

Australia: Unions block fight against job cuts at Centennial Coal mine in Mandalong

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Centennial Coal announced in mid-September it would cut 200 jobs at its Mandalong mine, 120 kilometres north of Sydney, New South Wales (NSW). The Mandalong underground mine directly employs around 500 people. The company is also seeking to impose further real wage cuts for remaining workers at the facility through enterprise bargaining that is currently underway.

Workers at the mine told the *World Socialist Web Site* that, already, at least 69 jobs have gone from Mandalong. Twenty-two workers were transferred to the company's nearby Myuna mine, while others accepted "voluntary" redundancies.

Unions covering workers at Mandalong are blocking any opposition to the job cuts, insisting that workers are powerless to stop a process that is bound up with deals between Centennial and the power companies it supplies.

One-and-a-half weeks of strike action over wages, planned to start last Thursday, was called off at the last minute by the Mining and Energy Union (MEU). Workers now report that the union bureaucracy has struck a sell-out "in-principle" agreement with management and is seeking to ram the deal through quickly, preventing any legal industrial action against the job cuts.

Centennial Coal, a wholly-owned subsidiary of Thailand-based energy company Banpu, owns five working coal mines in New South Wales, with more than 1,500 workers overall. The company's other Australian operations, including renewable energy, potential new mines, and rehabilitation projects, involve around 200 additional workers.

The Mandalong mine currently supplies 50 percent of its coal output to the nearby Eraring Power Station, which is slated to close in 2027. Some coal is sent to the Vales Point Power Station on the shores of Lake Macquarie, while the rest is exported.

Workers were led by the union to believe their jobs were secure when in June, Centennial struck a deal with Eraring's owner Origin Energy for a six-month extension to supply coal from Mandalong and Myuna. Myuna directly employs

around 250 people and sends 100 percent of its coal to Eraring via a conveyor belt, the only existing means for coal to be transported from the mine.

In a September 13 press release, the Collieries' Staff and Officials Association (CSOA) absolved the company of any responsibility for the job cuts: "[D]ue to decisions by Origin Energy, Centennial has decided to restructure its operations to serve the export market."

Nothing could be done to prevent this, claimed the union, which was merely "working with its members to assist in mitigating the impact these job losses will have on their livelihoods."

MEU representative Robin Williams declared, "Because of provisions our union negotiated, Centennial Coal has an obligation to work with us through this process."

This would include "looking at options such as redeployment opportunities to nearby mines" and ensuring "workers will receive their full entitlements," Williams said.

This exposes the fraudulent character of such so-called "job security" clauses "won" by the unions in enterprise bargaining.

For Mandalong workers, "their full entitlements" amount to one or two weeks' redundancy pay per year of service. Besides making sure that the company meets its legal obligations to workers as it throws them on the scrapheap, the union bureaucracies have committed to do nothing at all.

Moreover, the prospect of "redeployment" for any more than a handful of workers is nothing more than an illusion. The reality is that job cuts are likely imminent at other Centennial facilities as well.

The CSOA statement continued, "let us be clear, if Centennial, Origin Energy and the NSW Government do not come together to forge a deal to resolve this matter, the potential for further job losses at the Myuna coal mine is significant, and more workers will be affected."

In other words, all workers can do to stop the destruction of even more jobs is to issue plaintive appeals to big business and the state Labor government.

The fact is that Origin Energy has already forged a highly

favourable deal with the NSW government. In May, when Eraring's life was extended from 2025 to 2027, Labor agreed to compensate losses incurred by the company over the additional two years, up to a maximum of \$450 million.

Despite this guarantee, Origin Energy is determined to maximise profits by slashing supply costs. Centennial Coal is, in turn, putting the squeeze on workers to meet the price point demanded while maintaining its own profits.

The union bureaucrats have been involved in these backroom negotiations every step of the way, lobbying for the government's corporate welfare package on the phoney basis that it would protect jobs.

Now, the unions are ensuring that the job cuts proceed in an orderly fashion without any organised opposition by workers. This role is especially egregious under conditions where enterprise bargaining is currently underway for around 350 workers covered by the MEU.

Under Australia's draconian anti-strike laws, introduced and repeatedly strengthened by successive union-backed Labor governments since the early 1990s, almost all industrial action by workers is illegal, except during enterprise bargaining periods.

More than 300 Mandalong workers voted for strikes in early September, in opposition to the company's refusal to meet the MEU's meagre demands for annual pay increases in a four-year agreement of 4 percent in 2024, followed by 6 percent, 5 percent and 4 percent in 2027.

These figures, while higher than the latest headline inflation figure of 2.8 percent, fall far short of keeping up with the real impact of the cost-of-living crisis on working people, let alone making for substantial losses in previous years. Over the seven-year course of the last two union-brokered enterprise agreements, wages at Mandalong have increased by less than 14 percent, while official inflation was around 21 percent.

Centennial's announcement of the job cuts just five days after the strike ballot served as both a threat, to intimidate workers into accepting another real wage cut, and a vote of confidence by management in the union bureaucracy's ability to prevent a fight to defend jobs.

This confidence is based on the role played by the MEU and all other unions over the past four decades as an industrial police force, enforcing the demands of management and suppressing opposition by workers to attacks on their jobs, pay and conditions.

This was starkly demonstrated in the destruction of 250 jobs at steel manufacturer Molycop in Newcastle in October last year. Despite strong opposition from workers, the Australian Manufacturing Workers Union and Australian Workers Union assisted management to carry out the cuts, insisting that nothing could be done. Similar operations have

been carried out countless times, including the destruction of the entire Australian automotive industry.

At Mandalong, the MEU leadership is living up to this record. In addition to shutting down industrial action over wages and conditions, the union has ensured that the question of job cuts has been kept entirely separate from the enterprise bargaining process. This is patently absurd—workers are effectively negotiating nominal wage rises for jobs that will soon be non-existent.

Moreover, the MEU is not posting any information about what is happening at the Mandalong mine on its website or Facebook pages. There is a conscious effort by the MEU to keep this dispute isolated and beyond the knowledge of other mining workers, many of whom also face the imminent threat of job cuts.

This underscores the urgent need for workers at Mandalong, Myuna and throughout Centennial's operations to take matters into their own hands and break the stranglehold of the union bureaucracy. Rank-and-file committees, democratically led by workers themselves, must be built to lead a struggle against the destruction of jobs and for real improvements to wages and conditions.

For coal workers, the issue of climate change cannot be ignored. Fossil fuel industries must be phased out, but workers must not be forced to pay for the necessary transition to clean energy through the slashing of jobs.

The fight against the coming environmental catastrophe requires the mobilisation of the working class against the capitalist system, which subordinates every aspect of life to private profit, and the reorganisation of society along socialist lines. This would include providing well-paid, secure jobs for all those workers currently working in the fossil fuel industry.



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