



# ***INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES SUBCOMMITTEE***

**Members present:**

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

**Staff present:**

Ms M Westcott (Acting Research Director)

## **PUBLIC HEARING—INQUIRY INTO THE STRONG AND SUSTAINABLE RESOURCE COMMUNITIES BILL 2016**

### **TRANSCRIPT OF PROCEEDINGS**

**FRIDAY, 10 FEBRUARY 2017**

**Rockhampton**

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### Subcommittee met at 2.45 pm

**CHAIR:** Good afternoon. I declare open the public hearing for the committee's examination of the Strong and Sustainable Resource Communities Bill 2016 and thank you for your attendance here today. I am Jim Pearce, the member for Mirani and the chair of the committee. Other committee members with me here today are Mrs Brittany Lauga, the member for Keppel, and Mr Craig Crawford, the member for Barron River. Mr Shane Knuth, the member for Dalrymple, was joining us today and the other members of the committee have commitments with the internal administration of the LNP.

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 2001 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 of the bill. The media have access here today, so there may be photos taken.

### FERRIER, Mr Neville, Mayor, Banana Shire Council

### GERAGHTY, Mr Raymond, Chief Executive Officer, Banana Shire Council

**CHAIR:** I welcome witnesses from the Banana Shire Council. I invite you to make an opening statement.

**Mayor Ferrier:** I thank the committee for the opportunity to appear today. My opening statement is relatively brief and I am happy to answer any questions the committee might have. The Banana shire as a council is a large rural shire covering some 25,000 square kilometres and has a diverse economic base featuring both the agriculture and resource industries. Banana Shire Council has a long history in the resource industry and currently has the Callide and Boundary Hill coalmines near Biloela, the Dawson Mine near Moura, Evolution goldmine at Cracow and Baralaba coalmine on the boundary with the Central Highlands council, but they get the rates. It is a bit like the old saying of who has the well and who has the shaft. We do all the town. The town is only two kms out—Baralaba—so it costs us a fortune on that side of things. The Central Highlands get the rates for the coalmine itself but they are a pretty good shire. As well as a number of gas fields, particularly in the Taroom area, there are a number of potential coal and gas fields under exploration throughout the shire at present. The council endorses the submission provided to the committee by the Local Government Association of Queensland and it supports the efforts to end 100 per cent fly-in fly-out or drive-in drive-out workforces.

I would make the following quick points with regard to the legislation and associated matters. Local government needs to be involved—consulted—in the assessment of applications for resource projects early in the process. Realistically, local government should be a partner in the process, not just a stakeholder. Industry should be encouraged not only to recruit locally but also to relocate staff to the local community. We have some concern with the arbitrary 100-kilometre distance proposed for nearby regional communities. This appears to be an arbitrary distance and the proposal could become complicated and consequently would require some flexibility. There should be appropriate guidelines ensuring that the affected councils are fully consulted.

I take this opportunity to highlight that most of the criticism from the local community is the impact that comes from moving from a residential workforce over time to drive-in drive-out or fly-in fly-out. There is the impact on the local community on business, community infrastructure and community services such as schools, hospitals et cetera. This is something that is difficult to manage but appears to be a trend in some areas in recent years. Thanks for that, Jim. Thanks for your time.

**CHAIR:** Thanks very much. Ray, did you want to say anything?

**Mr Geraghty:** No, our opening remarks have pretty much covered it.

**CHAIR:** I want to start off by asking you whether you could give us some understanding of how the community built up during the times when residential workforces were at their highest and the decline you have seen since FIFO or, in your area, drive-in drive-out.

**Mayor Ferrier:** Moura was the worst one, Jim. They built a lot of houses there and we had people coming up. As happened in Chinchilla with the gases, people from Western Australia were buying houses because the rent was \$900 or \$1,000 a week. They were building all these houses and some of them never even got people in them. By the time they got them up and going, it was on the decline and Moura put off 200, I think, in one hit. Moura is the one that is really struggling a bit out there. I do not know how many empty houses there would be, but you can buy a house in Moura at the moment for under \$100,000.

**Mr Geraghty:** A three-bedroom house.

**Mayor Ferrier:** Yes, and some of them would have been sold for \$330,000. The cheapest ones would have been \$330,000; the dearest ones would have been \$700,000 or \$800,000. There are a lot of new houses that never had anyone in them, so I do not know how that bloke is still going. They have foreclosed on a few of them. I know one young lady had one brand-new house signed up for \$180,000, but the bank pulled out and would not let them sell it. That is how I know the people were from Western Australia.

**Mr Geraghty:** One of the things in Moura and I think Bilo to a lesser degree is that people have been out there for a number of years and decided the family has finished their education or they are going on to the next phase of their life and they want to relocate to the coast and do it drive-in drive-out. In our opinion that is one of the things that is very hard to control because they might have lived in the area for 10 or 15 years and then the coast is starting to look a lot more attractive in the phase before retirement perhaps or something like that with a more comfortable lifestyle. That is what we have noticed probably around Bilo a little bit. One of my neighbours in fact has done it recently—sold up and moved down to the Sunshine Coast and does it drive-in drive-out to Bilo.

Banana shire is probably unique in that we have the full spectrum. In terms of the Callide mine, for example, with its management and its workforce, when the mine was established—Callide mine has been there since the 1960s, I think—they made a conscious effort to locate people in the local community. They had housing assistance packages so people could buy into the community, and that has worked exceptionally well. Ian Blackwood, one of the long-term union organisers in the area, told me a few stories about the negotiation that took place, but I think both the union and the mine did exceptionally well in setting up that program.

In terms of places like Cracow, where the Evolution goldmine is, there is not a very big community there. There are about 20 people in the town downhill with a tail wind and the nearest town would be Theodore, which has only 300 or 400 people, so they have had to go to a drive-in drive-out situation to get workers into that area. I suppose, in my view, there is no one easy solution to this. I think 100 per cent drive-in drive-out or fly-in fly-out is not the answer and I do not think 100 per cent residential is the answer either, because you just cannot get all those people. We find that ourselves in our operations.

**CHAIR:** In the last week or so there has been a lot of media with regard to a contracting company looking for 200 and up to 400 workers from out of Townsville to fill jobs at Saraji mine and Peak Downs mine. How did you feel when you heard that?

**Mayor Ferrier:** I heard you on the wireless. It just blows you away. There are poor buggers that live out there, and I did a bit of contracting out there for some of those mines. Those towns were built especially for them. I was born out at Capella and saw all of those mines come in during the early 1980s. They were there for 30-odd years and then the mining companies—not the original mining companies of course—just turn around and think they can get people from wherever they like. I do not know if they get a bit more money out of it from bringing the people from Townsville after Clive Palmer's thing shut down, but I know sometimes you can pick up a few dollars if you hire some of those people. I do not know if that was behind some of it or not, but how are those companies going to live out there in the middle of nowhere like Tieri and all those little places if they are not going to pick people living in the town to work at the mines?

**CHAIR:** The industry is using the argument that there are no skilled workers in the area and you can tell by the unemployment figures. Moranbah, for example, was down around two per cent and Mackay is down around six per cent. What is your opinion as to why these communities are so low on unemployment figures?

**Mayor Ferrier:** I thought there would be a lot more unemployed out there than that. We have Batchfire who bought the Callide mine—they have only taken over in the last couple of months at Biloela—and they are putting people on already. Some of them have been with the contracting companies and they have put some of them straight on to permanent already. They have only been operating three months and they have already put on 26, I think, in one hit. They put on green skins

the other day, so you do not need to be experienced. If you are in the town and you do not have experience, you should be able to get a job because these fellows at Callide now—Batchfire—are training them up. They want them to work like they want to and do the things they want.

**CHAIR:** Where are they residing? Do they have an open opportunity or a choice of where they reside?

**Mayor Ferrier:** Yes. They are all local ones.

**CHAIR:** All local?

**Mayor Ferrier:** Yes, and some were working with some of the contract companies as well.

**CHAIR:** But they have decided to take on a full-time job?

**Mayor Ferrier:** Yes.

**CHAIR:** That is what it is about, isn't it?

**Mayor Ferrier:** Yes, that is what it is about. Batchfire is going to be real good for the town.

**Mr Geraghty:** Some of those guys were working for Anglo in their operational system. They had their permanent workforce and they supplemented that with labour hire guys through one of the labour hire companies. What Nev was referring to is: I presume they have identified people that they thought would be the people they want working for them from the labour hire company and taking them on on a permanent basis rather than have that separation there.

**CHAIR:** I know a number of workers who have worked three, four, five, seven years as casuals. That says to me that the job is secure and they should be working it full time.

**Mayor Ferrier:** Yes, that is right. One of these fellows was six years, Jim.

**CHAIR:** Clause 7 of the legislation talks about the prohibition of 100 per cent fly-in fly-out workers for large resource projects. Does it raise any concerns for you when they refer to 'large resource projects'?

**Mayor Ferrier:** Yes, my word. There are still local people there. There are still local people looking for a job, so they should be getting first crack at it. It does not matter how big a job is; if you have people there who are not working or even want to change and come to you, they should be given a chance to have a crack at it. We are a bit lucky in Bilo with the meatworks, but the meatworks is a hard job and they are looking for people now. They are trying to bring a few more in because they cannot get enough people to work there.

**Mr Geraghty:** We are talking about 457s.

**Mayor Ferrier:** I do not want to run down our own Aussies, but they put 55 on last year and 26 left within the first six months. They just cannot hack that hard job.

**CHAIR:** It is a tough job.

**Mr Geraghty:** It is a tough gig all right.

**CHAIR:** How would you define a large resource project? This is the question I am asking, because it says—

**Mayor Ferrier:** Probably 100 people, Jim.

**CHAIR:** One hundred?

**Mayor Ferrier:** Yes, 100 up.

**CHAIR:** Ray, do you have a view?

**Mr Geraghty:** Yes, I would probably go a bit higher than that. You are probably talking a few hundred. We have a situation with Baralaba Coal coming back on line. In fact, I have just had a discussion with them this morning. They are in this tricky situation where Baralaba has a small community there. They did try hard in their previous iteration to recruit locally and use local people. They went out of their way to recruit local people. They did not want to be accused of that type of stuff if they could avoid it. I think they are going to struggle to get the full workforce, to get up to full operational capacity. They might have to go with some supplementation again with the drive-in drive-out. That is the reality of life.

**CHAIR:** The Coordinator-General will have extra powers under this legislation from what he currently has. Have you gone through those?

**Mr Geraghty:** We have had a brief look at it.

**CHAIR:** Do you agree with those?

**Mr Geraghty:** I have to be honest: because I have been away on leave, I have not had a chance to go through it in great detail. I think as Nev referred to in his brief opening comments, the 100 km thing does concern me a bit, because 100 km in South-East Queensland and 100 km in Central Queensland are two very different animals. People tend to travel a lot further in Central Queensland, or regional Queensland. In the south-east, that is a hell of a big haul. As Nev said, it needs to be carefully considered and the discretionary power needs to have some clear guidelines in it about how that operates. Using Baralaba as an example, I think it is about 80 km to Moura, from memory, and probably just over 100 to Bilo.

**Mayor Ferrier:** Yes, 100 to Bilo and about 60 to 70 to Moura.

**Mr Geraghty:** Yes, so in those types of situations you have two sources of potential labour, but if they are outside the parameters, if you took a hard rule, that could be quite counterproductive.

**CHAIR:** And those sorts of communities need to be pulled in instead of being left out, don't they?

**Mr Geraghty:** That is right.

**Mayor Ferrier:** With Baralaba, I think they go on 45 minutes. They generally try to keep their shifts, or the hours. Do you know what I mean? That gives you Wowan, Goovigen, Banana and Moura. When they were operating before, there were people in all of those little towns working at Baralaba. They are coming thinking they are going to do the same thing. They have a camp there in the caravan park, but they are going to have to pay a lot more for it this time. They are not going to be subsidised. That will make people, hopefully, head to Moura. We have the chamber and all of that writing to them already from Moura telling them that we have empty houses over there. Once they fill Baralaba—because we have to watch what we say—they can head to Moura.

**CHAIR:** The Coordinator-General has these extra powers because we became aware that the social impact studies that were done and the conditions that were put in place by the Coordinator-General for mining companies to have an approval for a mining lease were not always followed through. The legislation has given the Coordinator-General more powers. Do you think that is a good idea?

**Mr Geraghty:** Yes. We can probably say that we have had a bit of experience with that with some of the gas companies in recent times. A lot of it depended on the company, to be blunt. We have had probably the full gamut of experiences. We have had some companies that went out of their way to make sure they ticked all the boxes and complied with all the conditions and other companies that were not so meticulous in meeting those conditions. I think the powers to ensure that happens are a good thing. I think the LGAQ made a pretty good comment on it in their submission, from memory. I had a read of that yesterday and they have touched on it in their submission.

**CHAIR:** Mayor, I know that you touched on kilometres. There was a suggestion that any reference to kilometres should be removed from the legislation. Would you go along with that?

**Mayor Ferrier:** I think there has to be something—whether it is time. With working on shifts, maybe time is better. Like Baralaba saying up to 45 minutes, I think it depends on where you are. Something has to be in there, I think. Some people can drive a couple of hours after work and it does not affect them, but you worry about some people going home all the time after a 12-hour shift. It is not just a 12-hour shift; you are up an hour or so before you do anything. You are putting in 16-hour days by the time you do your shift, really, so you are a bit worried about them driving home at night-time.

**CHAIR:** What sort of relationship does the council have with the mining companies? Do they come and talk to you about empty houses and the number of people living in your communities?

**Mayor Ferrier:** Not that many.

**Mr Geraghty:** We are on the front foot, probably.

**Mayor Ferrier:** We go around and see them. Since I have been here, we go around twice a year to see every big organisation that we have in the shire. That seems to be the best way. They change staff fairly often at the top. You get something sorted with one and then you start all over again. That seems to be the way they work. We have a pretty good relationship with them out there. Baralaba is the youngest one. Moura has been there 60 years. Callide has been there longer. Different companies own them all the time and with different managers, but they are not too bad, really.

**Mr Geraghty:** We made a conscious effort after last year's local government elections to get on the front foot with the big players in our shire and go around and see them at least once a year, preferably twice a year. We have knocked down quite a few barriers even in just the first round of

meetings. We have them coming back and talking to us now. We are working on that relationship. As Nev said, we have a new player in the game with Batchfire at Biloela. They have gone to great lengths to assure us that they want to employ local people and be local in everything they do and focus on that. As you know, Anglo has their issues with their Brazilian investment. They are trying to divest themselves of the Dawson mine at the moment. I do not think that is happening at this stage. The old Cockatoo Coal has gone into voluntary administration and the mine is now owned by Baralaba Coal, which is a new consortium. They are hoping to get into production—I should not say it publicly—in May, with possibly shipping coal out in July, August. We have ongoing discussions with them. We have quite regular discussions with Baralaba Coal, because there are quite a few issues there with the haulage and what have you.

**Mrs LAUGA:** Gentlemen, thanks for coming in today. It is great to see the Banana shire making a contribution to the scrutiny of this bill. There are two provisions in the bill that I would like to ask for your opinion on. First of all, the bill specifies that the banning of 100 per cent FIFO for resource projects applies to only new resource projects after the bill is passed, if it is. Secondly, the anti-discrimination provisions in the bill relating to mining companies not being able to specify where an employee must live, or that applicants are allowed to apply and that they are not to be told that they are not eligible based on where they live, applies only to resource projects that have been approved since 30 June 2009. Do you think the bill goes far enough in terms of the projects it will apply to?

**Mayor Ferrier:** When they refitted Moura, they spent over \$1 billion there 10 years ago. If it is just for new mines it is not going to work, is it? If you put \$1 billion into an old mine, it is a lot of money. It has to be over all; it just cannot be new infrastructure. On the other one, we have trouble ourselves in council. For some of our top-end jobs—designers, planners and all of that—we cannot get people. We have people coming from Brisbane to work in the shire, because we cannot get them from anywhere else. They come and stay. It might be for 10 days. It is a nine-day fortnight at the council. They might do one up and then go home for five days. We have to live with that ourselves. We have to be a bit fair in how we go. We have more than one, but I asked one fellow why and he said that his wife still had a good job in Brisbane. He said, 'She won't get a good job in Biloela.' That is why we cannot get doctors to Baralaba. You could get a doctor who wants to come to Baralaba. The old fellows are generally set up somewhere else. The younger doctors you get are married and generally the wife has a pretty good job. The wife of the one I was talking to is a dentist. She is not going to go too good at Baralaba. He would love to come to Baralaba. That is why we struggle out there like we are, but it is just what we put up with.

It is really hard to tell a person where they have to live, but you have to try to make it right so that they will come and do it. You just have to try and give them a chance. If you do not give them a chance, you are not going to do anything. You are never going to get anything done, probably. It breaks your heart to go around to see Tieri and all of those little towns out there. Before, they were just a hive of activity. What is going to happen in 10 years time if this keeps going on? There will not be anybody living there. There will be a bus running into the pub and that will be about all there is. We have to do something.

**Mr Geraghty:** One of the challenges I see is that making it retrospective would be extremely difficult for previously approved mines. I take Nev's point on board. If they do a major refit at the mine, that is a different dynamic. It is like all legislation and all rules: it is difficult to backdate them and make them retrospective.

**Mrs LAUGA:** Industrial relations laws change all the time, tax laws change all the time, environmental laws change all the time. Why is it such a problem? The Queensland Resources Council is using that term 'retrospective' and the term 'sovereign risk' when it comes to talking about projects from 2009 onwards. Why is it a problem for this law to apply to existing mines when all sorts of other legislative changes affect existing projects all the time?

**Mr Geraghty:** I do not have the definitive answer. I think it is pretty landmark law, for want of a better way of putting it. It is quite a rule change. If they have made a significant investment on the basis of that, I suppose we are really changing the ground rules quite considerably. I do not have a black-and-white answer on that one.

**Mrs LAUGA:** Are you just playing devil's advocate, or is it the council's view that 2009 is sufficient?

**Mr Geraghty:** No, it is more the devil's advocate. I tend to agree with Nev. It does not affect us as much. I should have said that up-front. It really does not impact us as much, because we do not have too many of those. We have a couple kicking around now that may happen in the next few

years. That will fly under the umbrella of the legislation if it goes through. We really do not have too many that would impact in our area. As I said, the Evolution mine at Cracow and the Baralaba coalmine at Baralaba are established and have a mix of locals and drive-in drive-out. Dawson mine has always had an SPQ of some size there, but they have always had a good strong local presence. Certainly Callide and the Boundary Hill mine are quite the opposite: they are very much local employment with a small percentage of people going out of the area.

**Mr CRAWFORD:** Ray, you mentioned earlier about the shire wanting to have involvement in the Coordinator-General's consideration. Practically, as a CEO, how would you like that to work? Let us assume that a new big application comes in somewhere in your patch. How would you like that to happen between you and the Coordinator-General?

**Mr Geraghty:** I will quote a good friend of mine, Mike Brunker. I used live in the Mackay area, so I know Mike quite well. One of the problems that we have had as councils is that we are always brought in too late in the equation and the decision has been made. There are local impacts that people do not understand or appreciate. We may not be able to be part of the decision process, but certainly we could have some input into the conditions, circumstances or approval permits that go out. We are the representatives of the local community and on the ground we know the local conditions and local circumstances. We can be the eyes and ears on the ground for a lot of those things.

**Mr CRAWFORD:** You are saying that you would like that consultation to happen earlier?

**Mr Geraghty:** Very much earlier in the piece, yes, absolutely.

**Mr CRAWFORD:** Rather than later in the piece?

**Mr Geraghty:** Absolutely.

**Mr CRAWFORD:** Which often does happen from time to time.

**Mr Geraghty:** Yes. It is pretty much a done deal—'Go and sort it out with the council.' I use the gas pipeline as an example—'Go and sort out with council your road infrastructure' or agreements and these types of things. 'Here is your environmental impact statement. Here is the community stuff you have to do. Sort it out with the council.' We had no input into those conditions. We were very late in the equation and we could not influence some of those things.

**Mr CRAWFORD:** You mentioned earlier that 100 per cent fly-in fly-out or drive-in drive-out does not work and also having 100 per cent of locals does not work. You mentioned that you have some mines that run a good balance of locals as well as outsiders.

**Mr Geraghty:** Absolutely, yes.

**Mr CRAWFORD:** Where do you see that line?

**Mr Geraghty:** I suppose we are a bit fortunate in Banana shire. Biloela was a very well established town before mining and it had a strong agricultural base. We have a very strong agricultural base in the Banana shire with cotton, beef, grain and all that. It is having that mix. I think where it is difficult is in those purpose-built mining towns. In some cases they may have the people available but they may not. We have a local workforce that can graduate into the mining community. People who live locally can easily go into it.

**Mr CRAWFORD:** In your patch, we may not be talking about a large percentage of local people who have to work in a new project. It would be five, 10 or 15 per cent; it could be a small number percentage wise, but that could equate to 40 or 50-odd people.

**Mr Geraghty:** We have that capacity in the town. It is a very well serviced town with about 5,500 to 6,000 people. It has all the facilities, good schooling and all that type of stuff. It is a relatively attractive place to live. I have moved down there from Mackay and I find it a great place to live. It is a good mix in the community.

**Mr CRAWFORD:** What is the unemployment rate?

**Mr Geraghty:** It is pretty low. I could not quote you the percentage, but I know it is pretty low in the area.

**Mr CRAWFORD:** Below five or six?

**Mr Geraghty:** I would say around five.

**Mr CRAWFORD:** Do you have many unemployed skilled workers out there, such as tradies and sparkies?

**Mr Geraghty:** There would not be a lot at the moment. In fact, we had new people opening up businesses out there just recently. A couple of tradies have opened up new businesses out there recently. They are in high demand. They are hard to get hold of. If you are a tradie and out of work, you are not trying too hard, off the record.

**Mr CRAWFORD:** Have you lost tradies or lost skilled workers that have left the region and gone back to the city because they cannot get work there or because of fly-in fly-out?

**Mr Geraghty:** I think we have lost people because of family reasons. They want to move back closer to family or to coastal areas or areas with better services. I am not aware of any who have lost their jobs and gone out of there—not those high-level skilled people.

**Mr CRAWFORD:** Are there people in your patch who work in both the mining and the agricultural areas, such as people who own and operate a farm but also work in the mines? Is that fairly common out your way?

**Mr Geraghty:** Yes. A lot of the well-established people at the mines do have properties.

**Mayor Ferrier:** Ten per cent or more. At Baralaba, nearly half of them came off properties. Of 75, I think there were 40.

**Mr CRAWFORD:** They would be using the income that they earn from the mine—

**Mr Geraghty:** To supplement the farm.

**Mr CRAWFORD:** If they were not able to work in the mine then obviously their farm would start to suffer and they might have to pull up stumps?

**Mr Geraghty:** Yes, it might not be as productive or generating enough income.

**Mayor Ferrier:** Some of those miners bought the farms after being in the mines from a young age. They saved up and bought properties and then kept working in the mines closer to home to keep them both going. The wage is pretty good in the mines and sometimes it is not too good on the land.

**Mr CRAWFORD:** That kind of covers the question I asked earlier but in a different way. We have heard different evidence and different submissions have talked about how employing one person locally potentially ticks the box and the mine has then met its obligation of not being at 100 per cent, because they are 99-point-something. If you were to advise the Coordinator-General on a new mine in your area and how that would work, what would be your advice so that it was not just them employing Bill Smith from down the road to tick that box? What would you tell the Coordinator-General to write in that section to make sure that you get those people?

**Mr Geraghty:** That is a damned good question.

**Mayor Ferrier:** It would depend where the mine was. If it was in the middle of desert country or outside of Longreach, you could understand it. However, when it is a few hundred kilometres from the coast, there would have to be a higher percentage before you could have fly-in fly-out, I believe.

**Mr Geraghty:** You are right, Nev. If it was in proximity to, say, Callide mine, which is 15 kilometres from Biloela, you would expect there to be a higher percentage of local employment. If it was out in the—

**Mayor Ferrier:** Alpha, for example.

**Mr Geraghty:** If it was in the backblocks, there is very limited capacity to service that type of population.

**Mr CRAWFORD:** We have also had quite a bit of discussion about making sure that this applies to the construction phase as well as the operational phase.

**Mr Geraghty:** We have seen that, yes.

**Mr CRAWFORD:** Do you agree with that as well? You would have a lot of workers out that way with construction on different things.

**Mr Geraghty:** We have just had three gas lines go through, so we have had a whole heap of construction camps in recent times. Construction is very different. I think one of the issues we saw was that they did not employ any local people in those construction camps.

**Mayor Ferrier:** Not too many.

**Mr Geraghty:** Not too many at all. It was very much a closed shop because they were chasing people with specific skills. I think a lot of those companies use the same crews on various construction projects, so they may have quite legitimate reasons for doing that.

**Mayor Ferrier:** From around the world, too.



**Mr Geraghty:** Yes, not just Australia. These guys are flying in from around the world.

**Mr CRAWFORD:** Yes, with building the pipelines. I have seen that.

**Mr Geraghty:** Especially with welding gas pipelines, which is a very technical and very specialised field. I would like to see that opened up, for sure, if there are locals with that capacity, but I do not know how you would manage it. Again, it would depend on the project.

**Mr CRAWFORD:** That leads me to my last question, which is about the local supply chain. Putting people aside for a second, we are talking now about other things such as food, different types of produce, fuel and those sorts of things. What is your experience with the mines or different companies using local produce? Do your supermarkets, service stations and milk bars get a look in or is it all coming in by truck from somewhere else?

**Mr Geraghty:** It is a bit of both. Using the gas pipeline as an example, they said, 'Yes, we buy locally,' but that was in Australia. Their definition of 'locally' was within Australia. We made a pretty big effort with some of our local businesses and some education information programs with an economic development guy we had working for us at the time. It came down to the fact that some of them just did not have the capacity to meet, especially with the construction camps, the demands or the needs of the construction camps. Some of them got a bit smart about it. They banded together and put in joint submissions. It was a bit of both.

With the mines, I think they have quoted Batchfire before. They have gone to great lengths to try to bring the locals. They brought their payroll function back up here. I think Anglo had it centralised in Brisbane. Batchfire has brought it back up on site. Some of them are fair dinkum about it and some of them are just paying lip-service to it.

**Mayor Ferrier:** I asked Batchfire straight-up, and they said as long as people in town did not think that just because they are a mine they are going to get up them, which does happen a bit. I was talking to one of the auto-electricians who had worked for the other mob, Anglo, and he was a bit worried because he got a lot of work. He said it started off that with any little job they had to email back and forth what it was going to cost, but it has eased up now. I think there is a \$500 or \$1,000 cap on it at which they do not have to get back to them, but if it is over that then they have to ring them up. That is not too bad. He reckons it is working all right. They are still dealing with a fair few of the little companies in Biloela. It is good. I believe, as the manager said, they are not there to be gouged. If they do the right thing by them, they will get the work all right. It seems to be working.

