

Falling Australian jobs growth points to deepening slump

Terry Cook**27 January 2014**

Australian Bureau of Statistics (ABS) figures released last week show that jobs growth in 2013 fell to its lowest level in more than 20 years. Employers shed 22,600 jobs during December, leaving total employment at 11.63 million, a level only 0.5 percent higher than a year earlier—the weakest year of jobs growth since the 1991-92 recession.

Even this result masks the depth of the slump. The number of full-time jobs actually fell during 2013, by 67,500, while part-time employment lifted by almost 122,100, intensifying the ongoing destruction of permanent jobs. The fall of almost 1 percentage point in full-time work was the worst decline since the global financial crash in 2008.

Over the same 12-month period, the ranks of the unemployed grew by 62,600—or more than 9 percent—to 722,000. The official unemployment rate remained steady at a four-year high of 5.8 percent in December, only because of a continuing fall in the workforce participation rate as more workers gave up looking for jobs.

With workers confronting daily reports of layoffs and plant closures, the participation rate—the proportion of the population with a job, looking for one or ready to start work—fell 0.2 percent to 64.6 percent, a near eight-year low. If not for this fall, the jobless rate would already exceed 6 percent.

The job destruction is accelerating. During the final six months of 2013, full-time employment fell by 69,000, while part-time jobs rose by 41,800. In December alone, full-time jobs plunged by 31,600, and part-time employment rose by only 9,000—an overall loss of 22,600 jobs.

Last month, four times as many people quit the workforce as joined the unemployment queue. For people who are unemployed, it is now harder to get a

job than at any time in the past decade, with young people in particular dropping out.

The ratio of employment to population for men fell to its lowest level since the 1991-2 recession, underscoring the wave of job destruction in sectors traditionally dominated by men, such as manufacturing and mining.

This mounting unemployment is a damning indictment of the capitalist profit system and the governments, both Labor and Liberal, that serve it. Companies across every sector are brutally restructuring their operations to slash costs and boost their profits and share values. Governments at both federal and state levels are backing this offensive and implementing austerity measures to cut social spending, also shedding thousands of jobs in the process.

These processes give the lie to all the government and media claims that Australia was exceptional, due to its massive reserves of coal, iron ore and other commodities, and therefore sheltered from the worldwide economic crisis. Officially, nearly three quarters of a million people are out of work, 45 percent more than in 2008 when the unemployment rate stood at just over 4 percent.

These statistics vastly underestimate the real joblessness because they count anyone working for more than one hour a week as employed and disregard the so-called underutilisation rate—those employed but looking for more hours of work. Currently, underutilisation stands at around 7.8 percent, taking the total unemployment and underemployment rate to 13.7 percent, or about 1.5 million people.

According to the generally more accurate estimates produced by the Roy Morgan polling company, the true jobless rate rose sharply to 11.2 percent in December, and the total unemployment and under-employment

rate to 19.8 percent, or 2.5 million workers. Of these, 1.4 million were still actively looking for work.

The official ABS figures point to the reversal emerging in the former mining boom states under the impact of falling commodity prices and slowing demand in China.

Last month, 5,100 jobs were lost in Queensland, taking the number of unemployed to 148,100—a 66 percent increase since 2008 when unemployment stood at 3.9 percent, far below the current 5.9 percent. There are now five unemployed people for every job vacancy in the state. The Queensland Resources Council estimated in November that 8,000 coal mining jobs had been lost across the state since May.

In resources-rich Western Australia, the jobless rate rose from 4.3 percent to 4.6 percent last month, and is likely to rise as iron ore prices fall because of lower demand by steel producers in China.

Throughout other states, the devastation of manufacturing jobs over the past five years continued. Under the former Labor federal government, manufacturing employment fell from 1,081,664 at the start of 2008 to just 921,000.

In New South Wales (NSW), December's unemployment fell from 5.9 to 5.8 percent even though 10,100 jobs were lost, increasing the number of jobless to 224,800—a fifth more than in the same month of 2008. In Victoria, where 26,900 jobs were lost last month, the rate now stands at 6.8 percent, up from 4.6 percent in December 2008. South Australia now has 58,000 job seekers, with its jobless rate at 6.7 percent, up from 5.3 percent in 2008.

The already chronic situation in Victoria and South Australia will be exacerbated by the closure by Ford and GM Holden of their car assembly operations, scheduled for 2016 and 2017 respectively. This will destroy up to 50,000 jobs in the car and car parts industries over the next four years, and an estimated 150,000 more jobs downstream.

In Tasmania, joblessness leapt by 62 percent from 11,700 in December 2008 to 18,900 last month. The island state's unemployment rate now stands at 7.7 percent, compared to 4.7 percent in 2008. Major job losses in recent months include a plant closure by mining equipment manufacturer Caterpillar, destroying 200 jobs directly and another estimated 1,000 downstream.

Even as the December's unemployment figures were released, more jobs were being axed across the country.

In January, Arrow Energy announced plans to cut hundreds of jobs at its coal seam gas project in central Queensland, while mineral sands miner Iluka said it will idle its Eneabba mining operation in Western Australia, axing 65 jobs on top of 200 eliminated in early 2013.

Merimbula Auswide, a private provider of social services, said it will retrench 16 staff by the end of January, and CGU Workers Compensation announced the closure of its office in Tamworth, NSW by the end of February at the cost of about 30 jobs.



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