

# Australia: BlueScope Steel unveils further sackings

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16 January 2013

BlueScope Steel announced on Monday that it will eliminate another 170 jobs from its Western Port Steel Mill at Hastings, southeast of Melbourne. The sackings, due to take effect in March, are on top of the 1,400 job cuts the company imposed, with the help of the trade unions, less than 18 months ago.

In August 2011, BlueScope mothballed a blast furnace at its Port Kembla plant in Wollongong, at the cost of 1,100 jobs, and 300 were destroyed at Hastings. Rival steel producer OneSteel has axed over 1,500 jobs from its plants in South Australia, Sydney and Melbourne over the past two years.

Less than 600 workers will now be employed in the Hastings operation. Most BlueScope workers heard of the latest job losses through the media as they returned to work after their Christmas break. Many expressed their disgust and shock to WSWS correspondents over the manner in which the steel giant unveiled the retrenchments.

An older BlueScope worker saw parallels with the type of offensive being waged against workers' jobs and conditions in Europe. He commented: "I think in Australia we're going to see in five years political unrest we've never seen. It will be like Greece, maybe not as bad."

In a statement to the stock exchange, the company said the sackings were part of a \$17 million reconfiguration of steel production to maintain the "viability" of its Australian operation. BlueScope's Australia and New Zealand chief executive Mark Vassella told the media: "This is part of our strategy to continually find better ways to do business and remain a cost-effective producer."

The company is using the deepening global economic downturn to mount an offensive against workers' conditions, as well as jobs. Vassella emphasised that

workers at the Port Kembla plant would have to lift productivity levels to meet the shortfall in output caused by a 25 percent cut in staffing and production levels at Hastings.

The downsizing at BlueScope is part of the global destruction of steelworkers' jobs and conditions, as corporations seek to slash costs amid the deepening economic downturn and intense international competition.

Tens of thousands of steel job cuts have been announced in the past three months in Germany, Italy, France and Britain, alongside cost-cutting at American operations. As many as 50,000 steel jobs are slated to be destroyed in India as so-called "inefficient" producers are shut down. Likewise, China's Shandong province is restructuring its steel industry, amalgamating 21 enterprises into 6 before 2015, downsizing steel production capacity from 57 million tonnes to 46 million tonnes.

In the first nine months of 2012, Chinese steel companies suffered combined losses of as much as 5.5 billion yuan (\$US1 billion). China Iron & Steel Association vice president Wang Xiaoqi said: "Over-production and concentration of manufacturers have led to low prices in the steel market. Everyone is engaging in a cut-throat competition, further pressing prices down to the 1994 level."

Australian-based steel manufacturers have cut production by 30 percent since 2011. Overall, they are running at only 50 percent capacity. Credit Suisse analyst Michael Slifirski warned that the latest job cuts were unlikely to be the last. "Western Port," he said, "serves predominantly the southern states [of Australia] and has seen demand decline from the demise of Australian manufacturing and construction softness. In the longer term, the sustainability of the operation is

questionable.”

The Labor government is helping enforce the restructuring of the steel companies and manufacturing as a whole. In 2011, Prime Minister Julia Gillard insisted that the BlueScope retrenchments of that year had to be accepted as part of a “transition” to a more “productive,” “flexible” and “competitive” economy. Her government gave BlueScope \$110 million to help finance the elimination of jobs, while company executives rewarded themselves with \$3 million in bonuses.

In response to the latest job losses, the government has again sought to facilitate the retrenchments by offering subsidised “retraining” programs to workers who accept redundancy packages. Yet, most workers will find it difficult, if not impossible, to find alternative jobs, amid rising unemployment and a wave of job cuts throughout manufacturing, construction, retail and the public sector.

The unions are pressuring workers to accept the job cuts and the productivity demands of the employers and Labor government. The Australian Workers Union (AWU) and other unions covering steel workers have collaborated in every restructuring operation carried out by the steel companies over the past three decades.

The only meeting held at the plant on Monday was a presentation by the company, offering voluntary redundancies, with applications due by the end of January.

Confident that the unions will assist the management, as they did in 2011, BlueScope’s Vassella said: “We will now enter a consultation phase with employees and with union representatives to best manage the transition.” AWU Victorian secretary Cesar Melhem told journalists that while the union had “some concerns” about the job losses, it would “work tirelessly with BlueScope management to see that there are better times ahead.”

The union has sought to placate workers’ anger with claims that because the production line is being mothballed, and not closed, there could be future rehiring. Melhem said: “The option remains open for new jobs to be created as demand increases.” The reality is that production would be resumed only if workers’ wages and conditions were driven down to the international benchmarks being set by the global cost-cutting.

Workers around the world are being pitted against one another in a never-ending downward spiral by the corporations, and the governments and unions that serve their interests. The working class everywhere must take a political stand against the demands for “international competitiveness.” What is needed is the international unity of workers in a common struggle to defend jobs, wages and conditions.

The immediate task before BlueScope workers is a rebellion against the unions. The total indifference and hostility of the union apparatuses to their interests was embodied by the statement on Monday of the AWU’s Port Kembla secretary Wayne Phillips. He effectively welcomed the job cuts at Hastings because “it secures some of our positions here.” It was “good to see something come back” to Wollongong, he declared. In fact, all that is coming to Port Kembla workers are demands for production speed-ups and more sackings if BlueScope cannot boost its profitability at their expense.

A defence of jobs at Hastings and conditions at Port Kembla will only come about through the establishment of rank-and-file committees, independent from the unions, and a turn out to other sections of workers across Australia and internationally. From the beginning, this would need to be a political struggle against the Labor government, which is using its industrial laws to suppress working class resistance to the assault on living standards.

Workers’ interests are inseparable from the fight for a workers’ government based on socialist policies, which will take the banks and major corporations, like BlueScope, out of corporate hands and put them under public ownership and democratic control.



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