

Australia: Car components workers speak on auto industry shutdown

Our reporters
21 January 2014

Current and former automotive component parts workers spoke with *World Socialist Web Site* reporters about the threatened shutdown of Australia's car industry. General Motors Holden last December announced it was closing its two plants in Elizabeth, South Australia, and Port Melbourne, Victoria, by the end of 2017. Earlier, Ford said it would cease operations by 2016. Toyota, the remaining car producer in Australia, is threatening to also shut down operations.

At least 45,000 automotive-related jobs are threatened with destruction. Of these, nearly two-thirds, or 28,000 workers, are employed by car components suppliers that depend on the auto manufacturers to survive. Approximately half these jobs are located in the state of Victoria.

Workers in the sector have been under relentless assault, especially since the 2008 financial crash and subsequent restructuring of the international auto industry. In the past three years, dozens of component suppliers have closed—including Autodom (2012 – 400 jobs), APV (2012 – 126 jobs), Dair (2013 – 120 jobs) and CMI Industrial (2012 – 119 jobs). Many others have imposed layoffs, or sweeping cuts to wages and conditions. The General Motors and Ford announcements have already triggered more shutdowns, with Hirotec and Chassis Brakes International in South Australia signalling they will cease production at the same time as Holden.

The automakers, as part of a continual push to maximise profits, have long demanded low-cost parts. This has created ongoing pressures for productivity speedups, wage cuts and layoffs, while significant production has shifted offshore. From 2004 to 2012, the value of components sourced from Australian suppliers fell by half, from \$4.94 billion to \$2.34 billion, as the auto companies looked to cheap labour platforms in Asia for supplies.

Workers who spoke to the WSWs described the intimate role of the trade unions in the assault on manufacturing jobs and conditions, and dismissed with contempt the claims of both Liberal and Labor governments that workers who lose their jobs could “transition” to alternative work.

Carmelo, a former employee at the parts manufacturer APV, was one of 125 workers who lost their jobs after the factory shut in 2012. He has been forced to work as a casual for a labour-hire agency, Austaff, in the food industry. “It’s not possible to get a job as a toolmaker,” he said. “I hate having to work for an agency. There are no holidays; those entitlements are gone.”

The former APV worker dismissed the union- and government-promoted “assistance” and “retraining” schemes. “The government says, ‘we’ll give all the workers a hand after the closure.’ It is a lot of baloney. They don’t help you at all. It is only PR. It doesn’t happen. The union is the same. They are only interested in your fees.

“The union [Australian Manufacturing Workers Union] had known for quite a while about what was happening at APV. They are supposed to be on your side, but once the buck stops and the place closes, they wipe their hands of you. You don’t hear from them. You’re on your own.”

Carmelo added: “The people at the top, the rich, are making so much money, more than they need. The Commonwealth Bank made a \$7.8 billion profit last year. There is no distribution of wealth throughout the system. There is no middle class any more, only the poor and the rich.”

Kannan also lost his job at APV in 2012, after working there for 10 years and previously for Ford for 10 years. “Plenty of people from APV are still looking for a job,” he explained. “I’m still looking for something, but there’s nothing.”

Centrelink, the government welfare agency, refused to pay him benefits. Kannan explained: “I’ve tried to get support from Centrelink, but they don’t want to pay me for my disability. They didn’t pay me anything for a year because of the package we got after the shutdown, but since last September, they’re now paying me, just \$71 a fortnight. I can’t live on that.

“I showed them my bills, I showed them my debts, but they won’t give me anything. It’s because my wife works—but she doesn’t earn much. Our mortgage is about

\$500 a week and my wife earns about \$600 a week. If we didn't have my daughter working, we couldn't manage."

Kannan commented: "You can't believe the union. They play double games. Really they're supporting the employers. We had a lot of meetings with the union before APV shut. They came in with a lot of concessions that they wanted us to accept—to take off RDOs [rostered days off], cut sick leave and many other things. The union said that if we didn't accept these, the place would close. I think the union planned it with the company."

Ahmad, now employed at a plastics manufacturer, worked for Hella, a components supplier, for a year in 2011-2012. "They laid off 126 people out of a workforce of 400, after Ford shut down all their production temporarily for a month [in July 2012]," he explained. "Management said it was because of the lack of work in the car component sector. They also wanted us to accept wage cuts. I don't know whether that happened after I was sacked."

Ahmad described the endless pressure on workers for speedup and greater productivity. "It was always all casual staff. You had to meet your target. They wanted 480 parts per shift, and if you didn't meet that, they'd call you in and find out what was going on. You'd be in real trouble."

Asked about the implications of Holden's and Ford's announcements, Ahmad replied: "I have friends at Hella still, and now they're starting to worry about work. Holden announced they're going to be closing, Ford has announced the same, and Toyota in March or May will probably announce that they're closing. Already, it's very hard to find work. When you first go for a job in manufacturing, you're a casual for a year, or a year and a half. A lot of the young guys at Hella now have a mortgage. How are they going to pay for that?"

Asked his impression of the trade unions, he exclaimed: "The trade unions are useless! They're only there to fill their own pockets. They don't look after the people. They don't help. At the end of the day, the union dues just keep going up, so they don't have to worry about your wages."

Ahmad explained: "I was retrenched in 2006 when I was at Southcorp, a packaging company. We worked on the Sunday, and Monday we were gone. The union did nothing; they just left us stranded. They say they're helping, but most of the time they're on management's side. Whenever there's a dispute, they come up with stories just to make sure there is a quick transition. They'll come one day to hold a mass meeting, and tell us, 'we'll have a meeting with management tomorrow.' They come back the next day tell us, 'well, you should understand management's point of view.' The union is supposed to be there to represent you, but instead of talking on behalf of you, they just talk against you."

After it was pointed out that the unions are actively involved in ensuring the "orderly closure" of plants at Ford and Holden, Ahmad responded: "You know what an 'orderly closure' is? They hold your hand and walk you out of the plant like a criminal."

A worker from PPG Industries, a paint supplier for the auto companies, explained: "PPG took advantage of the global financial crisis. Their profits have gone up and the workers' wages have gone down. The PPG share price has gone from \$30 five or six years ago to, last time I looked, \$185—six times what it was—and they claim they can't afford to pay our wages."

In 2011, the United Voice union isolated and then betrayed a nine week-long strike by PPG workers, delivering all the company demands, including a 43 percent wage cut for new hires. "My pay has dropped by \$200 per week since Christmas," the worker said. "We previously had an overtime component built into our salaries, but if we reached our quotas then we wouldn't have to do the overtime. Part of our 2011 agreement was that that would finish. And last Christmas they said all they could afford was 3, 2.4 and 2.4 percent pay rises for the next three years, which is actually a pay cut."

The worker commented: "We don't have a Labor party anymore; Labor is as bad as the rest of them. The union is as bad as the rest of them. How much money do you think the unions would be making from the superannuation funds alone? They're not bothered about the workers—they're just filling their own pockets. Going through the union ranks is a path to government today. It's what you'd call a conflict of interest. You can't fight for workers' rights and look after big business at the same time."

The PPG worker added: "It's like in America; the middle class is disappearing. The more 'productive' we become, the more we're going to suffer. I think everything is going belly up and I don't know what to do about it. I don't think the capitalist system is right."



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact