

Australian dairy industry workers strike across multiple companies and sites

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More than 1,400 dairy-processing and warehouse workers at over a dozen sites across Victoria began a 48-hour strike yesterday morning, opposing company enterprise agreement offers that would further slash real wages.

The action covers plants owned by several major multi-national dairy and food corporations, Saputo, Fonterra, Lactalis and Froneri (which owns Peters Ice Cream). The factories produce national brands including Devondale, Perfect Italiano, Drumstick ice cream, Cracker Barrel, YoPro Yogurt, Western Star and President.

At Saputo in Warrnambool, 300 workers struck for the first time in 40 years.

In total, 869 workers at Saputo plants, 322 at Fonterra, 205 at Peters Ice Cream and 22 at Lactalis joined the strike.

While the companies have separate enterprise agreements, they have all expired at around the same time, meaning the simultaneous strikes can legally be undertaken. Under Australia's draconian industrial relations laws, workers are prevented from stopping work over pay, except during enterprise bargaining periods, generally every three or four years.

Workers voted in favour of indefinite strike action, but the United Workers Union (UWU), which covers most of them, has restricted the stoppage to two days.

The workers have suffered years of below-inflation pay "increases," as low as 1.5 percent per annum, as a result of previous union-management enterprise agreements.

During the first years of the COVID-19 pandemic, the UWU agreed to roll-over real-wage cutting existing agreements, even as partial lockdowns and other public health restrictions created a sales boom for basic food items and record profits for the companies, while

workers risked their health and lives every day.

Workers have rejected nominal pay increases of 11 percent over three years at Saputo and 10.5 percent at Fonterra. Saputo is also trying to cut other conditions.

Workers are seeking cost-of-living pay increases, but the UWU has capped their demand at 5 percent per annum, below the current inflation rate of 6 percent and far less than what is required to make up for losses in previous years, when the Consumer Price Index peaked at 7.8 percent.

Workers at Saputo are demanding a cool-store allowance, which they currently do not receive, and an increase to 120 hours of personal leave per year for workers on 12-hour shifts. At the moment, personal leave is capped at 76 hours, i.e., 10 days for workers on 7.6 hour shifts, but only 6 days for 12-hour shift workers.

Reporters from the *World Socialist Web Site* spoke to strikers at the Saputo distribution centre in Laverton North, where 80 warehouse workers were picketing. This centre handles product from Saputo plants in regional Victoria, including Allansford near Warrnambool, Kiewa, Leongatha and Cobram. Workers also struck at these regional facilities.

One worker, who started at Laverton North when the warehouse opened in 2003, said, "In the past we got agreements of 3 by 7 [a 7 percent pay increase in each year of a three-year deal] and 3 by 5, but then with the GFC [the global financial crisis of 2007–2008], that ended. We 'took one for the farmers' when the price paid for milk to farmers was very low. Then COVID. We've had pay increases of 2.5 or 3 per cent since."

The worker spoke about the crisis facing small dairy farmers: "The milk pool is shrinking. The cost of water and other input costs is hurting them. My uncle just sold his herd. We need to protect the rural

communities. Despite this, Saputo have made big profit increases in the last few years, but they need to look out for workers.”

Another worker added, “They wouldn’t budge on matching inflation. If we can match inflation we’ll be happy. Saputo, which is based in Canada, turned over \$16 billion last year. They shut down the Maffra plant and threatened to close Allansford. At Maffra there were 80 milk tankers.”

The worker explained that Saputo had closed a large facility in the town of Rochester in 2018: “It’s still sitting there empty after it was closed years ago. They won’t sell it as they don’t want a competitor to operate the plant. It’s right in the middle of the town.”

According to the *Weekly Times*, Saputo boss Lino Saputo Jr told investors last month the company planned to close six of its 11 factories in Australia as part of “network optimisation.” Despite the likelihood of impending closures and the destruction of jobs, the UWU leadership is seeking to ensure that discussion in the current dispute is confined to wages and basic conditions.

The Saputo workers highlighted the significance of the simultaneous action across multiple facilities. One said, “In the past, when one company went out they just diverted the milk to another company so it had little effect.”

Workers at the Peters Ice Cream factory in the Melbourne suburb of Mulgrave are also on strike. Peters is owned by Froneri, Europe’s largest ice cream producer. Valued in 2019 at \$6.7 billion, its profits in 2019 totalled almost \$900 million. In 2021, workers at Mulgrave took industrial action to oppose a plan to slash casual wages by up to 30 percent.

Peters Ice Cream workers were addressed yesterday by Tim Kennedy, national secretary of the UWU and Sally McManus, secretary of the Australian Council of Trade Unions (ACTU).

Kennedy emphasised the inadequacy of the UWU demands: “They’re not even asking for a wage increase that matches inflation, just 5 percent or so that gets them a little closer to being able to keep up with skyrocketing costs.”

In fact, the union is likely to abandon even this meagre demand. This was the case in numerous sellouts orchestrated by the UWU bureaucracy in recent years, including at Coles Smeaton Grange, McCormick

Foods, General Mills and Pampas.

Just weeks ago, the UWU ended a strike by more than 1,000 poultry workers at Ingham’s after just five days, ramming through a 13.12 percent nominal pay rise over three years, far short of workers’ demand for 18 percent.

McManus said workers had the “100 percent support of unions across the country.” The reality is that the ACTU will ensure that these workers remain isolated from the broader working class.

The multiple-site strike action reflects the determination of workers to fight for real improvements to wages and conditions, but the union leadership is making sure there is minimal disruption to company operations and profits.

The UWU strike coincided with a 48-hour stoppage, beginning Tuesday, by Saputo milk tanker drivers covered by the Transport Workers Union. The timing of these strikes, their short duration, and the fact that they were limited to a single state, was designed to ensure minimal disruption. While some smaller retailers may face temporary shortages, the major supermarket chains have declared supplies will not be affected.

This, along with the unions’ record of previous betrayals, underscores the need for workers to take matters into their own hands. The first step is to establish rank-and-file committees, democratically controlled by workers and independent of the union bureaucracy.

Through these committees, workers at Saputo, Fonterra, Lactalis and Froneri can reach out to their counterparts across the dairy industry and more broadly, and build a unified counteroffensive against union- and Labor-enforced attacks on jobs, wages and conditions.



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