

# Ford Australia stands down production workers

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Hundreds of Ford Australia workers have been stood down, receiving just 50 percent of their wages, as the company attempts to further slash production ahead of a complete shutdown of its operations by 2016. This is the latest in a series of intensifying attacks on car workers' wages and conditions being orchestrated by the transnational corporations, in collaboration with the trade unions and the Labor government.

Ford workers were stood down on Thursday and Friday last week, the first of a total of 12 non-production days planned by management in August and September.

Similar shutdowns were imposed in April and July last year. Then in May this year, Ford announced an end to all manufacturing by 2016, with about 1,200 workers at its Broadmeadows and Geelong plants in Victoria to lose their jobs. Unsurprisingly, the announcement has been followed by lower Ford sales, as people avoid purchasing soon to be discontinued models.

Prime Minister Kevin Rudd visited Adelaide last week, pledging additional public subsidies of \$200 million to the car corporations, on top of the billions handed over in recent years that have propped up the companies' profits and ensured their senior executives have maintained their lucrative salaries. The government has promoted the new \$200 million fund, which it describes as a "short-term stimulus measure," and a pledge to have Australian-produced vehicles for government fleets, as a measure aimed at saving jobs.

This is an utter fraud. The government's subsidies are in fact designed to accelerate and facilitate the car companies' ruthless restructuring measures, involving efforts to reduce workers' wages and conditions to levels "competitive" with low-wage Asian manufacturing platforms. Under Labor, between 2007

and 2012, annual car production in Australia plummeted from 335,000 to 210,000. The billions of dollars handed to Ford, General Motors Holden and Toyota by the Labor government over this period have been conditional on the companies destroying jobs and driving up productivity.

Tens of thousands of workers in the car and car components sector are now being targeted. The *Australian Financial Review* last week reported that Toyota was using \$5 million in government subsidies to help its local suppliers develop "stable, lean and efficient businesses," including by taking executives on guided tours of manufacturing operations in Thailand and Turkey.

General Motors Holden, the trade unions, and the Labor government have set a new benchmark with the recent cost cutting agreement imposed on production workers in Elizabeth, South Australia. The deal rammed through by the Australian Manufacturing Workers Union involves slashing annual labour costs for the company by \$15 million through a three-year wage freeze, as well as cuts to conditions and the expanded exploitation of casual labour. Workers voted for the agreement after the company threatened that a "no" vote would trigger an immediate announcement of the closure of Holden's production operations in Australia.

Even with the agreement ratified, however, management is refusing to make any guarantees. Earlier this month, Jay Weatherill, the Labor premier of South Australia, went to Holden's headquarters in Melbourne to offer another \$50 million in public subsidies. The company rebuffed the offer, refusing to meet Weatherill's request for a guarantee of continued production. A spokesman explained that Holden management would not be making any decision until

after the federal election and after they hold discussions with the elected government.

In other words, the car companies are keeping their options open for further threats and blackmail aimed at delivering lower labour costs and continued public handouts.

The opposition Liberal-National coalition has said it will lower total subsidies for the car industry, by \$500 million a year. Rudd has attempted to seize on this to claim that the car industry's future would be in doubt under an Abbott government. Labor is making a bid to win support in South Australian and Victorian electorates that would be devastated by an industry-wide shut down. A report commissioned earlier this year by the Federal Chamber of Automotive Industries estimated that 90,000 jobs would be destroyed—nearly 1 percent of all jobs in Australia—if local production of cars ceased.

The differences between the Labor and Liberal parties' plans are merely tactical. The opposition represents sections of finance capital that regard car industry subsidies as a waste of public money that could instead be funnelled to more profitable corporate sectors. The Labor government, on the other hand, regards car making as a strategically vital aspect of Australian capitalism's manufacturing capacity, including its military production capacity.

Both the major parties are of one mind when it comes to making car workers bear the burden for the auto industry crisis.

The Labor government helped broker the Holden wage cutting deal, heralding it as a model of cooperation between the trade unions and corporate management, to be emulated across the economy. The Liberal-National coalition has been similarly enthusiastic. On Monday, shadow industrial relations minister Eric Abetz told the *Australian Financial Review* that the Holden agreement provided a model of "common sense," showing how to respond "when times do get tough."

The crisis of the Australian car industry is part of a global restructuring. Every company pits workers in one country against workers in every other country. Workers in the US at GM and Chrysler were forced by the United Auto Workers union to accept a two-tier wages system. Newly employed workers had their wages halved, to around \$15 an hour. In Germany,

when workers at the GM Opel plant in Bochum recently refused to ratify cuts, the company shut down their plant.

The corporate onslaught must be resisted. Workers must first break with the trade unions, which are the critical enforcers of every regressive management decision taken by the car corporations. Rank and file committees must be elected in every plant, and joint industrial action prepared, including factory occupations, to prevent shutdowns and the destruction of jobs and conditions. Workers need to unify their struggles across the car and car components sector, both within Australia and throughout the world, and turn out to other sections of the working class facing similar attacks.

Above all what is required is a new political perspective, based on a fight against the Labor government and for a workers' government that will bring the major car companies under public ownership and the democratic control of the working class, as part of the socialist reorganisation of society around the world. That is the perspective for which the Socialist Equality Party fights.



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