

# Australian media denounce striking warehouse workers for opposing real wage cut

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Around 190 warehouse workers at an Australian Pharmaceutical Industries plant in Melbourne are striking in opposition to company management efforts to impose a significant real wage cut over the next four years.

The workers, covered by the United Workers Union, rejected a company wage offer of annual nominal wage rises of 5, 4, 3.5, and 3 percent over the next four years. This is substantially lower than the current inflation rate of 7 percent, which understates the real cost of living crisis affecting workers as the price of housing, electricity, groceries, and other essential items rapidly escalates.

During the initial stages of the COVID-19 pandemic, workers accepted two annual wage rises of just 2 percent while they worked in dangerous conditions, helping distribute pharmaceutical supplies including masks and rapid antigen tests.

The corporate media has responded to the workers' determined stand with fear and alarm.

On Saturday, the day after the strike commenced, the Murdoch-owned *Australian* published an article, "Employer alarm at 'perfect storm' of strikes, pay claims," that quoted an Australian Chamber of Commerce and Industry statement insisting that "simplistic calls for across-the-board wage increases to reflexively push above prices risks unlocking the floodgates to deep and prolonged economic pain."

The newspaper also issued an editorial, "Pay rises must not fuel inflation: Pharmaceutical workers' strike risks customer health, productivity." It denounced the strike as "bad for productivity, for customers, and for the general economy," and demanded "appropriate pay rises, based on productivity."

This strident reaction to a relatively small strike at one warehouse underscores the corporate elite's fear

that wider sections of the working class will hit profits by fighting to defend living standards, with industrial disputes threatening to spill out of the control of the trade union bureaucracy.

The United Workers Union (UWU) has sought to downplay the demands of the Australian Pharmaceutical Industries (API) workers. A union statement explained that a wage rise in line with inflation would amount to an increase of just \$2.25 an hour. This only underscores that low wages were entrenched in successive enterprise bargaining agreements previously negotiated by the UWU bureaucracy.

UWU national secretary Tim Kennedy (annual salary and benefits \$241,000) told the *Australian Financial Review*: "These are workers who are normally not red-hot on industrial action, but there is a change of mindset of the workforce. We feel like things are bubbling over."

The union is determined to prevent the situation "bubbling over"—the strikers have been kept isolated, with no solidarity strikes or other actions organised among other workers covered by the UWU. Union officials have also issued a gag order, telling workers on the picket not to speak to anyone about their struggle.

The UWU apparatus has a long record of organising not struggles but defeats. In November and December last year, pastry and bread production workers at a Pampas plant in Footscray, Melbourne went on strike for four weeks. Their determined fight included blocking trucks from entering and leaving the site.

In the end, however, after behind closed doors discussions between management and union officials, the UWU pushed through a real pay cut, with annual wages nominally rising by just 4.5 percent a year. The

union also boasted of provisions allowing for the transition of casual workers to ongoing, but these have proved illusory, as the company has since exploited loopholes to maintain the unhindered exploitation of labour hire workers.

One Pampas worker told the *World Socialist Web Site*: “I am following the API strike and want to extend my full solidarity with their fight, and I am hoping for their victory. I do wish to say, however, that the idea that the UWU will genuinely encourage workers to fight for a real and fair wage increase, irrespective of whatever rubbish offers the company give, or put the situation of workers above corporate interests, is putting it bluntly, an illusion.

“Us Pampas workers found that out the hard way—we genuinely believed the union was fighting for us and our rights to secure work and fair wages. In the end what we got was a farce of a deal made to look like a victory but really was anything but.”

Australian Pharmaceutical Industries is owned by the retail conglomerate Wesfarmers, one of the country’s largest corporations, with a workforce of more than 100,000. Wesfarmers last year boasted \$36.8 billion in revenue and after tax profit of \$2.35 billion. Its chief executive officer Rob Scott received \$8 million a year—this is equivalent to being paid the annual salary of a warehouse worker for approximately three days work.

Wesfarmers acquired Australian Pharmaceutical Industries in a \$774 million takeover in 2022, as part of the company’s entry into the pharmaceutical retail sector. The corporate giant no doubt aims to boost profits through ongoing restructuring, including automation. This process was underway prior to Wesfarmers’ acquisition—in 2020, API invested \$75 million in a new automated distribution centre in western Sydney while shutting down warehouses in Newcastle and Canberra.

The UWU apparatus has collaborated in the closure of numerous warehouses and the destruction of thousands of jobs in recent years. The union yesterday distributed via social media a comment from one striking API worker who stated that their struggle was both for higher wages and for “fair redundancy for all.” It is unclear whether this indicates discussions between the UWU and corporate management on future job cuts.

In addition to the wages issue at API, the UWU has raised the company’s use of casual agency workers, paid the minimum wage while doing the same work as higher paid ongoing employees. Big business representatives have denounced any suggestion that limits are placed on the exploitation of casual workers, and have connected the API dispute to their broader campaign against the imposition of any legal restrictions on the use of labour hire workers.

The *World Socialist Web Site* encourages API workers to reject the UWU’s gag order—contact us to discuss the necessary next steps to ensure a successful struggle, including forming a democratically organised rank-and-file committee that will work to end the isolation of the strike by turning out to other warehouse workers as well as other sections of the working class and building a unified fight for decent working conditions and wages.



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