

# Australia's low jobless rate cloaks growing hardship

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While the Howard government continues to boast about the “resilience” of the job market, the latest Australian Bureau of Statistics (ABS) labour market figures released last month reveal, when probed, that there is little to crow about.

The ABS figures show Australia's unemployment rate at a 29-year low, but also a continuing long-term trend toward the creation of low-paid casual and part-time jobs at the expense of full-time employment.

Unemployment in March fell to 5 percent from 5.2 percent the previous month. However, while the number of part-time jobs increased by 38,500, full-time jobs fell by 12,400. In February, part-time employment increased by 25,000 but there were only 6,200 new full-time jobs.

Many part-time jobs created in March were very short-term as restaurants, hoteliers and other sections of the hospitality industry hired casuals for the Commonwealth Games held in Melbourne, the Victorian capital, during March. While job ads rose by 2.4 percent (seasonally adjusted) overall, with increases recorded in all states and territories except the ACT, the increase of 5.2 percent in Victoria was well above the average.

At the same time, the SEEK Employment Index, which measures the ratio of new job advertisements to applications, fell 3.7 percent in March as compared to February. According to a SEEK spokesman, the results show the unemployed “faced fewer opportunities and increased competition for positions in March”. The number of job applications posted rose by 3.6 percent from February, to be 28.5 percent higher in March than at the same time last year.

Research by the Adelaide-based Low Pay Project also revealed the devastating impact of the growth in poorly-paid casual jobs on the living standards of working

people, both “prime aged” and younger workers.

It found that the number of working Australians who make less than two-thirds of median earnings—\$533 a week or \$27,716 a year—had jumped from 1.2 million to 1.8 million in 15 years, a 50 percent increase. In 2005, 27.6 percent of workers were earning less than two-thirds of the medium wage compared to 24.4 percent in 1990.

The report also showed that 80 percent of the 2.5 million jobs created in Australia since 1990 paid less than \$600 a week (in 2000 values), with 48 percent of new jobs paying less than \$15,600 per annum. It found that today, almost one third of working people are casuals.

Other figures from the Low Pay Project reveal a growing number of working poor. Some 45 percent of Australians living in poverty have a wage earner in the household; 1.2 million wage-earning households suffer financial stress; and 10 percent of poverty-related services provided by leading community organisations are used by working people.

Anglicare, the welfare arm of the Anglican church, surveyed 2,000 Tasmanian workers to study the impact of increasing casualisation. Presently, one in five Tasmanian workers, about 40,000 in all, are casual and over half would prefer a permanent job. The state unemployment rate for March was 6.4 percent down from 6.6 percent in February.

The Anglicare survey found that “despite jobs growth, more than 7,000 Tasmanians had been on unemployment payments for over two years”—that is, nearly half the 16,900 on Newstart social security benefits in Tasmania.

The report's author Kelly Madden said it was particularly concerning that one-third of those interviewed were on incomes “low enough for them to

have a Commonwealth concession card” and are “worried about whether the amount of food they can afford will be enough for the household”.

Recent ABS labour market figures for Western Australia (WA) revealed increasing levels of underemployment fuelled by the growth of part-time and casual jobs. The official number of unemployed in WA stood at 46,800. However, last September 53,000 people or 5 percent of the WA workforce would have liked more work but could not get it.

There are signs that thousands more manufacturing jobs are about to go. Addressing the National Press Club on April 19, Australian Industry Group chief executive Heather Ridout stated that a survey by the group showed 30,000 manufacturing jobs were lost last year, and 40,000 more would go this year due to increasing competition from China and an “overvalued” Australian dollar. According to the survey, Australian manufacturers now have 25 percent of their production offshore, compared to 15 percent last year.

In coming months, working conditions, including job security, are set to plunge further as employers begin to use the government’s draconian new industrial relations laws to axe jobs, long-standing working conditions and take-home pay.

The laws, which became operational on March 27, make it easier for companies to sack workers and restructure their operations. The previous limited unfair dismissal provisions covering workers in businesses with less than 100 employees have been abolished and larger companies can shed labour for “operational reasons”.

Over the past two months, even before the new laws took firm hold, hundreds of jobs have been slashed across large and small companies.

In March, **Qantas** announced the closure of its heavy engine maintenance operation in Sydney by May shedding 480 jobs. The company has warned that increasing fuel costs will result in further restructuring, including possible job losses. Also in March, **United Airlines** revealed it will slash 100 jobs, mainly from its reservations and customer service sections in Sydney and Melbourne.

Telecommunications company **Optus** confirmed it will cut 450 jobs from its 10,000-strong workforce in Sydney and Melbourne, including 200 full-time

positions. Rubber goods manufacturer **Duncan Rubber** announced the closure of its plant in Victoria and the shedding of 20 jobs.

In April, chemical company **Orica** axed 100 jobs to save \$12 million in wages as part of a restructuring plan to save \$20 million a year. **Triangle Cables**, manufacturer of marine and industrial cables, sacked 19 workers from its Melbourne operations. Seafood products processor **Simplot** announced plans to cut 53 jobs from its 140 permanent workforce in NSW.

Home and hardware products manufacturer **Hills Industries** announced the shutting of its plant in South Australia with the loss of 87 jobs, even though the company posted an increase in total profits of \$21.4 million for the half year ending December 2006—up 25 percent on the previous year. Hills will now import products from China and Malaysia.

Just four months after shutting one production line at its Strathpine operations in Queensland, Australia’s fourth-largest building products manufacturer **CSR Ltd** announced the closure of its brick-making plant in Maitland, NSW at the cost of 40 jobs. A company spokesman blamed the “worst downturn in the residential construction market in NSW in two decades,” with building approvals falling to a 30-year low.

The Victorian state government will cut 70 head office jobs in the **Department of Sustainability and Environment** (DSE) and close the rural-based **Chiltern Bush Nursing Hospital** with the loss of 28 jobs.

The Australian Capital Territory government confirmed plans to shed an undisclosed number of jobs following a budget deficit of \$30 million. The Community Public Sector Union warned that between 800 to 2,000 jobs could be axed. The federal government’s **Civil Aviation Safety Authority** (CASA) revealed that it will shed 60 jobs.



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