

Australia: BlueScope steelworkers vote to strike at Port Kembla

Oscar Grenfell
24 January 2019

Around 2,500 steelworkers at BlueScope's Port Kembla plant, near Wollongong, south of Sydney, are set to begin two weeks of rolling stoppages on Monday. The stoppages are part of a protracted dispute over the company's bid to impose further cuts to pay and conditions in a new enterprise agreement (EA).

The vote to strike, after six months of limited industrial action, expresses a growing militancy among workers, facing declining real wages and an unending assault on jobs and conditions. The Australian Workers Union (AWU), which covers the plant, however, is trying to isolate the workers and enforce yet another sell-out deal.

The AWU has restricted the proposed action to separate stoppages involving different sections of the plant. Each section will walk out for a total of 12 hours sometime over the next two weeks. This is aimed at ensuring that the strikes have a minimal impact on production.

The AWU, which functions as the company's industrial police force, is terrified of the prospect of a rank-and-file rebellion. About 500 workers at a union-organised meeting on Tuesday voted unanimously for the industrial action. AWU officials rejected calls from some workers for expanded action, including 24-hour stoppages, involving the entire workforce, and overtime bans.

Union bureaucrats have publicly warned of explosive anger. Workers know that the AWU directly prepared the way for the company's latest attack. In the face of widespread opposition, the union imposed an EA in 2015 that slashed 500 jobs, enforced a three-year wage freeze and provided for a continuous pro-business overhaul of conditions.

The company's latest demands continue that union-imposed offensive.

BlueScope initially declared it would limit pay rises in the new agreement to 7.5 percent over three years, or an annual increase of less than 2.5 percent. It has since offered 3 percent a year, a figure that will barely keep pace with the rising inflation rate.

The company is demanding that the EA abolish superannuation payments for overtime and public holidays. BlueScope has already withheld superannuation for work outside normal shift times. A federal court ruled last February that the practice was "incorrect," and that workers may be owed "millions" of dollars in unpaid superannuation.

The AWU's posture of opposition to BlueScope's refusal to pay workers what they are owed is a sham. The union did nothing to prevent the underpayment and has functioned as an arm of management in driving down "labour costs." Moreover, the 2015 agreement abolished a "status quo" clause in all previous EAs, allowing the company to more rapidly impose changes to work and pay arrangements to meet shareholders' demands.

Once again, the union is seeking to prevent any struggle by BlueScope workers and enforce a regressive agreement. AWU assistant national secretary Daniel Walton made this plain in comments to the *Australian Financial Review* last Tuesday.

Walton said the union had wanted to reach an "eminently achievable" deal with BlueScope, rather than endorse industrial action. "To be honest, I'm really unhappy with the fact we've taken six months of industrial action at BlueScope," he said. The union has limited such action to a handful of partial strikes and limited work bans.

The AWU official stressed that the union's primary concern is the company's profitability. Walton bemoaned the fact that BlueScope is behind in filling

its orders. “We know that’s having a significant effect on key products and customers, and we know it’s triggering serious downstream implications to the contractors that supply the steelworks,” he said.

Demonstrating that the union represents the interests of BlueScope’s wealthiest shareholders, not those of steelworkers, Walton said: “I take no joy in the fact our union is doing genuine bottom-line damage to a company we worked so hard to save in 2015.”

The claim that the AWU “saved” the company is a sham. Deeper attacks lie ahead, as does the constant threat of closure.

In reality, the AWU bullied workers into ratifying a deal that was hailed in the financial press as a precedent for stepped-up attacks on workers everywhere. The union and the company threatened workers that the plant would shut if they did not accept the sackings and the wage freeze.

The AWU touted company lies that if workers made “sacrifices” when BlueScope’s profits were down, they would be “rewarded” during an upturn. In fact, for the past three years, BlueScope has been telling its shareholders that the 2015 cuts were only the beginning of a strategy to slash labour costs.

In the 2017–18 financial year, BlueScope recorded a global \$1.5 billion gross profit, up from around \$1 billion the year before. The company has predicted that its profits from January to June will be 10 percent higher than the \$745 million it made in the last six months of 2018. BlueScope chairman John Bevan told the company’s annual general meeting last December it would be “relentless” in further slashing costs.

The AWU’s role in boosting company profits at the direct expense of workers intensifies decades of collaboration between the trade unions and the major steel companies.

From 1983 to 1996, the unions worked with the Hawke and Keating Labor governments as they oversaw the destruction of hundreds of thousands of manufacturing jobs. Between 1983 and 1989 alone, Labor and the unions enforced 25,000 sackings across the steel industry.

The offensive continued over the following years, with the unions imposing BHP’s closure of its Newcastle steel mill in 1999. Every union-brokered agreement at Port Kembla has intensified the onslaught on jobs and conditions. In the early 1980s, the plant

employed around 27,000 workers. There are now fewer than 3,000. This has created a social crisis in Wollongong and the surrounding Illawarra region, characterised by endemic youth unemployment and poverty.

The record demonstrates that BlueScope workers can defend their jobs and conditions only through a rebellion against the AWU, and the establishment of independent rank and file committees.

Such committees would be tasked with breaking the isolation imposed by the union and coordinating industrial and political action with steelworkers across the country and internationally facing similar attacks on their jobs and conditions. They should make a powerful appeal for a unified struggle with other workers in the region, including the Port Kembla Coal Terminal workers, who have been locked out for the past week.

Above all, what is required is a new political perspective that rejects the corporatism and nationalism of the unions. This means a fight for the unity of workers around the world in the struggle for workers’ governments that would implement socialist policies, including placing basic industry, along with the banks and corporations, under public ownership and democratic workers’ control.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact