Australian survey shows continuing destruction of full time jobs

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The recently published Australian Bureau of Statistics (ABS) labor force survey for June confirms two persistent trends. The first is the failure of the federal government to drive the unemployment rate down below 6 percent. Throughout the year, government spokesmen have claimed continuing economic growth would see the creation of new jobs and the reduction of the unemployment rate to 5.8 percent. But the June rate was 6.1 percent, up from 6.0 percent in May.

The second trend is the continuing casualisation of the workforce, caused by the destruction of thousands of full time jobs. While part-time jobs increased by 26,100 in June, 54,000 full-time jobs were destroyed. ABS surveys for the preceding months also registered a sharp decline in full-time employment.

At the same time, the number of people looking for full-time work increased in June by 10,000 to 473,000. The number of those looking for part-time or casual work increased by 26, 000 to 147,000.

The trend towards enforced part-time working was confirmed by figures in a new book released in July, *Fragmented Futures—New Challenges in Working Life* by Sydney academic John Buchanan. Buchanan and his three fellow researchers found that what was once considered a traditional working week has, for two-thirds of Australian workers, disappeared.

"Just under 20 percent of males are now working part time," Buchanan writes, but "40 percent of them say they want more work." He points out: "Casual employment has gone from virtually nothing in the 60s to around a quarter of the workforce; it's a massive growth in part-time work..."

Key indicators also show a continuing decline in overall job opportunities in many areas. The Department of Employment and Workplace Relations (DEWR) reported in June that its skilled vacancies index had dropped across two out of three main occupational groups. According to DEWR, over the entire year trade vacancies was the only category to rise. These were up just 4.5 percent compared to falls of 27.9 percent for professionals and 11.4 per cent for associate professionals.

The largest falls in job vacancies in June were for marketing and advertising professionals (down 10.3 percent), health professionals (down 5.5 percent) and hairdressers (down 5.0 percent).

The June trends show all the signs of persisting into the months ahead as major employers and government agencies continue to lay off workers.

July saw one of the country's four largest banks, the Commonwealth Bank of Australia (CBA) announce the axing of 600 retail jobs. Last year the bank shed 1,600 jobs. Its operations are undergoing a review by consultants McKinsey & Co aimed at cutting $500 million from overall operating costs. Senior CBA spokesman Paul Rea said last month the review could trigger a further 3,000 job losses.

The banking industry ranks second only to Australia's state and federal governments in job destruction over the past decade.

Other layoffs announced between late May and July include:

Qantas Airlines confirmed in June it would shed 1,000 full-time and casual staff, including management. The company claims the layoffs are due to the downturn in international air travel caused by fear of terrorism, as well as the war on Iraq and the SARS virus.

Sydney Airport Corporation, which runs the privatised Sydney airport, announced in July it would cut 160 jobs, or 40 percent of its 400-strong workforce, despite making a profit of $380 million, a rise of 19

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percent on last year.

At the end of May **Lend Lease** said it would get rid of 600 jobs. The cuts result from bad real estate investments in the United States, leading to a $US300 million write off.

AMP Financial Services Group confirmed it would shed 1,200 staff.

Bundaberg Sugar announced in July the closure of its Moreton sugar mill on the Sunshine Coast north of Brisbane by the end of this year, at the cost of about 200 jobs. The closure will leave just 25 mills remaining in the area. Also in July, supermarket trolley and shelving manufacturer **Metro Shelf Company** in Sydney went into voluntary administration, sacking 72 workers. A further 20 jobs will be lost if the company fails to trade its way out of its financial problems. It owes the dismissed workers $2.5 million in accrued entitlements and has bank debts of $30 million.

Simplot Australia, the makers of Four and Twenty pies, announced the closure of its Kensington plant in Melbourne in August, with the loss of a total of 290 full-time and part-time jobs.

Port Kembla Copper will close down its smelter on the NSW South Coast with the loss of 280 jobs. Management said the operation had become a $280 million black hole with the fall of copper prices on the world market. Copper prices are currently US10 cents a pound compared to US25 cents five years ago.

Coal mining company **Xstrata** announced the axing of 58 jobs from its Baal Bone mine near Lithgow west of Sydney. **DBT Australia**, a mining equipment manufacturer, will shed 50 jobs as part of a restructure of its plant near the New South Wales (NSW) city of Newcastle.

In July, Queensland earthmoving and mining equipment company **Allens Services** went into liquidation with debts totaling more than $67 million. Along with the destruction of 20 jobs in Queensland, 50 more workers employed by the company in Kalgoorlie, Western Australia will be laid off.

Partially state-owned national communications carrier **Telstra** confirmed last month it will axe a further 4,000 jobs beginning in the new financial year, in a bid to cut capital expenditure by about $600 million over the next three years. In the past seven years Telstra has shed about 37,500 jobs.

Hundreds more pharmaceutical jobs have been lost since a scandal involving drug manufacturer Pan Pharmaceutical erupted in April. Many of the company's products were forcibly withdrawn from the market. A survey by the Complementary Healthcare Council (CHC) found that the crisis resulted in a 20 percent drop in business for its retail and wholesale members, causing the layoff of 13 percent of the total workforce, an estimated 650 jobs. Pan Pharmaceutical itself got rid of over 200 jobs.

Federal and state government departments are also continuing to shed jobs.

The Western Australia Department of Agriculture will get rid of 150 jobs as part of the state Labor government's restructuring of the public sector, which has already seen the destruction of 770 jobs in the department over the past two years.

Just four months after being reelected, the NSW Labor government confirmed it would axe 800 administration jobs from the Department of Education in its Sydney head office and regional offices. Another 350 white-collar jobs will be axed from the NSW State Rail Authority in the second stage of the government's ongoing restructure of the troubled state rail system.

The federal Liberal government announced in June 2003 it will destroy a further 250 jobs and re-deploy staff from the CSIRO research facility in the Sydney suburb of North Ryde. Over the past four years 800 jobs have been cut from the CSIRO, one of the country's pre-eminent scientific research institutions.

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