

# Australian mining union imposes 25 percent pay cut at Griffin Coal

Terry Cook  
20 November 2017

Against substantial rank-and-file opposition, the Construction Forestry Mining and Energy Union (CFMEU) last week pushed through a new enterprise work agreement (EBA) covering production workers at Griffin Coal in the Western Australian town of Collie.

The three-year EBA slashes hourly pay rates by 25 percent. This, combined with reduced working hours and employer superannuation (pension) contributions, will result in workers' annual earnings plunging 35 percent from about \$140,000 a year to just \$90,000.

Despite the CFMEU recommending that workers accept the agreement, and threats that the mine would close unless the company's demands were met, the vote went right to the wire. Out of 120 eligible to vote, 57 workers voted in favour and 54 against.

Both the company and unions used the financial difficulties touted by Griffin Coal to pressure workers to accept the cuts.

Indian-based Lanco Infratech bought Griffin Coal for \$740 million in 2010 in a deal with the administrators of the previous collapsed operator, Griffin Energy. Lanco Infratech has since maintained it was provided false information at the time of the sale about the state of the enterprise and was overcharged.

Griffin Coal claims to have experienced annual losses of around \$50 million since the buyout. The parent company Infratech was itself placed in administration earlier this year and is now under the control of the Indian bank ICICI. Griffin Coal let it be known that unless labour costs at the mine were substantially cut, ICICI could refuse to continue to fund the operation.

The agreement between the CFMEU and Griffin Coal was reached in closed door talks before the Fair Work Commission (FWC). The FWC is the federal government's industrial tribunal established in 2009 by the former Labor government, with the full support of

the unions. It is tasked with enforcing the Fair Work industrial laws, which contain draconian anti-strike provisions and heavy penalties for any breaches by workers.

Presented by the unions as an "independent umpire," the FWC has, since its inception, intervened in dispute after dispute, more often than not at the insistence of the unions, to impose outcomes along the lines demanded by the employers.

CFMEU state secretary Gary Wood justified the union's sell-out, telling media it had "been a difficult decision to recommend the agreement to CFMEU members" but he had done so "because of the uncertainty about Griffin's financial future under the existing agreement."

Admitting that "half the workforce is very unhappy and I'd say the other half is to a degree unhappy," Wood expressed the gun-to-the-head method used to secure the yes vote. He asserted: "But look at what the alternatives are."

The CFMEU's sell-out of the production workers will strengthen the hand of the company in its assault on the pay and conditions of 70 maintenance workers at the mine who have been on strike for over 13 weeks.

The maintenance workers walked off the job after rejecting a so-called "final" agreement that came out of 12 months of negotiations between the company and the Australian Manufacturing Workers Union (AMWU). The proposed agreement cuts pay by 8 percent from \$139,301 a year, based on 42-hour working week, to \$128,000 annually for a 49-hour week.

Following the rejection, the company acted on a ruling made by the FWC on June 9 last year which authorised it to terminate the old EBA and force workers back onto the inferior industry award, resulting

in pay being cut to \$113,169 for a 46-hour week.

Visiting Collie in September, Australian Council of Trade Unions (ACTU) secretary Sally McManus told mine workers and their supporters: “You’ve got the support of the whole trade union movement. We will work until there is a fair settlement.”

McManus’s promise has proven to be a fraud. Rather than organising any real backing, the unions have worked to keep the Griffin workers in Collie isolated and assist the company impose a settlement in its interests.

Workers in myriad disputes are being left on their own by the unions, in the face of an onslaught by giant conglomerates, such as Glencore and Esso Australia, which are being backed to the hilt by federal and state governments, and the industrial courts.

The aim of the unions has been to prevent any of these pivotal disputes, in which workers have demonstrated a determination to fight back, from becoming a focal point for a broader industrial and political campaign in defence of jobs, wages and working conditions.

McManus’s appearance in Collie and at a series of other disputes is part of the recently launched ACTU campaign designed to channel the widespread discontent and rage among workers behind the election of yet another pro-big business Labor government.

The ACTU claims that the Fair Work laws “are broken” and the election of Labour is needed to “fix” them. Far from being “broken,” however, the laws are working exactly as they were intended when introduced by Labor. They are the means for straitjacketing workers and assisting employers to launch attacks on the social position of the working class.

The record shows that any struggle in defence of jobs and conditions is only possible if workers break decisively with the unions and Labor, which act to defend the profit system from which they derive their lucrative careers and extensive privileges.

The turn must be to the formation of new organisations of struggle, including rank-and-file committees under the democratic control of workers that will turn out to all sections of the working class to establish a common front in opposition to the corporate offensive.

Above all, what is required is a socialist program, aimed at establishing a workers’ government that

would place all key industries, including the mining, oil and gas corporations, under public ownership and workers’ control.



To contact the WSWS and the  
Socialist Equality Party visit:

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