

Australian unions seek to ram through job destruction at BlueScope Steel

Oscar Grenfell, James Cogan
17 November 2015

Workers at the BlueScope steel plant at Port Kembla, in the city of Wollongong, have been voting yesterday and today on whether to accept a company-union agreement. The deal will destroy 500 more jobs, impose a three-year wage freeze and substantially erode working conditions.

The Australian Workers Union (AWU), the Australian Manufacturing Workers Union (AMWU) and other trade unions are openly operating as the representatives of BlueScope management. Union officials are seeking to intimidate workers into voting “yes,” using the same threat as the company: that if it does not achieve \$200 million in savings, at workers’ expense, it will shut down the plant.

Opposition has steadily increased to the AWU’s efforts to blackmail workers into voting to slash their own conditions since the deal was first presented to a mass meeting in Wollongong on October 8. Workers had not seen the agreement and were given no time to consider it before being compelled to vote.

At that point, around 5 percent of workers present at the meeting voted “no.” Since then, the workforce has been able to think through the implications and context of the agreement.

The job destruction at Port Kembla is part of a vast downsizing in the steel industry internationally, in response to the systemic crisis that began in 2008 and entrenched economic slump. Corporate shareholders are demanding drastic cost-cutting to maintain “international competitiveness” and protect their profits, amid ferocious competition for shrinking markets.

Job cuts are taking place at steel mills in the United States. In Britain, steel producers have announced plant closures and the destruction of one in six jobs. In China, the world’s largest centre of steel

manufacturing, hundreds of thousands of jobs are being eliminated as corporations slash production and make the working class pay for the failure of the capitalist market.

For over 40 years, the unions have used the same method of intimidation to pressure steel workers into accepting job losses. In the 1970s, Port Kembla employed some 22,000 staff, while about 12,000 worked at the steel mill in Newcastle and close to 3,000 at Whyalla, all then owned by BHP. Thousands of jobs were destroyed as a result of the Labor government-union-BHP program of restructuring during the 1980s and 1990s, which including spinning off the steel plants to BlueScope and OneSteel (later rebranded as Arrium).

Newcastle was shut down completely in 1999, with the unions claiming the closure would protect the remaining jobs at other plants. In reality, the destruction continued. Most recently some 1,000 jobs were cut in 2011 at Port Kembla, along with 300 from the BlueScope plant in Hastings, Victoria. Another 170 jobs were axed at Hastings in 2013. Whyalla, owned by Arrium, employs just 1,650 and announced yesterday that it will cut 200 more jobs and 50 contracting positions. BlueScope is also cutting employment at its New Zealand operations.

Today, Port Kembla has a workforce of barely 5,000. After years of accumulated bitter experiences, many workers understand that regardless of what they agree to, it will not stop the onslaught against jobs and conditions. Far from guaranteeing the ongoing operation of the plant, a representative of the largest BlueScope shareholder, Perpetual Investment, has already stated that the deal is likely to be the “interim step” to its closure.

Sentiment to reject the union agreement has been growing, reflected in social media postings, anonymous

comments by workers to local newspapers and the *World Socialist Web Site*, and discussions inside and outside the plant.

Last week, one worker posted to the “Save Our Steel—Port Kembla” Facebook page: “Is it only me, or does anyone else think that the unions seem to be protecting their own interests instead of the workers?” Another worker told the WSWs: “I agree something fishy is going on... I believe what we’re going through is a little like industrial blackmail.” A co-worker had told him that “the union has done nothing for us.”

An unnamed steel worker quoted in the *Illawarra Mercury* gave an indication of the hostility to the agreement in the plant when he explained that the unions had postponed the secret ballot because they feared that most workers would vote “no.”

Having declared the vote, union leaders intensified their campaign of threats and lies to intimidate the opposition. The unions, acting on behalf of the company, are determined to get the “yes” vote before a shareholders’ meeting convenes this Thursday.

On November 13, AMWU New South Wales state secretary Tim Ayres declared in a column in the *Illawarra Mercury*: “I have been dismayed by some of the irresponsible coverage and ‘anonymous reports’ that have characterised the public debate this week... There is no alternative to the package that will be voted on next week—if it fails then BlueScope will close the steelworks causing untold suffering and hardship for many thousands of people.”

Ayres ludicrously asserted that Wollongong had to avoid the “profound social cost of industrial decline” seen in the American car-producing city of Detroit and Doveton, a Melbourne suburb where many workers lost jobs in the car industry and light manufacturing.

The highly-paid functionary could have left his office and visited the working class areas of Wollongong and the surrounding Illawarra region if he wanted to see the “social cost” of the union’s collaboration with the decimation of tens of thousands of steel jobs and related employment.

On Sunday, the unions sought to censor opposition to their agreement with BlueScope by deleting links to *World Socialist Web Site* commentary that was posted to the “Save Our Steel—Port Kembla” Facebook page, calling for a “no” vote. The page’s moderator initially accused the WSWs of indifference to the consequences

of the plant’s closure. When a person posted a link to the WSWs article on the Perpetual Investments statement that the plant was likely to close, the entire exchange was promptly removed from the page.

Steel workers have reached a critical point. A “yes” vote to the union agreement will not indicate support for the destruction of jobs, wages and conditions, but the fact that, at present, workers have no alternative perspective.

The only basis on which the assault can be fought is the complete rejection of the entire capitalist framework that insists the working class on a world scale must pay to defend the profits and wealth of the corporate elite. Whatever the outcome of the vote, Port Kembla workers should elect a rank-and-file factory committee, independent of the pro-company unions, and demand the right of all workers to secure and well-paid jobs, decent and safe working conditions and high quality, free social services.

The alternative to the endless cost-cutting to achieve “international competitiveness” is a political struggle for the international unity of the working class against the capitalist owners, and for a workers’ government with socialist policies, which will expropriate the steel plants, the banks and all basic industries under the collective ownership and democratic control of the working class.

The Socialist Equality Party and *World Socialist Web Site* represent and fight for this perspective. Workers who want to discuss the way forward can contact the SEP here.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact