

November 2019

# Common Cause.

## JOB FEARS AS AUTONOMOUS TRUCKS ROLL IN

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BHP has announced it will introduce 86 autonomous haul trucks to its Goonyella Riverside coal mine in the Bowen Basin in the first major deployment of automated trucks in the coal industry.



# "PEOPLE HAVE A RIGHT TO BE WORRIED ABOUT WHAT THE FUTURE HOLDS"

Stephen Smyth



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While workers were aware a trial was planned, BHP's announcement shows it is skipping the trial and going straight to full implementation.

Queensland District President Stephen Smyth said the Union was very concerned BHP's approach was sidelining workers and would lead to hundreds of jobs being cut. After taking the workforce by surprise with its announcement, the company is now holding consultation sessions – but no more than it is required to under EA commitments.

While BHP has tried to downplay the number of jobs affected, initial figures suggest that at least 300 operator jobs will be lost.

*"BHP is being cute in its wording," said Mr Smyth. "They say no permanent jobs will be lost, but they are going after labour hire contractors. Many of these labour hire workers have been on BHP sites for years, they live locally and have families to feed. A job is a job and all jobs are worth fighting for."*

Isaac Mayor Anne Baker said she was 'flabbergasted' by the scale of the announcement and lack of detail provided.

*"Where is the detail? Its impacts and how the company intends to manage them need to be communicated to this community."*

*"Community in their own right will demand to know and understand – what will the impact be? How will individuals be affected?" Mayor Baker said she would be demanding an impact statement from BHP be presented to Council.*

At the same time as cutting jobs through automation, BHP is actively promoting its new Operations Services labour hire subsidiary which employs people on lower pay and conditions.

*"People have a right to be worried about what the future holds," said Stephen Smyth.*

*"It sends a chilling message to workers that BHP is moving to automation at the same time it was pushing jobs to its new in-house labour hire subsidiary Operations Services with lower wages.*

*"This industry must do more than just generate ever-bigger shareholder dividends and executive bonuses. If workers and communities don't benefit from mining, why would they support it?"*

Whitehaven Coal has been trialling a small autonomous fleet at its Maules Creek mine in NSW, while autonomous trucks and automated rail are widely used in iron ore operations in Western Australia.

## WHAT HAS BHP ANNOUNCED?

- Autonomous fleet of up to 86 Komatsu trucks over the next two years.
- First autonomous haul trucks expected to be operational in approximately mid 2020.
- Reduced need for truck operator roles.
- Labour hire contractors will be informed about the impact on jobs.
- Up to 84 new jobs that are mostly staff roles:
  - 60 new Field Officer and Controller roles (staff roles)
  - 'Up to' 24 service technician roles (EA roles).

## WHAT IS THE UNION CALLING FOR?

The CFMEU is urging political leaders to develop policies that manage the impact of automation on communities before hundreds, even thousands, of jobs are lost. We are calling for:

- Mining companies to be required to develop economic impact studies to assess the effect on regional communities of any loss of jobs due to automation
- Where automation does lead to a loss of local jobs, additional royalties should be collected and provided to the local communities
- Mining companies can make no forced redundancies of any workers who will be disadvantaged by the decision
- All automated operations should occur on-site and not at an off-site operation centre
- The diesel rebate is removed for companies who decide to automate machinery, plant or equipment that is normally operated by a skilled miner/ operator.
- Mining companies are to provide apprenticeships and traineeships of equivalent numbers and classifications elsewhere within the business.

# WHO IS **BHP's** NEW BOSS?



**BHP HAS ANNOUNCED THE COMPANY'S AUSTRALIAN HEAD MIKE HENRY WILL BECOME CEO, REPLACING ANDREW MACKENZIE IN THE NEW YEAR. HERE ARE FIVE THINGS MINeworkERS SHOULD KNOW ABOUT HIM:**

## **1. He'll be earning a bucketload**

Between salary and bonuses, Mike Henry will be raking it in. Henry's remuneration package includes a base salary of \$2.4 million and the potential for a short term cash reward of another \$2 million. His long-term bonus could be as much as \$4.8 million, or two times the base salary, but is subject to shareholder approval. Outgoing CEO Andrew Mackenzie will be leaving with shares worth a cool \$37 million.

## **2. He likes cutting workers' wages though**

Mike Henry is the architect of Operations Services, BHP's new in-house labour hire subsidiary which sees BHP outsource workers to itself for much less pay than permanent workers. OS workers are paid about \$50,000 a year less than permanent coal miners on union-negotiated site agreements and miss out on a range of conditions including accident pay, bonuses and a day off at Christmas. They can be transferred anywhere in Australia at the company's discretion.



