

Australia: Lactalis to shut Brisbane milk plant, axing more than 200 jobs

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Lactalis Australia announced this month that it will close its historic South Brisbane milk factory, located beside the river in the heart of the Queensland state capital, by July 2026, destroying the jobs of 202 workers, plus contractors.

This is yet another example of ruthless corporate restructuring at the expense of workers. Lactalis—the world’s largest fresh dairy company—only acquired the plant late last year. That was part of a deal to buy the facilities of another giant, Fonterra, for \$3.4 billion and become the largest dairy company in Australia.

The South Brisbane plant, built in the 1930s, is the latest closure in Queensland by the company, which is transferring the production to the Nambour processing facility on the Sunshine Coast.

Lactalis owns several of Australia’s leading dairy brands, including Pauls milk, Ice Break iced coffee, Oak and Breaka flavoured milk, Vaalia and Tamar Valley yoghurt and Lemnos cheese.

The shutdown is part of a wider cost-cutting consolidation. In 2020, Lactalis axed 47 jobs in the Queensland regional city of Rockhampton only two weeks after winning a lucrative Metro North Hospital and Health Service contract. Annastacia Palaszczuk, then the state Labor premier, said the sackings were “not good enough,” but did nothing to intervene.

In 2024, Lactalis eliminated another 74 jobs with the closure of its factory in Echuca, Victoria, again drawing statements of feigned shock from governments and trade unions, yet predictably no action followed.

The Lactalis deal, set to end Fonterra’s two-decade presence in Australia, has also thrown a question mark over the future of other key Victorian factories, including those in Cobden, Stanhope, Darnum and Bayswater.

Lactalis has framed the South Brisbane decision as a

commercial rationalisation—consolidating production into larger, more “efficient” sites—but there is an added corporate incentive. A lucrative sell-off of the site is likely for riverfront redevelopment prior to the Brisbane Olympic games in 2032.

What counts for nothing in these calculations are the hundreds of workers losing skilled employment, while local suppliers and small businesses also suffer.

The company’s strategy to “redirect production,” up-scale automation and pursue “premium” product lines is designed to boost profitability, regardless of workers’ livelihoods. Under capitalism, the social consequences—joblessness, higher housing costs and cultural decline—are immaterial next to shareholder returns.

The Australian Workers Union (AWU), which covers workers at the site, quickly stated its willingness to collaborate with Lactalis to shut down the plant. Far from any suggestion of mobilising workers and the broader community in a concerted fight to defend jobs, the union statement to the media combined phoney expressions of regret with offers of assistance with redeployment and calls for “fair” redundancy terms.

AWU Queensland state secretary Stacey Schinnerl said: “We are very disappointed at this announcement and will be working closely with management to ensure our members are looked after as much as possible.” This response—the facilitation of “orderly closures” and negotiation of compensation packages—is the hallmark of the trade unions, which serve as an industrial police force for corporate management.

As corporate giants expand across the globe, the unions function as partners in assisting such restructuring. The AWU’s posture here is typical: try to suppress workers’ opposition with redundancy deals while presenting the closure as an economic

inevitability. This isolates workers and legitimises the capitalist prerogative to abandon workplaces deemed “unprofitable.”

The plans for the South Brisbane site further expose this disregard for the working class. Last October, the Queensland Liberal-National Party government revealed plans to redevelop the nearby 7.1 hectare Visy glass recycling facility, originally purchased by the previous state Labor government for \$165 million in 2022, into a “thriving mixed-use precinct,” partnering with the corporate sector.

Documents released under the Brisbane City Council’s draft Kurilpa Masterplan also included development on the Lactalis site before this month’s closure announcement. City Lord Mayor Adrian Schrinner said Lactalis’s decision created an opportunity to unlock one of the final pieces of the blueprint.

Successive governments clearly always intended for this valuable riverfront property to be redeveloped at the expense of workers and working-class residents. The homes and entertainment areas planned for the area, as well as the facilities for the Olympic Games, will be financially inaccessible for working-class households. Instead, government support, as with the demolition of public housing towers in Melbourne, ensures profit for property developers above all else.

The Palaszczuk Labor government made a bid for the 2032 Olympics, backed by the then Liberal-National federal government, to boost corporate profit opportunities. At last count, combined federal and state government spending on the Olympics was projected to exceed \$7 billion.

The fight to defend jobs can only develop in opposition to union officials whose careers and privileges depend on managing these processes. Workers need democratic, rank-and-file committees in the plant and in the community—organisations controlled by the workers themselves and connected to other workplaces facing similar attacks.

Rank-and-file committees reject the notion that closures are “unavoidable.” They wage active campaigns to defend every job and call for public ownership under democratic workers’ control rather than permit assets to be dismantled for private gain. If further production at the site is then deemed untenable, there must be guarantees of comparable work with no

loss of pay and conditions.

Rank-and-file organisation must develop on an international basis. Lactalis and other industry giants operate globally and so must workers’ resistance. There must be contact and co-ordination between dairy workers, processing plant workers at other Lactalis sites worldwide, transport and logistics workers handling Lactalis products, and retail workers who stock the company’s brands, as well as residents who will be displaced by the Kuripla Masterplan.

The International Workers Alliance of Rank-and-File Committees (IWA?RFC) is the vehicle to build such ties, break the isolation imposed by the corporatist trade unions and coordinate joint actions across borders.

Workers at South Brisbane and throughout the industry can obtain assistance in forming rank-and-file action committees by contacting the IWA?RFC and the Socialist Equality Party through the form below.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact