

# Australia: McCormick Foods workers strike after five-year wage freeze

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Nearly 100 workers at the McCormick Foods factory in the Melbourne suburb of Clayton began indefinite strike action on February 26. The industrial action follows a five-year long wage freeze and company plans to slash conditions and penalty rates of the workforce, which is covered by the United Workers Union (UWU).

McCormick Foods Australia is part of a US-based Fortune 1,000 corporation that is one of the largest producers of herbs and spices in the world. Globally, McCormick has 13,000 employees and annual revenues of more than \$4 billion.

As well as processing McCormick-branded spices, the Melbourne plant supplies condiments to fast-food outlets KFC, McDonalds, Hungry Jacks, Subway and others. Supermarket chains Aldi, Woolworths and Costco also source food products from McCormick, with Keens mustard, Aeroplane jelly and Gourmet Garden among the lines produced at the Clayton factory.

The company has stonewalled negotiations over a new workplace agreement for the past five years since the expiry of the previous enterprise bargaining agreement (EBA) in 2016. With no pay increase for five years, workers have had an effective wage cut of at least ten percent based on cost of living increases over that period—the equivalent of working one day each fortnight for free.

Corporate management is now offering a new EBA that entrenches zero wage increases, that is further real wage cuts. They also want to abolish the four-day week, a measure introduced by the company decades ago. The expired EBA stipulates that ordinary hours are 38 hours per week worked over four days at 9.5 hours per day, either Monday to Thursday or Tuesday to Friday. The company has repeatedly stated that until

workers concede this condition they will not negotiate. By scrapping the four-day week McCormick is aiming to cut overtime, which is paid at higher rates, and possibly introduce a night shift on top of the current day and afternoon shifts.

Some of the other company demands include cutting shift penalties, paid meal breaks, and overtime rates, which are currently paid at time and a half for the first two hours and double time thereafter.

McCormick wants a cap of 10 years on redundancy payouts. Many workers have worked much longer than 10 years. Workers explained to *World Socialist Web Site* reporters that ongoing automation such as palletisers that stack product onto pallets has seen a reduction of at least a quarter of the workforce over the past decade. Older workers who retire and workers who leave are not replaced.

Workers explained the company has previously threatened to offshore production to overseas McCormick plants in Thailand, India and China.

During the COVID-19 pandemic production at the Melbourne plant increased as fast-food sales and demand for home cooking ingredients boomed. Workers noted that management and office staff—who receive annual wage increases—worked from home, while production workers had to risk infection by staying in the plant. They also faced numerous challenges such as arranging to look after school-aged children while classroom teaching was suspended.

The United Workers Union (UWU, formerly National Union of Workers), which covers the McCormick workers, is responsible for the appalling situation in the plant.

Annual real wage cuts have been imposed unchallenged, with the last industrial action only occurring in 2017 in response to company demands for

a 6 percent wage cut. The UWU's log of claims for the new EBA include a three percent annual wage increase, which fails to address the wage cut workers have suffered.

The UWU is isolating the McCormick workers, in the same manner as it has in numerous other struggles. McCormick's Mentone distribution warehouse, just 8 kilometres away from the production plant, is maintaining operations as usual. The company claims they have at least two weeks' worth of product in stock at the warehouse. Meanwhile the union is not providing any strike pay to the workers, despite having over \$300 million in assets and \$94 million in cash reserves.

McCormick workers need to review the UWU's recent betrayal of striking Coles warehouse workers at Smeaton Grange, Sydney. There, 350 workers were locked out for more than three months. Coles refused to negotiate when workers rejected the EBA offer and ultimately forced workers to accept company demands.

The UWU conspired with Coles against their own members by refusing strike pay and failed to mobilise Coles warehouse workers around the country in their defence. The bureaucracy worked with management, ignoring numerous "no" votes against a regressive deal, wearing the workers down until they could no longer hold out.

The end result is that Coles workers have been forced back to jobs that will be destroyed within two years as the company shuts down the warehouse as part of an automation-driven restructuring of operations.

A warning must be issued to the McCormick workers following the organisation of a so-called "community picket" last Thursday, featuring Australian Council of Trade Unions (ACTU) secretary Sally McManus. Similar events at numerous other industrial disputes have been the immediate prelude to the shutdown of the strike and the lying public declaration of a "victory," while workers' wages and conditions are sacrificed in the fine print of a union-management deal.

McManus told the McCormick workers she was offering "100 percent solidarity." She clarified that this involved some Twitter and Facebook posts, with the unions working "online, on social media, fundraising, in every other way we possibly can to start building and getting behind what you're doing here."

McCormick workers need to take their struggle out of the hands of the UWU, and form a rank-and-file

committee independent of the unions. This committee should send a delegation to the McCormick warehouse in Mentone and fight for unified strike action, and turn out to other sections of the working class confronting similar attacks on their wages and conditions. The fight for the social rights of the working class against the major corporations and finance capital is a political struggle, requiring a new socialist and internationalist perspective.

We urge McCormick workers to contact the *World Socialist Web Site* to discuss these issues, and to register for and attend an important public meeting organised by the Socialist Equality Party on the lessons of the Coles Smeaton Grange struggle.



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