

Australia: Parmalat lockout in bid to slash conditions

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Around 65 workers have remained locked out at the Parmalat dairy processing facility at Echuca, in northern Victoria, for five days. When workers arrived on January 18, they were informed that the plant would be shut indefinitely.

The lockout is part of Parmalat's efforts to impose major cuts to wages and working conditions. The company has been in backroom negotiations with the unions covering workers at the site, the Australian Manufacturing Workers Union (AMWU) and the Electrical Trades Union (ETU), over the terms of a new workplace agreement since last August.

In November, Parmalat applied to the Fair Work Commission, the federal government's industrial relations tribunal, to tear up the existing agreement. That would mean workers would then be covered by an industry-wide award. This reportedly would cut workers' wages by up to 50 percent while lengthening the working week from 35 to 38 hours, and gutting redundancy provisions by reducing the maximum payout to 16 weeks' worth of pay.

The company had been notified by the AMWU on January 12 of a token four-hour strike from 3:00 a.m. on January 18.

The unions are now doing everything they can to reach a sellout deal with the company. The union kept workers at the plant isolated, many of whom remain camped outside the facility, by refusing to organise any broader industrial action against the lockout.

The unions' only concern is to maintain their privileged position at the negotiating table to bargain away the conditions and wages of the workers they falsely claim to represent. They have denounced the company's unilateral action, calling on the management to instead utilise the unions' services to impose its attacks.

AMWU national food secretary Tom Hale attacked Parmalat's "heavy-handed" response, "when they could just be getting back to the table." The AMWU's web site encourages readers to send a pre-written letter of protest to the company, pleading with it to "please come back to the table and offer a fair deal with the employees."

There are signs that the company and union are close to a deal that delivers Parmalat's major demands. The company announced last Friday it had held a "productive" meeting that day with the unions. A spokesman said: "By close of business on Monday, January 23, it is anticipated that Parmalat and the unions will propose new wording for clauses within the new enterprise agreement." Neither the company nor the unions has reported on the nature of the clauses being negotiated. Further backroom meetings have been organised.

Parmalat had imposed another lockout on 50 workers at its Longwarry plant in the Gippsland region of Victoria last July, in response to limited industrial action by workers, including refusal to work overtime, complete paperwork and load or unload trucks. There, as at Echuca, the union covering workers at the site, the National Union of Workers, refused to appeal for any action at Parmalat's other plants or by other sections of the working class.

Parmalat produces major dairy brands such as Paul's Milk, Vaalia yoghurt, Oak and Breaka flavoured milks; it employs about 2,500 workers at multiple sites in Victoria and around Australia. It is one of the largest global dairy producers. The French giant Lactalis, which employs some 36,000 people in more than 18 countries around the world, purchased a majority share of Parmalat in 2011. At the start of this year, Lactalis launched a voluntary tender to gain total control of the

company.

Parmalat's latest lockout is part of a sweeping corporate and government onslaught against manufacturing workers nationally, under conditions of a deepening crisis in the Australian and world economy. Entire regions of Australia are in recession, and the economy officially shrank by 0.5 percent during the September quarter of 2016, the last quarter for which statistics are available.

This assault is being coordinated with federal and state governments, both Liberal-National and Labor, and assisted by the trade unions. Parmalat's bid to scrap the existing workplace agreement follows a pattern set by the energy provider AGL, which operates the Loy Yang A power station in Victoria's Latrobe Valley. This month, FWC approved AGL's request to revoke its existing agreement, clearing the way for the company to slash wages by between 30 and 65 percent.

The FWC has since intervened again on the side of AGL against the Loy Yang workers, by ruling it illegal for workers to engage in industrial action such as coordinated sick days and refusing to work overtime. The Victorian state Labor government of Daniel Andrews had also threatened to intervene against the workers if they took industrial action.

AGL's wage-cutting followed the announcement by Engie, the French multinational, that it plans to close the Hazelwood mine in the Latrobe Valley in March this year. The nearby Australia Paper manufacturing plant, which employs 1,250 people, is working with the trade unions to impose a wage cut of 5 percent, and 11.5 percent for new hires.

These attacks came as Ford ended car production in Australia, with General Motors and Toyota due to close their plants this year. The shutdown of auto production threatens to destroy up to 150,000 jobs, directly and indirectly.

There is also a crisis in the Australian and global dairy industry. World dairy prices dropped by about half between 2013 and 2016 due to oversupply, according to the United Nations Dairy Price Index.

The major dairy conglomerates are placing the burden of the price fall on farmers. The New Zealand-based company Fonterra, which accounts for 40 percent of all dairy trade globally, cut the price it pays to Australian farmers from \$5.60 per kilogram of milk solids to \$4.75 last June. Two months earlier, Murray Goulburn

reduced the price it paid to its 2,500 farm suppliers from \$6 to less than \$5 per kilogram. For many farmers, the prices are now below the cost of production, sending them into ruin.

This cost-cutting has boosted profits for companies like Parmalat. In the year to December 31, 2015, Parmalat's sales revenue rose by 8 percent to \$1.65 billion, with a 3.7 percent increase in profits to \$35.3 million, from its Australian operations alone.

However, investors are driving mergers and acquisitions, accelerating corporate demands for restructuring that targets workers' wages and conditions. An Australian Associated Press report last June noted: "While there have been 876 deals in the global dairy industry since 2010, worth a total of \$US57.3 billion ... the sector is still highly fragmented—leaving room for further consolidation."



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