

Australia: A bleak outlook for jobs despite official figures

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Official labour market figures released last month by the Australian Bureau of Statistics showed an unemployment rate of 4.6 percent for November. Full-time jobs rose by 57,400, while part-time jobs dropped 21,200. Total employment rose 36,000, slightly more than the 32,000 drop for the previous month.

Federal Treasurer Peter Costello boasted: “As we head into Christmas, the great news is there are more Australians in work than ever before.” He went on to proclaim that the “problem now is, not a lack of jobs, but too few people to fill those jobs”. It is “another reason why I would say to young people, you don’t have to be on the dole in this society”.

Costello’s claims that all is rosy in Australia fly in the face of reality. Nearly half a million people are officially unemployed, the destruction of permanent jobs continues and tens of thousands of workers, particularly the young, are being herded into low-paid, casual, deadend work. In the past year alone, more than half the growth in jobs has been in part-time positions.

Even as Costello was crowing, a report by Monash University’s Centre for Population and Urban Research, *Melbourne’s Second Speed Economy*, painted a picture of devastation in manufacturing. Declaring that in Melbourne “[the] signs of decay are obvious”, the report stated that “35,000 manufacturing jobs have been lost in Melbourne over the five years to 2005-06.” The textile, clothing and footwear sector suffered the biggest decline, with almost 14,000 jobs lost.

The crisis in Melbourne, once the major hub of manufacturing, is only the tip of the iceberg. According to a report by the National Institute of Economic and Industry Research (NIEIR) released in July, manufacturing across Australia is “experiencing a massive decline in employment”. A total of 144,900

jobs have been destroyed since 1996, with 60,000 of these going since 2004.

The NIEIR report noted that the fall was not confined to sectors in long-term decline “such as textile, clothing and footwear”. It affected “almost all manufacturing industries,” including “medium and high technology sectors such as printing, publishing and recorded media”. The report grimly stated: “If the current trend continues, we will have no manufacturing jobs left by 2022.”

Referring to the commodity export boom currently driving Australia’s economic growth, NIEIR warned: “[T]o completely configure the economy to suit the needs of an industry that employs only 1.3 percent of the Australian workforce is incredibly short-sighted.”

A survey conducted by Flinders University of workers laid off by car producer Mitsubishi in Adelaide shed some light on the social impact of these job losses. In May 2004, Mitsubishi announced the closure of its plant at Lonsdale at the cost of 700 full-time jobs and the axing of another 400 jobs at its Tonsley Park assembly site.

The South Australian study found higher levels of mental health distress among the laid-off workers compared to the male population as a whole. Half of those surveyed reported that losing their job had adversely affected their social life, with nearly a fifth saying they were no longer involved in any formal or social activities.

Many of the displaced workers had since found alternative employment, but 40 percent were on short-term contracts or in casual jobs. Their median annual wage had fallen from \$35,000 to \$25,000. It is worth noting that over a quarter of South Australia’s workforce is now employed on a casual basis.

Further job cuts at Mitsubishi, or even the complete

closure of its South Australian operations, remain on the cards. In a report for the past year, auditor PricewaterhouseCoopers warned that there was “significant uncertainty about the company’s status as a going concern” after it posted a \$A60 million loss for the six months to September 30. In the corresponding period for the previous year, the company lost \$216 million.

Another round of job losses is underway in auto manufacturing. In November, **Ford Australia** and **General Motors Holden** announced plans to axe a total of 840 jobs by the end of the year. Melbourne-based auto-parts manufacturer **Ajax Engineered Fasteners** closed its plant, cutting 189 jobs.

Cutbacks in production at both Ford and Holden will impact on auto parts companies such as **Huon Corporation**. Huon continues to operate in receivership after slashing 250 jobs in July. There are currently fewer than 60,000 employed in the motor vehicle and auto components industry—less than half the number in the early 1990s.

Other job losses over the past three months include:

Australia’s biggest gaming group **Tabcorp Holdings** announced in December it would cut over 100 jobs and streamline its business functions and technical services to save up to \$21 million a year.

In November, giant retailer **Coles** announced a list of 500 administrative staff to be axed. The layoffs are the first of 2,500 redundancies during the first half of 2007. **Blue Scope Steel** ceased production at its Port Kembla mill with the loss of 250 jobs. Food processing company **Goodman Fielder** announced it would slash 68 jobs across three plants.

Whitegoods manufacturer **Electrolux** announced the closure of two plants at Regency Park and Beverley in Adelaide in September at the cost of 600 jobs. In 2004, the company slashed 200 jobs at its plant in Orange, west of Sydney. Globally, Electrolux has shed 24,000 jobs since 1999.

The **Australian Gas and Light Company** announced it would cut 800 jobs after merging with the Western Australian company Alintain. Honey manufacturer **Capilano** will axe 42 jobs after transferring operations from Maryborough in Queensland to Brisbane.

Qantas will slash 340 IT jobs and outsource services

to India, while **Telstra**, Australia’s largest telecommunication company, will slash 326 jobs in call centres in rural and regional Queensland. **TeleTech** closed its call centre in Newcastle at the cost of 50 jobs after losing contracts with Qantas.

The National Australia Bank plans to cut another 70 jobs in its cards and personal loans division, and communications company AAPT will axe 380 jobs when it closes its call centre at Bendigo in rural Victoria by the end of the year.



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