

Australian poultry firm Baiada to close Victorian plant

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Australian poultry giant Baiada announced on October 17 that it will end production at its Laverton plant in Melbourne on March 13, destroying more than 100 jobs. Half the workforce is to be laid off two months before the shutdown.

Baiada's managing director, Simon Camilleri, the multi-millionaire grandson of Celestino Baiada, who founded the company during World War II, declared that "market conditions" meant "we could no longer viably operate the Laverton processing facility." Baiada will concentrate processing at its three New South Wales plants in Beresfield, Tamworth and Hanwood.

The National Union of Workers (NUW), which covers processing and distribution employees, is collaborating with Baiada to try to ensure an "orderly closure" by suppressing any struggle against the restructuring. Camilleri said Baiada will "work closely" with the union, which was evidently forewarned of the restructure, to supposedly help the workers find other employment.

The NUW announced it would do nothing to oppose the shutdown. Spokesman Alex Snowball said the decision was "absolutely devastating" and "really sad news," according to an October 25 article by the Australian Broadcasting Corporation (ABC). Snowball promoted Baiada's worthless pledge to help laid-off workers find new jobs, claiming "there is time to do something to assist these workers."

In reality, many employees are migrants from Africa and Southeast Asia who speak limited English. A number of them have worked at the factory for decades. They will have difficulty finding any new work under conditions of a wholesale destruction of jobs throughout the auto and other manufacturing industries.

Baiada's restructure is aimed at boosting profits in response to intense competition, in line with the demands of finance capital for ever-greater exploitation of the working class.

The poultry market, which generates around \$7 billion annually, is dominated by the duopoly of Baiada and rival Inghams, who respectively contribute 33 and 40 percent of chicken meat nationally. Their business models are "vertically integrated," extending from hatcheries all the way to final meat processing and packaging.

Inghams was purchased by private equity firm TPG for \$880 million in 2013. Last August, TPG approached investors with plans to list on the Australian stock exchange. Banks and hedge funds behind the float include Morgan Stanley, Goldman Sachs, Macquarie Bank and UBS. TPG simultaneously announced "Project Accelerate," a restructuring program to slash the conditions of its more than 9,000 employees in Australia and New Zealand, saving up to \$200 million.

Excerpts published by the *Australian Financial Review* (AFR) on August 29 stated that "under-utilised facilities" would be "rationalised," and "labour savings" found via "automation of manual processes in primary and further processing plants." Labour contracts would be re-negotiated with "a rebalancing mix of full-time, part-time and casual employees to increase flexibility." On June 8, Inghams announced it would shut its plant in Cardiff, New South Wales, wiping out 199 full-time jobs and 160 casual positions.

Explaining its market evaluation for Inghams, Macquarie Bank cited "strong volume growth and benefits from Ingham's cost cut and efficiency program (Project Accelerate)" as "key drivers."

Baiada, which, according to its web site, employs 2,200 workers nationally and generated revenue of around \$1.5 billion in 2014, has responded with its own restructuring program. The Laverton closure has been planned for months. Last July, Baiada applied for local council approval to develop its Hanwood facility, in order to double production to 2.8 million chickens per week. The company also operates plants at Osborne Park, in Perth,

Western Australia, at Mareeba and Ipswich in Queensland, and in Adelaide.

In assisting the restructure, the NUW is continuing its role as a labour police force, tasked with suppressing opposition among workers to conditions of exploitation that recall scenes from Upton Sinclair's 1906 novel *The Jungle*.

In 2011, workers at Baiada's Laverton plant conducted a courageous 13-day strike for improved conditions. More than 40 percent of the 430 workers then employed were casuals or employed indirectly through a maze of subcontractors. Many were international students with limited English, who reported being paid \$10 an hour, cash-in-hand. A year earlier, Indian student Sarel Singh was decapitated by a fast-moving poultry line that he was ordered to clean. His co-workers later said they were told to take down Singh's corpse and restart the line within two hours.

The strikers faced brutal attacks from the company and the state. Police escorted strike-breakers into the plant and assaulted picketers, with one worker hospitalised (see: "Australia: Striking process workers resist police attacks").

The NUW isolated and wore down the strikers, refusing to mobilise any support from the thousands of meatworkers across Victoria and nationally. Instead, the union organised bogus "community pickets," involving a handful of union officials and joined by members of a host of pseudo-left parties, including Socialist Alternative, Socialist Alliance and Solidarity.

Within two weeks, the NUW shut down the strike, signing an "in-principle" agreement for a miserly 4 percent wage rise over three years—approximately the level of inflation. The NUW lied by telling workers it won a guarantee that contractors employed for six months would be hired permanently. In fact, the same clause was in the previous agreement and was simply treated as a dead letter. The NUW's sole concern was to gain access to membership dues from the hundreds of contract workers. The agreement included a new clause giving the union access to contract workers' contact details, increasing its potential dues base.

One worker still at Laverton told the *World Socialist Web Site* that after the strike Baiada carried out several waves of layoffs totalling hundreds of job cuts over three years. The sackings have brought the number employed at the plant to just over 100 today. The NUW worked with Baiada to stifle any opposition among workers to the layoffs.

The union relied on the services of the pseudo-left parties, which hailed the betrayal in 2011 as a "victory" and an example of a supposed resurgence of militant trade unionism. Socialist Alternative wrote on July 8, 2015, that the strike showed "the kind of fight that is needed."

Far from being an aberration, similarly appalling conditions have been documented across Baiada's operations nationally. Following a "Four Corners" ABC report in 2013, a government report into conditions at Baiada's three New South Wales plants found thousands of immigrant workers, mainly from Taiwan and Hong Kong, employed through a web of sham contracting arrangements, paid less than the minimum wage and working shifts of up to 19 hours. Workers reported being forced to live in company houses, with rent deducted from their pay by labour hire contractors. One house in Beresfield was being used to accommodate 21 Baiada workers.

To oppose the latest restructuring drive, Baiada workers require new organisations of struggle, including rank-and-file factory committees, entirely independent of the trade unions, to carry forward an industrial and political fight. These committees should appeal for support from other Baiada workers nationally, and from processing workers at Inghams and elsewhere who face similar attacks.

Such a struggle must be based on an understanding of the political forces that workers confront. The demands of the global financial firms underscore that in every industry, workers face not just a single employer, but an entire economic system—capitalism—which is driving to eliminate what little remains of the social gains won by workers in struggle throughout the 20th century.

The defence of the most basic conditions for the working class today requires a political struggle for a workers' government, which would place the major industrial and financial firms under public ownership, and reorganise economic life on the basis of social need, rather than private profit. We urge workers who agree with the need for such a fight to contact the Socialist Equality Party.



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Socialist Equality Party visit:

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