

Unprecedented growth potential in the resources sector of WA puts the Pilbara region firmly on the global stage

The long-term economic future for the Pilbara is now well established. The Pilbara is one of Australia's most important economic zones, with Dampier and Port Hedland being the two highest export tonnage ports in Australia.

The many mining and petroleum projects coming on stream and the good prices for commodities in China, Japan and elsewhere in Asia mean that there will be many more jobs in the Pilbara region for generations to come.

The resources sector is indeed leading the surge in project investment, underpinned by strong commodity prices and continued demand for resources from the emerging Asia region.

Western Australia's Pilbara region is home to some of the world's oldest communities and hosts a thriving resource industry, which has the potential to drive the Australian economy for decades to come. This in turn will generate jobs, prosperity and numerous opportunities for the State.

To underline the importance of resources development to this State, investment interest in Western Australia's mining sector didn't fade during the global financial downturn, and recent months have seen a renewed lift in project announcements and approvals. So the future economic outlook for this State is bright.

The vision is for modern vibrant cities and regional centres that can support and deliver a skilled workforce for major economic projects in the Pilbara. However, in recent years, the Pilbara region has experienced a record population growth along with higher costs of living which placed extreme pressure on services and infrastructure in the region.

As projects move from construction to operational phases, workforces are likely to shift from a predominance of fly-in-fly-out employment to higher levels of resident workforces which will be critical in building sustainable communities.

The demand for residential, commercial and industrial land is particularly strong. The State Government has announced its desire to rationalise major regional centres so that they are self-sustaining communities that offer attractive lifestyle opportunities, rather than just being mining towns.

There is a need to encourage people from various backgrounds and occupations in order to change the demographic of these regions from a largely resources and mining base to ones that provide adequate housing for people not employed within this industry.

These include people associated with service industries such as retail, hospitality, tourism, schools, medical centres and essential services like the Police. These people require affordable accommodation if they are to effectively serve these towns including those on much higher incomes.

In recent years, the Pilbara region has experienced a record population growth along with higher costs of living which has placed extreme pressure on services and infrastructure in the region.

The need for reinvestment in the region is obvious and as resource taxes increase it is important governments at all levels to integrate their use of these funds to help the local economy where the wealth has been generated.

The State Government is currently working with resource companies in the Pilbara region to influence the current and future economy by better balancing on residential and fly-in fly-out workforce mix and work shift structures.

The State Government's vision is to create places that people choose to settle on a permanent basis, a place to bring up families with access to high standards of education, health and diverse employment and career opportunities.

Unfortunately, despite the economic activity centred in the region, the present Pilbara towns are not working as a serious option for families. They have been undermined by a project mentality that has not seen them as having a long-term future. Historically the focus has been on enabling projects without enabling places.

Fly-in fly-out is seen by many in the north as the problem, not only contributing to the small number of people staying in the region, but also potentially adding to Perth's growth problems. Fly-in fly-out is clearly going to be an ongoing part of modern mining but its impact on family life and social problems as well as on the growth of these communities requires a better balance.

The project focus has impeded the development of permanent residence in the form of cities in the Pilbara. This has not been the intention of meant that there has not been the attention necessary to develop attractive options for families.

Without this fundamental sense of a long-term future, families and businesses have not had the confidence to invest in the Pilbara communities for the long-term. Significant problems have resulted, such as lack of land development and house construction, leading to existing housing becoming unaffordable, community services and especially education and health opportunities being inadequate, and the whole amenity and security of the towns being undermined.

The Pilbara is faced with two major challenges associated with the establishment of a planning framework looking towards implementation that will lead to the development of successful cities within the region. These are its remoteness and its resilience.

Remote locations such as the Pilbara face unique circumstances that demand unique solutions. A city's distinctive character need to develop out of its "place" which has not happened in the Pilbara to date.

