

New wave of job cuts in Australia as global slump deepens

John Harris
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Since the beginning of 2016, a further barrage of job losses has begun to hit workers in Australia, amid a worsening rout on the financial markets. Growing numbers of workers are being made to pay for the deepening global slump and the collapse of mining commodity prices, as major employers axe jobs in a bid to cut losses and shore up profits.

The mining and resources sector, which temporarily kept Australian capitalism afloat after the 2008 world financial crash, is now in headlong decline, and the fallout is spreading throughout the economy, including the retail sector. Hardly a day goes by without announcements of layoffs or projected job cuts.

This job destruction is yet to show up in the vastly-understated official Australian Bureau of Statistics (ABS) data, which reported that the unemployment rate fell by 0.1 percent to 5.8 percent in December. Even by that figure, 727,000 jobless workers were actively seeking employment, just before this year's financial turmoil wiped tens of billions of dollars off Australian share values, especially the mining and banking stocks.

Some idea of the emerging scale of the job cuts can be gleaned from the Roy Morgan survey figures for January, which showed the unemployment rate jumping to 10.3 percent, from 9.7 percent in December. Altogether, 2.575 million people (19.7 percent of the workforce) were unemployed or under-employed in January—up by 309,000 (1.7 percentage points) since January 2015.

The year began with two major retail collapses. Electronics retailer **Dick Smith** went into voluntary administration, placing in jeopardy the jobs of 3,300 workers employed at the company's 393 outlets across Australia and New Zealand. **Woolworths** announced it will either sell or wind up its home improvement business, which includes the Masters Home Timber and

Hardware chain, after sustaining heavy losses. Masters has 63 stores, employing over 7,000 people.

With the prices of Australia's main exports—iron ore, coal and liquefied natural gas (LNG)—still falling, and with predictions of worse to come, the unemployment toll will only rise. Because the price of LNG is linked to oil, gas producers in Australia are implementing large layoffs.

Chevron shed 1,200 jobs in its Australian operations at the end of last year as part of a global restructuring to cut up to 7,000 positions. The end of the construction phase at its \$US54 billion Gorgon project on Barrow Island in Western Australia (WA) will result in thousands more layoffs. Gorgon is one of seven gas projects under construction, employing a total workforce of around 35,000. As the projects reach the operational stage, that number is expected to fall to 7,000.

Falling nickel, manganese and copper prices are triggering a wave of lay-offs and closures. In January, 237 workers were laid off at mining magnate Clive Palmer's **Queensland Nickel** Yabulu refinery after the company was placed into administration with a debt of around \$100 million.

CBH Resources announced this month the elimination of 116 jobs at its Endeavour zinc and lead mine at Cobar in New South Wales (NSW), delivering a devastating blow to the town.

Last month, **Panoramic Resources** cut 50 jobs at its nickel mine in Savannah in WA and a "significant portion" of the workforce at its Perth headquarters. **Mincor Resources** said it will cease mining at its Mariner and Miitel mines in Kambalda, WA, shedding 90 jobs immediately with more to go as the operations wind down. **Independence Group** said it will slash 28 jobs from its Long nickel mine in Kambalda.

In January, **Consolidated Minerals** said it will ~~axe~~ ^{close}—one third of the brewery's workforce. **The University of Western Australia** announced a plan to cut 300 academic and professional staff.

operations at its Woodie Woodie manganese mine near Perth. **OM Holdings** went into voluntary administration placing its Bootu Creek manganese mine in the Northern Territory in care and maintenance. The company laid off 45 production workers last year and now a further 200 jobs are at risk. **Shaw River Manganese** in WA was also placed in administration.

Newcrest Mining announced in January that it will axe 100 jobs at its Ridgeway gold mine near Orange in NSW by March. **Oz Minerals** confirmed last month it will slash around 100 jobs at its Prominent Hill copper-gold mining operation in northwest South Australia, on top of the 70 it axed earlier.

Coal and iron ore job cuts are continuing. Resources giant **ANGLO American** confirmed this week that more than 100 jobs will be axed at its Drayton coal mine in the NSW Hunter Valley, as a step toward laying off the entire production workforce of 245 by December.

Mount Gibson Iron Ore will cut around 20 jobs at its iron ore loading facilities in WA. **Grange Resources** flagged job cuts at its Savage River mine in northwest Tasmania that employs around 550 workers.

BHP Billiton spin-off **South32** warned it will make a “substantial reduction in employee numbers during the remainder of full-year 2016” at its Worsley alumina operation in WA.

Job cuts across other sectors include:

Freight carrier **Pacific National** will slash 46 coal train drivers' jobs from its operations in the NSW Hunter Valley.

Ship builder **BAE** will shed 50 more jobs from the remaining 150-strong workforce at its Williamstown shipyard in Melbourne, Victoria. The company has cut 325 jobs at the yard since August last year. Ship repairer **Forgacs** will close its two yards in Newcastle, NSW at the cost of 150 jobs.

Auto parts manufacturer **SMR Automotive** (SMRA) in South Australia will axe 140 jobs by March.

Banking giant **Barclays** will cut around 80 jobs at its Australian operations, and at least 230 jobs across the Asia-Pacific region. The **Bank of Queensland** will cut around 50 jobs from its workforce of 2,220.

Lion Beer, Spirits and Wine Australia will slash 39 jobs from its Boag's Brewery in Launceston,

The **federal government** plans to cut 700 public servants' jobs, including in the immigration department.

The **WA state government** will shed the equivalent of 1,163 jobs from the South Metropolitan Health Service, almost half of them at the Royal Perth Hospital (RPH).



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