

# Australia: Xstrata launches new provocations against Tahmoor miners

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Mining giant Xstrata has refused to allow more than 270 workers who went on strike for seven days last week to return to work at its Tahmoor mine in the New South Wales southern highlands. The provocation marks the second company lockout imposed during the long-running dispute for a new enterprise bargaining agreement (EBA) at the mine.

The miners, members of the Construction Forestry Mining and Energy Union (CFMEU), walked out July 9 but were stopped from entering the mine earlier this week. The company's action is not an officially declared lockout under the Fair Work Australia industrial relations framework; instead it has kept the miners out on the pretext that the CFMEU had not provided adequate notice of the decision to return to work required under the federal Labor government's Fair Work Act.

The current EBA at Tahmoor expired in April 2009. While the CFMEU announced it preferred the rollover of the old agreement, Xstrata is demanding workers agree to a series of regressive changes. These include lifting limitations on the use of contractors at the mine, an end to the last-on, first-off rule on hiring and the allocation of shifts by seniority, together with a reduction of restrictions on work hours and minimum manning requirements.

The company also refuses to make a decent pay offer. Xstrata contended that its original proposal amounted to an average 25 percent increase over base salary over four years, but workers claimed that this figure included existing allowances. When these are excluded, the miners argued, the amount on offer was just 5.5 percent over four years—in other words a substantial real wage cut. Even this offer was withdrawn on July 5, with Xstrata sending a letter to all workers which stated that any future pay proposal would be “not as

favourable”.

The latest strike was one of a series of industrial actions at the mine over the past 18 months including rolling stoppages, work bans and a three-day strike in February. According to a union spokesman, the latest strike was called in response to aggressive actions by Xstrata including the threat of disciplinary action against workers who posted anti-company stickers on their cars and at the mine site. The spokesman said that the company had also sent letters asking workers “to break with the union” and claiming the union bargaining committee was “the reason we have not been able to get a settlement”.

While criticising the CFMEU, Xstrata is fully conscious of the crucial role being played by the union in containing the dispute and isolating it to the Tahmoor mine.

As Xstrata has proceeded with an assault on working conditions and jobs across its whole coal mining operations, the CFMEU has blocked any company-wide response by mine workers. The union's strategy is to contain industrial action to Tahmoor, letting the dispute drag on so as to wear down workers' resistance and then strike a deal with Xstrata along the lines demanded by the company, as it has done at other Xstrata projects and across the coal industry.

A July 20 article in the *Australian* noted: “A successful negotiation would see the Tahmoor award move into alignment with other coal industry awards agreed to by the CFMEU. Xstrata makes the point often that it has sealed EBAs with the CFMEU covering five existing operations and the new Mangoola open-cut mine over the 20 months it has been in talks over Tahmoor.”

By isolating the dispute, the CFMEU has opened the door for further provocations against the Tahmoor mine

workers.

On Sunday, after police were called to investigate a so-called “incendiary device” that had been placed on the wheel of a car outside a manager’s home, the company pre-empted any investigation by immediately implicating mine workers in a statement which denounced “violence as a negotiating tactic”.

The “device” turned out to be several fireworks that police admitted were not “life threatening”. It cannot be ruled out that the incident was staged by mine management or their agents in order to vilify the miners and undercut community support.

Xstrata’s determination to restructure its coal mining assets, cutting jobs and conditions and ratcheting up productivity, is driven by the crisis in its global operations caused by a crash in metals prices. This saw Xstrata’s profits fall from US\$4.7 billion in 2008 to \$US2.8 billion in 2009.

Xstrata is fifth-largest diversified mining company in the world, mining and exporting copper, thermal and coking coal, ferrochrome, zinc and nickel. In 2002, it bought coal assets worth \$2.5 billion, making it the world’s largest exporter of thermal coal. It purchased the Tahmoor mine—an underground, long-wall, hard coking coal operation—in 2007 from Centennial Coal.

In contrast to metal prices, benchmark coal prices have remained stable throughout the global financial crisis. Coal contributed 50 percent of the company’s 2009 operating profit and its Australian coal operations comprise 37 percent of that figure. This is why Xstrata is hell bent on squeezing as much as possible out of its most profitable assets.

The CFMEU has already assisted the company’s restructuring drive, refusing to mount any campaign against job cuts and attacks on other conditions. In mid-2009 when the company used the global crisis to slash jobs at its mines in Ulan in Western NSW, Oak Creek in Queensland and Tahmoor, the union worked to endure there was no united response, diverting the widespread anger in the mining communities into limited protests.

Behind the drive against the Xstrata miners stands the federal Labor government. Its Fair Work Australia regime makes solidarity action in support of the Tahmoor workers by miners at other sites, or any other section of the working class, illegal. The CFMEU bureaucracy, which voted in favour of Fair Work

Australia at national Labor Party conferences, uses the legislation’s draconian provisions, including the threat of massive personal fines, to intimidate workers and to justify the union’s refusal to mobilise any broad industrial campaign in support of specific groups of workers under attack.

Tahmoor employees and workers across the mining industry are facing an offensive by mining companies backed by the Labor government under conditions where the unions work to straight-jacket them and block the development of a broad industrial campaign in defence of jobs, working conditions and basic rights.

To counter the combined offensive and oppose the dictates of Xstrata and the mining companies, miners must make a decisive break with the unions and take matters into their own hands and develop new organisations of struggle—rank and file and workplace committees. They must turn to other sections of miners and workers and organise the struggle on the basis of a socialist perspective to reorganise society to meet the needs of working people, not the profits of a wealthy few. This requires the construction of a new political party based on a socialist and internationalist program—the Socialist Equality Party.

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