

**EDUCATION AND HEALTH
STANDING COMMITTEE**

**INQUIRY INTO THE ADEQUACY AND APPROPRIATENESS OF
PREVENTION AND TREATMENT SERVICES FOR ALCOHOL AND
ILLCIT DRUG PROBLEMS IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 22 SEPTEMBER 2010**

SESSION ONE

Members

**Dr J.M. Woollard (Chairman)
Mr P. Abetz (Deputy Chairman)
Ms L.L. Baker
Mr P.B. Watson
Mr I.C. Blayney**

Hearing commenced at 9.00 am**WATSON, MR ROBERT JEFFREY****Manager, Health and Safety, BHP Billiton, examined:**

The CHAIRMAN: Good morning. On behalf of the Education and Health Standing Committee, I would like to thank you for your interest and your appearance before us today. The purpose of this hearing is to assist the committee in gathering evidence for its inquiry into the adequacy and appropriateness of prevention and treatment services for alcohol and illicit drug problems in Western Australia. You have been provided with a copy of the committee's specific terms of reference. At this stage I would like to introduce myself, Janet Woollard, and the other members of the committee—Mr Peter Abetz, Mr Ian Blayney and Mr Peter Watson; and our research officers Dr David Worth and Lucy Roberts.

The Education and Health Standing Committee is a committee of the Legislative Assembly and this hearing is a formal procedure and even though the committee is not asking you to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. As this is a public hearing, Hansard will make a transcript of the proceedings. If you refer to any document or documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed to your submission and questions that we have for you today, I need to ask you whether you completed the "Details of Witness" form.

Mr R. Watson: Yes.

The CHAIRMAN: Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

Mr R. Watson: Yes.

The CHAIRMAN: Did you receive and read the information for witnesses briefing sheet provided with the "Details of Witness" form today?

Mr R. Watson: Yes.

The CHAIRMAN: Do you have any questions in relation to being a witness at today's hearing?

Mr R. Watson: No; it is pretty straightforward.

The CHAIRMAN: In which case, would you please state your full name and the capacity in which you appear before the committee today?

Mr R. Watson: Robert Jeffrey Watson; acting VP of health, safety and environment for BHP Billiton.

The CHAIRMAN: Can we call you Rob?

Mr R. Watson: Yes.

The CHAIRMAN: In that case, Rob, because you have had an opportunity to look at the terms of reference, could you paint a picture for us of what is happening in the Pilbara and what BHP Billiton is doing in relation to alcohol and drug problems at your worksites and anything the company might be doing in the wider community with your workers?

Mr R. Watson: Okay. My role is pretty much confined to the workplace. A different group in our business looks after the community. However, BHP iron ore has a drug and alcohol procedure that

goes through numerous iterations. We have just reviewed and updated the procedures. We have an alcohol and drug testing program, an education program and an assistance program.

If we are to start at the beginning, when new employees or contractors turn up, during their induction they are provided with an awareness session about drugs and alcohol. We also provide them with access to an employee assistance program for if they have problems. And then we have the testing program. The purpose of the testing program is to deter. It is not to catch people. We just want to deter people from turning up under the influence. We recognise that people have their own particular pastimes. We just want them to turn up at our site not under the influence of alcohol or drugs. At a business level, we set contact rates; that is, we target a minimum of nine tests per person, per year for alcohol, and four tests per person, per year for drugs. We have just changed the alcohol standard from .02 to zero; and for drug testing we use the Australian standard testing process. We have random testing as people come to work. We also have for-cause testing; for example, in the case that someone is involved in a motor vehicle accident or a serious accident, we would test. We also have for-cause testing in which a supervisor or other members —

The CHAIRMAN: What do you mean when you say “for-cause testing”?

Mr R. Watson: If there has been some event or there is reasonable grounds to suspect that someone is under the influence of alcohol and drugs, the person would, through an authorised process, be tested on site.

We have a current three-strike policy; that is, in the Iron Ore group it is three strikes, but it varies with BHP in WA. However, Iron Ore has three strikes and we are discussing with our health and safety reps about going to two strikes. There are some other precursors; for example, wilful misconduct. If a person is caught tampering with a provided sample, he could be instantly dismissed. If a person is found in one test to be positive to multiple drugs, or if he is found to be excessively intoxicated, he can be summarily dismissed.

