



3 August 2021

Committee Secretariat
Senate Select Committee on Job Security
Department of the Senate
Parliament House
Canberra ACT 2600

Via email: jobsecurity.sen@aph.gov.au

Dear Sir/Madam

RE: Answers to questions taken on notice at the MCA's appearance before Senate Select Committee on Job Security 14 July 2021

The Minerals Council of Australia appeared via video link at a public hearing before the Senate Select Committee on Job Security on 14 July 2021.

During the hearing, the MCA secretariat and member company representatives took a total of 13 questions on notice.

Each of the 13 questions has been extracted from the Senate Proof Committee Hansard. Each question, along with the response from the MCA secretariat or member company, is set out below.

Since the MCA gave evidence, additional information from the Australian Bureau of Statistics has been published that further substantiates the MCA's argument that the share of casual workers in mining has trended below the share for all industries and there is no evidence of rapidly increasing casualisation in mining.

Data provided by the ABS to *Central Queensland Today* reveals that:

- The share of casual workers in the Queensland mining industry was 11.7 per cent in the May quarter 2021, lower than when the data series began in August 2014 (15.2 per cent)
- Over the 28 quarters since August 2014 (when the data series begins), 22 recorded a proportion of casual labour below 20 percent of the total mining workforce
- To date, the highest share of casual employment in Queensland mining has been the November 2020 quarter, with a casual proportion of 25.3 percent.¹

1. To BHP: What is the share of your company's coal workforce that is employed directly, and what is the share of those engaged through labour hire or as contractors?

[Extract from transcript:]

Senator SHELDON: Can you confirm the proportion of mining employees across Anglo's Queensland coal operations who are employed directly by you, compared to those employed through labour hire or as contractors? I'd like to ask that of BHP too, but I'll go to Anglo first ... Would you [Mr Furrer, Vice President, Operations Services, BHP] be able to take on notice the figures for the coal industry?

¹ Duncan Evens, '[Casuals a minority in mining](#)', *CQToday*, 30 July 2021.

BHP's response

BHP's Coal workforce in Queensland supports nine mines and one port across the BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC) businesses. 52 per cent of people working at these sites are direct BHP employees – this includes Operation Services. 48 per cent are workers engaged through labour hire and service contractors.

2. To BHP: Is it broadly correct that 10 per cent of the employees provided to your company by OneKey are permanent?

[Extract from transcript]

Senator SHELTON: One Key told us yesterday that only 10 per cent of the employees they provide to companies, including yours, are permanent, and the rest are fixed-term or casuals across your coal sites. Does that sound broadly correct?

BHP's response

BHP does not direct or control how external contractors or labour hire providers run their business, or how they engage their workforce. BHP does require its external contractors and labour hire providers to comply with Australia's labour law.

3. To the MCA: Please provide specific empirical evidence that CO₂ emissions from human activity affects the climate and needs to be cut

[Extract from transcript:]

Senator ROBERTS: Could you take on notice please – I'd like you to send me the empirical scientific evidence proving that carbon dioxide from human activity affects climate and needs to be cut. You have just said you are basing your positions on Paris and net zero on that science. I would like to see that specific science. Don't send me a reference to the IPCC or some other body without specifying the page number and the specific document, the specific report or the specific paper on which that evidence appears. The data and the logic proving that cause and effect.

The MCA's response

The MCA has no specific empirical evidence to add to the scientific consensus published by the United Nation's Intergovernmental Panel on Climate Change.

4. To Rio Tinto: Is your organisation doing any transition planning for workers for the exit of fossil fuels?

[Extract from transcript:]

Senator WATERS: I think it was the chap from Rio before who mentioned that you had already exited from coal. Would you like to make a contribution on that question, in the context of the climate crisis and a global transition in energy, whether your organisation is doing any work on transition planning for workers?

Mr Mansour: We made the decision to divest from coal a number of years ago. I'm not privy, and I haven't got the information on hand to answer more fully than what was provided to the market at the time in relation to the reasons around that. I can't make any further comment in terms of transition out of fossil fuel than Rio has already made publicly.

Senator WATERS: Perhaps you wouldn't mind taking it on notice.

Rio Tinto's response

Rio Tinto undertook consultation and transition planning to provide employees with transparency around the sale and transition process to new ownership of our Coal assets. The majority of employees transferred employment to the new owners of those assets.

5. To Rio Tinto: When did you decide to divest your coal assets?

[Extract from transcript:]

Senator WATERS: When did you take that decision to divest?

Rio Tinto's response

Rio Tinto made the decision to run a program to divest its coal assets during 2016. The Hunter Valley assets (Coal & Allied) were divested in 2017, and the Queensland assets (Hail Creek, Kestrel, Mt Pleasant) were divested in 2018.

6. To Rio Tinto: What work security arrangements were provided to workers affected by coal divestment?

[Extract from transcript:]

Senator WATERS: What were the work security arrangements were provided to your workforce?

Rio Tinto's response

Under the sale processes, all site-based employees (other than the senior leadership) were transitioned to the new owners upon sale. The security of employees' roles was protected under the sale agreements. The greatest impact was to corporate employees who were supported through a comprehensive redeployment, retraining and outplacement program referred to as 'My Future Plan'. The program sought to understand the preferences of the employees and to support through either redeployment (to another part of the Rio Tinto business), or transition to external employment. Outplacement support was provided for employees opting for the latter with retraining and transitional programs.

7. To Rio Tinto: Did you do any transition planning when you divested your coal assets?

[Extract from transcript:]

Senator WATERS: Was there any transition planning done?

Rio Tinto's response

See previous answer. In addition, under the sale of the Kestrel mine to a private equity group, this company did not have an established corporate team. Rio Tinto worked with the company to define resource needs and identify employees impacted through the divestments who could transition to full time employment with the new company.

8. To Rio Tinto: Did you consult your workforce on post-coal transition planning?

[Extract from transcript:]

Senator WATERS: Did you consult the workforce in doing so?

Rio Tinto's response

Rio Tinto undertook a consultation process with impacted employees through the divestment processes as outlined above.

9. To Rio Tinto: What was the mechanism that gave effect to your divestment of coal assets and the transition for workers affected by that divestment?

[Extract from transcript:]

Senator WATERS: What was the mechanism there to make that divestment and that transition?

Rio Tinto's response

Part of the asset sale consideration was the transition of the workforce to the new owners. This was covered in the terms of sale of the assets.

10. To the MCA: Has there been any work done to estimate the number of jobs or work hours that will be displaced through either new technologies or automation more broadly?

[Extract from transcript:]

Senator WATERS: Has there been any work done to estimate the number of jobs or work hours that will be displaced through either new technologies or automation more broadly?

The MCA's response

The application of new technologies is unfolding at a rapid pace, and the rate of change is different depending on operating scale, location and geology.

The Productivity Commission has observed that Australian mining is a global technology leader and one of the most productive industries in the world.² Innovation enables Australian mining companies to extract and process ores at a competitive cost, and to extract deposits that are deeper or more remote. New techniques and technologies allow firms to increase productivity and remain internationally competitive. Innovation also supports improved safety, social and environmental outcomes by allowing impacts to be eliminated, better mitigated or managed.

As mentioned in evidence, anecdotally the introduction of large-scale automation, for example, has not changed the size of the workforce at specific mine sites but has altered the skill base.

The MCA has researched what changes might mean to the 'types' of jobs. This was done with consulting firm EY by examining 23 leading edge innovation projects, noting the changes in skills required, and then applying that qualitatively to known job types.³

This research showed that 42 per cent of positions remain largely similar and 35 per cent see shifts in the type of work and skills needed as well as seeing a 'redesign' of the workplace to make use of new techniques (for example greater work in teams). The remaining 23 per cent of types of jobs will change but with scope to train in new skills which the industry is investing in (see next answer).

Further research is needed. The MCA notes in the broad that direct resources sector employment has more than tripled in the past 20 years, from 79,000 in 2001 to 256,000 workers in 2021.⁴

11. To the MCA: What percentage of coal, oil and gas jobs will be filled by skilled migrants?

[Extract from transcript:]

Senator WATERS: Could you confirm for me the percentage of jobs that are purported to be created by coal, oil and gas that will be filled through skilled migration rather than local employment?

The MCA's response

The latest data from the Department of Home Affairs indicate that at 31 March 2021, there were 1,460 primary visa holders in Australia sponsored by the mining industry (including oil and gas).⁵

This figure represents 2.5 per cent of the 57,950 total skilled migrants in Australia at that time and 0.6 per cent of the total resources workforce (256,000).⁶

Department of Home Affairs data also show that the average nominate base salary for visa applications sponsored by the mining industry was the highest of any industry at \$191,400.⁷

Through the MCA's Minerals Tertiary Education Council the mining industry has invested more than \$65 million to build capacity in Australian universities and other education and training providers to address the skills requirements of the mining industry.

More than 5,500 graduates have benefited from this \$65 million investment.

² Productivity Commission, *Shifting the Dial: 5 Year Productivity Review: Supporting Paper No. 1: Productivity and Income – The Australian Story*, Canberra, 3 August 2017, released 24 October 2017, pp. 24, 26.

³ EY, *The future of work: the changing skills landscape for miners; Future of work: The economic implications of technology and digital mining*, reports commissioned by the MCA, 13 February 2019.

⁴ Australian Bureau of Statistics, *Labour Force, Australia, Detailed, May 2021*, released 24 June 2021, table 6. NB that the employment estimate for 2021 is the average of the last four quarters August 2020 to May 2021.

⁵ Department of Home Affairs, *Temporary resident (skilled) report at 31 March 2021*, BR0008, p. 15.

⁶ Australian Bureau of Statistics, *Labour Force Australia, Detailed, May 2021*, released 24 June 2021, table 6. NB that the employment estimate is the average of the last four quarters August 2020 to May 2021.

⁷ Department of Home Affairs, op. cit., p. 7.

12. To Anglo American: Please provide information on how you're addressing the reality and/or perception that workers employed in certain job categories are more at risk in terms of job security if they speak up about safety

[Extract from transcript:]

Senator WATERS: ...Could you, perhaps on notice, provide some information to the committee on how you are addressing the reality and/or the perception? You're right to say that, even if there is a perception that if you speak up you won't get work in the future, naturally there will be a chilling effect irrespective of the reality.

Mr Jones: I will do that, that will largely draw on the Grosvenor inquiry. Professor Quinlan, in evidence to that inquiry, stated that, overall, he considered that every system in place at Grosvenor mine to encourage safety reporting is good. That was the evidence we gave and that was part of the findings of that inquiry.

Anglo American's response

The safety of our people is our first priority. We are continuing to work closely with our workforce across all our operations to ensure everyone feels safe to speak up with safety concerns, because we know that raising and addressing any issues will make our mines safer. We have multiple channels available for all our workforce members to raise concerns and these are communicated regularly, including a confidential, anonymous reporting service that is managed by a third party.

Each year, in October, Anglo American holds Global Safety Day where we stop for safety at all of our operations across the world to highlight a universal commitment to best practice mining safety and our dedication to eliminating fatalities. This year's theme for our Global Safety Day is 'Safe to always be safe', focusing on psychological safety and ensuring our workforce feels safe to speak up. Anglo American will also be participating in the Queensland Government's mining industry safety reset sessions starting next month, with the aim of our all of our workforce taking part at our six operational sites over a number of weeks.

We have also commenced a review into the existing bonus structures at our sites with input from our workforce, to look at how we can focus on leading indicators such as hazard identification, in line with our global Elimination of Fatalities program.

13. To Anglo American: How many of the labour hire workers who were employed in Queensland mines would have been employed at your sites for more than 12 months or less than 12 months?

[Extract from transcript:]

Senator WALSH: This is a question for Mr Jones, for Anglo American. You gave us a good breakdown of your direct employees, labour hire and contractors earlier. Is it possible for you to give us, on notice, a breakdown of how many of the labour hire workers who were employed in Queensland mines would have been employed at your sites for more than 12 months or less than 12 months?

Anglo American's response

Anglo American currently has 772 labour hire people working for us.

Of this, 278 have worked for us less than 12 months.

494 have worked for us longer than 12 months.

Yours sincerely

**SID MARRIS
DEPUTY CHIEF EXECUTIVE OFFICER**