

# Job cuts continue in New Zealand under Labour government

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The working class in New Zealand faces a continuing wave of job losses across a wide range of industries. Plans for about 500 job cuts were announced during January and early February alone.

The job destruction gives the lie to claims by the Labour Party-led government, repeated by the corporate media, the trade unions and pseudo-left groups, that it is moving to improve living standards.

In October 2017, Prime Minister Jacinda Ardern said soaring poverty and homelessness showed capitalism had “failed” and needed to be reformed. The reality, however, is that the government is working with big business and the trade unions to deepen the attacks on working conditions, wages and jobs that intensified following the 2008 financial crisis.

The list of job cuts so far this year in New Zealand, which only has a population of 4.6 million, is staggering.

On January 10, Rotorua rest home **Cantabria** sent a letter to 36 staff members informing them of redundancy after the facility was sold to Heritage Lifecare Limited.

**ABC Corp**, which employs around 50 workers in a Christchurch plant manufacturing plastic cards, told staff on January 18 it is moving operations to Australia. The plant may close as early as March 30.

On January 26, children’s healthcare provider **Plunket** said it will axe 53 jobs in the central region when a restructure takes effect in April. A staff briefing document said the redundancies will reduce costs. A staff member told Fairfax Media this will involve computerising paperwork and replacing jobs with volunteers.

The Plunket announcement came just months after Labour’s election campaign promise of 100 more nurses for Plunket and Tamariki Ora.

**Vega Industries**, which Porirua manufactures marine navigation systems, will close down within the next 9 to 12 months. Its 38 workers were informed after they returned from their New Year break. The company, founded in 1972, was purchased last August for \$12 million by Canadian firm Carmanah.

In early February, **ANZ** bank informed 39 staff in its Wellington call centre that their jobs will be axed and outsourced to Manila. ANZ reported an annual profit of \$1.86 billion in October, a 20 percent increase and the highest profit ever reported by a New Zealand bank.

In October, the trade union **FIRST** Union said Bank of New Zealand also planned to axe 100 jobs.

**Waiwera Thermal Resort** made all its staff redundant on February 7 in preparation for a six-month refurbishment. The company refused to say how many workers were affected. Waiwera Group, which owns the resort, last year liquidated its bottled water company, Waiwera Water.

Supermarket operator **Foodstuffs** announced on February 7 a proposal to close its Rotorua distribution centre in 2020, making 51 staff members redundant. This follows 14 finance and administration job cuts at Foodstuffs’ Dunedin distribution centre last November.

On February 12, wood processing company **Juken** confirmed it will make 97 of its 200 Gisborne workers redundant, blaming a decline in demand from Japan.

**Stuff**, which is owned by Australia’s Fairfax Media, announced on February 21, that it will sell off or close 28 community and rural papers, eliminating at least 60 jobs over the next six months.

“The business has to sustain its earnings and if there are parts that aren’t doing their bit we have to make the decision to rationalise them and that is what we have done,” Fairfax Media CEO Greg Hywood said.

The Labour Party-controlled **Rotorua City Council**

has been in a protracted dispute with workers at the Rotorua Aquatic Centre. The council handed over management of the centre to private firm Community Leisure Management, which decided to make 38 workers redundant. The council has delayed its final decision until February 28, after workers demonstrated and gathered 4,000 signatures on a petition opposing the decision.

Major job cuts are also being threatened in the Auckland commuter rail network. **Transdev**, the French multinational transport company contracted by the Labour-dominated Auckland Council, proposed a restructure last May under which 160 on-board train managers could be made redundant.

Since 2016, the **Inland Revenue Department (IRD)** has been planning to slash 1,500 jobs between 2018 and 2021.

Last October, **Otago University** confirmed it will cut 160 support staff to save \$15 million. In November, **Massey University** mailed 1,000 staff asking for voluntary redundancy. Sixty-nine staff members agreed.

Also late last year, networking company **Chorus** announced it planned to reduce its staff. Chorus has not publicly announced the exact number but the trade union E tu said it was up to 119.

Far from fighting the wave of redundancies, the trade unions are facilitating the offensive, dismissing any prospect of opposition.

In a press statement on the ABCorp closure, E Tu spokesperson Joe Gallagher said: “The short consultation period makes us think that the company’s mind is made up.” In response to Juken’s announcement, the union’s Ron Angel said E Tu and FIRST Union would negotiate to try “to save these jobs, but the company is very serious about this proposal.”

Since the 2008 global financial crash, the unions have worked with the corporations and the government, enforcing sellout wage agreements and orderly redundancies. Strike activity is at an historic low point. As few as six work stoppages were reported in 2013, compared with a peak of over 200 in 1986.

On February 3, Public Service Association (PSA) leader Erin Polaczuk told the *Listener* that the “modern union” saw no need for strikes, preferring to negotiate and go through the courts. The PSA last year

collaborated with Auckland Council to cut 194 library jobs, and is playing a similar role on the axing of 1,500 IRD workers’ jobs.

Labour’s industrial relations policy is designed specifically to restrict industrial action. It plans to introduce a new mechanism for unions and employers to negotiate benchmark wages across an entire industry. Industrial action would be banned during negotiations for the “fair pay agreements.” The Council of Trade Unions has welcomed the policy.

The ongoing destruction of jobs exposes the pro-capitalist politics of the Labour Party. The 1984–1990 Labour government imposed big business-driven restructuring, privatisation and de-regulation, leading to tens of thousands of job losses in rail, forestry, meat processing and other industries. In 2000, the then-Labour government introduced the Employment Relations Act, with full support of the unions, which imposed tight restrictions on when strikes could be held.



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