



Automation in Queensland coal

Securing our jobs and communities

Discussion paper - December 2019

BHP has announced it will introduce autonomous trucks at its Goonyella Riverside coal mine in Queensland's Bowen Basin.

This is the first major deployment of automated trucks in the Queensland coal industry and other mines and operators are likely to follow suit.

From the days of picks and pit ponies, our industry has a long history of embracing new technologies.

But how do we make sure that this latest push to automation delivers better outcomes for workers and communities - not just fatter profits for shareholders and executives?

Our Union is committed to holding mining companies and political representatives to account, with a plan to support and protect jobs and communities in the face of automation.

This paper outlines some of the key issues and challenges. We'd like to hear your ideas and concerns about what automation will mean for your job, your family and your community. Please take part in our online survey at: me.cfmeu.org.au/news/automation-survey



Stephen Smyth,
District President CFMEU Mining and Energy Queensland





What has BHP announced?

In November, BHP announced it will introduce 86 autonomous haul trucks to its Goonyella Riverside coal mine in the Bowen Basin over the next two years.

This is the first major deployment of automated trucks in the coal industry.

Whitehaven Coal has been trialling a small autonomous fleet at its Maules Creek mine in NSW, while autonomous trucks and automated rail are widely used in iron ore operations in Western Australia.

BHP's announcement at Goonyella is significant because it signals the start of widespread automation in the Queensland coalfields, where BHP is the biggest player. Several other trials at Queensland coal mines have been flagged.

While workers were aware a trial was planned at Goonyella, BHP's announcement shows it is skipping the trial and going straight to full implementation.

BHP has tried to downplay the number of jobs affected, but the initial figures suggest that at least 300 operator jobs will be lost. They have implied that because these job losses will come from labour hire rather than direct employees, they don't count. We strongly disagree.

Many of the labour hire workers in the firing line have been on BHP sites for years, they live locally and have families to feed. All jobs matter.

Workers, community representatives and the Union were all taken by surprise by the scale and lack of detail of BHP's announcement – with little information being provided about the impact and no advance consultation.

Since then, site briefings have been held at Goonyella Riverside to explain how automation will be rolled out at the site.

- Autonomous fleet of up to 86 Komatsu trucks over the next two years.
- First autonomous haul trucks expected to be operational in approximately mid 2020.
- Reduced need for truck operator roles.
- Labour hire contractors will be informed about the impact on jobs.
- Up to 84 new jobs that are mostly staff roles:
 - 60 new Field Officer and Controller roles (staff roles)
 - 'Up to' 24 service technician roles (EA roles).



What is the Union calling for?

Automation is not always bad for workers. There were big jumps in technology in the 1950s, 1960s and 1970s too. But at that time governments and even business were more committed to sharing the benefits via improvements in wages, working conditions and social protections. Wages rose faster than inflation, the average working hours per week were reduced and annual leave increased.

Now, at the same time as jobs are being threatened by automation, wages and working conditions in the mining industry are under attack through outsourcing traditionally permanent, directly employed jobs to labour hire contractors.

The mining industry is already heavily regulated for a range of important purposes including environmental protection and safety. Local jobs and economic benefit should be included in the regulatory framework, through additional requirements to manage the impacts of automation.

The CFMEU is urging state and federal political leaders to act before workers and communities pay the price. Some of the measures we support include:

- Mining companies to be required to conduct economic impact studies to assess the effect on regional communities of any loss of jobs due to automation
- Where automation does lead to a loss of local jobs, additional royalties should be collected and invested back into affected communities
- No forced redundancies of any workers affected by automation
- Remote operation centres to be located on-site or locally, not in a capital city thousands of kilometres away
- The diesel rebate to be removed for companies who automate machinery, plant or equipment that is normally operated by a skilled worker
- Mining companies required to provide apprenticeships and traineeships of equivalent numbers elsewhere within the business
- Genuine consultation with workers about job design, training and redeployment.

At the same time, we need serious action to address the widespread exploitation of labour hire workers in the coal mining industry. So long as mining companies can easily outsource workers into casual jobs, they will be treated as disposable and afforded little protection as the trend towards automation gathers pace.

We want your ideas about what is needed to manage automation in the interests of workers.



Automation in Pilbara iron ore: what can we learn?

There are large capital costs involved in automating, so it is more cost-effective for new mines and mines that are very large scale to justify the investment. That's why we have seen the huge Pilbara iron ore mines automating first.

We have witnessed the automation of private rail freight systems that service iron ore production and the increasing deployment of driverless trucks in Pilbara iron ore. Concurrently there have been deployment of remote operations centres where workers in major cities supervise mining equipment that has various levels of autonomous operation.

Coal mining presents more complexity and hazards than open cut hard rock mining and coal mines are usually smaller scale than iron ore, so coal mining is being automated more slowly, but is next in line.

Predictions about the speed of automation in iron ore have usually overstated how quickly and easily it would occur. Rio Tinto is a leader in the field, but they have now spent a decade and a billion dollars automating their train operations in the Pilbara and are just now reaching the point of having driverless trains operating with full loads. It has taken them several more years and several hundred million more dollars than expected to implement the 1700-km automated rail system known as Autohaul.

These automated bits of equipment still need supervising, and that is done from remote operations centre that can be thousands of kilometres from the actual mine. Rio Tinto has a big one near Perth airport.

While jobs that are more routine in nature like truck-driving are being automated, there are other jobs being created that are more technical – in maintenance, and in remote operations. But while 'net' job loss has not yet been as substantial as some predicted or feared, the new jobs have a different skill set and can be thousands of kilometres away.

In consultation with Unions, Rio Tinto is seeking to implement automation in the Pilbara without forced redundancies. It knows forced redundancies will hurt its image. Officially it is redeploying affected workers – notably truck drivers – to other roles. In practice it is also using disciplinary procedures to 'manage people out' of the business, and redeploying people to undesirable, frustrating and sometimes simply very uncomfortable roles - like in remote poorly air-conditioned sheds - to encourage resignations. This is disingenuous and a breach of the spirit of the 'no forced redundancy' commitment.

Workers' experience of the Autohaul rail system is that since it was first announced in 2012, the workforce has been treated as an afterthought. There has been little planning for retraining and redeployment. There has been poor job design, with drivers left sitting in remote hub facilities with little to do except wait for automated trains that need resetting, leading to an increase in mental health issues. Existing rail competencies have not been accredited or recognised on an industry-level basis to boost employment opportunities and new job opportunities are often thousands of kilometres away.

The experience in WA shows the importance of workers being genuinely involved in the implementation of automation and companies being held accountable for delivering on their commitments.

CONTACT US

CFMEU Mining and Energy Queensland District

Phone: (07) 3839 8588

Take our survey at: me.cfmeu.org.au/news/automation-survey

