

# Australian PM visits city facing devastating steel job losses

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Australian Prime Minister Julia Gillard made a token visit to the industrial city of Wollongong this week, declaring that she was sending a message that “by my very physical presence, we will be working with the people of the Illawarra” in the wake of BlueScope Steel’s announcement of 1,400 retrenchments, 1,100 of them in Wollongong.

Far from offering funding to create jobs in the region—where the official unemployment rate is already 7.4 percent for adults and 33 percent for teenagers—Gillard made it plain that workers and youth would have to accept new conditions in order to “create a sustainable manufacturing future in the region.”

Gillard’s five-hour visit on Tuesday was portrayed by the corporate media as a show of support for the regional community, about 80 kilometres south of Sydney. On its front page, the *Illawarra Mercury*, the local daily newspaper, trumpeted the trip as a “rescue mission”. Its editorial dismissed those who had been hoping for further funding. “Yesterday, we got Julia Gillard’s attention—and that was worth any number of submissions, petitions and delegations,” the *Mercury* enthused.

In reality, the trip was a carefully scripted affair, organised in close collaboration with the local Labor MPs and the steel industry trade unions. Behind Gillard’s feigned solidarity with the thousands of workers affected by the job cuts, the essential purpose of the visit was to reinforce the Labor government’s backing for the devastating BlueScope sackings.

The day before her visit, Gillard had conducted what she called a “positive and constructive” meeting with top union and corporate leaders. With another 100,000 jobs predicted to be axed in manufacturing across Australia before the end of the year, that meeting discussed means of ensuring that the sackings are imposed through “orderly closures”—i.e., without resistance by workers—as part of a sweeping assault on jobs and conditions to drive up productivity. (See: “Australian government, unions, business collaborate in job destruction”).

This corporatist alliance with the unions and big business was the dominant feature of Gillard’s two appearances in Wollongong. First, BlueScope Steel management welcomed Gillard and escorted her on a 40-minute tour of the sprawling Port Kembla

steelworks. Reporters and cameras were barred from the tour, just in case Gillard was met with hostility by workers. Then the prime minister’s convoy headed to the University of Wollongong’s business-oriented Innovation Campus where she held a brief closed-door “roundtable” meeting with about 40 business and union leaders.

Having already given BlueScope \$100 million in accelerated compensation for the government’s planned carbon tax, Gillard said there would be no increase in the \$30 million regional package that she had unveiled a week earlier to encourage new investment and businesses.

Any such investment will seek to exploit the expanded pool of cheap labour produced by the BlueScope sackings, which will reduce the steel plant’s workforce to about 2,000. Just three decades ago, the plant employed nearly 30,000 workers and contractors, making it the heart of what was then the largest single concentration of heavy industry in Australia.

Jobless steel workers and the thousands of young people no longer able to seek apprenticeships, training or jobs in the steel and related industries, will be told by the government’s Centrelink welfare agency and job search services—as well as by the trade unions—that they have no choice but to accept whatever terms and conditions are offered by prospective employers.

This is the essential content of the economic “transition” that Gillard and the Labor leaders have called for in response to the wave of job destruction recently announced by BlueScope, OneSteel, Qantas, Westpac bank and others.

At her Wollongong media conference, Gillard dismissed a plea by the AWU and AMWU for an inquiry into the manufacturing sector, along the lines of the 2008 review into the car industry conducted by former Victorian Premier Steve Bracks. The thrust of that review was to provide financial assistance to the auto corporations to become “more competitive and sustainable” through the further slashing of jobs and conditions.

While Gillard is working closely with the unions to divert and stifle the anger of steel workers, she is determined to display her commitment to the “free market” agenda demanded by finance

capital. In doing so, she is seeking to prove that Labor is a more reliable instrument of the corporate elite than the Liberal Party headed by Tony Abbott, who has indicated his openness to protectionist measures in some industries.

Workers and young people interviewed by the WWS in Wollongong the day after Gillard's visit expressed disgust. **Vince**, who has worked in the steelworks' caster plant for nearly 39 years, and has a 35-year-old son who also faces retrenchment from the plate mill, said: "Gillard offered us nothing! In any case, I don't believe anything she says. She came here only to set us up to be used as cheap labour. The Illawarra is really going down."

Vince voiced opposition to the manner in which the unions were asking BlueScope to increase its redundancy payouts as a means of pressuring more workers into taking a "voluntary" retirement. "I don't agree with helping the company to take away any jobs. This is how the unions helped BHP Billiton (the former owner of the Port Kembla complex) shut down the Newcastle steelworks in 1999," he commented.

"BHP made a lot of profit from us over the years. Now BlueScope, its spinoff, has given us virtually no notice before destroying our jobs. This will be very bad for my family, and for the Illawarra. It will affect not just BlueScope workers but contractors in many industries."

**David**, an insurance industry clerical worker who had just lost his job, said it was not a good time to be thrown out of work. BlueScope's decision would be "a disaster" for Wollongong, particularly when a generation of people had already grown up without jobs. Asked to comment on Gillard's visit, he said:

"The Labor government is supposed to be for the workers, but I don't know anymore. The government needs to do something so that people don't lose their jobs, especially when the BlueScope bosses take home \$3 million in bonuses. It's alright for Gillard to say that we have to have a transition, when she has a cushy job. I don't think that losing your job should be necessary for any 'transition'."

David remarked that Gillard's policies were determined by the banks and big business. "Yesterday she met with Heather Ridout of the employers' group, and it's clear who's calling the tune." He added that the union leaders, who had also met with Gillard, "should be standing up for jobs."

David said the same thing was happening all around the world, including in the US, where unemployment officially remained near 10 percent, and jobless people were living in tent cities. He drew a parallel with General Motors in the US, where President Barack Obama had supervised the restructuring of the bankrupt company on the basis that newly-hired workers would be paid half the previous wage. "This is all about cheap labour here too," he said.

**Rohan**, a student at the University of Wollongong, said the

BlueScope sackings "show how vulnerable the entire job situation is. Anything can happen, because everything is subordinated to profit. It turns out that 100,000 manufacturing jobs are to go by the end of the year."

Rohan said the Labor government was working hand in hand with big business and the unions. "Gillard made an unexpected visit here yesterday. She offered workers nothing. Instead, she says we have to have a transition, but to what? We have—or we should have—the right to a job."

The future for young workers was bleak, Rohan said, and that was being made worse by governments, like Gillard's and the David Cameron's in Britain, cutting welfare entitlements and services. "These extreme policies are only going to lead to the kind of riots that we have just seen in Britain. When people are pushed into a corner, this is what will happen."

**Al** works in the building industry as an aluminium door and window fabricator. He has lived in Wollongong for a decade but commutes daily to Sydney for work.

"I have always said that the BlueScope steelworks is the blood of the Illawarra, particularly Wollongong, and if you take it away from here it will be a ghost town. People are in panic. They are not saying it, but you hear things—people are in panic. Other jobs will go, not just the jobs at the steelworks—there will be a chain reaction. The subcontractors, the shops that supply materials, they will all go. Thousands more will be impacted."

Asked about the response of the Labor government, Al said: "I have always been a union member, ever since I started working. But I got out of the union because of the Gillard government. She is working for the people who are managing big businesses. They are pulling her strings. It should be the other way around—the government should be working for the people. It is not right, and the majority do not like what she is doing."



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