

# Australian Paper workers strike over wages and conditions

**Our correspondents**  
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Around 90 workers employed by Australian Paper have taken indefinite strike action at the company's Preston paper plant in Melbourne over the terms of a new enterprise bargaining agreement (EBA).

The strikers, who are covered by the Australian Manufacturing Workers Union (AMWU), set up a picket line on January 16 after negotiations, which began last March, broke down. The company, which is now owned by the Japanese-based Nippon Paper Group, has refused to conduct negotiations with the union unless the workers return to work.

The company is attempting to impose cuts to working conditions and wages, including a reduction in rostered days off (RDOs) from 16 to 14 annually and changed classification structures that will leave workers worse off financially.

While the workers are determined to fight, the AMWU has left them isolated and is preparing a sellout deal. Limited production continues, with some machines being operated by non-union and unionised workers.

A senior manager, Craig Dunn, said the company sought a "mutually acceptable outcome" through talks with the union. He also boasted: "We also have measures in place to meet the needs of customers during this phase of our discussions."

Along with its cost-cutting measures, the company is insisting on a four-year agreement with an overall pay increase of just 6.5 percent. This would consist of a wage freeze in the first year, followed by increases of 2, 2.5 and 2 percent in the remaining years. Taken over the four years, the overall wage rise would be well below the current inflation rate.

The AMWU is seeking a three-year agreement with an annual 2.5 percent pay increase. This itself shows the indifference of the union to workers' needs.

Household electricity and gas prices are set to rise by up to \$400 this year, eating up almost half of a 2 percent increase on an average wage of \$50,000 per year.

Nippon Paper, which employs around 1,300 workers at its Australian plants, has been carrying out a global restructuring since 2014, citing a growing downturn in paper demand. The Preston plant is one of the country's largest manufacturers of envelopes, along with stationery products and playing cards.

Australian Paper has maintained a low-wage regime for years. Workers on the picket line told the WSWS that some workers had been employed at the plant for 20-30 years and still earn only about \$21.50 an hour.

One worker explained how the conditions inside the plant had deteriorated, with the working day being extended. "We do production work and then we're still doing computer and paper work as well," she commented. There were less workers than before and the company was using more casual staff.

In February last year, the Construction Forestry Mining and Energy Union (CFMEU) pushed through a wage-cutting deal with Australian Paper at Maryvale, 155 kilometres east of Melbourne in the Latrobe Valley. Both the union and the company bludgeoned workers into accepting the deal using the threat of closing the plant.

The new agreement established a two-tier wage system, with an effective 11.5 percent pay cut for all new-starters. Many workers suffered a loss of pay of \$100 per week. Dunn thanked the CFMEU for ensuring the deal went through, stating: "The company appreciated the sacrifice of its workers."

CFMEU Maryvale branch secretary Anthony Pavey also hailed the agreement, declaring: "It was a show of good faith from the 516-strong production workforce to

help secure the future of the financially troubled mill.”

The struggle at Preston is part of a worldwide offensive against workers. In 2015, Nippon ended production at its Shoalhaven Paper Mill in New South Wales, with 55 workers losing their jobs. Last year, Nippon Paper sold Port Angeles, a US paper mill in Washington state, destroying over 100 jobs.

At the beginning of last year, Nippon Paper entered the Indian market by acquiring the country’s largest paper cup manufacturing company. Nippon previously moved into Vietnam, taking over the manufacturing and marketing operations of paper cup market leader Viet Hoa My Service Trading Production.

Nippon Paper Group, with a market capitalisation of \$2.1 billion is among the 10 largest companies in the global forest, paper and packaging industry. It operates 20 paper mills in Japan, and has business interests in Asia, Oceania, North and South America and Europe.

To defend their interests, workers at Preston should establish rank-and-file committees, independent of the unions, to oppose the company-union attacks, break the isolation imposed by the AMWU and link up with other sections of workers facing similar attacks across the country and globally.

Such a struggle can only go forward on the basis of an internationalist and socialist perspective to unify workers against huge corporate entities such as the Nippon Paper Group that make huge profits through the ever greater exploitation of their employees.



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