Australian coal miners' strike at a turning point

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More than 350 workers at the Xstrata-owned Tahmoor colliery in New South Wales ended a three-day strike last Friday and are planning further strike action in the next few days. These are the latest developments in an 18-month struggle over conditions that has seen 150 workers sacked and, most recently, a week-long no-pay lockout of workers. A similar fight over a new enterprise agreement, including lockouts, is going on at Xstrata's Bulga mine in the NSW Hunter Valley.

The Tahmoor mine's Enterprise Bargaining Agreement (EBA) expired in April 2009, but will remain in place until a new one is signed. The Construction Forestry Mining and Energy Union (CFMEU) says its "preferred" option is that the old agreement be rolled-over, but Xstrata is demanding significant changes, including to the use of contractors, to shift and roster arrangements and to the arbitration of disputes. The company wants to depart from seniority as the basis of promotions and pay. Similar EBA fights to those at Tahmoor and Bulga are looming at Xstrata's Glendell mine and the company's Lidell coal preparation plant.

According to Xstrata, the proposed changes to conditions are justified by what it says would be a 25 to 37 percent pay increase over the four years. Workers deny this, saying that those figures include allowances that they have already been given. They say the real increase is a mere 5.5 percent over the same period.

Miners also dispute Xstrata's claim that pay increases would put Tahmoor's lower-paid workers on $127,000 per year (apparently after four years). What Xstrata never says is that coal industry employees on average work more than 49 hours per week. Twelve-hour shifts are common. Injuries in the industry are rife.

Xstrata is the fifth largest diversified mining company in the world and in the top five miners of copper, export thermal coal, export coking coal, ferrochrome, zinc and nickel. In 2002, Xstrata bought coal assets worth $2.5 billion, making it the world's largest exporter of thermal coal and putting it in the top 100 companies by market capitalisation ($US54 billion) on the London stock exchange. Xstrata bought the Tahmoor mine—an underground, longwall, hard coking coal operation—in 2007 from Centennial Coal.

The Tahmoor struggle can be understood only against the background of Xstrata's international operations and a global industry crisis caused by crashing metals prices. Xstrata profits fell from US$4.7 billion in 2008 to US$2.8 billion in 2009. However, to the extent that Xstrata managed to turn a profit at all, this was in large part due to its Australian coal operations. In contrast to metal prices, benchmark coal prices have remained stable throughout the global financial crisis. As a result, coal contributed 50 percent of the company's 2009 operating profit and its Australian coal operations 37 percent of that figure. Xstrata's consolidated coal production increased by 11 percent to 95.2 million tonnes in 2009, with thermal and semi-soft coal up 13 percent and 17 percent respectively compared to 2008.

Faced with a continuing crisis in its non-coal business, Xstrata's strategy has been to squeeze as much as possible from its most profitable assets. The demand for tougher EBAs at the various Xstrata sites reflect that push. But this company-wide assault has not resulted in the CFMEU mobilising workers on a company-wide basis, much less an industry-wide basis. In fact, the CFMEU has done its best to ensure that workers at each mine confront Xstrata within the framework of individual workplace disputes. Mining workers across the country have expressed their solidarity with the Tahmoor miners on ad-hoc Facebook pages and specially-launched websites. But the union has kept the disputes separated, using the pretext that solidarity action is barred under the Labor government's workplace laws.

The CFMEU, in common with Xstrata, has sought at every turn to confine workers within the Labor government's Fair Work regime, which is essentially a rebadging of the former Liberal government's Work Choices legislation but with a more prominent negotiating role for unions. Its chief aim is to preserve its position within the industrial relations regime as the means for imposing corporate demands on workers.

The record shows that the CFMEU has been a key supporter of Labor's Fair Work regime and has been intimately involved in drawing up a new award for the coal industry. In drafting the award finalised last year, the Fair Work Commission received submissions from both the Coal Mining Industry Employers Group (the employers' association) and the CFMEU. The Commission noted in delivering the Black Coal award that the two groups had "substantially agreed on the terms of a draft award for the black coal mining industry". It is a damning indictment of the CFMEU that Xstrata's argument in the current dispute is that the EBA it wants is essentially the same as the Black Coal Mining Award.

The union made clear in statements before the Fair Work Commission in January that it is willing to accept cuts to existing conditions as long as its role in imposing them is secure. Robert Timbs, a union official at Tahmoor, told the Commission: "We believe that if we were to sit down and continue to negotiate with the company, that we may be able to make further concessions and come to some type of agreement on a lot of these parts that we are apart on."

The union's preparations for a sell-out in this long-running dispute pose the necessity of workers taking matters into their own hands and establishing their own rank-and-file committees to defend their basic rights and conditions. Such a step is bound up with a turn to other miners and sections of the working class to oppose the dictates of corporations such as Xstrata on the basis of a socialist perspective to reorganise society to meet the needs of working people, not the profits of a wealthy few.