

Australian government threatens Pluto construction workers

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The Australian Labor government has threatened to use the “full force” of its draconian Fair Work Australia industrial relations laws against 2,000 construction workers fighting to defend on-site conditions at Woodside Petroleum’s \$12 billion Pluto Liquefied Natural Gas (LNG) project in the Pilbara region of Western Australia.

Workplace Relations Minister and Deputy Prime Minister Julia Gillard issued a statement on December 1, as the workers began a 48-hour strike, declaring: “The Rudd government has no tolerance for unlawful conduct in any workplace, under any circumstances. Anyone who engages in disruptive and unlawful conduct in any workplace will feel the full force of the law. Under Fair Work, unprotected industrial action, such as snap strikes, while an agreement is in place, is unlawful.”

The workers are employed building the plant, which is scheduled to come on line in 2011. They voted on December 1 to walk off the job for 48 hours over the company’s plan to change the accommodation arrangements for the project’s largely fly-in, fly-out workforce. The new system known as “motelling” will end the present arrangements of assigning men, employed on five weeks on, one week off rosters, their own individual small demountable units for the duration of their employment contracts.

Working for extended periods away from home in a remote location with few comforts, the workers attempt to make the units more congenial by adding personal items, something that will be impossible under the proposed system. Instead, they will have to pack up every five weeks and move into another room when they return.

Woodside’s aim is to cut costs while freeing up space to bring in extra labour to speed up construction. The new arrangement will allow the company to take on additional hires by shuffling men between rooms. Further attacks on conditions are likely because the company is wrestling with a potential cost blow-out of 6 to 10 percent above the original \$11.2 billion estimate made in July 2007.

Gillard’s statement made clear the government’s determination to crack down on any resistance to company attacks, even when the employer is breaching current agreements. Her comments gave a green light for 18 contracting companies supplying labour to the Pluto project to seek injunctions from the Labor’s industrial court, Fair Work Australia (FWA), to stop further industrial action until January 18, two weeks after the new accommodation arrangements commence.

Already, FWA deputy president Brendan McCarthy ruled on December 2 in favour of an application by United Group Resources, one of the contractors, ordering that no further industrial action by its workers be organised or engaged in until mid-January.

The FWA ruling creates the conditions for heavy penalties to be imposed. Breaches of FWA orders can lead to fines of up to \$6,600 for individual workers or \$33,000 for unions. Both the Federal Court and the Federal Magistrates Court can also issue orders and injunctions, breaches of which could result in workers jailed for contempt of court.

The workers are members of the Construction, Forestry Manufacturing and Energy Union (CFMEU), Australian Manufacturing Workers Union and Communications Electrical and Plumbing Union, but a union spokesman has denied responsibility for the strike. CFMEU spokesman Rob Mitchell told the *Bloomberg* website: “This has been driven by the workers, not the unions. It’s not a materialistic issue, it’s a humanitarian issue.”

None of the unions involved, nor the Australian Council of Trade Unions (ACTU) has issued any statement against Gillard’s threat or challenged the FWA injunctions. Instead, the CFMEU said it would seek to resolve the dispute by negotiation, in effect suppressing any further action by the construction workers.

The policing role of the unions was made explicit at a FWA hearing on December 9. Deputy president McCarthy dismissed

the employers' application for further injunctions after the unions gave what he regarded as undertakings to "make every endeavour to prevent further industrial action at the project regarding motelling". CFMEU official Graeme Pallott testified that the union's secretary had given instructions that "industrial action not occur at the project".

Nevertheless, the federal government has laid the basis for further punitive measures, calling on the construction industry policing agency, the Australian Building and Construction Commission (ABCC), to investigate the strike. The ABCC can impose fines of \$22,000 on individual workers and \$110,000 on unions for taking "unlawful" action.

The ABCC was introduced by the previous Coalition government and given extraordinary punitive powers to attack and harass construction workers. Workers can be compelled to provide information in closed-door hearings under threat of fines or even jailing. Labor has retained the watchdog, and it continues to be used extensively against construction workers.

While the construction unions claim token opposition to the ABCC, they and the entire trade union movement are committed to enforcing the Rudd government's industrial laws. The Fair Work Australia regime outlaws all strikes and industrial action, including partial stoppages, go-slows, overtime bans and work-to-rules, outside so-called "protected" periods during negotiations for new enterprise work agreements.

These laws go further than the Howard government's "Work Choices" laws in straitjacketing workers because they prohibit all action unless workers give three days' notice and prove to FWA that they bargained in good faith. The legislation bolsters the positions of the unions, which have official FWA status as bargaining agents, and reinforces the role of FWA, which has far-reaching powers to block or halt industrial action.

Even if industrial action falls within the "protected category", the FWA or the industrial relations minister can still terminate it, if it is deemed to cause "significant economic harm to the employer" or "cause significant damage to the Australian economy or part of it".

The government's threats against Pluto workers for attempting to defend long-standing conditions are part of a far broader agenda. Gillard's aim is to send a clear message that the Labor government will suppress any resistance to the restructuring of working conditions in favour of the employers, particularly in the key mineral export sector.

This is the second time that Gillard has come out to openly attack construction workers. At the ACTU conference in June,

she levelled unsubstantiated charges of thuggery against strikers on the John Holland Melbourne Westgate Bridge project. The purpose of her inflammatory statement was to portray any attempt to defend jobs and conditions—including standard forms of industrial action such as picketing—as illegitimate and even criminal.

The Westgate strikers, who were fighting to defend their jobs, were subjected to police attacks, prosecutions and fines. Some still face prosecution by the ABCC. Similar punitive measures were threatened against industrial action this year by paramedics in Melbourne and bus drivers in western Sydney. In each case, the unions have enforced the threats, shutting down stoppages as quickly as possible.

The Rudd government and the unions are particularly concerned about the Pluto dispute because LNG investments are among more than \$100 billion of resources ventures now proposed in Western Australia. Gillard's threats were reinforced last week by Resources Minister Martin Ferguson during a ceremony to commence construction at Chevron's \$43 billion Gorgon gas project at Barrow Island, which is not far from the Pluto project.

Pointedly ignoring the fact that the dispute was over the defence of existing conditions, Ferguson delivered a broadside, declaring: "When workers agree to a set of conditions, they have to honour their word". He added that the "unions ought to be very careful they don't kill the golden goose."

The rebuke was a sharp reminder to the unions that the Labor government will not countenance any backsliding in their role as industrial policemen for its industrial relations regime. The dispute at the Pluto project demonstrates that the struggle to defend even the most elementary conditions involves a political fight against the pro-market Rudd government and its union enforcers.



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