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**Impacts of Mining on Businesses in
Moranbah**

RESEARCH REPORT No. 4

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**ECONOMIC AND SOCIAL IMPACTS OF THE
MORANBAH MINES RESEARCH REPORTS**

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Executive Summary

Forty-seven businesses in Moranbah were surveyed in 2006 about a range of issues and business conditions.

- The number of owners and full-time, part-time and casual employees all increased between 2001 and 2006. Full-time, part-time and casual staff numbers increased more over the two years prior to 2006 than the two years prior to 2003.
- Most business respondents indicated that it was more difficult to recruit labour in 2006 than in 2004 (especially local, long-term, skilled staff with trade qualifications), because of a lack of (affordable) accommodation, high wage levels and more positions in the mines. Despite these difficulties, most business representatives answered that they do employ successful recruitment strategies; most mentioned were offering employment conditions similar to the mines, employing locals and employing overseas workers.
- The average business increased turnover and profitability between 2004 and 2006.
- Most respondents indicated that the shopping loyalty of local permanent residents decreased a bit between 2004 and 2006, while the temporary residents living in the work camps generally did not have a positive impact on business operations.
- Most of the businesses surveyed had been established in the area for 6-10 years, most respondents expected the strong conditions in the mining industry to last another 6-10 years, expected their business to be larger or about the same size after five years and expected to remain a leader in their business in the next five years.
- Most respondents indicated that the coal mining companies have a positive impact on their business. BMA Mines provided most custom.
- Respondents also had ideas on possibilities for developing the town; most mentioned was more affordable accommodation, followed closely by water services/infrastructure (supplied by the government). Most business representatives were of the opinion that the town should focus on only attracting residential development and minimise the size and/or number of work camps. Additional developmental strategies (to be followed by the council and business community) that were mentioned by the business respondents were; building more affordable homes and (the council) providing more cheap land.
- It would be difficult for most respondents to extend business opening hours.

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1.0 Introduction

This report is the fourth in a series of reports on the socio-economic impacts of the mines and subsequent development pressures on Moranbah and Mackay. The study has been conducted by Central Queensland University and has been funded by the Queensland Department of Communities. The first report contains demographic and statistical data on Moranbah and Mackay, the second report details the results of a Moranbah household survey and Report three presents the Moranbah stakeholder analysis. The results of this fourth report should be interpreted in the light of the other reports in this research project.

This report provides an analysis of a survey undertaken among business representatives in Moranbah and presents the economic impacts of the mines on the town. In order to fully identify the multiplier impacts of increased spending in the Moranbah region, it is necessary to identify the proportion of local consumption expenditure that becomes local income. In other words, this means identifying the proportion of business expenses that are sourced locally (e.g. for labour or supplies), compared to being supplied from outside the region. To identify this proportion, a number of businesses in Moranbah were asked about where they sourced their business inputs. They were further asked about changes in turnover and profitability, and extended business opening hours.

2.0 Sample and response rate

A total of 47 Moranbah businesses were surveyed in 2 rounds in October-November 2006. Respondents represented a range of services and accommodation/hospitality, food, production, retail and wholesale businesses. Questionnaires were dropped off and collected 2 days later during the first round, and collected the same day during the second round. The researchers covered most businesses in Moranbah; shopping/industrial centres/streets, (sporting) clubs, hotels/motels, fuel stations and the cinema. Approximately 80 questionnaires were distributed with 47 successful returns, giving a response rate of approximately 59%. Main reasons for non-participation during the first round were; being too busy (in most cases because the survey coincided with the 'end-of-the-month' paperwork), local managers not having authority, and the manager not being present. A copy of the survey used is attached as an appendix.

3.0 Description of the results

3.1 Staff employment

The average number of people working in businesses in Moranbah is reported in Table 1. The bulk of employees were associated with the service industry.

Table 1: Number of People working in Moranbah Businesses

Category	Average Number
Owners	1.1
Full-time Employees	7.1
Part-time Employees	0.7
Casual Employees	6.8

Businesses were asked to identify how the numbers of staff employed had changed over the last two and five years. For the past two years, 1 of the 29 businesses that answered this question reported a decline, 21 businesses indicated an increase, 4 businesses reported a decline in one category offset by an increase in another one and 3 businesses wrote that it had stayed the same. Between the past 5 years and 2 years, 2 of the 18 businesses that answered this question reported a decline in staff numbers, 14 businesses indicated an increase and 2 businesses wrote that it had stayed the same. The average increase in employment numbers over the past two years by category in Moranbah is reported in Table 2 and the average increase over the past 5 years in Table 3. This represents a 38% increase in average staff numbers over the 2-year period and a 64% increase over the 5-year period.

Table 2: Average Change in Staff Employment in Moranbah over Past 2 Years

Staff Changes	Average Number
Increase in FT Staff from 2 Years ago	3.9
Increase in PT Staff from 2 Years ago	0.3
Increase in Casual Staff from 2 Years ago	1.3

Table 3: Average Change in Staff Employment in Moranbah over Past 5 Years

Staff Changes	Average Number
Increase in FT Staff from 5 Years ago	6.9
Increase in PT Staff from 5 Years ago	0.3
Increase in Casual Staff from 5 Years ago	2.2

3.2 Labour Recruitment

Respondents were asked about the change in difficulties in recruiting labour in the past 2 years (Table 4). Most respondents (37) answered this question with most expressing the opinion that it is more difficult to recruit labour now, while a minority answered that it is easier. One of the business respondents that did not answer this question commented that he/she has been operating for less than a year. Of the respondents that answered the question about difficulties in recruitment, 79% gave reason(s) why:

- *There are greater costs involved with employing labour*
- *There is not enough local labour available*
- *There is less skilled staff/tradespeople*
- *Children are unwilling to work because their parents earn too much money*
- *Recruiting labour is more difficult because of the rapidly increasing prices and shortage of accommodation*

Most of the respondents (64%) who explained why staff recruitment is more difficult now commented that mining in the area causes the problems; the mining industry takes most of the (trade) labour as they pay higher wages and they have more

positions for people to choose from. The mines take most potential business employees and the staff turnover within businesses is also extremely high compared to other areas; work in a Moranbah business is not considered a 'real' job and is either a fill-in until a mining job can be had or a fill-in for bored housewives and mothers. There is a lack of local women available for work in the Moranbah businesses because the mines make more use of fly in, fly out staff.

Table 4: Degree of Difficulty recruiting Labour by Moranbah Businesses compared to 2 Years ago

Degree of Difficulty	% of Businesses
Easier	2.7
Same	21.6
More difficult	75.7
Total	100

The respondents were also specifically asked to assess the impact of the high accommodation costs on the degree of difficulty in recruiting labour compared to 2 years earlier. Most (39) respondents answered this question and Table 5 summarises the replies. Most business representatives indicated that the higher cost of buying and renting accommodation make it extremely difficult to attract labour compared to 2 years ago. Nobody answered that it is now easier to source labour in relation to accommodation costs.

Table 5: Degree of Difficulty recruiting Labour by Moranbah Businesses compared to 2 Years ago, because of higher Cost of Housing/Rents

Degree of Difficulty	% of Businesses
Extremely difficult	46.2
Difficult	15.4
Somewhat difficult	5.1
No Change	33.3
Easier	0
Total	100

Respondents were then asked whether they have any labour recruitment strategies that have worked well. Out of the 29 respondents that answered this question, 21 reported that they do. The responses are summarised below. The most mentioned strategy was recruiting people from outside the area/overseas (via employment agencies and large ads in major newspapers) and giving incentives to come to Moranbah (offering higher wages and training). After that the following two strategies were nominated in equal preference: offering accommodation (for free) and word of mouth.

Table 6: Successful Recruitment Strategies of Moranbah Businesses

Response	Frequency
Not Having found a successful Recruitment Strategy	7
Recruiting People from outside the Area/overseas (and Giving Incentives to come to Moranbah)	6
Offering Accommodation (for free)	4
Word of Mouth	4
Targeting/Employing Locals (with their Own Accommodation)	2
Recruiting constantly	1
Recruiting mature Women	1
Recruiting yourself	1
Using local Knowledge	1
Yes (not specified)	1
Not Having sought to recruit	1

3.3 Business expenses, turnover and profitability

Business respondents were asked to identify the proportion of their expenditure by broad groupings. A summary of results is reported below in Table 7. These show that approximately 30% of Moranbah business expenses may become income to other businesses or households in Moranbah. This is made up of wages and local supplies purchased by businesses in Moranbah.

Table 7: Percentage of Moranbah Business Expenses by Category

Expenditure Item	% of Business Expense
Wages	23.5
Supplies from Moranbah	7.2
Supplies from Mackay	14.3
Supplies from Other Qld	25.6
Rest of Business Expenses	28.4

Business respondents were asked whether and how their turnover and profitability has changed over the past 2 years. Results are summarised in Table 8. Two of 43 respondents had suffered a decrease in turnover and 3 of 41 respondents had suffered a decrease in profitability, but most had experienced an increase in both turnover and profitability. The average business in Moranbah has 57% more turnover than 2 years ago (31 businesses answered this question), while making about 26% more profit over the same time frame (22 businesses answered this question). Some respondents did not (completely) answer these questions as their management is off-site or because the business has been established for less than 2 years.

Table 8: Average Change in Turnover and Profitability in Moranbah over Past 2 Years

	Decreased	Stayed Same	Increased	Total	Estimated % Change
Turnover	4.7%	18.6%	76.7%	100%	+57.0%
Profitability	7.3%	24.4%	68.3%	100%	+26.4%

Another question referred to the custom residents provide to the businesses. Results are presented in Table 9. Most (39) respondents answered this question and most were of the opinion that the loyalty of Moranbah residents for shopping locally over the past two years has decreased a bit. Reasons given were:

- *They all go to Mackay*
- *Harvey Norman/A-Mart etc all deliver into town regularly*
- *High turnover has produced inexperienced staff*
- *Transient population - contractors and families based elsewhere so buy goods elsewhere - more choice elsewhere*
- *Too expensive here now*
- *Like to have a change of scenery so go to Mackay monthly to shop*
- *[Supermarket] sucks*
- *Due to difficulty in attracting trade qualified team members resulted in reduced ability to produce locally which has resulted in some people shopping for those goods in Mackay*
- *Prices and availability of goods not always the best*
- *A lot of families have moved out of town houses, are rented to single men*

Given the following comments provided by business representatives that indicated no change, the respondents seem to be of the opinion that locals do not tend to shop locally:

- *Most always went to Mackay*
- *No one likes to shop locally*
- *I think more families are living in towns away (i.e. Mackay, Rockhampton, Townsville) and men are having to travel to home (where shopping is done). Population in Moranbah increased as far as individuals not families. Singles only shop for self not family.*
- *Always been the same. We are just here to rip locals off. I have been here 34 years and my parents had a business as well.*

The following comments were given by some of the respondents that answered that the loyalty has increased a bit:

- *Starting to realise that if they purchase locally the 'local bloke' will stand by the product and warrant it*
- *More businesses*

The respondents that were of the opinion that the local shopping loyalty has decreased a lot gave the following explanations:

- *There is only one shopping centre and it seems to always be empty in the meat section*
- *Lack of variety forces people to shop in Mackay or Rocky*
- *Not many 'locals' still in town. Real Estate prices increased dramatically. People sold up and moved on. A real fluctuating population with no loyalty to anyone.*

One of the respondents that answered that the loyalty has increased a lot explained:

- *Retailers in Moranbah are just as competitive as Mackay. Most locals try to buy locally where possible.*

Finally, one of the respondents answered that the loyalty of Moranbah residents for local shopping has both increased a lot and decreased a lot over the past two years:

- *The residents' loyalty has increased - however the work camp residents and those with 4 to a house don't buy very much locally.*

Table 9: Opinions on whether the Loyalty of Moranbah Residents for Shopping locally has changed in Past 2 Years

Opinion	% of Businesses
Increased a Lot	7.7
Increased a Bit	12.8
No Change	28.2
Decreased a Bit	30.8
Decreased a Lot	10.3
No Opinion	12.8
Total	100

Respondents were also asked after the custom that temporary residents living in the work camps provide. Results are presented in Table 10. Most Moranbah respondents (41) answered this question and most of them are of the opinion that the transient (mine) workers do not have a positive impact on their business. Explanations given were: “We have to rent houses due to no room in camps”, “Mostly men in camps”, “Only single men” and “Men don’t normally do the shopping. They earn the money from here then go home to their family”. One of the respondents that indicated that the camps do have a positive impact explained: “For my business, impulse sales have increased” and another respondent answered: “Not for our business but for hospitality industry, yes”.

Table 10: Are Work Camps based at Moranbah generally positive for your Business?

Opinion	% of Businesses
Yes	31.7
No	51.2
No Change/don’t know	17.1
Total	100

3.4 Business and coal boom duration

Respondents were asked how long they have been in business at Moranbah. Almost all businesses (46) answered this question and most have been existing for a medium-long term. See Table 11 for results.

Table 11: Time Frame that Respondents have been in Business at Moranbah

Time (Years)	% of Businesses
>15	15.2
11-15	4.4
6-10	41.3
2-5	23.9
<2	15.2

Respondents were also asked how long they expect the current coal boom to last in Moranbah with 41 responses (Table 12). Most business representatives expect the

strong conditions to last for a medium-long period, while none of the respondents expect it to last for less than a year.

Table 12: Expected Time Frame that current strong Conditions in Coal Industry will last for Moranbah

Time (Years)	% of Businesses
<1	0
1-2	7.3
3-5	29.3
6-10	31.7
>10	24.4
No Opinion	7.3
Total	100

Business representatives were then asked how they envisage the size of their business after 5 years and whether they expect to still lead their business after that time frame. Results are presented in Table 13. Most (42) respondents answered this question and most expect their business to be larger or about the same size after 5 years and think they will still personally lead their company by then. The respondents that do not expect to be still active (or do not know whether they will still be active) in their business after 5 years, still expect their business to be larger or about the same size by then.

Table 13: Moranbah Business Expectations after 5 Years

		In 5 Years, do You expect your Business will be:					
		Much larger & diversified (>3 Times current Size)	Larger	About Same	Smaller	No longer existing	Total
Do You think You personally will be in Business in Moranbah in 5 Years?	Yes	4.8%	21.4%	21.4%	2.4%	0%	50.0%
	No	2.4%	14.3%	4.8%	0%	4.8%	26.2%
	Don't know	2.4%	4.8%	14.3%	2.4%	0%	23.8%
Total		9.5%	40.5%	40.5%	4.8%	4.8%	100

3.5 Impact of the mines

Another question in the survey asked businesses if the change in mining activity had affected their business over the past 2 years. Out of the 39 businesses respondents that answered this question, 35 (89.7%) indicated that it had. The majority of them (68.6%) saw positive impacts, 14.3% mentioned negative impacts and 8.6% of the

respondents summarised both positive and negative impacts. From the remaining 8.6% of answers it was not clear whether the impact was considered positive or negative. Responses are summed up in the table below.

Table 14: Impact of Coal Mines on Moranbah Businesses

Responses	
<i>More people have left town and moved to Mackay. Less spending from a particular demographic. However, new age group of customers has come to town</i>	<i>We are always fully bookd throughout the week. Weekends are now beginning to fill up as people know how difficult it is to get accommodation</i>
<i>Some small increase in revenue but far greater increase in costs especially accommodation</i>	<i>Yes. More commercial customers deciding to ring the 'local bloke' because they can't get anyone else</i>
<i>Yes, more business as we produce signs for them</i>	<i>The activity was the reason for starting the business</i>
<i>Yes, increased exploration means more work</i>	<i>Increase in floor traffic. Increase in volume</i>
<i>More contractors shop with me</i>	<i>Yes. Increase population</i>
<i>Yes, significant sales increase and people coming and going from the area</i>	<i>Much more investors buying, less owner occupied</i>
<i>Less women in the town shopping. A lot of them work in the mines or stay home and have children as they don't need to work</i>	<i>Increased team member turnover. Loss of trained team members and increased training costs. Increased casualisation of work force</i>
<i>Yes harder to get staff because of accommodation</i>	<i>Too many single men filling town houses and not families</i>
<i>Changed the volume and content of business</i>	<i>We rely on the mines for our building mtce work so we increase if they increase</i>
<i>Created a shortage of people to employ</i>	<i>New housing</i>
<i>Yes. A lot more work</i>	<i>Yes</i>
<i>Yes, more patrons and members</i>	<i>More people in town</i>
<i>Yes increased sales</i>	<i>Yes - better</i>
<i>Yes busier due to flights into Moranbah</i>	<i>Yes busier</i>
<i>Yes, other local businesses are busier - dominoe affect</i>	<i>Hard to find staff but increased business activity</i>
<i>Yes, increased mining means increased gas production</i>	<i>Yes, as the mines grow and increase in number more mining cables are required</i>
<i>Yes, a lot more equipment sales</i>	<i>More people in the town</i>
<i>We would not be here without them</i>	<i>No (4 responses)</i>

Business operators were then asked which mines supplied most of their business:

- BMA (in descending importance: Goonyella Riverside/Peak Downs mines, Broadmeadow/Saraji mines, Millennium mine, Norwich Park/Poitrel mines, CQO) was nominated by 25 business representatives (62.5% of the businesses that answered this question)
- 'All mines' 10 times
- Anglo (mainly Moranbah North mine and to a lesser extent Capcoal mine) was mentioned by 9 respondents

- AMCI (more often Carborough Downs mine rather than Broadlea mine) was nominated 3 times
- Aquila Resources (Isaac Plains mine) was nominated 3 times
- (Sub)contractors (Leighton and Roche were mentioned) 3 times
- McArthur (Coppabella mine) twice
- Rio Tinto (Blair Athol mine) once
- MNC was mentioned once.

The conclusion to be drawn is that the Goonyella Riverside and Peak Downs mines (BMA) are the most important mines in terms of supporting businesses in Moranbah.

In another question of the survey, businesses were asked about what action could be taken by the mining companies to help support businesses in Moranbah. The responses are summarised below. The main responses are (in descending frequency) increase (local) spending (on big awards, engineering businesses, better water supply, targeting meals in local restaurants, subsidised sporting facilities, more/longer term mines/employees) and encourage employees to shop locally, to locate more employees (and their families) in Moranbah, and address the shortage of (affordable) housing (for employees and their families) and discourage single accommodation.

Table 15: Actions that would be beneficial for Moranbah Businesses

Response	Frequency
Increase (local) Spending and encourage Employees to shop locally	19
Locate more Employees (and their Families) in Moranbah	17
Address the Shortage of (affordable) Housing (for Employees and their Families) and discourage single Accommodation	10
Pay Invoices earlier	2
Stop Taking Employees from local Businesses	2
Less onerous Vehicle Requirements for non-mining Vehicles on Site	1
Share Long Term Plans to allow for Planning	1

3.6 Developments needed

The next question referred to what the state and federal government should provide for Moranbah in order to promote development. Most (38) respondents answered this question and their replies are summarised in Table 16. Most often mentioned was more affordable housing for families/the general local workforce/low-income earners, followed closely by a more certain water supply.

Table 16: Key Services and Infrastructure Government needs to supply to Moranbah to service increased Population in next 5 Years

Response	Frequency
More affordable Housing for Families/the general local Workforce/low-Income Earners	24
A more certain Water Supply	22
More retail Outlets (Supermarkets/Shopping Centres)	7
Upgraded Roads (including Traffic Lights at Intersections and Signage for industrial Area)	5
More Activities for Families/Children (Youth Centres/sporting Clubs)	4
Better Health/medical Facilities (including Aged Care Facility and Dietician)	3
Child Care	3
Banking	1
Counselling Services	1
Food Outlets/Restaurants	1
Getting rid of Dole Bludgers in Moranbah	1
Industrial Services	1
Optic Fibre to the Node	1
Schools	1
Sewerage	1
Sustainable Industry	1
Upgraded Park/Gardens and public Toilets	1

The respondents were further asked whether Moranbah should pay more attention to building residential accommodation instead of work camps and the answers are summarised below (Table 17). Most (40) business representatives answered this question and most of them (57.5%) are of the opinion that Moranbah should focus on residential development. One of them commented: “Keep families together and encourage them to get involved in the community.” One of the respondents giving a negative answer to this question, explained: “Should do both” indicating that even those who do not want to focus solely on residential development, do not necessarily want to focus exclusively on work camps either.

Table 17: Opinions on whether Moranbah should focus on only attracting residential Development and minimize Size/Number of Work Camps

Opinion	% of Businesses
Yes	57.5
No	20.0
Don't know	22.5
Total	100

Another question referred to what the council and businesses can do to capitalise on the coal mining boom. Sixteen of the Moranbah respondents answered this question and Table 18 summarises the results. The main response was to build more affordable homes for families and for the council to provide more cheap land both for permanent housing and for small businesses to build (homes) without restrictions.

Table 18: Additional Strategies that the Council and Business Community could follow to maximise Benefits from Coal Industry Boom

Responses	
<i>Mines to donate money to sporting groups and community groups</i>	<i>Provide services that coal industry can use</i>
<i>More support for community activities i.e. sport and recreation. More parks in new developed areas</i>	<i>Encourage more businesses but <u>keep</u> them all in this area. Don't encourage a split in the business sector</i>
<i>Council needs to put in a huge dam, water is the main problem, then land for housing. Without those we don't have a town. Water and housing, business will boom.</i>	<i>Make more family attractive - water is big problem for council. More land for permanent housing. Better schooling - more money put in. More choice - means more people prepared to live here</i>
<i>Stay within our boundaries!</i>	<i>New council!</i>
<i>More affordable housing</i>	<i>Encourage residency</i>
<i>Use coal bed methane gas for energy e.g. power, cooking etc</i>	<i>More water be made available for local community</i>
<i>They are working already with the Primary Mining Business.</i>	<i>Build more homes for families so there will be more families not just single men quarters. It would bring local business up</i>
<i>Need more commercial retail space. Lack of shops and offices, doesn't allow the town to expand its facilities. Hence no attraction to want to come to a town with nothing to offer except a massive accommodation camp and a pub/workers club.</i>	<i>Council will have to offer small businesses cheap land to build with no restrictions e.g. if we want to put a relocatable home instead of building to a certain \$ value</i>

The last question was how easy it would be for the respondents to extend the opening hours of their businesses (see Table 19). Most (42) respondents answered this question and most of them (42.86%) are of the opinion that it would be difficult to extend their opening hours:

- One of the respondents explained that it is a head office decision
- A few respondents commented that wages are already a large part of their expenditure
- Most respondents that indicated that it would be difficult to extend their opening hours said:
 - that the current workload is already very high
 - that there is already a shortage of (qualified) staff
 - that 8:00-17:00 opening hours attract workers while extended hours will increase staff shortages:
 - childcare would be an issue for employees with children
 - many employees are away on the weekend (as the mines work with 4 on 4 off rosters)

One of the 'not relevant' respondents (all of them gave comments) explained that his/her business had just decreased opening hours due to a decrease in sales. Other respondents that fell into this category indicated their business was already open long hours (varying from 10 hours a day to 24 hour operation). Some respondents indicated that it would not be a problem to extend their business opening hours if the need was

there/the workload increases. One respondent answered that his/her staff likes the overtime, while another respondent (food/hospitality retailer) indicated that it would be easy to extend business opening hours because there is limited choice for evening dining in Moranbah.

Table 19: Degree of Difficulty Extending Opening Hours by Moranbah Businesses

Degree of Difficulty	% of Businesses
Easy	16.7
Difficult	42.9
Not relevant	21.4
No Opinion	19.1
Total	100

4.0 Conclusions

Moranbah is a purpose-built mining town and most of the businesses are servicing the mines and their workers, either directly or indirectly. It is therefore not surprising that the recent change in mining activity is impacting on most (90%) of the Moranbah businesses. Of those 90% impacted, at least 69% of the businesses are experiencing net positive impacts in the form of increased business activity/turnover/sales. Over the past 2 years the average Moranbah business has increased turnover and profitability, although turnover has increased much more than profitability as business costs have increased as well. The economic impacts of the Goonyella Riverside and Peak Downs mines (BMA) on Moranbah are the largest; both mines were each nominated as the most important mine customer by at least 58% of the respondents that indicated that the mines do impact on their business. The average number of full-time employees, part-time employees and casual workers have all increased over the past 2 and 5 years. Most business representatives expect the strong conditions in the mining industry to last for another 6-10 years, expect themselves to be still in their Moranbah business after 5 years and expect their business after 5 years to be larger or about the same size by then.

Although most business respondents were generally supportive of the mining industry, they did also point out some negative socio-economic impacts of mining in the area; difficulties in recruiting and retaining full-time/part-time labour, and high accommodation/rental prices (a major contributing reason for staff shortages). Even though the higher costs of housing/rents do make it extremely difficult to attract labour (compared to 2 years ago), the impacts of mines still rate higher as a reason why labour is more difficult to recruit (than 2 years ago); the mines take potential employees away from Moranbah businesses, as well as existing employees. A third negative impact is that fewer people are shopping in Moranbah. Locals shop slightly less with the Moranbah businesses than 2 years ago and although the population of Moranbah has increased it is mainly an increase of single men as many families have left Moranbah. Those 'single' men do shop (not very much still) for themselves in Moranbah, but not for their families as men do not normally do the shopping. The first two concerns (labour shortages and increased house prices) were expressed by the Moranbah stakeholders as well (see Report 3; Petkova-Timmer, Lockie and Rolfe

2007), while only the second concern (increased house prices) was shared by Moranbah residents (see Report 2; Ivanova and Rolfe 2006).

Most business respondents have found labour recruitment strategies that have worked well. The most successful recruitment strategy is employing people from outside the area (and giving incentives to come to Moranbah). Other strategies mentioned were securing accommodation for prospective staff and word of mouth.

Most business representatives were of the opinion that Moranbah should focus on only attracting residential development and minimise the size and/or number of work camps. The survey of residents generated the same opinions as expressed by business respondents (Ivanova and Rolfe 2006). On the other hand, camps could eventually have a more positive impact on Moranbah businesses if there were *more and/or bigger* camps in order to alleviate the housing burden on the Moranbah businesses; if there was more room in the camps, housing costs for employees might fall. Extending business opening hours was not supported by most Moranbah business respondents; at least 20% of the businesses are already open long hours, and most of the remainder is/would be dealing with (increased) staff shortages.

The respondents also pointed out that there are opportunities for businesses, the council, mining companies and the government to contribute to ameliorating the negative impacts and capitalising on the positive impacts of the current mining boom. The government could work on unmet needs for affordable housing for families/the general local workforce/low-income earners and water supply. Mining companies could locate more employees (and their families) in Moranbah, increase spending, provide (affordable) housing for their workers (and their families) and discourage single accommodation. Additional strategies that the council and business community could follow are building more affordable homes for families, and (the council) releasing more land at fair prices both for permanent housing and for small businesses to build (homes) without restrictions. Obviously, the business respondents would like to see all stakeholders (Moranbah businesses, mining companies and local, state and federal governments) working on affordable housing for mine workers, low-income earners and their families.

Business supplies are sourced more from Mackay than Moranbah; supplies from Moranbah comprise 7% of total business expense, while supplies from Mackay make up for 14% of total business expenditure. Wages and local supplies together made up 31% of total business expenses. These expenses may become income to other businesses or households in Moranbah and may therefore create multiplier impacts. The multiplier impacts are however lowered by local residents and temporary residents living in the work camps not being inclined to shop in Moranbah.

References

- Ivanova, G. and Rolfe, J. 2006 *Survey of the Moranbah Households*, Economic and Social Impacts of the Moranbah Mines Research Reports Report Number 2, Centre for Environmental Management, Central Queensland University, Rockhampton.
- Petkova-Timmer, V., Lockie, S. and Rolfe, J. 2007 *The Development of Moranbah: Stakeholder Analysis*, Economic and Social Impacts of the Moranbah Mines Research Reports Report Number 3, Centre for Environmental Management, Central Queensland University, Rockhampton.

Appendix

Survey of Spending Patterns from Businesses in Moranbah

*Centre for Social Science Research,
Central Queensland University, Rockhampton, 4702.*

This survey is being undertaken by John Rolfe, Stewart Lockie and Galina Ivanova from Central Queensland University and is supported by the Queensland Government. Survey results will provide information about how much impact the mining industry is having on the local economy. **Your answers are treated as strictly confidential and neither your name nor address is recorded.**

Q 1: What general area does your business operate in? (eg Stock and station agent)

Q 2: How long have you been in business at Moranbah?

_____ years

Q 3: How many people work full-time in your business?

Owners (record number) _____

Employees (record number) _____

Q 4: How other many people work in your business?

Part-time (record number) _____

Casual (record number) _____

Q 5: How have employee numbers changed:

	From 2 years ago	From 5 years ago
Change in full-time staff		
Change in part-time staff		
Change in casual staff		

Q 6: How has your turnover changed over the past 2 years?

Decreased

Stayed much the same

Increased

If increased or decreased, can you estimate the percentage change (eg. 50% increase over 2 years)?

_____ % change

Q 7: How has your profitability changed over the past 2 years?

Decreased

Stayed much the same

Increased

If increased or decreased, can you estimate the percentage change (eg. 10% increase over 2 years).

_____ % change

Q 8: Over the past 2 years, has the change in mining activity impacted on your business? Explain if possible.

Q 9: Which mines in the area have the most beneficial impact/greatest spending with your business?

Q 10: Can you identify any potential actions of the mining companies that would further help your business? (e.g. targeted local spending, more employees living locally)

Q 11: What percent of your gross turnover is spent on the following items?

Wages _____ %

Supplies from other
businesses in Moranbah _____ %

Supplies from
Mackay _____ %

Supplies from
rest of Qld _____ %

Rest of business
Expenses (eg interest, taxes) _____ %

Q 12. Have your difficulties in recruiting labour changed over the past two years?

Easier to recruit

Stayed much the same

More difficult to recruit

Comments?

Q13. Has the higher cost of housing and rents made it harder for your business to source labour over the past two years?

Extremely difficult

Difficult

Somewhat difficult

No change

Easier

Q14. Do you have any recruitment strategies that have worked well for your business?

Q15. Do you think that the loyalty of Moranbah residents for shopping locally has changed over the last few years?

- Increased a lot
- Increased a bit
- No change
- Decreased a bit
- Decreased a lot
- No opinion

Explain if possible.

Q16. Do you think having the workcamps based at Moranbah is generally positive for your business?

- Yes
- No
- No change / don't know

Q17. Should Moranbah focus on only attracting residential development and minimise the size/number of workcamps?

Yes

No

Don't know

Q 18. How easy would it be for your business to extend its opening hours?

Would be easy to extend

Would be difficult to extend opening hours

No opinion

Reasons for your answer?

Q19. What are the key services and infrastructure that government needs to supply to Moranbah to service an increased population in the next five years?

Q20. How long do you think the current strong conditions in the coal industry are likely to last for Moranbah?

Less than 1 year

- 1 – 2 years
- 3 – 5 years
- 6 - 10 years
- More than 10 years
- No opinion

Q21. In five years time, do you expect that your business will be?

- Much larger and diversified (> three times current size)
- Larger
- About the same
- Smaller
- No longer existing

Q22. Do you think you personally will still be in business in Moranbah in five years time?

- Yes
- No
- Don't know

Q23. Are there any additional strategies that the Council and business community could follow to maximise benefits from the coal industry boom?

Thank you for completing the survey!