Australian prime minister announces bogus jobs plan

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Labor Prime Minister Julia Gillard unveiled a series of manufacturing industry policies on Sunday that she claimed would boost "high wage blue collar jobs." In reality, the new measures are centrally aimed at protecting one job, her own, as it appears increasingly likely that former Prime Minister Kevin Rudd will again challenge for the leadership in the next few weeks.

The manufacturing announcement was timed just ahead of an Australian Workers Union (AWU) conference. Addressing the union bureaucrats last night, Gillard was hailed by AWU chief Paul Howes, who declared his union "110 percent" behind the prime minister. Howes was one of the key Labor Party factional bosses—and US embassy "protected sources"—who orchestrated Rudd's ousting in June 2010. He has since remained behind Gillard, despite mounting disarray within the minority government. Gillard is losing support in the caucus as the scale of the defeat confronting the Labor Party in the election due to be held later this year becomes clearer. The publication of a Fairfax Media opinion poll yesterday showing Labor's support at just 30 percent triggered a fresh round of government infighting.

One of the central components of Gillard's so-called "Plan for Australian Jobs" is a thinly-veiled protectionist measure, giving Australian manufacturing companies greater access to contracts for major mining and infrastructure projects.

This has been a longstanding demand of the AWU, Australian Manufacturing Workers Union, and Australian Council of Trade Unions. The union bureaucracy wants to expand local manufacturing procurement in order to extend its presence on lucrative mining and infrastructure sites. At the same time, the unions have sought to divert opposition in the working class to mounting unemployment by promoting nationalism and inciting xenophobia, blaming the mining companies for using low-wage Chinese firms in the construction phase of their projects.

Under Gillard's plan, mining and infrastructure companies will not be compelled to utilise Australian manufacturers. However, on projects worth more than $500 million, companies will be asked to submit "Australian Industry Participation" plans ensuring that local manufacturers can tender bids for contracts. For projects worth more than $2 billion, companies that want to retain existing tariff concessions will have to embed Australian Industry Opportunity employees, public officials tasked with promoting local manufacturers, within their global supply offices. In addition, the government has promised to strengthen anti-dumping laws to "provide stronger protection for Australian industry against unfair competition from overseas."

Other measures announced Sunday included additional public funds to promote investment in start-up companies. The government is also promoting ten new "Industry Innovation Precincts", to bring together in one location "firms, research institutions, technology experts and business service providers together to achieve the innovations, connections and scale our businesses need to succeed in the future." Industry Minister Greg Combet emphasised that the precincts would be "business driven" and centrally aimed at boosting the competitiveness of Australian exports in the Asian region.

In terms of protecting and creating jobs, the Labor government's package is an utter fraud. Even the announced figures were misleading. Gillard spoke of a "$1 billion jobs package", but there was in fact additional spending of just $421 million, over four

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years, with more than half a billion dollars already allocated to the supposedly new initiatives, or classified as off-budget equity funding.

Far from promoting "blue collar jobs", the Gillard government has worked with the trade unions to decimate industrial employment. More than 130,000 manufacturing jobs have been eliminated since the eruption of the global financial crisis in 2008. The Labor government has deliberately utilised the historically high value of the Australian currency to orchestrate a sweeping restructuring agenda, wiping out the less competitive sections of manufacturing in order to free up capital and labour resources for the rapidly expanding mining industry. The onslaught is set to continue, with Gillard emphasising in her "Plan for Australian Jobs" speech that the high Australian dollar was now a more or less permanent reality.

As part of her re-election pitch, the prime minister has attempted to win back support in the working class by posturing as a defender of jobs, wages, and decent working conditions, against the opposition Liberal-National coalition.

"Those who say the answer to the challenge of the strong dollar is cost cutting are asking working people to forego a third of their wages," she declared at the AWU conference yesterday. "We can't adopt the politics embraced by the other side of the national debate in Australia, by the conservative side of politics. We cannot embrace an agenda of cost cutting and wage reduction as our future. They would call on us ... to increase our country's competitiveness by decreasing the wages of working people. Well, we won't do that, we will never do that."

In reality, the government has actively worked to promote low wage employment. The Gillard government has dragooned single mothers, the disabled, and other vulnerable people into the workforce, by slashing their welfare entitlements far below the poverty line, in order to expand the pool of exploitable labour available for business. The official jobless rate in Australia has been artificially suppressed by the subsequent expansion of casual and part-time employment, in which workers have no job security and few if any benefits.

At the AWU conference, Gillard again accused the opposition of planning to reintroduce the former Howard government's draconian WorkChoices industrial legislation. She also defended her abandonment of a previous promise to deliver a budget surplus this year, insisting that implementing cuts equivalent to the $160 billion in revenue writedowns experienced in recent years was impossible. "If you had wanted to cut government expenditure to match that degree of revenue write-down, you would have had to have done something as big as stopping paying the aged pension to older Australians," she noted. "And of course, a responsible government would not do that."

Gillard's posturing has nevertheless drawn the ire of important sections of business and the media.

The *Australian* 's editorial yesterday complained that the new manufacturing package "goes against the grain of the economic reforms pursued by Labor and coalition governments since 1983... There was nothing in yesterday's announcement to improve flexibility in workplace relations, reduce regulation, invest in education and training or cut taxes to encourage investment." The *Australian Financial Review* similarly denounced what it called additional red tape and bureaucracy, and demanded the government instead promote productivity through "industrial relations reform", code for reducing wages and eroding workplace protections.

Big business also complained that Gillard's new measures are to be funded by removing research and development tax concessions for the country's 15-20 largest corporations, a move that is forecast to raise $1 billion. According to the *Australian Financial Review*, the Minerals Council of Australia, the powerful mining industry lobby group, said the initiative "would fuel concern from international investors about the stability of Australia's tax arrangements, as would plans to embed public servants in companies."

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