

Australia: Two Ipswich meatworks to close, destroying hundreds of jobs

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21 September 2017

Two meat processing plants in the Queensland city of Ipswich have announced plans to shut down operations, eliminating as many as 900 jobs, by the end of this month. The announcements, made at the end of August without any prior warning to workers, are part of a deepening assault on the working class.

The meatworks slated for closure are the Churchill Abattoir and the Steggles Wulkuraka chicken plant, employing 500 and 400 workers respectively. The owners of Churchill intend to shut the doors on September 28, leaving their entire workforce unemployed. As for Wulkuraka, its owners Baiada Poultry will axe 250 jobs when it closes the plant in January. While claiming it will retain the remaining workforce in an adjacent distribution facility, the company has given no guarantee.

The closures are devastating for workers in Ipswich, a largely working class city, known historically as a regional centre of coal mining and manufacturing, about 40 km southwest of Brisbane, the Queensland state capital. Workers at both facilities have been shocked by the news. Many now face long-term unemployment and the accompanying social hardship for themselves and their families. In media interviews, workers have said they will be unable to pay their mortgages and could end up homeless.

Churchill's owners claimed that the short time-frame given for the closure was necessary in order to fully pay entitlements owed to its workforce. Workers objected that, even if true, this would not ameliorate their difficulties. One worker noted that the entitlement amounts would be based on seniority, with most employees receiving meagre payments.

The state Labor government and the Australian Meat Industry Employees Union (AMIEU) issued perfunctory, hypocritical statements about the terrible

social impact of the layoffs. At the same time, they will work to ensure there is no organised opposition by the employees, or meat industry workers nationally, to the closures.

In order to stifle resistance, the AMIEU and Premier Anastacia Palaszczuk's government have said they will speak to other employers so as to assist workers in trying to find alternative employment. In reality, jobs are being destroyed across the industry, and wages and conditions are being gutted.

Both Churchill and Baiada blamed "market conditions," saying their facilities had become "uncompetitive," that is, unprofitable. Churchill director Barry Moule claimed that the abattoir was at a significant disadvantage because it produced meat cuts exclusively for Australian consumption, and was unable to exploit lucrative export markets, especially for locally unpopular products like offal.

Moule said recent increases in cattle prices had exacerbated the situation, causing a decline in profits for the abattoir's investors. In recent years, the abattoir had already undertaken cost-cutting measures, reducing workers' shifts and operating only four days a week.

While Moule expressed an intention to secure international investment to re-open the abattoir, both he and local media sources said this was highly unlikely. Churchill has been attempting to secure export markets and foreign investment for nearly five years, without success.

Baiada managing director Simon Camilleri said the chicken processing factory was no longer viable due to "market conditions," requiring Baiada to "consolidate our national processing operations."

Baiada is concentrating processing at its three New South Wales plants in Beresfield, Tamworth and Hanwood. The company also operates plants at

Osborne Park in Perth, Western Australia, at Mareeba in Queensland and in Adelaide.

The Ipswich closures are part of a global meat and food industry restructuring, driven by the financial markets, that has produced shut downs across Australia and New Zealand in recent years. In each case, a similar pretext of “changing market conditions” was utilised to justify the sacking of hundreds of workers. Baiada boss Camilleri offered the same rationalisation when the company closed its Laverton processing plant in Melbourne this year, axing more than 100 jobs.

In response to the Ipswich announcements, AMIEU Queensland branch secretary Matt Journeaux tried to cover up the underlying process. “The meat industry is quite volatile so we definitely see this from time to time,” he told the local media.

The truth is that food production has been increasingly dominated by speculation and corporate takeovers since the 2008 global financial crisis, driving up prices and placing meat out of reach for significant layers of the working class. There have been declines of around 15 percent in red meat consumption in the US and Britain since 2005.

Protectionist measures in a number of countries, such as import tariffs, have also impacted the export markets on which much of Australian agriculture depends. As a consequence of the failure of the capitalist market system, the agriculture and food production industries perversely confront a crisis of over-capacity and reduced profitability. The corporate response is to intensify the exploitation of the working class.

For years, the AMIEU and other food industry unions, such as the National Union of Workers (NUW), have enforced cost-cutting enterprise bargaining agreements in the meat and food industries. They have also assisted in the wholesale destruction of jobs, notably at the two largest meat processors operating in Australia, Brazilian-based JBS and US-based Tely-Cargill, and the two dominant poultry meat companies, Baiada and Inghams.

In previous closures, union officials have complained only about a “lack of consultation” by the corporations, and expressed their desire for an “orderly process” in sacking workers. The unions, in fact, have worked hand-in-glove with companies to suppress resistance. In this year’s Laverton shutdown, Baiada managing director Camilleri said the company intended to “work closely”

with the NUW, which was evidently forewarned of the restructure, to supposedly help the workers find other employment.

In 2011, workers at Baiada’s Laverton plant conducted a courageous 13-day strike for improved conditions. The NUW isolated and wore them down, refusing to mobilise any support from the thousands of meatworkers across Victoria and nationally.

Complying with the demands of the employers for ever-greater profitability enforced by the unions will not save jobs—as previous plant closures in Australia and internationally have demonstrated. What is necessary is a rebellion against the union, the formation of rank-and-file committees and a turn to meat workers and other workers in Australia and internationally who are facing similar attacks. A struggle against the dictates of the market can only be based on the fight for a workers’ government and socialist policies.



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