

Feltex dispute signals renewed offensive against Australian workers

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Since his re-election on November 10, Prime Minister John Howard has put industrial relations at the centre of his government's third-term agenda. Workplace Relations Minister, Tony Abbott has been pointedly elevated to the position of party leader in the House of Representatives and has already set the scene for a renewed offensive on working conditions and workers' rights. Last week, Howard announced that the government would introduce a number of bills including exempting small business from unfair dismissal provisions and the banning of strikes called without a prior secret ballot.

A glimpse of the industrial regime being prepared has been provided by a concerted operation, carried out over the past several weeks with the full support of the Howard government, against 500 carpet workers at Feltex Industries in Melbourne.

The conflict began in March, when the enterprise agreement struck between the Textile Footwear and Clothing Union (TCFU) and Feltex expired. Two weeks later, Feltex forced its workforce to participate in a secret ballot conducted by the Australian Electoral Commission to determine if they wished to be represented by the union in negotiations for a new agreement. The company's aim was to divide the workforce. Only two thirds of the workforce voted to remain with the union.

Feltex opposed the union's wage claim and their insistence on a scheme to protect the workers' entitlements in the event that the company went bankrupt. The negotiations for the new agreement stalled and eventually, on October 24, the workers began limited industrial action, under the provisions of the enterprise bargaining framework. On October 29, the company responded by locking out the workers at two of its three Melbourne work sites, Tottenham and Brooklyn, but not at Braybrook. The lockout was obviously planned months in advance.

About 150 workers continued working at Braybrook, alongside staff who assisted with scab production. Supervisors drove forklifts and trucks, people were smuggled into the plant in the boots of cars and finished carpet was smuggled out. The workers from Tottenham and Brooklyn set up pickets at all three sites.

The lockout provided the basis for an escalation of the offensive against the workers on all fronts. On November 2, four picketers were knocked down by a car being driven into the Braybrook site. On November 7, the State Liberal leader Denis Napthine used question time in the Victorian State parliament to raise the Feltex dispute, claiming it was "ruining Victoria's carpet industry" and that workers were mounting "illegal pickets".

Napthine then revealed that Feltex had written to Labor Premier Steve Bracks, "seeking his intervention" and demanded Bracks respond to "the desperate pleas from Feltex." Bracks replied that he would "sort it out" and promised to "work with the company, as we work with many companies in Victoria to secure jobs for the future." Bracks, like his counterparts in every state has engaged in suppressing workers' struggles, especially in the power industry, and assisted employers to slash working conditions on the basis of maintaining and attracting investment into Victoria.

On November 9, on the eve of the Federal election, the company escalated the dispute further by taking out a Supreme Court injunction against two union officials and 40 workers for "illegal picketing" claiming \$200,000 a day in damages at each site. The claim amounted to a total of \$150,000 for each worker.

The legal assault was followed rapidly by a vicious picket busting operation. On November 13, just three days after the Howard government was returned to office, more than 100 state police and 12 police horses were dispatched to attack a small group of workers picketing at the company's national distribution centre at Brooklyn. The eight or so picketers, some of them women, were pushed and jostled by police to clear the way for bus loads of scabs to be brought in and for tonnes of carpet to be shipped out.

While Premier Bracks has made no public announcement on the operation, the assignment of such a large number of police to an industrial dispute—an action not seen in Victoria since the massive nationwide police mobilisation orchestrated by the Howard government against waterfront workers in 1998—would not have been possible unless authorised at the highest levels of the state government.

Late that afternoon, Industrial Relations Commission Deputy President Simon Williams recommended that the union end all industrial action and the company drop its legal attack. He called for a return to work with no victimisations. In a rare departure from the norm, Williams went on to criticise the Howard government's Workplace Relations Act for preventing a resolution of the dispute. "There is no doubt," he said, "that the present legislation does not readily provide for an environment in which the negotiation of agreements is easily achieved."

The next day, the union convened a mass meeting, using the IRC recommendation to convince the workers to agree to a return to work. TCFU state secretary Michele O'Neil made clear in statements to the press that the union agreed to all the IRC

demands.

On November 15, the Australian Industry Group (AIG) waded in on behalf of Feltex. The organisation's national industrial relations manager for the textile, clothing and footwear industries, Tony Dalton told the Australian Associated Press "They've (the union) got a picket, and they're preventing access, that is not lawful negotiations for a new enterprise agreement. The unions have to understand that if they are not going to follow lawful activity, then companies have the right to pursue lawful remedies." On this basis, the company rejected the IRC deal.

Liberal Workplace Relations Minister Abbott supported Dalton after discussions with top Feltex executives in Sydney a few days later. Following the meeting Abbott told the media that it was "correct" for Feltex to sue workers because they were "putting a \$1.6 billion industry at risk" and "companies ought to be equally able to exercise what legal rights they have".

With the violence against the pickets and the company's punitive legal action threatening to provoke a reaction among broader sections of the working class, the unions called a rally and picket outside the Braybrook plant on November 19. While the move was designed to let off steam and allow time for a deal to be cobbled together, over 1,000 workers from sites around Melbourne's western suburbs turned out, including workers from Tenix Defence Systems, Spotswood Glassworks and construction workers from Orica. The next day workers from around the area reinforced pickets at all three Feltex sites, turned back buses loaded with scabs and closed down operations. Three female Feltex workers staged a sit-in protest at the headquarters of the First Boston bank.

Clearly worried at the prospect of the dispute escalating and pulling in even greater numbers of workers sections of employers began to apply pressure to shut it down. On November 20 Rupert Murdoch's *Herald Sun* referred to it as a "damaging tug of war" warning that "most damaged could be Victoria's reputation as a place to invest." Two days later, the newspaper's editorial slammed the union for turning "a routine enterprise bargaining exercise at Feltex... into a stand-off", but insisted that the dispute had to end. On the same day, Feltex management backed down, agreeing to withdraw the legal action.

The next morning, the TCFUA organised a gate meeting and a return to work. O'Neil told the strikers they were left with only two options: to return to work and rely on the negotiation, or to stay out and be isolated. She claimed that because the company had agreed to drop its legal action, the dispute reverted back to a local enterprise agreement issue and the strikers could not expect broad union support. This was in spite of the fact that the Feltex strike was part of her union's "Stand Up 2000" industry-wide campaign for guaranteed entitlements, and that workers at Godfrey Hirst, another large carpet company, had voted only three days before to strike for 48 hours from November 27.

The union claimed that because the company dropped legal action the workers had won a victory. The truth is, the legal assault became the means by which the union was able to apply pressure on the workers to accept a wage settlement far below what they were seeking and, most importantly, without any protection of their entitlements.

On November 28, a confident Feltex CEO, Sam Magill, told the *Footscray Mail*: "A three-year agreement with our employees is a necessity as it will bring stability and help convince our customers that we are once again a reliable supplier of product. This also means no trust fund for entitlements as it is not a financial option for this or any other company in the textile industry."

In the past 12 months, 1,000 jobs have been axed in the garment and textile industry in Victoria alone, and employers are looking to slash costs at the direct expense of workers' conditions. Little more than one mile from Feltex, textile manufacturer Bradmill Undare went into receivership in August sacking 360 workers. The deal being stitched together at Feltex will create a precedent for similar assaults against other textile workers, as well as workers in other industries. Only days before the union-led return to work, Victorian Trades Hall Council secretary Leigh Hubbard admitted: "If the company (Feltex) can sue workers, then companies all over Australia could do the same."

In the course of the dispute, the Bracks government demonstrated that it is more than willing to collaborate with the newly elected Howard government. Steven Stewart, one of the workers threatened with legal action, spoke to the *World Socialist Web Site* on the picket line. He said he was shocked that a Labor government had used police against picketing workers. "As a Labor man I find that quite disgusting. The police manhandled people. There were eight people on the picket line, against 120 police, including 12 horses."

He went on to condemn the entitlement protection scheme introduced by the Howard government last year. "The company is saying the government has a scheme, but the scheme provides a maximum of 8 weeks pay, if you're lucky enough to get it.

"When Aywon Supreme 3 closed down last April, a friend of mine filed for the government scheme. As of last week he'd still received nothing. He had \$56,000 in entitlements owed to him, and would get only \$7,000. That's one of the reasons we want to protect our entitlements. We just want safeguards. We can't prevent mismanagement. If they do mismanage the company, the worker pays the penalty. We want our entitlements, pure and simple."



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