



The Mining Boom and Indigenous Communities

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Boyd Hunter

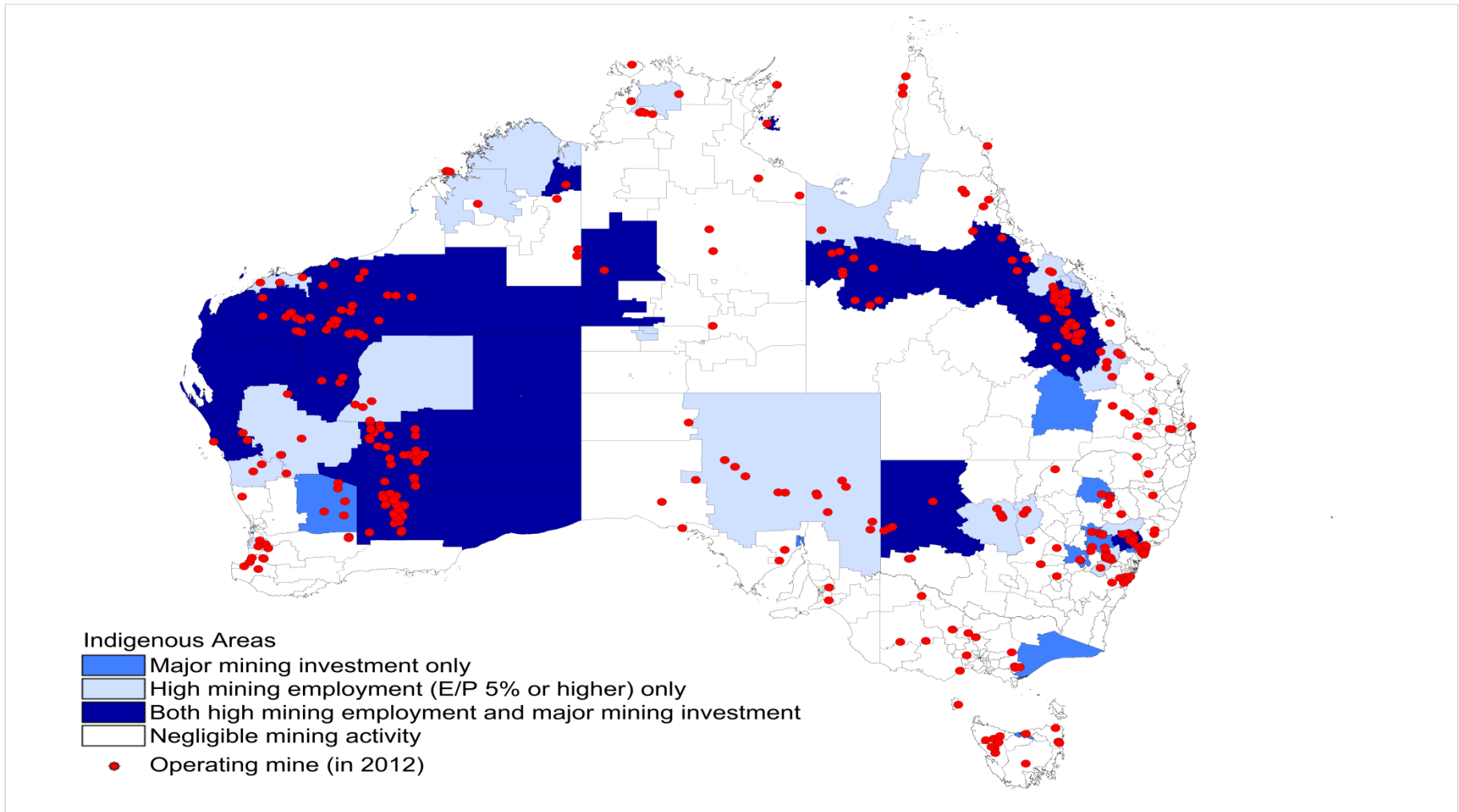
Resource Curse

- 2012 State of the Regions Report identifies boom experienced unevenly throughout Australian regions:
 - In some areas the local economy has boomed with subsequent influx of labour (often FIFO workers), & improvements in productivity & hence wages:
 - Other areas stagnant as investment shifts towards the mining regions and the high Australian dollar make exports relatively uncompetitive. This is the regional manifestation of the ‘resource curse’ which is, in essence, an economic imbalance that can lead pronounced allocational distortions with considerable social and political implications (Warr 2006)

Debate on mining and Indigenous communities

- Langton (2010) describes a resource curse on local Indigenous populations in WA. Intuitively anyone who does not work is disadvantaged in important ways: their income is much lower, yet they must pay the same prices for housing, food and services that may have been inflated as a result of large scale mining activities in a particular area.
- Majority of Indigenous residents are not directly involved in mining. While Indigenous people may receive considerable revenues for mining on their lands in various forms including: payments dependent upon the achievement of mining project milestones; ongoing rent for use of the land; or payments based on the volume or value of minerals extracted.

Operating mines in 2012 & mining areas



Defining 'Mining' Communities

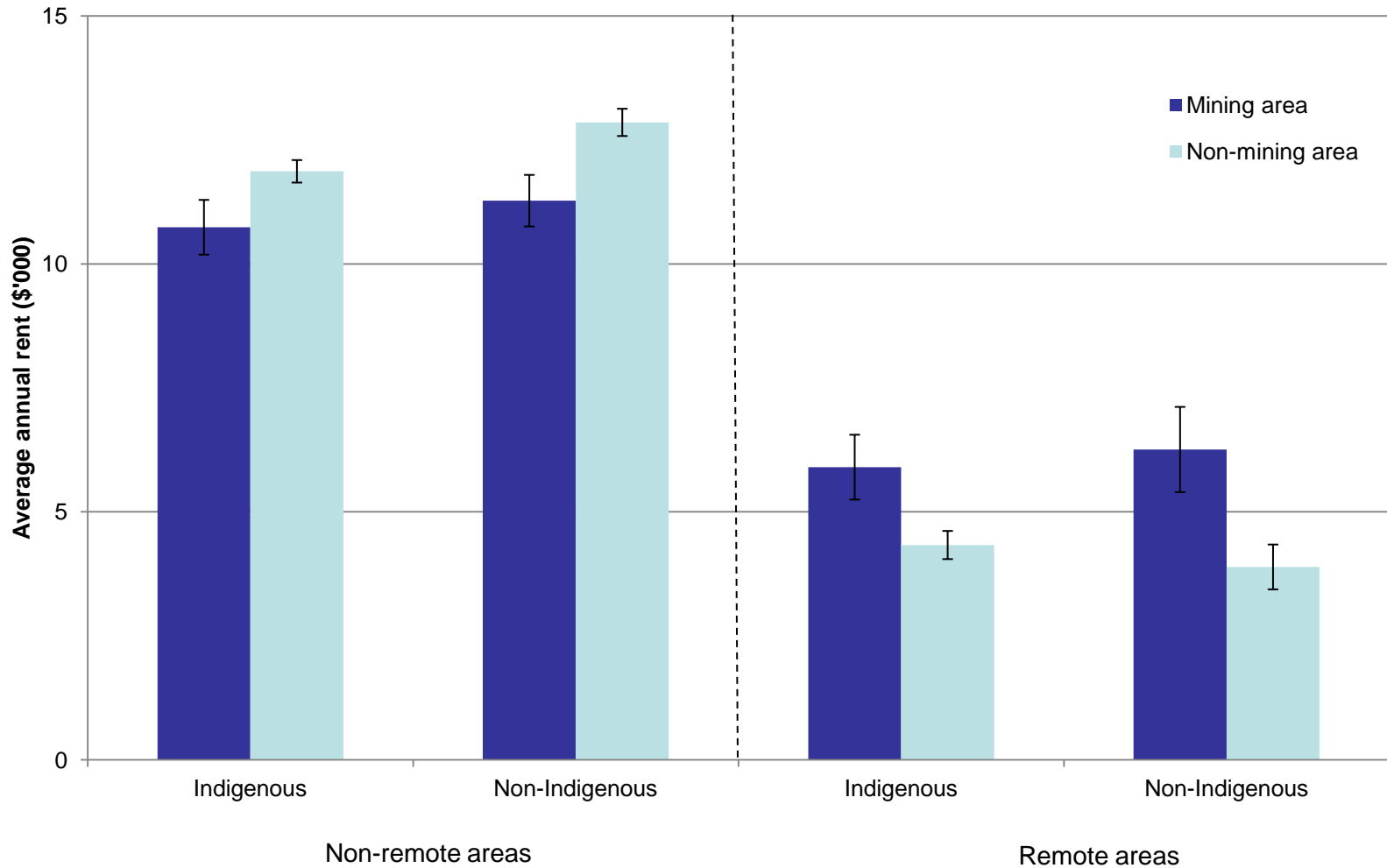
- Category of any mining in area is too general
- Substantial mining investment gives a sense of the scale of activities, but issue of:
 - off-shore mining
 - prospective mining that may not have affected the communities fully yet
- Are Indigenous mining communities different?
- Census measures consistent and are available over time and have similar employment and income patterns to other definitions of mining communities

2011 Employment by substantial mining employment

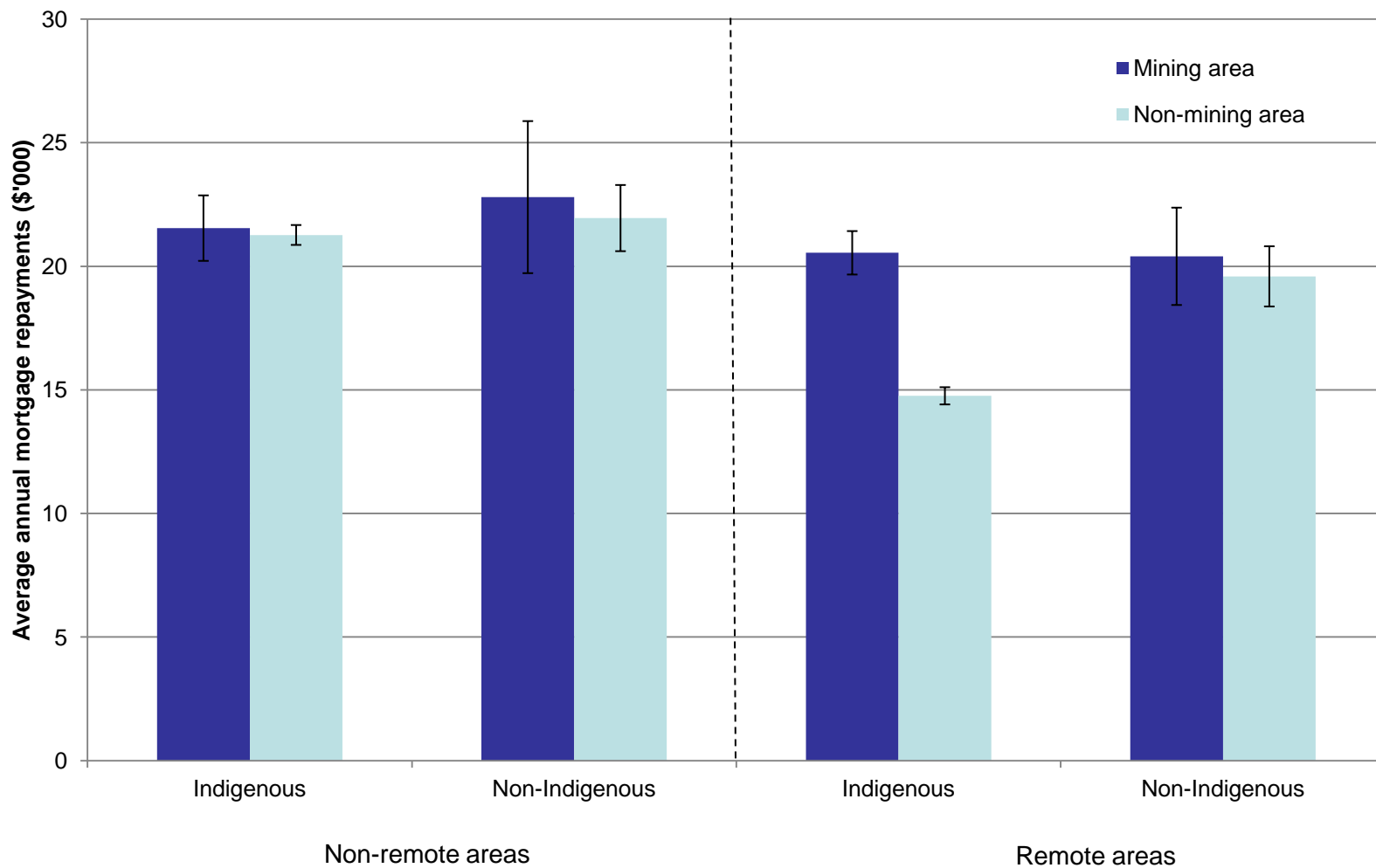
	Non-remote		Remote	
	Mining	Non-Mining	Mining	Non-Mining
	Mean	Mean	Mean	Mean
Indigenous				
E/P	55	48	43	39
Full-Time E/P	35	28	24	19
Mining E/P	9	1	9	1
Non-Indigenous				
E/P	76	72	84	85
Full-Time E/P	52	46	64	66
Mining E/P	13	1	22	2

Note. Non-mining areas are classified as IARE <5% Adults in mining.

