

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Decommissioning Oil and Gas Infrastructure

Leongatha – Wednesday 11 February 2026

MEMBERS

Ryan Batchelor – Chair

David Ettershank – Deputy Chair

Melina Bath

Gaelle Broad

Jacinta Ermacora

Wendy Lovell

Sarah Mansfield

Rikkie-Lee Tyrrell

Sheena Watt

**Necessary corrections to be notified to
executive officer of committee**

WITNESSES

Cr Nathan Hersey, Mayor,

Cr John Schelling, and

Christian Stefani, Manager, Regional Partnerships, South Gippsland Shire Council.

The CHAIR: Welcome back to the proceedings of the Legislative Council Environment and Planning Committee's Inquiry into Decommissioning Oil and Gas Infrastructure, coming to you today from the lovely Leongatha Memorial Hall. We are joined now by representatives of the South Gippsland Shire Council. Welcome to you all.

All the evidence that we take is protected by parliamentary privilege as provided by the *Constitution Act 1975* and the provisions of the Legislative Council standing orders. Therefore the information you provide to us during this hearing is protected by law. You are protected against any action for anything you say during this hearing, but if you go elsewhere and repeat those same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of the Parliament.

All the evidence we take here is being recorded, and you will be provided with a draft copy of the transcript for review prior to it being made public and presented on the on the committee's website.

Welcome. My name is Ryan Batchelor. I am a Member for the Southern Metropolitan Region and the Chair of the Environment and Planning Committee. I will ask members to introduce themselves.

Melina BATH: Hello. Melina Bath, Eastern Victoria Region.

Rikkie-Lee TYRRELL: Hi. Rikkie-Lee Tyrrell, Member for the Northern Victoria Region.

Sarah MANSFIELD: Sarah Mansfield, Member for Western Victoria Region.

Tom McINTOSH: Tom McIntosh, Member for Eastern Victoria.

The CHAIR: And online.

David ETTERS HANK: David Ettershank, Western Metropolitan Region.

The CHAIR: Thank you. Before we begin, could I ask each of the people giving evidence today to state their full name and the organisation they are appearing on behalf of so that the Hansard team know who they are and can make sure they attribute comments appropriately. Wherever you want to start.

Nathan HERSEY: Thanks. I am Cr Nathan Hersey, the Mayor of South Gippsland Shire Council and also Councillor for Strzelecki ward.

John SCHELLING: John Schelling, Councillor for Tarwin Valley ward in the South Gippsland shire.

Christian STEFANI: Christian Stefani, South Gippsland Shire Council.

The CHAIR: Thank you all for coming. The format of this is pretty straightforward. We will ask you to make a short opening statement, you will do that and we will start asking you questions, and will see how the session goes from there. Over to you.

Nathan HERSEY: Sounds good. Thank you. Firstly, welcome to Leongatha. I suppose no-one else can welcome you to the place like we can, because this is part of our council buildings and the chamber is just next door, which we were in just before. It is great to have you here, and we are really pleased that you have selected Leongatha to have the public hearing today. I am Cr Nathan Hersey, the Mayor of South Gippsland Shire Council. I am joined by Cr John Schelling, who is the immediate past mayor of South Gippsland shire, and I will also acknowledge we have got deputy mayor Brad Snell sitting in attendance here.

Council appreciates the opportunity to present today and to speak in support of our written submission to the Inquiry into Decommissioning Oil and Gas Infrastructure. I believe you have already been provided with a copy of our written submission. That is great. South Gippsland Shire Council, as you know, is a rural municipality located around 1½ hours south-east of Melbourne. This is not in my notes, but it is my view that it is the best place in the world.

Melina BATH: Hear, hear.

Nathan HERSEY: We are home to around 31,000 people, with the population expected to grow to around 36,000 by 2036. Whilst we are modest in population, South Gippsland has an economy of national significance. We have the highest number of agricultural businesses of any local government area in Victoria, and we play a critical role in food production, especially in dairy. Our landscape of rolling green hills – except for at the moment – productive farmland and spectacular coastline is anchored by Wilsons Promontory in the south, which also supports a strong visitor economy, attracting around 1.2 million visitors each year.

