

Australia: Union negotiates cost-cutting deal at Streets ice-cream

Richard Phillips
25 November 2017

The Australian Manufacturing Workers Union (AMWU) has negotiated a new cost-cutting deal at the Unilever-owned Streets ice-cream plant in Minto, south-western Sydney, after a 16-month dispute over an enterprise agreement.

AMWU state secretary Steve Murphy hailed the agreement as “an enormous victory for fairness” and called off the union’s token consumer boycott of the brand’s popular ice-creams. “Christmas has come early for Streets workers and their supporters,” he declared.

Murphy’s claims were repeated by Australian Council of Trade Unions (ACTU) secretary Sally McManus who said the deal was a “huge victory” against “one of the world’s biggest multinationals.”

These claims are bogus. The enterprise agreement, which was negotiated in the Fair Work Commission (FWC) in recent weeks, satisfies Unilever’s demands for lower costs and increased labour flexibility.

Streets management, which had threatened to close the plant if its demands were not accepted, immediately praised the new arrangements. A company spokesperson told the media that it would “deliver significant improvements in the flexibility of the factory.”

Although the more than 140 AMWU members at the Streets plant are reported to have given “in-principle” support at a meeting Wednesday night, the union and the company are observing a code of silence about the specifics of the deal which will be subject to a formal ballot by workers next week.

The sketchy details about the agreement are no accident. Like previous enterprise deals at the Streets plant, which operates round the clock with rotating shifts, the new agreement will open the way for further speedups and cuts to working conditions. It is not even clear whether workers will be given a copy of the new

enterprise deal before the final ballot.

The agreement reportedly includes a minimal 5 percent wage increase over three years and no changes to current working conditions and rosters. This rise does not keep pace with current cost-of-living increases.

The deal includes the creation of 39 “flexible” part-time jobs or almost a quarter of the plant’s current workforce. No information has been made available about these jobs but Streets management insisted during all negotiations that casualisation and increased flexibility of the workforce was necessary.

Since last year, when the previous 2013 enterprise agreement expired, Streets workers have resisted management’s demands for flexibility. In July workers rejected, by a margin of 130 to 9, a previous “in-principle” deal cooked up between the union and management.

Streets management responded to this rejection by applying to the Fair Work Commission in August for the termination of the expired enterprise agreement. This would have led to the imposition of the current food industry award resulting in pay being slashed by up to 46 percent.

Anxious to block any industrial action, the AMWU in late October, with financial support from the ACTU, launched a so-called consumer boycott, claiming this would force the company to withdraw its threats. Within days of initiating its boycott, the AMWU resumed negotiations with Streets in the FWC. The union offered to save the company millions of dollars.

As AMWU state secretary Steve Murphy told Fairfax Media early this month, the union identified and was prepared to impose \$2.5 million in annual cost-savings. This would be achieved, he said, through roster changes, modifications in staffing levels to reflect

demand and seasonal fluctuations, and a training program to multi-skill employees.

The union, Murphy declared, would “work constructively with Unilever to ensure the long-term future of the Streets factory in Minto.”

This offer, in fact, was in line with a union commitment in the previous enterprise agreement to “build a partnership for the future success of the plant and to ensure a viable ice cream business in the future.” None of this will guarantee that the plant will remain open in the future.

Last year Unilever, a British-Dutch corporation, recorded an \$11 billion operating profit, up from the previous year, and is currently axing thousands of jobs internationally. This includes the elimination of more than 3,000 positions in the US, UK and Netherlands with plans to axe 1,000 jobs in Germany and between 10 to 15 percent of its 18,000-strong workforce in India.

AMWU and ACTU officials are claiming that their consumer boycott has been an overwhelming success with 1.5 million people endorsing it on Facebook and other social media.

Consumer boycotts, of course, are nothing new but have been used for decades by union bureaucrats around the world to divert workers anger into impotent publicity stunts and protests.

The Streets boycott, like last year’s union protests against Carlton Union Breweries (CUB) after it sacked 55 tradesmen at its Abbottsford plant, was not about defending jobs and conditions. The sole purpose of these campaigns is to demonstrate to big business that the unions are the best mechanism for suppressing industrial action and imposing “alternative” cost-cutting measures.

The CUB campaign was no victory for the tradesmen. Six months after being sacked for refusing to accept a 65 percent wage cut, about 40 of the sacked 55 tradesmen returned to work in December on a new union-negotiated agreement. The deal reportedly involved “moderated wage outcomes” and “productivity and efficiency improvements.” These include greater worker “flexibility” on rosters, overtime requests and rostered days off.

AMWU and ACTU officials denounce the corporate bullying of workers and call for changes to industrial relations laws. This bluster is simply a political

smokescreen to cover up the responsibility of the unions for Australia’s repressive industrial relations regime.

The unions fully backed the former Rudd and Gillard Labor government’s Fair Work laws and have systematically imposed mass job destruction, wage cuts and productivity concessions across all sectors of the economy.

To the extent that the unions “oppose” the assaults of employers on workers it is from the standpoint that they have not been consulted sufficiently. Their principal aim is to maintain their role in collaborating with management in imposing destruction of jobs, wages and conditions.

Streets ice cream workers should reject the latest agreement, review the real record of the unions and recognise that a struggle against Streets or any other corporation involves a political rebellion against the unions.

To defend jobs, wages and working conditions, it is necessary to organise democratically controlled rank-and-file committees, independent of the unions, and mobilise Unilever workers in Australia and other countries. Such a struggle must be animated by a new political perspective—the fight for workers’ governments to implement socialist policies in Australia and internationally.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact