

Australian meat workers fight 20 percent pay cut

Mike Head
3 June 2013

In what could become a test case for major wage cutting throughout Australian industry, 800 workers at the Teys Australia meat processing plant at Beenleigh, in southern Brisbane, struck for 24 hours last Friday against the company's demand for a pay cut of more than 20 percent.

Striking workers held a mass picket outside the gates, winning support from passing motorists. It was the second strike in a week, following a four-hour stoppage the previous week.

Tey's Australia, the second largest meat processor and exporter in Australia—with six meat plants on the east coast—has threatened to shut down the facility unless workers accept drastic cuts to their wages and conditions, as well as heavier workloads.

CEO Brad Teys declared that if labour costs were not lowered, the meat industry would close in Australia, just like the car making factories. His ultimatum came within two weeks of Ford announcing the closure of its two auto plants in the country.

Tey's told the media that the company could no longer afford the existing penalties rates and conditions. "Manufacturing in Australia has to really reinvent itself to become viable in the future," he said.

The company's offensive is part of a global cost-cutting and restructuring drive by its 50 percent joint venture partner, the giant US-based Cargill. The transnational food, agricultural and financial services corporation, which is the largest privately held company in the United States in terms of revenue, employs 131,000 people in 66 countries.

Speaking from Kansas where he was meeting Cargill executives, Brad Teys said: "What we can no longer sustain are outdated and unrealistic employment terms that make us uncompetitive." The "uncompetitive" practices included 50 percent leave loading, penalty

rates within ordinary hours, payment for idle time and higher workers compensation benefits than prescribed by legislation.

In discussions with a Socialist Equality Party election campaign team in Beenleigh yesterday, Teys workers said they had been told that boners, highly-skilled meat workers, were paid just \$7 an hour in the US.

One boner from the Beenleigh plant explained the severity of the company's demands. "What the company wants is to pay us just \$25 an hour, down from \$32," he said. "That would be more than a 20 percent pay cut. Beforehand, maybe we might get \$1,100 a week, now it would be \$700.

"Everybody wants to live," he commented. "Would \$700 pay my bills? For rent and everything? Every house in Beenleigh costs \$300 to \$350 a week to rent. Then we have to pay for food, car and everything. Would you work for free?"

After working at the plant since 2008, the boner was shocked by the company's ultimatum. "This is very hard," he said. "They are talking about shutting down. They told us: 'You want \$25 an hour? If not, we will shut down'."

He gave some idea of the impact that a closure would have. "No one wants to lose their job," he said. "My wife works at the plant too, on the night shift, while I work on the day shift, because we have two children to look after."

Cargill illustrates the grip that massive conglomerates hold over the world's food and agricultural supplies. If it were a public company, it would rank number 13 on the Fortune 500 list of the biggest US companies, ahead of JP Morgan Chase. Its businesses include grain and other agricultural commodities, such as palm oil; livestock feed; food ingredients like starch and glucose syrup; vegetable oils and fats; and trading in energy,

steel and transport. It also operates a large financial services arm.

In Australia alone, according to the company's website, Cargill has investments valued at \$US250 million, generating an annual turnover of about \$1 billion. It co-owns five other Teys Australia meat plants at Naracoorte, Wagga Wagga and Tamworth in New South Wales, and Rockhampton and Biloela in Queensland. It operates crush plants for canola, soybeans, sunflower and cottonseed in Newcastle, Narrabri and Footscray, as well as the grain marketing operations formerly operated by the Australian Wheat Board and GrainFlow.

Far from fighting to unite workers throughout this corporate empire against the wage-cutting drive, the Australian Meat Industries Employees Union (AMIEU) is keeping the Beenleigh workers isolated and tightly straitjacketed within the framework of negotiating a new three-year enterprise bargaining agreement for the Beenleigh plant.

In its public comments, the union is sending out signals to Teys that it is prepared to make a deal. AMIEU representative Matt Journeaux told the Brisbane *Courier Mail*: "Negotiations have been going on for seven months now and that's plenty long enough to be coming to a much closer position than where we currently are."

AMIEU Queensland branch secretary Brian Crawford indicated that the union had been enforcing the company's productivity drive. He told reporters: "Far from being stuck in the 1970s, the union has demonstrated to Teys Australia that a large slab of its workforce have lifted their productivity by 18 percent since 1998, yet the real value of their wages has declined by 11 percent in the same period."

These statistics themselves are an indictment of the role of the AMIEU, like the rest of the trade union movement, in Australia and internationally, in suppressing resistance by workers to the ongoing attacks on workers' living standards and working conditions over the past three decades.

Just since 2010, the AMIEU has allowed a restructuring offensive by Brazilian multinational company, JBS Swift, to eliminate hundreds of jobs from the nearby Dinmore meat works and other plants at Townsville in northern Queensland, Longford in Tasmania and Cobram in Victoria.

During a six-week lockout by Swift of cold storage workers in the Melbourne suburb of Brooklyn in 2010–11, the AMIEU instructed its members not to support the locked-out workers, who were members of the National Union of Workers (NUW). Enforcing the Labor government's anti-strike Fair Work laws, the AMIEU insisted that any action would be classified as a "secondary boycott," leading to fines. The NUW ultimately rammed through an agreement that delivered on the company's key demands, including a real wage cut, elimination of the eight-hour day and erosion of weekend penalty rates. (See: "National Union of Workers sells out six-week Swift meat workers' struggle")

If the Beenleigh workers are not to suffer a similar defeat, they need to organise independently of the trade unions, and form a rank-and-file committee that fights to win active support throughout the food industry in Australia and internationally.

Above all, that requires a political struggle against the state and federal governments and the fight for a workers' government to carry out socialist measures, including placing companies like Teys and Cargill under social ownership and the democratic control of working people.

The Socialist Equality Party is intervening in the 2013 Australian elections to advance the struggle for this socialist and internationalist program.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact