

# Australian union pushes through pay cut at paper mill

By Chris Sadlier  
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The Construction, Forestry, Mining and Energy Union (CFMEU) has pushed through a 5 percent wage cut at the Maryvale paper mill, operated by Australian Paper in Victoria's Latrobe Valley. The union announced last Thursday that workers had narrowly endorsed a new enterprise bargaining agreement (EBA) at the site containing the wage reduction.

The result follows a campaign of intimidation by the CFMEU and the company warning workers that the plant would be shut and they would lose their jobs if they did not accept the pay cut of up to \$100 a week. It underscores the role of the unions in enforcing the dictates of the corporate and financial elite and establishing further precedents for the destruction of wages and conditions.

The vote by production workers was held by secret ballot through the mail, without any mass meeting being held. As many as 900 full-time, part-time and casual workers are employed at the mill, the largest in the country.

According to the CFMEU, 199 voted for the agreement and 187 against. Some 20 percent of workers eligible to vote boycotted the ballot. The result reflects widespread hostility to the company-union wage-cutting campaign.

The EBA establishes a two-tier wage system, with an effective 11.5 percent pay cut for all new-starts. It follows an agreement backed by the union in 2016 which resulted in a wage freeze for 160 maintenance workers at the plant. Under the deal, maintenance employees work a 38-hour, four-day week, while being paid for just 35 hours. The arrangement has reportedly saved the company \$3 million.

In comments to the *Latrobe Valley Express* last week, CFMEU Maryvale branch secretary Anthony Pavey hailed the latest agreement, declaring: "It was a show

of good faith from the 516-strong production workforce to help secure the future of the financially troubled mill."

Speaking like a representative of the corporate shareholders who have demanded stepped-up "efficiency," Pavey boasted of the "savings" already imposed by the union in the 2016 agreement. "The maintenance workers were able to achieve their savings by doing extra hours and taking pay freezes; we haven't changed our conditions, we've dropped the value of our dollar basically," he said.

Pavey pointed to the ongoing anger among workers over the deal, warning: "[T]he workforce is fairly flat and a little bit divided with such a close vote. It's very difficult at the moment."

Australian Paper national manager of sustainability, communication and marketing, Craig Dunn, publicly thanked the union for pushing through the cut, stating, "the company appreciated the sacrifice of its workers."

Pavey's comments, and the union's record, make clear that the CFMEU is committed to enforcing an unending assault on the jobs, wages and conditions of Maryvale workers, in the name of ensuring that the company remains "internationally competitive." While the full content of the EBA has not been publicly released, it no doubt contains provisions for further inroads into jobs, wages and conditions.

The cuts at Maryvale are part of a broader corporate offensive, aimed at dismantling the rights and conditions won by workers over decades of struggle. The Latrobe Valley, which is in Victoria's east and has historically been a centre of manufacturing and the power industry, is a focal point for this campaign.

Earlier this year, the federal government's Fair Work Commission endorsed demands by AGL for the elimination of the existing EBA at its Loy Yang A

power station in the Latrobe Valley. The ruling has created the conditions for wage cuts of up to 65 percent.

This followed the announcement late last year by French multinational Engie that it will close the nearby Hazelwood power station at the end of March, resulting in around 700 job cuts.

The CFMEU, having overseen the destruction of tens of thousands of jobs in the Latrobe Valley, is doing everything it can to isolate workers at each plant, and prevent the development of a unified struggle against this onslaught.

The role of the union was on full display last month when Anthony Pavey swerved his four-wheel drive near a supporter of the Socialist Equality Party campaigning against the CFMEU-company deal. Pavey told the SEP campaigners to “get the f— out of here,” accusing them of “making it hard for the workers to make their decision.”

Referring to Pavey, a worker later told the WSWS, “he is afraid to come down to my section of the plant. He’s betraying the workers. He’s here for what he can get out of it.”

Hand-in-hand with their pro-company thuggery, the CFMEU has promoted virulent nationalism, aimed at dividing the working class and diverting attention from the role of the union and the company in slashing wages and conditions. The union has blamed the attacks on Maryvale workers on the alleged “dumping” of cheap paper on the world market by Chinese corporations, and has called for tariffs and other protectionist measures to be imposed.

In other words, the union is demanding the escalation of trade war measures, which are already resulting in a fracturing of the world economy, and heightening the dangers of military confrontations.

In reality, the cuts at Maryvale and throughout the Latrobe Valley are a product of the crisis of global capitalism, and the dictates of the financial elites everywhere for workers to pay for the ongoing economic slump.

Australian Paper is owned by Nippon Paper Industries, a multinational corporation, which is restructuring its global operations in response to a growing downturn in paper demand. The company is selling its mill in Washington state in the US. The plant curtailed production last month, with over 100 workers

reportedly laid off. At the same time, the company is establishing paper cup operations in Vietnam, aimed at taking advantage of ultra-low wages.

The alternative to the nationalism and corporatism of the unions is the fight for an independent political movement of the working class, uniting workers around the world in a counteroffensive against the attacks of finance and big business.

As a first step in this struggle, workers at Maryvale and throughout the Latrobe Valley should establish rank-and-file committees, independent of the unions, to oppose the company-union attacks, break the isolation imposed by the CFMEU and link up with other sections of workers across the country.

Above all, what is required is a new political perspective aimed at establishing workers governments, which would place the major corporations and manufacturers under public ownership and implement socialist policies, including guaranteeing a decent, well-paid job for all.

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