

# Australia: PPG paint workers strike against 43-percent wage cut

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PPG Industries, a multi-billion dollar US-based global manufacturer of chemicals, paint and glass, has launched a major strike-breaking operation against workers opposing its demands for drastic cuts to new starters' wages at its paint-making plant in Melbourne's south-eastern suburbs.

More than 120 PPG employees walked out on March 28 over company demands that a new enterprise bargaining agreement (EBA) include a 43 percent wage cut and the elimination of various benefits to all future employees. Ninety percent of United Voice union members, who have not had a pay rise since 2009, voted for strike action last February in protest against these demands.

During EBA talks, PPG management tabled labour costs at its Thailand and China plants and has publicly declared that it considered its Australian workforce "overpaid." The obvious threat is that unless workers accepted the company's dictates, the Clayton plant would be axed.

The strike-breaking operation currently involves at least 20 workers brought in from the company's overseas plants, along with 90 casuals supplied by a labour hire company. The strike breakers were employed about three months ago and trained alongside the full-time employees. PPG is reported to have stock-piled two months' supply of paint for its major clients—Ford, Toyota and General Motors Holden.

A long-term PPG worker who wished to remain anonymous told the *World Socialist Web Site* that most PPG plants had two-tiered wage systems. "It's a way of getting rid of pe rmanency and dignity," he said.

"Over the last six months the company had made 3.2 million of litres of paint per month. It's made its share of profits. What they've done is selfish. They came into meetings like the Gestapo saying, 'We've got to keep costs down to keep the plant alive'.

"We just cannot go back to work until we've got something that will protect us... Imagine we're getting \$40 an hour and people doing the same work get \$18. Everyone should get the same pay for the same work. It just isn't right," he said.

Workers have also warned that safety breaches by the inadequately trained strike breakers are endangering the workforce and nearby residents with potential for toxic chemical explosions. A formal complaint by the health and safety representative about these concerns has been ignored by PPG.

Kane Anthony told the *Herald Sun* that he refused to work at the plant soon after the strike began because of his concerns about safety. He told the media that he had only received two days' training before being assigned to mix chemical for paint batches. "The place will go up in flames," he said. "They may as well send someone in with a lit match."

PPG Industries is the world's second largest coatings company, with sales of \$13.5 billion and a \$769 million profit in 2010. Like every major corporation, PPG was impacted by the global economic crisis. Following a drastic decline in the automotive and home building markets, it closed plants in the US, France, Canada and the Netherlands, axing 2,500 employees or 5.6 percent of its global workforce.

PPG is notorious in the US for slashing wages of newly-hired workers, with most of its American plants operating lower pay rates for all new starters. Two-tier

wage agreements, in fact, are now commonplace in US industry. The United Auto Workers union first accepted these cost-cutting measures in 2007, claiming they were temporary and would only apply to newly hired “non-production” employees. In 2009, the union extended the measure to all new employees as part of its agreement with the Obama administration in the restructuring of Chrysler and General Motors. The UAW then signed a similar deal with Ford.

PPG’s attempt to impose similar measures on its Clayton workforce is a serious warning to the entire working class. PPG has launched its latest assault having been emboldened by the Gillard Labor government’s repressive Fair Work Australia industrial relations laws, which outlaw virtually all forms in industrial action.

The Labor government has given employers the green light to slash jobs, cut working hours and undermine hard-won working conditions. No section of workers in the manufacturing industry has been exempted—from the car, rubber, clothing and textile industries and other sectors—over the past three years. In fact, PPG’s Clayton plant adjoins the Bosch auto-parts maker, which has just announced that 380 jobs or a third of its workforce will be axed by 2013. Last week Ford indicated that it is preparing to axe 240 jobs from its Broadmeadows plant.

Under the Hawke and Keating Labor governments from 1983 to 1996, which saw the largest transfer of wealth from the working class to the wealthy in Australian history—and the elimination of hundreds of thousands of manufacturing jobs—the unions played the key role. They now function as direct agents of the employers. Recent betrayals of strike action to defend wages, working conditions and against increased casualisation—by Prysmian cable-making workers, Woolworths warehouse employees, JB Swift meat workers and Visy paper workers to name a just few—demonstrate this fact.

In every case the unions urged a return to work after negotiating sellout deals. The Visy dispute was shut down by the unions following the violent arrest of over 30 workers for picketing the Dandenong plant, with the

unions claiming a victory because the company agreed to drop charges against picketing workers.

United Voice (previously the Liquor, Hospitality and Miscellaneous Workers Union), which covers the PPG workers, is no exception. It continues to isolate the paint workers, rejecting calls for picketlines while falsely claiming that the company would not be able to operate during the walkout. United Voice’s real concern is not PPG’s wage cutting measures but that it retains its position as the official bargaining agent for the company’s Clayton workforce.

PPG workers cannot defeat management’s push for a two-tiered wage system while they remain under the domination of the unions. What is required is a conscious turn to all other sections of the working class now under attack—at Ford, Bosch and other sectors of manufacturing, in Australia and internationally—and the development of rank and file committees and other forms of struggle to mobilise the widest sections of the working class.

The first step in this process is a recognition that workers are in political battle against the Labor government and the unions, and that this struggle can only be waged on the basis of a new program—the fight for socialist perspective to reorganise economic life to serve the interests of working people, not the financial and business aristocracy.



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