Australian car unions seek to ram through Holden wage-cutting deal

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14 August 2013

The Australian Manufacturing Workers Union (AMWU) yesterday claimed that a majority of car workers at the General Motors Holden plant in Elizabeth, South Australia voted in favour of a regressive new industrial agreement that cuts real wages and tears up workplace conditions and protections. If allowed to go through, the deal will establish a benchmark for corporate attacks against other sections of the working class.

Holden workers are voting on the cost-cutting agreement with a loaded gun being held to their heads by the trade unions, corporate executives and the Labor government of Prime Minister Kevin Rudd. The company, a subsidiary of the US-based auto giant General Motors, has declared that if the deal is not ratified it will shut down all production in Australia by 2016, sacking about 1,500 workers at its South Australian and Victorian plants, and triggering thousands more job losses in the car components sector. The threat comes after Ford Australia earlier this year announced that it is mothballing its operations within three years.

Holden executives initially proposed that production workers accept a $200 a week wage cut, but then worked with the unions to find equivalent cost cutting, totalling $15 million a year. Under the current proposal, workers will be hit with a three-year wage freeze, a real wage cut. They will also have their workday extended through reduced break times, have the timing of their annual leave dictated by the company's production schedule, be compelled to work overtime with just 24 hours' notice, and be potentially forced to report for another shift within 10 hours of finishing a previous shift.

Holden will also be given the unchecked ability to use casual workers and contractors on lower rates of pay. As a result, none of the approximately 1,500 permanent positions destroyed since 2007 will ever be replaced. Under the new agreement, the remaining permanent workers will have zero job security, with management able to sack anyone accused of "inefficiency" or "malingering."

Ahead of the vote, the AMWU attempted to distance itself from the deal it had cooked up with Holden executives, insisting that it was up to the workers to decide and maintaining that the union was not recommending a vote either in favour or in opposition.

Yesterday afternoon this pretence was dispensed with. Visibly relieved union officials rushed to announce that the Elizabeth workers had approved the deal. AMWU state secretary John Camillo, crying crocodile tears, told a press conference outside the plant: "It was a tough choice, but they made the right decision. It's good news at this stage... They really wanted to vote no, but at the end of the day they know they're voting for their future, to keep this company going for ten years."

Camillo refused to provide the voting numbers, stating only it was a "very clear majority" in favour. His announcement appeared aimed at presenting the Holden workforce with a fait accompli—many workers in Elizabeth and none of the nearly 1,000 workers in Melbourne had voted when the AMWU declared the deal approved. Balloting will only be finalised on Friday.

The union is working with the company to divide the Holden workforce, with those at the Melbourne plant not immediately affected by the new deal. Workers there are being urged by the union to abstain in order to allow the agreement to go through. Several spoke with the WSWS yesterday and expressed their anger over what was happening. "Part of Detroit is like a ghost town because GM has closed plants in the area," one said. "They will do the same here—if plants don't make a profit they'll close them."

Another explained: "They want low wages to be more profitable, but who will buy their products? I've read that in Europe they are closing Opel and Renault plants—it's all about greed… Our bills are skyrocketing. If we get a

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pay cut, where do we go? What will go next? It's not good that [workers in] Adelaide voted for the agreement. They put the fear of god into them. They would have said: 'Do you want to close like Bochum [GM's plant in Germany]?' The same threat is being used here that was used against the workers in Germany. When I asked a union official about this, he just said, 'I'm not interested in Germany'."

Australian car workers are being targeted as part of an international offensive by the transnational auto corporations. Responding to the global breakdown of the capitalist system, corporate executives are ruthlessly seeking to boost profits by slashing workers' wages and conditions to levels last seen in the first decades of the twentieth century. Confronted with the threat of plant shutdowns and mass layoffs, workers in North and South America, Europe, Asia and Australia are being pitted against one another in a never-ending race to the bottom for continual wage and productivity concessions.

Within the US and other advanced capitalist economies, the impoverishment of auto workers has spearheaded a broader assault on the social position of the working class. Now the Australian financial elite has hailed the Holden agreement for setting new benchmarks, while the unions have signalled their eagerness to work with big business and the government.

Australian Council of Trade Unions president Ged Kearney last week welcomed the Holden agreement. "This has been a hard decision, what has been negotiated at Holden, and I'm really incredibly proud of the union to have come to this point," she stated. "We've done it before. Back in the 1980s, unions negotiated, sacrificed a lot, we sacrificed a 3 percent pay rise to implement superannuation. We took a lot of pain to actually get the industry reforms that were needed back then."

From 1983 to 1996, the unions worked with the Hawke-Keating Labor governments to restructure the economy along "free market" lines in the interests of big business and finance capital. The upper middle class union bureaucracy extended its significant material privileges through a series of Accords, functioning as industrial police by enforcing the shutdown of wide sections of industry, imposing mass layoffs and wage cutting deals, and isolating and victimising any workers who attempted to defend their independent interests.

Kearney's boast of the unions' record in imposing "sacrifice" and "pain" on the working class was an obvious appeal to the corporate elite, as it prepares to unleash a new economic restructuring and austerity offensive that goes far beyond the agenda advanced in the 1980s.

Prime Minister Kevin Rudd is aiming to win big business backing for his re-election campaign by pledging a "national competitiveness agenda" based on a "new sense of partnership between government, business and unions." The Holden agreement points to what the Labor government means by this. Industry minister Kim Carr hailed the AMWU's statement yesterday that the deal had been approved, declaring that it "is an example of companies, workers and unions working together to make our auto industry stronger."

Workers throughout the car industry confront a joint enemy in the corporate executives, trade union bureaucrats and Labor government officials. Workers at Holden plants in Elizabeth and Melbourne should vote no on the proposed agreement, as the first step in a united counter-offensive in defence of jobs, wages and conditions. Rank-and-file committees, independent of the AMWU and other unions, must be established within the plants to unite Holden, Ford, Toyota and other car workers, and turn out to other sections of the working class confronting similar attacks.

Above all, what is required is a political struggle against the Labor government and the fight for a workers' government based on socialist policies, including placing the auto giants under public ownership and the democratic control of the working class. Car workers around the world need to develop a unified struggle against the global corporations and the profit system. This is the perspective advanced by the Socialist Equality Party and our sister parties in the US, Europe, and Asia. We urge Holden and other car workers to contact us to discuss these vital issues.

To contact the WSWS and the Socialist Equality Party visit:

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