

# Toyota Australia slashes 10 percent of workforce

Will Marshall  
25 January 2012

Toyota Australia announced on Monday that it is sacking 350 workers from its plant in the western Melbourne suburb of Altona, equivalent to more than 10 percent of the workforce.

CEO Max Yasuda told a combined meeting of the morning and afternoon shift workers that the compulsory redundancies would affect assembly, painting and management employees. More than 1,000 flow-on layoffs are likely in the car components industry. Toyota Australia attributed the job destruction to a sharp decline in output. Exports that are mainly directed to the Middle East have been hit by the high Australian dollar and greater competition from the company's other subsidiaries, such as Toyota Thailand.

The Japanese-based car giant plans to produce just 95,000 vehicles in Australia this year, down from a production peak of 149,000 in 2007. According to Yasuda, Toyota Australia previously shipped 80,000 cars annually to the Middle East, but exports will be less than half this in 2012. The CEO said the company now assessed these lower volumes as a "permanent situation," adding that the company's operations in Australia could not be guaranteed beyond the next five years.

The global automotive industry remains in deep crisis and the major producers are restructuring their operations internationally. Overcapacity and plunging profit rates have affected every producer, with Toyota also badly disrupted by last year's Japanese tsunami and Thai floods. The global car industry is continuing to offshore production to East Asia, India, Russia and Brazil.

At the same time, the Obama administration and the United Auto Workers have effectively converted the US into a low-wage platform, with new union-brokered

contracts involving wages as low as \$14 an hour. The transformation of the American auto industry has established new benchmarks for slashing workers' wages and conditions internationally.

The destruction of Toyota jobs has been orchestrated by the company with the Labor government and the trade unions.

Manufacturing Minister Kim Carr supported the layoffs: "Ultimately, companies have to take tough decisions based on commercial realities to ensure that their business model remains sustainable, and that is what Toyota has done today." He contemptuously denied that the government could have done anything to have prevented the job losses. "It's not the government's job to tell them how to manage the plant," he insisted. "Governments do not run the car companies."

Carr revealed that he had prior knowledge of the job cuts, saying Toyota had told him last year of the problems it was facing, but he declared that the government did not "do bailouts" to protect jobs. He explained: "That's not the way it works, we don't do that. What we do is provide support to encourage new investment for new products."

As Carr's comments indicate, the government's large handouts to the major car companies have had nothing to do with defending jobs. The government has in fact worked very closely with the trade unions and the car producers to develop restructuring plans involving further productivity speedups, wage cuts and job losses.

Prime Minister Julia Gillard yesterday feigned sympathy for the sacked Toyota employees. "We will be doing everything we can to work with them and support them to get a new opportunity and new job," she declared. This "support" will no doubt involve bogus government-sponsored retraining programs that are centrally designed

to pre-empt any struggle in opposition to the layoffs.

The Australian Manufacturing Workers Union (AMWU) endorsed the sackings. Ian Jones, federal secretary of the union's vehicle division, declared: "I reiterate that they [Toyota] are a good employer and they have carried substantial excess labour over a long period."

Fearing that forced redundancies could trigger resistance, the union's only complaint is that the management plans to impose compulsory redundancies rather than work with the union to organise "voluntary" job losses. "It's extraordinary that there are procedures in the [enterprise] agreement laid out for how you handle these things, and Toyota is simply not following any of them," Jones said.

The enterprise agreement referred to by Jones was imposed late last year. It involved real wage cuts and other concessions and was widely opposed by workers. The AMWU's complicity with the 350 layoffs has further fuelled hostility toward the bureaucracy among a significant layer of workers.

One Toyota worker told the *World Socialist Web Site*: "What the union leaders say in the media about not previously knowing anything about the job cuts is a lot of bull. Before the company comes to speak to us they have already spoken to the union, and the union is just there to control us... We haven't seen the union reps, who normally work on the line with us, in the factory for the last week since we came back after the Christmas break. They've probably been getting information from the company about what is happening and they're hiding from us because they know that if we find out they're hiding something from us, we'll vote them out. They don't want to lose their luxury jobs."

A fitter and turner in the Altona plant said: "The union hasn't informed us of anything, and union delegates say they didn't know anything until 30 minutes before the meeting [where the cuts were announced]. I don't believe it—there were rumours before Christmas that 400 to 600 jobs were to be going. I don't know what the solution is, but in Japan more and more workers are on contracts and they can be let go whenever the company wants. I think it is wrong and it must be changed."

A permanent worker with seven years' experience denounced the union for selling out the workers' strike

action last year. "Everything is politics," he said. "If the head of the union works with the company, then at the end of the day, the union will get the money from the company, whether or not the [enterprise] agreement is passed. It's actually better for the union if it passes. The employees are unhappy because their conditions are getting worse, but it doesn't matter for the union head. These days I don't really care about the union. I'm [a member] with them, but at the end of the day, when the hard yakka hits, they're not going to be there to support us."

Toyota workers must oppose the layoffs. This means a struggle in defence of jobs and conditions, against the government-management-trade union agenda of never-ending concessions and cuts aimed at making Australian workers "competitive" with their counterparts in Asia's low-wage manufacturing platforms. The restructuring wracking the international car industry is one reflection of the escalating crisis of the capitalist system. There is no national solution to the problems confronting car workers in Australia, or any other country. What is required is a global counter-offensive, uniting auto workers internationally in defence of their common class interests.

The advanced technologies and resources of the car industry cannot be left in the hands of corporate executives. Workers need to take up a struggle for the nationalisation of the car industry under the democratic control of the working class, and for the formation of a workers' government to implement socialist policies. The first step is to break out of the straitjacket imposed by the trade unions. Workers ought to establish independent rank and file committees, turning out to other sections of workers facing similar attacks, as well as linking up with car workers in Australia and internationally.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**