

Australia: Aurizon announces Queensland rail closures

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Aurizon, Australia's largest rail freight operator, announced this month it will close its maintenance workshops in the Queensland regional centre of Rockhampton, as part of a broader restructure that threatens to eliminate more than 300 jobs.

The sackings are part of an offensive being waged by major rail haulage corporations against the jobs, wages and conditions of workers in the sector, in response to the collapse of the mining boom and an associated drop in freight volumes.

A number of trade unions that cover the workers, including the Rail Tram and Bus Union (RTBU) and the Australian Manufacturing Workers Union (AMWU), demagogically denounced the job cuts. But they made clear that, as in every previous round of restructuring, they will do nothing to oppose the sackings.

Some 180 workers will be affected by the closure and redevelopment of the Rockhampton workshops, set to be completed by the end of next year. Another 126 permanent train crew positions are to be eliminated over the next 12 months at the company's depots in Callemondah, Bluff and Stanwell in central Queensland.

A further 62 permanent jobs will be destroyed at Aurizon's Mackay and Townsville depots, including freight operators, train crews and team leaders. The Mackay depot is to be closed entirely.

Aurizon's head of operations, Mike Carter, made plain the company's intention to boost the proportion of contract and casual employees, who can be hired and sacked based on fluctuations in the market, and have few rights and entitlements.

Carter declared that the greater number of contract workers would ensure greater "flexibility"—a code word for subjecting wages, jobs and conditions to the

unrestricted requirements of productivity and profits.

The sackings are set to intensify a social crisis in northern and central Queensland, hit by decades of sackings in manufacturing, and the elimination of mining jobs over the past four years. A *Rockhampton Morning Bulletin* report in January noted that the number of welfare recipients in the Rockhampton region increased by 1,800 between March 2013 and March 2016.

Shaun Jones, a 25-year-old worker who has been at Aurizon since finishing high school told the Australian Broadcasting Corporation it was "gutting" to see his career as a fitter and turner taken away. "I've got a young family, a young lad and just started a mortgage last year."

Other workers pilloried the company's suggestion that 40 Rockhampton workers may be "redeployed" to other Aurizon sites. Some said they had lived in the town for generations, had families there and could not travel the potentially long distances.

The sackings are part of a restructure of Aurizon's operations across the country. The company's net profit for the fiscal year of 2016 was \$72 million, down from \$604 million the previous year.

The sharp decrease was partly a result of "asset impairments," where an asset has a lower current market price than recorded on the company's books. Aurizon's rail revenues, however, were down 10 percent overall, including a 9 percent decline in freight revenue.

Aurizon announced last August it was preparing to sell-off its intermodal division, which transports containerised goods by rail and truck, after it registered an annual loss of \$35 million and was written-down by \$162 million.

The auction for the business is being run by UBS, a

major international financial entity and shareholder in Aurizon. Last month, the *Australian* reported that the division, which has freight terminals in Sydney, Melbourne, Brisbane and Perth, may be broken up, rather than being sold as a going concern—a move that would jeopardise up to 500 jobs.

Aurizon restructures have already eliminated thousands of jobs, with the collaboration of the RTBU and the other major unions. A statement by the RTBU Queensland branch on June 1 alluded to this record, saying the latest sackings were “an appalling attack on workers who have gone out of their way to try and accommodate the needs of their employers over the last few years.”

To “accommodate the needs” of the company, the RTBU and other unions enforced 2,000 sackings at Aurizon between 2010 and 2015. In 2015, the company slashed another 800 jobs nationally in a bid to save up to \$380 million. Last July, a further 300 job cuts were announced in infrastructure production, maintenance, yard operations and train crews, along with management.

The unions’ role in pushing through these sackings, and associated cuts to conditions, is replicated throughout the industry. Last month, the RTBU responded to a week-long lockout of Pacific National’s Victorian freight train drivers by resuming eight weeks of backroom negotiations with the company over a new enterprise bargaining agreement.

The company imposed the lockout after drivers staged a 48-hour strike in opposition to its moves to slash working conditions and cut annual wages by up to \$19,000 per year, through the introduction of a new base rate of pay.

The union’s actions, which included grovelling apologies for the strike, highlighted its willingness to sign a sell-out deal acceding to the company’s main demands. As in every other sector, the union’s primary concern is to maintain its privileged position at the negotiating table, by bargaining away the rights and conditions of workers.

To the extent that the RTBU has criticised previous sackings at Aurizon and Pacific National, it has been because there was insufficient “consultation” with the union.

That is why a struggle in defence of jobs at Aurizon and across the industry can only proceed through a

rebellion against the RTBU, the AMWU and associated unions.

The posturing of the local Labor MPs in Rockhampton against the job cuts is no less fraudulent than the crocodile tears of the union officials. Successive Queensland Labor governments played a central role in selling-off public assets, including in rail.

It was a Labor government that in 2010 sold the state-owned freight carrier Queensland Rail to Aurizon, destroying hundreds of jobs and clearing the way for endless restructuring aimed at securing the maximum profit for the company’s shareholders.



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