

# Australia's Hunter Valley devastated under Labor and Liberal governments

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The Hunter Valley region, about 180 kilometres north of Sydney, is a microcosm of the social crisis caused by the decades-long pro-market agenda of spending cuts, privatisation, outsourcing and closures carried out under successive Labor and Liberal governments, both federal and state.

Once an industrial and mining heartland employing tens of thousands of workers and providing apprenticeships for youth, the Hunter has been transformed into an area of high unemployment with increasing levels of financial hardship and social breakdown.

Since the 1980s, the region has been savaged by major industry closures and downsizing, including in steel, ship building and manufacturing. Employers have continuously restructured their operations to cut costs and bolster profits, or collapsed and gone into liquidation.

The restructuring and deregulation enforced under the Hawke-Keating Labor governments from 1983 to 1996, in partnership with the trade unions, destroyed thousands of jobs, ripped up working conditions and drove down real wages.

Labor's "Steel Plan" shut down most of the steel making industry, resulting in the destruction of 25,000 jobs nationally between 1983 and 1989. More than 10,000 of these jobs were slashed at the BHP steel plant in Newcastle, the main city of the Hunter region.

Ultimately, the plant closed altogether in 1999, destroying the remaining 3,800 jobs and thousands more in associated industries.

The then state Labor government promised that the Steel City project—an industrial estate on the abandoned BHP site—would fuel the creation of 2,500 jobs. This was a monumental fraud designed to head off any struggle by workers to defend the steel jobs. Today the

estate hosts a handful of minor enterprises, employing a small number of people.

Many thousands more jobs were cut in the manufacturing sector as major companies downsized, or relocated their operations overseas to take advantage of cheaper labour. Large state-owned enterprises outsourced their work or were privatised. They included the state-owned Newcastle State Dockyard, the Cardiff railway maintenance workshops, power provider Energy Australia and rolling-stock manufacturer Goninan.

The onslaught on jobs continued under the Howard Liberal government from 1996 to 2007 and intensified under the Labor governments headed by Kevin Rudd and Julia Gillard over the past six years. More recently, Pacific Brands closed its Cessnock clothing factory in 2009 at the cost of 83 jobs and the Norsk Hydro aluminium smelter in nearby Kurri Kurri shut in 2012, eliminating 500 jobs.

According to the latest Australian Bureau of Statistics, between February 2012 and February 2013, employment numbers fell by 5,520 in construction, 4,805 in professional, scientific and technical services, 4,142 in manufacturing and 2,390 in retail.

The greatly understated official unemployment rate for the Hunter region stands at 5.4 percent but it is at 6.2 percent for Newcastle. Among young workers, the level is far higher—18.5 percent for males and 13.8 percent for females aged 15 to 19. In Newcastle, the corresponding rates are 21.2 percent and 15.3 percent.

The Gillard government's claim that the mining industry would absorb the jobs lost in other sectors has proved to be another fraud. Falling commodity prices and slowing demand caused by the slowdown in China and globally have triggered a wave of retrenchments in coal mines and other resource projects.

During the past 15 months, more than 9,000 coal jobs have been eliminated nationally, with about 1,000 going from mines in the Hunter and nearby Gunnedah regions. Over the last few months alone, GlencoreXstrata has slashed over 100 jobs at its Mount Owen and Ravensworth mines in the upper Hunter Valley.

In May, Port Waratah Coal Services, which is backed by a mining consortium led by Rio Tinto and Xstrata, shelved plans for a \$5 billion export terminal after Hunter Valley coal producers reduced contract tonnages.

The fallout in the mining sector is also impacting on other industries. In the past few months, mining engineering company Sandvik closed one of its facilities and restructured another, slashing almost 70 jobs, and electrical engineering company Ampcontrol axed 17 jobs.

The result has been rising levels of social disadvantage, family breakdown and homelessness. Lifeline's suicide prevention service recorded 29 self-inflicted deaths in the Hunter region between last December and March. It also reported an "alarming" increase in calls from distressed people.

Catholic Care's website points to growing levels of homelessness. More people are seeking housing assistance due to "domestic/family violence and financial difficulty" and up to 400 people "are homeless or sleeping rough" on any given night. It describes government support services as "overstretched."

The situation is set to worsen with further deep cuts to vital services such as family support and housing assistance. In June it was reported that the New South Wales state Liberal government plans to axe 1,600 public service jobs in the Hunter region as part of a 15,000 downsizing statewide.

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