

More job cuts in Australian car industry

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On May 25, General Motors Holden (GMH) eliminated another 270 jobs from its assembly plant in Elizabeth, an outer northern suburb of Adelaide in South Australia. Along with Ford and Toyota, GMH intends to shut down all auto production in Australia by the end of 2017. As well as the thousands of jobs destroyed by the car producers themselves, as many as 150 component companies are slashing employment. Taking into account the broader impact, one estimate is that as many as 200,000 jobs will be lost.

For the first time in 28 years, GMH resorted to the forced sacking of 90 workers, after it failed to get enough employees to accept so-called voluntary redundancy packages. There are now only around 1,260 workers left at the Elizabeth plant, compared with around 5,000 in 2008. Daily production is being steadily scaled back to the point where as few as 240 cars are being made per day. Sales of locally produced Holden vehicles are down by 14.1 percent this year, falling to just 15,765 units to the end of April.

Last December, Toyota announced it was cutting 300 jobs from its Sydney head office, while Ford sacked 300 workers in June 2014 from its plants in Melbourne and Geelong. Ford's production has been reduced to barely 80 cars per day as it prepares for the complete shutdown of operations next year.

The job destruction in the car industry barely rates a mention in the media anymore. To the extent that it is reported, it is to feature academics advising workers to get out early and start looking for alternative employment.

The end of car manufacturing in Australia is part of global restructuring by the transnational auto companies to cut production costs by shifting their operations to low wage countries. The corporations, working closely with the state and federal governments and the trade unions, are seeking to ensure an "orderly closure" of their operations, while at the same time

trying to maintain their share of the Australian car market.

The Australian Manufacturing Workers Union (AMWU), which covers car workers, is serving as the industrial police force that ensures no opposition erupts to the job destruction. AMWU South Australian State Secretary John Camillo responded to the latest sackings by declaring that the union would work with "job agencies in Adelaide's north and the SA governments 'Beyond Auto' program to assist workers in the quest for new jobs and careers."

Highlighting the intimate relationship of the AMWU with GMH, the union signed off on a final four-year workplace Enterprise Bargaining Agreement (EBA) last November. The AMWU will have coverage over the workforce until the factory closes and the last worker leaves the front gate in 2017.

The 238-page EBA provides the company with maximum flexibility and productivity as it closes the plant. It asserts from the outset that "Holden will close its manufacturing operations in Australia by the end of 2017 and will transition to a national sales company."

The EBA commits GMH workers to a raft of objectives that defend the company's profits. It declares that the AMWU and the workforce will: "(i) Strengthen the Holden brand name both locally and internationally; (ii) produce high quality products at the right price; (iii) ensure that Holden's capital, equipment and people are fully utilised to meet changing business needs and requirements; (iv) maintain a flexible workforce which is capable of supporting the needs of the business; and (v) support quality, cost and efficiency initiatives which enhance Holden's global competitiveness."

While the workers were given a 12 percent wage rise over the life of the agreement, hundreds will progressively lose their jobs during the coming 18 months.

Government bodies such as the Automotive Transformation Taskforce, headed by Greg Combet, a former Labor government minister and head of the Australian Council of Trade Unions, have been set up to assist companies that depend on car production to develop business plans to shift to other areas. In virtually every case, the transition involves job losses.

The unions and the state and federal governments are promoting the illusion that workers in the auto industry can find new jobs in industries related to mining or agriculture. The slump in global commodity prices however, combined with the end of major investment into new mining projects, has seen tens of thousands of jobs destroyed in the mining sector.

John Spoehr, an industry analyst at the University of Adelaide, told the *Adelaide Advertiser*: “There are few equivalent jobs for the majority of automotive workers—particularly those working the production line—to move into without significant retraining... Those production workers without formal qualifications will find it difficult in the current climate.”

According to the AMWU’s own research, the elimination of the 270 jobs from the Elizabeth plant will lead to as many as 1,000 additional job losses in related industries. Unemployment in South Australia already stands at 7.1 percent, the highest in Australia. In the working-class suburbs of northern Adelaide, the unemployment rate is over 10 percent and rises to over 40 percent for youth.



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