

Australia: 160 workers locked out at Peabody's Helensburgh coal mine

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Around 160 workers have been locked out by their employer at the Metropolitan Coal Mine in Helensburgh, on the New South Wales (NSW) south coast. The company, Peabody, retaliated to a single one-hour stoppage on June 16 by locking workers out two days later, initially for one week but subsequently extended until July 6. This means workers will not be paid for a total of almost three weeks, assuming the lockout is not extended again.

After taking this aggressive action, a company spokesperson absurdly told the Australian Broadcasting Corporation Peabody would “continue to negotiate in good faith toward a new enterprise agreement.”

The lockout, considered “protected employer response action” under Australia’s pro-business Fair Work Act, is a provocation aimed at intimidating workers, crippling them financially and discouraging them from fighting back against further attacks on job security, wages and conditions. Peabody has used the same tactic to pressure Helensburgh workers to accept rotten deals in every enterprise bargaining negotiation over the past decade.

In early June, more than 90 percent of the workers voted in favour of industrial action, including strikes of up to 24 hours, as part of the enterprise bargaining process.

The Mining and Energy Union (MEU), which covers the workers, is seeking 5 percent per annum pay increases over a three-year deal, as well as a \$1.50 per hour one-off increase, supposedly to bring pay in line with other mines in the region, and a \$4 increase to crib payments.

The union’s pay claim is itself woefully inadequate. The Helensburgh workers have taken a huge hit to real wages in recent years, as a result of sell-out deals rammed through by the union.

The last enterprise agreement at the mine was brokered by the MEU bureaucracy in November 2021, when the official inflation rate was already at 3.5 percent, on its way to a peak of almost 8 percent the following year. This deal locked in nominal pay increases of just 2 percent per annum, a major real-wage cut.

Since 2020, base wages for operators at the mine have

risen from \$39.81 per hour to just \$43.10. Had wages been linked to inflation over the same period, they would have increased to \$48.04. In other words, workers are earning \$5 an hour less in real terms than they were five years ago, as a direct result of the 2021 union-management deal.

Even if inflation were to remain at the current rate of 2.4 percent, the union’s wage claim would see workers continue to earn less in real terms than in 2020 until mid-2027.

Moreover, the real increase in the cost of living for workers is much higher than official inflation figures indicate, due in particular to the skyrocketing cost of housing. Since June 2020, median house prices in Helensburgh have increased by almost 50 percent, and rents by more than 40 percent, according to realestate.com.au.

According to the union, the company is seeking to remove clauses in the previous enterprise agreement that prescribe minimum manning levels for underground teams and limit the use of contractors, with more stringent restrictions activated if there have been any forced redundancies during the term of the agreement.

These clauses were added in the 2021 agreement, too late for many workers who were sacked in a major restructure the previous year. In June 2020, 90 workers at the mine were made redundant, with 47 subjected to forced redundancy, while labour hire contractors were kept on site.

Around 130 workers at the Helensburgh mine are now engaged through labour hire firm Nexus. In late May, the MEU triumphantly declared a “HUGE win,” after the Fair Work Commission (FWC) issued a “Same Job, Same Pay” (SJSP) order at the facility. The union said this would bring “labour hire workers’ pay in line with their directly employed workmates.”

Australia’s unions have promoted the SJSP laws, introduced by the federal Labor government in 2023, as a means of reducing companies’ use of labour hire rather than directly employing workers on a permanent basis. In fact, the measures serve to legitimise these precarious arrangements and divert workers from the need to fight for the defence of secure, permanent, full-time jobs.

More broadly, the illusion, fostered by the MEU and other unions, that workers can “win” through Labor government reforms and legal machinations in the FWC is a lie.

The current lockout at Helensburgh is a stark reminder that the so-called Fair Work Act, far from being “fair,” is completely stacked in favour of big business. The Act allows an employer to indefinitely lock out its entire workforce, without pay, in response to *any* industrial action, however limited, even when workers have fulfilled the byzantine requirements of the FWC to deem that action “protected.”

The Australian Council of Trade Unions (ACTU) last week denounced the Peabody lockout as “extraordinarily harsh and out of step with workers simply exercising their legitimate bargaining rights over the course of an hour.”

Sally McManus, secretary of the peak union body, made multiple references to the fact that Peabody is a “multinational.” This was a deliberate attempt to promote the illusion that “Australian” corporations behave in any way differently and cover over the fact that the interests of big business are fundamentally opposed to those of the working class, whatever the address of their headquarters. It was also aimed at covering over the role of the Labor government and the unions themselves in spearheading the assault on the working class.

McManus called for the “outdated lockout laws [to be] reviewed so that employers can’t unilaterally shutout workers taking protected industrial action.”

McManus knows full well this plaintive appeal to the federal Labor government for reform is a dead end. It was a Labor government and the ACTU that imposed the lockout provisions as part of Fair Work Act in 2008.

That collaboration between the ACTU union bureaucrats and Labor, against the working class, has only deepened since.

In the starkest example, last August, the federal Labor government placed the construction division of the Construction, Forestry and Maritime Employees Union (CFMEU) under the quasi-dictatorial control of an administrator. McManus gave her full-throated support to the action, uncritically echoing the unproven media allegations of widespread corruption and criminality in the CFMEU that served as a pretext for Labor’s unprecedented attack.

As the *World Socialist Web Site* explained, the administration was never about stamping out “rogue elements,” but was aimed at neutering a historically militant section of workers to facilitate a deepening assault on jobs, wages and conditions through the building industry and elsewhere.

The federal Labor government’s attack on the democratic rights of building workers is part of a broader agenda of cuts

to wages and social spending, in order to shore up corporate profits and finance escalating military spending for war.

Helensburgh coal workers cannot believe for one second that they can advance their struggle through appeals to the Labor government, which is utterly hostile to the interests of the working class. The union bureaucracy promotes these transparent falsehoods, because it is a police force of governments and corporations and an integral part of the big business Labor Party itself.

Workers need new organisations of struggle. A rank-and-file committee, politically and organisationally independent of the union and Labor, must be built at Helensburgh to lead a fight for demands based on workers’ actual needs, including for a pay rise that immediately recoups the losses incurred over the past five years, with no reduction in working conditions.

Peabody has demonstrated over many years that it will utilise every mechanism it can to intimidate and pressure workers, including lockouts. This highlights the need for a fight against Australia’s harsh anti-strike laws. This is impossible within the framework of the unions, which have enforced the draconian Fair Work Act since it was introduced by the Rudd-Gillard Labor government in 2008 in close collaboration with the ACTU.

To defeat these laws requires a unified political struggle by the working class. Workers at Peabody must reach out to their counterparts throughout the company’s operations, in Australia and globally, and throughout the resources sector more broadly, where jobs, wages, conditions and safety are under constant threat, while the mining corporations continue to rake in mass profits.

Above all, what is posed is the need for a political alternative, socialism, under which society’s vast resources can be utilised to serve the needs of the majority, not further enrich the wealthy few.



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