### 3. He's held lots of senior BHP jobs already

Originally from Canada, Mike Henry joined BHP in 2003. Earlier in his career, he worked for Mitsubishi Corporation and his first exposure to BHP was setting up BMA, its joint venture with Mitsubishi in the Bowen Basin. He then went to work in BHP's energy coal business. He has held a range of roles in the company including most recently, President Coal from 2015 to 2016 and his current role as President Operations, Minerals Australia. So, you can be assured that all the rubbish things BHP has been involved in over the last decade or two – most notably, cutting thousands of permanent jobs and replacing them casual labour hire – have been done under Mike Henry's watchful eye.

### 5. He'll be hearing from us!

At BHP's AGM in Sydney a couple of weeks ago, our union reps cornered Mike Henry during the tea break to question him about the treatment of Operations Services workers at BHP mines. We had four attendees at the AGM, questioning directors and executives about the poor treatment of OS workers and the very high turnover and staff shortages on OS crews at coal mines in NSW and Queensland, affecting production. Unsurprisingly, the answers were rehearsed and non-committal. Northern Mining and NSW Energy District Vice President Jeff Drayton, who represents workers at BHP's Mount Arthur mine in the Hunter Valley, questioned Mike Henry about the way OS workers are kept separate and can't mix with other workers on site, and are made to live in hotels with a long 'milk run' to and from work at both ends of the day.

One thing is for sure, no mining CEO has ever come to the job wanting to do more for workers. We've had to fight all the way and that's what we'll keep doing!

### 4. It's all about cost-cutting

Mike Henry has come to the job promising to focus on cost-cutting and productivity improvements – that's corporate code for cutting wages and jobs. When he says, "I am convinced that we are going to unlock even greater value," he doesn't mean value for workers and communities. He's talking about the kind of value for shareholders that will see those bonuses in point 1 delivered. He also says that 'safety' and 'social value' are top priorities, but we'll believe that when we see it.



Out front of the BHP AGM



# TOUGH MINE TOUGHER UNIONISTS

**Tough underground conditions at North Goonyella gave rise to an even tougher workforce. Sadly, the Lodge wound up last week after Peabody announced production would not resume in the area affected by last year's serious underground fire.**

District Vice President Shane Brunker started work at the mine in 1993 when it was still under development.

*"At the time, it was the newest, biggest and greatest mine to hit the industry. It had a 6.5 metre high coal face and a 300 metre longwall – it had the best coal and the newest technology. But it also had the most difficult conditions and was one of the gassiest mines."*

North Goonyella faced continual challenges with underground fire and difficult roof conditions. There are two longwalls buried from previous fires.

With its tough underground conditions and location close to Mackay, North Goonyella attracted experienced miners and experienced unionists, said Shane, who served as Secretary and President of the Lodge during his 17 years at the mine. *"As a young unionist and delegate, you had to cut your teeth very quickly."*

Workers took strike action while they were negotiating their first agreement and their commitment for fighting for their own interests – and supporting the industrial action of comrades across the district – never wavered.

Access to the mine was sealed in September last year as an underground fire burned out of control. CFMEU members were at the front of line of fighting the fire as part of specialist teams including the Queensland Mine Rescue





Services GAG jet engine team and subsequently were the first to re-enter the mine in July 2019 as majority members of the Underground Mines Rescue Active Rescue Teams.

While investigations into the causes of the fire have pointed to poor management of underground conditions including ventilation by Peabody managers, the right thing was done in evacuating the mine and setting strict exclusion zones to avoid the potential tragedy of workers being trapped by fire or explosion.

In October, Peabody announced its efforts to restart production at the mine – which still holds significant coal reserves – would be substantially delayed, with the panel affected by the fire to be abandoned.

Ninety-three workers have been made redundant as a result of the fire. The CFMEU has worked with Peabody to make sure everyone receives their full entitlements.

At a farewell lunch, outgoing North Goonyella Lodge President Luke Ludlow paid tribute to members and executive over the Lodge's 26-year history.

*"You should do nothing less than hold your head high and proud for having been a part of our Lodge and for what you have helped achieve in not just the Lodge but one of the hardest underground mining environments around."*

*"It takes everyone working at all levels together to be successful and our lodge has done that proudly throughout our history."*

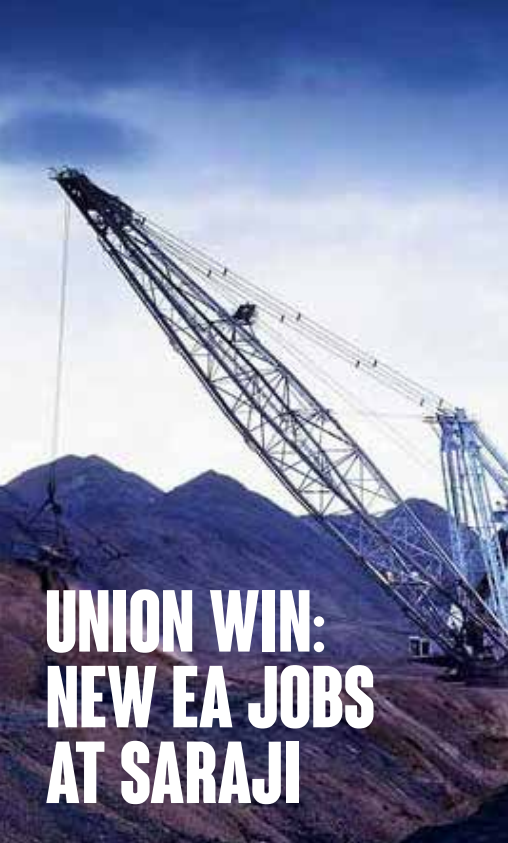
District President Stephen Smyth said the fire had led to a sad end for a proud Lodge.

*"When production eventually does resume, we are committed to rebuilding a strong union presence at North Goonyella. In the meantime, I wish workers and their families all the best. I hope those that wish to stay in the industry find good new opportunities and bring their fighting union spirit with them."*



CONSTRUCTION FORESTRY MINING AND ENERGY UNION			
GOONYELLA SUBURB CFMEU - 03/06/2018 March 2018			
Lodge Executive Honour Board			
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## UNION WIN: NEW EA JOBS AT SARAJI

BHP has done everything possible to cut permanent EA jobs and replace them with casual labour hire and now Operations Services, on lower pay and conditions. But union pressure has delivered new EA jobs at BHP Queensland mines, starting with Saraji.

The CFMEU is fighting for permanent jobs under the BMA Enterprise Agreement. We made sure it was a condition of the current BMA EA that new workers are employed under it and we have pushed BHP to honour that commitment.

BHP has announced it is now creating 55 new EA roles at Saraji, in draglines, blast, CHPP and mine services. Fifty more will follow at Goonyella, Peak Downs and Blackwater.

The new jobs will first be open to expressions of interest from EA employees, before being opened to labour hire and others to apply.

Queensland President Stephen Smyth said BHP had to be pushed all the way to create the new EA jobs.

"Ultimately, we are fighting for all jobs to be employed under union-negotiated site EAs. The workforce shouldn't be divided up and treated differently. BHP has fiercely resisted employing new starters under current EAs so this is a good start. Well done to the lodges involved."



## PRESSURE FOR PRODUCTION LEADING TO ACCIDENTS

Constant pressure on mineworkers to meet production targets is contributing to accidents on mine sites, a national forum of safety inspectors from across the Division has heard.

Northern Mining and NSW Energy District ISHR Tony Watson said there had been a string of truck and light vehicle accidents and rollovers across the district in recent months. There were a range of factors including fatigue and poor visibility, but in many cases vehicles were simply travelling too fast for the conditions.

*"It is everyone's responsibility to stick to speed limits, drive according to the conditions and stop if they feel unsafe,"* said Tony Watson.

*"At the same time, operators are under more pressure than ever to meet production targets. What we are hearing is that workers have supervisors on their backs if they slow down or pause for any length of time."*

*"That is creating a culture where operators feel they have to cut corners in order to keep up, sometimes with very serious consequences."*

He said vehicle accidents were more likely to involve labour hire than permanent workers, reflecting their insecure position in the workplace and the difficulties they face in refusing unreasonable requests.

Other issues discussed at this week's forum, which included representatives from every District, included:

- Fatigue due to rosters and shift lengths, as well as technology being introduced at some sites to monitor and manage fatigue.
- Mines using dispatch or control rooms off site, impacting on immediacy and appropriateness of response.
- Dust levels and respiratory disease.
- Management of ventilation standards in underground mines.
- Skills, competence and attitudes of supervisors.
- Non-compliance with emergency management plans.

While workplace health and safety legislation is state-based, regular collaboration between Districts allows the Union to monitor trends, develop education and training materials and identify issues of national concern.



## ULAN CAMP APPEARS OUT OF NOWHERE

For years, mining communities in the NSW central west have opposed the development of mining camps in their region. So there was surprise when a new camp suddenly appeared in Ulan.

*"The first we heard of it was Ulan Village Green popping up on Facebook and people wondering it was,"* said South Western District Vice President Craig Carberry. *"It sounds like a resort, but it's just dongas."*

Previous proposals for mining camps in Gulgong and Turill have been denied approval after attracting community opposition. Major mines like Ulan, Moolarben and Wilpinjong are all in striking distance of regional centres like Mudgee and Gulgong and community members support the principle of the mining industry employing locals.

Stage 1 of Ulan Village Green with 48 rooms opened last week and there are already a few Drive in Drive Out workers staying there. The camp website is promising a further 100 rooms for Stage 2.

*"It has certainly happened under the radar,"* said Craig. *"I've tried to get to the bottom of it with councillors and the mayor. It seems like it may have been approved some years ago, but only been built now."*

The union has many questions about the camp - including who the developer is and who owns the land, with none of the mining companies admitting any involvement.

Locals fear that if the camp is expanded it will severely impact the local economy. If 150 rooms for DIDO or FIFO workers are available, that means 300 jobs that could be taken out of the local area.

*"These mines are just half an hour from Mudgee. There are plenty of locals looking for opportunities in mining and plenty of people willing to move to the area to take jobs here."*

*"The problem with camps is that they suck money out of the local community. Not only do workers no longer have to live locally, but if they are staying at camp they also don't eat at local restaurants or have a drink at the local pub. We are also concerned that the camp isn't sourcing goods and services locally."*

*"We have seen what's happened in places like Cobar, once a camp is built. It takes people out of the community, rather than bringing them into it."*

The Union has had a good response to a petition about the camp and will oppose the development of Stage 2.

## RETIRED MINeworkERS BRING CHRISTMAS CHEER TO SPECIAL KIDS



Our retired members in Mackay had a busy day last Saturday, cooking up a storm for children with special needs and their families and carers at the second annual Special Children's Christmas Party.

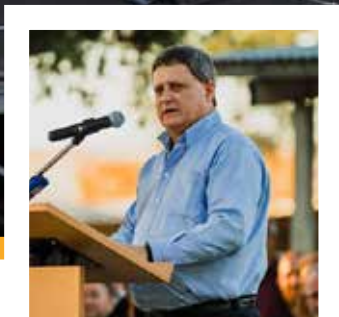
The Mackay Branch of the Retired Mineworkers' Association voted to support the event, donating the hire of a cold room for the day and giving their time to man the barbecue.

Children had a wonderful time with games, rides, activities and Christmas goodies, parents and carers had the opportunity to relax, and our retired members cooked and served over 850 sausages.

Well done to all involved.



# TRAGEDIES REMIND US OF NEED FOR STRONG SAFETY LAWS



Nine years ago this week, on 19 November 2010, a massive explosion killed 29 men working underground at New Zealand's Pike River coal mine. As the families grieve, they are still waiting for someone to be held accountable for the tragedy.

Pike River is a disaster close to the heart of many Australians. Not only did we lose two Australian coal miners in the blast, their bodies still entombed in the mountain, but Australian coal miners were involved in recovery efforts and subsequent investigation.

It was clear that deregulation of mine safety laws in New Zealand had laid the foundation for the disaster. A subsequent Royal Commission found that Pike River Coal had run an unsafe mine. It also found that the then NZ Government had failed to provide proper mine safety regulation, having gutted the Mines Inspectorate and abolished the role of Union Check Inspectors.

It is a reminder that we cannot afford to leave mine safety in the hands of mining companies alone. Mining companies are driven to continually maximise production. Every tonne of coal produced is money in the bank and a step towards meeting production targets.

Mineworkers rely on strong regulators and strong Unions to make sure safety standards are adequate and are enforced.

Our Union check inspectors play a unique role in the industry, with statutory rights and responsibilities to attend worksites, investigate accidents and review safety procedures and documentation.

The Union also plays an important role within the various regulatory bodies from state to state, sitting on boards and committees and making sure mineworkers have a strong voice when it comes to creating the regulatory and legislative frameworks that govern the industry.

We have all heard stories of corners being cut on safety. A national forum of District Check Inspectors in our national office this week heard hair raising stories of accidents and collisions and close calls. Sometimes, the consequences are not severe. But too often they lead to serious, career-ending injuries and loss of life.

Remembering those who have been killed in the service of our industry is an important way that we honour those workers and their families. It also inspires us to redouble our efforts to protect the safety of the living.

We are an industry with many sad anniversaries. Just last week we remembered Gretley, where four miners were killed on 14 November 1996 by an inrush of water. And I was very honoured to attend and speak at the unveiling of a new miners' memorial in Moranbah earlier this month, to remember lives lost to mining in local mines. It is a beautiful memorial and I'm proud of the significant contribution of CFMEU Members in its development.

All of our Members can be reassured that our Union will continue to hold mining companies to account on safety and put safety front and centre of our work.

**Grahame Kelly, General Secretary**