

Australia: Pampas workers are in a fight against labour-hire casualisation

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Workers at the Pampas pastry and bread factory in Footscray, western Melbourne, will vote Tuesday to accept or reject a sell-out deal worked out by company management and United Workers Union (UWU) officials, following a four-week strike in December. One reason why workers should vote “no”—in addition to the sub-inflation 4.5 percent nominal wage rise—is the wide scope for Pampas to maintain and extend its exploitation of labour-hire workers under the proposed agreement.

The UWU bureaucracy heralded the proposed agreement as a “historic win,” on the basis of new clauses allowing for the conversion of labour-hire casual workers to secure, full- or part-time employment. An examination of the draft agreement reveals, however, significant potential loopholes.

One worker told the *World Socialist Web Site* that when the UWU moved to shut down the strike, he and several colleagues believed that the deal would involve labour-hire casuals being rolled over as full-timers after having worked in the plant for six months.

In fact the proposed process is far lengthier and more convoluted. Under clause 2.6.1 in the draft agreement, labour hire workers “who are employed on a regular and systematic basis for a period of twelve months will be offered direct casual employment with the company.” The clause adds that this twelve-month period is to allow the company “to determine there is a position available and the casual worker has the relevant skills, competencies, and characteristics necessary.”

Only after another six-month period of direct casual employment can a worker request transition to permanent ongoing employment. The process of transition from labour-hire casual to ongoing, in other words, is not 6 months but at least 18 months.

While the UWU mentioned the 18-month process when announcing the end of the strike on social media, union officials have done nothing to clarify misconceptions

among the workforce.

It remains to be seen how many workers will be transferred to ongoing positions, and how quickly. It may be the case that amid a tight labour market, management have calculated that maintaining a larger full time workforce serves its interests. If such calculations change, however, it is possible that the company could exploit different loopholes to block the conversion to ongoing of labour hire workers.

There is a clause in the draft agreement that the company “shall not dismiss any casual employee” in order to avoid transition to ongoing positions. In many plants and industries, however, similar clauses have been frequently flouted, with management concocting “performance” problems and other ruses to dismiss targeted workers.

Pampas workers ought to reject the UWU’s proposed lengthy conversion processes, and instead demand an immediate end to the company’s use of exploitative labour-hire casual arrangements.

Within the plant there are about 80 full-time workers and approximately 40 continually used labour-hire workers. Many of the latter are employed via Programmed Skilled Workforce, a firm that employs 30,000 workers in Australia annually and which is owned by multi-billion dollar Japanese transnational corporation, Persol.

Many Pampas labour-hire employees work full-time hours, and have been at Pampas for an extended period, including some for 15-20 years. While doing the same job as directly employed workers, labour-hire employees receive different pay and few basic entitlements, including no leave provisions such as sick leave and maternity leave.

They also have no job security, with Pampas able to decide on a day-to-day basis how many labour hire workers it wants, and how long their shifts will be. Some

regular Pampas labour-hire workers, to boost their incomes, work second jobs in retail and hospitality.

The super exploitation of Pampas labour-hire workers is a microcosm of the conditions endured by millions of workers in Australia working under these precarious conditions.

Successive Labor and Liberal governments, at both state and federal levels, have engineered this situation in order to boost corporate profits. The trade unions are complicit, both by union bureaucrats enforcing the industrial relations regime that facilitates the labour-hire system and by seeking to become directly involved in labour-hire arrangements in multiple industries.

Labour-hire companies emerged as big businesses in the early 1990s, under the Hawke-Keating Labor governments. The number of labour hire workers grew by 15 percent annually through the 1990s. They were repeatedly used in this period as strike breakers and as wholesale replacements for targeted workers—including at Kellogg’s, Kraft, and the wharf operator Patrick.

The growth of labour hire is just one component of the ever-greater proportion of workers employed under insecure conditions, without sick leave or other basic entitlements, as casuals or contractors.

This process began with the destruction of vast swathes of the permanent workforce, enforced through the close collaboration of the Hawke-Keating Labor governments and the Australian Council of Trade Unions (ACTU).

The trade unions agree with the increased use of labour-hire, as long as it does not threaten their dues base and their privileged position collaborating with corporate management against the workers. In 1997, the Australian Council of Trade Unions signed an agreement with labour-hire corporate giant Manpower Australia. The *Australian Financial Review* noted at the time that in return for the “first unanimous and public acceptance of non-permanent employment across the ACTU-affiliated unions” and union support for “Manpower’s effort to remove inefficient work practices and its right to conduct business on a 24-hour, seven-day cycle,” the labour-hire firm would “encourage union membership and provide payroll deductions for union dues on request.”

Several unions subsequently negotiated similar deals with other labour-hire companies.

Approximately 360,000 workers across Australia are now employed by labour-hire companies. According to Australian Bureau of Statistics data issued last June, labour-hire workers earn a median wage of just \$33,100 in their main job, more than \$12,000 less than other

workers.

Some companies have made whole divisions of their workforce labour hire only. This includes Amazon, whose hundreds of warehouse workers are employed not by Amazon but by the world’s second largest transnational labour hire company, Adecco. Labour hire is extensively practiced in the lowest paid and most exploitative industries—this includes in agricultural labouring, with recent government investigations revealing slave-like conditions and systematic wage theft. Other industries with large scale labour hire include mining, warehousing, and manufacturing.

The role of the unions in facilitating the stepped-up use of labour hire points to the the need for workers to form new organisations of struggle, rank-and-file committees independent of the bureaucracy and democratically run by workers themselves.

Through such a committee, Pampas workers can end the UWU bureaucracy’s isolation of their dispute and link up with the growing numbers of other workers throughout Australia and globally who confront similar attacks on their wages and conditions. This means a fight for a unified struggle by workers throughout Goodman Fielder and elsewhere, including other labour-hire employees.

The growth of labour hire and other precarious forms of employment is not an aberration, but an expression of the reality of working life under capitalism, in which the most basic workplace rights are continually eviscerated in order to maximise corporate profits.

Therefore, the fight for secure, permanent, well-paid jobs will require a struggle against not just big business, but all those who defend the capitalist system, including the union apparatus and Labor.

The Socialist Equality Party urges Pampas workers to vote “no” to this sell-out deal and form a rank-and-file committee to take forward their fight for decent wages and conditions. We will provide every political assistance in this struggle, and encourage you to contact us today to discuss the situation you confront.



To contact the WSWs and the Socialist Equality Party visit:

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