

OIL AND GAS INDUSTRY — WORKERS' RIGHTS

Statement

HON KYLE MCGINN (Mining and Pastoral) [6.31 pm]: First, Hon Tim Clifford, thank you very much for sharing that story. That was very powerful and I know that was hard for you to say. You spoke very well.

Since my member's statement last week regarding Inpex and some of the issues that have happened in the offshore oil and gas industry lately with workers' rights, my office has been inundated with workers and their partners writing to me, bringing up more very disturbing processes in the industrial relations system in our offshore industry. I do not want Inpex to feel lonely, so I am about to line up some other corporates that are doing just as bad as Inpex.

Today's shonky manning companies will be Sodexo and Westug. Sodexo is working on three offshore facilities at the moment: Shell's Prelude platform, Jadestone's Stag platform and the *Noble Tom Prosser* rig. Sodexo is an onshore and offshore manning company for catering. It has only recently gone into the offshore industry over the last few years and, needless to say, it has tried to bring its draconian industrial relations' attitude into the offshore industry. It will not be tolerated. Sodexo currently operates on an enterprise bargaining agreement that expired in 2013 and is, again, one of the lowest-paid agreements for catering in the offshore industry. Keep in mind that these companies work on multimillion-dollar projects.

Over the last three years, Sodexo has attempted to push through substandard agreements that have not been appropriately negotiated with its employees and only because of the Offshore Alliance and the Electrical Trades Union have we seen those agreements stopped from being put through the Fair Work Commission. Without the unions to represent those workers, the agreements would have got through and the workers would have been on worse pay and under worse conditions than they are on now, which are still substandard. After negotiating with the union for a proper agreement—the standard agreement that should be in the offshore industry—Sodexo decided to renege on the agreement after it was just about to go to a vote and said that instead of that agreement, it would reduce it by \$17 000 a year for every offshore worker. These are workers who have been ripped off since 2013.

Workers go through an industrial relations process where they do the notice of employee representational rights and have representation from the union—it is a massive process. Employees are involved with their union in putting forward their claims. The claims then go to the employer. The employer then negotiates with the union, and we move through that process to get to an outcome that is good for both parties. But the type of behaviour that is unacceptable is when the employer then turns around and just says, "No, it's off the table. We're going to reduce it by \$17 000 and you're either going to sign it or you're not." That type of behaviour is unacceptable. What is more unacceptable is that Sodexo has alleged that Shell is responsible for the reduction of the \$17 000 in this enterprise agreement. If this is correct, the principal client has unlawfully and disgracefully directed Sodexo to reduce its rate within the enterprise agreement. Shell is breaching workplace rights and interfering in a contractors' enterprise agreement process. It would be coercion and a very poor reflection on Shell if what Sodexo is saying is correct. To come in and just veto an agreement and say that it will not pay that rate of pay when it is already subcontracting out the work is disgraceful. If Shell wants to be involved in negotiations, how about it directly employs workers and provides some more guaranteed work rather than having casual workers from manning companies, which are, at the end of the day, puppets for the main client. That is what this situation seems like. I really hope that Shell has not interfered in this situation and has gone out and done what has been alleged. I call upon Shell and Sodexo to sort out this mess because the facility that they are working on is the biggest facility in the offshore industry—the biggest facility there is. It is a \$20 billion asset, yet Sodexo cannot pay its caterers the standard rate in the offshore. It is absolutely disgraceful.

It does not stop there with Sodexo. Sodexo is also employed to supply catering for Rio Tinto. I know for a fact that Sodexo had recently been negotiating an agreement and it was also in on an agreement that was below the boot test, which means people were being paid below minimum wage. But the agreement said that because Sodexo was providing workers with accommodation and food, it was okay for them to be paid under the minimum rate. In my career, I have never heard an employer say, "Because we feed you and because we've got a bed for you when you're out in the middle of the desert doing this FIFO work for us, that means we can pay you less than the award rate." That is absolutely disgraceful.

Throughout this negotiation there were allegations that Sodexo stood over workers, got rid of casual workers and got rid of workers who stood up against it through the enterprise bargaining agreement campaign. When the employees did not agree to the agreement, Sodexo put it out to a vote anyway. Workers were sacked—but when I say sacked, let us be honest, they were not directly employed. They work for Sodexo but Sodexo can say that there is no longer any work on the Rio Tinto site and because the worker is not actually sacked, they do not have the right to raise an unfair dismissal. They just sit on the beach with no work and Sodexo no longer puts them out on the job. It is disgusting. In my view, Sodexo should be a socially responsible company, particularly up in the Pilbara where Rio Tinto is everywhere, and it should absolutely be ensuring that it has a good standard of pay and conditions up there on that site because, as I said last week, that reflects safety standards. When workers have

a good, secure contract, they are much more likely to have a safer workplace. I think it is disgusting that Rio Tinto would allow that to happen and I would be very interested to know whether it will step in to ensure that its workers get paid appropriately.

But it does not stop there. Rio Tinto also has a subcontractor called Westug. Westug run tug operations for Rio Tinto up in Dampier. What Westug has been doing in this workplace is nothing short of a disgrace. Westug has been pushing what is called a partnership in which the workers go into a partnership with the skipper, the deckhand and the engineer and run their own little business, which does not sit within an enterprise agreement. There are many reasons Westug would want this. One reason is so that it does not have to deal with unions. It is absolutely disgusting. For many years now, the Maritime Union of Australia has been pushing the point up there. Recently, some workers saw a post on social media and liked it. It was a simple click of the like button. Other workers did it too. What did Westug do? It sacked those three workers. I instantly thought that that was a bit bizarre and extreme. I contacted Westug and spoke to Luke Westlake about why that happened. To start with, I barely got an answer. The company said it was comfortable with what it had done and it was okay. I said that the workers had liked a Facebook post so I could not understand it. I asked whether they had received other written warnings or first and finals? He said they had not. I wondered what was going on. When I finally got past the sausage maker and got up the chain, the company said that it was not going to change its mind and that it was going to go with this decision. Those guys had been on the enterprise agreement so, out of curiosity, I asked whether the three guys who would be hired would be put on the enterprise agreement. The company said they would be on partnerships. There is a clear line! The company said to me that it was going to put people on partnerships to replace those on the enterprise agreement. Come on; let us be honest: they liked a Facebook post!

I asked Rio Tinto whether it endorsed that type of behaviour. It said that it stood back from it and that it was Westug's decision, not theirs. Rio is the client and is paying for Westug to be on the job. By standing by and letting that happen, it is saying that it is okay to sack someone for liking a Facebook post. That is absolutely shameful. I asked the boss, "What's the go with these partnerships?" He said, "Our view is that we're going to put everyone on partnerships. When people disappear, their replacements will go on partnerships." I asked Rio if that was its business model. It said that it did not get involved in that. It gives companies million-dollar contracts and lets them do what they want. It is absolutely disgusting. Rio Tinto is a big multinational. It should be able to ensure that its subcontractors and suppliers are on the same conditions as workers at Rio Tinto. When I asked Rio whether it had sacked anyone for liking a Facebook post, it said no. If people work for Rio Tinto, it is okay, but if they work for a subcontractor, they will lose their rights to negotiate an enterprise agreement. The subcontractor can screw it down into a partnership operation, and they will lose their rights to work on the ship. I can only imagine what conditions would be like without the MUA in there fighting. I call on Rio to pull in the heads of Westug and fix this up.