CSL standing firm on Enterprise Agreement Offer

Union demands for a pay rise of 11.5% over 3 years are not sustainable says CSL as it prepares to put its offer of a 9.75% wage increase to an employee vote for the second time. Unions are instructing employees to hold out for more while ongoing industrial action starts to impact the export of haemophilia products into Europe.

“With limited growth prospects in Australia, rising costs and constrained healthcare spending, we need to make absolutely sure our Australian-based businesses are not only sustainable but also internationally competitive,” said Chief Financial Officer and Chair of CSL’s Australian Operations, Gordon Naylor.

“We’ve examined the financial performance of our local operations very carefully, and when we look at industry benchmarks and general economic conditions, we think our offer is more than reasonable. It also comes with a commitment to maintain allowances that are already high by industry standards.”

“The unions say they deserve more than that based on CSL’s global profit, but in reality our Australian operations contribute very little to the Company’s Group profit. What’s more, their claims are higher than the salary increases provided at CSL’s equivalent sites in the US, Germany and Switzerland.”

CSL put its offer to an employee vote in August without union endorsement. CSL’s vaccine and pharmaceutical business, bioCSL, voted in favour of the offer, while a majority of voters from other parts of CSL’s Australian operations rejected it.

“The bioCSL outcome was very pleasing, particularly as bioCSL begins the integration process with the global flu business we recently acquired from Novartis. It shows the bioCSL workforce understands the competitive challenges the business faces into the future,” said Mr Naylor.

“While we were disappointed with the result for the other parts of our Australian business, we remain resolute that our offer is fair, especially given that bioCSL employees have agreed to virtually the same terms and conditions.”

CSL will put its offer to a second employee vote on 8 September, the outcome of which will be known on 14 September. Ongoing industrial action is expected to continue throughout the vote period, mostly at CSL Behring’s plasma manufacturing site in Broadmeadows.

CSL began planning for industrial action several months ago and is in a strong position to mitigate disruption to the supply of plasma therapies for Australian patients. However, one of the outcomes of recent action was the loss of a batch of haemophilia products for Europe.

“We respect the unions’ right to take protected industrial action, but having to unnecessarily destroy lifesaving medicines which are important for patients is not in anyone’s interests, particularly for Australia which continues to be viewed as an undesirable location for manufacturing investment,” said Mr Naylor.

“We hope this next vote will enable us to reach agreement so we can refocus our efforts on creating a sustainable future for our Australian operations within CSL’s global network.”

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