

Thousands of jobs axed in Australian coal mines

Unions allow offensive to proceed

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Without any opposition by the unions, coal companies operating in Australia are eliminating thousands of jobs as the Asian economic meltdown undermines demand for coal and prices plunge on the world market.

The coal miners are among the first to be hit by the collapse of the East Asian “tigers” and the deepening slump in Japan, because of the extreme exposure of Australian capitalism to the Asian crisis. Australia is the third-largest coal exporting country, and Japan and South Korea are its two biggest customers.

Even before the financial crisis first appeared last July, Japanese and Korean power generating companies were seeking to slash the contract price for steaming coal by between \$3 and \$5 per tonne. On the spot market, prices have fallen further, to around US\$28 per tonne, almost \$10 below the benchmark contract price of US\$37.65.

BHP Coal, one of Australia’s major coal producers and exporters, confirmed this week that it is axing 1,300 jobs from its 14 mines in the eastern states of New South Wales and Queensland—almost 25 percent of its workforce—by the end of May, with more to come. Most will go via forced retrenchments.

Well over 500 jobs are going from central Queensland mines alone—including Goonyella, Peak Downs, Moura and Saraji mines—bringing the jobs lost in the region to 1,500 in the last six months. Further jobs are being shed on the NSW South Coast, on top of 860 jobs targetted earlier this year.

BHP Coal chief executive Bob Kirby said the coal division had to reach the company’s performance benchmarks of 10 percent return on capital by next month or “be slated for surgery or closure.” In addition,

global mining giant Rio Tinto is pressing ahead with plans to close the Vickery mine at Gunnedah, NSW, at the cost of 53 jobs, and destroy 288 jobs from its Hunter Valley No. 1 and Mount Thorley open cut mines in the NSW Hunter Valley—almost a third of the workforce.

As well, the Oakbridge/Cyprus-owned Ellalong mine in the lower Hunter Valley, the last remaining underground mine in the Cessnock area, will close on May 8, destroying the last 80 jobs from its once 320-strong workforce. Oakbridge-Cyprus has already slashed 70 jobs from its Baal Bone colliery at Lithgow in the NSW western district and has placed a question mark over the remaining 270 jobs.

The job cuts are accompanied by a deepening assault on working conditions. Last month 28 coal companies in NSW, Queensland and Tasmania lodged an application in the Industrial Relations Court (IRC) to strip back mining workers’ conditions, or awards, to 20 items under the Howard government’s Workplace Relations Act. Under the Act, employers can demand the removal of any conditions deemed to be “inefficient work practices” or any methods of work that “restrict productivity.”

The application calls for changes in over 40 practices, including:

- A substantial reduction of sick pay entitlements;
- The introduction of 12.5-hour shifts;
- An increase in compulsory overtime;
- The lifting of restrictions on the use of casual and contract labour;
- The scrapping of unfair dismissal provisions;
- The elimination of seniority and preference of employment for retrenched miners and union

members.

The Howard government is directly backing the employers' offensive. It has named the miners as one of its next targets after the mass sacking of waterfront workers. The government's Industry Commission has released an interim report on restructuring the coal mining industry. It recommends the removal of limits on the use of contractors; the abolition of "high manning levels," demarcation barriers and restricted shift changes; the introduction of staggered mealtimes, and the scrapping of early finishes to the working day for "tolerance" or shower time.

Under conditions of escalating accidents and deaths in the mining industry, the report calls for the "deregulation of safety," recommending that safety monitoring be placed in the hands of the mining companies themselves. Less than four years ago 11 miners died at BHP's Moura pit because, as even a government inquiry acknowledged, management deliberately withheld information concerning dangerous underground conditions, in order to maintain production. Despite the official finding, no charges were ever laid against BHP.

Even though BHP's job cuts amount to a quarter of its entire workforce, the mining union has not raised any opposition. Instead it has made clear its readiness to sign agreements to assist coal operators in pushing through attacks on working conditions.

At membership meetings at the end of last month, no union official mentioned the job losses. Instead, the union's senior vice president, Tony Maher, said the union would oppose the award stripping in the IRC, but the outcome was a forgone conclusion—the conditions would go.

Maher's report consisted of reading out the conditions under challenge and then remarking after each item: "That's gone," or "Nothing we can do about that," or "Forget it." Maher said the employers would be granted at least 90 percent of their application.

The official resolution endorsed at the meetings limited miners to "protest stoppages when needed" and authorised the union to establish "company level bargaining." Moving the resolution at Appin, in the NSW southern region, union president John Maitland dismissed calls from the floor for a national industrial campaign to oppose the cuts and organise support from other workers.

Maitland claimed the proposals were out of the question because the unions would face heavy penalties under the Workplace Relations Act. "Like many other campaigns we have run, this one will be a lonely one," he said. Just a few weeks later Maitland was insisting that miners could not take industrial action to support the sacked waterfront workers.

Despite the claims of the union leaders, the agreements they strike with coal companies will not protect mine workers. "Company level bargaining" is designed to deliver restructuring—including "full flexibility" and manning cuts—to any company that will maintain the services of the union bureaucracy.

This has been made explicit by Queensland mining union president Andrew Vickers. Responding to BHP's job destruction plans, Vickers told the media: "While we don't like it, it's part and parcel of the industry. So long as the company doesn't use the process to target the union, we're prepared to negotiate."

In plain enough terms, the union leadership is pleading for the employers to understand that the unions are the best instruments through which to administer cuts in jobs and conditions. As for the claim that job losses are "part and parcel of the industry," that merely underscores the nature of production under the private profit system. Today, profits are only generated through the continuous destruction of jobs, a process that the unions aid and abet.

The agreements being hatched will be along the same lines as the six-year "Framework Agreement" the union has with BHP. It insulates the company from all national strike action, pledges the union will work to deliver "flexibility and efficiency in work methods and practices," and guarantees the reliability of coal supply to BHP customers by suppressing industrial disputes within the company.

This agreement has already allowed BHP to slash working conditions and downsize its workforce—including hundreds of redundancies in its NSW South Coast operations—free of any industrial disputes.



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