Importantly for this inquiry, South Gippsland also plays a longstanding and strategic role in Victoria's energy sector. The Barry Beach marine terminal, which I believe you visited this morning, has operated for almost 60 years and has been a central part in the construction, servicing and operation of Bass Strait oil and gas infrastructure over that time. It is now proposed as a primary onshore location for decommissioning activity. As a result our community will experience the final and most visible part of the decommissioning process. From council's perspective, this places South Gippsland at the intersection of legacy fossil fuel infrastructure and Victoria's broader energy transition.

Council recognises the scale and nature of the infrastructure requiring decommissioning both offshore and onshore is significant and will extend over the coming decades. Whilst ownership and regulatory responsibility largely sit with the state and Commonwealth governments, the impact of this work will be felt most directly in host communities such as ours here in South Gippsland. Council strongly supports clear regulatory powers to ensure decommissioning is timely and is well managed, planned and appropriately sequenced. We also support robust financial assurance arrangements to ensure that the full cost of the decommissioning is met by industry and not transferred to governments, councils or communities in the future.

Decommissioning presents a substantial employment opportunity for South Gippsland. Direct flow-on jobs will support our local economy and assist with workforce transition as traditional oil and gas operations wind down. Importantly, this activity also supports the ongoing viability of the port of Barry Beach and also Port Anthony – as you have seen next door – as they transition to servicing renewable energy industries, including the planned Bass Strait offshore wind projects which are expected to require operations and maintenance for 30 years or more.

However, these opportunities also bring challenges. An increase in workforce demand can put pressure on housing availability, temporary accommodation, transport networks, health services and other community infrastructure. These pressures are amplified by the similar timing of major projects, including Marinus Link, which is an electricity interconnector which is proposed to traverse South Gippsland. Government investment in up-front and enabling infrastructure services will be critical to ensure that communities can absorb growth while also minimising social, economic and amenity impacts.

Council has taken proactive steps in preparing for this transition. In July 2024 South Gippsland Shire Council, together with Latrobe City Council and Regional Development Australia, adopted the *Renewable Energy Impact and Readiness Study*. The study provides robust economic, social and land-use evidence to understand and prepare for the impacts of large-scale energy projects. While focused on renewable energy, its findings are directly relevant to oil and gas decommissioning, as many of the workforce housing, land use and service pressures are comparable. The study highlights the need for early planning to manage peak workforce demand, avoid ad hoc land use outcomes and ensure adequate provisions for laydown areas, port expansion, waste handling, recycling and supporting industrial uses. It also emphasises the importance of workforce transition and skills continuity, aligning decommissioning activity with future industries, such as offshore wind, to retain skilled workforce locally and to reduce reliance on fly-in, fly-out labour. Critically, the study underscores the need for strong coordination across all levels of government, industry and councils to align regulatory frameworks, infrastructure investment, workforce planning and community engagement.

Community confidence in decommissioning is also essential. Council has consistently advocated for strong, transparent engagement with local residents. We acknowledge and welcome the efforts by Esso and future offshore wind proponents to engage regularly with council to hold community information sessions and provide opportunities for direct feedback. Continued openness and responsiveness will be critical as the works proceed.

Council also strongly supports traditional owners, owner acknowledgement, consultation and employment. In South Gippsland both the Gunaikurnai Land and Waters Aboriginal Corporation and the Bunurong Land Council Aboriginal Corporation have responsibilities for country and sea country that may be affected by oil and gas infrastructure.

Looking beyond decommissioning, council emphasises that the ports such as Barry Beach Marine Terminal and Port Anthony are not end-of-life assets; they are strategically located in coastal facilities that can underpin Victoria's next phase of energy industrial development. Both ports have been identified by the Victorian government and offshore wind proponents as critical locations for offshore wind operations in the future. With offshore wind projects expected to operate for decades, these ports can play a long-term role supporting renewable energy while also evolving into broader logistics and transport hubs, linking energy, agriculture, food production and other regional industries.

Council emphasises the importance of carefully managing the environmental and community impacts. South Gippsland is home to sensitive coastal and marine environments that are highly valued rural and residential communities as well. As port activity increases, any impacts must be properly assessed and mitigated. Strong environmental safeguards, clear planning and framework and ongoing community engagement are essential to ensure the long-term social licence.

In closing, oil and gas decommissioning is a major project for South Gippsland. Done well, we believe it can deliver jobs, support workforce transition and continue a safe and orderly shift to renewable energy in the future. Done poorly, it risks leaving communities with unmanaged impacts and long-term liabilities. Council appreciates the opportunity to contribute to this inquiry and looks forward to continued collaboration with the Victorian government and to ensuring that the decommissioning delivers lasting benefits for South Gippsland and the Gippsland region of Victoria. Thank you.

The CHAIR: Thank you, Mayor. I will kick off on the question front then. One of the critical things you mentioned is about engagement and ensuring that there is good engagement, particularly by the proponents but also by the people they contract with to undertake tasks. The prospect of the need to decommission has been on the horizon for a while now. How would you rate particularly Esso but all of the major organisations and companies involved in this decommissioning exercise on their engagement with council in the lead-up to today and the prospects going forward?

Nathan HERSEY: Esso has been very good in engaging with council. One of the things that we had to deal with in the early stages of the offshore wind announcements, when the offshore wind zone was declared, was that some proponents did not quite realise that we are a level of government and that we have a really close connection with community. I will not throw any particular proponent under the bus; that is not my intention. But I will say that in that instance we began really good conversations with proponents that have now proceeded to be good working relationships with council. One of the things that we will continue to say is that in any of these projects or any of the transition that occurs in Gippsland, council, with community, absolutely must have a seat at the table. We are not supportive of a case of 'This is going to happen to you, so get used to it'. It really has to be about bringing community along and council along as well. But Esso has been particularly good, I believe, at engaging with council through this process.

The CHAIR: Councillor, you sort of speak for the community, but from your observation of how they have engaged with members of the community directly rather than council as a level of government, what is your observation about how the engagement has been with members of local communities?

Nathan HERSEY: From what I view, it seems to be quite positive and quite good. I cannot speak on behalf of people more broadly because –

The CHAIR: I am only asking what you have observed.

Nathan HERSEY: My observation is that it has been positive. Sometimes when you are in this role, as I am sure in your roles in Parliament, if you are hearing people jumping up and down, it is not a good sign. Largely our community has been relaxed with the level of engagement, and we are not hearing that upset and upheaval from people in community. I can only assume that – my phone number is on the website, as are all the councillors’ – if were to have people who were extremely upset with the level of engagement, they would be letting us know, we would just have that happen.

The CHAIR: Obviously the process itself will be quite involved, and there are obviously, as you mentioned, significant jobs and economic opportunity for the local community. One of the things that seems to me is that the growth likely to come from this economic opportunity requires things like housing to be built and to be made available. Who are you engaging with on that question, and how is that process going?

Nathan HERSEY: I think it is going well at the moment. We are engaging directly with proponents and in this instance with Esso as well. Christian may have more information, but one of the big things that we have been working on is getting ready for growth and for ongoing population. As I have said, we expect it to come. Council is working on that really in an active way. We are making land available. We are looking at planning schemes where necessary. We have looked at industrial land as well, as we should in this instance, because a lot of these projects will need industrial land. But the engagement with proponents has been regular, and the understanding is there that we have a lack of housing supply in South Gippsland and we have a lack of tourist accommodation, and with that in mind, in that context, there will be additional pressures. So it is going to be the case that business and industry will need to help to establish, even if it is short-term, temporary accommodation to house workers; they will have to play a part in that as well.

The CHAIR: The last thing I want to touch on is just the coexistence of industry with the big agricultural community down here. Obviously oil and gas have been a feature of the landscape here for 50 years or more. How well have the agricultural sector and the energy sector coexisted, and what is your observation about how that might progress into the future?

Nathan HERSEY: Look, there is always going to be some issue with interface perhaps, particularly with transmission lines – we have seen concern around that – but with this, with oil and gas in mind, less so. I expect that most of our agricultural community are quite pragmatic and understand that this is a process of what happens when you have industry. Furthermore, we have had a lot of engagement with agricultural communities who are looking at future opportunities for growth in their business. As I explained or read out before in our statement, there is a hope that through activating the port and upgrading roads that would be necessary for the movement of freight, our agricultural community and the agricultural businesses will be supported through that as well. Agriculture is our biggest industry, no doubt, but we are also used to and our people are used to having industry here and having energy here as part of it as well. I think, going back again to what I said before, in the absence of people banging down our door saying, ‘Not happy,’ we have the understanding that most people are fairly supportive and/or okay with what will happen with the interaction.

The CHAIR: Thank you. Ms Bath.

Melina BATH: Thank you, Christian, Nathan and John. And thank you very much for your presentation, Nathan. That was very good. I am going to address my question to John. I do know that you have had a history and you grew up actually very close to Barry Beach. I want to understand: towns like Toora and Welshpool 50 years ago, 40 years ago, were very vibrant.

John SCHELLING: Yes.

Melina BATH: Now there are a lot of closed doors. And there are some great shops that are there and communities that are there. There will be some jobs, and we heard today from CMA of potentially around 60 to 80 jobs there from CMA in the decommissioning. But really decommissioning could be used as a running board for a greater number of jobs. What do you want to see? We are going to make recommendations to government, so paint me a picture. And then what do you want to see occur for South Gippsland in general but that area?

John SCHELLING: My formative years were spent overlooking Barry Beach. We farmed just on top of the hill, having a look at what was going on down there. I grew up in a town that was vibrant. The town of Toora was a vibrant place to live. They built sporting grounds, they built new halls, they built kindergartens and

they built pools, all during the 1960s and 70s, based on Esso and BHP being down at Barry Beach. I watched the jackets going out on the back of the boats, which are now apparently going to be brought back in the same way. I have seen all that and I have seen the towns, and Toora and Welshpool especially. But football thrived in the area; football, netball thrived in the area back then. We had Toora, Welshpool and Devon football clubs. Now there is nowhere else – well, there is no Devon. They are all gone. Toora are just hanging on by the skin of their teeth. We need these jobs to come to our area to support supermarkets, service stations, hotels – accommodation for people. What these jobs are going to create is a place where people will feel happy to come to live: live in Toora, live in Welshpool or even live in Yarram and travel that half an hour down to Barry Beach.

The other positive I see coming out of it is the improvements to our roads, which have been let down really badly over the last 15 or 20 years. The South Gippsland Highway is in pretty poor condition, as Melina would attest to. I want to see the infrastructure that comes from the decommissioning improving the infrastructure we have got for our people in South Gippsland. That is really what I base the whole thing on. It is just that growth, it is just that opportunity and it is just the ability for those towns to improve and survive.

Melina BATH: Thanks, John. There is a risk, if I am blunt, that we could host all the pain and the traffic and then we could have fly in, fly out as we do not have the right infrastructure, and the roads become more degraded in terms of a lot of traffic and function. What are some specific things or programs or funding or the like? You have got the ear of the upper house members now, directing government. What do you specifically want to see? What are the elements that you think need to happen for your vision to be a success?

John SCHELLING: Simply it goes down to stuff like our kindergartens in Welshpool and Toora. They are in pretty poor condition. Here is an opportunity to get the funding from the state or federal governments to improve that infrastructure. Here is a chance for someone to come back and rebuild the Toora hotel, which closed down recently because it was falling into disrepair. Here is an opportunity for us to have a seat at the table to work with the government agencies to create those better roads and create that better infrastructure that we need. I think it is a huge opportunity, as Nathan said, to have a seat at the table to discuss these things with the government agencies as it comes. We see this as a huge opportunity for our area.

Melina BATH: Thank you. You mentioned roads, and that was on my list as well. You said that Barry Beach has been around for half a century, and there is a reasonable confidence around that. Do you feel on the edges that there is community concern in relation to the decommissioning in relation to pollution and the like? Is that being reverberated in council at all?

John SCHELLING: I think we are dealing with professional companies. My day job is I work for a fuel distributor down here and have done for 40-odd years. We work alongside the companies that supply us, such as Mobil and BP. They are paranoid about safety and environment. They are so scared of creating something that happened back in the 60s with the *Valdez* and that sort of stuff. In everything I have seen with Esso at their meetings we have been to, they are just paranoid about protecting the environment, making sure they do everything in a proper order and making sure that everyone is trained properly to do something. I am very confident that we are going to be very happy with what happens down there.

Melina BATH: Thank you. I think my time is up.

The CHAIR: Indeed. Dr Mansfield.

Sarah MANSFIELD: Thank you. Thank you for your submission and for being here before the panel today. I am interested in some of the comments that you made earlier in your presentation, Mayor, about the need to avoid costs being transferred onto governments or councils or communities in the future. What sorts of costs are you concerned about being potentially transferred if things are not managed well?

Nathan HERSEY: I do not know what specific costs, but we cannot afford to absorb costs that should be within the area of industry to pay for. We do not have funding, for example, to do the environmental studies. That is not in our area of responsibility. We do not have funding to fix the roads – I am talking main arterial roads – when they are damaged by transporting in this instance. That is not our area. In this instance council's responsibility is to consider the planning permit for the onshore aspect. We are obviously happy to do our part in that. Beyond that, the costs of managing this – we do not have an appetite, mind you, for environmental

destruction either – we want to see done at a good level and funded by oil and gas. This is not up to us to fund in any way, or our community, mind you.

One of the things I will point to is that, going off the back of what Ms Bath just said, we have a community who often ask us, ‘What’s in it for us?’ They want to know what the benefits are. We certainly do not have anyone who comes to us and says, ‘How can we help to fund this?’ There is no appetite for that. We want to know, and our community wants to know, what are the benefits? What can we get by way of jobs, population, new families, improved roads, extra vibrancy, kindergartens, schools, whatever it is? All of those things, again council will do its part, but it is not up to us or to community to fund.

Sarah MANSFIELD: Are you aware of any discussions that have taken place with industry to help support some of that infrastructure that will be needed to support this activity?

Nathan HERSEY: I am not across it as much as much as Christian would be, but I know we have had some discussions. Do you want to touch on that?

Christian STEFANI: ExxonMobil – Esso – obviously have indicated they will be making contributions through community benefits or other community funds to support services and infrastructure. Obviously things are really important to the community, but I think they come in time as the projects progress and are approved, essentially. When it comes to other proponents and developers, there is a similar level of commitment or interest – that there will be some benefit that flows through to the community. It probably comes down to the quantum and the detail of what exactly that looks like. That is still being determined. That does sit also with the Victorian government in the sense of how they coordinate that through regional Victoria, where a lot of the projects are occurring.

I think the interest primarily is that when we have raised concerns around housing availability – where a workforce will be located and how they will be transported to and from where they work – that is a key role for the industry to lead and provide solutions to. Again, in confidence we have had discussions with proponents, not just in oil and gas but around what kind of housing solutions they could invest in and provide support to. At this really I do not want to say early stage, because to me the clock is ticking and we want to get a move on, our role as council is to identify the appropriate land and infrastructure required and then work in collaboration with government and industry to support the funding of that to get that kickstarted. Various housing solutions, whether it is modular housing or relocatable temporary housing, could then also be on sold or gifted to community or government to provide social housing or be passed on to another project down the pipeline. They are all options that are being investigated. We are really pleased that proponents are thinking of that. We see that as a legacy benefit that will then come into our community – but not just to build, dump and run; it has to be very much integrated with services that are required so that we get funding to support that connection. That is where local government does struggle. We do not have the financial capacity to just absorb projects and pay up-front. It is about seeking some financial support, enabling trunk infrastructure funding from levels of government that will help that then become a success. That is what we want to see. We want to see these projects become a success for our region and for the state. That is really important.

Nathan HERSEY: Chair, may I add just a little bit to that? Is there time?

The CHAIR: Yes, of course.

Nathan HERSEY: One of the things as well, to add to what Christian has just said and to go to your question, Sarah, is we have engaged really strongly with other proponents – I am talking away from oil and gas in this instance – around the local benefits. One of the messages that comes back to us really strongly is that it would be a really good area – and we have had this discussion with some ministers – for the government to step up and lead that, about what the minimum level of community benefit is that we should be seeing. Benefits should be local for this. We do not want to see a case where we do not have the benefits locally. We can identify, and our community can identify, what we think are priorities. To have a minimum level there set for what benefits should be given to community – and then you bring community in – is really an area where I believe government can help to lead the way. We would welcome and encourage that leadership as well.

Sarah MANSFIELD: Thank you.

The CHAIR: Mr McIntosh.

Tom McINTOSH: Thank you, Chair. I just had it put to me yesterday that we measure water in litres and energy in watts and food production in joules. To move that food production, the road network is really important. From a South Gippsland perspective, agriculture is obviously really important to your economy. With potential upgrades to that road network, how do you think that helps your agricultural sector to be more productive and stimulate that side of the economy?

John SCHELLING: Going back to roads, we have now got the biggest regional livestock exchange in the country, we believe. We are getting a multitude of B-double trucks bringing cattle from one end of Gippsland to Koonwarra and from the other end as well. There are 5000 or 6000 head twice a week going through that exchange. The improvements to the roads are just going to make a huge financial difference to those transporters who are bringing those through. It is also going to make a huge difference to the state of the cattle being carted if they are not being thrown all over the place with potholes in the middle of the road. Also for our own agricultural farmers who are moving their produce and stuff around the state in South Gippsland, we are going to see huge improvements just with that. But also coupled with that – as we talked about before on kindergartens and stuff like that, Tom – is it just going to improve the structure of what we have got there for those people in those remote areas.

Tom McINTOSH: Coming to your point before about the Toora hotel, a really good, tangible, practical – I just saw it this morning: the pub has got temp fencing around it, so it is not looking great. What do you see as an opportunity for industry, government, whatever that mix is, to come in and say, ‘Here’s an opportunity that brings a bit of pride back to the main street of the town, but also a great opportunity for worker accommodation, for food, everything all in one’ – possibly breathe life into that asset for years and decades to come? What would you see as an ideal way for an opportunity like that to play out for Toora, for example?

John SCHELLING: That is one opportunity, yes. Someone obviously owns it. There is someone who has been leasing it, and obviously it fell into disrepair. No-one wants to spend the money because there is no infrastructure there to support it. But pubs have been the lifeblood of towns for years. They provide meals, accommodation and somewhere for people to socially have a chat. They have 21sts; they have all sorts of different functions at that place. When it is not there, it dies, and the whole place falls down. If you drive up the main street of Toora, for instance, there are old banks, there are old pubs, there are old houses – they are all falling into disrepair. Welshpool is very much the same. Welshpool is hanging on by the skin of its teeth. It has got a hotel that opens three days a week, I think. Certainly we are going to see vibrancy in the community. When you see vibrancy in the community, you see people are happy, and when people are happy, you see a better community altogether, so they work together then to create more and more. It improves volunteerism, it improves everything when you have got somewhere for people to go.

Tom McINTOSH: Just on the risk side, tourism is massive. It is well known for tourism down here. I do not know how big a part of the economy it is, but I imagine it is a big part, whether it is recreational fishing or commercial fishing. Not getting this decommissioning right – obviously we have been hearing a lot of evidence to ensure that it does go smoothly and correctly. But we talked about how important that area is to the community. Obviously some sort of spill or something happening there would have a big impact from a tourism and fishing perspective. I do not know if you want to make any comments on that.

Nathan HERSEY: Our economic development team will tell me if I get this wrong, no doubt, but I believe tourism is now our third-biggest industry in South Gippsland, and it is growing. We are working as a council to continue to support and encourage tourism as well. As I said, it is the most beautiful place in the world. We want people to come and view it and to share it with us and spend their money here. Yes, we do not have an appetite for issues that may impact our tourism, but by the same token we can see at a council level that projects such as the decommissioning will bring more people into the area, which will also invest in our tourism. It is a hard one, because no-one has any appetite to see our natural beauty eroded or destroyed, but I do not believe that any company would do that – not in today’s day and age with the social licence and the way in which companies are scrutinised and operate. They are not going to do that deliberately. That would be a terrible accident, should something happen, but I do not know if that would necessarily destroy our entire tourism economy either, because we are a very big area, we have a lot of tourism throughout and we have more than just one area. That would be bringing the focus far too small for just how great our tourism and our region are.

Tom McINTOSH: Thanks, Chair.

John SCHELLING: I was just going to add to that: we are actually not bringing oil and gas into Barry Beach, we are only bringing steel, so the danger to our Corner Inlet is very minimal. We are not dredging out any fishing grounds or anything like that. All we are doing is transporting some steel from out in Bass Strait into Barry Beach, so I do not see that we have got any huge risk as it stands anyway.

Rikkie-Lee TYRRELL: My colleagues have stripped me of all my questions, unfortunately – they have been picking away at them – so I am going to really narrow it down. Have you got any case studies or safety audits or costings or reviews done on any roads that are going to be impacted directly? Because I noticed when we were driving there was quite an amount of rutting. Have they not been addressed? Have they been on your hit list for a long time, or have you been on our back, the state government, to get this done before we see that big impact of much heavier road use?

Nathan HERSEY: Can I start and then pass to Christian if that is okay. We have a very well-practised list of advocacies at South Gippsland shire, and our roads are always number one without fail – number one every time. When we go out to our community and ask ‘What do you want to see improved?’ It is roads. When we go out for our satisfaction survey results now, we have actually put a second part in there. When people say roads are the issue, we ask ‘What roads?’ It is state government roads. ‘Roads, roads, roads, roads’ – I cannot say it again – ‘roads’. We provided an updated list yesterday to Mr McIntosh, which was received very well – that was only yesterday, I might add – with the latest priorities for our community.

Rikkie-Lee TYRRELL: Will you be sharing that with the committee, Mr McIntosh, because that would be lovely?

The CHAIR: I am not sure it is in the committee’s terms of reference.

Rikkie-Lee TYRRELL: No, no, just so we have that there.

Nathan HERSEY: That is the council side of it. Now I will pass to Christian on whether we have got any research on that.

Rikkie-Lee TYRRELL: I had a feeling it would be you and I discussing this question.

Christian STEFANI: Again, the overwhelming majority of the roads that are impacted are arterial roads, so they are state-managed roads – 90 per cent of the feedback we get from the community is about state-managed roads. With the audit, or I guess the information related to those roads, we share the conditions and the concerns from the community but also from our officers and our very qualified staff that work out on our roads back to the Department of Transport and Planning. We have a very good working relationship with the department in identifying priorities and issues that need to be passed into their area of responsibility. The road network around Barry Beach, especially towards the ports, has been identified as being an area that may need investment in upgrades to facilitate a lot more traffic.

Rikkie-Lee TYRRELL: It did not cross my mind when I was out doing the site visit. Are you aware of what size vehicles they will be using?

Christian STEFANI: In terms of the road traffic?

Rikkie-Lee TYRRELL: Transporting, yes, from the decommissioning – how big the trucks will be.

Christian STEFANI: My understanding is that it would be very similar to existing truck traffic and truck vehicle movements, B-doubles, that would already be using it. It is probably more about the volume that would be coming through.

Rikkie-Lee TYRRELL: That is okay.

John SCHELLING: It will be 17 extra truckloads a day –

Rikkie-Lee TYRRELL: Seventeen extra truckloads a day. Do you know –

John SCHELLING: once the decommissioning begins, yes.

Rikkie-Lee TYRRELL: Okay. I was just concerned about the weight of them as well on the roads.

John SCHELLING: I will just give a quick shout-out to our Member for Eastern Victoria as well. The roads have improved a little bit in the last few months. It has been very welcome, Tom. Some of the stuff in Stony Creek, where the roads were in really, really bad repair, has been improved, but there is a long way to go still.

Melina BATH: I object.

The CHAIR: We are not getting into an Eastern Vic sort of –

Melina BATH: What about the lower house member?

The CHAIR: Anyway. Mr Ettershank, can you save us?

David ETTERS HANK: I am pleased to step in, Chair. Thank you. Thank you, gentlemen, for joining us today. I guess we have heard in previous inquiries, including the inquiry into local government services, just how strapped for cash local governments, particularly in regional areas, are. I presume you are in exactly the same boat.

Nathan HERSEY: Is that a question? Yes. We are all aware. We have just done our first budget session today for the coming year, so it is very fresh in my mind. We are all impacted, including this council, by rate capping. Rural and regional councils, as you will be aware, also have issues with how we can increase our income streams and revenue. We do not have the same opportunities as a lot of the metropolitans do by way of parking. I guarantee you that you will not be fined today for parking here if you have stayed over, because it actually is again another resource to then do that. We just do not have those sorts of resources. I should not give those hints away live – sometimes you will. We are going to. We are in an active stage where we must, and so we should, actively manage our budget. But yes, we are also in the same position as every other council in the state where we are rate capped and that revenue is becoming more and more difficult. Also, rate capping is not keeping up with inflation – nowhere near.

David ETTERS HANK: Okay. Can I ask: are there any direct revenue streams that accrue to council arising from this project, in terms of direct payments you will receive from any of the entities working on this job?

