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Research Director  
Infrastructure, Planning and Natural Resources Committee  
Parliament House  
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Dear Sir/Madam

### **Submission to Strong and Sustainable Resource Communities Bill 2016**

Central Highlands Regional Council (the Council) welcomes the opportunity to make written representations to the Strong and Sustainable Resource Communities Bill 2015 (the Bill) introduced to Parliament on 8 November 2016.

The Council recognises the work of the government progressing this proposed Bill in response to the inquiry into fly-in, fly-out and other long distance community work practices in regional Queensland.

To start, Council considers the object of the Bill, as articulated in section 3(1) of the Bill.

*The object of this Act is to ensure that residents of communities in the vicinity of large resource projects benefit from the operation of the projects.*

Council would like to respectfully offer the following suggestion, that the words 'residents of' and 'operation of the' be removed, section 3(1) would read as follows:

*The object of this Act is to ensure that communities in the vicinity of large resource projects benefit from the projects.*

This firstly ensures that the object of the Bill is consistent with the name of the Bill. This ensures that the benefits are not just limited to the residents of these communities, but rather the benefits are to the communities as a whole and, for example, the business, sporting, volunteer and schooling communities are not precluded. These suggestions also ensure that the benefits are not limited just to the operation of a project, rather the project as a whole, also recognising that the construction, decommissioning and rehabilitation phases of a project also can benefit a community.

Recognising the construction phase of a project in this Bill is considered to be consistent with the State's position, as articulated in the State Planning Policy – State interest in

Development and Construction. To quote the State Planning Policy, *planning for development and construction supports a thriving industry that is a major employer, delivers the housing and facilities we need, and is a necessity for other economic activities*. Local Governments, the Council included, are required to reflect the state interests as articulated in the State Planning Policy in our local planning schemes. The State accordingly recognises that there is a development and construction industry in every Local Government area in Queensland. It is considered best practice to achieve consistency across legislation and statutory documents and in turn ensure that the local development and construction community can benefit from the project.

Moving on, section 3(2) articulates how the object of the Bill is achieved:

*The object is mainly achieved by requiring the owners of, or proponents for, large resource projects –*

- (a) To prepare a social impact assessment for the projects; and*
- (b) To employ people from nearby regional communities; and*
- (c) Not to discriminate against residents from nearby regional communities when employing for the projects.*

Council would like to respectfully offer some suggestions to section 3(2) to ensure that the revised object of the Bill is achieved.

- (a) To prepare a social impact assessment **and implement an approved social impact management plan** for the projects; and*

The draft Social Impact Assessment guideline, also tabled before Parliament on 8 November 2016, requires resource projects to provide plans for:

- Community and stakeholder engagement;
- Workforce management;
- Housing and accommodation;
- Local business and industry content; and
- Health and community wellbeing.

The missing piece of the puzzle, as has been observed in Council's experience, is the actual implementation and monitoring of the implementation of the proponents social impact management plan, arrived at from the social impact assessment.

It is acknowledged that the draft Social Impact Assessment guideline provides for proponents to prepare a Procurement plan, which considers local and regional businesses. The Council is concerned that, as there is no obligation for the Coordinator General to make such a guideline, refer to later comments, the broader benefits and impacts to the community will go unmeasured and unmitigated. As such it is suggested that section 3(2) (b) and (c) are also amended to require the owners of, or proponents for, resource projects to engage capable businesses in the vicinity of the project. The Council also has concerns with the limiting scope of 'nearby regional community' used in these sections. This is discussed in more detail later in this submission.

Based on the revised object of the Act, further amendments are required to ensure this object is achieved. These amendments include, but are not limited to:

- Part 2 of the Bill asserts to include the provisions for the benefit of residents of communities in the vicinity of large resource projects. Based on the revised object of the Bill, this Part of the Bill should include provisions for the benefit of communities in the vicinity of large resource projects, not just residents.
- Section 6(1), this precludes benefits to communities that though they may be considered to be in the vicinity of the resource project they do not qualify as a 'nearby regional community'. This is discussed in more detail with the definitions proposed in the Bill.
- Section 6(2) – It is suggested that the words 'the operational phase of' are removed. Section 6(2) would read as follows:

*The owner must not employ a workforce for the project that comprises 100% of workers who are fly-in fly-out workers.*

- Section 9(3), the Council echoes the Local Government Association of Queensland's (LGAQ) submission and suggests that the social impact assessment must provide for impacts of the project to Council and community assets, services and land-use planning schemes.
- Section 9(4) currently states that the Coordinator-General may make a guideline stating the details that must be included in a social impact assessment. The Council suggests that the word 'must' should replace 'may' in this sentence. This provides certainty to the affected Local Government and the community that all projects are preparing social impact assessments in accordance with the same provisions. This will assist in the community navigating social impact assessments and better facilitate the voicing of concerns.

This would also improve the workability of the Bill, given section 9 (2) requires the owner, or proponent, must, as part of the Environmental Impact Statement (EIS) for the project, prepare a social impact assessment that (b) includes the matters stated in the guideline made under subsection (4).

