

Ford Australia brings forward 300 job cuts

James Cogan
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Ford announced yesterday that 300 jobs will be eliminated in June from its plants in Broadmeadows in Melbourne and the regional city of Geelong, both of which are slated to be shut down completely at the end of 2016. Company management declared it was slashing production of the two models it produces in Australia, the Falcon sedan and the Territory SUV, due to falling sales. Barely 25,000 were sold in 2013. The company announced that just 80 to 90 per day will be assembled, down from 130, when updated models are supposed to go into production.

Since Ford announced the closures last May, the Australian Manufacturing Workers Union (AMWU) has insisted that so-called “transition” schemes would ensure the 1,100 workers slated to lose their jobs would be retrained and found new employment. The fraud of the union claims, which were made in partnership with the then federal Labor government, now stands exposed.

Three hundred workers face the prospect of compulsory redundancy and looking for new employment in a matter of months, under conditions in which an avalanche of job destruction is sweeping through manufacturing and other sectors of the Australian economy.

A Ford worker leaving the Geelong plant yesterday angrily told the Australian Broadcasting Corporation: “It’s bad. I mean the union and the company have got a thing called the social plan which has been ongoing. We have nothing! Where is the funding [from] both Ford and the government for our retraining? They have not come up with any positive outcomes for our reskilling. Nothing!”

The pseudo-left organisation Socialist Alliance is thoroughly implicated in the campaign of union lies. One of its leading members, Tim Gooden, is the secretary of the Geelong Trades Hall Council, the umbrella organisation for unions in the city. He is serving as the head of the “community” taskforce that made the fraudulent promises of retraining and new employment to workers.

The AMWU has moved immediately to suppress any

opposition by bitter Ford workers, presenting the job cuts as a fait accompli that were forced on the company. National Vehicle Division Secretary Dave Smith told the Australian Broadcasting Corporation that, because of falling sales, “it’s not totally unexpected, but it’s certainly disappointing.” He commented to the *Geelong Advertiser* that there was no guarantee the plants would operate to 2016. “That’s always been their intent but that’s not set in concrete,” he said, signalling in advance that the union will assist with an acceleration of the closure timeline.

The closure of the Ford plants is just the first stage in the total destruction of the car industry in Australia. General Motors Holden announced in December that it intends to close its assembly plant in Elizabeth, South Australia and its engine plant in Melbourne at the end of 2017. The AMWU is collaborating with GMH in the closures and elimination of close to 3,000 jobs. Toyota, the largest manufacturer in Australia, is demanding that its 3,000-strong workforce accept drastic cuts to wages and conditions, with the implicit threat that it will also close if its ultimatums are rejected.

Throughout the car components manufacturing sector, which employs over 40,000 workers, lay-offs and plant closures are already taking place or have been scheduled to coincide with the shutdown of the assembly plants. A further 150,000 jobs are estimated to be destroyed due to economic flow-on of the devastation of the car industry.

The Labor Party and the AMWU have utilised the latest axing of Ford jobs to continue their campaign of blaming the Liberal government of Prime Minister Tony Abbott for the unfolding devastation. At the same time, they are appealing to Abbott to provide Toyota with the financial hand-outs it has also demanded to continue the company’s operations in Australia.

Labor leader Bill Shorten stated: “It seems to me the Abbott government has thrown up its arms and given up fighting for Aussie jobs.” Anthony Anderson, the AMWU head delegate at Ford Geelong, declared: “Manufacturing creates a lot of jobs so we don’t understand why this

current government wants to cease supporting and walk away from manufacturing in Australia.”

The purpose of such nationalist demagoguery is to obscure the real causes of the job destruction in the car industry: the ruthless struggle between the auto conglomerates for market share and profits and the total collaboration of the unions in imposing the dictates of the companies. The Labor Party’s calls for government assistance are simply another means for pushing through the restructuring of the car industry at the expense of the jobs, wages and conditions of workers.

From the 1980s, the unions worked with the corporations and successive Labor and Liberal governments to eliminate thousands of jobs, slash conditions and drive up productivity in order to make production in Australia “internationally competitive.” The global economic crisis since 2007–2008, however, triggered a vast intensification of cost-cutting on a world scale and seen companies move to end their operations in Australia altogether.

Ford epitomises the process. In the US, it eliminated 46,000 jobs during 2007–2008—a third of its workforce—and with the assistance of the United Auto Workers union imposed a two-tier wages system in which new hires are paid barely \$15 per hour. At the same time, it expanded production at its low-wage plants in Asia. The impact of the job destruction and greater exploitation of cheap labour has been to send the company’s profits soaring. In January, the company announced 2013 full-year profits of \$7.2 billion, despite \$1.6 billion in losses in Europe and expected losses of over \$100 million in Australia.

Ford Australia CEO Bob Graziano declared when he announced the closure of the plants: “Costs are double that of Europe and nearly four times Ford in Asia.” Now, the entire working class faces demands from the corporate elite and the Abbott government that wages and working conditions be slashed down to the level forced on workers internationally. The endorsement of the campaign on Tuesday by Australian Workers Union secretary and Labor Party powerbroker Paul Howes, who declared there had been “unsustainable growth in wages in some sectors”, served only to underscore that the Labor parliamentary opposition and trade union apparatus are in full agreement with cost-cutting.

The global assault on workers’ living standards demonstrates the utter failure of the capitalist economic and social system, which operates solely to enrich a wealthy minority at the expense of the working class

majority. The struggle against capitalism must be the axis of a political counter-offensive by the working class to defend jobs, wages and conditions.

The response of Ford workers to the job cuts should be to throw the AMWU officials out of the plants and elect their own rank-and-file committees at Broadmeadows and Geelong. Workers at GMH, Toyota and in the component plants should do the same and begin to organise an industrial and political struggle to prevent the destruction of the car industry. A turn must be made to other sections of workers and to car workers internationally, who face either job destruction or ruthless exploitation at the hands of the same companies.

The perspective that needs to guide a political rebellion against the corporations, the Abbott government and the unions is the fight for a workers’ government based on socialist policies. The only way to end the subordination of society to the profit dictates of the capitalist elite is to put the banks and major corporations that dominate global production under public ownership and the democratic control of the working class, as part of the socialist reorganisation of the Australian and world economy.

Workers who agree with the need to fight for this perspective should contact the Socialist Equality Party.

The author recommends:

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