Australia: Ford and Toyota announce job and wage cuts

Will Marshall
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Motor giant Ford announced on April 14 that it would downsize its Australian operations by July, axing 240 jobs at its Broadmeadows and Geelong plants, and cutting production by 20 percent, from 260 vehicles per day to just 209.

Later that day, Toyota revealed that it was halving production at its Altona plant in Melbourne, citing components shortages resulting from Japan's earthquake and tsunami. The company announced that for the next two months, its 3,000 Australian workers would receive only 75 percent of their wages, operating on half shifts, and that it would review its production schedules in June.

Hundreds of jobs are also threatened in the local car parts industry. Last month, auto-parts maker Bosch announced that it was eliminating 380 positions, or a third of the workforce, from its Melbourne plant, while Autoliv is about to close its Campbellfield plant, also in Melbourne, having axed 1,000 jobs in the past six years.

These cuts reflect global developments. IHS Automotive estimates that as much as one-third of daily global automotive production will be cut by supply-chain disruptions and electricity shortages caused by the Japanese disaster. Toyota and Honda have already cut production at their American plants. In all, an estimated five million vehicles will not be built this year worldwide, out of a planned total of 72 million.

For its job destruction, Ford blames sharp declines in Australian demand for larger cars. Annual sales of its six-cylinder Falcon plummeted from 73,000 in 2003 to just 29,500 last year, with first quarter sales this year dropping a further 40 percent.

While high fuel costs and lower prices for rival imported vehicles have impacted on Ford Australia, the job losses are a direct result of the restructuring of the international auto industry, which has accelerated in response to the 2008 global financial crisis.

Since 2007, over 250,000 jobs have been axed in the US by Ford, General Motors and Chrysler, with dozens of plants shut down and new employees hired at $14 per hour, about half the amount previously paid to American car workers. Hundreds of thousands of jobs have also been eliminated by European car manufacturers. In Australia, more than 10,000 car and parts manufacturing jobs have been eliminated since 2006.

Industry analysts are now speculating about the total closure of Ford's Australian operations. An article yesterday in Melbourne's *Age* newspaper headlined, "More than 1500 jobs may be at risk if Ford fails to get its act together," warned that Ford could end manufacturing in Australia.

Other commentators are questioning the future of the entire local auto industry. An Access Economics report in 2010 revealed that Australian vehicle output fell by 31 percent in 2009, to its lowest level in half a century. These figures, it warned, "continue to threaten the viability of the Australian automotive manufacturers and their local network of componentry suppliers".

A day after Ford announced its Australian job cuts, the company's head office in the US revealed that it would build a new manufacturing facility in China, with an initial annual production capacity of 150,000 vehicles.

In line with the previous cooperation between Ford, the Australian Manufacturing Workers Union and other car industry unions to implement job cuts, the company told the unions about the latest losses well before it informed its employees. While Ford workers were shocked by the announcement, the unions had been informed a week earlier, but had said nothing.

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Once the official announcement was made, the unions issued a cynical call for "government assistance with alternative employment and training programs for all affected auto workers". Exactly what "alternative employment" would be available, the unions could not say, because at least 100,000 manufacturing jobs have been eliminated in Australia during the past three years.

The unions' plea is designed to assist the company and the Gillard Labor government to enforce the job cuts by holding out illusions in training programs and urging individual workers to take redundancy packages. No mass meetings have been called by the unions, which assisted Ford to axe 800 jobs during its most recent restructure in 2008. Over the past three decades they have collaborated with the auto and parts manufacturers to eliminate tens of thousands of jobs at General Motors, Ford, Mitsubishi and Nissan, as well as at parts suppliers in Sydney, Melbourne and Adelaide.

Like their counterparts internationally, the car unions agree with the manufacturers that workers must bear the burden of the constant restructuring of the industry, to take advantage of cheaper labour and lower-cost production, all the time pitting workers against their colleagues in other countries in the competition to lower wages and conditions.

Car workers in Australia, along with their brothers and sisters internationally, must adopt a new perspective that fights to unite all working people in a common struggle for the socialist reorganisation of society, where human needs are given priority over corporate profit. This would involve taking car manufacturing and other key giant corporations out of the hands of the tiny wealthy elites that own them, and transforming them into public-owned, democratically controlled enterprises producing for the benefit of the majority.

The first step involves a political break from the unions, which function as direct agents for the employers, and the development of rank-and-file committees to unify Ford and Toyota workers and those in the auto parts manufacturing industries, to discuss a political and industrial strategy to defend all jobs and conditions.

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Ford Broadmeadows workers spoke to the *World Socialist Web Site* yesterday about the company's latest announcement of job losses.

Ali, who has worked at the plant for 35 years, said: "The job cuts are happening because car manufacturing is down. All the investors are losing money. Ford has been cutting jobs since 1990. The workforce has been cut in half. The unions haven't said anything, yet they accept the down days."

Dave, a maintenance electrician for six years, said: "This has been the trend for the last few years. 'Down balance'—that's what they [management] call it, or 'market response'. The general feeling is that we are waiting for the place to shut down. They told us at Ford that we were competing with Thailand for the Focus [a four-cylinder vehicle] but we lost out on that one. How can you compete with $5 per day?"

Ford, he said, had refused to tell workers exactly where the latest job cuts would fall until after Easter. "A lot of unskilled labour has nowhere to go. I watched as a kid and saw the jobs of my parents go—they worked in textiles. It was the government's fault for not defending any jobs."

George, who has worked at Ford for 24 years, said: "I don't know how they are going to reduce workers here; we're already short. All the time we have to borrow people from other departments to run the facility. Even if there is only one person away it causes problems. If there are less workers you can't even run the lines properly now.

"I don't think the union is going to do anything about the jobs. I think all they will do is negotiate with the company for packages. The problem is that if you want to take a package you first have to find another job. For me, I think I can find another job but for other people it might be too hard to find one—because of their age, their ability, their skills."

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