

OIL AND GAS INDUSTRY — WORKERS' RIGHTS

Statement

HON KYLE MCGINN (Mining and Pastoral) [5.23 pm]: I rise to talk today about a matter that is close to my heart. It involves the offshore oil and gas sector, in which I have spent a big part of my working life. It involves the employment rights of workers, which has never been more fragile than we are seeing today, in light of a decade-long neoliberal attack on workers by corporate Australia.

The offshore oil and gas industry has a history of catastrophic occupational health and safety failures, which, for a period, maimed and killed more workers than any other industry on a per capita basis. Reform of the sector has improved occupational health and safety standards and employment rights. There has been a necessary intertwining of good OHS and good employment standards. A stable permanent workforce with good remuneration standards attracts highly skilled workers. That is a fact. This ties in with highly skilled and well-trained workers being part of an improvement in the occupational health and safety culture of their respective workplaces. That is even more critical now in the oil and gas sector in light of the massive technological changes in the industry in recent times, with facilities such as Shell's Prelude platform, the Wheatstone platform, and Inpex's floating production, storage and offloading and the central processing facilities. These complex workplaces require highly skilled workforces with good safety and employment standards. But all of that is being unravelled bit by bit by the oil and gas companies.

Since COVID-19, the attack on offshore oil and gas workers has accelerated to the point of being an onslaught. Nearly all workplace changes introduced in the offshore hydrocarbon sector in the last six months have been under the guise of workplace changes required by the operators to keep offshore facilities free of COVID-19. Some of these supposed safety-inspired workplace changes appear to be motivated by nothing more than financial gain rather than improved safety standards. Further, the National Offshore Petroleum Safety and Environmental Management Authority, the regulator, failed to carry out a single offshore inspection between March and August 2020. This has essentially allowed offshore operators to do as they please. More than ever, NOPSEMA should be seen as a captured regulator. If offshore facilities have been safe for workers to work on during COVID-19, then it should have been safe for NOPSEMA to carry out offshore inspections.

Woodside has actively floated the idea of a suicide roster—14 weeks on and two weeks off. The fact that it settled on a roster that is effectively six weeks on, including a two-week isolation period, and then two weeks off, reflects a complete lack of understanding, care or empathy of mental health and fatigue management. The de-scoping of key workers such as scaffolders from the Inpex facilities during the bulk of the period between March and September has, again, compromised health and safety standards, as does Inpex's belief that workers should be multiskilled and jacks-of-all-trades—this is a recipe for disaster—not to mention the threats that were made to interstate workers in April this year. They were told to get on a plane within 48 hours and temporarily relocate to Western Australia for 12 months, with no regard how that would impact their families or their mental health. It was simply the blunt end of the axe. The approach of Woodside and Santos has not been much better.

We then have the effect of the rollout of Chevron's restructuring process on the mental health of workers. It is in the process of sacking up to 800 blue-collar and white-collar workers. Everyone is in Chevron's sights. Every worker has had to apply for their job again, despite many of them being engaged in critical roles for many years. Loyalty counts for absolutely nothing while Chevron swings the axe. The impact that its job cutting has had on oil and gas workers cannot be understated. It has put its workforce and the families of its employees through living hell for the past four months. This is not the Australian way of doing business. Its actions have been nothing short of disgraceful.

While safety for oil and gas operators has been compromised over the last six months, the attack on employment standards has been even more ruthless. I need to make a special mention of a contractor called Broadspectrum. It is a foreign-owned company that has had its tentacles across many industries in many parts of the globe. It is a sophisticated corporate giant. The company is loaded to the hilt with industrial relations managers, human resources managers and corporate lawyers all seeking to find a way to game the system by whatever means possible. Broadspectrum was engaged by Inpex on its FPSO and CP facilities a little over 12 months ago. It did so through one of its subsidiary companies called Trace JV. Trace JV is not the employer, however; it used another Broadspectrum entity called BR&I Pty Ltd to employ workers separately. What sort of enterprise agreement did it have? It was a baseline agreement that clearly was not set up to engage highly skilled or competent offshore workers. What were the rates of pay under this so-called agreement? They were \$33 an hour, which in the offshore industry is a disgrace.

Between Broadspectrum commencing work on the Inpex facilities and the onset of COVID-19, the Offshore Alliance, which is a joint venture between the Maritime Union of Australia and the Australian Workers' Union, along with the Electrical Trades Union, met with the company on numerous occasions to negotiate a replacement enterprise agreement, with proper remuneration for workers for their offshore work and high skills. This was in the context of the BR & I enterprise agreement being close to expiry. Broadspectrum had even sent out a draft notice of employee

representational rights—the NERR—which is the official start of the bargaining process. There was an in principal agreement between Broadspectrum, the unions and employees that the company would have industry pay rates and conditions. Broadspectrum may have gamed the system when it established the BR&I enterprise agreement in 2017, but that was amateur hour compared with the employment scam it has now engaged in with Inpex, which is up to its neck in this.

In late 2019, another Broadspectrum entity called Skout Solutions commenced the process of terminating the baseline agreement, which still had 12 months to run, and replacing it with another baseline agreement, Skout Solutions enterprise agreement, which intended to lock workers into minimum, below–award standard rates of pay for four years. This agreement was lodged with the Fair Work Commission in January 2020 and approved by the commission in April 2020. What does this agreement have to do with Broadspectrum workers on the Inpex facility? In late August 2020, Broadspectrum, or Trace JV as it is known by on the Inpex facility, sacked most of its Inpex facility workforce and re-employed the same workers under the Skout Solutions—otherwise known as “Snout Solutions”—enterprise agreement. Worse still, the BR&I enterprise agreement pays workers just \$22 per hour.

Not one offshore worker got to vote on this agreement. On investigation by the Offshore Alliance, the union uncovered that the workers who voted on the agreement made Tim Tams at the Arnott’s biscuit factory in Adelaide. A bunch of people making biscuits in Adelaide voted on an enterprise agreement to cover Broadspectrum maintenance workers employed on the Inpex facility over 3 000 kilometres away. That is an absolute disgrace! Not one Broadspectrum, or Skout Solution—all the different sham names—worker at the biscuit factory appears to have ever worked or applied to work in the oil and gas industry. It appears that not one of the Broadspectrum workers employed through Skout Solutions had any buy-in to the oil and gas industry in Western Australia, yet they voted on a baseline agreement that now covers those workers in the north.

This was all done to block Broadspectrum offshore employees from exercising a fundamental right to negotiate their pay and conditions of employment with their employer. That is our right in this country. This is nothing but institutionalised wage theft. It appears that Inpex is aware of it and has given Broadspectrum the green light to operate on its offshore facilities with below–Australian standard rates of pay.

Broadspectrum has gamed the system. Inpex has gamed the system. Is this the future of industrial relations in this country? There is a moral vacuum. An enterprise agreement with no moral authenticity, no relevance to the offshore oil and gas industry and no employment conditions worth having has been used to deny workers the opportunity to bargain and negotiate their pay and conditions.

As an elected representative of workers in the Mining and Pastoral Region, I stand with the Broadspectrum workers in their condemnation of Broadspectrum’s atrocious employment policies and practices. They are a scam and a sham, and it is very disappointing that Inpex has bought into it. These employment practices need to be eradicated; otherwise, there will be very little for our next generation of Australian workers to look forward to. I call on Broadspectrum and Inpex to find their moral compass and put to bed their sham employment practices. Inpex has a social responsibility to ensure it has appropriate rates of pay and conditions for its jobs. I do not accept that it is Inpex’s subcontractors that are doing this; Inpex is okaying it by allowing them to work on its projects. It is a disgrace.