Chain of custody requirements are in place as is the training for the people who do that work. For a first strike, we have an education process. We encourage people to see our employee assistance program that provides free support to employees and their families.

Is that the sort of summary you wanted?

The CHAIRMAN: Yes. Is alcohol provided at your work sites?

Mr R. Watson: Across our business we have some sites with camps and at all but one of those camps we provide mid-strength alcohol drinks—mid-strength beers, mid-strength UDLs—and I think you can get wine, but I am not positive. We have one camp at which we sell full-strength drinks. It is a town-based camp and is an anomaly. For some reason —

Mr P.B. WATSON: Which town?

Mr R. Watson: Newman. I cannot remember the name of the camp, but I can find out if you need to know.

Mr P.B. WATSON: No; that is okay. I only wanted to know where it was.

Mr R. Watson: It is an anomaly that we have left over. I do not know why we still serve full strength.

The CHAIRMAN: I have two questions. You will have seen that recently there has been quite a bit in the newspapers about alcohol. Do you believe that the social impact of alcohol in WA has got worse, better or stayed the same over the past few years? That is a general question. At your work sites and as a result of the testing that you do for both alcohol and drugs, have you noticed that more people are coming back to work and testing positive for alcohol or drugs?

Mr R. Watson: Personally, I think that we are biased by all the bad things that we hear about in the media. However, in general terms, I am not sure. From the violence depicted in the media it can

look like it is worse, but I am not sure. I tend to work on hard numbers and I do not see numbers that say the problem is getting dramatically worse or is dramatically reducing. I am afraid I am not going to be very helpful there. In the workplace nowadays, I think we are seeing a fairly mature workforce in the mining industry; one that understands what is required as a result of our education process. If I can I will give you an idea. Last month we did 43 000 alcohol tests and we did about 4 300 drug tests. We have different regimes for each. We have a target range of less than two per cent positives. That is really a public health number of what we expect. For alcohol, positive tests are consistently under one per cent and on a long-term average we run between half a per cent and one per cent positives. Our workforce is not atypical of the general public number that we would expect to see testing positive.

Mr P.B. WATSON: Is that because those who come to work on drugs and alcohol are in a very dangerous place and therefore you would expect your averages to be lower? If you work on a minesite and you have alcohol or drug problems, you are putting at risk not only yourself but someone else; therefore, would you not be looking for a number lower than the average?

Mr R. Watson: I think that we are just so well educated. I recently interviewed a bunch of graduates for roles, and some of them said that they were not really sure about working in the mining industry because of all the drug and alcohol testing. It is just well known. I think that a lot of people deselect themselves from applying in our industry. I do not think that there is a natural worry about health in that —

Mr P.B. WATSON: We are talking about when they come on site. But what happens when they leave the minesite or campsite and go to the airport? Does BHP provide alcohol on the buses?

Mr R. Watson: No.

Mr P.B. WATSON: I have seen workers at airports who have been absolutely stonkered. They get on planes and cause trouble. I know that Qantas had recent problems in Karratha and has banned alcohol.

Mr R. Watson: All our charter flights are alcohol free. You cannot board a plane under the influence. Some of our sites have done random testing prior to workers getting on planes. However, I have not heard of any problems recently. I was previously with Nickel West and we had some issues there. Alcohol testing before getting on the plane was a big incentive to do the right thing because you did not get to go home.

The CHAIRMAN: How many workers do you have in total? You mentioned before the “three strikes and you’re out” policy and said that over the past year 0.1 per cent tested positive. How many workers would have failed a third test?

Mr R. Watson: Very few. We recently did those numbers. I do not have them here, but I can get them. We found that a number had first strikes and in our inland sites that number dropped significantly for a second strike. I will not say this is exact, but it was around a 60 per cent to 80 per cent reduction from first to second—that is, repeat offenders. An even smaller number had a third strike at our inland mines. At Port Hedland we found the number between the first and second strike dropped substantially, but from the second to the third strike there was no change.

Mr I.C. BLAYNEY: Do you think that that is because the workers are quite confident of getting another job and are frankly not really that worried about it?

[9.15 am]

Mr R. Watson: The evidence I have read is that an underlying group of people in the population will not change their approach no matter what. They run the gauntlet and will not change even if they are caught.

Mr I.C. BLAYNEY: Did most of those who tested positive test positive to alcohol?

Mr R. Watson: No. They mainly tested positive to cannabis and amphetamines.

Mr I.C. BLAYNEY: Does cannabis stay in the system longer?

Mr R. Watson: Yes.

Mr I.C. BLAYNEY: What about amphetamines? Do they leave a person's system fairly quickly?

Mr R. Watson: Within 24 to 48 hours.

Mr I.C. BLAYNEY: I am trying to work out how long a cannabis user would have to stop using cannabis in order to not get a positive result.

Mr R. Watson: A social user can have a smoke on a Friday night and be right on the Monday, definitely the Tuesday. It would take a regular user three to four weeks before it was out of his system. Minesite workers can use at the beginning of their long weekend break and still be right for the Monday.

Mr P.B. WATSON: Do the positive drug and alcohol tests relate to incomings or outgoings?

Mr R. Watson: I do not understand what you mean by incoming and outgoing.

Mr P.B. WATSON: When workers either begin or finish work at the mine.

Mr R. Watson: I do not know.

Mr P.B. WATSON: I want to know whether workers have access to drugs on the minesite.

Mr R. Watson: We occasionally find things on the minesite. I do not think we have done that analysis.

The CHAIRMAN: Can you provide us with the figures you spoke about earlier; that is, the total number of strikes against workers?

Mr R. Watson: Yes. We are happy to provide that information to the committee. However, we would not want that information to be widely distributed. Is that okay?

The CHAIRMAN: When you provide that information to the committee, mark it "commercial-in-confidence".

Mr I.C. BLAYNEY: You test throughout the work period. What sort of blood alcohol readings do you get when workers turn up to work?

Mr R. Watson: They are mainly small numbers, but occasionally we get one that is a bit scary. We test throughout the day in Perth. Truck drivers at the mine site are tested before their start time.

Mr P.B. WATSON: Do you test workers in Perth?

Mr R. Watson: Yes.

Mr P.B. WATSON: That is interesting.

Mr I.C. BLAYNEY: How much alcohol do workers have to drink to get a positive the next day?

Mr R. Watson: It depends on the person. When I was in the Pilbara, we used to talk about 10 before 10. A person could have 10 cans before 10.00 pm as long as he started at 6.00 am. The calculations suggested that an average male would be okay.

Mr P.B. WATSON: It depends on the person. I am asleep after two drinks!

Mr R. Watson: I could not have 10 cans!

Mr I.C. BLAYNEY: Given that I have been around machinery most of my life, I would not be very comfortable working with someone who had drunk that much alcohol the night before even if he had passed a test, because I know that he would still be affected. Not all effects show up in a person's blood alcohol reading.

Mr R. Watson: We have a strong fatigue program. Although they can get back to a zero reading, they are fatigued because they have gone to bed really late and have not had a good night's sleep.

We have quite an in-depth fatigue program. Every worker attends a whole day's training on fatigue. Supervisors get additional training to look for exactly what you are talking about.

Mr I.C. BLAYNEY: Were you testing as intensively when the workforce was based in the local communities in the north? Has the problem changed since the introduction of a fly in, fly out workforce?

Mr R. Watson: I was not around then.

Mr I.C. BLAYNEY: Does the company have data on that?

Mr R. Watson: I have not seen any. The business has changed immensely in terms of its size and scale.

Mr P. ABETZ: The deterrent effect of regular testing is obviously significant. However, in terms of your overall operation, do you regard alcohol as a serious issue because of the way it affects workers or is the program keeping the situation in check?

Mr R. Watson: Alcohol does not contribute to many incidents in the workplace. We think it is working. Our deterrent levels are based on science. There is no point doing additional testing because we only need to test so much to achieve that deterrent effect. We do not test every incident; we test only some. We believe it is working because we have not had any major events. Our worry is the social events at night. An incident at one of our competitor's camps involved alcohol and a fatality. We have CCT cameras in our bars to record all behaviour at night. That is the major risk for us. We monitor results monthly. We have monthly targets. A rise in percentage positives means that we may up our testing regime. We have prescribed rates to increase.

Mr P.B. WATSON: Given the rotating shifts, I assume that some workers knock off at midnight or lunchtime.

Mr R. Watson: We are pretty much 6 am to 6 pm or thereabouts.

Mr P.B. WATSON: When I have visited mines in the morning, some workers are having a beer and a steak because it is their night time.

Mr R. Watson: We also test workers on nightshift.

Mr P.B. WATSON: But you said you go from six to six. There would not be a nightshift, would there?

Mr R. Watson: What I am saying is that we do not stop at midnight.

Mr P.B. WATSON: I see.

Mr R. Watson: The nightshift workers get off at 6.00 am. They have their steak and go to the pub for a few beers. They are tested when they come back onto the site at 6.00 pm.

Mr I.C. BLAYNEY: Is that a blow-in-the-bag-type test or a blood test?

Mr R. Watson: It is blow-in-the-bag-type test for alcohol and a urine test for drugs.

The CHAIRMAN: The committee recently undertook a trip to the Kimberley. You have told us that your portfolio is basically in-house. During our visit we were made aware of problems in some of the towns—problems that relate to alcohol and drinking habits—when workers from nearby minesites visit those towns during their recess. Can you ask your other half who looks after the external side of things what discussions BHP Billiton has had with local towns and whether any measures have been introduced by BHP Billiton in response to problems that may be occurring? You are doing a wonderful job on the worksites. If the information that comes back shows that you are leading the way in local towns, we can ask other companies why they are not matching your standards. We would be very interested to hear about the external side of things.

Mr R. Watson: It might be worth saying that we create some of the external problems through our policy decisions. Some places have tried prohibition or light beer and that has resulted in people

travelling to another camp or town to get alcohol. The prohibition process has been disastrous whenever it has been introduced on minesites. Recently some minesites cut out UDLs, which contain a spirit and a mixer. People would fly up with a full bottle of Bundy or the equivalent. They would bring their bourbon to site. The camps sell only two litre bottles of coke. Because they do not want their coke to go flat, they drink the whole two litres. The repercussions of some of our policies have been ill-thought out. Does that make sense? We have had that sort of effect. Anywhere we have tried to lower things or do anything all it, our problem has been transferred somewhere else. Workers borrow a car to drive to a town. They may drink while in the town and cause a problem but then come back to the mine and not cause a problem there.

The CHAIRMAN: I am sure the local council will let you know when they cause a problem. Perhaps your other half can tell us what measures you have implemented to try to stop those problems. We were made aware of the fact that in some Kimberly towns both Aboriginal and non-Aboriginal people have drinking problems.

Mr P.B. WATSON: Rob, if the mining companies bit the bullet and encouraged its workers to live in the region, would they still have the same problems?

[9.30 am]

Mr R. Watson: I think it would be worse. We have more town-based problems than fly in, fly out problems. People are reasonably understanding. To be honest, you are working a 12-hour shift. You have only got a couple of hours. You are tired. Most often they are pretty good. We have more problems in Port Hedland than our fly in, fly out.

Mr I.C. BLAYNEY: Have there been any camps where you have deliberately put people together who do not drink, full stop, and made them dry?

Mr P.B. WATSON: The wowsers camp!

Mr R. Watson: No, and I hope we never do. Prohibition is the worst thing. It just drives it all underground. All the good intent about light, mid-strength and all that—I do not think that encourages personal responsibility.

Mr P.B. WATSON: You say that there are drugs in some of the camps. Do you ever enlist the police, sniffer dogs or anything to come into the camps to see if there are drugs?

Mr R. Watson: Not for a long time, to my knowledge. I have not heard of it, but I might not hear of that. When I was in the gold industry we had the gold squad that did that sort of thing, but it was a different era where it was more prolific. I have not heard of us doing anything like that. I think we are at the stage where we have gone past that major enforcement and we want people to come on the journey and to take responsibility. There are options: “Look, we have a deterrent program, but we are also going to help you. We will give you the education.” I am not saying that we are perfect, but to catch them out —

Mr P.B. WATSON: Most of yours are charter flights; they do not go on normal flights.

Mr R. Watson: Newman flies normal flights and Port Hedland has normal flights. You can buy alcohol on those.

Mr P.B. WATSON: Have you had any of your staff cause problems on the flights?

Mr R. Watson: Not to my knowledge, not employees. I have not heard of any. We did discuss it on Tuesday in the leadership team, that there had been this problem recently in Karratha. There is nothing we know of, and we talked to Qantas in our Port Hedland operations, but we are always keeping an eye out for it.

Mr P.B. WATSON: When I fly back from Parliament to Albany, I see most of them half asleep when I get on the plane. At six o'clock in the morning not too many of them have been out on the

grog the night before, because they know as soon as they get there they are going to go onto a shift. I think it is mainly the ones coming back.

Mr R. Watson: Yes.

The CHAIRMAN: Has the mining union supported your alcohol–drug testing programs? What response have you heard from them?

Mr R. Watson: Mixed. We do not have a lot of unionism in iron ore. We have recently gone through a series of consultations and changes. There were a couple of union people who were not happy with the changes, and are still not happy, but we went through a phase of consultation. But the overwhelming majority saw that it is in everyone’s interest not to have people affected in the workplace. I cannot remember the numbers, but around 80 per cent of the health and safety reps were in favour of all the changes we made.

The CHAIRMAN: You are the first person from one of these companies to actually come and discuss with the committee the approach you are taking. You would be aware of what other companies are doing. Are there other strategies that you are aware of that are being undertaken by some other companies that could be considered best practice for a higher standard?

Mr R. Watson: There are a number of contracting companies that have a one-strike policy, but I do not think that is fair. I would not think that is a good employee relations approach. I do not think it is fair that people cannot make a mistake. I think we are all trying out doing little bits and pieces a little bit differently. I think we are around the good practice. There are a number of other companies that do not test at all and so, if you get sacked from us, you go and work for them.

Mr I.C. BLAYNEY: Where you are using contractors, your policy becomes a contractor’s policy, does it?

Mr R. Watson: Typically; it depends. We have some contract mines, like Yandi and area C, which are big mines, where the contractor runs the whole mine and they work under their policies, but their policies are almost exactly the same as ours—very close.

Mr I.C. BLAYNEY: I remember someone telling me a story once of a contractor who was working for one of the major companies. They had the drug tests. They knew that one bloke there was completely clean and they said to him, “You are going to have to supply all samples so that we can get the job done.” Are you involved in that testing or is it up to a company to adopt your policy and supervise it?

Mr R. Watson: At our general minesites it is based on your swipe card, so you will just get randomly selected, and so it is contractors, employees, everyone coming through getting tested, and we manage the testing. At our contract mines, where they run the whole mine, that contract company would run the testing on behalf of the whole mine.

Mr I.C. BLAYNEY: But it would be their policy and not yours?

Mr R. Watson: It would be their policy and it would pretty much align.

The CHAIRMAN: The alcohol testing then would be on the spot and you would have a result. For the drug testing for your sites, who do you send your samples off to and how long does it take to get those samples back?

Mr R. Watson: Just quickly, the process is that you complete a form about yourself and all that, and whether you are taking any medications, and you supply them with info that may affect the test. You do a test.

The CHAIRMAN: It is the urine test?

Mr R. Watson: A urine test. If the positives are consistent with what you pre-told them, then you will be allowed to go to the worksite. If it is not, then you are stood down, and then that sample goes to a confirmatory testing in Perth. It is a two to three day turnaround.

Mr I.C. BLAYNEY: So that person is stood down for those two to three days?

Mr R. Watson: Yes.

Mr I.C. BLAYNEY: And they would not be earning, obviously?

Mr R. Watson: No, we pay them. Contracting companies might not, but we would pay them.

Mr I.C. BLAYNEY: You are getting this data coming through constantly. Do you have a look at particular groups, ages or whatever backgrounds, and make it a factor in your employment policy?

Mr R. Watson: No.

Mr I.C. BLAYNEY: You do not use it to try to steer away from various groups?

Mr R. Watson: No, we are short of people everywhere. We have not looked at the demographics of who is going positive.

The CHAIRMAN: What percentage of your workers would be non-Indigenous and Indigenous, and have you looked at whether you are having more problems with one group or the other?

Mr R. Watson: I honestly do not know.

The CHAIRMAN: Do you have those statistics?

Mr R. Watson: Human resources would have those statistics. Yarrie is a small mine that we have given to an Indigenous contracting group, so it is predominantly Indigenous people. They do not ever appear any hugely different to anyone else. I only grab the August results in front of me: for alcohol, they are less than the average, and for drugs, they look about the average.

The CHAIRMAN: If we could maybe ask for that information by way of supplementary information.

Before I close, Rob, is there anything, just from the questions and the submission now, that you would like to add to the committee?

Mr R. Watson: No.

The CHAIRMAN: In that case, I would like to thank you for your evidence before the committee today. The transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Once again, thank you for coming along this morning.

Mr R. Watson: No worries.

Hearing concluded at 9.39 am