- Section 9 (5) requires the owner or proponent to consult with the local government for the local government area in which the resource project is located in the preparation of their social impact assessment. It is questioned how this is going to improve the social impact assessment process when local government remains an observer to the decision making process? To elaborate, there is no obligation for the proponent to take the Council's comments from any consultation on board, best practice suggests that this would happen but this cannot be enforced at this time.

The Council strongly suggests that local governments have a greater involvement in the assessment of the social impacts for each project. The majority of the time the impacts being considered in projects social impact assessments are local and local governments are also local and understand these local impacts.

Section 11 allows the Coordinator General to condition social impacts of projects. It is suggested that local governments are a formal referral in the EIS process to assist in the assessment of social impact assessments. This could be facilitated in a similar

manner to which referrals operate under the *Sustainable Planning Act*. This recognises that local governments are directly affected by these projects and will assist in ensuring that the communities in the vicinity of resource projects benefit from these projects.

- Reporting on the social impact management plan – it is suggested that the approved social impact management plan must be reported on and that this is captured in this proposed Bill. It is suggested that the social impact management plan be reported on and updated at the completion of the construction phase and transition to operational phase of a project. Further the social impact management plan must be reported on after the first year of operations and then no more than five (5) yearly, unless a construction phase is entered into. The Council has experienced this first hand, failing to plan for the social impacts and poor management of the social impacts in this transition has devastating effects. The Council echoes the LGAQ's submission suggesting for social impacts to be considered holistically when there are several resource projects operating in the one area. Ensuring that the project owners, or proponents, are accountable for managing the impacts of their projects is crucial. There are large ramifications if project owners, or proponents, contravene environmental conditions of approval, the same should apply for contravening an approved social impact management plan.
- Section 12 – this section could be deleted or alternatively should be amended to explicitly include construction, decommission and rehabilitation phase workers as workers that the proposed Bill applies to. The Council acknowledges that there may need to be a higher percentage of long distance commuting workers during the construction phase of a project but does not accept that this phase, or the others as mentioned above, of a project are given a free pass under this proposed Bill.

### **Schedule 1 – Definitions**

*Large resource project means a resource project for which an EIS is required.*

The Council is concerned by the limiting scope of this definition. There are various operations around which do not or did not need to go through the EIS process but still offer benefit to the communities they are located in the vicinity of. It may be appropriate to consider the life of a project, or annual production amount in projects qualifying under this proposed Bill.

*Nearby regional community for a large resource project, means a town, the name of which is published on the departments website under section 13, that has a population of more than 200 people, any part of which is-*

- a. Within 100km radius of the entrance to the project that is closest to the town's boundary; or*
- b. Within a greater or lesser distance from the project decided by the Coordinator-General and notified in writing by the Coordinator-General to the owner of the project.*

*Town in relation to a large resource project, means an area listed as a locality or urban centre by the Australian Bureau of statistics and published on its website.*

The Council is concerned on the inconsistencies between the object of the Bill, which refers to communities in the vicinity of a project, and the use of the definition 'nearby regional community'.

Firstly, using a local example, Rolleston, it is not a published locality or urban centre on the Australian Bureau of statistics webpage yet the town itself has approximately 129 persons and the broader rural community brings the population over the 200 persons required. Rolleston Coal, is a large resource project, located just outside the township area. The project employs people from Rolleston, the rural community and other towns in the Central Highlands. It is suggested that the Coordinator General consult with Local Governments in determining whether towns qualify as nearby regional communities. Further that there is a formal process for Local Governments to make a submission to the Coordinator General for consideration of towns as nearby regional communities.

Secondly, the scope of the Bill and this definition does not allow residents of communities in the vicinity of projects, that are used to undertaking long distance commuting practices for rostered work to be considered before the use of fly-in fly-out work practices. The Council cannot offer the perfect solution in this regard, but raise it as a matter for further consideration.

### **Suggested additions to the draft Social Impact Assessment guideline**

Section 3.4.3 – Housing and accommodation plan – Bullet point 11 requires that the housing and accommodation plan includes strategies for the provision of accommodation for workers and their families who wish to live locally and the level of assistance that will be provided by the proponent.

It is suggested that the housing and accommodation plan could go one step further, and in ensuring benefits to communities in the vicinity of large resource projects, include incentives to encourage workers and their families to locate to communities that reduce the commuting distances.

To support the suggested inclusion to the social impact assessment, impacts of the project to Council and community assets, services and land-use planning schemes, it is suggested that an additional subsection is to be included in section 3 of the guideline. This section should also ensure that the local government area where the project is located and other impacted local government areas are considered. The LGAQ suggested that projects enter into an Infrastructure Agreement with the affected Local Government. To go one step further, there is an opportunity for the State Government to also help manage the social impacts in distributing the royalties paid to the State Government from these projects back to the affected regions. These agreements could be three (3) party agreements, and ensure that strong and sustainable resource communities are created.

### **Conclusion**

In summary, the Council shares the concerns of our neighboring Local Government's that projects will comply with this Bill by employing just one (1) resident worker and recognise that this does not achieve the original or revised object of the Bill.

Central Highlands Regional Council thanks the committee for the opportunity to make comments on the draft Strong and Sustainable Resource Communities Bill. We look forward to continuing to work with the government to ensure the communities of regional Queensland are strong and sustainable.

Yours faithfully



**Scott Mason**  
**Chief Executive Officer**