

# **Australia: Strike continues at Anglo American's German Creek coal mine**

**Terry Cook**  
**3 October 2016**

Workers at the Anglo American German Creek coal mine in central Queensland's Bowen Basin are continuing a protracted strike over a new trade union enterprise agreement (EBA) through which the company is seeking to cut wages and basic conditions.

The 140 workers walked off the job on August 22 after EBA negotiations broke down. The Construction Forestry Mining and Energy Union (CFMEU) had conducted 16 bargaining meetings with the company since the old agreement expired in early April 2014.

Throughout the negotiations the company has dismissed demands for the maintenance of current rates of pay, thereby signalling a push for direct pay cuts. Already, by deliberately delaying reaching a new agreement, the company has effectively imposed a more than two-year wage freeze.

Anglo American has also rejected demands for improved accident pay in line with coal industry standards, no further casualisation of the workforce and an end to the practice of terminating the employment of workers suffering work-related and non-work injuries.

Last October, the company imposed roster changes that impacted sharply on the time off period, especially for mine workers who travelled long distances to work. The change was accompanied by the recruitment of more casuals for weekend working.

The dispute is taking place amid mounting world stagnation and a plunge in prices for coal and other commodities, driven by stalling economic growth in China and Asia. The response of mining companies in Australia and around the world has been to deepen the assault on jobs, wages and working conditions.

Last December, Anglo American announced a sweeping restructuring across its global operations. This included selling off around 60 percent of its mining assets, axing 85,000 jobs and shuttering mine

sites, with at least four coal mines in Australia among them.

Anglo American's intransigence at German Creek flows from a directive issued by chief executive Mark Cutifani when he announced the restructure. "Assets in nickel, coal and iron ore will have to compete and demonstrate their ability to drive the cost curve, with the ability to deliver cash through the cycle," he warned. "If not, they won't be in the portfolio, it's as simple as that."

The company has threatened job cuts if the strikers persist in their demands. An Anglo spokesperson declared at the end of last month: "We strongly believe that further wage increases and additional costs during this current round of enterprise agreement negotiations would be irresponsible and potentially jeopardise job security for all employees."

The strike forced management to cut back production from mid-August at the project's underground operation, which produces around 6 million tonnes of quality hard coking coal annually for export for use in steel production.

At the beginning of this month, the CFMEU told the media the company was attempting to organise an alternative workforce to break the strike, by engaging labour hire company Workpac to advertise for excavator operators and to cold-call known coal mine workers. According to the union, these workers were offered employment conditions better than those offered to existing employees, including \$60 an hour plus a \$2 an hour bonus if they stayed for three months.

However, Anglo can only make such preparations because the CFMEU has worked to isolate the strike. It has refused to organise industrial action in support of the strikers by its members across the coal mining industry, who are facing similar attacks.

Earlier this month, the *Australian* revealed that mining giant BHP Billiton was seeking to impose a three-year wage freeze and severe cuts to conditions in EBA negotiations with the CFMEU at the company's Peak Downs, Saraji and Goonyella coal mines in the Bowen Basin.

The union has allowed the German Creek dispute to drag on while it attempted, in closed-door negotiations, to broker a deal acceptable to the company. To keep the dispute isolated the union has ensured it remained firmly within the constraints of the Fair Work industrial laws. These impose a lengthy process, including court-controlled ballots, before any industrial action can be taken.

The draconian legislation also outlaws any solidarity action by workers in other enterprises under threat of heavy fines and penalties. These anti-strike provisions were introduced by the previous Labor government in 2009 with the full support of the trade unions, including the CFMEU, as a means of suppressing working class resistance.

Labor's Fair Work Act has been retained by the current Liberal-National government and used extensively to block strikes, including the termination of industrial action by workers at Patrick Stevedoring, as well as at Essential Energy and Fairfax Media this year.

The Fair Work laws also contain sweeping powers that allow the federal government to end any industrial action that "would threaten to cause damage to the Australian economy" or cause significant economic harm to the employer or endanger the "welfare" of any part of the population.

The German Creek workers are facing an offensive by a global mining giant with vast resources at its disposal. It is determined to inflict a sharp defeat to achieve the outcome it requires and clear the way for similar attacks on other sections of its workforce. The company also knows it will receive the full backing of the federal government if needed.

More than anything else, however, Anglo American is relying on the CFMEU to continue to straitjacket the German Creek workers. To defeat the company's attack and to defend wages and working conditions the dispute must be taken out of the hands of the union. Workers need to establish a democratically-elected rank and file committee to organise the struggle.

*Financial Review* Such a committee would turn out to other workers across the mining industry, in Australia and internationally, to fight for an industrial and political counter-offensive against the mining giants. Such a fight must be based on a socialist perspective for the nationalisation of the mining companies under workers' control and the complete reorganisation of society to provide for social need, not corporate profits.



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