

Australian unions force through steel job cuts and wage freeze

Oscar Grenfell
19 November 2015

The trade unions that cover steelworkers boasted on Tuesday night that they succeeded in forcing through an agreement for the slashing of 500 jobs, a three-year wage freeze and an ongoing erosion of working conditions at BlueScope's Port Kembla steel works in Wollongong.

The agreement, worked out in backroom talks between the Australian Workers Union (AWU), other unions and BlueScope Steel at the federal government's Fair Work Commission, was put to a secret ballot on Monday and Tuesday.

Voting took place at the Port Kembla plant and neighbouring Spring Hill plant that produces the company's coated and building products. According to the tally released by the unions, a substantial minority of workers defied a three-month campaign of intimidation and voted "No."

The unions, the media, the conservative Turnbull government and the Labor Party opposition all joined with company management to insist that workers accept the destruction of their conditions in order to "save the steel industry." BlueScope threatened in August to close the Port Kembla plant unless it extracted \$200 million in cost-savings.

At Port Kembla, where over 4,000 are employed, just 1,043 workers were reportedly eligible to vote. A significant minority of 136 workers rejected the company-union blackmail, while 726 voted in favour of the agreement. At Spring Hill, where 372 were eligible, the union campaign only prevailed by a handful of votes, with 135 voting "no" to 142 "yes."

Last week, an anonymous steel worker told the local *Illawarra Mercury* that the unions postponed the secret ballot due to concerns that the deal would be voted down. Workers were particularly opposed to the wholesale introduction of casuals and attacks on shift-

change allowances, and hostile to three years of frozen wages.

The agreement was hailed by the *Australian Financial Review* as a "ground-breaking" precedent in the wider assault on workers' wages and conditions, and by BlueScope itself as "game changing."

In the days before the vote, the unions intensified their efforts to suppress opposition. Australian Manufacturing Workers Union (AMWU) state secretary Tim Ayres was provided with a column in the *Illawarra Mercury* to denounce "irresponsible coverage and 'anonymous reports'." He insisted that workers had no choice but to accept the destruction of jobs and conditions.

The fact that hundreds of workers rejected the attempts to intimidate them, or did not vote at all, underscores the rebellious sentiment developing in the working class toward the thoroughly corporatist trade unions. Far from being "workers' organisations," the unions function as the anti-working class industrial police force for management, in the interests of both their own highly-paid apparatus and corporate shareholders.

The unions are clearly shocked by the extent of open opposition. In yesterday's *Illawarra Mercury*, Wayne Phillips, Port Kembla branch secretary of the AWU, accused the workers who voted "no" at Spring Hill of seeking to close the steelworks and destroy jobs.

Phillips claimed that workers had been "misled" by a "small vocal group." He said "people who were under the misapprehension they could put up the big protest vote at Spring Hill, could have led to the closure of the steelworks." Phillips outrageously asked whether those workers would have said, "'Oh sorry mate, voted you out of a job,'" had the no vote prevailed.

The hysterical character of the union campaign was

underscored by comments to a Facebook post announcing the result of the vote. Delegates and others, writing with the tone of a company manager, declared that those who voted “no” were “absolute clowns,” “selfish” and that “they should hold their ***** head in shame.”

The threatening rhetoric of the unions and their supporters stems from their knowledge that their agreement with BlueScope is far from the end of the attacks on steelworkers. The company is holding its shareholders’ meeting today. There, whether openly or behind closed doors, discussions will take place over further measures necessary to protect the company’s profits and dividends.

Industry analysts have speculated that BlueScope would be more profitable if it focused on building products and abandoned steel production. In October, Vince Pezzullo, a fund manager with Perpetual Investments, the largest BlueScope shareholder, said the agreement would most likely be an “interim step” toward shutting down the Port Kembla plant.

After decades of union-enforced job cuts that have slashed the plant’s workforce from over 20,000 in the 1970s to some 4,000 today, its closure would further devastate the surrounding Illawarra region, which already has an understated official unemployment rate of 8.3 percent.

The defence of jobs and conditions is only possible through a rebellion against the unions and their pro-company agenda. Independent rank-and-file factory committees, elected from and representing the entire workforce, should be formed at both Port Kembla and Springhill to develop a political and industrial campaign based on socialist policies.

The unions’ role in BlueScope’s restructuring is part of a broader process. In industry after industry, unions have joined hands with the major corporations and state and federal governments, both Labor and Liberal, to force the working class to pay for the deepest crisis of the world capitalist system since the 1930s Depression.

The unions have agreed to the elimination of 250 jobs at the Arrium (OneSteel) plant in Whyalla, South Australia. In the car industry, the AMWU and associated unions, which assisted the major car corporations for decades to extract everything they could from the workforce, are insisting workers can nothing to prevent the shutdown of the entire industry

by the end of 2017.

On the waterfront, the Maritime Union of Australia has just finalised its sell-out of the struggle by Hutchison workers against 97 sackings, signing an agreement for at least 65 redundancies, along an increased working week and the introduction of casuals. Union-backed job destruction is taking place in the mines, telecommunications, transport, the power industry, the banks and other workplaces.

In opposition to the unions’ attempts to isolate workers from one another, rank-and-file committees could link up the struggles of each section of the working class and create the basis for a powerful counter-offensive against the financial and corporate elite.

The greatest ally of workers in Australia is the working class internationally, who face the same onslaught by the globally-organised corporations. Under conditions of worldwide slump, workers are being told in every country they must sacrifice to maintain the “international competitiveness” of “their” employers. BlueScope is threatening to end its operations in New Zealand, and thousands of steel jobs in Britain and throughout Europe are being destroyed. In China, tens of thousands of steelworkers have been laid-off.

Workers can only combat the dictates of the globally-organised capital by unifying their struggles across national borders. Above all, what is required is a fight against the capitalist system itself, which subordinates every aspect of social life to the profit interests of the corporate and financial elite. This means the fight for a workers’ governments based on socialist policies, which would place the major corporations, including the steelworks, under public ownership and the democratic control of the working class itself.

Workers can contact the Socialist Equality Party for discussion on this perspective here.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact