

Australian mining unions ram through new productivity agreement

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Coal miners in Queensland's Bowen Basin last Friday narrowly endorsed a regressive new enterprise bargaining agreement (EBA) negotiated in closed-door talks between the BHP Billiton Mitsubishi Alliance (BMA) and the trade unions. The deal paves the way for further "productivity" concessions imposed against the miners, who face ongoing threats of mass layoffs and mine closures.

The dispute began almost two years ago and involved members of the Construction Forestry Mining and Energy Union (CFMEU), the Electrical Trades Union and the Australian Manufacturing Workers Union. There have been numerous work bans, rolling strikes and other industrial action during 2011 and 2012. Two previous ballots on a BMA-proposed deal were overwhelmingly rejected by the miners.

The trade unions endorsed the latest offer put to the workers last week, but only 60 percent of the 2,260 miners participating in the ballot backed the deal. The large minority vote against the agreement underscores the deep hostility of the miners towards BMA, and growing distrust of, and opposition to, the unions.

The mining giant agreed to the unions' wage demands—annual pay rises of 5 percent over three years, a \$15,000 sign-on bonus, and an increase in superannuation from 9 percent to 12 percent for permanent employees. The miners, who produce 20 percent of the world's coking coal, will reportedly earn around \$150,000 a year, which remains below what some other sections of mining workers receive.

Mining corporations have complained about excessive labour costs in Australia, but the key issue in the capital-intensive industry is so-called productivity and flexibility

arrangements.

While full details of the new EBA have not yet been released, BMA president Steve Dumble made clear that the unions had delivered everything demanded. Dumble told the *Courier Mail* that he was "pleased with the flexibility the agreement would deliver." He added: "We will have to pay for this [i.e., wage rises] as we pay for all inputs. We intend to pay by lifting productivity."

The unions junked a demand for equal pay for labour hire employees. This ensures that BMA will face no obstacle to further cutting the number of permanent full-time employees and increasing the proportion of casual labour in the mines.

BMA has also made clear that it will change rostering arrangements. Earlier this year, it demanded the right to modify work rosters at any time, reversing a previous "in-principle" deal that any shift or roster change be endorsed by a majority of employees. Throughout the industrial dispute, BMA executives insisted that labour hire and rostering issues were "management prerogatives" that could not be compromised.

The company has also refused to make any significant concessions to workers' demands for access to decent housing. According to press reports, the enterprise agreement merely contains a "statement of intent", but no actual commitments, to improve the situation.

Accommodation is a major issue for coal miners in the Bowen Basin. While BMA and the other mining giants reap record multi-billion dollar profits, they commit virtually nothing to basic infrastructure for local communities. Mining companies bring in thousands of workers for new projects, but leave it to local authorities

to cope with the ensuing demand for doctors and hospitals, schools, and other amenities. Chronic housing shortages near mine sites have hiked rents and mortgages to unaffordable levels, forcing miners to accept “fly in, fly out” rosters that separate them from their families for weeks at a time. This has triggered numerous social problems, including high rates of relationship breakdown, alcohol and drug abuse, and physical and mental health problems.

BMA workers remain under constant threat of being laid off. In the last six months of the industrial dispute, the company shut down two of its mines in the Bowen Basin, Norwich Park and Gregory. Some 800 workers lost their jobs in a provocative attempt by BMA to intimidate the workforce into accepting its demands.

After successfully ramming through the new agreement with the unions, BMA president Steve Dumble made clear that further layoffs could follow. “We have to run a cost-competitive business in what is a globally competitive industry,” he declared. The executive told the *Australian Financial Review* that there were “no plans” to close more mines, but he added: “I’m always reluctant to say nothing will ever happen in the future... Our plans are all based around maximising volumes, lowering costs, lifting productivity and actually getting back out there and regaining market share.”

When negotiations began in 2010 on the new EBA, global coking coal prices were more than \$320. They now stand at just \$150 per tonne. According to a study by Booz & Co consultants, reported in today’s *Australian Financial Review*, another 20 percent fall in export prices would make 30 percent of Australia’s coal production unprofitable. “Marginal mines will have to close or cut back significantly, causing job losses and other economic hardships,” the report stated.

CFMEU mining and energy division general secretary Andrew Vickers said he was “satisfied with the outcome” with BMA. The union’s district president, Steve Smyth, claimed that the deal maintained “important protections and moderates the most extreme elements of BHP’s agenda.”

These “important protections” relate to maintaining the union’s position in the Bowen Basin mines. In the final agreement, BMA agreed to allow the CFMEU to continue

to nominate health and safety officers. Executives dropped their demand that they be allowed to appoint these representatives, including non-union personnel. The disagreement never had anything to do with workers’ safety. Instead the union wanted a presence onsite, monitoring and enforcing conditions in the mines and preventing any wildcat strikes on behalf of management. A similar issue over the CFMEU’s appointment of safety delegates recently emerged in the Grocon dispute in Victoria’s construction industry. (See: “Union/Grocon collusion against building workers”)

The final agreement negotiated between BMA and the unions also appears to involve an agreement by the company to drop legal action against the CFMEU seeking \$2.4 million in damages for allegedly unlawful industrial action taken across the Bowen Basin in 2010. A BMA spokesperson told the Toowoomba *Chronicle* that the company and the union were conducting “amicable discussions” on the issue, which would be resolved “in the near future.”

The sell-out agreement imposed on the BMA miners was overseen by the Labor government of Prime Minister Julia Gillard. Last July, industrial relations minister Bill Shorten intervened into the dispute and appointed former ACTU secretary Bill Kelty to oversee the closed-door discussions between company executives and union bureaucrats that produced the final agreement. Shorten declared that the Labor government understood that BMA had the “right” to make “operational and commercial decisions” as it saw fit.

The intervention underscored the fact that the Bowen Basin coal miners confront an assault on their jobs and conditions that is being coordinated by the mining companies, the trade unions, and the Gillard government.



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