

# Australia: Social devastation looms over Latrobe Valley

Michelle Stevens  
26 October 2017

A social crisis exists in Australia's Latrobe Valley, 150 kilometres east of Melbourne. The conditions echo those of the "rust belt" of the United States. The region was once the largest producer of electricity in Australia through the open-cut mining of brown coal, which fuelled the valley's thermal power stations. Dairy farming, logging, timber milling and paper manufacture were also key industries.

Today's widespread poverty, unemployment and social problems are the result of decades of job destruction imposed by successive state and federal Labor and Liberal-National governments, particularly bound up with the privatisation of the electricity industry from the 1990s. This devastation has been made possible only through bitter betrayals by the trade unions, which enforced waves of job losses and the erosion of basic conditions.

Latrobe Valley workers have a history of militant industrial struggles. This year marks the 40th anniversary of the August to October 1977 power workers' strike, in which 2,300 maintenance workers walked off the job for nearly three months to fight for better pay and conditions. The strikers were eventually pushed back to work, without their demands being met, by the leaders of the trade union movement, notably Bob Hawke, then the president of the Australian Council of Trade Unions, and John Halfpenny, a leader of the Stalinist Communist Party of Australia.

This March, the French multinational ENGIE closed the Hazelwood power station, ending 52 years of operations and destroying 450 permanent positions, along with 300 casual and contracting jobs. That left three power stations—Loy Yang A, Loy Yang B and Yallourn—but Loy Yang B has been up for sale and Yallourn is reportedly earmarked for closure.

Once again, the Labor Party and the unions sold out

the workers. The Victorian state Labor government of Daniel Andrews and the Construction Forestry Mining and Energy Union (CFMEU) both accepted and enforced the closure.

Two regional timber plants also shut down this year. In March, Australian Sustainable Hardwoods said it was closing its Heyfield facility, which employed about 250 workers. In May, the Australian and New Zealand-based timber producer Carter Holt Harvey (CHH) announced it would close its 35-year-old plant at Morwell in August and eliminate 160 jobs. A major paper mill at Maryvale, near Morwell, employing some 900 workers, is threatened with closure.

The social crisis is revealed already in the health and economic indices for the 125,000 people in the region, of whom about 75,000 people live within four centres—Moe, Morwell, Churchill and Traralgon. The unemployment rate is among Victoria's highest at 11.2 percent, with youth unemployment as high as 19.7 percent.

A Gippsland Primary Health Network report released last year showed that low income, welfare dependent families with children made up 13.6 percent of the population, and 21.8 percent of children aged under 15 years of age were in jobless families. Rental stress was reported by 29 percent of households, and 7.2 percent reported food insecurity.

The 2016 census reported that the personal median income for the Latrobe Valley was \$544 a week, 17.8 percent lower than the national figure of \$662. Median weekly household income for the Latrobe Valley was \$1,077, some 25 percent lower than the national level of \$1,438.

Residents seeking to re-locate in search of employment are essentially locked out of the housing and rental markets in Melbourne. The median house

price for the Latrobe Valley was only \$234,000 in 2014. By contrast, house prices in inner Melbourne soared to a median price of \$1,405,000 in 2016. In metropolitan Melbourne, the median house price increased to a record high of \$770,000. Likewise, median weekly rent is \$200 for the Latrobe Valley, compared to median rent nationally of \$335.

Unemployment, socio-economic disadvantage, and remoteness have been recognised as major contributors to suicides, mental health problems and substance use. With 10.1 percent of Latrobe Valley's population aged between 16-64 years receiving a Disability Support Pension, the leading cause of disability is a mental disorder.

The Latrobe Valley has one of Australia's highest opioid dispensing rates and the second highest rate of fatal drug overdoses in regional Victoria. With no residential rehabilitation and withdrawal centres throughout the surrounding Gippsland region, the outpatient alcohol and drug treatment rate was more than double that of the rest of the state, with 12.2 per 1,000 of the population accessing related services, compared to 5.8 per 1,000 across Victoria.

The impact of the social crisis on psychological well being is further expressed in the episodes of hospital treatment for intentional self-harm. The Department of Health and Human Services reported that the rate for Gippsland from 2010-11 to 2014-15 was almost double that of the rest of the state for both men and women. The Victorian rate per 100,000 of the population was 43.0 for men and 82.8 for women. For Gippsland, the rate was 77.9 for men and 148.3 for women.

The physical health of Latrobe Valley's people is heavily impacted also by exposure to pollution from the open cut mines and thermal power stations, especially given the close proximity of towns to the mines. In the Latrobe Valley, the leading cause of death is cancer, which is ranked fifth nationally.

Life expectancy, as reported by the *Department of Health 2012*, at birth for males was significantly lower compared to both national and state figures, at 76.9 years for males, compared to the state figure of 80.3 years. For females life expectancy was 82.2 years, compared to the state figure of 84.4 years.

Of babies, 8.5 percent are of low birth rate (under 2,500 grams) compared to the state figure of 6.6 percent. At school entry, 15.7 percent of children are

developmentally delayed on two or more domains, compared to the state figure of 9.5 percent.

These social disparities are a damning indictment on a system driven by corporate profit that views the lives of the working class contemptuously, as an expendable resource to be exploited.

Workers, young people and children of the Latrobe Valley have been abandoned and betrayed by consecutive Labor and Liberal-National Coalition governments and the trade unions, which feign concern but demonstrate a callous disregard for the social conditions they have policed.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**