

# Australian meat workers defy pay-cutting ultimatum

Mike Head  
12 July 2013

Workers at the Teys/Cargill joint venture meatworks at Beenleigh, south of Brisbane, yesterday voted by 97 percent to reject the company's latest version of its sweeping wage-cutting demand. They did so in defiance of the corporation's threat to shut the plant, which employs about 800 people.

However, the workers face renewed efforts by the union that covers them—the Australasian Meat Industry Employees Union (AMIEU)—to strike a sell-out deal with the company to satisfy its profit requirements. After the vote, AMIEU official Matt Journeaux told workers it was “back to the drawing board,” before re-entering talks with the management.

After weeks of negotiations with the union, and proceedings in the federal Labor government's Fair Work Commission, the company and the union jointly unveiled a revised list of pay cuts and increased workloads. The “final offer” was designed to deliver the same cost-cutting as Teys/Cargill's original demand for across-the-board wage cuts averaging about 20 percent.

On Wednesday, the AMIEU cancelled a scheduled strike and collaborated with the company in outlining the revamped proposal at a management-union lunchtime meeting, calling for a vote by show of hands the next day. Although the union did not openly back the proposal, knowing the opposition of many workers, it nevertheless conducted the show of hands as a means of testing the waters, in preparation for imposing a sell-out deal, or, failing that, facilitating an “orderly closure” of the plant.

The union's role is entirely in line with reinstalled Prime Minister Kevin Rudd's National Press Club address yesterday. Rudd announced that he had already been in consultations with the Australian Council of Trade Unions (ACTU) and the Business Council of Australia on a new “national productivity pact.” The pact, designed to drive down business costs, will include measures to overcome “labour market rigidity.” These are

code words for cutting workers' jobs, wages and conditions.

A meat packer told a Socialist Equality Party (SEP) election campaign team that the company's scheme would cut the pay of skilled boners and slicers by up to \$10,000 a year. As for the meat packers, she said, the management was out to “flog us” by speeding up production. In preparation for its new regime, the company had installed surveillance cameras “all over” the plant to constantly monitor workers.

Under the company's proposal, slaughter floor workers would suffer losses totalling about 10 percent, including a 7.75 percent workload increase, while boners and slicers would lose even more—21.5 percent, including a 14.6 percent added workload. Lower-paid meat packers and labourers would not have their pay reduced outright, but they would suffer a real wage cut, compared to inflation. Their workloads would also be far higher and they would have to work an hour longer each shift.

All workers would lose basic conditions, only some of which have been disclosed. These include the annual butcher's picnic holiday, a 50 percent loading on annual leave, time-and-a-half penalty rates for public holidays, and early knock-off once quotas are met.

A meatworks labourer told the SEP team that the company was after a “big pay cut” and the AMIEU was “backstabbing” workers. “At first, I thought the union officials were doing their best, but now they are trying to cut a deal. It's more serious than I thought.

“I joined the union because it's supposed to look after us, but now I'm not so sure. I was just trying to ignore what they were doing, and go along with the outcome. Now, I have to find out what they are up to.”

Teys/Cargill immediately stepped up its intimidation. In a statement issued last night, Teys Australia spokesman Tom Maguire declared: “If we don't change course, the Beenleigh plant faces a real threat of closure.” Maguire

also warned of wider potential shutdowns—Teys operates five other meatworks across Australia. Maguire said the workers’ vote was “a lost opportunity for much-needed industry reform.”

Like other global corporations, Cargill—a food processing conglomerate and the largest private company in the United States—is restructuring its operations worldwide to cut costs and boost profits as the fallout from the 2008 economic breakdown worsens. On February 1, it shut down a meat plant in Plainview, West Texas, destroying 2,000 jobs. In 2009, it demanded pay cuts of up to 40 percent at its Wilbur Chocolate factory in Lititz, Pennsylvania.

According to Teys/Cargill, the cost of abattoir production in Australia is \$300 a beast, while in the US it is \$150 and in Brazil \$111. Teys Australia chief executive Brad Teys recently told the *Beef Journal*, an employers’ publication: “I mean a boner or a skilled person in our business probably earns \$30 per hour. If you look at overseas countries like the US, it’s likely to be more \$12 an hour.”

These remarks give some idea of the wage cuts inflicted on US workers in recent years. They also indicate that 20 percent pay cuts may not be enough for Teys/Cargill to retain production in Beenleigh and other plants.

General Motors Holden has likewise issued an ultimatum to its car plant workers in Melbourne and Adelaide, demanding wage sacrifices of up to \$200 a week or else it will terminate production by 2016. These demands mark a new stage in the assault on the working class in Australia, with a turn to outright pay cuts to match those already imposed on workers across Europe and the US.

The AMIEU is working with the company to wear down the resistance of the Beenleigh workers, while keeping them isolated from other meat workers, both in Australia and internationally, and from the General Motors Holden workers and other sections of the working class facing similar attacks. Speaking to the *Beef Journal*, Teys described a recent meeting with the AMIEU as “respectful and productive.”

Teys previously criticised the AMIEU, accusing it of clinging to past work practices. In his interview, however, Teys displayed a keen appreciation of the part played by Labor and the unions in policing the elimination of workers’ hard-won conditions over the past three decades. He said “respected former trade union officials like Bill Kelty and Martin Ferguson” recognised “that for manufacturing to survive and be competitive on the global

market, we can’t keep doing things the way we did them in the seventies.”

Kelty and Ferguson were leaders of the ACTU during the 1980s and early 1990s, and Ferguson became a key cabinet minister in the Rudd and Gillard governments. These two figures personify the way in which the unions, through a series of Accords with the Hawke-Keating governments between 1983 and 1996, were the key enforcers for a far reaching program of pro-market restructuring that resulted in an unprecedented transfer of wealth from the working class to the rich. Rudd’s new “productivity pact” is to accelerate this process.

In its 2013 election campaign, the SEP is urging workers and young people to draw the necessary political lessons from the pro-business record of Labor and the unions. Beenleigh meat workers can only defend their jobs, wages and conditions by making a fundamental break with the unions, forming their own rank-and-file committee and turning out to other workers, nationally and internationally, including at GMH, who face a similar onslaught.

What is needed is an independent, political movement of the working class, dedicated to the establishment of a workers’ government based on socialist policies. The banks and basic industries, including meat and food processing and auto production, must be placed under public ownership and the democratic control of working people, to provide for the needs of all, not the profits of a wealthy few. The SEP is standing candidates in the 2013 election to build the necessary revolutionary leadership required to lead these struggles.

*Authorised by Nick Beams, 113/55 Flemington Rd, North Melbourne VIC 3051*



To contact the WSW and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**