Toyota Australia executives threaten shutdown after strike

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Toyota Australia has threatened to end its manufacturing of cars in Australia, after workers went on strike against the company's wage-cutting drive.

Strikes were held on September 2, and September 15 and 16, involving more than 3,000 workers at Toyota's main plant at Altona, in Melbourne's west, and hundreds more workers at its parts centres in Melbourne and Sydney. The stoppages are set to resume this Thursday and Friday. The Altona plant produces around 560 cars per day, with 70 percent of them exported, mainly to the Middle East.

Toyota is demanding that workers accept a new enterprise agreement that entrenches real wage cuts over the next three years, with nominal wage increases of 1-2 percent now, 2.5 percent in April 2012, 3 percent in 2013 and 3.5 percent in 2014. The official annual cost of living is currently 4.5 percent.

Toyota's demands are part of an intensifying offensive being waged by corporate Australia against workers' jobs, wages and conditions. Last month's announcement by BlueScope Steel that at least 1,400 jobs would be destroyed has been followed by predictions that more than 100,000 jobs will be cut across the economy before the end of the year.

Manufacturing is at the centre of the economic restructuring that is being spearheaded by the Labor government of Prime Minister Julia Gillard and the trade unions. Entire sections of industry have been threatened with closure—including the car industry. Like their counterparts in the US and Europe, car workers in Australia confront demands for ever greater productivity and wage concessions.

Toyota Australia president and CEO Max Yasuda last week denounced the stoppages. "We must compete with Toyota plants around the world for the right to build cars and to supply export markets," he declared. "We are already under severe competitive disadvantage due to currency, high local costs and reduced volumes. We need to work together to reduce costs and improve our competitiveness. Industrial action at this time can only hurt Toyota Australia's case to maintain its export program. If Australian operations are uncompetitive and perceived as unreliable, these cars can be made in another Toyota plant."

The Australian Manufacturing Workers Union (AMWU), which covers the car workers, is doing everything it can to deliver on behalf of the company. It has submitted a wage claim involving a 4 percent annual rise, which is itself lower than cost of living increases, though union officials have stated they are willing to lower this claim to 3 percent. Workers are demanding that the 2011 increase be backdated to when the previous agreement expired last July.

The union is clearly under significant pressure from the workers, having imposed real wage cuts and shorter working hours in the aftermath of both the 2008 financial crash and the Japanese earthquake and tsunami earlier this year.

Acting national secretary of the AMWU's vehicle division, Dave Smith, told the *Australian* that the company's initial offer of a 1 percent increase in 2011 had created problems. "Trying to sell that to a worker who hasn't had an increase since April last year is pretty hard," he explained. The bureaucrat added: "We

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certainly don't dismiss what the company is saying... In an ideal world we would sit down, sort out the numbers and keep making cars."

One worker spoke with the *World Socialist Web Site* about the impact of escalating power bills and housing costs. "We've been fair about it with the company," he said. "We've been holding back on everything. But the price of everything is going up. We don't want to go on strike, but what can you do?"

The AMWU is seeking to limit the Toyota stoppages to the narrowest possible framework. No pickets were organised during the strikes, facilitating Toyota's use of an estimated 400 scabs, most of them reportedly contract workers. The industrial action has been authorised within Labor's draconian Fair Work Australia (FWA) regime. When the FWA tribunal banned planned strikes scheduled on September 8 and 9, the unions complied without challenge. The tribunal may again intervene, as Toyota plans to challenge further industrial action this month.

The unions have also ensured that the new enterprise agreement winds back none of the previous concessions in workplace conditions. One worker told the WSWS that many more contract workers had been introduced since the last agreement was rammed through. On his line, 6 of the 21 workers were now on contracts, earning $20 an hour, whereas three years ago there was only 1 non-permanent worker. Contract workers were often sacked after the six-month limit on their employment expired.

In order to defend their jobs, wages and conditions, Toyota workers must first break free of the straitjacket that is being imposed by the trade unions, and develop their own independent rank and file committee to fight for their interests. The trade unions have closely collaborated for decades with governments, state and federal, and the companies in slashing jobs and imposing productivity speed-ups at Toyota, Ford, General Motors and car component companies.

Workers should also turn out other sections of the working class confronting similar attacks—including BlueScope steel workers, Qantas employees, locked out Jeld-Wen door and window manufacturing workers, and public sector workers. The FWA tribunal's intervention into the Toyota dispute underscores the fact that any genuine struggle to defend jobs will necessarily involve a political fight against the Labor government.

Such a struggle requires a new political program and party, based on a socialist and internationalist perspective to abolish capitalism. Toyota and the other major car manufacturers operate on the basis of a global strategy. Car workers must respond by unifying their struggles across national borders—including with the 49,000 General Motors workers in the US who confront further wage cuts being advanced by the company and the United Auto Workers union, and the 3,000 Indian car workers now locked out of the Maruti Suzuki assembly plant outside New Delhi.

We urge Toyota workers in Australia to contact the *World Socialist Web Site* to develop a discussion on these issues.

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