

# Pandemic Pay Insights

## **MINING AND METALS WORKFORCE APPROACHES**

A quick read exploring the key actions mining and metals corporations in Australia are implementing in response to the COVID-19 crisis as at 31 March 2020.





## SUMMARY

While the Coronavirus was confirmed to have reached Australia in January 2020, many businesses with international operations had already felt its impacts and commenced planning, long before the first reported cases at home.

**REMSMART** are proud to deliver Pandemic Pay Insights, an initiative that brings together our collaborative mining and metals subscribers and extended network to achieve greater, more rapid knowledge sharing and technical approaches to human resource planning and remuneration strategies during the COVID-19 response.



## RESPONDENT PROFILE

- Respondents included **miners in different stages of maturity** from project developers, through to large producers
- Respondents voluntarily participated as either a **REMSMART subscriber** or member of the **Australia Africa Minerals and Energy Group (AAMEG)**
- Confidentiality of individual responses has been maintained



## GENERAL TRENDS

Summary of COVID-19 response practices reported to 30 March 2020.

- While the majority of organisations have a pandemic plan, more than **20% had not yet initiated a response**, this is significant
- Of the organisations with a response plan, over 50% made it companywide, while around **10% initiated a COVID-19 task force** and 5% an HR plan
- **Response plans were widely communicated via email**, intranet or formal training
- **Over 90% initiated new workplace hygiene standards** including: hand sanitiser stations, increased availability of hygiene supplies, no hand-shaking, temperature screening, additional cleaning and education. On FIFO sites, staggered mealtimes, closure of wet mess halls and minimising face to face meetings were common tactics.
- **20% still allowing non-essential visitors** to site
- **31% reported having on-site medical facilities**, capable of isolating and treating infected patients

## REMUNERATION AND WORKPLACE TRENDS

Summary of COVID-19 response practices reported to 30 March 2020.

- An equal proportion of the workforce, **around 33% were reported to have the opportunity to work from home** as those who didn't
- Potential approaches to remunerating employees during a lockdown were mixed, with more than a third of businesses (40%) planning to pay pre-Corona wages, and **the majority either planning for a mix of pay and leave, or other measures** including staggered salary reductions, stand downs and redundancies.
- For on-site employees, **the majority of organisations were preparing for reduced allowances** to keep more employees in a job

# PANDEMIC PAY OPPORTUNITIES

The current instability of our global economy and speed of change locally is going to continue, if not increase over the next few months, and as such, businesses will be forced to introduce new pandemic pay measures to minimise loss of workforce during this time.

The following considerations could support greater retention and wealth distribution tactics if implemented together, or in part:

## Reduce Fixed Remuneration

- Mutually agreed pay reductions
- Consider available JobKeeper grants

## Equity in Lieu of Fixed Pay

- Incentives can be shared with individuals who helped create it
- Possible workforce wide approach

## Variable Pay vs. Value Creation

- Consider incentives for efficiencies, working smarter, saving costs etc.

## Reduction in Hours

- An alternative to redundancies
- Communicate potential shortened hours to retain staff

## Longer Rostered Swings

- Longer swings could protect against spread of infection onsite and in the community

## Reduced Allowances

- As an alternative to terminating staff

# Pandemic Workforce Prototype



## YOUR COVID-19 REMUNERATION TEAM

We encourage you to reach out should you have any further questions or concerns pertaining to corporate remuneration and incentive programs.



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