ENVIRONMENTAL DETERMINANTS OF INDUSTRIAL CONFLICT IN THE OPEN-CUT BLACK COAL MINING INDUSTRY OF NORTH CENTRAL QUEENSLAND; A CASE STUDY OF UTAH DEVELOPMENT COMPANY

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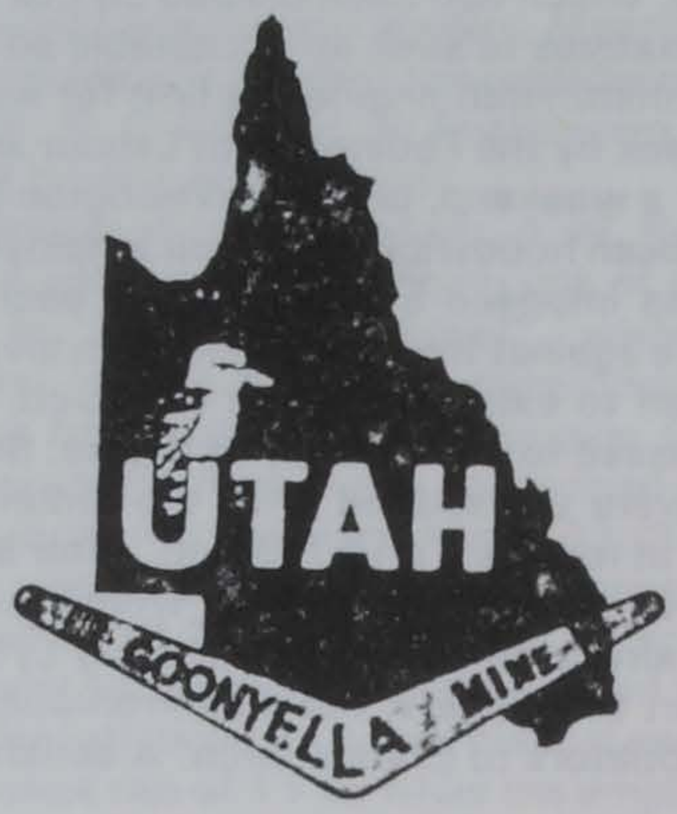

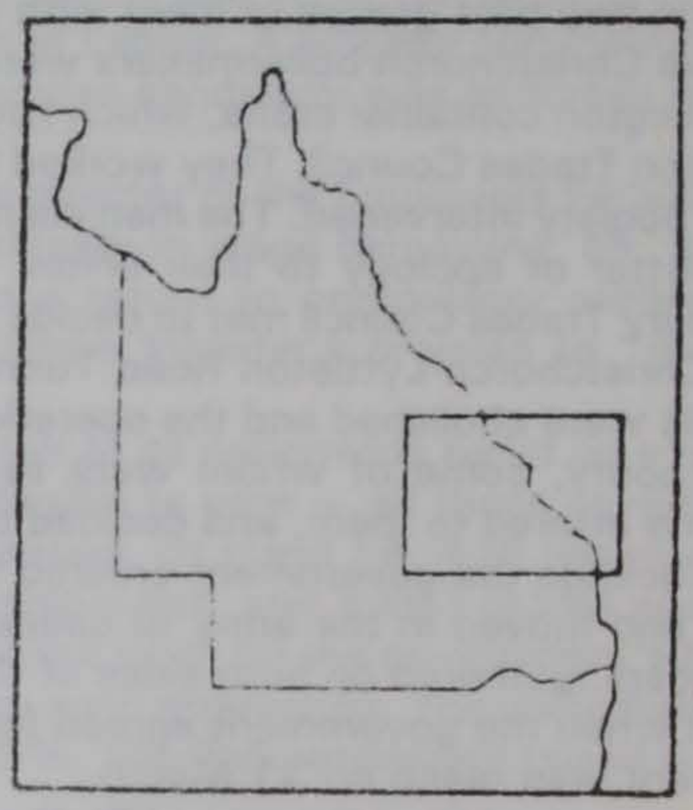

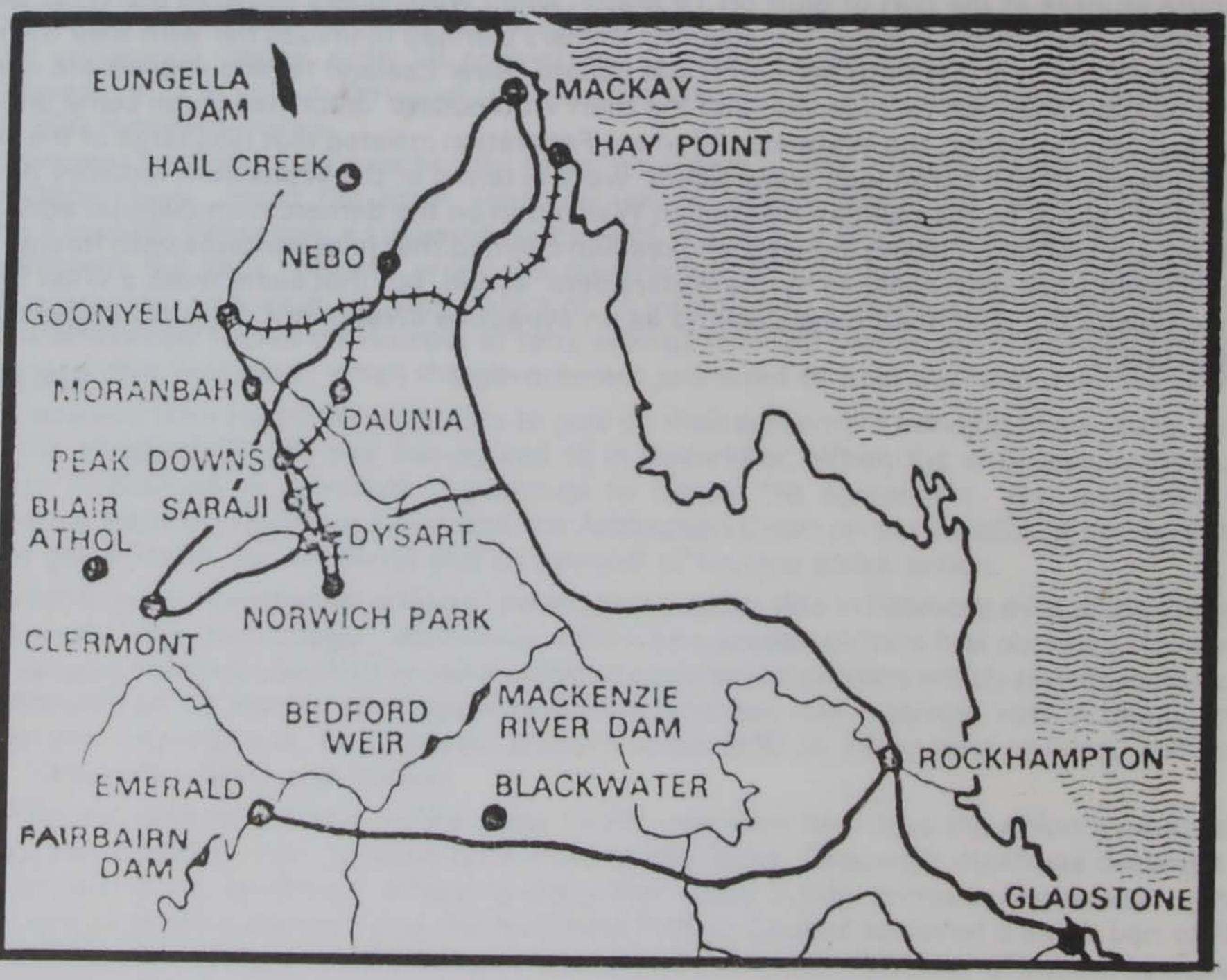

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SECTION I — Introduction

The corporate activities of Utah Development Company (UDC) are never far from the centre stage in the financial and analytical press of Australia.

Utah mines $90 million in half year[1]
Utah rips off its (tax free) dollars[2]
Utah saddled with a big PR dilemma[3]

Close and continuous public scrutiny is a corollary.

Statement of production, earnings or profits made in the financial press are, more often than not, accompanied by qualifying comments such as:

> *Prospects for shipments in the second half of 1978 are not bright, as a result of the combined mining unions strike.* [4]
>
> *. . . but (production) was pegged back by overtime bans to an output of 791,000 tonnes in the final quarter.*[5]

On 26 October, 1977 the headline 'Utah Development profit up, but growth down' was followed by:

> *The crimp in earnings growth is attributed to the disruption to coking coal shipments by striking members of the Seamen's Union of Australia and the depressed demand levels of steel industry customers.*[6]

The clear inference of such comments, based most likely on company releases, is that 'disturbed industrial relations', or the 'irresponsibility of workers and/or unions' somehow precluded better results and greater profitability. These and similar assessments have a clear public relations value and, where the originator is the Minister for Employment and Industrial Relations, a political value as well.

> *This strike, which is now in its third week is having an immense impact on Australia's foreign exchange earnings and about $14 millions is being lost as a consequence. Federal and State Government revenues lost are more than $6 million per day. The coalminers are losing more than $150,000 per day in wages.*[7]

Statements such as those quoted above are frequently distortions of reality. When applied to the activity of UDC over the past decade they have often possessed such a characteristic, and have been geared to the public image of 'goodness' of corporate activity, and 'badness' of unions and union members.

A central argument of this paper is that total industrial relations peace would have been an embarrassment to UDC. Such stability would as a consequence have necessitated either fluctuations in employment levels (involving a more complicated personnel policy of hire and fire — a policy fraught with difficulties for the corporate image and, in any case, difficult to operate in a remote location), slower commissioning of mines (given the large discrete size of production units and infrastructure and inbuilt time lags, a far less than first choice policy option), or massive, even unmanageable, stockpiles (with only a postponement of the inevitable slowdown). In other words it is argued that UDC have chosen industrial relations as a prime means of regulating production to market requirements.

It is argued that markets, the nature of the production unit and its associated technology are the key determinants of the individual worker/union — management relations. Other factors, the geographic location of the mine sites and mine towns (with associated isolation factors and lengthy communication chains), the social fabric of these towns, the nature of the unions (and in the earlier part of the period the raw, inexperienced local worker leadership operating without close organisation support), the political controls of state and federal governments, the ownership and control of UDC and other components of the industry, are also relevant to the explanation of the industrial relations pattern. And such factors are canvassed in this paper. However, it is argued that such factors are less dominant than, or have worked through, the market and production unit/technology

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1. **The Age**, 19 August, 1978.
2. **Financial Review**, 27th October, 1978.
3. **ibid.**, 18 November, 1978.
4. **The Age, op.cit.**
   The same news item reported that 'The half yearly results of UDC, announced yesterday showed a marked jump from $42,233,000 last year to $59,832,000 for the first six months of the current year'. And the earlier results were not affected by the $6 per tonne hard coking coal export levy.
5. **Financial Review**, 21 May, 1976.
   This comment followed the statement that UDC increased profits by $12.8 million to $90.98 million in the half year.
6. **ibid.**, 26 October, 1977.
7. Ministerial **News Release** 55/78 Canberra, 6 July, 1978.

constraints. The 'theme' is determined by the dominant variables, although variations within and around the 'theme' can and will occur. Or putting it another way, market and production/technology constraints have delineated the desired levels of performance and accordingly UDC have adopted a 'hard'/'soft' line on industrial relations issues, and have manoeuvred many of the operative determinants as and when required.

The succeeding sections of this paper examine the variety of environmental factors influencing behaviour (geographical, historical, political, economic and social), and the major parties in the study (the corporation, the worker and their unions). The various important influences of government(s) are identified. Industrial relations processes occur at several levels, company/site, company/region, and company/industry/national, and the operation of each level and associated tribunals is detailed. The identification of such levels is a form of simplification by classification but intuition, observation, and an examination of strike patterns suggest variations in behaviour as between these levels, and hence a need for disaggregated examination.

The principal aim of a longer term, major study currently in progress is to unravel the determinants of industrial relations behaviour and of the results of industrial relations processes, in both a contemporary sense and over time, at the UDC company/region/industry levels and also to extend the analysis to the broader industry/regional/national patterns. However, the shorter term aims of this paper are more modest and possibly more realistic — to describe the parties, the processes and the environmental constraints, and to make tentative 'stabs' at causality. The analysis is **ex post** and, in particular, does not come to grips with the events of 1977-78, neither the campaign and strike related to the recently signed 'over award — productivity' agreement, nor the Seamen's Union — UDC confrontations in the field and in court over the manning of UDC bulk ore carriers.

SECTION II — The Issue — The Pattern of Strike Activity

1. The Data.

Australian Bureau of Statistics publications present quarterly data relating to various dimensions of industrial disputes in the coal mining industry. A breakdown by state is available. Table 3 contains the quarterly data for the number of disputes and aggregate man-days lost from the New South Wales and Queensland sectors of the industry for the period 1967 to date. Table 4 provides annual data for Queensland, 1966-1977, with the additional calculation of man-days-lost per employee.

The annual reports of the Queensland Coal Board (QCB) are a further primary source of industrial disputation data relating to the black coal mining industry of Queenland. These reports contain information of man shifts possible, man shifts worked and the reason for the loss of manshifts. The classification of reasons are industrial disputes, sickness, absenteeism and other. Relevant data for the period 1972-1973 to 1976-1977 is shown in Table 5, whilst Table 6 shows some of this type of data for the extended period back to the year ended June 1966. The latter shows manshifts lost through industrial disputes, sickness and absenteeism as a percentage of manshifts possible. QCB data is available on a regional basis (see Tables 7, 8 and 9) and with an underground/open-cut mine classification, but does possess the disadvantages of being available only in annual aggregates.

2. The Pattern

(a) Queensland aggregates —1967 to 1977

One feature which emerges from an examination of both the New South Wales and Queensland data is that variations about any trend are more noticeable than the statistical trend itself. The immediate suggestion is that strategic causal variables are more likely to be of a short term, structural or ad hoc nature rather than those involving long term evolutionary change in the fundamental nature of major aspects of the industry. And UDC was the major structural change. Further analysis supports these propositions.

During the period 1974 to June 1978 the number of disputes in the Queensland sector ranged from 3 to 32 per quarter, with man days lost ranging from 1,200 to 78,000 (September, 1975 quarter). Twenty seven thousand nine hundred man days were lost from 23 industrial disputes in the June quarter, 1975. The relative significant of the disputation in these quarters is further revealed by the comparison that 37,800 man days were lost for the whole of 1974, 38,500 for 1976 and 31,500 in 1977. Thirty eight thousand one hundred man days were lost in Queensland in the June quarter, 1978.

Levels of man days lost through industrial disputes are not in direct relation to the number of disputes. Examples extracted from ABS series and shown below illustrate this point for Queensland:

June quarter, 1974 – 6 disputes – 5,100 man days lost.
March quarter, 1975 – 32 disputes – 10,300 man days lost.
September quarter 1975 – 6 disputes – 78,000 man days lost.

It is suggested that even the limited disaggregation available from the ABS series provide **prima facie** evidence that key causal forces determining dispute patterns need to be identified at a localised level in each specific time phase. The level from which the key localised force will emerge will vary from that of site, company, region or industry, although it will be argued subsequently that the influence emanating from the company level in the case of UDC is present at all levels of aggregation.

Examination of QCB manshifts lost data for the period of the year ended June 1967 to year ended June 1977 reveals, **inter alia** that:

(i) Manshifts possible increased from 653,626 in 1967 to 1,768,021 in 1977, with an absolute increase in every year since 1968.

(ii) The number of manshifts worked out of those possible increased in absolute terms from 608,835 in 1967 to 1,591,554 in 1977, but in percentage terms declined from 93.15% to 88.87% in 1976, with a slight increase to 90.02% in 1977.

(iii) The pattern in terms of manshifts worked as a percentage of manshifts possible was that of a general steady decline with only one year (1971) with a percentage higher (93.16%) than that of 1967.[8]

(iv) The absolute number of manshifts lost through industrial disputes was 1,702, in 1967 and 62,206 in 1976 with a prior peak of 67,490 in 1975. This peak, however, was exceeded in the year ending June 1977 with a total loss of manshifts through industrial disputes of 71,290.

In percentage terms this pattern represented an increase fom 0.26% of manshifts possible to 4.03% of manshifts possible lost in 1977. The peak years were 1975 (4.34% of manshifts possible lost through industrial disputes) and 1972 (4.05%). All years since 1968 have shown a loss in excess of 1% and since 1972 in excess of 2%.

Overall the data presents clear evidence of an increase in manshifts lost through industrial disputation. Within the aggregate data of this period there are two examples of structual shifts to higher levels of industrial disputation, as indicated by their percentage of manshifts lost through industrial disputes. The first of these shifts occurred between June 1967 and June 1968 when the percentage of manshifts possible shifted from 0.26% to a new high level of 1.23%, a level which was approximately maintained until a second structural shift in the 1971-72 period. In this second case there was an increase in the number of disputes and the percentge of manshifts possible lost through industrial disputation jumped from 1.16% in the year ended June 1971 to a level of 4.05% in the year ended June 1972. The level of the percentage did fall below 3% in the succeeding two years but a new level of disputation again appears to have been established.

An examination of the regional patterns for the Blackwater region prior to and after 1966-67 and for the Mackay region after 1971-72 is necessary to fully highlight, and begin the explanation of these structural changes. Blackwater, the first UDC mine produced its first coal in 1968, the UDC Goonyella mine in the Mackay region was commissioned in 1971 and the first coal from the Peak Downs mine, also in the Mackay region, was produced in April 1972. At this stage the data necessary to fully document these points has not been analysed, but some regional analysis which is not inconsistent with these assertions is contained in the following section.

(b) Regional data – 1973 – 1977

Industrial disputes data related to open-cut mining in the Blackwater and Mackay regions, and a comparison with the Queensland aggregates for open-cut mining for the period 1973 to 1977 is contained in Table 7. A more detailed regional breakdown with manshifts lost through industrial disputes as a percentage of manshifts possible, for the same period, is shown in Table 8. During that period under consideration no clearly evident consistent regional dispute pattern emerges, except perhaps that the older mining regions of South Queensland, Blair Athol and the Callide districts

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8. It should be noted that the data and discussion is only taken back as far as 1967 and whilst this does give rise to the possibility that this year is not an appropriate year for comparisons in that it may not have been normal, it need be remembered that the UDC, Blackwater mine came on stream in 1968 and therefore this is the period in which the Queensland coal industry begins to change its fundamental character as a result of UDC influence.

are consistently below the state average. This particular point should, however, not be dismissed entirely for it could be indicative of the stablisation of industrial relations in these regions resulting from the general change in the industrial relations pattern of the coal mining industry in the 1950's and early 1960's. In contrast, it could be argued, the industrial relations patterns of the other, new mining regions of Queensland are still in a formative, maturing stage, and hence at a more turbulent and less predictable level.

The open-cut-undergound comparison also fails to show a consistent pattern which could be evidence of an overriding production technology causal link so frequently dominant in earlier case studies of coal industry relations.[9]

The regional analysis for this period, does, however, support the general proposition that industrial relations patterns are determined by localised issues, by ad hoc occurrences and are amplified by the existence and actions of the UDC. The regional data for the period indicates, **inter alia,**

(i) the clearly higher levels of disputation (in relative terms) in the Blackwater open-cut region mines, and in the Mackay region. Despite the complication of the presence of the Thiess Bros. open-cut at Blackwater this point is asserted as evidence that disputation appears to be a much more significant issue, and occurs at higher levels in the Utah establishments.

(ii) a marked jump in the manshifts lost as a percentage of manshifts possible through industrial disputes in the Blackwater open-cut data (therefore again related to Utah or Thiess Bros.) in the period ended June 1973. The level is markedly above other regions, both open-cut and underground and clearly indicates the significance of local factors.

(iii) The high level of industrial disputation (measured by manshifts lost as a percentage of manshifts possible) in the Blackwater region underground mines in 1976 and 1977 is also noticeable. The 1976 figures have of course another link, with the national campaign, but no such explanation exists for the maintenance of that level of disputation underground for the period ending June 1977. The influence of local factors is again suggested.

(iv) In an analysis of the manshifts lost through industrial disputation by regions the sheer size of the Mackay region should be noted. This is particularly important as most of the evidence and information used in this section relates to percentages and relativities. The point is that 4% of possible shifts lost through disputation in the Mackay region represents a much larger absolute level than, for example in the West Moreton region, and for that matter in any other region of the Queensland mining industry. The comparison is well illustrated by the following figures:

Manshifts possible —	Queensland — 1976 -1977	1,768,021
	Mackay	529,042
	Blackwater (open cut)	218,723

Quite clearly the disputation in this region has a noticeable effect on the overall level of disputation in the state, and particularly for the state average of manshifts lost through industrial action.

(c) The sub-period — 1974-75

An examination of the industrial disputes data for the sub-period ending September 1975 throws light on the effect of the campaign for the national log of claims, and the impact of disputation at the Utah mine sites on the overall pattern of industrial disputation.

It should be noted at the outset that the analysis is hampered somewhat by the fact that Queensland Coal Board data is annual data, and presented for periods ending June of each year. The Coal Board data does, of course, have the virture of being presented with a regional breakdown. The Australian Bureau of Statistics data which is available on a quarterly basis is only presented on a state level.

The ABS data shows that from the September quarter 1974 to the March quarter 1975 there was a marked increase in the number of industrial disputes in Queensland coal mining. The pattern of change was from 6 industrial disputes (June quarter 1974) to 9 (September quarter 1974) to 19 (December quarter 1974), 32 (March quarter 1975), and a level of 23(June quarter 1975). Man days lost through industrial disputes in the Queensland coal mining industry over the period June 1974 to September 1975 are shown below.

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9. For example: K. F. Walker, **Australian Industrial Relations Systems** (1970), O.U.P.; P. B. Beaumont, Conflict in Coal: The N.S.W. Experience, **Journal of Industrial Relations**, Vol.17, March 1975, pp.44-59; R. J. O'Dea, **Industrial Relations in Australia**, (1965), West Publishing, pp.78-84.

June 1974	5,100
September 1974	8,200
December 1974	20,100
March 1975	10,300
June 1975	27,900
December 1975	78,000

The events leading up to and occurring during the campaign for the national log of claims are clearly identified in both the increase in the number of disputes and the man days lost through these disputes. The guerilla type short actions of the December 1974 and March and June quarters 1975 are in clear contrast to the lengthier and wider stoppages of the September 1975 quarter — the peak of the campaign.

That is even though the number of disputes during the September 1975 quarter had dropped to six, the number of man days lost as a result of these disputes was 78,000, a figure far in excess of any other quarter loss. With hostilities over, the figure for the December 1975 quarter dropped to 3 disputes with 1,200 man days lost.

The disaggregation by region of the Queensland Coal Board data relating to the percentage of manshifts possible lost through industrial disputation, enables further statement of the influence of the Utah mines on the overall Queensland pattern, even during this period of overtly national level influences. Case study material which is not included in this paper provides further evidence of the role of the Utah miners as pacesetters in industrial militancy, and the magnification of the impact on the Utah disputes figures of the 'suspension' policy operated by Utah management during this particular period.

An example of the influence of Utah on the aggregates is illustrated in the data presented in Table 9.

It should be noted in relation to the information contained in Tables 8 and 9 that Utah mines are the only mines operating in the Mackay region, the open-cut mines at Blackwater are Utah and Thiess Brothers, whilst there are no Utah operations in the Bowen, Kianga-Moura and West Moreton region. The West Moreton region is, of course, outside the Bowen Basin area.

One further fact should be emphasised with regard to the period under discussion (1974-1975). That is, the year 1975 was a peak year for all industrial disputes in the coal mining industry overall. In the annual data of the Australian Bureau of Statistics this year had the highest number of working days lost since 1953. It is, of course, no use tracing this type of data back for the Queensland region alone because of the dramatic change in the nature of the industry within that state. However, it can be noted that although employment in the Queensland coal mining industry increased over the period 1953 to 1975, it was still relatively low in 1975 (5,383 employees as at June 1975). And there had been a substantial decline in employment in coal mining in New South Wales over this particular period resulting from the rationalisation and mechanisation of the industry in that state.

SECTION III — The Environment and the Parties

1. The Region — Geographical, Historical and Social Factors

The Bowen Basin of Central Queensland stretches 480 kilometres from Theodore in the south to Collinsville in the north. The eastern edge runs about 80 kilometres from the coast whilst at its widest point the Basin extends 390 kilometres inland to Blair Athol. Mackay, Rockhampton and Gladstone are the major coastal towns associated with the industry. Blackwater is 200 kilometres from Rockhampton. Moranbah is 200 kilometres by road from Mackay and Dysart a further 50 kilometres south-west. All mine sites in the region are, although distant from capital cities, reasonably close to fairly large provincial cities. The main connecting roads are sealed and gradually being upgraded.

The climate of the region is inland-continental with hot summers and cool to cold winter days (and especially nights). Rainfall is low, but sufficient to maintain a coverage of rough grass and short, sparse forest trees. Except in mid-summer the distant landscape has a green hue. The drive to the coast enters light tropical rain forest. Cattle graze, perhaps one to ten acres in the Basin itself, and sugar cane, safflower, soya beans and pasture crops are produced in the immediate surrounding areas. The coastal areas are extremely popular holiday resort areas and attract thousands of visitors each year, many from the southern states.

In the 1950's an open-cut at Blair Athol was producing approximately 300,000 tonnes of steaming coal, and a small open-cut near Collinsville commenced operation during that decade. At

that time, however, the West Moreton fields (near Brisbane and Ipswich) in the south east of the state were by far the dominant Queensland fields producing 60% – 70% of the total state production.

In 1967 the production of saleable black coal in Queensland totalled 4,812,087 tonnes. Of this less than 2m tonnes was produced at mines operating within the Bowen Basin prospect. Production of saleable black coal for 1975-76 in Queensland totalled 23,921,557 tonnes – and over 20 million tonnes of this was mined in the region we are discussing.

In 1967 open-cut production of black coal in Queensland accounted for 1,593,273 tonnes or 33% of the state total. In 1976 open-cut production was 20,979,528 tonnes and almost 99% of the total. Employment grew less markedly. Total employment in Queensland coal mining as at June 30, 1967 was 2,278 comprising 1,926 at underground mines, and 352 at open-cut mines. At June 30, 1976, 3,712 were employed in the open-cut section of the industry, and 2,065 underground, a total of 5,777. Employment had increased 150% whilst production increased 400%.

In 1966-67 1,741,469 tonnes of the 4,812,087 tonnes produced in Queensland was exported overseas. In 1975-76, 16,823,208 tonnes of the 24 million (approx) tonnes were exported. Exports of Queensland coal to Japan totalled 13,425,592 tonnes in 1975-76.

The first, major development of the 'modern era' in the region occurred with the formation of the Thiess-Peabody-Mitsui (TPM) consortium in 1962 and the development of the open-cut Moura mine in the southern part of the region. The development was predicated on an export contract with Japan, and a rail link with Gladstone (the first major railway line constructed in Queensland in 40 years) costing $26.5 million was built. Most of the ingredients of later developments in the region, open-cut mining, export contracts to Japan and the development of new infrastructures, were therefore present in this earliest of regional developments.

Utah was prospecting in the area and identified the Blackwater prospect in 1962. Subsequently Utah was able to clearly define the structural characteristics of the area, and the modern era of development really commenced. The viability of the mine was determined in 1965 and production commenced in 1968. Currently four UDC Mines – Blackwater, Goonyella, Peak Downs and Saraji – are producing. In 1967 production from Utah mines was nil, in 1975 it was 13.2 million tonnes of coking coal; all of which was exported with approximately 80% to Japan.

The capacity of the 4 Utah mines is currently estimated at 20.7 million tonnes per annum, estimates of reserves on Utah prospects run in the region of 6,000 million tonnes. Export contracts for existing mines total 1,600 million tonnes and there are currently excellent prospects for the development of the Norwich Park mine with an estimated capacity of 4 million tonnes per annum. In 1975 Utah profits from Queensland coalmining exceeded $100 million for the first time, and in 1976 they climbed to $137 million making it Australia's largest profit maker.

Blackwater was the first Utah mine to be developed, dictated more by the availability of service, rail, port, power and water, than the relative attributes of quality etc. of the field itself. Population grew to 700 in 1969 and then rapid expansion commenced – reaching in excess of 6,000 in 1977.

Moranbah (population 1977 – approaching 5,000) and Dysart (population 1977 – approaching 2,000) were complete new towns developed for Utah mines. New rail connections (and spur lines) and terminal facilities at Hay Point were developed for joint use of these mine sites. The Goonyella mine became operational in 1971, followed by Peak Downs 1972 and Saraji in 1974. The Norwich Park development has recently received the green light.

Each of these towns is a mining town, each is isolated and new. Each is (predominantly) a company town, and (to date and likely to remain so) a single industry town. Consequently the social context of these towns, as with several other of the Bowen Basin towns, creates a considerably different set of constraints and determinants of social industrial behaviour than exist, for example, in the urban industrial metropolis. The sociological literature of the Welsh Valley, the dockland of an earlier period and of the mining town of Northern New South Wales becomes more relevant.

Isolation and the 'tyranny of distance' are relative concepts, both in terms of distance and available modes of transport. The Utah towns are not as remote as the iron ore towns of the Pilbara, the bauxite towns of the Gulf and Cape York, nor the Broken Hill of the early 1900's. However, distance from all capital cities of the east coast (Brisbane 1,600 kilometres, Sydney 2,400 kilometres, Melbourne 3,200 kilometres) means substantial distances from 'the city of origin', the 'bright lights', and more significantly the extended family. The 200 kilometre (comfortable 3 to 4 hour) drive to the provincial coastal towns of Mackay and Rockhampton is relatively

feasible, but not as a regular or frequent activity. The occasional shopping trip will occur, but essentially the distance means a dependence on the supplies brought in and distributed by a single source in the shopping complex. This itself is a source of both actual and perceived cost increases and other types of complaints.

The communities are communities of the young, the young single male, the young marrried couple, and the young family. Neither young single females nor the older family units exist in sufficient numbers to provide the balance of the social structure of the provincial or urban community. Distance does preclude weekly visits to mother, or mother-in-law.

The industrial balance minimises the job opportunities, either full-time or part-time for the married women, and the school leavers. The latter problem will mount significantly in the future as the present school population ages. With company housing dominating the towns the question of housing the retired worker is arising but will be of more significance in future years.

The industry is a shift industry and all activities in the family and towns need revolve around this type of 'unsocial' work programming. In fact, much of the opposition to seven day working is based on arguments of this type:

. . . when could we play . . . football . . . cricket . . . etc.

because that is when the other teams play.

Status variations abound, single males in barracks, married company workers in houses, contractors' employees in caravan parks, foremen in 'high block' houses, club membership and drinking places. Status variations of these types still exist in most communities. In the small, isolated, single-industry mining towns daily contact rubs it in.

2. The Company — Ownership, Finance, Technology, Markets and Pricing

(a) Ownership and Finance

The initial Australian involvement of Utah Development Company (as Utah Construction and Engineering Pty. Ltd.) was in the heavy construction industry, including association with the Eildon Dam (Victoria), the Snowy Mountains scheme (N.S.W.) the King Street bridge (Melbourne), and the iron ore developments at Mt. Goldsworthy (Western Australia). The parent company was the United States based Utah Construction and Mining Co., established in 1900 and operating in the construction industry before expanding into iron ore and coal mining in the US during 1940's. But Australian coal has been the cornerstone of the recent development of the parent, Utah Construction and Mining Co. In 1962 profit of $US111 million was declared with 25% representing dividends from Australian operations. In 1976 Utah International became part of the General Electric conglomerate.

Exploration authorities in the Bowen Basin were first taken up by a UDC corporate predecessor in 1960, production and exports commenced in 1968. Profit first topped $A100 million in 1975, with the declared figure of $A100,958,185 being more than twice the previous years record of $A48,750,097. The profit for the nine months to July 31, 1976 was $A101,661,000, or $A16.9 million more than for the same period of 1975. The 1977 profit was $A158.3 million and for 1978, $A138.2 million.

UDC was, since 1970, owned 89.2% by Utah International Incorporated (US) and 10.8% by the Australian registered company, Utah Mining Australia Ltd. (UMAL). At the time UMAL was the second largest float (following Hamersley Iron) in Australian financial history. The float was seen as a first gesture towards feelings of nationalism and UMAL sought to provide an Australian equity in the developments. It can be noted, however, that 34% of UMAL shares are held by nominees and hence cannot be verified as 'Australian held'.[10] Other developments in the region involve an association of UDC and other corporate entities as formalised in Central Queenland Coal Associates (CQCA).

The Goonyella, Peak Downs and Saraji mines have been developed by CQCA together with the port facilities at Hay Point. Norwich Park developments will also be under CQCA auspices. In each case, however, UDC is the mangement company.

CQCA was, until recently, owned 85% by UDC and 15% by Mitsubishi (Japan). Federal government policy operative in 1976/77 relating to Australian equity in new mining ventures produced a restructuring of CQCA ownership as a precursor to the Norwich Park development. The general policy had been stated as a 50% Australian participation in each new venture. However, negotiations produced agreement with the government for the establishment of a 20% local equity in

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10. Reported: **National Times**, June 23, 25, 1977.

CQCA, and hence in all four mines, instead of the existing CQCA ownership pattern and a 50% local stake in Norwich Park. Therefore the restructured ownership of CQCA is UDC 76.25%, Mitsubishi 12%, Australian participation via Australian Mutual Provident Society 7.75% and UMAL taking a direct purchase of 4% in addition to the existing 10% of UDC stock.

Australian equity participation in the region received a boost with the enforced sale (Subsequent to American anti-trust suits) of the Peabody Coal Company (USA) 58% interest in TPM. BHP has acquired this substantial interest. Nevertheless the pattern of dominance of the industry and region by overseas corporations remains.

The finance for the initial operations of UDC flowed from the US parent, loan funds and local Australian sources. One estimate has suggested that the direct contribution of funds from Utah International was $US4.5 million equity capital plus initial exploration and administrative costs of the period to 1968[11] Since then, it has been suggested[12] sufficient cash flow was generated locally to meet these charges. The initial development costs involved in establishing the Utah/CQCA operations in the Bowen Basin was in excess of $A440 million, with approximately 40% of the expenditure for mine construction and equipment, and 60% spent establishing new or upgrading existing older facilities such as towns, railway track and equipment, ports, power and water supply.[13]

In common with many other mining ventures the bulk of development cash has come from loan funds, supported by long term sales contractual commitments. With assured reserves in excess of 2,000 million tonnes Utah was able to commit itself to long term contracts for the delivery of coal, with such contracts providing a basis for the negotiation of loans from overseas banking consortiums and financiers.

