The Parliament of the Commonwealth of Australia

The House of Representatives Standing Committee for Industry, Innovation, Science and Resources

Inquiry into how the Mining Sector can support business in regional communities: *the impact of labour hire on regional communities*

Submission by the Construction, Forestry, Maritime, Mining and Energy Union **(the CFMMEU)**

Introduction

1. The CFMMEU has a deep connection with regional communities and the workers who live and work in these communities. The CFMMEU has played a leading role in advocating for well-paid, secure and safe jobs that draw their workers from the local communities where the enterprises are based.

2. The mining industry is central to this aspiration because it is a key source of decent jobs for regional Australia. Moreover, the contribution of the mining industry to regional communities can be optimised when the people who work the mines live in communities in close proximity to the mining operations. Mining jobs that are city-based result in mineworkers' wages being spent in the cities rather than the regions, exacerbating the unequal development that exists between the major cities and regional centres.

3. The CFMMEU has actively campaigned for permanent jobs and viable communities in towns as diverse as Moranbah and Blackwater in the Bowen Basin in Queensland;[i] Collie in the South West of Western Australia;[ii] Singleton and Muswellbrook in the Hunter Valley[iii] and Gulgong and Lithgow in the Western District of New South Wales.[iv] What all of these towns have in common is that they are located in coal mining regions that depend heavily on the jobs and services that flow from the mining sector.

4. Regional communities function best when they are integrated with the economies in which mining operates. In other words, the towns which surround mining operations should not be quaint relics to be gazed at from the window of a passing company four-wheel drive but should be integral participants in the mining industry economy.

5. In recent years, the development of Fly-In, Fly-Out (**FIFO**) employment practices has had an obvious and detrimental effect on local mining communities - a fact recognised in State Parliamentary reports and in specific legislation in the State of Queensland.[1]

6. However, there is another (and perhaps more insidious) development affecting the viability of regional mining communities and that is the explosion in the use of labour hire workers by the big mining companies.

7. The preference for labour hire instead of direct employment, leads to a number of detrimental impacts on local communities.

8. First, labour hire operators overwhelmingly characterise their employees as "casuals" and therefore, the employees have no entitlement to annual leave, sick leave or redundancy pay. These employees can also be stood down without pay during periods of inclement weather, during operational delays, or machinery breakdown. This precarious employment status can lead to a number of adverse social impacts, including:

    - stress and other mental health issues.

    - Unsafe work practices including a reluctance to raise safety issues or to report incidents.

[1] *Strong and Sustainable Resource Communities Act 2017* (Qld); Infrastructure, Planning and Natural Resources Committee Report No. 9: *Inquiry into fly-in, fly-out and other long distance commuting work practices in regional Queensland*

- Impacts on the viability of local community and sporting organisations due to a paucity of available volunteers.

9. In addition, because of their employment designation as "casuals", labour hire employees have difficulty obtaining credit because they have no ongoing job security. The difficulty in obtaining credit and to be able plan ahead with a degree of certainty, is an issue for local business confidence and in particular, feeds negatively into local property prices and businesses that rely on discretionary spending, such as whitegoods retailers and car dealerships.

10. In absolute terms, there is significantly less wages flowing into local communities as labour hire employees are, as a general rule, paid substantially less than the permanent employees of the big mining companies. The CFMMEU estimates that labour hire workers are on average paid 30% less than permanent workers, even taking into account the casual loading, and after factoring in that casuals are not paid for any holidays taken (while permanents typically receive 4-6 weeks holidays).

11. Therefore, the decreasing proportion of permanent employees in the coal mining industry workforce represents a worrying shift in income away from the pay packets of workers in local communities, straight into the profits of some of the world's richest companies, most of which are headquartered overseas and have the majority of their shareholders overseas.[2]

12. The disparity in pay and conditions between directly employed mineworkers and those employed by labour hire companies has effectively created "first and second-class mineworkers". Not surprisingly, this development does not assist community harmony and cohesion, as many of those employees with permanent jobs feel threatened and undermined by the employees of labour hire contractors; whilst the labour hire employees are often insecure and fearful of

[2] The Australia Institute (2017), Undermining our democracy - Foreign corporate Influence through the Australian mining lobby

their positions and resentful of the higher wages and benefits of permanent employees.

The Australian coal mining industry

13. The Australian coal mining industry directly accounts for approximately 54,000 employees.[3] Whilst the coal mining industry is a relatively small employer by comparison to other Australian industries, its contribution to the national economy is very significant.[4]

14. The coal mining industry is heavily export orientated with about 80% of all product mined being shipped overseas. The main destinations for Australian coal are the north east Asian countries of Japan, China, Korea and Taiwan. More recently, India has emerged a growing customer for Australian coal. Coal exports are also evenly split between thermal coal, used for power generation and coking coal used in the production of steel.

15. The coal mining industry is characterised by a very heavy concentration of large companies, with the top four operators in 2016 - BHP, Glencore, Rio Tinto[5] and Anglo American accounting for 48% of all revenue generated in the industry.[6] In fact, coal mining is the private sector industry in Australia in which large corporations account for the largest proportion of all firms.[7] This is a point of some significance when one considers the recent exponential growth in the use of labour hire contractors in the coal mining industry.

[3] ABS Cat. No. 6291 – Labour Force – Quarterly – August 2018 – Table 6

[4] Peetz, David, Employment in the Australian Black Coal Mining Industry at page 5.

[5] Rio Tinto has since exited the coal mining industry. The two main purchasers of its mine assets are Swiss-based Glencore and Yancoal which is majority-owned by Yanzhou, a Chinese State-Owned Enterprise.

[6] Peetz, op cit, at page 14.

[7] Ibid.

16. The coal mining industry is also characterised by a historical boom and bust cycle, with recent downturns occurring in the early 1980s, the late 1990s and most recently, from 2012 until early 2016. Aside from the cyclical nature of the industry, there is also considerable speculation over whether the industry is in the process of long-term structural decline due to changing energy usage patterns.[8]

17. Historically, employees in the Australian coal mining industry have been well paid compared to the economy wide average and have been principally employed directly by the mine operators. However, the relatively high wages of coal miners has not been an impediment to the very high profitability of the main coal mining companies with real revenue per employee averaging $1.36m per employee between the years 2006 and 2014.[9] With coal prices again approaching boom time levels, it is clearly the case that the coal mining companies are currently experiencing high levels of profitability.[10]

Growth in the use of labour hire contractors

18. Notwithstanding the coal mining industry's profitability, there has been exponential growth in the use of labour hire in recent years. The most relevant statistics dealing with the employment of contractors in the coal mining industry are those collected by Coal Services Pty Ltd which annually surveys employment in the New South Wales coal mining industry.[11] The last available data from Coal

[8] International Energy Agency, *World Energy Outlook* (2015) Paris.

[9] IbisWorld, *Black Coal Mining in Australia*, IBISWorld Industry Report B0601. Melbourne: IBISWorld, 2016.

[10] ABS (2018), Cat no. 8155 Table 4, Mining, Industry performance by selected industry class, 2016-17, released 25 May. The high coal prices that enabled high profit margins in 2016-17 have continued into 2017-18 and now 2018-19.

[11]The Australian Bureau of Statistics does not differentiate the coal mining industry from the broader mining industry in data published on this issue. There is no equivalent survey to the Coal Services Pty Ltd survey in any other State. Coal Services is a corporation established by statute in which the two equal shareholders are the NSW Minerals Council and the CFMMEU. In addition to industry research, Coal Services operates the Mines Rescue service, supervises and conducts compulsory medical examinations and is the monopoly workers' compensation insurer of New South Wales coal miners.

Services Pty Ltd indicates that 33.6% of underground mine workers and 44.5% of open cut mine workers are employed by contractors.[12]

19. The proliferation of labour hire in the mining industry is also illustrated by recent research by the ACTU, which conducted a point-in-time survey of job advertisements in the online job site, Seek. This survey found that around 82% of the job advertisements for the mining industry that were placed on the Seek site at the time of writing this submission were placed by labour hire contractors. In many cases, these advertisements were for multiple positions, so the actual proportion of labour hire positions versus permanent roles being advertised could be substantially higher.[13]

20. The historical prevalence of contracting and use of labour hire in the coal mining industry was relatively low until the commencement of the 21st century and appears to have rapidly increased since the industry downturn that commenced in 2012.

21. A recent survey of 2,700 coal miners conducted by Essential Research found that of those workers who had been made redundant in the period between July 2013 and June 2016 and had subsequently re-entered the coal mining workforce, only 26% had obtained work with the mine operator, whereas prior to redundancy, 62% worked for the mine operator.[14] Moreover, 72% of respondents reported that they were "worse off" in relation to their current wages and conditions than in their previous employment.[15]

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[12] The proportions of directly employed versus contractor employment is unlikely to vary significantly between the two largest coal mining States of New South Wales and Queensland. However, if there is any significant variation, it is likely to be in the direction of an even higher proportion of contractors in Queensland, given that open cut mining operations dominate the coal mining sector in that State.

[13] Australian Council of Trade Unions – *Point in time Survey – Job Fulfilment Mechanism – Entry Level Mining Positions* 31 October 2018.

[14] Essential Research *Research on Redundancies in the Black Coal Mining Industry* June 2016 at page 16.

[15] Ibid, at page 19.

22. The reason for this appears to be that the major mine operators have responded to the temporary downturn in coal prices that lasted from about 2012 until late 2015 with an aggressive cost cutting approach involving significant redundancies, combined with an increased use of labour hire workers in the place of permanent employees.

23. In other words, the major mine operators have dramatically increased the proportion of labour hire as a surrogate for cutting the wages and conditions of their own direct employees. This process involved the hollowing out their own workforces via retrenchments,[16] whilst at the same time increasing the proportion of contract labour on their mine sites, performing identical work to direct employees.

The "permanent casual" scam

24. The vast majority of employees engaged by labour hire companies in the coal mining industry are employed under a purported "casual" contract of employment. This is the case notwithstanding that these employees are normally employed in accordance with a fixed roster; work 42 or more hours per week on a regular basis, and in many cases are continuously employed with the same labour hire employer at the same mine site for years on end. In fact, it is not uncommon for these employees to be colloquially referred to as "permanent casuals".

25. The recent Fair Work Commission case involving CFMMEU member Kim Star is indicative of the precarious and unfair situation that many labour hire employees find themselves in.[17]

26. Kim Star was an employee of labour hire company WorkPac assigned to the Goonyella Riverside mine near Moranbah in Queensland. The mine is operated

[16] Ibid, Peetz at pages 46 to 51.

[17] *Kim Star v WorkPac Pty Ltd T/A WorkPac Group* [2018] FWC 4991

by BHP, the world's largest mining company by market capitalisation. Kim Star worked as a haul truck driver on a continuous, full time roster at the same mine site for over 4 years. Notwithstanding this fact, Kim Star was classified as a "casual" and was paid a flat rate of pay.

27. Kim Star was assigned to a crew comprising both permanent and labour hire employees. In fact, her partner is a permanent employee working on the same crew. In November 2017, Kim was involved in an incident where she raised a safety concern about inadequate lighting. In doing so, she came into conflict with a BHP supervisor. Shortly after the incident, BHP advised WorkPac that Kim Star would no longer be permitted on the mine site, which effectively meant that she was terminated. BHP provided no reasons for the "demobilisation".

28. Kim Star brought unfair dismissal proceedings against WorkPac in the Fair Work Commission. The proceedings ultimately resulted in a reinstatement order against WorkPac which required that Kim Star be placed back at the Goonyella Riverside mine in her previous role. Subsequent to the issuing of the order, BHP refused to permit Kim Star to return to the mine. In turn, supported by the CFMMEU, Kim Star sought and was granted interlocutory orders from the Federal Court of Australia against BHP. The orders required BHP to permit Kim Star return to work at the Goonyella Riverside mine pending the determination of her claim that BHP had engaged in adverse action against her.[18]

Who benefits from "permanent casual" labour hire?

29. The corporate strategy behind loading up coal mining projects with labour hire casuals has been explicitly set out by a mining executive of the company Whitehaven, which has extensive mining operations in the Gunnedah Basin region of New South Wales. In response to a union letter requesting an explanation as to why the company was favouring the retention of labour hire

[18] *Construction, Forestry, Maritime, Mining and Energy Union v BM Alliance Coal Operations Pty Ltd* [2018] FCA 1590

workers whilst at the same time making directly employed workers redundant, the company representative responded:

> …the Company's approach to labour at the mine has consistently been a combination of labour hire operators and direct employees. The mix is an important part of how the Company has chosen to operate the mine. To this end, the labour hire employees provide the Company with operational flexibility on a day to day basis. For example, the Company has the ability to send labour hire workers home in the event of an equipment breakdown or bad weather. Labour hire workers are also effective commercially because they are more cost effective than permanent employees…
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> The use of labour hire workers at the mine … is indicative of the Company's approach to the mine's operations that has been in place for a number of years. The underpinning need for flexible and commercial work arrangements, and the need to reduce costs at the Mine, is stronger than ever.[19]
>
> [Our emphasis]

30. Drawing from the candid observations of Whitehaven it is easy to summarise the motivation of the major mining companies in increasing the use of labour hire employees: namely, labour hire provides a cheaper and more disposable workforce than permanent employees.

31. By the use of a "permanent casual" labour hire workforce there is a straight-forward redistribution of wealth upwards, as well as a divestment of risk downwards, with ordinary workers and their families carrying the financial burden of any operational disruption. Moreover, as we shall see below, labour hire employees are effectively trapped into an inferior employment structure, with little or no capacity under current industrial laws to improve their position.

[19]Letter from Nigel Wood, General Manager Operations, Gunnedah Region for Whitehaven Coal to Peter Jordan, President CFMEU Mining and Energy Division, Northern District Branch, 14 May 2015.

How labour hire companies game the system

32. The industrial approach adopted by labour hire contractors to service the mining companies' demands for cheaper and more disposable labour is explicitly designed to preclude any meaningful possibility of employees making use of the bargaining provisions of the *Fair Work Act 2009* (**FW Act**) to obtain a fair wages outcome.

33. The main element of this strategy is to obtain an enterprise agreement under the provisions of the FW Act which provides the barest possible margin over the minimum rates of pay applicable under the under the *Black Coal Mining Industry Award 2010* (**the Award**).

34. In the one extreme case that was subject to a challenge by the CFMMEU in the Federal Court, the margin above the Award provided by the enterprise agreement was a mere 0.1%, or about 2c per hour.[20] This margin was purportedly sufficient to satisfy the "Better Off Overall Test" under the FW Act as it was approved at first instance by the Fair Work Commission. Obtaining this nominal margin above the Award minima meant that the labour hire company concerned had complete flexibility in setting its charge-out rate to client employers in the space between the Award minima and the relevant "market rate" at a particular mine site or region.

35. Second, obtaining an agreement in the form described also obtains the advantage for the labour hire company of access to the casual mode of employment in circumstances where the Award makes no such provision. That is, the main coal mining industry Award does not permit the casual employment of production and engineering employees; and as recently as May 2017, the Fair Work Commission rejected an application by employer associations to include such a term in the Award.[21]

[20] *One Key Workforce Pty Ltd v Construction, Forestry, Mining and Energy Union* [2018] FCAFC 77

[21] *Re Award Modernisation*, 2017 FWCFB 3541, 5 July 2017.

36. The third advantage obtained by labour hire companies, is that under current industrial laws, employees engaged within an in-term enterprise agreement are prevented from taking protected industrial action or accessing the good faith bargaining provisions of the FW Act. This means that there is no practical possibility of the labour hire employees banding together after an enterprise agreement has been approved and legally applying pressure on an employer to obtain better wages and conditions.

What has the CFMMEU done to address the labour hire problem?

37. Within the constraints of the current provisions of the FW Act, the CFMMEU has attempted to vigorously resist the industrial relations strategy behind the proliferation of labour hire in the coal mining industry. In addition to organising labour hire employees and seeking to improve their wages and conditions through direct bargaining, the CFMMEU has developed and funded a number of important legal cases.

38. The legal cases pursued by the CFMMEU have been slow, labour intensive, expensive and to a degree, successful. However, on their own, these cases will not see a dramatic reversal in the proportion of coal mining industry employed by labour hire. That will require legislative intervention in the manner described in the next section of this submission.

39. The CFMMEU has adopted two principal legal approaches to combatting the "permanent casual" labour hire model. The first is to challenge the approval or validity of enterprise agreements made by labour hire companies. The second approach is more fundamental and involves seeking legal declarations that the so-called casual mode of engagement used by labour hire companies is in reality permanent employment and therefore should not be used as a vehicle to evade minimum industrial standards.

40. The challenge to the validity of enterprise agreements made by labour hire companies has principally involved the CFMMEU making submissions at the approval stage in the Fair Work Commission that the agreements do not meet the relevant statutory criteria for approval. To date, the CFMMEU has been involved in 56 interventions relating to coal mining industry enterprise agreements leading to the outright refusal to approve the agreement, or withdrawal of the application for approval or the imposition of substantial conditions for approval via undertakings.

41. However, the CFMMEU has also sought relief in the Federal Court, challenging the basis of an enterprise agreement after it has been made. These are the proceedings concerning the labour hire company One Key and an enterprise agreement it "made" with three employees in 2015. The agreement made by One Key purported to apply 11 different industries, including the coal mining industry. The agreement provided for nothing more than a 0.1% "BOOT" allowance above the minimum Award rate. However, the agreement provided for the casual employment of its workforce and included a broadened scope of managerial prerogative over issues such as rosters and hours of work.

42. The basis of the CFMMEU's challenge to the One Key agreement was that given the terms of the agreement and the manner in which it was "explained", the employees concerned could not have given their genuine agreement. The relevant context relied upon in this submission was that the agreement was made with only three employees, with no bargaining representative and no proper explanation of how the agreement would operate or the effect of any detriments. The CFMMEU also contended that the agreement was simply a sham that was designed to avoid genuine bargaining as shortly after the agreement was approved, One Key employed over a thousand employees under the agreement.

43. At first instance, Justice Flick found in favour of the union and declared that the agreement had not been validly made. Upon appeal to a Full Court of the Federal Court, the original judgment was partially set aside but upheld on the central contention that the Fair Work Commission did not have jurisdiction to approve

the agreement because it was clear that the employees could not genuinely agreed to the proposed agreement. As a result, the One Key agreement was declared void *ab initio* – that is, as if it had never existed.[22]

44. The Full Court judgment in One Key Workforce has had a significant impact on the approval processes for enterprise agreements, with greater scrutiny now being given to the measures taken by employers to explain the terms of any agreement, particularly any detriments relative to the Award.[23]

45. Of even greater significance is the *WorkPac v Skene* (**Skene**) judgment of the Full Court of the Federal Court and the steps the CFMMEU took to bring this matter to conclusion.

46. The Skene judgment has its genesis in 2012 when Paul Skene, a haul truck driver employed by WorkPac and assigned to the Clermont mine was "demobilised" by WorkPac at the direction of the mine operator, Rio Tinto. Paul Skene had been peripherally involved in a workplace incident and refused to be interviewed by Rio Tinto unless he had a union representative present. As a result of this stance, Rio Tinto directed that Paul Skene immediately leave the site and accordingly, he never returned again to the site to work.

47. By the time of his removal from site Paul Skene had worked on the Clermont mine site for over two years on a 12-hour day, seven on, seven off, FIFO roster that was set 12 months in advance. During the entire period at work he did not take any annual leave or sick leave, as he was designated a "casual" employee and was paid a flat-rate of pay in lieu of all entitlements.

48. In 2014, supported by the CFMMEU, Paul Skene commenced action in the Federal Circuit Court claiming an entitlement to unused annual leave on termination. His claim was partially successful at first instance, but both WorkPac and Skene appealed the judgment to a Full Court of the Federal Court of

[22] Matter NSD2073/2017 – Order of the Full Court (per Bromberg, Katzmann and O'Callaghan JJ) dated 28 August 2018.

[23] *WorkPac Pty Ltd v Skene* [2018] FCAFC 131

Australia. Finally, in August this year, the Federal Court found in favour of Paul Skene on all counts.[24] As a result, the judgment stands as an authoritative statement on the meaning of casual employment – effectively confirming the concept of "permanent casual" has no recognition in Australian law.

49. Since the Skene judgment the labour hire industry, backed by business lobby groups, have attempted to create a moral panic over the implications of the Skene judgment. They have also commenced proceedings to try to reverse the effect of the decision by a back-door application to the Federal Court.[25]

50. However, the reaction to the Skene decision is overblown and avoids any discussion of the labour hire companies' contribution to their own difficulties. The Skene judgment was entirely predictable given the existence of prior authorities of the Federal Court, most notably the decision in *Williams v MacMahon Contracting*[26], which pertained to a very similar fact situation in the mining industry. Rather, what the Skene judgment represents is a shift back to common sense and transparency in the designation of employment relationships. In other words, what is important is the underlying reality of the employment relationship, not just the label placed on it by the employer.

51. The Skene judgment is a step towards more permanent jobs in the coal mining industry and should be welcomed by all parties. However, the Skene judgment alone cannot significantly reverse the insidious spread of casual labour hire in the coal mining industry. To do that, Parliament needs to legislate in a number of key respects.

[24] *WorkPac Pty Ltd v Skene* [2018] FCAFC 131

[25] QUD724/2018 *WorkPac Pty Ltd v Robert Rossato*

[26] *Williams v MacMahon Mining Services Pty Ltd* [2010] FCA 1321

What Parliament should do

52. There are a number of straight-forward legislative changes that would immeasurably improve the lives of labour hire workers and would therefore, be of direct benefit to the local communities from which they are drawn.

53. The first necessary change would be an amendment to the FW Act in order to define casual employment in a manner that is consistent with the traditional common law concept and the judgment of the Federal Court in *WorkPac v Skene.* In other words, the definition should explicitly preclude the existence of the "permanent casual". Casual employment should be just that – irregular, intermittent and without a firm advance commitment to work. Moreover, the recognised legal categories of permanent full-time, permanent part-time and casual are mutually exclusive. Employers should not be able to create hybrid categories in order to avoid minimum industrial standards like annual leave and personal leave.

54. Second, to make this definition effective, the FW Act should stipulate that any contract of employment or industrial instrument that defines casual employment in a way that detracts from the definition in the FW Act is overridden by the Act. That is, there should be truth in labelling – an employee should not be categorised as a casual when the underlying reality of the employment relationship indicates that they are not.

55. Third, the FW Act should provide for strong "casual conversion" and "casual deeming" provisions. This should allow a casual that is subject to a regular and fixed roster arrangement to request conversion to permanent status after a minimum term of six months. Moreover, the request to convert should not be able to be refused, including on "reasonable business grounds" - as this exemption is wide enough to drive a haul truck through.

56. In addition, in order to reinforce the true nature of the employment relationship, there should be a general deeming provision in the FW Act that would

automatically characterise an employee as a permanent employee if the person had been employed continuously on the same, or similar roster, for a period of 12 months and did not meet the FW Act definition of casual. Also, by stipulating that the casual employee would be entitled to have his or her entitlements paid at their "casual" rate if they are not converted to permanency before the expiry of 12 months, employers would have a financial incentive to act on casual conversion.

57. The fourth important change that Parliament should introduce is legislation to support the principle of "same job, same pay". In other words, the existing situation where a labour hire employee working on the same crew, doing the same job, on the same roster and under the same supervision can be legally paid 30% less than the direct employee of the mine operator who they are working next to, should be eradicated. There are a number of means by which this aim could be achieved, including by:

    a. Direct legislative prescription that imposes an obligation on the mine operator to ensure that the employees of labour hire companies are paid no less than direct counter-part employees of the mine operator.

    b. Changes to the bargaining laws to permit unions to seek minimum site rates at a particular workplace – such as a coal mine – so that each worker on that site shall be paid no less than the applicable rate for his or her classification. The difference between this concept and minimum Award rates is that the site rate should reflect the market rate, as determined by the rate paid to the direct employees of the mine operator.

    c. Changes to the arbitral powers of the Fair Work Commission to permit a union or a group of workers to seek the making of a specific "wage justice" determination that would have the effect of establishing minimum rates an enterprise. The wage justice determination would have the effect of binding both the labour hire contractor, the mine operator and

any future labour hire contractor so that the rate established could not be undermined by contrived contracting arrangements.

d. Finally, at the State Government level, there should be active consideration given to attaching specific social criteria to the approval terms of mine leases. That is, in addition to the environmental criteria that the mine operators have to meet, there should be certain obligations that will assist in making local communities benefit more from the operation of coal mines in their locality. For example, there should be requirements in relation to the employment of local youth via traineeships and apprenticeships, but equally, there should be restrictions on the level of labour hire used on these mines. Generally speaking, levels of labour hire usage should not exceed 10% of the entire mine workforce, as this proportion should be ample to address any genuine temporary work peaks or shortages of labour.

Summary

58. In conclusion, the explosion in the use of casual labour hire is an extremely important issue in local coal mining communities across Australia. The active preference of the big mining companies for an artificially large percentage of contract labour is having detrimental effects upon workers in regional Australia and the communities they inhabit. These workers deserve a fair go and expect their elected representatives to stand up for them in preference to the short-term profiteering of multinational mining companies and labour hire middle-men.

59. At the coming Federal election, the issue of labour hire and casualisation will be highlighted by the union movement and many thousands of community activists. The politicians who stand up for the rights of ordinary workers and speak out against casualisation and labour hire will be the political beneficiaries of this campaign.

The Construction, Forestry, Maritime, Mining and Energy Union

5 November 2018

Endnotes

[i] The CFMMEU campaigned heavily against the decision by BHP that the new Caval Ridge and Daunia coal mines located near the town of Moranbah should be operated as 100% fly-in, fly-out (FIFO) mines. The 100% FIFO requirement meant that local people could not apply for jobs at these mines, even though it is a plentiful source of skilled labour in towns like Moranbah and Blackwater. The lobbying of the CFMMEU and local community representatives ultimately resulted in the Queensland Government introducing restrictions on 100% FIFO operations via the *Strong and Sustainable Resource Communities Act 2017* (Qld).

[ii] The CFMMEU spent months in negotiations with the mine operators of Griffin Coal mine in order to preserve the operation of the mine in the face of severe financial pressures. Ultimately, the CFMMEU and its members agreed to a new enterprise agreement that resulted in a new roster arrangement that significantly reduced costs to the company, but also reduced wages for the workforce. The alternative would have been the loss of over 500 direct jobs.

[iii]The CFMMEU has consistently opposed the introduction of FIFO employment practices into the Hunter Valley coal mining industry and in cooperation with local businesses and local Government representatives has been successful in maintaining a strong local employment benefit for workers in the district.

[iv]In Gulgong, the CFMMEU strongly opposed the introduction of a large commercial FIFO camp that would have made it attractive for the mining companies to fill their vacancies with workers drawn from outside of the Mudgee/Ulan/Gulgong community. In Lithgow, the CFMMEU has been a strong proponent in favour of the extension of the mining leases for the Springvale and Angus Place coal mines, despite strong opposition from the Greens and aligned lobby groups.