

ACTU holds talks with BHP

Australian unions prepare to impose company demands on Pilbara workers

Our correspondent
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As the dispute over BHP's imposition of individual contracts on iron ore miners in the Pilbara region of Western Australia enters its third month, it emerged this week that Australian Council of Trade Union (ACTU) officials have been in closed door talks with the company over a deal.

ACTU secretary-elect Greg Combet admitted that the unions had been approached by BHP prior to a Federal Court ruling last Monday to work out a negotiated settlement. Combet claimed the discussions were "very tentative" but added: "I think commonsense should reign all round and we should try and get a resolution to this dispute as quickly as we possibly can."

BHP said it had entered into a "dialogue" with the ACTU to work out whether the unions could deliver the flexibility and productivity increases the company had sought through individual contracts. BHP Iron Ore president Graham Hunt made plain that the discussions are being carried out on the company's terms. "It's very clear that the only thing that's acceptable to the company is an outcome which is equivalent to that which we would be able to achieve under individual workplace agreements."

Combet has already pledged to implement the company's requirements. "We stand ready to negotiate a collective agreement for workers who want it, we will hear from the company about what flexibilities and changes it wants to make, and negotiate," he said.

In another interview, Combet stated: "I'm yet to hear really in detail what sort of changes that they want, (but) I've got an idea from my own experience." He pointed out that collective agreements with unions contain "wide discretion" for the company to impose the flexible working arrangements contained in the new

individual contracts in the Pilbara.

The ACTU have made clear from the outset that the only point of contention with BHP was the company's willingness to use the unions as its tool for implementing sweeping changes to working conditions. Until last week BHP has rejected the unions' claim, saying that the only way for it to become competitive with its major rival in the Pilbara, Rio Tinto, is through the imposition of individual contracts allowing complete flexibility of rostering.

The first indication that BHP might be doing a deal with the unions came late last week. In comments made at Davos, Switzerland where he was attending the World Economic Forum, BHP Chief Executive Paul Anderson said: "If the unions can provide the same flexibility that we get under individual contracts, that's fine. The issue is that we have got to be competitive."

He noted that the unions had been very helpful in driving up productivity in BHP's Steel Division. "One of the things that struck me when I first came (to BHP) was how good our relationship was with the union in the steel business," he said. "We had thousands of employees operating under enterprise agreements and we had achieved a great deal of efficiency."

Anderson also hinted at what had led to the talks with the ACTU when he said that he was "troubled" at the extent of industrial action provoked by the Pilbara dispute. "Unfortunately, despite the fact that we have articulated many times that this is an iron ore issue and that we are quite happy to work with the union in steel, it's been viewed as an all-or-nothing type of thing."

The ACTU industrial action involving token stoppages at its steel and mining operations has been very limited. But the dispute had begun to threaten

supplies of iron ore from BHP's two Pilbara mines. BHP is currently holding sensitive contract negotiations with Japanese steel firms aimed at increasing the price of iron ore by 4 percent. Last year the corporation was forced to accept an 11 percent price cut.

The purpose of the ACTU's industrial campaign has not been to bring BHP to its knees but to pressure the company to retain the services of the unions. When police violently attacked workers who were picketting at the Mt Newman and Port Hedland mines, the ACTU called for "peaceful pickets" that would not impede anyone from entering the mines. The unions then shut down all industrial action and at a meeting convened by the ACTU on January 24 rejected a call from Pilbara workers for a national strike at all BHP operations.

The ACTU decision was immediately hailed by the company whose spokesman Ian Dymock said it was a "good outcome...we think it's good to see cool heads and common sense have prevailed". Clearly the ending of industrial action set the stage for the talks with BHP—a move which was reinforced by a Federal Court decision last Monday to grant the unions a temporary injunction against any further signing of individual contracts.

Combet hailed the Federal Court decision as a "legal and moral" win for the unions. But whether Pilbara workers regard the prospect of the ACTU imposing the same conditions as are contained in BHP's individual contracts as a "victory" is yet to be seen. The next round of talks between the ACTU and BHP has been delayed until next week to enable union officials to fly to the Pilbara to dictate terms to workers.

A report in the *Australian* newspaper spelt out what the company expects of the unions quite explicitly. BHP spokesman Michael Spencer said that the "ball is in the unions' court" to explain to members BHP's demands for new flexible work practices. An unnamed company official conceded that it was a "hard ask" for the unions to come up with a proposal acceptable to BHP and to sell it to workers in the Pilbara.

Whether or not a deal is forthcoming at next week's talks will demand in large part on whether or not Combet is able to pressurise Pilbara workers to accept the company's demands at union meetings today. In the event that the dispute drags on, BHP has taken out an appeal to the Federal Court injunction.



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