UMAL was itself a lucrative fund raising exercise envolving **inter alia** a premium of $A17.8 million. By April 1975 $A68 million[14] had been remitted to the US parent with the period of rapid growth to follow.

(b) Technology

The basic technology of the industry is neither complex nor new. It is essentially the technology of moving earth, washing it and moving it again. It has been in existence for a long time but has evolved in relation to unit size and capacity of the machines involved. Shovels (mechanical and of various shapes and sizes), scrapers, drills, trucks, conveyor belts and chains are the basic implements; the crusher and coal washing plant the main processing equipment of the mine site.

The production process includes the removal of overburden, extraction of the coal, and transportation by truck to the preparation plant. The aim of the preparation (benefication) is to reduce the ash and impurity content and hence upgrade the quality of the product. Preparation involves, basically, crushing, washing and drying. From the stockpile at the wash plant the coal is 'reclaimed', (the 'reclaimer' is one of the variety of mechanical shovels used in the industry) loaded on trains and transported to the user installation or port. Reclaimers and conveyors enable ship loading or use as feedstock at the user plant.

The application of technology requires moving enough earth, quickly enough, and hence operational size is a key factor. The removal of overburden imposes overheads, the coal itself has a high ratio of weight per unit of value, and the levels of output demanded by sales contract require fast (but economical) handling and movement of the product. The optimal size of the production units dictated by these factors involves high capital outlay (particularly per unit of labour). The size of the equipment rather than complexity determines that earth moving on this scale is a capital intensive industry.

The overburden removal is carried out by the walking dragline (simply a sophisticated mobile mechanical shovel) moving earth in up to 50 cubic metre bites to expose coal seams up to 200 feet deep. Shovels with a capacity of up to 12 tonnes load the exposed coal into 97 to 110 tonne coal hauling trucks which transport it to the washing and crushing plant. The size of the front end loaders, scrapers, and bulldozers involved in the earth and coal moving operations also reflect the high unit size of the technology of the industry. Trains with up to six diesel locomotives hauling one hundred one hundred tonne wagons transport the coal from mine sites to port or user. At the port, 'reclaimers', conveyors and bulk-loading hoppers are involved.

Two implications of this type and scale of technology stand out above all others; first the high initial capital expenditure, and second, the high capital/labour ratio and (consquently) high output

11. **Financial Review**, 16 April, 1975.
12. **ibid.**
13. UDC publication 'Employee Handbook'.
14. **Financial Review, op.cit.**

labour ratio. The fifth dragline assembled on site for the Goonyella mine (during 1976) cost approximately $A14 million. A tyre (Diameter approximately 8 feet) of a six wheel Euclid coal hauler involves a replacement cost in excess of $A4,000. Capital costs of this nature are in addition to the mine development and infrastructure costs.

The capital/labour ratio is determined by these above considerations and the fact that a dragline requires only two operatives per shift, and the shovels, front end loader, 'dozers, and coal haulers one each. The size of these units therefore dictates a very high output/labour ratio. The effect of such a factor can be illustrated by, firstly, the comparison of output per man shift in open-cut and underground mining (for example, during the period January to June, 1976 the figures were 22.99 tonnes and 6.62 tonnes respectively), and secondly, by the comparison that Utah has achieved its current level of profitability with a total workforce slightly in excess of 5,000, whilst the BHP workforce producing similar profit levels at a similar time was approximately 60,000. Clearly the nature of the product, the price and markets are relevant in explaining this second comparison. But there is some indication of the impact of the type of technology employed in open-cut coal mining, particularly in the relationship to labour usage, production levels and productivity.

The clear advantages of the strip mining technique include the facts the 90 per cent of the seam is recoverable (compared with underground methods which can yield as little as 50 per cent), it is amenable to a high degree of mechanisation and output per man is relatively (and also in absolute terms) high.

The use of such methods by Utah has not been without critics. It has, for example, been pointed out that a policy of 'stripping and shipping' the cheaply mined surface coal makes the recovery of the vast resources of underground coal at the very least prohibitively expensive and at the worst, impossible in the future.

It can be argued that the basis of such criticism is founded not so much in the technology used by Utah, for it is basically the same as used by other open-cut producers in the region, but that, firstly, Utah exploits the technology far more effectively (or ruthlessly), and secondly, the sheer size of the Utah operations relative to the region and the industry. Utah has consistently used the largest capacity draglines, shovels and trucks and other equipment permitted by existing technology and economic viability.

(c) Markets and Pricing

Three distinct market categories currently exist for production of the Bowen Basin coal. The satisfaction of internal corporate requirements explains the involvement of BHP and Mt. Isa Mines and provides one sector of the local market. Pricing policies are less relevant to this sector.

Supply of Queensland power stations is the second category in the local market, and hence the economics of the electricity generating industry, which has benefitted from open-cut supply, are interwoven with that of coal production. The higher cost underground mines of the south-east were the original primary sources of supply. Furthermore, the Gladstone Power Station, a new multi-million dollar development commissioned in stages from 1976, is intricately linked to the Utah mine at Blackwater with cheaper coal for electricity generation and a partial cost recovery of over-burden removal for Utah as the basis of these economies.

Export markets form the third and by far the most significant market for the coal of the Basin in general, and for that of Utah in particular. The proportion of coal sold overseas and examples of export contracts held by the exporting companies are detailed in Tables 1 and 2. It is clear that the past development, current activities and future of the industry in the region have been and are predicated, in the main, upon export markets (and prices) in general, and the Japanese market (and prices) in particular.

Prices for coal exports are negotiated directly by producing companies with export customers. In general prices established with Japanese mills are higher than other contracts and the significance of this is increased given the proportion of output of the region committed to the Japanese market.

Federal government influence on pricing exists, albeit indirectly, in two senses. Firstly, in the sense of the policy indications that export permits will only be granted for contracts where prices are at 'an acceptable level'. Secondly, through involvement of Ministers in discussions (if not direct negotiations) with counterparts, other political representatives and commercial interests in (specifically) Japan.

The marketing and pricing policies pursued by Utah have been, in general, somewhat different from other sections of the industry, and have, together with the technological and operation characteristics referred to above, contributed to the relative, 'difference' or 'uniqueness' of the

Utah position and level of profitability. Marketing and pricing strategy has been based, primarily, on securing long term contracts with lower (relatively) prices, price escalation clauses, high throughput and concentration on the Japanese market. It has been estimated that 78% of the 1975-76 mineral sales revenue of $A561 million came from long term Japanese contracts. These strategies have created pressures, particularly from the Japanese, upon other coal exporters, but the success for Utah is clearly demonstrated by the facts. The windfall to Utah as a result of Government intervention, and the reaction of government after assessing the effect of intervention, are referred to in a later section.

3. The Workers and their Unions.

(a) The Workers

The majority of workers in the black coal industry of the Bowen Basin are new to the industry, having moved from the construction sites of the area and/or, encouraged by the rural recession, from agricultural and provincial town occupations. Some workers (overall an older group) have moved from the coal mining areas of declining employment opportunities in New South Wales and South Queensland, whilst others have had experience in the remote mining areas of Mt. Morgan, Mt. Isa and Mary Kathleen.

The proportion of single workers has declined as the age of the mining areas has increased, but still runs at approximately 35% of the work force. Single workers exist in urban and other industries, but the added dimension of 'transitory' must be added to the singleness of the coal miner of the Bowen region.

The young, both single and married, are the predominant age category. The aims and intents of 'the new start in life', 'the grub stake', 'the quick and easy money'. 'the kicking over the traces' and 'a life for the family we couldn't have elsewhere', are among the variety of rationale lying behind the workers moving into and moving out of or staying in the industry and region.

Two further facts about the work force of Utah are of interest. First, the initial selection of operatives had been made from a screening of applicants who moved to the area and been employed (initially) on mine site of infrastructure construction. Second, in general, Utah has not found it necessary to advertise for Labour in the capital city press, except for specialist and skill categories. Despite the location, mine site recruitment has been, in general, an adequate source of labour.

(b) The Unions

Unionism on the coal mining sites of the basin is limited to four unions organising manual operatives and a fifth representing white-collar colliery staff. The criteria for employment enunciated by Utah declare that it is expected that, except for apprentices, employees must be financial members of one of the following unions:

1. Queensland Colliery Employees Union (QCEU).
2. Amalgamated Metal Workers and Shipwrights Union (AMWSU).
3. Electrical Trades Union (ETU).
4. Federated Engine Drivers' and Firemen's Association (FEDFA).
5. Collieries Staff Association.

The Utah industrial agreements are signed with the first four manual unions.

The faceworkers — the miners — are the traditional membership base of the QCEU. However, in the North-Central Queensland mines the operators of heavy duty coal hauling trucks and trades assistants are part of the miners organisation, which means that the Transport Workers' Union (TWU) and the Australian Workers' Union (AWU), more traditionally organising such workers in mining operations, particularly open-cut operations, are not represented on the field. This coverage has permitted the overall reduction of the number of competing unions, avoided a variety of particularly difficult demarcation lines which always crop up with the presence of the AWU and the TWU, and avoided the so-called 'irritant' presence of the AWU. The antagonistic attitude to the AWU is based in part on historical fact and part on industrial folklore, but it does exist firmly in the minds and attitudes of other unionists, particularly the union activists, and more particularly those with experience at Mt. Isa, during the early 1960's, or coal mining in New South Wales.

The QCEU is linked directly with the Australian Coal and Shale Employees' Union (the Miners' Federation), and is part of the historic structure of that federation. The basic unit of organisation of the Miners' Federation is, and always has been, the 'lodge' (local branch) based on a 'mine' or local field of mine operations. The lodges are grouped into Districts (Branches). Three Districts cover the

New South Wales coalfields but the QCEU developed as the district grouping for the Queensland mines.

The Districts elect members to the Central Council which is the peak governing body of the federation. But the autonomy of the lodges in matters relating to the 'mine site' is still firmly ensconced in federation philosophy. Portions of subscriptions and levy finance provide a further basis for the autonomy. Lodge officials are full time mine employees who are re-imbursed by the union for time spent on union business during working hours.

A philosophy of activism based on full collective support for the individual had developed, and remains deeply entrenched in the operation of the components of the Miners' Federation. Such a philosophy had historical roots in the wide variation of conditions under which individuals worked in the unmechanised underground mines, coupled with the effects of piece rate fixation.

Miners with experience of the New South Wales and South Queensland coalfields carried these attitudes and behavioural patterns to the Bowen Basin. They had, of course, been tempered to some extent by the passage of time and to a greater extent by the marked overall changes in the pattern of industrial relations in the New South Wales coal industry of the 1960's and 1970's. Further dilution, decried by the 'old militants', resulted from the new labour recruited from the declining North Queensland pastoral industry, from those previously involved in construction activities, (being groups of workers without a mining region or mine-work background) and the different type of work carried out by 'Miners' in the open-cut vis-a-vis the pit.

The FEDFA has a strategic base in organising within power stations, stationary engines and lifting operations, and the mechanical equipment involved in earth and coal moving; draglines, 'dozers, scrapers and shovels. A demarcation line shared with the QCEU exists in truckdriving, with the FEDFA entrenched at the low end of the size range. The current boundary is set by a five-ton pick-up. The FEDFA is a Federal Union with a Queensland branch based in Brisbane. A full-time organiser operates from Blackwater. Membership is primarily semi-skilled operatives who have achieved a position of industrial power because of the key nature of the operations controlled on mine sites, namely the power station, the pit winding gear, the 'dragline' or, as in the case of the Pilbara, the locomotive. However, the essential conservatism embodied by the union is, in general, mirrored by the North Queensland membership. Relatively, activism and militancy is less pronounced in the FEDFA than in the other three manual unions on the field. A further reason for this being that 'skill for skill' FEDFA members rank high in the earnings chart, with dragline operatives clearly out in front.

The ETU.and AMWSU represent the trades and maintenance areas, electrical and mechanical respectively. Membership, of course, is small relative to the operative unions, but under certain circumstances, for example, mine safety, is strategic. Each union has a federal structure and a Queensland branch based in Brisbane. The AMWSU has regional organisers in Rockhampton and Townsville who share local responsibility for coal industry matters but the ETU services the region from Brisbane. Both unions have a strongly developed shop steward structure in the craft union tradition.

The haulage of coal from mine site to coastal facilities involves various railway unions, but the Queensland Railways is the employing authority for this aspect of the operations. This contrasts with the iron ore traffic from mine site to coast in the Pilbara where the FEDFA have succeeded in the coverage of locomotive crews and line support staff.

The Colliery Staff Association is the umbrella office — typing , clerical, administrative — union.

(c) Inter-Union Links

A traditiion of relationship and mutual support between miners and other union groups on the fields has in general always been a feature of industrial relationships where mining communities have developed. There is also a long history of structural arrangements which have developed to support and facilitate the inter-union approach to common problems.

Each mine site of the Basin has a Combined Mining Union committee (CMU) with office bearers, holding reasonably regular meetings, but more importantly providing a formal structure to support a much greater level of informal consultation, contact and action by a combination of unions in relation to local issues. Area CMU's link several of the site CMU's. Although a formal structure exists for continuous operative effort the area CMU's of the coalfields function, almost exclusively, as crisis oganisations, swing into operation to facilitate across mine site and across company discussion and action in dispute or strike situations. These traditional industry structures have been imported from regions with longer and more mature traditions. The reduced force of past history and the very different environmental context of the industry in the region has tended to preclude the

development and use of these structures in a rigid and constitutional form. The structures exist, but there is flexibillity and fluidity in use at the site and area level. One further reason for the dichotomy can be mentioned. Utah operations dominate the region but the formal CMU structures (above the level of the mine) are regional in nature. Critical problem areas are frequently related to common issues and common action across the four Utah mine sites rather than the geographic region.

A State CMU functions at the level of State branch officials and an interstate CMU (the Mining Unions Liaison Committee) was established in 1975 to co-ordinate and pursue the combined Queensland, New South Wales claim placed before the Coal Industry Tribunal.

Several major features of union structure and organisation in the region need be stressed. They include the limitations on multi-unionism and particularly the absence of the AWU and TWU, the geographic distance between the site and the full-time official and between the site and industrial tribunals, and the development of traditional structures in a different context. The first factor has reduced (but not eliminated) demarcation and inter-union hostility, the second has led to the growth of shop floor power and activity and the third has further emphasised the flexible and informal inter-union co-operation and co-ordination. As a result of the two latter effects there was a substantial increase in the level of tension in industrial relations in the earlier years of the Utah mine sites whilst roles, inter-relationships and power balance were being establised. These issues are taken up again in Section V.

4. Government

Political intervention in the mining industry of the region has been, and can be, exercised through the allocation of leases, establishment of export quotas (state) and licences (federal), level of royalty payments (state) and export levies (federal), provision (or non-provision) of infrastructure, railway freight prices, the extent of local versus overseas equity, and in taxation policies as applied to the industry in general. As well as permissive and prohibitive actions by government, it must also be recognised that government action in many of these areas is a critical factor in shifting the economic variables and the parameters for commercial decision making.

Initial political control rests with the state government via the issue of the lease and level of export quotas. The Utah agreement regarding the Blackwater lease with the Queensland government provides an export limit of 100 million tonnes. CQCA reserves are covered by an agreement relating to four leases covering, in total, approximately 75 square miles. The initial agreement permitted a total export limit of 300 million tonnes (approximately 30 per cent of the reserves) from these leases. However, bargaining in relation to the proposed development of the fourth of these CQCA leases (the Norwich Park lease) has lifted this quota to 450 million tonnes. Within these overall export limits the Queensland government has sought to influence the future methods of mining by insisting that coal exported in excess of 20 million tonnes per annum from Utah and CQCA mines must come from below 200 feet.

Royalty payments, freight rates, the provision of infrastructure and the supply of coal to state instrumentalities have also been part of the negotiating package of the state government. The state government has been able to minimise the role of state housing in the development of the mine towns. The emphasis has been on company developments with control through local government authorities. In the case of new railway developments the capital cost has been met by loans from Utah. The state government constructs, owns and operates the facility, paying interest on the borrowed capital. However, freight rates are determined to cover operating costs, maintenance costs, profit margin and the government interest payments.

The area of foreign versus local equity is one where federal government policy has been paramount. Strong central government support for increased local equity and control of resource development developed during the years of the Labor government in the 1970's. However, there is an across party commitment (with obvious variations in emphasis) to increasing local equity in resource development generally, and in the Queensland coal industry in particular.

Companies involved in the Nebo, Norwich Park and Blair Athol projects were informed that a 50 per cent Australian participation was required, and that in the Hail Creek development C.R.A. was to aim for a 60 per cent local equity in the project. Utah eventually entered negotiations with two alternative local equity plans for the Norwich Park development. The first involved a 55% local equity solely in that one development. The second involved a spread of and an increase in local equity across all four CQCA developments. This second alternative, involving 20 per cent local equity in the operating unit — CQCA — was accepted by the Federal government, and came into

effect in July 1976 with the purchase (for $A97m) of a 7½ per cent share of CQCA by the Australian Mutual Provident Society and an increase of 4 per cent of the UMAL equity.

Export licensing is a primary negotiating weapon of the federal government, although taxation policy and involvement in price policy are also relevant. Involvement of the federal government in price policy and negotiations has led to substantial benefits to Utah and the industry, and to some (at the time) unforseen consequences. Mr. R. Connor, as Minister for Minerals and Energy, both visited Japan and used the authority of his government to bolster prices for export coking coal. His intention was to secure higher prices in general, but with prime concern for New South Wales exporters. Although Utah had insulated itself to some extent from cost increase pressures by the commercial foresight of negotiating long term contracts with price escalation clauses, the company was able to 'board the wagon', negotiate increased prices and reap a substantial financial bonanza. This windfall was itself the origin of Mr. Connor's specific concern with the Utah operation, leading eventually to the coal export levy.

The coal export levy was imposed by the federal Labor Government at the rate of $A6 per tonne for hard coking coal and $A2 per tonne for soft coking coal. Mr. Connor had initially sought to isolate Utah as witness the discussion of a super-tax on the company which occurred but was rejected after (reported) Treasury opposition. The coal levy resulted. Ironically it was proved in retrospect that Utah was the only coal exporter to be able to carry the levy with ease. The levy was a catalyst for the formation of the Australian Coal Exporters Association, formed as a lobby to seek the elimination of the levy. The announcement was made in July 1976 by the LCP government that the levy was to be phased out over three years, and immediately reduced to $A4.50 per tonne. The levy had failed as a political device to control one company. As a revenue raising technique it suffered in that amounts collected could be offset against Federal company tax payable by the producers.

Federal government taxation powers can be and have been used to influence the behaviour of corporate entities in the industry.[15] It is an industry belief (or public relations statement) that immediate write off of all capital expenditure against taxation in the year of expenditure is justified to cover the risk factor involved. Clearly policies of this type influence the commercial judgements to proceed with exploration and/or development. Clearly governments can and ought to use such policies to ensure commercial judgements accord with community preferences and needs.

5. The Government Agencies

A state government agency, the Queensland Coal Board, is the primary agency involved in the general industrial aspects of control and regulation of the central Queensland coal industry. A federal government agency, the Coal Industrial Tribunal, is the primary government agency involved in the industrial relations function. The Australian Conciliation and Arbitration Commission and local Boards of Reference also have an industrial relations role.

(i) The Queensland Coal Board

The Queensland Coal Board was established in 1949 and operates under the Queensland statute, The Coal Industry (Control) Act, 1948-1965. The Board is charged with ensuring that sufficient coal is produced and distributed with maximum efficiency, that coal resources are concerned and developed in the public interest and to promote the welfare of workers in the industry. The structure, roles and legislative supports followed and are virtually identical to that which emanated from the joint Commonwealth-New South Wales legislation of 1946. Until the advent of the Bowen Basin coal the QCB would have been very much in the shadow of the Joint Coal Board. Today the position is different. The Board has power to regulate prices of coal sold within the state but export prices are negotiated directly by the exporting companies. In this respect the role of the Board is of less significance to UDC.

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15. For example: In October 1977 it was reported that UDC had paid dividends totalling $A130 million in the first nine months of the year (net earnings had amounted to $A116 million). It was also reported that:
. . . possibly most alarming aspect of UDC's massive US repatriations and a fact which has never before been highlighted, is that the group is structured in such a way that its dividends are not subject to withholding tax. (**Financial Times**, 27 October, 1977).
Companies with their local operations controlled by a company incorporated in Australia are required to pay a 15% withholding tax on dividends repatriated. UDC is not incorporated in Australia but operates through a branch office. The withholding tax was not applicable.
On the following day the Treasurer, Mr. Lynch, called for full information on the matter and promised amendments to the Income Tax Assessment Act to preclude overseas remittance of dividends without paying withholding tax. These amendments subsequently occured.

(ii) The Coal Industry Tribunal

The Coal Industry Tribunal is the second major government agency concerned with regulatory aspects of the industry in Queensland. This body is, of course, also concerned with the industry in New South Wales and was, with the Joint Coal Board, the institutional descendant of the arrangements prevailing during World War II.

The current position is that the Tribunal exercises the conciliation and arbitration powers of the Commonwealth over inter-state disputes affecting the black coal industry in New South Wales, Queensland and Tasmania, and state industrial regulatory powers over intra-New South Wales matters. Three local Coal Authorities assist the Tribunal in New South Wales whilst in Queensland (and Tasmania) the Tribunal is assisted by Boards of Reference, the chairmen of which are appointed by the Minister for Employment and Industrial Relations under the Commonwealth Conciliation and Arbitration Act. In so far as the Tribunal and associated bodies handle intra-state matters they do so under powers derived from relevant state legislation. The Provisions of 'The Coal Industry (Controls) Acts, 1946-1965' provide this link for the Queensland section of the industry.

An award, order or determination of the Tribunal, once filed, has the full effect of a similar instrument issued by the Conciliation and Arbitration Commission. The Tribunal may consider matters arising from Local Coal Authority decisions, but there is no appeal from decisions of the Tribunal. Matters believed to be of sufficient public interest to be considered by the Tribunal may be referred to it by the Joint Coal Board.

(iii) Boards of Reference

In relation to local Queensland matters, Boards of Reference established under Section 50 of the Commonwealth Conciliation and Arbitration Act determine interstate matters under the Commonwealth power, and intrastate matters under power granted by local state legislation.

Each of the three Federal awards pertaining to the industry in Queensland, have provided for the establishment of a board of reference under the provisions of this section. The boards are constituted by a Chairman appointed under the Coal Industry Tribunal, not more then three representtives nominated by the Union concerned, and not more than three representative nominated by the employers.

Membership of the board varies with the issues but always includes representatives of the union/unions involved (and invariably this involves all four manual unions), the company/companies involved and of the Queensland Coal Owners' Association. The current Chairman is a Commissioner who has had extensive experience in the Queensland region of the Commonwealth jurisdiction, and the industry, (prior to the appointment as a Commissioner and afterwards) and who remains based in Brisbane. The same Commissioner acts as Chairman of the Coal Industry Tribunal in matters under the Coal Industry Act (Commonwealth) pertaining to Queensland issues and disputes.

The Board is required to meet promptly to deal with all complaints by employers or employees of disputes arising out of the award or of breaches of the award or disturbances of customs of the industry not specifically dealt with by the award. Decision of the Board may be reviewed and altered by the Coal Industry Tribunal on the application of a party to an award (within specified time limits), and in such cases the decision does not become effective until after the matter has been dealt with by the Tribunal. The Board may make its own rules of procedure, keeps records of matters referred and decisions reached and files these records and decisions with the Tribunal. If the Board fails to reach a unanimous opinion on any matter the decision of the Chairman prevails. The Board is not concerned with, and cannot limit the rights of the parties to seek variations in the award.

The final step of the disputes procedure contained in the 1972 industrial agreement between the unions and Utah provides for reference of the unsettled matters to the Board of Reference.

SECTION IV — The Industrial Relations Processes

The industrial relations processes operating in respect to the black coal industry of North Central Queensland are a microcosm of the processes involved in general in industry within Australia, with the additional less common but by no means unique element of a specialised tribunal. Negotiation with and without third party conciliatory assistance, arbitration, unilateral determination by management and, in limited areas, by workers, are each used individually or collectively as means of establishing and administering the operative terms and conditions of the industrial relationship. Further, many of the terms and conditions affecting employment and the industrial relationship are established as a direct result of the legislative process of government. The common law also has a role in establishing elements of the industrial rights and reponsibilities of the parties. Industrial direct action, of various types, may or may not be used to suppoort or influence actions taking place within one or more of these processes.

The procedures used, the procedural mix, the personnel involved and the level at which the interaction occurs will vary from issue to issue and from time to time, but the following material and cases are illustrative of the processes of the industrial relations system in the north-central Queensland coal industry generally, and that of the Utah Development Company in particular.

(a) At the site/company level

In principle, a matter relating to a new condition of employment which is not currently covered by the award, and a of **prima facie** application, at least initially, to only one mine location, could be settled by negotiation at the site industrial officer/mine manager, job delegate level. But, in practice, few matters are regarded to be only of 'single site relevance' in the case of a 'multi-site' operation such as Utah.

Utah management permit site industrial officers and managers some latitude in applying existing rules to specific cases in dispute, but no latitude in the case of locally raised demands for new terms or changes in existing terms of employments. Even in the former situations local freedom is proscribed whenever there is any likelihood of a demand flowing from site to site, or a precedent emerging. Monthly Industrial Advisers' meetings (so called but held more on an ad hoc basis than a regular monthly basis) are one of the methods used by Utah senior management to share information, co-ordinate activity and, more particularly, ensure a flow of operational directions from the centre in relation to current or prospective industrial relations activity. More immediate issues are dealt with by telephone with information flows to the centre and action advice in return.

A case of the provision of safety footwear by the company is one in which the issue was first raised on site, was not considered or negotiated at this level for obvious reasons, where negotiations at company level were abortive, but where in 1977 the provision became an award requirement for the industry in Queensland.

In fact, if industrial disruption does not occur or occurs in a form and degree which can be withstood, **pro-tem**, there is little reason for concessions to be made on a local basis and prior to the central determination of a common standard. A personnel policy could dictate otherwise, but the practice evident in the case of Utah is to follow the more general Australian industrial relations practice of delaying change until a pattern is set by centralised tribunals and third party intervention. In one sense the system in its totality mitigates against localised determination, and multi-site producers such as Utah are able to allow the system to operate in their favour.

One of the ways in which union organisation facilitates the centralisation of dispute resolution is through the failure of mine-site CMU Committees in the Basin to function effectively as continuous, constructive negotiating centres. At local mine site level the CMU's seem to function as active agents in major crisis situations, but are unable to maintain the constancy of effort, attention to detail or activity required in the normal processes of pursuing and negotiating a specific case. Consequently if a matter is raised by a steward without resolution it is more likely to find its way off-site to the office of the regional organiser or to the state branch of the union, rather than to the inter-union site or regional body.

A settlement of disputes procedure, incorporated in the 1972 agreement was of little real relevance compared with the industrial realities of the day as grasped and pursued by one or other of the parties.

The procedure itself was a loosely worded clause containing no time limits to any of the steps, no provisions for reducing the grievance to writing at any stage and minimal expression of the rights of the individual worker or work group during the operation of the process. The wording implied, but did not state explicitly, an involvement of head office management at the fourth level of the procedure. In fact Utah's operative industrial policy rarely permitted grievances, other than those of simple pay calculations or leave entitlements to be resolved without head office involvement either in a formal conference at the fourth level of the procedure, in Board of Reference proceedings (the final step of the procedure), or the more frequent and ad hoc informal discussion and consultation between management levels. The prevalence of the latter occurences caused the view to develop amongst the work force that site management were merely 'mouthpieces' and not critical elements in the process. Indecisiveness could occur and would not be (technically) in breach of the procedure. Delays real and perceived were par for the course. For reasons such as these neither party utilised the procedure as an orderly step process, except during a brief 'honeymoon' period after the signing of the agreement and on the rare occasions when a conscious decision was made to 'follow procedure'.

During the period 1973 - 76 the more common response of stewards and workers on site, faced with a failure to get an immediate answer at site management level, was to 'go out the gate'. Management more often than not were keen to invoke the Board of Reference procedure as soon as possible when it became obvious the issue would be settled quickly on management terms. Further, during 1974-75 the company adopted the policy of retaliatory standdowns in response to stoppages in breach of procedure. For much of the period under consideration consistent use of the procedure did not suit the interests of both parties in practice, and without a mutuality of interest it could not function.

It is argued that there was no financial or market pressure on the company to make the procedure work (especially during the 1973-1975 period) and this itself meant that a major potential thrust to seeking a 'mutuality of interest' and a workable procedure was missing.

Direct negotiation produced an industrial agreement, signed on January 12th, 1972, between Utah Development Company and the (then) AEU, the ETU, the FEDFA and the QCEU with application to the Blackwater, Goonyella, Peak Downs and the projected Saraji (at that time) and Norwich Peak mines. The agreement superceded an 'Attendance Bonus' Agreement previously operating at Blackwater (initially) and later Goonyella and Peak Downs, and in part reflected a recognition of the open cut nature of Utah operations contrasted to an industry award based on the needs of a, primarily, underground industry.

Procedural clauses in the agreement covered the operation of the agreement, the continuance or re-negotiation, and reserved matters. A 'non-absorption' clause and a 'limitations' clause were also included, as was the settlement of disputes clause referred to above. The agreement itself was a private agreement and was not registered with any industrial tribunal.

The substantive provisions of the agreement directly benefitting employees were: an over-award payment of $20 (divided into two payments), workers' compensation make-up pay, accumulation and monetary payment for sick leave credits and company make-up of medical and hospital benefit repayment shortfall.

Clause 6 of the agreement, the main **quid pro quo** gained by the company, related to continuous process work and stated that such would

> . . . be introduced for employees associated with train loading, the operation of the coal preparation plants, draglines maintenance, the working of the new coal stockpiles and such other work agreed to by the company and the Unions.

The re-negotiation of this agreement was the cause of the conflict of 1978.

During interviews in early 1977 it was conceded by all parties, workers, stewards, union officials and industrial relations management, that the 'Utah Agreement' was out-of-date and lacked industrial relevance and that re-negotiation was overdue. However, the degree of urgency varied at different levels, and had not, by this stage at any rate, became excessively urgent at any level.

On-site, the out-of-date relativities of the over-award component to the base rate was a source of complaint. However the consistent increased in the base rate (the source of the relative decline in the over-award level), and the lengthy award campaign of 1975-6 had each served to minimize the pressure for re-negotiation from work group level. Nevertheless during this period meetings of individual unions and of CMU Committees had been held at each Utah site, the area CMU covering the four Utah sites had met, and from these processes a log had been formulated, notified to the Utah union officials and served on the company as a basis for re-negotiating the agreement. Some of the demands developed in this way found their way into (or overlapped with issues already covered in) the award negotiations, with a consequent effect of further reducing any pressure for re-negotiation. In addition, re-negotiation was in the hands of the State union officials and the award negotiations pre-empted their interest and attention, and reduced the chance of positive pressure for re-negotiation from this source.

In fact during the period to mid 1977 there was a lack of real pressure from any level resulting in the agreement being pushed into the background. The disputes procedure was not working in the manner prescribed, but again the company had no reason to believe that re-negotiation would assist, nor, it is argued did market and production requirement prescribe a more positive attack on industrial relations issues.

(b) At the Industry Level

For the industrial relations system of the Utah Development Company the award is, in common with the bulk of Australian industry, at the core or heart of industrial relationships, is central to the establishment of the substantive work rules, and the various procedures associated with award making and variation are the most significant of the processes of interaction occurring within the industrial relationship. An award is, in its own right, a major statement of the terms and conditions of employment, as well as a potentially important building block for other processes and elements of the system.

Three awards cover manual employment in the Queensland coal industry. They are:

(i) Coal Mining Industry (Electrical and Engineering Trades) Award 1973, Queensland.
(ii) Coal Mining Industry (Engine Drivers and Firemen's Award), 1973, Queensland
(iii) Coal Mining Industry (Miners) Award, 1973, Queensland.

Each of these awards is a federal award issued by the Coal Industry Tribunal under the provisions of the Coal Industry Act (Australia) 1946-1973.

Most of the provisions in the three Queensland industry awards are identical as between awards, reflecting the contemporaneous negotiation and determination, a combined union approach and, possibly the most important factor, a recognition by all parties that basic terms and conditions of employment (apart from wage rates) should be identical (or almost so) for all workers in a common or similar situation. An accepted or customary relativity of wage rates is often part of this philosophy. Leave provisions, penalty rate levels, meal breaks and rights prescribed under the award (right of entry, shop steward rights etc.) are but some of the areas where commonality is accepted and exists across awards. The base wage rates show the accepted relativities within and across awards. Differences between the three awards are reflected in the definitions sections, the job classification names, tool allowance provisions for craftsmen and the provisions for apprentices incorporated in the craft awards. The current awards date from 1973 but a major award variation case was conducted during 1975-76 in respect of these awards. These negotiations and arbitral processes resulted from the first national level common approach on wage matters by unions representing both Queensland and New South Wales sectors of the industry. The aim was a commonality of rates. A common determination was made by the Coal Industry Tribunal but issued separately on a state and award basis. Aspects of the operation of the industry level industrial relations processes and UDC's role therein are canvassed in the following paragraphs.

On the 14th September 1976 the Coal Industry Tribunal handed down a decision **inter alia** increasing wage rates and rejecting an employer demand for a 52 week working year.[16] An interim decision of 10th September, 1975 and the application of the June 1976 quarter indexation increase preceded the final decision. Negotiations between major parties had been conducted during 1974 and a formal log was served on 30th January, 1975. After clarification meetings, and the first counter-offer, the initial compulsory conference was held by the Coal Industry Tribunal on 21st May, 1975. The first of numerous national stoppages was held between 22nd and 25th May, and overtime bans were imposed. Further conferences and stoppages were the prelude to the listing of the matter for arbitration and the commencement of the hearing of 10th September, 1975. The 15th September saw the interim decision and overtime bans were lifted. Conferences resumed on 16th February, 1976, amended logs and offers were made, and the hearing recommenced on 18th May, to be followed by the indexation decision and finally the 'award' of 14th September, 1976.

Several aspects of these proceedings shed light on the industrial relations processes and attitudes within the industry generally and UDC in particular. For example:

(i) For the men on site the award making process seemed to take an interminable time. Proceedings started for them much earlier with union on site, CMU on site and area CMU meetings to formulate ideas for the log and to form and communicate views on issues as the formulation process continued across the industry. Further, given the extensive time period, the necessity for contunual irritants, propaganda and meetings to 'keep the pot stirred' was increased. Individual site managements had, as one consequence, an increase in localised problems to handle concurrently with the external stresses.

Communication lines were long and disparate views of proceedings were possible. National level claims were being pursued by national level union officials — the Liaison Committee, a sort of national CMU — with national employers within the scope of a national tribunal. It is not surprising that there were problems of keeping solidarity within the unions on site and within each state. It was easier for leaders to take the 'broad view' or 'national interest' than for the men on the Utah sites.

(ii) Apart from the numerous state wide and national stoppages there were numerous localised actions in the form of stop-work communication stoppages, or supportive coercive action. And the workers were, as mentioned, more militant on local issues. Extensive bans and a strike-stand-down conflict persisted at Utah sites through the early months of 1975 and, by August such actions and reactions were industry wide. And, it was observed, a very indifferent work effort occurred when the men did come to work.[17] With specific reference to Utah it was asserted, on 28th April, 1975.

> . . . that since the beginning of the year the Company has had 106 available production days

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16. The union claims related to such matters as an employment guarantee, annual leave, sick leave, long service leave, accident pay, longwall mining allowance, minimum rate, meal break, meal allowance, collection of union dues, industrial clothing, shift allowances, special rates, washing plants, bonuses, severance pay, overtime, call backs, holiday work, travelling allowance, compassionate leave, and three particular claims, namely gratuity payment, shift seniority and superannuation made on behalf of deputies and shotfirers.
The counter claims submitted by respondent employers, relate to a '52 week working year', spread of ordinary hours, tolerance times, and severance pay'. Coal Industry Tribunal, Decision in Nos 111 of 1975; 38 of 1976, September 14th, 1976, p.1.

17. Financial Review, 16 September, 1975, quoting management representative.

to them. They have in fact worked 44 days without any form of limitation, and I think 10 out of those 44 have been out of orders made by you.[18]

(iii) Solidarity amongst employers was an issue. Clutha Development Pty. Ltd. broke ranks and signed a separate agreement early in 1975. Utah could have conceded also but chose solidarity within the owners' associations which sought to continually reconcile the small/large and open-cut/underground divergences of interests. One reason why Utah could take this stance was the production targets were being met despite the continual disruption.

Commonality of concern with the industry in general and that of Queensland and the Bowen Basin in particular may have become less significant in the Utah strategy of the 1978 campaign.

SECTION V — Further Analysis and Conclusion

The first major point to emphasize is that the advent of UDC to the industry and the region was an important structural change which, amongst other things, brought new and higher levels of strike activity to the Queensland coal industry. With reference to absolute levels of conflict this assertion is somewhat tautological, but the influence of Utah is also demonstrated by the changes in measures of relativity, **viz:** man days lost per employee or the percentage of manshifts possible lost. UDC has been a market leader in strike activity, and the UDC dominated regions — Blackwater and Mackay — have a relatively higher strike propensity than other regions, as well as by their sheer absolute size a dominant impact on state/industry aggregates.

It is argued however that both upswings and downswings, that is the pattern of strike activity in the industry/region/state, is influenced, primarily, by Utah corporate policy. And further that the approach and attitudes to industrial conflict issues has been dictated by market and production variables operating within the chosen technological framework.

Lack of capacity to pay and productivity levels have not been a public defence, nor could they have been seriously argued in any circumstances. Labour costs, including wage costs, have always been a very small proportion of both total cost and gross revenues. Profits have come to be consistently very high by Australian standards. Commerical prudence, government influence (over resource prices, for example) and ineptitudes (the dividend withholding tax case, for example) have further facilitated Utah's economic capacity. Even the coal export levy was carried with ease. The technology of strip mining and associated machinery based on a high capital/labour ratio, together with UDC's highly effective organisation and use of such technology, processes and capital, have resulted in high output/labour ratios; high in absolute terms, and in relation to other producers, both open-cut and, more particularly, underground miners.

Further, UDC have consistently pursued a corporate strategy of providing capacity in excess of current requirements. Long lead time in development is a logical reason for such policy, but it has also been the key factor in permitting an industrial relations policy to be varied according to market and production requirements. UDC chose a strategy of a rapid development of leases with the infrastructure cost sharing potential, despite the associated short run excess capacity, and this itself became a prime reason why the corporate strategy on industrial relations could develop in the way it did. At no time during the period canvassed in this paper, are market arrangements left unfilled or seriously delayed.

UDC has chosen to cooperate on a unified front with other producers in the region and the industry. Despite a strong internal industrial relations management UDC has used the good offices of the QCOA in Board of Reference proceedings. UDC was in the forefront of the formation of the Australian Coal Exporters Association, and Utah officers were prominent in the hierarchy of the office bearers and the activities of this association, especially during the period 1972-75. The actions of the association were primarily focussed on federal government coal export policy in general and the coal export levy in particular.

The argument is put that in both cases it was a costless exercise to be so involved whilst Utah interests did not conflict with those of the region or industry, and **pro tem** benefits of unified action could accrue.

These inter-employer associations are reminiscent of the early days of the coal owners' associations in New South Wales, during the late 1800's and early 1900's with groups being formed to pursue common policy but breaking up as the pressure of excess supply led to a weakening of the organisational links. And such a position would continue until unrestricted competition, with prices and profits falling, produced the necessary incentive for new agreements and combinations.

It is argued that UDC were able to tolerate the 'one colliery — one vote' in the 1975-76 award action, when the small Queensland collieries carried the day favouring a strong line and resistance

18. Mr. W. Lawrie, representing UDC before Commissioner Mansini as Board of Reference chairman. Transcript: Matter No Q11 of 1975 Brisbane, 28th April, 1975, at p. 21.

as the appropriate QCOA negotiating strategy, because the ensuing disputation would not threaten UDC supply lines and contractual commitments. In fact it was consistent with the hard line 'stand down' policy adopted by UDC at the time.

Several specific points warrant reiteration as illustrative cases of the general theme:

(i) the statistical material presented in the tables and text, and supportive qualitative evidence, indicate a higher relative level of conflict at UDC sites even where the dominant issue, and hence the scope of the conflict, is industry wide. The prime example is of course, the months of 1975 leading up to the interim decision, in September 1975, of the coal industry tribunal. In such cases it might be argued that the Utah workers and unions were pace setters in industrial militancy — the front guard. Even so UDC had the capacity to appease, but market/production requirements did not necessitate such action. Clutha Development Pty. Ltd., facing a different set of market considerations, did break employer ranks and reach an earlier separate agreement.

(ii) statistical data for the immediate ensuing period suggests a **prima facie** contradiction. Strike activity throughout the industry, in both New South Wales and Queensland, abated quickly after the interim decision of September 1975 and then increased later, in the September quarter 1976, immediately prior to the final tribunal decision. In the case of the Mackay region, and to a lesser extent the Blackwater region, the abatement was more noticeable and the subsequent rise nowhere near as noticeable. The so called 'Mansini Moratorium', a censensus document emerging from protracted Board of Reference proceedings had provided a face-saving device for a cessation of the hard line UDC standdown policy engaged in during 1975. The consensus referred to was reached in late 1975. Whilst these proceedings are the physical symbol of the reason for changed attitudes, UDC acquiesence with the intent and spirit of the document during the period of late 1975 and early 1976 may have been predicated on the need to re-establish production flows to fulfil both long term contractual requirements, and the short term, top-up, contracts signed for deliveries to Spain and Taiwan.

Rather than a contradiction, the decline in strike activity may be added evidence supporting the primary argument of this paper.

(iii) UDC have had an underlying corporate philosophy of moving towards continuous operations in production, maintenance and transport. Given the capital intensity of the operation this is an appropriate strategy, providing the demand for the product exists. Over the period canvassed market pressures have been such that UDC has been able to keep the notion of continuous production as a low key goal, whilst always utilizing it as a strong point of argument or give-away in bargaining. There has been no strong reason to seek to counteract worker opposition. As a short run aim Utah sought continuous operation of the transport facilities and call-out maintenance.

(iv) A written grievance procedure was incorporated in the first Utah Industrial Agreement. UDC's operative industrial policy, however, rarely permitted grievances, other than, for example, simply pay calculations, to be resolved without head office involvement. This, it has been suggested, led to a prevalence of the idea of site management as mere mouthpieces, and more significantly to indecisiveness and delays, both real and perceived, becoming par for the course. It is argued that, although neither party went overboard to utilize the procedure, there were no market or financial pressures on UDC to make the procedure work (especially during the 1973-1975 period).

(v) The centralisation of industrial relations activity within the company structure, and within the industrial tribunal network has been part of UDC policy. Such centralisation has been made easier, and in fact reinforced, by contemporary union organisation and structure. Centralisation can facilitate conflict resolution be removing the issue from the flashpoint. However, it can also be a source of conflict and/or of amplifying conflict due to the distance of time and/or space between the source and the attempt at resolution. An even more critical point in the case under discussion is that the availability of a centralised authority increases the ease of one or other party taking actions which can manipulate the events in a desired war, either to increase or play down the immediate issue. That is, where a demand is made or a problem arises, if industrial disruption does not occur or occurs in a form and degree which can be withstood there has been, insofar as UDC is conerned, little reason for concession to be made prior to a centralised determination. Such a strategy is not novel, it is simply facilitated by the geographic distances involved.

(vi) It is argued that the social context of the mines towns, the characteristics of the workers and their unions are not primary determinants of the pattern of industrial conflict. However, it is not denied that the close proximity of work and living in single industry/company towns in the relatively remote locations of the Utah mine sites could inflame local minor issues and exaggerate the impact of the dominant influence. For example, it is only under these conditions that every dinner party, bowls rink or golf four is an ancillary union or management meeting. And in the earlier days the lack

or inadequateness of facilities such as hospitals, doctors, dentists, shops etc. were irritants of life which could and did lead to industrial disputation. Similarly the status differentials, the perceived or actual grievances of isolation (high prices, single source supply, distance to the extended family etc.) were again irritants which could and did cause minor disruptions, and could and did facilitate the outbreak of industrial conflict and the extenuation of conflict arising from other sources.

Nevertheless, the argument is put that these factors in themselves are not enough to explain the higher absolute level of overt disputation, the peak levels of such conflict, nor all fluctuations.

It is a fact of industrial life, often with an irrational base but nevertheless a fact of life, that the philosophy of solidarity, or one out — all out, or 'hit my brother — hit me', exists amongst a hard core of Australian unionism generally, and within the coal mining industry, in particular. Such a philosophy is reinforced by living, drinking and socialising in close proximity one with the other. The existence of such values is not itself a basic cause of conflict, but can amplify underlying conflict issues. The existence and strength of this fact of life would be well known to UDC industrial relations management, and it is argued was used by management as and when necessary. The key example being during the 1975 period of 'strikes-standdowns'. The point is made generally by the statement mady by the UDC representative at a Board of Reference hearing when he stated:

> It is pretty involved Mr. Chairman. When a strike occurs there have been suspensions by the company, and as a result of the suspensions there have been further strikes.[19]

In the earlier years the isolation and the stresses were that much greater, the experience of the direct participants that much less, and there was a need to establish roles. Again it is argued that each of these factors would and did produce an exacerbation of conflict issues, but again it is argued the prime responsibility emanated from the excessive stress placed by UDC on the development of a dominance in the industrial relationship with an associated pliant workforce. In the early stages the continuous availability of excess capacity provided a greater margin of safety for the pursuit of this corporate policy.

Beaumont and O'Dea[20] are two authors who have analysed the changing industrial relations pattern in the New South Wales sector of the coal mining industry during the 1950's and 1960's. O'Dea argued in favour of a paramountcy of institutions in explaining the developments. Beaumont stressed the influence of the product market arguing that,

> . . It is changes in the product market that have ultimately forced labour and management to discard their forever ''them versus us'' approach to negotiation in order to ensure their mutual survival and gains. They have been forced to accommodate themselves to the facts of a changing demand pattern.[21]

It is argued that a similar situation prevails in relation to the pattern of industrial conflict in the open-cut black coal mining operations of UDC in north-central Queensland. That is, the product market, quantity and prices, together with the technology and capital intensive nature of the production units and associated infrastructure are the prime determinants of the patterns of industrial conflict. And further the corporate policy of UDC has adopted the 'then versus us' as the appropriate industrial relations stance as and when deemed to be appropriate. Industrial relations had been the means of regulating output. Industrial peace would have been an embarrassment. Fluctuations in employment levels, as an alternative policy, would have been more complicated because of the remote area and the time lags involved, and would have been injurious to the corporate image. A slower commissioning of mines was a less than desirable first choice option largely as a result of the size of the production unit/infrastructure requirements and the long lead time involved. Larger stock piles would merely postpone the inevitable. In addition the policy adopted gave UDC management a chance to blunt the effects of front line local activism and to establish lines of strength. In more recent years the hard line received further justification as it showed a public corporate stance of support for the LCP government wage and anti-inflation policy in general, and avoidance of breaching the indexation guidelines, in particular.

It is suggested that UDC have used industrial relations as a production regulator and that the oft repeated statements that industrial disputation has precluded higher production and profit levels are just part of the public relations and image building process.

The events and strategies involved in the 1978 industrial campaign associated with the renegotiation of the agreement will, obviously, need to be examined in the light of these assertions. However the working hypotheses will remain the same.

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19. ibid.
20. Beaumont, O'Dea, op.cit.
21. Beaumont, op.cit.

TABLE 1

Bowen Basin — Coal Operators 1977

Company	Mine — underground u/g open-cut o/c		Production saleable coal year 30.6.77 '000 tonnes	Exports '000 tonnes	
				Japan	Total
Queensland Coal Mining Co. Ltd.	Leichhart	u/g	48	-	-
	Cook	u/g	280	-	-
Utah Development Co.	Blackwater	o/c	3,662	2,909	3,102
Central Queensland Coal Associates	Goonyella	o/c	3,988	3,450	3,862
	Peak Downs	o/c	4,530	2,578	4,183
	Saraji	o/c	4,884	2,884	4,741
Thiess Bros. Pty. Ltd.	South Blackwater	u/g	331		
	South Blackwater	o/c	385	691	691
Thiess, Peabody, Mitsui[1].	Moura	No. 1 u/g No. 2 u/g o/c	2,532	2,370	2,370
—as Kainga Coal Co. P.L.	Kianga	o/c			
Blair Athol Coal P.L.	Blair Athol	o/c	144	-	-
Collinsville Coal Co. P.L.	Collinsville	No. 2 u/g 3 5 No. 3 o/c 4	773	14	16

SOURCE: Derived from Queenland Coal Board 26th Annual Report for year ended 30th June, 1977.

1. Thiess, Dampier, Mitsui from 1978 on.

TABLE 2

Current Contracts Exporting Companies — as at 30th June, 1977

Company	Country	Tonnes	Period	Expiry Date
Thiess Bros. Pty. Ltd (South Blackwater)	Japan	22,000,000	15 years	1984-85
Thiess Dampier Mitsui Coal Pty. Ltd.	Japan	32,300,000	8 years	1977-78
Utah Development Co.	Italy	10,500,000	10 years	1983-84
Includes	Holland	5,500,000	10 years	1983-84
Central Queensland Coal Associates	France	10,000,000	10 years	1983-84
	Taiwan	1,000,000	5 years	1981
	The United Kingdom	4,000,000	10 years	1982-83
	Spain	1,200,000	3 years	1978
	Japan	19,500,000	6 years	1976-77
	Japan	110,000,000	13 years	1984-85
Collinsville Coal Company Pty. Ltd.	Fiji	20,000	1 year	1978

SOURCE: Queensland Coal Board 26th Annual Report for year ended 30th June, 1977.

Additional sales contracts known include:

(a) UDC 4 million tonnes for two years — Japan — replacing the original 10 year Blackwater supply contract — announced December 7, 1978.

(b) TDM — 4 year contract — Japan — from early 1979 — replacing existing contract referred to above.

(c) During 1978 contracts were signed by U.D.C. for deliveries to the U.K., Roumania, South Korea, and for further trial shipments to Brazil.

TABLE 3

Industrial Disputes — Coal Mining — New South Wales & Queensland — Quarterly Data

	New South Wales		Queensland	
Quarter	No. of Disputes	M.D.L. '000	No. of Disputes	M.D.L. '000
1967 M	39	6.5	1	0.2
J	52	19.7	8	0.9
S	42	8.7	5	0.3
D	38	9.9	7	0.2
1968 M	25	5.2	6	5.5
J	57	16.3	5	0.9
S	65	20.3	5	1.5
D	35	7.8	7	3.5
1969 M	64	18.2	6	0.8
J	35	21.6	10	3.3
S	63	13.0	3	0.3
D	210	15.0	25	3.1
1970 M	44	40.7	9	6.0
J	26	76.5	6	13.8
S	50	28.7	12	5.1
D	36	11.0	8	2.7
1971M	42	49.6	9	3.5
J	36	26.2	9	1.0
S	51	120.2	21	29.7
D	32	15.8	10	4.9
1972 M	20	5.4	11	4.0
J	23	19.1	18	7.2
S	31	7.2	13	7.2
D	39	19.2	9	2.3
1973 M	37	18.6	17	5.7
J	39	12.9	7	13.4
S	43	10.0	10	6.2
D	39	16.2	16	4.4
1974 M	45	61.4	10	4.4
J	39	29.7	6	5.1
S	41	10.5	9	8.2
D	32	23.0	19	20.1
1975 M	23	4.9	32	10.3
J	43	65.7	23	27.9
S	21	149.8	6	78.0
D	23	5.5	3	1.2
1976 M	34	18.5	17	6.3
J	27	15.3	11	4.4
S	22	71.9	11	23.0
D	42	7.1	12	4.8
1977 M	49	13.3	24	12.4
J	19	21.6	15	6.8
S	61	27.4	23	7.5
D	42	7.1	12	4.8
1978 M	26	7.0	21	16.1
J	73	12.4	13	38.1

SOURCE: A.B.S. Industrial Disputes

TABLE 4

Industrial Disputes — Coal Mining — Queensland — Actual Data[1]

Year	No. of Disputes	M.D.L. '000	Employment[2]	M.D.L. per Employee
1966	20	2.1	2339	0.90
1967	21	3.6	2278	1.58
1968	23	11.4	2239	5.09
1969	44	7.5	2238	3.35
1970	35	27.6	2294	12.03
1971	49	39.1	3193	12.25
1972	51	20.7	3847	5.38
1973	50	29.7	4095	7.25
1974	44	37.8	4531	8.34
1975	64	117.4	5383	21.81
1976	51	38.5	5777	6.66
1977	74	31.5	5955	5.29

SOURCES:

1. A.B.S. Industrial Disputes.
2. Q.C.B. Annual Reports. Employment data as at June 30th each year.

TABLE 6

Manshifts Lost — Industrial Disputes/Sickness/Absenteeism as % of Manshifts Possible

Queensland Aggregates 1966-1977

Year ended 30th June.	Industrial Disputes %	Sickness %	Absenteeism %
1966	0.38	4.90	1.31
1967	0.26	5.11	1.47
1968	1.23	4.25	1.77
1969	1.29	3.94	1.91
1970	1.82	4.32	1.73
1971	1.16	3.93	1.69
1972	4.05	3.30	1.51
1973	2.17	3.47	1.62
1974	2.77	3.82	1.64
1975	4.34	3.73	1.67
1976	3.89	3.98	3.22
1977	4.03	4.11	1.82

Source: Annual Reports of Queensland Coal Board.

TABLE 5

Queensland Coal Industry

Manshifts Worked and Lost — 1972-73 to 1976-77

	1972-73		1973-74		1974-75		1975-76		1976-77	
	No.	%	No.	%	No.	%	No.	%	No.	%
Manshifts Possible	1,243.069	100	1,333,969	100	1,554,055	100	1,600,085	100	1,768,021	100
Manshifts lost Industrial disputes	26,979	2.17	36,988	2.77	67,490	4.34	62,206	3.89	71,290	4.03
Sickness (inc. compensation)	43,077	3.47	51,004	3.82	58,006	3.73	63,779	3.98	72,710	4.11
Absenteeism	20,151	1.64	21,880	1.64	25,968	1.67	51,503	3.22	32,206	1.81
Other causes		-	2,993		583		610		261	
Total % of Manshifts possible	1,152,862	7.62	112,865	8.46	152,047	9.78	178,098	11.13	176,467	9.98

SOURCE: Annual Reports — The Queensland Coal Board Years ended 30th June, 1975 and 30th June, 1977.

TABLE 7

Percentage of Manshifts Possible Lost through Industrial Disputes — Regions

Region	1973	1974	1975	1976	1977
Blackwater o/c	5.05	2.51	4.60	5.47	4.42
Mackay o/c	3.36	2.21	7.29	2.25	4.46
Queensland o/c	2.96	2.98	5.13	3.52	4.05

SOURCE: Annual Reports of Queensland Coal Board.

TABLE 9

Manshifts Lost Industrial Disputes as a percentage of Manshifts Possible — Open-Cut Mining — Selected Regions for Years Ended June 1974 and 1975

Region	June 1974	June 1975
Mackay	2.21	7.29
Blackwater	2.51	4.60
Kianga-Moura	5.55	5.56
West Moreton	0.66	0.86
Bowen	1.61	3.47
Queensland	2.98	5.13

SOURCE: Annual Reports of Queensland Coal Board.

TABLE 8

Manshifts Lost as a Percentage of Manshifts Possible and by Cause — Industrial Disputes Queensland — Aggregate/Underground/Open-Cut and Selected Regions*

		Aggregate worked as % of possible						% Lost — Industrial Disputes				
Aggregate	**June 30**	**1972**	**1973**	**1974**	**1975**	**1976**	**1977**	**1972**	**1973**	**1974**	**1975**	**1976**	**1977**
Queensland			92.74	91.54	90.22	88.87	90.02		2.17	2.77	4.34	3.89	4.03
Underground			92.75	90.76	89.98	87.44			1.22	2.51	3.05	4.58	4.01
Open Cut			92.99	92.13	90.36	89.64	91.17		2.96	2.98	5.13	3.52	4.05
Region	U/G		93.51	91.88	92.15	90.04	91.48		0.23	1.45	1.42	2.94	0.98
West Moreton	O/C		98.57	95.85	96.49	94.52	97.12		0.03	0.66	0.86	2.09	0.54
Bowen	U/G		93.60	92.03	90.90	38.83	84.67		0.87	2.18	2.60	5.11	7.32
	O/C		96.12	92.65	91.53	89.85	84.72		0.55	1.61	3.47	5.02	9.05
Blackwater	U/G		90.65	89.89	87.51	85.04	84.06		3.16	2.53	4.36	6.31	6.95
	O/C		90.34	91.10	89.86	87.17	90.24		5.05	2.51	4.60	5.47	4.42
Kianga-Moura	U/G		90.94	87.51	88.12	83.86	88.10		2.67	6.06	5.25	5.56	4.33
	O/C		92.92	88.44	90.38	87.04	90.19		1.78	5.55	4.04	4.56	4.01
Mackay	O/C		93.87	94.42	89.08	90.28	91.28		3.36	2.21	7.29	2.25	4.46

***SOURCE:** Queensland Coal Board Annual Reports.

Notes on selected regions.

(1) Mackay – 3 major UDC mines
(2) Blackwater – UDC and Thiess open cut and QCM and Thiess underground mines
(3) West Moreton – the 'old' mining region of Queensland
(4) Kianga-Moura – mixture of open cut and underground – newer developments
(5) Callide and Blair Athol – older open-cut operations (steaming coal) omitted. The general proposition of consistently 'lower than state average' holds.
(6) Darling Downs/Maryborough underground mines omitted – Smaller scale of operations.