

Australian miners strike against Glencore cost-cutting

Terry Cook
20 June 2017

Around 1,400 coal miners are involved in ongoing disputes over new enterprise bargaining agreements (EBAs) with transnational mining and resources conglomerate, Glencore, across seven of its mines in the New South Wales (NSW) Hunter Valley region. Each of the sites is covered by a separate EBA.

On Tuesday and Wednesday last week, workers at the company's Mangoola, Liddell, Bulga and Glendell pits, along with those at the Ravensworth coal handling and preparation plant, walked out for 48 hours. The action followed a two-day strike the week before. There have also been several two-hour stoppages.

Some of the previous EBAs expired as far back as July 2012, meaning some workers have not had a wage increase in almost five years. In current negotiations, the company is offering pay rises of just 2 percent per annum over three years, well below the rate of inflation.

Glencore is rejecting union demands that the new agreements include supposed "assurances" against further casualisation. The company has also refused to bring current redundancy arrangements into line with those at other coal mining companies. While Glencore miners can work 44-hours or more per week, severance pay-outs are calculated on a standard 35-hour week.

The Construction Forestry Mining and Energy Union (CFMEU), which covers the mines, held mass meetings of Glencore workers last week in the Hunter Valley town of Singleton.

The purpose of the meetings was to ensure the disputes remain isolated at each individual mine. The union is seeking to dissipate anger, while causing minimal disruption to the company's operations. At the same time, it is undoubtedly working behind the scenes to broker yet another sell-out agreement, in line with its role as the industrial police force in the industry.

Even the industrial action was timed to be most favourable to the company. Glencore boasted that it did not expect "any significant impact on customers, suppliers or business partners" from the first 48-hour strike, because no coal would have been hauled from the affected mines, due to scheduled rail maintenance.

The official resolution at the meeting spelt-out the union's attempts to limit any industrial action to sporadic "aggregate stoppages" and strikes by "individual lodges."

During the meeting, CFMEU district president Peter Jordan referred to Glencore's lockout of workers at its Oakey North underground mine in Queensland. He said that the miners there had been "battling away in Queensland on their own and have been for weeks now ..."

Jordan's comments unintentionally underscored the way in which the union isolates workers at different mines, all of whom are confronting a stepped-up offensive against their jobs, wages and working conditions. The union has prevented any broader mobilisation of support for the Oakey North miners, and has done nothing to publicize their plight.

As in every dispute, the CFMEU invokes anti-strike provisions contained in Fair Work Australia industrial legislation to justify its role in preventing any industrial and political struggle against the dictates of the companies. The CFMEU, however, like all of the other major unions, supported the previous Labor government's imposition of the draconian laws following the 2007 federal election.

Prior to the Singleton meeting, Jordan told the media that job security, not pay, was the main issue in the current Glencore disputes.

The record shows, however, that the union has overseen the massive casualisation of the workforce

and widespread job destruction at Glencore, and across the entire Australian coal mining sector.

Casualisation on some Glencore Hunter Valley operations is now as high as 50 percent of the total workforce. The company has made clear that it is determined to increase that figure, in a bid to slash production costs at the expense of the wages and conditions of its workforce. Glencore recently reopened its Hunter Valley Glennies Creek mine, now rebadged Integra, with a majority of the workforce casualised.

This is part of an international drive by the mining companies to cut costs, amid intense competition for global market share.

Mining companies around the world utilised the plunge in coal prices which began in 2014, to restructure their operations, sacking thousands of permanent workers, shuttering mines, boosting casualisation and slashing wages and conditions. Glencore sold-off a number of its global mining assets in late 2015.

Now, the same companies are stepping-up their cost-cutting drive to cash in on an uptick in coal prices. Coking coal, for example, leapt from around \$US84 per tonne in September 2015 to \$263 per tonne in April this year. Glencore's global share prices have more than quadrupled since hitting lows in early 2016.

Glencore is carrying out a broader restructure of its operations through acquisitions, and potential mine closures. Last month, it warned the state and federal government that it would not guarantee the future of its Queensland mine processing facilities in Mount Isa and Townsville, unless power costs were lowered.

At the same time, the company is pursuing a \$3.35 billion takeover of Rio Tinto's mining assets in the Hunter Valley region, including the low-cost, joint venture Mount Thorley and Warkworth mines. Globally, Glencore is diversifying its operations, including through a possible takeover of the major US agricultural company, Bunge.

The continuous restructuring of the Australian mining sector over the past period has seen the emergence of a two-tier pay system. Casuals are paid below the permanent rate, producing a continuous downward pressure on wages. They also do not receive the entitlements of full-time workers, such as holiday and sick pay

According to reports in late 2015, BHP Billiton planned to boost casualisation to 40 percent of its workforce at the Mount Arthur mine in the Hunter Valley during this year. The company already makes extensive use of contract labour.

In 2015, BMA (BHP Billiton-Mitsubishi Alliance) moved to sack 302 permanent workers, one fifth of the workforce, at its Bowen Basin Blackwater coal mine and replace them with contract labour. In July last year, Wollongong Coal reopened its Wongawilli coal mine on the NSW South Coast. An entire contract workforce replaced around 80 full-time workers who were laid-off when the mine was shuttered in 2015.

According to a union survey, casualisation in Queensland mines stands at 10.3 percent, nearly double the level in any other industry. Coal Services, formerly the Joint Coal Board, reported in June last year that contract labour in NSW mines now accounts for a third of the entire workforce.

The record of the CFMEU in enforcing these conditions, including through signing countless pro-business EBAs, makes clear that the defence of jobs and conditions in the mines requires a decisive break with the unions and the formation of new organisations of struggle, including rank-and-file committees. This fight must be based on a socialist perspective aimed at establishing a workers' government that would place mining assets under public ownership and the democratic control of the working class.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact