

The bitter fruits of another union "victory"

Paper mill closures threatened in Australia

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Australia's largest paper and packaging company, Amcor, has announced a major restructuring of its Australian facilities, signaling the elimination of hundreds of jobs and possible plant closures. In the first six months of this financial year the company already slashed 6 per cent of the 24,000-strong workforce it employs in 300 locations around the globe.

After a decade of mergers, rationalisations and job cuts, Amcor's paper making division now returns 6 to 7 percent annually on investment and its packaging division 10 percent. This, however, is not enough to meet the benchmarks now demanded by the financial markets. Amcor's new managing director, Russell Jones, said the company's board intended to drive up the rate of return to over 15 percent within three years.

Amcor has put a question mark over the future of both its Australian Paper (AP) plants, at Burnie, in northern Tasmania, and at Shoalhaven, 160 kilometres south of Sydney. Eighteen workers were sacked at Shoalhaven only last month and more jobs will go in the immediate future. Another 21 workers were sacked on April 8 from Amcor Fibre Packaging in Mowbray, Tasmania.

Burnie mill manager Geoff McCallum said AP had been instructed by the head office to slash \$50 million from its cost base within three years. 'There is a range of options, and no pulp production on site is a possibility,' he said.

The Burnie plant's closure would cost 600 jobs and eliminate hundreds more in the already depressed region. In particular it would hit the local timber industry, which supplies woodchip to the Burnie mill. AP has already informed North Forest Products, its woodchip supplier, that it may not renew its 350,000 tonne-a-year contract next February.

Jobs are also on the line at Amcor's nearby Wesley

Vale plant. With a workforce of 300, Wesley Vale depends on the Burnie plant for the raw material for its output of coated copy paper.

Amcor management said the cuts had been precipitated by the effects of the economic crisis in Asia, which has seen regional paper makers, 'desperate for hard currency,' dumping cheap paper on the Australian market.

Just six years ago, the Burnie mill was the site of a protracted struggle by paper workers, who won support from workers throughout the country. The dispute erupted in March 1992 when the mill's previous owners, APPM--a subsidiary of North Broken Hill-Peko, one of Australia's largest companies--moved to slash the workforce and eliminate a long list of working conditions.

After months of struggle by the Burnie workers, including two strikes, weeks of around-the-clock picketing, and several mass marches and demonstrations by workers and supporters, the union bureaucrats, led by the Australian Council of Trade Unions (ACTU), struck a deal with the company. Presented to workers nationally as a 'victory,' the agreement delivered the company's every requirement.

Over the following months, management was able to wipe out some 150 work rules and eliminate more than 400 jobs. Despite widespread disquiet, the workers ultimately accepted the ACTU's claims that they could secure their jobs and a future if they worked with the company to ensure that its operations were 'internationally competitive.' Continuous downsizing ever since, and now the latest closure threat, have exposed the ACTU's position to be a fraud.

The Socialist Labour League--the forerunner of the Socialist Equality Party in Australia--warned at the time of the ACTU betrayal: 'To submit to this program

is to suffer a never-ending attack, as management demands ever increasing speed-up to match the productivity increases of its rivals. As soon as one sacrifice is made, another will be demanded.

'The logic of the world capitalist market means that, in order to 'compete' with its rivals, the company must smash up the conditions of its workers, in a ceaseless downward spiral, pitting workers against each other, plant by plant, state by state and country by country.

'There is no halfway house. As long as workers accept the tying of their jobs and the future of their families, to the profitability of 'their' employers, then they will be driven back to the conditions of the nineteenth century and worse.'

In opposition to the union bureaucracy, the SLL fought for the broadest mobilisation to back the Burnie workers and for workers to take up the struggle for a workers government and a socialist perspective to put an end to capitalist exploitation.

A detailed record of this struggle and its vital lessons are contained in the SEP pamphlet 'Betrayal at APPM.' We urge workers to obtain and study this publication. It can be ordered on-line from Mehring Books.



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