

New South Wales election

Labor's jobs program--no hope for the unemployed

Comment by Terry Cook, Socialist Equality Party candidate for Newcastle

24 March 1999

In the final days of the campaign for this Saturday's election in the Australian state of New South Wales, Labor Party leader and current state Premier Bob Carr has suddenly declared that one of his main concerns is "jobs, jobs, jobs". Not only does he claim that his government is presiding over the lowest unemployment rate in Australia--6.7 percent--but that he has a plan to create 200,000 jobs in the state over the next four years.

No one should be fooled by this belated interest in unemployment.

Over the past decade every government, Labor and Liberal, state and federal, has destroyed thousands of full-time jobs through spending cuts, privatisation, outsourcing and closures. This onslaught has been accompanied by various "job creation schemes" designed specifically to provide a ready supply of cheap labour to fill the increasing number of casual, part-time and badly paid jobs offered by big business.

When scrutinised, Carr's job plan turns out to be more of the same.

It promises a \$14.65 million "Ready for Work" scheme, 1,400 public sector traineeships and a cut to payroll tax for employers willing to train apprentices.

Carr claims that the "Ready for Work" plan will provide training to school youth to assist them to enter the workforce but does not detail just what this "training" will be. The only concrete proposal so far is an upgrade of the "work experience" program currently operating in secondary schools that obliges students to perform unpaid labour for an employer for two weeks. The new scheme will compel students to work for even longer periods.

What of the 1,400 public sector traineeships? A recent

Labor Party press release admits that the traineeships will only be of one and two years duration and that many "would be part-time, allowing school children in Year 11 and 12 to participate".

Anyhow, under conditions in which 19,500 state government jobs have been axed in regional NSW in the last decade, what chance is there for youth securing a job in the public sector, trained or not?

Carr's apprenticeship plan is simply a method of handing over funds to employers and providing them with labour extensively paid by the public purse. Not only will the companies receive a payroll tax reduction of up to 75 percent for taking on a new apprentice, they will be entitled to a \$650 bonus. Even so, the scheme is only expected to subsidise 250 apprenticeships a year.

The 6.7 percent unemployment rate cited by Carr gives a distorted picture of the actual state of affairs across the state, particularly in the major industrial centres and working class areas, where the jobless rates are far higher.

The reality is typified by the jobs crisis in the former steel city of Newcastle, in the heart of the Hunter Valley, once a key centre for manufacturing, steel making and mining.

The unemployment rate in the Hunter region stands at 11.4 percent. For youth aged 15 to 19, the rate is 27 percent while for 20-24 year-olds it is 20.5 percent.

The figures for metropolitan Newcastle are even more staggering. The overall unemployment rate is 13.2 percent--almost twice the state average. For 15 to 19 year-olds it stands at 30.4 percent and for 20 to 24 year-olds it is 20.5 percent.

More than 20,000 jobs were axed in the region in the

first seven months of 1998. On average, over the year as a whole, 5,750 jobs were lost in manufacturing, 4,275 in mining and related industries and 3,800 in the wholesale trade.

Before the end of this year the jobless toll will escalate when BHP finally closes its steel plant, destroying over 2,500 jobs directly and an estimated 8,000 jobs in related industries. More than 10,000 steel jobs were destroyed in Newcastle between 1983 and 1989 under the former Hawke Labor government's Steel Plan that eliminated 25,000 jobs nationally.

When BHP announced the Newcastle closure in early 1997 Carr raced to join the Australian Council of Trade Unions (ACTU) leaders and the local unions to head off opposition by workers and to ensure an "orderly closure". He promised to set up a \$10 million Hunter Valley Advantage Fund, claiming that the paltry amount, and the so-called Steel City project--an industrial estate on the abandoned BHP site--would fuel the creation of 2,500 jobs.

Little has eventuated. Speaking at the opening of the Southland Colliery in the Hunter last week, Carr claimed 1,500 permanent jobs had already been created in the region but was somewhat short on detail.

Grasping at straws, he announced that the Southland colliery would generate 100 new jobs and the relocation of the Police Services Infringement Processing Bureau in 2001 would bring "an influx of 150 new people to the area," creating new opportunities for small business and the service industry. This is hardly the basis of a jobs recovery.

Even if the claim of 1,500 new jobs were true, and there is little to indicate that it is, the number would be small change when viewed alongside the devastation that has already taken place.

As well as the 2,500 steel jobs to go at BHP, over 2,400 miners' jobs have been axed in the Hunter region over the past 18 months alone. Even as Carr was cutting the ribbon at the Southland project, Coal Operations Australia had just finished closing its Chain Valley mine, only a few kilometers to the south of Newcastle, eliminating the last remaining 42 jobs.

Both major parties are looking to privatise the power industry, threatening many hundreds more jobs in the process. But privatised or not, whichever party graces the Treasury benches will continue to downsize the power industry. In 1997 the Carr government slashed 1,600 jobs from Energy Australia--40 percent of its workforce of 3,900--with the majority of these going from the Hunter

region.

On the eve of the election, Goninans, a major manufacturer of railway rolling stock, shut down its train manufacturing and repair plant in the Newcastle suburb of Broadmeadow at the cost of 245 jobs after losing a government contract to construct the state's new train fleet.

Clyde Engineering undercut Goninans to win the contract and is due to commence production employing less than 170 men. Ironically, Clyde will set up a manufacturing plant in the abandoned former government rail workshop in the nearby suburb of Cardiff.

Only a few short years ago the Cardiff workshop provided jobs for almost 1,000 rail workers before it was progressively wound up and its operations outsourced under both Labor and Liberal state governments.

Election promises notwithstanding, a survey of business in the Hunter region conducted by the Hunter Valley Research Foundation last month demonstrates that the unemployment situation is on the verge of worsening. Over 65 percent of companies interviewed indicated that the unemployment rate would not alter while 10 percent believed the number of jobless would escalate.

The further mass destruction of jobs is inevitable. The downsizing of workforces is intrinsically bound up with the generation of profits. For example, while thousands of jobs were destroyed nationally in the last three months of 1998, gross company profits rose by 3.7 percent.

The Socialist Equality Party proposes definite measures to put an end to mass unemployment and to provide well-paid, decent jobs and quality training for the youth. These include the reduction of the working week to 30 hours with no loss of pay and the injection of billions of dollars to establish urgently-needed public works in such areas as housing, health, education, child care and modern public transport.

Such a socially-progressive program is inconceivable within the framework of the private profit system. The overriding task facing working people is the reorganisation of society on the basis of new social priorities--to meet social need not corporate profit.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact