

Jobs losses continue in Australia as slump deepens

Terry Cook
23 July 2016

Major companies in Australia are responding to the growing world recession and slowing demand by restructuring their operations to destroy jobs and slash costs in an ever-more ruthless fight for market share and profits.

While the reality of Australia's mounting jobs crisis was buried during the recent federal election—the Liberal-National coalition claimed it would create “jobs and growth” and Labor said it would generate “full employment”—the job destruction continues.

According to the Australian Bureau of Statistics (ABS), the official unemployment rate rose to 5.8 percent, up from 5.7 percent in June. The ABS data, which counts anyone who has worked for just one hour a week as employed acts, however, cloaks the real level of joblessness. An alternative survey by Roy Morgan Research has revealed that in June 2.326 million Australians, or 17.9 percent of the total workforce, were either unemployed or under-employed.

Just days after the July 2 federal election, rail freight operator **Aurizon** announced that it would slash 300 jobs, including managerial, train crewing and yard operations staff. These cuts are on top of the 3,000 positions axed since the company bought Queensland Rail. The state-owned operation was privatised in 2011 by the Queensland state Labor government.

The job destruction at Aurizon, which is a major coal hauler, further highlights the impact on the Australian economy of the continuing collapse of the mining boom amid falling commodity prices and declining demand in China and throughout Asia.

Aurizon has announced that the amount of coal it hauled in the past 12 months has fallen to 207 million tonnes, down from 211 million tonnes this time last year.

Recent research by the National Australia Bank (NAB) estimates that another 50,000 jobs will be axed in the mining and resources sector over the next two and half

years. The predicted job losses follow the estimated 46,000 mining and resources jobs eliminated between 2012 and 2015. The NAB research says that investment in the sector is expected to plummet by over 70 percent during the next three years.

According to mining analysts, the value of projects currently underway in resource-dependant Western Australia is now only \$1.6 billion, well below the \$50 billion three years ago. In Queensland, Australia's other main resources state, sector employment has fallen by 23,000 since November 2013.

In June, giant mining company **Glencore** announced that it will start axing jobs at its Tahmoor coal mine in New South Wales (NSW) during the next 12 months. It plans to shut down all operations at the pit by 2019 at the cost of 350 jobs. The price for metallurgical coal produced at Tahmoor has dropped from over \$US300 a tonne in 2011 to around \$94 today.

Last month **Keech Australia**, which produces steel castings for the mining sector, said it was eliminating 24 jobs, or a quarter of its workforce, at its Bendigo plant in Victoria.

Job cuts continue to mount across other major sectors, including communications, transport and the auto industry.

In early July, car-maker **Holden** announced it would axe 320 jobs at its Elizabeth assembly plant in South Australia by October and another 200 jobs at its Port Melbourne engine plant in Victoria by the end of the year. The company plans to eliminate the remaining 1,000 jobs at its Elizabeth facility when it ends all production in Australia in 2017.

Ford Australia and Toyota continue to move towards wrapping up their Australian operations in Victoria by the end of this year and 2017 respectively, at the cost of 3,350 jobs. Industry specialists estimate that closure of the three car-makers will lead to the loss of up to 150,000 flow-on

jobs, including thousands at auto parts manufacturers and other suppliers.

This month **BlueScope Steel** announced that it will slash another 30 jobs at the slab-making section at its Port Kembla plant on the NSW south coast. These cuts follow the elimination of 500 positions last year with the collaboration of the steel unions. In 2011 the union worked with the company to axe 1,000 jobs and cut costs by \$200 million a year.

In March BlueScope Steel said it was on track for a full-year profit of around \$250 million, up from the \$2.2 billion in losses it chalked up between 2011 and 2014.

In June poultry-processing company **Ingham** announced that it will shutter its Cardiff plant, near Newcastle in NSW, by the end of August at the cost of over 350 jobs.

In July, Australia's largest communications provider **Telstra** said it was destroying 326 customer service jobs nationally, most of them in Perth and Melbourne. The latest shedding comes on top of the 400 job losses announced last October at Telstra call centres in Tasmania, Western Australia and Queensland.

This month, the government-owned **Airservices Australia** announced 600 redundancies, after reporting a loss of more than \$10 million this financial year, down from a \$4.5 million profit last year. It was the company's first loss in two decades. The redundancies are part of a 12-month restructuring plan aimed at slashing operational costs at the air-navigation service provider by more than \$100 million.

Last month **Virgin**, Australia's second largest airline, said would reduce its fleet of ATR turboprop aircraft, ditching all of its E190 aircraft with the elimination of an undisclosed number of jobs, in a bid to cut over \$850 million in costs.

The **West Australian** newspaper also announced in June that it will axe at least 30 editorial jobs. Seven West Media, the newspaper's parent company, plans to slash another 20 staff at the *Sunday* newspaper after finalising a planned takeover.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact