Thousands of jobs cut in Australia as slump deepens

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One of the central issues in the 2016 Australian federal elections on July 2 is the right to a secure, full-time job. Amid a gathering world recession and slowing global demand, major companies are continuing to restructure their Australian operations, destroying thousands of jobs, cutting production and closing facilities. The implosion of the mining boom is being compounded by increasing numbers of workers throughout the country being pushed into insecure, part-time employment.

This reality finds no expression in the political and media establishment, with the Liberal-National government claiming that last week's federal budget was all about "jobs and growth" and the Labor Party promising to generate "full employment." Both are peddling far-fetched Treasury estimates that the Australian economy, now mired in deflation, will suddenly grow by at least 3 percent every year for the next five years.

According to the official figures published by the Australian Bureau of Statistics (ABS), the seasonally adjusted unemployment rate for March dropped 0.1 percentage points to 5.7 percent. But that was primarily due to the growth of part-time work at the expense of full-time jobs.

Part-time employment increased by 34,900, while full-time employment declined by 9,000. As a consequence, working hours fell. Seasonally adjusted monthly hours worked in all jobs decreased 17.5 million hours (1.1 percent) to 1,632.3 million hours.

Moreover, the ABS data counts anyone who has worked for just one hour a week as employed. An alternative survey by Roy Morgan Research showed unemployment rose from 10.0 percent to 11.0 percent in March, with another 7.8 percent of the workforce under-employed, that is, seeking more work. By this measure, more than 2.4 million workers were unemployed or under-employed.

Major companies that have gone into administration this year include steel and iron ore company **Arrium** in South Australia, **Queensland Nickel** and electronics retailer **Dick Smith**. Between them, they employed more than 11,000 people.

Layoffs are continuing in the mining and resources sector as commodity prices remain at low levels because of reduced global demand, especially in China, Australia's biggest export market.

After recovering slightly in recent months, the iron ore price dropped 4.1 percent last week to $US62.50. The *Australian* reported that "several commentators have earlier warned that iron ore's rebound over the first months of the year is unsustainable, tipping the price to fall into the $US40s over the rest of 2016."

On April 15, **Linc Energy**, which has oil, gas, shale and coal operations, went into administration. It had already shed 200 jobs over the past six months, amounting to a third of its regular workforce and three-quarters of its contract workers.

Also last month, **Royal Dutch Shell** announced cut jobs across its Australian operations, tipped to be around 250 from a 3,400-strong workforce. The cuts are part of a global restructure driven partly by falling gas and oil prices that will see the company shed 10,000 jobs worldwide. Oil prices, to which gas prices are aligned, have halved since last June.

British-based mining giant **Rio Tinto** announced it will eliminate 40 positions at its Weipa bauxite operation in Queensland. The company, which employs 1,400 staff and contractors at Weipa, cited falling aluminium prices and increasing competition.

In March, Rio confirmed it would shed around 170 jobs at its Western Australian Pilbara iron ore

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operations. Another 300 positions are expected to be cut at the company's Perth office. Last year Rio, axed 800 jobs in the Pilbara region as it reduced its global workforce by more than 8 percent to 54,938.

These cuts are having a terrible impact on mining towns, where big companies have made super-profits for years by exploiting the labour of workers, only to abandon them as the crash has unfolded.

Pilbara Shire Council president Kerry White told the media that the towns of Tom Price and Paraburdoo have been "devastated" by the latest downsizing. "The roll-on effect is enormous, for businesses and for people's well-being," she said. "Kids lose their friends, families are just packed up and gone within a month, empty houses everywhere. What can they do? Nothing. There's no other employment opportunities in these towns because they're purely mining."

According to a recent analysis of company announcements, 2,300 mining industry jobs had been axed across the country this year by the beginning of March.

At the end of February, base metal and coal mining firm **South32**, another spin-off from BHP Billiton like Arrium, announced it would axe 770 jobs nationally after posting a half year statutory loss of $US1.7 billion when impairments were taken into account.

Other job cuts in the mining and associated industrial sectors in March and April include:

BHP Billiton's **Mount Arthur** coal mine near Muswellbrook in the New South Wales (NSW) Hunter Valley laid off 300 workers, reducing the mine's workforce to 1,400.

Perilya announced it will cut 100 jobs from its 460-strong workforce at its Broken Hill Southern Operations silver, lead and zinc mine in far western NSW, along with 40 contractors' positions.

Southern Operations, along with the **CBH Resources** Endeavour mine in Cobar, is the main source of employment for Broken Hill. Earlier this year, CBH announced it would shed 116 jobs at Endeavour.

Consolidated Mining and Civil (CMC), which contracts to Perilya, laid-off 22 workers in March.

Perth-based Engineering group **RCR Tomlinson** announced in April it will wrap up its engineering group's coal services businesses, destroying 270 jobs across Australia and New Zealand in its fabrication division.

Many jobs have gone in associated industries, often without being reported. Peter Dyball of Pit Crew Management Consulting Services, noted: "[T]here are engineers and other professionals, typically in capital cities, out of work. The number of high calibre, experienced people that are out of work at the moment is probably the most substantial number I have seen in 30 years in the industry."

Job cuts in other areas continue to mount.

Retailer **Target** announced in April it will close its headquarters in Geelong, near Melbourne, destroying 900 jobs in the area. This is a further blow to Geelong, following Alcoa's closure of its aluminium smelter last August at the cost of 500 jobs. Ford will shed the remaining 350 jobs there by October when it closes its Geelong manufacturing plant.

Communications provider **Optus** last month confirmed it would slash 500 jobs. As of last December, the company employed 9,235 people.

State-owned **West ern Power** in Western Australia announced it will axe 215 jobs from its network planning and project management staff, on top of 153 jobs destroyed through attrition.

White goods manufacturer **Electrolux** closed its factory in the NSW regional city of Orange, axing the remaining 300 jobs and ending more than 70 years of production. At its peak in the 1970s, the plant employed some 2,000 people.

Employers are also exploiting the job crisis to lower wages and conditions. Office supplies giant **Staples** last month sacked 45 contract delivery drivers via SMS after they demanded increases in their pay rates, which are as low as $8 an hour.

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