

Australia: Growing opposition to union-company deal at Port Kembla steelworks

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There is mounting opposition among steel workers to the agreement between the Australian Workers Union (AWU) and BlueScope Steel for 500 job cuts, a three-year wage freeze and an overhaul of working conditions at the Port Kembla steelworks in Wollongong, south of Sydney.

The AWU is terrified that workers will reject the deal it worked out with the company in closed-door meetings at the Fair Work Commission, after BlueScope issued an ultimatum in August that it must extract \$200 million in cost savings for Port Kembla to remain viable.

At a mass meeting on October 8, the AWU demanded that workers vote in favour of the agreement without an opportunity to read it. Union officials sought to intimidate workers into voting “yes” by declaring that BlueScope would close the plant altogether. A closure would destroy some 5,000 jobs directly and at least another 5,000 from related companies in the surrounding Illawarra region.

The meeting began with workers denouncing the union officials for keeping them in the dark, and withholding information from them. One worker commented to the WSWs that the AWU’s actions constituted “blackmail.”

After two hours of hectoring, a majority of workers voted for the agreement by a show of hands, with around 5 percent voting against. Under industrial relations law, however, the agreement must be accepted via a secret ballot, which will be conducted by the Australian Electoral Commission. The AWU bureaucrats, along with financial commentators who hailed the deal as a new precedent in the decimation of wages and working conditions, considered the vote to be little more than a formality.

Their calculations have been dealt a blow, with indications that many workers are planning to register their opposition to the company-union conspiracy against them by voting “no.”

According to an anonymous steel worker quoted in the *Illawarra Mercury* on Monday, the union cancelled a

ballot that was slated to take place last Thursday, due to fear that “large numbers” of workers would reject the deal. The cancellation underscores the unions’ contempt for the basic democratic rights of the workers they falsely claim to represent.

The steel worker noted that workers would be more likely to vote “no” in a secret ballot than at a mass meeting, where there is pressure not to “go against the flow.” He commented that workers were angry that BlueScope is “bringing in outside labour and using tradesmen to do the operators’ work.” Workers are also reportedly hostile to the speed with which BlueScope is carrying out its demolition of conditions.

The AWU and associated unions have responded with a carefully crafted campaign.

On the one hand, they are fraudulently seeking to posture as opponents of the changes to working conditions being introduced by management, on the basis of the agreement that the union itself brokered. On the other, they are doing everything they can to reassure BlueScope’s major investors that they can be relied upon to bludgeon workers into accepting the deal.

On Tuesday, South Coast Labour Council secretary Arthur Rorris, who was intimately involved in negotiating the agreement, told the *Illawarra Mercury*: “There is no doubt there is disquiet and antagonism that has been fermented by decisions or directions on the ground on a range of matters.”

Rorris portrayed the recent changes at BlueScope, including attacks on shift-change allowances, the introduction of casual labour and moves to target union delegates for redundancies, as the product of “overzealous” managers. He concluded by “issuing a plea” for BlueScope’s CEO Paul O’Malley to “demonstrate ... leadership.”

Rorris’s remarks were a series of cynical lies and evasions. The AWU’s agreement was hailed as “ground

breaking” by the *Australian Financial Review* and “game changing” by BlueScope management precisely because it provides for a continuous pro-business restructuring of working conditions.

The deal abolishes the “status quo” clause that has been in enterprise agreements since the 1983 Button Steel plan. The clause provided that if there were an irresolvable dispute between management and the company, the “status quo” would prevail. In practice, the unions collaborated, first with BHP, and then its spin-off company BlueScope, in the decimation of steel workers’ jobs, wages and conditions. However, the abolition of the clause, and its replacement by “mediation” or “arbitration” at the pro-business Fair Work Commission within 35 days of a dispute emerging, provides the company with carte blanche to carry out a continuous assault on working conditions.

Any suggestion that the union officials and company management are antagonists is a fraud. They have the closest of working relationships.

On October 30, prominent financial commentator Alan Kohler wrote a tribute to AWU assistant national secretary Daniel Walton, declaring that he was “the man who saved the Australian steel industry.” Kohler revealed that when local delegates and officials voiced concerns over the proposed 500 redundancies, Walton “took them aside” and ensured they would support the move. Kohler noted that the “BlueScope people in the room can’t speak highly enough of him.”

Tim Ayers the state secretary of the Australian Manufacturing Workers Union (AMWU), which covers some workers at BlueScope, made clear to the *Illawara Mercury* that the unions will continue to seek to intimidate and bully anyone opposed to the deal. Ayers declared that the agreement had “the full commitment of all the unions involved,” and warned that, “it is important that the conversation in the community is based on fact, rather than unattributed rumours.”

Ayers’ comments, in response to the reports of mounting hostility to the agreement, were featured in an article provocatively titled, “BlueScope workers are still supporting the steel deal, says union official.”

The role of the unions as the police force of the company underscores the need for workers to break with these thoroughly pro-business organisations. Every claim made by the unions since BlueScope’s demands for sweeping cuts has been a lie.

The assertion that accepting more job destruction and cuts to conditions will keep the plant open was exposed

by the comments of Vince Pezzullo, a fund manager for Perpetual Investment, the largest investor in BlueScope. On October 22, Pezzullo was reported as having told a shareholders’ meeting that the agreement was simply an “interim step” before the closure of the steelworks.

If the plant is kept open, the conditions that BlueScope ultimately has in mind for the Port Kembla workforce can be seen at its North Star plant in Ohio, in the US mid-west. The highly lucrative North Star operation, which recycles scrap metal rather than produce steel, has only 360 employees. Workers are not covered by any collective agreement and up to half their wages depend on corporatist profit-sharing and bonus arrangements.

The only way to prevent the closure of the Port Kembla steelworks is through a rebellion against the unions, and an independent struggle in defence of all jobs, wages and conditions. Central to such a fight is the formation of rank-and-file committees to conduct a campaign among BlueScope workers, and throughout Wollongong and the Illawarra, for the rejection of the union deal and a “no” vote in the upcoming ballot.

Port Kembla workers should make an appeal to other workers, both in Australia and internationally, for a united struggle against company-union job destruction. At the Arrium steel plant in Whyalla, South Australia, Scott Martin, the AWU organiser, declared in September: “They need to cut costs pretty dramatically and we are working with them as we can.” The AMWU and other unions are working with Ford, General Motors Holden and Toyota to shut down the entire auto industry by the end of 2017, at the cost of as many as 150,000 jobs. Steelworkers in Britain, the United States, China, and in numerous other countries, face the same onslaught as Australian workers.

A stand at Port Kembla would represent an important step in the development of a counter-offensive by the working class against the drive by the corporate elite and the political establishment to make the international working class pay for the deepest crisis of capitalism since the 1930s. To contact the Socialist Equality Party for further information and discussion, click here.



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