

# Ongoing job cutting in New Zealand

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New Zealand's National Party-led government is overseeing a deepening wave of job cuts that is hitting every part of the country. As elsewhere around the world, the working class is being made to pay for the economic crisis through the axing of jobs, wages and working conditions.

New Zealand is highly exposed to the global slump, particularly the slowdowns in China and Australia, the country's two largest trading partners. There has been a collapse in export prices for basic commodities such as dairy, coal and steel. The country's annual economic growth rate has so far fallen to 2.8 percent in 2016, from 3.7 percent in 2014.

Prime Minister John Key claimed in a Radio NZ interview on August 17 that the "economy is growing pretty strongly." In fact, as the *Otago Daily Times* noted, the economy "stood still" in the three months to March. The Ministry of Business, Innovation and Employment (MBIE) forecast that unemployment will rise from 5.2 percent to 6 percent next year.

The official jobless figure was recently cut by Statistics NZ from 5.7 to 5.2 percent by excluding people who are only job-seeking online. The real unemployment rate, including those who work just a handful of hours per week, is undoubtedly much higher.

The job cutting is being undertaken with the full collaboration of the opposition Labour Party and the trade unions, which agree with the underlying program of protecting corporate profits and making locally-based firms "internationally competitive." Their chief role is to stifle any opposition by workers.

Phil Goff, a longtime Labour Party leader who is a candidate for mayor of Auckland, has foreshadowed job cuts if he is successful. Goff is pledging to slash council costs and reduce "inefficiencies" to save \$50 million a year. Private sector executives will be hired and council departments "where staffing and

expenditure are very high" required to find "higher levels of savings."

The council-owned **Ports of Auckland** is cutting 50 jobs through a three-year project to automate its container terminal via the installation of driverless straddle carriers. Maritime Union general secretary Joe Fleetwood said the union was "involved in discussions from the start" and accepted the cuts on the basis that automation was "happening one way or another."

In the South Island the **Christchurch city council**, led by Mayor Lianne Dalziel, another former Labour MP, is presiding over job cuts as part of an agenda, worked out in collaboration with the government, of austerity and asset sales to pay for reconstruction work after the 2010–2011 earthquakes.

The **Earthquake Commission (EQC)** is threatening 500 job cuts, which will see total jobs decline from 900 to 383 by January, with 242 to be lost in Christchurch, 172 in Wellington and 71 in Hamilton. CEO Ian Simpson claimed he was "supporting" staff, many of whom are on fixed-term employment agreements, through "CV writing skills and career planning tools."

Carpet manufacturer **Cavalier Bremworth** will close its Christchurch plant in October and downsize operations in Whanganui, blaming falling demand for woollen carpets. First Union said the moves would see around 104 redundancies. CEO Paul Alston said the company was "consulting with the unions" about relocating some workers to its Napier plant. The Christchurch workers have been threatened with being denied redundancy payouts if they take job offers from nearby NZ Yarn before their plant shuts.

In a pattern of attacks on the public service, the **Ministry for Primary Industries** is seeking to cut 49 jobs, 15 percent of its workforce. The Public Service Association has not opposed the cuts. The union simply said it had "grave concerns about the process being followed" while supporting management moves to

“streamline processes.”

**Golden State Foods** closed its vegetable-processing factory in Nelson last month, eliminating 30 jobs. **Silver Fern Farms** is cutting 28 jobs and closing its plant in Belfast, Christchurch following the closure of its Islington plant with the loss of 54 jobs. In December, the company made more than 100 Dunedin seasonal meat workers redundant.

Steel fabricator **Integrated Maintenance Group** cut the jobs of five production welders last month. E Tu union organiser Joe Gallagher, in alliance with the industry employers, sought to divert opposition by stirring up divisive anti-Chinese sentiment, blaming the job cuts on imported Chinese steel. Last October, the predecessor of E Tu, the Engineering, Printing and Manufacturing Union, collaborated with employers to cut 200 mining and steel jobs.

Education institutions hit by government funding shortfalls are targeting jobs and conditions. Auckland polytechnic **Unitec** will shut its Albany campus this year. Some 300 staff face the loss of their jobs over three years, with 50 already gone. **Otago University** has announced the axing of 20 positions across five humanities departments. The university’s **College of Education** will see more cuts next year. **Victoria University** is moving to extend working hours, introduce public holiday work and remove Sunday penalty rates for support staff.

About 250 Otago University staff and students attended a protest on August 24, promoted by the Tertiary Education Union (TEU) under the slogan “Love Humanities.” To head off this opposition, a union spokesman pleaded with the university to “slow down and reconsider its options.” Similarly, last year the TEU told Unitec council it was committed to working with managers to undertake cuts “in such ways that staff are brought along with the changes; and at a pace that will allow change to bed in.”

**NZ Post** cut 500 jobs last month, bringing the total number of jobs destroyed since 2013 to 1,900. The state-owned company said the cuts were due to an annual \$20–\$30 million fall in revenue from 60 million fewer letter deliveries per year. The unions, which have been complicit in the attack on jobs since the beginning, expect a further 25 percent reduction in the workforce.

**Westpac Bank** plans to shut 19 branches in October, hitting provincial areas with 70 job cuts. Over 300

people blocked the main street of the South Island town of Ranfurly last Friday to protest the local branch closing. Three rural towns will be left with no full-service banking. Five closures are in Waikato, a region hit hard by the dairy downturn.



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