

Job cuts mounting in Australia as mining slump intensifies

Terry Cook
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Job losses are deepening in Australia, spreading from manufacturing to mining and mining-related industries under the impact of sharp falls in export commodity prices. Austerity budgets at the federal and state levels are adding to the toll.

In the past week alone, coal mine closures in central Queensland have directly destroyed another 700 jobs, with the knock-on effects likely to destroy the jobs of thousands of workers in support industries. Some mining communities will become ghost towns.

Despite the seasonally adjusted official jobless rate produced by the Australian Bureau of Statistics (ABS) falling from 6.4 to 6.1 percent last month—most likely due to data sampling problems—thousands of retrenched workers are being flung onto a shrinking jobs market, with little prospect of finding equivalent employment.

A more accurate picture of the growth in unemployment is gained from the ABS's trend figures, which show that since August last year unemployment has increased from 5.7 to 6.2 percent.

Because of budget cuts at the ABS itself, its data is based on limited surveys, and, in any case, its statistics exclude anyone who has worked for more than one hour a week. The less restrictive Roy Morgan survey put August's unemployment rate at 8.7 percent.

The ABS figures also revealed that the number of hours worked fell and that under-employment—workers wanting more hours of work, rose to 8.5 percent, up 0.7 percentage points from May. The combined official unemployment and under-employment rate stands at a 16-year high of 14.6 percent.

Hit by falling iron ore and coal prices and stalling demand, particularly in China, major mining companies are shutting or restructuring their operations. Thermal coal prices have fallen to the lowest level this decade, while iron ore prices have dropped more than 40

percent this year to below \$US80 a tonne, the lowest since 2009.

The magnitude of the downturn is also driving up the Abbott government's budget deficit, by eroding tax revenues. Treasurer Joe Hockey announced yesterday that the deficit for the 2013–14 financial year was \$48.5 billion, \$30 billion more than forecast, with 60 percent of the deterioration due to a write-down in tax receipts. This will place even more corporate and financial market pressure on the government to slash public sector jobs and services despite widespread continuing hostility to its May austerity budget.

BHP Billiton Mitsubishi Alliance (BMA) announced this week it will axe more than 700 jobs across seven of its eight coal mining operations in Queensland's Bowen Basin, and would not rule out further job losses in the future. BHP Billiton recently culled 163 coal mining jobs at its Mt Arthur coal mine in the New South Wales (NSW) Hunter Valley.

Glencore will axe 100 jobs at its Clermont open cut coal mine by October and eliminate a further 100 at its Newlands open cut coal mine, both in Queensland. US-owned **Peabody Energy** will reduce production and slash up to 100 jobs at its Central Queensland Burton coking coal mine and **Rio Tinto** is scrapping around 100 jobs at its Kestrel underground hard coking coal mine, also in Queensland.

Port Waratah Coal Services cut another 32 jobs from its coal handling terminals in Newcastle, on top of the 34 slashed in July. Mining exploration company **Bandanna Energy** went into voluntary administration after failing to gain funding for its planned Springsure Creek coal mine in Central Queensland, which had been expected to generate 500 operational jobs.

In the iron ore sector, **BHP Billiton** will cut 35 jobs at its Nelson Point operations in Port Hedland, Western

Australia (WA). Over the past few months the company has slashed 500 jobs, including 170 at its WA Mount Whaleback mine in June and 100 job cuts at its iron ore sector headquarters in Perth.

Tasmania, the small island state, is also affected. TasRail is to cut 14 positions in the wake of the closure of the Mt Lyell Copper Mine in Queenstown and the Shree Minerals iron ore mine at Nelson Bay River.

Joblessness among mining industry professionals has risen to 12.2 percent, double the official unemployment rate, according to a survey by the Australasian Institute of Minerals and Metallurgy, which represents mining staff such as geologists, metallurgists and chemical engineers.

Manufacturing, retail and service job cuts have continued, on top of the planned closure of the entire car making industry.

In South Australia alone, biscuit maker **Arnott's** confirmed it will cut 120 jobs over the next 18 months at its Adelaide plant, while **Aldinga Turkeys** cut around 80 jobs. Glass bottle producer **ACI** will slash 60 jobs and bus maker **Custom Coaches** closed its plant, shedding 75 jobs.

Nationally, petroleum company **Caltex Australia** will axe a further 350 jobs during the next 12 months as part of a "cost and efficiency" restructuring strategy that eliminated over 600 jobs in 2012.

Supermarket giant **Coles** will abolish 378 jobs and 60 contractor positions at its support centre in Melbourne.

The **Australian Red Cross** will shed 500 jobs due to reduced funding for the asylum-seeker assistance and support program. At the end of August, **Health Care Australia** closed the LaTrobe Private Hospital at Bundoora, Victoria affecting 150 jobs.

Budget cuts are eliminating hundreds of public sector jobs. The **Australian Broadcasting Corporation** will shed about 300 jobs and may axe high-profile programs, including "Lateline," its television news and current affairs show.

Another 2,000 jobs are expected to go at the **Australian Tax Office** as a result of efficiency "reviews," on top of 3,000 redundancies due to be finalised by October. The **Federal Treasury** itself will cut 45 jobs.

The **Department of Environment** will impose 480

redundancies over the next 36 months, and, as a result, **Parks Australia** will axe 13 staff, including park rangers, at the World Heritage-listed Kakadu National Park.

Tasmania's government will cut the equivalent of 700 full-time public sector jobs, with 361 to go in the current financial year. About 1,200 jobs will be axed from **NSW TAFE** colleges. In Victoria, more than 380 mental health workers have lost their jobs under a "recommissioning process" to reduce the number of organisations delivering community-based mental health services from 45 to 16.



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