

Ford Australia refuses to guarantee production until 2016

Will Morrow
8 March 2014

Having announced last May that it will cease all production in Australia by October 2016, Ford is now warning that it may shut down earlier.

On Thursday, promoting a new line of models to be sold in Australia, Ford Australia chief executive Bob Graziano refused to guarantee that the company would produce cars until 2016. “We’ll continue to match our production with demand,” he said. “If you are looking for a guarantee, there are no guarantees. It is our intent to work to that date.”

Graziano’s comments are intended, above all, to send a message to Ford workers. Over the next two-and-a-half years, the threat of an imminent plant closure will be repeatedly invoked by management to intimidate the workforce into accepting further attacks on their wages and conditions, thus maximising the profits that can be extracted from the workforce before the company shuts down.

On February 7, Ford announced that, as a result of plunging sales, it would sack 300 workers by June this year and slash production from 130 vehicles per day to between 80 and 90 when the new models came online. Graziano’s statement that the company will “match our production with demand” makes clear that falling sales will constantly be used to justify further layoffs.

The likelihood that Ford’s plants in the northern Melbourne suburb of Broadmeadows and regional Victorian city of Geelong will be mothballed well before October 2016 exposes the lies told to workers since the corporation announced its closure plans. Last May, the previous Labor government and the Australian Manufacturing Workers Union (AMWU) joined with management to placate the Ford workers with assurances they would be “retrained” and “transitioned” into new employment.

Instead, they face the prospect of being thrown out of

their jobs under conditions of a rapidly developing economic slump and mass unemployment. The majority of Ford employees, many of whom have worked for the company for decades, will have little prospect of finding jobs.

The AMWU is doing everything it can to suppress all opposition by car workers, and prevent any struggle against the closures. Just as with the shutdown itself, the union presented the latest round of layoffs at Ford as a fait accompli, making clear the union would do nothing to defend the jobs.

Even before Graziano’s comments, the AMWU indicated its willingness to work with the company to accelerate the timeline for the shutdowns. Last month, following the announcement of the sacking of 300 workers, AMWU national vehicle division secretary Dave Smith declared: “It’s not totally unexpected, but it’s certainly disappointing.” He added that there was no guarantee the plants would remain open until 2016. “That’s always been their intent,” he said, “but that’s not set in concrete.”

A central role in the trade union’s betrayal of auto workers is being played by the pseudo-left organisation Socialist Alliance, whose member Tim Gooden is the secretary of the Geelong Hall Trades Hall Council, the umbrella organisation for unions in the city. Following Ford’s closure announcement last May, Gooden was appointed to head a “taskforce” in charge of a \$20 million fund for the “retraining” and “transition” of Geelong workers. Gooden has actively worked to give credibility to this fraudulent scheme, which is aimed at preventing workers from taking up a struggle in defence of their jobs (see: “Socialist Alliance and the destruction of car industry jobs”).

The destruction of car industry jobs is also being assisted by the Victorian and federal Liberal

governments. Victorian Manufacturing Minister David Hodgett, who stood alongside Ford boss Graziano on Thursday, told reporters: “Despite its recent announcement to close its production operations by 2016, Ford still expects to be Australia’s largest automotive employer, which is great news for the Victorian economy.”

Ford will be the “largest” employer only because General Motors Holden (GMH) and Toyota intend to sack the vast bulk of their workforces.

Ford’s shutdown is a part of the destruction of the entire Australian auto manufacturing industry. Last December, GMH announced that it would cease all production in Australia by 2017, shuttering its plants in Port Melbourne and Elizabeth, Adelaide. Toyota, the last of the three auto producers in Australia, announced last month that it would close its only plant, located in the Melbourne suburb of Altona, by 2017, destroying 2,500 jobs.

Up to 200,000 jobs could be destroyed as the effect of the auto shutdowns ripples throughout the economy. This includes up to 44,000 jobs in the car component sector, which is directly dependent on the car manufacturers. At the same time, a wave of job losses is taking place throughout manufacturing and other industries. Qantas Airways announced on February 27 that it will slash 5,000 jobs and impose a wage freeze on most workers, following the announcement by Alcoa that it will shut its aluminium smelter in Geelong, eliminating 1,000 jobs.

The destruction of the car industry in Australia is part of the relentless attack on the jobs and conditions of auto workers internationally since the 2008 global breakdown of capitalism. In every country, the auto giants are carrying out a ruthless assault on workers, acting with the active assistance of the nationalist and corporatist trade unions.

In the United States, the big three auto makers—Ford, GM and Chrysler—imposed a two-tier wage agreement in 2009, with the help of the United Auto Workers union, under which new hires are now paid just \$15 per hour, setting the benchmark for wage cuts internationally. Ford has shut three plants in Europe in the past two years, destroying 5,700 jobs. GM is preparing to sack 1,100 workers in South Korea, while its European subsidiary Opel—with the full support of the German trade unions—is shutting a plant in Bochum.

Toyota is carrying out a ruthless cost-cutting drive across its operations.

Like its counterparts around the world, the AMWU is fighting to block any resistance by the Ford, GMH and Toyota workers, and prevent any globally unified struggle by auto workers against the offensive by the auto conglomerates.

In opposition to the unions, the Socialist Equality Party is holding a public meeting on Sunday, March 16 in Melbourne, to discuss the implications of the planned shutdown of the car industry and outline the socialist and internationalist perspective through which workers can defend their jobs, wages and conditions. We urge workers in the car and car components industry to attend.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact