

Australia: Unions help close Tasmanian paper mills

Noel Holt, Terry Cook
11 May 2010

After years of extracting ever-greater concessions from its workforce under the promise of preserving jobs, paper maker PaperlinX announced last month the closure of its Burnie mill, ending its manufacturing operations in the Australian state of Tasmania. In March this year, the company closed its other Tasmanian mill at Wesley Vale.

In total, about 450 mill jobs will have been destroyed, with many more to go in contracting and servicing companies. The impact will be devastating across northern Tasmania, already hard-hit by job cuts and plant closures. Official unemployment in Burnie, a town of around 19,000 people, stands at almost double the state average of 5.5 percent.

PaperlinX told the Australian Securities Exchange the closure was “in the best interests” of the company and its shareholders. PaperlinX said the overall cost of shutting the mills would be between \$10 and \$20 million, including termination payments. It said that to upgrade the Burnie mill, which had been allowed to run down, and resolve environmental problems would require capital expenditure of up to \$180 million.

PaperlinX’s initial claim that the closures were inevitable because they were driven by “heavy financial losses” has proven to be false. The company’s decision was part of a major restructuring, based on divesting itself of its pulp and paper manufacturing assets. Since 2000, PaperlinX has acquired interests in eight global paper distribution companies while selling off its mills at Maryland in Victoria and Shoalhaven in New South Wales. The Tasmanian closures complete the process.

To implement its closure plan, the company has been reliant on the Construction Forestry Mining and Energy Union (CFMEU) and the Australian Manufacturing Workers Union (AMWU). Last December, when the company first made known the fate of the Wesley Vale and Burnie mills, the trade unions ruled out any campaign to defend jobs. They worked to ensure “orderly closures,” claiming the main issue was to secure workers’ entitlements, including severance pay. AMWU state secretary Anne Urquhart told the *ProPrint* web site: “We know that the mills haven’t been operating very effectively. They’ve been losing money, they’re old. We just have to try and make sure the employees are looked after.”

At the same time, the federal and state Labor governments announced a \$20 million package, claiming this would stimulate alternative investment and jobs in northern Tasmania. Federal Innovation Minister Kim Carr declared: “We will work with stakeholders, including councils, community groups and unions, to see this through.”

The collaboration of the unions in closing the mills is the culmination of a definite perspective. For the past two decades, under the banner of making Australian-based employers “internationally competitive”, the unions have overseen a never-ending assault on jobs and working conditions.

From the mid-1980s, through accords with the Hawke-Keating Labor government, the Australian Council of Trade Unions (ACTU) and its affiliates assisted PaperlinX’s predecessor, Associated Pulp and Paper Mills (APPM), to impose a fundamental restructuring on paper workers.

“Award restructuring” agreements between the unions and APPM in 1989 delivered drastic changes in work practices, multi-skilling, reduced manning levels and retrenchments. The following year, the unions signed off on the Burnie Restructuring Deal aimed at cutting 500 jobs.

Throughout 1991, the unions helped the company implement further restructuring in APPM’s forestry and paper division, which included the Burnie, Wesley Vale and Shoalhaven mills. In that year alone, 405 jobs were slashed from the division’s 4,475 workforce. By 1992, Burnie employed just 1,100 workers, down from 3,000 ten years earlier.

In 1992 a decisive struggle erupted at Burnie when APPM launched a new offensive to rip up more than 150 above-award conditions, bring in a demarcation-free workplace, impose further job rationalisation, permit unlimited use of contractors and establish a regime of ever increasing speed up.

Over three months, the mill workers conducted two prolonged strikes, maintained weeks of round-the-clock picketing, defied a violent police attack and held a series of militant mass marches in Burnie. Through their intransigence, the workers won the sympathy of workers across Tasmania and nationally, with key sections indicating their willingness to take industrial action in support.

However, precisely because the dispute threatened to become a focal point for the development of a movement against the pro-market program of the federal Labor government, the ACTU and the unions worked to isolate the struggle, end industrial action and cobble together a deal that delivered the company’s demands. The then ACTU president Martin Ferguson led the sellout, telling the media: “I am not about spreading the dispute. I simply say we have to try and confine the dispute to this workplace and at some point sit in a room with the company and resolve it.”

The betrayal of the Burnie dispute was a decisive turning point for workers everywhere, encouraging employers to rip up longstanding working conditions,

slash jobs and eliminate any impediments to profit. It also revealed the transformation of the unions from organisations that had carried out limited defences of workers’ conditions—with the aim of confining the class struggle within the framework of the profit system—into agencies for tearing up all the previous gains of their own members.

Throughout the dispute, the Socialist Labour League (SLL), the forerunner of the Socialist Equality Party, warned of the betrayal being prepared and fought for Burnie workers to break with the unions, take the dispute into their own hands and turn to other sections of the working class to form a common struggle against the Labor government and its pro-capitalist agenda.

Above all else, we insisted that the fight had to be guided by an international socialist perspective and the fight for a workers’ government to reorganise society along socialist lines “to serve the needs of the working class, the vast majority of the population, not the profit dictates of the capitalist parasites”.

Today, the Rudd government and the unions are imposing a new wave of restructuring to meet the demands of the corporate and financial establishment as the global economic breakdown worsens. Well-rewarded for his services, Ferguson is now minister for resources and energy, working in Rudd’s ministry alongside a host of former union leaders, including another ex-ACTU president, Simon Crean, one-time ACTU secretary Greg Combet and ex-AWU national secretary Bill Shorten.

It is time for workers in Tasmania and everywhere to draw the essential political lessons of the historical betrayal of the 1992 Burnie dispute, and fight for an independent socialist perspective in opposition to the entire pro-market program of the Rudd government and its union enforcers.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact