

# Australia: The Victorian Labor government's “jobs pledge” and the unemployment crisis

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Victoria's Labor Premier John Brumby has declared he will oversee the creation of an additional 300,000 jobs in the state over the next five years. Issued as the state Labor government attempts to win a fourth term in office at the November 27 election, the “jobs pledge” is a cynical fraud aimed at covering over the real record of protracted corporate onslaught on workers' jobs, wages and conditions in the manufacturing sector.

An estimated 40,000 industrial jobs have been destroyed in Victoria since the 2008 global financial crash. While at the beginning of 2009, manufacturing was the biggest employer in the state, it is now ranked third, behind health care and social assistance, and retail.

Brumby's so-called jobs pledge contained no detail whatsoever, including which industries would generate the new jobs, and whether they would be full-time, part-time, or casual. If casual, they will come with no security or benefits and could involve as little as one hour a week—as could part-time jobs. The 300,000 target figure appears to have been chosen on an entirely arbitrary basis.

Announcing the “pledge”, Brumby boasted that “Victoria is the nation's job engine-room” and “Labor will keep the jobs coming to Victoria”.

These remarks demonstrate the government's contempt for the working class. The overall official unemployment rate of 5.4 percent—trumpeted by Brumby as an enormous achievement—belies the real situation. Some estimates of real unemployment—that is when underemployment is taken into account and when

those who have dropped out of the job market, in despair of ever finding employment, are included—reach as high as 20 percent. Across Australia, the comparatively low official unemployment rate has concealed a spate of layoffs. Last September, in a report that received little publicity, the Australian Bureau of Statistics calculated that more than 900,000 workers “involuntarily lost their jobs” in the 12 months to February 2010.

Unemployment is at crisis levels in many working class areas in Australia's major cities. In Victoria, Brumby's own electorate of Broadmeadows is at the epicentre of the problem, with an official jobless rate of 15.9 percent. This is up from 10.7 percent a year ago.

Across the electorate there are derelict factories, reminders that the area once attracted thousands of migrant workers in the food, car and clothing industries. Unlike deindustrialised suburbs that lie closer to the inner city, in Broadmeadows land values are low and there has been little attempt to build new housing estates or shopping centres on the sites of former factories such as Yakka, Ericsson, Kraft, Nabisco, and Pacific Brands. In the latest news of job destruction, Caterpillar Trucks in the adjacent suburb of Tullamarine announced last week it would retrench 60 fulltime and 40 casual workers.

The premier has made clear his utter lack of concern over the situation, telling the *Age* last month that the Labor government “had a very good story to tell” on generating employment. He went on to blame the unemployed for their own plight, saying that Broadmeadows had “a high refugee population that often had little English and low work skills”. His

government has refused to consider generating employment through public works programs or other emergency relief measures.

During the election campaign, the only money nominally allocated by the Labor Party to assist manufacturing employment was a pledge of \$20 million over the next four years. The funding, announced at the same time as Brumby issued his promise of 300,000 jobs, was promoted under the banner, “Securing Victorian Manufacturing Jobs”. The proposed measures will do no such thing. Of the \$20 million, \$6 million is a direct subsidy to corporate manufacturers via the so-called Competitive Business Fund. Another \$5.7 million is to be funnelled to the car companies to conduct research into electric vehicle production. The remaining \$8.3 million is to promote greater local procurement of goods and services in government and Public Private Partnership (PPP) infrastructure projects.

As with the jobs pledge, the entire pitch on manufacturing employment has centred on promising to further extend the government’s pro-business policies that have exacerbated the unemployment crisis in the first place. Brumby’s press release noted that the premier was “determined to deliver disciplined budgets and the right economic policies to keep the jobs coming”. This reference to “disciplined budgets” points to the austerity program that is being readied behind the scenes—involving public sector job sackings and other spending cuts, which will only see unemployment rise further.

The Socialist Equality Party, and its candidate for the seat of Broadmeadows, Peter Byrne, insist that employment must be a social right guaranteed to all members of society. In order to ensure genuine full employment, with well paid, satisfying and secure jobs for all, a massive program of public works must be established. To enable the full participation of the working class in social activity, including political and cultural life, the working week must be reduced to 30 hours, with no loss of pay and all workers should receive at least five weeks annual leave. Casual workers must be offered permanent positions wherever they want them.

Such measures are incompatible with a social order where production is determined solely on the basis of corporate profit. Workers must turn to a socialist and internationalist strategy aimed at replacing the capitalist system with a democratically planned socialist economy, where production is determined on the basis of the social needs of ordinary people—the vast majority of the world’s population.

This requires that workers make a conscious break with the Labor Party and the trade unions, which are directly complicit in every aspect of the assault on jobs, wages, and conditions. The unions function as the ruthless enforcers of the dictates of big business, overseeing the destruction of large sections of industry, and sabotaging any move to defend jobs and conditions. At every turn, they have stifled opposition, delivering “orderly closures” to corporate executives as they shut down productive enterprises, and imposing innumerable sell out enterprise agreements in the name of enhancing Australian capitalism’s “international competitiveness.”

Workers must develop new organisations of struggle, including factory and workplace rank and file committees, independent of and in direct opposition to the trade unions. The savage assault on the living standards of workers over the past two years in areas like Broadmeadows is just a foretaste of what the working class as a whole will face—like its counterparts in the United States, the UK and Europe. Above all, in order to defend their fundamental interests and rights, workers must join the fight to build a new mass revolutionary party—the Socialist Equality Party.

See the SEP’s election website at [www.sep.org.au](http://www.sep.org.au)

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