Australia: Unions rubber-stamp Mitsubishi closure

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13 March 2008

Trade unions at car-maker Mitsubishi in South Australia pushed through a severance deal last month clearing the way for the shutdown of the company's Tonsley Park plant. The closure, which is scheduled for the end of March, will end all Mitsubishi production in Australia and result in the destruction of 930 jobs at the plant and hundreds of others at companies supplying parts and services.

While the majority of Mitsubishi workers voted in a secret ballot to accept a union negotiated-redundancy agreement, one third reportedly rejected the deal, reflecting far broader discontent. The unions, worried that demands to defend the jobs would emerge, worked to avoid any discussion among workers until they had a redundancy deal in place.

In fact, workers have not been called to a mass meeting since February 5 when Mitsubishi Australia's managing director Rob McEniry announced that the company would wind up all operations. Employees were sent home on full pay for a week, a move clearly devised by the unions and management in advance to stifle debate.

At the time of the closure announcement, Australian Manufacturing Workers Union (AMWU) South Australian state secretary John Camillo told the media: "They [the company] want to get out of there as quickly as they can and that concerns me greatly." Camillo's purported "concern" did not stop the union from immediately swinging into action to lay the basis for an orderly closure of the plant.

Far from opposing the shut down, within days the union entered closed-door negotiations with management to procure a slightly improved redundancy package which provides seven weeks pay in lieu of notice plus five and half weeks pay for each year of service, to a maximum of 102 weeks.

The "improved" redundancy package, which included a slight increase in the maximum payout, from 100 to 102 weeks, was used to encourage workers to endorse the deal. Camillo hailed the new severance agreement as "generous", "one of the best in the industry" and a "benchmark".

The average age of workers at Mitsubishi is 43 and the average length of service between 15 and 20 years, meaning that most employees will get around two years pay. Few of the workers will, however, find decent paying full-time work, with the majority of jobs on offer either part-time or casual.

Camillo admitted to the *World Socialist Web Site* this week that many former Mitsubishi employees he had spoken to had not found full-time work, or jobs with equal pay and conditions, since being laid off. "Most of them are working casual or part-time and earn $14 to $15 an hour. Many have to work two or three jobs to make up a wage," he said.

The union's modus operandi at Mitsubishi, with slight variations, has been replicated by the unions to secure plant closures and job destruction throughout the car industry and the manufacturing sector as a whole.

Union-company severance deals have destroyed an estimated 8,000 jobs over the past five years, including 800 at General Motors Holden and over 600 at Ford in Victoria, and thousands more at car parts suppliers.

Since 2000, more than 4,000 jobs have been eliminated at Mitsubishi, including the closure of the company's Lonsdale engine plant in 2004. Holden is the only car assembly plant left in South Australia, employing 3,900 workers, and AMWU state membership of its vehicle manufacturing section is just 5,600.

AMWU national organiser Joe Cummaudo told the media during a job-shedding operation at Ford Australia in November 2006: "We've never had an occasion [in the vehicle industry] where the target figure for voluntary redundancies has not been met." In other words, management sets the "target figure"—the number of jobs it

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wants to axe—and the union goes into action to beat down any resistance.

The Tonsley Park closure was carried out with the full backing of the South Australian state Labor government and the federal Labor government of Prime Minister Kevin Rudd.

No sooner had the closure been announced than state Premier Mike Rann and federal Workplace Relations Minister Julia Gillard announced a combined $50 million assistance package to supposedly "retrain" displaced Mitsubishi workers and help job creation.

Just $10 million of the amount will be spent on providing what has been termed "intensive assistance" for the 930 workers. If past practice is anything to go by, the money will be simply another cash cow for businesses, which will employ some workers until the government subsidy runs out and then throw them on the scrap heap.

Behind the "soft approach"—redundancy packages, counseling and retraining—is a mailed fist. Should workers at Mitsubishi or elsewhere reject the severance deals and fight to defend jobs the Rudd government has made clear that it will take punitive action under existing anti-strike provisions.

The workplace relations laws ban workers taking any industrial action outside of narrow bargaining periods for new enterprise work agreements and set heavy fines for workers who take action over any other matter.

Anticipating a reaction by working people to the new rounds of restructuring, downsizing and cost-cutting that companies such as Mitsubishi already had in the pipeline, Gillard assured the corporate elite before the elections last year that a Labor government would crack down on "illegal" strikes and other forms of industrial action.

The Mitsubishi closure is occurring as the Rudd government, with the assistance of the auto unions, is establishing a new mechanism to impose further restructuring and job cuts across the car industry to drive up "competitiveness" and productivity.

On February 14, just days after Mitsubishi dropped its closure bombshell, Rudd appointed former Victorian Labor premier Steve Bracks to head a panel of "experts" to "review" car manufacturing in Australia. The panel will bring down an interim report on March 31 and a final report by the end of July.

The choice of Bracks to head the panel is a sure sign that its recommendations will be to the detriment of workers in the industry. During his eight years as Victorian state premier from 1999 Bracks not only cut public sector jobs and social services but oversaw the destruction of thousands of jobs in the car industry, notably Ford and Holden, and a myriad of component manufacturers. At the same time, Bracks provided millions of dollars in subsidies to car manufacturers, even as they were shedding labour.

The unions have already indicated that they are prepared to join the government and employers to implement the panel's recommendations. AMWU national secretary Dave Oliver welcomed the review, declaring: "It gives us a good opportunity to sit down now with all the key industry players to start mapping out and putting a plan for the sustainability of the automotive industry for the next 10 to 20 years."

Oliver's statement recalls the role played by the unions in assisting the Hawke-Keating Labor government during the 1980s to make the car industry in Australia "internationally competitive" and to establish "sustainability" via massive job cuts and plant closures. The closure of Mitsubishi, together with ongoing layoffs at Ford and Holden, demonstrates that the process is a race without a finishing line.

With the Australian dollar now close to parity with the US currency making car manufacturing in Australia and exports more expensive, car industry tariffs are to be cut by 5 percent in 2010, demands from sections of the corporate establishment for a freeze on assistance to the auto industry; any renewed drive for "competitiveness" will mean more lay offs, closures and ever-greater exploitation.

It is way past time for workers in the car industry, and across manufacturing in general, to begin to draw the essential lessons from past and recent experiences. To fight the new round of attacks on jobs and conditions, workers must break definitively with the political outlook of the unions which accept and maintain the framework of the profit system.

The turn must be to the building of new organisations based on a socialist perspective that challenges that framework and which fights unreservedly in defence of all jobs and the interests of working people.

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