



## Senate Select Committee on Job Security

### BHP response to additional Questions on Notice

### Public Hearing – 14 July

**1. At which BHP/BMA/BMC coal mine sites does Operations Services employ or provide workers?**

As set out in BHP's written submissions to the Committee, Operations Services provides services to BHP Minerals Australia Assets and as such is not a labour hire provider.

Operations Services provides these production or maintenance services to BHP Minerals Australia Assets including Western Australia Iron Ore, Olympic Dam, BHP Mitsubishi Alliance (BMA), BHP Mitsui Coal and New South Wales Energy Coal.

Operations Services currently provides these Production and / or Maintenance services at the following Coal operations: BMA's Blackwater, Saraji, Goonyella Riverside, Peak Downs, Daunia and Caval Ridge mines, BMC's Poitrel and South Walker Creek mines and New South Wales Energy Coal's Mt Arthur Coal mine .

**2. At each of those sites, what is the proportion of BHP workers to Operations Services workers in production mine work roles?**

As was provided in BHP's evidence to the Committee at its hearing on 14 July 2021, employees of Operations Services are part of BHP's permanent employee workforce. As such, Operations Service workers are BHP workers.

As set out in BHP's response to the Committee's questions on notice submitted on 30 July 2021, BHP's Coal workforce in Queensland supports 9 mines and 1 port across the BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC) businesses. 52% of people working at these sites are direct BHP employees - this includes Operations Services. 48% are workers engaged through labour hire or service contractors.

**3. At each of those sites, please break down the employment arrangement of BHP and Operations Services workers by full-time, part-time, casual, fixed-term, and independent contractor (separately for BHP and Operations Services).**

As detailed by BHP's in evidence to the Committee at the hearing on 14 July 2021, employees of Operations Services are part of BHP's permanent employee workforce.

- As detailed by BHP's in evidence to the Committee at the hearing on 14 July 2021, approximately 49,000 people work across BHP's Minerals Australia assets. 56% of those workers are direct BHP employees. 44% are workers engaged through labour hire or service contractors.
- Specifically within Coal – including sites in Queensland and NSW – the percent of workers directly employed by BHP is 41%.
- As set out in BHP's response to the Committee's questions on notice submitted on 30 July 2021, specifically within Queensland Coal – including BMA and BMC – the percent of workers directly employed by BHP is 52%.

Of the 41% direct BHP employees within Coal, including Operations Services:

- 97% are full-time employees;
- 2.7% are part-time employees;
- 0.3% are fixed term employees

**4. At each of those sites, please advise the average pay differential between production mineworker employees of BHP, and production mineworker employees of Operations Services.**

As detailed by BHP's in evidence to the Committee at the hearing on 14 July 2021, employees of Operations Services are part of BHP's permanent employee workforce.

There is not a standard rate of pay across BHP's production mineworker workforce.

As set out in BHP's written submissions to the Committee, there is not a single rate of pay for other BHP entity employees. A variety of industrial arrangements apply to BHP employees. This includes approximately 23 different enterprise agreements and several modern awards. This reflects the fact that BHP employees work at different locations and in different environments across Australia.

**5. Other than Operations Services, what other labour hire providers does BHP engage at its coal mine sites (including BMA/BMC sites), and at which sites do each of them operate?**

As set out in BHP's written submissions to the Committee, Operations Services provides services to BHP Minerals Australia Assets and as such is not a labour hire provider.

BHP engages a number of contracted labour hire providers, including Chandler Macleod, Hays, Workpac, Lunar, Mickala and Undamine.

**6. At each of those sites, please advise the average pay differential between production mineworker employees of BHP, and casual production mineworker employees of the labour hire providers?**

**Note: If BHP does not know the pay of its labour hire workers, nor the differential, please advise the average pay of BHP production mineworker employees.**

BHP cannot comment on the payment of individuals engaged by external contractors and labour hire providers. BHP engages service providers, and does not direct or control the rates of pay those labour hire providers or service contractors pay to their employees. This is a matter for the individual and their employer.

BHP does require that all of its external contractors and labour hire providers comply with all relevant Australia's labour laws.

**7. Does BHP use, or has BHP ever used, software currently or previously referred to as 'ERMS', Bright People Technologies', or 'Cited', or any other software used for the purpose of recording details about an employee's conduct, or for screening potential employees?**

If yes:

- a. What is the software called?
- b. Why does BHP use it?

- c. Has BHP ever recorded details about feedback, comments or complaints from an employee using that software?
- d. Has BHP ever recorded details about an employee's engagement with a Union, or any suspected or known union engagement or interest in collective action?
- e. Has BHP ever used such software to screen an employee, and come across this sort of information recorded by another employer? And if yes, which employer and what was the nature of the record?

BHP is committed to providing a work environment in which everyone is included, treated fairly and with respect. BHP does not make hiring decisions based on unlawful reasons.

**8. What was BHP's revenue from its Australian coal operations (including BMA/BMC) in the most recent financial year for which data is available? (either FY21 or FY20).**

BHP Results for the year ended 30 June 2021 were released on 17 August and this information is available at [www.bhp.com](http://www.bhp.com). Please see Appendix 1 for specific information.

**9. What was BHP's underlying earnings from its Australian coal operations (including BMA/BMC) in the most recent financial year for which data is available? (either FY21 or FY20).**

BHP Results for the year ended 30 June 2021 were released on 17 August and this information is available at [www.bhp.com](http://www.bhp.com). Please see Appendix 1 for specific information.

## Appendix 1

Financial information for Coal for the 2021 and 2020 financial years is presented below.

Year ended 30 June 2021 US\$M	Revenue	Underlying EBITDA	D&A	Underlying EBIT	Net operating assets	Capital expenditure	Exploration gross	Exploration to profit
Queensland Coal	4,315	593	735	(142)	7,843	512		
New South Wales Energy Coal <sup>(1)</sup>	927	(87)	144	(231)	(289)	50		
Colombia <sup>(1)(5)</sup>	281	74	86	(12)	–	21		
Other <sup>(2)</sup>	–	(122)	14	(136)	(42)	18		
Total Coal from Group production	5,523	458	979	(521)	7,512	601		
Third party products	–	–	–	–	–	–		
Total Coal	5,523	458	979	(521)	7,512	601	20	7
Adjustment for equity accounted investments <sup>(3)(4)</sup>	(369)	(170)	(114)	(56)	–	(22)	–	–
<b>Total Coal statutory result</b>	<b>5,154</b>	<b>288</b>	<b>865</b>	<b>(577)</b>	<b>7,512</b>	<b>579</b>	<b>20</b>	<b>7</b>

Year ended 30 June 2020 US\$M	Revenue	Underlying EBITDA	D&A	Underlying EBIT	Net operating assets	Capital expenditure	Exploration gross	Exploration to profit
Queensland Coal	5,357	1,935	684	1,251	8,168	523		
New South Wales Energy Coal <sup>(1)</sup>	972	(19)	152	(171)	841	73		
Colombia <sup>(1)</sup>	364	69	112	(43)	776	24		
Other <sup>(2)</sup>	–	(155)	11	(166)	(276)	8		
Total Coal from Group production	6,693	1,830	959	871	9,509	628		
Third party products	–	–	–	–	–	–		
Total Coal	6,693	1,830	959	871	9,509	628	22	9
Adjustment for equity accounted investments <sup>(3)(4)</sup>	(451)	(198)	(138)	(60)	–	(25)	–	–
<b>Total Coal statutory result</b>	<b>6,242</b>	<b>1,632</b>	<b>821</b>	<b>811</b>	<b>9,509</b>	<b>603</b>	<b>22</b>	<b>9</b>

- (1) Newcastle Coal Infrastructure Group and Cerrejón are equity accounted investments and their financial information presented above with the exception of net operating assets reflects BHP Group's share.
- (2) Predominantly comprises divisional activities and ceased operations.
- (3) Total Coal statutory result revenue excludes US\$281 million (FY2020: US\$364 million) revenue related to Cerrejón. Total Coal statutory result Underlying EBITDA includes US\$86 million (FY2020: US\$112 million) D&A and US\$2 million (FY2020: US\$25 million) net finance costs and taxation expense related to Cerrejón, that are also included in Underlying EBIT. Total Coal statutory result Capital expenditure excludes US\$21 million (FY2020: US\$24 million) related to Cerrejón.
- (4) Total Coal statutory result revenue excludes US\$88 million (FY2020: US\$87 million) revenue related to Newcastle Coal Infrastructure Group. Total Coal statutory result excludes US\$82 million (FY2020: US\$61 million) Underlying EBITDA, US\$28 million (FY2020: US\$26 million) D&A and US\$54 million (FY2020: US\$35 million) Underlying EBIT related to Newcastle Coal Infrastructure Group until future profits exceed accumulated losses. Total Coal Capital expenditure excludes US\$1 million (FY2020: US\$1 million) related to Newcastle Coal Infrastructure Group.
- (5) On 28 June 2021, BHP announced that it had signed a Sale and Purchase Agreement with Glencore to divest its 33.3 per cent interest in Cerrejón. While BHP continued to report its share of profit and loss within the Coal segment and asset tables, the Group's investment of US\$284 million in Cerrejón has subsequently been classified as 'Assets held for sale' and therefore excluded from net operating assets.