

This is an uncorrected proof of evidence taken before the committee and it is made available under the condition it is recognised as such.



INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES SUBCOMMITTEE

Members present:

Mr J Pearce MP (Chair)
Mr R Katter MP
Mrs AM Leahy MP

Staff present:

Ms M Westcott (Acting Research Director)
Ms M Telford (Principal Research Officer)

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

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 24 FEBRUARY 2017

Mount Isa

FRIDAY, 24 FEBRUARY 2017

Subcommittee met at 1.05 pm

CHAIR: I declare open the public hearing for the committee's examination of the Strong and Sustainable Resource Communities Bill 2016. I thank you all for your attendance today. In accordance with standing orders 220A and 220B of the Queensland parliament, the committee has formed a subcommittee. I am Jim Pearce, member for Mirani and chair of this subcommittee. The other member of the subcommittee is Ms Ann Leahy, deputy chair and member for Warrego. Also attending is Mr Robbie Katter, the member for Mount Isa, who is a participating member of the subcommittee. The following members of the committee are unavailable to attend the hearing today: Mr Shane Knuth, member for Dalrymple; Mrs Brittany Lauga, member for Keppel; Mr Craig Crawford, member for Barron River; and Mr Tony Perrett, member for Gympie.

The subcommittee'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. Those here today should note that these proceedings are being transcribed by Hansard. Media may be present so you may also be filmed or photographed. Before we commence, please switch your mobile phones off or to silent.

FORTUNE, Mr George, Councillor, Mount Isa City Council

KITZELMANN, Mr Michael, Chief Executive Officer, Mount Isa City Council

McCULLOCH, Mrs Joyce, Mayor, Mount Isa City Council

CHAIR: I welcome representatives from Mount Isa City Council.

Mr Kitzelmann: Mr Chair, I would like to present Mount Isa City Council's report, which has been placed on your table.

CHAIR: Thank you. Mayor, do you have an opening statement?

Mayor McCulloch: I do. As we all know, Mount Isa is one of Australia's major mining and resource hubs, and the community that supports this industry deserves to be heard on such an important issue as the Strong and Sustainable Resource Communities Bill 2016. With careful consideration of the proposed changes made by a large number of stakeholders including those of the Mount Isa City Council, we believe that this bill can strengthen regional Queensland and make our resources communities stronger and more sustainable. With careful consideration, we can reverse the negative impacts of majority FIFO and create strong regional resource communities which will continue to support Queensland and the future of mining in Australia.

A bill that does not support the local communities that are attached to these large resource projects will see a significant decrease in economic activity, as seen in the recent mining downturn. Mount Isa was particularly affected due to the number of businesses that rely solely on mining and businesses which are affected by an unstable population often brought about by a FIFO increase. Given the contribution of the mining industry to the Queensland economy, consideration must be given to the impacts of communities such as Mount Isa that are best placed to support this industry. In this city alone it must be noted that the resource industry's direct contributions in the 2015-16 financial year were \$372 million in wages, \$631 million spent on local businesses and community organisations, and a contribution to Queensland of \$95 million in royalties. The total economic contribution by the resource sector to the Mount Isa economy was \$1.8 billion gross regional product.

Mount Isa City Council is very much in support of the requirements of the social impact assessment in partnership with local government and community groups. As we all know, major FIFO employment has a direct impact on the community it is associated with, and these impacts must be measured and addressed appropriately. However, conditions that arise from the social impact assessments will only be of value if they are enforced from the ground level up.

Some brief notes to mention that I will endeavour to expand on include the recognition that, while there must always be a place for some FIFO to occur in the mining industry, we need to put an end to the 100 per cent FIFO practices and workers need to have greater choice. There must be rules and regulations that allow for a worker, should they decide to, to relocate to a town or city for the purpose of employment, and this is heavily dependent on having rules and regulations in place that prevent a mining company from having the ability to discriminate against workers from where they live.

This bill is about ensuring that Mount Isa and the regional communities in Queensland in the vicinity of large resource projects benefit from the operation of these projects. Only then will our regional centres—the lifeblood of our country and the suppliers of important resources and royalties—flourish and grow. We request that the wording around 100 per cent FIFO is recognised to clearly strengthen the identifying targets around an equal or majority local workforce participation rate rather than 100 per cent. Effectively the current wording means that compliance with the ban of 100 per cent FIFO workforces can be easily achieved by employing just one person who resides locally. This is not consistent with the objective or intent of the bill. This needs to be addressed, most likely through the social impact assessment conditions. Although the banning of 100 per cent FIFO is a step in the right direction, the wording in this legislation does not go far enough to identify a major issue. We would like to see a minimum of 50 per cent workforce sourced from local community where the people with the required skills are available.

Additionally, the governing legislation has proposed a reverse onus of proof which means the mining companies are considered guilty until they prove they are innocent of breaching legislation more specifically around the employment recruitment process of employing local residents versus FIFO employees. That is quite a severe change in the legislation and goes against the basic principles of the judicial system in Australia where you are innocent until proven guilty. This must be adequately addressed to ensure the rights and liberties of those concerned.

Many communities have felt the negative impact of large-scale FIFO. This includes issues surrounding stress on community services and infrastructure, contributions to the local economy, housing availability and affordability, lifestyle and safety issues and FIFO worker and family impacts. As has been seen before, a high proportion of FIFO workers within a community makes effective planning for the ongoing development and ongoing operation of infrastructure very difficult.

The negative impact is felt by local businesses when a majority of FIFO wages are not being spent in the community. These workers are residing in camps and not interacting with the business community or the community in general but may require community services and support due to their social isolation and family stresses placing a strain on existing services.

An impact on housing availability and affordability is seen when housing shortages and high rents from increased accommodation demand raise the cost of living in resource communities and negatively impacts the tourism industry by reducing short-stay accommodation. The RTA has released data which shows that during peak FIFO activity the rent for an average three-bedroom home increases by an average of 35 per cent. Housing affordability then becomes an issue in both rental and buyer markets, with demand outstripping supply. This has led to rental properties becoming a scarcity and rental prices increasing beyond the means of many residents, especially those who do not derive their income from mining employment. It has also caused inflation in housing prices which results in local residents being squeezed out of the market and financially discourages FIFO workers from relocating to our communities.

All of these factors mentioned place limitations on future growth of resource communities and their ability to support the mining industry and companies instead of placing emphasis on creating a long-term, sustainable relationship between the two for the benefit of the community and beyond. Mount Isa City Council believes that with some careful consideration the conditions of the social impact assessment may be met and be of great benefit to the community, but there should be consideration given to enhancing the role of the Coordinator-General to manage the impact of large resource projects to ensure these conditions are met. With amendments, this bill is a step in the right direction to ensure the longevity and prosperity of our vibrant community and ensure the future growth of our population and economic future.

CHAIR: Michael, do you have an opening statement that you would like to make?

Mr Kitzelmann: I have a very brief statement on behalf of the Mount Isa City Council to support the mayor's comments. Mount Isa City Council is home to Australia's largest and longest standing mining operations. Over the past 90 years of operation the mine has been owned and operated by several corporations, each with varying approaches to securing a productive workforce. Under each

iteration of mining activities and across all owners and operators there is one common theme that was the priority above all other considerations—that is, the production of corporate profits for shareholders.

Having recognised this priority, it must be noted that the relationship between the community, the local government authority and the mine has generally been productive and the mining operators have been reasonably good corporate citizens. A large proportion of the community infrastructure within the region has been wholly or partially funded through community grants from the mining companies.

Mount Isa, being recognised as a single industry environment, is subject to the ebb and flow of the resources and mineral demands, similar to the mining operators themselves. During periods of peak demand or high mineral prices the city is subjected to intense growth with upwards of 2,000 employees being based in mining camps or at temporary accommodation working on a rotational fly-in fly-out roster. Conversely, during slow-down periods accommodation providers are faced with the ongoing maintenance and capital costs of facilities that are standing vacant with little or no revenue stream to offset costs. During peak periods some FIFO workers are faced with hot bedding, little to no privacy and a social environment where the individual wellbeing of workers is jeopardised in the interests of profit.

The broader impact of a fly-in fly-out environment is not simply in relation to legacy infrastructure and depreciated assets requiring maintenance. It is also evident in every element of the community. Extreme housing and rental prices during boom periods overcapitalise on redundant housing during cycle low periods. Businesses operate in a boom or bust environment, leaving investor confidence in question. Our families and schools suffer from uncertainty.

CHAIR: Councillor Fortune, do you have anything to say?

Councillor Fortune: My statements support those of the mayor and the CEO.

CHAIR: I put this background to you. Just recently BMA advertised in Townsville for 200 workers to work at their Saraji mine and Peak Downs mine. Their argument was that there is low unemployment in Moranbah and there are no skilled workers around who want to do the work. Do you have the same thing occurring here where once a worker loses their job they do not stay and move somewhere else? Has that been happening here?

Mr Kitzelmann: Yes, that challenge has been posed for the simple fact that the cost of living in western regions is higher than in the coastal areas and families need to be able to be supported and survive. Unfortunately, what happens when you have these downturns is the employment opportunities are also impacted because businesses no longer have as many customers that they are supporting so the opportunity to find another position is reduced because that fly-in fly-out impact reduces the business's capability to sustain themselves through low periods. It is the exact same challenge.

Councillor Fortune: In the past, local government has taken up the slack as far as construction workers are concerned. The biggest loss through the community is through the skilled engineering type of work. That generally happens right across Queensland.

CHAIR: Do you have any idea of the number of people who are actually doing FIFO and living in camps in the area? If you have not, you can take it on notice.

Mayor McCulloch: We will take it on notice. We have been given numbers. However, I feel that we can investigate that further and get a truer figure.

CHAIR: Clause 6(2) of the legislation provides that the prohibition on a 100 per cent FIFO workforce is for the life of a project. Do you have any full FIFO mines, where the whole workforce is FIFO?

Mayor McCulloch: No, not 100 per cent within our little area.

CHAIR: You could have 100 workers in the workforce and two or three workers could be locals?

Mayor McCulloch: Correct.

CHAIR: Do you have any idea of the percentage of the population in your catchment area that would have skills and would love to work at the mine if they had an opportunity? Do you have any idea of the percentage? Do you have local miners out of work at the moment?

Mayor McCulloch: Out of 100 per cent there would be a good 60 per cent who have the required skills.

CHAIR: In the area?

Mayor McCulloch: Yes.

CHAIR: Have you seen advertisements in the media by mining companies which rule out local people?

Mayor McCulloch: Not around this area I have not, no. I am here to represent this area.

CHAIR: Discriminating is not the right word because they do not like it, but it is discriminating against local people for the benefit of outsiders?

Mayor McCulloch: I do not see the ads that are sent away to the coastal areas for jobs in this area, though. Does that answer your question?

CHAIR: Are they advertising locally for local workers?

Mayor McCulloch: Yes, they do, but a lot of it is done on their website and a lot of it is done in the coastal areas.

Ms LEAHY: Thank you very much, Mayor, for your input. Thank you also to your chief executive officer. I am interested in the social impact assessment for previous mining projects in the region. You have a major airport and you are a major community that provides a lot of services to the region. Did you have much input into previous social impact assessment processes? Do you think the bill is sufficient in relation to enabling your local government to have input into future projects?

Mr Kitzelmann: Looking at the history of the involvement of council in negotiations with the mining companies there has been some input, however it has been limited. It must be understood that the mining activities within the Mount Isa region are very longstanding, which makes it a bit different. However, we would strongly support that that be a mandated requirement for constructive and deep input into any social impact assessment by the local government authority as they are the ones delivering services on the ground to the community.

Mayor McCulloch: Most mines that are active now have been in place since before that bill, so it rules them out in terms of councils having input.

Ms LEAHY: I am hoping there will be future development in your region down the track, and that is what I am looking for. What sort of input would you like to have? When a Coordinator-General has a project within their jurisdiction, often local government is not able to condition that project. If I was Bunnings and I came to your town, you would suggest as a council in the development approval process the road, the parking, the water and the sewerage. In the future, what would you like to see?

Mayor McCulloch: All of the above, and that is what we are saying about the social impact. We are saying that we want council and community input into any new mining developments that will be coming to fruition in the region.

CHAIR: Has council in the past had good cooperation with the mining companies where they come and sit down and tell you, 'We're going to build a three million or four million tonne a year coalmine'?

Mayor McCulloch: With previous mayors and whatnot, they have always sat at the table with any new development that has come to the area. However, we cannot dictate to them the terms on which they come to the area.

CHAIR: You cannot dictate to them, but you should be able to. There has been some media discussion, particularly by BMA, with regard to sovereign risk if the committee were to put things into the legislation that may be retrospective. What is your understanding of sovereign risk?

Mr Kitzelmann: My understanding is the risk to the corporation and the risk to the government over the land. As the mines all operate under a lease arrangement, there is a shared level of risk with how those operations will move forward. The mining operator obviously takes on a very large capital expenditure to establish operations and takes on a very big capital cost in the burden of getting the mine operating, and that being dependent on a leasing arrangement makes it difficult for them with longevity and how it is going to operate. That would be as far as my understanding goes in relation to mining.

CHAIR: What about if the make-up of a workforce changes from the time the mine is approved—that is, over a period of time they go from employing local to employing drive-in, bus-in and fly-in workers? With regard to the changing structure of a workforce, do you think that is an issue? Do you have any understanding if that as an issue would impact on sovereign risk, from your knowledge?

Mr Kitzelmann: The change of a workforce and the requirements being mandated will have an impact, obviously. However, I do not really think it is a viable argument in the fact that there is a workforce regardless and having a local workforce will strengthen the local community and put less demand on the organisation, whereas at the moment with the fly-in fly-out it is very reliant on aviation transportation or drive-in drive-out transportation. The minute those workers are on a plane flying to

and from work, the company takes a liability. It will actually reduce the level of risk to the company, especially those companies that are operating specifically chartered aircraft for the movement of their workers or specifically chartered buses for the movement of their workforce.

CHAIR: The intent of the legislation is not to impact on those people who already have a job at the mine. If you have a mine that is already 100 per cent FIFO, this legislation has no intent to impact on those workers and those people to continue doing that. It is hoped that when some of those workers leave and go elsewhere the new jobs would be available to people locally, and we believe it should be a choice on whether they want to work at the mine and live in the camp or work at the mine and live in the town. Do you have any thoughts on that?

Mr Kitzelmann: At the moment, reading through the legislation, it does not clearly indicate that that is the intent. That is the first comment I would like to make. Secondly, we need to look at the social wellbeing of workers and the workforce out there. Mining camps, although they put a lot of effort into making them as comfortable as possible, are not a normal environment conducive to families and being part of a community. Our position would be that we do not like mining camps. Although it is understood they are a necessity in some areas—very remote areas et cetera—the preference will always be to integrate those large workforces into a community so they can become part of a community and have a higher level of social wellbeing provided to them.

Mr KATTER: There are obviously a lot of pressures going on to the council and maybe even other state government services as well as local government services. There are impacts on your sewerage system, parks and gardens. I know that Cloncurry was contributing to child care because it was becoming an issue with people working at the mine. Could you give us a few examples of how the impact of mines has increased your cost structure and your resources without really any compensation?

Mayor McCulloch: Are you talking FIFO or living in the community?

Mr KATTER: To illustrate my question better, they give funding based on a population and your sewerage is set for a certain population. With FIFO there is an artificial increase in your population, so there might be some examples you could think of where it impacts.

Mayor McCulloch: There will certainly be people that will want to stand up later and answer that question for you, Robbie, and they are the accommodation places. They get heavily impacted with FIFO because they have a high use of their accommodation units at the time, but when the downturn does occur and half of their accommodation is not being utilised the services are still having to be paid for. Another one is that as a local government we take a lot of heat for our road infrastructure because we do not have the money to put back into the road infrastructure to make it 100 per cent of what people's dream roads are. However, we have the FIFO workers coming in and utilising those roads through bus services and transport services, but what do they inject into the local economy to help us budget for that? They do not.

Mr Kitzelmann: In addition, Mr Katter, I would like to raise some examples where the mining company has been very supportive of our local community, but it does leave a burden on the community. Mount Isa has 97 parks—that is more than large cities such as Ipswich City Council—and we are required to maintain them. Most of those parks were through the council working closely with the mine, and that shows a strong relationship. However, the ongoing cost of maintenance and upkeep of those facilities is not funded. We have a bridge in town now, the Isa Street bridge, which is extremely degraded. That was originally built in partnership with the mines and we are now in a situation where council needs to find \$7 million to upgrade and rectify that bridge. That is a big hit on a community where we do have a limited number of ratepayers and the number of our population during peak periods et cetera and the demands on our amenities and services far exceeds the amount of revenue we are able to raise to offset those costs.

Councillor Fortune: In terms of that question you had about the resources and the impact that it has on the community, having those extra people in the community does put a strain on those resources as well as the amenity and just the processing of the effluent, the strain on our water infrastructure and the strain on the waste and the input of our water resource. As has been mentioned, the rate base is very small and communities like ours have to look outside to find that money and find that funding for bridges and for that infrastructure. We would like to see more of that funding come our way.

Mr KATTER: Madam Mayor, this is a bit of a general question because it is hard to get empirical evidence on this stuff. Can you comment on the social integration? When George Fisher camp was there with about 300 people, did you see much evidence of integration with those FIFO participants? Do you see much evidence of that around the town, such as them being part of sporting clubs or community groups and things like that?

Mayor McCulloch: No, not at all. I knew a couple of those people that were flying in and flying out and I said to them, 'Do you get into town much?' and they said, 'No, why should we?' If two of them are saying it, the rest certainly fall into place because they fly into town, they go to the mining camps, they go to work, they go back out to the airport and they fly home again. Because the airport is where it is, it gives them the great excuse of not having to come back in this way to do activities within the town.

Councillor Fortune: There is also the negative effect of the people from the camps who have a negative view of the community with comments like, 'It's great to see Mount Isa in the rear vision mirror or out of a plane flying out.' That type of negative sentiment goes back out to where they live and gets populated in their communities and it paints Mount Isa in a very poor light and the combat against that negative statement is not there. It goes away and it does affect our community.

Mayor McCulloch: To add to that, when you are hopping on a plane to go somewhere like Townsville, Cairns or Brisbane, as a female hopping on a plane when you are checking in you think, 'I wonder who I'm going to sit next to. Is it going to be someone that's going to indulge in alcohol all along the way because they've just finished their shift?' Sometimes the flights are not nice flights to take and, as Councillor Fortune said, the discussion in those flights is quite negative about Mount Isa. As someone who loves Mount Isa—and I am not the only one that will be sitting on the plane that listens to that chat—it is not healthy. It is not healthy for them and it is certainly not healthy for us, so it goes back to people's mental capacity. FIFO really does contribute to a society issue. We see more and more breakdowns of marriages and families and depression because of that lifestyle. I do understand that some people choose to do it and some people love it, but I would love to see the data. There is a lot of data and a lot of evidence out there that supports that it is not a good social fabrication for our society.

Mr KATTER: Madam Mayor, you mentioned the flights. That is a very hot issue here. There are high prices and we ultimately get the response that there are a lot of these mythical cheap fares, but a lot of the on-the-ground feedback that I have often heard is that a lot of that goes to the companies participating in the FIFO space and there is often not much left over for the families. Do you hear that sort of stuff on the ground?

Mayor McCulloch: All the time. You and I have spoken about the airfares issue and this council will be lobbying government to do an inquiry into airfares, so, Mr Pearce, be ready. You can be our man on that one. Once again, this airfares issue is a huge issue for the liveability of communities such as ours, Cloncurry, Richmond and McKinlay because it is very expensive to fly families in and out. A lot of people would love to come to Mount Isa if they knew that they would have the opportunity to go home to the coast to visit family and friends, have a quick dip in the ocean, have a little bit of a different culture for that weekend and then come back, but you just simply cannot afford it, particularly if you are a family.

CHAIR: We have had some various suggestions in submissions about the definition of 'nearby regional community'. As you know, the bill gives the Coordinator-General the capacity to nominate a town that is more or less than the 100 kilometres from a resource project that the bill specifies. If they are talking about a particular mine, the catchment area for that mine for a local person would be 100 kilometres. Do you think that capacity to change the distance from the project is sufficient? If not, why not?

Mr Kitzelmann: The question is a very valid question. I think something that needs to be considered is the size of Queensland. Out here 100 kilometres is next door. Is that the right level? We have the challenge that, although 100 kilometres might be next door, to travel 100 kilometres on these roads is a lot different to travelling 100 kilometres on the roads in the south-east corner. It is a very valid question. I think the important thing to remember here is that the Coordinator-General's review of the conditions on a regional basis is going to be the key. If we talk about 100 kilometres on the cape, it is a totally different story than if we talk about this area. It needs to be consideration by the Coordinator-General on a regional basis based on the amenities and facilities available in that region, the condition of the roads and the environment it is operating in. We are not here to bash mining operators and make it difficult for them. In fact, we want to make it the highest probability of success for mining operations to succeed whilst integrating with our community. It really will be subject to regional review.

Ms LEAHY: Some submissions have suggested that the bill should apply during the construction phase of a resource project. Do you think that is applicable? I come from an area in the Surat Basin. We have had our construction phase. There have been very steep peaks and troughs.

Now we are in operational phase. The SIA has pretty much finished in that area. Do you think that there is a need for the bill, as some of the submitters have said, to apply during the construction phase?

Mr Kitzelmann: It is critical that it continues, that the bill is applicable from the beginning to the end of life of operations. The construction phase is going to give a much wider spread across all of the different service providers in a community than it may be for operating underground, for example. It is going to provide a much more equal diversification of the workforce into the local community if it goes from the beginning to the end of a mine.

Councillor Fortune: You are more likely to find that your construction workers are more skilled in those areas rather than the engineering type people. That supports that statement.

CHAIR: The older mines that have been around for a while have the potential to create a 100 per cent FIFO workforce at the moment. Should this legislation be making sure that those mines adopt the same principles as the newer mines where they must give equal opportunity to all employees who apply?

Mr Kitzelmann: On behalf of Her Worship, yes, they must ensure that is applied there. For the older mines to be part of the community moving forward, they must be retrospectively subject to the requirements of this proposed bill.

CHAIR: Is it evident to you as a council that there are mines in the area that would have significantly higher non-residential workers—fly-in fly-out or drive-in drive-out—than local employees?

Mr Kitzelmann: With the local operators here, during the downturn it was predominantly fly-in fly-out workers who were let go and they retained the local workforce. At the moment it would be a much higher percentage of the local workforce that is there. Whether that was done out of the social wellbeing of workers or whether it was done because of the higher associated costs of fly-in fly-out, that would be a question that the mines would have to answer on their own behalf.

CHAIR: Is there anything in the legislation that you see as a council where the committee could take a closer look and maybe tighten it up a bit or change the wording? That is what this committee is about. It is about talking to local people and getting a feel for what they think should be changed. That way you have ownership of it and you are more likely to accept it. How do you feel about the legislation itself and what can we do to improve it?

Mr Kitzelmann: With regard to the committee reviewing the proposed bill, the area where it is stating 100 per cent needs to be looked at. Instead of putting it in the negative that it cannot be 100 per cent fly-in fly-out, I think it needs to be changed to be in the positive of an aspirational target of a minimum of 50 per cent and where possible higher. It is also going to depend on the availability of the skilled workforce et cetera in the area. However, it needs to be a target rather than using negative wording.

In addition to that, the position that we hold is that the reverse onus of proof is going against the Australian lifestyle. It is going against the tradition of our judiciary system where you are guilty and you prove yourself innocent. We would like to see the guidelines be included to ensure that the mining companies are held accountable if they do the wrong thing, but a company should be treated equally to a natural person. Why are they going to be guilty until they can prove themselves innocent when it is very difficult in a lot of cases to provide evidence to prove your innocence?

CHAIR: I think there are a lot of things that have been happening in the resources industry where companies have been able to get around certain parts of legislation, and they have really hammered us with regard to the non-residential worker, as I call them. That is why we are having such a good hard look at it and why we have legislation that will be going back to the parliament very shortly. We have to make those changes in the best interests of our community but most importantly in the best interests of those people in the area who do have the skills and want to work at a mine. If somebody in South-East Queensland wants to come and live in Mount Isa, they should be able to do that. That is the intent of the legislation. Unless you have anything else to add, I might pull it up there.

Mr Kitzelmann: If I can just make one final come comment: the bill and the proposed changes in the legislation are good, but the reality is that it is the detail in the policy and how that is going to be applied. That is the detail that we need to be able to subject to a full review so that we can make further comment. It is the policy and the application of a policy which is where it is going to make a difference. At this point in time we have not been given the privilege of seeing the draft of that policy in detail. The wording around the bill when it is taken in context of a policy can have a different

meaning. I would strongly encourage the committee to have that policy released as soon as possible for public consultation, for local government authorities to assess and for legal opinion to be put forward from the perspective of the bill and the legislative act and how it is going to be applied under policy.

CHAIR: In terms of the legal aspect, I can assure you that the companies have been crawling all over it like ants at a picnic. Thank you very much for your input. I now call representatives of the Cloncurry Shire Council.

PROOF

MILLIGAN, Mr Ben, Chief Executive Officer, Cloncurry Shire Council

SWALLING, Councillor Dane, Deputy Mayor, Cloncurry Shire Council

CHAIR: Welcome, gentlemen. Do you wish to make an opening statement?

Councillor Swalling: Good afternoon, Chair and committee members. I am Dane Swalling, Deputy Mayor of Cloncurry Shire Council. With me is Ben Milligan, Chief Executive Officer. Unfortunately, due to the short notice of this hearing, Mayor Greg Campbell was unable to attend today's hearing. I present the following presentation on behalf of the Cloncurry Shire Council and the Cloncurry community.

We welcome the initiative of the government. It is encouraging after all of these years of lobbying and highlighting our issues that a government is acting. At this stage though the bill lacks the ability to enforce or penalise mines that do not comply, and essentially by employing just one local they would comply. The outcome that Cloncurry shire would see as acceptable is a bill that ensures mining companies have to sit down with council and determine what outcomes provide real sustainable benefits to the community. Those benefits would include local jobs; people being required to move to the area to create real population growth; tangible support for the infrastructure required to support population growth; and, finally, the opportunity for local business. The opportunity would be for local business to grow and adapt.

These three benefits—jobs, infrastructure and business opportunity—will only be obtainable by genuine collaboration between the mining company and local government with the outcomes enforceable by the state. A suitably structured and enforceable social impact assessment process can deliver these outcomes. A strong loyal workforce is not the only desired outcome for a resource community like ours but it also makes a lot of economic sense for the companies. The ability to change boarding passes at the Townsville or Brisbane Airport does not breed loyalty or commitment. Living locally and being proud of the involvement by the company in the community breeds loyalty. Living locally reduces staff churn, which has a direct cost saving and therefore reduces ongoing training costs and has a direct positive correlation to safety, culture and productivity. Living locally makes sense.

The bill spends a lot of time focusing on the mental health implications of FIFO. Most mental issues centre on being away from family and the subsequent family breakdown or readjusting to being away from home. The other is the virtual confinement of a mining camp. These mental health issues are almost totally resolved by living locally. The one clarification is that workers must be able to commute the majority of the time. Commuting is often flagged as a major risk by mining companies with no supporting evidence. As part of a structured SIA, this issue can be overcome by acknowledging the aggregate product of time a FIFO worker spends on site and extend that same expectation to local staff. By that I mean if a FIFO worker has an unproductive half shift before flying out, essentially getting paid for a full shift with real productivity, allow local commuting staff the same time evenly spread over each day in their shift, bringing their total work day back to an acceptable level.

It is also worth noting that many studies have shown that 12-hour shifts do not deliver proportional gains in efficiency over shorter shifts. Cloncurry can highlight many success stories of mining staff living locally. Virtually every mine manager at Ernest Henry mine since the mine opened has made Cloncurry home. Every one of these men and their families has left a positive impression on the community and they were all very happy. This leads to talk about liveability. Often we are told people will not move to Cloncurry because there are no services, limited activities and so on. It is true: there is no surf beach, no McDonald's and no traffic lights. There are also no sharks, an abundance of sunshine, fresh air and no traffic jams. The core services that people need are available and second to none. Cloncurry schools have produced great young people, many now holding senior roles in the mining system. The health system is exceptional with dedicated staff and a private GP clinic hosting one of the best rural GPs in the country. Our sporting facilities are amongst some of the best in outback Queensland, with a strong football, soccer, triathlon, cricket, Rugby and horse sports scene. There is also a modern and proactive PCYC and mainstream supermarkets. Liveability is essentially up to the individual, and ex-FIFO workers who now live locally will agree that being part of a community and being able to contribute with their family is much more rewarding than existing between a mining camp and a family whom they see only half their life.

Cloncurry council acknowledges that mining companies probably do not want to become housing developers or landlords and is formulating an investment plan to be able to provide modern housing to an acceptable standard to a mining company willing to commit to staff living locally. The current housing market is relatively soft and there are properties available now, albeit modest, which offer a great opportunity for a family to enter home ownership inexpensively.

The impact of FIFO staff on the town's services also generally goes unnoticed and unfunded. Mining staff add to the number of people utilising services but as they identify with living in Townsville, Brisbane or the Gold Coast these local services receive no funding. For example, the Flinders Medical Centre has several hundred registered local patients but actually treats over three times that number who are primarily FIFO workers. Using that basic ratio, it is easy to see the level of underfunding.

To summarise, Cloncurry council is happy that the Palaszczuk government has taken the step to introduce the Strong and Sustainable Resource Communities Bill. In its current form, though, it will fail to fully deliver tangible benefits to the resource community. The bill needs to have enforceable mechanisms to ensure mines engage with council in order to achieve real population growth and active local business engagement, provide the opportunity to grow to service a mining project and provide acceptable contributions to deliver infrastructure and services required to support the mining project.

Cloncurry has been a mining town for 150 years and we are proud of that. We are the centre of one of the richest mineral zones in the world. The Advancing North Queensland plan highlights a number of projects based in the shire, and the future for mining in the area is solid. The key to unlocking future potential is to have strong local communities able to provide the base of a skilled workforce, the capacity to accommodate growth and the diversity to withstand challenges when they arise. Cloncurry shire looks forward to the continued engagement with the state to get a great result for Queensland.

CHAIR: Ben, do you have anything to add?

Mr Milligan: No.

CHAIR: Thanks, Dane. Do you know how many former FIFO workers now live in the town permanently?

Mr Swalling: No, I do not but it would not be a great number.

CHAIR: Do you have conversations with FIFO workers who say that they would come and live in the town if they had a choice?

Mr Swalling: No, not really.

Mr Milligan: I am a former FIFO worker from many years ago. I was given the opportunity to live in Cloncurry and I took it with open arms.

CHAIR: Well done. Cloncurry is better off. What is the number of mines and mineworkers in your shire?

Mr Swalling: In terms of FIFO?

CHAIR: No, the number of mines and the number of employees roughly. Just have a stab.

Mr Swalling: Eleven or 12 mines I think.

CHAIR: How many workers do you reckon? Most of them would be fly-in fly-out workers.

Mr Milligan: It would range anywhere from a mine of say 50 to 100 people up to 500 to 600 people—across that spectrum.

CHAIR: The majority of those workers are not resident workers?

Mr Milligan: FIFO.

Ms LEAHY: The majority of workers in those mines would be living in camps out of the main centre?

Mr Swalling: Yes.

Ms LEAHY: I am assuming the main centre is Cloncurry. I am not familiar with your shire.

Mr Swalling: Yes, the main centre is Cloncurry so the majority of them would be living in camps just off the mine site.

Ms LEAHY: How far are those camps from the major centre?

Mr Swalling: Ernest Henry is 40 kilometres. Dugald River is 65 kilometres. Phosphate Hill is 100 kilometres.

Ms LEAHY: If workers were to live in Cloncurry, they are not going to be travelling 200 kilometres on a daily basis to get to work?

Mr Swalling: No.

Mr KATTER: I remember talking to the operators of the health clinic once—Dr Bryan. I am a bit rubbery on the numbers but based on the population of Cloncurry he said that you should expect to have 300 or so people through the hospital every year and I think he said you were getting something like 900—

Mr Swalling: Close to 1,000.

Mr KATTER: It is the same as Mount Isa. Can you go through the pointy end? With health, for example, you have old people clogged up in the system waiting for FIFO workers to go through the hospital. Is there stress on other services in Cloncurry that are affected by having an artificial population? I think council was also involved with child care for a while to pick up the slack for parents.

Mr Swalling: We are definitely involved in child care. That is probably more at the hospital than the Flinders. The Flinders handles it well, but that is probably because they are run properly and they try to ramp up for those sorts of things.

Mr Milligan: The other thing to talk about is visiting specialists to the area. They are usually sized on the population of Cloncurry, but it is not uncommon for FIFO workers to need access to those sorts of specialist services. The local community probably does not get enough attention, if that makes sense, because they are focusing on the FIFO workers whereas if they were part of the community perhaps there would be a different formula to calculate how many throat specialists, podiatrists or physios need to come out. We definitely see that impact.

Mr KATTER: I thought he was talking about hospital numbers. If you had a stable population, that is what you would expect through the hospital. Perhaps they get funding for more than that, but I guess it creates anomalies across all sorts of services.

Mr Swalling: Yes.

Mr KATTER: Dugald River is a pretty good working example. It is one of the very few mines that are coming online. It is a non-coalmine in Queensland that is coming online. Can you go through a few details? It has a massive FIFO camp being built out there and it is only 50 kays from town. Would you like to give us some evidence on that?

Mr Milligan: I talk to MMG fairly regularly. I have a lot of meetings with MMG. The most recent involvement—Dane probably has a bit more on the history—is that we have been engaging quite strongly to encourage them—

Mr KATTER: Can we get some details? Is it 50 kilometres from town?

Mr Swalling: Sixty-five. There are 400 or 500 people 65 kilometres away.

Mr Milligan: Is that all you are after, Robbie?

Mr KATTER: I do not want to prompt you too much, but they have not given a commitment in terms of how much of the workforce will be based there? There is no set figure?

Mr Milligan: That is what I was getting to. From original conversations, I think council was expecting 100 per cent of the workforce was going to be FIFO. We have been engaging for a long time now. We are influencing and persuading; we have no legislative backing to force them to go to a residential workforce. Over time we are seeing their dialogue soften in talking about it. As of yesterday they are now talking about allowances to encourage people to live in Cloncurry. That is a positive for us but it was a long slog to get to that point. Even though we have got to that point, there is nothing in writing. There is nothing tied up in a contract or in legislation that requires them to deliver on some of those verbal commitments. We are really relying on relationships to get it this far.

Mr KATTER: Have you ever heard of anyone complaining about being forced to live and work in Cloncurry?

Mr Swalling: No, I have never heard of anything like that—definitely not. They would not complain to me about it anyway. I love living there.

Mr KATTER: Can you give us some details on Ernest Henry mine?

Mr Swalling: It is 40 kilometres away and it has around the same number, 400 to 500 people.

Mr KATTER: What is the estimated residential workforce?

Mr Swalling: At the last community forum they told us that 87 of the 400 to 500 workers live locally. The important part about that is that of the 87 who live locally the majority is upper management. The higher skilled jobs are not the fly-in fly-out jobs. The dump truck drivers and all the rest of it are the ones flying in and out, and they could easily be sourced locally or live locally. They are going about it the right way: their upper management lives locally. It is trying to get the next level down and the level below that to live in Cloncurry.

Ms LEAHY: I am interested in the nature of the workforce and the people who are in those particular mines. Is there any operational requirement for them to have to live in a camp? For instance, in my region there is an operational requirement for people to be there 24/7. If we have a gas-processing hub, because gas runs 24/7, they have to be able to attend and they have to be sober. They have to be there. I am wondering if that is the case in your region as well.

Mr Swalling: No, they are back-to-back shifts. I do not believe anyone has to shadow from day shift to night shift. That is my understanding of it. There is no real reason that they would have to be in a camp that I know of.

Ms LEAHY: You mentioned an allowance that one of the companies was offering. Do you know what that allowance comprises?

Mr Swalling: As in salary?

Ms LEAHY: Yes.

Mr Swalling: At Ernest Henry I think they get \$16,000 a year extra to live locally.

Ms LEAHY: They give my guys only about \$9,000 to live locally in the Surat Basin. That is interesting. Do you know how that operates? Does that encourage them to bring their family or is that just for the individual to live in maybe shared accommodation?

Mr Swalling: You would be residential. Whether you have a family or not, you would have to source your own accommodation in town. There is no camp of theirs in town or anything like that.

Ms LEAHY: Do they get that \$16,000 if they bring the family or is it just if the individual moves?

Mr Swalling: I am pretty sure it is if they stop living in the camp and stop using the flights.

Mr Milligan: I think Dane is right. Effectively there is no control around that. Once they relocate to Cloncurry, they are eligible for the allowance. I think the way Glencore approaches it is that it is a hands-off arrangement where they want them to become a part of the community and source whatever accommodation they think is appropriate for their circumstance in recognition that sometimes living in a small community can cost a little more than living on the coast, but the flip side is that you get to see your family or your friends every night.

CHAIR: Say the committee were to recommend, and it went through the parliamentary process, that all mines should employ local. We understand that there have to be fly-in fly-out workers at a mine. That is the way that they work these days. Do you understand the claims being made by mining companies with regard to sovereign risk, if they change the structure of their workforce? I do not expect you to know all the ins and outs of it.

Mr Milligan: No, I struggle to see that. I have been in mining for a long time and I do not quite understand that comment, I have to say.

CHAIR: It is a bit hard to understand. What about the issue of the distance from a mine to a boundary for people to be considered as local workers? At the moment they are talking about 100 kilometres, but out here it just does not work, does it? What would be your definition of 'local'?

Councillor Swalling: That distance would work for us, because we really only have Phosphate Hill that is much further than that, as far as the larger mines go. We are 65 kilometres and 40 kilometres.

CHAIR: Do you have workers in your area that you reckon should have a job in the coalmine, but they cannot get one? Have you spoken to anyone?

Councillor Swalling: No, I have not. Most people who want a job in Cloncurry have one.

CHAIR: Is your unemployment rate low?

Councillor Swalling: Yes, definitely.

Ms LEAHY: I apologise if you do not have a copy of the mayor's submission. In his last dot point, he refers to the social impact assessment process, stating—

SIA process to include the social responsibility of the proponent—like transport (Aurizon v Pacific National), local business opportunities

Can you tell me exactly what the council means by that particular dot point? Can you expand on that a bit more?

Mr Milligan: I think what Greg was referring to is that it is not just about the mines; there are all those supporting businesses, whether it is logistics or some of the those specialist mining-type contractors that also could quite potentially be based locally, rather than FIFO. With the particular example that he wrote about with Aurizon and Pacific National, we are facing the very real prospect right now where Aurizon looks like downsizing their operation and Pacific National is coming in, with the potential that we are going to lose Aurizon workers out of the town and Pacific National may use sleeper wagons rather than base locals. I think what Greg is getting to is that those sorts of impact assessments need to consider some of the other supporting-type industries, people or businesses to make sure it is not just about the mine; it is about the mine and everything else that supports that operation.

Councillor Swalling: Take the likes of the Yurbi rail loading facility. The Cannington Mine is not in the Cloncurry shire, but their loading facility on the rail is. That also touches on that issue, as that mine is not actually in our shire, but 50 kilometres from town is the loading facility. There is an effect there, so that they are not just all fly-in fly-out people, as well.

CHAIR: Have you had a good look through the bill?

Councillor Swalling: Yes, I have had a look through it.

CHAIR: When the Coordinator-General approves a licence for a mine to operate, they usually set out a lot of conditions. What are your thoughts with regard to the Coordinator-General actually doing his job and following up on the mines to see if they are keeping in line with the conditions of approval? Have you had much to do with the Coordinator-General at all?

Councillor Swalling: No, I have not.

Mr Milligan: No, I have not.

CHAIR: Is there enough monitoring of mining companies and mining operations with regard to the way that they look after their communities and the way they help their workforce? I am stretching things a bit here. I want to know if you are aware of the role the Coordinator-General plays and whether there is much evidence around Cloncurry of him doing the monitoring that he should be doing.

Councillor Swalling: No, we do not have any evidence of it.

CHAIR: So you have not met him?

Councillor Swalling: No, never. We have never had a council meeting or anything like that.

CHAIR: When a new mine comes into the area, does the mine management come in, sit down and talk with you in advance, so that you actually know?

Councillor Swalling: Yes, we have a process. That is the way it works, yes.

CHAIR: Do you feel quite comfortable about a new mine starting up with an understanding of the expectations from council?

Councillor Swalling: Yes, definitely.

CHAIR: Have you been successful in getting cooperation, so that they put money into the town?

Councillor Swalling: Yes, I think we have.

Mr Milligan: I think it is worthwhile mentioning that we definitely have with things such as no-fault or road-user agreements, which you will be aware of. We have had great success in engaging with mining companies to make sure that they pay their way—that is the way that I will describe it—so that the local community is not left with the burden of fixing roads after they have been destroyed through those sorts of efforts. To be honest, there is no reason why a process like this could not be modelled on something like that, as well. We find by engaging with the mining companies directly, we actually do get a fairly good response. We aim to make sure that we get the relationship early and maintain it to get the best outcome, not only for the community but also for the mine. If they are successful, we are going to be successful and vice versa.

