

Australian union imposes cost-cutting deal on Hunter Valley miners

Terry Cook
13 December 2017

After months of negotiations with Glencore management, the Construction Forestry Mining and Energy Union (CFMEU) has imposed cost-cutting agreements on 1,400 workers at the Swiss mining conglomerate's Hunter Valley coal operations. The dispute, which began with limited industrial action in June, ended last month.

The three-year enterprise agreements cover workers at the Bulga underground and open cut mines as well as open-cut operations at Glendell, Liddell, Mangoola and Ravensworth, and coal-handling and preparation plants at Mount Owen, Liddell and Ravensworth.

From the outset, the CFMEU limited all action to sporadic “aggregate stoppages” and then rolling work stoppages on a mine-by-mine basis. This was to ensure minimal impact on coal production, dissipate workers' anger over Glencore's assault on jobs and conditions and allow the union to stitch up a deal that satisfied the giant corporation's demands.

CFMEU New South Wales president Peter Jordan told the media that the union was “happy” with the settlement and that the agreements were “a sensible outcome for both parties.” He said that union had won its demands for “security of employment, improved retrenchment pay, and an understanding on casual positions and permanent positions.”

These agreements, however, allow the company to continue slashing permanent jobs and conditions and were not presented to a combined mass meeting of Glencore workers for ratification. Instead, on October 20 the union called a meeting of about 40 union delegates to rubber stamp the deal. The delegates' meeting was to stifle opposition among rank-and-file workers before official balloting, on a site-by-site basis, began in November.

The CFMEU's posturing about “security of

employment,” is bogus. Contrary to the union's claims, the deal allows the company to continue cutting its Hunter Valley workforce with impunity. The only stipulation is that Glencore should axe the jobs of casual or contract workers first, after which it can eliminate fulltime jobs through so-called “voluntary redundancies.”

In order to maintain this job-shedding mechanism, Glencore accepted proposals from the CFMEU that severance payouts be calculated on employees' average rostered hours instead of a standard 35-hour week.

The CFMEU previously said that the company had to limit the number of casual workers. The union withdrew this demand, however, in August ahead of recommencing negotiations. As part of the new deal, Glencore management—in order to help the union to sell it to its members—will offer permanent positions to a few contractors at Bulga and Ravensworth.

The union does not oppose Glencore's ongoing casualisation of mine jobs and has assisted the company to boost the number of these positions in recent years. Up to 50 percent of the Glencore's workforce is now casual at some of its Hunter Valley operations. Casuals are paid below the permanent rate and do not receive the entitlements paid to full-time workers, such as holiday and sick pay.

The CFMEU-Glencore Hunter Valley enterprise agreements include a 6 percent pay increase over three years. This barely covers the official inflation rate of 1.9 percent and delivers on Glencore's demand that wages be held down. A number of Glencore's previous EBAs in the Hunter Valley expired in July 2012, which means that some miners have not had a wage rise for five years. The union ensured continued company operations over that period, effectively enforcing a wage freeze.

The “pay rises” are in line with falling wage levels across the entire mining industry where the unions have imposed below inflation wage increases, pay freezes and even outright wage cuts. Last month, for example, the CFMEU endorsed a direct 25 percent pay cut on workers at the Griffin Coal mine in Western Australia (see: “Australian mining union imposes 25 percent pay cut at Griffin Coal”).

According to the most recent figures, mining sector wage increases were at a record low of 0.6 percent in the June quarter and only rose to 1.2 percent in September. Nationally wages in the private sector grew by just 0.48 percent in the September quarter (see: “Downward pressure on wages in Australia becoming the “new normal”).

The CFMEU-Glencore cost-cutting settlement in the Hunter Valley will further undermine the struggle by nearly 200 workers at Glencore’s Oaky North underground mine in Central Queensland.

The Oaky North miners, who have been locked out since May, have been left completely isolated by the CFMEU, which uses Fair Work Australia’s anti-strike provisions to justify its refusal to call joint industrial action by its 19,000 members in the coal industry.

The repressive Fair Work laws, which were introduced by the former Labor government in 2009, ban all active industrial support by union members in other enterprises. The CFMEU, and every other union, endorsed these measures because they provided another means for containing industrial disputes and proving its worth as industrial policeman for big business.

In a cynical attempt to cover up its isolation of the Oaky North workers, the CFMEU, one of the country’s wealthiest unions, will place advertisements in local papers appealing for financial support for the locked-out workers over the Christmas period.

Glencore’s attacks on the jobs and conditions are part of an international drive by mining and resources companies to slash costs, amid intense competition for global markets. Australian mining unions have actively assisted companies such as Glencore, Anglo American, Rio Tinto, Peabody and others to restructure their operations and impose mass job cuts and mine closures, following the collapse of coal and commodity prices after 2013.

According to National Australia Bank research, 46,000 jobs were axed in Australia’s mining and

resources sector between 2013 and 2015. In the first three months of last year alone over 2,300 jobs were shed including in coal, iron ore, manganese nickel and aluminium. The CFMEU and other mining unions were central to these assaults (see: “Job losses mount throughout Australian mining sector”).

To fight the deepening corporate attacks, mine workers must begin to unify their struggles right across the mining and resources sector both nationally and internationally. This requires a decisive break with the pro-business and thoroughly corporatised unions and the formation of new organisations of struggle, democratically organised and controlled by workers and based on a socialist perspective.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact