

# Australian government incites company action to bust steel strike

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For the second time in less than eight months, a large contingent of police has been used to smash through a picket line in a major industrial dispute in the Australian state of Victoria. As was the case in the dispute at carpet-maker Feltex last year, the latest police action followed statements by federal Liberal government ministers urging companies to adopt tough measures against strikers, including punitive legal action.

At around 1am on June 12, about 120 riot police from Victoria's Tactical Response Unit broke through a picket manned by striking maintenance workers outside steel maker BHP Steel's coil and coated products factory at Western Port in Hastings, 100 kilometres south of Melbourne. The plant makes sheet steel products, mainly for use in the car industry.

The police, on foot and horseback, charged into the workers, forcing them away from the factory's main gate to allow around 40 trucks laden with steel to leave the plant. During the police attack one worker was injured and hospitalised.

The 300 strikers, members of the Electrical Trades Union (ETU) and the Australian Manufacturing Workers Union (AMWU), had been on strike since May 21 after negotiations on a new workplace agreement broke down over the company's plan to "review" and outsource its maintenance operations. The company's stated aim is the destruction of permanent maintenance jobs.

The police attack was one of a string of belligerent measures adopted by BHP to break the strike, included the use of helicopters to ferry steel over picket line and the hiring of a Tasmanian trucking company run by a notorious strikebreaker, Bruce Townsend.

The company also launched a series of legal actions targeting not only the unions, but also ordinary maintenance employees. On June 4, BHP successfully sought injunctions in the Federal Court against 75 workers to prevent them "obstructing the movement of

goods or vehicles" in and out of the plant. On June 11, the company began proceedings against 12 workers for alleged contempt of the court order.

Police were called in just hours after an Australian Industrial Relations Commission (IRC) ruling supporting the right of Australia's four main car manufacturers—Toyota, Mitsubishi, General Motors and Ford—to sue the unions involved in the Hastings dispute if the four decided to halt car production because of lack of steel. The companies claimed they faced combined losses of \$40 million a day.

The car companies intervened at the urging of senior government ministers. On June 11, Workplace Relations Minister Tony Abbott declared the strikers were "sabotaging the car industry" and labelled the picket "illegal". Abbott confirmed that he had been in constant contact with the companies involved in the dispute "to keep track of events".

Industry Minister Ian McFarlane was even more explicit. "Carmakers are being held hostage" and "should take legal action against the unions," he stated.

The government's conduct follows a pattern begun last year when Abbott offered legal backing to employers willing to escalate disputes. His express purpose is to create the conditions for the introduction of new laws preventing any form of industrial action. During disputes, he and other government ministers have churned out statements that all but equate strikes with sedition.

A June 12 *Australian Financial Review* editorial, headed "Union madness hurting exports," gave a sharp indication of the government's underlying agenda. Using the most inflammatory language, the editorial railed against "bloody minded strikes and pickets" and branded the AMWU, one of the largest unions in the country, a "rogue union" for "laying siege" to car component manufacturers in recent disputes.

The editorial warned: "Unions have a legitimate interest

in the job security of their members, but they also have a responsibility not to prosecute it in ways that harm the firms in which they work. If they do so they can hardly complain when their members are sued.”

The dispute at Hastings, and those at component companies Tristar and Walker Australia—also mentioned in the *Australian Financial Review* editorial—are legal under the present Industrial Workplace Relations Act, which allows industrial action during negotiation periods for new work agreements.

The editorial’s suggestion that workers be sued for engaging in any action that harms employers’ interests can only be interpreted as agitation for the abolition of even these minimal industrial rights.

The government and some employers have been encouraged to push forward by the capitulation of the manufacturing unions in every recent dispute. Despite the government’s broader industrial aims, and the increasing use of legal action against workers, the unions have worked to contain conflicts and cut deals, mostly on the employers’ terms.

The BHP dispute has been no exception. Neither the AMWU nor the ETU called on the Australian Workers Union (AWU), which covers production workers in the plant, to call out its members. No union official suggested a wider response by the Australian Council of Trade Unions, to which the three unions are affiliated.

Manufacturing union members at other BHP facilities throughout the country have been kept at work despite widespread sympathy for the striking Hastings workers in the wake of the police action.

Fearing that the dispute could escalate out of their control, threatening to pull other sections of workers into open conflict with the government, the unions have bent over backwards to reach an accommodation with BHP.

In a direct appeal to the government and the company, ETU state secretary Dean Mighell warned: “These things have a huge potential to escalate into industrial war, other workers will want to support this and they will see this as a political issue”.

Mighell announced that the unions were willing to accept the company’s “review” of its maintenance operations, provided it was conducted under an “independent” chairman. The unions suggested two nominees for the position, one a former and the other a current member of the IRC, the same industry court that backed the car companies’ right to sue the unions.

The union’s proposal was simply designed to give some legitimacy to the “review” in order to impose it on the

maintenance workforce.

Late on June 12, a deal was cobbled together after a lengthy closed-door compulsory conference in the IRC, convened at union request. Even before reaching any settlement, and while the talks were still in progress, the unions ordered pickets at Hastings to stand aside and let eight trucks carrying steel to leave the BHP plant.

Mighell defended this decision as a “goodwill gesture,” claiming that the talks in the IRC were marked by “a fair amount of goodwill between parties”.

Today, June 14, the striking workers voted to accept the deal. While details of the terms are not yet available, the agreement is bound to follow a well-established formula. The company will agree to withdraw legal action, allowing the unions to declare a victory without gaining anything. In return, the unions will accept the framework of the company’s maintenance review and, ultimately, the outsourcing and job losses.

In a press statement, BHP described the outcome as a “relief” and said the new enterprise bargaining agreement (EBA) would “give the company the flexibility it needs to help make Western Port cost competitive and a reliable supplier to its customers”. A spokesman added: “The new EBA lays a foundation for a stronger company. It is ground breaking in guaranteeing continuity of supply to our customers.”

Not only will this outcome be a win for BHP and a blow against the maintenance workers, it will also strengthen the position of the government and the employers to deal with other sections of workers about to come into struggle against job destruction and low wages.



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