Latest Australian labour force figures: no cause for celebration

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26 September 2003

A fall in the unemployment rate contained in the latest Australian Bureau of Statistics (ABS) labour force data released earlier this month was hailed by Prime Minister John Howard as "a golden figure for workers".

The August unemployment rate dropped from 6.2 in July to 5.8 percent—the first time in 13 years it has been below 6 percent. At the same time, full-time jobs grew by 63,000 and part-time jobs by 17,100. "Getting Australians back into work is what good economic policy is about," crowed Howard.

The comment brings to mind the expression: "One swallow does not a summer make". Closer examination of the so-called labour market reveals that the latest bare statistics cloak conditions of life that are for the vast majority of Australian workers—unemployed or otherwise—far from "golden".

Howard claims that government policies have been about "getting Australians back into jobs". But since coming to power in 1996, the preoccupation of the Liberal-National Party coalition has been to impose ever-greater "labour market flexibility" to create a low-paid compliant workforce for the employers.

The government has dragged down the unemployment rate, but only by accelerating the casualisation of the workforce—a process begun previously under Labor. A massive growth in part-time casual employment has taken place alongside the destruction of tens of thousands of full-time positions.

While Howard lauded the rise of full-time jobs in August, the increase did not even compensate for the 123,000 lost over the previous two months. It is part of the long-term trend documented in *Fractured Futures: New Challenges in Working Life*, a recently published analysis by Sydney academic John Buchanan and three fellow researchers.

According to the study, most of the 2.5 million new jobs were created between 1985 and 2001 "were in industries characterised by low paid, part-time and casual work". Casual employment increased from 16 percent of employees in 1984 to 27 percent in 2002, with part-time employment rising from 18 percent to 29 percent in the same period.

By 2002 there were 550,000 casuals in the retail trade amounting to 45 percent of the workforce. In hospitality (accommodation, cafes and restaurants), the number was 225,000 or 56 percent; in health and community services 200,000 or 23 percent; and in property and business services there were 250,000 casuals or 28 percent of the workforce.

On the other hand, job losses from 1985 to 1999 were in "industries and occupations with high levels of full-time and permanent work", such as rail transport (58,000), power generation and gas supply (49,000); textiles, clothing and footwear (32,000); and finance (15,000). Over the 12 months to August 2002, part-time jobs accounted for almost 72 percent of the total increase in employment.

Even more startling figures show that between 1988 and 2001 casual employment for workers aged 15 to 19 grew from 38 to 66 percent. Despite the huge growth in casual jobs for young people, youth unemployment still officially stands at 22.6 percent. Overall, casual employment for males almost doubled from 12 percent to 23 percent and for females from 28 percent to 32 percent.

The poor quality of the jobs created is revealed by figures showing that nine out of 10 new jobs created in the 1990s paid less that $A26,000 a year, and nearly half paid less than $15,000 a year.

The official unemployment rate serves to cover up the real job situation. The strict criteria used by the ABS to determine the unemployment rate does not include large numbers who are without jobs. Those not available at the time of the survey to start work immediately (in the case of active job seekers) or within four weeks (for those not actively looking) are all counted as "marginally attached"—not unemployed. Those who want work but have become discouraged and have given up looking are also excluded.

Even with these narrow guidelines, the August ABS statistics showed that over half a million workers (587,000) are officially without jobs. The fact that such a figure is cause for celebration by the government reveals just how far

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the goal of “full employment’ has been abandoned over the past 15 years. Not so long ago any Australian government admitting that it was presiding over half a million unemployed would have been the subject of public ridicule and condemnation.

Even as the Howard government was trumpeting the August “golden figure”, other developments indicated that the destruction of full-time jobs will continue unabated in the months ahead. On September 19, the Commonwealth Bank of Australia (CBA) announced that it would slash staff by 10 percent or 3,700 jobs over the next three years. The CBA cut 600 jobs in July on top of 1,500 over the previous financial year. The latest cuts came after the bank reported a $2 billion profit for the year to June 30.

At the same time, there are strong indications that jobs will be axed in financial services group AMP after the National Australia Bank acquired a major stake in August. According to Finance Sector Union (FSU) national secretary Tony Beck, AMP has refused to renegotiate a new enterprise work agreement for its staff. “We fear that AMP is gearing itself up for job cuts and did not want to give employees the protection that an enterprise agreement offers,” Beck said. The National Australia Bank itself slashed 2,000 jobs last year. According to the FSU, by 2001 major Australian banks had shed a total of 55,000 jobs and closed down 2,000 branches.

Jobs continue to be axed in other major sectors. In August national communications carrier **Telstra** announced that it will slash a further 200 jobs, mainly technicians, in regional and rural areas. The cuts are part of the company’s plan to shed 3,000 jobs this financial year to reduce costs and boost productivity.

A Telstra spokesman admitted last month that the company’s decision to outsource IT services to India will lead to the loss of several hundred jobs in IBM-GSA, the company in Australia which works exclusively on Telstra projects. He also indicated that more contracts with Indian IT companies would be signed over the next months.

In August, **Westpac Banking Corp** confirmed that it would shed 150 support jobs in its information technology division, which currently employs 1,600 people. More job losses are expected in the division with a spokesman last week signaling “a reorganisation requiring less people”. He said the bank was looking at ways to make operations “more efficient”, including “further outsourcing”. In the past year the bank has cut 600 jobs from its overall operations.

IT company **Hewlett-Packard** will shed more jobs from its Australian operations as it continues relocating call-centre services to Digital GlobalSoft, its new company in Banglore, India. This has already led to the destruction of 80 jobs in Australia in May.

Channel 7 Television said broadcaster mo will shed 250 jobs nationally between November 2003 and February 2004 after a 10 percent fall in profits. The broadcaster has slashed its workforce by half over the past five years.

Employment in the meat industry was hit hard during August. Around 250 jobs will be axed at the **Mudgee Regional Abattoir** in New South Wales (NSW) following the appointment of PPB chartered accountants as administrators to the troubled facility this month. Japanese-owned Hannan Corporation closed its NSW **Lachley Meats** plant in Forbes axing 240 jobs and **Southern Meats** closed two of its three NSW processing plants shedding 90 jobs. **Vodusek Meat**s in Victoria eliminated 30 jobs.

In August, Potato chip manufacture **Freer Foods Pty Ltd** closed its Brisbane plant in Queensland laying off 60 workers. The company owes at least $4.3 million to unsecured creditors and $5.5 million to the Westpac Bank. Cleaning products manufacturer **Sabco** announced last month it would end operations by October with the loss of 130 jobs in Victoria, NSW and South Australia.

Downsizing in the public sector jobs also continues. The **Australian Museum** in NSW announced last month that it will cut 30 positions and called for management to identify other areas for budget cutbacks. Previous restructuring resulted in a 12 percent reduction in staff.

The New South Wales Department of Agriculture announced this month it will shed 44 jobs at its training college Murrumbidgee, and the **Victorian Department of Primary Industries** will cut 50 jobs from its Catchments Management and Water Program.

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