

Australia: Glencore Xstrata shuts coal mine to scrap working conditions

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In a bid to drive through a radical restructuring of working conditions, mining giant Glencore Xstrata last week shut its Collinsville open cut coal mine in central Queensland, locking out the mine's workers, and declaring its intention to reopen with a new workforce as a "green fields" site.

Together with the wage-cutting at GM Holden and the Beenleigh meat works, Glencore Xstrata's move is a sharp warning of the all-out offensive on workers' wages, jobs and conditions that will be unleashed regardless of which party forms the next government after today's election. The *Australian Financial Review* has identified Collinsville as a "landmark workplace struggle."

Glencore Xstrata shuttered the mine, in the heart of the Bowen Basin coal field, on September 1, just one day after terminating the contract of Leighton Holdings subsidiary Theiss, which had operated the mine for about 17 years. Glencore Xstrata refused to retain the 400 workers formerly employed by Theiss and declared it will not resume production until it gains "flexible workplace agreements, either collective or individual" without "restrictive work practices."

The shutdown by the global mining conglomerate, which generated \$112 billion in revenue and profits of more than \$2 billion in the first six months of 2013, is devastating the town of Collinsville, whose population of 2,000 depends heavily on the mine. Many people face being forced to leave the area, and local businesses are likely to collapse.

Mining Communities United spokeswoman Donna Bulloch told the Australian Broadcasting Corporation: "It churns my stomach to think that a multinational company like Glencore can come into a community that has been built by the miners for families, that they can just come in and just rip it to pieces."

No details of the company's restructure have been made public, but it is certain to include a substantial reduction in manning, as well as speed-up measures to extract ever greater output from the remaining workforce. According to the *Australian Mining* web site, Glenmore is "re-engineering" its operation and redesigning the mine to bring in "much larger shovels and trucks." These include a fleet of Liebherr 996 excavators with an 89 percent higher bucket capacity, cutting the number of drivers employed.

The assault launched at Collinsville is aimed at dismantling working conditions right across Glencore's operations. The company is looking to offset, directly at workers' expense, the impact of falling demand and commodity prices resulting from the continuing slowdown in China and the rest of Asia. According to the *Business Spectator* on August 7, coal prices have plunged more than 40 percent, from nearly \$US140 a tonne in early 2011 to less than \$US80 today.

Glencore and other major coal producers have begun axing hundreds of jobs in a bid to slash costs and bolster profits. In June, following the merger between mining company Xstrata and Swiss commodities trader Glencore Group in May, the new company announced the shedding of 450 jobs from its Newlands and Oaky Creek mining operations in Queensland and began downsizing its Ravenhurst mine in neighbouring New South Wales. These job cuts took the number of coal mining jobs slashed in Australia since early 2012 to over 9,000.

Like the "agreement" imposed on car workers in Adelaide and Melbourne by GM Holden last month, which included a three-year wage freeze and the abolition of longstanding working conditions, Glencore Xstrata's demands are being made with a gun to workers' heads: accept or lose your jobs.

The company applied to the Labor government's Fair Work Commission (FWC) to allow it to reopen the Collinsville mine as a green fields site, which would permit it to make the sweeping changes it wants without any discussion with workers. The industrial tribunal refused the application, but its decision could be reversed after the election as employers demand an even more draconian workplace relations regime, regardless of which pro-business party forms the next government—Labor or Liberal.

The Australian Council of Trade Unions (ACTU) and the Construction Forestry Mining and Energy Union (CFMEU), which covers most mining workers, have blocked any industrial action in support of the locked out workers.

On their web sites, the ACTU and CFMEU claim that workers can support the Collinsville miners by emailing Glencore Xstrata and pleading with the company to “honour their existing conditions.” The suggested email message states: “I call on you to act to recall the termination notices to the 400 mine workers. Put people before profits and support this local economy.” This is like asking a leopard to change its spots.

A media statement by ACTU secretary Dave Oliver made it clear that the unions are determined to try and keep workers tied to the illusion that a Labor government will defend their interests. “We need governments that will stand up against this sort of bullying, not back it in,” he said.

In reality, Glencore Xstrata's offensive is directly in line with the “national productivity agenda” advanced by Prime Minister Kevin Rudd during the election campaign—based on a close partnership with the trade unions to deliver the lower labour costs and speedup demanded by the corporate and financial elite.

In keeping with this agenda, the CFMEU is negotiating with the company to implement its requirements, just as the unions did at GM Holden. CFMEU district president Steve Smyth told the ABC: “The resolution obviously is in the hands of Glencore predominantly. We're happy to keep talking to them about an end... to a potential dispute, but at this stage there's no light at the end of the tunnel.”

The CFMEU and other mining unions have presided over the destruction of thousands of jobs over the past period, including 600 by Xstrata Coal last year, nearly

100 of them from the Collinsville mine. The union has enforced compliance with Labor Fair Work Australia anti-strike laws that prohibit any unified industrial action.

The ACTU and CFMEU have drawn parallels between the Collinsville shutdown and the 1998 waterfront dispute, which began when Patrick Stevedoring sacked its entire workforce and recruited replacement workers. This should be a warning of plans afoot for an historic sellout. In 1998, after a bitter month-long dispute, the ACTU and the Maritime Union of Australia (MUA) entered closed-door negotiations with Patrick to broker a deal that met the company's requirements.

The agreement eliminated 625 jobs out of 1,400, scrapped 100 working conditions, enforced greater “flexibility” and pushed up container handling rates from 18 to 27 per crane operator per hour. It imposed a new performance-based salary system, scrapping overtime and other penalty payments. In exchange, the MUA maintained coverage of the remaining workers. The agreement became the benchmark to be imposed right across the waterfront (see: “Rudd Labor government suppresses documents on 1998 waterfront dispute”).

To defend jobs and working conditions, miners at Collinsville and across the country must form new organisations of struggle, independent of the class collaborationist unions, including rank-and-file committees, and turn out to workers everywhere for support. This struggle requires a socialist perspective that directly challenges the corporate profit system and its trade union enforcers.



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