

Australian job losses spread to mining sector

By Terry Cook
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After thousands of job losses across the financial and banking sector, the impact of the global economic crisis is spreading to other sections of the Australian economy, with almost daily reports of layoffs or closures. While the latest Bureau of Statistics employment data estimated that 15,600 jobs were eliminated during November, sending the jobless rate up from 4.3 to 4.4 percent, these figures do not yet register the scale of job destruction that has commenced.

In particular, mine workers have joined those paying the price for the international meltdown, highlighting the end of the mining boom on which Australian capitalism has heavily depended. Nearly 700 mining job cuts were announced last week—bringing the total since June to 4,400—and one of the biggest companies, Rio Tinto, put another 630 workers on notice.

First, **Macarthur Coal**, a specialist in pulverised coal, announced it would lay off 180 fulltime staff and contractors from its Moorvale and Coppabella mines in northern Queensland, citing an "unprecedented reduction in coal sales over recent months".

Next, Anglo-Swiss miner **Xstrata** said it would suspend longwall mining at its **Oaky No 1 underground coking coal mine in Queensland's Bowen Basin** and slash 190 contract and 40 permanent jobs in response to "reduced market demand".

A third company, **OZ Minerals**, shed 135 contract workers from its Century zinc mine near Lawn Hill in north-west Queensland—14 percent of the company's workforce in the region. A company spokesman said the operation was in "survival mode" and further layoffs could follow.

OZ Minerals, which is faced with refinancing more than \$800 million in debt due by December 31, also declared it would close its nickel mine at Avebury in Tasmania at the cost of around 190 jobs—64 direct employees and 125 employed by mining contractor

Barmingo.

Rio Tinto put 630 workers at the Northparkes copper mine in NSW on notice, giving the first indication of where the 14,000 worldwide job cut it announced last week will hit in Australia. Thousands more Rio workers across the country are waiting to hear whether their jobs will be eliminated. The company has coal, alumina and bauxite operations in Queensland, iron ore operations in Western Australia, a Northern Territory bauxite mine and coal mines in New South Wales.

A week earlier, Xstrata announced it was shedding 200 jobs at its McArthur River zinc mine in the Northern Territory, about half of the mine's workforce. In all mining areas, contractors are warning that more cuts are expected as production is wound back.

Other recent mine job losses include 220 at Canadian-owed **GBS Gold**—the company's gold mines in the Northern Territory will close this week, owing creditors around \$100 million. **Norilsk Nickel** shut its Waterloo and Silver Swan operations in Kalgoorlie, Western Australia at the cost of 100 jobs and 10 jobs went at the **Maxwell** gold mine at Inglewood after it went into voluntary administration owing more than \$1 million to unsecured creditors.

The job cuts will devastate many mining communities and have a broader fallout throughout industry. Pointing to the flow-on effects, Professor John Rolfe, an expert on regional economics at Central Queensland University in Rockhampton, warned: "For every job in mining there are six jobs created." Just last week, South Australian company **Boart Longyear**, which supplies drilling services and products to the mining industry, said it planned to shed a further 67 staff, on top of the 55 job cuts announced two months ago.

Citing sharp falls in aluminium prices, **Portland Aluminium** announced at the end of last month it would cut production at its smelter by 5 percent a year,

around 15,000 tonnes, and slash 20 positions.

It is clear that much worse is to come. Steel production in China is down more than 12 percent since November last year while Japanese mills have begun to idle blast furnaces on a temporary basis—a measure that the big steelmakers have avoided since 2002.

Meanwhile, job cuts in Australian manufacturing are accelerating. According to the Australian Manufacturing Workers Union, the sector has already lost 38,000 jobs over the past 12 months.

Car producers have shed hundreds of jobs and the knock-on effect is hitting parts suppliers. Last month, **Teson Trims** axed 126 jobs at its Mitcham and Euroa plants in Victoria and last week **Nissan Casting Plant Australia** announced it would axe **50 jobs from the 203-strong workforce at its aluminium casting plant in Dandenong, Victoria**. Ballarat-based brake pad manufacturer **FMP Group**, which primarily exports to car makers in the US, is cutting 50 jobs from its staff of 350.

Military engineering company **Thales Australia** said it would slash 50 jobs at its Bendigo plant by January. Another 125 jobs were lost at **John Valves**, in Ballarat after the company went into liquidation this month. **Silicon Graphics** closed its research and development centre in Camberwell, Victoria at the cost of about 30 jobs.

French-owned company **Chargeurs** cut a further 16 jobs from its wool processing operations at Bomen in the Riverina this month. The company once employed 250 people. Around 50 bakery jobs will be axed at **Maypole Foods'** Glenorchy operations in Tasmania. Over 150 jobs will be slashed at **Huyck Wangner's** factory in Geelong, when it ends operations in March next year. The factory produces covers for paper-making machines.

This week, Australia's largest luxury boat builder Gold Coast-based **Riviera** laid off more than 120 staff on top of the 200 shed over recent months. The company has been hit by a sharp drop in demand of luxury boats as credit tightens and by the plunging value of the Australian dollar.

Retail employment has also started to fall, despite the Christmas period traditionally being the busiest time of the year. The latest Bureau of Statistics figures show that retail jobs decreased by 21,200, or 1.4 percent, in

the three months to the end of the November.

Last week, Australia's biggest online entertainment retailer **EzyDVD** went into receivership, putting a question mark over the future of 70 full-time staff in South Australia and about 150 casual employees nationally.

Giving an indicator of what is to come in the New Year, the number of jobs in the wholesale trade, which is the back end of the retail sector, declined by 5 percent, or 23,200 jobs, in the November quarter.

Overall, the Bureau of Statistics figures lag well behind the rapid deterioration in the economic situation—for example they report that mining jobs still increased by nearly 5 percent in the November quarter.

Job cuts are still continuing at the fastest rate in the finance and banking sector, with a fall of employment of 5.5 percent, or 22,500 jobs in the November quarter. Last week, the **ANZ** bank said it would axe a further 620 jobs before September next year, on top of the 800 middle-management jobs it announced would be shed before the end of this month. Media reports last week are tipping that **Macquarie Bank** will slash another 600 jobs on top of the 200 it announced last month.

State governments have begun slashing jobs as falling mining royalties and other tax revenues send their budgets into deficit. **South Australia** last week foreshadowed 1,400 job cuts, and the **NSW** government previously pledged in an emergency mini-budget to cull 4,000 public sector jobs.

A survey of employers by consultants Hay Group, released this month, confirmed that many more cuts are in the pipeline throughout the economy. The survey found that 17 percent of companies were planning to sack staff and 27 percent were planning to stop new hirings, tripling the result in the firm's March survey.

None of these figures include the wider impact of reduced working hours, cancelled shifts for casual workers, and losses of overtime, all of which can spell financial ruin for working class families.

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