

# Australia: Mining giant Peabody locks out workforce

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24 October 2013

Giant US-based mining company Peabody Energy has locked out 200 workers at its Helensburgh Metropolitan Colliery on the New South Wales (NSW) South Coast for seven days in a protracted dispute over the terms of a new three-year enterprise work agreement.

The lockout is the second to be imposed this month, with the company previously shutting workers out for 72 hours after they twice stopped work for 48 hours. The latest lockout came after workers rejected a company offer and reimposed work bans.

While the company has declared that its demands are “fair and reasonable,” they are aimed at drastically slashing costs across its entire operations at the expense of the workforce. Peabody has rejected outright the union claim for a 4 percent annual pay increase over the life of the agreement, and is instead demanding that they accept a pay freeze for the first year, followed by a 2 percent increase for each of the following two years plus bonuses. The proposed bonuses are directly tied to productivity and can be affected if the operation runs into so-called “logistical problems.”

The pay offer is below the current rate of inflation and amounts to a significant real wage cut. If the company’s demands are met, pay levels at the mine will be 20 percent lower than at similar operations in the region.

At the same time, the company is seeking substantial workplace changes to “boost productivity” and “reduce costs.” Peabody already axed 42 jobs at the Helensburgh pit earlier this year, as part of its plan to slash 400 full time jobs across its operations in NSW and Queensland. The productivity gains sought by Peabody will be sweated out of a continuously shrinking workforce.

Just this month, the company announced it had

already improved production unit costs in Australia by more than 18 percent since 2012. It also reported that amid massive job shedding, it had increased coal shipments over the third quarter this year by 6 percent, to 9.9 million tonnes, including four million tonnes of metallurgical coal and 3.1 million tonnes of exported thermal coal.

While Peabody has mounted an assault on jobs and conditions across its operations, the Construction Forestry Mining and Energy Union (CFMEU) is working to ensure there is no unified response by mine workers against the attacks, nor any support mobilised behind the Helensburgh workers.

Realising that the workforce would reject the company’s demands, the union has organised limited industrial action, but only to let off steam while the bureaucracy works behind the scenes to accommodate Peabody’s agenda. A CFMEU spokesman said that the union had already made “numerous concessions during negotiations”, including accepting the company’s demand for a 12-month wage freeze. A 24-hour protest camp has been established outside the mine this week, but CFMEU south-western district vice president Bob Timbs made clear this would not interfere with the company’s operations, explaining that the union would be “allowing contractors in and out of the mine site.”

The attack on the Helensburgh miners is part of a broader offensive by employers that has already led to the imposition of wage-cutting deals, with the direct collaboration of the unions, at General Motors Holden and the Beenleigh meat works.

Similar attacks are now being mounted across the mining sector, as companies seek to slash costs in order to maintain profits amid faltering demand and declining commodity prices caused by the economic slowdown in China and the rest of Asia. In the 12 months to July this

year, more than 11,000 jobs were destroyed in the coal mining industry.

Last month, in what the *Australian Financial Review* identified as a “landmark workplace struggle,” mining giant Glencore Xstrata shut its Collinsville open cut coal mine in central Queensland. It locked out the mine’s workers and declared its intention to reopen with a new workforce as a “green fields” site, in a bid to cut labour costs and tear up workplace protections.

The accelerating assault on mine workers is being carried out with the direct collaboration of the unions, and with the bipartisan backing of both the newly elected Liberal-National government of Prime Minister Tony Abbott and the opposition Labor Party.

The Helensburgh lockouts were imposed under the provisions of the former Labor government’s draconian Fair Work Australia laws that the Abbott government has pledged to retain and utilise on behalf of big business. Introduced with the full support of the trade unions, the Fair Work laws give employers a free hand in imposing lockouts, while compelling workers to go through a protracted process, including secret ballots and providing detailed advance notice to company executives, before taking even the most limited industrial action. The legislation outlaws all industrial action other than that organised during the limited bargaining period for an enterprise agreement.

The attack on the workers at Helensburgh, like the Collinsville lockout, is a test case. The aim of the company and its political backers, both Liberal and Labor, is to set new exploitative benchmarks to be imposed not only at Peabody mines but across the entire mining sector.

In confronting their employers’ offensive, the Helensburgh workers must draw the lessons of the bitter experiences workers have passed through in the last three decades. The unions have been transformed from organisations seeking limited concessions for their members, into business operations in their own right. The union bureaucracy acts as ruthless enforcers for the demands of big business for wage cutting, job destruction, and productivity speed up.

The Helensburgh miners have rightly rejected the company’s demands. This, however, is only the first step. The fight to defend jobs and working conditions requires that they, together with miners across the country, break from the unions, form new organisations

of struggle, including rank-and-file committees, and turn out to other sections of the working class for support. This needs be based on the fight for a workers’ government and a socialist perspective that directly challenges the corporate profit system and seeks to reorganise society to meet social need, not the profit interests of the wealthy few.



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