

Australia:

Union ends STP strike with workers still owed millions of dollars

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Workers at Steel Tank and Pipe (STP) in Newcastle accepted a recommendation by the Australian Manufacturing Workers Union (AMWU) to call off strike action on January 6, even though they have no chance of recouping the \$3.3 million owed to them in unpaid entitlements when the company went into receivership last November.

Under the latest deal worked out between the AMWU and the receivers, Price Waterhouse Cooper, the workers went back into the plant to complete outstanding contracts on the understanding that 50 percent of the profits from the projects will go toward paying entitlements—mainly accrued holiday pay, long service leave and severance payments.

The union admits that this amount will go nowhere near meeting what is owed to the 150 men. The secured creditors will have first call on the remaining 50 percent, as well as on the proceeds from the sale of the firm's fixed assets. A union spokesman said that as part of the deal the receivers had agreed that the union could “participate in court action” to gain additional payments and “there are other ways we can continue to recover money we don't pick up”. He did not specify what these avenues were.

The secured creditors include the National Australia Bank, a Malaysian company in which STP owners, Stephen and Bradley Weeks, have interests, and Vi Weeks, the owner's mother.

This is the second time since they first went on strike on November 10 that the union has led the Newcastle workers back to work without a guarantee that their full entitlements would be met.

On December 7 they returned to finish off contracts after AMWU organiser Denis Nichols informed them

that Vi Weeks had agreed to forgo her claim on \$1.25 million, allowing the workers to receive about 70 percent of their money. Despite Nichols' assurances that the deal was guaranteed, the workers later learnt that Weeks had not signed any agreement and subsequently refused to do so. They went out on strike again on December 19, after completing \$5 million worth of tanks for the Shell oil refinery.

Smaller workforces employed at STP's Melbourne and Adelaide plants were made redundant in November. A reduced number of employees were later re-hired through an outside labour hire company to complete work in both plants on the promise that all workers would at least get some of their lost entitlements. Up until Christmas, according to a Newcastle union delegate, they had received only 1 percent of what was owing to them.

Many workers at STP Newcastle said they were not happy with the latest deal but accepted it because they saw no alternative. They also explained that most of the workers were facing increasing financial hardship, including unpaid rent, car payments and medical insurance bills.

Throughout the dispute the union worked to ensure that the STP picket line never became a major issue with other workers throughout the Hunter Valley, one of Australia's biggest industrial and mining regions.

The trade union movement did not widely publicise the dispute, so that workers outside the immediate area knew little or nothing about the strike. On top of this, the AMWU organised only minimal financial support and proposed no wider industrial action to back the STP workers.

Even before the STP dispute erupted, the conduct of

the unions over the previous two years had ensured that the workers at STP, and at other bankrupt companies, would continue to be robbed of entitlements.

On two occasions the issue of unpaid entitlements sparked widespread hostility among workers, threatening to become a focal point for broad sections of the working class nationally. The unions, fearing that such a development would upset their relations with key employers, were central in defusing the issue.

In November 1999, 150 miners at the Oakdale Colliery were sacked with \$6.3 million owing to them. The mining union at first threatened to spearhead a national campaign to force the federal government to enact legislation to compel employers to place workers' accrued entitlements into protected trust funds.

The union soon called off even limited industrial action, however, and struck a deal with the government to pay the entitlements out of a \$240 million coal industry long service leave fund. This agreement effectively buried the issue and rescued the Howard government from a politically dangerous and damaging situation.

Unpaid entitlements emerged again as a national issue in January last year when National Textiles in the Hunter Valley went into liquidation owing 342 workers a total of \$11 million. Again the unions rushed to make a deal. They dropped any mention of requiring employers to meet their obligations and accepted a decision by the federal and New South Wales state governments to use public funds to make up over \$6 million that was still owing to the men after the company's assets were sold and the secured creditors paid off.

The dispute was called off and, after some delay, the federal government announced it would introduce a national taxpayer-funded insurance scheme. Supposedly designed to protect workers' entitlements in the future, the scheme capped the maximum payout to \$20,000 for each worker. It also required applicants to prove that they lived in a "disadvantaged area" and that restructuring had hurt their industry. Yet the unions claimed the scheme was a victory.

Even after introduction of the scheme hundreds of workers have been denied payments. They include 80 meat workers from the Scone abattoir, which was closed in 1999, and 120 from Parrish Meats, which went into liquidation in August 2000.

The undermining of a national campaign to defend workers' rights has allowed companies to continue to cheat workers with impunity.

Electruck, a heavy engineering company in Sydney went into liquidation last month owing 40 workers a total of \$1 million. The AMWU encouraged workers to continue to work until January 9 to complete contracts even though they will be lucky if they receive 10 to 50 cents in the dollar of the amounts owing to them. To add insult to injury, the parent company Electec announced that it was not legally liable to pay any of Electruck's debts.

Last week 250 workers employed by the mining contractor Colrok, including 160 miners at the Southland underground mine in Cessnock, were sacked on the spot as they arrived at work in the morning.

The workers are owed a total of \$9 million in unpaid wages and entitlements. Even though miners continue to picket the mine, the Construction Forestry Mining and Energy Union has allowed a "care and maintenance" crew on site. The mining union, which previously held a majority shareholding in Colrock, is one of the company's largest secured creditors, owed about \$2.8 million.



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