

Australian state Labor government intervenes to prevent industrial action by Esso workers

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28 August 2018

The Victorian state Labor government announced earlier this month that it was seeking an urgent Federal Court review of a recent decision by the Fair Work Commission (FWC) industrial tribunal to end arbitration in the long-running dispute at Esso's offshore Bass Strait gas operations.

The move is the latest attempt by the Labor government, working with the trade unions, to tie the dispute up in the courts and industrial tribunals and prevent any strike action in the strategic sector.

Esso's offensive is part of a global restructuring by parent company ExxonMobil, the world's largest oil and gas corporation. This is designed to further drive up the company's profits which rose by 18 percent to \$US3.95 billion in this year's second quarter, but fell short of Wall Street expectations. ExxonMobil is locked in a ruthless war against its rivals for market share under conditions of rising oil and commodity prices.

The dispute is over new enterprise agreements (EAs) covering members of the Australian Workers Union (AWU), the Australian Manufacturing Workers Union (AMWU) and the Electrical Trades Union (ETU).

Esso is seeking to tear up longstanding conditions. It is demanding that the 300 workers at the facility accept a 14-day-on, 14-day-off roster, in place of the existing week-on, week-off roster, and the removal of a 75 hours per year cap on overtime.

At the same time it has offered annual pay rises of just 3 percent, barely covering the rise in the cost of living. It has also refused to backdate any pay increase, even though the current agreement expired in 2014, thereby effectively imposing a four-year pay freeze.

The dispute was pushed into arbitration in 2016 after the state government applied to the FWC to prevent a threatened strike at the Bass Strait operations. That

FWC decision, immediately accepted and enforced by the unions, banned any further industrial action by workers during the arbitration process, which dragged on until last month.

The FWC then announced that it could no longer arbitrate the dispute because the High Court had deemed limited work bans by AWU members to be "unprotected," i.e., effectively illegal. The court's ruling underscored the reality that the courts and industrial tribunals are vehicles of the corporate elite for banning any political or industrial action by workers.

Esso responded to the ruling by renewing an application to the FWC to terminate the current work agreements. If granted, workers could be forced back onto basic industrial awards with inferior working conditions, including a reduction in pay of up to two-thirds.

Numerous companies have used the same tactic of seeking to push workers back to the base award over the past three years, including at Glencore's Oaky North mine in Queensland and Griffin Coal in Western Australia. Companies, supported by the unions, then pressure workers to accept concessions in new workplace agreements. Presently, aluminium producer Alco is likewise seeking to terminate agreements in a dispute for new EAs at its Western Australian bauxite mines and refineries.

The Victorian Labor government has opposed the termination of the existing Esso Bass Strait agreement as part of its move to force a resumption of arbitration. Industrial Relations Minister Natalie Hutchins told the media that the government was intervening out of concern for the workers and the state's gas supply.

Hutchins' claim of concern for workers is a complete fraud. Since coming to office in 2014, Premier Daniel

Andrews' government has backed the employers' assault on workers' wages and working conditions.

Last year the Andrews government intervened to close down industrial action by 600 low-paid workers at Dorevitch Pathology to assist the imposition of a retrograde EA. Before that it applied to the FWC to deploy draconian anti-strike provisions against power workers in Victoria's Latrobe Valley.

With a Victorian election scheduled for November the government's real aim is to prevent any strikes by the Esso workers that would impact on the state's gas supply, especially to major corporations.

The government also fears stoppages in the crucial gas sector could become the catalyst for industrial and political action by other sections of workers who all face similar employer attacks.

Similar concern for big business interests was at the centre of the state government's 2016 application to the FWC made on the grounds that a threatened indefinite strike would "cause significant damage to the Australian economy or an important part of it." This is just one of many anti-strike provisions in the Fair Work industrial legislation, drafted by the previous federal Labor government with the support of all the trade unions.

The unions, as anxious as the government to avoid industrial action, said they will apply to join the government's appeal to the Federal Court to reestablish FWC arbitration. This is a continuation of their response in 2016, when they welcomed the government intervention and immediately called off the strike, declaring that arbitration by "the independent umpire" was the "only way to resolve the outstanding issues."

The unions, like the government, are seeking to suppress mounting anger among workers by keeping the dispute within the confines of the FWC and the courts. At the same time union officials are fearful that EA terminations jeopardise their own privileged position at the negotiating table where they bargain away the jobs, wages and conditions of the workers they false claim to represent.

Contrary to the claims of the unions, the FWC is far from a neutral body. It is part of the state apparatus that has been used in dispute after dispute to suppress workers' struggles while the unions collaborate in closed-door meetings to broker EA deals to deliver company demands.

If Esso is now opposing FWC arbitration it is only because the process, while it has allowed production to continue unhindered, has not been sufficiently rapid in delivering its demands. An Esso spokesman last week declared: "The minister's application [to the Federal Court] is unhelpful because it will only add further delay."

Esso's decision to renew its application to terminate the existing EA is a sharp indication of its intent to intensify its cost-cutting drive.

Last year the company effectively sacked 230 UGL contract workers who were employed to carry out maintenance work on Esso's Longford gas processing site. Esso demanded that they reapply for their jobs as contractors, with vast reductions in wages and conditions.

The unions have confined opposition from the UGL workers to an ineffectual protest outside the Longford plant. They have allowed the introduction of a new contract workforce and opposed any industrial action by other Esso workers over the job cuts.

As the record shows, at every point the unions have worked to straitjacket the Esso workers in the face of the company's aggression. They are campaigning to divert the widespread hostility among workers to the decades-long destruction of conditions behind the re-election of pro-market Labor governments at the state and federal levels.



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