

# Young workers super-exploited in Australian meat industry

Keith Morgan  
10 April 2014

A report on the Australian Broadcasting Corporation's "7.30" program last month provided evidence of the widespread exploitation of young Asian workers, hired on temporary working holiday visas, in the meat industry across Australia.

Focussed on a Primo Smallgoods abattoir in Scone, 250 kilometres northwest of Sydney, the television program reported that workers were being systematically underpaid and mistreated, and threatened with dismissal if they complained.

According to "7.30", thousands of backpackers from Singapore, Taiwan and Malaysia, who have temporary "417" visas for 12 months, were being sent to various abattoirs in three states. They were forced to work excessive hours, encouraged not to pay tax, and paid less than half the minimum wage. There were allegations of sexual harassment of workers by some contract bosses.

Grant Courtney, the secretary of the Newcastle branch of the Australasian Meat Industry Employees Union (AMIEU), which covers meat workers, admitted knowing about the abuses for the past two years. He told "7.30": "We estimate that there's over 10,000 temporary international workers working from backpacker visas in our industry."

If correct, this would represent more than 20 percent of the national meat industry workforce. The latest available figures from the Australian Bureau of Statistics estimate that the total number of workers in the meat industry in 2012 was 53,200, including 16,700 in the meat, poultry and seafood process industry.

At Scone, the workers are being systematically underpaid and super-exploited by one of the largest corporations in the country. Until 2011, Primo Smallgoods was 70 percent owned by Paul Lederer, who made the BRW Rich 200 list that year, with a

fortune of \$388 million.

Lederer launched a float of the business, which had an annual turnover of \$1.4 billion. The Asian Venture Capital Journal reported that Affinity Equity Partners acquired Primo in a deal valued at around \$1 billion. According to the report, 11 major banks and financial corporations participated in the float, including CBA, NAB, Westpac, UBS, Macquarie, GE Capital, Challenger and ING Bank.

Primo's website states that Affinity Equity Partners, which has offices in several South East Asian capitals, including Sydney, will buy a controlling share of 75 percent of the company and run it in partnership with the Lederer family. Last year, Affinity bought the Tegal Chicken company in New Zealand for \$NZ600m.

Such acquisitions are part of a wider process, involving the restructuring of the food and meat industries globally, like other basic industries, at the hands of giant corporations and finance houses. Across Australia, and around the world, agribusinesses are aggressively cutting jobs, wages and conditions to drive up profit rates in the wake of the 2008 financial crash (see: "Australian meat workers fight 20 percent pay cut").

The wealthy owners of Primo are also demanding ever-greater sacrifice from their workforce at Chullora, a Sydney suburb. Workers there, who are mostly from immigrant backgrounds, especially from Asia, have seen their overtime rates abolished and workloads escalate via reduced crew sizes.

One worker told the WSWs that his section had lost nearly one third of its crew, but are forced to meet the same schedules. Another worker said he was still employed as a casual, three years after starting there. Primo employs around 600 workers on two shifts, with permanent workers on just \$16.50 an hour. Casuals are

on \$21.00 an hour, but have no holiday or sick leave.

The “7.30” exposé provided a view of the reactionary nationalist politics of the trade unions. Interviewed on the program, the AMIEU’s Grant Courtney accused the young Asian workers of taking the jobs of local workers and undermining conditions.

“Not even half the minimum Australian wage is being paid to a lot of these international workers and that’s simply not fair and it’s not just and I don’t think any Australian workers would cop it,” Courtney said. He claimed that the exploited young workers were “all educated” and paid “tax at home.”

The young workers are employed under 417 visas, which allow young people to work in Australia for up to 12 months while travelling around the country. A different type of temporary work visa, a 457 visa, permits skilled workers to be hired for up to four years by employers where there is a shortage of labour.

The unions are organically hostile to any fight to unify these workers in a common struggle with their Australian and international co-workers against the corporate offensive. That would require defending the basic democratic rights of foreign workers, including to live and work in Australia permanently with full political and civil rights.

The previous Labor government, urged on by the union bureaucrats, launched an offensive against foreign workers, blaming them for the rising unemployment caused by the government’s and the unions’ enforcement of the avalanche of sackings unleashed throughout the steel, car, airline, mining and other basic industries by the corporate and financial elite.

“Put Australian workers first,” former Labor Prime Minister Julia Gillard declared, while her government and the unions backed every restructuring and closure, from BlueScope Steel to Ford and Qantas.

Construction Forestry Mining and Energy Union (CFMEU) national secretary Dave Noonan called on the Gillard government to freeze the recruitment of tradespeople on 457 visas and made a submission to a Senate inquiry demanding that overseas workers be sacked first in any downsizing or restructure.

At the same time, the unions blocked any struggle against the mass sackings, insisting that workers had no choice but to accept them, as long as they were carried out in consultation with the unions themselves. In every

single case, the unions assisted the companies to implement “orderly” closures.

Throughout the meat industry, like every other, the unions have for years joined hands with the employers to impose cuts to jobs, real wage levels and hard-won conditions, on the nationalist basis of helping to make “Australian” businesses “globally competitive.”

This never-ending downward spiral only pits workers in Australia against their fellow workers around the world. As the global economic situation worsens and international competition escalates, the unions will intensify their collaboration in this drive, while dividing the working class by demonising foreign workers.

Workers at Primo and throughout the meat industry must reject the AMIEU’s attacks on foreign workers and demand the right of all workers to live and work in any country of their choosing with full citizenship rights. The capitalist profit system, not guest workers, is to blame for the rising levels of unemployment and destruction of pay and conditions.

In order to develop a unified struggle against the cheap labour and sweatshop conditions being established throughout the meat industry, rank-and-file committees must be formed, independent of the unions, to come to the defence of the super-exploited young workers and forge a common industrial and political fight. Such a struggle requires a socialist perspective, based on the needs of the international working class, not the insatiable profit demands of the wealthy elite.



To contact the WSWS and the  
Socialist Equality Party visit:

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