October 2019

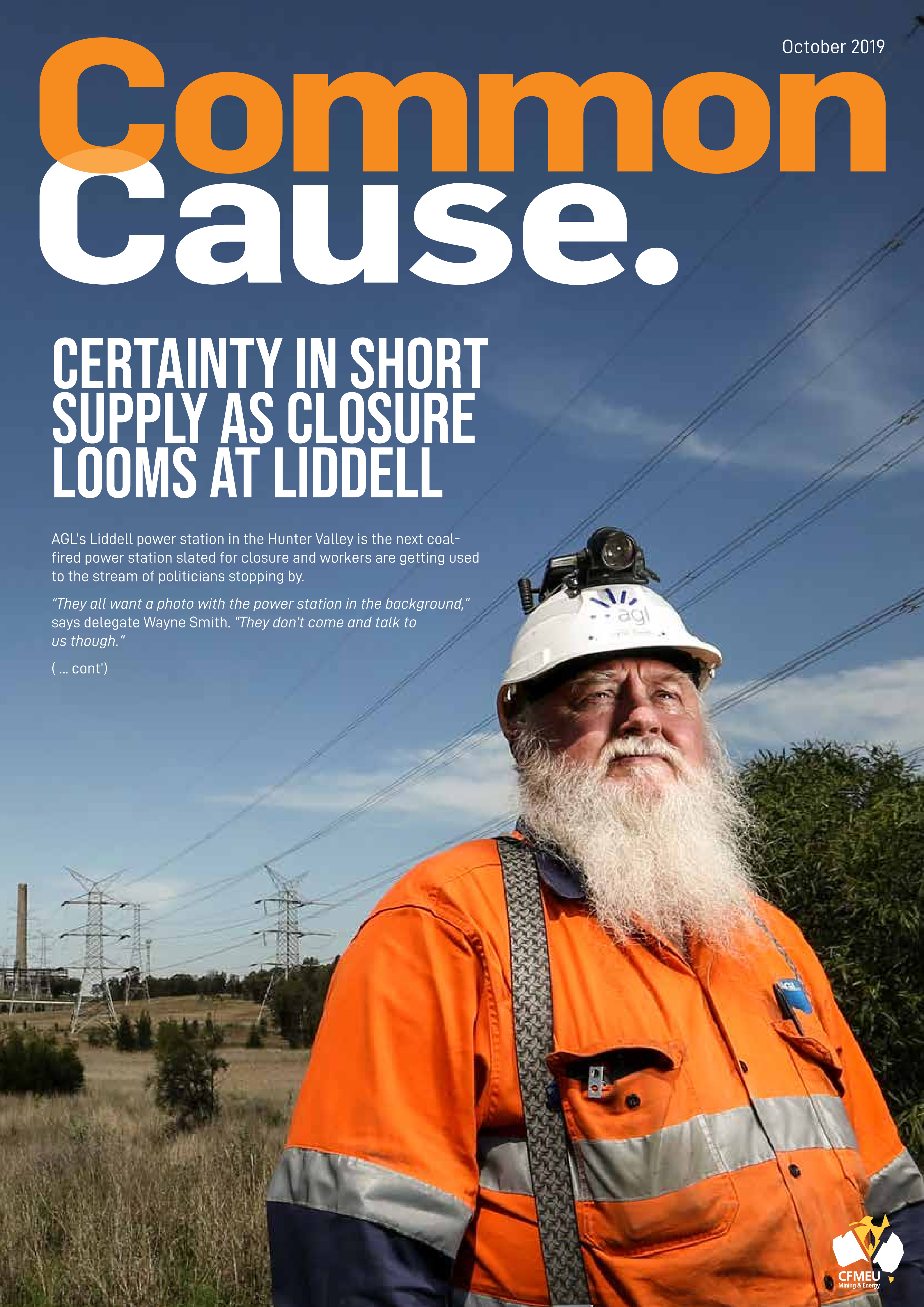
Common Cause.

CERTAINTY IN SHORT SUPPLY AS CLOSURE LOOMS AT LIDDELL

AGL's Liddell power station in the Hunter Valley is the next coal-fired power station slated for closure and workers are getting used to the stream of politicians stopping by.

"They all want a photo with the power station in the background," says delegate Wayne Smith. *"They don't come and talk to us though."*

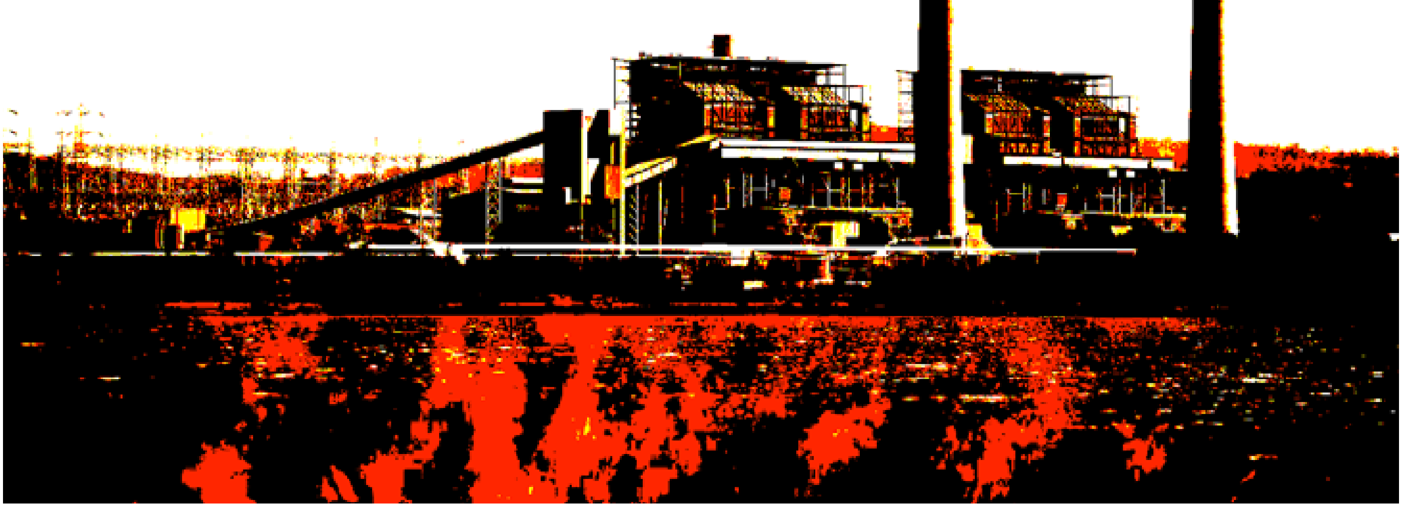
(... cont')



CFMEU Mining & Energy

cont' from pg 1...

> **"THERE ARE A LOT OF PEOPLE HERE WITH VALUABLE, SPECIALIST SKILLS AND THEY DESERVE CERTAINTY AND JOB SECURITY."**



While debate continues over the future of Australia's oldest coal-fired power station and potential uses of the site, the Union's priority is making sure workers and the local community are looked after.

Certainty is in short supply for workers as they negotiate a new enterprise agreement – most likely their last. A four-year agreement beginning in January would run through to Liddell's closure, if current plans don't change.

In 2015, AGL announced Liddell would close in 2022, having reached the end of its technical life after 50 years. This year, AGL announced that one unit would close in April 2022, with the remaining three units to remain in operation for an extra year until April 2023 to meet energy needs over the following summer.

There has been a public tussle between AGL and the Federal Government over further extending the life of the power station, but AGL insists it just doesn't stack up.

Regular commentary about 'big stick' legislation, further extensions to the closure timeframe and potential 'like-for-like' replacement of the plant makes workers unsure about what the future may hold, says Northern Mining and NSW Energy Vice President Mark McGrath.

"Workers are looking for fair treatment and for certainty, so they can plan the next stage of their lives, whether they are staying in the industry or moving on."

Nearly 600 workers at Liddell and neighbouring power station Bayswater are covered by a common Enterprise Agreement.

AGL has made a commitment that the closure of Liddell will cause no forced redundancies. Instead, voluntary redundancies will be opened to workers across both power stations so that those who are ready to retire or move on can do so and positions open up at Bayswater for those workers from Liddell who wish to remain in the industry.

There are plenty of older workers who have had long, satisfying careers in the power industry who will take the opportunity of Liddell's closure to call it a day, says Mark. At the same time, many younger workers are keen to continue in the industry, knowing they won't match the pay and conditions in any new projects that may be developed at the site after the power station is decommissioned.

The CFMEU is working closely with community stakeholders to make sure community interests are protected in the closure. While AGL has made the right noises, they will need to be held to account over the next few years to make sure they follow through, says District President Peter Jordan.

"How AGL manages this closure will have a big impact on the community. They can do it in a way that creates work and community benefit or they can just cut and run.

"For example, work generated such as site rehabilitation should be performed by the existing workforce and not just contracted out."

Wayne Smith began his working life at Liddell after starting in 1979 and he'll finish it there. *"When the last unit is decommissioned, they can decommission me too. I'll retire," he says. In the meantime, workers are worried about how the energy they produce will be replaced in the grid – "we are running hard til after midnight every night"* – and maintaining good jobs and conditions through to the end.

There has been a steady rate of contracting out and casualisation of jobs at Liddell in the lead up to the closure.

"They say it's because they don't know what to do with people when it closes," says Wayne. "But there will be plenty of work if decommissioning goes ahead and other opportunities within AGL.

"There are a lot of people here with valuable, specialist skills and they deserve certainty and job security."

HOLIDAY CHECK-INS ON A SICK DAY AND OTHER WAYS TO GET SACKED BY SOCIAL MEDIA

Social media is a popular way to reconnect with old school friends (yep, even the ones you lost touch with on purpose) and share pics of your dream holiday.

But it has also become a popular way for a mining bosses to keep tabs on workers and find reasons to discipline or sack them.

Remember, if you're reading this on Facebook there's every chance Richard from HR is too. Here are our top tips for using social media without it coming back to bite you.

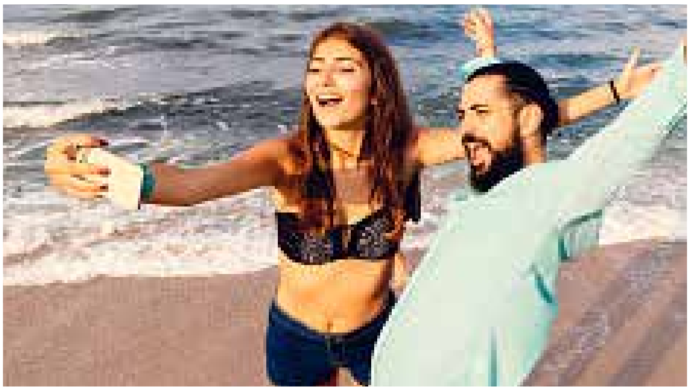
1. Read your company's social media policy

"While using social media may feel casual and spontaneous, activity is permanently retained and can be traced back to you. We want you to be able to make good decisions and avoid activity that could result in negative consequences for you, such as criticism by external parties, personal information theft or disciplinary action by the Company."

Sound threatening much? It's from BHP's code of conduct and it's a good reminder about how seriously major companies take their employees' social media activity. Make sure you read and understand your company's social media policy which is likely to cover the following issues: don't make comments that reflect negatively on your employer; don't share confidential information; don't comment on issues you aren't authorised to.

While each company will have a different policy, they all boil down to this: be very careful about what you say online about your employer and workplace. If in doubt, say nothing.

2. Stay off Facebook on your sick day



If you're on a sick day, don't post from your holiday house, 'check in' at the airport or share pics from a wild party. There may be a perfectly innocent explanation, but we have had members sacked over careless posts that suggested they weren't spending their time in a manner fitting with their personal leave. Even though you're not 'friends' with the boss on Facebook, always assume that your social media posts can find their way into the wrong hands. Believe us, they frequently do.

3. Be extra careful during industrial action

During industrial action, it's common for companies to hire private security to run surveillance on what's happening on the picket line. This has now extended to scanning workers' social media posts. When you're on strike, you can still be sacked for breaching company policy, such as using offensive language towards other employees or attacking the company. Using a pseudonym won't save you either. In one case, a striking member letting off steam under a fake name was identified by the company via their IP address. In general, any commentary about industrial action – even if it's on social media – should be left to lodge or district officials who can comment on behalf of the union.

4. Don't take or share photos from work

Everyone loves photos of big diggers and mining machinery, especially when there's been a bingle. But employers look very darkly at workers taking unauthorised photos on the work site – especially if they find their way into the public through media or social media sites. Photos can get you into trouble for a range of reasons, like if they are perceived by the employer as affecting their reputation, if they show workers (including you) doing the wrong thing, or if they include sensitive information or imagery. If you receive such a photo, don't share it. Remember, as part of an investigation your employer can request your phone records. Your cool photo of a digger stuck in a ditch might get lots of likes, but as a sackable offence it's really not worth it.

5. 'Vaguebooking' can get you in trouble too

"Can't believe he did that. I'm spewing" ... You know those annoying status updates that suggest something's up, but you don't know what it is? That's a vaguebook and it can get you into trouble too. Even if a post doesn't mention the workplace or mention any particular individuals, your employer can still make a case that you are referencing work and take disciplinary action.

In one case, a post of an abstract image (of fish!) with a non-specific message was interpreted as a reference to a workplace dispute and resulted in the member being stood down.

Sometimes it's a very long bow – but there have been multiple cases where an employer has claimed a vague post is about work and the Fair Work Commission has agreed.

6. Wait, there's more ...

A few more tips for good measure:

- Don't denigrate your workmates on social media, it can be seen as bullying.
- It's not just your own posts – comments on other people's posts can get you into trouble too.
- Remember that 'closed' groups are never really private.
- Deleting a post doesn't make it disappear forever.
- It's better not to list your employer on your social media accounts.

Social media blurs the lines between the public and personal like never before and as platforms evolve, so do the issues and risks that workers face.

Everyone who wants to should be able to enjoy using social media, but we want you to do it safely. The bottom line is that if you wouldn't say it in front of the boss, don't say it on social media.

NAPPY DAYS: DADS CAN BE PRIMARY CARERS TOO

Rio Tinto iron ore driver Brendan Hocking is a proud dad for the third time, with the birth of young Percy this month.

While he's an experienced dad, this time around will be different as he is taking primary carers' leave to look after the baby.

With Brendan's wife Hayley keen to return to her study and work commitments, his 14 on 14 off FIFO roster which takes him from Victoria to the Pilbara each fortnight would have become impossible.

While Rio Tinto initially knocked back Brendan's application for primary carers leave, with persistence and support from the Union, the company granted him primary carers leave to care for Percy. As allowed for under company policy, Brendan will take 9 months' leave at half pay to give him more time at home.

"This will make an enormous difference to our family," said Brendan. *"FIFO life is always difficult and even more so when there's a new baby. It was a big relief to have the leave approved and know that I will be able to take care of Percy, Wesley and Frankie so that Hayley can pursue her study and get back to work."*

There is extensive research now to show that men taking more parental leave is good for families and many employers are introducing parental leave policies that are more gender neutral, to make it easier for men and women to decide how they will balance work and caring.

Data from the Workplace Gender Equality Agency shows that just 5% of people taking primary carers leave are men. However, in order to increase men's participation in parental leave, many employers are creating more flexible policies to make it more accessible.

For example, many policies (including Rio Tinto's) allow for primary carers leave to be taken after and in addition to secondary carers leave.

That means a father could take a couple of weeks secondary carers leave at the birth of a baby, then later in the year take some primary carers leave if the mother is returning to work when the baby is six or nine months old.

If your family is welcoming a baby, make sure you read your company's parental leave policy and begin discussions early about what kind of parental leave you could take. As always, if you have any concerns, contact the Union for advice.

70 YEARS OF WORLD-LEADING COAL LONG SERVICE LEAVE

Seventy years ago this week, the first long service leave scheme for Australian coal miners was established.

Born out of the bitter seven-week coal strike of 1949, the Coal Industry Long Service Leave scheme was the first scheme in Australia for blue collar workers and remains one of the best in the world.

Long service leave as a standard work condition was one of three key demands of the coal strike led by the Miners' Federation, along with a 35-hour week and a 30-shilling pay rise.

The strikers came under attack by the Labor Government of the day, led by Prime Minister Ben Chifley, which passed laws making it illegal to give financial support to striking miners and their families. Union officials were arrested and troops used as strikebreakers in coal mines.

Shortly after the strike ended in August 1949, the Coal Industry Tribunal granted coal miners 13 weeks long service leave after 10 years' service, though chairman Frank Gallagher was keen to point out that the strike had no bearing on decision. *"I think it has been made clear to all men in the industry that the strike secured no benefits for them,"* he said. (Righto then.)

The fund was originally paid for by an excise on coal, based on tonnage but has since changed to a levy on relevant industry employers based on wages.

Unions have won significant improvements over the years, including reducing the qualifying period from 10 to eight years and recognition of breaks in continuity of service.

The scheme has also faced serious challenges, the most threatening under the Howard Government's WorkChoices laws when long service leave was removed as an 'allowable matter' in relation to federal awards in 2006. This means that if you didn't have long service leave in your Enterprise Agreement, you wouldn't get it.

COAL MINERS ARE AWARDED LONG SERVICE LEAVE

Sydney.—The Coal Industry Tribunal (Mr. Gallagher) today granted long-service leave to miners on the basis of 13 weeks on full pa years' service; but imposed a provision which the miners who took part in the recent strik

The miners who ignored Mr. Gallagher's order on July 15 to return to work will lose one day's leave for each week they remained on strike.

The leave will begin in 1954, but provision is made for payment in lieu of leave to the relatives of persons who die before or to those who retire before that date.

Long-service leave was one of the major issues in the recent strike.

Today's decision is similar to a draft award Mr. Gallagher would have issued if a strike had not occurred with the exception of the sanctions he has imposed.

Mr. Gallagher said that the award would be suspended in any district where the collieries were idle because of a strike.

"I think it has been made clear to all men in the industry that the strike secured no benefits for them.

"On the contrary," he added, "it has reduced the value of their long-service leave an in a loss of pay fo most cases, of seven

COAL IND COMMI

Sydney.—The ge of the Miners' Fed W. S. Grant) con Coal Industry Tril lagher) about an morning's "Daily

Mr. Grant said which was headed ers Ask a Ransc judiced their clai

Mr. Gallagher that he had not ish for contempt gested that he r the Attorney-Ge

Mr. Gallagher already referre General an arti in the "Dail Tuesday.

Mr. Grant take the actio

No Wonder There's Howling!

Some major coal employers led by Rio Tinto took the opportunity to advocate for the scheme to be abolished, especially the portable nature of it.

The Union launched a vocal campaign to save scheme, gaining a commitment from Labor to maintain and strengthen it, which they did after winning office in 2007.

In 2009, contractors and labour hire workers gained access to the scheme for the first time.

The CFMEU took part in a working group of coal employers and unions that delivered the Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011. The new legislation ensured that leave entitlements were preserved and guaranteed by Commonwealth legislation outside the Award. It reinforced that the minimum of 13 weeks after eight years was a legal entitlement that could not be traded away and restored historical coverage of all employees in the black coal mining industry, meaning that even if employers don't identify as coal mining companies they must contribute to the fund if they have employees that work in mines.

Today, the Coal Mining Industry (Long Service Leave Funding) Corporation manages $1.83 billion in funds for 118,950 employees and 780 registered employers.

General Secretary Grahame Kelly said the coal long service leave scheme was unique in Australia as the only national statutory scheme.

"It is a very important entitlement that is available to all workers in the industry, whether they're full-time, part-time, casual, contract or labour hire.

"But employers are always looking for new ways to wind back conditions.

"The latest is a move to narrow the scope of the Black Coal Mining Industry Award by excluding some contractors, which would also mean that those contractors would not have to contribute to the long service leave fund.

"Everyone who works in a coal mine should get coal mining conditions and that includes long service leave. We will continue to fight for coal long service leave that is national, portable and available to all workers."

VOLUME UP, PRICES DOWN: THE OUTLOOK FOR OUR EXPORT COAL INDUSTRY

Australia is the largest exporter of metallurgical coal in the world; and the second largest exporter of thermal coal. Latest government data forecasts that prices for both products will decline in the short-term, but increased volume means they will remain substantial earners.

The latest Resources and Energy Quarterly released by the Department of Industry, Innovation and Science, gives an overview of the major markets for our export coal and factors that impact on price and production.

METALLURGICAL COAL

Volumes of metallurgical coal are forecast to grow from 183 million tonnes in 2018-19 to 198 million tonnes in 2020-21. This reflects production growth from mine restarts and new capacity in the Bowen Basin including Cook, Baralaba, Byerwen and Gregory Crinum.

However, prices are declining due to a deteriorating global economic outlook and weak steel production. The premium Australian Hard Coking Coal spot price was an estimated average of $US167 a tonne in the September quarter (with a low of $141 a tonne in late September), this was 18% lower than the June quarter and 13% lower than last year's September quarter.

Australia is dominant in the production of metallurgical coal for export, accounting for more than half of all export coal produced globally. India currently accounts for 26% of Australian earnings from metallurgical coal, followed by China at 23% and Japan at 18%.

This means our industry is vulnerable to political and economic – even weather – changes in these countries.

For example, India's steel imports slowed ahead of its May general election as infrastructure investment stalled and recent monsoon rains have also affected steel demand. Chinese imports are expected to drop sharply towards the end of the year as ports reach annual import quotas. In Japan, an end to construction for next year's Tokyo Olympics has seen demand for steel – and metallurgical coal – decline.

In the years ahead, demand from India is expected to grow as it takes over from China as the world's biggest importer of metallurgical steel by 2021. India has limited domestic reserves of metallurgical coal and will need to increase imports to support rapid growth of its steel sector and meet rising consumption.

Lower prices mean Australia is not forecast to repeat the record 2018-19 export earnings of $44 billion from metallurgical coal in the near future, even with higher volumes. But with earnings forecast of $37 billion in 2019-2020 and $35 billion in 2020-21, metallurgical coal is set to remain an extremely valuable and important export industry. Together with thermal coal it is second only to iron ore as Australia's largest export earner.

THERMAL COAL

Australia is the second largest exporter of thermal coal in the world, after Indonesia. In 2018-19, Australia exported 210 million tonnes, worth a record $26 billion. In a similar story to metallurgical coal, volumes are forecast to increase over the next two years – up to 214 million tonnes in 2020-21 due to recovery from various disruptions and some new capacity.

However, prices for thermal coal have declined. The thermal coal spot price averaged US$67 a tonne in the September quarter, 13% lower than the previous quarter and 40% lower than the September quarter last year, due to oversupply. However, the price slide appears to have ended and prices are expected to average in the low to mid $US70s range through until 2021.

Japan is by far the most valuable market for Australia's thermal coal, accounting for 45% of export earnings, followed by China at 16% and South Korea at 15%. Chinese imports have been affected by customs clearance delays and are expected to be affected by increased domestic coal production. Japan's overall imports have declined slightly year on year and Australia's share has declined as Japan bought more thermal coal from Canada, Russia and the United States. In the short-term, maintenance taking some nuclear reactors offline is expected to bolster imports of thermal coal, but as with South Korea, Japan is expected to gradually move away from coal-fired power over the longer term.

India, which accounted for just 1% of Australia's export earnings from thermal coal in 2018-19, is forecast to substantially increase its thermal coal imports in the years ahead to meet the needs of its rapidly growing population and economy. Coal is expected to remain part of India's energy mix for years to come, although demand for imports will depend on the pace of domestic thermal coal production, which currently meets about 80% of requirements.

Southeast Asia is expected to become a more significant importer of thermal coal as the only region in the world where coal's share of power generation is growing.

Despite the decline in prices meaning last year's earnings record won't be matched, export thermal coal will continue to be a major money-spinner for Australia with forecast earnings of $18 billion in 2020-21.

FROM THE PRESIDENT

BHP MAKES A MOCKERY OF 'SOCIAL VALUE'

Hold the presses. BHP has discovered that in a changing world, having the support of the communities it operates is key to its business success.

In a scene straight out of Utopia, BHP's top spin doctor told an investor briefing in London last week that "We are moving from a position of maintaining 'a social licence' to creating 'social value'.

"In order to deliver financial value, you have to deliver social value," said Geoff Healy, Chief External Affairs Officer (aka Captain Obvious). *"The two are completely intertwined. This is just good sensible business."*

For a start, we would question how BHP is going with its social licence, judging from a spate of graffiti appearing in the Hunter Valley around its massive Mt Arthur coal mine. And when it comes to 'social value', BHP is making a mockery of the term with its new Operations Services employment strategy.

Creating a dodgy shelf company to employ a cut-price workforce at up to $50,000 a year less than existing workers on site agreements is literally ripping money out of the coal mining communities that BHP relies on.

BHP is cynically positioning Operations Services jobs as an improvement on the casual labour hire jobs that have become widespread in the industry. That's debatable, as many of the contracting companies offer better rates of pay than Operations Services. BHP isn't even prioritising long-term casual labour hire workers on its sites for the OS roles. However, it's true that permanent jobs are sought after by workers who have been exploited as casuals over many years.

But let's not forget that BHP was an industry leader in outsourcing permanent jobs to casual labour hire jobs. Worldwide, almost 60% of BHP's workforce is contracted out.

In Geoff Healy's presentation, he said that Operations services provided permanent offers for 'traditional' contract labour roles.

But there is nothing 'traditional' about contract labour hire. It is the result of a deliberate strategy by BHP to cut its wages bill over the past five to 10 years. It has delivered widespread community misery, with families unable to take out home loans and workers unable to take annual leave.

The traditional jobs that mining communities want and deserve are permanent jobs under union-negotiated site agreements. These agreements are the result of mine management and workers cooperating over many years to develop agreements that reflect the harsh conditions coal miners face and the big money mining companies make.

Mr Healy used some impressive graphs to describe the company's complex approach to 'social value'.

He revealed that BHP is using polling in its Australian mining communities to identify issues of concern.

I think we all know how to simplify things for him: the real social value BHP delivers the communities it operates in is through creating good, well-paid jobs. This is the tradition that coal miners have fought for over many years. If BHP is serious about winning and maintaining support in mining communities, it should immediately set about rebuilding its permanent, directly-employed workforce.

Tony Maher, General President

Authorised by T.Maher, CFMEU Mining & Energy, 215 Clarence St Sydney 2000