

# Schweppes Australia locks out workers

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About 150 distribution and production workers employed by soft drink and cordial producer Schweppes Australia, a wholly owned subsidiary of the Japanese brewer Asahi, have been locked out of their plant since December 15. The provocative action was taken by the company in retaliation for limited work bans and stoppages during negotiations for a new enterprise bargaining agreement (EBA) covering its plant in the northern Melbourne suburb of Tullamarine. The plant is the largest producer of Schweppes' drinks in Australia.

Schweppes is attempting to abolish the eight-hour working day and reduce its wages bill by undermining overtime penalty rates. Currently the workers are employed on a 35-hour week, Monday to Friday basis, covering three shifts per day. The company is demanding round-the-clock production with 12-hour shifts operating six or seven days a week, and the removal of most penalty rates for Saturdays.

"Like any manufacturing business, Schweppes requires flexibility to be able to organise our business in the most efficient and competitive way to meet the increasing demands of customers and consumers," the company declared in a statement. "Without this flexibility we will not be able to continue to grow production at this facility and compete effectively in the market... As a large manufacturer, we need to be able to operate our facilities as flexibly as possible."

The pre-emptive lockout of the Schweppes workers in response to limited industrial action follows similar action recently taken by Qantas management and by POAG stevedoring. As at Qantas, Schweppes applied to the Labor government's Fair Work industrial tribunal to permanently ban all industrial action and impose an arbitrated settlement. Schweppes'

application was unsuccessful, however, with Fair Work yesterday ruling that negotiations between the union and company should continue.

The action by Schweppes is part of a pattern. A series of corporations have utilised the Labor government's Fair Work industrial laws to lock out workers, ban their industrial action, and impose regressive enterprise agreements undermining workers' wages and conditions. The manufacturing sector is at the forefront of the corporate restructuring agenda that is being driven by the deepening world economic crisis. The aim is to establish Australia as a low wage platform, competitive with the East Asian manufacturing hubs.

The Schweppes dispute, despite the relatively small numbers of workers involved, is being closely followed as another key industrial test case. "The government will keep a watching brief on this dispute, as we do with all industrial matters," recently appointed Workplace Relations Minister Bill Shorten acknowledged on December 16. He added that the government would not intervene to try to "micromanage" business operations.

The trade unions are playing a key role in facilitating the economy-wide corporate offensive against workers' living standards.

The Schweppes workers are covered by United Voice (formerly called the Liquor, Hospitality and Miscellaneous Union). They immediately responded to the lockout by setting up a 24-hour picket outside the factory gates that has been maintained throughout the Christmas holiday. United Voice, however, has isolated the workers, making no attempt to enlist the solidarity of other Schweppes workers in Australia or the support of any other group of workers.

Tullamarine, where the plant is located, is a working class suburb with significant concentrations of industry and is also home to Australia's second busiest airport, where large numbers of Qantas employees work. Schweppes has nevertheless been able to move supplies and labour hire contract workers across the picket unimpeded, and is reportedly maintaining production at 60 to 70 percent of normal levels.

United Voice has previously agreed to regressive enterprise agreements at other Schweppes plants across Australia, eliminating overtime penalty rates on Saturday and, in at least one instance, creating a two-tier workforce in which new hires receive substantially lower wages than other employees for doing the same work. Schweppes is now looking to bring its operations in Tullamarine in line with these benchmarks.

Earlier this year, at a paint and coatings manufacturer in eastern Melbourne operated by US-based PPG Industries, United Voice shut down a nine-week strike by 120 workers after imposing an agreement that delivered the company's demands. These included a two-tier workforce, with new hires receiving a 43 percent wage cut, and the elimination of overtime payments that slashed the weekly earnings of many existing employees by between \$250 and \$450.

The union is now clearly very nervous about how it is going to resolve the Schweppes dispute, with the workers involved obviously determined to defend their conditions.

An extraordinary incident on the picket occurred on December 27, when union officials attempted to block *World Socialist Web Site* reporters from speaking with workers. One United Voice organiser initially declared that only information given out by the union office and statements from union officials could be used. He then insisted that permission had to be sought from United Voice's media liaison officer. WSWS reporters were finally allowed to interview the picketing workers, but after a short time the union organisers intervened to interrupt a discussion that had developed on the political significance of the lockout and the role of the Gillard government. They insisted that all interviews

had to be presented to them for vetting before publication. This censorship was aimed at stifling any discussion on the picket line on the ruthless pro-business operations of the Labor Party and trade unions and, above all, at preventing workers from considering a socialist perspective.

The Schweppes workers need to take their struggle out of the hands of the United Voice bureaucracy and form an independent, rank-and-file committee. It is necessary to turn out to other sections of workers facing similar attacks—dock workers, Qantas employees, nurses and other public sector workers—and coordinate a joint industrial and political campaign to defend their wages and conditions. Above all, a new political perspective is required, aimed at the abolition of the profit system and the establishment of a workers' government as part of the international struggle for socialism.



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