

# Australian steel unions impose BlueScope job destruction deal

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Six weeks after BlueScope Steel announced that it was axing up to 1,400 jobs, the steel industry unions pushed through a redundancy deal at a mass meeting yesterday in Wollongong that gives the company everything it wanted. The meeting was only attended by about 600 workers, or less than a quarter of Port Kembla's workforce.

The union-company package will result in the closure of Port Kembla's No 6 blast furnace and a coking plant in the next few days. Over 400 staff positions are to be eliminated, along with 300 production jobs and about 100 mechanical and electrical trade positions. Over 300 contracting jobs will also be axed. Downsizing of the company's Hastings rolling mill near Melbourne is already underway with at least 300 positions to be destroyed there.

The unions have also pledged full collaboration with management to impose a new round of attacks on working conditions that will follow. The agreement includes a six-month trial of measures to boost productivity, with the unions directly advising BlueScope on manning levels and production targets in the restructured plants.

The BlueScope job cuts will have a devastating social impact on working class communities already suffering mass unemployment. Scores of other businesses dependent on the plants are expected to close or cut jobs. More than 100 maritime positions are expected to be eliminated.

This historic betrayal is the product of months of backroom negotiations between the unions and the company under the auspices of the Labor government of Prime Minister Julia Gillard, which gave BlueScope \$110 million to help it downsize its operations.

Senior union bureaucrats were warned months in advance of the cuts and immediately began organising an "orderly downsizing." The unions made clear from the outset that there would be no defence of jobs. Their only difference with the company was tactical—how best to prevent any opposition by workers and to guarantee BlueScope Steel's productivity and profits.

Only one other mass meeting was called—the first in seven years—with union officials insisting steel workers return to work

immediately after the meeting. BlueScope Steel, in fact, has not lost one cent in production since its job cuts were announced.

Union officials yesterday presented the destruction of hundreds of jobs as a great victory. Local Australian Workers Union secretary Andy Gillespie told the mass meeting that the union negotiations were "an important success" because redundancy payouts had been increased and now included an additional \$7,500 to \$12,500 cash payment. He also boasted that the union had "saved" 90 jobs. The negotiations had been "so successful", he insisted, that there were too many volunteers and some of those wanting redundancy would "miss out".

In other words, what has been a "success" is the union's campaign to block any fight to defend any jobs, to leave the workforce in the dark and isolated, to sow demoralisation and to encourage workers to take the retrenchment bribe to relinquish their positions without resistance.

In line with the "buy Australia" demands repeated ad nauseam by the unions, Gillespie blamed China and by implication Chinese workers for the job cuts. "The price of steel coming down from \$1,300 per tonne to \$800 is caused by the Chinese, nobody else," he said. The purpose of these claims is twofold—to cover up the treachery of the unions in imposing BlueScope's demands while setting Australian steel workers against their natural allies, the Chinese working class.

After denouncing "the Chinese", Gillespie foreshadowed the further restructuring of Port Kembla jobs and working conditions. "It's not finished yet," he said: "We have to go through all the issues of how this place is going to operate in the years to come.... We'll see if the place can run with the men they've got."

One steel worker asked officials: "We're worried that the survivors—the people left behind—will basically have the same workload with half the guys." Gillespie dismissed these concerns, falsely claiming that it would not happen and pledging that the unions would not "trade conditions" during negotiations for a new enterprise agreement next year. "This is not going to be a race to the bottom," he said.

This promise, like every other made by the unions, is utterly worthless. Over the past 30 years, beginning with the Hawke-Keating Labor governments in the 1980s, the steel unions have

played the key role in axing 22,000 jobs at Port Kembla and tore up conditions to ensure massive productivity increases, driving up annual output to 1,750 tonnes per worker. Whatever the company wants, the union delivers.

After the mass meeting Gillespie told ABC Radio that the steel industry was “now past the bottom” and would soon begin to recover. “In the next couple of years,” he said, “it will be up and up for steel and the Australian manufacturing.” In reality, BlueScope has already indicated that there is a question mark over its continued steel operations in Australia.

While the redundancy agreement was overwhelmingly endorsed, the decision was not a vote of confidence in the union. The low attendance, in fact, is another indication of the deep-going suspicion and distrust of steel workers with the unions and a frustrated sense that there is no way forward through these organisations. Recognition of this stark reality, however, is not enough.

The union sell-out of BlueScope jobs in league with the Gillard Labor government is a stark warning to the entire working class. The basic right to a job and future for youth and workers is incompatible with the profit system. A struggle to defend jobs necessarily involves a complete break from the unions and a political fight against the Labor government based on a socialist program, as was explained in the Socialist Equality Party in its August 24 statement.

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While BlueScope Steel workers endorsed yesterday’s agreement the overwhelming majority who spoke with the *World Socialist Web Site* were deeply concerned about the impact of the job cuts. Some were critical of the union and others said that the company was deliberately running down the plant in preparation for closure.

One worker who wanted to remain anonymous for fear of victimisation said: “We have double the national average unemployment rate here [in Wollongong] and it’s not going to get any easier. If I was young I wouldn’t be hanging round here. In five years time my kids are going to be looking for work, and they won’t find anything here unless they work at McDonalds. You’ve got to move out of the area now because manufacturing is dead.”

“Everything is becoming casual now but it doesn’t give you any structure in life. You can’t borrow money for a car and you can’t commit to anything. You don’t know if you’re coming or going and can’t even plan for a holiday over the weekend, let alone take a mortgage. When the government says, ‘We’ve created five jobs for you,’ those jobs are probably casual. I wouldn’t even call them jobs.”

Asked about the role of the Labor government in the BlueScope down-sizing, he said: “Gillard is the prime minister that never got voted in. You can’t trust her, and the sooner she goes the better.”

Neil, 50, has worked at the Port Kembla steel works twice, with

a 10-year break in between. “This is the fifth time in 17 years at the steel works that I’ve either had to change jobs or been under threat of changing jobs,” he said. “This is the first time we’ve actually lost men in my department. We used to have five crews of six but this is going to be cut to four crews of six so it’ll be fewer men to do the same work.

“When I was leaving school they took on hundreds of apprentices, now it’s nine or seven. Both my sons are doing apprenticeships—one’s in the navy and the other in Sydney because there’s nothing here. It looks like this place is heading towards closure.”

Another worker said: “This is all about making money for the company by cutting jobs. They were producing three and half million tons of steel a year with 22,000 workers in the 80s, and making plenty of profit. Now they’re producing six and half million tons with less than 3,000 workers and say they’re losing money.

“You work it out because my logic can’t. You can ask the Labor government about this but it doesn’t really matter whether it’s Labor or Liberal in power they’re no different, they don’t care. They think we’re just little dots on the street.”

Paul Hancock, 45, who has worked on BlueScope Lysaght packaging line for 24 years said: “My cousin was at Newcastle steel workers when it closed but there were other industries that people could fit in straight away—mines, wharves and stuff like that—there’s none of that here.

“They’ve gone from 20,000 workers to under 3,000 and soon it’ll be at the bare minimum. Management will say, ‘Oh well, we can import it cheaper’ and shut the place. For Wollongong it’ll mean the end. Why would the younger generation stay here, there’s no future. It’s about capitalism and full-on greed by big business. After all this has blown over and they’ve got rid of the jobs, the top 100 in this company will give themselves a significant pay rise, just like the government’s done.

Asked about the role of the unions, he replied: “The union has been pretty poor here for ages. In the end, the union looks after the union. If you’re the head of the union you look after your own job, and each time the membership gets lower and lower, the union fees get higher and higher.

“All people seem to want to talk about in my area is getting the quick money—the redundancies—and leaving. They’ve put up with the bulldust for years and years and they don’t see any alternative.”



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