

Corporate Australia unleashes wave of job cuts

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12 June 2013

Amid stalling economic growth and an unravelling mining boom, another avalanche of job cuts has been unleashed across Australia. Companies are restructuring to slash costs and reduce production.

Workers in all sectors—manufacturing, mining, construction, retail, services and finance—now live with the constant threat of losing their jobs, with little chance of finding alternative employment. For thousands of working people the axe has already fallen, condemning them and their families to a precarious and bleak future.

While mouthing “concern” over the mounting job losses, the Gillard Labor government is fully backing corporate Australia’s restructuring drive.

The deepening crisis in manufacturing was graphically illustrated last month with **Ford’s** announcement that it is shutting down all Australian auto production by the end of 2016. Its two remaining plants at Broadmeadows and Geelong in Victoria will close at the cost of 1,200 jobs.

The decision will not only devastate the working class areas surrounding the two Ford plants but lead to the destruction of tens of thousands of more jobs in the auto components and associated industries. Melbourne-based Federation of Automotive Parts Manufacturers CEO Richard Reilly said this month that 50 to 70 suppliers in Australia’s automotive supply chain “will be affected by Ford’s decision.”

In early May, **SMR Automotive**, which produces rear view mirrors and other car components, announced that it will axe 90 jobs over the next 12 to 18 months at its Lonsdale plant in Adelaide, South Australia (SA). The decision came just a month after General Motors Holden slashed 500 jobs at its Elizabeth auto plant in SA.

The Australian Industry Group’s performance of

manufacturing index reveals the ongoing crisis gripping industry. Although the index rose by 7.1 to 43.8 in May, it marked the 23rd consecutive month of contraction. A reading of below 50 indicates a contraction.

In the same month, **BAE Systems**, Australia’s biggest defence contractor, announced that it was cutting 100 jobs, mainly from its operations in Adelaide. The company, which employs 5,000 people nationally, also signalled it could axe 1,100 jobs from the Williamstown naval shipyards in Victoria by the end of next year.

British pharmaceutical giant **GlaxoSmithKline** (GSK) also announced in May that it will cull 120 jobs from its Boronia pharmaceutical plant in Melbourne. The cut amounts to about one-third of the workforce at the site, and almost 10 percent nationally. The company has already eliminated 145 jobs from its Australian operations over the past 18 months.

Up to 325 jobs are at risk at US-based food manufacturer **Simplot**, after it threatened this month to close its plants in New South Wales and Tasmania unless they become “competitive.” The facilities produce items for the Edgell and Birds Eye brands.

Job losses are accelerating in mining and resources, because of falling commodity prices and demand and increased international competition. The Gillard government previously claimed that the mining boom provided an alternative source of employment for workers retrenched from other industries.

According to the Bureau of Resources and Energy Economics, resource projects worth almost \$150 billion have been shelved in the past year, including BHP-Billiton’s \$20 billion Olympic Dam expansion in South Australia and Woodside’s \$36 billion Browse gas project in Western Australia.

The Australian Coal Association claims that more than 9,000 coal jobs have been lost in NSW and Queensland over the past 15 months. At the same time, more than 3,000 mining jobs have been cut in Western Australia this financial year, including 350 at **Rio Tinto's** Argyle diamond mine expansion, 273 from **Mount Gibson Iron's** operations and 200 from gold miner **Navigator Resources**, which collapsed in April.

Last month, **GlencoreXstrata** announced it would cut 73 jobs, or 20 percent of the workforce, at its Mount Owen open-cut coal mine in the Hunter Valley in NSW. **Premier Coal** said it would cut an unspecified number of positions at its Collie Basin mine in Western Australia, on top of 17 jobs in February.

Falling gold prices—from a peak of just below \$US1,800 an ounce last October to around \$US1,400—are also driving job cuts. This month, **Barrick Gold**, the world's largest gold miner, slashed 60 jobs from its Western Australian operations, including 22 from its Kanowna mine, and 35 at its global exploration unit in Perth.

Gold producer **Newcrest Mining** signalled further job destruction, with a senior spokesman telling the media this month: "We will be looking carefully at head counts." The company slashed 150 jobs in March, mostly from its Brisbane and Melbourne offices, and said it would write down the value of its businesses by around \$6 billion this financial year.

These job cuts have impacted on associated industries. This month, engineering mining services firm **Bradken** cut 30 jobs at its Ipswich foundry in Queensland, and **Golder Associates**, which provides engineering and environmental services to key mining and resources projects, announced it will axe 150 jobs.

Last month, mining services company **Sandvik** announced that it will close its Newcastle plant, slashing 26 jobs and axing 43 positions at its Heatherbrae assembly and distribution centre. Mining consultancy **Coffey** shed 150 positions after claiming 54 contracts, primarily in infrastructure in mining, oil and gas sectors, were delayed or cancelled over the past six weeks.

In April, **Coates Hire**, Australia's largest heavy equipment rental company, announced it was slashing 75 jobs after being hit by project deferrals and cancellations. Mining services firm **Transfield**

Services also cut 113 jobs.

Symptomatic of the retail crisis, **Target** clothing and household goods distributor announced plans this month to eliminate jobs across its operations, including 260 from its 1,000-strong workforce in Geelong.

Jobs continue to be shed in the financial sector, with the **ANZ Bank** announcing this month that 70 positions will be axed at its Melbourne call centre. Since January this year, Australia's big four banks, NBA, CBA, Westpac and ANZ, have shed 1,640 jobs.

In May, telecommunications company **Telstra** indicated that it will cut hundreds more jobs in a major restructure of its IT and operations divisions. The changes are predicted to affect half its current 30,000-strong workforce. In February, the company slashed 700 jobs from its Sensis publishing division. **IBM Australia** in May flagged up to 200 job cuts under its Project Mercury restructure.

Other job destruction in the past two months includes: **Swan Services**, a cleaning company, was placed in administration, eliminating 2,500 jobs nationwide; **West Australian Newspapers** is axing 100 positions; 50 jobs are to go at the **Treasury** and **Jupiter** casinos in Queensland; 50 administrative and marketing jobs will go at Victoria's **Crown Casino**; and the **Australian Turf Club** will cut 18 positions.

Federal and state governments continue to cut thousands of public sector jobs as part of their drive to slash public spending. The Gillard government announced plans to axe 3,100 jobs in its May budget.

In South Australia, the Weatherill Labor government will destroy an additional 450 jobs on top of more than 5,000 planned in the state budget. In NSW, the O'Farrell government is pressing ahead with axing 15,000 jobs. In Queensland, the Newman government is to slash 1,700 jobs from its IT division, on top of the destruction of 13,000 public sector jobs over the past year. Local councils in Queensland reported eliminating 5,000 jobs over the same period.



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