

Australian car workers confront plant closures, job losses

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More than 50,000 workers in the Australian car industry confront a far-reaching assault on jobs, wages and conditions, coordinated by the auto companies, the Liberal-National government and the trade unions. Of the three remaining vehicle producers in the country, Ford plans to shut down by 2016, General Motors Holden is similarly preparing to end its operations, while Toyota yesterday announced that it will tear up the existing industrial agreement covering its workforce, to gut existing conditions and slash labour costs.

On Tuesday, the government announced the terms of reference for a Productivity Commission review into the car industry. The commission, a “free market” review body connected with the Treasury Department, will focus on the multi-billion dollar public subsidies provided to the transnational auto companies, issuing an interim report on December 20 and its full findings on March 31.

General Motors Holden has threatened to end production unless additional public handouts are provided. Last August, the company and the Australian Manufacturing Workers Union (AMWU) rammed through a wage-cutting agreement covering the 1,700 production workers in Elizabeth, South Australia.

Having bludgeoned the workers into voting to cut wages and conditions, Holden is preparing to close down anyway. According to the *Adelaide Advertiser*, the company has shelved plans to build two new car models in Australia between 2016 and 2022. Last week, General Motors announced that the chief executive of its Australian subsidiary, Mike Devereux, would transfer to China to serve as vice president of global operations. The move has been widely interpreted as preparing for an Australian shut down.

Labor Senator Kim Carr, former industry minister in

the Rudd and Gillard governments, revealed that GM’s board in Detroit was reviewing its Australian operations every month. Amid a “bleak” mood, he said, “it may well be as soon as a December meeting [that] a decision is taken to wind down manufacturing facilities in this country.”

Industry Minister Ian Macfarlane told the *Australian* yesterday that a Holden shutdown was possible, and that this would in turn jeopardise the viability of Toyota’s operations in Australia, as well as numerous car component supply operations. “There’s a possibility that the industry is not able to be saved in terms of the level of support it might require,” he said.

Fairfax Media reported today: “Holden will be gone from Australia in three or four years no matter what Canberra does to prop it up, senior ministers in the Abbott government now believe. The bleak conclusion, which has not been stated publicly, is fuelling strong resistance inside the government to further taxpayer subsidies to the automotive industry.”

Prime Minister Tony Abbott’s government is deeply divided over whether to maintain and increase car industry subsidies. The split reflects differences between layers of the corporate elite. One wing regards public subsidies as the necessary price to ensure Australian capitalism retains a viable manufacturing base, including for potential military production, while its rivals want to funnel government subsidies into more profitable industries, even if this means the liquidation of the car industry.

Treasurer Joe Hockey has made no secret of his hostility to continued subsidies. The government, he declared this week, would not negotiate with auto executives “with a gun to our heads.” He added: “We won’t run down streets chasing a single manufacturer with a blank cheque.”

Hockey and his allies within the Abbott government have been backed by the financial and Murdoch press. The *Australian* yesterday issued an editorial declaring that Abbott's response to the Productivity Commission report—which is universally expected to advise an end to car industry subsidies—will be a test of his pro-business restructuring credentials. “The way the government responds to this key policy challenge,” the newspaper declared, “will send signals across the economy about whether it is serious about productivity, ending waste and being open for business.”

Underlying the sharp tactical differences within the bourgeoisie over industry subsidies is a fundamental agreement that car workers must be made to bear the full burden of the sector's crisis. The Labor Party and the trade unions are posturing as defenders of car workers' jobs—but their long record is one of enforcing the destruction of tens of thousands of auto jobs, slashing wages and undermining workplace conditions to boost corporate profits in the name of ensuring the industry's “international competitiveness.”

Like their class brothers and sisters around the world, car workers in Australia are confronted with a never-ending race to the bottom, with new “competitive” benchmarks established not only in the low-wage Asian manufacturing platforms but also in the US, where young auto workers receive as little as \$15 an hour.

The AMWU is playing the critical role in enforcing the government-corporate offensive. Earlier this year it drafted the new industrial agreement covering Holden's Elizabeth workers that imposed a three-year wage freeze, reduced break times, as well as concessions on overtime, annual leave and the use of casual and contract labour.

Now Toyota Australia is demanding similar measures against the 2,500 production workers at its plant in Altona, Melbourne. Toyota's announcement coincided with discussions in Tokyo between Industry Minister Macfarlane and Toyota executives. Macfarlane told the *Australian Financial Review* that in the “pretty frank” talks, he was told about the company's “cost pressures on its Australian operations” and its “plans to target wages and conditions.” Toyota's Australian chiefs yesterday met with AMWU bureaucrats to discuss measures to slash labour costs by at least \$3,800 per vehicle produced—slightly more than the cost cutting that Holden demanded in August.

Toyota issued a statement declaring changes were necessary to eliminate “outdated and uncompetitive practices and allowances that increase Toyota's labour costs and reduce its global competitiveness.” The company reportedly plans to put the proposed wage-cutting agreement to a workforce vote on December 5.

The AMWU will do everything it can to intimidate the Toyota workers ahead of the ballot. It has already policed the destruction of hundreds of jobs at the Altona plant, including 350 forced redundancies last year and another 100 layoffs announced just over a fortnight ago. The national secretary of the union's vehicle division, Dave Smith, told the *Age* that the company's demands “came as no surprise.” He declared: “It was inevitable once that Holden deal was approved, that [Toyota] would ask the same questions.”

These remarks underscore that the trade unions stand as a determined enemy of car workers, and represent the primary obstacle against the development of a unified industrial and political struggle in defence of jobs, wages and conditions.



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