

Toyota Australia slashes jobs, demands cost-cutting

James Cogan
16 October 2013

Toyota announced yesterday that it will sack another 100 workers at its Altona plant in Melbourne, scaling back production while demanding wage cuts and productivity speed-ups. Max Yusada, the president and CEO of the company's Australian division, implied that Toyota will close all manufacturing in the country unless its demands are met.

Toyota's moves again raise the prospect that the entire car and components industry in Australia will be liquidated by the auto conglomerates, as part of their global restructuring operations in pursuit of market share and profit. At stake are the jobs of an estimated 50,000 workers still directly employed in the sector, as well as the livelihoods of tens of thousands of other workers and small business people connected to the car industry.

Ford has already announced the closure of its two manufacturing plants in Geelong and northern Melbourne by 2016, declaring that production in Australia was "uncompetitive." General Motors Holden (GMH) has cut production and slashed 400 jobs this year at its assembly plant in Elizabeth, to the north of Adelaide in South Australia, and eliminated 100 jobs from its engine and design plant in Melbourne.

In June, GMH declared that costs had to be cut by \$3,750 per unit for production at Elizabeth to remain viable. The 1,700-strong remaining workforce was blackmailed by the Australian Manufacturing Workers Union (AMWU) into accepting a new workplace agreement that imposed a three-year wage freeze, draconian changes to their shift and holiday conditions, and allowed the company to systematically replace full-time positions with lower paid casual workers. GMH is still threatening to shut down production operations unless the government delivers demanded subsidies.

In early 2012, the AMWU worked with Toyota to

impose a four-year industrial agreement for its Altona workforce that included real wage reductions and cuts in working conditions. Shortly after this, company executives sacked 350 workers, or 10 percent of the total workforce, in a deliberately provocative manner that aimed to intimidate everyone in the plant. Dozens of security guards were hired as targeted workers were taken off assembly lines and work areas in the middle of their shifts, before being escorted off the factory premises and formally sacked. Among those selected were workers who had opposed the earlier demands for cuts in wages and conditions, as well as workers who had taken time off due to workplace injuries.

At the time, Toyota executives declared that the reduced levels of production—in 2012 output was just two-thirds of what had been five years earlier—was a permanent situation.

Now the company is lowering production by another 8 percent, from 470 vehicles a day to 431. Executives blamed declining export orders. Toyota exports 70 percent of its Australian-produced vehicles, mostly to markets in the Middle East, though it has been reportedly losing money on these export sales in the last period. CEO Max Yusada yesterday declared the latest job cuts were "vital if the company wants to move towards global competitiveness."

Yusada also stated that the company aimed to cut production costs by \$3,800 per vehicle by 2018—a near identical figure to that advanced by General Motors before the wage cutting deal was imposed on its Elizabeth workforce. Cost-cutting was essential, he declared, to "show our parent company" that production could "move towards being globally competitive" and justify further investment to maintain long-term operations.

These statements raise the spectre of the 2,400

workers left at Altona being confronted with a new GMH-style industrial agreement, tearing up wages and conditions at the plant.

The trade unions are playing a central role as the industrial police force of the auto companies. The AMWU's response to the latest Toyota sackings could have been issued by the company itself. Vehicle Division national secretary Dave Smith declared that the union was "pleased" that Toyota had made the "redundancies voluntary." He echoed the demand of the car corporations that the newly-formed Liberal-National Party government of Prime Minister Tony Abbott repudiate its plan to cut subsidies to the industry by \$500 million and instead increase the level of so-called "co-investment." Smith made no objection to Toyota's claim that it had to slash production costs, signalling the willingness of the union to once again work with company to impose its dictates on the workforce.

Toyota's announcement was made just days after talks between new industry minister Ian Macfarlane, trade union officials and the heads of GMH, Toyota and Ford over the future of the car industry.

The demands by the companies and the unions for increased hand-outs to the industry are now the subject of intense debate within the Abbott government. The almost \$1 billion that is handed over to the car corporations by the federal and state governments each year is bitterly opposed by key sections of the Australian financial and corporate elite, whose commercial interests lie elsewhere. As far as they are concerned, the entire industry should be shut down. Other business concerns that benefit from car production advocate the subsidies, as do figures linked with the defence and strategic establishment who insist that it is essential to have the ability to produce military vehicles and other equipment in the event of war.

The claim by the companies and the unions that handouts "protect jobs" is a lie. Rather, so-called "co-investment" has been used to finance a continuous process of management-union collaboration to restructure operations at the expense of car workers, retooling production lines, speeding-up output, cutting costs and eliminating jobs. When Nissan, Mitsubishi and now Ford, decided to end production, government and the unions assisted by suppressing any opposition by workers and imposing "orderly closures." Since the

early 1990s, employment in car assembly plants has fallen from around 45,000 to barely 17,000 today.

The demand for "sacrifice" from workers is never-ending. Corporations constantly seek to cut costs by pitting workers in one country against their counterparts elsewhere. The auto giants in the US, with the assistance of the unions and the Obama administration, slashed the wages of new hires to barely \$15 an hour, setting a new benchmark to be matched internationally. This has led to a new round of cost-cutting, jobs losses and, as in Australia, plant closures.

The only way forward for Toyota, GMH and Ford workers to defend their futures is to take up the fight for a socialist and internationalist perspective aimed at uniting with workers around the globe and placing the key sectors of the economy, including auto production, under public ownership and democratic control. That requires a complete break from the unions, the formation of rank-and-file committees and a turn to other sections of the working class in Australia and internationally facing similar attacks.

The author recommends :

Threat to shut GMH car plants grows
[11 October 2013]

Toyota Australia sacks 350 workers
[17 April 2012]



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact