

# Australia: Knauf continues lockout of workers at Melbourne plasterboard factory

John Wilson, Martin Scott  
10 October 2022

Around 70 workers remain locked out after almost four weeks at Knauf's plasterboard factory in Port Melbourne, Victoria, as part of a dispute over a new enterprise agreement.

The multinational building products manufacturer locked the workers out indefinitely on September 15, in response to a week of limited industrial action by workers, including short stoppages and an overtime ban.

Workers voted unanimously on August 24 for protected industrial action, after rejecting a proposed agreement containing a 5 percent pay increase in 2022, followed by 4 percent increases in each of the next three years, far short of the rapidly rising cost of living.

The Construction Forestry Maritime Mining and Energy Union (CFMMEU) is seeking annual pay increases of just 6 percent, less than the official Australian inflation rate, which was already at 6.1 percent in June and is tipped to reach almost 8 percent before the end of the year.

The proposed agreement would also allow Knauf greater "flexibility" in the use of labour-hire casuals. Currently, the company uses five labour-hire workers at the Port Melbourne plant to cover permanent staff who are on leave.

The CFMMEU and other unions covering Knauf workers around the country are working to isolate the workers and ensure the dispute is confined to a single workplace. Workers at Knauf's Brisbane facility told *World Socialist Web Site* reporters last week that they had not heard about the lockout. While some workers at the company's Sydney plant were aware of the dispute, they had not been told what the issues were. One worker said the company was trying to increase its use of casual labour in Sydney as well.

Until October 6, the CFMMEU limited its online coverage of the lockout to the Facebook page of the Victoria-Tasmania branch, with not even a token gesture of unity on the national or other state pages. Despite making a show of sending delegations of officials to the Knauf site and donating to the "fighting fund," other unions have maintained a similar silence among their broader membership.

This is because the leadership of all of the trade unions, along with the corporations and governments they serve, is highly conscious of mounting anger throughout the working class, resulting from the soaring cost of living, and is desperate to prevent the outbreak of broader industrial action.

In an attempt to cover over this isolation, the CFMMEU has organised a series of stunts. On September 30, the union held a "community picket," characterised by empty sloganeering.

After collaborating with the company's attempt to starve the workers out, by paying no strike pay for almost three weeks, the union announced a \$170,000 "fighting fund" comprising \$100,000 from the CFMMEU, \$50,000 from the Electrical Trades Union (ETU) and \$20,000 from the Plumbing and Pipe Trades Employees Union (PPTU). An additional \$22,500 has been raised through a crowdfunding appeal, despite the limited promotion of this campaign by the unions.

This is a drop in the bucket for the bloated trade union bureaucracies. The CFMMEU's Victoria-Tasmania Construction and General division alone has assets of \$80 million. The amount is also lower than the annual salary of the senior union officials in the CFMMEU Victorian Construction and General division. The average remuneration package of the top five officials equates to \$271,699 per annum each.

Even if the entirety of this fund is distributed to the locked-out workers, over the 26 days already elapsed it amounts to around \$650 per week, less than half the salary of the lowest-paid workers at the plant. One worker told the WSW that his mortgage payments alone are now \$716 per week as a result of successive interest rate rises.

While the union claims that this "fighting fund" means the workers are prepared to stay locked out "until Christmas," the reality is that it is not even sufficient to make up for the losses already incurred. The unions' isolation of the dispute means that Knauf is free to step up production at its other facilities, ensuring that the financial burden of the dispute is

borne by the workers.

The dispute at Port Melbourne is following a similar trajectory to a strike late last year at Knauf competitor CSR's plasterboard factory in Yarraville, less than a kilometre away. Sixty workers began a strike at the end of November. In that instance, the unions announced a "fighting fund" of \$160,000 and a crowdfunding campaign raised \$23,000.

The company offered 2.5 percent and the union "demanded" 4 percent. What the union did not demand on behalf of workers is pay on parity with similar workers elsewhere, following a wage increase of only 2.5 percent per year in the previous union-management agreement.

Speaking on Melbourne community radio 3CR in December, a CFMMEU organiser named Kylie said the company got the previous deal because they offered the "usual doom and gloom script." Why the union accepted this "script" was not explained.

The organiser admitted CSR workers were the lowest paid in the industry at the company with the highest line speeds, but said the union was "not even asking them to come up and be paid market rate or parity with the competitors" and was only asking for a pay increase to "cover inflation."

The strike lasted for three weeks, ending with the company agreeing to a 4 percent wage rise. This "victory," as touted by the CFMMEU, was only marginally above the official inflation rate of 3 percent at the time. But a surge of inflation was already on the horizon and the CFMMEU agreed to a deal which not only kept wages low but offered no protection against rising inflation, such as guaranteed cost-of-living increases.

This should serve as a warning to Knauf workers that their struggle cannot be taken forward within the straitjacket of the CFMMEU. Even a "victory," as defined by the CFMMEU and other unions will mean a wage cut in real terms. The 6 percent wage rise demanded by the union is far short of what is required to address the rapidly rising cost of living.

The determination of Knauf, a global building products company with annual revenue of \$24 billion, to extract further concessions from workers must be seen as part of the wage-slashing agenda of corporations everywhere that is being supported by capitalist governments around the world.

In Australia, the union-backed federal Labor government announced weeks after taking office in May that workers would have to make "sacrifices."

The lockout of workers at Knauf, as well as the nearby Qenos polyethylene factory, is part of a growing trend of sharp retaliations by big business to any form of industrial action taken by workers.

The Qenos lockout is particularly stark. Although the plant

is the only facility in Australia where high-density polyethylene is produced, the company is so determined to slash wages and conditions that it is willing to completely shut down production.

In addition to lockouts, major corporations, including the airline Qantas, stevedoring companies Patrick and Qube, along with tugboat operator Svitzer, have over the past year threatened to terminate the enterprise agreements covering workers, which would slash wages and hard-won working conditions.

The employers are only able to carry out these aggressive attacks because of the complicity of the unions, which are determined to enforce the dictates of big business and to prevent the development of a broader movement of the working class.

Defeating this sharpening attack on working-class jobs, pay and conditions by Knauf and other employers will require workers to break with the unions and take matters into their own hands.

This means forming new organisations of struggle, rank-and-file committees, to democratically determine a set of demands based on their needs, not what the company or union says is possible, and develop a fighting plan of action.

This requires a turn to broader layers of the working class, starting with other plasterboard workers at Knauf, CSR and Siniat, as well as the more than 30 workers currently locked out at Qenos, less than 15 kilometres away.

The fight for decent wages and conditions is inseparable from a unified struggle to establish workers' governments to implement socialist policies. This includes placing critical manufacturing facilities, along with the major corporations and banks, under public ownership and democratic workers' control, as part of the complete reorganisation of society to meet the needs of the working class, not the profit demands of the financial and corporate elite.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**