Australian government refuses assistance to SPC fruit cannery

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Prime Minister Tony Abbott's Coalition government announced on Wednesday night that it had rejected a request for a $25 million assistance package from SPC Ardmona, a fruit cannery in the Goulburn Valley in north-eastern Victoria. The company will announce on February 18 whether it will shut its operations entirely, directly destroying approximately 1,000 jobs and up to another 4,000 indirectly.

Coca Cola Amatil, the American-Australian transnational that owns SPC Ardmona, requested last year that the federal and state Victorian governments hand over $25 million each to the corporation's own fund of $90 million to finance a restructuring of its operations. The Victorian government's funding commitment, which was contingent on support from the federal government, is now being renegotiated.

Following a three-hour cabinet meeting on Wednesday, Abbott made clear that the decision was the result of the federal government's broader strategy to enforce a new wave of restructuring throughout the manufacturing sector, through the destruction of "uncompetitive" plants, mass layoffs and assaults on workers' wages and conditions.

"The decision that came from the cabinet today does set an important marker," Abbott declared. "This is a government which will make sure that the restructuring that some Australian businesses need, that some Australian sectors need, is led by business, as it should be." The decision follows the government's refusal to increase subsidies to Ford and General Motors Holden, both of which are closing down their Australian assembly plants.

Abbott's cabinet was reportedly sharply divided over the SPC decision. Agriculture Minister Barnaby Joyce, deputy leader of the National Party, which advocates for rural and regional business interests, and Industry Minister Ian Macfarlane, both supported the assistance package. Abbott and Treasurer Joe Hockey, an outspoken mouthpiece for corporate demands for wage-cutting and austerity, were strong opponents.

Sections of the financial press praised the decision. *Business Spectator* commentator Robert Gottliebsen wrote: "[T]here is a clear lesson for the motor industry and anyone else seeking government help. Don't do an 'SPC/Coca-Cola' and go to the government while you have bad work practices and over-generous enterprise bargains [workplace agreements]."

There was a torrent of cynical and duplicitous denunciations from the trade unions and the federal Labor opposition. Opposition industry spokesman Kim Carr declared that "the government has effectively signed the death warrant on Australia's last fresh fruit cannery, ensuring the destruction of thousands of jobs."

In reality, the assistance requested by SPC Ardmona had nothing to do with defending workers' jobs. It was to be used to consolidate its processing plants, including the shutdown of factories in Kyabram and Mooroopna, which together employ approximately 210 people. Production was to be shifted to the main plant in Shepparton, which was to be re-tooled to diversify away from fruit canning. At the same time, a savage assault would be carried out on the conditions of the workforce, to drive down labour costs.

Underscoring the intimate collaboration of the Labor Party and the unions with the company's plans, Greg Combet—industry minister in the previous Labor government and a former secretary of the Australian Council of Trade Unions—was appointed by Macfarlane on December 4 to a three-person "taskforce." His specific role was to negotiate with the Australian Manufacturing Workers Union (AMWU) to impose major "productivity" gains on workers prior to any

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government assistance. According to the *Australian Financial Review*, Combet "helped rewrite work practices at SPC Ardmona."

The AMWU has no opposition to the destruction of jobs. It is appealing to SPC Ardmona to utilise the union's services to enforce speedups, wage cuts and other "productivity" gains to lower workers' conditions to levels "competitive" with those in food processing plants internationally.

AMWU national secretary Paul Bastian, who is also intimately involved in organising the "orderly closure" of the Ford and GM Holden car plants, declared in a statement: "The union and workers at the SPC plant have already been working in cooperation with plant management to improve productivity." Earlier last month, the union collaborated with the company's sacking of 73 maintenance workers, who were told upon returning from their Christmas break that they would be replaced with contract labourers in May.

The unions have already helped organise a series of closures in the food processing industry, which, along with the car and car component sector, has been at the forefront of the restructuring since the 2008 global breakdown of capitalism.

According to an October 29 article in the *Australian*, which referred to an Australian Food and Grocery Council report, 170 employers in the food processing industry—the largest sector of Australian manufacturing—shut down in the financial year 2012–2013, directly destroying 1,000 jobs. As a result, 5,700 more jobs were wiped out.

Yesterday's *Australian* specified some of the conditions that the government and company have demanded be scrapped. They included "union organisers being allowed access to site delegates during paid time, payments for unused sick leave of up to 20 days upon termination of employment, and site union delegates having up to 40 days (collectively) paid leave to attend union workplace training programs," as well as "redundancy provisions also allowed for two weeks every six months to a maximum 104 weeks compared with a statutory maximum of 16 weeks."

The closure of the SPC Ardmona plants would devastate working class communities and fruit farmers in the Goulburn Valley. Official unemployment in the region would rise from 8.6 percent to 12 percent. According to a report by the Greater Shepparton City Council, 560 businesses with contracts with the company, including many small farmers, would be hit.

In order to divert attention from this developing crisis, the trade unions have joined with the Labor Party in making nationalist attacks on "foreign" companies. In an AMWU statement released on Thursday, Paul Bastian declared: "Soon, when we go to the supermarket ... there will be nothing left made in Australia." The statement was replete with denunciations of imported canned fruit, including from Italian tomato producers whom Bastian alleged "are being investigated for links to organised crime."

Such reactionary statements are intended to prevent workers from taking up an international struggle, in unity with workers in other countries, against the transnational food corporations. Coca Cola Amatil operates in six countries—Australia, New Zealand, Papua New Guinea, Fiji, Samoa and Indonesia (where it now has nine factories)—and is waging a never-ending assault on conditions to boost its profits.

Workers can only defend their interests through a complete break with the pro-capitalist and nationalist trade unions, the establishment of independent rank-and-file committees and a conscious turn to uniting with workers throughout Australia and internationally. Above all, a new perspective is needed, based on the fight for a workers' government committed to socialist policies, including the expropriation of the major transnational companies and the reorganisation of society on the basis of genuine social equality, rather than private profit.

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