Australian unions try to push through another sellout deal at BlueScope steel

Martin Scott
13 March 2019

Steelworkers at BlueScope's Port Kembla plant, near Wollongong, south of Sydney, are due to vote on another sellout enterprise agreement (EA) negotiated by the same trade unions that have helped the company slash their jobs and wages for years.

Despite vocal opposition, a majority of about 500 workers voted last week to accept an "in-principle" agreement, ending seven months of limited industrial action. However, the deal must now go to a formal ballot of all the workers at the plant who will be governed by the EA.

After a near four-year wage freeze, pushed through by the unions in 2015, the latest agreement does not even cover the rising cost of living, let alone make up for the pay cut since 2015. It also contains yet-to-be clarified trade-offs designed to keep cutting costs to boost the company's huge profits.

Under the EA, around 2,500 workers at the plant would receive only an 11 percent pay rise over three years, plus a possible $1,500 "profit-sharing" bonus paid in two annual instalments.

Some of the workers who attended the meeting voiced opposition to the proposed EA, but this was dismissed contemptuously by Daniel Walton, national secretary of the Australian Workers Union. "We always expect steelworkers to be a bit angry," he told the media.

AWU New South Wales state branch senior vice president Paul Farrow said the "in-principle" EA would go to a formal vote in coming weeks before the federal government's Fair Work Commission (FWC) considered giving it final approval.

Steelworkers are angry because, having endured nearly four years without a pay rise, their fight for better pay and conditions has been hampered at every turn by the AWU.

When union negotiations for the new EA began 12 months ago, BlueScope declared it would limit pay rises to 7.5 percent over three years. Adding insult to injury, the proposed EA would have abolished overtime and public holiday loading for superannuation, an illegal practice that BlueScope already had employed to cheat workers out of millions of dollars.

Despite the efforts of the AWU to suppress workers and reach an "eminently achievable" deal with BlueScope, the steelworkers voted unanimously to strike in January. While some workers called for overtime bans and 24-hour stoppages across the entire plant, the union restricted the industrial action to rolling stoppages of just 12 hours over a two-week period, in order to limit the impact on the company's bottom line.

Although the AWU touted the in-principle agreement as a victory, an 11 percent pay increase over three years would barely keep pace with inflation. Penalty rates would return for sick leave, but these payments would be capped, subjecting workers to increased scrutiny, and penalising those deemed to be taking too many sick days.

Revealing his hostile attitude toward workers and their demands, Walton said: "We need to keep an eye on it to make sure that use of sick leave doesn't skyrocket."

Statements from the AWU, Australian Manufacturing Workers Union (AMWU) and the Electrical Trades Union (ETU), which have members at the Port Kembla plant, make no mention of whether superannuation would be paid for overtime and public holidays under the new EA.

BlueScope is currently appealing a Federal Court decision last year, which found the company had been incorrectly not paying workers' superannuation contributions for extra hours worked and public holiday

© World Socialist Web Site

pay. The decision could impact more than 3,500 past and present BlueScope employees.

Walton called the new agreement a "vindication for the trade union movement." The role of the unions has been to isolate workers, minimise industrial action, and broker another sell-out deal with BlueScope.

In 2015, Walton was lauded by the capitalist media as "the man who saved the Australian steel industry" because he coerced workers into accepting 500 job cuts and a three-year wage freeze when the previous BlueScope EA was negotiated.

While many steelworkers sought to fight the attack on their jobs and conditions, Walton and the AWU insisted that the only alternative to the proposed EA was the closure of the entire plant.

After that sellout, then BlueScope CEO Paul O'Malley told the *Australian Financial Review:* "The culture we are creating at Port Kembla is really positive. It is just tremendously satisfying what has been achieved and it is really making a difference."

Working hand-in-hand with BlueScope management, the AWU claimed that the fate of the multi-billion dollar company depended on "sacrifices" being made by workers. In return, workers were told they would be rewarded for their loyalty when BlueScope's fortunes turned around.

In reality, as BlueScope has continued to tell its shareholders, the 2015 cuts were only the beginning of a relentless campaign to slash labour costs. Since 2015, BlueScope's share price has increased from $2.85 to $14.19, and the company is on track to record an annual gross profit over $1 billion for the third year running.

In the final six months of 2018, BlueScope recorded a net profit of $632 million, the company's "best half on record," according to new CEO Mark Vassella. The Australian Steel Products division, which includes the Port Kembla plant, recorded a $319 million profit over the same period.

Australia's exemption from the United States' 25 percent steel import tariff and a recently announced "free trade" deal between Australia and Indonesia, which eliminates tariffs on most products, including steel, are likely to further boost BlueScope's bottom line.

The company's promises, promoted by the unions, to share profits with workers have proved to be empty. While BlueScope's CEO and senior management were awarded bonuses and incentives worth more than $27 million last year, workers at the Port Kembla plant would receive a mere $1,500 bonus over two years under the proposed EA—in total, less than 0.3 percent of the Australian Steel Products division's profits.

These bitter experiences further demonstrate that, for decades, the unions have represented the interests of management, not workers.

Since the early 1980s, more than 24,000 jobs have been destroyed at the Port Kembla plant, with disastrous consequences for the surrounding region, where youth unemployment, drug addiction, and poverty are now pervasive. These cuts were enforced by the Hawke and Keating Labor governments and the unions.

To fight back against this long period of treachery, BlueScope workers need to start by voting "no" and reject the latest sellout EA. Such a stance would give a lead to other workers facing similar fights across the region, throughout the country and worldwide. They would join a growing upsurge of working class struggle internationally against years of ever-greater enrichment of the super-rich corporate elite at the expense of workers.

If they are to defend their jobs and conditions, steelworkers will need to break out of the pro-employer straitjacket of the AWU, AMWU and ETU, and establish democratically-elected rank-and-file committees, completely independent of the unions.

These committees should reach out for support from other workers everywhere for a unified struggle against the capitalist profit system. That means fighting for an alternative political perspective—for workers' governments that would implement socialist policies, including placing steel and other basic industries, along with the banks and finance houses, under public ownership and democratic workers' control.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site