

Cause.



UNION CAMPAIGN TARGETS BHP OPERATIONS SERVICES RIP-OFF

CFMEU Mining and Energy is running a major advertising campaign to expose BHP's sneaky new wage-cutting trick – outsourcing coal mining jobs to its own subsidiary.

At the same time, the Union is taking legal action against BHP over its introduction of a new cut-price workforce driving down industry pay and conditions.

CFMEU ads have been running in prime time nationally and in the NSW Hunter Valley and Central Queensland communities where BHP owns and operates coal mines, reaching hundreds of thousands of viewers on TV, catch-up TV and YouTube.

Have you seen our TV ad?

In mid-2018, BHP created two \$1 shelf companies to act as employing entities for a second-class labour hire workforce, essentially in-housing labour hire, under the name 'Operations Services'.

Find out more about Operations Services at *thinkfairbhp.com.au*

The Union is challenging two non-union agreements in the Fair Work Commission, the Operations Services Maintenance Agreement 2018 and Operations Services Production Agreement 2018, contain pay rates of some \$50,000 a year



less than current BHP agreements for coal mines with no pay rise over their four-year term.

The Union also this month lodged a dispute in the Fair Work Commission over alleged breaches of the union-negotiated BMA Enterprise Agreement 2018 in relation to the deployment of Operations Services at Peak Downs and Saraji mines. The dispute has been raised on the grounds that permanent BHP workers haven't been consulted or given an opportunity to

develop their skills or take on the work being diverted to Operations Services teams.

Despite BHP promoting the popularity of Operations Services jobs, the CFMEU has become aware that they are struggling to fill and retain workers in Operations Services roles and have employed a number of people previously deemed unsuitable by BHP or other contractors. "BHP SHAREHOLDERS ARE DOING INCREDIBLY WELL OUT OF AUSTRALIA'S COAL, SO THE BARE MINIMUM BHP COULD DO IS OFFER AUSTRALIANS DECENT MINING JOBS WITH PROPER SITE CONDITIONS,"

General President Tony Maher

permanent to our own contracting organisation for the whole of Australia. We pay contract rates... Already we see ... a 20% reduction in costs."

General President Tony Maher said the Operations Services model was based on robbing workers to pay shareholders and executives.

"BHP shareholders are doing incredibly well out of Australia's

coal, so the bare minimum BHP could do is offer Australians decent mining jobs with proper site conditions," he said.

"BHP have led the destructive casual outsourcing charge and now they've found an even trickier way to drive down wages by outsourcing jobs to themselves.

"Many of these Operation Services hires thought they

were getting a proper job at BHP, because that's the way it's sold to them.

"Then they find out they're earning 40 per cent less with worse conditions. It's causing huge discord at coal mines. Unsurprisingly, turnover within Operation Services is also high, which is disruptive and bad for safety."

The Union's campaign against BHP's Operations Services will continue

The launch of the ads has generated significant media and public discussion about the latest employment strategy of BHP, which posted record shareholder dividends and a US\$8.3 billion profit last month.

BHP CEO Andrew Mackenzie told an investor teleconference after the profit result announcement that the Operations Services strategy was designed to cut wages costs.

"There are labour cost pressures around ... We have addressed this via our Operations Services model, where we are actually steadily converting a lot of our more permanently contracted workforce and some not so

Hey Idemitsu, why pay Boggabri workers less?

MINEWORKERS AT BOGGABRI COAL MINE IN NORTHERN NSW ARE STEPPING UP THEIR INDUSTRIAL CAMPAIGN FOR PAY AND CONDITIONS IN LINE WITH INDUSTRY STANDARDS.

In a proposed new Enterprise Agreement, the mine's Japanese-owned operator Idemitsu is offering workers \$40,000 less than it pays its workers at Muswellbrook Coal Mine in the Hunter Valley.

Northern Mining and NSW Energy District President Peter Jordan said workers would keep fighting for better pay and a fairer bonus structure as well as conditions like access to arbitration, in line with those at Muswellbrook and Idemitsu's Ensham mine in Queensland.

"We would have thought based on those conditions being agreed upon at the other two operations, those matters would be resolved straight away," he said.

"Idemitsu's workers are already afforded the same conditions at its other mines, so what we're proposing are not unreasonable expectations.

"Boggabri coal mineworkers produce valuable, high quality export coal, but their pay and conditions don't reflect industry standards and they deserve better. In good news, Idemitsu has said it will back down on moving to a 7/7 roster which would promote the use of fly-in fly-out rather than locally-based workers, with any new roster having to be agreed by a majority of the workforce – though workers will believe it when they see it.

Hundreds of CFMEU members at Boggabri kicked off an industrial campaign three weeks ago with a series of six-hour stoppages and have held regular stoppages since. Sticking points include:

- Pay rates that are \$40,000 a year lower than permanent rates in Hunter Valley coal mines, with unfair bonus structures.
- No provisions to support skills training for workers.
- No access to arbitration by the Fair Work Commission for dispute resolution by an independent umpire.

If there's no progress in negotiations, workers' next move will be a 48-hour stoppage.

New name added to the 'saddest of rolls'



HUNDREDS GATHERED AT OUR NORTHERN MINING AND NSW ENERGY DISTRICT'S 24TH ANNUAL MEMORIAL DAY IN CESSNOCK IN SEPTEMBER TO MOURN LIVES LOST IN THE COALFIELDS AND THE SAD ADDITION OF A NEW NAME TO THE MEMORIAL WALL.

Federal Labor leader Anthony Albanese MP delivered a moving address acknowledging the tragic loss of 37-yearold Quinton Moore at Bengalla Mine, 'a fresh name for this saddest of rolls'. Quinton died in November last year while undertaking tyre maintenance at Bengalla coal mine.

"I know that some wounds are beyond even the healing powers of time, that there are absences that can never be filled," said Mr Albanese.

"But I hope you can draw some comfort from knowing that you are never alone. You have this community standing right beside you. You have the compassion and love of the union and the greater labour movement.

"And of course you have the mining family, a family that feels every death keenly in its heart."

WATCH ANTHONY ALBANESE'S SPEECH

Quinton Moore's grieving family attended the event and his widow Shannon was presented with a miners' lamp by District President Peter Jordan as a symbol of the Union's condolences and support.

Mr Jordan said that while NSW was recognised to have one of the safest coal mining industries in the world, the standards were not good enough as long as new names were being added to the memorial wall.

"Safety cannot be taken for granted, it cannot be misunderstood, it must never be understated and must always be the highest and most important issue in any workplace.

"We must never become complacent and as an industry we must demand compliance. Complacency and noncompliance can kill ... we must always be vigilant. It is everybody's responsibility."

Mr Jordan said the Union would always honouring the memory of the 1800 names of men, women and boys on the Jim Comerford Memorial Wall.

"The passage of time never truly diminishes the grief of those affected by the loss of a loved one. An inquiry or an inquest may mark the end of proceedings for some, but for the next of kin, it will never be over."

VIDEO FEATURE - BHP AD



Extra 15 minutes adds up to \$3m backpay win at Coppabella

MINEWORKERS AT PEABODY'S COPPABELLA MINE IN CENTRAL QUEENSLAND ARE SET TO RECEIVE A BACKPAY WINDFALL AFTER THE FAIR WORK COMMISSION FOUND THAT A REQUIREMENT TO ATTEND THE SITE OFFICE 15 MINUTES BEFORE SHIFT FOR PREPARATIONS AND TRANSPORT WAS WORK TIME.

The legal win in the case brought by CFMEU Mining and Energy will deliver hundreds of affected workers up to \$15,000 each and is estimated to cost Peabody some \$3 million in total.

At Coppabella, a change instituted in 2016 required workers to attend the main administration building 15 minutes ahead of their 6am or 6pm shift start to complete preparatory tasks like swiping in, collecting PPE, finding out the nature and location of their work for the shift before being transported to their on-site pre-start briefing.

The majority of employees were not being paid for the 15 minutes prior to the start of their shift.

The Commission's Deputy President Asbury said Peabody's requirement for workers to be at site, logged in, performing tasks at the employer's direction and effectively available for work meant they were working and should be paid.



"The employees are not engaging in the private activity of travelling to work," she said.

"They have commenced work at the main administration building and are being transported to the site for a pre-start meeting and then commence operational duties ten minutes earlier than they would if the pre-start meetings were conducted in the main administration building.

"In order to obtain that additional machine operating time, the employer requires employees to be at the main administration building at 5.45am/pm and it should pay them from that point."

Queensland District Legal Officer Chris Newman said the decision was significant in clarifying the nature of 'work' that should be paid by the employer and could be relevant at other mine sites and even across other industries where employers required compulsory attendance or tasks to be completed before shift starts.

District President Stephen Smyth said the millions in backpay was the direct result of union members standing up to a multinational mining company over unfair work practices.

"It is through union members running and funding this dispute that we have had a great \$3 million win at Coppabella.

"Everyone who receives the payment should take a moment to thank a union member. Even better, join the union. This win is another reminder that it pays to belong."

Peabody has stated publicly that they accept the decision and will stump up for the backpay.

Western Australian District President, Greg Busson, delivered this speech about automation to a conference in Chile held by the Confederation of Miners in August. RIO HINTO AUTOHAUL IN HE PILBARA

> THE WORLD'S BIGGEST ROBOT: WHERE DO WORKERS FIT IN?

IRON ORE FROM AUSTRALIA'S PILBARA REGION IN REMOTE WESTERN AUSTRALIA IS BY FAR RIO TINTO'S BIGGEST MONEY SPINNER – GENERATING ABOUT TWO-THIRDS OF GLOBAL PROFITS. RIO TINTO'S INTERESTS ARE SPREAD ACROSS A NUMBER OF MINES INCLUDING HAMERSLEY, HOPE DOWNS AND ROBE RIVER, REQUIRING A MAJOR RAIL OPERATION TO GET THE VALUABLE ORE TO PORT. OVER THE LAST FEW YEARS, RIO TINTO HAS INTRODUCED AUTONOMOUS TRAINS REPLACING TRAIN DRIVERS ACROSS THIS NETWORK IN A MAJOR AUTOMATION PROJECT – CREATING THE WORLD'S BIGGEST ROBOT.

Automation has always been part of the resources industry. But automation should deliver benefits for workers and communities – not just shareholders and executives. Today I'm going to talk about the experience of the workers during the rail automation process to give some insight into how a just and fair global framework for automation can be developed.

THE NETWORK

The Rio Tinto Pilbara rail system is made up of around 200 locomotives running on 1700 kms of track, linking 16 iron ore mines to four port terminals.

A typical ore delivery comprises two to three locomotives with around 240 ore cars. The train is around 2.4 kms in length. Each car carries about 120 tonnes of ore each or approximately 28,500 tonnes per train and is worth about \$3 million.

HISTORY

In 2012 Rio Tinto announced that they were going to develop an automated rail network in their Pilbara Iron Ore operations, this system is now known as Autohaul. The 1st autonomous trial was conducted in 2015.

Trains started running on a limited basis in the 1st quarter of 2017, in Driver Assist mode.

The first fully autonomous driverless trial was completed in October 2017. Accreditation from the Office of the National Rail Safety Regulator (ONRSR) was given in May 2018, this was the 1st accreditation of its kind in Australia. Operations continued in Driver Assist mode until full commissioning of the autonomous system late in 2018.

The system has reportedly cost US\$940 million/ AU\$1.36 Billion.

DEVELOPING A GLOBAL FRAMEWORK

It is not the intent of this report to lay blame or be critical of Rio Tinto. Rather it is intended to give a "Lived Experience" of the workers, with an aim to establish industry standards for a Global Framework for the Introduction of Automation.

The key aims of the Global Framework are to:

- improve the outcomes for stakeholders (Workers, Unions & Local Communities)
- establish a transition path that is both Fair & Just,
- provide greater opportunities for directly employed employees and other workers engaged at sites where automation is occurring
- support local communities during times of changing mining practices.



WORKERS' LIVED EXPERIENCE

The Autohaul project is generally viewed by the affected workforce as only dealing with workers as an afterthought.

A Rio Tinto media release on the 6th February 2012 states that the case for automation was purely based on a sound financial case and used supposed safety improvements to support the need for automation.

Nowhere in the media release was there any mention of the impacts that automation would have on the workforce. Was the impact on workers even considered?

No planning for retraining and redeployment

There was inadequate attention paid to developing plans for redeployment across the business as Autohaul was under development.