**CHAIR:** Nev, with your time serving in the area, do the workers living in the camp just over the other side of the railway line in Moura contribute much to the community?

**Mayor Ferrier:** Some of the old single fellows do, Jim. Generally they are the pub, the bowls club and the RSL type fellows. They are generally the single guys. Some of them would have been there for 30 years, I suppose, but not a lot. They still have some out at the other camp, too, but that is only when things get going that they have the contractors out there. They do a bit. As I said in one of the TV interviews, it depends on your shift, but even the pyjama shift helps Moura. When they come in from night shift and they have the day off, they go up town to the pubs, cafes or newsagents, which do get a bit out of it, even with one little shift like that. However, with five-on five-off or seven, they probably do not get anything at all out of them. People like doing that, because if they have their family on the coast they do not want to have one day in town. You can understand both sides, can't you?

**CHAIR:** Clause 9 sets out the requirements for a proponent of a large resource project to prepare a social impact assessment as part of the EIS for the project. The social impact assessment must provide for community and stakeholder engagement, workforce management, housing and accommodation, local business and industry procurement, health and community wellbeing. As a council, do you believe that covers the issues that you would like to be involved in when discussing issues with the mining company or can you see anything else that should be set down there?

**Mayor Ferrier:** They have covered a fair bit there. Making them come to the table and do it is probably the biggest thing, of course. I think you have it pretty well covered.

**CHAIR:** An outcome of this legislation will be that they will be required to come to the table. I think you mentioned that they just do not talk to you before they make an announcement, so you hear about a new mine but you would not have a clue where it is going to go, what roads have to go in, what changes need to be made to roundabouts, stop signs and that sort of thing.

**Mayor Ferrier:** We have another mine opening out west of Moura. They have come to us a couple of times, but it is a long way off. They have come to us. It is going to be fairly hard to get over the line for them as well.

**Mr Geraghty:** They have some serious challenges.

**Mayor Ferrier:** I was talking to them only a couple of days ago. They are here for coal. It is a lot better than they thought, but when you are 70 kilometres the wrong side of a railway line, it is a bit hard. As with the gas pipeline, Jim, when we had the first one come through—and I suppose that happens all the time—they were just going to stand all over us. We never got too much help from anybody. We were still fighting with each other in the street at seven o'clock at night sometimes, over roads. They were just going to walk all over the top of us. Maybe it is just that the first one comes in, sees what they can get away with and just tramples everyone. The boss fellow had just come in from Africa, so he would not have too many people stopping him from doing things over there. We had some trouble with him.

**Mr Geraghty:** You can probably work out who it is.

**CHAIR:** I do not think about things like that.

**Mr Geraghty:** I do not think that was the case, Nev. I think one of the issues with that particular company was that every time we spoke to them we were talking to somebody different.

**CHAIR:** Yes, that is a big issue.

**Mr Geraghty:** With the other two companies, we had the same people all the way through. To their credit, they had the same people negotiating with us all the way through and they were completely different to deal with. There was certainly an attitude with that first one, but that is a different discussion.

**CHAIR:** If there is anything else that you would like to add, feel free.

**Mayor Ferrier:** I think you have to do something. You have been behind it long enough to know something about it. I think it is terrible when you get a job on what your postcode is. How it has got as far as it has and got away it for as long as it has, I do not know. It is terrible, really. You have to start somewhere. I think you are on the right track. You just have to keep going.

**CHAIR:** Ray?

**Mr Geraghty:** I would agree. I think with our impacts, we have it slightly different to some of the other areas. We have well-established industries and some reasonable relationships in that area. We have been through the mill a bit recently with the gas industry, but we are older and wiser for the experience. I think this is definitely a step in the right direction.

**CHAIR:** Thanks very much for your input and for being here. Does anybody else want to have input into the discussion that we have just had?

**PALMER, Mr Rick, Manager, Economic Development, Rockhampton Regional Council**

**Mr Palmer:** My name is Rick Palmer. I am representing the Rockhampton Regional Council. My position is a senior executive for industry engagement.

**CHAIR:** Would you like to make an opening statement?

**Mr Palmer:** There are three issues that we wish to bring to the committee's attention. They all relate to clause 6. Some of them are matters that have been raised in the discussion that took place previously. The first is in regard to the projects being approved after 30 June 2009. Our view is that it should extend to all projects, not only those that have been approved after that time. We see that there are older mines where in fact there may be changes of processes that mean that there is 100 per cent fly-in fly-out or drive-in drive-out and we do not think that is appropriate.

Our view is that rural and regional communities in Central Queensland should be given every opportunity to benefit from the activities that are taking place in their areas and in other areas of Queensland. It is undesirable that other communities that have little to do with it take advantage of it opportunistically and provide large sections of the workforce and deny opportunities for people residing in the nearby areas.

The Rockhampton region is a service area for Central Queensland. Rockhampton is a significant service centre for education, health, retail and a whole range of services. It provides a lot of those services to the resources sector of Central Queensland. We are not an area that has operational mines to a great degree, with the exception of Mount Morgan and the possibility of Carbine Resources starting operations there. Our role is much more as a service provider for Central Queensland.

The other matters that we wish to make mention of are about what 100 per cent FIFO means. If one employee is employed who is not FIFO, it means that there is not 100 per cent FIFO. We understand where those pieces are and we think that is unacceptable. Rather than trying to have a set percentage, we think it should be a more general description where it talks about at least a significant number that are not FIFO. Obviously it is convenient and easy for everyone to have a set figure because people can then see it. We would prefer that it be a more general term that can be adapted to a range of circumstances. Obviously, one person who is not FIFO does not amount to a significant number. We think there should be some sort of general definition rather than a specific definition included within that.

Also, in regard to clause 6, we think the prohibition of 100 per cent FIFO should operate in all phases of the mine's life—not only in the operational phase but also in the construction and the decommissioning phases. There should be an opportunity for regional and local communities to contribute people to all of those phases. They should not be restricted only to FIFO areas. That should not be allowed. They are the three general pieces that we wish to make submissions on.

**CHAIR:** Well put. You have been around the region for a number of years.

**Mr Palmer:** A couple!

**CHAIR:** You have seen the boom times and the backside falling out of the industry.

**Mr Palmer:** True.

**CHAIR:** What is your view on what impact it has had on Rockhampton and even the Keppel coast?

**Mr Palmer:** Rockhampton has been significantly affected, especially as the recent downturn has got deeper. Initially Rockhampton was somewhat protected by its diverse economy. It has strong education, health and retail elements in its economy, as well as mining services and manufacturing. As time went on, it started to bite significantly more deeply. It has had significant impacts in Rockhampton. We have seen the gross regional product reduce significantly in 2014 and 2015. It fell by 2.5 per cent, I think it was, in 2014. In the last 14 years it has fallen three times—the other times by significantly less than was the case in 2014. I think that indicates the significant degree to which this has had an impact.

Also, you can see it in the rentals and the values of properties. They have fallen off as the downturn got deeper, particularly in the rentals. They have fallen significantly. For the last four years in Rockhampton, both for houses and units, rentals have fallen. It has had a very significant impact eventually—less in the beginning but as time went on it became deeper and deeper.

**CHAIR:** Would you have any idea of the number of vacant houses in Rockhampton and in the immediate area, the catchment area?

**Mr Palmer:** I do not. Ergon, as you may realise, has been collecting those figures. I was trying to get those figures in the last week but they were not available. I am not clear what they are at present. They certainly increased over that period of time. I am just not clear about the last six months. Up until then there had been a steady increase in the number of vacant houses in Rockhampton and those that have been disconnected from the electricity supply.

**CHAIR:** I take it that you have had a good look at the legislation.

**Mr Palmer:** I have read it, yes.

**CHAIR:** I am interested in your feelings with regard to the extra powers given to the Coordinator-General with regard social impact.

**Mr Palmer:** We feel that the social impact assessments are required. We would support the additional powers given to the Coordinator-General for that to take place.

**CHAIR:** We had a comment yesterday about the reference to kilometres.

**Mr Palmer:** We have no submission in regard to that.

**CHAIR:** Do you think we should have distances locked in, or should it be opened up a bit more?

**Mr Palmer:** We thought about whether we wanted to make any submissions about it. We decided that we would leave that stand and that we would not make any comment on that.

**CHAIR:** You heard the questions we put to the Banana Shire Council. Do you have anything you would like to add from the responses they gave? Did you take any notes?

**Mr Palmer:** No. I listened to their evidence. It was fine. There was nothing further that I needed to make any comment on.

**CHAIR:** Are you happy, Rick?

**Mr Palmer:** Yes, completely.

**CHAIR:** You have to be happy, because I do not want you going down the road and telling them I did not give you a fair go! Thanks very much, Rick. It is always good to talk to you. There being no further questions, we will close the hearing. I express our appreciation to you all for making the trip down. A Friday afternoon is not a good time, but thanks very much. Thanks, Rick, for your input. It was very valuable. Thank you all for your attendance today.

**Subcommittee adjourned at 3.38 pm**