

# Australia: Unemployment rises as major companies axe jobs

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9 November 2013

Driven by a worsening economic situation worldwide, the corporate restructuring and job destruction enforced under the previous Labor government is escalating under the recently elected Liberal-National Party government.

The official unemployment rate last month rose from 5.6 to 5.7 percent, even before the statistics registered a raft of new job losses announced by major corporations. While 28,900 part-time jobs were added in October, 27,900 full-time jobs were shed, continuing the process of casualisation that has condemned many workers to precarious low-paid work. If the under-employed are included, 13.7 percent of the workforce, or about 1.5 million people, are officially out of work or wanting to work more hours.

Total employment is actually falling. The Australian Bureau of Statistics figures show 16,100 fewer people in work than six months previously. Just 61.1 percent of the working age population was employed, down from 62.6 percent in 2010. Westpac economist Justin Smirk estimated that the jobless rate would be 6.5 percent if not for people abandoning the search for work.

Young people are being hit the hardest. Teenage unemployment stood at 17.1 percent, up from 13.3 percent five years earlier, with nearly 100,000 fewer 16- to 19 year-olds employed than in 2008.

Even these figures mask the entrenchment of mass youth unemployment. The Council of Australian Governments reported that more than 27 percent of those aged 17-24 were not in full-time study or work in 2011. This was despite a rising proportion—now more than 85 percent—completing Year 12 at school. The outcomes were worst for working-class youth from disadvantaged backgrounds, more than 40 percent of whom were not earning or learning.

Basic manufacturing is being dismantled. ~~Toyota~~ **Toyota**, one of Australia's remaining three car manufacturers, announced last month it will axe another 100 jobs at its Altona manufacturing plant in Melbourne, on top of the 350 jobs shed last year.

Toyota warned that it could follow Ford in ending production in Australia, a move also threatened by General Motors Holden, which would shut down the entire car manufacturing sector, eliminating up to 50,000 jobs, and devastating communities such as Geelong in Victoria and Elizabeth in South Australia that depend heavily on the car plants.

In a further blow to Geelong, **Qantas** confirmed this week it will close its heavy maintenance base at nearby Avalon by next year at the cost of 300 jobs, on top of the 250 it axed at the facility earlier this year, and 422 when it closed its aircraft maintenance facility at Tullamarine, also in Victoria. The airline is aggressively restructuring its operations, offshoring aircraft maintenance to cut costs.

The impact of this global restructuring of manufacturing is impacting heavily on regional towns. Whitegoods manufacturer **Electrolux** last month announced it was winding down production at its plant in Orange, a NSW city of about 40,000, and moving toward closure by 2016, at the cost of 500 jobs.

There was another blow for the same region when rail manufacturer **EDI** said it will close its plant in nearby Bathurst, a city of similar size, by the end of the year. This will destroy 100 jobs, including those of boilermakers, electrical mechanics, spray painters, fitters and administrative staff.

Bathurst was further hit when food processor **Simplot Australia** said it will cut production at its local plant, resulting in the loss of 110 jobs. Simplot's managing director Terry O'Brien placed a question

mark over the future of the plant's remaining 70 employees, warning of a total closure "if costs escalate or other aspects do not prove financially viable."

Simplot is also cutting casual jobs in Tasmania at its Devonport plant, which employs around 300 workers. The plant has been given three years to cut labour costs and become "financially viable" or face closure.

In October, **McCain Foods** announced it will close its potato-processing plant in the small country town of Penola in South Australia by the end of the year, eliminating 59 jobs. The restructuring of the food processing industry is forcing many fruit and vegetable growers out of business. According to the Australian Food and Grocery Council, 170 suppliers failed in 2012–13 and over 1,000 jobs were lost.

At the same time, job cuts are continuing in mining and related industries—once held up as an economic growth engine—because of faltering commodity prices and demand, particularly in China and across Asia. According to the Australian Coal Association, about 9,000 jobs were eliminated in the coal sector in the 15 months to June.

Mining giant **Anglo-American** this week said it will slash 200 jobs at its Dawson coal mine near Moura in central Queensland, on top of 165 workers retrenched since the end of last year at its Aquila, Grasstree and Moranbah North mines.

Last month, **Centennial Coal** announced it will axe 120 jobs across NSW, hitting regional communities in the Mudgee, Lithgow and Lake Macquarie areas. **Illawarra Coke Company** will close its coke works in Corrimal by mid-2014, cutting 28 jobs, after shuttering its coke works at nearby Coalcliff in June.

Also in the Illawarra region, south of Sydney, over 500 jobs remain in jeopardy at **Gujarat NRE**, with the mining company unable to pay its workforce for weeks. In the nearby Southern Highlands, Boral confirmed it will close its Berrima (Medway) colliery, axing 30 jobs.

Job cuts are mounting in mining related industries. In October, mining-equipment manufacturer **Bradkin** put workers at its foundry in the regional town of Ipswich in Queensland on a four-day week and signalled further job losses across its operation, after axing 575 jobs earlier this year.

This month **Caterpillar**, which also makes mining equipment, announced it will cut 200 jobs at its Burnie

plan in Tasmania and will relocate operations to a new facility in Thailand. The Caterpillar cuts, estimated to cause another 1,000 job losses downstream, will deepen the social devastation across the island state, where official unemployment now stands at 8.2 percent.

In Queensland, road and rail freight company **Aurizon**, which has coal-hauling contracts, announced it will cut nearly 50 jobs its Redbank workshops in Ipswich and regional Rockhampton. The company outsourced 30 maintenance jobs in September

Copper products manufacturer **MM Kembla** announced it will close its wire and rod division at Port Kembla on the NSW South Coast by early next year at the cost of 70 jobs. To the north of Sydney, in the Hunter Valley, the **Treloar Group** said it will close its foundry in Rutherford eliminating 50 jobs, blaming sharpening competition from China and India. In nearby Pokolbin, 79 jobs were axed at the **Cypress Lakes Resort** as part of a cost-cutting restructuring by new owners.

Governments at both federal and state levels are destroying thousands of jobs as they impose austerity programs. The Abbott government has begun eliminating more than 12,000 public sector jobs, including 4,000 in the country's capital Canberra.



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