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Unions call on Holden and other businesses to look beyond wage cuts, outsourcing to drive productivity

A meeting of the ACTU Executive has today called on Australian businesses to look beyond cutting wages and conditions as a simplistic solution, and to invest in skills and technology to lift productivity.

The ACTU, meeting in Melbourne, has criticised Holden for its attempts to reduce wages and conditions at its Adelaide plant by demanding that workers vote to vary their EBA.

ACTU Secretary Dave Oliver said that the attempt to blame Holden's current difficulties on the wages and conditions of its workers ignored the other challenges facing the car industry and reflected a worrying trend in Australian business of making workers pay for management failure.

"Vehicle manufacturing in Australia faces a difficult environment, with a high-dollar and the opening up of the Australian domestic market to imports while new barriers have been erected overseas," Mr Oliver said.

"There is no doubt that Holden's actions have prompted some ideological commentators to blame an alleged "industrial culture" that fosters low productivity and high wages. This is a gross slur on a manufacturing workforce which is one of the highly-skilled and productive in the world, and has never resisted changes when a convincing case can be made for it.

"Wages and salaries make up roughly 17% of the cost of making a car in Australia. Cutting auto workers' wages by 10% would save less than 1.7% of a firm's expenses in the short term – a saving which would be swamped by fluctuations in the value of the Australian dollar.

"There is no long-term future in slashing wages in an attempt to compete on price with overseas manufacturers."

The ACTU National Executive's resolution supported the actions of the Holden workforce and their unions in demanding:

- A thorough top-to-bottom review of the company's operations.
- Complete consultation with the workforce about any changes to work practices or redundancies.
- Company executives agreeing to take a personal pay cut before demanding one of the employees.

"Long-term productivity growth will only be attained if Australia invests in innovation, infrastructure, technology, skills and training, and better management," Mr Oliver said. "We need to avoid the mentality that sees workers solely as a cost and drives a race-to-the-bottom on pay and conditions."

The ACTU also criticised Qantas and Toll Group for their refusal to provide secure employment and its policy of outsourcing jobs at substantially lower wages and conditions.

"Unions will continue to campaign for decent and secure employment, up to the election and beyond," Mr Oliver said.

Media contact: Eleni Hale 0418 793 885 and Ben Ruse 0409 510 879