

Ford announces 250 forced redundancies in Australia

Our correspondent
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Ford Australia announced last week that it will sack 250 workers through forced redundancies from its assembly plants in Geelong and Broadmeadows, in the state of Victoria.

According to Ford executives, only 50 workers in Geelong and Broadmeadows have nominated themselves for “voluntary” redundancies since February, when the company declared it would cut 300 jobs due to ongoing falls in the sales of the vehicles it assembles in Australia. Compulsory sackings will be imposed to reach its target. “A big part of that will begin this month,” company spokesman Wes Sherwood stated.

The move points to an accelerating shutdown of the automotive industry in the country, which is the result of a coordinated operation of federal and state Liberal and Labor governments, the car companies and the trade unions. If not prevented, the outcome will be the social devastation of key working class communities.

Ford, Toyota and General Motors Holden—the three producers in Australia—all intend shutting down operations. Ford executives led the exodus, announcing in May last year, under the former Labor government, plans to cease production by the end of 2016. This was part of the Detroit-based company’s global strategy to slash costs and boost profitability in the wake of the 2008 financial meltdown.

Ford CEO Robert Graziano complained, when announcing the shutdown, that production costs were four times higher in Australia than they were in Asia. All the major car manufacturers are seeking to pit workers against their counterparts in other countries, demanding cost-cutting in the name of “international competitiveness.” General Motors declared in December last year that it would cease Australian production during 2017 due to high costs, and Toyota

followed suit in February this year.

The three auto giants said they would implement “transition” plans for their workforces. This was little more than a ruse aimed at providing the trade unions with some time to orchestrate the “orderly closures” of the plants. Company executives, appreciating the assiduous efforts of the union bureaucracy to prevent any industrial or political resistance among car workers, are accelerating the winding down of production. Ford is now reportedly producing just 83 cars a day, down from more than 500 cars a day during the 1990s.

Ford’s announcement of compulsory redundancies received little coverage in the media. As far as the government, auto companies and unions are concerned, the car industry’s closure is now a *fait accompli*. All that remains is to work out the details of how and when to impose the mass layoffs of an estimated 50,000 workers directly employed in the sector. Up to 150,000 more workers could lose their jobs as a result of the flow-on impact of the corporate assault.

The Liberal-National government of Tony Abbott has sought to capitalise on the services rendered by the unions in suppressing any resistance by car workers, by cutting some of the subsidies provided to the industry by the former Labor government. The multi-billion dollar handouts provided to the companies never had anything to do with “defending jobs,” as claimed by Labor and the unions. Instead, they aimed at facilitating job destruction and corporate restructuring.

Now Abbott, as part of last month’s ruthless pro-business federal budget, is seeking to cut \$500 million from the Automotive Transformation Scheme between 2015 and 2017 and an additional \$400 million from any remaining component manufacturers after 2017.

According to an article in the *Australian Financial Review* on June 3, this will likely “collapse the supply

chain, leading to an earlier demise [than 2016] of the sector.” The newspaper cited a “senior Labor source” as saying: “Holden and others have been saying to us that if this goes ahead, they’re out of here early.”

The newspaper reported intense lobbying in Canberra by the manufacturers’ umbrella group, the Federal Chamber of Automotive Industries, to delay the subsidy cuts, arguing that companies needed “a chance to close up shop.”

The Australian Manufacturing Workers Union (AMWU) is an enthusiastic partner of the companies and their lobbying efforts. AMWU president Andrew Dettmer told the Associated Press that the Abbott government’s budget measures meant that “car makers were now likely to close their factories earlier than expected.”

The unions are attempting to drum up “voluntary” redundancies within the car plants via a combination of threats and inducements, while simultaneously asking state and federal governments for greater “transition” funding, nominally directed to affected workers and working class communities. An AMWU statement last month demanded more money for “structural adjustment and support programs” to help “workers transition in their careers” and “regions stay on their feet.”

Such funding programs in fact have one sole objective—preventing workers from taking up a struggle in defence of their jobs and livelihoods. All talk of “transitioning” workers to other careers has been proven, through bitter experience over several decades, to be utter lies. The unions’ only concern is to maximise their share of the public funds on offer as workers’ lives are ruined.

The pseudo-left organisations are playing an active role within the union bureaucracies against the car workers. Socialist Alliance’s Tim Gooden is secretary of the Geelong Trades Hall, and in this capacity is helping to organise the Ford plant closure in the regional city. He heads a “community taskforce” formed by the government to issue bogus promises to retrain sacked workers.

In February, Gooden wrote a column for the *Geelong Advertiser* in which he called for federal and state governments to fund a new Future Manufacturing Council, to “provide enhanced resourcing to industry, business planning and development initiatives, to

deliver business support for start-up manufacturers and to advance collaboration between manufacturers, researchers and training organisations.” Gooden advised the ruling elite that this investment was worthwhile, as any “breakdown of social cohesion” would result in a “higher price tag.” In other words, he is working, as part of the union bureaucracy, to prevent any eruption of working-class opposition to the closures.

These remarks underscore the need for car workers to make a conscious political break with the unions, the Labor Party and all their accomplices. A fight to prevent the destruction of the car industry is necessary. This means unifying the struggles of car workers in Australia with their class brothers and sisters in Asia, North and South America, and Europe.

This perspective needs to guide the formation of independent rank-and-file committees in every assembly and components plant. That is essential in order to turn out to other sections of workers confronting similar attacks on their jobs, wages and conditions, and launch a political struggle on the basis of a socialist and internationalist program.

The author recommends:

Australian car industry closure: A warning to workers internationally
[13 February 2014]



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