

Thousands of jobs cut in Western Australia as figures point to national downturn

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Over the past three weeks, more than 1,800 job cuts were announced in Western Australia (WA) alone, including the looming closure of Alcoa's alumina refinery, and the shutdown of several mining operations.

On January 8, Panoramic Resources, which entered voluntary administration in mid-December, announced that mining at its Savannah nickel project in WA's Kimberley region would be suspended. This meant the immediate sacking of around 140 employees and the end of work for 160 workers engaged through labour contractor Barminco.

A week later, Canadian-owned First Quantum Minerals announced that it would shutdown its Ravensthorpe nickel and cobalt mine in the Goldfields region in the state's south. The closure, part of a global cost-cutting strategy, will eliminate around 125 company jobs and 200 labour-hire workers.

On Monday, Wyloo Metals, owned by second-richest Australian, Andrew Forrest, announced it would place its Cassini, Long, and Durbin mines at Kambalda, WA into "care and maintenance mode," eliminating more than 250 jobs, including direct employees and contractors. In response, BHP announced the partial closure of its nearby nickel concentrator, cutting around 20 jobs.

In the Northern Territory, Core Lithium announced on January 5 that it would cease operations at its Finnis Mine, less than a year after production began. The company's CEO, Gareth Manderson, told the *West Australian* that, of the 300 staff and contractors employed at the mine, "40 to 50 percent of those people will be impacted in some way."

Like nickel, lithium is a critical mineral for high-tech batteries, such as those used in electric vehicles (EVs), and central to the necessary global shift away from fossil fuels. It has been estimated that global demand for lithium will increase as much as 42-fold in the next decade.

But under capitalism, this necessity means nothing in

the face of a market downturn. Slower than expected growth in the sale of electric vehicles, and the emergence of cheaper mining operations in Asia and Africa, contributed to the plummeting of critical mineral prices last year. Over the course of 2023, lithium prices fell 80 percent, while nickel dropped by almost half, leaving both at a lower market value than before the start of the US-NATO war against Russia.

All of these mining operations have been halted, and hundreds of workers thrown on the scrapheap, not because they are tapped out, or because the resources are not needed, but because their multibillionaire owners believe they will reap even greater profits by artificially containing the global supply.

Also this month, US-based global aluminium producer Alcoa announced that it will shut down its 60-year-old refinery in Kwinana, WA by mid-2025. Around 550 jobs will be eliminated by the third quarter of this year, with 200 more workers to be cut over the following 12 months. In addition, Alcoa will no longer engage about 300 workers employed by third-party contractors.

The Australian Workers Union (AWU), which covers most workers in the plant, is working with management to deliver an "orderly closure," telling workers all that can be done is to ensure Alcoa does not renege on their redundancy entitlements.

This union-management operation was clearly prepared in advance. Just four months ago, the AWU rammed through an enterprise agreement that cut real wages for workers across Alcoa's WA facilities, including two other alumina refineries and two bauxite mines, falsely claiming that the deal would provide "job security."

By getting this deal out of the way before the closure announcement, the AWU provided Alcoa a clear run to carry out the mass sackings without fear of disruption at its other plants. Under Australia's draconian industrial relations laws, defended fully by the unions, workers

cannot legally strike, except over immediate health and safety issues, outside of enterprise bargaining periods.

On the opposite side of the country, the AWU is presiding over a similar operation at the Molycop steel fabrication plant in Newcastle, where 250 jobs, around half the workforce, have been destroyed over recent months.

The actions of the AWU in both cases, mirrored by those of all the unions, in countless workplaces, over decades, make clear that workers cannot mount a struggle to defend their jobs and wages within the framework of the trade unions.

New organisations, rank-and-file committees, democratically led by workers, not well-heeled bureaucrats, must be built. This is the only means through which workers can fight for secure jobs, with pay and conditions based on their actual needs, not what suits the profit interests of corporations and their wealthy shareholders.

The irrationality of production under capitalism, and its complete subordination of human need to profit, is sharply expressed in the mining and resources sector. But the same processes are also provoking a broader assault on working class jobs, wages and conditions globally.

The destruction of jobs is an intended consequence of successive interest rate hikes imposed by the Reserve Bank of Australia on behalf of the pro-business Labor government, which aims to drive unemployment up from the current 3.9 percent to 4.5 percent in order to further suppress workers' demands for wage increases.

These official unemployment figures, produced by the Australian Bureau of Statistics (ABS), massively understate the number of people who are unable to find decent work. Research firm Roy Morgan estimates the real rate of unemployment is 8.8 percent, and when underemployment is factored in, calculates that 19.4 percent of the available workforce is under-utilised.

While low in historical terms, the official December quarter unemployment rate means 65,600 more people are out of work than a year earlier, when unemployment was at 3.5 percent. Over the same period, youth unemployment soared from 7.6 percent to 9.4 percent.

According to the ABS, 106,600 fewer people were employed full-time in December than in November, in seasonally adjusted terms, while only 41,400 more part-time jobs were recorded. In total, monthly hours worked fell by 10 million, continuing a six-month trend.

Almost 27 million fewer work hours were completed in December than in July, a decline of 1.4 percent.

In the 12 months to December, the number of jobs advertised with online employment platform SEEK decreased by 17.4 percent. The number of applications per advertised job rose by 6 percent between November and December.

A report published Monday by National Australia Bank (NAB) showed that, amid broader economic concerns, workers are increasingly worried about job security. NAB's Consumer Stress Index rose for the fifth consecutive quarter, to a level near that reported at the outset of the COVID-19 pandemic, and is now above the average recorded since the index was established a decade ago.

Concern over job security, jumped by 11 percent to 48.2 pts, making it the largest factor in the rise in overall consumer stress this quarter. Ten percent of respondents believed their employment would become more precarious in the next 12 months.

While cost of living pressures, rated at 69.4 points, remained the greatest concern for survey participants, this was at the same level as in October, and slightly lower than the 69.9 pts recorded in July. Nonetheless, more than 50 percent of respondents said prices had increased in every category measured by the survey.

Taken together, these figures reflect a working class that is being squeezed from every direction. While official inflation has slowed slightly, the cost of living still massively outstrips nominal wage growth. Thirteen interest rate hikes over the past 18 months have added thousands of dollars to monthly home loan repayments, adding to the already skyrocketing cost of housing.

None of this is accidental. The social misery engulfing the working class is a direct product of the union-backed Labor government's program of wage cuts and austerity measures. In line with governments worldwide, the Australian ruling class is determined to place the full burden of the spiralling crisis of capitalism, and the escalating cost of imperialist war, on the shoulders of workers.



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