

# Alcoa Australia threatens to axe Geelong smelter

Will Morrow  
18 February 2012

Alcoa Australia, a subsidiary of the US-based multinational Alcoa, announced on February 8 that it would complete a review by June of the “future viability” of its Point Henry aluminium smelter in the regional Victorian city of Geelong. Working in conjunction with the federal Labor government of Prime Minister Julia Gillard and the trade unions, the company is preparing to axe the plant or use the threatened closure to impose another round of attacks on jobs and conditions to drive up productivity.

The closure of Point Henry, which has been operating since 1963 and has an annual output of 190,000 tonnes, would destroy 300 jobs in the smelter and 200 in the neighbouring rolling mill and drive up unemployment in Geelong, population 175,000. An estimated 3,000 people in the regional community depend on the plant for their income.

Alcoa Australia managing director Alan Cransberg told the media that despite successful attempts “to minimise costs and improve margins”—carried out in collaboration with the unions—the company faced difficulties keeping its plant “globally competitive in the foreseeable future.”

The threatened closure is part of wave of restructuring and job destruction underway internationally by Alcoa, which employs 61,000 people and is the world’s largest aluminium producer. In 2009, Alcoa sacked 15,000 workers globally.

Last month, the company announced it was reducing its annual output by 12 percent, axing three “high-cost”

plants in Italy and Spain and sacking 1,500 workers, and permanently closing already curtailed facilities in Tennessee and Texas. Last week, Alcoa shelved a \$3 billion expansion of its alumina refinery in Wagerup, Western Australia for five years. The expansion was expected to create 1,500 construction jobs.

Another aluminium company, Norsk Hydro, which has operations in the neighbouring Australian state of New South Wales, declared this week that its Kurri Kurri smelter was “unsustainable” and under consideration for closure. The plant, which employs 350 workers, has shed 190 jobs in the past four months. Another 2,000 jobs in the community are threatened if the smelter shuts.

Alcoa and Norsk have highlighted the high Australian dollar, which make exports more expensive, and depressed aluminium prices—down 27 percent from last April—as major factors in their downsizing. This month, Deutsche Bank downgraded Rio Tinto’s Australian and New Zealand aluminium assets by 32 percent. The mining giant has attempted to sell the assets since October, but has been unable to find a buyer.

Point Henry Alcoa employees have been subjected to a systematic attack on their jobs and conditions over the past two decades by the management, working hand-in-glove with the Australian Workers Union (AWU). The union has repeatedly claimed that sacrifices by workers would ensure the plant remained “competitive.”

Graham, who has worked in the plant’s rolling mill for more than 20 years, told the *World Socialist Web Site* this week: “The last few years we’ve been getting 3-3.5 percent pay rises, which barely keep up with

inflation. In 2008, we agreed to freeze our wages for that year and the next. We agreed with the company that it was necessary to keep the place going. We were under the impression that our wages would improve.”

Graham added: “We restructured several times. Part of our current EBA [Enterprise Bargaining Agreement] states that we will deliver ‘continual improvement.’ That means doing away with people—workers taking on more jobs or using more automated machinery. In the rolling department, we used to have 15 on crew, now we have 5. They told us that if they can do our job with two people, they will.”

Whatever Alcoa Australia decides about the Point Henry plant, the Labor government and the AWU are desperately working behind the scenes to organise either an ‘orderly closure’ or facilitate another round of restructuring.

Gillard this week justified the sweeping “structural adjustments” in manufacturing by saying they would “open up new opportunities in other sectors.” In reality, what is taking place is an escalating destruction of jobs, especially in manufacturing, that cannot possibly be replaced by openings in other areas.

Gillard, industry minister Greg Combet and AWU national secretary Paul Howes met with an AWU shop steward and several other Point Henry employees in Canberra this week. Combet also met with the Alcoa management. In an attempt to divert attention from the union’s closed-door discussions with Alcoa and the government, Howes issued a series of chauvinist statements, blaming manufacturing job losses in Australia on China and its undervalued currency.

What is taking place mirrors the operation carried out by the AWU and other unions at BlueScope Steel in Wollongong, New South Wales, and Hastings in Victoria, where the company axed over 1,400 jobs last September. The unions refused to defend a single job and helped management find enough redundancy “volunteers.” (See: “Australian steel unions impose BlueScope job destruction deal”)

Point Henry AWU senior steward Brett Noonan made

clear this week on ABC’s Radio National that the union would impose further “productivity” demands. “We’ve got a fairly good relationship with our company. We work really hard with the unions and the company to try and make sure we stay competitive,” he said.

The result of this class collaborationist policy is already evident in Geelong, where manufacturing has drastically declined over the past three decades. Major companies have downsized or shut down altogether. The proportion of jobs in Geelong that are in manufacturing fell from 27 percent in 1986 to 15 percent in 2006. Over the same period, the percentage of largely-casualised hospitality service jobs more than doubled. Working class suburbs such as Corio now have official unemployment levels of 10 percent, twice the national average.

If Alcoa workers are to prevent the closure of the Point Henry plant and defend their jobs and conditions, they have to learn the lessons of the BlueScope Steel betrayal and organise independently of the AWU. The unions can no longer be called workers’ organisation in any meaningful sense of the word. As the past decades have demonstrated, the unions are labour syndicates that defend the privileged position of their officials by imposing whatever demands are made of them by the corporations.

Alcoa Australia workers need to establish their own independent rank-and-file committee and to turn out to other sections of the working class, including at the Kurri Kurri aluminium smelter and Alcoa workers internationally, facing similar attacks. What is needed is a common struggle for a workers’ government to implement socialist policies, including the placing of giant corporations such as Alcoa under public ownership and the democratic control of the working class.



To contact the WSWS and the  
Socialist Equality Party visit:

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