

# Australian poultry processor Ingham to close Cardiff plant

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In a shock announcement on June 8, giant poultry processing company Ingham declared it will shutter its plant in Cardiff, New South Wales by the end of August at the cost of 199 full-time jobs and up to 160 casual positions. Cardiff, a suburb of the City of Lake Macquarie, is located 13 kilometres southwest of Newcastle, the state's second largest city. The Ingham plant has been in operation for over 40 years.

Management simply called workers to a meeting an hour before the shift was due to end and informed them of the decision. Stunned workers said the announcement was a "complete surprise" and "completely unexpected." Even though workers were clearly distraught, management attempted to send them back to complete the shift. Faced with opposition, it then withdrew the directive.

The announcement comes amid the ongoing destruction of jobs across Australia as companies restructure operations to bolster profits. In the surrounding Lake Macquarie-Newcastle-Hunter region, thousands of jobs have been axed in coal mining, shipbuilding and manufacturing over the past decade.

This onslaught has been backed by Liberal-National and Labor governments alike, state and federal, and enforced by the trade unions, in the name of making Australian-based operations "internationally competitive." In the meat and poultry processing industries, there has been a relentless attack on jobs and conditions worldwide amid a ruthless restructuring by giant transnationals.

The Cardiff workers were kept in the dark about the preparations for the plant's closure even though these clearly have been in train for some time. Ingham's decision to dump its Cardiff workforce, whose labour over years has produced multi-million dollar profits, is a product of an "extensive review" that the company's

owners, giant US based equity firm TPG Capital, has been conducting of Ingham's entire operations.

According to a company statement, the "review" is intended to "expand capacity, upgrade capability and improve productivity." Improving productivity means nothing other than intensifying work processes so as to screw more out of the workforce in an industry already notorious for its exploitative conditions.

As part of its review, Ingham has expanded its larger processing plants and supply chain operations, mainly in South Australia and Queensland. In recent years, it has scaled back the amount of chicken processed at the Cardiff facility from a peak of 200,000 birds per week to about 160,000.

In a written statement, Ingham chief executive Mick McMahon cynically declared the Cardiff plant was not large enough and this "was compounded by recent reductions in volumes as capacity switched to larger, more efficient plants elsewhere in the network." Adding insult to injury, McMahon said, "We thank our very loyal workforce that has contributed greatly to our business during this time (40 years)."

The company's expansion in South Australia also allows it to cash in on pro-business benefits, including a subsidy of \$3.7 million, put in place by that state's government to attract investment. Among these handouts, Ingham secured \$900,000 from an "Investment Attraction South Australia" fund, supposedly to create jobs.

While the company claims its South Australian expansion will generate 385 jobs, this has been offset by the 350 sackings at Cardiff. In May 2013, Ingham also closed down its Hoxton Park operation in Sydney, relocating production to South Australia at the cost of over 360 jobs.

Such schemes to create what McMahon hailed as "an

investor-friendly environment,” also fully backed by the trade unions, are designed to play off workers against each other, state-by-state and country-by-country, to decimate jobs, conditions and basic rights.

In financial circles there are reports that the “review” is part of preparations by TPG Capital for a potential \$1 billion-plus float of Inghams later this year. TPG Capital purchased Inghams Enterprises in 2013 for just \$880 million and sold off a slice of the company’s property portfolio for \$650 million, recouping much of its outlay.

The Australasian Meat Industry Employees Union (AMIEU), which covers the Ingham workers, has already made clear it will oppose any fight to defend jobs or stop the Cardiff plant closure. The AMIEU’s only concern raised is that company failed “to properly consult” with the union.

AMIEU Newcastle and Northern District secretary Grant Courtney told the media: “You would think the closure of this facility would require some consultation,” adding “we generally negotiate good agreements with them [the company].”

The “consultation” processes in union-negotiated enterprise work agreements are mechanisms to enshrine a place for unions in restructuring processes, so that they can best assist in suppressing workers’ opposition and ensure “orderly” plant closures.

For years, the AMIEU and other unions have enforced cost-cutting enterprise work agreements in the meat and food industries and assisted a wholesale destruction of jobs, notably at the two largest meat processors operating in Australia, Brazilian-based JBS and US-based Teys-Cargill.

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In February this year, JBS and Teys-Cargill laid off more than 300 workers at abattoirs at Bordertown, Rockhampton and Wagga, while smaller meatworks cut shifts and working days.

In every instance, the unions have rejected and blocked any fight to oppose the cuts to jobs, pay and conditions, often citing the Fair Work legislation they helped the previous federal Labor government to impose, which outlaws any industrial action except during enterprise bargaining periods. The preoccupation of the unions is to retain their “consultation” partnerships with the employers.

Three years ago, for example, the AMIEU used backroom negotiations with Teys-Cargill to overcome workers’ opposition and impose the company’s demands for deep cuts to wages and conditions at its Beenleigh plant in Brisbane.

In order to defend jobs and conditions, at Cardiff and throughout the industry, workers have to take up the fight themselves, outside of, and against, the union apparatuses. The Cardiff workers need to organise a rank-and-file committee to prepare a real struggle, including a factory occupation, to stop the shutdown of the plant. They should issue a call to workers throughout the country, and meat and food industry workers globally, to support their fight and unite in a common struggle against the global corporations.

We urge Ingham workers to contact the Socialist Equality Party to take forward this struggle. The SEP is standing candidates in the current federal election as part of its fight to build a mass political party of the working class, based on socialism and the international unity of the working class.

As we explain in our election statement, the SEP fights for the establishment of a workers’ government—a government of the working class, by the working class and for the working class—that will implement far-reaching socialist policies, including expropriating the major banks and transnational giants and placing them under public ownership and the democratic control of the working class.

*To contact the SEP and get involved, visit our web site or Facebook page.*

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