

Australia's jobless rate back on the rise

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Despite the Howard government's predictions to the contrary, the official jobless rate in Australia is edging back toward the 6 percent mark. Australian Bureau of Statistics (ABS) data released this month show that unemployment rose in July for the second straight month to 5.7 percent, up from 5.6 percent in June.

In addition, the ANZ Bank reported that job advertisements in metropolitan newspapers fell by 0.6 percent in July, while those on the Internet fell by 1.2 percent. The *Australian Financial Review* commented: "The official labour force data, coming on top of news this week of an emerging downward trend in job advertisements, are likely to raise questions about whether Australia's extraordinary jobs boom has peaked."

The results in some regions confirms that to a large degree, the so-called "jobs boom" over the past 12 months relied on a construction bubble, created by surging real estate speculation. The sector is now showing signs of a slowdown. In the state of New South Wales (NSW) —where in 2003 more than nine jobs out of ten were created in the building industry—some 25,000 jobs have been shed since April. In July, the state's jobless rate was 5.6 percent, the highest since last October. Over the same period, home lending has continued to fall nationally.

Since the official unemployment rate first dropped below 6 percent last September, federal Treasurer Peter Costello has insisted it would fall under the 5 percent mark, thanks to the government's "good economic management" and fiscal restraint. "Good economic management" is a euphemism for the government's free market agenda of driving down wages and conditions, gutting public spending, and slashing social welfare, health and education to fund tax cuts for business and high-income earners.

Costello attempted to play down the latest job results. "We are looking at a growing economy which is now

well in an expansion, yet it still has low inflation and is still creating jobs," he claimed. In reality, full time jobs have been destroyed while tens of thousands of people have been forced into low-paying and insecure employment. Half a million workers remain jobless, even on the official figures, which do not count another half million "hidden" unemployed.

The ABS results show that casualisation is continuing at the expense of full-time jobs. In July, 21,600 new jobs were added, short of market forecasts of 27,500, and all were part-time. In June, the number of jobs overall fell by 4,900.

A report released by the Australian Council of Trade Unions this month shows there are now more than 2.2 million casual workers in Australia (23.6 percent of the total workforce)—an increase of 22 percent since 1996. The national workforce grew by 400,000 from 2000 to 2003, but nearly two-thirds of the jobs—64.8 percent—pay less than \$600 a week.

While the government insists that part-time and casual work is largely a matter of choice and is welcomed by most workers, the report, *Casual and Insecure Employment in Australia*, shows more than 600,000 part-time employees want more hours of work. Those in casual work continue to receive lower pay, no paid sick leave, annual leave or public holidays. Many also struggle to buy a house, as banks are reluctant to lend to casual workers, the report states. Only 35 percent of casual workers own their own home, compared with 60 percent of permanent workers.

The report estimates that Australia has the second-highest proportion of temporary or casual workers of any developed country, behind Spain. It also concludes that almost one million Australians are working overtime without being paid for it.

Companies across a range of industries, including banking, manufacturing and retailing, continued to shed jobs over the past three months.

During May, **Goodman Fielder Limited** it would shed 200 drivers from its Sunicrust and Buttercup Bakery in Victoria. Retailer **Kmart** closed its Charlestown store in NSW, destroying 160 permanent jobs and 90 casual positions. Media publisher **John Fairfax Limited** announced it would shed 45 journalists and editors from its two main newspapers in Sydney and Melbourne.

In June, **Southcorp Ltd**, one of Australia's largest winemakers, confirmed it would slash 300 jobs nationally as part of a restructuring. **Yellowglen** wines announced that it would close its processing and packaging plant in Smythesdale, Victoria at the cost of 50 jobs.

Australian Traffic Services Pty Limited announced the closure of its plant near Newcastle in NSW with the loss of 90 jobs. The Sydney-based company, which manufactured traffic control signals, has been placed into voluntary administration. **CNH** said it would close its sugar harvesting machine plant in Queensland with the loss of 90 jobs.

In July, the **Crane Group** announced it would slash 400 jobs in a major restructure. About 200 of the jobs would go from the group's plumbing supply company Tradelink, which would close 13 branches by the end of the year. Tradelink recorded a 52 percent slump in annual profit to \$12.2 million at the close of the last financial year.

This month, giant French engineering company **Alstom** revealed it would sell its Australian and New Zealand transport operations. The restructure includes the closure of its service centre in Ballarat, Victoria at the cost of 33 jobs. Alstom employs a total of 1,000 people in Victoria.

Whitegoods manufacturer **Electrolux** said it would sell its operation in Woodville, Queensland that employs 39 workers, mainly toolmakers. Earlier, the company announced the axing of 200 jobs from its plant in the NSW regional town of Orange. Another 100 jobs in its Adelaide operations are under threat as part of a global restructuring.

Fletcher Jones, a leading clothing company, revealed plans to close its textile cutting rooms at Warrnambool, Victoria and Mount Gambier, South Australia in October. About 60 long-serving workers will lose their jobs, with the operations transferred to Asia.

announced **Commonwealth Bank** that it is proceeding with plans to dismiss 3,700 support staff and eliminate 600 positions in lending. The cuts will impact heavily on rural and regional customer services.

Layoffs continue in the troubled meat processing industry. In June, **Frew Abattoir** closed its boning and cattle killing operations in Kyneton, Victoria with the loss of 150 jobs, after running at a loss for the past two years. In July, **Burrangong Meat Processors** cut 100 jobs from its abattoir workforce at Young in regional NSW.

Many government departments and semi-government enterprises have announced job losses over the past three months, including **Centrelink**, the federal government's social security agency, which plans to cut more than 2,000 jobs over the next four years from its present workforce of 23,992.

The formerly government-owned military contractor **ADI** will lay off 90 workers from ship construction in Newcastle, NSW. The **NSW Department of Environment and Conservation** will shed 300 jobs, or 10 percent the workforce, from its parks and wildlife service, which manages 5.9 million hectares of forest throughout the state. The **NSW Southern Area Health Service** will cut 60 jobs in Goulburn and Young. The **Victorian State Library** will shed 32 jobs from its on-line service Vicnet, halving the present workforce.



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