CHAIR: Your PR is great. They should be looking after you.

Mr KATTER: Going back to the Ernest Henry mine, I do not know what percentage that is—

Councillor Swalling: Sixteen per cent.

Mr KATTER: Obviously, you would be pretty dissatisfied with that. You would hope this bill passes to allow some mechanism where the Coordinator-General or whoever comes back and, as the chair said, uses the new tools within this bill to force that number back up to 30 or 40 per cent, or some other nominal figure that is obviously a bit higher than 16 per cent.

Councillor Swalling: Yes, well and truly.

Mr KATTER: There are definitely a lot of people who should be in town and who could be accommodated.

Councillor Swalling: There are 100 empty houses in Cloncurry at the moment, so there is no need for there not to be more people living there at the moment.

Ms LEAHY: I asked this question of the Mount Isa City Council and I think it is a fair thing to ask the Cloncurry shire, as well. Are there any projects currently in your shire region that have an existing social impact assessment and is that working as you would hope it would work? What impact might you have had, as a council, on those conditions? If councils were actually able to have indirect input into the social impact assessment in your regions, what sort of things would you look for in that?

Mr Millgan: I am not aware of anybody having a social impact assessment. I have not seen one. I will talk about MMG most recently. For a large mine that is being constructed, you would expect that sort of work would be completed and, to be honest, it feels like it is an afterthought. It feels like it is us engaging with those mines to say, 'These things are important. Tell us how much money you are spending with local businesses. What role can we play to make those connections, so that local businesses can have a better go? What is your local employment plan?' What I am trying to say is that I think council is feeling that we should not have to pull that information; it should already be there as part of the project that is being developed so that it is very clear what they are committing to and how they are going to engage and be a part of the community.

In the next breath, I would say that I think that, through that engagement with MMG, we are heading in the right direction. We would like it to move a lot quicker, but we realise it takes time to form relationships and to keep reminding each other of the commitment that we have to each other.

Ms LEAHY: We heard earlier that you have about 16 per cent from Ernest Henry and you would like to see around 50 per cent. I know other communities are targeting 80 per cent and other companies do that. What do you think is a realistic target?

Councillor Swalling: I do not think it is a one-size-fits-all thing. I think you have to look at each project individually and work out where we are at. The big thing for us is that we want it to be sustainable for us, as well. If 100 per cent of them live there, but half of them or 80 per cent of them are actually living in a camp rather than living residentially, we would like to see them live there with their families in a house and add to the community. I think it cannot be a one-size-fits-all thing. It has to be each project on its merits.

Ms LEAHY: Do you think it should be a transitional process? You have 100 houses vacant. If everyone suddenly moves to town, you might have a few issues to house them all. Do you think it should be a transitional process over time?

Mr Milligan: I think we have to recognise that the aspirational target from council is 100 per cent. We would love 100 per cent, but we realise that it takes time to get infrastructure in place and build the housing and all the other services provided by the government—all those things. Yes, in practice it will be a transition and we understand that. I suppose the challenge that we see is, how do you start that conversation to get that transition starting to happen in a way where everybody is contributing, because we would say it could be a lot more effective than it is at the moment.

CHAIR: There is some talk about this legislation only covering mines post 2009. What are your feelings on that? Do you believe that all mines should come under the same principles of the legislation?

Councillor Swalling: Yes, we do, definitely. We certainly have a balance. We have a few new mines happening, but we have plenty of existing mines, so we definitely feel all of them should come under the same legislation, for sure.

CHAIR: In your area, would you have construction workers who would appreciate the opportunity to do construction at a mine locally and live in the town?

Councillor Swalling: Yes, for sure:

CHAIR: We might leave it at that, unless you have something to add? Something you probably do not realise is that the committee has been around and talked to a lot of people and we keep hearing the same things over and over again. That does not mean you should not have the right to have an

input, because sometimes a surprise is there. People come up with surprises. For example, the Isaac Regional Council came up with some great stuff and it was really worth it. We have learnt the same thing here this afternoon, so thanks for your time. It is much appreciated.

Councillor Swalling: Thank you for your time. We really appreciate you being here in North-West Queensland. It is great.

Ms LEAHY: Beautiful North-West Queensland.

PROOF

GRAHAM, Mr Glen, Chief Executive Officer, Mount Isa to Townsville Economic Development Zone

Mr Graham: Thank you for inviting me as a witness to the public hearing to be held in Mount Isa today. MITEZ is the regional development organisation responsible for the seven local government areas between Mount Isa and Townsville. For many years MITEZ has provided submissions concerning FIFO to both state and Commonwealth governments as the impacts of unregulated FIFO have been experienced to the detriment of local communities and their economies. MITEZ believes the Strong and Sustainable Resource Communities Bill 2016 should allow large resource companies, regional authorities—for example, local government—and employment recruitment agencies to have a clear understanding of the requirements for operating in the resources environment. MITEZ is providing to this hearing a document we have prepared as a broad overview of FIFO issues that MITEZ has considered as well as our response to the various sections of the document covering the Strong and Sustainable Resource Communities Bill 2016.

A key point we would like to emphasise is that we would like to see the final wording of the act constructed in such a way so as there is no ambiguity in relation to what percentage of FIFO could be employed by a large resource company so as to satisfy the requirement of the act. There are concerns that employing just one person from a nearby community could be construed as complying with the act in relation to prohibiting 100 per cent FIFO. Through a clear understanding, this should avoid any unnecessary litigation that could result from any possible breaches to the act which would become an added impost to the delivery of resource projects in the region. A fair go for all concerned would be the best outcome. The other key point is that MITEZ works together with all levels of government, as well as with various levels of industry, to encourage investment and we work to ensure enablers for growth and development are available such as energy, water, transport, communications and labour. Therefore, so as not to discourage new projects, we believe the enforcement of the act should not become a constraint to progressing large resource projects in regions such as ours either in the construction or the operational phase of these projects. However, during the EIS, and particularly the social impact assessment, there needs to be agreement between the proponents of the large resource projects, local government and the Coordinator-General about the percentage of FIFO and residential workers to be employed on these sites. Our written submission provides further comment in relation to the challenges of establishing projects in isolated areas such as the North West Minerals Province, and this is from David Glasson, our president. I am sorry that I have not forwarded you in advance the submission that we have made, but I want to hand it to the committee if you are prepared to accept it.

CHAIR: Is leave granted for it to be tabled? As there is no objection, it is tabled. Done.

Mr Graham: Thank you.

Mr KATTER: We have Mount Isa and Cloncurry, yet MITEZ takes consideration of a broader footprint than those two towns. I ask you to give a bit of background to show the complexities out here in terms of Century Mine because we got a good local workforce out of that. It was a pretty complex situation which did have some FIFO but then it got some local content. Could you explain a little bit about that experience in terms of location et cetera?

Mr Graham: With the establishment of the Century Mine going way back to the land use agreement with the ILUA, there was always an understanding that local people would be engaged where possible on the project. I imagine there were a lot of other conditions that also applied to the agreement that was reached for the Century Mine, even though the management—the ownership—changed hands probably four times during the life of that project. The end outcome that was achieved was probably pretty good as far as employment. There may be comments that some other legacy infrastructure could have been agreed upon earlier in the piece—and that is probably a lesson to be learnt—but there is a time and place. It was interesting to hear the comment by the previous speaker that, with the social impact assessment being part of the EIS, it is probably important to capture these things at that time rather than try to come in later on and say, ‘What about this and what about that?’ It makes it a bit harder.

Mr KATTER: Just to tease that out a bit more, you get a lot of push back from mines saying that it is too hard to achieve. Everyone celebrates ‘Twiggy’ Forrest’s achievements with engaging an Indigenous workforce, but Century had better numbers in terms of recruiting a local workforce and keeping them in the mines for 15 or 20 years over the life of that mine. Is that correct?

Mr Graham: There would probably be some people who are still there even today as part of the clean-up and the rehabilitation.

Mr KATTER: So it was done pretty effectively there then?

Mr Graham: I would say it was done effectively, yes.

Mr KATTER: That is a very remote area.

Mr Graham: I think that in this 2017 period we are seeing more of this happening, Robbie. Just look at the process that has gone on with the Northern Territory gas pipeline with the commitment to employ local people on that for the construction side of it and I believe in tomorrow's *North West Star* there is going to be a report on that.

Ms LEAHY: Mr Graham, it would be very interesting if you could perhaps expand—without taking away from the *North West Star's* story tomorrow—how you might have achieved that local content in that north-west gas pipeline.

Mr Graham: During the process of their EIS, they obviously engaged with the people that were required such as the traditional owners and the local governments. The expectations of the local people would have been made quite clear and in the final document for the approval of that project—which would have been approved both at the Northern Territory government end and the Queensland government end—they would have been satisfied that those expectations were going to be met. I believe that they are being monitored quite strenuously by both governments to make sure they are met, even right down to the detail of the numbers of people to be employed.

Ms LEAHY: Are there any percentages that might be available in that document of local employment?

Mr Graham: I am sorry, but I cannot tell you that.

Ms LEAHY: Would you be interested in taking that question perhaps on notice and coming back to the committee? Would that be okay?

Mr Graham: Yes, that would not be hard at all to do. We deal with the people who are the coordinators of that project and they would be able to tell us that.

Ms LEAHY: That would be very much appreciated.

CHAIR: Is it fair to put a percentage on a mining company, and I am talking about all mining companies? Is it fair to put a percentage on those companies with regard to the number of people that they should employ locally?

Mr Graham: My view would be—and I would imagine our members would reflect that as well—that I made a comment that it has to be fair for all and there has to be recognition that some of the smaller communities may not have the capacity initially to provide 100 per cent of a workforce because of who is available in the town. Provided who is available is given that opportunity and that anyone who comes along and applies later is given an opportunity, it is likely that resource companies are going to have to look further afield for positions that cannot be filled locally, and we accept that. That is just part of the game.

CHAIR: If we went through another boom like we have just been through, the numbers would not be in the region to put a percentage on a mining company with regard to local employees.

Mr Graham: Right at this present time there may be a greater percentage available than there was five years ago. I am not in the department that would be able to tell you that, but there would be a fair number of people who are available right now. There is also capacity in the contractors around town for sure.

CHAIR: Do you believe that workers should have a choice about where they live and work? Should they choose to live down the Gold Coast and work here and travel, is that okay? Is it also okay for a person to say, 'No, I want to take my family to Cloncurry and I want to live in the town and work at the mine'?

Mr Graham: We have been part of previous discussions involving that issue where some mining companies have chosen to provide incentives to those who will choose to live locally that are not available to those who do not and maybe that needs to be pushed further, because right at the moment because of the nature of the boom and bust people who were previously being flown to Western Australia as FIFO workers are now having to pay their own flights to keep their jobs. That has become a reality for them, but prior to that there was a sentiment in this part of the world that companies were paying the cost of flying people in from the coast as well as boarding them and feeding them and paying them the same salary as the local workers. That was addressed by the Ernest Henry mine where they decided to recognise that and pay an additional payment to the local workers because it was known that the company was paying for the flights and the food and so on

for the coastal workers, and I am pretty sure that would still be in place. That is something that could be utilised across-the-board to provide some equilibrium in the incentive. What I am saying there is if you do not live in Mount Isa or Cloncurry or wherever and you are going to live somewhere, then you do not expect to get the residential payment.

CHAIR: Do local women have access to jobs in the mines in the cleaning or catering areas?

Mr Graham: It has been the case, but that could change from week to week or month to month. It just depends on the vacancies that are there and they can only fill the vacancies that are available. Any local person would certainly, in my mind, be encouraged to apply if they had the skills.

CHAIR: I think we are thinking along the same line, but my question is this: are women getting access to these jobs?

Mr Graham: I think so. There is no gender discrimination. In this part of the world you see women driving huge dump trucks, you see women as secretaries, you see women that are accountants and all sorts of things. There is no discrimination about sex.

CHAIR: As long as they are getting a fair go.

Mr Graham: Exactly.

CHAIR: I just want you, if you can, to tell the committee about the suppliers to mines in the area—the food, alcohol, bed linen and all that sort of thing. Is Mount Isa or Cloncurry getting any benefit out of that?

Mr Graham: Probably not to what we would expect, and it comes down to expectations as well. We have seen that a lot of purchasing is done on a national scale or even a global scale these days which quite often cuts local suppliers out of having that ability to tender perhaps. Some of the tenders are made back in the group office in Melbourne or perhaps overseas and there has been concern that local suppliers may be missing out on that opportunity for tender.

CHAIR: What would you do to try and correct the situation with regard to the way workers are sourced these days, particularly given that we have the advertising which says you must live in South-East Queensland or in Cairns? A couple of weeks ago in the Bowen Basin the workers had to come from Townsville—200 workers—because they said there were not any workers locally. What is your view with regard to that type of approach to employment?

Mr Graham: If a large resource company is going to go down that track, once your act has been enacted I think they are probably going to have to make some justification for that probably to those who they had indicated how they would operate at the stage of the EIS. They would probably need to go back to the local government and say, 'Things have changed here. There's a mining boom on. We can't find any local people for these jobs. We're going to have to advertise,' and I think it is as simple as that.

Mr KATTER: Glen, you have dealt with a lot of councils and mining companies over the years and seen them come and go and start up. Probably part of the risk the mining industry sees with this is that if councils get too much of a say in this. If they are an aggressive council they will try and block it, but my experience has been that most councils want the mines in their area and do what they can. Do you see it as a risk that they are given the opportunity to get involved at the front end and say, 'No, we want 50 per cent of the workforce here'? Do you see councils as being really high risk to these mines? My experience would be that most councils want them there but might put some conditions that they see fits their housing program and their local infrastructure.

