

Australia: Sharp rise in number of workers unable to find jobs

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6 July 2013

Job vacancies in Australia have fallen dramatically over the past 12 months, and the number of workers, especially young people, unable to find work has grown sharply, according to official data released this week.

The unravelling of the mining boom has resulted in a rising tide of layoffs in the mining sector and supporting industries, while other sectors of the economy, including retail, service and manufacturing, continue to stagnate and decline. Public sector cutbacks by the federal Labor government, as well as the states and territories, have worsened the situation.

According to the Australian Bureau of Statistics, in the March quarter there were five unemployed for every vacant job available nationally. Vacancies in the private sector have dropped by 29,000 or 18.5 percent over the past year. In the public sector, the fall was even sharper—by 4,300 or 28 percent.

These figures indicate that not only are people being retrenched but that finding another job is becoming harder. The most populous states of New South Wales and Victoria recorded 6 and 5.1 unemployed to each vacancy respectively. The island state of Tasmania was the worst-hit, with a ratio of 11 to 1.

For now, the mining states and territories remain better off. But even in the Northern Territory there were with 2.1 unemployed workers for each vacancy and 2.6 in Western Australia.

Overall, the gulf between employment and vacancies has risen to its highest level since the global financial crash of 2008, although it is still below the historic peak of nearly 27 unemployed to each vacancy in 1991, prior to the mining boom.

Young workers are facing the greatest difficulties. New data from the Department of Education, Employment and Workplace Relations reveals that more than 50,000 young people were unsuccessful in

attempts to find work in May, up by 15,000 from a year earlier. The number of jobseekers who received Youth Allowance (other) increased by 41.8 percent, to 50,204, from 35,404 in May last year. Over the same 12 month period, the combined total of Newstart (unemployment) Allowance and Youth Allowance recipients increased by 20 percent, from 661,036 to 792,947.

These statistics provide an indication of the rising toll of unemployment, which is increasing among young people at double the overall rate.

According to the Bureau of Statistics, which uses different estimating methods, there were 116,500 unemployed 15- to 19-year-olds, which is 14.5 percent of those in the labour force. This is nearly three times the overall official jobless rate of 5.6 percent. The bureau's figures mask the full extent of unemployment, as anyone who works for even one hour a week is considered employed.

Another indicator of the growing difficulty in finding work is the rise in long-term unemployment. Altogether, the number of people unemployed for more than 12 months and looking for work increased by 27 percent in the past year.

The impact of the federal Labor government's deepening cuts to education and social spending was highlighted this week when the Australian National University announced it will eliminate 230 jobs, after losing \$51 million in federal funding. This is despite a planned expansion of student enrolments by 2,550 over the next two years, thus placing increased workloads on academics and all staff.

Other universities are likely to follow, because the Labor government slashed \$2.5 billion in higher education funding in its May budget.

Also in the public sector, the South Australian state Labor government said it will cut 600 jobs from its

health sector over the next four years.

Global corporate restructuring is continuing to affect thousands of workers. Computer giant IBM revised its international “Project Mercury” reorganisation, originally reported to involve 200 job losses, to scrap 1,500 jobs, or 10 percent of its Australia workforce.

In other significant job cuts, telecommunications contractor Service Stream announced it will axe 100 jobs due to falling profits.

The rapid unwinding of the mining boom is producing an ongoing swathe of job losses in mining and related industries. Peabody Energy last week sacked 400 contractors from its coal mine operations in Queensland and New South Wales.

The international mining giant Glencore-Xstrata announced it will cut 450 jobs from its operations in Queensland: 150 from Oaky Creek mine and 300 from Newlands. Belfrage Enterprises will close its Goondicum ilmenite mine near the small south-eastern Queensland town of Monto, costing 35 jobs.

Mining contractor Hasting-Deering, which supplies heavy machinery, will eliminate 120 jobs from its offices in Rockhampton and Mackay in central Queensland. Heavy machinery contractor WesTrac said it will cut 200 jobs in the Hunter Valley region, north of Sydney, as part of a planned axing of 350 jobs, or 10 percent of its Australian workforce.

Another major contractor, Downer Mining, has announced a wave of job cuts in recent months. The latest are 100 at Fortescue Metals Group’s Christmas Creek iron ore mine in the West Australian Pilbara region and another 185 from BMA’s Goonyella Riverside coal mine in Queensland.

The recessionary conditions that already exist in the non-mining sectors were underscored by the latest Australian Industry Group (AIG) Performance Index, which for June was 49.6. This was actually an improvement from May, but represented the 24th consecutive monthly decline. The service sector index recorded 41.5, its 17th month of decline. Any figure below 50 indicates a contraction.

Amid this intensifying economic and social crisis, the Labor government has supported every corporate restructuring and the trade unions have enforced each retrenchment. They are working closely together to stifle and suppress working-class opposition, in order to maintain the profitability of the corporate elite.



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