

# Job prospects bleak in Australia as government and business continue to downsize

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At the end of last year the Howard Liberal government made much of a report that claimed Australia's national unemployment rate fell from 7.1 percent to 6.7 percent in November 1999, the lowest level in nearly a decade. These figures, however, only serve to distort the real situation.

In reality, the fall in the seasonally-adjusted jobless rate was due to 38,000 people dropping out of the labour market. One month later in December, the rate climbed back up to 7 percent and still continues to hover around that level.

Even as the government was crowing about the reduced rates, the Australian Bureau of Statistics reported that the number of full-time jobs in November rose by only 3,400 while part-time employment fell by 9,800—in other words, the total number of jobs decreased by 6,400.

During the last three months of 1999 small and large industries, banking and finance, as well as government departments, continued to downsize or made announcements of impending lay-offs, a trend that has continued into 2000.

\* Over 15,000 jobs have been destroyed in the banking sector during the past 12 months, reducing the overall number of people employed to 175,000.

Last October Westpac Bank announced that it will cut 3,000 jobs, or 10 percent of its workforce, and close 60 branches as part of an overall restructuring plan “to improve the bank's performance.” The job cuts come at the same time that the bank recorded a \$1.46 billion profit for the year ending September 1999, up 14 percent on the previous year.

Just prior to the Christmas break QBE Mercantile Mutual sacked 83 staff or 10 percent of its total

national staff. The sacked workers were ordered to pack their personal belongings and escorted from the workplaces.

Last week AMP, one of the country's largest insurance and investment companies said that it will shed 30 percent of its workforce, or over 3,500 jobs, during the next six months after it merges operations with GIO at the end of January. The company aims to save \$140 million through staff cuts.

\* In the public sector, Employment National, the federal government job agency, announced last December that it will shed up to 1,700 jobs and close down as many as 55 of its branches by the end of February after failing to win tenders for contracts to service the long term unemployed. The development is another major step towards the total privatisation of job placement.

Scores of jobs are also expected to go in private job agencies that failed to secure government job placement contracts. An increased number of contracts are being farmed out to church and charitable organisations that supplement permanent staff with the services of voluntary workers.

The New South Wales State Rail Authority said in December that it plans to cut 396 white collar jobs over the next period. This includes 37 in rail maintenance, 110 in Cityrail, 84 in corporate services, 61 in operations, 37 in Countrylink, 18 in employee relations, 14 in rail development, 10 in organisation development and 25 executive staff positions. These figures do not include plans to get rid of 200 station masters and assistant station masters jobs, which were announced late last year. The SRA has shed over 700 jobs over the past 12 months.

\* In mining and manufacturing, the Southern Highlands mining equipment company announced in mid-October the dismissal of 40 workers at its Joy Mining plant in Moss Vale. The announcement was made without prior warning and the company said the retrenchments were due to the downturn in the mining industry. Airdox, a mining equipment manufacturer and maintenance company also sacked 55 workers from its Hunter Valley plants.

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In November, Favorite Plastics, a bag maker, closed its Newcastle factory with the loss of 40 jobs. The Smith Family Industries (owned by the Smith Family charity organisation) will retrench 15 workers from its Warrnambool Woolen mill in Western Victoria. The company said the reason for the job cuts was that it was struggling to make a profit.

In early December the Sara Lee clothing company slashed more than 200 jobs in its Sydney, Wollongong and Kempsey factories, over half of the combined workforce. The company plans to relocate a major part of its production to cheap labour regions, namely Fiji. This was followed by an announcement by jeans manufacturer Levi Strauss that it plans to cut 100 full time jobs from its Elizabeth plant, in Adelaide, a 60 percent reduction of its workforce.

Over 230 workers lost their jobs in December when Berri Fruit Juice Company bought out National Foods, the owners of Just Juice, Prima, Sunburst and Quelch. The workers, who were employed at National Foods' Blacktown plant in western Sydney, were sacked during the Christmas period.

In the same month, Coal and Allied retrenched 84 workers from its Mount Thorley mine in the Upper Hunter Valley in New South Wales. The State Minister for Mineral Resources, Eddie Obeid, said more job losses are predicted for the coal industry, with up to 700 jobs axed in next period.

Two weeks ago National Textiles closed its Rutherford plant in the Hunter Valley sacking over 300 workers. The workers are owed over \$11 million in entitlements.

Mitsubishi Motors Australia announced this week that it will continue manufacturing cars in Australia but will still slash up to 1,000 jobs from its plants over the next six months. The company axed 550 jobs last year.

A further 4,000 jobs at the car component manufacturing factories in Victoria and South Australia that supply Mitsubishi could also be affected.



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