

Unions push sweeping cuts to Australian steel workers' jobs and conditions

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The Australian Workers Union (AWU) and other unions in the steel industry sought to push through sweeping cuts to jobs and conditions at a mass meeting of BlueScope steel workers in Port Kembla yesterday. The meeting repeatedly erupted in anger, with workers expressing their hostility to the attempts by the unions to keep them in the dark as they collaborate with the company to impose a major restructuring.

The AWU, which covers 95 percent of workers at the Port Kembla plant in Wollongong, has been working hand-in-hand with BlueScope since the company delivered an ultimatum on August 24 demanding at least 500 job cuts and \$200 million of savings. The company has threatened to close the plant entirely if the cuts are not imposed, a move which would directly destroy 4,500 jobs and thousands more indirectly.

The AWU has sought to intimidate workers into accepting the cuts, insisting that they have “no choice” but to agree to the destruction of jobs and the slashing of conditions. At the same time the union has attempted to whip up anti-Chinese nationalism and xenophobia, claiming that the cuts are a product of Chinese manufacturers “dumping” cheap steel on the world market.

In reality, the demands for yet another “restructuring” of the Port Kembla steelworks are part of a broader campaign by the major corporations, the Liberal government, the Labor Party opposition, and the trade unions, for an intensified offensive against workers' jobs, wages, and conditions amid the ever deepening crisis of Australian and global capitalism.

Yesterday's meeting was a continuation of the conspiracy between the company and the unions against the workers they falsely claim to represent.

Workers were presented with a “memorandum of agreement” hatched by the unions and the company in back-room discussions at the Fair Work Commission

industrial court. The BlueScope workforce was given no opportunity to consider or discuss the implications of the 12-page document.

The content of the deal makes clear why the unions have sought at every point to keep workers in the dark about what they have agreed with the company management.

Backdated to July, the agreement meets all of the company's demands, including the slashing of 500 jobs, with redundancies set to begin by the end of the year. Up to 300 jobs will be eliminated from manufacturing, while another 228 will be cut from support and service staff. In the form of new enterprise agreements covering the Port Kembla steelworks and the nearby Springhill plant, the deal provides for a three-year wage freeze and the overhaul of a host of pay arrangements. Existing overtime arrangements will be abolished, along with annualised pay and a wage bonus scheme.

According to the *Australian Financial Review* (AFR), the deal will result in some employees losing over \$20,000 a year.

The AFR reported that “Former Australian Labor Party minister and past Australian Council of Trade Unions secretary Greg Combet played a critical role in the settlement.” Combet was briefed by BlueScope and advised union officials that the closure threat was “no bluff.” Combet's “advice” was used by the AWU throughout the meeting yesterday to bully workers into accepting its wretched deal.

While representatives of the corporate press were warmly ushered into the meeting by union officials, reporters from the *World Socialist Web Site* (WSWS) were denied entry and verbally abused. The hostility of the AWU to the WSWS is because it is the only publication that has exposed the sordid partnership between the unions and the company and provided workers with truthful information.

Union staff posted at the entrance to the meeting told workers not to read the WSWS leaflets, and to throw them in the bin. One AWU representative snatched a handful of leaflets from a WSWS reporter and threw them on the ground, denouncing the WSWS as having “no concern for the industry.”

His comment underscored that the union functions as an arm of company management, concerned solely with maintaining BlueScope’s profitability at the expense of workers’ jobs and conditions.

According to the ABC: “The meeting began with heated exchanges as furious workers said they had not had enough time to properly consider the memorandum of understanding and questioned where the cuts would stop in the future.”

One worker who spoke to the WSWS after the meeting said: “They’re not putting out points and asking what we think. They’re just standing up the front saying, ‘This is the agreement, you’ve got to vote yes, or the place will be shut down.’ That’s blackmail.”

In an expression of their utter contempt for the workers, one official told workers that if they did not vote yes, he would “see you in the dole queue,” i.e. at the unemployment benefits office.

After two hours of being hectored and threatened with the closure of the plant, the majority of workers reportedly voted yes, while a significant minority, reported to be around five percent, defied the union and voted against.

The sole purpose of the vote was for the AWU to reassure BlueScope’s corporate shareholders that it can ensure the deal is accepted in the formal secret ballot of workers that must be carried out under the auspices of the Australian Electoral Commission. BlueScope’s share price rose 3.2 percent yesterday following the announcement of the vote. Its CEO, Paul O’Malley, issued a statement declaring, “The constructive engagement by all parties has been outstanding.”

The claims by the union that the job cuts will prevent the closure of the plant are lies. The latest agreement contains no provisions that the company remain open. In reality, if the 500 redundancies are forced through, it will mark yet another step on the road to the destruction of all steel jobs in the region. Since the 1970’s, successive rounds of sackings, all enforced by the unions, have resulted in the decimation of the workforce from some 25,000 to just 4,500.

A similar process has been carried out in the car industry, with the major auto companies insisting on

round after round of sackings under threat of closing their operations entirely. The enforcement of this agenda by the unions, in collaboration with successive governments, has created the conditions for the closure of the entire industry, slated to occur in 2017.

At the same time, according to some reports, the AWU’s deal entails \$60 million in savings, meaning that further cuts are on the agenda. The agreement contains an annexure on a “future reform process” for an overhaul of “workplace relations” which will be initiated after a “cooling off period.” The future cuts are touted as leading to another \$100 million in savings. The unions and the company are also appealing to the NSW state government to inject \$30 million into the company and to institute a so-called procurement policy to buy “local” steel.

The proposed agreement has broader implications for the entire working class. BlueScope has hailed it as “game-changing,” while the *Australian Financial Review* declared it to be a “ground breaking deal.” The *Sydney Morning Herald* featured comments by Andrew Stewart, a “workplace expert” and professor of law at Adelaide University, who commented, “it is going to set a major precedent because other manufacturing businesses will be looking at this wondering if they can use similar logic to introduce lower pay or conditions.”

The role of the unions in drawing up a new precedent in the assault on jobs and conditions underscores the need for the working class to organise independently of these thoroughly corporatised, big business organisations.

The WSWS and the Socialist Equality Party call on BlueScope workers to establish rank-and-file committees to cut across the attempts by the AWU to bludgeon workers into accepting its deal with the company and to initiate a genuine struggle in defense of jobs and conditions. As a first step, a campaign must be systematically developed inside the Port Kembla plant and throughout the working class in Wollongong for a clear “No” vote, rejecting the union-company deal, in the upcoming secret ballot.

Workers who want to discuss a way forward can contact the SEP here.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact