

Reckitt Benckiser to close Australia plant, destroying 190 jobs

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Reckitt Benckiser (RB), a transnational household and healthcare manufacturer, has announced the closure of its plant in West Ryde, Sydney, as part of a global restructuring. An estimated 190 jobs will be destroyed when the company shuts its operation in July—155 in manufacturing and warehouse, 25 supply chain and 10 support staff.

According to several employees, around 500 workers were once employed at the plant. RB, which has been operating locally since 1963, said only its contact centre and 300-strong sales force would remain in Australia.

The 150-year-old company has manufacturing plants in more than 60 countries, and its products, including Mortein, Dettol, Aeroguard, Nurofen and Clearasil, are sold in over 180 countries. Hit by plunging sales in Europe, RB is cutting costs and targeting the “emerging markets” in Russia, Brazil and China, where it aims to increase sales to 50 percent of its revenue by 2016.

Australian Manufacturing Workers Union (AMWU) state secretary Tim Ayres complained that there had been no discussion or contact from the company. He indicated that the union would have done everything in its power to meet the company’s cost-cutting demands. “Staff have been given no opportunity to deal with the productivity challenges that the company claims have helped it make its decision,” he stated.

It is unlikely that the AMWU was unaware of the impending layoffs. Ayres made no attempt to conceal that the union regarded the closure as a *fait accompli* and would do nothing to fight to defend the jobs. Instead, he said the union was assisting those facing job losses, ensuring they have the necessary skills to find new jobs when operations cease in July. The reality is that many RB workers will not be re-employed, regardless of their skills. Hundreds of manufacturing

and other jobs are currently being wiped out each week across Australia.

Ayres made clear the union’s basic support for the factory closures and wholesale restructuring now being imposed by Australian-based employers, in line with the gutting of workers’ jobs and conditions across Europe and the US. He said: “Manufacturing is a dynamic industry where jobs are lost and created on a regular basis. While we can’t always influence the outcome in cases like this, there is plenty that can be done to encourage growth in manufacturing jobs.”

A worker interviewed by the WSWs had been working in the factory for two years as a casual. He said many people were very unhappy with the proposed closure. “I think the workers shouldn’t agree with the union and should fight against the closure,” he commented.

“The impact of losing the job for me is huge. I have one child and my wife doesn’t work. I’m actually a qualified hairdresser, but it’s very hard to find a job in that area in Sydney at the moment. If I don’t get another job after the factory closes in July, we will go back to Kenya, even though it’s very dangerous there at the moment.”

Another worker pointed out: “Our plant has a lot of baby boomers working here. Their kids have moved on, they don’t have other contact. A lot of people are in their 50s and 60s, so some have another five years till they retire; what are they going to do? It’s going to be very hard for them to get employed again.”

This worker added: “Personally, in a way, I don’t think it’s right. I can’t see why they need to close down. I can’t see a company that was losing massive amounts of money. It’s not like they have been running years of bad profits to shut down. But look, it’s a business; it’s a public company, so if they are going to

keep the shareholders happy, they need to make more money.”

The decision to close the plant, according to RB Australia CEO Lindsay Forrest, was made because the world market had undergone significant changes over the past five decades. He said: “Australia’s geographical distance from other markets and our relatively small domestic market has made it increasingly difficult to embed our West Ryde operations into these global arrangements.”

The company’s restructuring strategy is bound up with the economic crisis in Europe, which accounts for 42 percent of its sales. New CEO Rakeesh Kapoor stated at a recent news briefing in London: “In southern Europe, everyone is going after the same pie, which is shrinking.” In the US, RB has been losing healthcare sales since it lost exclusive rights in 2009 to produce Suboxone, a heroin-dependency tablet, affecting 90 percent of its US revenue.

RB plans to merge its North American and European operations into a single entity based in Amsterdam, and the “emerging markets” into two groups. Kapoor expected job losses internationally, but declined to provide specific details.

RB’s Sydney plant closure announcement came amid a wave of similar closures and job cuts in Australia, including 560 at Westpac bank, 100 at General Motors Holden, 350 at Toyota and 50 at Thales, which manufactures military vehicles. The majority of the layoffs are from the shop floor, with few from administration, technical units and engineering. The high value of the Australian dollar and the low value of the euro have been cited as reasons.

Whatever the immediate catalysts for the layoffs, they are bound up with the financial and corporate elite’s global restructuring and the austerity measures being imposed on the working class worldwide to pay for the deepening financial crisis.

The federal Labor government and the trade unions, far from preventing a single sacking or challenging the closure of industries, are leading the offensive. Ayres’ comment about “encouraging growth” in manufacturing was in line with Prime Minister Julia Gillard’s recent speech referring to the “growing pains” of “powerful, economy-wide transformations.”

The workers at RB should reject the closure and fight to defend their jobs, which means linking up their

struggle with workers facing a similar plight in Australia and internationally. They need to form an independent rank and file committee to organise a rebellion against the union bureaucracy’s collaboration with the government and the company. That requires a socialist perspective: the struggle for a workers’ government to nationalise the major industries and banks, and run them for need and not private profit.



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