CFMEU Mining & Energy

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The Committee Secretary
House of Representatives Standing Committee
on Industry and Resources
Suite R1 – 108
Parliament House
Canberra ACT 2600

Dear Secretary,

Inquiry into developing Australia's non-fossil fuel energy industry

The CFMEU Mining and Energy Division wishes to avail itself of the opportunity to make a brief submission to the Committee in respect of the above Inquiry.

This union is the largest union in Australia's mining industry with around 16,000 members. We do not represent anyone employed in the uranium mining sector of the industry but we recognise the need for such workers to be collectively represented. The Liquor, Hospitality and Miscellaneous Workers' Union (LHMU) and the Australian Workers' Union (AWU) represent some mineworkers at uranium mines, and this submission should not be seen as substituting for what they may choose to submit to the Inquiry.

In August 2002 the union made a submission on the environmental regulation of uranium mining to the Senate ECITA References Committee. That submission is attached. The bulk of the concerns outlined in that submission remain current.

It is understood that the final senate report "concluded that uranium mining operations were a hazard to human health and the

environment; that there was a pattern of underperformance and non-compliance in the sector, with a risk of serious or irreversible damage from operations; and a lack of independent monitoring and scrutiny".[1]

Since that report there have been further and major incidents – notably the near catastrophe at the Ranger mine in March 2004, when heavily-contaminated water was accidentally connected to potable water facilities at the site, resulting in many workers washing in, and drinking, water containing uranium at up to 400 times safe drinking levels.

Of particular concern is the intersection between current industrial relations practices and occupational heath and safety at uranium mining operations shown in this incident.

Some of the affected workers were employed at the mine via a contractor, Perth-based Power Station and Marine Services. That company effectively sacked them when they insisted on leaving the Northern Territory to seek medical help near their homes interstate.[2]

The mine operator, ERA, did not take full responsibility for the safety and welfare of the workers and instead offloaded that responsibility to the contractor. The workers had no union and no union rights and were made jobless, effectively as punishment for seeking medical help.

This is the brave new world of industrial relations, with vast numbers of jobs contracted out, site owners and managers refusing to take responsibility for workers on-site, and with workers sacked for being victims that dared seek help.

This situation is terrible in any workplace, but when the workplace is one that is especially hazardous, such as a uranium mine, it becomes a further major contributor to the hazards of the site.

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[1] Article by Anthony Hoy in *The Bulletin*, 28 October 2003

[2] Lindsay Murdoch "Tainted Water A Source Of Fear And Fury For Miners" in *The Age*, 5 April 2004, page 3

Where workers are denied collective representation they are unable to be effective participants in managing the safety of the workplace. There is thus one less "check and balance" on the responsibility of management to ensure a safe workplace.

It is the view of CFMEU Mining and Energy that effective regulation of uranium mining as part of the nuclear fuel cycle requires that mineworkers be collectively represented at the site level ***and in the regulatory framework meant to ensure their safety.***

Those who are meant to be protected should have a say in how they are protected, rather than being the passive recipients of what others have decided is appropriate for them.

The union has the following general observations to make in respect of the Inquiry's Terms of Reference

<u>Global demand for uranium and its interaction with the climate change problem</u>

Global energy demand is growing substantially and will do so at least until the second half of this century. A key driver will be rapid economic growth in developing countries, especially in Asia.

Much of that demand will be met by fossil fuels, especially coal which is in abundant supply. That will lead to increased greenhouse gas emissions and greater risk of climate change unless emission reductions from fossil fuel use are achieved.

In this context nuclear energy is again being touted as the solution to humanity's energy needs. It can be provided more reliably on a large scale than most renewable technologies, and has negligible greenhouse emissions.

However, nuclear power plants carry major risk and uncertainty in their construction, commissioning and decommissioning and this strongly affects the economic reliability of such power. In most

parts of the world, the public or private entities that produce nuclear power require considerable legislative protection to shelter the entities from full public liability for their operations.

It is inevitable that certain nations will seek to deploy more nuclear power generation as part of meeting surging demand for energy, and reducing their reliance on other fuels. But it is inconceivable that nuclear power will ever be deployed on a scale that would make it a significant contributor to reducing greenhouse gas emissions.

At best, nuclear power will be a modest but risky and expensive contributor to the problem of addressing climate change.

Strategic importance of Australia's uranium reserves

With the Olympic Dam mine reputed to account for 38% of known global uranium reserves, Australian supplies are obviously of major strategic significance – politically and militarily - in the global nuclear fuel cycle. The economic significance is far smaller – uranium exports are small relative to other commodity exports.

For so long as Australia occupies this position in the global market, it will be incumbent on it, morally and politically, to play a very strong leadership role in regulating the nuclear industry.

Given that Australia's track record is that it has done a relatively poor job of regulating uranium mining domestically, it appears to be ill-prepared for a leading role at the global level.

Adequacy of uranium mining regulation

The concerns that the CFMEU raised in its 2002 submission remain, and have been heightened by the gross negligence or incompetence displayed at the Ranger mine in 2004.

Health risks to workers

The concerns that the CFMEU raised in its 2002 submission remain, and have been heightened by the gross negligence or

incompetence displayed at the Ranger mine in 2004. Occupational health and safety practices and regulation were poor in 2002, with Australia seeking a level of OHS practice that was inferior to other developed countries. The further erosion of workers' rights under current Federal employment law has only served to exacerbate the problem. Workers stripped of their employment security, and employed temporarily or casually via contractors, are unable to effectively contribute to the maintenance of a healthy and safe workplace.

Federal subsidies, rebate and other mechanisms used to facilitate uranium mining and resource development

The global mining industry, including that in Australia, is characterised by a relatively small number of very large and mostly very profitable companies. These companies do not require public assistance in their commercial ventures and should not receive it. Australia already has a very large minerals sector relative to the rest of the national economy and in comparison to other developed countries; there is no public interest case in subsidies to make it even larger.

In respect of uranium mining and export, there is no public interest case for public assistance to make the industry even more globally significant than it already is.

Thank you for the opportunity to make this submission.

Yours sincerely,

Tony Maher
General President