

Australia: Port Kembla Coal Terminal locks out workers

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Port Kembla Coal Terminal (PKCT), near Wollongong, south of Sydney, announced on Sunday a lockout of its 58 permanent employees, without pay, until Thursday evening. The ruthless move is part of an ongoing drive by the company to force workers to accept major cuts to wages and conditions.

PKCT, which ships coal produced in the adjacent Illawarra region, is controlled by five major shareholders, including mining conglomerates Peabody and South32, along with Tahmoor Coal, Wollongong Coal and Centennial Coal.

Since 2015, when the last enterprise agreement at the site expired, the company has sought to abolish conditions contained in previous workplace arrangements, by imposing minimum National Employment Standards. This would result in the removal of existing sick leave provisions, and sweeping cuts to superannuation payments.

The company also aims to scrap consultation and dispute clauses that limited the speed with which it could cut conditions. This is bound up with an overhaul of workplace relations, moving from self-managed work teams to units under direct management control, driving speed-ups and other cost-saving measures.

The Construction Forestry Mining and Energy Union (CFMEU), which covers the site, has denounced the lockout as an “unprecedented attack.” The union’s primary concern, however, is that the removal of consultation clauses threatens its privileged position at the negotiating table, where it has bargained away the jobs, conditions and wages of the workers it falsely claims to represent.

Over the past 12 months, the union has confined opposition to the company’s demands among workers to sporadic and isolated strike action, aimed at pressuring PKCT to sign a sell-out deal with the

CFMEU.

Since the lockout was announced, the union has continued to isolate the workers by refusing to call for any supporting industrial action by its thousands of members. Instead, it has established a bogus “community picket” by the side of the site’s entrance. PKCT is continuing operations at previous capacity, with a scab and contract workforce. On Monday, the company loaded 74,000 tonnes of coal on a ship bound for Japan.

Such “community pickets” have become a focal point for a phony campaign led by the Australian Council of Trade Unions (ACTU), the national union umbrella organisation, to posture as defenders of workers’ rights and conditions.

On Wednesday, CFMEU New South Wales state secretary Brian Parker attended the “picket,” and declared that the lockout was a product of “broken” Fair Work Australia industrial laws. Parker did not mention that the legislation, including provisions allowing lockouts, was introduced by the previous federal Labor government, with the support of all of the unions, including the CFMEU. His comments were part of a broader attempt to subordinate increasingly disaffected workers to the re-election of another big business federal Labor government.

The CFMEU’s claims that dispute clauses would protect jobs and wages are no less a fraud. The union has, over the past decade, enforced repeated job cuts at PKCT that have taken the workforce from around 400 in the early 2000’s, to just 58 permanent full-time employees.

The union called limited industrial action, including several 48-hour strikes, before signing the last enterprise agreement at the site in April 2012. The company had been demanding that various positions,

including contractors and lower management, not be covered by the agreement.

Ultimately, the union signed an enterprise agreement that provided for the continued use of casual and contract labour. The deal stated that PKCT would “retain the right” to slash jobs, “should circumstances arise which, in its opinion, necessitate a change to the numbers of employees per shift or the skills components of teams.”

Since that deal was struck, more than 40 permanent positions, out of around 100, have been eliminated. One worker told WSWs reporters yesterday that this included 20 voluntary redundancies last year, and five sackings.

Since mid-2015, when the 2012 agreement expired, the union and the company have effectively enforced a wage freeze. The CFMEU ensured work continued at the site, while workers received no pay rise.

The union has offered PKCT many concessions and signalled its willingness to sign another sellout deal. CFMEU southwest district vice president Bob Timbs told the *Illawarra Mercury*: “We are calling on the shareholders to intervene, to sit down with us and negotiate a fair and reasonable agreement.” At the “picket” on Monday, he told reporters: “At all times we have tried our best to negotiate an agreement with the company and have given major concessions.”

As PKCT has made clear, any such agreement would intensify the assault on jobs and conditions.

Company spokesmen claim that coal throughput is forecast to fall by half in 2018, to around 5.1 million tonnes. They have implicitly threatened to close down operations if the company’s demands are not met, saying mining companies are increasingly transporting coal through Newcastle, because of lower operational costs. At the same time, PKCT is carrying out a \$300 million upgrade, aimed at boosting mechanisation.

The cuts being demanded by PKCT are part of a broader restructuring of the mining, haulage and ports sector, with the major companies slashing costs and demanding ever-greater efficiencies.

The CFMEU is enforcing this agenda. In November, for instance, it pushed through a 25 percent pay cut at the Griffin mine in Collie, Western Australia. Last December, the union signed a deal with mining giant Glencore, providing for major cost-cutting measures, including an expansion of casual and contract labour at

a number of mines in the New South Wales Hunter Valley.

The stepped-up attacks on workers are exacerbating a social crisis in regional centres, such as Wollongong and Port Kembla, after decades of job destruction in manufacturing and industry. Over the past 30 years, company-union agreements have resulted in thousands of job cuts at the Port Kembla steelworks, currently owned by BlueScope.

In the Illawarra region, centred on Wollongong, full-time manufacturing jobs fell by 36 percent from 11,858 in 2011 to just 7,000 last year, largely based on further sackings at the steelworks.

John, a contract worker, told the WSWs in Port Kembla yesterday: “Management everywhere have made it so there’s a big influx of contractors and a smaller number of permanent employees.

“As a contractor, there’s an uncertainty as to when your next job is. You can’t get home loans if you’re a casual, for example. You need a permanent job for that, but no one is giving out permanent jobs. Now they’re trying to abolish loading and penalty wages on weekends, which is wrong.

“It’s hard for young workers in this area. In the engineering world, there’s nothing. I remember when the Port Kembla steelworks had 22,000 employees. Now it’s just a few thousand. From having maybe a 1,000 apprentices, they are down to virtually none. I remember the main street of Port Kembla when it was a thriving hub of the whole Illawarra. Now it’s a ghost town.”

The record makes clear that a struggle in defence of jobs and conditions, at PKCT and every other workplace, requires a break with the thoroughly corporatised unions. New organisations of struggle, including rank-and-file committees, are required to unite workers across industries in a common fightback against the big business offensive. Above all, a socialist program is needed, aimed at placing the major corporations under public ownership and workers’ control.



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