

# Australia: Pacific National provokes coal train drivers' strike

Terry Cook  
11 February 2013

Australia's largest private rail freight company, Pacific National, has stepped up its provocations against more than 800 coal haulage train drivers and terminal operators in a dispute over a new three-year enterprise agreement.

The dispute comes amid increasingly shrill complaints by the corporate and financial elite that labour costs have become "too expensive", accompanied by ever more aggressive calls for the federal Labor government to lower wages, scrap penalty rates and impose greater levels of "flexibility" on workers.

Last Friday, Pacific National Coal workers went on strike for 48 hours and picketed the company's facilities in the Hunter Valley and South Coast in the state of New South Wales (NSW). Originally the strike was scheduled for only 24 hours, but infuriated workers voted to extend the action after the company slashed its offer of a 4 percent annual pay increase to 3 percent.

The provocation came after last-minute talks organised by Federal Workplace Minister Bill Shorten in the Fair Work Australia (FWA) industrial tribunal on Wednesday failed, and the Rail Tram and Bus Union (RTBU) indicated that industrial action would proceed.

Shorten's intervention is a sure sign that a sell-out is being prepared by the government, the union and the company. Pacific National's provocative actions are fully in line with the restructuring agenda being pushed by the federal Labor government on behalf of big business, especially in strategic areas of the economy such as coal exports.

Throughout nearly 12 months of negotiations, the company has been completely intransigent, refusing point blank to even consider increasing its 4 percent pay offer, then reducing it even further. The union, however, has made one concession after another as it

sought to reach an agreement that it could impose its members.

The union initially sought a 9 percent increase in the first year to bring them up to industry standard, followed by two 5 percent increases in the remaining years, plus a 2 percent fuel efficiency allowance, agreed to three years ago. The company had reneged on the efficiency bonus, claiming that increased traffic had caused delays and higher operating costs. Even before last Wednesday's FWA hearing, the union offered to ditch the 2 percent bonus and reduce the pay claim to 7 percent, followed by 5 percent annual increases.

After the FWA talks failed, RTBU national secretary Bob Nanva complained that the union was finally "forced" into taking the industrial action. Earlier, union organiser Steve Wright admitted that the workers "wanted to go before now, but we've had to hold them back."

Unable to prevent the strike, the union reduced its impact by instructing drivers to stow trains away from the main line to avoid disruption to other freight haulers.

Pacific National, part of the giant Asciano Group, hauls around 70 percent of coal mined in NSW to ports for shipping to China and other East Asian destinations. With coal prices falling and demand slowing in Asia, the industry is looking to dramatically slash its overheads.

Assisted by the media, the company has attempted to demonise the train drivers, claiming they are overpaid, with a base wage of \$105,000 annually. In fact, the coal haulage workers' base wage is just \$69,000. There are additional allowances for onerous lengthy shifts and extensive overtime, required by the company to maintain its 24/7 operations. One Newcastle picket line placard read: "Where is the other \$35,000?"

Pacific National's conduct bears the hallmarks of the pre-emptive action undertaken by other major companies in recent disputes, aimed at inflicting a decisive blow against their workforces in order to push through far-reaching restructuring.

In October 2011, Qantas grounded its entire fleet, and threatened to lock out its workforce. The Labor government used the confrontation to obtain a FWA order barring further industrial action by Qantas workers. This paved the way for the airline unions to sign off on agreements that delivered the company's demands for a new wave of job cuts, closures and outsourcing.

Last March, Shorten intervened after Asciano Group subsidiary Patrick Ports and Stevedoring threatened a lockout amid a protracted dispute. Again, the dispute was pushed into the FWA tribunal in order to deliver the company's demands, including the removal of restrictions on contract labour and the imposition of roster changes, all with the full compliance of the Maritime Union of Australia.

As was the case in the Patrick dispute, what is at stake at Pacific National Coal is the restructuring of conditions in a key export sector upon which Australian capitalism relies heavily. A defeat inflicted on these workers will set the stage for further attacks throughout the freight haulage industry and across the economy.

All the conditions are being created for further government intervention to impose the company's demands. Under Labor's draconian FWA industrial laws, the workplace minister can halt any industrial action if it is deemed to be damaging the national economy, or any third party, or the company involved in the dispute.

Pacific National Coal director David Irwin declared last week that the strike "will do nothing other than harm the coal industry, our employees and the NSW economy through lost exports, lost employee earnings, lost government royalty revenue and damage to the coal industry delivery reputation."

Mining company Whitehaven Coal has already instructed its lawyers to prepare an urgent application to the FWA tribunal, claiming that the train drivers' strike threatened "significant harm to Whitehaven," and coal giant Xstrata said it was considering similar legal action.

With a federal election looming, the RTBU is

determined to prevent any clash with the government of Prime Minister Gillard. Instead, it is trying to divert workers' hostility toward the Liberal-National Opposition led by Tony Abbott. Addressing a picket last Friday, union secretary Nanva read out a statement by federal MP Michelle Rowland declaring: "The tactics used by PN Coal are simply a curtain raiser for Tony Abbott's Australia."

No doubt, the opposition fully approves of the assault on Pacific National Coal workers, but it is Labor that is in government and directly implementing the corporate agenda.

The struggle against Pacific National and its government backers must not be left in the hands of the RTBU and the trade unions, all of which explicitly endorsed the FWA laws because the legislation secured their place as industrial policemen in Labor's workplace relations regime.

To defend their jobs and conditions, Pacific National Coal workers need to establish genuine organisations of struggle, rank-and-file committees independent of the unions. These must turn out to win the support of other sections of the working class, facing similar attacks, and advance the fight for a workers' government and a socialist program to reorganise society to meet social needs, not corporate profits.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**