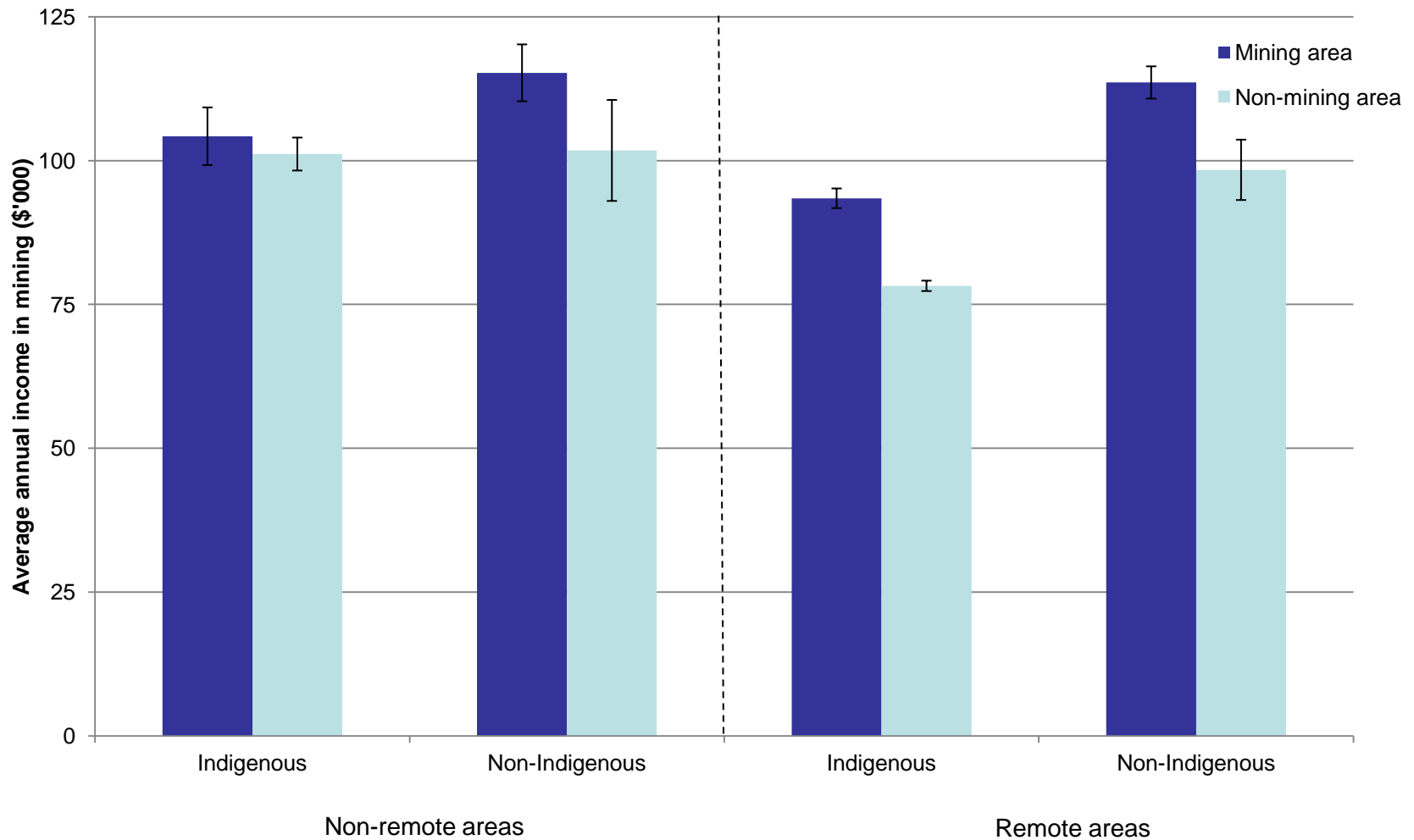
Average annual rent, 2011 (\$'000)



Average annual mortgage repayments, 2011 (\$'000)

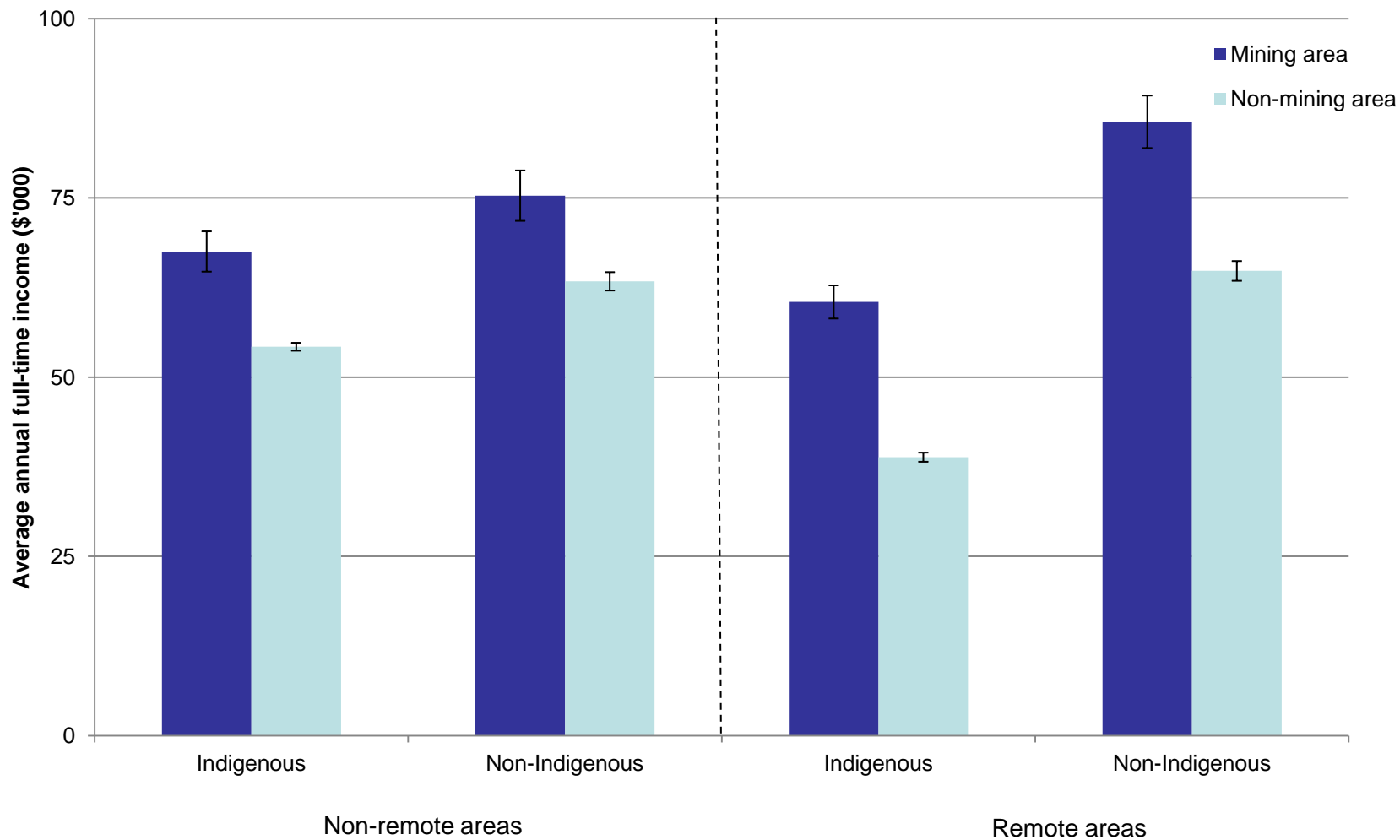


Average annual income in mining, 2011 (\$'000)

