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AUSTRALIAN COAL UP OR DOWN AND WHEN?

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Mining & Energy

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MILLION DOLLAR WIN OVER PUBLIC HOLIDAY UNDERPAYMENT

MEMBERS AT VICTORIA'S YALLOURN POWER STATION WILL BE BACKPAID SHIFT PENALTIES AFTER THE UNION CHALLENGED THE WAY ENERGY AUSTRALIA HAD CALCULATED PUBLIC HOLIDAY LOADINGS FOR SEVEN YEARS.

After launching legal proceedings against EnergyAustralia, our Victorian District reached a settlement which will see 100 operators receive in the vicinity of $10,000 each, adding up to around a million dollars.

Only Mining and Energy Union members are covered by the settlement and will receive the backpay.

District Secretary Geoff Dyke said it was an unusual case, because members were unaware of the discrepancy in EnergyAustralia's calculations.

However, when representing a member on another matter, Geoff noticed that double time and a half public holiday loadings had been applied to base rather than normal rates, which include weekend and evening penalties.

The union then challenged Energy Australia's application of public holiday loadings over the past two Enterprise Agreements, signed in 2013 and 2017.

The company's interpretation meant that workers had effectively lost their weekend and night shift penalties when a public holiday loading was applied.

The union argued there was no basis in the Enterprise Agreement for removing these penalties.

Geoff Dyke said legal proceedings had taken nearly two years, with the company finally agreeing to an out of court settlement, thus avoiding a potential fine for breaching the terms of its Enterprise Agreement.

> "This is a great result. The purpose of Enterprise Agreements is to set out the terms and conditions of employment – employers can't just interpret them in their own interests to save money." - GEOFF DYKE

"Many thanks to our legal team and our delegates at Yallourn for seeing this matter through and securing this great win for members. It really does pay to belong."

Members are due to receive their payments, covering the missed penalty rates plus interest, over the next couple of weeks.
The most recent Yallourn Enterprise Agreement, signed in 2020, made clear that public holiday loadings were to be applied on top of any penalties.

In another legal victory last week, the union has successfully prevented an attempt by EnergyAustralia to vary the Enterprise Agreement to limit the applicability of a clause allowing workers a substitute day off if a public holiday falls on a weekend.

BHP PUSHES VOTE ON CENTRAL AGREEMENT ROLLOVER

MINEWORKERS ACROSS BHP'S BOWEN BASIN COAL MINES ARE EXPECTED TO ROUNDLY REJECT BHP'S PROPOSAL TO AVOID BARGAINING FOR A NEW BMA CENTRAL ENTERPRISE AGREEMENT AND SIMPLY ROLL OVER THE CURRENT AGREEMENT FOR FOUR YEARS.

With just four of eight scheduled bargaining meetings taking place, BHP has ignored union efforts to improve job security provisions in the Agreement.

The BMA Central Agreement is the largest and most comprehensive Agreement in Queensland coal covering Peak Downs, Blackwater, Goonyella Riverside and Saraji (as well as Gregory, Crinum and Norwich Park which are currently not operational).

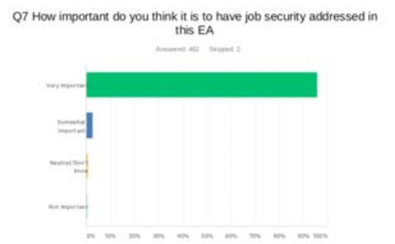
BHP has flagged it will conduct a vote from August 10 to 16.

Our bargaining team, which includes representatives from each Lodge, has proposed a series of measures to boost job security and increase permanent job numbers.

They include:

- guaranteed permanent job numbers for the duration of the EA to stem the decline of permanent jobs
- stronger redundancy protections
- preference for new starters to be employed under the Enterprise Agreement.

A survey of members showed 96% wanted stronger job security provisions, reflecting concern over automation and the continued growth of labour hire including BHP's own Operations Services.



Queensland District President Stephen Smyth urged all members to participate in the ballot and to vote 'no'.

"We are proud of what this agreement has delivered for mineworkers and communities for decades. But it always needs to respond to the challenges of the times.

"The job security crisis is the biggest challenge we currently face in the coal mining industry. Twenty years ago, nearly all our jobs were permanent. Now, contractors outnumber permanents and it's impossible to get a permanent start.

"BHP has been one of the biggest offenders. They have a responsibility to their workforce and communities to do the right thing and provide permanent, secure employment.

"I expect workers will send BHP a strong message that they want genuine bargaining, they want job security and they want a better deal."

LATEST PODCAST:

BHP CENTRAL AGREEMENT

The BHP Central Agreement is the biggest and most comprehensive agreement in the Queensland coalfields. As negotiations get underway for the next deal, we look at back at the 40+ year history of blues, wins and epic struggles that have shaped conditions at work and in coal communities.

GO TO https://commoncause.cfmeu.org.au/podcast/

AUSTRALIAN COAL: UP OR DOWN AND WHEN?

The future for coal is uncertain but forecasts suggest the trajectory for Australian coal could be different to other producers around the world, writes National Research Director Peter Colley.

The overall global market for coal may be going down, with most of the debate about how fast, but that does not mean the story is exactly the same for Australian coal.

Recent forecasts by a major private forecaster have Australian thermal coal plateauing while the rest of the world declines, and Australian coking coal increasing for some years before the effects of the steel industry seeking to reduce global warming emissions have some impact.

In the last half year I have pointed out that the International Energy Agency has Australian coal production falling (a little) over the next five years, while the Australian Government forecaster has Australian coal recovering from the pandemic trough of 2020 but plateauing out to five years.
And of course, there is the story of coking coal versus thermal coal having different futures, and Australia producing a much higher proportion of coking coal than most other nations.

Wood Mackenzie, one of the largest private sector commodity forecasters in the world, has recently said that it expects world thermal coal demand to fall faster than it forecast just last year. But internationally traded coal declines less than coal produced and consumed domestically – though still about 20% by 2050.

But the impact is felt more by low energy coals, so Australia's competitors lose market share while Australia gains. The net impact on Australia is that its actual thermal coal production remains stable through to 2050.

Prices actually remain fairly OK– over US$80 per tonne – because the divestment push by western investors and lenders, and legal action against mine approvals, restrains new production.

With respect to coking coal, Wood Mackenzie has the steel industry being unable to change much until about 2030 (while

With respect to coking coal, Wood Mackenzie has the steel industry being unable to change much until about 2030 (while still growing slowly), and then it starts to reduce emissions firstly by recycling much more steel scrap, and then by efficiency measures and then green steel production using hydrogen instead of coking coal.

Production from existing Australian coking coal mines rises modestly through to about 2030 before declining. This is weighted towards higher-quality hard coking coal. Prices actually rise to over US$150 per tonne by 2050. This is because coking coal supply falls faster than demand does, again due to western investor divestment and legal restrictions on mine approvals.

These "nuances" – a different trajectory for Australian coal to the rest of the world – rest on major uncertainties about what governments really do about climate change. The forecasts above assume that governments fail to reduce global warming to the target of less than 2 degrees they agreed in Paris in 2015.

We know that countries that account for over 60% of Australia's coal exports – Japan, China and South Korea – have all made commitments to reduce greenhouse gas emission to "net zero" by 2050 or 2060. Japan has recently announced a plan to cut natural gas use by 50% and coal use by 40% by 2030. But Japan has a history of not meeting targets of any kind in its energy mix. (For example, for most of the last four decades it has planned to use more nuclear power, but today it uses less due to local hostility and safety concerns.)

The Korean Prime Minister has made very strong statements about reaching net zero, but seven of the nine coal power plants that he vowed to reconsider four years ago are going ahead.

The Indian government famously said back in about 2016 that it would reduce thermal coal imports to zero by 2021. But they are higher than ever.

So coal demand will fall, but not as fast as claimed, and not fast enough to prevent global warming above 2 degrees, with all the consequences that involves.

Trying to draw firm conclusions from all this is a losing battle. We know that demand for coal is declining and that decline is likely to accelerate. But the particular role for Australian coal may be different. A lot depends on what governments do, and what investors do. Of course, some investors bailing out does not mean they won't be replaced by others. (There is plenty of evidence of that happening.) The newer investors are likely to have shorter time horizons and seek higher profit rates to match, meaning more pressure on all costs including labour costs.

After the mini-boom this year, coal production in Australia may decline as soon as next year, or not until about 2030. We would be wise to plan for it.

NATIONAL RESEARCH DIRECTOR
PETER COLLEY

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WORRIED ABOUT YOUR HEARING? THINGS YOU SHOULD KNOW

Coal mining is a noisy industry. While awareness of risks and use of hearing protection continues to grow, hearing damage is a risk in open cut and underground coal mining environments.

In fact, around one in eight workers compensation claims made to Coal Mines Insurance are for industrial deafness. Many mineworkers don't experience work-related hearing loss until they have left the industry, with the average age for first claims for industrial deafness in the mid-50s.

Coal Mines Insurance has streamlined the process for lodging a claim for industrial deafness to make it easier. CMI's Group Lead Legal Services, Todd Noon explains that claims can be made directly, it is not necessary to engage a lawyer:

'Some people have said they thought they needed a lawyer to make a claim – that isn't the case at all. And others have said that they didn't know they could claim directly with CMI. In fact, it's often a faster process to claim directly with us or via a union representative.

A claim for hearing aids is not a complicated process. We also have a team of specialists who focus exclusively on the management of industrial deafness claims and to guide and support people making this type of claim.'

RESOURCES FOR MAKING A CLAIM

CMI has developed:

- a specific industrial deafness claim form
- a fact sheet that explains the steps involved in lodging an industrial deafness claim and the preferred channels in which to do so

These are available on the CMI website. Visit: www.coalservices.com.au/mining/workers-compensation-insurance/workers/injury-and-claims/forms-and-downloads/

If you would like to find out more about industrial deafness claims, contact CMI on **1800 WORKER (1800 967 537).**

FAST FACTS

- Industrial deafness claims account for around 14% of all claims received by CMI
- On average, industrial deafness claims account for 4% of total claim payments
- Around 66% of first-time claimants are no longer employed in the industry
- Average age of claimant (first claim for industrial deafness) is 55.7 years

QUEENSLAND MINERS SHARE LABOUR HIRE PAINS

Lobbing truth bombs at parliamentarians might not be in the job description for most Central Queensland miners, but it didn't stop two of our members attending a Senate Hearing armed with little else earlier this month.

The labour hire rort mining companies have made commonplace through the industry was the focus of a recent Senate hearing, and coal miners Wayne Goulevitch and Chad Stokes made it clear the practice is hurting workers and communities.

Chad, who is a labour hire pump crew operator, told Senators on the Select Committee on Job Security people doing the same job should receive the same pay.

"I have worked in the coalmining industry for ten years as a pump crew operator and for the last seven years I have been a casual labour hire worker. There are just no permanent jobs being offered anymore," he told the hearing.

"I work the same roster and shift as the permanent workers on my crew, but I have no job security, I get paid less, and it is really hard to take time off.

"I want to see the same pay implemented for labour hire workers, most importantly, I think the mine operators should directly employ more workers.

"When you are in labour hire, you are treated like a second-class citizen, you are given the worst jobs and you can be let go at any time. At my coalmine, more than half the workers are employed through labour hire rather than being directly employed.

"Mining companies keep changing labour hire companies so that workers do not have an opportunity to organise and improve their position.

Wayne Goulevitch, who has a permanent coal mining job, told the Senators when he started a decade ago there were 40 full timers and five labour hire employees in his pre-strip crew. Today there are 120 labour hire miners, paid tens of thousands less than permanent directly employed workers.

"My crew hasn't had a full-time employee join our team in over seven years," Wayne told the Senators.

"That is why I need 'same job, same pay' just as much as casuals in the industry, without it, my pay and conditions have been given a sunset.

"In effect, that means large multinationals get to reset pay and conditions whenever they choose. When I first started as a casual, Skilled was the labour hire company of choice, then TESA Mining, then WorkPac.

Coal miner Wayne Goulevitch at the hearing

""Now it appears large multinationals want to start spurious shelf companies to give the impression of full-time employment but on greatly reduced pay and, more importantly, reduced conditions.

"Any First World country that declares they are a fair and just society while having two people doing the exact same job and being paid differently, tens of thousands of dollars differently – and sacking one at the drop of a hat then starting a whole new company to undermine the next – is demeritorious.

"Paying workers more and giving them secure employment so they can spend money in the economy increases GDP. Stashing hordes of cash in an offshore account does not.

"We should be enacting legislation that benefits the many, not privileges the few."

The Senate committee has heard from many locals including Isaac Mayor Anne Baker who described the impact of labour hire and casualisation as "nothing short of a pandemic".

"We are living and breathing this, to the detriment of the viability and resilience of our community," Mayor Baker said.

"Deputy Mayor Kelly Vea Vea said casualisation was done to cut costs, and to cut out unions.

"It's a cheaper way of doing things and without workers being long-term or permanent it's harder for them to organise," she said.

Cr Vea Vea also challenged earlier evidence at the hearing which suggested casual workers did not want to convert to permanent work when given the chance.

"I would really like to make a statement regarding that claim that was made yesterday from labour hire companies saying less than one per cent of labour hire workers converted to permanent jobs, because they prefer more money and flexibility," she said.

"For us, that was as misleading as it is outright offensive."

Queensland District President Steve Smyth, who also appeared at the hearings, called out Senator Matt Canavan's disrespectful no-show at the committee when miners were giving evidence. Steve noted Canavan's absence was particularly egregious, given he is Deputy Chair.

"I was looking forward to explaining to Senator Canavan what casualisation and labour hire means for the industry," he said.

"He portrays himself in the media as the friend of coal mining communities, but we find in his attitudes he is friend only to the multinational companies which take millions of dollars out of those communities for foreign shareholders.

"I guess if I was Matt Canavan, I would be embarrassed to show my face given my support for recent IR laws which lock in casual exploitation in the Queensland mining industry. So I suppose on that level I can understand Matt hiding in shame."

SUPER UPDATE: MINE LEADS THE PACK

"Annual results on super fund performance to 30 June show that Mine Super has had a strong 12 months, with the industry fund for miners and the mining industry being ranked first in a table of the top 10 growth funds.

With new 'Your Future, Your Super' laws passed by Federal Parliament, it's important to keep up to date on your super fund's performance.

Number 1 growth super fund

On 19 July 2021, independent super fund research agency Chant West released its top 10 growth funds for the financial year with Mine Super's Growth investment option coming out on top.

Mine Super took out the top honours in a top 10 made up of several popular retail and industry super funds. The Mine Super Growth investment option delivered a 22.6% return for the financial year, and this number one position has been called out by many publications, including The Australian Financial Review, The Australian, Daily Telegraph and SuperGuide.

The Mine Super High Growth investment option also delivered stellar performance, with a 26.2% return over the same period. Mine Super members invested in the Lifecycle Investment Strategy have some or all of their super invested in this option, if they're below age 65.

In addition, Mine Super's Lifecycle Investment strategy made

Rainmaker's Top 10 list of MySuper products, based on fees and five-year performance.

Mine Super's Chief Investment Officer Seamus Collins says the fund made significant changes to its investment strategy two years ago, which are paying off now.

FIND OUT MORE AT https://www.mine.com.au/

COAL LONG SERVICE LEAVE MUST ADAPT TO THE TIMES

FROM PRESIDENT TONY MAHER

"Australian coal miners fought for and won long service leave entitlements over 70 years ago.

The Coal Industry Long Service Leave scheme born from the bitter seven-week coal strike of 1949 was the first scheme in Australia for blue collar workers and remains one of the most comprehensive in the world.

Unions have won significant improvements over the years, including reducing the qualifying period for 13 weeks leave from 10 to eight years, recognition of breaks in continuity of service and inclusion of contractors and labour hire workers in the scheme.

However, there are further important improvements needed to strengthen the scheme and remove barriers to all coal miners receiving the industry entitlements they deserve.

Our union has strongly advocated for changes in recent years through government and industry working groups, to address some serious issues that have emerged – in part due to the rapid rise in casualisation in coal mining since legislation governing the scheme was introduced.

We are hopeful that a review recently announced by the Federal Government will deliver constructive proposals that ensure no coal workers are left behind.

Feedback from our members shows the scheme works largely as intended and is viewed and experienced positively by most coal miners.

However, there are groups of workers facing difficulties accessing the entitlements due to them as coal mineworkers.

These include 'stranded' workers who are recognised as coal mineworkers under the Coal LSL scheme but whose employers refuse to participate, typically because they are mining services or maintenance businesses who argue they are not predominantly coal mining businesses. One example is our members at Hitachi, who work in Hunter Valley coal mines every day servicing equipment. They are coal workers who should be covered by the scheme and who have been accepted as eligible by Coal Long Service Leave, but their employer does not pay a levy or record their hours meaning they are unable to access this important industry entitlement.

COAL MINERS ARE AWARDED LONG SERVICE LEAVE

Sydney.—The Coal Industry Tribunal (Mr. Gallagher) today granted long-service leave to the coal miners on the basis of 13 weeks on full pay after 10 years' service; but imposed a provision which penalises the miners who took part in the recent strike.

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 and has resulted in a loss of pay for a period, in most cases, of seven weeks.

COAL INDUSTRY COMMENT

Sydney.—The general secretary of the Miners' Federation (Mr. G. W. S. Grant) complained to the Coal Industry Tribunal (Mr. Gallagher) about an article in this morning's "Daily Telegraph."

Mr. Grant said that the article, which was headed "Only the Miners Ask a Ransom For It," prejudiced their claims.

Mr. Gallagher told Mr. Grant that he had not the power to punish for contempt of court, and suggested that he refer the matter to the Attorney-General.

Mr. Gallagher added that he had already referred to the Attorney-General an article which appeared in the "Daily Telegraph" last Tuesday.

Mr. Grant said that he would take the action suggested.

Coal miners won LSL in 1949

These companies are non-compliant with their legal obligations under the Coal Long Service Leave Act.

Our union has backed a proposal developed in consultation with employers that gives these companies a pathway to becoming compliant that is fair to employees, recognising their past service, while not hitting employers with a prohibitive backpay bill or getting bogged down in lengthy legal proceedings. We hope the Government endorses this practical proposal.

Another issue that must be addressed is casual mineworkers not having all their work hours counted. This is due to a legislative provision requiring employers to limit hours recorded at 35 hours in a seven-day period. However this penalises casuals on typical rosters that compress hours into one week with fewer hours the following week. They get short-changed as there is no provision to average out the 35 ordinary hours over the roster cycle, as is the case for permanent employees. We strongly support a change to the method of calculating hours for casuals, so that all hours worked are averaged across the month.

Other significant issues needing to be addressed include the exclusion of shotfirers from the scheme and difficulties workers sometimes face in having past service recognised.

We will continue to support the Coal Long Service Leave scheme and advocate strongly for improvements to legislation compliance and enforcement to improve it.

You can find our submission at https://me.cfmeu.org.au/policy-research/submission-coal-long-service-leave-review