

# Australian companies continue to downsize

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A government report released early this month showed a decline in Australia's unemployment rate from over 7 percent to 6.7 percent, and a 26,000 increase in job vacancies. The Howard government heralded it as evidence of an ongoing trend that would continue onto the year 2000.

The optimistic forecast was short-lived however. Within days, the unemployment rate shot back up to 7.2 percent as some 50,000 people, who had previously dropped out of the labour market, began to search for jobs.

The government's prediction also ignored the fact that over the past few months both federal and state departments, as well as a number of large and small companies, have either shed jobs or announced that they will eliminate thousands more in the near future.

Telstra, the country's major communications carrier, still partially government owned, last month declared a record profit of \$3.3 billion and announced it would slash another 9,000 jobs over the next three years. Over 300 jobs out of 1,000 are to go immediately from the company's global business centre workforce. Telstra has already destroyed 24,000 jobs, almost one third of its workforce, over the past three years, slashing annual labour costs by over \$800 million.

The state Labor government in New South Wales has undertaken a series of measures that will see thousands of jobs axed in state enterprises.

Last month the State Rail Authority called for tenders from private companies to take over long-term maintenance contracts on the Hunter Valley's coal rail network, resulting in possible loss of 4,000 jobs. Over 1,200 permanent positions will go when the authority outsources its track maintenance operations in other parts of the state.

Another 72 jobs, including 25 non-trade positions, will be cut from State Rail's engineering maintenance workshops in Chullora and Granville. Fifteen years ago

over 5,500 workers were employed at Chullora workshops; today there are just over 200.

Forty-eight full-time jobs, out of a total of 77, will be axed from the railway's Countrylink travel offices and the number of part-time workers increased from three to 26. Countrylink management has also warned that full-time jobs in catering, luggage handling and on-board train staff will be replaced by contract labour.

CityRail management has also announced that it plans to abolish 460 station staff jobs. A further 100 jobs will be eliminated when NSW Freight Corp introduces one-man operations on its locomotive freight trains. The freight hauler has destroyed 1,314 jobs in the last two years.

In August, the management at Sydney Water, the city's water provider, announced 450 redundancies. The state government is planning to axe 3,000 positions from Welfare and Community Services and over 650 teaching and administration positions from technical colleges (TAFE). The TAFE job losses are part of a \$67 million budget cut to secondary education.

Despite registering massive profits, banks and insurance companies continue to downsize their workforces. National Mutual Insurance announced plans last August to cut 100 staff from its Australian and New Zealand operations. Westpac, one of the country's largest banks, confirmed recently that it would shed over 200 jobs in Queensland.

Figures released by the Australian Bureau of Statistics (ABS) in September show that manufacturing jobs have also been hard hit. The ABS report shows that employment in the manufacturing sector fell by 13,000 in the three months to August to 1.063 million.

BHP Steel axed what was left of the 2,500-strong workforce at its Newcastle steel plant, in NSW, which shut this week. The company has systematically reduced the Newcastle workforce following its announcement in 1997 that it intended to close the steel

plant. An estimated 8,000 jobs associated with providing services to the steel plant are expected to be destroyed following the plant closure.

After months of speculation, Mitsubishi Motors has confirmed that it will eliminate another 300 jobs at its production plant in Adelaide, South Australia. The announcement, part of a global restructure, followed the release of figures that showed the company's sales were 20 percent lower in July than in the same period last year. The carmaker has slashed over 1,000 jobs from its Adelaide plant in the last two years.

Caltex, one of Australia's major oil producers, indicated earlier this month that it will cut 200 jobs nationally over the next 18 months and chemical producer Orica is in the process of shedding between 300 to 400 jobs from its own workforce.

Channel Seven, a national television network, will axe 150 jobs with more positions to be eliminated after the 2000 Olympic Games when it sells its Epping studio in NSW and moves to Melbourne.

Other companies shedding jobs include: David Jones, a major retailer, will cut 90 office positions; Internet provider Dynamic Bell, which went into receivership last month, has retrenched 25 staff; and Pasminco has announced that it will axe over 200 jobs from its lead smelter near Newcastle. Computer manufacturer SGI has also indicated that it will slash Australian operations. SGI's downsizing in Australia is part of the company's plan to cut 1,500 jobs from its 9,000 strong global workforce.



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