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Mining &
Energy
Union

WORKERS BLINDSIDED BY ERARING CLOSURE, INDUSTRY PLAN NEEDED



Hundreds of workers at Eraring power station at Lake Macquarie were blindsided by an announcement by Origin that the company is seeking to close the power station in 2025, seven years earlier than previously planned.

Origin gave the Australian Energy Market Operator (AEMO) the minimum three and half years' notice required for closing all four of the station's units.

MEU Eraring Delegate Scott King said workers had received the news via a Teams meeting on the morning of the announcement, leaving people shocked at the pace of the proposed closure of NSW's largest coal-fired power station. Some workers heard the news via media reports.

"Many of us thought the 2032 closure date would be brought forward, but we expected a staged closure over a transitional period," he said. "We thought Origin might announce one unit closing. The potential for the whole power station to be closed down in three years did come as a shock." Scott said that workers had been planning for a 10-year timetable for retirement or retraining; but many workers in their 40s and 50s will now face hitting the job market much earlier than expected at a time the market is flooded with former power station workers.

"With Liddell closing next year as well – we really need co-ordinated action between government, employers and unions to support jobs. We saw what happened when Hazelwood closed down and workers weren't looked after at all," he said.

The news about Eraring came a week after AGL announced it would fast-track the closures of Bayswater power station in the Hunter Valley to 2030-33 (from 2035) and Loy Yang A power station in Victoria to 2040-45 (from 2048).

"Our energy generation industry is undergoing a major transformation. But it shouldn't follow that the workers and communities who have supported and relied on the coal-fired power generation industry for decades should pay the price of decarbonisation," he said.

"Central to closure plans must be measures to prevent forced redundancies, create job transfer opportunities for skilled workers and invest in diversification in affected regions like the Hunter Valley.

"Unfortunately, Australians have seen too many examples of workers and communities being thrown on the scrapheap when their industries face structural change. We can and must take this opportunity to demonstrate that workers' livelihoods and futures matter and deserve planning and investment."

Meanwhile, tech billionaire and climate activist Mike Cannon-Brookes's \$8 billion takeover bid for AGL, conditional on fast-tracking net zero commitments and closing coal-fired power stations even earlier, created further uncertainty for workers.

AGL rejected the bid, but could be subject to future takeover attempts.

"Whether it's Mike Cannon-Brookes or anyone else, any bidder for AGL better have a plan for the workforce," said Tony Maher.

"It's not good enough for decisions about the future of power stations to be made on share price alone while workers and communities are ignored. Investors have a responsibility to the people that have kept these power stations operating for decades."

Hunter workers rally for 'Same Job Same Pay'



Coal miners joined nurses, truck drivers, teachers, university lecturers, manufacturing workers and other workers from across the Hunter region in a rally calling for secure jobs and fair pay last weekend.

Northern Mining and NSW Acting District President Robin Williams told the crowd that Hunter Valley mining companies' use of labour hire had driven down pay and conditions over the past decade, with mining companies legally able to sidestep longstanding Enterprise Agreements by outsourcing permanent jobs to casual labour hire on pay sometimes up to \$40,000 to \$50,000 a year less.

Senator Tony Sheldon, who chaired a recent Senate Inquiry into Job Security, said working people today were the first generation whose kids faced worse working conditions than their own. He said that for the first time more than 50% of Australians do not have permanent full-time jobs.

Labor candidate for Hunter Dan Repacholi said he would stand up for 'same job same pay' for labour hire workers, to stamp out the unfair practice of workers doing the same job side by side being paid vastly different amounts because one is permanent and one a contractor.

Dan, who is a former coal miner and MEU member, said he would always stand up for workers rights.

We will be campaigning for 'Same Job Same Pay' until the federal election, watch our ads and find out more at <https://samejobsamepay.com.au>



BHP making loads of money as coal comes roaring back

National Research Director
Peter Colley

On 15 February the world's biggest mining company announced its half year results to December 2021. And the profits were huge, especially from coal.

2020-21 was a bit leaner than usual for BHP due to the impacts of the pandemic. But it stormed back in the last half year, almost entirely on the back on high prices in coal and iron ore.

Profit leapt from to US\$9.5 billion from US\$3.9 billion for the corresponding previous half year. On the basis of "underlying profit" that BHP prefers as it knocks out one-off impacts, profit leapt from US\$9.9 billion to US\$14.9 billion. And we are talking about just 6 months here, not the full year.

The big (well, big unless you are making such huge profits) adverse impact was the write-off of another US\$822 million for costs rising from the Samarco dam failure in Brazil many years ago. That event has cost the company many billions, but they have managed to spread the impact over several years.

The single biggest source of revenue and profit remains Western Australia iron ore – with underlying EBITDA (cash) earnings increasing from US\$10.2b to US\$11.2b. That's on revenue of US\$15.8b – meaning most revenue is cash profit!

Coal came roaring back from a US\$202m loss in the second half of 2020 to a massive US\$2.6b cash profit for the 6 months to December 2021. The cash margin for Queensland Coal (mostly coking coal) was 51% ie. more than half of all revenue was cash profit.

The Mt Arthur thermal coal mine made good money too – moving from a US\$130m loss to a cash operating profit of US\$458m.

Nevertheless the Mt Arthur mine remains for sale as the company seeks to leave thermal coal production altogether. There were no details given on the sale process, which is taking longer than expected.

For the same reason – carbon emissions – the company is also in the process of shifting its oil and gas assets from BHP to Woodside via a merger of those assets.

There is little good news for workers in the results. The best is that the company had no fatalities across its operations. But the report and comments to analysts make it clear that the company remains committed to its Operations Services strategy of making large cuts to wages and conditions through the in-house labour contracting firm.

Love photography and mining?

Our Western Australian District and the Collie Agricultural Society are teaming up to sponsor a national 'mining theme' photo competition.

The competition takes place in four rounds, with the first deadline coming up on 5 March. Winners of each round will go into the final, with first prize winning \$1600. There is \$3300 prize money in total.

Please note - while there is a mining theme, photos do not need to be on a mine site. They could feature machinery, mining towns or mineworkers. Please don't breach any workplace photography policies!

Details on how to enter at meu.org.au



NEW MOBILE UNIT TO SUPPORT WORKERS IN FIGHT AGAINST MINE LUNG DUST DISEASE



Campaigning by our Queensland District has resulted in the delivery of a \$2 million state of the art mobile medical centre to detect and treat mine dust lung disease.

The 'Heart 5' is equipped with an x-ray machine and CT scanner and will travel through regional Queensland mining centres to support the early diagnosis of mine dust lung disease including Black Lung and silicosis in current and former mineworkers.

The mobile unit was launched in Brisbane on 11 February and will travel to mine sites and regional centres.

ISHR Jason Hill said the mobile health unit was a direct result of the Mining and Energy Union raising the alarm on the re-emergence of black lung in the Queensland coal industry and pressuring the Queensland Government for a comprehensive response.

"This shows what our union can achieve, to protect the health and safety of coal miners. The fight is not over. We need to make sure that the service is used in the way it is meant to and that workers get the full benefit from it."

The union's Black Lung Victims Group played an important role in advocating for the mobile health unit, along with other recommendations of the 'Black Lung White Lies' report.

"Our victims group are volunteers and retired members who understand the challenges facing regional mineworkers and the tragedies that occur when people slip through the net of an inadequate screening system," said District President Stephen Smyth.

"Their persistence is to be congratulated. We have learnt that we can't afford to take our foot off the pedal at any point and let mining company complacency and cost-cutting undermine workers' safety. We'll keep fighting for improvements in dust management and treatment and support for workers."

Fred Moore: 'a life packed with extraordinary events'

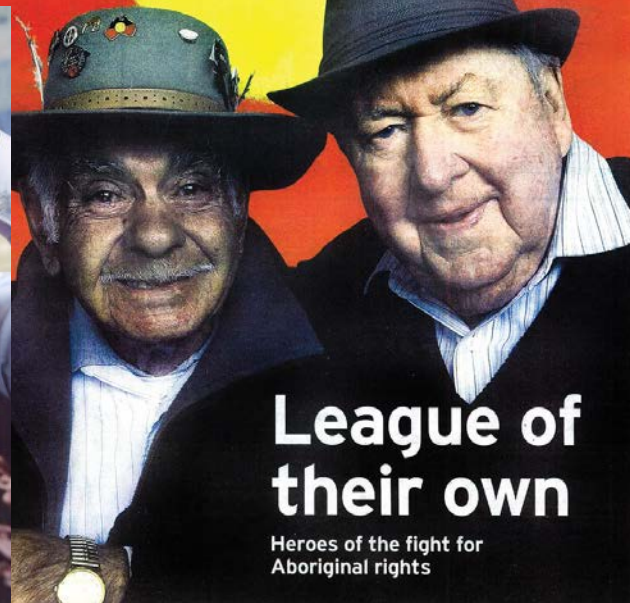
Miners Federation legend Fred Moore passed away aged 99 in January.

Our Former Communications Director Paddy Gorman delivered a wonderful eulogy at Fred's funeral in Wollongong on 3 February. Paddy painted a vivid picture of Fred's life as a coal miner, unionist, political activist and family man.

You can watch Paddy deliver the eulogy on our Youtube Channel, look up 'Mining and Energy Union'.

As Paddy said:

"We are all so privileged and grateful to have had Fred in our lives for so long. Let's honour Fred in the call of the great Irish-American Trade Unionist and Socialist, Mother Jones: "Mourn the dead but fight like hell for the living". Fred wouldn't want it any other way.





From the General President

Hydrogen revolution has to start where we can afford it

Earlier this month, Australia's richest man – iron ore magnate Andrew 'Twiggy' Forrest – launched a bizarre attack on an innovative project in the Latrobe Valley producing hydrogen from brown coal. We fully support the project as an important step in building a hydrogen industry. Here is my response as published in the Australian Financial Review.

Andrew Forrest's impassioned denouncement this week of all hydrogen derived from coal was an oddly loose contribution to the energy debate – even accounting for Twiggy's taste for vaudeville.

In calling on the Australian Government to abandon support of all forms of hydrogen extraction that don't align with Fortescue's new green hydrogen investments, Mr Forrest suggested that using "decaying swamp matter" (aka coal) to extract the gas would cause Australians to look like "zero-IQ idiots" and constitute a "cringe-inducing backwards shuffle into the dark ages." It never fails to surprise me how quickly the energy discussion seems to ramp up into hyperbolic moral declarations of pure good and evil. In my experience, it's generally useful to contrast rhetorical flourishes with facts.

Hydrogen, which produces zero carbon emissions when burnt, can be produced in a number of ways. The most common and cheapest type of hydrogen we have now is generally known as "grey hydrogen." It is made from methane – natural gas. The next cheapest is often referred to as "brown hydrogen" and is made from oil or coal.

Producing hydrogen this way creates carbon dioxide. This is why there has been so much investment in CCS (carbon capture and storage) technology to prevent emissions from entering the atmosphere. The results get called "blue hydrogen", and this is what's being piloted in a \$500m project in the Latrobe Valley to generate hydrogen from the region's abundant brown coal resources.

Mr Forrest is keen to write CCS off entirely based on the fact that Chevron's Gorgon CCS project has only managed to store a million tonnes a year of CO₂, instead of the four million tonnes it projected. I don't think such blunt dismissal is warranted. New technology takes time and investment to develop.

All the indicators are that the Latrobe Valley initiative will successfully store CO₂ deep underground in the Gippsland Basin.

Mr Forrest argues such projects should be abandoned in favour of "green hydrogen," produced by pumping enormous quantities of renewable energy into water and splitting its molecules. The problem is that green hydrogen is nowhere remotely close to economic – costing well over US\$8 per kilogram, many times the cost of grey hydrogen. So presumably Mr Forrest would like us to offer green hydrogen technology more patience than he is prepared to grant CCS.

Hydrogen has a range of exciting potential applications. You most commonly hear about it as a back-up to renewables, to keep electricity flowing when the sun doesn't shine and the wind doesn't blow. However, it has applications much closer to home for Mr Forrest, because it can potentially be used to replace the coking coal used to turn iron ore - which has made Twiggy the richest man in Australia - into steel.

Now, the gap between the cost of using coking coal to make steel and hydrogen is vast and will remain so for a long time. But given that in FY20 alone the manufacture of steel in China with Fortescue's iron ore caused 241 million tonnes of carbon emissions – more than all the combined annual emissions of Australia's export thermal coal sector – you would think Mr Forrest may be more open-minded about efforts to progress the hydrogen industry.

Waiting for Fortescue's "green hydrogen" initiatives to become viable could take an extremely long time, presuming they ever come to fruition at all.

This is not to criticise green hydrogen itself. Technology will advance and it will play a role in the future. The question is how best to get there.

We could wait patiently for Twiggy to deliver on the quantum leap he promises. **(CONTINUED)**

(FROM THE GENERAL PRESIDENT - CONTINUED)

Or we could heed the more pragmatic advice issued recently by Blackrock CEO Larry Fink in his annual letter to CEOs in which he noted “we need to pass through shades of brown to shades of green.”

I would argue that you can't create a hydrogen economy without supplying affordable hydrogen. We need cheap hydrogen to start with and brown coal is the most cost-effective feedstock. The idea of the Japanese pilot project in the Latrobe Valley is to try producing and transporting affordable hydrogen. It is testing whether we can manufacture hydrogen, store it, truck it to Port Hastings, chill it to -253 degrees, and put in on boats. Can the Japanese then ship it internationally and build and run plants that burn hydrogen safely and economically? Does the whole complex process work? It will be one of many pilot projects to solve these and a host of other challenges.

I think the arrival of the Japanese vessel Suiso – the world's first carrier of liquified hydrogen – in Port Hastings to pick up its first shipment from the Latrobe Valley pilot plant is an exciting development and Australia can be proud to be involved. At the same time as preparing for our future energy needs, the project is creating jobs, economic activity and hope for the future in the Latrobe Valley, a region bearing the brunt of structural change in the domestic power market. Developing a hydrogen economy will take decades. Anyone interested in practical advances should support starting now with affordable, available technology.

Tony Maher, General President



Hydrogen revolution has to start with the most affordable gas

Energy
Andrew Forrest's abrupt dismissal of coal-based hydrogen ignores the phasing from brown to green that will drive any serious transition.



Tony Maher

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In calling on the Australian government to abandon support for all forms of hydrogen extraction that don't align with Fortescue's new green hydrogen investments, Forrest suggested that using "decarbonising matter" (aka coal) to extract the gas would cause Australians to look like "zero-10 kids" and constitute a "cringe-inducing backwards shuffle into the dark ages".

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Tony Maher is president of the Mining and Energy Union.

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