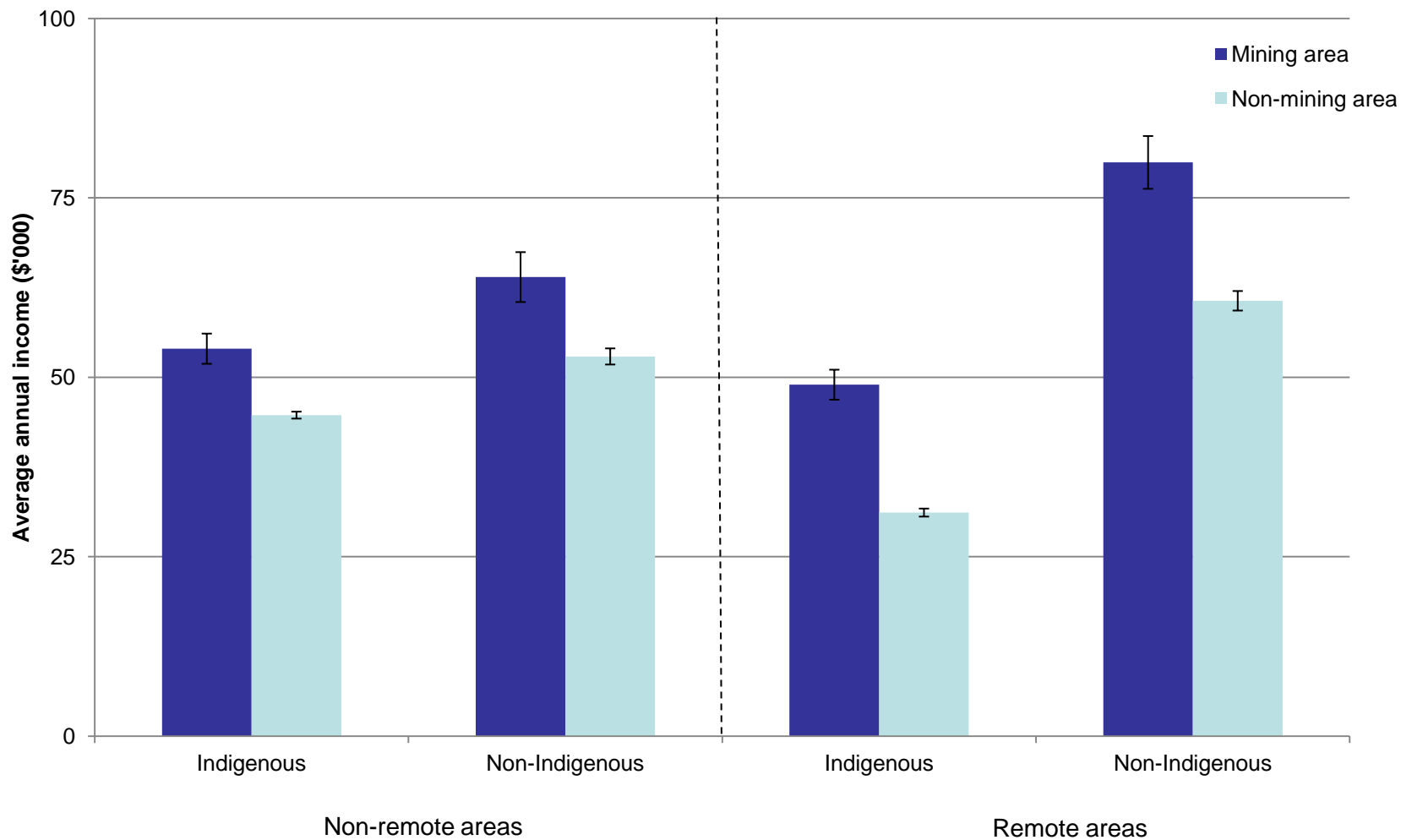




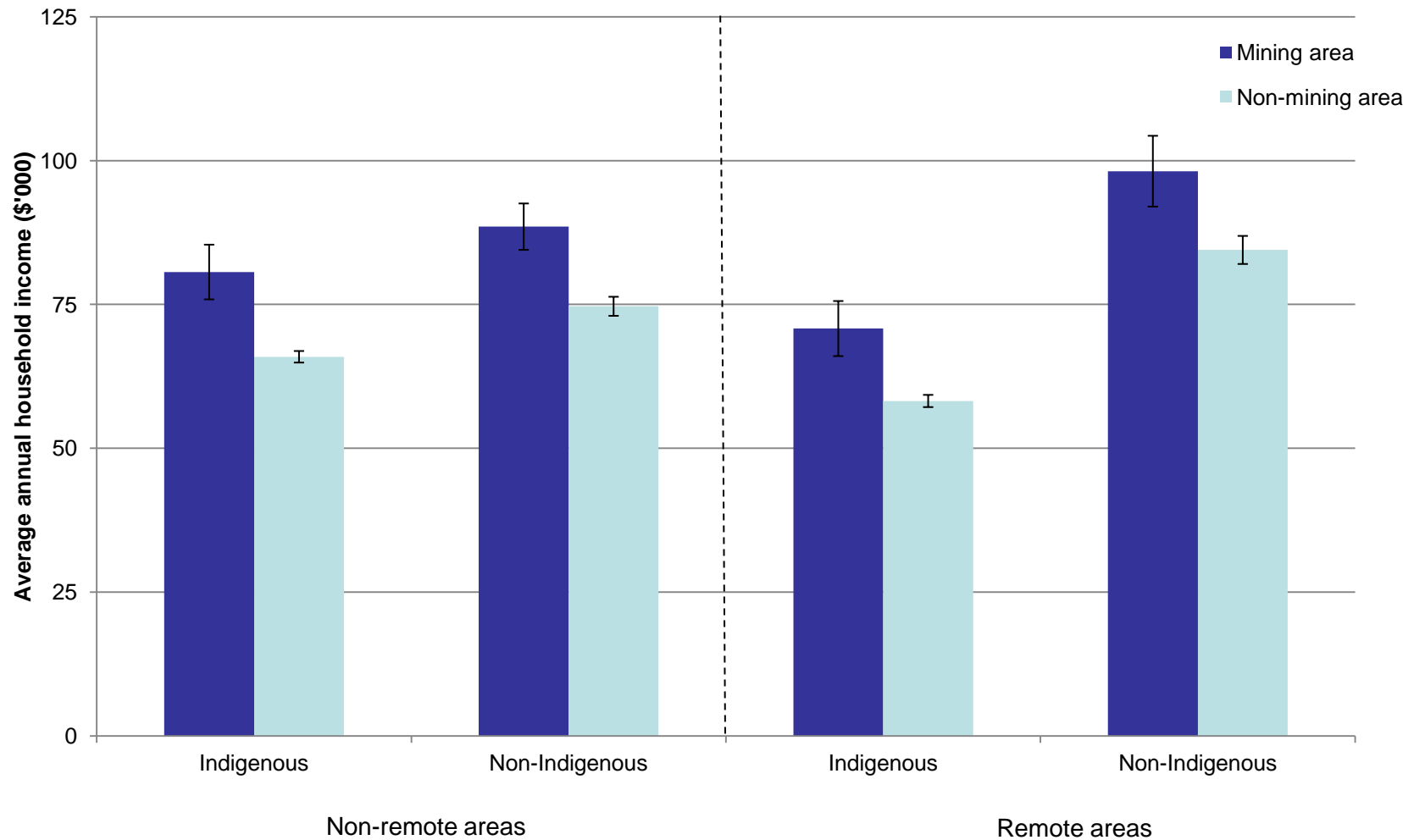
Average annual full-time income, 2011 (\$'000)



Average annual income (all employed), 2011 (\$'000)



Average annual household income, 2011 (\$'000)



Employment changes 2006-2011

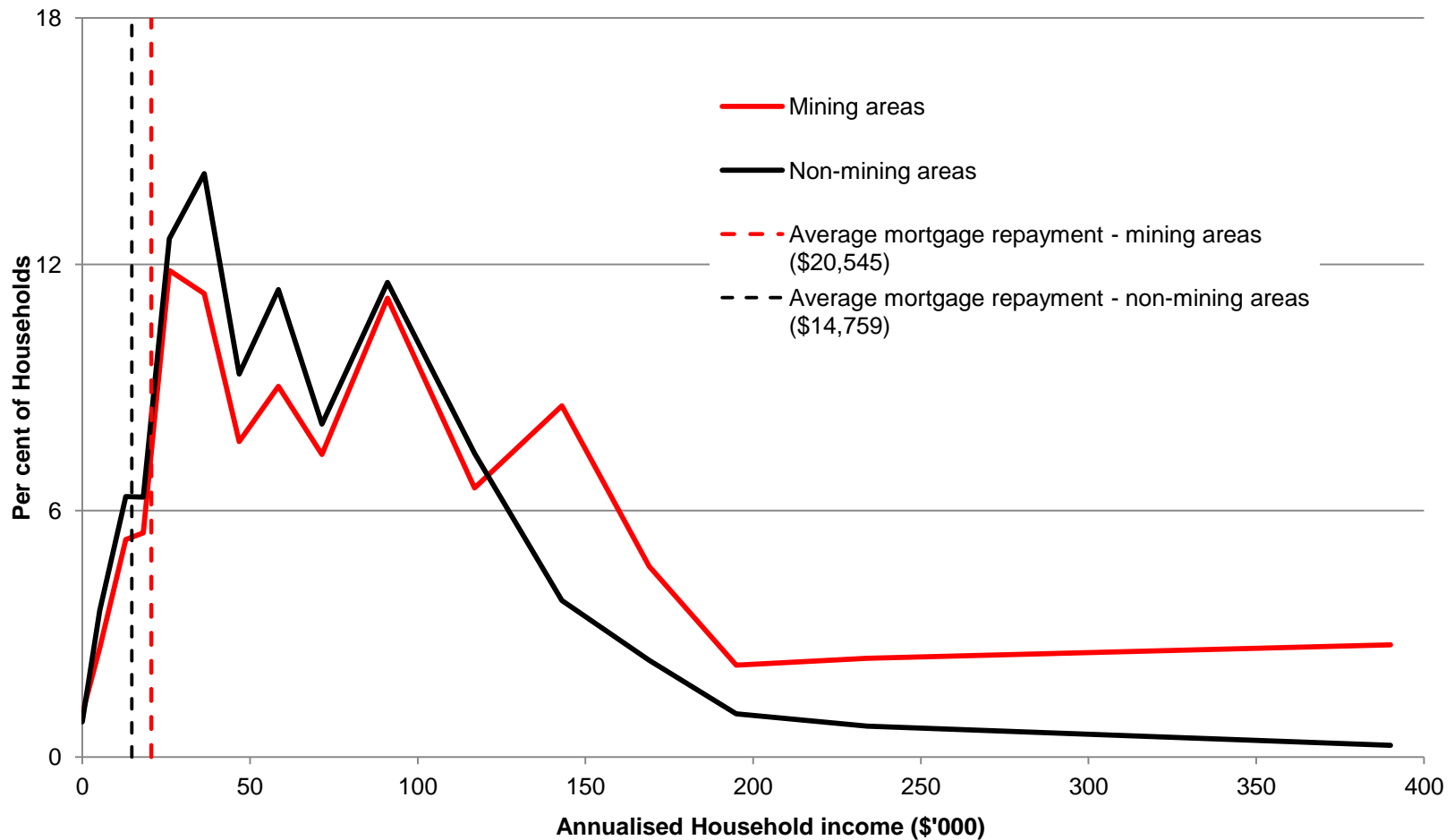
	Non-remote area		Remote area	
	Mining	Non-Mining	Mining	Non-Mining
Indigenous				
Employment/Pop (EP)	2	-1	-5	-6
Full-Time EP	4	1	3	3
Mining EP	2	1	3	0
Non-Indigenous				
EP	2	1	0	-1
Full-Time EP	2	0	-2	0
Mining EP	2	1	2	0

Change in annualised indicators(\$000s) 2006-11

	Non-remote area		Remote area	
	Mining	Non-Mining	Mining	Non-Mining
Indigenous				
Rent	2.2	2.0	0.8	0.3
Mortgage repayments	5.5	3.4	6.9	1.5
Income employed in mining	14.4	15.0	21.1	11.9
Income employed full time	10.0	5.9	12.5	4.3
Income employed	9.2	5.4	14.5	7.8
Household income	11.7	6.1	10.8	5.3
Non-Indigenous				
Rent	2.3	2.3	0.7	-0.1
Mortgage repayments	4.8	3.2	5.0	1.4
Income employed in mining	8.0	11.1	11.1	7.0
Income employed full time	8.3	5.7	13.4	6.5
Income employed	7.3	4.5	13.7	6.4
Household income	9.1	5.0	8.9	6.3

