Job losses mount in Australia as company profits rise

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3 March 1999

Company profits in Australia rose 3.7 percent in the final three months of 1998 in seasonally adjusted terms. Quarterly profits were up 4.3 percent in the construction industry, 2.5 percent for wholesaling, 21.6 in the transport and storage sector, and 28.2 percent for property and business services.

In the same three-month period, from October to the end of December, major firms either slashed thousands of jobs or announced plans for major downsizing.

Some of the country's insurance giants forecast over 3,000 job losses in a series of mergers and takeovers. Included are 1,000 when Colonial takes over the Australian operations of Prudential and General. Another 300 will be eliminated when H I H Winterbury buys out FAI and 1,000 more in a merger between AMP and GIO. National Mutual said it will cut 800.

P& O Ports, Australia's largest stevedoring company, announced its intention to slash its 1,300-strong workforce by 520 to match the 650 reduction in jobs carried out by its rival Patrick Stevedoring earlier last year. The cut would leave barely 1,500 waterside workers nationally.

Ansett Australia, the country's second largest air carrier, offloaded its country and region freight section and catering services at the cost of 1,700 jobs. More than 150 jobs went when Amcor, Australia's largest paper maker, closed its Burnie pulp mill in northwest Tasmania. North Forest Products, the timber company that supplied the mill, sacked 40 workers.

Department stores, Myer and Grace Brothers shed 200 jobs nationally. Channel Nine, a national TV network, dismissed 60 workers from its Adelaide-based subsidiary, Southern Cross Broadcasting.

Mincom, Australia's largest software developer, shed 110 jobs and advertising company Roadmark sacked 30 workers. Wyeth, a pharmaceutical company located in Sydney's western suburbs, sacked 500 workers, including 100 scientists, from two of its production plants.

BHP Coal slashed 1,300 from its 14 mines in the eastern states of NSW and Queensland--almost 25 percent of its workforce--and Rio Tinto eliminated 288 jobs from its coal mines in the Hunter Valley. These cuts brought to more than 3,000 the mining jobs axed nationally in 18 months--2,400 of them in the Hunter Valley. Profits across the industry leapt by approximately $200 million to more than $650 million in the year ending September 1998.

Telstra, the semi-privatised telecommunications company, announced a full-year profit of $3 billion and confirmed that it would cut another 2,000 jobs on top of the 8,900 destroyed since the beginning of 1998. It has downsized its workforce by 1,000 a month since early 1996.

Public sector jobs were also eliminated, including 3,300 axed with the closure of 100 Commonwealth Employment Services offices across the country.

The closures and downsizing continued throughout the first two months of 1999:

• Goninan, a major rolling stock and train manufacturer, announced the closure of its Broadmeadow plant, near Newcastle, with the loss of 230 jobs.

• Hoover said it will close its operations in Victoria and sack 200 workers following a takeover by Email.

• Amatek will shed 350 jobs when it winds-up its fibreglass section in Dandenong, Victoria, in March.

• United Murchinson sacked 40 workers from its Renson Bell tin mine in western Tasmania, Pasminco cut 46 jobs from its Rosebery mine and Mount Lyell Copper shed 70. Coal Operations sacked the entire 42-member workforce from its Chain Valley mine, near Newcastle.

• BHP Coal will close its West Cliff Colliery, on the NSW South Coast, and sack 90 miners. The company's mineral section announced the closure of the Beenup mineral sands project in Western Australia with the loss

of 120 jobs.

• Food producer Heinz Watties plans to shed 10 percent of its 3,000-strong Australian and New Zealand workforce. Over 240 jobs will go when Goodman Fielder, Australia's largest food company, closes bakeries in Inverell and Port Macquarie in NSW and in Shepparton in Victoria.

These job cuts are part of a protracted trend. A report presented at the biennial conference of the Australian Manufacturing Workers Union last year showed that in the past two years most of Australia's basic industries and utilities--manufacturing, mining, construction, agriculture and electricity, gas and water--have shed thousands of jobs.

South Australia lost 18,600 jobs--7,400 part-time and 11,200 full-time--and 3,500 jobs went in Tasmania. In Victoria, 12,300 jobs went in the manufacturing sector alone, and 12,000 jobs were lost in the textile and footwear industry nationally. Since 1985 over 100,000 jobs have been destroyed in the goods producing industries in NSW, Victoria, South Australia and Tasmania.

A report released by the Australian Bureau of Statistics showed that the Howard government has destroyed 90,000 federal public sector jobs since May 1996. These include 33,500 in NSW, 25,500 in Victoria, 10,800 in Queensland, 6,700 in South Australia, 4,700 in Western Australia, 1,900 in Tasmania, 6,300 in the Australian Capital Territory and 700 in Northern Territory.

Another 5,000 jobs are currently being eliminated in the federal government's national social security agency Centrelink.

Unemployment is officially 8.1 percent, but this excludes the "hidden unemployed"--those who want a job but do not fit the narrow criteria to be registered as out of work and those working part-time but who want full-time employment. If they are counted, the jobless rate stands at 16.3 percent or 2.5 million workers.

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