

Ford Australia announces axing of Geelong engine plant

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After months of speculation, Ford Australia announced last week that it will end six-cylinder engine production at its Geelong plant by 2010, axing 600 full-time jobs or almost 30 percent of the company's workforce in the Victorian regional city. The closure will flow on to auto-parts manufacturers, with an estimated 3,000 local jobs to be slashed in these industries.

Ford, which has been manufacturing in Geelong since 1925, has eliminated about 2,800 jobs in the city since the early 1990s. The latest job cuts will devastate the local community where unemployment, even according to understated official figures, is at 7 percent or almost double the average across Australia.

The announcement follows the axing of 640 full-time jobs and 120 contract positions at the company's main assembly plant in Broadmeadows last November and a wave of job losses over the past three years in the Australian car and parts industry.

Ford Australia's president Tom Gorman told the media on July 18 there had been a sharp drop in the sale of six cylinder Falcon, Falcon Ute and Territory vehicles. Last year Ford Australia lost \$40.3 million, with Falcons recording the lowest sales figures in 40 years.

A cut in tariffs on imported cars, from 10 percent now to 5 percent in 2010, the rising value of the Australian dollar and the introduction of tougher new car emission standards were also factors, he declared.

Gorman said that the closure was "the only way to save the company in Australia" and that V6 engines would be imported from its Lima plant in Ohio. The Ohio plant produces one million engines a year, compared to Geelong's 70,000 in-line six cylinder motors annually. The new engines could be used in a range of models, Gorman continued, thus allowing Ford to slash local production costs.

Asked to guarantee the car-maker's long-term future, the Ford chief claimed that the remaining 1,400 Ford

workers in Geelong were safe, but added, "It's very difficult to confirm what anything will look like 10 years down the road." In other words, no Ford worker's job is guaranteed.

Voicing the sentiments of Australia's corporate elite towards the closure, a July 19 editorial in Murdoch's *Australian* callously declared that though it might be "upsetting" for Ford workers, they should not "get too emotional about the closure." Ford's decision to shut the plant, it continued, was "not a bad sign at all" but "proof that long-overdue industry restructuring is under way."

While Ford Australia's July 18 announcement came as a shock to Geelong workers, the corporate media, state Labor government and the unions were told well in advance. As with previous jobs cuts in the car industry, they have all stepped forward to assist the company in realising its plans.

Victorian treasurer John Brumby, who admitted on Friday that the Labor government had been told about the planned closure last month, went into overdrive. Following the official announcement, he met with local council and businesses chiefs and then addressed the media and state parliament on how the Laborites would ensure the down-sizing proceeded without a hitch.

Brumby claimed that the 600 job losses would have little impact on the city and that the state government would accelerate capital works plans, planning approvals and other measures to "create more jobs than are being lost". This, together with promises of a \$24 million assistance package, is designed to deflect attention from the government's complicity in the job destruction, and to undermine any perspective of fighting to defend the car jobs.

Likewise, the car union leadership has shed the predictable crocodile tears, while making clear to the company that it will not oppose the cuts, much less lead a struggle against them.

Australian Manufacturing Workers Union (AMWU) vehicle division secretary Ian Jones, who has presided over the destruction of tens of thousands of jobs in the car industry, told the media that it was a “sad event” for the workers, but the union would be concentrating on redundancy negotiations.

Echoing Ford Australia, Jones claimed that the remaining 1,400 Ford jobs in Geelong—in engineering, sheet metal stamping and research—were not threatened.

This guarantee is worth as much as the one made by union bureaucrats last November, when they told Broadmeadows workers that the job cuts there would stabilise the company’s local operations and bring job security to the industry. A little more than six months later, they are at it again.

Local parts manufacturers, together with sections of the Labor Party and the union leadership, have called for a moratorium on the planned reduction of import tariffs on foreign car parts and vehicles, claiming this will protect local jobs.

AMWU vehicle division secretary Ian Jones also told the media that it was a mistake for Ford to source its engines from the Ohio because the US had “the most expensive labour rates.” In other words, Ford should recognise that Australian workers were cheaper, and therefore more profitable for the company.

But Labor and union claims that national protectionist measures, or more sacrifice, will save workers’ jobs are totally bankrupt. Car manufacturing is a global process. Workers can only defend their jobs and living standards on the basis of a strategy that unites them internationally in a common struggle against the transnational corporations and the profit system itself.

The Geelong closure is part of a ruthless international downsizing operation by Ford and other US car manufacturers in response to their loss of market share to their more efficient Asian and European competitors.

Ford, General Motors and Chrysler are currently slashing tens of thousands of jobs in the United States and around the world. Just last September Ford, formerly one of the top two automakers in the world, announced it would axe 44,000 jobs and shut down 16 American auto factories in an effort to stave off insolvency.

Likewise, General Motors has axed 34,000 jobs in the US alone in the past 12 months and Daimler Chrysler is currently getting rid of 13,000 jobs in the US and Canada. Tens of thousands more positions are being eliminated in the auto-parts industry. This “restructuring” has been accompanied by attacks on working conditions, wages

and benefits and the relocation of production facilities to cheaper wage zones.

This global process has expressed itself in Australia with the axing of almost 10,000 car and parts manufacturing jobs in the past three years. And no end is in sight.

Since late last year, Ford has announced the destruction of 1,360 jobs in Victoria, General Motors Holden has shed 200 jobs from its engine assembly plant in Port Melbourne, while in South Australia, the company has cut 600 jobs from its Elizabeth plant. In 2005, Mitsubishi shut its Lonsdale factory, axing 700 positions and it has now down-sized its Tonsley Park facility to a skeleton staff making only 50 cars a day. Hundreds of jobs have also been axed at numerous parts makers, including Huon Corporation and Ajax Engineered Fasteners.

To defend their jobs and living conditions, car workers need a unified strategy and perspective. Ford workers in Geelong should issue an appeal to their fellow car workers in Victoria and South Australia, and organise mass meetings in both states to discuss a strategy to fight for every job. This will require taking a resolute stand against the union and Labor bureaucracies and their toadying collaboration with the employers. The unions’ refusal to defend their own members’ right to a decent, permanent and well-paid job flows directly from their nationalist and pro-capitalist program.

Ford workers, along with their fellow workers in Australia and around the world must adopt an entirely different program—one that seeks to unite all working people in a common struggle for the socialist reorganisation of society, where human needs are placed above the drive for private profit. Under such a program, the car industry and other key giant corporations will be taken out of the hands of a tiny, wealthy and parasitic elite, and turned into publicly-owned, democratically controlled enterprises that produce for the benefit of the vast majority.



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