

# Another Australian auto parts maker collapses

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Receivers for the small car component manufacturer CMI Industrial's Victorian division announced on Wednesday that its two plants in Melbourne will be shut down, destroying 119 jobs. The closures are another expression of the accelerating crisis of the car industry in Australia.

CMI Industrial employs approximately 440 people nationally and is also involved in metal forging and machining, as well as plastic manufacturing. A CMI factory located in the suburb of West Footscray, which employs 52 workers, is expected to remain open until February 2013 to complete existing contracts, while another plant in the northern suburb of Campbellfield will be closed in October. The announcement follows the closure last July of the company's plant in the regional town of Horsham, which resulted in the loss of 30 jobs. The fate of another approximately 100 positions at CMI's last remaining Victorian factory, in Ballarat, is uncertain.

CMI Industrial's Victoria division went into receivership and sacked 50 employees in April after a dispute over unpaid rent with the landlord of the Campbellfield plant, where steering equipment was produced for Ford's Territory and Falcon models. Workers at the factory were locked out for days and returned each morning to find out whether they would be able to work. As a result of the lockout, Ford, which receives components from the company, announced it was standing down 1,800 workers and shutting down operations. In May, CMI was placed into liquidation.

The bankruptcy is being utilised to rob workers of

their entitlements. The company reportedly has up to \$40 million in debt, including \$1.7 million in unpaid superannuation entitlements, used to fund employee retirement. According to the Australian Manufacturing Workers' Union, some employees have been at the plant for more than 30 years and are owed more than \$30,000.

Receivers McGrath-Nicol announced on Wednesday that a buyer could not be found for the company. This reflects the widespread pessimism in corporate circles about the viability of the entire Australian car industry.

In the aftermath of the global financial crash of 2008, the auto industry has been subject to a sweeping restructuring internationally. In the US, the Obama administration organised the forced bankruptcy of General Motors in 2009 on the back of a 50 percent wage cut for new hires, who are paid as little as \$14 per hour. Similar measures have followed in Europe. These conditions are now the benchmark for auto workers in Australia and internationally.

The high Australian dollar and other competitive pressures added to the crisis confronting the car and car components companies. Ford, Toyota, and General Motors Holden have each slashed production and cut hundreds of jobs in recent years. Last week, Ford announced that it was sacking 440 workers from its Broadmeadows and Geelong plants in Victoria, following another production shutdown earlier this month. In April, APV, another auto parts maker which supplies Ford, announced that it was going into receivership and stood down 126 workers without pay for 12 days. The company reopened following a deal orchestrated by the Australian Manufacturing Workers'

Union (AMWU), which enforced a real wage cut for employees and reduced entitlements.

The AMWU has worked hand in hand with CMI management throughout the bankruptcy proceedings to ensure the “orderly closure” of the plants and prevent any struggle by workers to defend their jobs. In May, the union’s assistant state secretary Leigh Diehm declared that the union wanted the company to be placed into liquidation, insisting that this was the only way for the plant to be sold and jobs to be retained. This has been proven to be a complete fraud.

Now the AMWU insists that the only issue is to ensure workers’ receive their entitlements. Diehm declared he would “work with the receiver to ensure that everything that can be done will be done”.

The AMWU official also told the media that the union would work with any potential buyers of the Ballarat plant and was seeking a meeting with receivers next week. The AMWU will no doubt impose whatever concessions on wages and workplace conditions are demanded by a new buyer, if one can be found.

The AMWU also announced a new campaign to “name and shame” governments that do not purchase Australian-made cars. This is nothing but a nationalist diversion, aimed at covering up the union’s role in working hand in hand with the car companies and the Labor government of Prime Minister Julia Gillard in orchestrating the restructuring measures against the interests of the workers.

The Gillard government is complicit in the CMI sackings. Last April, when the company went into receivership, Employment Minister Bill Shorten declared that he was “reasonably confident the right decisions will be made in terms of the restructure of CMI”. The Labor government is actively involved in all the major car companies’ efforts to boost their “international competitiveness” at the expense of workers’ jobs, wages, and conditions.

Workers at CMI and throughout the car industry can only defend their interests by breaking with the trade unions, forming new organisations of struggle

including rank and file factory committees, and by waging a political struggle against the Labor government on the basis of a socialist perspective.



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