



INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES SUBCOMMITTEE

Members present:

Mr J Pearce MP (Chair)
Mr CD Crawford MP
Mrs BL Lauga MP

Member in attendance:

Mrs J Gilbert MP

Staff present:

Ms M Westcott (Acting Research Director)

PUBLIC HEARING—STRONG AND SUSTAINABLE RESOURCE COMMUNITIES BILL 2016

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 10 FEBRUARY 2017

Mackay

FRIDAY, 10 FEBRUARY 2017

Subcommittee met at 9.02 am

CHAIR: I now declare open the public hearing for the committee's examination of the Strong and Sustainable Resource Communities Bill of 2016. Thank you for your attendance here. I am Jim Pearce, the member for Mirani and chair of the committee. With me are Brittany Lauga, the member for Keppel; and Mr Craig Crawford, the member for Barron River. We also have here with us today the Mackay local member, Julieanne Gilbert, whom you all know so I do not need to introduce her. Thanks, Julieanne, for coming and sitting in. Other members of the committee have been with us up until yesterday but had things happening in their electorate with the Premier and that sort of thing, so we had to revert to a subcommittee.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. Witnesses should be guided by schedules 3 and 8 of the standing orders. The Parliament of Queensland Act requires the committee to examine the bill to consider the policy to be given effect by the bill and the application of fundamental legislative principles. Today's public hearing will form part of the committee's examination. Before we go on, I ask everybody to make sure that their phone is either turned off or put onto silent mode. I make you all aware that the media is present today, so you may be photographed or recorded.

CARLYON, Mr Gerard, Director, Development Services, Mackay Regional Council

GROBLER, Mr Philip, Principal Planner, Strategic Planning, Mackay Regional Council

CHAIR: Do you have an opening statement?

Mr Carlyon: I say thank you to the committee for coming to Mackay this morning. Mackay Regional Council appreciates the opportunity to make a submission and appear before the committee with regard to the Strong and Sustainable Resource Communities Bill 2016. The strong and sustainable resource communities policy framework, and indeed the bill itself, is a significant opportunity to improve the manner in which resource projects are assessed and managed with regard to their impacts on resource communities. Mackay Regional Council has, since 2010, made several representations and submissions on the practice of 100 per cent fly-in fly-out operations for resource workers and the need to better consider the impacts of projects on council areas and the local communities they serve. Our council participated in the parliamentary inquiry into FIFO practices in 2015 and has raised the issues of cumulative impacts of mining projects in commenting on individual EISs for a number of years.

Council has consistently supported the position that a person should have a choice as to where they want to live and work. We believe local government is a key stakeholder in the identification of the impacts of resource projects and that the need for consultation with local government is a prerequisite to achieving better outcomes in both resource projects and local communities. The state is congratulated on moving towards addressing these impacts through the proposed bill and we support the bill's intent to mandate consultation with local government regarding major resource projects. We support the intent to prohibit the use of 100 per cent FIFO workforce arrangements in large resource projects and to enable the employment from nearby regional communities. We also support the ability to prescribe the social impact assessment process for new resource projects.

Notwithstanding our support for the bill, we have raised what we believe are three fairly minor matters in our written submission where we think the bill can be improved. We would be happy to explore those further should the committee want. Thank you again for coming to Mackay and allowing us the opportunity to present to you today.

CHAIR: You suggested that there might be a couple of minor changes. Would you like to put those to us?

Mr Carlyon: I will, if you do not mind. We have all this electronically as well if you want us to email it through following the hearing, if it that makes it easier. In terms of the submission issues that we put forward, one related to some wording around the construction phase and the operational phase of the project. We think the intent is clearly there and we welcome the powers of the

Coordinator-General to nominate workers during the construction phase, not just the operational phase. However, we believe the bill should be strengthened in clause 8(2) (a) to clearly apply to the construction phase as well. This will ensure that the owner must not advertise positions for workers in the construction and operational phase of a project in a way that prohibits residents from nearby regional communities applying. We think it is just a minor wording change, but we think it would strengthen that.

Additionally, we also would prefer that the 100-kilometre limit was expanded to 150 kilometres. That obviously has a number of benefits for Mackay because it brings some of the closer operating mines into our area of influence. We also think it would have major benefit for the towns within the Bowen Basin. As we have seen with some of the mine closures over recent years, if the mine closest to your town closes it can be a significant distance to get to another mine. We think that by expanding that out there could be some significant benefits. We have mapped that and drawn it on a map to show the effect of the 150 versus the 100. We believe that could be a significant benefit to Mackay region residents but also to residents throughout the whole Bowen Basin mining region.

They are two of the key issues. The third one was that we would like to see some strengthening of the wording around the cumulative impacts and how that affects local government. If you look at the history of particularly our boom periods, it is no one mine that causes an issue for anyone; it is the cumulative impacts which have been the major problem for us here in Mackay.

CHAIR: Gerard, would you be able to give the committee some idea of the impacts that have come through from FIFO—and I am talking about on Mackay—and the consequences of the downturn in the industry and whether there has been significant loss of former coal industry workers from the community?

