

# Mounting job losses in Australia

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The latest official unemployment figures, combined with a new wave of retrenchments, confirm that the Labor government, assisted by the trade unions, is presiding over rapidly rising joblessness and under-employment in Australia. Amid the intensifying impact of the global economic downturn, the government and the unions are enforcing a drive by major employers to restructure their operations to slash costs and drive up productivity.

According to the Bureau of Statistics, the unemployment rate rose 0.2 percentage points to 5.4 percent in December. Moreover, the total number of jobs actually fell during the month, for the first time since May last year. Full-time jobs dropped by an estimated 13,800, while only 8,300 part-time jobs were added, resulting in a net loss of 5,500 jobs.

Working hours also fell by more than 1 million, a trend not seen since the initial global financial crash of 2008-09. The figures show that employers embarked on a sustained productivity push by driving down average hours worked by 1.2 percent during 2012. BIS Shrapnel economist Tim Hampton told the *Australian Financial Review* that the data was “consistent with the current productivity drive by Australian businesses.”

Prime Minister Julia Gillard’s government cynically blamed public sector job cuts by the conservative Liberal National Party state government in Queensland for the lift in the official unemployment rate. In reality, the onslaught on jobs is far wider. Moreover the federal Labor government is driving the austerity agenda, nationally and in all states, as well as backing big business restructuring.

The official data seriously under-estimates the true scale and impact of the rising tide of job losses. In the past week alone, three companies have unveiled more than 1,000 further job cuts. First, BlueScope Steel announced that it would eliminate another 170 jobs from its Western Port Steel Mill at Hastings, southeast

of Melbourne, on top of the 1,400 jobs it destroyed nationally in 2011.

Australia’s biggest building material supplier, Boral, also signalled it would shed 700 jobs—around 10 percent of its workforce—to save around \$90 million a year. This was on top of the 800 jobs that the company axed last year as part of an ongoing global restructure that has eliminated 4,000 jobs since 2008. Thousands of jobs have now been destroyed in the Australian construction industry over the past year.

Vodafone announced it would wind up its Crazy John’s mobile phone chain, resulting in the likely closure of about 40 stores and the destruction of 300 jobs. Vodafone’s move continues an 18-month wave of store closures and layoffs throughout the retail sector, which has included the collapse of major clothing, footwear, book and confectionary chains.

Corporate and media commentators are predicting that much worse lies ahead. JPMorgan economist Tom Kennedy said unemployment was likely to hit 6 percent later this year. He pointed out that more than 20,000 additional jobs were needed every month just to maintain the current employment level. Kennedy declared: “We don’t think, considering the structural and fiscal headwinds facing it, the economy can produce that many jobs.”

However, the official figures, which count anyone who has worked for more than one hour a week as employed, mask the real situation. A more accurate picture is provided by research by marketing company Roy Morgan, which conducts face-to-face interviews Australia-wide. Its latest survey showed that in December an estimated 1.176 million workers, or 9.6 percent of the workforce, were unemployed, and that 2.354 million, or 19.2 percent, were either unemployed or under-employed (i.e., wanting more work).

At the same time, the company’s surveys from January 2007, just before the global financial crisis, to

December 2012 revealed the long-term growth in unemployment and underemployment. The total rose from 14.3 percent, or 1.5 million, to 19.2 percent, adding more than 800,000 to the numbers of those who either cannot find work, or have been forced to take shorter hours, or have been pushed into insecure part-time, temporary or casual employment.

In another indicator of what lies ahead, an ANZ bank survey released this week showed that the number of job advertisements in major metropolitan newspapers and on the Internet fell 3.8 percent in December, to the lowest level for three years. Job losses also continued in the financial sector, with banks foreshadowing further job shedding and Morgan Stanley axing 1,600 jobs worldwide.

Moreover, mining companies, hit by lower export prices and falling global demand, are signalling further job cuts across the sector—the only growth area of the Australian economy since the global financial crisis began four years ago. According to the Australian Coal Association, the industry is facing increasing competition from more “cost-effective” operations in Mozambique, Colombia, Indonesia and the United States.

At the end of last month, industry contractor Thiess announced it would slash 95 jobs at Xstrata’s Collinsville open-cut coal mine in northern Queensland. This added to the cutting of 600 coal jobs by Xstrata last September. This week, Rio Tinto said it would eliminate more jobs at its coal operations in Queensland and New South Wales, as part of a drive to “actively reduce controllable costs in this business.”

During the past year, mining companies have scrapped almost 10,000 jobs. In each instance, just as with the job destruction taking place throughout manufacturing, construction, retail and the public services, the trade unions have policed the retrenchments. They have directly facilitated the layoffs, by urging workers to seek so-called voluntary packages and opposing any struggle to defend jobs.

The Australian Council of Trades Unions (ACTU) and its affiliates are working hand-in-glove with the government and the employers, including on a manufacturing industry taskforce, to help major companies cut costs at workers’ expense. They are not defending jobs or workers but are seeking to prop up businesses that are less competitive internationally.

The same nationalist agenda is behind the ACTU demand that the government require companies receiving subsidies, tax breaks and tariff concessions to purchase more Australian products and services. ACTU president Ged Kearney this week called for stricter procurement rules, in order to ensure that the economy was not left without a manufacturing industry.

In the name of defending “Australian jobs”, this campaign seeks to blame foreign workers, not the profit system, for the global assault on jobs and conditions. The only way to defend any of the rights of workers, including to a decent, secure job, is to unite internationally to abolish capitalism and reorganise society on socialist lines to meet the needs of all, not the profits of a wealthy few.



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