

March 2020

Common Cause.

COVID-19

PROTECTING MINeworkERS'
HEALTH, JOBS AND PAY

COVID-19: PROTECTING MINE-WORKERS' HEALTH, JOBS AND PAY

Mineworkers are vulnerable during the current Covid-19 outbreak. We are calling on mining companies to provide certainty to workers over how their jobs, pay and health will be protected. Below is our joint statement with the Australian Workers Union:

Major mining companies must meet their responsibilities to workers and their communities during Covid-19 pandemic

Like all Australians we are concerned about the rapid spread of the Covid-19 virus and the social, economic and health impacts of the global pandemic.

At the outset, we wish express our sympathies to all those who have suffered as a result of the spread of Covid-19 both in Australia and throughout the world. We also record our appreciation of the efforts and self-sacrifice of the many health workers who now and in the future will bear the brunt of confronting the effects of Covid-19.

As representatives of the main unions representing Australian mine workers, we believe it is important at this time that workers in the mining industry are given some assurances about any disruption to work and income as a result of the spread of Covid-19.

For this reason, we are asking that mining companies adopt (as a minimum) the proposals set out below.

- **Self-isolation as a result of Government edict:** We believe that where a worker is required to undergo self-isolation by reason of Government edict (such as that concerning recent overseas travel), the mine worker's employer should pay that worker as if at work, for any rostered shifts not undertaken because of self-isolation.

Where the affected employee is a labour hire casual employee, the mine operator should fund the rostered shifts not worked, either directly to the employee or via the labour hire provider.

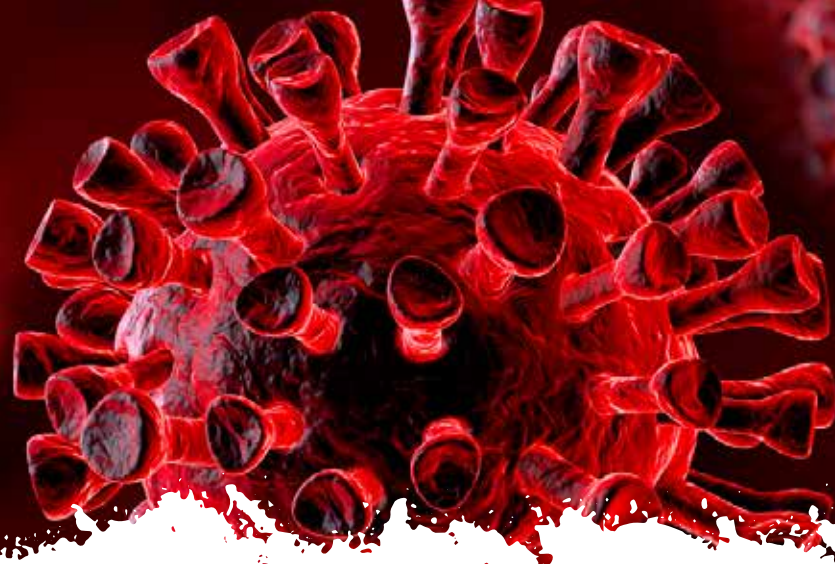
- **Self-isolation as a result of potential exposure to Covid-19:** Where an employee is required to self-isolate because he or she may have been exposed to Covid-19 because of close proximity to an infected person, the mine worker's employer should pay that worker as if at work, for any rostered shifts not undertaken because of self-isolation.

Where the affected employee is a labour hire casual employee, the mine operator should fund the rostered shifts not worked, either directly to the employee or via the labour hire provider.

- **Where the employer/mine operator requires a medical clearance regarding Covid-19:** In circumstances where an employer or a mine operator requires a medical certificate clearing an employee of having contracted Covid-19, then the employer/mine operator should bear the cost of the medical appointment and any lost time reasonably incurred in obtaining the clearance.
- **Absence from work due to illness caused by Covid-19:** In these circumstances all employees should be afforded two weeks' special leave. After the two weeks of special leave the normal practice should apply. This means that the employee's normal personal/carer's leave entitlements should be available. However, where an employee does not have sufficient personal/carers leave entitlement to cover the rostered shifts not worked as a result of illness, the employer should provide additional personal/carers leave, either as an ex gratia benefit or as an advance on future personal/carers leave entitlements.

In circumstances where an employee is a labour hire casual, the mine operator/client should fund the rostered shifts not worked, either directly to the employee or via the labour hire provider.

- **Stand down due to whole or partial closure of the mine:** The relevant legal obligations regulating employee stand down will vary according to industrial instrument and mine site.



However, we believe that if a stand down situation emerges because of the impact of Covid-19, the following minimum conditions should apply:

- Where it appears a stand down is probable, a mine operator should, as soon as practical, consult with employees and their union representatives about the range of measures available to mitigate the possible effects of a stand down on employees.
- Where the stand down is for a defined period of 14 days or less, the mine operator should meet the cost of the stand down by paying its own employees and the employees of labour hire contractors a special leave payment equivalent to the rostered shifts lost during that 14-day period.
- In circumstances where the stand down is indefinite and an employee has leave entitlements, the employee should be invited to utilise those leave entitlements as an alternative to stand down with loss of pay.
- In circumstances where an employee does not have sufficient leave entitlements, the mine operator should offer the employee the option of taking annual leave in advance as an alternative to stand down without pay.
- Where an employee is a labour hire casual, the mine operator should make available to that employee, either through the labour hire provider or directly, a special leave payment for any rostered shifts not worked based on a calculation of annual leave entitlements the employee would have accrued whilst employed at that mine site had that person been a permanent employee.
- **Quarantine of employees at a mining camp:** Quarantining workers in camps should only occur in exceptional circumstances and in accordance with medical advice. In circumstances where such isolation is unavoidable, the following minimum conditions should apply:

- The mine operator should ensure that the camps offer safe and appropriate facilities for on-site quarantine if it becomes necessary.
- The mine operator should ensure that the workers confined to camp have access to telephone and video-call facilities at no cost to themselves.
- The mine operator should put in place activities and services designed to alleviate the mental stress of the quarantined workers, including by providing professional counselling services, exercise and entertainment options.
- Appropriate transport must be provided to workers to get home or to hospital if required due to illness or quarantine.
- The period of quarantine must be treated as work time for all purposes and employees must be given an equivalent time off from rostered work after quarantine before returning again to the mine site for work.

The Australian mining industry has been an economic success story and the workers that comprise the industry have been central to this success. The big mining companies have done well in recent years and it is now time for those companies to help cushion the blow of Covid 19 impacts on mine workers.

We believe the above proposals are both reasonable and proportionate.

We are prepared to work with employers in the industry to ensure that the mining industry continues to be a driving force of the Australian economy into the future.

At this time, however, it is important that workers are given as much certainty as possible so that we can meet this challenge together as a community.

Tony Maher, National President CFMEU

Daniel Walton, National Secretary AWU

Labour hire costs mining regions a billion dollars a year



A new report by the Mckell Institute has found that hundreds of millions of dollars is being lost from key mining region economies every year as a result of the widespread replacement of permanent mining jobs with outsourced labour hire.

The report examines three coal regions in Australia with the highest proportion of mining jobs, finding the direct and indirect economic impacts of the lower wages paid to labour hire workers is up to \$825 million a year.

- \$282.67 million out of the Hunter Valley economy
- \$296.95 million out of the Mackay-Isaac-Whitsunday economy
- \$245.79 million out of the Central Queensland economy

Considering that many more coal miners employed outside those regions, the cost of mining companies' drive to contract out jobs is

closer to \$1 billion a year, said General President Tony Maher.

'Wage-cutting Strategies in the Mining Industry – the cost to workers and communities', examines the systematic phasing out of direct employment by mining companies and models how much is being lost from coal mining communities due to the lower wages paid to contractors.

"Anyone with any exposure to the mining industry knows the toxic effect that labour hire has had," said Mr Maher.

"What this report does is lay out the total impact in stark dollar terms and its brutal. If mining companies had continued to employ workers directly on existing site agreements the Hunter would be a quarter of a billion dollars better off this year and the regions surrounding Mackay and Rockhampton in Central Queensland would be over half a billion dollars better off."





Mr Maher said BHP had made noises about listening to community concern about high rates of casual labour hire in the industry, but its response of setting up its own 'in-house' labour hire provider Operations Services was just another way of entrenching lower rates of pay and worse conditions.

Meanwhile, the Federal Government is actively working against improving outcome for casual mineworkers by backing employers to overturn Federal Court's Skene decision, which found that mineworkers were not genuine casuals if their work arrangements were regular and on-going on long-term advance rosters.

"Now that the real cost of this practice has been laid bare, we should all be demanding change. We shouldn't just accept the loss of \$1 billion a year in economic benefit to Australian mining regions to line the pockets of mining executives and global investors. We need fairer workplace laws to end this corrosive practice."

The report was launched by Federal Labor leader Anthony Albanese at an event in Mackay on 12 March. He committed Labor to fighting for 'same job same pay' for labour hire workers.

"We need stronger laws to prevent mining companies driving down wages and conditions through casual labour hire. So many Australians are being seriously short-changed."

"At the moment if you're working for a labour hire company, chances are you'll get 40 per cent less than a permanent worker. Forty per cent less, even if that permanent worker is someone you work alongside, doing the same job ... For Labor, it's pretty simple: same work, same pay."

The three regions selected are SA4 regions as defined by the Australian Bureau of Statistics. They cover a majority, but not all, of the Australian coal mining industry.



INDUSTRY UPDATE: HOW WILL COVID-19 AFFECT THE COAL INDUSTRY?

National Research Director Peter Colley looks at the issues ahead for the coal industry as the world comes to grips with the impact of Covid-19.

I spend some of my time trying to work out where the coal, iron ore and power generation industries are heading – both in the near term and longer term.

But all the recent data, and all the recent forecasts, now mean little as we are in the fairly unknown world of a major public health crisis. Coal mining and coal power already endure more uncertainty due to new energy technologies being deployed in Australia and overseas, and the anti-export-coal campaigns of green groups. And whatever the governments of the world decide to do about global warming. And we had the impacts of the huge bushfires.

The uncertainty level has now been multiplied. The only thing we know for certain is that the next six months will be entirely different – grimmer – from the same six months a year ago.

As of Friday 13 March Australia has actually done a better job than most countries of controlling the coronavirus outbreak with few deaths and about 160 cases. But that effort is mostly about slowing

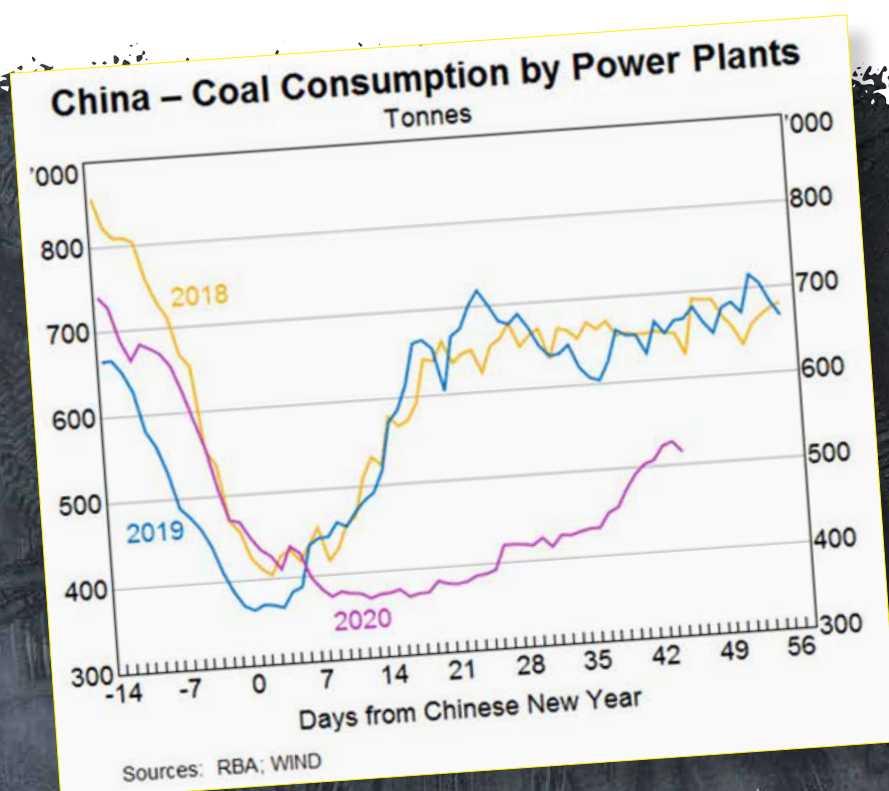
down the rate of infections so that the health system and the economy has a better chance of coping.

Even if we just try to focus on economic impacts on our industries we have so many variables to consider. Here are three broad parameters:

- How much demand for coal will fall – mostly in overseas markets but also domestically
- How much international trade may slow due to illness and quarantines at ports and on shipping, and business uncertainty
- How much mining operations here will be disrupted by shutdowns due to quarantines, workforce shortages or government-mandated measures.

Overseas demand for coal will fall – steel industries have or are slowing down. Coal power is an essential service and will keep running – but electricity demand by industry will fall so coal consumption will decline. Will it be modest – say 10% over six months and 5% for the year? I don't know.

Will shipping and trade continue to run normally or near normally? There are the problems of



Hand-washing technique with soap and water



1
When the union's
inspiration through the
workers' blood shall run



2
There can be no power
greater anywhere
beneath the sun;



3
Yet what force on earth is
weaker than the feeble
strength of one



4
But the union makes us
strong



5
Solidarity forever



6
Solidarity forever



7
Solidarity forever



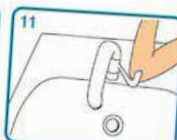
8
For the union makes us
strong



9
Is there aught we hold in
common with the greedy
parasite



10
Who would lash us into
serfdom and would crush
us with his might?



11
Is there anything left to us
but to organize and
fight?



12
For the union makes us
strong



13
It is we who plowed the
prairies; built the cities
where they trade;

quarantined ships and ports. Possible crew shortages and delays. Beyond that, there is a concern that if some companies are in financial trouble, then transactions may be called into question. It's also possible that the banks that have to stand behind every transaction may get nervous about backing the trades. That happened in the Global Financial Crisis but we hope it doesn't happen this time.

Mining operations will be affected - by a downturn in demand, by government measures (eg on transport) and by illness and quarantines among workers. Those with poor employment security - casuals, labour hire, contractors - face loss of work. Permanent workers have more security, but there can still be stand-downs if work is not available. Qantas has cut 25% of all flights and says 2,000 workers are temporarily surplus to needs. No stand-downs yet but who knows?

The big downturn in the sharemarket has two obvious impacts. Companies that have high levels of debt may find they are breaching debt to equity ratios or other conditions with their lenders. And all workers' superannuation balances are taking a hit. Which matters most for those with higher balances and nearer retirement.

HOW LONG WILL THIS LAST?

What does recovery look like?

If we are into a recovery by September that will be fairly good. "Recovery" in this context means:

- New infections in strong decline
- Economic activity increasing steadily
- Businesses having confidence to resume normal operations/expand

As soon as "recovery" is clear the stock market should recover strongly - its speed of recovery will tend to be faster than the reality on the ground.

Various sectors will take a long time to recover - tourism an obvious example. Airlines too - because many businesses will have become used to substituting online meetings for in-person meetings. Mining should recover relatively easily but much depends on how demand recovers. The experience in China is that recovery is now underway, but it's a struggle to ramp up to previous production as many workers returning from Chinese New Year find they have to undergo a further two week quarantine when they return to the city where they work.

A final comment, and it's not about the economics. We know that young people are largely unaffected, and that most adults will experience only mild symptoms. That's good news. But look out for older people and those with weak immune systems. They need the most help to avoid getting infected or to recover when they do fall ill. In Italy the government is encouraging people to comply with the nation-wide home quarantine by saying "think about your grandma; do it for her". Sound advice.

TRAILBLAZER KERRY A ROLE MODEL FOR WOMEN



Kerry Koneiczny started in the mining industry as an operator at Camberwell Coal in 2002, but soon had her eye on swapping trucks and drills for explosives.

"When I got into a mine site and saw a blast go off I thought, 'that's what I want to do'," she says.

Kerry has worked as a shotfirer for the last nine years, now at Ravensworth Open Cut mine after Camberwell stopped production in 2014.

Managing the explosions that clear the way for excavators to access the coal seam in an open cut mine is complex work. Shotfirers have to make sure they fill the holes made by drill rigs with the right mix of explosives to achieve ultimate fragmentation so that truck drivers aren't hurt by large rocks, while minimising fumes and environmental impact. While some blasts can be set up in a day, others can take weeks to prepare, depending on the location and the depth of the overburden seam.

For Kerry, it is interesting and exciting work. *"It was an adrenaline rush when I started and it still is now," she says. "I enjoy the challenge."*

Kerry is one of just a few female shotfirers in the Hunter Valley, although there are many more women in the mining industry now than when she started.

"When I first started there might be four women on a mine site, now there would be several on each shift."

The increase in women in the mining industry has led to important changes like the introduction of

paid parental leave and return to work programs that support new mums.

Recently, after seeing a young woman expressing breastmilk in the bathhouse, Kerry approached the site WHS manager about setting up facilities for breastfeeding mums to express and store breastmilk. That space has now been set up.

Kerry joined the Union when she joined the industry, with support being especially helpful when her third child was born 13 years ago. She credits her site delegate at the time - Shane Thompson who is now Secretary of the Northern Mining and NSW Energy District - with helping her negotiate a part-time return to work from maternity leave that suited her, not just the company.

Kerry is now a delegate at the Costain Lodge and member of the District Board of Management. She says that being involved in the Union has given her confidence to address issues and solve problems in the workplace.

"They have given me skills in how to approach it when I've got an issue, so I can get a result without it becoming an argument. I know I've got that experience and knowledge behind me."

District President Peter Jordan says Kerry does a terrific job representing members and played an important role during the bargaining dispute with Glencore at the mine in 2017. *"Kerry is a wonderful person, very genuine, and we are so proud to have her on our Board."*



LABOUR HIRE AT SOUTH 32: 'LOOKS LIKE A MISUSE OF MARKET POWER'

Contract workers at South 32's underground coal mines at Appin and Dendrobium are facing reduced pay and conditions due to South 32's unethical conduct towards labour hire providers.

South Western District Vice President Bob Timbs said South 32 was cynically using dodgy labour hire companies with inferior wages and conditions, such as WorkPac, to put pressure on other contract labour providers.

"Our negotiations with labour hire companies in the Illawarra region are following a suspiciously similar pattern," Bob said.

"We make progress, get close to a deal, but then the employer gets cold feet and tells us that South 32 won't wear it."

"In particular, they're telling us that South 32 won't do business with labour providers that include fixed bonus schemes in their Enterprise Agreements."

"This looks like a serious misuse of market power by South 32 to drive down standards across its labour hire providers."

In 2019 labour hire company PIMS Group struck a deal on fair pay and conditions with the Union, but after pressure from South 32 bypassed agreement negotiations and engaged WorkPac as a sub-contractor.

Just this month, labour hire firm Nortek reached a South 32 inspired agreement with its workforce, but then immediately sacked around half of its employees.

In the meantime, CFMEU Mining and Energy is currently in negotiations for new or replacement Enterprise Agreements with multiple labour hire companies, while negotiations with a number of other labour hire providers in the region are due to commence soon.

Bob Timbs said South 32 also had an eye on future negotiations for a new Enterprise Agreement with permanent mine workers at Appin and Dendrobium.

"South 32 has been looking to knock off the fixed bonus for permanent employees, and replace it with a production-based bonus, for a number of years."

"The plan seems to be to force the lower bonus through the vulnerable contract workers first, and then pressure permanent employees in the next round of bargaining for the site agreement."

"The CFMEU will continue to fiercely defend the pay and conditions of all miners at Appin – whether they're employed directly by the mine operator or by contractors."

CUT *the* DUST

Gold Coast | 25-27 February 2020

GLOBAL APPROACH NEEDED TO ADDRESS DEADLY MINE DUST

A global conference on occupational dust disease, hosted by our Queensland District on the Gold Coast in February, heard from medical professionals, mineworkers, union representatives and government regulators from around Australia and the world.

Mining is a multinational industry and companies must be held to the highest standards when it comes to dust exposure for workers.

Queensland District President Stephen Smyth told participants that companies like Rio Tinto, BHP and Anglo operate across borders.

"Dust like coal and silica have the same effect on workers' lungs wherever they are, but these companies don't take it upon themselves to implement best practice across their operations - rather they fall back to the lowest standards they can get away with."

"Coal dust has the same effect on mineworkers' lungs whether they are in Australia, the United States, Indonesia, Pakistan or Russia. Why shouldn't the same dust exposure standards be in place?"

Participants heard about the latest medical research into diseases including silicosis and coal workers' pneumoconiosis, case studies of disease



in the workforce, government regulation of mine dust and the fight for justice and compensation for victims.

The conference resolved to support a dedicated global campaign to fight for prevention and treatment of dust related lung disease.

"The conference believes it is imperative that union members and their allies from countries around the world share health and safety information and best practices so that global unions may fight to stop the scourge of dust diseases and protect workers health and safety," said a resolution endorsed by participants.

"We shared an incredible amount of information," said Mr Smyth.

"A clear theme from the conference is that mineworkers only win improvements in the prevention, diagnosis and treatment of deadly dust disease by fighting. History shows that if we take our eyes off the ball, protections are wound back."

"This inaugural Cut the Dust global conference, which will be repeated every two years, is about making sure we never take our eyes off the ball again."

FROM THE PRESIDENT

LABOUR HIRE DISASTER EXPOSED

The Covid-19 pandemic has exposed the folly of an economy built on casual labour. With business-as-usual on hold as governments grapple with containing the spread of the virus, everyone is facing uncertain times. But casual workers are especially vulnerable because they have no entitlements when work they have relied is suddenly unavailable.

The mining industry has been one of the worst offenders when it comes to casualisation. The replacement of good permanent jobs with casual labour hire jobs is especially egregious in our industry considering that the vast majority of jobs in mining are the opposite of casual in nature – they are regular and on-going with rosters set many months in advance.

They have not been classified as casual in order to manage peaks and troughs in work, but purely to save money for mining companies.

I was very pleased to be in Mackay last week for the launch of a new report our Union commissioned from the McKell Institute – ‘Wage-cutting strategies in the mining industry: the cost to workers and communities’. The report looks at how the trend towards replacing direct permanent employment with casual labour hire employment in mining affects wages and flow-on economic benefits to mining communities.

Instead of earning more to make up for the lack of entitlements, casual mineworkers usually earn at least a third less than permanents, even with their casual ‘loading’.

While these lower wages clearly have a direct impact on the workers whose remuneration is reduced, and their families, the widespread use of lower-paid labour hire workers has spill-over effects that are felt more widely in the local community.

This report considers the experience of workers in the coal sector in the Hunter region in New South Wales and the Bowen Basin in central Queensland.

In just three areas that correspond to major coal mining regions – but do not include all coal mining – the estimated losses to the regions are up to \$825 million a year.

If we consider that the use of labour hire is also entrenched in other coal mining regions such as NSW’s Illawarra and Central West, we can extrapolate that the loss to communities from the coal industry is up to \$1 billion a year. This is



money that comes straight out of mining regions and on to mining company bottom lines.

It is a weakness in our current workplace laws that mining companies can use outsourcing strategies to bypass union-negotiated enterprise agreements with good pay and conditions won over many years; and it was good to hear Labor leader Anthony Albanese commit a future Labor government to legislating ‘same job same pay’ for labour hire workers.

Our more immediate challenge is making sure that casual labour hire workers are not thrown on the scrap heap if the Covid-19 pandemic affects mining operations.

That’s why we have joined the Australian Workers’ Union in calling for all mining employers across the industry to make sure that labour hire workers are looked after and have their wages covered in case of illness or enforced self-isolation in the weeks and months ahead.

How the pandemic affects mining remains to be seen. What we do know is that mining companies can afford to do the right thing. They’ve profited enormously from driving down wages in the push to outsource jobs – now it’s time to make sure that all mineworkers have the protection and reassurance they need to get through this difficult time without sacrificing either their health or their financial security.

Tony Maher
General President