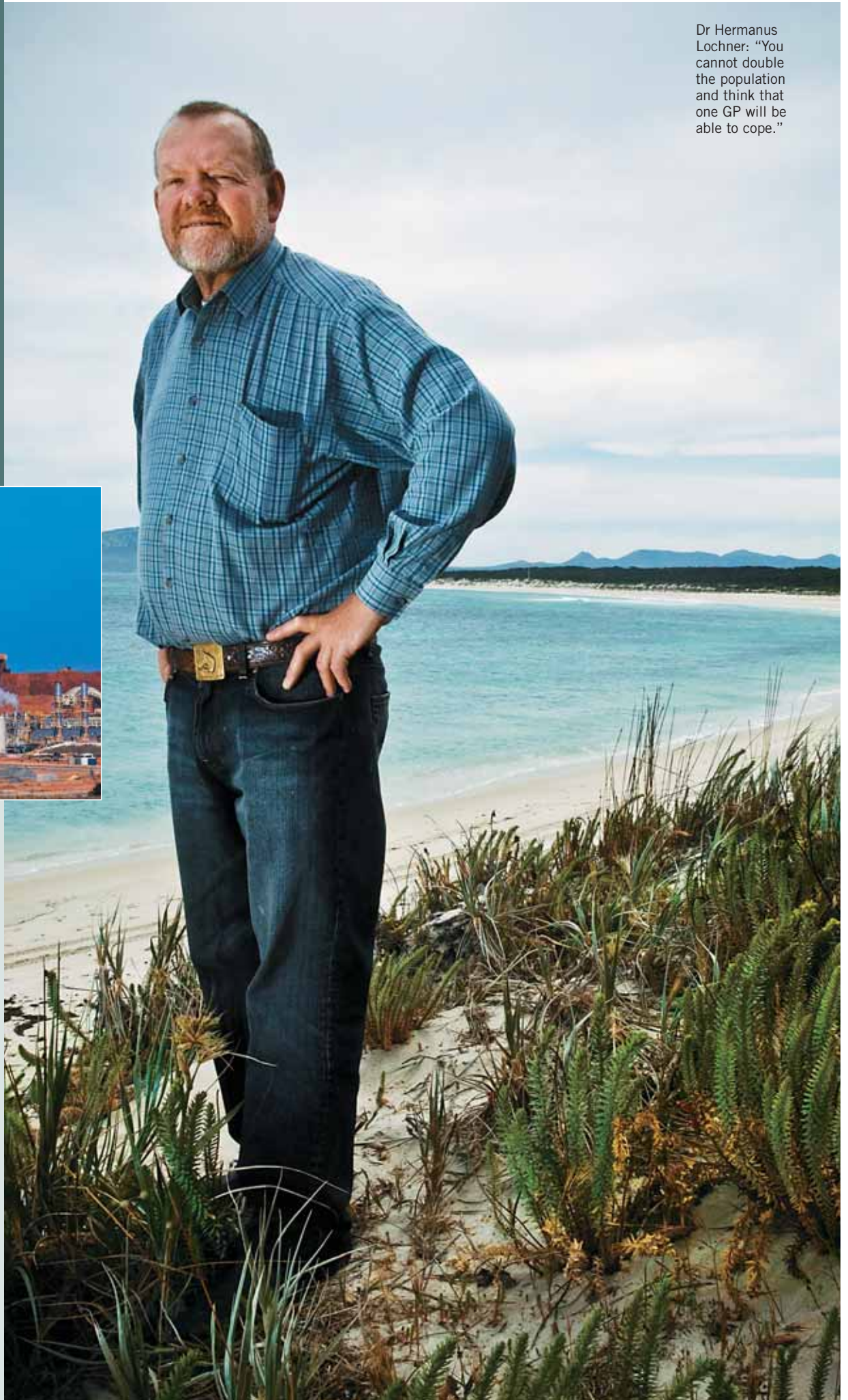
He was lucky to have bought his home before the boom, which saw old asbestos houses, once lucky to fetch \$80,000 exchange for \$400,000 or more.

It was not only the mine which kept construction workers busy. A new airport, police station and primary school opened, and the town's dirt tracks were tarred. But the inadequacy of local infrastructure was an ongoing frustration for many.

More than 100 new houses were built but plans for others languished on the drawing boards as the local council, state government and developers wrangled over who should pay for sewerage. The lack of power capacity in Ravensthorpe was also a stumbling block to development there.

Rural doctors in mining towns are feeling the strain as the resources boom stretches their resources to the limit.

Dr Hermanus Lochner: "You cannot double the population and think that one GP will be able to cope."



Many services, including the local council, felt the strain: one former shire president estimates the extra council workload cost him more than \$100,000 in lost income over five years.

Dr Lochner was also stretched. The only doctor in the area, he already had been busy before the boom, working in practices in the two towns, as well as the Ravensthorpe Hospital.

At the height of the building frenzy, Dr Lochner felt like a rat trapped on a relentless treadmill, never able to get on top of the queues that stretched from early morning until late evening.

The pressure has recently eased, now that the mine construction is

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Hopetoun businessman and ambulance volunteer Darryl Quinn: "I'm giving up my day's work for a mining employee who is getting \$1500 to \$2000 a week."

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almost complete and most of the contractors have left town.

"I can tell you it was a nightmare," he says. "After two years of hell, at this point of time, we can look back and say, 'Thank God we've made it'. But there were times I was really, really upset about the whole thing."

While the local shire did what it could and the mine provided some help with fly-in, fly-out locum services, Dr Lochner believes far more planning and effort should have been put into ensuring health services were equipped to cope with the dramatic escalation in demand.

"The mine should have taken on more responsibility for providing health services," he says. "You cannot double the population and think that one GP will be able to cope."

Dr Lochner's job was made even harder because it was so difficult to retain office staff when high wages were on offer elsewhere. "We couldn't compete with the mining sector," he says. "We lost more than 30 staff over a two-year period."

Meanwhile, local businessman Darryl Quinn was also having trouble coping.

Mr Quinn, 59, who moved to the area 11 years ago for a peaceful semi-retirement, found that his furniture shop was suddenly overrun by customers but he couldn't find anyone to serve them.

At the same time, Mr Quinn and other volunteers staffing the local ambulance service were overwhelmed by a sudden doubling of their workload. The mine's ambulance would only take sick or injured workers to the nearest hospital at Ravensthorpe, meaning the local volunteer service often had to then take

Portrait of a boom

- Mining industry profit margins peaked in 2005-2006 at 19.9% compared with 2.3% in 1982/83.
- Net profits in 2005/06 increased by 74% to \$11,771 million – the highest level since records started in 1977/78.
- The total amount of direct and indirect tax liabilities incurred by mining companies in 2005/06 was \$7032 million – 120% higher than in 2004/05.
- Total employment increased by 19% to 82,588 people in the year to 2005/06.
- Australia's export earnings from mineral resources rose to a record \$106.5 billion in 2006-07, an increase of more than \$15 billion or 17% from 2005-06.

Sources: Minerals Council of Australia and the Australian Bureau of Agricultural and Resource Economics

them to Esperance Hospital – a six-hour return trip.

This meant Mr Quinn and other volunteers losing work or family time. "All these people who come from the city have got no idea that we are volunteers and we don't get paid," says Mr Quinn, who chairs the Ravensthorpe sub-centre of St John's Ambulance.

"I'm giving up my day's work for a mining employee who is getting \$1500 to \$2000 a week."

Mr Quinn had many frustrating arguments with WA Health Department officials, who repeatedly promised "to look into it".

"I'm starting to call them 'mirrors' because they're always looking into it," he adds.

Mr Quinn is disappointed the WA Government did not cater adequately for the area's burgeoning needs for services. While he knows some locals are not so happy with the changes, he thinks the mine's development has been good for the town, and is hoping to sell his shop for a tidy profit.

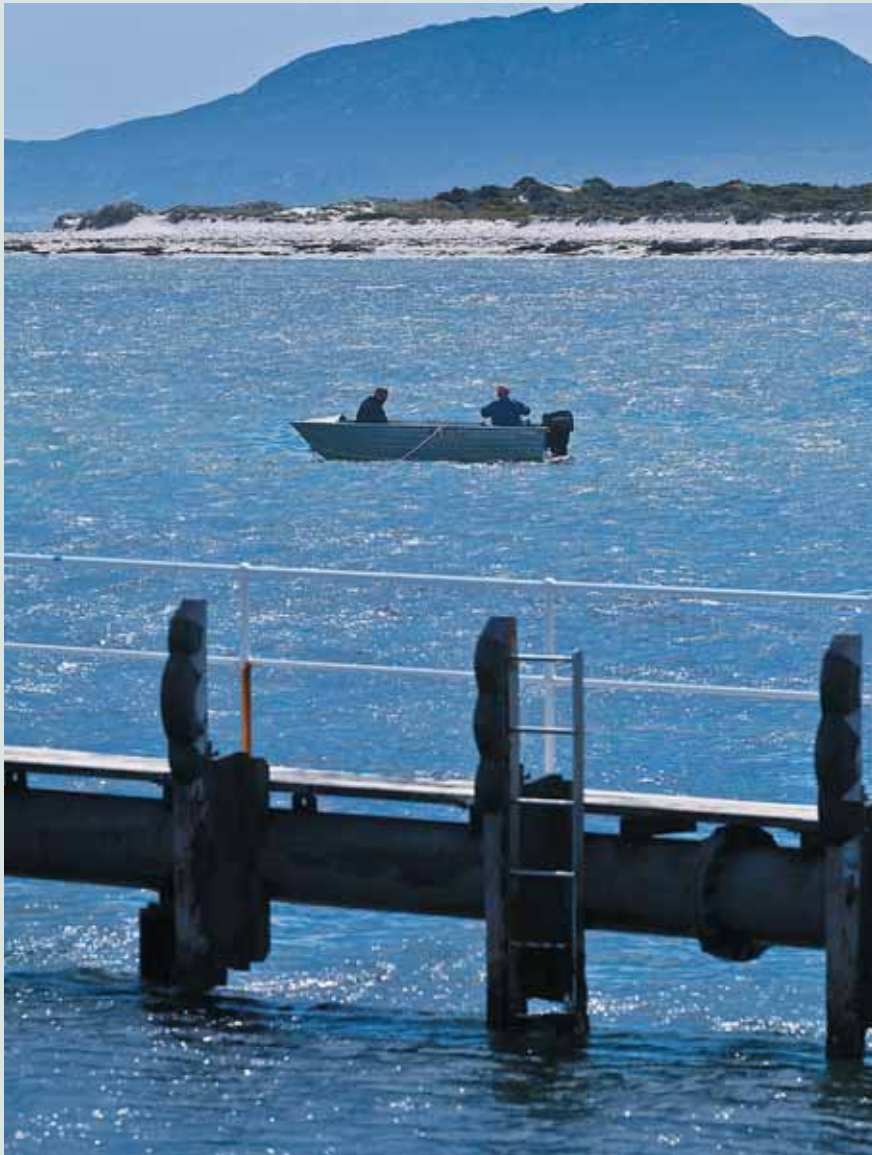
"I think progress is progress and you've got to embrace it," he says.

The challenges confronting the Hopetoun district are all too familiar for Dr Felicity Jefferies, CEO of the health recruitment and retention agency, Rural Health West (formerly WA Centre for Remote and Rural Health). The mining boom is putting a huge strain on many rural and remote communities in WA, she says.

Dr Jefferies knows of doctors and other health professionals who've been unable to work because of the lack of childcare in mining towns, which tend to have a high proportion of young families.

Soaring rents and accommodation shortages also make it difficult for health services to attract and retain staff. "A cleaner working in a hospital doesn't earn enough to rent a house in Karratha, where they're paying \$1800 a week to rent a small fibro house," she says.

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From the serenity of a sleepy coastal village (left) to the building frenzy (right), some locals say Hopetoun's atmosphere changed markedly during the mine's construction.



“And you can’t get good practice managers or administrative people to work in your practice because the moment you get them up to scratch, they’re gone to work in the mines.”

Dr Jefferies says the mines’ reliance on fly-in, fly-out workers has also been detrimental, affecting the capacity of community groups and the profitability of local businesses.

“Kalgoorlie is a good example of this,” she says. “A lot of the shops in the main street are closed. People who fly in and then go back home the next week don’t really put anything back into the community.”

Such problems are likely to become more common, with industry projections showing scores of new projects on the drawing boards across the country.

Dr Jefferies notes that the Karratha population, for example, is predicted to soar from 15,000 to 50,000 over the next 30 years.

She says those profiting from the boom, including the mining industry and federal, state and local governments, should do more to help the communities affected. “Over the

years, we’ve seen everything taken out of towns and nothing going back,” she says.

Similar concerns are raised by Dr Sheilagh Cronin, a GP at Cloncurry in Queensland, who has watched the boom drive up housing costs in her area.

It seems so unfair, she says, that the communities contributing so much to national prosperity are left with poor services and infrastructure, particularly in education and health.

“Mt Isa is one of the biggest lead mines in the world and contributes to the wealth of this state and yet the hospital and the district have been grossly underfunded for years and years,” she says.

“Recently Queensland Health has put more money in and there has been a change in the past couple of years, but they’ve got a lot of catching up to do.”

Dr Cronin agrees that the move towards a fly-in, fly-out workforce has been bad for communities. “The days of mining companies building towns have disappeared,” she says. “What they do now is build airports.”

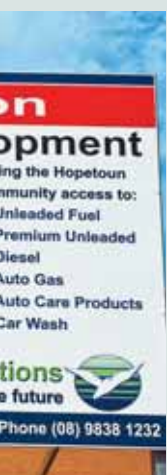
While the industry is funding several important health projects in Mt Isa, Dr Cronin believes companies need to put more back into the local communities supporting their operations.

“At the end of the day, they want their workers to be looked after properly, but they can’t expect small communities to take the load and subsidise their operations. The dollars we’re talking about are absolute peanuts in the scheme of what they’re making.”

Such complaints are not news to the industry – the Minerals Industry Council often refers to the importance of maintaining what it calls its “social licence to operate”, or “the unwritten social contract with the communities in which it operates”.

But the industry is also quick to stress the responsibility of governments.

The council’s chief executive, Mr Mitchell Hooke, told a conference last year: “We know we are stripping communities of essential services and personnel attracted to the employment and enterprise opportunities of our businesses, but governments at all levels



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DR SHEILAGH CRONIN

are increasingly deferring to minerals companies to be a proxy for governments in providing critical social infrastructure – including housing, medical and ancillary services, utilities, day care, education, even to the point of entertainment and recreation facilities.”

Back in Hopetoun, the mining operation is expected to begin full production early next year, with 650 workers and contractors. According to BHP Billiton, about 300 of these already live in the region and another 150 are expected to move there by mid-2008.

The company declined to allow a representative to be interviewed for this article, but said in a statement that Ravensthorpe Nickel had contributed more than \$9.5 million capital towards community infrastructure, as well as \$120 million to residential land, housing and community amenities for employees.

BHP Billiton had also provided housing for police and teachers, and money for a

variety of local groups, including contributing funds to an independent review of medical services.

The secretary of the Hopetoun Progress Association, Ms Jane Waterton, says the company deserves credit for encouraging workers to get involved in the community, but is concerned about the detrimental health and social effects of the 12-hour shifts and onerous working conditions.

“As somebody said to me the other day, ‘We’re living in this gorgeous piece of the world and we don’t see it – we go to work in the dark, we come home in the dark and on our days off, we’re stuffed’.”

Ms Waterton, 53, moved to Hopetoun from NSW last year after her partner found work at the mines.

“I just love it here,” she says. “We have been welcomed with open arms.”

But she worries about the impact of development on the local environment.

“With extra people, some of the pristine beauty is going to change,” she says. “We’ve

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Dr Rachel Harvey: the arrangement with Xstrata Coal is a good model.

Long hours at the coalface

At Glenden, a coal town in central Queensland, the days are long and demanding for the local GP, Dr Rachel Harvey. And they are about to get even tougher.

Four hundred new families are due to arrive in the 1500-strong town soon, as a result of the local mine’s expansion, and Dr Harvey is wondering how on earth she will cope.

“It’s going to stress me out,” she says. “There are not enough hours in the day now. I often don’t get home before 10 o’clock at night as it is.”

Dr Harvey, 39, moved to Glenden a year ago. She loves the town and, with three children herself, the opportunities for socialising with other young families.

Incomes are high and rents are heavily subsidised by the company at about \$30 a week. “If you live here, you’re on a really good wicket,” Dr Harvey says.

Alcohol is a major problem, however. “You’ve got a whole bunch of young men who have nothing else to do in their spare time and they’ve got plenty of money, so they sit around and drink,” she says.

“The other big problem we have is fatigue. We get a lot of young men in car accidents that are very serious. They finish a 12-hour shift and jump in their car to drive home to Mackay or Bowen.”

Dr Harvey speaks highly of Xstrata Coal, which pays a retainer amounting to about a third of her income, and also leases her the surgery and house.

She stresses, however, that the company has no say over how she runs the practice.

“I personally think that this arrangement with the mine should be held up as an example of how mining companies can make a health system work,” she says.

“They have recruited the right person, paid the right amount of money, and provided the right resources. If I request extra resources or time off, there’s never a problem with that. If I say, ‘I want to run a quit smoking program’, they will subsidise it.”

However, Dr Harvey has few kind words for state and federal governments, which she believes are neglecting their responsibilities. She struggles to find services to help patients with mental health or domestic violence problems, and feels Medicare does not properly remunerate her, especially for emergency work.

“The government has a lot to answer for,” she says.



Dr Sue Kitchin says Karratha is a great place to raise a family.

Lovely place, but few

In many respects, Karratha is a wonderful town to raise a family, says Dr Sue Kitchin, who has had two babies since moving to WA's north-west almost three years ago.

As with many mining towns, there are plenty of other young families. "It's an amazing community," says Dr Kitchin, 33. "Being a mum, it's fabulous, there are lots of play groups and support."

But on another level, there is also a staggering lack of support for families. Dr Kitchin, 33, who works part time at the Dampier Medical Centre, saw many who were terribly affected by the temporary closure of Karratha Hospital's maternity services earlier this year.

Expectant women were flown out at 36 weeks to Port Hedland or Perth, putting big pressure on families, Dr Kitchin says.

She has first-hand experience of the lack of child-care. If strings hadn't been pulled, she wouldn't have been able to return to work after maternity leave this year, despite the area's crying need for doctors, because she couldn't find a place for her children.

Another critical issue is the lack of mental health

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services

services. "Mental health is a huge issue up here because you've got people on shift work, doing fly-in, fly-out, and you do see a lot of relationship difficulties. It's very hard to get an appointment for someone who needs to be seen acutely."

Dr Kitchin says it can be disheartening for doctors when many of their patients are getting more money and support from their employers than they are.

"If you work for one of the big mining companies, you're getting a minimum of six figures, your housing provided, subsidised air con, and other allowances like family flights to Perth," she says. "For the medical staff who come up with the Health Department, there's no equality."

The mining boom has also made it difficult for practices to retain staff, especially when houses routinely sell for more than \$800,000 and rents can reach more than \$2000 per week.

"There are a lot of people who can't afford to stay here," she says. "We've lost a lot of small businesses."

Despite all the drawbacks, Dr Kitchin has no regrets about her move to a mining mecca. "I actually love being here," she says.

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already lost a large amount of bush for the housing and that's a real pity. People say that's progress but sometimes progress isn't progress."

Ms Alison Bell, who moved to Hopetoun from Brisbane to take up a job as community nurse several years ago, is another who laments the destruction of bushland. She also believes the new subdivisions are not sympathetic to the local character.

Ms Bell, 43, says the town's atmosphere changed markedly during the mine construction.

She was one of many locals who stopped frequenting the pub, which changed from being a friendly community venue to a rough booze barn with regular fights.

The mine changed more than Ms Bell's social life. She saw that her partner, Dr Hermanus Lochner, was overrun with work and needed her help, so she left the hospital to work with him as a practice nurse.

"It was a very stressful few years," she said. "We had a dispensary and when you have an extra 3000 people on your door, even if they didn't want medical services, they wanted medicines."


While Ms Bell thinks most locals have probably come to terms with the mining development, she is not one of them. "I was quite happy the way things were," she says. ●



Hopetoun practice nurse Alison Bell: "With extra people, some of the pristine beauty is going to change."

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