# Job losses sweep through Australian economy

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Unemployment data released last week by the Australian Bureau of Statistics found joblessness has reached a ten-year high. The official unemployment rate hit 6 percent in January, higher than the level of joblessness recorded at any point in the aftermath of the 2008 global financial crash. Last month saw another 7,100 full time jobs destroyed, with the only job growth recorded in part-time positions, up 3,400.

Higher unemployment was recorded across the country. Victoria, where manufacturing is concentrated, recorded a rate of 6.4 percent, the state's worst level since January 2002. Job losses in manufacturing are being compounded by state and federal government cutbacks to the public sector. Western Australia (WA), the centre of the mining investment boom over the last decade, recorded the largest increase, with unemployment jumping from 4.6 percent to 5.1 percent.

The mining sector has been hit by the sharp slowdown in the Chinese economy where the growth rate has fallen sharply from 10.4 percent in 2010 to 7.8 percent last year. Business investment in Western Australia, the state most dependent on mining exports, has plunged from 40 percent of gross state production in 2011 to negative 10 percent predicted for next year. Deloitte Access Economics estimates that $100 billion worth of projects have been lost in WA as a result of the end of the mining investment boom. The state's mining revenues also fell by 9 percent last year.

The present job losses are only an indication of what is to come. The announced closure of the auto producers, Ford, General Motors and Toyota, threatens the entire supply chain of parts plants, glass works, smelting and refineries for aluminium and other metals, as well as logistics, administration and local businesses. Hundreds of thousands of jobs are likely to disappear before 2017, when the last of the car plants is scheduled to shut.

Since August 2008, just before the onset of the global financial crisis, employers have shed 192,500 full-time positions. There are now 134,000 workers officially classified as long-term unemployed (not having worked for 52 consecutive weeks)—an increase of 13.5 percent from January last year.

The official figures vastly understate the real extent of joblessness. Anyone working for just one hour a week is counted as employed. The Roy Morgan polling company has estimated unemployment at 11.3 percent, with another 8.7 percent "underemployed." That means that one fifth of the workforce, or over 2.5 million people, are either jobless or unable to find sufficient work.

With successive governments refusing to increase the Newstart unemployment benefit from $250 a week—half the poverty line as defined in the Melbourne Institute's latest Quarterly Report—this means severe financial hardship for growing numbers of working class families.

Young people are worst affected, increasingly pushed into low-paid temporary or part-time work. Many have given up looking for jobs altogether. Since last March, for the first time on record, the number of 15-25 year-olds in part-time work has outnumbered those in full-time employment.

This week, **Telstra** announced that a further 800 jobs will be eliminated from its Sensis phone directory business, affecting advertising, sales, management and support workers in New South Wales (NSW) and Victoria. In just 12 months, Sensis has now retrenched 1,500 staff, more than half its total. Sensis managing director John Allan said some jobs may be shifted to the Philippines or India, because "the Sensis business has now got to compete globally in the digital market."

On February 18, a further 70 workers, on top of 1,400 others, were laid off without pay by receivers KordaMentha following the collapse of the **Forge**

**Group**, a mining services contracting company. Forge went into receivership on February 13 after the loss of multiple contracts. Its clients included Rio Tinto, BHP Billiton and Gina Rinehart's Roy Hill Holdings.

On the same day, giant aluminium producer **Alcoa** said its Port Henry smelter and rolling mill near Geelong in Victoria will close by the end of the year, as well as a rolling mill in Yennora, NSW, despite a $40 million grant from the former Labor government last year. This will directly destroy 980 jobs and trigger an estimated 3,000 layoffs in related industries.

The Port Henry closure will devastate Geelong, which has already seen another 300 jobs go at **Ford** this year. The **Transport Accident Commission** in the city will also lay off 70 contractors. Another 260 jobs went last year from **Target** headquarters, and Anglo-Dutch oil conglomerate **Shell** this week confirmed the sale of its Geelong refinery, putting another 450 jobs at risk, despite claims that the new owner, Vitol, will retain most workers for now.

Shell also eliminated 400 jobs, or a third of the workforce, at **Arrow Energy** following a "disappointing" December quarter profit of $US2.9 billion—$1 billion below market expectations.

Earlier this month, **BHP Billiton Mitsubishi Alliance** (BMA) announced 230 jobs will be scrapped at the Saraji coal mine in central Queensland, and warned that "a fundamental improvement in the cost base" was needed for the mine to stay open. **Bradken**, a supplier to Caterpillar, which shed 200 jobs in Tasmania last year, will shut its Launceston foundry, eliminating 18 jobs on top of 33 positions that were destroyed in July.

McAleese, the parent company of **Cootes Transport**, will sack half the Cootes truck drivers and workshop staff, or 540 people, blaming "relentless" government vehicle inspections after accidents involving Cootes vehicles.

Expressing the intensifying fight for survival in the airline industry, **Virgin Atlantic** will cease its daily flights between Sydney and Hong Kong on May 5, threatening the jobs of 47 ground crew in Sydney and 158 cabin crew based in Hong Kong. **Qantas** is expected to announce more job cuts this week, on top of the 1,000 that it unveiled last December.

Retail giant **David Jones** put 40 staff out of work in Adelaide's Rundle Mall. Fifteen campus managers were laid off from a North Coast branch of **TAFE** in NSW, threatening the aquaculture campus of Trenayr with closure.

Deep cuts are being made by governments and former government enterprises. WA electricity company **Western Power** will cut an additional 57 staff, on top of the 150 retrenched from its head office last year. **Aurizon,** formerly Queensland Rail, will cut 80 more staff by shutting a rail depot in North Queensland and reducing station staff from Mt Isa to Townsville. **National ICT Australia** announced 60 job cuts at its Victorian Research Laboratory due to "substantially reduced" government contracts.

The previous federal Labor government's plans to eliminate 14,000 public service positions nationally via "efficiency dividends" are being implemented by the Abbott Liberal-National government. Last month, the government announced the closure of the **Australian Valuation Office** (AVO), cutting almost 200 jobs. The AVO is a department of the Australian Tax Office (ATO), which overall is facing 900 redundancies.

Hundreds more federal government scientists are threatened with the sack after **Geoscience Australia** told its 742 permanent workers that job losses are inevitable because of the government efficiency dividend. The latest blow comes on top of more than 300 job losses—with more expected—at Australia's leading scientific research organisation, the **CSIRO**.