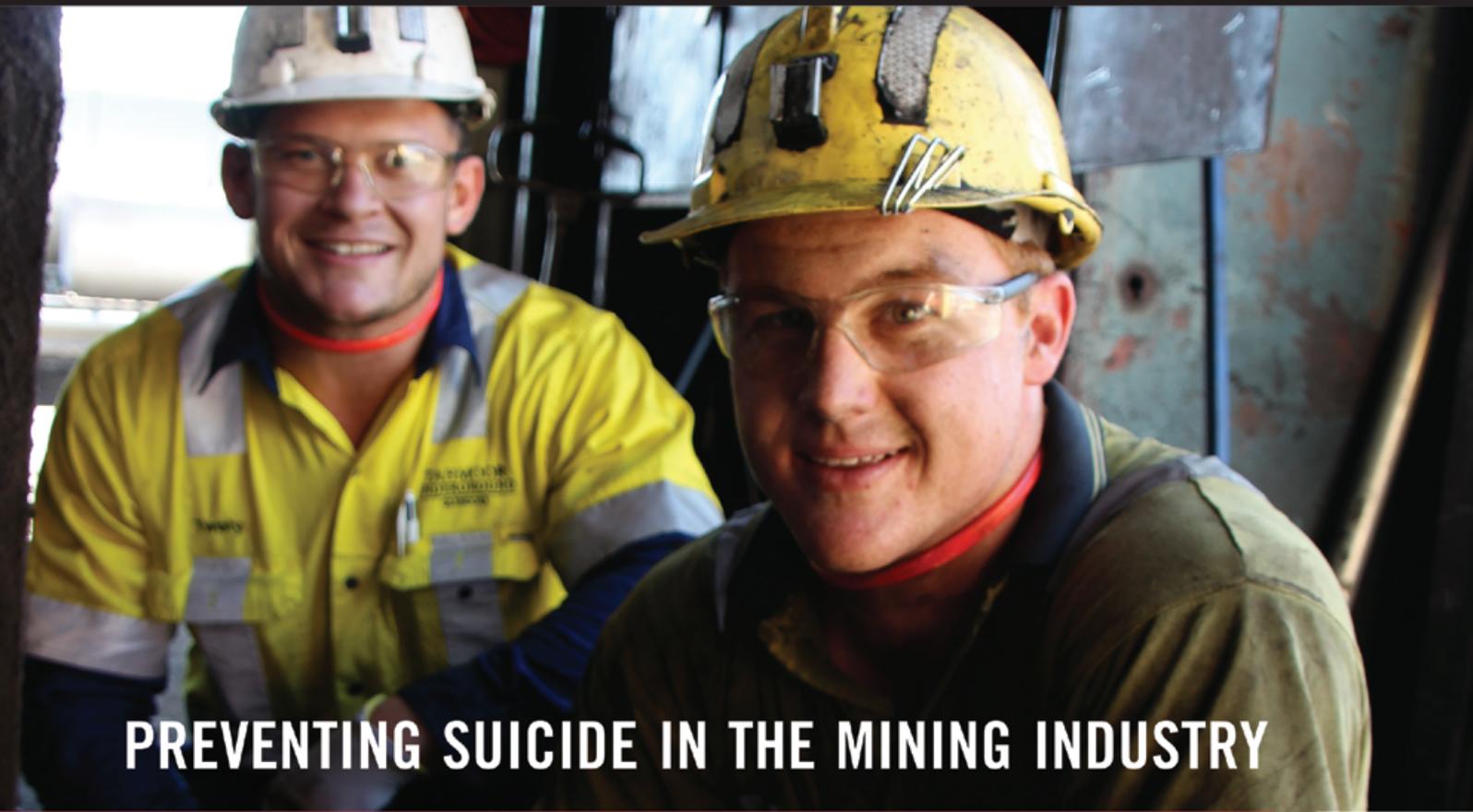


Common Cause.

January 2021



YEAR IN REVIEW



PREVENTING SUICIDE IN THE MINING INDUSTRY

MATES in Mining is an evidence-based suicide awareness and prevention program for the mining industry. The program leverages industry participation and support to imbed suicide prevention and mental health awareness into the industry culture.

MATES in Mining exists to strengthen the mining industry by preventing suicide, because a life saved is one less family grieving, one less workplace impacted and one less community heartbroken.

The MATES model focuses on building the capacity of the mining workforce through clear pathways of education, training and ongoing support – building communities of MATES who can look out for MATES. The program is adapted to mirror safety structures onsite and engages the entire workforce in providing a mentally safer and healthier workplace.

For more information on adopting the MATES in Mining program please email mininginfo@mates.org.au or contact the MATES in Mining General Manager directly on (07) 3063 7055.



For more information
about MATES in Mining
mates.org.au/mining

WE NEED A STRONG MINING AND ENERGY UNION TO MEET CHALLENGES AHEAD

Our Union had some big wins in 2020. Every member should be enormously proud of our legal victories for casuals, reinforced in the May Federal Court decision in the matter of WorkPac v Rossato.

This decision, following the earlier Skene judgment, deeply rattled employers because it makes clear that the 'permanent casual' business model they have been using for years to rip off workers, especially in coal mining, is unlawful.

Furious employer lobbying has pressured the Government to attempt to overturn our wins for casuals through provisions in its so-called IR Omnibus Bill and so our fight continues.

But we shouldn't lose sight of what we have achieved. Our legal wins against WorkPac were a big investment by our Union. They took many years of work and have exposed the unfair work practice that has robbed workers and communities by sidestepping union agreements and converting many thousands of good permanent mining jobs to lower paid casual labour hire.

In 2020, we also finally knocked off BHP's disgraceful Operations Services Enterprise Agreements after a lengthy legal battle. These non-union agreements were voted on by a handful of iron ore workers in the West and were intended to cover thousands of east coast coal miners. While BHP should do the right thing and employ everyone under their existing site agreements, the law does not require them to do so and BHP has ruled it out. OS workers now have the opportunity to have a say over their working conditions and bargain for new agreements.

The Operations Services agreements were just two of many dodgy non-union labour hire agreements our Union has successfully challenged in recent years.

Mining companies are some of the biggest and most ruthless employers around. They treat workers like commodities not much different to those

they are digging out of the ground. They are always coming up with innovative ways to extract more profit for less and workers' wages and conditions is the first place they look to save money.

Our Union has over 100 years' experience representing mining and energy workers and we aren't stopping now. Our Members face big political and industrial challenges in the years ahead – from decarbonisation due to climate change to global economic volatility and automation.

In 2020 we also faced the challenge of our umbrella union the Construction Forestry Maritime Mining and Energy Union (CFMMEU) turning on itself, with the largest Division, Construction, launching poaching raids against the much smaller Manufacturing Division and forcing the resignation of National Secretary Michael O'Connor over a personal vendetta. We are very concerned about being part of an amalgamated Union where the biggest division ruthlessly uses numbers against the interests of smaller divisions, like ours. There's too much at stake for workers in the industries we cover.

We have tried hard over many years to work constructively within the CFMMEU, but in 2020 we took some hard decisions about our participation in CFMMEU forums, to protect our autonomy and our future as a Mining and Energy Union. In 2021 we will further explore our options for a union structure that puts mining and energy workers in the best possible position for the future. All Members will have a say in this important discussion.

I hope you enjoy this look back at 2020 through some of the stories published in Common Cause and I'm looking forward to working alongside you as we write our next chapter.

Tony Maher General President



MINING AND ENERGY WORKERS KEPT NATION RUNNING DURING PANDEMIC

It feels like at least 15 years ago that the reality of the COVID pandemic started to set in, but it was only at the start of 2020.

The Australian economy took a massive hit with many industries shut down or their operations severely curtailed due to lockdowns, border restrictions and social distancing.

Throughout it all, mining and energy workers continued to work, with our industries essential to keeping Australia going, functionally and economically.

Mining and energy workers made an incredible contribution this year. Our power stations have kept the lights on and our industries and cities running.

A quick look at the Australian Energy Market Operator (AEMO) fuel mix dashboard shows that coal dominated energy supply – with black coal supplying over 80% of energy supply in Queensland and NSW during 2020 and brown coal dominating in Victoria.

While office workers moved to work from home arrangements, our coal and iron ore mines remained fully operational, due to the flexibility and commitment of workers.

Mining remained a major regional employer and continued to pump royal-

ties and taxes into government coffers while cementing its place as by far Australia's biggest export earner – with education and tourism severely hit.

I know that the continued operation of the mining and energy industries came at a personal cost to many of you during 2020 and will continue to do so for some time. You have faced uncertainty and constantly changing work arrangements. Some of you have been isolated from your families for many months due to border restrictions. Many of you have had family members lose their jobs, been isolated from elderly relatives and seen your kids struggle with the disruption of remote learning.

I'm proud of the way our Union responded to the COVID challenge at the National, District and Lodge level, working constructively to keep Members safe and informed while also keeping mines and power stations operational.

The health and economic fallout from COVID will continue for some time, but we've shown that workers standing together through the Union can take practical action to protect safety, rights and livelihoods.

Grahame Kelly General Secretary





SOUTH32'S RISKY GAME WITH CONTRACTOR LIVELIHOODS

COAL INDUSTRY CONDITIONS IN SIGHT FOR ORICA SHOTFIRERS

In June, we won an important legal victory on coverage rights for Orica shotfirers at Boggabri Coal in NSW's Gunnedah Basin, paving the way to bargain for better conditions.

In a common sense decision, the Fair Work Commission agreed with the Union that the contract explosives workers are part of the coal industry, making them eligible for CFMEU coverage.

Orica has long argued that their shotfirer employees are not coal industry workers, even though they work exclusively in coal mines, because the company is part of the explosives rather than the coal industry.

But after a majority of Orica shotfirers at Boggabri joined the CFMEU and sought representation in bargaining, the Union successfully challenged a prior ruling that the contract shotfirers were not eligible for CFMEU coverage.

"These shot firers are obviously coal industry workers," said Northern Mining and NSW Energy Vice President Jeff Drayton.

"But they have far worse conditions because they don't get coal industry standards in areas like annual leave, accident pay, long service leave and allowances.

"There's an important principle at stake, which is that workers in coal mines should get coal industry conditions that have been fought for over many years and reflect the tough nature of the industry.

"These shotfirers saw the successful industrial campaign of the production workforce at Boggabri last year in bargaining for better pay and conditions. Now it's their turn and we are with them 100% of the way."

As at January 2021, Boggabri shotfirers were close to securing an improved Enterprise Agreement. The decision paves the way for the CFMEU to represent Orica shotfirers at other coal mines in bargaining.

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

Common Cause reported in July that South32 had terminated contracts with established labour hire companies, including Mastermyne and Nexus, that had Enterprise Agreements with good pay and conditions achieved through bargaining with the CFMEU, seeing hundreds of 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 some lost their jobs, others were 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.

"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," said Bob.

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

As one of our former Mastermyne Members described 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 that level as well."

At the end of 2020, the Union was running a number of unfair dismissal cases for labour hire workers affected by South32's ruthless game of contractor chess.

NEW INDUSTRIAL MANSLAUGHTER LAWS FOR QUEENSLAND AND WA



After years of advocacy from mineworkers and our Union, in July 2020 the Queensland Government extended industrial manslaughter laws to the mining industry among other safety improvements.

New laws will see mining executives facing up to 20 years' jail if a worker dies due to criminal negligence. Mining had previously been excluded from industrial manslaughter laws under pressure from the industry.

The suite of new mine safety laws – strongly advocated for by the Union – also included the creation of a new independent authority, Resources Safety and Health Queensland and the requirement for statutory safety positions of Deputy and Open Cut Examiner in mines to be filled directly by mining companies, rather than contractors.

In October, Western Australia's parliament passed the state's first industrial manslaughter laws which will enforce a maximum penalty of 20 years' imprisonment for workplace deaths.

The laws were finally passed after workers rallied in force outside Parliament House.

WA Secretary Greg Busson said unions had fought hard for the passage of the Work Health and Safety Bill, which would add an extra layer of protection for workers.

"We need real disincentives like jail time for employers for risking workers' safety, especially when big bucks from coal or iron ore production are at stake. A slap on the wrist isn't enough."





BHP AND CHANDLER MACLEOD HIT WITH DISCRIMINATION CLAIM OVER VULNERABLE WORKERS



Aboriginal and older labour hire mineworkers classified as vulnerable to COVID were stranded without pay for months after BHP excluded them from the workplace but refused to pay their wages. The Union successfully fought for their reinstatement and compensation for lost pay.

BHP announced a nation-wide policy in April that mineworkers considered vulnerable to health impacts from COVID - including people aged 65 or over and 50 for indigenous workers, or younger if they had an underlying health condition - would be provided with paid leave and directed to stay home.

Labour hire workers on BHP sites employed through labour hire firms were covered by the policy, but BHP stopped providing for their wages from July 1.

For affected workers at BHP's Mount Arthur mine in the Hunter Valley, labour hire company Chandler Macleod also refused to cover their pay or provide alternative work, leaving

these workers with no pay and no ability to return to work.

In September, our Northern District launched legal action against labour hire company Chandler Macleod and BHP's Mount Arthur Coal on behalf of eight Members, including Aboriginal workers in their 50s, workers aged over 65 and workers with underlying health conditions.

BHP returned excluded employees to work at the end of September, but they were left without pay for nearly 12 weeks. Many of the labour hire employees were casual, meaning they had no accrued holidays or entitlements to fall back on.

The Union argued that the actions of both BHP and Chandler Macleod contravened discrimination provisions in the Fair Work Act.

Northern Mining and NSW Energy District President Peter Jordan said that a program intended to protect vulnerable workers had resulted in them losing tens of thousands of dollars in income.

"These workers have been performing the same work as direct BHP employees at Mt Arthur and BHP could and should have continued to cover their pay as it has done for its direct workforce. Instead, they were dropped like a hot potato. BHP should be ashamed of its treatment of these Indigenous and older workers it claimed to be protecting."

The discrimination matter was satisfactorily settled and the affected Members returned to work. Labour hire workers at BHP coal mines in Queensland were also affected by BHP's policy on vulnerable workers. Our Queensland District represented members to secure compensation for lost pay and their return to work.

"BHP should be ashamed of its treatment of these Indigenous and older workers it claimed to be protecting."

NEW AUTOMATION JOBS FOR EA WORKERS

New roles created by BHP to manage autonomous coal trucks are set to be covered by the site Enterprise Agreement after a successful legal challenge by our Union in 2020.

The Union's win in the Fair Work Commission in August means more opportunities for CFMEU members who would otherwise face being displaced as BHP introduces automated technology in coal mines.

The Union was successful in arguing that the roles of Field Officer and Mine Controller should both be covered by the EA. However, BHP appealed August decision and the full bench of the Fair Work Commission ruled in January 2021 that while Field Officers should be covered by the EA, Mine Controller roles would be staff positions.

BHP announced in 2019 that Goonyella Riverside would become the first of its coal mines to introduce autonomous haul trucks with a fleet of 86 to be rolled out - straight to implementation with no trial. Daunia is set to follow, with the announcement of 34 driverless trucks.

Goonyella Riverside Lodge President Simon West said mineworkers were enthusiastic about the roll out of automated technology as long

as they had opportunities to access the new jobs and skills created.

Simon said BHP's claims that the new roles should be staff because of their use of technology was out of step with the changing nature of coal mineworkers' jobs, many of which already involve using remote control and computerised systems.

"There is nothing about the new roles that is more technical or skilled than much of the work carried out every day by shotfirers, Open Cut Examiners and other coal mineworkers covered by our EA.

"It's important that the current workforce has the opportunity to move into new roles on EA terms and conditions."

As we went to press the Union was considering its response to the January Fair Work Commission full bench decision.



Simon West

MORANBAH PUTS LAMPS OUT FOR LOST MINERS IN MOVING MEMORIAL SERVICE

Many events this year have been postponed or adapted due to COVID restricts. The annual Memorial Service in Moranbah was as moving as ever, but with a difference.

Residents of the Bowen Basin coal mining hub were urged to 'put your lamps out' and gather in their driveways at dusk on 6 November to commemorate mining lives lost in their coalfields. The whole community got behind the effort, with kids at Moranbah Public School putting a big effort into making lanterns.



Coal Services

Protecting industry

Coal Services is a Specialised Health and Safety Scheme proudly protecting the NSW coal mining industry and its workers for nearly 100 years.

We are a unique and trusted expert body providing preventative and responsive services. Managing health and safety is our business.

With a collaborative model unlike any other worldwide, we are connected through a common purpose - **to protect.**





“WORST NIGHTMARE”

GROSVENOR EXPLOSION LEAVES MINERS CRITICALLY INJURED

On 6 May, underground mineworkers at Anglo American's Grosvenor mine faced their worst nightmare, with an explosion caused by an ignition of gas at the longwall tailgate severely injuring five workers and leaving many others traumatised.

Bonuses cut 'if miners report on-site injuries'

Overhaul of mine labour hire needed after blast

The five severely injured workers were initially treated at Moranbah hospital before being airlifted to Brisbane for specialist treatment after suffering burns to their upper torsos and airways. While all five survived, four of the men required months of treatment for burns and other injuries. They face a long road to recovery.

As at January 2021, production was yet to resume at the mine, which is near Moranbah in Central Queensland.

Our Queensland District's three Industry Safety and Health Representatives were on site shortly after the explosion and the Union has continued to support members through the difficult aftermath of the explosion.

In response to the shocking accident and pressure from the Union, the Queensland Government established a Coal Mining Board of Inquiry to investigate the circumstances of the Grosvenor explosion and broader industry safety issues, including work practices. The production workforce at Grosvenor was 100% casual labour hire at the time of the explosion.

Shortly before Christmas, the Board of Inquiry's first report was published. While it raised some important issues about systemic safety issues in coal mining, full details of what led to the horror explosion are still to emerge following further hearings in 2021.

The final report to be delivered in 2021 will cover specific circumstances of the explosion as well as looking at the role of the casual labour work model.

The interim report identified shortcomings in the identification and management of methane exceedances at a number of Glencore and Anglo mines and found that High Potential Incidents were not treated seriously enough.

It also raised the importance of enforcing safety regulations through a well-resourced Mines Inspectorate, which is compromised by a lack of qualified inspectors.

Queensland District President Stephen Smyth said the report showed mines may have been complying with the letter of the law on critical safety issues like gas management - but they were not taking a proactive approach.

"They are doing the minimum required and that's not good enough," he said.

"Evidence given at hearings showed that mining companies make production and profits their top priority and that comes at the expense of fudging on best practice safety standards."

During hearings, the Board of Inquiry heard evidence from Anglo American Met Coal CEO Tyler Mitchelson that the company had a 'burning ambition' to double the company's



cash flow by 2023, based on substantially increasing production of coal at the Grosvenor and Moranbah North mines.

Stephen Smyth said it was important for the Board of Inquiry's final report to be thorough and address all concerns raised by workers during hearings.

"This was a highly traumatic event and our members at Grosvenor want the truth to come out.

"We are also looking forward to the Board's findings on the common work practice of employing underground coal miners as casuals - as the whole Grosvenor production workforce was employed.

"It is our experience that casuals are reluctant to raise concerns for fear of losing their jobs.

"No stone should be left unturned regarding what happened leading up to May 6."

MEMBERS GOT BEHIND OUR 'PROTECT CASUAL MINERS' CAMPAIGN. THE FIGHT WILL CONTINUE IN 2021.





FIGHT TO END THE 'PERMANENT CASUAL' RORT CONTINUES

2020 was a big year in our fight against the 'permanent casual' rort in the mining industry.

Wage-cutting strategies exposed

In March, we launched the report 'Wage-cutting strategies in the mining industry' at an event with Federal Labor leader Anthony Albanese in Mackay. The McKell Institute report found that the outsourced labour hire model used by mining companies to drive down wages and conditions was costing coal communities in NSW and Queensland about \$1 billion a year.

That figure, which calculates lost economic activity due to substantially lower wages paid to labour hire workers, includes:

- \$283 million out of the Hunter Valley economy
- \$297 million out of the Mackay-Isaac-Whitsunday economy
- \$246 million out of the Central Queensland economy

Another Federal Court win

In May, we had another big win in the Federal Court, with a judgment in the *WorkPac v Rossato* case upholding the previous Skene judgment finding that the 'permanent casual' labour hire in coal mining is unlawful.

The Rossato decision again found that casual labour hire coal miners working full-time regular hours on advance rosters are not genuine casuals and are entitled to paid leave.

Instead of appealing Skene to the High Court, WorkPac initiated the Rossato matter in the Federal Court with a hand-picked employee in the hope of undermining Skene and obtaining a favourable judgment on the issue of 'set-off' to reduce financial liability for backpay claims. However, the full bench rejected their argument and found that like Paul Skene, Robert Rossato was also not a genuine casual.

The Rossato decision cleared the way for long-term casuals to claim unpaid leave entitlements, including through the Union's class action against WorkPac. The class action, which

has over 700 confirmed claimants in NSW and Queensland, had been adjourned pending the outcome in Rossato and faces continuing delays due to court processes and WorkPac appealing to the High Court.

The Rossato decision also unleashed intense and disingenuous lobbying from employers calling on the Federal Government to overturn the Federal Court decision through legislation, claiming there would be widespread 'double-dipping' from casual employees also claiming paid leave entitlements.

National campaign launched

In August we launched our *Protect Casual Miners* campaign, with national TV and social media ads and an email campaign targeting coal region MPs.

Thousands of casual and permanent coal miners, their families and coal community members emailed their MPs, calling on them to end casual exploitation in mining. Events were held outside LNP MP offices in Central Queensland, drawing attention to the Government's failure to address rampant casualisation and its support for WorkPac's High Court challenge to the Rossato decision on the issue of backpay for workers unlawfully employed as casuals.

Many MPs responded to our emails. Queensland MPs George Christensen and Matt Canavan even promised during the Queensland state election that the Government had fixed the issue. However instead of fixing rampant casualisation, the Federal Government is proposing to overturn the Skene and Rossato decisions and legalise it instead.

Fight against unfair laws continues

In December, Attorney-General Christian Porter introduced the so-called *IR Omnibus Bill - the Fair Work Amendment (Supporting Australia's Economic Recovery) Bill 2020*. The Bill uses the excuse of the COVID pandemic to undermine work rights in a number of areas including casualisation. Some of the measures affecting mining and energy workers include:

1. Locks in employers' definition of casual - you are casual if the boss calls you one

The Bill proposes a definition of casual that goes against the Skene and Rossato judgments, where the Federal Court ruled that casual work was characterised by being intermittent and with no firm advance commitment. The definition basically means that if you sign a contract saying you're a casual then you're a casual - regardless of whether your work hours and commitments end up being permanent in nature.

2. Right to 'request' permanency - but the boss can say no

The new legislation says an employer must make a written offer of conversion after 12 months if for the last six months there has been a regular pattern of work. Except that an employer does not have to make the offer if there are 'reasonable' business grounds not to and there's no provision for arbitration. It's just lip service.

3. No compensation if you've been illegally ripped off

The new definition of casual along with 'set-off' provisions, meaning any casual loading paid is set off against legal leave entitlements (contrary to Federal Court judgements), would be retrospective. This attempts to quash legal claims for backpaid compensation stemming from the WorkPac decisions our Union fought and won.

In addition to these changes affecting casuals, the IR Omnibus Bill also restricts our ability to challenge dodgy, non-union enterprise agreements and allows a two-year window to approve Enterprise Agreements that do not leave workers better off than the Award.

The legislation is expected to come back before Federal Parliament in March after going through a Senate committee process - our Union will join the campaign to stop the laws being passed in their current form.

Bringing *fair* to your side



Work. Life. Fairness.

- | Personal Injury
- | Employment Law
- | Wills & Estates
- | Industrial Relations
- | Family Law
- | Criminal Law
- | Defamation Law
- | Immigration Law
- | Disability & Super
- | Commercial Law
- | Property Law
- | Driving Offences

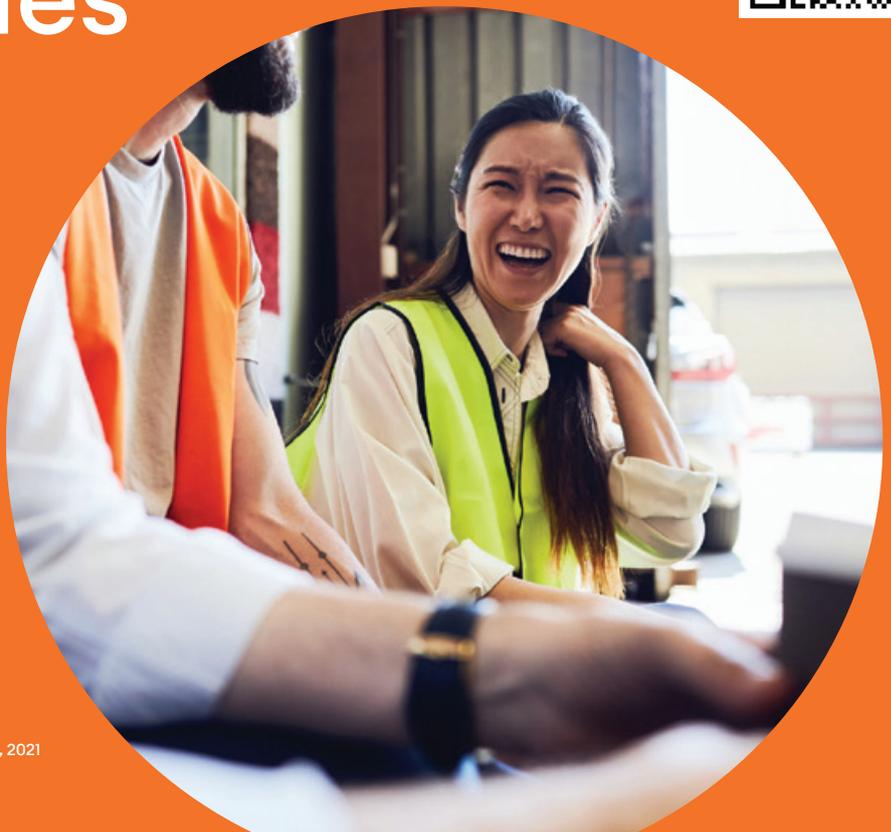
hallpayne.com.au - Call 1800 659 114

Where value meets values



Discover a health insurer
that genuinely cares.
Run for people, not profits.

corporate.westfund.com.au/cfmeu



DODGY BHP OPERATIONS SERVICES AGREEMENTS DEFEATED



Fair Work member sent secret emails to BHP

BHP suffers setback as FWC overturns enterprise accords

Win for unions in BHP workplace fight

Two enterprise agreements covering BHP's in-house labour hire Operations Services workforce were ruled invalid by the Fair Work Commission in November in a major victory for our Union.

After a lengthy legal fight by CFMEU Mining and Energy, the Commission found two 'Operations Services' agreements were not genuinely agreed by workers and therefore were incapable of being approved.

"We've long said these tricky, toxic agreements belong in the bin and that's exactly where the Commission has finally put them," said General President Tony Maher of the full bench decision.

BHP has refused to employ OS workers on existing site agreements and current inadequate workplace laws don't require labour hire workers to get the same pay for doing the same job.

Thousands of OS workers are currently employed on contracts with conditions that reflect the substandard conditions in the EAs thrown out by the Fair Work Commission.

The agreements undercut directly employed BHP coal miners by as much as \$50,000, cut out crucial entitlements like accident pay and allow workers to be transferred to any of the BHP's mines anywhere in the country at the company's discretion.

Brodie Allen, an OS worker at Blackwater mine, said he and his workmates were elated at the agreements being defeated.

"All the boys and girls that I'm working with, they are absolutely stoked. They're actually

stoked that they've got an opportunity to negotiate now for something a lot better."

Brodie is determined to fight for the conditions received by BHP employees on site EAs – like accident pay built into the EA, guaranteed bonus and pay rises.

"We also want security around the site location that we actually work at. We don't want to have to work on the other side of the country further away from our families.

"Christmas and Boxing Day is a big one, we want those days off so we can spend it with our friends and family. We want protection on the rosters, the hours of work and redundancies actually built into the EA and we want defined pay increases because at the moment there are none scheduled for us."

Shortly before Christmas, BHP put the two substandard so-called 'safety net' agreements out to workers for consultation raising concerns they would rush to a vote to lock in the dodgy deals.

Union representatives met with BHP for the first time in late December with the view of beginning negotiations for new agreements for Operations Services maintenance and production workers. More meetings are scheduled for early 2021.

The Union's focus will now be on developing logs of claims for the OS Maintenance and Production agreements. Initial responses to our bargaining survey indicates workers have significant concerns over the terms of their employment.

Top priorities for workers are: wages more closely aligned with other BHP agreements, guaranteed annual wage increases and public holiday clause recognising Christmas and Boxing Day as non-working days.

Queensland District Senior Vice President Mitch Hughes said OS workers had a legal right to genuine bargaining and despite pressure from BHP to accept lowest-common-



What Operations Services workers say:

"I am a fitter but in OS I'm also a travel agent, training coordinator etc, never had that before in FIFO. I have to pay for my own tools even though it was made clear in the interview and frequently asked questions that all tooling was to be provided."

"We are not permitted to voice any issues at prestart. Only positive feedback. I was shot down when I raised my concerns on this."

"10 months into job, no one can tell us how exactly how much bonus we get. Should not be the case when it is put into your package."

"Our contract sucks – being paid 30k less than BMA workers doing the same job on the same site. Having to pay for your own flights, when supers have them paid."

"Employees are forced to use buses instead of driving to and from site but are not compensated for the extra hour a day we are waiting or on buses."

"I have brought up safety and they then took away the promise of upskilling, the course which I was told I was doing. I am out of pocket financially due to having to rebook over-priced charter flights twice due to this."

"Christmas and Boxing Day (we are) expected to work while all other workers on site at BMA including labour hire and contractors have the right to take the time off or be paid penalty rates for working."

"People are way too scared to speak up. It's push, push, push, production, production, production all the time."

denominator conditions, there was no threat to their jobs or livelihoods from bargaining for a better deal.

"BHP have made it clear they won't willingly hand over the pay and conditions OS workers deserve. But that's to be expected. Everything workers win from big mining companies is achieved through collective action – we have the experience and determination to stand with workers and get a better deal."



Brodie Allen



COAL MINER CHRIS DODD PROMOTES INDIGENOUS PRIDE THROUGH ART

Chris Dodd with Peter Jordan

"We've got a large number of indigenous members working across the mining and power industries. We're very proud of their history and proud to have them as part of this great union."

Chris Dodd is an operator at Mangoola Open Cut Mine, CFMEU Anvil Hill Lodge member and accomplished artist.

His artwork 'Rainbow Serpent', depicting the Aboriginal legend of creation, now proudly hangs in the Union's Northern Mining and NSW Energy District Office in Cessnock.

Chris's family tribe is Wulli Wulli Wakka Wakka from the Western Downs region in South East Queensland.

About ten years ago, Chris moved from Queensland to the NSW Hunter Valley with his wife Shae and three children, Kai, Jaiden and Summer.

A former meatworker, Chris heard about the opportunities in mining and set about undertaking training and applying for jobs. After working as a contractor for a short period he secured a permanent job at Glencore's Mangoola Open Cut mine. As an active unionist from the start of his working life, joining the CFMEU was a no-brainer.

Throughout his life Chris has turned to art for relaxation, enjoyment and to promote understanding and appreciation of Aboriginal culture.

After becoming interested in art as a child, he honed his skills studying fine arts at Deakin University, where he expanded his knowledge of Aboriginal art techniques and his technical skills like colour mixing. Now, Chris uses his art to bring Aboriginal culture to a broad audience.

Since moving to Muswellbrook, Chris and Shae have been active in promoting NAIDOC celebrations at their children's schools with talks, face painting, art and even Aboriginal-themed cake decorating.

"It's about giving my kids and other indigenous pride in their heritage," says Chris. "NAIDOC Day is their day and they can stand up and have their culture celebrated."

Chris has designed a union shirt for the Anvil Hill Lodge, his work can be seen in local murals and he recently sent an artwork to London for his first overseas commission.

He hopes that the Rainbow Serpent painting at the union office will be a symbol of pride for all members.

"The Rainbow Serpent is the first story I ever heard as a kid, being told about how the land was created.

"I hope people will take more time to understand these stories and understand the culture."

District President Peter Jordan said the Union was delighted to receive Chris's painting, which is displayed prominently and will be a permanent feature of the office.

"We've got a large number of indigenous members working across the mining and power industries. We're very proud of their history and proud to have them as part of this great Union.

"Everyone that comes into the office notices and comments on this picture, we are going to cherish it."

MAY DAY SALUTE FOR FRED MOORE

At 97 years old, Fred Moore - a legend of our Union and the Illawarra trade union movement- hadn't missed a May Day celebration since he was 10 years old.

In 2020, with no-one being able to attend traditional May Day celebrations, the South Coast May Day Committee brought May Day to Fred's home in Dapto, with representatives from Unions across the region bringing flags, banners and words of solidarity to his front yard.

South Western District Secretary Andy Davey erected the CFMEU Mining and Energy flag on Fred's front lawn. South Coast Labour Council Secretary Arthur Rorris said that honouring Fred Moore was a fitting alternative to the traditional march. "Nothing gives Fred greater pleasure than marching on May Day and May Day will be with Fred today," he said.

Fred said the 'terrific' tribute came out of the blue, "I didn't know anything was on and they all came with flags and cakes and everything."

Fred was the first life member of our Union and he's known not only for fighting for the rights of the region's coal miners but also his activism for women's and Aboriginal rights.



EUREKA! CALLIDE VALLEY FLIES THE FLAG FOR WORKERS' HISTORY

Barcaldine in outback Queensland is a small town with a big history. It is known as the birthplace of the Australian labour movement.

In September, Callide Valley Lodge Vice President Adam Burling honoured this history by presenting the Australian Workers Heritage Centre in Barcaldine with a new Eureka flag.

In 1891, Barcaldine became the epicentre of one of Australia's first major industrial disputes, the great Shearers Strike. The demand of the Shearers Union for 'none but union agreements' was met with resistance by the Western Queensland pastoralists, who responded by reducing shearers' wages and demanding individual contracts.

The shearers refused to accept individual contracts and set up a strike committee headquartered in Barcaldine. Strike camps were set up at Barcaldine and Clermont. As the strike progressed, about 1000 strikers occupied the camp at Barcaldine. One of the first May Day marches in the world took place during the strike on 1 May 1891 in Barcaldine, with strikers carrying the Eureka flag.

In 1892, unions met under the big gum tree outside the Barcaldine Railway Station to form the Workers' Political Party - later to become the Australian Labor Party. The Tree of Knowledge became the symbol of the strike. Sadly, in 2006, an unknown culprit poisoned the tree - but it has been preserved and protected by an award-winning structure.

The Australian Workers Heritage Centre has been established in Barcaldine to acknowledge the town's important place in the history of the labour movement.

Earlier in the year, Callide Valley Lodge Vice President Adam Burling was passing through Barcaldine on the way to his hometown of Longreach.

"I noticed that flag flying at the Workers Heritage Centre was old and had seen better days. The Eureka flag holds a lot of meaning and I thought it would be a worthwhile contribution for us to provide a new flag."

The Queensland District and Callide Valley Lodge agreed to purchase the new flag and cover Adam's travel to Barcaldine, where he presented it to Pat Purcell, stand-in Chairman of the Workers Heritage Centre and former Queensland State Labor Minister.

"It was a great honour to present the flag," said Adam. "Patty is happy to report that Groundsman 'Squid' has scaled the ladder, and the new flag is proudly flying. Thank you for the support to all involved."

Well done Callide Valley Lodge!



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.

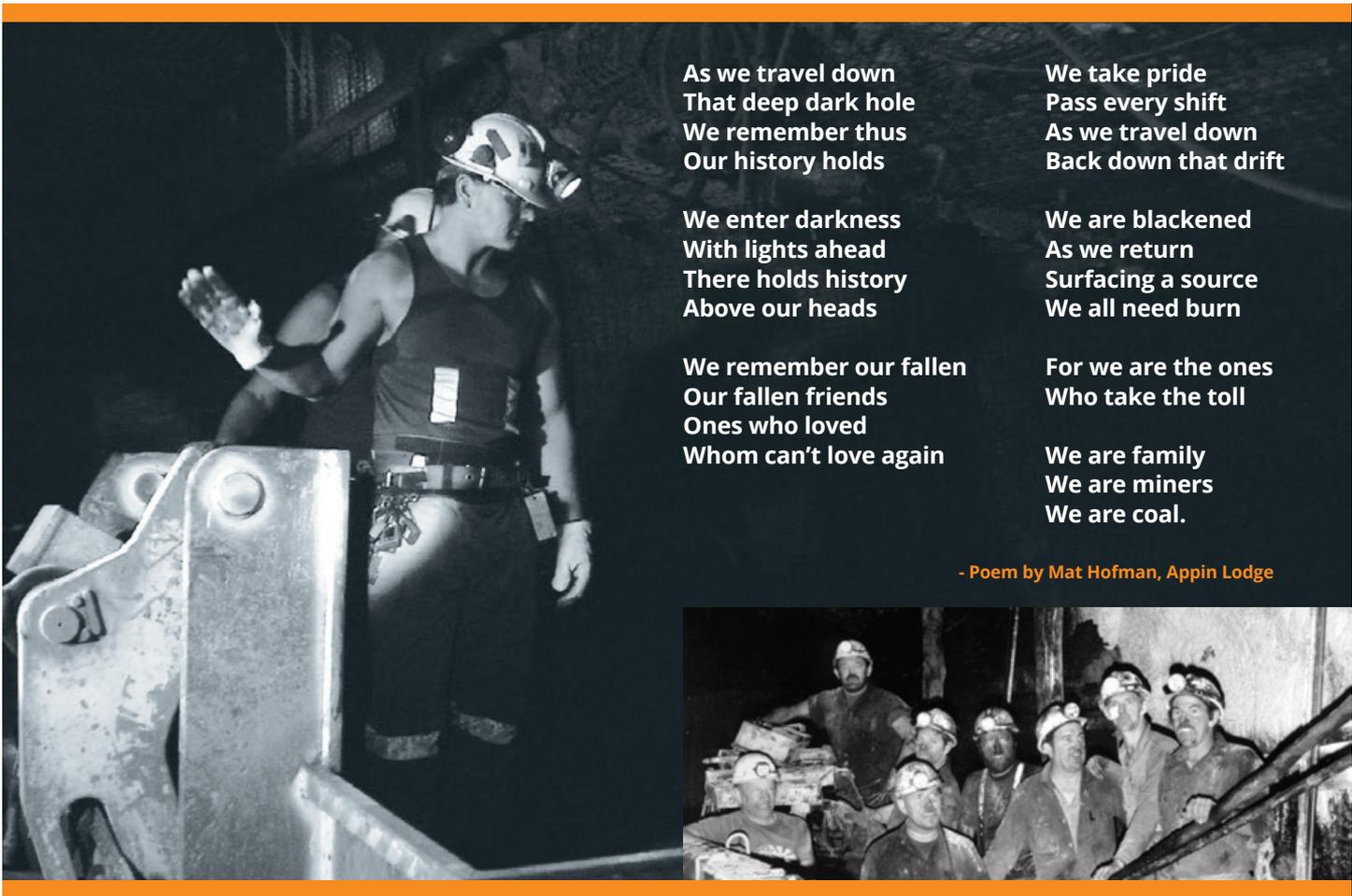
Recently, after seeing a young woman expressing breastmilk in the bathhouse, Kerry approached the site WHS manager about setting up facilities for breastfeeding mums to express and store breastmilk. That space has now been set up.

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."

Northern Mining and NSW Energy 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."



As we travel down
That deep dark hole
We remember thus
Our history holds

We enter darkness
With lights ahead
There holds history
Above our heads

We remember our fallen
Our fallen friends
Ones who loved
Whom can't love again

We take pride
Pass every shift
As we travel down
Back down that drift

We are blackened
As we return
Surfacing a source
We all need burn

For we are the ones
Who take the toll

We are family
We are miners
We are coal.

- Poem by Mat Hofman, Appin Lodge



Switch to the bank that will always have your back!

Unity Bank has helped many union members with their loans and other banking needs. We offer a wide range of financial products and services and we provide an open and honest approach to banking services.

When you are facing uncertain times, one thing is for sure, we will always be there to support you through thick and thin. It is what we have been doing for over 50 years and will continue to do in the future.

To make the switch less painful, our staff are ready to help you. Contact them today!

Call 1300 36 2000 or visit unitybank.com.au





HYDROGEN OFFERS NEW FUTURE TO LATROBE VALLEY COAL



Hydrogen is being touted as the next generation fuel for cars, power stations and homes. A new pilot project in Victoria's Latrobe Valley will use brown coal to produce hydrogen for export to Japan and could kick off a new commercial industry.

In the first instance, the hydrogen made from Latrobe Valley coal will power vehicles during the Tokyo Olympics, which have been postponed. Longer term, it is hoped the pilot plant will kick off a local commercial hydrogen industry and generate coal mining jobs to service it.

In the Latrobe Valley there's a dedicated hydrogen pilot plant coming online right between two existing power stations, Loy Yang A & B. The pilot will be conducted from 2020-2021 and a decision about whether to proceed on a commercial basis will be made later in the decade.

They're starving burning coal of enough oxygen that it forms carbon monoxide (CO) not carbon dioxide (CO₂) – then they add steam (H₂O) so the CO steals the oxygen and they end up with Hydrogen (H₂).

"We'll be burning coal and producing pure hydrogen with almost no carbon emissions," says Victorian District President Geoff Dyke.

"We still produce CO₂ in the process but because we're located near Bass Strait oil and gas fields there's a very good geological formation to pump CO₂ into, so it's locked up."

The project is funded to the tune of half a billion dollars.

Stumping up the cash is the Victorian and Australian Governments and Japan's Kawasaki Industries as the Japanese are keen to showcase Australian hydrogen as the fuel powering their 2021 Olympics car fleet. But really the 2021 Tokyo Olympics is just marketing.

Ultimately the hydrogen plant in the Latrobe Valley is really about developing a new hydrogen industry in the land down under so we can eventually supply all the vehicles in Japan. And countries all over the world for that matter.

Experts say Australia's abundant natural resources perfectly

"There's certainly potential for a lot of jobs across Australia if we're going to supply the world's transport systems with hydrogen."



Geoff Dyke
Victorian District President

place us to be the world's reservoir of pure, cheap hydrogen.

And if a commercial coal-to-hydrogen industry kicks off in the LaTrobe Valley because of the pilot plant, local power station workers and coal miners would win big.

"The coal volume required may increase which will increase jobs in mining," says Geoff Dyke.

"In energy production the skills are directly transferable to the production of hydrogen – if we've got a high-volume plant there will probably be a growth in energy jobs as well."

The idea of the pilot project is to try and test the entire supply chain – manufacture the hydrogen, store it, truck it to Port Hastings, chill it to -253 degrees, put in on boats, and ship it to Japan.

The Japanese have already built one high-pressure vessel to carry our hydrogen.

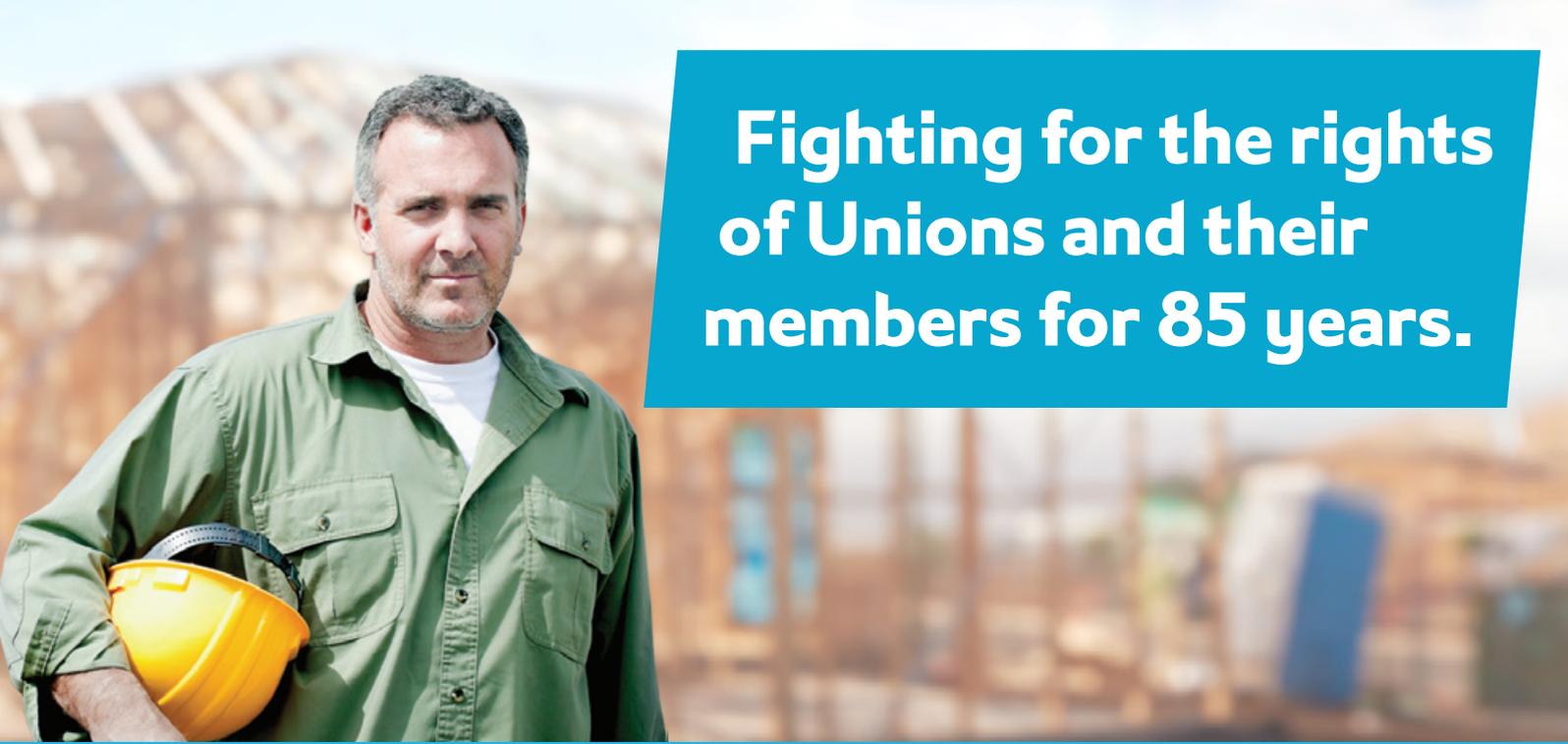
The Suiso Frontier is a 116-meter (381-ft) monster fitted with a vacuum-insulated, double-shelled liquid hydrogen storage tank capable of holding 1,250 cubic meters

(330,215 gal) of liquid hydrogen.

The ship will be unloaded at a new specially constructed terminal in Kobe, Japan.

"If we manufactured hydrogen at an export scale it probably wouldn't just be the Latrobe Valley, to get the volumes required, other regions could also produce hydrogen for export, and certainly we could use hydrogen here for steel making," says Geoff Dyke.

"There's certainly potential for a lot of jobs across Australia if we're going to supply the world's transport systems with hydrogen."



**Fighting for the rights
of Unions and their
members for 85 years.**

**We fight to achieve the best outcomes for our
clients, while reducing the stress they go through
to obtain their compensation.**

**With our No Win. No Fee* offer for Personal Injury
Law and a Free Initial Appointment, you can
afford access to the justice you deserve.**

**If you've been injured or suffered a loss, ask your
Union for a referral to Slater and Gordon Lawyers.**

**Contact your Union about
our exclusive member benefits.**

+
**Slater
Gordon**
Lawyers

1800 555 777
slatergordon.com.au

*NWNF T&C's: slatergordon.com.au/NWNF
**Free appointment T&Cs: slatergordon.com.au/FIA

THE MANY COLOURS OF HYDROGEN AND WHAT THEY MEAN FOR COKING COAL

So you thought hydrogen was an invisible gas? Well you're right, but it's colour-coded when discussed as an energy technology. And it may sound mysterious, but it has implications for the future of coking coal in steelmaking. So – it matters for mining jobs.

Hydrogen is the lightest of the gases and does not occur naturally by itself in large quantities. But it can be made by breaking down more complex substances.

It is widely touted as a solution to the need for a flexible fuel that is low emission – because when you burn hydrogen it combines with oxygen to form . . . water.

The most common – and cheapest – type of hydrogen we have now is “grey” hydrogen – it is made from methane, otherwise known as natural gas. The next is “brown” hydrogen – made from oil or coal.

The problem with hydrogen from these sources, from an environmental viewpoint, is that a lot of carbon dioxide is released in the production process that contributes to global warming. So the next way hydrogen can be produced is from gas, coal or oil, but with the use of CCS (Carbon Capture and Storage) technology so the emissions don't enter the atmosphere. This gets called “blue” hydrogen, and it is what is being piloted in a A\$500m project in the Latrobe Valley right now that could turn brown coal into an export industry.

Finally, there is “green” hydrogen. This doesn't come from fossil fuels at all – the production process involves an “electrolyser” that splits water into the separate components of hydrogen and oxygen. But this is only a zero or near-zero greenhouse gas emission process if the electrolysers are run on renewable energy.

Green hydrogen is what the environmentalists love, but the problem is that it is the most expensive way to make hydrogen. Cost estimates are changing rapidly, but currently green hydrogen is well over US\$9 per kilogram, while grey hydrogen from natural gas is under US\$2 per kg.

The National Hydrogen Strategy ad-



opted by the Australian Government currently seeks to develop both green and blue hydrogen, and the ambitious goal is for those technologies to achieve a price of less than US\$2 per kg.

Now none of this really matters that much for the production of electricity – wind and solar power are very much cheaper. However, it is possible that hydrogen could be used as a “store” of energy to run gas turbines in peak periods or when wind and solar are not available. It would be even more costly than gas turbines running natural gas, but would be near-zero emission and only needed a small part of the time.

Hydrogen can be used in fuel cells in motor vehicles, and as a replacement for natural gas in industrial processes.

Where it gets close to home for coal mineworkers is that hydrogen can be used to replace coking coal in the making of iron and steel.

Coking coal plays a chemical role in the making of iron; it is not just a source of heat energy as with power generation. Coking coal is used as a “reductant” in a basic oxygen furnace (BOF) and what that includes is stripping the oxygen out of iron ore. Which is why the making of iron and steel involves a lot of greenhouse gas emissions.

But there is an alternative technology for making new iron called Direct Reduction Iron (DRI) which can use hydrogen to play the role of coking coal and in doing so eliminates most greenhouse gas emissions.

This is not an immediate threat to the role of coking coal as it is very expensive. Commodities researchers Wood Mackenzie (Woodmac) say a rule of thumb is that iron currently costs about US\$380 per tonne to produce with coking coal, but with hydrogen it is more like US\$900 per tonne. Hydrogen needs to fall in price to under US\$3 per kg to be competitive.

Steelmakers in other countries that claim to be making steel with hydrogen (eg Thyssen Krupp in Germany) are in fact using grey hydrogen not green. And there is the obvious problem that most of the world's steel mills using Basic Oxygen Furnaces rather than DRI so they will need to be extensively rebuilt to use hydrogen.

WoodMac's view is that it will take until 2040 for DRI iron with hydrogen to become commercially viable, and much longer still before the world's steel mills substantively shift to it.

So coking coal is around for a while yet, but the notion that it will always be required to make steel is wrong.

If you want to explore this issue further – and see how there might be a large new “green steel” industry located in the coal fields of NSW and central Queensland, then look at the recent report of the Grattan Institute, a middle-of-the-road think tank that reckons green steel could be a new large export industry for Australia – based in the current coal fields: <https://grattan.edu.au/report/start-with-steel/>

PETER COLLEY
NATIONAL RESEARCH DIRECTOR



CUT THE DUST: QUEENSLAND HOSTS FIRST GLOBAL DUST CONFERENCE

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

A world-first global conference on occupational dust disease, hosted by our Queensland District on the Gold Coast in February 2020, heard from medical professionals, mineworkers, union representatives and government regulators from around Australia and the world.

As Queensland District President Stephen Smyth told participants: "Companies like Rio Tinto, BHP and Anglo operate across borders. Dust like coal and silica have the same effect 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 and to reconvene in two years.



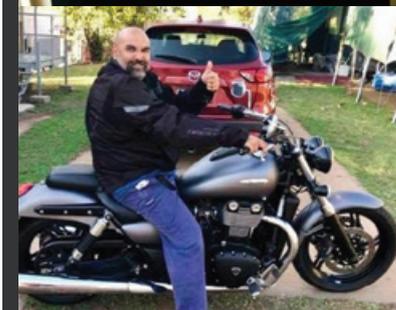
CLERMONT RIDES FOR ROCKET

In March 2020, members of our Clermont Lodge in Queensland celebrated the life of Rodney 'Rocket' Jarro with a motorbike ride to raise money for Rocket's son Jai.

Rocket was a coal miner at Clermont Coal since 2008 and a Member of the Lodge since its formation in 2014. He died in a tragic accident in February 2019.

Clermont Lodge Secretary Shane Grattan said Rocket was a proud Unionist who advocated for his fellow Indigenous mineworkers and a wonderful father to 13-year-old Jai.

The 'Ride for Rocket' was initiated by friends of Rod's and sponsored by the Clermont Lodge and National and Queensland District offices.





VALE FRED LOVE, THE 'PHANTOM POET' OF KEMIRA

The Illawarra grieved the loss of Fred Love in 2020. Fred passed away on 19 April, aged 73.

Fred started working at South Clifton Colliery in 1972, and after a year at South Bulli, returned to South Clifton until its closure in 1983. From 1988 he worked at Westcliff, finishing up in 1998.

Former General Secretary Barry Swan, and Central Councillor, Kevin Wiseman, shared some of their memories of Fred Love. Kevin worked with Fred at South Clifton.

Fred was an active and committed member of the Miners Federation. He was known as the 'phantom poet' of the coal industry, who could use words to great effect. During the 1982 Kemira Dispute he penned "The Ballad of Kemira", which stands as a powerful and poetic description of the sit in.

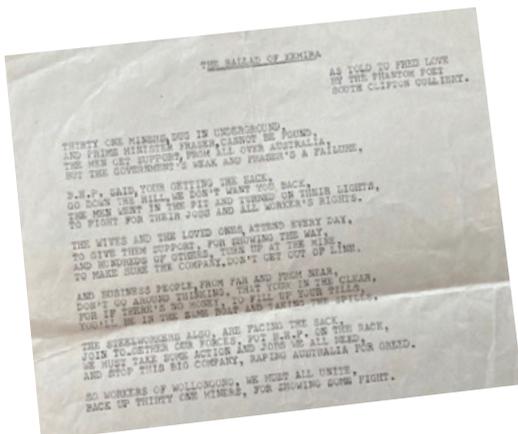
In 1982 BHP marked 31 mineworkers at Kemira Colliery for the sack. The dispute was made famous for the 15 day sit-in strike at the mine.

The Kemira sit-in sparked widespread community action that was to lead to the storming of Federal Parliament by thousands of workers and their supporters on 26 October 1982 when Prime Minister Malcolm Fraser refused to meet representatives of the miners and steel workers facing massive job losses. Fred Love was one of the first protesters through the doors of Parliament House.

In retirement he became heavily involved in community work within the Illawarra region. He worked with The House with No Steps and other organisations. He and his wife Dianne worked hard and successfully to promote the region as a tourist destination.

He was still active with Wollongong City Council's Community services as a mini-bus driver for the aged and infirm when he became ill.

Fred Love will be sadly missed by his former workmates and comrades in the South. Our Union pays tribute to his long commitment to the labour movement and to his local community.



The Ballad of Kemira

As told to Fred Love by the Phantom Poet South Clifton Colliery

*Thirty one miners dug in underground,
And Prime Minister Fraser cannot be found.
The men get support from all over Australia,
But the Government's weak and Fraser's a failure.
BHP said, you're getting the sack
Go down the hill, we don't want you back.
The men went in the pit and turned on their lights,
To fight for their jobs and all workers' rights.
The wives and the loved ones attend every day,
To give them support, for showing the way.
And hundreds of others turn up at the mine
To make sure the company don't get out of line.
And business people from far and from near -
Don't go around thinking that you're in the clear.
For if there's no money to fill up your tills,
You'll be in the same boat and taking the spills.
The steelworkers also are facing the sack,
Join together our forces, put BHP on the rack.
We must take some action and jobs we all need,
And stop this big company raping Australia for greed.
So workers of Wollongong, we must all unite,
Back up thirty one miners, for showing some fight.*



AWARD FOR BRAVERY IN BALMAIN COAL MINE EXPLOSION - 90 YEARS LATER

In one of the surprises that are often uncovered by family historians, Steve Kerr discovered that there had once been a coal mine in the inner Sydney suburb of Balmain - and that his grandfather had died in an explosion there in 1933.

Like many Sydneysiders he was unaware of this slice of Sydney's industrial working history. As a life-long unionist and workplace delegate for the ASU he was keen to get some recognition, not only for his granddad but for all those who had lived, worked and died in the mine.

Back in 2014, with the support of our Union, he successfully lobbied Leichhardt Council for a memorial plaque to be erected in Water Street, Birchgrove. But he did not stop there.

After reading descriptions of the explosion, which caused horrific and ultimately fatal burns to two men, including his grandfather, David Kerr, Steve decided to nominate him for a Governor-General's Bravery Award.

David Kerr was invested with a Commendation for Brave Conduct in September, 90 years after his death.

Mr Kerr had found work at the Balmain Colliery after leaving his home in Corrimal. It was the middle of the Great Depression and he had been unemployed for two years. He had not been working there for long when he was caught in the fire that was caused by a spark that ignited gas in the shaft.

Engulfed in flames, he crawled to the communications telephone to alert the surface, and then crawled back to see what he could do for his mate. They both died two days later.

David Kerr left behind six children. Steve's father was the eldest and at age 16 he took on the responsibility of providing for his large family.

An inquiry that followed found that there had been no inspection for gas in nine months. Our Union condemned the Coal Mines Department, who had transferred jurisdiction for the mine to the Metalliferous Mines Department.

Steve believes that his grandfather's death is still relevant today. "His death is poignant even today because everybody needs and deserves a safe workplace, and the proper training to carry out their work. My Granddad did the work allocated to him, as anyone would to maintain their employment. But if he had refused, I might have met him."

The mine at Balmain had a troubled history. It opened in 1897. Working conditions were poor, with dangerous gas and dust levels and an unstable roof and floor. It was the deepest coal mine in Australia, and was very costly to develop; so much so that the coal won was never particularly profitable.

There was a string of disasters - in 1900, 1933 and 1945 before the mine closed forever in 1950.



TITLE FOR FIGHTING COAL MINER OF NARRABRI

Our Member Wade Ryan finished 2020 on a high, showing the grit and determination he is known for when he won a boxing championship at East Cessnock Bowling Club in front of an appreciative crowd in December. His effort was rewarded: he won both the Australian and International Super Welterweight titles.

The Gunnedah local, who works at Narrabri Underground, has been boxing since his teenage years. Now 30, he has picked up State titles along the way but this was his first National title. He claimed the vacant IBO title at the same time.

His preparation for this fight was extraordinary. While maintaining a demanding 12 hour roster at Narrabri he would make the seven hour journey to Sydney for 'quality sparring', while maintaining his condition and weight.

Wade won in a bruising encounter with reigning champion Troy O'Mealey, who came into the fight with a run of 19 professional victories. According to his trainer, David 'Spike' Syphers, who has been coaching him since his teenage years, he has always wanted to be a champion and he will go further. There could be a world championship to contend in the future.

Organiser Ross Whitaker has known the boy from Gunnedah since those early days and speaks highly of his commitment and hard work. He says "it has been a long, hard journey for him and his discipline is incredible. Not only that, but he is a true gentleman and shows grace in his defeats as well as his victories."

Wade will defend his titles at a fight in Gunnedah in March 2021 and we'll be cheering him on!





PEABODY IN TROUBLE AGAIN – WHAT DOES IT MEAN FOR AUSTRALIAN OPERATIONS?

Peabody Energy was for a very long time the largest publicly-listed coal mining company in the world, and traces its history back to 1883. It was largest in terms of market valuation rather than annual production (where the award would go to the state-owned Coal India). But in late November the market value of the US-based company was just US\$134 million, and the company has given formal notice that it may have to enter bankruptcy-protection (Chapter 11 proceedings under US law).

So what went wrong and what does it mean for the company's substantial Australian operations?

On 9 November Peabody announced its third quarter results, showing a loss of US\$1.6 billion for the nine months to end-September on revenue of US\$2.15 billion. (Much but not all of the loss is due the one-off impact associated with the North Goonyella mine fire in Australia.) It stated that it would be likely to be unable to meet the terms of its borrowings and so could be forced into bankruptcy unless it can reach new deals with its lenders.

This would be the second time in just five years that Peabody has entered bankruptcy proceedings. And in the USA it is far from alone in going bankrupt or near-bankrupt. Many big names in US coal have followed a similar path in the last several years – Arch, Murray, Alpha, Walter Energy, Patriot Coal, Westmoreland and many more.

What is going on is that the US coal industry is in major decline. Production peaked in 2011 at almost 1.1 billion tonnes. By 2019 the figure

was 706 million tonnes, a level last seen in about 1978. Employment is also in major decline – from almost 90,000 in 2011 to just over 50,000 in 2019.

The principal cause has been cheap gas (from fracking) replacing coal in power generation, with coal's share of power supply dropping from over 50% in 2005 to 20% in early 2020. Early 2020 also saw the share of renewable energy surpass coal-fired electricity. As renewables continue to fall in price, more coal power and coal supply will be forced out.

This occurred before Donald Trump became President and barely halted on his watch despite his claims to back coal. Coal plant retirements fell to under 10 Gigawatts per year in 2016 and 2017, but rose again to around 15GW in 2018 and 2019. 2020 will be even worse for coal and while there may be a small post-pandemic boost in 2021, there is no one who does not see US coal in permanent decline.

The situation in Australia is different – most coal production is exported rather than used domestically, so the already-evident decline in coal power generation has had less impact due to continuing growth in Asian markets.

Back in 2016 when Peabody had its first bankruptcy proceedings, the Australian operations were largely sheltered from it. At that time, Australian coal was actually recovering from price declines since the end of the Resources Boom in 2012 and commencing a mini-boom that was to last until mid-2019.

This time it's different, as the end-2019 decline continues into 2020 and has been exacerbated (though not greatly) by the pandemic. The job losses during the pandemic so far have been modest, but Peabody mines such as Coppabella, Wambo and Metropolitan have been prominent. (Update: at the end of 2020,



Peabody's Metropolitan mine at Helensburgh announced a four-month halt to production with Members required to use up annual and long service leave.)

It seems the Wilpinjong mine is the most profitable of Peabody's operations, and corporate restructuring is occurring so that some debt can be secured against just that mine. The history in Australia with respect to coal companies going broke is that some other investor tends to buy them and, with a lower capital cost, they are profitable again.

But that does depend on where investors think international coal markets are heading (too big a story for this article) and, for smaller investors, their capacity to raise finance for coal mining. Not only are many financial institutions becoming reluctant to finance coal mining, but providers of essential business insurance are also becoming more hesitant.

Overall Peabody's Australian mines remain in a better situation than the US mines, but it remains to be seen what consequences Peabody's troubles in its home base will cause.

PETER COLLEY
NATIONAL RESEARCH DIRECTOR

November 2020

'ANGEL IN THE SKY'

SAVED OUR LIVES

For over 35 years Northern District coal miners have poured millions of dollars into the Westpac Rescue Helicopter Service. Duralie Lodge Member Chris Griffith and his wife Rachel have both been rescued by the chopper after harrowing accidents.

CEO Richard Jones said coal miners' support had been essential to starting and sustaining the iconic chopper service.

"We had a massive contribution from the mineworkers and the Union way back which gave us the opportunity to have a second helicopter here. If one was broken, we could roll the other one out.

"It's in the multi-millions of dollars the mineworkers have contributed over the years."

Chris Griffith was still oblivious to all this in 2001 when he was flown to hospital after being knocked unconscious in a head on collision with another trail bike rider in remote bushland.

"I had parts of my kneecap in my thigh," says Chris.

He'd also broken the longest and strongest bone in the human body – the thigh bone.

"It's the hardest bone in the human body to break, and I shattered it. I broke my motorbike helmet, split it up the centre... it was a pretty fair hit."

Chris was just 15 at the time of his accident. He is now married with two

delightful daughters, 6-year-old Alyvia and 3-year-old Maycie.

But that fateful trail bike accident is not the only reason he and his wife Rachel run an annual Charity Gold Day at Wingham to raise money for the service. The family were once again touched by the service in 2010.

I thought my wife was dead

"My wife just left the house and no sooner than three minutes after I heard a loud crash outside, gut instinct was 'something's not right'," says Chris.

"I jumped in my car, it was just on dark, as I got closer I worked out it was my wife's car that was involved in a motor vehicle accident.

"I thought she was deceased, that's how bad the accident was.

"It took emergency services an hour and a half to cut my wife free of the car.

"And at that time I could hear the Westpac helicopter in the air above us, coming to land, and just hearing that noise was a sense of relief knowing you've got some of the most highly

“

Coalminers from this region

have proudly said for years

'that little angel is in the sky

should we ever need them'

but they're also happy to

support the wider community

with their donations

”

trained experts on board that aircraft."

Rachel had broken both wrists and ankles, both knees, some ribs and her pelvis as well as suffering a head injury. It was eight months before she'd be back on her feet.

While Chris and Rachel raise money for the service to say thank you through their annual golf day – other Hunter Valley miners use raising money for the lifesaving aircraft as a chance to build community.

Plenty of talent at charity footy day

Matt Dodd is one of the organisers behind the annual WestPac Rescue Helicopter Service Charity Football Day where teams from all over NSW compete for glory.





“Originally we just started off in the Upper Hunter, but it’s slowly started to progress, we’ve got some Mudgee teams, some teams from Narrabri, down to the South Coast, and now even Queensland teams wanting to have a crack,” says Matt, who’s also Vice-President of the Mt Thorley-Warkworth Lodge.

Seven years ago the competition started as a knock out, but now with over 20 teams competing it’s a pooled and round robin competition where teams go onto semi-finals and a Grand Final.

And while coal miners traditionally have looked after each other, no matter what Lodge or region they’re from, there is no quarter given, or asked for, after the whistle blows.

“There’s been some very dominant teams... the Ashton Wombats have been very strong then you’ve got Austar, you’ve got Wambo Wolves who have been strong over the years, and Ravensworth Rhinos have also been a strong team.”

And as Matt says there’s certainly plenty of talent on the paddock.

“The ex NRL talent is quite hefty throughout the competition and it actually becomes quite competitive once the whistle blows, you’ve got players like Jesse Royal, Liam Foran, Jack Afamasaga who played for the Storm, Eels and the Sharks, Terrance Seu Seu, Adam Clydsdale and Reegan Tanner

just to name a few,” he says.

Last year’s grand final was a cracker when the Wambo Wolves finally won the shield.

“They’ve been a dominant team throughout the past three or four years and they’ve only just missed out on the cherry quite a few times so to see them boys get the win over the previous winners the Bengalla Badgers was pretty epic,” says Matt.

Matt says it’s a great day (update: this

year’s event scheduled for November 7 event was cancelled due to COVID).

And its no small money spinner – the dollars raised are large.

“In the last six years coming into our seventh now we’ve raised \$412,000, with the competition last year being the biggest one at \$120,000, each year we keep eclipsing our mark.”

And all that money goes into that state-of-the-art aircraft operated by the Westpac service.

COAL MINERS ARE WONDERFUL CONTRIBUTORS

“The helicopters we have today are 7 tonne, and worth about \$16 million dollars each, with a \$2 million medical fit out in the back,” says Richard Jones.

“We have four in Northern NSW and another organisation covering the south have eight.

“They are all identical so we have ‘inter-operability’ so a paramedic in Wollongong if he or she is deployed to Newcastle, or Lismore or Tamworth, everything, even the glove holders, are in the same spot which is all about reducing risk to as low as practically possible.

Richard Jones has nothing but admiration for the contributions of CFMEU members. I’ve been to plenty of mine sites to thank the girls and guys and thanked them for their contributions,” he says.

“The CFMEU have a position on our board of directors and we’ve had some wonderful contributors from the mining union.

“It’s the single biggest donation we get every year is from the coal miners of this region, so I couldn’t thank them highly enough.

“Coalminers from this region have proudly said for years ‘that little angel is in the sky should we ever need them’ but they’re also happy to support the wider community with their donations.”



TURN TO MINE.

HELPING MEMBERS
ACHIEVE EXCEPTIONAL
RETIREMENT OUTCOMES
SINCE 1941.

Talk to us about super, pension, insurance and financial advice. **13 64 63** | mine.com.au

Newcastle | Warners Bay | Wollongong | Sydney | Collie | Brisbane | Mackay | Moranbah | Rockhampton



Issued by AUSCOAL Superannuation Pty Ltd ABN 70 003 566 989 AFS licence 246864 Trustee for the Mine Superannuation Fund ABN 16 457 520 308. Advice is provided by Mine Super Services Pty Ltd ABN 49 051 315 014 AFS licence 502700. Refer to the PDS for more information.

SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria.