

# Australia: BlueScope suing steel union over one-day strike

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Global steel manufacturer BlueScope is suing the Australian Workers Union (AWU) over an “illegal” one-day strike on May 26 at its Spring Hill plant in the Illawarra region of New South Wales. According to AWU officials, the Federal Court action, initiated last week, could see the union’s Port Kembla branch forced to pay damages of up to \$2.4 million over the loss of production and sales during the stoppage.

The company’s move is aimed at intimidating the workforce and establishing a precedent for the victimisation of workers who oppose the destruction of their jobs, wages and conditions. The strike was an expression of mounting anger over a deal struck between the AWU and BlueScope last November to slash 500 jobs, freeze wages for three years and erode conditions at the Port Kembla steelworks and the neighbouring Spring Hill plant. BlueScope’s provocative and anti-democratic response is a warning that further attacks are on its agenda.

Last August, the company threatened to shut both plants unless at least \$200 million in annual operational savings were imposed. The AWU, which has overseen the destruction of thousands of steel jobs over the past two decades, responded by working hand-in-hand with the company to insist that workers had no choice but to accept the cuts.

Despite the campaign, involving senior Labor Party figures and the financial press, along with the company and the unions, a substantial minority of workers voted to reject the agreement. At Port Kembla, 136 voted against the deal, with 726 voting in favour. At the Spring Hill plant, the union claimed that 135 workers voted “no” and 142 “yes.” At the time, the AWU sought to pit workers from the Port Kembla plant against Spring Hill employees, claiming that those who voted against the pro-company deal were “selfish” and

jeopardised the jobs of others.

As the implications of the agreement have become apparent, however, opposition has grown. In comments to the Australian Broadcasting Corporation (ABC) and the *Illawarra Mercury*, Wayne Phillips the AWU’s Port Kembla branch secretary, said if it were voted on again, the deal would be defeated “almost unanimously.”

Phillips, who played a central role in forcing through the agreement, said hostility to it had “hardened tenfold.” He noted that the workforce was “continually under attack,” with 24 new casuals employed at Spring Hill, and a reduction in the number of permanent employees. At the same time, management is reportedly changing rosters frequently, forcing workers to perform multiple jobs, and cutting crib allowances.

The AWU’s claims to oppose these measures are a sham. The agreement it imposed last year included the abolition of arbitration procedures dating back to the early 1980s.

BlueScope hailed the agreement as “gamechanging” and the *Australian Financial Review* called it “groundbreaking,” precisely because it enabled a continuous pro-company overhaul of working conditions. After securing the agreement, BlueScope doubled its statutory profit for the six months to February 2016 to over \$200 million. The company also upgraded its profit forecast. In May, it again raised earnings estimates by \$60 million. Industry experts predicted the company would seek another boost in profitability, including through further cost-cutting.

In his statements to the media, Phillips emphasised that the union sought to prevent the strike action at Spring Hill. He said union officials had sought to contact management, but it had not returned calls. He noted that at the meeting discussing the industrial

action, the union told workers that a strike would be illegal under federal Fair Work legislation.

Those laws, which the Gillard Labor government imposed with the support of the AWU and other major unions, ban industrial action outside strictly-defined bargaining periods. The unions repeatedly invoke the legislation to stymie any action by workers. Phillips told the ABC: “We understand what the law is about with protected action but members are that fed up that sometimes it gets a little bit out of control.”

Phillips said he hoped “common sense prevails,” so that the union and the company would sit-down for backroom discussions over the legal action. His comments were a warning to management that its case against the AWU threatens to provoke strikes and other expressions of opposition among BlueScope workers that Phillips, and his colleagues in the union bureaucracy, would not necessarily be able to control.

Above all, the union has sought to isolate steelworkers and prevent the development of a unified movement against the global restructure of the industry. In April, Arrium, the other remaining steel manufacturer in Australia, was placed into voluntary administration, threatening 1,300 steel jobs and thousands more in flow-on industries. The AWU responded by holding closed-door meetings with the company’s creditors and banks, and joining with sections of the Labor Party in calling for a government steel procurement plan.

BlueScope has also launched attacks on its workforce around the world. Last August, the company threatened to shut its subsidiary, New Zealand Steel, unless \$50 million in new savings were made. In June, reports indicated that Tata BlueScope Steel, a joint venture between BlueScope and Indian firm Tata, was poised to shut its plant in Pune, India, after numbers of workers were relocated to other divisions.

Hostile to the fight to unify workers internationally, the AWU and associated unions have sought to divert widespread anger among steelworkers into the reactionary channels of nationalism and xenophobia. In Port Kembla, the union has joined with the Labor Party and sections of the Greens in calling for a steel procurement plan. The local press, including the Fairfax-owned *Illawarra Mercury*, has supported the campaign.

This campaign is based on thinly-veiled anti-Chinese

chauvinism, with the union accusing Chinese companies of being responsible for global oversupply by dumping cheap steel on the international market. A post on the union-controlled “Save Our Steel-Port Kembla” Facebook page favorably quoted Lourenço Gonçalves, chairman of mining company Cliffs Natural Resources, who declared that Chinese steel companies were engaged in a trade war.

The union campaign is largely silent on the fact that half a million Chinese steelworkers face the prospect of losing their job, as part of plans to lay-off 1.8 million in the coal and steel industries. In comments to the *Illawarra Mercury* in March, Phillips welcomed the assault on the Chinese working class by the oligarchic Stalinist regime, declaring that “only good can come out of it for us.”

In reality, the attacks on steelworkers in China are part of an international process, with workers everywhere being forced to pay for the collapse in global commodity prices and the slump of the world capitalist economy. The AWU, like unions in every country, is presiding over a race to the bottom, enforcing the demands of the multinational steel corporations for working conditions and wages to be reduced to the lowest common denominator everywhere. The alternative to the wretched nationalism and corporatism of the unions is the unification of steelworkers internationally in the fight for workers’ governments and socialist policies, including placing steel and other basic industries under public ownership and workers’ control.

A crucial first step in this struggle is the establishment of independent rank-and-file factory committees at the Port Kembla steelworks and the Spring Hill plant. Such committees would serve as the organising centres of industrial and political action. They would break the isolation imposed by the unions, uniting workers in the Illawarra with steelworkers and other sections of the working class throughout the country and internationally.



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