

# Reject the union sell-out at BlueScope Steel

Statement Socialist Equality Party (Australia)  
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*The following statement will be distributed to mass meetings of BlueScope Steel workers this week.*

BlueScope Steel workers should reject the sell-out deal struck by the steel industry unions to destroy nearly 1,500 jobs at the company's plants at Port Kembla, in Wollongong, and Hastings, near Melbourne.

After weeks of secretive negotiations, behind the backs of rank and file workers, the steel unions in Port Kembla have reached an agreement with BlueScope designed to bribe workers with cash payments—reportedly up to \$12,500—into selling their jobs through voluntary redundancies and enabling the company to reach its quota of job cuts. By doing so, the unions hope to suffocate all resistance by workers, as they did during the 1999 closure of the BHP-Billiton steelworks in Newcastle.

If the unions succeed in pushing through the redundancy agreement, it will be a blow to the working-class communities of the Illawarra and southeast Melbourne. Everyone knows that thousands more workers will be retrenched by the industries that depend on the steelworks, small businesses will be bankrupted and young people will be left without any prospect of decent work. Only two weeks ago, hundreds of former steel workers gathered in Newcastle and discussed the reality that the region has never really recovered.

With the help of the unions, and unknown to many workers, forced retrenchments are already underway at Hastings. Union officials have indicated their readiness to accept outright sackings at Port Kembla as well. They claim that by bargaining behind closed doors with BlueScope they have “saved” up to 80 jobs at Port Kembla. In reality, they have not only accepted the overall destruction of jobs but the dismantling of conditions.

BlueScope intends to restructure its remaining

operations at Port Kembla and Hastings, cutting shifts, overtime and manning levels to reduce wages by up to 40 percent. As a reward for devising these plans, BlueScope's top executives received bonuses of more than \$3 million this year. In response, the unions have merely asked the company to delay the immediate implementation of this restructuring at Port Kembla so that they can push through the redundancies first.

The only purpose of the past six weeks of backroom talks and industrial tribunal mediation sessions between the company and union representatives has been to figure out ways to meet the company's demands without triggering mass opposition.

The trade union movement as a whole has already presided over the destruction of 50,000 manufacturing jobs over the past six months. An avalanche of job losses is now underway throughout basic industry and the public sector. In every instance—from Qantas, OneSteel and Westpac to the federal and state public services—the union bureaucrats have opposed any fight to defend all jobs and conditions and blocked any unified struggle by working people.

This is part of an international onslaught. All across Europe and the United States, working people are confronting job and wage cuts, as well as austerity measures, in order to bail out the banks and corporate elites that are responsible for the deepening global financial crisis that began in 2008. Cuts of up to 30 percent have been imposed on living standards in Greece, setting a new international benchmark, while corporate profits and executive bonuses have soared to new heights. Everywhere, workers have been confined by the trade unions to impotent protest stoppages.

The wave of retrenchments across Australia has put paid to the illusions promoted by the Labor government and the media that the country was shielded from the global meltdown because of mining exports to China and the dawning of an “Asian century.” Not only is the

“China boom” unsustainable, because Chinese-based companies depend on the crisis-wracked world market for their exports, but the current mining super-profits have become a mechanism, via an inflated dollar, for depressing much of the Australian economy, including manufacturing, tourism and retail.

The unions—led by Australian Workers Union national secretary Paul Howes—have sought to divert the anger of steelworkers in a divisive nationalist direction, blaming not capitalism or even the company for the sackings, but Chinese and other Asian workers for producing “cheap” steel and other imports. In fact, BlueScope Steel itself employs thousands of workers in sweatshop conditions in China, India and eight other Asian states.

Australian workers need to be united with Asian workers in a common struggle. The unions, however, are organically hostile to working-class international unity. They are apparatuses that defend corporate interests and have direct incentives to slash workers’ conditions everywhere in order to generate profits for the huge superannuation funds and other investments they control.

BlueScope workers need to make a sober assessment of the situation they face. Prime Minister Julia Gillard has insisted that the BlueScope retrenchments must be accepted as a “transition” to a more “productive,” “flexible” and “competitive” economy. The unions claim that nothing can be done. In plain language, this means accepting mass unemployment, casualised low-wage jobs, the dismantling of working conditions and the breakup of public education, health and other social programs as the ruling elite seeks to make the working class pay for the failure of the capitalist profit system.

The Socialist Equality Party (SEP) urges BlueScope workers to take a stand on behalf of the entire working class, and especially the younger generation. The redundancy agreement should be rejected and a struggle launched to defend all jobs and conditions, beginning with the occupation of both the Port Kembla and Hastings plants and establishment of picket lines to prevent the company imposing a lock out and closing them down altogether.

From the beginning, such a struggle will not only be directed against the company. It will involve an immediate head-on confrontation with the Labor government and its industrial laws, and with the unions

that function as its industrial police force.

To prosecute this fight steelworkers must tap into the reservoirs of support that exists for such a struggle—from workers in all sections of industry and from young people who are looking for a way to fight back against the never-ending attacks by the companies, the unions and the federal and state governments on their most basic rights and interests.

Occupations cannot be isolated actions aimed at pressuring the management to back down from the planned job destruction. They must become the starting point of a political fight for a new program for the working class based on a socialist perspective. New leadership is needed. Rank and file committees of trusted workers, independent of the unions, must be elected to lead the occupations and, above all, appeal for workers across the country and internationally to make a stand at BlueScope the focus for a counter-offensive against the agenda of the ruling elite and the Labor government.

The steel plants—built by the labour of generations of workers—must be taken out of the hands of BlueScope and placed under public ownership and democratic control, along with other basic industries, the mining giants, the banks and finance houses. The productive capacity of society in Australia and internationally must be harnessed for the interests of the majority, not a handful of banks and major corporations.

As workers take the road of struggle, the SEP pledges to render every political assistance. Above all, what is required is the building of a mass socialist party that will fight for the establishment of a workers’ government and socialism. We urge steelworkers, and all working people, to contact the SEP and discuss joining our party.



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**