

Union betrays nine-week Australian PPG paint workers' strike

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More than 120 paint workers have today resumed work at PPG Industries in Melbourne, after the United Voice (UV) union orchestrated an end to their nine week strike. The union delivered all the central demands of the US-based company, including the introduction of a two-tier wage regime. New starters will receive 43 percent lower wages, and important overtime benefits for the existing workforce will be eliminated.

The sell out was the culmination of a conscious strategy by United Voice bureaucrats to isolate and wear down the striking workers. A media blackout was imposed from the early stages of the struggle, and the last mention of the strike on the UV website appeared on April 15. No picket was formed, which facilitated PPG using contract and other scab labour to continue operations in the plant. The factory is in the middle of a large industrial area—yet workers in neighbouring plants, let alone the wider working class, would have had no idea that the PPG workers were on strike.

Moreover, UV provided no strike pay throughout the dispute, placing many workers in serious financial difficulty after going without wages for more than two months. One striker told the *World Socialist Web Site* that he estimated he had lost as much as \$20,000.

As the union intended, frustration and a degree of demoralisation ensued, creating the conditions where last Friday the workers voted to end the strike. The decision was accompanied by widespread bitterness and anger. One worker told the WSW: “We’re all on the firing line. Lots of us don’t agree with it [the return to work], but finally we all voted for it. A lot of guys were feeling a lot of financial problems. That’s what got a lot of them to go back.”

Another striker denounced the isolation of the dispute. “There was no mention of the strike on the radio, or on the mainstream news,” he noted. “I thought a while back, ‘They’re keeping this really hush-hush.’ I think it has been kept really quiet. If there is trouble in the car companies, or in Qantas or on the ports, you do hear about them. But nobody knew about us.”

PPG management has instructed the workers that they will only be permitted back into the plant on Friday, after first attending a two-day “site reintroduction program” at a conference centre. A letter sent to the workers explained that this was supposedly “to ensure that your return to work is safe,

respectful and productive.”

PPG Industries is the world’s second largest paint producer. Its Australian operation is a major supplier of automotive paint to Ford, Toyota and General Motors Holden. Its restructuring drive has centred on introducing a two-tier wage system like that implemented in the US auto industry. New hires in General Motors, Ford, and Chrysler now receive as little as \$14 an hour under the new contracts delivered by the United Auto Workers union.

United Voice initially postured as an opponent of the two-tier system. However, the moment the union secured assurances from PPG that it would receive checked off dues from the second-tier workforce, UV bureaucrats urged the workers to accept the measure. A month into the strike, on April 27, the union succeeded in obtaining a majority vote for two-tier wages in a meeting marked by confusion and angry opposition from a significant minority.

Despite securing the two-tier giveaway, United Voice was unable to force a return to work, because of continued opposition to the company’s demand that the existing workforce give up guaranteed pre-paid overtime of five hours a week—worth between \$250 and \$450 a week for many workers—that had been part of their annualised salary for more than a decade.

Following behind closed doors discussions between UV officials, PPG executives, and mediators with the Labor government’s Fair Work Australia tribunal, the company and union agreed that pre-paid overtime would be eliminated at the end of 2013.

One worker said: “This is a kind of last hurrah. PPG is running it out—they’ll keep it in for a couple of years. After that, it will be ‘you can get stuffed.’ So we can look forward to our wages going down substantially at the end of that time. And certain workers will be targeted to be driven out before that anyway.”

Other terms of the new three-year enterprise bargaining agreement (EBA) include nominal wage increases of 3 percent a year—a real wage cut, given recent much higher cost of living increases. Moreover, the wage rise will only take effect from the date of the deal between the company and the union, not from the expiry of the previous EBA last December. Nor is

there any back pay covering the period of the strike. Instead, workers receive just \$2,000 (before tax) as a “signing bonus.”

The union has also guaranteed that for six years after the expiry of this agreement, i.e., until 2019, it will not negotiate for wages higher than the increase of either the Consumer Price Index (CPI) or the minimum wage rate as determined by Fair Work Australia.

United Voice has trumpeted a clause in the new agreement which supposedly protects ten entitlements (relating to issues including superannuation, canteen prices, and bonuses) for eleven years, until 2022. This assurance is not worth the paper it is written on—with the introduction of a second-tier workforce on 43 percent lower wages, the company has an immediate financial imperative to get rid of its current workers as quickly as possible. It is highly doubtful whether any of the current workforce will be working there another decade from now.

The union similarly included in its agreement with PPG a series of clauses stating that redundancies, shift transfers, and access to overtime would be determined without regard to whether a worker was employed under the first- or second-tier conditions. This is a fraud—the company has openly stated that the central purpose of the new agreement is to slash labour costs, and that two-tier is the mechanism through which this will be delivered.

Several workers spoke with the WSWs about their anger over what has happened. One said: “We’ve lost clear and simple. We’ve lost the second tier and we’ve lost pre-paid overtime. At the moment now [under FWA] you’re not allowed to do anything. Even though you are on strike you are not allowed to do anything. It is ‘fair’ for the companies, not ‘fair’ for the workers—it should be called Fair for Companies Australia. Targeting [of selected workers] is a likelihood when we go back. Various areas are likely to be outsourced.”

Another worker stated: “I have learnt about the company that they are never to be trusted, and they are all about greed, everything is the dollar. I will go back in there with a completely different attitude—I am just going to smile at them and take their money and that is it. In one way I am grateful to them that they have really shown to me what they are all about.”

An older worker added: “I feel very sorry for the next generation. I worry about what lies ahead for them. How in the hell can people work for next to nothing and be able to buy a new home? It can’t be done. I know the deal we’ve got is not good. It is temporary only—it got us back to work, to earn an income. I don’t know how we will swallow this.”

The PPG conflict is a sharp expression of the sweeping restructuring agenda now underway throughout the manufacturing sector in Australia. More than 100,000 jobs have already been destroyed since the global economic crisis erupted in 2008, and the process is accelerating, with the so-called mining boom providing the mechanism for an onslaught on jobs, wages, and conditions in the other sectors of the

“patchwork”, “two-track” economy. Mass layoffs have recently been announced at companies including Ford, Bosch and Heinz. At the same time, workers in key export and transport infrastructure facilities, on Patrick’s ports and in Qantas airlines, are being subjected to a coordinated offensive, waged by the companies and the Labor government of Prime Minister Julia Gillard.

PPG workers demonstrated no shortage of determination to defend their wages and conditions—but their defeat underscores the fact that no section of the working class can advance its interests while remaining within the framework of the trade unions. There has not been a single struggle waged by the working class in Australia and other advanced countries over the last three decades that the unions have not sought to strangle and betray. Organically tied to the profit system and determined to advance the “international competitiveness” of Australian capitalism, the unions function as the enforcers of the corporate drive for ever lower wages and poorer conditions, with workers in every country pitted against one another.

Through bitter experience, many PPG workers now understand that the unions represent corporate interests, not theirs. The urgent task now is to strike out on a new path, and develop new independent organisations of struggle, including rank and file committees in factories and workplaces around the country.

This requires a political fight against the Labor government, which serves the interests of big business and finance capital, and the profit system itself. The anarchic operations of the capitalist system now threaten a historic regression in the living standards of working people around the world. Jobs, wages and conditions can only be defended through a revolutionary struggle by the working class to reorganise society, placing the commanding heights of the economy under public ownership and the democratic control of the working class, and organising production on the basis of satisfying the social needs of the vast majority instead of the profits of the corporate elite.

This is the socialist and internationalist perspective advanced by the Socialist Equality Party. We urge PPG workers to make a serious study of the SEP’s program and history, and make the decision to help build it as the new mass party of the working class.



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