

[ [Major News - ACTU Mentions](#) ] [ [Next](#) ]

**Wednesday 22 February 2006**

---

THE AUSTRALIAN  
**FINANCIAL REVIEW**

## **Pay cut bid sign of things to come: union**

Author: Mark Skulley

Publication: Australian Financial Review (3, Wed 22 Feb 2006)

Edition: First

Keywords: **ACTU (3), Sharan (1), Burrow (1), Greg (1), Combet (1)**

---

An employer's ambit claim for a 5 per cent pay cut has sparked the first serious stoush in the renegotiation of about 700 agreements across Australia's hard-pressed manufacturing sector.

Unions yesterday singled out the claims by the United States-owned Dana Australia as an example of the excesses that would occur as employers exploited the federal government's new Work Choices system.

But Dana won an order from the Australian Industrial Relations Commission restraining unions from more industrial action over the next month, with the AIRC ruling that a union had broken an earlier undertaking not to take such action.

An **ACTU** committee met yesterday in Melbourne to plan its continued campaign against the new workplace laws, which includes a policy to "name and shame" employers who exploit workers.

**ACTU** president **Sharan Burrow** released two IR consultancies' flyers that promised to remove unions from negotiations and to promote the use of cheaper individual agreements. "What we are witnessing," she said, "is an aggressive push by employers to drive down the wages and conditions of their workforce under the government's new IR laws."

Earlier, **ACTU** secretary **Greg Combet** and Australian Manufacturing Workers Union national secretary Doug Cameron spoke at a union rally outside a Dana plant in Melbourne, where they attacked a log of claim by the company.

The claims cover about 300 workers at two Dana plants in Melbourne and include the abolition of rostered days off and new employees being paid 20 per cent less than existing workers, although they might "ramp up to current levels over five years".

The document said the company was "receptive to a modest pay rise but it must be fully funded by trade-offs".

Dana Australia managing director Bob Day declined to comment on the company's log of claims, but said it wanted to improve productivity and competitiveness because "if we can't do that, Australia as a manufacturing location for automotive components is absolutely doomed".

"You don't necessarily need a pay reduction if people can improve their productivity," he said.

In the AIRC, an advocate for Dana revealed that the AMWU was making a standard pay claim on makers of automotive components of 6 per cent a year for three years, along with long service after five years and a 36-hour week.

Renato Marasco from the Australian Industry Group said Dana supplied critical components to Toyota, which was "within three hours" of having to stop production.

Union advocates argued that there was no ban on overtime as claimed by the company, that workers had been upset by the company's log of claims and that yesterday's stop-work protest had been an expression of "democratic rights" rather than industrial action.

Commissioner Wayne Blair said employers and unions could issue logs of claims that could be deemed to be "fanciful" by the opposite side.

But he said yesterday's stop work had been planned and that the AMWU had given an undertaking not to take industrial action.

#### KEY POINTS

\*Dana Australia won an order from the AIRC restraining unions involved from more industrial action.

\*A union stop-work meeting was held yesterday, breaking an agreement.

\*The union was protesting against the company's log of claims.

Headline: Pay cut bid sign of things to come: union

Author: Mark Skulley

Edition: First

Section: News

[ [Major News - ACTU Mentions](#) ] [ [Next](#) ]

Copyright © Fairfax