

Unions push through wage cutting deal at Ford Australia

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Ford Australia has succeeded in imposing a regressive deal that undermines pay and conditions at its Geelong and Broadmeadows plants in the state of Victoria. Skilled tradespersons narrowly approved the new Enterprise Bargaining Agreement (EBA), with the vote tally released on Tuesday showing 188 workers in favour and 114 against. The workers had previously rejected the agreement, and staged two 24-hour strike actions in protest, but were subjected to a protracted campaign waged by company executives and the trade unions to push it through.

The central feature of the new agreement is an effective wage cut. Having last received a pay rise in August 2008, Ford workers are now covered by an EBA which delivers a full wage freeze in the first year (backdated from July last year), a flat \$30 increase from July 31 this year, \$30 in 2011 and \$20 in 2012. Allowances have been marginally raised, but even taking these into account, workers are to receive an annual pay increase between about 1.5 and 2 percent over the course of the agreement. This is significantly less than current and projected cost of living increases, with the official consumer price index now 2.9 percent a year, though many areas such as housing and health are increasing at a far higher rate. Other clauses within the agreement give greater “flexibility” to management, including in the use of contract labour and higher “voluntary separation” payouts—an indication that more sackings are to come.

The agreement was pushed through in the face of widespread opposition and hostility among the Ford workforce. The trade unions and their ex-left accomplices played the key role.

From the outset, the unions agreed with Ford that the workers must be made to pay for the crisis wracking the global and Australian car industry. Like their counterparts in the US, Europe, and elsewhere, the trade unions function as an arm of management. Their privileged status derives from their role in policing the cuts to wages and conditions that

management deems necessary to boost corporate profit rates and “international competitiveness”. While workers in the Australian car industry receive substantially lower wages than those in many advanced capitalist countries—in 2007 average hourly compensation was \$26 an hour, compared to \$35 in the US and \$45 in Germany—the benchmark has been set in plants established in impoverished countries such as Mexico, where car workers receive just \$3.50 an hour.

Car workers internationally have been prime targets of the sweeping economic restructuring agenda advanced in the aftermath of the 2008 financial crash. In the US, President Barack Obama sent a conscious and clear signal to slash wages and impose speedups when his administration forced GM and Chrysler into bankruptcy in order to impose deep cuts in jobs, wages and benefits. The same process is underway in Australia under the federal Labor government. While a relatively small producer (manufacturing 0.5 percent of the world’s cars), vehicle and auto parts are one of Australia’s top ten exports, worth about \$5 billion annually, and about 60,000 workers remain employed in the vehicle and components industry.

The current Ford Australia agreement was clearly modelled on last year’s attempt by the company in the US to impose a wage freeze, strike ban, and other regressive measures on its American workforce. When negotiations on the new agreement began last year, Ford Australia executives demanded an across-the-board wage freeze, a two-tier wage system paying new hires 15 percent less than the current workforce, and the removal of sick leave payouts and annual bonuses.

From the outset the unions downplayed Ford’s offensive. Ian Jones, federal secretary of the Australian Manufacturing Workers Union’s (AMWU) vehicle division, dismissed the company’s stance as a mere “ambit claim”. Behind closed doors discussions between the union bureaucrats and Ford executives continued amicably. Last July, Ford Australia

President Marin Burela spoke with the *Go Auto* web site and heaped praise on the “professionalism and maturity at every level of the trade union movement”. Such high regard no doubt reflected Ford’s appreciation for the many services rendered by the unions—including their role in enforcing the company’s sacking of 15 percent of the workforce in late 2008.

When the proposed new industrial agreement was released late last year, the AMWU’s Ian Jones hailed the wage cutting deal as “quite remarkable”. However, in an incipient rebellion against the unions, all five divisions of the Ford workforce in the Geelong and Broadmeadows plants rejected the agreement when it was first put to the vote last November. The unions then set to work intimidating and dividing the workers, holding a succession of ballots in an effort to secure the desired outcome. By last month, such tactics had succeeded in placing three of Ford’s five workplace divisions under the new EBA.

The two other divisions, comprising more than 300 skilled tradespersons with the AMWU and Electrical Trades Union (ETU), held out. Under significant rank and file pressure, the unions then convened two 24-hour strikes, the first at Ford in more than a decade. A large majority of workers voted in favour of the industrial action, indicating a determination to fight, but for the unions, the strikes were merely a means to dissipate some of the tension developing in the workforce while devising a means to ram through the agreement. The industrial action was authorised under the Labor government’s draconian Fair Work Australia industrial relations regime, and as a result Ford received advance notification of what was to happen and production was not affected.

The unions then unveiled a slightly modified EBA, with some adjustments on the hiring of apprentices and use of contract labour, though when questioned by the *World Socialist Web Site*, Ian Jones admitted the agreement was “pretty much exactly the same” as the one previously rejected by the workers. Balloting was held over several days from June 1, resulting in the agreement being passed—although with a substantial 40 percent no vote.

The ETU played a significant role alongside the AMWU in the Ford EBA dispute. Since his expulsion from the Labor Party in May 2007, the union’s state secretary Dean Mighell has postured as a “left” critic of the government and as a staunch defender of the interests of the ETU membership. However, far from in any way supporting Ford workers, Mighell backed the agreement and helped ensure its

adoption by ETU members. He told the *Green Left Weekly* on May 15, following the skilled tradespersons’ first 24-hour strike, that the issue of Ford’s use of contract labour was the only remaining “major hurdle” for an agreement to be reached. Mighell said nothing about the real wage cut, thereby demonstrating his agreement with this aspect of the EBA.

The ex-lefts of the Socialist Alliance helped to cover up the role of the unions and Mighell in particular in the Ford struggle. Mighell’s interview in the *Green Left Weekly* was published without criticism, and without any comments appearing from Ford workers themselves. It was followed on May 30 by an article by Socialist Alliance member and Geelong Trades Hall Secretary Tim Gooden, titled “Ford agreement goes to the vote”, which backed the proposed EBA. Socialist Alliance was the final element in the de facto chain of command that ran from the Ford boardroom to the Labor government, the unions and their ex-left accomplices, all of which serve to prop up the profit system.

Ford workers were hostile to the agreement from the outset and showed no lack of determination to fight it, but were unable to mount a consistent opposition because they lacked a political program and perspective. The only alternative to an agenda dictated by the capitalist market is a socialist one—the reconstruction of society to meet the needs of the majority, rather than the profits of the wealthy few. Ford and the other car giants should be nationalised under the democratic control of the working class as part of a planned world economy.

The first step is a conscious break from the Labor Party and the unions and the building of independent rank-and-file committees to fight to defend the basic rights and living standards of the working class. Ford workers need to turn to other car workers and sections of the working class as part of building an independent political movement against Labor and the unions. Such a struggle will only go forward, however, to the extent that they are guided by a socialist perspective to unify workers in Australia with those in the US, Europe, Asia and internationally to abolish the capitalist system. Above all, this requires the building of the Socialist Equality Party as the necessary political leadership to fight for this program.



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