Mr Graham: One would hope that common sense usually prevails and for most councils one of their main pillars is economic development and assisting projects, not putting up obstacles. However, there are groups that have a particular agenda which could become a threat in that area, but fortunately they are not the only authority in the equation. The Coordinator-General generally steps in if such problems should arise to smooth things out and resolve issues before they become project stoppers.

Mr KATTER: By and large do you think they have crossed the threshold of fairness? Would you say that usually councils have been very accommodating in trying to make things happen in those areas?

Mr Graham: In this part of the world it is certainly the case. We certainly live by what we are. We are a mining hub for the world and should continue to be that way.

Ms LEAHY: You touched on local procurement and how local businesses are perhaps not getting the benefit they should from some of the industries in the region. Do you have any ideas about how that could be improved and whether the bill actually improves that or whether that is a matter for the social impact assessment working in conjunction with local government to set those parameters?

Mr Graham: My interpretation of the document with the bill, which I have studied, does not seem to have any comment about local procurement. I do not believe it handles that, but certainly an EIS should handle that and the social impact. They may not be direct jobs at the mine site or with the mine, but they are certainly associated jobs in the community that are mining related. That is why it is very important that those opportunities are considered along with these projects.

Ms LEAHY: Do you think the social impact assessment process will be sufficient to deal with some of the local procurement matters and issues for those second, third and sometimes fourth tier businesses that are associated with the mining industry?

Mr Graham: I am very much aware that the department of state department locally in Mount Isa works very hard to engineer for opportunities for local businesses, but it always takes two to tango. You are talking about the supplier and customer coming together. To that end, Commerce North West, which is Mount Isa's equivalent of a chamber of commerce, stages biennially the Mount Isa mining expo which is really designed as an event for buyer to meet to the supplier and where a lot of deals are done. However, those deals always come down to price and value. It is a commercial world.

Mr KATTER: I am going to pick on Mount Isa Mines here. I put on the record that they are probably one of the best performers in terms of the copper business here and having local employment. All the same, through that boom we would constantly hear at the community information sessions that it has a 99 per cent residential workforce, but we would see the airport full of vehicles. We knew that was not true. People on the site would say that is right. I think it was through the contract workforce expanding on site that it is a hidden figure. Is that a factor? If there is more of a contract workforce it will be FIFO, but when they are handing in data or presenting to the community they will say that they are at 99 per cent residential?

Mr Graham: You are talking about a company that has been around for nearly 100 years. They are probably not under any obligation at this point under the legislation that we are talking about. I read this as being more to do with new projects and large resource projects coming in and establishing their credentials and producing their EIS and social impact statement. I would say Glencore may have done that donkey's years ago. I think we are not comparing apples with apples here.

Mr KATTER: That is something that you would have to watch in terms of how they facilitate this legislation. Would you recognise that that can be a rubbery sort of figure that gets thrown around when a mining company says—

Mr Graham: We spoke about it before. If a new project comes up and it waltzes into the local government office for an initial meeting with the mayor and the CEO and says, 'We have our social impact assessment to do,' much the same as has happened with the Tennant Creek pipeline, 'what is your expectation?' The council says, 'We want at least 50 per cent local here.' As I said to Jim, the coordinator-general who is monitoring the Northern Territory would want to make sure that those targets are met and made known. It is up to those to live up to what they say they will do, I believe.

CHAIR: Thank you very much, Glen. It has been valuable input. We appreciate your time.

KNIGHT, Professor Sabina, Director of the Mount Isa Centre for Rural and Remote Health, James Cook University

CHAIR: Would you like to make an opening statement?

Prof. Knight: I live here in Mount Isa. I wanted to raise several issues in relation to the inquiry with you. Mining definitely sets the tone for employment trends in regions. I would like to talk more broadly today around workers as both residents and social, human and financial capital to communities. The unintended consequences, that you have heard a lot about, with the fly-in fly-out workforce are that none of the human, social and financial capital benefits the communities and it all goes elsewhere. The knock-on effect of having traditional fly-in fly-out extends beyond mining and can affect education, health and professional services and so normalises the living elsewhere behaviours that we so frequently encounter. The incentives for companies to fly in their workforce outweighs the potential financial incentives for them to support their workforce to live locally or to relocate locally.

One of the things that is important for this inquiry is to look at this not just at the state level—the legislation which you are recommending—but at the COAG level, at the national level. Work needs to be done with the minister for regional development, the finance minister and others around the unintended consequences, tax incentives, retention payments and those sorts of things which are currently incentivising people, particularly professional folk, to live elsewhere.

You have asked my colleagues today: does the region have the capacity to provide a workforce? In general the region does. It would develop the capacity to provide a workforce for any project if it were able to develop over time. We need to create a training and career pipeline for young people and for people who are looking for career changes to develop their careers—that is, school leavers seeing a future for themselves, traineeships, apprenticeships, professional careers where the work is available.

At the moment we see behaviours of the large companies wanting an instant worker. They want the worker who has been prepared, who has the qualification, the skills, the docket, who can start work tomorrow. So there is no incentive in the system to develop the workforce. There is a lack of incentives in the system to develop that workforce locally.

We know that there is a significant cross over between the pastoral industry and the mining industry, for example, and that ramps up in times of drought. That certainly occurs in your electorate Ms Leahy and in this region as well. That has been of great benefit to both industries. We have seen an uptake of some of the safety culture applications between the two industries and that has improved our industry. Being able to move between different professions is important. If you are a human resource professional you can work between different companies. It is not just mining companies, but being able to work in different settings—public and private.

I see that one of the things that is important in this bill is to consider what the levers or influences might be that can incentivise longer term commitment to building a workforce in and for a region. It is not just the percentage of workers who must be local. Some of the preconditions you talked about were how many of those would be in traineeships which would have, under usual circumstances, a likelihood of having careers at the end of their traineeships or apprenticeships. It is important to have relationships with the VET sector and university providers to be able to promote the range of careers that will be needed across the life of the mine and that may be applicable in different areas. Importantly, people need the opportunity to reskill when technology changes or other things change.

It is not a fixed thing to have a workforce which can be just attracted or employed locally. We have those pre-conditions set so that the big employers, such as the mining companies, are interested beyond what they are currently interested in. At different times they will have different levels of interest. To incentivise the companies to be more interested in order to build the workforce locally is more than just a number.

They are the main points I wanted to raise with you. You have heard from my colleagues and the mayor. I have read some of the submissions that people have shared with me. There is no need to repeat that. I am happy to answer questions.

CHAIR: I am very interested in what you are saying. Given that mining companies already get a massive total of incentives, do you think we should be asking the taxpayer to pay for apprentices and trainees as well?

Prof. Knight: No, but there are incentives in the system for mining companies and big employers. They can generally price their activity for their investment. Their costs of operation are offset against their profits. We are talking about in the preconditions being able to incentivise the

long-term development of the workforce in and for the regions. We have seen in the public and the private sector a significant drop off of traineeships, particularly in the trades. The big public companies—the department of housing or power and water, as an example—would have a lot of apprenticeships. We have seen that drop as more and more of that work has been privatised. All companies are wanting a ready qualified worker.

If we want to create career pipelines in our regions then we have to join up that pipeline for young people and people who want to make a career change in the regions to be able to enter those careers and be work ready or progress along that path. I too get on those planes and travel for work in different parts of Australia. I meet people who are flying from here to the west and from the west to here. We have a very high unemployment rate in our region.

Mr KATTER: Sabina, often a lot of pushback in relation to mines is that we do not have trained people out here. I know you touched on that and you have gone into it a bit, but if I can try and tease that out. There is always what I would call an excuse given that we do not have sufficient trained people out in these areas.

Prof. Knight: It is true that if you all of a sudden want a particular qualification that previously has not existed or there has not been a high demand for it is unlikely it is going to be available locally, but you can upskill people towards that and you can plan towards it. These are not usually dramatic surprises. We see this not only in mining; we see it in health education and professional services where, unless we are deliberately working towards creating those high-level skills in and for the region, we do not get them and we are reliant on short-term contracts and flying people in and out. That is not sustainable, it is expensive and, for all of the other reasons we have already described, it does not benefit the region. Reorientating the activity of the service—my experience is in health and education—to where you can create that pipeline you do get results, but you must be committed to it.

CHAIR: I think we are getting away from the bill a bit, but I appreciate your input because you are raising valid points.

Prof. Knight: Mining employs not just technical workers but a whole raft of employees. You asked about purchasing and other services associated and they service the whole community so yes, it does relate.

CHAIR: We will take a 10-minute break now and resume at 3.10.

Proceedings suspended from 3.01 pm to 3.13 pm

KATTER, Mr Bob, Federal member for Kennedy

CHAIR: Thank you. We will resume the hearing and I call on Bob Katter, your federal member.

Mr B Katter: I would like to commence my hearing by quoting from the *History of Australia*, which was a bestseller. It sold about 20,000 copies. The book starts off with a quote from a Doomadgee councillor at Doomadgee. It says, 'You don't come here and tell me what's what and that's that. This my land. This my land.' About 120,000 Kalkadoons died fighting, just trying to hold on to our land. We may be the biggest landholding group of people on earth. We hold on to a fair bit of it.

This is my land, Mr Chairman. You do not have the right to come here and take my resources and give me nothing. In the old days, you could say that we got a lot of compensation for the land being taken off us. Now, we are losing. For those who say, 'The government can't anymore, it's impossible now to stop fly-in mining,' there is a period of Australian history where the greatest growth in mining occurred in the nation's history by a million miles. In this period of growth, almost every single one of the iron ore mines working now was opened up. In this period, almost every single coalmine in Queensland was opened up and in this period both presiding governments—Charles Court for 15 years, I think, and Bjelke-Petersen in Queensland—banned fly-in mining. You were not allowed to do it.

If there is any doubt in anyone's mind at this hearing that it was banned, I will get them the newspapers in Townsville, where three mines announced fly-in mining. I announced the next week that there would be no fly-in mining. Then, three mines in the Emerald area announced that there would be fly-in mining and Vince Lester, the next week, announced that there would be no fly-in mining. All six mines have their workforce based locally. The only mine that refused to do it, Ben Lomond, is not a mine today, because we just said, 'If you're not going to do it, that's fine. You won't mine.' They do not mine. There is no mine there today. You say that it cannot be done. In the period of the greatest growth in Australian history, almost every mine was opened up in that period. I am not saying that they were working in that period, but they were established in that period. It was never a restriction on growth.

When I first came to it, this was a town where maybe a tenth of the town was still tents. It took us 11 hours to drive from Cloncurry to Mount Isa and only extremely rich people could dream of an aeroplane. Yet when I started work here 7,000 people were employed here by MIM locally—locals. I doubt whether there it would be 1,000 now, but that is for other people to comment upon. In my home in the midwest—Cloncurry, Richmond, Julia Creek, Hughenden and, if you like, Winton thrown in; the midwest towns as they are called—we had a population of about 11,000 and I doubt whether their population now is 6,000. That is true for all of inland Queensland. The towns should be prospering.

When Collinsville was in the electorate that I represented—I was the member of parliament for Collinsville—there were 6½ there. They tell me now that there is 1½ thousand. Whilst Collinsville mines has cut back, the mine next door, which is owned by Glencore, has not been cut back. In fact, it has expanded. There are over 1,000 empty houses between Moranbah, Collinsville and Charters Towers. George Christensen claims that there are 3,000 empty houses in Mackay. Townsville has the highest unemployment in Australia. You get on any plane coming north out of Brisbane and you can see what percentage of people on that plane are fly-in miners coming from Brisbane—not even from Townsville, or Mackay, but from Brisbane.

If you say, 'It can't be done,' who were the great heroes of Australian mining? I would say George Fisher. He created arguably the greatest copper mine in human history, namely, the Mount Isa copper mine. There are other people, but I would say George Fisher. I heard him in a speech. He said, 'I have a dream that there will be a great inland city called Mount Isa and there will be a huge population here and prosperity for everyone.' You are looking at a city that is going backwards. I could use the word 'dying' but a lot of pejoratives would be put upon that. We have gone from 32,000 down, I think, to under 20,000 and it is not stopping there. That is not to do with employment; it is to do with government policy that has allowed these people to do this to us.

Why was it done? The human relations officer—and I do not have permission to use his name but I think I could get permission to use his name; he was the boss of relations here at the mine—dealt with the unions and everyone else. He later on became a member of parliament for this area. He is not Labor, by the way, this bloke. He said to me, 'Mate, fly-in mining has nothing to do with more efficient mining.' He said, 'It's all about smashing trade unionism. That's what it's about.' To quote one of the bosses at Mount Isa mines, he said, 'We want the boys not going down the pub saying what a bastard the boss is; we want them to be mowing their lawns in Townsville watching the waves

roll in.’ That was a direct quote and I wrote it down at the time. I quoted George Fisher. He did not aim to have people fly in, or drive in, or railway in; he aimed to have a great city here and worked the people out from this great city.

The second person I will quote is John Maitland—the most powerful trade union leader in the country in his day by a long way—head of the CFMEU and the creator of the great edifice that exists today. I was at his vale speech, where Neville Wran and Bob Hawke gave the speeches. This bloke is a heavyweight. John said, ‘People say that I hate bosses. Bobby Katter knows that I never hated bosses.’ He said, ‘I got on well with bosses. Our kids went to school together. We lived in the same town together. We were on the Rugby League committee together.’ He said, ‘We had to get along.’ He said, ‘But now, the bosses don’t live in the town, our kids don’t go to school together and a class divide has opened up a mile wide,’ he said, ‘To a point where people are opposing new mines and throwing up barriers to new mines because they say, “It threatens the jobs we’ve got.”’

The next one was Tony White who was, I think, the most successful mine manager we ever saw in Mount Isa. I said to him, ‘Whitey, if someone came to you and said, “I think we should have fly-in mining at Ernest Henry,” which is 26 kilometres out of Cloncurry,’ he said, ‘He would not get to the door without writing out his resignation. I would sack him immediately for insulting my intelligence with such a ridiculous proposition.’

To put teeth on that, I worked as an unskilled operator, although at this point in time I was a plant operator at Mount Isa mines. I came on shift at midnight and one of the units was offline, so the entire production of the lead smelter was stopped. We were losing \$250,000 then—and this is back 100 years ago. All production had stopped. The leading hand came up and the foreman came up, because it was my responsibility, that storey of the palletiser plant. I said, ‘I’ve searched everywhere.’ I had a torch and I was lying on my back trying to look at pipes. I said, ‘I can’t find anything.’ There were safety tags on the door, so we could not do anything. He said, ‘Who put the safety tags on? Where is he?’ I said, ‘He goes down to the RSL there.’ ‘What? Late at night?’ I said, ‘Yes, he’ll be down the RSL.’ We went and chased him up and dragged him back. He had screwed a bolt back on, but he had not screwed it on tight enough. He was right to leave the safety tags on, but it was not screwed on tight enough and the whole thing would have blown out and destroyed a small but significant portion of the whole lead smelter if we had gone ahead. If he had gone back to Townsville after finishing his shift, we would have been a week finding him. He was that sort of bloke. I do not know where he would have drunk in Townsville. That is why Tony White said, ‘He would not get to the door without his sacking.’

I would like to say, Mr Chairman: why do we work? Why do we go down dangerous mine shafts, which are intrinsically dangerous, mining with big machinery? Why do we do it? Because we want to have a home and a family. We want to have a nice secure income. We do not have any time with our family. We do not see our boys play football. We do not see our daughters at the eisteddfod, or at their speech night and graduation. We do not see any of those things. What we work for has been taken away from us.

In the good old days, governments would do a deal. We did not just brutally say, ‘You’re not allowed to have any fly-ins,’ we said, ‘Can we help you?’ We built 6,000 kilometres of railway line. We built the entire line from here back to Townsville. It was built with government money. We had some undertakings by Mount Isa mines but, basically, we raised the money, we took the risks. It was our money that went out there to build that 1,000 kilometres of line. Obviously, most of the lines went to the coalfields, but all of the lines into the coalfields were built and owned by the government.

When our government fell—it is nearly 30 years now since that government fell—there has been 90 kilometres of railway. This is the official figures that the department gave me; I do not know if they are correct or not. There have been 90 kilometres of railway line built. When I say that, there were contracts in place in the late 1980s to build lines, which the government was committed to. Take those out, and 90 kilometres of railway lines has been built. The government is making no infrastructure at all—in fact, just the complete opposite. The government still owns the railway line back to the coast and the government has put a nine per cent charge on their asset. Of course, no-one can afford to use the railway line. Mount Isa mines now is not using the railway line; they are using the road and it will be the government’s jobs to repair the road.

CHAIR: Bob, you are a great historian, but I would like you to talk a little bit about the legislation that we have here.

Mr B Katter: The legislation in my opinion, Mr Chairman, is not going anywhere near far enough, right? If you tell me that it cannot be done; it was done in the greatest period of growth in Australian history. This is all a matter of public record. In West Australian Inc., bribes were paid so

they did not have fly-ins. What I am saying to you is why was such an enormous success story thrown away and replaced by a program that has seen the whole of inland Queensland—every single town—dying and men being forced into cities where you have to pay for infrastructure, 200 overpasses in Brisbane, 24 kilometres of tunnels? It is going to get worse and worse and worse if you try to have everyone living in Brisbane. If you put them back out here, we have the infrastructure to take another 20,000 people between Hughenden, Winton and Mount Isa. We can put an extra 30,000 people here for nothing. They were all there before. All we are saying is give it back to us.

I go back to my original point. There is a matter of ownership here, Mr Chairman. One of the greatest men in human history who wrote the Magna Carta said, 'We, the free man, has a right to sustenance from the King's domain.' Even if we say that the Crown owns the minerals, even if we admit to that, we still have a right to sustenance from it, which we do not have. People from the cities have that right. Why do they have that right? Because they want to break trade unionism. They want us to be working for nothing in this country.

There were 167,000 section 457 workers brought in the year before last. I have not seen the figures for last year. If we do not like it, they will bring the people in from overseas. If you walk into the federal parliament—and I am also giving you another history lesson—I salute the first member for Kennedy, for this area. He was one of the founders of the Labor movement in Australia. When we broke through and got arbitration and a fair go, the first thing the mining companies did was bring the coolies from China and the Sinhalese in from what was then called Ceylon. We still have them give our jobs away.

In six of his first seven speeches the first member for Kennedy railed against the importation of workers from overseas. Where is the member for Kennedy today? In parliament railing against the importation of workers who are taking our jobs. It is bad enough when they come from Brisbane but infinitely worse when they come from overseas. I would say the average payment now in real terms for a worker in the coal industry is half of what it was 15 to 20 years ago. That is the result of these two pernicious things: the government just walking away from their responsibilities with regard to fly-in fly-out mining; secondly, the federal government's decision to fly workers in from overseas.

I was also mines and energy minister when the government fell over and I know what it is like to employ people and how difficult it is to get people to work in your mines here, because I was an employer and I employed people to work in my mines. I was a labourer here for effectively a couple of years just labouring as a worker mostly in the mines.

CHAIR: Thanks, Bob. We have a number of witnesses to go and I understand that you have to move on, so we brought you forward.

Mr B Katter: Do you have any questions?

CHAIR: No, I have consulted with my colleagues.

ASHMORE, Mr Glen, Private capacity

TURNBULL, Mr Gibba, Private capacity

Mr Ashmore: My name is Glen Ashmore. I own a large accommodation facility within the boundaries of Mount Isa and a motel and a huge number of other residential real estate. I have a slightly different view about where we are at, so I would like to have a few words after Gibba.

Mr Turnbull: I am Gibba Turnbull, a long-time resident and Mount Isa businessman. I own a car wash in Mount Isa, an accommodation complex, some storage sheds and several houses.

I am here today about my concerns personally as a businessman. Fly-in fly-out has affected Mount Isa severely in the past eight years, particularly in the accommodation sector, as over the last two and a half to three years we had that big downturn and the camp that they built out at George Fisher and places like that. That was disbanded probably two years ago, and really the accommodation industry has not picked up from that purely because a lot of jobs have gone as well with that fly-in fly-out and the downturn in mining has not helped either. Things are not getting any better.

I personally grew up in mining here in the 1970s and 1980s, and I can remember that my father—we came from Redcliffe to Mount Isa—had to be here to get a job. I have been in mining in Mount Isa for 38 years and I have lived on the coast in Townsville in the last four years. Up until nine months ago I had three employees out here with the car wash and the accommodation, and now I have no employees because I am out here doing all my own work. My family is in Townsville and obviously I am out here a lot. I probably spend 10 weeks out here and I go home for two weeks, and that has a lot to do with how fly-in fly-out has affected this region so it also affects my family life. Prior to that I had a labour hire company out here, SUMMS Labour Hire, and at the height of the boom time we had 75 employees. Then along came all the fly-in fly-out people from Brisbane, the Gold Coast and everything and we suffered very badly because of the other companies that came in and were fly-in fly-out. That affected us hugely and we closed that business down. Over probably the last 10 years I have virtually gone from employing 70 to 80 people to me, and that has been heavily affected by fly-in fly-out. I think it is a good story because it is a true story.

I am a next-door neighbour to Glen with my accommodation, and the fact is that our rates are not getting any cheaper. I have gone from probably 40 per cent in the last three months down to 10 per cent, as in people making bookings or people staying there long-term, and it is not going to get any better. I can foresee that in the next six months with the accommodation side of it I am likely to go to council and get my accommodation status deregistered and just live there and have some family members there because it is a good complex. We are barely making \$1,000 a week compared to when we had good clients and workers we were probably making \$3,500 to \$4,000 a week, so we have suffered.

CHAIR: What you are saying is that fly-in fly-out has put you on your knees.

Mr Turnbull: Yes. The banks do not help. We are not here to talk about the banks, but a lot of people have suffered from the actions of the banks as well. I think that is about all I have to say, but thank you very much for the opportunity.

Mr Ashmore: I have quite a bit I want to say. I have two or three major points.

CHAIR: We do have other people to hear.

Mr Ashmore: I understand that, but I will not take long. I want you to hear my points because I know that Ms Leahy is sort of on track already because of what she said. My first point is I find it really difficult when someone says fly-in fly-out—or whatever it happens to be, FIFO, drive-in drive-out—because what does it mean? What is the definition? Let's get real. Today I did not know until probably three-quarters of the way through that we were talking about fly-in fly-out from major mining companies only. Robbie started saying before about contractors. I can assure you that more people come to this town as fly-in fly-out, for want of a better word. They come here to do the work that is required because there are specialists from around the world that are needed here. We do not have them all. I think it is a great idea that we are looking at it. I think it is certainly part of it, but I think you have missed the main part of the cake.

The main part of the cake is that when I have 20 people staying with me—I call mine a motel, a hotel or an accommodation facility, whatever you want to call it—because I am in Mount Isa in the city, the benefit to this town is about one for one in employment. I have not heard anything about other than trying to employ a small percentage of people to be miners. I do not want to say that I approve of fly-in fly-out, but I say that everything has to be looked at. The ones who do come here

and deem Mount Isa to be their home for three weeks out of four, or 18 weeks out of four or 56 weeks out of four—and I do not have miners per se. Mine are building schools, motels, nursing homes, power stations, gas pipelines and all those sorts of things. I would dearly love everyone to have a look at the document they created for the gas pipeline, because they have tried to have all local and all Indigenous where possible. They are living inside Mount Isa where the accommodation supports the town and the workers who are not working for that particular project. I will say it again: I have one in five staff for every five that stay with us including groundsmen, cleaners, cooks—you always need two lots of cooks for every shift—and it goes on and on and on. Plus I spend an awful lot of money in town, and I can assure you that some of the food supply places in town would have at least a staff member to look after me as well. If we are going to talk about fly-in fly-out it has to be very specific, because here in Mount Isa we have the mine. I find the fly-in fly-out mine has been very negative for Mount Isa and I agree with everything that Gibba said. Fly-in fly-out for the contractors and trades, building and construction and all those other jobs, the medical, lawyers, legal—everyone in this room without a doubt benefits from people flying in. Unfortunately, fly-in fly-out is about equivalent to labour, as in the labour force, because we have fly-in fly-out in every city and town in Australia far in excess of us, and the government is the main one. Fly-in fly-out go into hotels and motels, but they are in the catchment area of the local government where they can get rates and they get fed from the local communities and the local businesses.

What I am proposing today is that you seriously consider getting whoever is required to do it to ban them, allowing to put accommodation, food and the supply of anything you can possibly get, get them to stop supplying resources or whatever and make them go to any community within 100 kilometres. It is a totally different scenario but the same result. If we had 300 fly-in fly-out and 300 locals that is probably the best combination because all the houses would be full and most of the units would be full. If we had a town where it needs another 500, then the mine should build that accommodation within the rate catchment area of the government. Just so Gibba knows what I am talking about, the local council gets \$2,000 for every toilet that I build for a person to sit on. When I am half full that is \$4,000 every year. How are they going to go if I do exactly what he does and deregister? I will get 138 and my rates are nearly \$200,000. I also have 20 employees when we are half full. There is a huge potential for employment. There is a huge potential for everything. The guys from Cloncurry were on the right track: bring them back into town or make them spend in the local community. I do not know how better to put it, but I am sure that somebody can pick up from there. That will do me, I think.

Ms LEAHY: I am interested in the makeup of your city-side accommodation. Is it motels or units? I do not know Mount Isa so I am just interested in how it is made up.

Mr Ashmore: I will go through it a fair bit, because I do quite a lot with the whole community and we have many regular meetings with all the businesspeople. Gibba's facility has some single-room shared kitchens; he also has some motel style units. He also has two-bedroom units in there as well. My motel is all family, 25 units. My Leichhardt accommodation is 138 en suited rooms of a very, very high standard. We have one of the highest ratings on Trip Advisor for tourists. As well, when the guys are there they have a gymnasium, a pool, the best food and the best everything. I have always said they spend \$400 in accommodation, they spend \$400 in food and they spend \$400 in entertainment. I am involved with the tourist association, and they go through the local museum and they sometimes stay and go to Lawn Hill and get involved in the tourist side of town. A lot of them come back with their families on holidays; it is not always the other way around. Their employer spends more of their package here than what they take home in coin to spend with the family on a weekend.

There are two other facilities as big as mine in town, and I do not know if any of them are over 10 per cent at the moment except mine. I am lucky at the moment because I am a bit higher than that, but I am not telling Gibba. We have been as low as one per cent for the last two and a half years. It has cost me \$50,000 a week to keep the place open in the quiet times but we still pay our \$200,000 rates.

Ms LEAHY: I am just curious. In terms of mining camps attached to a particular mine, how close are they to town, to your facility?

Mr Ashmore: The one that really worried us was when they were allowed to build 350 units 18 kilometres out of town. In relation to what Robbie said earlier about contractors, they said, 'We don't have fly-in fly-out; our contractors do.' It got worse than that. When the downturn at the mine started, they had people auditing them and finding any local contractor who happened to have included in his bills accommodation and food, and they were immediately given 24 hours to go out to that camp, which was substandard. It went on and on and on. That is what killed Gibba and that is

what nearly killed me as well. I have to say that the gas pipeline guys, the guys working in the power station and the guys building the hospital are awesome. They are fantastic. They love being fly-in fly-out because they are specialists. They are not just orange-shirted yahoos getting on the booze on the plane. There is a little bit of difference with everything here.

Mr Turnbull: When I was 25 some 30 years ago, I was working as a boilermaker at Mackay. The company I was working for at the time had a contract at Emerald. We had to stay in motels at Emerald and we had to bus in and out 90 kilometres every morning and every afternoon. We never got paid for that but we were on 12-hour shifts. It took an hour to get out and an hour back, but we supported the community by being put up by the company in the motels in town. That was 30 years ago. Now it has all changed and no-one benefits from it except for the people on the coast or wherever they go.

CHAIR: We do not have any more questions. Thank you very much. I have to keep it short as we have a lot of people to get through.

MOORE, Mr Brett, Operations Manager, HardRok Engineering

MOORE, Ms Kristy, Administration Manager, HardRok Engineering

CHAIR: As you have heard, we are under a little bit of pressure with time, so could you give a short introduction?

Mr Moore: My name is Brett Moore and I am the Operations Manager for HardRok Engineering. My father-in-law is the owner—Kristy's father. Kristy is our Administration Manager. We have been in Mount Isa for about four years. I would like to thank the Infrastructure, Planning and Natural Resources Committee for taking the time to hold this hearing on the Strong and Sustainable Resource Communities Bill 2016 in Mount Isa and discuss the issue of FIFO workers.

We are a local heavy fabrication business heavily reliant on the mining industry in the north-west. My family and I are not originally from Mount Isa, as I mentioned. When we decided to take a job out here, we made the decision to move here. We brought our kids here. Since we have been here we have supported the community. We work within the community. That is the way we see it. A good choice to make is to be part of the community.

As a business we would welcome the reduction of FIFO workers into new and current mining operations as this helps progress our business in a number of ways. It helps to strengthen our policy to employ locally. It helps to reduce competition from FIFO businesses. It helps to sustain our business operations. It also allows us to give back to our local community organisations.

As a local business we need the opportunity to compete on the same playing field as those FIFO businesses which can have a negative effect on our continuity of work and sustainable business practices. Having employees committed to our business and to their job gives us an advantage over FIFO businesses. One of the big things that we notice with FIFO workers coming into the area is that they do not have that commitment to hang around. They will come here and work for a month and then say, 'No. This is not for me. I will go somewhere else. I will go over to the west for a month or two.' It really affects the continuity of our work.

If a mining company is committed to a mining resource project then they need to be committed to sustaining the local community environment and engage local businesses and local employees. There are a number of current mining companies and operations where the majority of their staff live locally. However, emphasis on local business sustainability is needed.

As a business it is important to be part of the local community. We give back where we can and employ locally. We have struggled on occasion to find local workers to fill positions. We have had to employ people from all over Australia, however, with one stipulation—that is, that they move to Mount Isa. We will not do fly-in fly-out. Again, I would like to thank the chair and the committee for giving me the opportunity to speak today. I welcome any questions.

CHAIR: I admire your stand. Kristy, would you like to say anything?

Ms Moore: No. I am happy to just sit here.

CHAIR: Do you have much interaction with FIFO workers or are they all out at the mines?

Mr Moore: As I mentioned, we do not employ them ourselves but, yes, I do. There are other companies that we work with that employ FIFO workers. Actually a lot of the companies that we work with have FIFO workers. Often we have to cover their rosters when guys miss their planes or do not turn up when they are sick or on holidays. That is our interaction with them.

CHAIR: Is there a high turnover of FIFO workers?

Mr Moore: Yes. I would say yes, in my opinion.

Mr KATTER: On the coalfields a lot of people talk about having choice for workers. I think it is a bit different out here. It is almost like you do not want to them to have a choice. That is a mantra that comes up, and I agree with it over on the coast. Here it is almost like you do not want to give them a choice because you are saying, 'If you want the job, you have to come out here and live.' It is communicated a lot—and it could be true—that you just cannot get anyone then. You are an example of where you can say that. Do you get a lot of push back from people when you say that?

Mr Moore: Yes. For us we really do need to have the people available in town. If we are doing a shutdown, a shutdown happens when a shutdown happens. We cannot wait for someone to fly in or fly out. It is about continuity of the work. Otherwise I would be employing twice as many people. Obviously with FIFO someone is going to have a week off and I have to replace them when they fly out and fly home. To have people who live locally and work continuously is what we need to have in our business.

CHAIR: Thanks very much. Well done.

SCRIVEN, Mr Craig, Private capacity

CHAIR: Please state your name and who you are representing.

Mr Scriven: My name is Craig Scriven. I am just a boilermaker in town.

CHAIR: You are not 'just' a boilermaker; it is pretty important.

Mr Scriven: It seems through reading all of the documentation of past meetings that no-one has actually heard from a worker about how it affects a working person in the area.

CHAIR: We have had witnesses, but you go for it.

Mr Scriven: I have come prepared with a couple of amendments, if you want them. No-one seems to want to amend anything.

CHAIR: You are more than welcome to put them forward.

Mr Scriven: Page 15 line 23 or thereabouts—

CHAIR: This is the bill itself?

Mr Scriven: Yes. Section 131C(2) says that the principal owner of the contract must not 'discriminate against a resident of the nearby regional community when recruiting workers for the project'. My amendment is to add, in regard to the local workers, 'having the ability to apply for the position after the recruiting phase'. A mining company is more than welcome to advertise a position and not fill it locally. They can put an ad in the *North West Star* and not get any correspondence from any locals, so they are allowed by the bill to recruit from Brisbane or fly-in fly-out.

I will give you an example of why I think it should be that when a local is available they should have the position after the recruiting phase. A local worker holds a job while the recruiting phase is happening. The job is then filled by a FIFO. A local worker loses that position as he is unable to apply for that job past the recruiting stage. A general fix for that—this is just an idea and I will throw it back to you to do whatever you want with it—is for all fly-in fly-outs to be employed on a month-by-month basis, on a casual basis for all FIFOs, and the position is to be advertised locally month by month.

An example is that I used to work for Brett. I was happily employed by Brett—no worries at all. There was a downturn. Times got a bit tough, so I had to leave. If a recruiting phase for a mining job had already been and gone, I am an unemployed boilermaker within the area who cannot go and work at the mine because that position has been filled by a permanent employee. Fly-in fly-out should be on a casual basis to protect the local workers who may be wanting to have a job there but the position has been filled by a FIFO. If FIFO workers were on a month-by-month contract, then by all means the local bloke has the ability to have that job.

I will just make a correction to the council's statement. We do actually have two 100 per cent fly-in fly-out mines here within a 100 kilometres of Mount Isa, being Lady Annie and Lady Loretta. As long as Glencore have their FIFOs, I do not have an opportunity to work there full-time being a local employee. There is also no incentive for me to get a job in that mine because I will still be on the same two-on two-off roster as their staff but they are getting flights back home again, if you understand what I mean. I have worked at Loretta when I was working for HardRok. The physical take-home pay rate of their FIFOs was actually \$50 less per week than what I was getting, yet they were working half the time that I was because of bracket creep et cetera.

I would like to see some sort of incentive in the bill. Putting FIFOs on to casual employment would be a little bit of a disincentive for FIFOs. It is good to see that Ernest Henry has done that by offering \$306 a week it works out to be to the live in the local community. For me as a boilermaker, I am financially better off to live on the coast and fly to Lady Loretta in terms of money in the pocket.

The other amendment is on page 25, line 14. I would like to see the words 'construction/operational phase' in the description of a [fly-in fly-out worker. During the construction phase at [Dugald River, they offered people jobs here, but through the JSEAs and all the rest of it we could not work out there. I was offered a job by the contracting company because I used to be a supervisor for them, but I am happy with what I am doing here in town so I do not need to change jobs. It should be in the construction and operations phase, rather than just in the operational phase, as far as I can see.

CHAIR: I have not asked for your notes, because it is all being recorded by Hansard.

Ms LEAHY: I have a quick question. I am from South-West Queensland.

Mr Scriven: I am from St George, so I know exactly where you are from.

Ms LEAHY: I recognised the name a little. Can you tell me what a JSEA is?

Mr Scriven: A JSEA is a Job Safety and Environmental Analysis form that you have to do. It will more or less say that you cannot work more than a 12-hour workday. With the mines up the road, Lady Loretta and Lady Annie, you would not be allowed to physically drive there every day because you would be at 14 hours or 15 hours with travelling, so it would be unsafe to do so. But it could be JSEA'd out as a bus-in bus-out on a daily basis, without a problem at all, because the bus driver is rested and everyone is fine, so the boys can jump on a bus and be rested as they drive home.

Ms LEAHY: You can come back to St George any time.

Mr Scriven: I was in St George a couple of weeks ago. I walked down town at 6 o'clock in the morning and four people said, 'Come back here and open up your shop again'.

CHAIR: Thanks, Craig. We appreciate that.

MAYO, Ms Virginia, Director, Kalkadoon Native Title

CHAIR: Hello, Virginia.

Ms Mayo: My name is Virginia Mayo. I am a director of what we call the Kalkadoon Native Title Prescribed Body Corporate. I am also the chairperson of the Kalkadoon Community Pty Ltd Charitable Trust. I have listened to a lot of people who have the same opinion as to fly-in fly-out. I would just like to say—and the Cloncurry councillor has gone now—that our native title area, our determination area, covers 38,000 square kilometres. The mining proponents that we work very carefully and closely with and that we have good relationships with are Glencore and also Lady Loretta. CST Lady Annie stands on Kalkadoon country, as does Capricorn Copper, as does MMG Dugald River and also Malaco Leichhardt. Mount Isa Mines is prior to native title determination, so we still need to work with Mount Isa mines predetermination. We are also working very closely with the Northern Gas Pipeline and Jemena. I have to be very careful what I talk about here today, because we are bound by confidentiality with our mining proponents.

MMG Dugald River has had a mining lease with Kalkadoon prior to determination. I understand that the bill is from 2009 and current. MMG Dugald River is not operational at this stage, but I can acknowledge that the management of MMG Dugald River are applying locals in engagement and local employment strategies. What our community sees currently, and it commenced last year with Dugald River, is a lot of contractors. In the development of MMG, we have just recently seen a major company, Whittens, engaged as contractors. Their roster is 21 days on, seven off. They were engaged from Perth. I have talked with some of their workers. If you think about 21 days on and seven off, by the time they get on the plane to fly home for R&R they are totally exhausted. They cannot even think. Those are the effects on the contractors. A lot of people make assumptions that local businesses are getting good business, but they are not.

In regards to local supply of maybe PPE equipment and things such as that, through State Development MMG conducted what I call speed dating. It was every business and was very competitive. They were in a meeting with all the contractors and you had to sell your wares. When we talk about camp sites, you have global and national companies tendering for this business. I can say that Mount Isa Mines and MMG have committed themselves to local engagement and local strategies in terms of employment and supplies. With things such as specialist services, we support mining companies bringing in those specialist areas because you cannot recruit from this area.

In regards to Jemena's pipeline, there are many traditional groups involved in the pipeline. The route goes through seven traditional owner groups: two on the Queensland border and five over the Northern Territory border. Taking up the recommendations of Andrew Forrest, as the Kalkadoon people we want to progress the aspirations of our Kalkadoon people, but we also want to rise above disadvantage. For our people, disadvantage is about the people who have limited education and numeracy and literacy skills. We advocated very strongly with Jemena to provide opportunity to the Mount Isa community, the Tenant Creek community and the Camooweal community. We sought 1,000 jobs for Aboriginal and Torres Strait Islander people on this project. We provided them support in getting that done. Unfortunately, due to the politics of each of the traditional groups, we did not get the desired outcome. How Jemena handled it was Kalkadoon speak for Kalkadoon country, Indjalandji speak for their country and the other five groups speak for their country. The consortium that we desired to formulate did not occur, because it is competitive out there and everybody has different needs.

Can I just say that having worked in the space of native title with all our mining proponents—and we have many; we have 26 proponents that I deal with on a day-to-day basis. In saying that, the message that I would like the hearing to take back and report on is that with the Jemena northern pipeline project, because it crosses the border and is with Northern Territory and Queensland governments, I am not happy with the processes of social impact statements being provided before people get approvals. One of the things that these global companies need to take on board is that they really need to know their community. With our community needs in Mount Isa and more so on a regional basis, those needs evolve. They evolve yearly. Our population in Mount Isa is made up of other diverse groups. We are talking about new Australians. We are talking about refugees who have been relocated to Mount Isa. We are talking about community needs. Those community needs for all those diverse groups increase on a yearly basis. Therefore, the need for social support in Mount Isa alone and to cater for the transient population of the people of the gulf area and the Dajarra and Boulia areas stretches our local resources. I do not believe that this whole process of a new mining company coming in to Mount Isa—and I will give you some forewarning: Rio Tinto is starting to put their foot in the door, here. When it comes to native title affairs, we sit down, we look at the social impact statement, but we also look at the environmental statements.

CHAIR: Virginia, with the utmost respect, we have a number of people to hear from and we have to catch a plane, as well. If you would not mind—

Ms Mayo: For Kalkadoon, we do not support fly-in fly-out. There are also some practices by MMG and, more so, by Compass ESS. When they are recruiting, they are actually stating drive-in drive-out, not fly-in fly-out. That is the impact. Also, we are about supporting our local community and our businesses. That is where we will invest our funds and our benefits, in our local community.

CHAIR: Thanks very much, Virginia. That was very well put.

PROOF

BALLARD; Mr Danny, Private capacity

CHAIR: Thanks, Danny. I am sorry that we are under a little pressure, time wise.

Mr Ballard: Not at all. I would like to firstly thank you very much for reconsidering having a hearing in town, giving the locals the opportunity to have their two bob's worth. My name is Danny Ballard. I am a lifelong local. I am president of the local Mount Isa Race Club and I am a tradesperson who was trained locally in Mount Isa with a local mining contractor. A lot of people I went to school with have benefitted from the very generous training programs that have been practised by our local mines over the years. They have gone on to continue to contribute to those companies and they will probably be lifelong employees. They have started their families here and their children are at school. Hopefully, when they graduate, they will also be afforded the opportunity to engage in training with those local mining companies.

I think as school leavers find themselves in a more and more competitive labour market, it is important that locals are provided the opportunities to engage in training here in town. As our local copper resources reach their limits, we are not short of minerals out here. There are plenty of mining projects, but if the mine in town is the only one that is exercising a policy of hiring locals, then we stand to benefit very little from the other mining developments that are still within our city area but are exercising fly-in fly-out employment policies especially with, basically, the lack of a mechanism to return any meaningful portion of the royalties that are generated in these areas as it currently stands.

In my capacity as president of the Mount Isa Race Club, we have a membership of around 250 people and an average attendance of nearly 7,000. Through our 15 meetings of the year, we are able to provide fundraising opportunities to the value of about \$30,000 to our local sporting groups, community groups and anyone else who feels that they have an opportunity to raise some money there for a good cause. The Rodeo Queen entrants is another example. All of that money goes back into the local community, local charities et cetera.

I think it is fairly well known that FIFO workers have very limited social engagement in the communities that they are employed. As we see an increase of the representation of FIFO workers in these projects, clubs like mine will begin to see an erosion in our membership base and our attendances. Obviously, our ability to provide those fundraising opportunities to community groups will become increasingly limited, which is of great concern to us.

Those were the main points that I wanted to make. The young people of today need to be provided with training opportunities as they leave school. A lot of this discussion has centred around the Anti-Discrimination Act. I would possibly like to expand on that and say that this is not a time for advocating for not discriminating; it is a time to exercise extreme discrimination. I think that, if you are a local worker, you should be very heavily favoured in the application process for a project. That is all that I have to say.

CHAIR: Good point, mate. Have you got a winner for me?

Ms LEAHY: Do you have a hot tip?

Mr Ballard: If I could back them, I would not have to ride them.

CHAIR: I thought you might have been a jockey. Thank you very much for your input. Good points.

KING, Mr Frank, Private capacity.

Mr King: A have heard a lot today. I am a retired businessman. My wife and I were the first contractors to shift the first 850 tonne of lead ore from Cooper mine in those days to Mount Isa. She is only this high, but I taught her to drive a truck.

CHAIR: You have been around a while, mate?

Mr King: We have been a while. I was born in Camooweal. I came here and went to school to grade 2. I went back home and came out as a 19-year-old chasing her, got married here and I have been here ever since. I will be 73 in April.

CHAIR: She is a lucky woman.

Mr King: Yes. I am still licensed to go underground. I worked at all of these mines—underground, surface; the whole lot. I am from a ground level and I hear a lot of people saying what they think about the mines and the men and what they think. I know, because in my last job I was called out of retirement to drive the first lot of 42-seater coaches to run the men in and out. I worked with the fly-in fly-out at Century and out at Lady Annie. I was one of the first of six locals employed there. On average, all of these mines have only about five per cent local content. I do not care what anyone else says. I have worked with the men. I was good mates with them all. The only time I fell out with them is just recently—and someone said this—when the shit hit the fan recently about Mount Isa Mines flying in and flying out they said, ‘No, we’re not. We don’t do that.’ They do not do it personally, but they force the contractors to.

CHAIR: The contractors do it.

Mr King: This is the new agreement going on with a couple of people now, labour hire people. When they open up again, all the workers from Black Star who were put off, they were going to offer them positions at George Fisher. It is going to reopen—‘If you don’t like it, see you later.’ No payout. Nothing—just only the money they are owed. The men accept it, because they currently get good money. I was against fly-in fly-out when I was a younger bloke but, as I work with people and you start looking at their side of the story, too, they are only human the same as us. They have the best of both worlds. They do lose their families. I know of a few couples, they marry different girls up on site and then they go home and give up their kids and everything. It is sad.

Anyway, getting back to the real thing, these men do not have time to mix with anyone. Even if they did, they wake up at four in the morning, have their breakfast, go and do their breathalyser, get dressed, go to work and knock off at back to the camp at about seven. All they want to do is have a feed. They get on the grog, of course. I do not drink. I have never drunk or smoked in my life. They go and get on the grog, but they still have to be up the next morning.

I have been picking them up. I do the shift for them. For a 10-metre bus, I would have an average 39 people. I would pick them up in the morning and bring them to Mount Isa. There would be blokes coming from Townsville, Cairns, Brisbane. You wait for three planes and then you take them out. You have the list of people. In fact, you drop one lot off—you take them out—and you come back again in the afternoon with another lot and you take another lot out. This is twice a week. Two days a week I was working for.

For the mines, it just works out that fly-in fly-out, there are good things and bad things about it. For the town’s sake, 30 years ago I said to a lot of people in the town, ‘You have to upgrade your housing.’ A lot of the houses in Mount Isa were built by own builders. I am a carpenter also. I do on the quiet a few renovations now.

CHAIR: I do not want to know.

Mr King: Anyway, I said to them, ‘You have to upgrade the housing. That is why these people go to the coast.’ Even today, you can go and spend \$500,000 on a house here. You can get a mansion for that in Townsville. I might be old, but I am up with the Joneses with that sort of thing.

The men working, like I just said, on the ground, they get out there and do their bit. You have to go along with progress. You are not going to get back to the old days where we were all living in the one town. We have a lot of experts in this town. I do not put them down. There are a lot of experts here. I do not know what else I was going to say, but that is all about the workers and the mines and how they force people into these things. That is about it.

CHAIR: Very well put.

Ms LEAHY: Thanks very much.

CHAIR: Thanks, Frank.

LOWCOCK, Father Mick, Catholic Church

Father Lowcock: Good afternoon and thank you for the opportunity. I would like to acknowledge the Kalkadoon people and the Mitakoodi people from Cloncurry, where mining has occurred over these 150 years. In doing so, I think that mining and most of what we are talking about is an economic argument and not really a social impact argument. I have never been involved in any social impact in the 24 years that I have been here in Mount Isa. I have never been consulted about anything. In terms of the Catholic Church's commitment, we have spent \$25 million in this district in the last eight years. We employ about 500 people, so it is a fairly big commitment. We have never been involved in any social impact by anyone.

That said, I would just like to say a few things, mainly about the economic argument. First of all, tax concessions: I am not an expert on tax, but some tell me that some of these people in remote mines get an even greater tax concession than people do living in Mount Isa, that there is a bigger tax concession for remote and for rural and they live in Townsville, really, or Brisbane. Not only that, some people tell me that their air fares are a tax deduction for the company as well. If those two things are true, then we pay a higher price. Not only that, people have their roster for the year. They have booked up all of their air fares for the year at the cheap prices and we then come in with a month's notice to go to Townsville or wherever we are going to and have to pay the higher prices. One result of fly-in fly-out is that the locals are definitely disadvantaged by just even the air fares, which are always significant. You cannot get much under \$360 one way to Brisbane.

CHAIR: That is a good point.

Father Lowcock: With that, while Ernest Henry might have given \$16,000 to people to live in Cloncurry, really, that is what they are saving by employing them and having them living in Cloncurry. They are not saving anything themselves; that is what it is costing them to have people not fly-in fly-out. It is not really a cost benefit to the company at all. Does that make sense?

CHAIR: Yes, it does.

Father Lowcock: Under health and community and wellbeing, I think that is really important. Community and stakeholder engagement—I think that is on page 9—is really important. The other thing that I would like to draw the attention to is that the bill itself is called—

An Act to provide for matters that will benefit residents of communities in the vicinity of large resource projects during their operation.

There is no definition that I see for 'large'. That could really be extended by a lot of people. What we might think as large, you might think is small.

CHAIR: That is a good point.

Father Lowcock: Also, as I understand it, sometimes mining companies never close a mine. Otherwise, they have to do environmental restoration. The other thing is that they have all of these little companies that are under them that are set off to the side to do all the exploration and they just take them over. What is a large mine and what is a large company, I think, are all wheels within wheels.

Also, fly-in fly-out is not just an impact on the mining industry. For example, the Queensland Police Service claims that their communication centre was relocated from here to Townsville because, in the mining boom, they could not get enough people to man the communication centre here. Now, the regional office for Mount Isa for education is now located in Townsville. The juvenile justice group is located in Townsville. Government employees are now one of the biggest fly-in fly-outs. Not only that, if you get on a plane going to Doomadgee, Normanton, or Mornington Island, it will be largely government workers who are flying in and flying out. They are doing nothing really for the local communities in lots of ways.

An example is we ran a service on Mornington Island. We were looking for a male to do the men's program. After 25 years—quarter of a century—of being out there, we could not get one man with literacy to be able to be employed. We gave that contract back last year. It will be filled by a company who will have someone flying in and out from Townsville. After all the companies have done in the way of basic literacy of a number of people and their level of education, it certainly has not been enhanced. Mount Isa has 200 people who are not enrolled in school and the education department says, 'That's not our responsibility.' It is because people are now in Townsville directing the operation; they do not live here. There are all sorts of by-products of what I call fly-in fly-out.

When the rail operation ceased, they tell me that there will be 14,000 trucks on the road between here and Townsville in a year. Already, there have been two fatal accidents since that has happened this year. Once the tourist season kicks in, I wonder what that does? What will that do to

our roads? That will be another greater impost on the government. In a way, they will wind down the whole rail system and before long it will be like everything else. Passenger rail, there is hardly a service anymore. The services to remote communities, of which we are all a part, are really part of the social infrastructure that mining companies should be part of.

The last census is again an example. When it was organised—and you know that nationally it was a disgrace—three weeks after the census I asked the local people here why they were not doing a census in the local Aboriginal Pioneer suburb. They said, 'We're going to do it this weekend.' If that had been done at the week that it was supposed to, it would have been rodeo time. There would have been maximum people in houses here. If the whole census was carried out, our numbers would be high. Our numbers are so poor now that services are cut. Now, we are part of the Charters Towers electorate, as an example. Not only do we have the largest electorate in Queensland but also that affects the services because of the poor numbers of people. When you have Cloncurry council saying that, if they have 900 people presenting and 300 of those are local, that just shows that we are funded on the 300, not on the 900. Our services here are really deficient not only because of the federal census and other factors but also because of fly-in fly-out. Their base is in Townsville. I would like to know how many of those on the night of the census put down Townsville as their base rather than the mine at which they lived.

There are all sorts of issues that I think have a social impact for fly-in fly-out and this committee—what it says for larger resources and, certainly, the social impact. I will give you one example. A mining company is in town. A worker dies. They ask me to come over for the day, because the company which resources their workers is based in Brisbane. They had to wait until the plane came up for the person to deal with workers for the accident. I know another mining company, their resource person is based in Perth. People have to be careful about the two-hour difference when they ring if they have an issue. When people's issues are issues, they are really strong issues. There needs to be, from a fly-in fly-out point of view, local companies. It is not just basing them here but the infrastructure that is required from a social point of view, to me, is really needed. I think that should be part of that whole social analysis that needs to be done and it needs to be included.

The other thing is when companies provide for the community, it is almost done on a piecemeal basis. You go to this company, that company and that company. To me, there needs to be whole-of-companies meeting with the whole of the community so that needs can be assessed together rather than, 'This will do this little piece' and you go to this company for that and go to that company for that. Some companies, obviously, are more generous than others. To me, that whole community benefit needs to be done more on a whole-of-mining process rather than just piecemeal. Thank you for the opportunity to come today. Thank you.

CHAIR: I have one question.

Father Lowcock: Sure.

CHAIR: Mental health, are you seeing a lot of that? Has there been an increase in recent years?

Father Lowcock: Mental health in Mount Isa? There is another example for you. Police, ambulance and hospital give us three statistics for suicide. The highest one was 25 in one year. That is pretty high for a place like Mount Isa. There is a whole lot of combinations for it. I understand that. Roughly, we are looking towards over 20 per cent of our area here being Indigenous, so there are a number of factors that are behind all of that. On the other hand, mental health is a huge issue. Accessing services for mental health, I will give you one good example. I took a young fellow to the hospital. It was late Friday afternoon and the fellow said that he did not want to see him, because he was entitled to his beer in the pub. I said, 'I'm not leaving here until someone sees him,' and he says, 'It's only because I know you'll go to the local member that I'll see him now.' Then he gave him his medication and said to me, 'There are better mental health facilities in Doomadgee than there are in Mount Isa,' because they are serviced from Townsville. 'Here's his medication. Here's his air ticket to Doomadgee.' I took him out to the plane on Monday and he did not have his medication. He gave it to someone else. To me, that is just a disgrace when we have those sorts of mental health facilities, only because I think we are really short of really good ones. They have changed a bit since then. To me, we are still really short of the long-term ones, because Mount Isa is full of young people who come for experience. Teachers: in the first and second year we have, I think, 18 people who are in their first and second year of teaching. Another resource for us, for example, in our education system is to provide one or two people to work with those teachers. That is not anything to do with the mine. They become an asset for Townsville in three years time, because they have permanency from out

here. They can now get a permanent job on the coast, where it would take five or six years on the coast. To me, all the things that we provide for people, because they are so young, are really important.

For example, at our Catholic high school, is the average age of their administration team. There are four people in their administration team. Five years ago the average age was 29. I always say what you lack in experience you make up with in enthusiasm. I am really proud of the college. Ultimately, it is a great place. We have some really young enthusiastic administration people, but it is not like on the coast where you can draw upon so many other resources. The great thing here, I always say, is that friends become family—who you come here with. Unless we can get that family atmosphere happening, fly-in fly-out, or drive-in drive-out, or train-in train-out, or whatever, certainly does not help it.

CHAIR: There is nothing better than a community that is full of families enjoying life and making the community a good place to be. Thanks, Father.

Father Lowcock: Thank you.

CHAIR: I want to thank everybody for their attendance here today. It has been very rewarding for us. We have a lot of valuable information. Of course, we do not get that information unless the community gets involved. Our committee has a lot of belief in talking to people at the grassroots level. That is where we learn the most advice for our consideration of the bill. I again thank you. It has been a good day with a couple of very impressive people and a lot contribution that was worthwhile. Thanks again for your time. We hope that we can put together a bill that is going to benefit all of our regional communities. We have to report to parliament on the 7th. Hopefully, within six weeks to two months we will have the bill in the House, which I will be looking to Robbie to support. Thanks very much, everyone. I declare this hearing closed.

Committee adjourned at 4.34 pm