

# Australian Paper workers voting on union wage-cutting deal

**Our reporters**  
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More than 900 workers at the Maryvale Australian Paper mill in Victoria's Latrobe Valley are facing a combined effort by the Construction, Forestry Mining and Energy Union (CFMEU) and company management to impose a sell-out agreement that will cut their wages and create a second tier of lower-paid workers.

Workers are currently voting on the deal via ballot papers that the CFMEU has sent to each employee individually. The union is seeking to avoid a mass meeting where workers could examine and debate the terms of the agreement and vote collectively. To intimidate workers, the union and management have declared that failure to ratify the deal will lead to the plant's closure.

Workers should vote "no" to the union's agreement, which will set new precedents for attacks on jobs, wages and conditions throughout the working class as a whole.

Workers coming out of the day shift last week were angry over the deal they are being forced to vote on. A number denounced the CFMEU's role. Many said they had already returned their ballots with a "no" vote.

The agreement includes a wage cut of 5 percent. In addition, it creates a new class of second-tier workers hired after July 2017, who will be paid 6.5 percent less than current employees. If accepted, this will be used to divide workers and pave the way for further attacks on jobs, wages and conditions. One worker voting "no" told Socialist Equality Party (SEP) supporters at the plant that the clause would be used to lay off more senior workers or force them to accept a pay freeze until the second-tier workers' pay caught up.

These cuts are part of an offensive on workers' conditions being stepped up against the working class across Australia, particularly in manufacturing. The

three automakers, Toyota, Ford and General Motors Holden, will cease operating by the end of the year, destroying up to 200,000 jobs indirectly. A wave of job losses, particularly in manufacturing, is being used to justify outright wage cuts.

In the Latrobe Valley itself, the Loy Yang power plant successfully applied earlier this year at the federal Fair Work Commission to rip up its workplace agreement at the plant, allowing the company to cut wages by up to 65 percent. This followed the announcement by the French multinational Engie that it will close the nearby Hazelwood mine next month.

The CFMEU and the company are nervous about the prospect of a "no" vote. Last Wednesday, as workers came off shift, SEP supporters distributed copies of a WSWs article, "Union seeks to impose wage cuts on Australia Paper workers," which exposed the union's role as an arm of company management, opposed the agreement and called for a struggle against the cuts.

The CFMEU's Maryvale sub-branch secretary Anthony Pavey, a full-time union official, swerved his four-wheel drive near an SEP campaigner in an effort to intimidate the team from speaking to workers.

Pavey accosted SEP campaigners and told them to "get the f— out of here." He accused them of "making it hard for the workers to make their decision. Let them make their decision without you!" He claimed that the WSWs article was "trying to get this plant closed down, because Nippon [which owns the Australia paper mill] has another plant already built in India and ready to take these jobs."

In reality, the CFMEU is only concerned about maintaining its position as an industrial police force for the company. Over the past three decades, the unions have overseen the destruction of hundreds of thousands of jobs—from steel to auto, paper and power

generation—all in the name of defending the profitability of Australian corporations and making them “internationally competitive.”

The CFMEU, which is promoted as a “left” union by various pseudo-left organisations, makes millions of dollars a year in direct payments from employers, from seats on superannuation fund boards, and from funnelling workers’ insurance premiums into union-controlled companies such as U-Plus. These lucrative arrangements are conditional on the union boosting the profits of companies.

One worker at the plant who saw Pavey’s outburst told an SEP supporter “he is afraid to come down to my section of the plant. He’s betraying the workers. He’s here for what he can get out of it.”

This hostility is well-placed but to oppose the pro-capitalist treachery of the trade unions requires an alternative political perspective.

Pavey’s claim that workers in India are “ready to take these jobs” is part of the CFMEU’s promotion of rabid Australian nationalism. In order to cover for its own role in collaborating with the company, the union blames foreign trade and alleged “dumping” of paper products by Chinese companies. The union has repeatedly called for the Australian government to only use paper produced in Australia, and to erect tariff walls.

This nationalism and protectionism serves to cut Australian workers off from their fellow workers in China and India and internationally who face similar attacks from globally-organised corporations. It leads to a race to the bottom, with workers in every country forced to accept never-ending cuts to their conditions to remain “internationally competitive.” The logical corollary of trade war, in which workers are cajoled into backing their “own” capitalists’ profits against their rivals internationally, is military war.

The attack on workers’ conditions at Maryvale is not caused by foreign trade, but by capitalism. In every country, the ruling class has responded to the global economic breakdown of 2008 by launching a stepped-up assault on the working class.

Australia Paper is owned by Nippon Paper Industries, a Japanese multinational with operations throughout Asia, Europe and America. It is restructuring in response to a growing downturn in world paper demand and fierce competition from its rivals. Norske Skog, a

competitor, has shut 9 of its 20 paper mills in recent years.

The CFMEU, which covers workers at both Hazelwood and Loy Yang, is deliberately isolating workers. To defend their conditions, workers require new organisations of struggle, democratically elected by the rank and file, that can appeal for a united industrial and political fight with workers at Loy Yang, Hazelwood, car and other plants nationally and paper workers internationally.

A “no” vote would likely be used by the state and federal governments to back the tearing up of the existing enterprise agreement through the Fair Work Commission, and prepare an even greater assault on wages and conditions. This underscores the fact that workers are engaged in a fight against the entire political establishment.

The essential issue in the defence of workers’ conditions today is the building of a socialist leadership that will lead the fight for workers’ governments internationally. The globalisation of production and immense advances in productive technique provide the objective basis for a high standard of living for the world’s entire population. But so long as production is subordinated to the requirements of private profit and the interests of competing national ruling classes under capitalism, the working class faces a future of mass poverty, unemployment and the drive to war. The only alternative is the fight for socialism. The SEP welcomes discussion with Maryvale workers and all workers on our policies.



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