

Social reality in an Australian mining town

Joe Lopez**11 September 2008**

One of the great myths of the Australian mining boom has been that prosperity would “trickle down” from the mining companies to the rest of society, starting with the workers who have flocked to the mines, mostly in Western Australia, hoping to secure big pay packets.

Last month, “Four Corners”, an Australian Broadcasting Corporation television current affairs program, provided a glimpse of the hellish conditions that exist in mining towns. Entitled, “The Money Pit”, the program examined the impact of the boom on Port Hedland, the biggest town in the Pilbara region of north-western Australia and the major port for exports of iron ore and other minerals to China, Japan and other markets. (The program can be viewed at “The Money Pit”)

Over the past decade, mining corporations have amassed huge profits, while governments, both state and federal, have enjoyed rapidly rising tax and royalty revenues. For the year to April 2007, Western Australian (WA) exports to China were worth \$13.3 billion, up 41 percent from the previous year, and a staggering 966 percent over the decade. This year alone, the WA state government will benefit by an estimated \$2.6 billion in additional income.

Workers and their families continue to pour into WA, lured by the prospect of a job and higher wages in the mining and construction industries. The state’s population is growing by more than 900 people per week, according to the Australian Bureau of Statistics, and mining analysts predict that 40,000 extra workers will be needed at WA mine sites by 2015.

The boom, however, has created a deepening social gulf between a super-wealthy few and thousands of working people, struggling to pay bills, rents and mortgages. Over the year from mid-2007, Andrew Forrest, head of Fortescue Metals, which opened a new Pilbara iron ore mine, doubled his fortune from \$3.89 billion to \$8 billion, taking the mantle of Australia’s richest man. The mining giant BHP Billiton, a major player in the iron ore industry, recently announced a record profit of \$17.6 billion.

But in Port Hedland, workers and their families confront astronomical rents and house prices, an acute housing shortage, oppressive working and living conditions, lack of

services such as health care, child care and schools and a dearth of entertainment and cultural facilities. The town resembles a huge work camp, created simply to extract massive profits for the corporations. Many Aboriginal people who have lived in the region for decades struggle to survive in overcrowded and squalid conditions, marginalised by the resources boom.

Matt Carey, the presenter of the “Four Corners” program aptly described the situation in his introduction: “Hedland’s become a dusty doormat for a nation’s mining stampede, used by industry, ignored by governments and blighted by deep social and economic problems.”

Mining companies and contractors have bought up hotels, caravan parks and cheaper housing to accommodate their fly-in, fly-out workforces. Even the former Port Hedland immigration detention centre has been acquired to house workers in what is now termed “beach front accommodation”. As recently as December 2003, refugees staged a desperate hunger strike in the desolate camp, protesting against being held for years in container-like barracks and isolation cells.

Even with high wages, many workers can only afford caravans or demountable huts, known as “dongas” (dog boxes). Yet, Port Hedland and the surrounding Pilbara region are renowned for sweltering summer heat and cyclones, which can occur from November to April.

An enthusiastic real estate agent explained to the program that people can pay up to \$1,400 a week for a three-bedroom, one-bathroom house or \$1,500 for a five-bedroom, two-bathroom home. House prices are well over \$1 million.

“Four Corners” interviewed caravan park residents, among them Rob and Sandy Harris, who had defaulted on their mortgage in Queensland, “put their four kids and the dog in the car and headed for the boom”. Within days, Rob was earning “big money” as a truck driver and Sandy got a job at the local council, but even with a combined income of \$300,000 they could not afford to rent or buy a house in town.

Rob Harris said: “Quite frankly we’d love to set up here, we’d love to be able to afford to buy a block of land in Pretty Pool, Port Hedland, somewhere like that, but at the

moment with such a small amount being released so irregularly ... we're still out of the market."

For anyone who is a nurse, teacher, child-care worker or sales assistant, the rents are even less affordable. Many leave their positions to seek work in the mining sector, just to be able to live, creating severe staff shortages in essential services.

In another interview, a South Hedland Council worker, David Powdrill, explained that he had a job, but lived in the town's only homeless shelter, with others in a similar predicament. On his weekly wage of \$500, he sometimes slept in his car outside town. He was Aboriginal and Port Hedland was his home town, but he was quitting his job to move to the Kimberley region. "This is my home town and I can't find accommodation," he said.

Another worker, Phil Simcoe, who moved to Port Hedland from Newcastle, New South Wales, lived in a caravan park with his wife and two children. He worked as a truck repairer, earning \$4,000 per week. Simcoe explained: "I work seven days a week and I start at six and finish at five. I generally work 26-28 days out of the month. You come here to work. It's not the best place to live. The environment now is perfect but come the end of September through to the ... end of March when you get days of 48, 49, 40 (degrees) and you're under a truck welding, you soon earn your money."

When the reporter went back to see Simcoe a few days later, he had lost his job. The worker explained: "They just made me redundant. They've put about three of us off in the workshop ... They just want to save money, so the easiest way to save money is to put blokes off." Simcoe said he'd try to find another job or would have to leave the area.

About half the Pilbara region's workers are employed on a fly-in, fly-out basis. They are usually flown in for four weeks' work and return home for one week. Most work 12-hour shifts, seven days a week, with little to do recreationally. A hotel manager complained that there was a significant amphetamine problem among the fly-in, fly-out workers, who resorted to drugs and alcohol to relieve their boredom.

One worker from Melbourne, Chris Hedley, explained that he had been a fly-in, fly-out worker for 18 months but was quitting his job to save his marriage and family life.

Ray Skender, a local contractor, commented: "Everyone comes up here hoping to make a big dollar. Then they find out they can't get accommodation. The infrastructure up here's just ridiculous. There's no day care centres. There's really nothing for families up here and Port Hedland actually breaks a lot of marriages up."

The conditions also take their toll on workers' lives. In March last year two workers were killed at a Fortescue Metals Group railway camp when a category 4 cyclone

demolished their shoddy accommodation huts (dongas) after the company refused to evacuate them, despite ample weather warnings. Fortescue chief Forrest was determined to meet a May 2008 deadline to ship the first load of iron ore to China from the \$3.7 billion Chichester Range mine.

Many of the workers drawn to the region have no experience with cyclone conditions, and are living in demountables or caravan parks that offer no protection from cyclonic winds.

Yet, the hospitals in the region are woefully under-resourced. Rob Whitehead, president of the Rural Doctors Association of WA, told the *West Australian* newspaper in July that the hospital in Karratha, another mining town some 240 kilometres south of Port Hedland, would not cope with a big emergency, such as a cyclone, explosion or mine accident. Whitehead commented: "The amount this region contributes to the Australian GDP is huge, so what doctors and the public are concerned about is, you don't see much of the money coming back into the community."

In June, the *Australian Financial Review* reported that the Karratha hospital could not even deliver babies for three months last year because there were no doctors available to perform caesarians. Doctor Scott Teasedale explained that the state government paid the growing accommodation bill for senior doctors and medical staff, but refused to subsidise housing for nurses, cleaners and receptionists. "You can try and get someone who can answer the phones but when they're paid \$30,000 that doesn't even cover the rent. You will never get anybody unless they have a partner who is working in the mines."

While the state and federal Labor governments are drawing substantial revenues from the mining bonanza, there has been no significant development of the necessary social infrastructure. Given every possible assistance by both federal and state Labor governments, the mining giants are racking up super-profits at the expense of the lives, conditions, basic rights, safety and well-being of working people. Such is the ugly reality of the mining boom.



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