

Gloom mining towns are boom towns thanks to housing frenzy

Article from:

John McCarthy

February 05, 2010 11:00pm

THE world's unquenchable thirst for energy has come to the rescue of the dying towns of southern Queensland.

Chinchilla, Wandoan and Dalby are now in the middle of a housing boom that developers say is not just a once-in-a-lifetime but a once-ever opportunity that will see the population of the three towns double within the next five years.

Wild estimates of investment topping \$100 billion are thrown about by locals, and wages for the lucky ones will easily exceed \$100,000 in towns where unemployment is already below 2 per cent.

Chinchilla is turning from a town that locals said was struggling after a decade of drought into a modern energy hub where street after street of new housing is being sold before it is even built.

And while there are only 650 houses in Miles, there are applications for another 800 with council.

Corporate giants like Xstrata, Halliburton, Origin, Santos and BG are setting up to exploit the wealth of 35,000sq km of coal in the Surat Basin that will be the base for mines, power stations and gas.

Thousands of jobs are expected not just in construction but in the ongoing production.



HOME HUNTERS: Julie and Erwin Weber with their boys Ben, 9, and Mat, 16.

Xstrata is believed to have already bought up about 35,000ha of land for its operations, and while much of that may have been marginal farming land, there are strong fears prime land further east is under threat from other miners.

Western Downs Mayor Ray Brown says that if they are not careful the outcome could be horrendous, with the population of the Western Downs region expected to jump from about 30,000 to 75,000 over the next few years.

Among the tough issues are that council may have to move the small township of Wandoan to make way for a massive coalmine.

There will also be potentially 500 million litres a day of water coming to the surface every day through coal seam gas extraction, and there is legal debate over who owns it and what they can do with it. With that will be 2000 tonnes of salt that will have to be dealt with sensitively because the towns are at the headwaters for the fragile Murray-Darling river catchment.

But on top of that, Dalby now has a soup kitchen for the first time Cr Brown can remember because housing affordability and rents are spiralling to as much as \$600 a week and he thinks one day soon the conservative Christian community will have to deal with the development of a mosque as the boom draws in workers from around the world.

Some of the locals are also dead against the boom.

But not recent arrivals Erwin and Julie Weber and their sons Mat and Ben, who moved from Redland Bay to Miles ahead of Xstrata's plans for a \$15 billion coalmine at nearby Wandoan.

Erwin, who currently works for Xstrata's Rolleston mine, is hoping to pick up a high-paying job as a driller at Wandoan.

There are no regrets and nothing missed from city life. The boys have moved from a school of 1400 to 200 and are living on acreage in a new home that Julie says would cost \$1.3 million in Redlands.

"There's no future in the city unless you want a 9 to 5 job, and out here the wages are much better," Erwin says.

Plans are already drawn up for motels, townhouses and a workers' camp for more than 300 people in Miles. The three hotels have had a massive makeover and retailers are moving in ahead of the influx.

"There was negative growth and Miles was running the risk of being a retirement village," real estate agent Laurie Strain says. "Before this, most of the kids would have had to leave, but now they can stay and get a job and earn decent money."

In Chinchilla, the work is already half-done. Street after street looks like Springfield, with modern four-bedroom houses, landscaping and pools.

"In 2004 Kogan Creek power station was announced and the market doubled," Warren Daniels says. "The bottom of the market is \$200,000 and that's a real clacker. Houses are now \$350,000 to \$400,000."

"There will never be another Surat Basin."

"Chinchilla will need to develop between 300 and 400 new housing products each year to keep up with the expected demand, and Miles will need to develop between 100 and 200 a year," he says.

Brenda Collins moved with her husband Malcolm and four daughters to Chinchilla before Christmas from Collinsville in central Queensland, where he worked in the mines.

Now he's at the Kogan Creek power station and they're desperate to get a house. "We've looked at about 10 and we have to move quickly," she says.