Christian STEFANI: I do not believe so directly, outside of anything that would be a flow-on benefit through development that might occur, as in increased rate revenue because of more housing and more capital-improved value that comes on a site, whether it be commercial or industrial land. Those avenues really are the only kinds of mechanisms. The Mayor correctly said that we do not have a lot of revenue streams. Probably our reference then goes back to indicating the opportunity to state and federal government to invest infrastructure in our region that then reduces our liability and costs to see development occur. That is where the indirect benefit of development can support our community – we see money flow into what would be essentially public and civic infrastructure requirements. That then promotes and attracts investment and further development – appropriate development and balanced development nonetheless – into our region. That is really why our impact and readiness study, the work that we have done, is to identify those opportunities and seek support from and collaboration with government that we do this. Not directly from industry per se – I think we do not really have many avenues to pursue more than what we have done – it is really going to be through that economic growth.

David ETTERS HANK: I guess when I hear that – and I think, Nathan, you made a comment before about how Esso may contribute via community funds and such like – it does sort of remind me a bit of when governments are trying to tell us that the trickle-down effect will solve people's problems. I think often that is about a wish and a prayer. One of the one of the lessons from the resource booms in places like Queensland and the Northern Territory was the value of establishing forums where the key parties can get together and you can actually have a bit of a planned political economy to maximise benefits and ensure the costs are shared equitably. Are there any such structures in place around this project that you are aware of or involved in?

Christian STEFANI: No, not that I am aware of.

Nathan HERSEY: I will additionally respond, though, that this is where we are saying that local government and community absolutely need a seat at the table when it comes to this, because for all of the issues that council may face, we are the closest level of government to the people, and people engage really well with council. It is a lost opportunity to not use council to engage and then to have council at the table to be able to help lead where that investment can go. Going back to my point before, if government can set what is required by way of minimum and then open up those opportunities for community and for local council – not just us; I am talking across the board; have it so that it is for the other communities. What I expect to see is, as those local government areas and communities that are at the forefront of these transitions and changes do it, we will learn lessons. But you have got to start from somewhere, so I would encourage the leadership there to make sure that we are at the table.

David ETTERS HANK: So if there was a recommendation that came out from this committee that was calling for the establishment of such a forum to engage with industry and council and other potential stakeholders like housing providers and such like, would council be supportive of that sort of an approach?

Nathan HERSEY: Yes, I believe council would be supportive. What I would say is that some of the scepticism from our community has been around – don't take this the wrong way; I am just relaying what we hear – that if such funds were set up and the funds were given to state government to then distribute through community, there is just not a lot of trust there that is going to be in the same way. Community expects that community will be central to decisions and to ways in which benefit is given to community rather than – again going back to my point before of not having decisions that are made for you or about you and that is just how it is going to be, but having decisions that are made with the people who are impacted. The very same people who are coming to us and saying, 'What is in this for us? What are we going to get out of it?' are the same people that should be engaged through a forum that, yes, I believe council could support to make sure that that benefit is realised locally.

David ETTERS HANK: Your scepticism is very disappointing, Mayor. I cannot imagine where you could possibly have developed that attitude. Thank you. That concludes my questions.

The CHAIR: Ms Tyrrell, did you have a question?

Rikkie-Lee TYRRELL: Yes, I did. Thank you to the Committee for Gippsland for having their submission in. Waste management – over 95 per cent of the decommissioning will be recyclable, but there will be quite a bit there that is not. I am not sure where that waste is going. Unfortunately I cannot question you together. Are you ready for a bit more waste if it is coming your way? Do you have the resources for that?

Christian STEFANI: No. I am aware of the recycling rate. In terms of where the remaining waste goes, we are probably yet to be briefed on where that may be identified if it is going to be into a local waste management.

Rikkie-Lee TYRRELL: So you have not had discussions with them yet about that?

Christian STEFANI: Not to that level of identifying it, no, but I am happy to take that on notice and find out a bit more information about it. Yes, absolutely.

Rikkie-Lee TYRRELL: Thank you very much.

The CHAIR: I had one last question, but it may fall outside your boundaries. Just a quick look at a map. I do not think any of the pipelines that come from the sites effectively across land and through the beach are in your shire. Would that be correct?

Nathan HERSEY: Correct. Not for this, no. That would be Wellington shire.

The CHAIR: Yes, we might follow up with the appropriate shire about their views on what should happen to those pipelines. With that, we thank you all for your evidence today, bringing your expertise and your perspective to the committee. We really do appreciate it. You will get a draft copy of the transcript in about a week to review. With that, the committee will take a short break.

Witnesses withdrew.