

Australia: Union imposes job cuts at UGL, defying workers' votes

Mike Head**30 September 2015**

The majority votes of two membership meetings to oppose forced redundancies at Australian-based engineering company UGL's Auburn railway workshop have been defied by the Australian Manufacturing Workers Union (AMWU).

At a members' meeting at Auburn two weeks ago, a resolution was passed to demand a halt to all retrenchments, which the union simply ignored. Two days later, at another membership meeting, the AMWU assistant state secretary Steve Murphy rejected a motion by workers to sit in the sheds until the company agreed to reinstate workers who contested their retrenchment.

By acting as UGL's agent in enforcing the redundancies, the AMWU has given the green light not only to the immediate destruction of 43 jobs at Auburn, but to further sackings as the mining boom implodes and financial markets increase their pressure on the company to slash costs or prepare for a takeover.

As one worker told the WSWS: "This helps pave the way for the next round of redundancies. The company has been testing the water with this! It is becoming more and more apparent that the union works with companies to help them restructure.

"This company is looking very vulnerable because of its bad results... It looks like the management is trying to cut jobs to make UGL attractive to flog off to some other company."

Another worker said: "The workers want to fight the redundancies but the union is suffocating us. Twice, members put up motions with absolute majorities, but the union ignored them... In the past, when members called for action, the union went along with it, but now it is working against us."

Ever since June 1, when UGL chief executive Ross Taylor pledged to the financial markets that he would axe 200 positions and remove "duplicated jobs," the AMWU has worked hand in glove with the company to ensure that

the job cuts are implemented in an "orderly" fashion.

Of the 43 Auburn positions designated for elimination, 17 effectively went last month, when the AMWU agreed to a "job swap" that led to the closure of the nearby Chullora railway workshop.

Of the remaining 26 targeted workers, "only a few are left on the site," according to workers. Among the six forced redundancies, "all have gone on paper," although three workers are appealing or considering appealing through the Fair Work Commission or the courts. Of the 20 "voluntary redundancies"—workers pressured into taking a retrenchment package—most have gone, with some remaining until the end of this month.

The AMWU has given workers no information about the retrenchments elsewhere throughout UGL's operations in Australia and Asia. These are known to include up to 400 jobs of Indian workers threatened by UGL's withdrawal from a joint locomotive manufacturing facility with Texmaco at Belgharia, in Kolkata.

A third UGL worker commented: "The union just keeps saying we can't do anything because of the EBA [the AMWU-UGL enterprise agreement]. We have no say. What's the point of having a union if all it says is: 'you can't do this, you can't do that'?"

The reality is that the AMWU is working directly as the management's policing arm against its own rank-and-file membership. The experiences of the past few weeks—not to speak of the past several years—have exposed any lingering illusions that workers can somehow pressure the union to defend their jobs, wages or conditions.

Since 2012, the AMWU has facilitated every job cut and closure demanded by UGL, including sackings and closures at five other railway workshops around Australia, causing the loss of at least 650 jobs.

This is part of a pattern of betrayals carried out by the AMWU for more than 30 years. On every occasion, the

union has stifled workers' resistance and pushed them into taking "voluntary" redundancies. Throughout the car, steel and other basic industries the story has been the same.

Over the past three decades, in response to the globalisation of production and the ongoing worldwide restructuring of industry by the financial elites, the unions in every country have become appendages of the corporations, enforcing the destruction of all the past gains made by the working class. In Australia, the perspective of the unions, in tandem with both Labor and Liberal governments, has been to facilitate the restructuring of Australian-based companies to make them "globally competitive" in the dog-eat-dog battle for market share and profits. This has led to the slashing of hundreds of thousands of jobs and the destruction of hard won conditions, in order to match those imposed on workers in other countries, leading to a never-ending downward spiral.

In an effort to maintain credibility in the eyes of its dwindling membership, the AMWU is running a "save our rail jobs" petition campaign, posturing as the defender of "Australian" jobs by urging the state governments to allocate contracts to "Australian" companies, rather than "the Indian, Korean, Chinese and United States rail industries."

The purpose of this deeply reactionary, nationalist campaign is to place the blame for job destruction on workers from other countries, not the major corporations and the financial elites who sit on their boards. It seeks to undermine the fight for the unity of Australian workers with their fellow workers internationally, including the Indian railway workshop workers.

Unsurprisingly, the AWMU is carrying out this campaign in partnership with UGL and other rail industry employers, such as QR Rail, Aurizon, Sydney Rail and Downer. One of its slogans is: "Show how internationally competitive our rail industry could be!"

In Port Kembla, home of BlueScope Steel, the steel industry unions are currently conducting exactly the same kind of nationalist diversion, in order to help the company impose the destruction of at least 500 jobs. There, they have joined hands with BlueScope to lobby Australian governments to "buy Australian steel" and to inflict whatever cost-cutting the management requires to become "competitive."

By facilitating UGL's job cuts, the AMWU has also effectively given the go ahead for a further carve-up of the company at the behest of the financial elite. On

September 18, National Australia Bank Nominees, one of the four finance houses that together owned about 60 percent of UGL's ordinary shares, sold its stake, formally ending its status as substantial shareholder.

Rumours of a takeover have swirled around UGL since Taylor's appointment as CEO last November with a brief to radically downsize the company and try to boost its share price.

In April, the *Australian* reported: "UGL is being circled by one of its major Australian rivals, according to sources ... Some say that UGL would also be attractive to private equity if it were broken up, with Pacific Equity Partners or Kohlberg Kravis Roberts likely buyers."

In 2007, before the global financial crisis, UGL's share price peaked at \$22. By last November, under the impact of plunging commodity prices and UGL's fire sale of Hong Kong-based property services giant DTZ, the share price collapsed to around the current level of less than \$2.

The working class needs to draw urgent lessons. The trade unions are not workers' organisations in any sense. They are nothing but corporate policing agencies, operating hand in glove with employers, Labor and Liberal governments and the courts against the working class.

To defend their most basic social rights workers need to make a conscious political break with the unions and begin the fight to establish independent rank-and-file committees that will fight to unite all sections of the working class, in Australia and internationally, in a common political struggle against the capitalist profit system itself—the source of the ever-intensifying economic, social and political crisis facing workers everywhere.

We encourage workers at UGL and elsewhere to contact the Socialist Equality Party for discussion on these critical issues.



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