

Union imposes real wage cut on Australian Toyota workers

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The final outcome of a significant dispute last year involving Toyota workers in Australia has been buried by the media and, not surprisingly, the union. The enterprise agreement imposed by Australian Manufacturing Workers Union (AMWU) effectively cuts real wages and was opposed by a substantial minority of workers.

Last September, more than 3,000 workers at the company's main plant in the Melbourne suburb of Altona, together with hundreds of others at parts centres in Melbourne and Sydney, staged rolling strikes over five days. They then voted down a proposed new enterprise agreement on two occasions.

The first ballot was put directly to the workers by the company, after negotiations between management and the union were deadlocked. Toyota executives threatened to permanently shut down production in Australia if workers could not remain "competitive," but still the offer was voted down. Toyota and the AMWU subsequently announced an "in principle agreement," but at the last moment the company reportedly withdrew promised cash bonuses and the union advised workers to reject the offer.

When a third vote was held in mid-November, with four annual \$250 bonuses reinstated, the agreement was narrowly approved, with just 55 percent in favour.

At the centre of the deal brokered by the AMWU is the further erosion of real wages. The agreement delivers a nominal wage rise of just 13 percent over four years, in five increments of 2, 2.5, 3.25, 3.25 and 2 percent. The official cost of living index for an

employee household is currently 4.5 percent.

The initial 2 percent rise is backdated only to September 2011—not July, as workers had originally demanded. Toyota workers last received a wage rise in April 2010. Moreover, after the 2008 global financial crash, production at the Altona plant was slashed and workers were given fewer hours and less money. Toyota Australia also operated on half shifts for two months after the 2010 Japanese earthquake and tsunami, with workers receiving only 75 percent of their regular wage.

Working conditions have also been eroded. As part of the agreement, workers are required to provide proof of illness for all but 5 days of their annual sick leave. Previously, 7 of the annual 10 sick days could be taken by long-term employees without a doctor's certificate. The agreement also gives the company greater leeway to organise production shutdowns, forcing workers to take annual leave.

The deal between Toyota and the AMWU is only the latest in a series of regressive agreements driving down the wages and conditions of the 60,000 Australian car and car component workers. This is part of the international restructuring of the auto industry, with the major corporations demanding poverty-level wages everywhere in order to meet demands for "competitiveness." The Obama administration, the United Auto Workers (UAW), and the major American producers have established a new benchmark for the advanced capitalist economies, creating two-tier workforces in which new hires receive just \$15 an hour.

One Toyota worker in Melbourne told the *World*

Socialist Web Site: “At the end of the day we didn’t agree with the offer. They kept putting it to the vote until we agreed. We didn’t have much say. People got sick of voting. The last vote was the same thing as the previous. Nothing changed. We still don’t know what the production targets are that the bonus is based on.

“We lost five days [on strike] but what’s the point? If we’d agreed in the first place we probably would have got the same. I was willing to fight all the way and see how it goes. Things are like they are today because the government’s giving the companies more power. The unions are scared of being fined. At the end of the day, the government stuffed up and we lost our rights. I don’t follow Liberal or Labor. If you give power to the companies, you end up making people unemployed.”

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Another worker, who voted against the final deal, added: “Most of the guys are upset. Many said they would leave the union. The union said that with the loss of a 40,000-car contract to the Middle East, the company will be tapping people on the shoulder and shutting down the afternoon shift, and that the best way to keep your job is to stay in the union. The unions did a lot of things wrong. They didn’t fight. They didn’t show the company we were still together by calling a mass meeting. There were no meetings at all after the first one [at the start of September]. I feel the third vote was corrupted. The company ran all the votes by online ballot.”

The imposition of the enterprise agreement was an orchestrated operation by Toyota and the AMWU. The trade unions are systematically isolating different sections of workers to ram through the concessions on wages and workplace conditions now demanded by big business, backed by the Labor government of Prime Minister Julia Gillard.

As in other recent conflicts, the Gillard government’s Fair Work Australia industrial body played an important role in the Toyota dispute, intervening to ban two 24-hour stoppages that had been planned last year. The AMWU immediately complied and insisted workers do the same.

The outcome of the Toyota dispute underscores critical issues facing all workers: without a rebellion against the unions, it is impossible for the working class to wage any genuine struggle to defend its jobs, conditions and basic rights. The starting point is the formation of rank-and-file committees and a turn to other sections of workers in Australia and internationally facing similar attacks.

That necessarily involves a political struggle against the Gillard government and its FWA apparatus, as well as the companies and the unions. Such a fight can be waged only on the basis of a struggle for a workers’ government to implement a socialist program, including the transformation of the car manufacturers and other key companies into publicly-owned and democratically-controlled enterprises.



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