

# Job cuts deepen in Australia

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8 August 2012

The past week has brought further signs of a deteriorating situation for Australian workers. Job cuts are spreading across workplaces nationally, reflecting both the impact of the global slump and the drive by employers, backed by the Labor government, to restructure their operations.

Some of the most severe cuts are taking place in the federal and state public services, as the Prime Minister Julia Gillard's government slashes spending to produce a budget surplus this financial year, and the states follow suit, imposing their own cuts as tax revenues fall.

The Queensland government last week unveiled another 2,000 job cuts in the state's transport and building services—Translink, Road-Tek and Q-Build. As well as throwing workers out of employment, the cuts will hit services that affect working people, such as maintenance and repairs of social housing. Over the past four months, state government has overseen the elimination of 7,500 public sector jobs, with another 20,000 slated to follow.

These cuts follow thousands of public sector job losses in other states—New South Wales (15,000), Victoria, (4,200), South Australia (5,150) and Tasmania (1,898)—and by the federal government (4,228). Thousands more jobs are targeted at the federal level. The *Canberra Times* has estimated that at least 14,000 jobs will be eliminated from the federal public service during the next three years.

In manufacturing, workers throughout the vehicle components industry are being hit by the flow-on effects of the retrenchments made by major car companies, including Ford's announcement of 400 redundancies last month.

The Melbourne-based car components manufacturer, APV Automotive Components, announced that its remaining 87 staff will be retrenched once the company's final orders are completed. APV was placed in receivership in April, and the 126 workers at the plant were abruptly stood down without pay or entitlements. The corporate receivers, PPB Advisory, have now said no buyers were found for the company, so it will close at the end of August. This follows the shutting of two Melbourne car parts plants by CMI Industrial, costing 119 jobs.

Qantas is continuing to decimate its workforce, extending its retrenchments last year. It will close LTQ Engineering at Melbourne's Tullamarine airport by next month, leading to another 164 job losses. The engine overhaul facility was co-owned by Qantas and Lufthansa. As part of a sweeping restructuring, Qantas has also closed other engineering operations at Tullamarine, announcing 400 job losses in May.

This latest wave of job losses follows last month's decision by Caltex to end petroleum refining at its Kurnell facility in Sydney, costing up to 630 jobs. The closure of Sydney's last refinery underscores the corporate restructuring of basic industry, with refining globally concentrated in large, low-cost facilities.

The retrenchments reported in the media do not include the large number taking place in smaller companies. One indicator of the slump throughout manufacturing came on August 1, when the Australian Industry Group (AIG) published its July results for the manufacturing index, which measures growth or contraction in the sector.

AIG reported a drop to 40.3—far below the 50 level of

no growth—pointing to a severe fall in activity. This is the lowest level since early 2009, during the first phase of the global financial crisis, when manufacturing dropped to just above 30. The latest figure follows a series of declines since the start of 2012.

Retail and service workers are continuing to suffer closures and retrenchments. Chocolate maker and retailer Darrell Lea announced last week that 32 of its 66 stores would close, destroying 15 full-time jobs and 183 part-time and casual jobs. Darrell Lea had been placed under administration in early July.

Carlton & United Breweries (CUB) told workers at its Abbotsford beer brewery in Melbourne last week it would shut down one of the site's seven production lines, eliminating 33 jobs by October. This follows the company's acquisition by SAB Miller, one of the world's largest brewers.

United Voice Victorian state secretary Jess Walsh said the union would work with CUB management to ensure voluntary redundancies were made "fairly and transparently." Far from fighting to defend jobs and conditions, the union is collaborating with the company to prevent any resistance by workers. This typifies the way the trade unions are working with employers and the Gillard government to enforce closures and restructuring.

The spread of recessionary conditions beyond manufacturing was highlighted when the AIG and Commonwealth Bank of Australia services index recorded a drop in July to 46.5. Not one of the sub-groups that make up this sector reported an increase in employment during July.

The situation is even worse in the construction industry. AIG's monthly report on the health of that sector, released this week, found that it contracted for the 25<sup>th</sup> consecutive month. Following collapses of major companies, such as Hastie Group in May, most of job losses are occurring in smaller companies and among self-employed sub-contractors.

Signs of significant slowdowns have also emerged in the mining sector, the only major growth area. Rio Tinto announced it would close some offices in Sydney and Melbourne because of falling commodity prices and demand. About 30 jobs are expected to go in its

small Sydney office and an undeclared number from the 240 jobs in Melbourne. Rio said last month it would cut jobs from its thermal coal mines at Clermont in central Queensland. BHP Billiton postponed the development of larger port facilities at Port Hedland worth \$19 billion, blaming increasing costs and declining commodity prices.

As the global economy continues to weaken due to the fiscal crisis in Europe, the renewed downturn in the US and the slowdown in China and other Asian countries, the pace of job losses will only increase. One early indicator—job advertisements—recorded its fourth consecutive month of falls in July. The ANZ bank job ads survey this week showed a drop of 0.8 percent, after falling 1.1 percent in June. Compared to a year ago, 9.1 percent fewer jobs were advertised.

These statistical reports provide only a limited picture of the mounting financial and social distress for working people as the Labor government and its union enforcers help restructure the economy to satisfy the demands of the corporate elite.



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