

# Union seeks to impose wage cuts on Australian Paper workers

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The Construction, Forestry, Mining and Energy Union (CFMEU) is working with management at the Australian Paper mill in Maryvale, Victoria to impose a sellout deal on more than 900 production workers, including huge cuts to wages and conditions.

After more than 18 months of backroom negotiations for a new agreement, the union announced in November it would call on workers to accept an outright wage cut of 5 percent. The CFMEU and the company are using the threat of an imminent plant closure to bludgeon workers into accepting the deal.

While the agreement, which will be voted on next month, has not been publicly released, a production worker who spoke to the *World Socialist Web Site* outside the plant said it includes an additional 6.5 percent wage cut for all new starts. “They are trying to undermine us by bringing people on lower wages,” he said. “It’s called the grandfathering policy where they maintain the old guys and if you want a job you have to sign onto a new contract.”

The worker said the CFMEU delegate had told other employees that “if new people want a job, they will take it on the new conditions.” He added that management was preparing for a lockout or a potential strike. “The company has a large stockpile of photocopying paper stock, so they can keep sales going if we decide to go out or they decide to lock us out,” he said. Other workers outside the plant also spoke of their opposition to the deal, and said they intended to vote against it.

This follows a deal imposed on the plant’s 160 maintenance workers last March. The CFMEU, Australia Manufacturing Workers Union, Electrical Trades Union (ETU) and National Union of Workers, which cover maintenance workers at the plant, deliberately isolated workers by negotiating the maintenance and production contracts separately. The deal includes a wage freeze until April 2017 and forces workers to work 38-hour, four-day

weeks while being paid for only 35 hours. It saves the company \$3 million in labour costs.

Peter Mooney, the Gippsland branch organiser of the ETU, told the *Latrobe Valley Express*: “This was a different type of negotiation; it wasn’t adversarial. It was one where all parties were trying to get an understanding and also at the same time build a relationship and a commitment to the long-term viability of the mill.”

Indeed, there is nothing “adversarial” about the relationship between the corporation and the unions, which function today as labour management businesses tasked with suppressing workers’ resistance to wage-cutting and other “productivity” increases. Over the past three decades, the trade unions have presided over a sweeping assault on workers’ conditions, under successive Labor and Liberal-National governments. These attacks have devastated the Latrobe Valley region. Official unemployment in Morwell, next to Maryvale, is now 19.7 percent.

The onslaught on Maryvale workers is being driven by the economic breakdown of world capitalism, which has caused a deepening crisis in manufacturing and non-mining sectors of the Australian economy. The global paper and pulp giants are carrying out a fierce assault on workers’ wages and conditions, also in response to the decline of traditional paper-based mediums and the rise of digital technology.

Australian Paper (AP) is owned by the Japanese giant Nippon Paper Industries, and is highly dependent on global markets. AP products are exported to some 75 countries in Asia, America, Europe, the Middle East, Africa and the Indian subcontinent. The market research firm Industry Edge reported that paper consumption in Australia fell by 6.2 percent in 2015 and 2016, falling by 73,400 tonnes compared with the previous two years.

Norske Skog, one of Nippon’s competitors, has in recent years shut nine of its 20 mills internationally. In

March and April 2010, PaperLinX shut its two last remaining plants in Tasmania, destroying 450 jobs. Nippon, which bought Australian Paper from PaperlinX in 2009 for \$700 million, announced the closure of its Shoalhaven mill in New South Wales in 2015, destroying 75 jobs.

In each case, the unions have worked with the company management and state and federal governments to impose “orderly closures” and other attacks. Last Thursday, the federal government’s Fair Work Commission intervened to tear up the existing workplace agreement for 570 workers employed at the Loy Yang power station, near the Maryvale plant. This clears the way for the plant’s private operator AGL to cut wages by between 30 and 65 percent. The state Labor government of Daniel Andrews has also threatened to intervene against any strike by workers. Last November, the French multinational ENGIE announced it would close the nearby Hazelwood power station, destroying 450 jobs.

The CFMEU covers workers at each of these plants, but is deliberately isolating Maryvale, Hazelwood and Loy Yang workers to prevent any united fightback against this corporate-government offensive. In each case, the union is using the previous federal Labor government’s reactionary Fair Work Australia laws, the introduction of which they supported, to justify their opposition to a combined campaign by workers.

Instead, the union is demanding that workers accept management’s claim that it will keep the Maryvale plant open, if they agree to cut their wages and conditions. Alex Millar, the CFMEU pulp and paper division secretary, declared that “we have confidence that [management] have a long term plan, and that is something that our members will have to trust in.”

Such commitments are worthless. The wage cuts now demanded will not be a one-off, but will be repeatedly invoked as part of the unending drive by Nippon to remain globally “competitive.”

To cover for its own open collusion with management, the CFMEU is seeking to blame the attacks on workers’ conditions, not on the insatiable profit demands of the employers, but on foreign trade. The CFMEU has carried out a nationalist campaign against “dumping” of paper products by Indonesia, Brazil and China, and called for the federal government to impose tariffs on Chinese imports and to only use paper produced in Australia.

Workers must reject the nationalist and pro-business perspective of the union. Its denunciation of Chinese imports is aimed at dividing workers in Australia from

their class brothers and sisters throughout Asia and internationally, who confront the same fight against the globally-organised corporations. The logical corollary of the union’s call for tariffs is trade war, and eventually, military war.

In Australia as everywhere, the unions’ nationalist perspective has led workers to disaster. In the car industry, the unions spent decades collaborating with the carmakers and government to impose cuts to conditions and jobs in the name of boosting the companies’ “international competitiveness” and “saving jobs.” The unions are now presiding over the closure of GM Holden and Toyota, after Ford shuttered its factories last October.

In opposition to the thoroughly bureaucratic trade unions, workers at Maryvale must form new, genuinely democratic organs of struggle, such as a rank-and-file committee. This committee could appeal for a united industrial and political fight back with workers at Loy Yang and Hazelwood, and with car and other manufacturing workers across the country and internationally who face an onslaught on their jobs and conditions.

Such a struggle would immediately pit workers against, not only the employers, but the federal Coalition government and the Victorian state Labor government, which have already intervened publicly against Loy Yang workers, and are undoubtedly working behind the scenes with company and CFMEU at Maryvale.

Against the corporate and government assault, therefore, workers need a new political perspective. The defence of the right to a job and decent working conditions in every country today requires a struggle against capitalism, which serves the insatiable drive for profit of a tiny, super-rich elite. The alternative is the struggle for a workers’ government and socialism, which will place the economic resources of society under the democratic control of the working class, and organise production according to social need, rather than private profit. We urge workers who agree with the need for such a fight to contact the Socialist Equality Party today.



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