

Australian unemployment rate rises to highest level in 12 years

Will Morrow
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In an indication of the deepening social crisis confronting the working class, and particularly the youth, Australia's official unemployment rate jumped 0.3 percentage points last month to 6.4 percent, in seasonally adjusted terms. The jobless rate is now at its highest point since August 2002, reflecting the worsening fallout from the global economic breakdown in 2008.

Released by the Australian Bureau of Statistics yesterday, the July figures begin to show the impact of an ongoing tidal wave of job cuts announced over the past year, including in the car, steel, airline, telecommunications and mining industries, plus the lack of enough new jobs for young people leaving schools and universities.

The number of jobs actually decreased by 300 in July, and the number of people without work increased by 43,700 to 789,000. This makes a mockery of the Abbott government's election pledge to create a million new jobs within five years.

At 6.4 percent, the rate also exceeds the government's budget prediction that the level would peak at 6.25 percent next year. As a result, there will be a further blowout in the budget deficit, because of higher than expected welfare payments and lower tax revenues.

For the first time since 2007, Australia now has a higher official jobless rate than the United States. This also points to the impact of the Obama administration's drive to "insource" jobs back to the US through the gutting of workers' wages and conditions—an offensive that the corporate elite is demanding be matched in Australia.

The ABS figures exclude anyone who works one hour or more per week. A better indication of unemployment was provided by this week's survey,

based on 5,367 interviews in July, released by Roy Morgan research. It estimated the jobless rate at 10.2 percent, and the combined unemployment and "underemployment" rate at 18.1 percent, counting those workers looking for more work.

Official unemployment among young people aged 15-24 is now 14.1 percent, the highest level since October 2001. The jobless rate for those aged 15-19 increased to 20.4 percent, the highest rate since April 1997, and 30.1 percent among those looking for full-time jobs. For many young people, the only work available is in casualised, low-paid and insecure jobs, mainly in retail and hospitality.

Students who graduate from university face a lifetime of student fee debt, often greater than \$40,000, and dwindling hope of finding full-time jobs in their line of study. Damian Oliver from Sydney University's Research Workplace Centre told the Australian Broadcasting Corporation that approximately one in four university graduates are looking for full-time work, the highest level for around 25 years.

The two states worst affected were Queensland, a centre of mining, where the jobless rate increased by 0.5 points to 7.0 percent, and Victoria, a base of the manufacturing industry, where it rose by 0.4 points to 6.8 percent.

Mining companies have shed thousands of jobs during the past year in Queensland and elsewhere in response to a downturn in commodity prices, in turn triggering job cuts by mining suppliers and contractors. Hastings Deering, a mining machinery supplier and distributor, announced 400 job cuts from its Queensland operations last month, and Aurizon, the privatised coal carrying operations of Queensland Rail, is in the process of shedding 500 workshop jobs. This week, American miner Peabody announced it will scale

back production at its Burton, Queensland, coalmine, and is expected to sack up to 350 staff.

BHP Billiton has also cut 95 jobs from its Mt Arthur coalmine in Newcastle, having slashed another 163 in June. The Australian Mining web site estimated that 1,123 mining jobs were destroyed last month alone.

Among the Victorian job losses was the closure of Alcoa's Point Henry aluminium smelter in Geelong, destroying 500 jobs. Victoria is also being hit by the shutdown of the entire Australian auto industry by 2017, which is causing further job losses in the auto parts assemblers and other manufacturers. Other longer-term job cuts are in the process of being implemented by Qantas (5,000), Australia Post (900) and Telstra (670).

The financial elite and its political representatives in the Liberal-National government, and the previous Labor government, are using the worsening economic slowdown to force workers into accepting cuts to wages and conditions.

Employment Minister Eric Abetz bluntly spelled out this agenda yesterday. He insisted that young people should take up work that backpackers visiting Australia have been doing. These jobs are notoriously exploitative, often below minimum wage, and largely involve fruit-picking and other seasonal work in rural areas.

One of the main employer groups, the Chamber of Commerce and Industry, immediately reiterated its call for the scrapping of penalty rates for shift and weekend work. Treasurer Joe Hockey demanded the passage of the government's budget austerity measures, currently stalled in the Senate, which include sweeping attacks on the unemployed, and particularly young people.

These measures include cutting people under the age of 30 off any unemployment payments for six months, leaving them without any source of income, before forcing them into "work for the dole" schemes. The government has also doubled the number of job applications that unemployed people have to submit each month, from 20 to 40, in order to receive welfare. The rising jobless rate underscores the fact that this punitive measure is aimed only at harassing the unemployed and, ultimately, pushing them off welfare.

Disabled workers under 35 years old deemed capable of some type of work are also being made to actively seek work. These measures extend previous attacks on

young people, the unemployed and disability pensioners by the previous Labor government, aimed at pushing people into low-paid work.

Some of the rise in the unemployment rate was caused by an increase in the workforce participation rate by 0.1 percentage points to 64.8 percent, likely produced in part by many long-term unemployed being forced to look for work, even though fewer and fewer jobs are available.

At least one representative of the financial establishment openly welcomed the outcome. Sebastian Savanth, economist at CommSec, a stockbroking arm of the Commonwealth Bank of Australia, said the result was "not entirely negative" because there were "more people looking for work."

This sums up the brutal logic of the capitalist class: the intensifying post-2008 economic crisis must be used as a battering ram against the working class, in order to drive down wages and conditions, so as to further boost corporate profits.



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