Mr Carlyon: It is hard to quantify the exact numbers. The reality is that there have been significant numbers of FIFO but, for us, significantly DIDO workers who were driving in and out of mines who have left town. That shows up in things like our rental vacancy statistics. It is probably most starkly shown by the fact that our unemployment is still quite low when you look across the state or you look across other regional communities, yet our stock of empty houses is quite high. Anecdotally, what has happened with those job losses throughout the Bowen Basin is that those workers who were living in Mackay have left the region altogether. That creates a whole range of negative feedback loops in terms of there being less money being spent in restaurants and in retail and then you get the flow-on effect of restaurants closing and retail businesses closing because those FIFO workers or DIDO workers who were based here have had to leave the entire region and go either interstate or down to the south-east for work. It becomes particularly difficult when you build your infrastructure based on a peak, as we tended to do and private industry tended to do by building a massive stock of permanent housing, for what turned out to be temporary workers in the construction phase of the mining boom.

I think there are definitely some real learnings for us in terms of how we allow the town to grow in the future, particularly what kind of infrastructure you put in place for temporary peaks rather than long-term operational mining. I think we can do that better. The key is, though, that when there are cyclical downturns we need to find ways to keep the workers in the region. That can be, we believe, through things like countercyclical government investment. What tended to happen is local government, state government, federal government and private industry all tended to compete against each other at the top of the boom and pay for new roads, new bridges et cetera because they were needed but pay astronomical prices for them because we were all competing. Then when it turned off and the mining investment dropped off, all of the local, state and federal government investment was not required, either, because there was not new infrastructure to be built. We think if we can look at countercyclical investment, that might help us keep the workers in a town during cyclical downturns so that when things turn back on, like they are to some extent at the moment, the workers are in those regional communities and available. You would not expect it, but we have businesses right now in Paget that cannot get staff. You just cannot get qualified staff because those workers have left the region.

CHAIR: In your discussions in council and talking to business owners around Mackay, is there evidence to suggest that if workers had secure jobs and knew they had a secure future they would stay in Mackay?

Mr Carlyon: Yes. I do not think there is any doubt that that is true. People want security. People want long-term opportunities for themselves and for their families, so there is no doubt that that is a common message we hear from people. Whether it is around increased short-term contracts or issues around labour hire, it is a common refrain that we hear from people that if they are going to have that insecurity that increases the likelihood that they will look elsewhere for a secure longer term job. I

think it is a key part of the mix. The other part of the mix for us is obviously liveability and making sure that we do the right thing in making sure that families have opportunities and the partners want to stay in our communities as well. That is why I think it is important as government that we invest in the services that go around our communities and not just the workforce issues.

CHAIR: What is council's position with regard to the 200 and the rumoured up to 400 workers in the last two weeks that have been given preference from Townsville for jobs at Peak Downs and Saraji? How does council feel about Townsville being given preference over anybody else?

Mr Carlyon: I would preface this by saying I do not have an official position signed off by the elected council.

CHAIR: I understand.

Mr Carlyon: The challenge I see is that it comes back to that point I made about how we keep workers in regions when we have cyclical downturns so that there are other things for them to transition to. We need to take some responsibility and say, 'What kind of infrastructure can we build if there's a short-term lull to keep those workers around?' Obviously we would prefer that those jobs were not going to Townsville and were based in our local community, particularly given the issues we have with an excess of housing stock. We have very attractively priced housing if people want to buy and great rental accommodation at great prices—good-quality stock—so those workers could be housed in the Mackay region quite easily, even if they are not here at the moment. We do not necessarily want to set ourselves up in competition with our colleagues in Townsville or Rockhampton or other places because we want all of regional Queensland to go ahead and we think the pie is big enough for everybody to get their fair slice, but we do not support mandating that those jobs should come out of Townsville. We think the opportunity should be there for workers in Mackay or Rockhampton or within the Bowen Basin who want to take up those roles.

CHAIR: In the legislation there are requirements about advertising. Is council happy with those requirements and conditions?

Mr Carlyon: Yes, we are. We did make a little point which we might email through, but we just want it to clearly apply for workers in the construction and the operational phase. We think it is supposed to be read that way, but if it just had both of those words in the provision we think it might be a little stronger, because often it is those construction workers who are flying up and leaving town and we have a lot of those skills in our local communities.

CHAIR: Yes, sure.

Mrs LAUGA: Gerard, thank you for that. It is really great to be in Mackay again. I was with the chair for the FIFO inquiry about 18 months ago, so it is great to be back with a bill that is talking about some proposed solutions. How many more mines would be captured if the 100 kilometres was expanded to 150 kilometres from Mackay?

Mr Carlyon: We might have to take it on notice in terms of a pure number. Our intention in some senses—and we can show you this map—is to get the catchment. Some of our thinking was not even necessarily around the mines that are there, because some of the provisions in the bill are not going to pick up the mines which have not been advertised yet, but there are significant development areas it would pick up for us in the closest part of the basin. Probably as importantly, it brings more of the mines into play for places like Collinsville or Moranbah—not specifically for us, but we operate quite closely with our colleagues in Isaac and Whitsunday and we think anything that benefits their communities benefits us as well. We get the spillover benefit—we get the large servicing work and the shutdown work—but we want their communities to be as sustainable and as vibrant as possible as well.

Mrs LAUGA: So why 150 and not 200 or 250?

Mr Carlyon: Essentially, 250 would probably be great for us. It is a threshold issue. We respect that the government has come up with 100 and we think that is a good outcome, but 150 would make it better for us. If you go too far you start to diminish the benefits for the local smaller communities because you bring in too many of the larger coastal communities. We went 150 because we do not think it diminishes the benefits for the local communities—we think it improves them—and it also provides some minor benefit for us by bringing in the closest region of exploration.

CHAIR: Yesterday we had it suggested that any reference to kilometres should be removed from the bill. How do you feel about that?