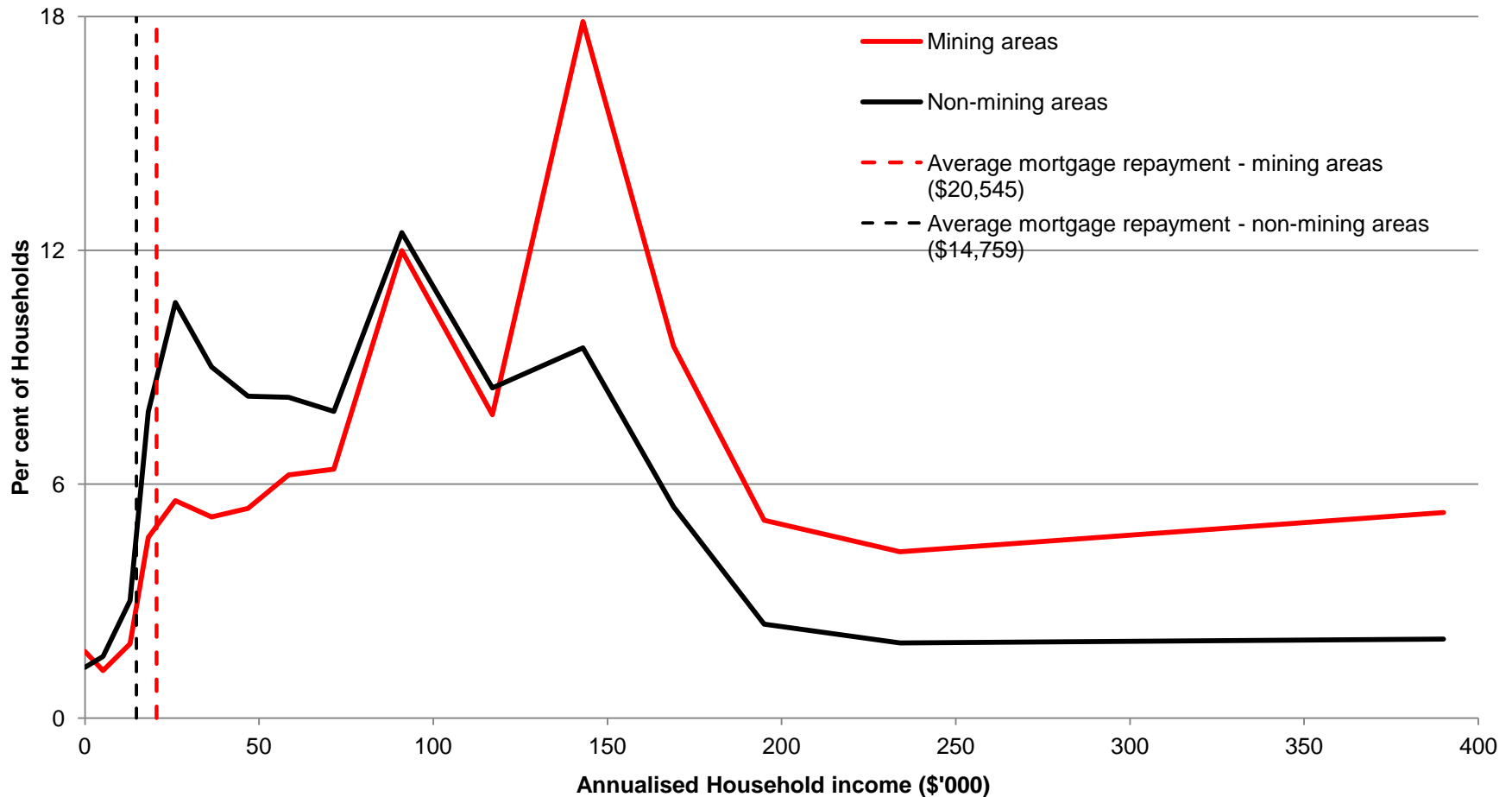
Household Income and housing costs, pt1

Indigenous households in remote areas



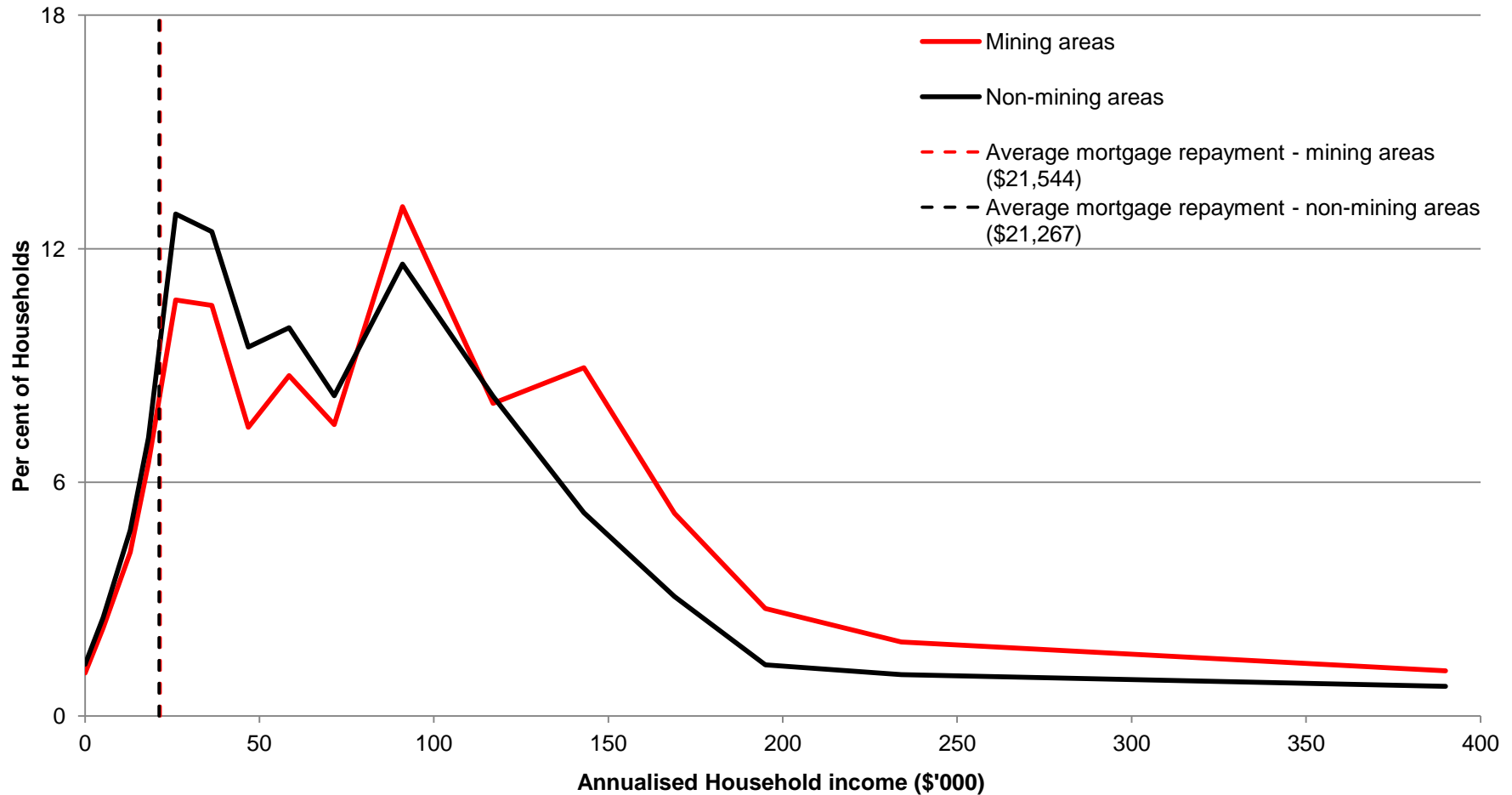
Household Income and housing costs, pt2

Non-Indigenous households in remote areas



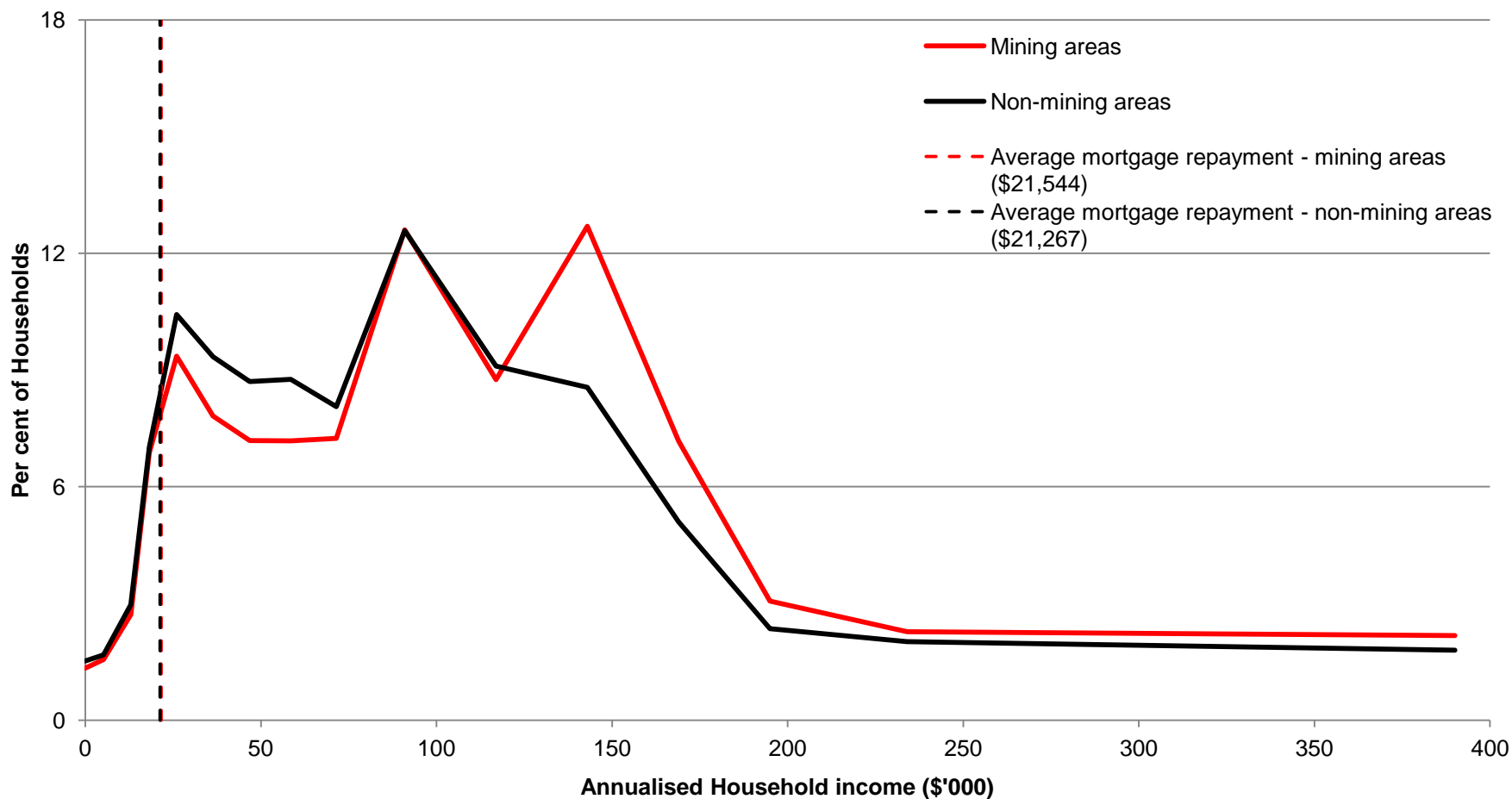
Household Income and housing costs, pt3

Indigenous households in non-remote areas

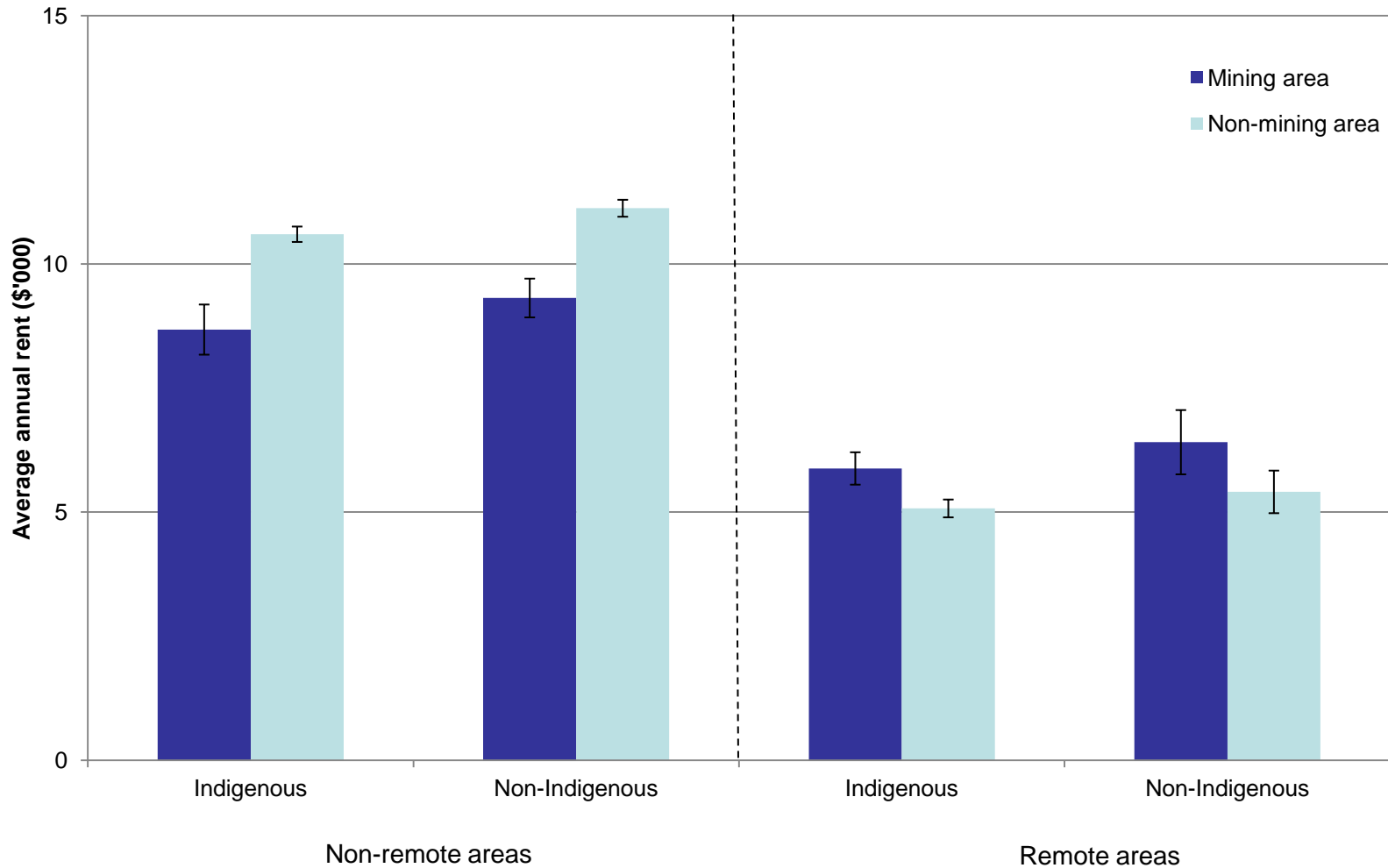


Household Income and housing costs, pt4

Non-Indigenous households in non-remote areas

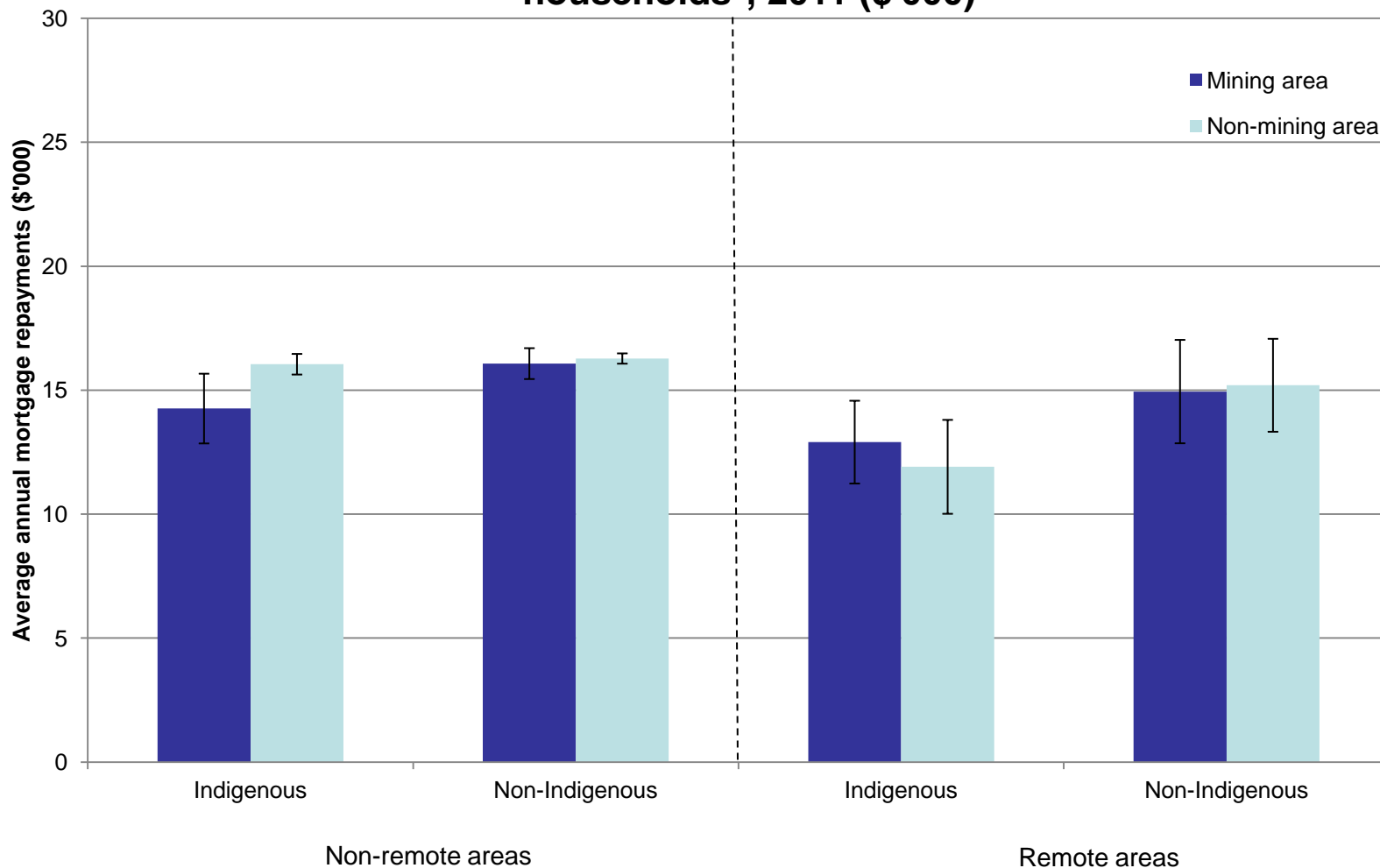


Average annual rent for low income households*, 2011 (\$'000)



*Annual household income less than \$52,000

Average annual mortgage repayments for low income households*, 2011 (\$'000)



*Annual household income less than \$52,000

Is mining bad for Indigenous communities?

- It is an empirical question about the extent to which mining has affected Indigenous income and welfare in mining and other regions
- Housing prices have increased more than rents but more than offset by increase in wages.
- Differential patterns for indigenous and non-indigenous population indicative of differential mobility patterns & extent of FIFO
- People in fixed income/welfare are likely to be substantially disadvantaged by the changes.