Another coal mine closes in Australia

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Closures and job cuts over the past four years have reduced the membership of the Australian mineworkers' union by a quarter. In 1994 the mining division of the Construction Forestry Mining and Energy Union (CFMEU) had 23,500 members in the states of Queensland and New South Wales. Today, the figure is 17,500.

The latest closure sheds a revealing light on the underlying economic processes at work and the role of the union leadership.

On August 8, Allied Meridian, the owners of the Metropolitan Colliery, north of Wollongong, announced the mine's closure. This will mean the destruction of the mine's remaining 128 jobs. Some 30 of the most senior employees will remain working over the next five or six weeks cutting coal before the mine finally shuts down and they too are dismissed.

Metropolitan has a 110-year history and was one of the oldest operating mines in Australia. Allied management blamed the oversupply of coal and low prices on the world market for the closure. The economic meltdown in Asia has accelerated a long-term decline in demand and prices. Metropolitan's closure comes only 18 months after Allied Meridian purchased the mine, which had been closed by its previous owner, Shell.

Miners are to be terminated despite doubling their output in the last 18 months, from less than 5,000 tons per worker per year to 10,000 tons, far above previous records set at Metropolitan. The CFMEU actively sought out prospective buyers for the mine after its last closure, guaranteeing that a new industrial agreement would be struck to boost production. Union leaders urged miners to accept job losses and change work practices at management's request.

Union officials consistently told Metropolitan miners that their 'sacrifices' would ensure the mine's continued operation. Just two months ago, former Southern Districts union president (and now national union general secretary) Mick Watson wrote in the union's monthly journal *Common Cause* there was 'Good News at Metrop'.

The 'good news' according to Watson, who used to be directly responsible for Metropolitan, was that 49 miners who had been retrenched by Shell in November 1996 had just been paid the last of their retrenchment entitlements.

These entitlements were paid under a deal reached between the union, the mine's financial receivers and the state Labor government, which provided a $1.2 million loan. A production levy was agreed upon to finance the payments, so essentially a portion of the massive increase in production over the past 18 months paid for the redundancy entitlements.

This productivity deal was not the first. In April 1994, the union struck an enterprise agreement with an earlier owner, Denhurst, under which production increased from 800, 000 tons of coal in 1990 to 1.6 million tons in 1995. At that time there were 208 miners.

Then too Watson wrote a glowing article on the future of Metropolitan. Under the headline, 'Metropolitan turnaround, a lesson for all,' he presented the agreement as a model of union-management collaboration, where both parties would be successful.

The bitter lesson, however, is that no amount of sacrifice of conditions to meet corporate profit requirements will defend jobs. Instead, miners have been pitted against their fellow mineworkers worldwide in an endless drive for higher tonnage rates.

In 1981 the Southern District coalfields employed over 12,000 miners, with many additional workers dependent directly or indirectly on the operation of these mines. There now remain around 2,000 miners. It is stark testimony to the destructive capacity of the private profit system and the refusal of the unions to challenge it in any way.

See Also:

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