

South Australian government and private corporations axe thousands of jobs

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South Australia, once a manufacturing and mining centre, now has soaring unemployment, accelerated by corporate downsizing and job cuts by the state Labor government of Premier Jay Weatherill.

The situation will worsen as General Motors Holden (GMH) progressively closes its car assembly plant in the north of Adelaide, the state capital, by 2017 and other major companies slash thousands of jobs to cut costs amid a deepening global slump.

According to the Australian Bureau of Statistics (ABS), the state's unemployment rate was 7.9 percent in July, well above the national level of 6.3 percent. Of the state's 1.6 million people, 69,500 were officially unemployed. Among 15- to 24-year olds, the jobless rate stood at 15.2 percent. In northern Adelaide, the unemployment rate was 8.3 percent and youth unemployment was 16.9 percent.

The ABS jobs data understates unemployment levels by excluding anyone who has worked one hour or more per week.

John Spoehr, director of the Australian Workplace Innovation and Social Research Centre at the University of Adelaide, warned that South Australian unemployment could climb to 9 percent over the next six months, "on a pathway to double-digit unemployment."

Job shedding is spreading across the state's minerals and energy sector, hit by declining demand and falling commodity prices, driven by the rapid slowdown in China and elsewhere throughout Asia.

In August, BHP Billiton announced it would axe 380 jobs, or one tenth of the workforce, at its Olympic Dam poly-metallic underground mine, about 550 kilometres from Adelaide, the state capital. This follows the elimination of 230 jobs earlier this year, and hundreds of jobs since 2012, when the company abandoned plans

to expand the mine.

Iron ore miner and steelmaker Arrium plans to axe its Southern Iron mining project near Coober Pedy and destroy 580 jobs. The company is also conducting a strategic review of its steel plant at Whyalla, threatening more jobs. Coober Pedy was already reeling from the closure of the nearby IMX Resources Cairn Hill iron ore mine last year and the loss of 200 jobs.

In July, civil and mining company BGC Contracting said it would scale-back production at its Iron Knob and South Middleback Ranges mine sites in October at the cost of 125 jobs. These cuts are in addition to 94 jobs slashed at these sites in May.

In June, Alinta Energy said it planned to close its Leigh Creek coal mine and Port Augusta's power stations in 2017, at the cost of 258 and 180 jobs respectively. In March, the global oil and gas corporation Santos announced that it would cut 200 jobs nationally, with the main focus on its South Australia operations.

In the six months to June this year the state's mining sector destroyed over 5,000 jobs, devastating regional towns. Leigh Creek, for example, relies almost exclusively on the mine for its existence, and the town provides education, health, mail and other services to outlying communities, including Blinman, Copley, Nepabunna, Marree. These basic services are in danger of closing.

The major resources project cuts are producing further job losses in downstream and associated industries, including local suppliers and contractors. According to ABS data, over 1,900 regional jobs across the state were wiped out between May and June.

In the state's southeast, unemployment already stands at 8.7 percent, while in the far north the rate leapt from 4.2 percent in May to 6.7 percent in July.

Recent private sector job cuts include Arnott's Biscuits, which is axing 120 jobs at its Marleston site in Adelaide, and Aldinga Turkeys, which will close its McLaren Flat processing plant south of the capital by the end of the year at the cost of nearly 80 jobs. United Dairy Power has closed its processing plants in Murray Bridge and Jervois, eliminating 130 jobs.

In May, with the help of the car industry unions, GMH wiped out 270 jobs from the remaining 1,260 workforce at its northern Adelaide assembly plant in Elizabeth, in preparation for the 2017 closure.

The Weatherill government is not only overseeing the elimination of these jobs, working closely with the trade unions. It is also slashing hundreds of public sector jobs and dismantling basic services.

In July, SA Health confirmed plans to axe 332 jobs from SA Pathology over the next three years. The state government also refused to replace the funding cut in the federal Abbott government's 2014 budget for 400 outreach positions, including in domestic violence, mental health, Aboriginal and refugee services.

Last year, the state Labor government destroyed 885 full-time positions in the public sector. Of the remaining 85,000 full-time jobs, it plans to eliminate another 4,000 in the next four years. This is on top of the more than 11,000 jobs axed by the government since the global crash of 2008 in an unsuccessful bid to retain the state's AAA credit rating.

Worsening unemployment, coupled with government cuts to essential services, has resulted in increasing reliance on charities to provide basic needs. Foodbank SA, the state's largest welfare food organisation, says it cannot cope with the rising demand. It is providing 7,500 meals a day, compared with 5,800 in late 2013, and every month more than 8,000 people, including 3,000 children, miss out on a decent meal.

Backed by the trade unions, Weatherill's government barely scraped back into office at the March 2014 state election, after receiving just 37 percent of the vote. In order to do so, Weatherill falsely promised to create 100,000 jobs by 2016, upgrade health facilities, and not privatise government-owned assets.



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