The second challenge is to build cities that responds to the new challenges and opportunities of the twenty-first century. The "business as usual" approach is not the ideal way to forming a new city able to confront the challenges of a modern world – climate change, peak oil, water, food and bio-diversity challenges.

Such a city would demonstrate the use of renewable energy and reduced carbon, especially oil; it would utilise the new green infrastructure technologies for energy, water and waste; it would be heavily landscaped to enable buildings and public

spaces to be cooled naturally; it would be eco-efficient in its industry; it would have a strong emphasis on its own place and Pilbara identity and it would help to show the

new ways that transport can be more sustainable, and where planning and place-making can be incorporated in more productive and responsive ways.

Four key themes must be addressed to allow the goals for our Pilbara Cities to overcome these challenges. These themes can enable the aspirations of all towns that want to become resilient cities, and are particularly relevant to helping project towns become good places for cities to grow. These are:

Economic development and diversity: employment, indigenous engagement, entrepreneurship, trade and economic supply chains. A critical element for a lively, functional and desirable city is a strong local economy that provides employment and wellbeing for its residents, but that is also connected regionally to enable external trade, thereby allowing opportunity for growth and exploration beyond the city boundaries.

Infrastructure (social and physical): health, education, justice, transport, waste, power and water. The city relies on its essential physical and social infrastructure services; its ongoing operations need “sustenance” in the form of energy, good metabolism and the social infrastructure that enables a healthy, innovative, fair and secure city.

Planning and place-making: the creation of place – affordable, liveable, amenable, home. People live in cities for lots of reasons; these might be historical, for employment or to maintain or pursue their relationships. But people stay in cities for their sense of place – that is, the way the city makes them feel and the ability it gives

them to connect with their surroundings, whether physical or metaphysical. Planning systems are set up to enable this to happen beyond individual project plans.

Governance: regional, State and Federal. Governance is the key to making the Pilbara Cities happen. Governance is needed at regional, State and Federal level to ensure that confidence in developing cities with a long-term future is clearly enunciated and acted upon. This will particularly require a new emphasis on planning governance and some new regional governance structures.

Mining and petroleum will continue to provide huge employment opportunities, so this sector will always be well represented in the Pilbara. Tourism will also continue to grow as a major employer. And there will be a natural increase in diversity as the scale of the city grows. However, Pilbara Cities need another couple of interventions to help create the drivers to complement the resource and tourism industries already present.

The resource companies decide the nature of the current and future economy by their decisions on residential and fly-in fly-out workforce mix and work shift structures. For the Government to plan anything about a Pilbara city without these companies' agreement and cooperation is pointless.

The need for reinvestment in the region is obvious, and as governments seem set to take more taxes from these companies it behoves governments at all levels to integrate their use of these funds to help the local economy where the wealth has been generated.

To be serious about a new city, the Government needs to work with the present resource companies to develop ideas for reinvestment in infrastructure and new industries, and to place their proposals on the table when discussing royalty arrangements, exploration licences and other sources of revenue as resource taxes.

Employing local people in the many jobs that are being created in the Pilbara will enable money to be retained in the region. The most seriously disadvantaged are Indigenous people, who are ideal candidates for training within the local industries as they wish to stay in the area for the long-term.

Pilbara Cities will only thrive when they offer equal opportunities for Indigenous and non-Indigenous residents. Training programs for Indigenous workers have been run very successfully by a number of mining companies, especially the Argyle Diamond mine in the Kimberley. Similar success stories are beginning to emerge in the Pilbara – for example, Ngarda Civil and Mining, the Pilbara Aboriginal Contractors Association and the initiatives associated with Generation One which was established by Andrew Forrest of Fortescue Metals Group.

As major trade gateways for Australia, Karratha and Port Hedland have well established bulk port facilities that are connected to purpose-built and operated railways that generally represent the best technology available for these large-scale operations. Reliance on fly-in fly-out based operations means that both towns have well-developed airport facilities, albeit primarily focused on domestic air services.

In effect, Karratha and Port Hedland are both transport hubs. However, the transport focus is very significantly directed towards the movement of bulk commodities and of people servicing the resource industries. Nevertheless, the infrastructure that has been established provides a strong foundation from which to build transport services more commonly associated with cities and the servicing of a strong and stable resident population.

To meet these challenges in the Pilbara, four new regional planning committees have been established for the Kimberley, Pilbara, Gascoyne and Mid-West. These are to supplement existing cities in the South West and Peel, and are an important vehicle to lead and deliver on the Liberal-National Government's regional priorities and ensure integration of State and local government industry and the local communities.

These committees allow regions to build capacity to respond to global, national and State influences, and thereby help secure the prosperity of regional communities and also provide a platform for a collaborative approach to planning.

They will bring local governments and people into the heart of planning for their regions, and provide a voice and real influence in development-bearing decisions.

In the past, Western Australia has led Australia with its regional planning initiatives but that was followed by a period of inaction in relation to regional planning. However, today we recognise that this initiative is long overdue.

The regional committees are an example of how collaboration between levels of Government and the community can help deliver the best outcome for a region. This process will also provide a forum where important community matters can be aired and initiatives considered to improve the region.

They are working very closely with the Regional Development Commissions and the Department of Regional Development and Lands to provide a framework to maximise the benefits of Royalties for Regions.

Funding and resources from State, Federal and local governments as well as private sector investment, will bring a series of important infrastructure and community

amenity upgrades to key towns in the Pilbara. These include major revitalisations of South Hedland, Karratha, Newman, Dampier, Tom Price and Onslow town centres, together with plans to create new marinas and improved waterfronts at Port Hedland and Dampier.

As such the State Government has set out a blueprint Pilbara Cities which lays out the steps we, and our partners in the private sector, need to take to achieve the very best outcomes for people directly involved in the resources sector as well as supporting industries.

Pilbara Cities will also bring opportunities for private developers to help deliver accommodation solutions in the Pilbara where there is significant pressure on demand for both short-term and permanent housing. The private sector will play a key role in bringing a range of housing options to the region, including higher density units, apartments and townhouses.

The State Government's vision for the Pilbara is for modern regional centres that can support and deliver a skilled workforce for major economic projects in the Pilbara and as such has already committed \$300 million to the Royalties for Regions Pilbara Revitalisation Plan.

The idea of the Pilbara Cities becoming a major focus for growth in Western Australia is one whose time has come. The most important need that underpins all others, is the need to accept that the cities have a long-term future. Pilbara Cities need to move from being good project towns to being good places in their own right.

In November 2009, the State Government launched the Pilbara Cities initiative to encourage more people to live and settle in the Pilbara. The framework is designed to transform the region by creating modern higher density centres, supported by all the services and facilities enjoyed by other Australian cities.

The Pilbara Cities blueprint also focuses on new schools and TAFEs, hospitals and medical centres; leisure and entertainment facilities; shopping and retail precincts; employment and indigenous enterprise opportunities; large-scale land releases and affordable living initiatives which would be all supported by significant improvements and upgrades to energy, water and waste management services.

We have set the bar high, but we are a "make it happen" Government. The Pilbara Cities blueprint lays out the steps we, and our partners in the private sector, need to take to achieve the very best outcomes, not just for the people in the Pilbara, but for all Western Australians.

Pilbara Cities will also bring opportunities for private developers to help deliver accommodation solutions in the Pilbara where there is significant pressure on demand for both short-term and permanent housing. The private sector will play a key role in bringing a range of housing options to the region, including higher density units, apartments and townhouses.

The types of opportunities soon to be offered range from prime waterfront and town centre sites to super lots in or nearby existing residential estates. Increasing density is one way to address the issue of affordability by providing choices such as apartment-style living.

In an effort to further address the affordability issue, the Government has embarked on a program of private sector opportunities within the rental market. Regional Development and Lands has announced \$30.4 million Royalties for Regions funding for the construction of a village for service workers in Karratha comprising 100 homes to be built by National Lifestyle Villages.

