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Common Cause.



INQUIRY REVEALS 'UNACCEPTABLE' RISK FOR GROSVENOR WORKERS

DANGEROUS CONSEQUENCES OF LABOUR HIRE

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THE QUEENSLAND COAL MINING BOARD OF INQUIRY RELEASED ITS FINAL REPORT THIS MONTH, FINDING THAT WORKERS AT ANGLO AMERICAN'S GROSVENOR MINE WERE EXPOSED TO UNACCEPTABLE LEVELS RISK BEFORE LAST YEAR'S SHOCKING EXPLOSION.

The report also reveals the full extent to which permanent jobs have been outsourced across the industry and explores the dangers when workers feel scared to raise safety issues.

The report details the failure of Anglo's management team to manage dangerous gases at Grosvenor in the months leading up to last May's blast, which left five workers with life-threatening burns. It found that coal production was not slowed to match gas drainage capacity at the mine and that 'coal mine workers were repeatedly subject to an unacceptable level of risk'.

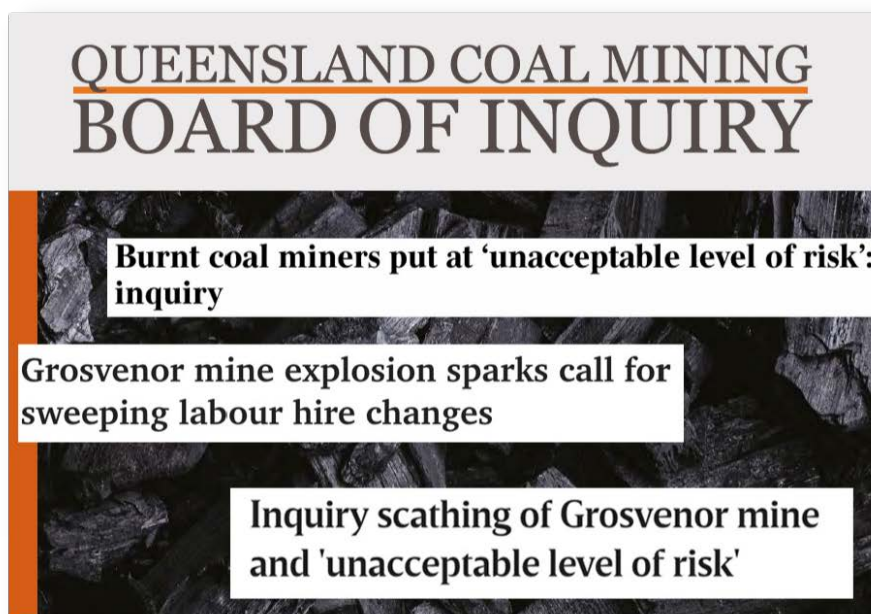
"There were 27 gas-related High Potential Incidents (HPIs) that occurred between July 1, 2019 and May 5, 2020 at Grosvenor mine. The explosion occurred on May 6.

The report was also scathing of the Queensland's Mines Inspectorate's failure to respond to the frequency of HPIs and identify Grosvenor as a 'problem mine that was deserving of particular and greater attention'.

"I felt sick reading the detail about Anglo's recklessness," said Queensland District President Stephen Smyth.

"Management knew there were problems following a series of high potential incidents but didn't address. The Inspectorate should also hang its head in shame.

"Last year's explosion was a shocking and traumatic event and it makes my blood run cold to think that the outcome could have been much worse."



"The Inquiry exposed the extensive use of casual labour hire in Queensland's coal mining industry, showing a dramatic change in the workforce over the past 25 years.

In 1996, 94% of Queensland's open cut coal workforce was directly employed. By 2002, this had fallen to 65%, in response to Howard-era IR changes that removed restrictions on contracting out jobs.

Data from 2017 from the Commissioner for Mine Safety and Health confirm what is obvious on the ground, that is that permanent employees are now a minority of the coal mining workforce. Direct employees are now just 45% of the open cut workforce and 48% of the underground workforce. At some mines, like Grosvenor, the entire production workforce is contracted out.

The Inquiry canvassed research on the impact of labour hire, noting that:

"Going back as far as the 1980s, there is a considerable body of research into the safety and health implications of temporary and insecure work arrangements, including labour hire

arrangements. There is a high degree of consistency in the findings that those implications are overwhelmingly negative. The research shows that, generally speaking, temporary and insecure work arrangements are associated with a higher incidence of injuries and fatalities, as well as poorer physical and mental health. Workers employed in such arrangements generally have a poorer knowledge of, and poorer access to, regulatory employment rights, and are less willing to raise occupational health and safety concerns."

The union is advocating for a further inquiry focused on the specific safety implications of the widespread casualisation of the Queensland mining industry.



"It's not good enough for mine operators to just assert that casualisation is fine and dandy. It's certainly not the view of workers on the ground that removing rights and job security is conducive to a good safety culture. There is more work to be done to tackle this toxic business model." - Steve Smyth

Callide miners win permanent job guarantee

Our members at Callide mine at Biloela have had a big win for job security, negotiating a new Enterprise Agreement that guarantees permanent job numbers.

“Callide Valley Lodge President Rick Hibble said that like many coal mines, Callide had seen the steady replacement of permanent jobs with labour hire over recent years.

“(Mine operator) Batchfire haven’t employed a permanent in a long time. Any time someone retires or resigns they are replaced by labour hire.”

Over the course of the last Enterprise Agreement, permanent production numbers fell from 245 to 223 through natural attrition.

The new EA, which has been unanimously endorsed and is awaiting approval by the Fair Work Commission, guarantees 240 permanent jobs in production and 105 jobs in maintenance.

“Once it’s ratified, we are getting those new jobs,” said Rick.

“It’s a good thing for some of the labour hire workers who have been here six to eight years. It provides some hope for them to know there’s an opportunity to apply, that will be a great thing.”



Members vote up the new agreement

Queensland Senior Vice President Mitch Hughes, who supported the Lodge during the marathon 15-month EA negotiations, said the new Callide agreement set a new industry standard for protecting job security. “It draws a line in the sand on replacement of permanent jobs.”

He said negotiations were successful because workers were ready and willing to walk off the job, with near-unanimous support for strike action. They also had the support of labour hire workers with more joining the union during the campaign.

“Our message was we are not just fighting for our own conditions, we are fighting for the labour hire workers too. As soon as we said we’d go out the gate for their benefit as well, people joined.”

In the end, Callide workers won the conditions they were fighting for without walking off the job – but their unity and determination was a wake-up call to the company, said Rick.

In addition to the permanent jobs guarantee, the new EA delivers a range of improved conditions including arbitration, a bigger say over rosters, redundancy protections and annual pay rises.

“We’ve never had arbitration before so that gives us important backing when disputes come up. It is a comprehensive agreement that is a testament to the unity and determination of our members,” said Rick.



Callide Unions United: Rick Hibble (centre) with AMWU’s Chris Harper & ETU’s Karl Rutch

CONVERSATIONS ABOUT JOINING

What do union delegates do when a member comes to them with a problem?

How do they approach a prospective member?

Listen to our latest podcast to find out:
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New superannuation laws - what do they mean for you?

The Federal Government has pushed its controversial 'Your Future, Your Super' Bill through Parliament, meaning a raft of changes to superannuation will come into effect from July 1.

While it sounds friendly enough, the new legislation contains a number of measures that could leave mining and energy workers worse off.

Here's a quick guide to key changes. But remember, for personal advice talk to your super fund or financial advisor.

Workers 'stapled' to poor-performing funds

Under the new rules, workers will be 'stapled' to the first fund they join unless they explicitly choose to move to another.

The purpose is to reduce the number of duplicate and lost accounts, but this measure also risks workers being stuck in funds for their whole working lives that are low-performing, not relevant to their industry and without adequate insurance protection.

For example, a worker who starts out in retail but moves into mining could find themselves stuck in a superannuation fund with income protection and other insurance products that don't cover high-risk industries like coal mining.

Currently, employers can sign workers up to the default industry fund when they start a new job. Now, the 'default' will be their existing fund which could be from their first job after school.

Workers changing jobs or industries need to take active steps to join the relevant industry fund. All mining and energy workers – if not members of Mine Super – should check that the insurance products in their superannuation cover high-risk workplaces like coal mining and power stations.

Too often, we hear from workers left in the lurch who didn't realise the insurance associated with their fund did not extend to their industry. Don't let it happen to you!

Investment performance tests – but only for some

Another measure central to the 'Your Future, Your Super' legislation is the introduction of new annual performance tests.

This test will be retrospective and funds that fail to meet these benchmarks on average over the past seven years will be barred from taking on new members and will be forced to write to members informing them of the 'strike' against them, encouraging them to consider switching.

The problem is, past performance is not an indicator of future performance. Members leaving a fund over past performance could end up being worse off if they change funds. For example Mine Super, the fund many mining and energy members, had a period of poor investment return between 2017 and 2019, enough to trigger a 'strike' under the new rules.

A substantial restructure of investments and strategy has seen a strong turnaround, with returns performing well above the APRA benchmark for the last 12 months.

The Fund product that most of Mine Super members are invested in, High Growth, returned 24.24% for the 12 months to May. The performance of this product was superior to 94% of the default funds in Australia over the period. (SuperRatings May 2021 Ranking Australian Default Superannuation products) Switching funds over the Government's new, arbitrary test on past performance could put members' future super returns at risk.

What should you do?

The key take-out is to know your superannuation including your fund, your current returns, the detail of your insurance cover and your retirement needs.

Unfortunately, superannuation is a political football because there are many on the conservative side of politics who simply don't believe in the principle of a dignified retirement for working people or in unions playing a role in industry funds.

The compulsory superannuation system has thrived since it was won by unions under the Hawke-Keating Government, but Parliament is full of those trying to undermine it through delaying scheduled increases in the super guarantee and imposing onerous regulations on industry funds.

Or by milking it for themselves. Pauline Hanson, who is on 15.4% super like all federal politicians, voted for 'Your Future, Your Super' and made headlines by proposing a superannuation tax concession for people aged 67 and over. She is 67.

Time and again, industry funds managed jointly by union and employers have outperformed profit-driven retail funds.

Our compulsory superannuation system has transformed the retirement prospects for working Australians over the past few decades. It is a wonderful achievement and we'll keep fighting back whenever it comes under attack.

Figure 1.0: Annual estimated difference – Mine Super and Your Future Your Super target





Coal prices up - but not assets

AUSTRALIAN COAL EXPORT PRICES – ESPECIALLY THERMAL COAL – HAVE SHOT UP THIS YEAR AS THE WORLD RECOVERES FROM THE PANDEMIC THAT DOMINATED 2020. WHICH IS GOOD FOR COMPANY PROFITS AND FOR JOBS. BUT WE AREN'T SEEING EITHER A RAPID BOOST IN COAL ASSET VALUES OR IN INVESTMENT DUE TO LONGER TERM FORECASTS OF COAL DECLINE.

Forecasting is always a mug's game. As I am known to say – most economists are wrong most of the time. They have better success explaining why what happened in the past.

What we definitely know is happening is that thermal coal prices have shot up to near-record levels. During the height of lockdowns around the world in 2020, thermal coal spot prices dropped to around US\$50 per tonne – a price at which most Australian producers would lose money. (But a lot of coal is sold on quarterly or annual contracts, so it wasn't that bad for many producers.)

In recent weeks that spot price has been around US\$120 per tonne (at Newcastle port), which the so-called Japanese Benchmark or Reference Price was recently settled between Glencore and Tohoku Electric Power Company at US\$109,97/tonne, up strongly from last year's price of US\$68.75.

Thermal coal producers tend to be doing well at any price above US\$85 per tonne, so we can expect some strong profits to be announced for the year ending July 2021, though noting the price recovery is all this year.

The price recovery has occurred despite China maintaining its ban on Australian coal. World coal markets have had to reconfigure themselves, with Australian coal going to other destinations while coal that would normally go to places like India eg South African coal, has been expensively redirected to China.

China was previously about one quarter of our exports, and while volumes have not dropped by that amount, they are still struggling to recover to 2019 levels. For most of this year exports have been running at closer to 7 million tonnes per week rather than the 8mt that would represent 2019 levels.

To the end of April (and noting that the pandemic really hit from April 2020) exports are running at 6% lower than the same period in 2020. There has been a jump in weekly exports in June, so we can see if that continues.

What we are NOT seeing is a surge in coal asset values or in investment decisions that would typically correspond with the high prices. BHP is firmly committed to existing thermal coal (while retaining its coking coal assets), Rio Tinto has exited coal altogether and the world's biggest thermal coal producer in international trade – Glencore – has announced it will gradually run its mines to closure rather than continue accumulating assets as it did in the last two decades.

Even in coking coal, which has better prospects due to its chemical role in steelmaking, Anglo American has said it expects its coal portfolio to be lower in 15 years, while South32 – big in coking coal with its NSW south coast mines – has put the Eagle Downs coking coal project in Queensland on hold.

There are some signs of life – New Hope is alleged to be on the acquisitions trail, and Peabody in alliance with its new private equity controller Elliott Management has emerged as a buyer of the BHP thermal coal mines.

A big issue for all coal mine owners is that stock markets and regulators are increasingly requiring disclosure of climate risks to investors – and those risks are both the impacts of climate on their operations (eg major flooding, bushfires and heatwaves) and possible declining markets. With China, Japan and Korea – accounting for two thirds of Australian coal exports – all declaring they will seek to reach net zero emissions by 2050 or 2060, the forecasts for Australian coal are bound to turn down. This is affecting lending for coal projects, insurance costs and more.

Within that overall scenario, there will still be opportunities for sharp players, but mineworkers need to be wary that new entrants to the industry are able to shoulder their responsibilities to the workforce and to site rehabilitation (which may be a major source of work when mines close).

- Peter Colley, National Research Director

Appin win: labour hire companies must consult, redeploy

Five members sacked by WorkPac at South32's Appin underground mine have had an important legal win, with the Fair Work Commission finding their redundancies were not fair or genuine.

South West District Vice President Bob Timbs said the ruling sent a clear message to labour hire companies that they need to consult about changes and redeploy workers where possible, before cutting jobs.

"Labour hire companies can't just hide behind the excuse that 'the mine operator made me do it.' They have obligations to their employees.

Last June, WorkPac made 25 workers (including the five unfair dismissal applicants) redundant on a development contract at Appin managed by another contracting company, PIMS.

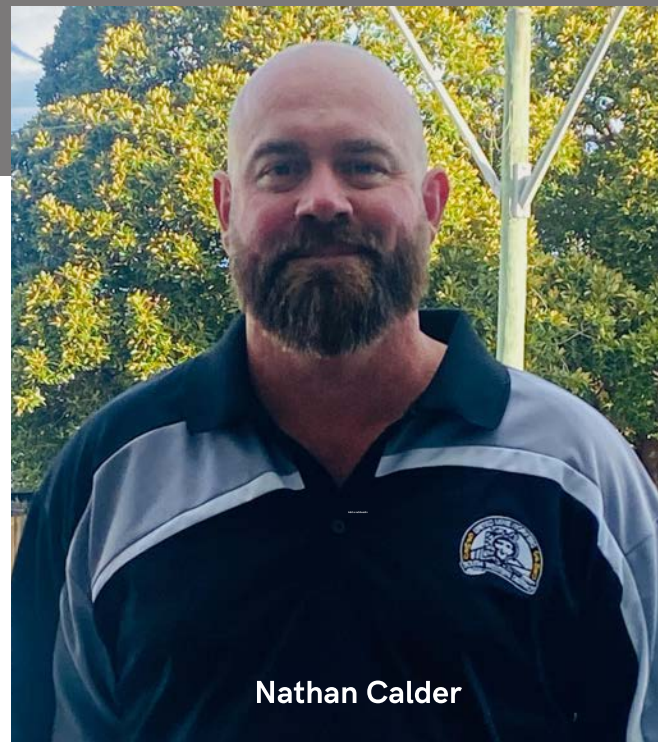
At the same time, WorkPac was negotiating a new supplementary labour contract with South32, to provide 90 mineworkers.

WorkPac submitted names of the redundant workers to South32 for consideration for the new contract, but they were rejected.

In an initial ruling and subsequent rejection of an appeal by WorkPac, the Fair Work Commission found that making 25 of 85 workers employed on the PIMS development contract was a major change that required consultation.

The Commission also found the practice of WorkPac submitting names of displaced workers to South32 for them to accept or reject was not compliant with the Fair Work Act. Those workers made redundant from the PIMS job who were suitable for the new contract should have been automatically redeployed and not made to compete for the new positions at South32's whim.

One of the affected mineworkers, Nathan Calder, said it was a fantastic decision. He said it had been stressful and demoralising for the workers to be made redundant at short notice when there was no issue with their performance and similarly skilled workers were being employed elsewhere in the mine.



Nathan Calder

"It's a really good win. These labour hire companies have got to consult more with the workers. It's not enough to say 'you're redundant, that's the end of it'.

"They can't just say they'll try and find you a job but not do it."

National Office lawyer Adam Walkaden, who ran the case, said it was important win for labour hire workers in the coal industry because the Fair Work Commission rejected WorkPac's argument that its lack of control over its own employees – which is a central feature of the toxic labour hire employment model in the coal industry – meant that it didn't have to consult and redeploy the retrenched mineworkers.

"It's important to reinforce that labour hire companies don't operate outside of the law – they can't simply avoid consulting with workers and making serious efforts to redeploy retrenched mineworkers by claiming they are the middle-man with no control over their own employees."

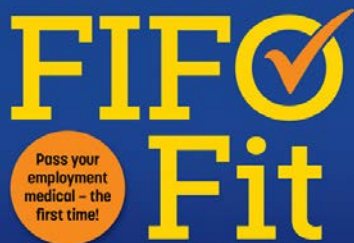
Nathan thanked Adam and District officials Bob Timbs and Andy Davey for their commitment and determination in running the successful case.

The members involved are now eligible for compensation up to the maximum of 26 weeks pay, which is still to be determined.



"Labour hire companies don't operate outside of the law – they can't simply avoid consulting with workers and making serious efforts to redeploy retrenched mineworkers by claiming they are the middle-man with no control over their own employees."

- National office lawyer Adam Walkaden



'Don't go commando' and other tips for nailing your medical



Dr Jennifer Cullen has performed mineworkers' medicals for years and seen the same questions and issues come up over and over again.

Her new book 'FIFO FIT' is a guide for resource industry workers to reduce stress and time-wasting for workers going through the process – and help them pass first time.

While Dr Cullen's experience is with FIFO workers in the WA industry, the advice is relevant to workers across the resources industry. There are some differences in requirements between state jurisdictions, different roles and for remote locations – but the general principles and requirements around medical fitness are fairly consistent. In remote locations with heavy machinery and large vehicles, the aim is to keep you safe and to keep others safe from you.

Here are some of her tips, with more detail in the e-book you can purchase at <https://fifo-fit.com.au/>

1. Expect to be asked for 'more information' and bring it with you

A great source of frustration for workers is being asked to supply more information, requiring further follow-up appointments. Job applicants can become distressed at the delay and fear of their employment being compromised.

Dr Cullen recommends saving time and stress by pre-emptively gathering as much information as possible in advance and bringing it to the medical, regarding current medical conditions or recent injuries.

If you are being treated for anything, bring recent test results and a letter from your specialist or GP outlining the condition, medication you are taking and how you are managing it. That could include diabetes, ADHD, heart conditions, sleep apnoea or depression.

If any issue has been raised in a previous medical, expect it to be raised again and bring relevant information with you.

If you know your blood pressure tends to be high when you're nervous – 'white coat syndrome' – bring a letter from your doctor about your usual blood pressure readings.

2. If in doubt, disclose

"Is it relevant?" is a question many workers grapple with when it comes to employer medical examinations.

Sometimes people worry that revealing medical conditions, mental health issues or past injuries may jeopardise their prospects.

But Dr Cullen says that not disclosing a medical condition can have greater consequences: "If you don't declare and later have problems the company can look back and hold it against you."

Ascertaining relevance should be left to the doctor conducting the examination, as they are familiar with the potential implications of a medical condition at work.

And a hot tip: the idea that you don't have to disclose a condition or injury if it's more than 10 years old is a myth.

You don't have to tell the doctor about every time you had a minor sprain, or cuts (even with stitches), or coughs and colds.

But you should definitely tell them about any broken bones, dislocations or injuries where you had to either have surgery, wear a cast or use crutches.

Also, if you've had illnesses that you had to have medical treatment for – like antibiotics or other prescription medication, or a stay in hospital – you should include them in the questionnaire.

Dr Cullen says there are many, many people working in the resources industry with past or current medical conditions, which can be managed safely when there's a plan in place.

3. Don't go commando!

Depending on the role, medical examinations include a range of physical assessments including vital signs, vision, breathing, hearing, urine test and fitness and heavy lifting.

Your aerobic fitness may be tested by monitoring your heart rate while exercising.

And you'll have a general medical examination, with a doctor generally checking joints, heart and lungs, abdomen, groin, balance, eyes, ears, mouth and throat.

Bring your glasses and hearing aids if you use them, dress comfortably in clothes you can exercise in, with undies. Your medical examination is not the day to go commando!

You have the right to ask for further details about any physical assessment, ask if there's an alternative or refuse any part of the assessment you don't feel comfortable with.

There's more detail about all aspects of the medical examination process in FIFO FIT, along with checklists on how to prepare.

