

Australia: Union enforces another massive pay cut at Griffin Coal

Terry Cook
20 February 2018

Maintenance workers at the Griffin Coal mine in Collie, Western Australia, returned to work on February 14 after accepting a new enterprise agreement (EA) pushed by the Australian Manufacturing Workers Union (AMWU). The workers had been on strike for 180 days—the longest stoppage in the history of the state’s coal mining industry.

The strike erupted after the Fair Work Commission (FWC) on June 9 last year authorised the company to terminate the enterprise agreement. This forced workers onto an inferior industry award, resulting in a 43 percent reduction in pay and the loss of entitlements and conditions.

The courageous stand taken by the workers was undermined throughout by the AMWU, which was determined to prevent the emergence of a broader movement of miners and other workers.

The terms of the new agreement are in line with a deal proposed by the FWC last December, based on workers accepting pay rates demanded by the company and changes to shift allowances.

The pay cut goes far deeper than one proposed in an agreement brokered between the company and AMWU mid-last year. Workers overwhelmingly voted down that deal, which the union had recommended. It would have slashed pay by 8 percent from \$139,301 a year, based on a 42-hour working week, to \$128,000 annually for a 49-hour week.

The latest EA delivers the company pay cuts of 18 to 20 percent, reducing annual wages to \$100,000 for a 42-hour week.

AMWU state secretary Steve McCartney admitted last week that workers “were not happy” about the pay cut, but claimed they were prepared “to cop it” to maintain “family-friendly rosters.” Throughout negotiations, the company reportedly pushed for

significant changes to rosters, including the introduction of swing shifts that changed from week to week. Any minor concessions on rostering, however, would be more than offset by the massive reduction in pay.

Moreover, the term “family-friendly rosters” being bandied about by AMWU is designed to cover up the real conditions confronting workers at Griffin Coal and throughout the mining industry.

Since the late 1980s, with the direct assistance of the unions, the mining companies have introduced around-the-clock operations through notorious 12-hour rotating shifts, hot seat shift handovers and other odious conditions, along with fly-in fly-out working arrangements that keep employees away from home for prolonged periods.

The maintenance workers have had to “cop” the attacks on their pay and conditions in the new EA because they had a gun put to their head in the form of the threat of the total closure of the mine. Both the company and union used the financial difficulties claimed by Griffin Coal to pressure workers to accept a regressive agreement.

Indian-based Lanco Infratech bought Griffin Coal for \$740 million in 2010 from the administrators of the previous operator, Griffin Energy, which collapsed. Griffin Coal claims to have experienced annual losses of around \$50 million since the buyout. Infratech was itself placed in administration last year and is under the control of the Indian bank ICICI.

Throughout negotiations for new EAs for both maintenance and production workers, Griffin Coal stated that unless labour costs were substantially cut, ICICI could refuse to continue to fund the operation.

In line with this demand, the Construction, Forestry, Mining and Energy Union (CFMEU) pushed through a

three-year EA covering Griffin Coal production workers last November, slashing pay rates by 25 percent. Combined with a reduction in other conditions, these workers' annual earnings plunged 35 percent, from about \$140,000 a year to just \$90,000.

The AMWU used the CFMEU's sell-out as a benchmark, and a means of applying pressure on the maintenance workers. The huge wage reductions will now become a benchmark for cost-cutting across the mining industry.

During the dispute, the AMWU did everything it could to isolate and wear down the maintenance workers. It did not raise a levy to support the strikers, forcing them to rely on voluntary donations from other workers.

The AMWU's operation took its toll. One media report claims that during the strike, the number of participants fell from 89 to 26. Cynically, the AMWU has now said it moved to end the strike because "it was no longer possible to keep morale up as the workers have been treated really poorly by their employer."

The union is also attempting to divert from its own role by demagogically and hypocritically denouncing the FWC. McCartney declared last week that the FWC, in "the form it is in now takes democracy away from workers, takes outcomes away from the workers and puts it in bosses' hands."

McCartney's comments form part of a campaign by the Australian Council of Trade Unions, the national union federation, claiming that the laws are "broken" and will be fixed by the election of a Labor government.

In reality, the last federal Labor government introduced the draconian Fair Work laws in 2009, with the full support of the unions. They contain a barrage of anti-strike provisions and FWC powers to terminate existing agreements and ban industrial action. The unions have used these measures in disputes ever since to straitjacket workers and deliver employers' demands.

Workers across the mining industry must now draw the sharpest lessons from the bitter experiences at Griffin Coal and all the betrayals of the unions. The record shows that any struggle in defence of jobs and conditions is possible only if workers break decisively with the unions and the big business Labor Party that they support.

This means establishing new organisations of struggle, including independent rank-and-file committees, tasked with unifying workers in a combined industrial and political struggle against the offensive of the corporate elite. These organisations must be guided by 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 democratic workers' control.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact