

Common Cause.

JULY 2020



SOUTH32'S RISKY GAME WITH CONTRACTOR LIVELIHOODS

BHP spin-off South32 is using the COVID crisis as cover to drive down the conditions of its large labour hire workforce at NSW's Appin mine, canning contracts with established labour hire companies and rehiring them through dodgy outfits on substandard deals.





Bob Timbs



At the same time as facing substantial cuts to hourly rates, contractors are being moved from safety to production-based bonus schemes, ringing alarm bells about how safety culture at the gassy underground mine will be affected.

South32 has terminated contracts with established labour hire companies, Mastermyne and Nexus, that had Enterprise Agreements with good pay and conditions achieved through bargaining with the CFMEU, seeing 250 workers lose their jobs.

South32 said the job cuts were due to COVID, but the same workers saw their jobs immediately advertised through PIMS and WorkPac on substantially reduced pay and conditions. With no other work available in the District, they had little choice but to apply – and in some instances PIMS and WorkPac have been directed by South32 to hire the experienced workers and dump their own new hires.

While over 100 are still out of work, another 100 workers have been rehired at South32 at pay rates of up to \$6 an hour less. South Western District Vice President Bob Timbs is deeply concerned that the substantial pay cut corresponds with a change in the bonus structure. While Mastermyne and Nexus had bonus schemes that depended on workers conducting safety checks, they are now on production-based bonus schemes that are at risk unless they achieve the production targets set out each week.

“I’m deeply worried that the combination of pay cuts and an ‘at risk’ production target could encourage unsafe behaviour,” said Bob.

“These guys are already trying to make up lost pay of hundreds of dollars a week. If stopping to do a safety check means losing their bonus, and being responsible for workmates losing their bonus, they may not take that time.”

“As everyone in the underground industry knows, not taking a proactive approach to safety can have deadly consequences.”

Labour hire work arrangements will be examined as part of the inquiry into the explosion at Queensland’s Grosvenor mine in May that saw five workers severely injured.

Labor’s resources spokesman Joel Fitzgibbon has called for an overhaul of employment practices in the mining industry to prioritise permanent employment on the grounds contractors are less likely to speak up about safety as they have less job security.

“I believe it can pose a safety risk,” he said.

“I’m most comfortable when employees of mines are under enterprise agreements entered into by the CFMEU, and all the safety which is associated with that ... they’re using their collective weight to make sure miners go home safely at the end of their shift.”

Bob Timbs is calling on South32 to undertake a risk assessment of the changes to employment practices at the mine and share its findings.

As one of our former Mastermyne members sees it, South32 is playing a game with the livelihoods of its large labour hire workforce, by cancelling contracts when workers make progress in negotiating a better deal.

“We were negotiating a new Enterprise Agreement with Mastermyne when things started to go downhill and South32 cancelled their contract. So things were looking good but now with WorkPac we are locked in for three years at the lowest rates the industry has ever seen.”

“It’s all like a big game of chess for them to try and get the permanent workforce rates down to the that level as well.”



Beware job cuts in disguise as driverless trucks roll in

BHP has announced it will introduce 34 autonomous trucks at Central Queensland's Daunia mine, making it the second BHP coal mine to embrace driverless technology after a fleet of 86 was announced for Goonyella Riverside late last year.

While the company is spruiking a jobs bonanza, union members at Daunia are worried about the future of their jobs with some labour hire jobs already being lost and the Union is fighting for current employees to have priority for any new jobs created.

BHP Mitsubishi Alliance President James Palmer said the move would create new permanent and project roles, promising: *"There will be no job losses as a result of this decision and anyone who currently works with us, be it an employee or labour hire worker, will be given an opportunity to continue to do so."*

These words were cold comfort for CFMEU member Peter Guinea who has worked at Daunia for three and a half years through labour hire company WorkPac.

He was told he'd lost his job last week just a day before BHP announced autonomous trucks would be coming to Daunia.

Peter says workers were told in the weeks leading up to the announcement that jobs would be cut. *"We were told they'd crunched the numbers and a certain amount of jobs would be lost per shift,"* says Peter.

"I spoke up and asked whether FIFO workers would be told before the end of their swing and the next week they told me it was my last day."

"It's typical intimidation and bullying."

"They say 'if you've got something to say, say it,' but if you do, you're down the road."

Information from BHP management suggests that at least 18 permanent operator roles and 45 labour hire operator roles will eventually become excess to requirements due to automation.

At the same time, BHP has said it will create 34 new roles but advertise them externally.

Members and Delegates at Daunia are concerned that automation will lead to 'job cuts in disguise' – that BHP will cut positions saying it's for any reason other than automation.

CFMEU Mining and Energy Queensland President Stephen Smyth backed members' concerns, saying the ultimate aim of BHP's automation program was to save money by cutting jobs.

"We support the introduction of appropriate technology into our industry but the community rightfully has an expectation that mining will deliver well-paid, quality jobs," he said.

"Automation should benefit the workforce and community, not just the shareholders and executives."

"We will fight for jobs to be maintained and for the existing workforce to have access to new opportunities for skills and training."

"The mining industry is sometimes its own worst enemy and it will lose its license to operate if it doesn't deliver secure, quality jobs."

The CFMEU is currently challenging the way in which BHP are rolling out autonomous trucks at Goonyella Riverside, including the impact on safety that autonomous haulage will have on site.



Deadly July: looking back at lives lost and lessons learned

Our former General Secretary Andrew Vickers (pictured above) looks back at the historical mine tragedies that have made July such a sad month for coal mining communities. Those who have lost their lives in mining disasters and the lessons from each event will never be forgotten.



MOUNT KEMBLA 31/7/1902 - 96 KILLED

Australia's worst industrial disaster struck on 31 July 1902, when 96 miners lost their lives in an explosion at Mt Kembla Colliery in NSW. There were 280 workers underground at the time of the explosion, including young boys. The explosion was so massive it could be heard 11 kilometres away in Wollongong. Recovery of the bodies took several days, and all but one were recovered in a courageous rescue operation. The NSW Parliament suspended sittings; such was the shock felt in the broader population. Former CFMEU Mining and Energy General Secretary Andrew Vickers says the mine was known to be full of methane gas. *"They had little to no safety precautions at the time often working with naked flames underground,"* he says.

A Royal Commission of Inquiry followed. The mine owners attempted to establish a theory that the disaster had been caused by a "fall of ground" and not by the presence of dangerous gas levels. However, evidence presented refuted that theory. Not only was gas present in dangerous quantities but the mine managers were aware of that fact. Recommendations from the inquiry included more testing for gas, better ventilation, improved shot firing practices and the abolition of naked flame lights. It was not until 1925 that the ventilation system at Mt Kembla was replaced, and it was years before naked lights were finally banned. Mt Kembla colliery closed in 1970.

BOX FLAT 31/7/1972 - 18 KILLED



A fire followed by an explosion at Box Flat in the Ipswich area of Queensland killed 18 mineworkers and severely injured three others. It was the worst ever industrial disaster to hit the Ipswich area.

At about 6pm on Sunday 30 July 1972, signs were detected of a fire underground. A team went underground to check it. A second team went into the mine some hours later to try to make temporary seals. It was then that a tremendous explosion shattered the mine.

Andrew Vickers says he remembers the day well as he was a cadet mine surveyor at the Goonyella open cut mine in central Queensland at the time. *"My Father had worked at Box Flat and I had two Uncles working there too,"* he says. *"Another of my Uncles was a serving member of the mines rescue service and knowing some of the people involved came from the mines rescue brigade was very sobering,"* he says. *"It was terrifying and we frantically tried to contact them to ascertain if they were involved. There was a fire underground, the fan had been turned off over the weekend and when the fan was turned back on there was a recirculation of air pulling gas over the fire and that caused a massive explosion."*

Of the 17 men who were killed, eight were members of the rescue squad that had been called to the mine when the fire was detected.

In the face of the danger of further explosions arising from the raging fire, the grim decision was made to seal the mine, leaving fourteen of the victims entombed. A funeral service was held at the top of the mine.

Consequent legislative and regulatory changes included the introduction of personal filter self-rescuers for all underground miners, the introduction of gas chromatograph's on the surface to analyse gas samples and modern firefighting equipment made available underground.



APPIN 24/7/79 - 14 KILLED

An underground explosion, three kilometres from the pithead and 600 metres underground, killed 14 mineworkers in Appin on the NSW south coast. Ten of those died while having their mid-shift meal in the crib room. Some of the survivors made it to the surface but were severely burned.

At the time of the explosion there were 45 workers underground, including the union's Lodge President, Dave Kemp. Dave was one of the rescue workers who went back into the mine to recover the bodies. The Southern District Rescue Station Corps, and rescue teams from other collieries also joined in this grim task.

The judicial inquiry that followed found serious communication problems at Appin, which was known to be a gassy mine. Judge AJ Goran found that the Mines Department had allowed a tolerance of a "continual breach of statutory requirements relating to gas". He consequently made a number of recommendations relating to gas safeguards, including monitoring, warning devices and ventilation. He also recommended the appointment of more local safety (check) inspectors.

Andrew Vickers says the incident involved the same coal seam as Mt Kembla in 1902 which was known to be full of gas. "Justice Goran found there had been a methane gas build up and a likely fault in one of the exhaust fans being used underground initiated the explosion and that was followed by a coal dust explosion which was fortunately limited by stone dust and water barriers," he says.



MOURA NO. 4 16/7/86 - 12 KILLED

An explosion deep underground at Moura No. 4 mine in Queensland took the lives of 12 coal mineworkers.

On that day there had been 19 men working underground when the explosion claimed 12 lives in an instant. The seven survivors were able to help each other to the surface through clouds of dust and gas.

Recovery plans for the victims were postponed due to the dangerous prevailing conditions, where high gas levels and near zero visibility were encountered. The rescue team was eventually allowed to resume their heartbreaking task, to recover the victims who were workmates and neighbours. Andrew Vickers was Queensland District President when the disaster at Moura No.4 occurred. "Initially there was some conjecture as to whether it was a wind blast or an explosion," he says. "History confirms there was indeed an explosion. The subsequent investigation and inquiry confirmed there had been a large fall of roof displacing methane gas which had collected in the roof, methane being lighter than air.

Scientific investigation found the most likely source of ignition was a lock flame safety lamp which was used to actually detect methane in underground coal mines, it had been in use for over 100 years, and it's still in use around the world," he says. "The locked flame safety lamp was withdrawn following the inquiry almost immediately throughout mines in Queensland and slightly more slowly through NSW," he says.

In addition to the banning of flame safety lamps from underground mines, the inquiry into the Moura explosion led to changes including continuous gas monitoring from all sections of the mine, compulsory safety induction training for all mineworkers and the requirement for secondary extraction plans to be developed and approved by the Mines Inspectorate.

The latest episode of the CFMEU Mining and Energy's podcast looks back at the Deadly July and current industrial and safety issues facing mining and energy workers.



New dust resources out now!

'There's a myth that says you can't get coal workers' pneumoconiosis (Black Lung) unless you've worked underground. That's entirely untrue.'

The NSW Resources Regulator has a new campaign 'Take action to prevent dust disease'. Please watch this informative video and find more resources [here](#).



Press play to watch video



The podcast
for Mining
and Energy
workers

JULY EPISODE
Out now!





Prospects for coal – COVID-19 and beyond

By Peter Colley - National Research Director

Compared to many industries hard-hit by the COVID-19 pandemic, mining is doing reasonably well and that includes coal mining. But there are some ominous clouds – both short-term due to pandemic-induced falls in demand, and longer-term due to business and investors shifting from fossil fuels.

The whole world is in a recession due to shut-downs and lockdowns responding to the pandemic, and that includes Australia. Worst hit are entertainment, hospitality and tourism, and that flows through to other industries like construction and retail. In relative terms, the Australian economy is suffering less than others but the costs in terms of lost jobs and incomes is high.

Mining has been relatively unscathed – able to continue operating during the lockdowns. Iron ore is booming due, not so much to demand, but because major competitor Brazil has many mines shut down due to tailings dam safety issues. Gold is also doing well, as it usually does in uncertain times.

But coal and many other minerals have suffered price cuts as demand drops due to industries shutting down or restricting production – in other countries where most of our products go. But – so far – coal production volumes have been holding up while prices fall.

The Australian Government's Office of the Chief Economist (OCE) in the Department of Industry has released forecasts in late June that attempt to take into account the pandemic. For the 2020-21 financial year the OCE has forecast a small 3 million tonne decline in thermal coal exports to 210mt. Similar for coking coal – a 2mt decline to 180mt in 2020-21.

But the falls in export earnings are much greater – from \$20 billion down to \$16b for thermal coal (and that is after a decline from \$26b in 2018-19) while over the same 2 years coking coal export earnings decline from \$44b to \$26b, before a modest recover in 2021-22.

Right now spot prices for Newcastle thermal coal are grinding along the bottom at under US\$50 per tonnes, and coking coal is in the low US\$100s per tonne. At these prices, some mines are cash negative – the coal sale price does not cover cash operating costs.

So far only a handful of mines have retrenched mineworkers, and other countries have cut production (and jobs) more. But if recovery from the pandemic is slow, or there is a large second wave of infections, then the situation for coal production and jobs will be grimmer.

Looking further forward, there are more concerns. In the medium term, China is determined to protect prices and production in its domestic coal industry and appears to discriminating against Australian coal in particular because of our relationship with the USA and our concerns about Chinese interference in our affairs.

Longer-term, the NSW Government in its recently released coal strategy has forecast falling demand for thermal coal through to 2050. Only a modest decline, but a decline nevertheless. No more forecasts of ever-increasing demand.

Large mining companies like BHP and Rio Tinto (and even some oil and gas companies!) are committing to achieve net zero greenhouse gas emissions by 2050, and BHP has recently announced a sale process for its last remaining thermal coal mines (Mt Arthur in NSW and Cerrejon in Colombia). While Rio Tinto has sold all of its coal assets, others like BHP, South32 and Anglo American are remaining in coking coal.

And while coking coal for steelmaking cannot be replaced easily, there is considerable effort being put into hydrogen production technologies to reduce the price to the point where hydrogen can replace coal in the steelmaking process.

Coal will be around for decades to come but the question in the next five years is whether it will be a growing or declining industry. There are powerful economic, technological and investment forces lining up against all fossil fuels.



Notice to members of the Mining, Energy and Ports District of the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland

The Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division, Queensland District Branch ('District') recently held an election for offices that correspond with offices of the Mining, Energy And Ports District of the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland ('Qld District').

The District is the federal counterpart body of the Qld District. To avoid holding two (2) elections for corresponding offices, the Union Secretary of the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland will, at the request of the Qld District Secretary, make an application for exemption from holding an election under section 802 of the Industrial Relations Act 2016 (Qld).

The application is being made so that the member who fills an office in the District will fill the corresponding office in the Qld District. The members of Qld District will not be detrimentally affected as members have already voted, or been given the opportunity to vote, in the election held for the federal counterpart body.

This notice will apply to any vacant offices in the Qld District until the expiry of the term which commences in 2020, where the office in which the vacancy occurs (in the Qld District) corresponds with an office in the District, and where the District has held an election for its vacant office.





FROM THE
CONSTRUCTION,
FORESTRY, MARITIME,
MINING AND ENERGY
UNION NATIONAL
SECRETARY -
MICHAEL O'CONNOR

Government must do more to drive COVID economic recovery

Members from across the Construction, Forestry, Maritime, Mining and Energy Union have kept this country running through the coronavirus crisis - on construction sites, in mines, at power stations, on the docks and in manufacturing - but now they need some back up from government.

Nearly all the industries we cover were deemed essential to the economy.

In the construction industry our members, delegates and organisers worked with employers to keep tens of thousands of people on construction sites - crucial to the Australian economy.

Similarly, the mining and energy division did the same, where would we be if the power plants had shut? Shivering in the dark most probably.

Where would we be if the mining industry was shut given it's responsible for over half of this country's exports?

And of course the maritime division, both seafarers and wharfies, made sure essential goods were getting through the ports and exports continued.

Unfortunately, our members reliant on the retail industry got hit hard almost immediately - especially those in the clothing, textile and footwear sector. A number of manufacturers either closed or went on three day or four day weeks.

But broadly, through ensuring proper health and safety procedures our members have kept the power generation, mining, construction and maritime industries going. Members should be proud of the contribution they've made - and I hope the community recognises what they've done for this country.

But now it's time for all levels of government to help our members face up to the economic challenges our country now faces going forward.

And the first place to start is in construction where we are very concerned at the slowdown in housing starts. Housing is a key driver of economic activity - a house being built needs bricks, timber floors, frames, doors, windows, all those things our members produce.

Unfortunately, the Federal Government package announced recently is no way good enough to sustain the over a million jobs dependent on the construction industry - both people who work on site and those manufacturing jobs that provide the materials.

The renovation package the Morrison Government announced is badly designed, and way too small - \$900 million sounds like a lot but it won't go far. You don't need to be a maths whiz to work out with over a million jobs on the line - putting only \$900 to each one isn't going to kickstart the industry.



A lot of our housing demand in this country is driven by population growth. We know that population growth is dependent on immigration, and with this virus immigration has stalled.

One way we can create demand is by building affordable housing - so we deal with the social problem of a lack of accessible social housing - and keep the construction industry going at the same time.

This approach has been championed by our union, the ACTU, ACOSS and some governments - but so far has been ignored by the Morrison Government.

This situation is going to really bite in September and October - which unfortunately is also when the JobKeeper package is due to end - so we need governments to step into the breach and stimulate the economy.

Another opportunity we see in this crisis is in manufacturing. At critical times we've had shortages of essential medical equipment and personal protection gear because we're overly reliant on imports.

So government, employers and unions need to work together to increase our manufacturing capacity here - something I know our members all support.

Another thing the Federal Government should do is look to their parliamentary colleagues who dealt with the global financial crisis in 2008 and who better appreciate the proactive role a government needs to play when the country is in crisis.

The Labor Government dealt with the GFC better than any government in the world and there's a number of people from that government still in Parliament, including the Opposition Leader.

And finally, governments needs to catch up with the community who have realised through this crisis the true social impact of the casualisation of the workforce.

People have seen how having millions of casuals without sick leave means some are tempted to keep working if they feel crook, and how this can cause massive health and economic damage.

Our members have led the way - now governments needs to help this country come through this crisis like we did the GFC - better than any other nation in the world.