

Australian timber mill slated to close

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The Australian and New Zealand-based timber producer Carter Holt Harvey (CHH) announced this month that it plans to close its 35-year-old plant in the town of Morwell in August and eliminate 160 jobs. The shutdown will further devastate the Latrobe Valley region of south-east Victoria, where the plant is located, following the closure of the Hazelwood power station, which axed 750 jobs earlier this year.

Workers at the plant were called to a meeting on May 16 and informed that they will likely be made redundant by August 31. Local media described the mood in the meeting as one of “anger.” Julie Smith, a worker quoted in the *Latrobe Valley Express*, commented: “I’m a single parent, where am I going to get another job? Where are any of us going to get a job? We’re all competing against one another. We’re all competing against Hazelwood staff.”

Announcing its decision, CHH cited a shortage in available soft timber supplies, in part due to bushfires in Victoria over the last 15 years, including in 2009 and 2014. These have reportedly destroyed 15 percent of the pine estate of its supplier, Hancock Victorian Plantations. The company made clear, however, that it had decided against using the plant for non-structural timber, which can be made from different quality sawlogs, because it had no “current market” to sell these products.

In fact, the closure is part of a ruthless assault on mill workers’ conditions by CHH and a broader restructuring throughout the industry. CHH employs approximately 1,700 people at 12 manufacturing sites and six distribution or administration centres nationally, with additional operations in New Zealand. The company recorded a revenue of \$1 billion last year.

CHH has also locked-out more than 200 workers at its Myrtleford plant in northern Victoria since April 18, after the workforce voted to take limited industrial action over three days, including four-hour rolling

stoppages and a ban on overtime.

According to the Construction, Forestry, Mining and Energy Union (CFMEU), which covers workers at the Myrtleford plant, the company is demanding an enterprise bargaining agreement that stipulates an annual two percent pay rise, below inflation, in line with deals it reached with the union at its other Victorian plants in Tumut and Morwell. The CFMEU has claimed it is demanding a three percent annual pay increase, guaranteed Christmas holiday leave, and a change to income protection insurance cover, to decrease the waiting time for a claim.

For timber mill workers, who labour under dangerous conditions with power saws, the issue of insurance is a vital one. The posturing of the unions on this question, however, is utterly disingenuous. The CFMEU, along with a number of other unions, receives millions of dollars in payments from insurance companies. Some of the companies are jointly controlled by the unions themselves, as a result of backroom deals with employers (see: “What the Royal Commission into Australia’s trade unions revealed, Part three—The Trade unions as insurance brokers”).

The attack on CHH workers also follows the announcement by Australian Sustainable Hardwoods on March 17 that it is closing its Heyfield plant in Gippsland, which neighbours the Latrobe Valley, and relocating its operations to the state of Tasmania. The plant employs approximately 250 workers in Heyfield, a town of just 2,000, and its closure will devastate the region.

In the face of this onslaught on mill workers, the CFMEU and the Electrical Trades Union are isolating workers plant-by-plant and blocking any unified struggle against the companies’ plans. They have instead called on CHH to negotiate, signalling their willingness to trade away workers’ jobs and conditions.

At the same time, the unions and the federal Labor

Party opposition are seeking to channel workers' opposition into the dead-end of support for the election of a federal Labor government.

Sally McManus, the newly-installed secretary of the Australian Council of Trade Unions, and Lisa Chesters, Labor's federal assistant minister for workplace relations, have both visited the locked-out workers in Myrtleford. Labor has called for a review into Fair Work industrial relations laws, and declared that the CHH lock-out is part of a trend of employers using legal loopholes in the act against their employees.

This is a complete fraud. The current Fair Work Australia legislation was introduced by the former Labor government of Prime Minister Kevin Rudd. Employers do not have to use legal loopholes contained in the Fair Work Act—the entire purpose of the legislation is to assist the major corporations boost productivity and profits by attacking workers' conditions.

The legislation illegalises most industrial action, and incorporates all of the main anti-strike provisions contained in the former "WorkChoices" laws of the Liberal-National Howard government. It also gives ample scope for employers to lock-out their workforce.

Labor's laws, and the pro-business Fair Work Commission (FWC) that it created, are being used by a host of employers to carry out a wave of wage-cutting. In January, the FWC endorsed the abolition of an existing enterprise agreement by energy giant, AGL, at its Loy Yang A power station in the Latrobe valley, opening the way for wage cuts of up to 60 percent.

The only concern of the trade union bureaucracy is to maintain its position as the industrial police-force for employers and not be sidelined. CFMEU national secretary Michael O'Connor has criticised CHH's closure of the Morwell plant only because the company acted unilaterally and did not consult the union. "The EBA requires the company to formally notify the union of any planned redundancies and to enter into discussions about their rationale for the closure," he said. O'Connor called for further talks with the company.

The unions are also promoting bogus "transition" schemes in order to defuse anger at the plant. Peter Mooney, the ETU's Gippsland branch organiser, said the union was "calling on the government today ... asking them to afford these workers the same courtesy

to what [sic] the Hazelwood workers..."

This is a reference to a "retraining" scheme announced in March by the Victorian state Labor government at the Hazelwood plant, three weeks before its closure. The scheme, hailed as an advance in "best practice" by the unions, is a fraud.

The scheme does not create a single job, instead pressuring a small number of workers from other nearby power stations to accept voluntary redundancies, which are supposedly to be filled by former Hazelwood workers. It is aimed at pitting workers against one another, and covering up the fact that many workers will not be able to find employment in the Latrobe Valley.

The former industrial region has suffered three decades of closures and mass layoffs presided over by successive Labor and Liberal-National governments, with the assistance of the unions. The privatisation of the State Electricity Commission of Victoria, initiated under the Kirner Labor government in the early 1990s, and accelerated under the Coalition government of Jeff Kennett, led to thousands of job cuts and multiple hospital closures. Unemployment in the nearby town of Moe, which was constructed to accommodate power station workers, is now 19.7 percent.



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