

Australian job cuts mount

Our reporter
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Unemployment continues to rise throughout major Australian industries—mining, manufacturing, retail and the public sector. Analysts predict that tens of thousands more mining-related workers will lose their jobs during the next 12 months as coal, iron ore and other export prices remain low.

According to the Australian Bureau of Statistics (ABS), the seasonally-adjusted national unemployment rate increased to 6.0 percent in June, up from 5.9 percent in May. Joblessness rose by 12,800 to 756,100. The number of underemployed people looking for full-time work grew by 27,200 to 541,200, making a total of almost 1.3 million people actively seeking work or more work.

ABS data, however, seriously understates unemployment levels by excluding anyone who has worked one hour or more per week and those not hunting for jobs on a daily basis. According to broader Roy Morgan Research statistics, almost 1.2 million people, or 9.3 percent of the workforce, were unemployed and another 1.1 million, or 8.9 percent, were underemployed.

Because of a wave of mine closures and job cuts, media commentators and mining analysts predict that the official ABS unemployment rate will rise above 6.3 percent within months.

Newport Consulting's annual survey of senior mining executives found that 80 percent plan to slash jobs and 78 percent would cut capital spending over the next 12 months, almost double the percentages in last year's report.

Released last week, the survey found that coal mining in the Hunter Valley in New South Wales (NSW) and iron ore production in Western Australia's Pilbara region would be seriously impacted. Newport Consulting managing director David Hand said he expected up to 30,000 mining jobs would be lost across Australia during the next 12 months.

Anglo American, which plans to eliminate 53,000 jobs internationally during the next few years, has several coal mines in Australia. These include Moranbah North, Capcoal, Foxleigh, Dawson and Callide in Queensland, and Drayton in NSW. The company said it would cut 1,000 jobs in Australia by the end of this year, another 1,500 by the end of 2016 and a further 3,000 after that.

Another global mining giant, **BHP-Billiton**, told the media late last month that it will slash about 100 administrative positions from its Melbourne headquarters, blaming falling profits. The company anticipates a \$13.2 billion profit this financial year, a 40 percent fall from \$22.2 billion last year.

The sharp downturn is flowing through to associated industries. Explosives manufacturer **Orica** last month sacked 29 employees, or 10 percent of its workforce at Gladstone in Queensland, citing declining orders for explosives from the mining and quarry industries.

BP cut more jobs—another 50—following its decision earlier this year to eliminate over 300 positions. The company has destroyed more than 600 jobs in the past two years.

The Dutch-owned **Smit Lamnalco** said in late July that it would end its tugboat operations in Newcastle, axing 50 jobs. Newcastle is a major coal shipping port.

Other maritime industry jobs destroyed include last month's sacking of 36 seamen from the Teekay-owned petrol tanker **Alexander** and the elimination of 96 positions from Waterfront Hutchison Ports' terminals in Brisbane and Sydney. **Hutchison Ports** said it might re-hire some employees on a casual basis, but workers would be assessed on their "commitment" to productivity.

Unemployment in South Australia, according to ABS figures, is now 8.2 percent, the highest rate of any Australian state. Workers in Adelaide, the state capital, are being hit by the closure of the entire car

manufacturing industry, which includes the General Motors Holden plant at Elizabeth and associated factories.

In mid-July, over 100 contractors, including fabricators, boilermakers and pipefitters, were dismissed by **ASC**, formerly the Australian Submarine Corporation, in Adelaide. The shipbuilding company claimed that the cuts would produce efficiency gains. Another 120 contractors lost their jobs in May.

Over 2,000 jobs were wiped out in the state's regional areas in June, including 1,500 in the north, where the unemployment rate jumped from 4.2 percent to 6.7 percent that month. Six hundred iron mining jobs were eliminated and 400 federally-funded positions, including in mental health, domestic violence and Aboriginal and refugee services.

Hundreds of manufacturing, distribution and retail jobs have been destroyed in Victoria. In June, **Woolworths** supermarket chain announced the closure of its Broadmeadows distribution centre in Melbourne's north, at the cost of 700 full-time, part-time and casual jobs. Workers were told via text messages.

The same week, **Austube Mills**, in the neighbouring suburb of Somerton, said 86 steel manufacturing workers would be retrenched by the end of August. The structural steel pipe and tube products maker is owned by the international mining company Arrium. In March, **Betta Foods**, a local confectionary company, went into liquidation, destroying 100 jobs.

These job cuts follow Ford's decision in 2013 to shut down its Broadmeadows assembly plant by 2016, axing over 600 jobs and destroying hundreds more in associated industries. The Broadmeadows area has highest unemployment rate in Victoria, at 27 percent, with youth unemployment at about 40 percent.

Nissan told the media last month it was outsourcing its auto-parts warehousing and logistic operations across Australia. Forty-two jobs will be cut in Melbourne and scores of others in Sydney, Brisbane and Perth. Only recently, the company claimed that the auto-parts workers' jobs were safe "well beyond 2020."

Elsewhere, about 20 jobs are to go from the Queensland government-owned **SEQ Water**, which operates dams in south-east Queensland. The state-owned **Powerlink** is also scheduled to lose 199

positions. In Tasmania, **Visionstream**, a national broadband network contractor, announced last month that 60 workers would be made redundant.

In the past three months, **Fairfax Media** has eliminated 34 editorial jobs, including reporters, editors and photographers at the *Border Mail* and the *Illawarra Mercury* in regional NSW. It will also axe another 59 positions from its newspapers in South Australia and Sydney during the 2015–16 financial year. Earlier this year the company cut over 60 jobs from its newspapers in Victoria.

Shoalhaven Paper in Nowra on NSW's south coast, ended production in late July, eliminating 75 jobs. Fifty-five workers were made redundant, with the remaining 20 employees finalising the closure on August 28. Established 50 years ago, the plant once employed 600 workers. It produced paper for passports and other high-quality print paper. The closure will result in the loss of 150 flow-on jobs and an estimated \$20 million in regional household income. According to official figures, the Southern Highlands-Shoalhaven region has a 9.6 percent jobless rate with 18 percent of those aged 15 to 24 unemployed.

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