Mr Carlyon: I think it is too open and it possibly brings it back, unless you can find another mechanism to make sure those local communities out there are going to get that benefit. It just makes it too open and it allows for people to potentially, I think, misuse the provisions if there is not some strong guidance on what you mean by where you want that benefit to flow.

Mr CRAWFORD: Gerard, obviously Mackay is keen to be involved in consultation if the Coordinator-General is going to make any rulings, assuming this bill goes through. Practically, from your perspective, let us say this bill is passed in its current form—forget about the kilometres and those sorts of things—a new mine is about to open within X kilometres of Mackay and the Coordinator-General's office comes to you guys and says, 'Okay, let's talk about the things that you want to talk about.' How would you see that, from your perspective? How would that process work for you so that your council gets its say and its input and gets that message to the Coordinator-General?

Mr Carlyon: Just being asked is important. We have a history that for every EIS, whether we are asked or not, we tend to comment where the Coordinator-General is involved, and he usually has those powers. I suppose the key issue for us is how many come at once, because it is often a big resource draw on an organisation. We are a fairly large local government, but it can become difficult for us. We are very conscious of the smaller local governments that have to engage on multiple projects at once. It becomes a challenge to make sure that we give the right information and that we understand the impacts when we are putting that forward.

I think for us the key issues are that we get enough time to respond. Often the challenging ones are when things come at you and people want a response in five days or seven days and there is study work or background work that you need to do. Particularly with these big mining projects, you need to know what roads they are using, what kind of machinery is going over our roads and what kinds of impacts there will be and you need to do some modelling and the like. I think the key thing is that the Coordinator-General gives us enough time to respond and ideally that there is some coordination, but you cannot always control the market. Coal prices will do what coal prices will do. It would be better if there was one at a time or some sequential nature to it so that there is not a lot coming at once. It is not a problem right now, but going back five or six years some of those real challenges around responding to those impacts were just around the fact that we and other local governments did not have the resources to be responding on four or five different proposals all at once.

Mr CRAWFORD: Earlier you talked about DIDO staff. Anecdotally, have you any idea how many drive-in drive-out staff you have from Mackay going out to mines at the moment? Any clues?

Mr Carlyon: It is very hard for us to know. There are multiple thousands; we know that. The reality is, though, hopefully the 2016 census will give us some rebasing. We are operating from some pretty old data. If we go back to the census data from 2011, things have changed so much it is not funny. There is also survey work that KPMG did for Isaac Regional Council a few years ago which showed all of the nonresident workers et cetera which were, for want of a better term, living out there in camps and coming back, and many of those were DIDO. Things have just changed so much over the last couple of years it is hard to get a read on exactly how many of them are still going, but Philip has a thought on a figure.

Mr Grobler: Yes, I do. When you look at the past three years of reports on the greater Bowen Basin as far south as Banana, at the heart of the boom—in our eyes the heart of the boom was between 2002 and 2013; in June 2013 it plateaued—there were about 26,000 workers working in the greater Bowen Basin. When you analyse all the reports of where they came from, more or less 4,600 to 6,000 of the 26,000 workers came from Mackay. There is no new data to tell us exactly how many workers from Mackay currently DIDO out to the mines, but I would assume that that number would have reduced.

Mr CRAWFORD: Earlier you mentioned unemployment in Mackay being lower than in some other places around regional Queensland. What is the unemployment rate in Mackay at the moment?

Mr Carlyon: It is 6.7 at the moment, bearing in mind that, as I mentioned before, though, even though that is low the impacts on the town are of a significantly higher unemployment rate because we have had an outflow of workers and, as I have mentioned, that shows up in your rental vacancies and the like. In terms of unemployment and comparing us to other regional communities, it is not a bad figure.

Mr CRAWFORD: Out of that 6.7, have you any idea what amount of that is skilled labour—that is, the types of employees that a mining company would be looking for either in construction or in operation such as people who already have those tickets that they need?

Mr Grobler: Unfortunately, when you look and analyse the detailed nominal figures, the bulk of those figures are people who are just above the age of 15 and young unemployed persons. The figure that was in the report last year put the nominal number at about 2,700 in the first year of 2013 and that increased to about 3,000, so the bulk of that unemployment figure is young people.

Mr CRAWFORD: That hones in on the point you made earlier about how Mackay has lost those people who left town and went elsewhere in order to keep their jobs. Would that be a fair statement?

Mr Carlyon: Yes. We think we have lost, as you highlight there. The other part of the equation for us, which is really important in terms of local regional workforces, is the ability to train people. Anecdotally, there are quite a number of local people who had their tickets, but it is hard for them to turn back on if a short-term job comes up, because they have not been able to afford to keep their tickets current while they are not working. There are process and time issues around that. There are opportunities for us to look at particularly how we train some of our young people to be able to do that work and also how we keep people current in terms of their inductions and the like if they happen to be unemployed.

Mr CRAWFORD: Mackay Airport is privately owned by North Queensland Airports. Does the council own and operate any airports, or is that the only one in this area?

Mr Carlyon: It is the only airport in this area. It is by the by in some senses, but it does create an uneven playing field in terms of having a private airport operator who needs to operate for profit or has a profit motive. We do have local government owned airports to the south in Rockhampton and to the north in Whitsunday, which means that sometimes decisions around where FIFO operations will base out of are not made on commercial grounds. Out of Mackay they are made on commercial grounds, which can be a disadvantage to our local community if other government run airports are not operated in a commercial manner.

Mr CRAWFORD: Obviously it means that, as a council, you are missing out on that increased revenue. If there are a whole heap of airlines flying into Mackay with FIFO, you are not picking up any of those passenger movement fees, landing fees or anything like that, as opposed to another small council that may own and operate its own airport. That is the point that I am moving towards. Is that right?

Mr Carlyon: No, we are not. In terms of the direct revenue from aircraft movements and the like, that is an issue. The bigger issue is probably more if local councils make decisions in a non-commercial manner to let airports lose money so that they can capture the flow-on benefits. We do not have the ability to cross-subsidise because we do not own the airport, whereas I suspect some other councils are running loss-making airports because that then brings into their community people who will live in houses and spend money. Even tourists will come in, as airlines can put flights through those airports at a lower price because they are not necessarily being run commercially.

Mrs GILBERT: It is great to hear that the Mackay Regional Council supports that workers should be able to live and work where they choose. During the boom of a few years ago, some workers living in Mackay were forced to move out of Mackay and live in other postcodes, similar to what is happening with the hub that is being established in Townsville. Could you talk about the effect on the Mackay Regional Council's finances—that is, the impact on your budget—when workers are forced out of here and you have to keep up infrastructure and that type of thing, even though people are forced away?

Mr Carlyon: It becomes a major impact when companies pursue those kinds of, I suppose, worker-unfriendly policies, because not only do we lose the workers but also often we lose the families. That hits our schools. It hits government funding allocations when your numbers drop. As we have mentioned, we have built the infrastructure for a certain level of population that we can handle, which is significantly higher than what is currently living here. On the flip side, there are some real opportunities for Mackay in the sense that we could probably accommodate an extra 10,000 people in terms of population right now. We hope that some of those big corporates would look at Mackay as an opportunity, rather than making the decision to force local people to live somewhere else if they want to get or maintain a job. They should be looking at our local community and saying, 'No, we could base people here.' The services are fantastic in this town. We have a great new hospital that the government built, great road networks and we have lots of empty housing that is attractive in price, as well as great schools. I think people would make positive choices to live here if the jobs were there. That is a conversation that we need to keep having with some of those companies. However, we are keen for the government to make sure that the regulatory framework is such that our workers cannot be bullied into having to make decisions to move somewhere, because they will.

Mrs GILBERT: You also said that some skilled workers stayed in Mackay but they no longer have their tickets to be able to apply for work at the mines. What support do you believe Mackay needs to be able to get those workers back into the workforce, to pick up those jobs that are starting to come online?

Mr Carlyon: Anecdotally, some of what we have been told is that some of the mining companies have tighter requirements in terms of how much help they will give to get somebody over the line. A number of years ago they might have paid for those tickets to help people to get over that, but now they will make decisions to say, 'If there are no tickets, we're not helping.' Some of it is around employment practices and encouraging companies to help those workers, particularly ones who have the training and the skills but just need to be current again. There are ways that can be done around advances. I think companies could solve that problem very easily, which is a problem for them as well as for the employees, by doing some kind of payment arrangement or the like. Government can obviously play in that space as well, if it wants to. I do not think it is a hard problem for the employers to solve, if they were of a mind to want to solve it.

CHAIR: The act has been enhanced to give the Coordinator-General a lot more powers than in the past. Have you had a good look at them and considered if they are sufficient? Do we need to try to include other areas?

Mr Carlyon: We like it. We think it is a quality bill that we do not have any major problems with. The proof is in the pudding sometimes. For us, it is going to be how we see the first couple of these roll out in terms of how those powers are used and the like. We do not have major problems in terms of how the bill is crafted or those powers. We think it is a good approach. I want to see how it operates in action.

CHAIR: In a number of places the bill simply refers to 'large resource projects'. Does that make any bells ring in your head?

Mr Carlyon: On the threshold of large, the definition is obviously very important. If we had our dream world, we would probably say it should be able to apply to all projects, because one of the issues that we have been consistently raising for the last decade or so is the cumulative impacts. It is not necessarily whether a project is large, medium or small that dictates the impact it has on a community like Mackay. A small or medium project at the wrong time, that is ill advised in terms of timing or that comes on the back of another large project can have significant impacts. That is why cumulative impact is something that we bang on about all the time, because no one project causes us a problem, but when you put them all together they can.

CHAIR: Do you have any ideas about whether we should be using the number of employees to determine the size of a mine or should it be just its footprint or its production figures?

Mr Carlyon: It is a hard one. It definitely could be a good option in terms of employee numbers. The only concern I would have is that we suspect we are probably moving into an environment of more robotics and the like. Therefore, we may well have larger output and larger footprint mines in the future that do not employ those great numbers. I am not sure that we know the answer, but all of those metrics in terms of footprint, throughput or employees probably should be part of the mix.

Mrs LAUGA: Gerard, the bill specifies that a 100 per cent FIFO workforce is only prohibited for particular new projects. Also, the anti-discrimination provisions around workforce recruitment only apply to projects that have had their EIS approved since 30 June 2009. Does council have a position about those time frames and whether they are suitable, whether there should be no time frames at all or whether they should be stricter, perhaps?

Mr Carlyon: In an ideal world, the rules should be the same for everyone. Our ideal position would be that there were not those historical retentions for already existing or approved projects. However, we understand the challenge for government in trying to set a regulatory framework where things have been approved under certain circumstances and we know it is a challenge to go back and try to redo that. We accept the position that the bill has come to, although ideally it would capture everyone.

CHAIR: What sort of relationship does council have with mining companies? Do they talk to you about their intent for the next few years in terms of putting a mine in a certain place or what the workforce would be? Do state government departments also do that?

Mr Carlyon: It is a bit hit and miss. Adani obviously has had a lot of engagement with our local council over the past year. Some of the other larger companies, such as Rio and BMA, have regular kind of engagement. Some of the newer players that have come in and bought mines we have not really had much engagement with at all, yet. I think there is a changing landscape in terms of the ownership structure throughout the basin which we need to get on top of and probably re-establish some relationships with new players. In terms of the state government, at a local level we have quite a good relationship, at an officer level. Also, they are very good at a political level in making sure that our councillors and the like are kept informed of what they know or do not know and how things are going.

Mr CRAWFORD: Gerard, I sit on a couple of different committees that do things in relation to mining. One of the statements I hear every now and again is the incredible contribution that a mine makes to the local community in sourcing everything from hardware through to fruit and vegetables. At the same time, I also hear evidence that there are trucks driving up from Brisbane loaded up with all that produce and that the local greengrocer and local shopfronts miss out. What is the Mackay experience?

Mr Carlyon: I suspect it is both of those realities. We do not have an operating mine within our local council area but we are a mining town. We are a mining region. We obviously have the coal ports where we also have the workforce and we have Paget, which is the pre-eminent engineering mining area probably in the world, so we benefit significantly from the mining industry. They are largely good corporate citizens in terms of local spend—some of them more so than others. We have C-Res and the Local Buying Program which BMA puts a lot of money through. Our local community does benefit significantly from mining spend.

On the flip side, we also have a lot of leakage with FIFO where the money is earned in this broader region but is spent in the south-east or Cairns, Townsville and places like that. There are swings and roundabouts, but we are a major supporter of the mining industry and we have a lot of community events which are sponsored by mining companies. We have a good relationship. There is a lot of good but there is also leakage where the wealth is created here but it leaves the region.

Mr CRAWFORD: If I were to impose a figure on all the mines within 150-odd kilometres of Mackay and said that 10 per cent of your staff must come from this area, about how many people would I be talking about?

Mr Grobler: If you are talking about nonresident workers only, at the height of the boom there were about 26,000 in the greater Bowen Basin and we have lost about 11,000, according to a report in March this year. Twenty-six thousand minus 11,000 gives you a figure and you can then work from that nonresident figure what 10 per cent might be.

Mr Carlyon: I would also make the point that we would not be supportive of saying that workers had to come from anywhere. We think we have some natural competitive advantages. If it were purely an open marketplace and workers were able to choose where they live and choose where they work, we think many would choose to live here, as they currently do and previously have. We are not wanting a special deal or a leg-up; we just want a fair environment where workers have the choice to be able to live where they want to.

CHAIR: I want to turn to proposed section 8 of the bill titled 'Offence relating to advertising or document about recruitment for large resource project'. Proposed subsection (2) states—

- (2) The owner must not—
- (a) advertise positions for workers for the project in a way that prohibits residents of the nearby regional community for the project from applying for the positions; or
 - (b) otherwise state, in any way in a document, that residents of the nearby regional community for the project are not eligible to be workers for the project.

Do you think that is strong enough?

Mr Carlyon: We like it. We would like to add the words 'in the construction and operational phase' just to make it clear.

CHAIR: You touched on it earlier, I know.

Mr Carlyon: We think it is a good provision and it is very strong, but we want to make sure that it captures the whole life cycle of a mine.

CHAIR: Do you have any other comments or thoughts?

Mr Carlyon: From the Mackay Regional Council's point of view, we are really appreciative that you are all here today. We know you are all busy people and you all have your own electorates, but we think it is a great process that the parliament visits regional communities and talks to us in our own backyard. We really appreciate your taking the time to do that.

CHAIR: Thanks very much. It is appreciated.

SAUNEY, Mr Graham, Private capacity

Mr Sauneey: I am a traditional owner and elder of the Barada Barna people and the Widi people. We got a consent determination over that area last year. I assume that you are the government—

CHAIR: We are a parliamentary committee. It is not specifically government; it is members of the parliament.

Mr Sauneey: Through our determination process, from our perspective we have a duty of care to care for our country. We deal with the three richest companies in the world. From our perspective, we would like a fair go, too. When we talk about the local community we talk about the Isaac shire council, Whitsunday and Mackay. As traditional owners, we have to diversify and we have to work together with the whole community, because I am sick and tired of hearing that a lot of resources have been spent on traditional owners. We local traditional owners are getting nothing out of millions and millions of dollars because the money is going down south. This has to stop.

People who have knowledge of that land and who are willing to work with the local community are being denied that because of the mining companies. What they try to do is divide and conquer. They divide us as locals and then try to conquer the other people who live outside the community. They are flying up here, doing all these cultural things and signing off on all these things and we are the local people who have knowledge of the land. We are here to represent the culture for all the local community. We are talking millions and millions of dollars.

A lot of that money could be spent on local schools in the community and infrastructure, employment and training. There is land given out at Coppabella, as I think the lady said. If we all work together, yes, there is land available out there. There are resources there to build the training so people do not have to go back to renew their ticket. It costs \$1,000 or \$1,500. A lot of people cannot afford that, but at least if we work together and build one out on country it will build our capacity up. These people might then get their certificate or renew it for \$200. That is why they do not go back into it. It is all this way forward. I hope I am not causing any trouble here.

CHAIR: I am going to let you finish, Graham. Keep going and then I will comment.

Mr Sauneey: That is our perspective anyway. We would like a fair go. We are here and I am onside. I would like you to change the legislation to take our perspective into account. I could ask the same thing. All I could hear is 'impact, impact, impact'. What impact would it have on South-East Queensland if our royalties stopped going down there? What would be the impact if no money from here went down there? That is how we feel. That is the impact. That is what impact is all about: survival for our community.

CHAIR: Graham, I appreciate your comment and I have allowed you—

Mr Sauneey: All right, Chair. I shall sit back over here.

CHAIR: Let me finish. I want to show you some respect. I appreciate your input, but we are here today to specifically talk about the legislation that is before the parliament and the content of that legislation and if we are making it strong enough for community outcomes or whether we need to make changes that—

Mr Sauneey: Make amendments.

CHAIR: Yes, but what you are saying—

Mr Sauneey: Is irrelevant, I suppose.

CHAIR: No, it is not irrelevant; it is very important. I just think we need to deal with it a little bit differently. Where do you live?

Mr Sauneey: I have lived here all of my life.

CHAIR: But where?

Mr Sauneey: Mackay.

CHAIR: Julieanne, is he in your electorate?

Mrs GILBERT: Yes.

CHAIR: I would like to meet with Julieanne one day, and if you would like to come in we will have a conversation and we will see what we can do to get information back or to ease your concerns. Would you like to do that?

Mr Sauneey: I thank you kindly.

CHAIR: Not a problem. Will you ring Julieanne's office and we will organise a date for you?

Mrs LAUGA: Graham, thank you for being here.

Mr Sauney: I would just like to say I have not come up here and tried to big-note myself or anything. I have come up here to support, and I apologise if I offended anybody.

CHAIR: Do not apologise.

Mrs LAUGA: As the local traditional owner, can you tell us what the engagement is like from mining companies with the traditional owners? Do they engage with you about opportunities for training and skills for local Indigenous communities to get involved in these resource projects?

Mr Sauney: I am not going to lie to you. I will take a step back and talk about that. There was one question raised there about the EIS. Yes, I can vaguely remember seeing the EIS. In that EIS, it was saying about the employment and it had FIFO, fly-in fly-out. I am talking about on Exevale station, via Shandong, next to Hail Creek. I just shook my head. Here we are doing cultural surveys. If they are going to do a mine there, why aren't they engaging in the local community? Why is it in the EIS? It says there 'this project', and from my perspective that has to change. How can they make that deal? They put the EIS out over three months, or whatever it is, for consultation, but I do not know if anyone has seen that clause that this project is going to be 100 per cent. How are the local businesses going to have a chance to tender in the tendering process?

CHAIR: That is what we are trying to change. We are going to change that part of it.

Mr Sauney: I just went off track there and now I will answer that question. Yes, I work for Wiri Community Ltd and, yes, I have involvement with BMA and Rio Tinto. Actually, I was down there last week and I just came back last night from Rio Tinto. When I go down there, it is an opportunity to see BMA, Arrow Energy and Peabody. I work for the Indigenous component for the local community. I work with WorkPac to get the Indigenous people. They ring me. Wiri Community Ltd's partner is the Mackay medical centre. We have come in with a deal where any of our local Indigenous people who get work out there on Hail Creek Mine will go to the medical centre where they could do their coal board medicals and their drug and alcohol. It is just building that relationship.

As for mentoring, how can we mentor? What impact is it going to have on the local community if they are working out at a different environment? Yes, I did talk to WorkPac while I was down there and they talked to me. 'Cookie' is my name. I have been named Cookie, so I do not mind if people call me Cookie. I have had that since I was in grade 1 at Eton and Mirani high school.

Anyway, WorkPac said, 'We have this situation. How are you going to work the Indigenous component with fly-in fly-out from Townsville?' I said, 'What am I going to get myself into here? Here I am. My obligation is to the Mackay, Isaac and Whitsunday community. There are a lot of Barada Barna people up there, so are they talking about Barada Barna people or the Widi people, whom I am the elder for, or does "Indigenous" mean the whole Indigenous community—to come down, to engage, to put them through this program and to pass names on?'

I am thinking I do not want to be in conflict and I do not want to be a supporter of fly-in fly-out. All I am obligated to do is try to get the best deal for our community, whether you are non-Indigenous or Indigenous. By the same token, do you look after the locals? I believe, yes, we come first. Then you look at Rockhampton. Rockhampton is already in the system. Then you do look further afield at Townsville, Palm Island, Charters Towers. That is where a lot of our people are. It would be good to try to get those people relocated and living back here in the community. That was confidential. I do not want to lose our contract. Make out I was not here, please.

CHAIR: Sorry, we cannot do that. You are already on the record. I appreciate your response because then we started talking around the intent of the legislation.

Mr Sauney: Yes, I have it good working. That is why we have set up Eton services. We want a fair go too in terms of the economy. We just do not want to be little blackfellas over here getting handouts—no. We have to diversify like everybody else. We are not that stupid. Time has changed. If you are going to mine on our country, let us mine together but look after the local community fairly and not take our money and take it down to Brisbane because there would be no impact—

CHAIR: I agree with you. You got your message through.

Mr Sauney: You are better off telling me to go back over there and sit down. Does that answer your question?

Mrs LAUGA: Yes, thank you. It does.

Mr Sauney: Are there any more?

CHAIR: No. Thanks very much, Graham.

LOWRIE, Mr Stephen, Private capacity

CHAIR: Could you please state your name and who you represent?

Mr Lowrie: I am Stephen Lowrie and I represent all the miners out there. I am still employed within the industry but am looking to get out, wholly and solely because of labour hire. If these companies offered permanent shirts and permanent employment, I do not think they would have much trouble filling those positions that they cannot fill. It is as simple as that. You talk to the guys out there at the coalface and that is what they will tell you. If BMA offered shirts to the workers, they would be inundated with workers. I know a number of people who have lost their jobs who are now working in town or they have moved down south or moved up to Cairns or wherever. They would come back into the industry if they were offered shirts and they would move back down here. The guys that I know in town who are not in the industry anymore would go back out to the mines.

While you are on labour hire there is no certainty in your job. You do not know whether you are going to be there tomorrow. You go out there and you bring your whole kit back—your boots, everything. You get a different room each week you are out there. In the end, the people just get—I am sorry to say it—pissed off and they leave the industry. That is why they cannot fill these positions. It is as simple as that.

CHAIR: Stephen, for the committee, could you explain in a little bit more detail what you mean by 'shirts'?

Mr Lowrie: Permanent employment. I was recently laid off. I am now labour hire. I cannot stand it. Like I said to you, I have to go out there with all my gear. I work seven days on and seven off. I have to bring all of my gear back into town—my kit, my boots, all my safety gear, the alarm clock et cetera. Do you know what I mean? It is so frustrating. It is annoying. Then you go back out there the following week and you get a completely different room. When you work shiftwork you get used to the sounds of your room, especially when you are on night shift. Every air conditioner sounds different. For 10 years I was employed by one company. I could get a perfect sleep. Now I am on labour hire I am getting broken sleep on day shift and night shift, and that is driving people out of the industry. If they offered permanent employment, permanent rooms or the same room each week, I think you would find that people would start coming back into the industry and maybe moving back to the regional centres. To me that is the biggest problem.

I hear it day in, day out. We had labour hire where I was before I got laid off for two years and they were saying the same thing. On the site I am on now they are frustrated. A lot of them are looking to get out of the industry, full stop. They have had enough. They cannot get loans et cetera. They are living from week to week.

CHAIR: Mining companies are consistently stating in the media that they cannot get people with the skills to do this work to have a permanent workforce. With regard to what has happened in the last couple of weeks and the 200 jobs—it could be as many as 400, as I said before—going to Townsville, with the claim coming from a senior coal producer that they could not find people in the area with the skills and the knowledge, is there something you want to say about that?

Mr Lowrie: Exactly. People are in town here with skills but will not go out there because of labour hire. They have permanent jobs in town earning less money but at least they know that they are getting holiday pay and sick pay and they are a bit more secure. There is no such thing as 100 per cent security in a job nowadays. They would go out there because of the lifestyle—seven on and seven off or four and four, whatever it is. They would go out there if they had permanent employment, a shirt—if they were getting holidays and sick pay et cetera. At the moment there are labour hire guys out there earning \$40,000 to \$50,000 less than a guy who has a shirt. Do you know how frustrating that is for a worker? You are doing the same job. You are working just as hard as the guy next door to you. They are getting the coal bonuses et cetera. You are earning those bonuses for those guys and you are not getting them, so people are leaving the industry. Hence they cannot fill these positions. There would be a lot of people come back into the industry if they offered shirts and permanent employment.

I know of two guys here in town who will not go back out there who have all the skills—digger et cetera. They will not go back out there because they cannot get permanent employment. It is as simple as that. If I could get a job in town, I would probably take it. If I could get a job outside of Mackay and it suited me, I would probably leave Mackay. I do not want to leave Mackay but there is a chance that I may. That to me is the biggest problem they have. If they offered shirts, they would be inundated with applicants—guys who have all of the skills. The only skills I do not have is a drill, digger and shovel. I am still classed as a multiskilled operator. If I leave the industry, that is one less person.

Mackay

CHAIR: Stephen, I would like to ask you a question and if you do not want to answer it just do not answer it. Okay? Last night at Moranbah we heard of a black list of workers from around Central Queensland who have no chance of getting a job in the industry at all who—

Mr Lowrie: With these photos I have probably just done myself out of a job. That is what it is like. If you speak out, you are no longer required. I have known one person who spoke out—

CHAIR: That is why I pre-empted my question. I understand from conversations that I had later in the night that there are people—former union members, people who complain about a risk, people who complain about dust—who are told, 'Yes, you have a job through a labour hire company,' but within a couple of hours they can get a phone call back and told, 'We no longer require your services.'

Mr Lowrie: Exactly. That is why people do not say anything.

CHAIR: I would say that there is some truth in that.

Mr Lowrie: You are 100 per cent right.

CHAIR: I hope I have not got you into trouble by asking the questions.

Mr Lowrie: If these photos are published in the paper then I am running the risk of losing employment. It is as simple as that. That is how strongly I feel about this. I missed out on the labour hire inquiry because I could not get time off work. I am not used to public speaking but, as you can tell, I am quite worked up about it. If they offered shirts and permanent employment, they would start getting people returning to the industry. There are no two ways about it. I understand that they have to make a profit. When things were down they had to lay off staff. I am fully aware of that. Now things are slowly picking up. They should start showing incentives to employ people. If people can see hope in permanent employment, I believe people will return to the industry.

CHAIR: I just want to make the point that if you feel that you are not being employed from this point on because of the evidence you have given today I would appreciate it if you would let me as the chair know as soon as possible because you are offered some protection with regard to giving evidence to a parliamentary committee. If you feel as though you are being targeted because of what has happened today, you let us know. I hope that gives you some protection.

Mr Lowrie: Thank you very much. There is one other thing I would like to say. I sat down with my partner at the end of last year when I knew I was losing my job. The council guy touched on this, but I worked out that \$4,365 is taken out of the local economy now with me being on labour hire. That is by not going out to restaurants and cafes. I used to go for coffee every morning in town; I go once a week now. That is what labour hire is doing. I own my own home outright. I am getting a bit older. I should be enjoying life, but with labour hire I am pulling back.

Mrs LAUGA: Stephen, in your opinion, what determines whether you get a shirt as a permanent worker or you are on labour hire?

Mr Lowrie: They are offering very few. There is no chance. There is no hope. That is the problem. There is no hope for workers out there.

Mrs LAUGA: Is it just luck whether you are a permanent worker or you are labour hire?

Mr Lowrie: It is not luck at all. They are just not offering permanent employment. It is as simple as that. You might get one or two if they are highly skilled. I do know of one person from the workforce I was with who has permanent employment. That is only one person. He is skilled in operating a remote controlled dozer. That is how he got the job. When there is no hope people just do not want to go out there.

CHAIR: You would have read about or heard about what the legislation is trying to do with regard to FIFO?

Mr Lowrie: I have read part of it.

CHAIR: From what you know, do you agree with parts of it?

Mr Lowrie: As I said, if they offered shirts they would not have to go elsewhere to get it. I do not know how much it costs them to fly workers out. Most of them would be drive in drive out, which I am.

Mrs LAUGA: One of the objectives of the bill is to make it illegal for companies to discriminate on the basis of location when it comes to applying for positions. We have heard before about applicants being told that they are not eligible to apply for positions because they do not live in a particular place or jobs being advertised only for people living in a particular area. Do you think making it illegal for mining companies to specify where someone must live in order to apply for a job will help increase the chances of local workers being able to apply for jobs and their application being assessed based on merit as opposed to where they come from?

Mr Lowrie: It would, but it would be hard to prove. That is the biggest problem. How would you prove that they have discriminated against somebody from here in Mackay as opposed to somebody from down south? I know of people who have put down postcodes of people they know down south and then they fly from Mackay to Brisbane and then fly out to the mines. It is ridiculous.

Mrs LAUGA: One of the things we heard about yesterday in Moranbah is the situation where jobs are advertised in the traditional way in the paper, people apply for them and then they are told they are not eligible. One thing that was mentioned at Moranbah yesterday was that the discrimination is being applied through the labour hire companies in the way in which they are approaching people in their database for particular positions. Rather than advertising a position, the labour hire companies go through their database and find people with suitable experience. The comment from the stakeholder yesterday was that they are searching for particular experience and also from a particular place. Do you get the impression that that is happening?

Mr Lowrie: I know that for a fact. I have had numerous phone calls from labour hire companies that I am registered with. Back in 2004 and 2006 when I did a bit of labour hire I was put on the books. Yes, they are ringing around. They could quite easily choose a person from there based on where they live.

Mrs LAUGA: Do you think that if you are in a labour hire company database you are more likely to get a jersey with a job if you are from a particular place as opposed to living locally?

Mr Lowrie: When you say jersey or shirt does that mean permanent employment?

Mrs LAUGA: No, just a job.

Mr Lowrie: You can get a job if you have the skills at the moment. People I know are going on Seek and they are getting phone calls 10 or 15 minutes afterwards because the demand is there again. If there was permanent employment offered to an even bigger part of the workforce you would get people returning to the industry. It is as simple as that.

Mrs LAUGA: Do you think local people on the labour hire database are in with an equal shot at being approached for a position as people on that same database from other areas?

Mr Lowrie: It depends on what the mining company wants. What they want is what they get. It is as simple as that. I have seen it. I have worked in Western Australia. I have worked up at Century. I have been in the mining industry for 18 years. The company gets what they want when they want it.

CHAIR: Stephen, there has been a bit of discussion happening here. I will stop the questioning there and make you the offer of going into private committee, if you wish. We do not want to be responsible for making your life difficult. We have already gone a long way, and I appreciate that. That is up to you. I say to you again: if you feel as though you are missing out on getting work because of what you have said here today, you make sure you let us know because we do have rules about giving evidence to a committee such as this. You do have some protection, but you have to make us aware of it. Keep the details and make sure you give it to me or Julieanne. The offer is there. Do you want to go into private committee or leave it?

Mr Lowrie: I will just leave it. Into private committee, what do you mean by that?

CHAIR: No-one is in the room except us.

Mr CRAWFORD: It is not available on the public record.

Mr Lowrie: I think you get the drift of where I am going with this. If they offer shirts or permanent employment they will get people coming back into the industry—people who have been laid off and now have jobs but would like to go back into industry. I have said that and I stand by it.

CHAIR: Thanks for coming forward, Stephen. It showed a bit of guts and I hope you get respect for it. Given that we have no more witnesses, that brings the hearing to an end. I thank those who have come in this morning. I know we have some media here, which is a good thing. One thing that people desperately need in this state and across Australia at the moment is media that report accurately on how the communities are feeling and what is happening that is having an impact on people who live in our state and workers and small business. We rely terribly on the media to tell the story for us. I declare the hearing closed.

Subcommittee adjourned at 10.20 am