In a town currently achieving rentals of \$2000 per week for a four-bedroom home, the village would offer rental accommodation at an anticipated \$350 to \$450 per week for employees in the retail, tourism and general service sectors which is more in keeping with the Perth rental property market.

Workers in these businesses and services are crucial if we are to offer the lifestyle opportunities that keep people in the region, attract new residents and make our towns desirable places to live, work and socialise.

The State Government has already committed \$300 million to the Royalties for Regions Pilbara Revitalisation Plan and was seeking Infrastructure Australia funding towards a total \$471 million for urgent works for airport upgrades, wastewater services, serviced land and accommodation.

The State Government's vision for Pilbara Cities is for modern regional centres that can support and deliver a skilled workforce for major economic projects in the Pilbara. This will enable increased efficiency of project development and have flow-on effects in underpinning a diverse local economy.

The realisation of this vision rests on the promotion of quality regional living with modern services and facilities that will encourage the development of strong local communities. It will also maximise opportunities for indigenous communities, while lowering high local costs for people, businesses and Government.

To be successful, the Pilbara Cities vision must build on the joint contribution of the private sector, State Government and Federal Government to support the development and prosperity of the region.

The idea of the Pilbara Cities becoming a major focus for growth in Western Australia is one whose time has come. The region's economic boom needs to be directed towards such a goal.

The most important need that underpins all others is the need to accept that the cities have a long-term future. That confidence must seep into the fabric of all the planning of buildings, infrastructure and landscaping, as well as the region's character and facilities.

The continued sustainability of the region will no doubt be determined by the strengths of its communities; the liveability of its towns; appreciation of the region's natural and cultural values; economic diversification and self-sufficiency and the level of services the region can attract.

The draft Pilbara Planning and Infrastructure Framework too sets out a plan to cater for extra growth to 2035 which is predicted to reach more than 140,000 people. Issues such as shortages in affordable housing, a high-cost living and inadequate services already exist and future provision in these areas is essential for the region's long-term viability for the entire community not just bases for major projects.

The framework also addresses the scale and distribution of future population growth and housing development, as well as identifying strategies for economic growth, environmental issues, transport infrastructure, water resources, tourism and the emerging impacts of climate change and sets out regional planning principles, together with goals, objectives and actions to achieve these.

It informs government on infrastructure priorities across the Pilbara and gives the private sector more confidence to invest in the region and provides a response to many of the opportunities and challenges facing the region. It also sets a basis for further, detailed planning at the local level and also establishes unified action between State and local governments in the adoption and ongoing review of the framework.

As part of the Pilbara Cities vision, the Pilbara will have two cities: Karratha and Port Hedland, each with a population of 50,000. These would be supported by the Newman sub-regional centre with a population of 15,000 and the major towns of Tom Price, Onslow and Wickham.

During the next 25 years, the scale and character of Pilbara settlements will change significantly. Some will experience major expansion while others will have more modest growth and, in some cases, decline.

The region's settlement structure will experience a step change, achieving a higher threshold of housing choice and community facility provision. Achieving long-term economic viability in the region will require strategies to ensure adequate wharf-side and land-side capacity at the region's ports, strategic industrial areas and town sites.

The WA Government is beginning this process through its commitment to a Pilbara Regional Planning Committee and a Pilbara Framework that is being developed through the Department of Planning.

The Pilbara region is a major focus for growth in Western Australia and through its abundance of resources it continues to be well recognised by oil and gas companies all around the world.

Through State Government initiatives such as the draft Pilbara Planning Infrastructure Framework, the draft Pilbara Cities initiative and regional committees, this region will be well equipped for increased population growth well into the future.

The Pilbara region's viability, however, will depend on State Government, the private sector, local authorities and community groups coming together to build places where people desire to live and bring up their families. The vision is that Pilbara cities move away from being good project towns to instead being good places to live in their own right.

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