

Australian manufacturing workers hit by wave of lockouts

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Over the past four months, Australian manufacturing workers involved in a campaign for new enterprise work agreements across 1,100 companies have been hit by a wave of lockouts. The move marks a determination by a large section of manufacturing employers, encouraged by the Federal Liberal government, to resort to aggressive measures to resist any real improvement in wages and working conditions.

Campaign 2003, sponsored by the Metal Trades Unions Federation (MTUF) and spearheaded by the Australian Manufacturing Workers Union (AMWU), was launched earlier this year as work agreements became due for renewal. Its stated goal is an 18 percent pay increase over three years, a 36-hour week and a scheme to protect workers' entitlements.

By May, a small number of employers had signed agreements. But the Australian Industries Group (AIG), which covers car component makers and various manufacturing companies, responded by rejecting any discussion over an industry-wide framework for renegotiating contracts. A whole spate of lockouts followed, as employers dug in their heels and either dragged out negotiations or terminated them.

To date, the government has declined to make any public statement on the dispute. The response of the AIG, however, is completely in line with appeals by Workplace Relations Minister Tony Abbott that employers use the full provisions of the Federal Workplace Relations Act—including lockouts—to crack down on union campaigns. Immediately after the 2001 federal election, Abbott offered assistance to any company willing to take on its workforce and launch legal action against the unions for losses incurred during industrial action.

The AIG itself is a longstanding advocate of a tougher industrial regime and clearly felt the climate was right for a more aggressive drive against manufacturing workers. The government is pressing for substantial industrial relations reform, including legislation before the Senate exempting small business from unfair dismissal provisions, restricting

the unions' right to enter workplaces and requiring secret ballots before industrial action.

This week, Abbott also finalised legislation to erode the rights of construction workers. Based on recommendations from the recently completed Royal Commission into the building industry, the bill provides for the creation of a construction industry watchdog, which will have extensive powers to bring prosecutions and to police major building projects. The legislation requires secret ballots to be conducted prior to any strikes, places a 14-day limit on all industrial action, introduces heavier penalties for so-called "illegal" strikes and outlaws industry-wide bargaining by unions.

The construction industry bill will serve as a benchmark for similar measures to be imposed against workers in other industrial sectors. Speaking to ABC-TV *Lateline* reporter Greg Jennett last week, Abbott remarked: "You'd be an idiot not to at least consider extending [the legislation's provisions] to other industries."

With hundreds of work agreements still outstanding in Campaign 2003, lockouts are continuing in a whole number of industries. At ACI Moulds in Box Hill, Victoria, 77 workers have been locked out since May. The company responded to workers' demands by serving its own claims on the union. These included increased work flexibility, a greater use of contract labour and no restrictions on shift transfers. In return for these givebacks, the ACI offered only 9 percent pay increase over three years. On August 18, when ACI workers in other plants went on strike for 24 hours in support of their Box Hill colleagues, the company sent letters to their homes threatening to take legal action against them.

Rheem, whose Human Resources manager is Australian Industry Group (AIG) board member Peter Ross, has locked out 320 workers at its Sydney plant eight times in the past three months. On August 27, workers again found themselves outside the gate for the third time in two weeks. The AMWU had merely informed the company it intended holding a 45-minute stop-work meeting to discuss stalled

negotiations. The lockout was accompanied by a letter to every worker warning: “As of today any employee who engages in any form of industrial action will be locked out for the entire next shift.” Negotiations remain stalled.

Workers at KSB Ajax in Victoria were locked out for 10 days in July after they implemented a campaign of 10-minute rolling stoppages four times daily. This was the first time the company had used lockouts against its workforce in 30 years. At Frigrite, also in Victoria, 85 workers were locked out for four weeks in May.

Other lockouts in the course of Campaign 2003 include, FMP Group (formerly Bendix Mintex), Stramit Industries and McCains Foods in Victoria, as well as Bradken Karrabin and ACL Gaskets in Queensland, and Maintain and Rail Fleet Services in NSW. The Bradken Karrabin workers were locked out on two occasions in July, after refusing a management pay offer amounting to just 9 percent over three years. The company also refused to discuss any other claims. Again, the lockouts were the company’s response to minimal forms of industrial action.

Other sections of workers, while not locked out, have been forced into prolonged strike action after employers simply refused to negotiate. At the Smorgon Steel plant in Laverton, Victoria, 25 electricians employed by contractor Adecco have been on strike for more than six months for a new enterprise agreement and a 36-hour week. Just over two weeks ago, Adecco canceled a scheduled third-round of negotiations with the Electrical Trades Union and stated it would have no further communications with the union.

The Australian Workers Union (AWU) at the Laverton plant, although a party to Campaign 2003, allowed its members to remain on the job even though Smorgon had engaged scab labour to do the work of the ETU strikers. The AWU has since cut its own separate deal with the company, accepting a 10 percent pay increase over three years.

Despite the widespread nature of the stand-downs, and claims by the unions that employers have adopted a common front, there has been no attempt by the MTUF to organise a unified and coordinated response. In most cases, lockouts have only been lifted where unions have agreed to end all industrial action, or entered negotiations for agreements with drastically reduced demands.

For the most part, the unions have accepted annual pay increases of between 3 and 5 percent over three years, well in the range deemed acceptable by the employers. Only very few agreements contain a shorter working week, although this was heralded by the unions as a key issue. In some cases, the shorter week will not be phased in until the very end of the agreement, and there is nothing to stop employers from renegeing at a later date.

Typical of the settlements is one recently struck by the

four unions—including the AMWU—covering 580 workers at tyre maker Bridgestone in Adelaide. The unions dropped their claim for an 18 percent pay increase and recommended the workforce accept 9 percent over three years. They also agreed to offset the pay increase “with higher productivity”. Bridgestone had threatened to lock workers out for two weeks, even though no industrial action had taken place.

In a further show of impotency, AMWU NSW State Secretary Paul Bastian last week appealed to the Howard government for the “immediate reform of laws allowing employers to lock out workers rather than negotiate in good faith”.

Behind the employers’ latest offensive lies their confidence in the AMWU’s willingness to police its own members. Last year the AMWU signed an agreement with the car manufacturers to work jointly to ensure that disputes in car component companies did not get out of hand and impact on production in the car plants operated by Ford, Toyota, Mitsubishi and GMH. The AMWU hoped that its collaboration would persuade the employers to reject Abbott’s approaches. Close to half the 1,100 new work agreements included in Campaign 2003 apply to car component companies.

Drawing on past performance, the employers were also confident that the unions’ talk of widespread industrial disruption was so much hot air, and that when push came to shove they would rapidly fall into line. As far back as February, the financial magazine *Business Review Weekly*, commenting on Campaign 2003, remarked: “Tough talk in public from the unions, employers and car makers will be louder than ever, some strikes will occur...but, behind closed doors, the unions and the manufacturing sector will be working towards an agreement”.

Left in the hands of the union leadership all attempts by manufacturing workers to defend their conditions will be rapidly transformed into a means of entrenching already-existing levels of exploitation.



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