Initial 'one on one' meetings with workers were held during 2013-2014 but no follow up meetings were conducted. This basic engagement has amounted to simply informing the worker of what will happen, and discussing their prospects, rather than engaging collectively with the workforce about what is proposed and then decide on the best course of action.

Where group meetings did occur, workers who raised concerns were subsequently targeted and counselled by management to desist. The engagement process was only triggered at sites where automation was being implemented, but little was done at nearby sites.

Workers were not given retraining and redeployment options prior to the implementation of Autohaul, so that their prospects of redeployment to other areas of Rio Tinto's operations weren't maximised.

Poor job design

Since the full commissioning, drivers have been sitting in poorly planned and prepared remote Hub facilities with little to do except wait for automated trains that need resetting. We have seen an increase in mental health issues brought on by uncertainty due to the lack of ongoing communication regarding the automation process and diminishing meaningful employment since the full commissioning of Autohaul.

Discipline replaces redundancy

Rio Tinto has an admirable goal to manage the deployment of automation without forced redundancies. But at the site level, workers are suspicious. There is a strong perception amongst the workforce that disciplinary procedures have been used more frequently and heavily to push people out of the business instead of offering them a redundancy.

The union has had to run an unprecedented number of unfair dismissal cases on behalf of our members in the past two years. It appears to the workforce that the company would rather pay a minimal unfair dismissal settlement than pay the employees a negotiated redundancy.

Competencies not recognised

Existing rail competencies have not been accredited or recognised on an industry-level basis that is portable to other mining industry employment, putting further limitations on workers' employment options post Autohaul. Rio Tinto proposes to have train drivers maintain their competencies by using simulators. Simulators have a role in familiarising drivers but jobs that have safety and operational risks require real-world competencies.

Fewer local jobs

The Remote Operation Centre has been established in Perth, some 1500 kms to the south, and a majority of continuing train drivers are Fly In Fly Out (FIFO) travelling from across Australia. Both practises reduce employment opportunities in the mining regions. This leaves employees who reside in the remote areas feeling uncertain about their employment and if will there be any future employment opportunities for their families in these locations.

RECOMMENDATIONS FOR DEVELOPING A GLOBAL FRAMEWORK.

1. ENGAGEMENT MECHANISM

An engagement mechanism should comprise multiple tiers of engagement:

- At site
- Regionally
- National unions
- Clear dispute/escalation methodology that is agreed and followed.

2. VOLUNTARY REDUNDANCY

Redundancy should be available to workers on a voluntary basis when their employment has changed due to automation and be binding on the employers. The oldest long-serving employees should be a priority for offers of voluntary redundancy as they may be less likely to want to retrain or re-deploy within the company.

Younger employees would be in a better position to retrain in any new jobs created by automation or be more willing to redeploy to other areas of the business. Employers should offer voluntary redundancies across broadly across their business to make space for those workers who seek redeployment.

If the company is prepared to take away workers' meaningful jobs then they should show due respect by offering redundancies rather than seeking to pressure workers to exit the business.

3. MAINTAINING AND ACCREDITING COMPETENCIES

Existing competencies should be nationally accredited and have portable skills, especially in an era where automation is on the increase and will require workers to redeploy across the industry.

Competencies should be maintained by creating opportunities live operation of the trains. For example, Japan's Bullet train automated network is shut down periodically so that workers can operate the system to maintain their competencies. This benefits the company as it will ensure that the network can continue to be used if the automated system goes off line.

4. RETRAINING AND REDEPLOYMENT

These options should be available from the start of the automation process, it will give workers adequate time to make considered, informed decisions regarding their future. It will also enable the employer to set up a well-structured, timely training process that takes operational requirements into account.

Workers who choose to leave the business should receive assistance to relocate if they decide to leave the region.

5. EMPLOYEE ASSISTANCE PROGRAM

Increased resourcing and counselling should be provided to assist workers in dealing with the changing working environment. Assistance should not only be limited to support around mental health wellbeing, but also provide help with identifying future employment opportunities and provide financial planning. This will enable employees to make well informed, well considered decisions regarding their future and the future of their families.

6. BONUSES AND ALLOWANCES

Workers should share the benefits of automation. Bonuses should be paid as agreed/achievable automation milestones are reached. These bonuses reflect the 'on the job' assistance and support given by employees in the development of the automation process.

Allowances awarded to workers for operating the rail network prior to automation should continue to be paid. It would be seen as 'Bad Faith' for the company to seek to reduce allowances as automation rolls out. A worker being retrained for their skills and experience and being required to be available to work in roles for which the allowance is paid should continue to receive such allowances.

7. REMOTE HUB STANDARD

A mutually agreed standard is required for remote hub facilities, regarding issues like size, amenities, kitchens, air conditioning and communications. Automation creates longer and uncertain periods of time in remote hubs, with little meaningful work for people to do. The hub facilities are an opportunity to provide off-site training and worker development.

8. REMOTE OPERATIONS CENTRE

Remote Operations Centres should be established in the remote communities rather than build them in distant cities or move them offshore to save money. This provides ongoing support to these communities through continued employment opportunities. Governments and mining companies have invested in costly essential services in remote mining communities to make them more habitable. It should be considered part of a company's ongoing Social Licence to operate to continue to support remote communities. After all, if mining operations don't create good, local jobs – on what basis should communities support them?

9. WORKING GROUP.

A working group should be set up comprising;

- On site management
- Employee representative
- Union representative
- Off site management representative overseeing the automation process.

This working group would ensure that all stakeholders are equally represented and heard, it would also ensure that people are made accountable and it's not just a meaningless "box ticking" exercise by on site management to appease management overseeing from a distance.

As previously stated, the intent is not to throw mud and hope it sticks, but instead should be seen as an opportunity to learn from those that have lived and experienced the automation process from start to finish at the front line.

Automation is a reality of our industries as companies look to improve productivity and take advantage of changing technology. But automation should deliver better jobs and more benefits to workers and communities – not just bigger profits.

We have an opportunity to correct the shortcomings already identified, to anticipate shortcomings not yet experienced and an opportunity to build a framework that supports workers from day one and offers meaningful options for the future. Above all, a global framework for automation must be based on respecting the workers who generate the enormous profits companies like Rio Tinto make out of the natural resources of the countries they operate in.

Workers lose hope at New Acland as approvals delayed

REDUNDANCIES ARE UNDERWAY AT QUEENSLAND'S NEW ACLAND MINE AS APPROVAL FOR AN EXPANSION FOR THE MINE CONTINUES TO BE DELAYED.

New Acland mineworker and CFMEU member Michael Hartin said workers were on a knife edge as the company begins laying off 150 workers due to a lack of certainty about the mine's future.

<u>Watch Michael Hartin on ABC news</u> about the affect the approval delay is having on workers.

The Union has been lobbying the Queensland Government over many months, raising the issue with ministers, departments and secured support for a resolution at the 2019 ALP conference to make the expansion a prescribed project. This week, the Union has written to all Queensland ALP cabinet ministers, outlining mineworkers' strong views about the importance of the project and the jobs it will provide. "The Queensland Government has been sitting on its hands and refusing to provide certainty for the proposed New Acland Stage 3 expansion," said District President Stephen Smyth.

"The workforce and the community need certainty. These are good, existing jobs that support families and add enormous value to the region.

"The Stage 3 proposal is a sensible one, providing for the best mine rehabilitation program in the state.

"The Queensland Government can act now by declaring it a prescribed project and working with stakeholders to ensure there are no job losses."

From the General Secretary - Grahame Kelly



" TOGETHER, WE ARE A STRONG, MILITANT, WELL-RESOURCED UNION, THAT STANDS UP FOR OUR MEMBERS, MAKES A DIFFERENCE IN OUR COMMUNITIES AND FIGHTS FOR PROGRESSIVE VALUES."

FACING UP TO OUR CHALLENGES

IT HAS BEEN AN IMPORTANT WEEK IN SYDNEY, WITH OUR CENTRAL COUNCIL MEETING TO DISCUSS THE ISSUES AND MAKE THE DECISIONS THAT SET OUR COURSE FOR THE FUTURE.

Central Council is our Division's highest decision-making body, making sure that officials and rank and file members elected by Districts have input into all of our decisions and understand all the challenges we face. To be fair, we face quite a few.

In particular, you would all be aware that our Union has been attracting a lot of negative publicity lately, largely due to issues surrounding the leadership of the Victorian Branch of the Construction and General Division.

It is certainly a distraction and cause for concern, especially with the prospect of the Ensuring Integrity Bill hanging over the movement.

We have been especially alarmed at reports that the Victorian Construction and General branch has engaged in poaching members from the Manufacturing Division. Council heard from Manufacturing Division Assistant Secretary Leo Skourdoumbis, who reported that in addition to the Victorian Construction Branch recruiting a Manufacturing organiser with the express instructions of poaching Manufacturing members, the Division had received a number of resignations from members on Construction Division letterhead.

Council felt strongly that we should take a strong stand over an issue that affects the rights and autonomy of Divisions with our amalgamated Union and unanimously supported this motion:

After hearing the report to Central Council, this meeting RESOLVES to ENDORSE the actions of the Central Executive in supporting the CFMMEU Manufacturing Division against the unprincipled actions of the Victorian Construction and General (C&G) Branch regarding the historical membership and coverage of their Division.

The Mining & Energy Division DOES NOT SUPPORT the poaching of Members and we DO NOT SUPPORT signing up Members or potential members of other Divisions where established custom and practice has settled potential competing coverage rights issues.

This meeting of Central Council AFFIRMS that the Mining & Energy Division supports the Divisional structure of the CFMMEU as the best way to represent Members in our diverse industries. We RESPECT the rights of Divisions to deal with matters that affect their Branches, Officials and Members. We CONDEMN what we see as a clear breach of the Union's Rules and Divisional autonomy.

We CALL ON the Branches of the C&G Division to RECTIFY the missteps taken by the Victorian C&G Branch and URGE all C&G Branches to refrain from this approach.

This meeting of Central Council REMINDS all Divisions, Branches and Members that our amalgamated Union has a proud history of working together. We stood, even before we amalgamated in some cases, together:

- To defend Workers' Rights;
- On picket lines and at protests;
- To improve workplace safety and for industrial manslaughter laws;
- Against terrible IR laws, poor legislative reforms and ordinary Free Trade Agreements;
- Collectively, to push back against the Hayden Trade Union Royal Commission.

Together, we are a strong, militant, well-resourced Union, that stands up for our Members, makes a difference in our communities and fights for progressive values.

This meeting of Central Council is also EXTREMELY CONCERNED that our Union cannot function effectively, unless all Divisions respect our shared Rules, the legacy of our founding brothers and sisters (from whichever Division or walk of life they came) and of those that have come since, and we CALL FOR frank, open and honest discussion to overcome our current challenges, because working people need a STRONG and UNITED CFMMEU.

AND for the avoidance of doubt, this meeting of Central Council SUPPORTS WITHOUT RESERVATION the Manufacturing Division and any measures they take in order to enforce the Union's Rules and Divisional autonomy. Councillors heard from ACTU Secretary Sally McManus about the challenges facing the broader union movement following the disappointing re-election of the anti-worker Morrison Government.

The ACTU is working hard to prevent the Ensuring Integrity Bill being passed through the Senate, as it represents a significant threat to unions and elected officials, including volunteers like our rank and file Central Councillors and Board of Management members.

Moving forward, the ACTU's major focus will be investing in growth of the union movement, a focus we strongly support.

We had a good discussion about busting the myths around the coal mining and coal power industries. It's important that we redouble our efforts to expose the falsehoods and halftruths around our industries – like that coal mining is a small industry that could easily be replaced or that we need to shut down our export industry to address climate change.

We commemorated 20 years since the 1999 Oakdale dispute, watching the short film '6.3 million reasons to belong' that tells the story of our members who lost their jobs and their entitlements when their employer went bust.

With the support of their families, community and of course their Union – these coal miners took their fight to Canberra and won justice, with major rallies and a general strike along the way. The Oakdale dispute was important in establishing the principle that workers shouldn't lose their entitlements when companies go bust, ultimately leading to today's Fair Entitlement Guarantee scheme.

Council is a long few days of talking and listening. We appreciate the contribution of all Councillors and we couldn't do it without the support of Union staff and lots of lollies - jaffas are a favourite. Please get in touch if you have any questions about Council or any of the issues raised here.





YOU'LL NEVER BELIEVE WHAT THEY COME UP WITH!