

GLENCORE

Media statement

Brisbane, 9 February 2018

Glencore rejects CFMEU claims about Oaky North Coal Mine

Glencore rejects claims made by Oaky North lodge members of the Construction Forestry Mining and Energy Union (CFMEU) in Canberra this week.

These CFMEU lodge members are not victims of the Fair Work Act (FWA). In fact, they are using the FWA to justify a national campaign and using bully boy tactics against the 245 people who continue to work at our Oaky North coal mine.

On 10 January 2018, these CFMEU members shook hands with us on a new enterprise agreement (EA) in front of a Fair Work Commission Deputy President which could have ended the lockout weeks ago. DP Asbury also strongly recommended all parties support the proposed new EA.

The CFMEU members at Oaky North then walked away from this handshake deal and a return to work by voting against the agreement.

Instead, they have continued to accept public donations for members who are receiving more than \$1600 per week from the union as well as collecting an approximate average of \$300 per week in coal bonuses from Oaky North for work done by those being abused as they travel to and from work.

The CFMEU are taking advantage of the evergreen nature of enterprise agreements under the FWA. The 2012 Oaky North EA has restrictions and inefficiencies that Glencore wants to change so the mine can be better positioned for a successful future.

Last year Glencore successfully negotiated new enterprise agreements with local CFMEU lodges at 13 of our coal mines in Australia. We are committed to finalising a new EA at our Oaky North coal operation.

By walking away from a handshake agreement, the CFMEU has shown its commitment to using Oaky North at the front of a national industrial relations campaign.

As far back as July last year, the CFMEU's national secretary, Michael O'Connor, told Oaky North employees at a meeting in Tieri:

"We're here because we have an IR system that's broken. We have laws that are stacked against us. It's a rort and we've got to do something about it. This is our time, this is our moment. You're leading it."

"I don't believe that the CFMEU has any interest in ending this dispute," said Ian Cribb, Glencore Coal's Chief Operating Officer.

"By not delivering on our handshake agreement and by continuing to pay their members to maintain the Oaky North picket line, they've made this quite clear."

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The new proposed EA for Oaky North is fair and reasonable. It:

- Protects all rights for workers as set out in the Fair Work Act
- Maintains an average annual wage of approximately \$180,000 per annum (including super)
- Proposes a wage increase of 8.24% over 4 years
- Maintains accommodation rent at \$15.50 per week (2, 3 & 4 bedroom houses) and \$24.00 per week (single person room), including all meals and all services.

While the CFMEU want you to focus on the lockout and the picket line, we urge people to spare a thought for the 245 people who pass the picket line every day and are frequently subjected to abusive, threatening and offensive behaviour condoned, and at times exhibited, by union leaders. These people have a legal right to work and support their families.

We are proud of the contribution Glencore makes in Australia. In 2016 our business contributed about \$12 billion to the economy by paying wages and salaries for over 15,600 people, purchasing goods and services and paying over \$1.3 billion in taxes and royalties.

Contrary to CFMEU claims, over the last decade Glencore has paid more than \$11 billion in taxes and royalties in Australia; over \$2 billion of this was corporate income tax.

Ends

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Notes for Editors

About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise about 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 155,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative. For more information, visit www.glencore.com.au

About Glencore in Australia

Glencore is a major Australian employer, with over 15,600 people working across industries that include coal, copper, cotton, grain and oilseeds, nickel, oil and zinc.

In 2016 we contributed more than \$12 billion to the regional, state and national economies, by employing people, sourcing from local communities, and paying taxes to our host governments.

For more information, visit www.glencore.com.au