

Submarine project no solution for South Australia's employment crisis

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Australian Prime Minister Malcolm Turnbull announced last month that the French government-backed company DCNS was awarded a \$50 billion contract to build 12 advanced submarines to replace the Australian Navy's fleet of 6 aging Collins class vessels. DCNS defeated rival bids from German company ThyssenKrupp and Japan's Mitsubishi Heavy Industries.

The project will complete, over the coming decade, the largest re-equipping of the navy since World War II. DCNS agreed to mostly build the submarines at a shipyard at Osborne, near Adelaide, the South Australian state capital. The facility, operated by government-owned shipbuilder ASC and established in 1985 for the Collins project, will undergo a major expansion. It is currently building patrol boats and three "Air Warfare" destroyers, with 9 frigates due to begin construction in 2020.

The costly naval upgrade, which will be funded from deepening assaults on public services, is being promoted to the population on the basis of lies. The submarines, it is claimed, are necessary for Australia's "defence" and "national security," intended for operations in the Pacific region.

In fact, the navy is being made ready to play an essential part in the US-led build-up for war against China. The French "Barracuda" class submarines have been chosen for their long-range offensive capabilities, suited in particular to deployment in the South China Sea. The US military, which was closely involved in the evaluation process, expects them to be fully interoperable with the US navy, equipped with American combat and weapons systems.

To whip up support for the project, the political, media and business elites at both state and federal levels have sought to exploit the deepening concerns of

workers whose living standards are being devastated by a dire economic situation. South Australia, home to 1.7 million people, was once a manufacturing and mining centre. After sustained cutbacks by successive governments and major companies, it now has soaring unemployment. It is regularly described in media commentary as Australia's "rustbelt."

The militarist agenda, and the catastrophic dangers it poses for the population, including the possibility of an attack on Australian soil, are concealed behind a raft of false promises of jobs, industrial development and technological advancement. Turnbull emphasised that the 12 submarines would be built "here in Australia with Australian jobs, Australian steel, Australian expertise." The statement, with its crude appeal to nationalism, was also an attempt to boost the fortunes of the Liberal-National Coalition government in the July 2 federal election, particularly in South Australia's marginal seats.

The day after Turnbull's announcement, letterboxes throughout Adelaide were inundated with glossy booklets produced by DCNS. Headed "Why France and Australia are stronger together," they misleadingly boasted the immediate creation of 2,900 jobs at the Osborne shipyard.

The *Sunday Mail* claimed, without offering any evidence, that another 4,000 jobs "would otherwise have gone offshore." South Australia's Labor Party Premier Jay Weatherill flew to Paris, accompanied by a taxpayer-funded media contingent to secure, he declared, "every job" he could from the contract.

The contract's bidding process included a lobbying blitz by both DCNS and ThyssenKrupp. DCNS filled billboards around Adelaide and ThyssenKrupp took out nationwide television advertising, each promising jobs and beefed-up national "security" should either win the

contract.

The federal government, under pressure from Washington to cement Australia's growing military relationship with Japan, appeared for some time to favour the Mitsubishi bid, but it would have meant less construction in Australia. The South Australian government, opposition politicians and local media launched a four-year campaign to ensure the project would be based at Osborne.

The trade unions played a reactionary role, abetting the militarisation of society. The three main unions at ASC—the Australian Workers Union (AWU), the Australian Manufacturing Workers Union and the Communications, Electrical and Plumbers Union—agreed with the state Labor government to “minimise” industrial action so as to enhance the chances of the submarines being built in Adelaide. The accord mirrored a similar deal in 2006 over the \$8 billion destroyer contract.

On February 19, SA Unions, the state's peak union body, organised a rally as part of a wider nationalist “I'm Backing Australian Jobs” campaign, to protest what it called the federal government's “lack of commitment to our subs and its moves to offshore Australian maritime jobs.”

The destruction of Australia's industrial base is, however, part of a sweeping global offensive against the working class, particularly in manufacturing sectors such as automobiles, steel and mining. Worldwide, hundreds of thousands of jobs are being destroyed in a process in which the unions, at home and abroad, have been totally complicit. Workers in Australia, like those and around the world, are being made to pay for an historic breakdown in the world capitalist economy.

Turnbull's reference to “Australian steel” was seen as an indication that the Arrium-owned steel plant in the South Australian city of Whyalla could be rescued from closure, preventing the loss of 2,000 jobs. However, without major investment the plant is in no position to manufacture the high-grade steel required for submarine construction, and its retention is highly unlikely in the face of the global steel crisis.

Arrium, one of the two remaining steel manufacturers in Australia, was placed in voluntary administration on April 7, owing more than \$2.8 billion to banks and other creditors, \$1 billion to suppliers and \$500 million to its employees. The AWU has already worked with

the company and banks to impose \$100 million worth of cuts, overseeing the elimination of 250 jobs at Whyalla and a 10 percent pay cut for 400 workers at Arrium's nearby iron ore mine.

If Arrium is liquidated or restructured, Whyalla and other towns will be devastated. The surrounding Upper Spencer Gulf region has already seen thousands of jobs destroyed. In the six months to June 2015, the state's mining sector eliminated over 5,000 jobs. On April 27, the last train from the Leigh Creek coalfield made a final delivery of coal to the Port Augusta power station, which closed two weeks later. Up to 400 direct jobs are being shed in Port Augusta and Leigh Creek, with thousands more lost in the supply chains.

South Australia's official unemployment rate, the highest in the country, jumped in February to 7.7 percent—or 66,900 people—from 6.8 percent in January. Across the northern suburbs of Adelaide and the satellite town of Elizabeth, where the General Motors Holden (GMH) car assembly plant is to be mothballed in 2017, unemployment is already 10 percent, and youth unemployment over 40 percent.

Last May, with the help of the car industry unions, GMH wiped out 270 jobs at the Elizabeth plant. The closure will see the remaining 1,260 workers thrown into unemployment. Hundreds of suppliers will be hit. Vehicle components manufacturers Futuris and Toyoda Gosei have announced they will end operations next year, when the entire Australian car assembly industry shuts down.

Claims that the submarine build will rescue the state are entirely bogus. Promises that laid-off car assembly workers will be “retrained” to fill vacancies in any high-tech positions building submarines are a fantasy. Any shipyard jobs, moreover, will be tied to the catastrophic perspective of preparing for war.

The author also recommends:

Elizabeth, South Australia: A city devastated by General Motors Holden
[27 December 2013]



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