

Australia: Peters Ice Cream workers reject wage-cutting drive

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Workers at a Peters Ice Cream factory in Melbourne have rejected a management proposal to slash the wages of casual workers by nearly 30 percent and are currently refusing to work overtime. Around 200 workers are employed at the facility.

Enterprise bargaining agreement (EBA) negotiations between the United Workers Union (UWU) and Peters Ice Cream began in March 2020. The company initially demanded that the third of its workforce at the plant in Mulgrave who are casuals take a \$9 per hour rate cut that would bring down their base rate from \$31.70 to just \$22.50.

Permanent workers were offered a five percent pay increase in total over three years. Given inflation, this represents a real wage cut, yet the company was clearly hoping to divide the workforce between those who have ongoing and casual positions. This has failed, however, as Peters' workers last year voted down the proposed agreement. They did so again in January after the company brought forward a modified proposal to cut casual workers' hourly base rate by \$4.75 per hour, bringing their base rate down to \$26.95.

The UWU has not released details of its demands, but a *Sydney Morning Herald* report indicated that it was pushing for 7.5 percent over three years for permanent workers.

The union imposed a limited indefinite overtime ban from January 22, which a Peters representative indicated would have little impact on production. The ban constitutes "protected action" under the anti-democratic Fair Work legislation that outlaws virtually all industrial action outside of the EBA negotiating period. The Fair Work legal straitjacket was enacted by a previous Labor government with the full backing of the trade unions.

Peters is the largest manufacturer of ice cream

products in Australia, employing over 1,000 people with annual revenue of \$700 million. It is a subsidiary of the transnational ice cream giant Froneri, the second largest ice cream manufacturer in the world. Froneri, in turn, is co-owned by Nestlé, the world's biggest food company with a market capitalisation of more than \$300 billion, and PAI Partners, a France-based private equity firm that manages assets worth more than \$20 billion.

Peters management has insisted that wage cuts are necessary to remain "internationally competitive." Workers were told that the cost of manufacturing ice cream in Australia is too high. The company, facing competition from cheaper imported products, has threatened workers with job losses if other cost-cutting measures fail.

The slashing of casual wages by Peters forms part of a wider corporate offensive. In Sydney, Coles Smeaton Grange warehouse workers face a protracted and ongoing lockout after repeatedly voting down regressive proposals for a new enterprise agreement in preparation for the closure of the facility.

The UWU has played a rotten role in the Smeaton Grange dispute on behalf of the Coles corporate giant—isolating the workers, refusing to make strike pay available, wearing them down, and working with management to prepare and try to ram through a sell-out agreement.

Workers in other Coles warehouses and elsewhere in the sector across Australia have only been alerted to the Smeaton Grange lockout through the campaigning of Socialist Equality Party members and supporters, who have distributed many of the dozens of articles posted on the *World Socialist Web Site*.

Peters workers only found out about the Smeaton Grange dispute after speaking with WSWS reporters.

“I’ve been showing your leaflet around at Peters,” one worker explained, defying company orders issued to all workers not to speak out on the ongoing industrial dispute. “People are discussing it. This is typical of Coles and terrible for the workers at Smeaton. Coles, Woolworths, and the UWU have been trying to get rid of permanents and to casualise workers in warehousing for years. It’s pretty bad how their workers are being treated.” The worker has been a casual at Peters since 2019, employed through a labour hire agency.

Another casual worker, who gets only 10–20 hours of work per week, used to be employed in the car industry before it was completely shut down. He explained: “Now they want to cut my wages from \$31.70 down to \$26, how is that legal? It’s going to be a struggle for me, but more so for all those casuals who already have had their hours reduced. This year is quiet compared to previous years. There is less overtime and less work for casuals. There are lots of casuals, including older female workers on the packers’ line who have been here for 20 years or more and are dependent on this second income for their families. They know they can’t find any other work under the current unemployment conditions.”

The worker added: “I used to speak up at Toyota at union meetings to demand the union defend our jobs. The union doesn’t want to help and neither does the government.”

The situation now confronting Peters workers is a direct outcome of the previous EBA agreed to by the National Union of the Workers (which was subsequently part of a union merger that created the UWU) in 2018. This agreement included no restrictions on the proportion of casual workers employed or the company’s use of labour hire firms. There was also no provision for casual workers to achieve secure full-time employment, with only a toothless clause stating: “Where a casual has been engaged for more than 32 hours per week for 6 months, management and [union] delegates will review the nature of the position in order to determine the ongoing nature of the position.”

The EBA makes clear that the UWU works hand in hand with Peters to meet the company goals. It stated that “parties to this agreement [i.e. the union and management] recognise that in order to increase the efficiency, productivity and international competitiveness of industry, a commitment to training

and skill development is required.”

The UWU functions as an arm of management. Peters workers should take the fight to defend wages and conditions out of the hands of the union bureaucracy, by forming a rank-and-file committee led by trusted workers, and turn out to other sections of the working class confronting similar assaults on their jobs, wages, and conditions, beginning with the Coles Smeaton Grange workers.

Any unified struggle will confront not only the opposition of the companies, but the union, governments and the media, all intent on defending the profits and “international competitiveness” of Australian capitalism. A fight for jobs, wages and conditions is necessarily political and has to be based on a socialist perspective for the reorganisation of society to make basic social needs the priority, not corporate profits.



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