

Australia: Sham promises on jobs crisis in state election

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The incumbent Victorian Liberal government and opposition Labor Party have pitched rival promises to create tens of thousands of new jobs ahead of the November 29 election. None of the policies announced in the course of the campaign will do anything to address an escalating jobs crisis across the state, and are instead pitched to different sections of big business.

Victoria has been at the forefront of the Australia-wide corporate restructuring drive that was triggered by the global financial crash six years ago. Manufacturing jobs have been decimated and there is enormous unemployment across working class communities.

New figures released late last month by the federal Employment Department revealed that several areas in Victoria's capital, Melbourne, now have depression-level jobless levels. In the northern suburb of Broadmeadows, 26.4 percent of people are officially unemployed, and in neighbouring Meadow Heights, Campbellfield and Coolaroo the rate is nearly 23 percent. Other suburbs have similar levels of mass unemployment, including Dandenong with nearly 21 percent and Doveton with 19.5 percent.

The real rate of joblessness is significantly higher than these figures, with many workers simply dropping out of the employment market. Victoria's employment to population ratio is now 60.2 percent, markedly lower than the 62.5 percent recorded four years ago. Others are counted in official statistics as being employed even if they work only one hour a week.

Many working class areas in Melbourne and the regional centre of Geelong have been hard hit by the destruction of the car industry in Australia. Ford, Toyota, and General Motors Holden plan to cease production by 2016-2017. Tens of thousands of jobs have already been eliminated in the sector, including in numerous car component plants that have shut down. In

every instance, the trade unions have worked with the government and the companies to enforce factory closures and layoffs. In the state election campaign, the Labor, Liberal, and Greens parties have remained entirely silent about the pending destruction of the car industry. The entire political establishment is determined to present this as an irreversible fait accompli.

Broad layers of the working class, not just industrial workers, have been affected by rising unemployment.

The official unemployment rate in Victoria, again a significant underestimate of the real situation, is now 6.8 percent. This is the highest level since 2001, and the worst in all states except Tasmania. In the last four years, Victoria's workforce grew by more than 200,000 people while the number of additional jobs generated was less than half that, at 90,600. Of these, fewer than one-third were full-time jobs. The others generated were all part-time or casual, with young workers especially affected by the casualisation of the workforce that leaves people without any employment or income security.

This week, the consultancy firm Macroeconomics, staffed by former Treasury and finance department officials, released forecasts that Victoria's unemployment rate would reach 7.3 percent in 2016-17, surpassing joblessness in Tasmania. Macroeconomics anticipates near stagnant economic growth, with just 0.4 percent growth in the state in 2015-16.

The government's budget figures are based on forecasts of 1.5 percent annual growth and unemployment falling to 5.5 percent by 2017-18. These predictions will be revised downwards only after the election, triggering more severe austerity spending cuts against the working class regardless of who wins office.

The situation underscores the bogus character of the entire official election campaign—none of the limited spending promises by any of the parliamentary parties are worth the paper they are written on.

The rival “jobs” policies of the major parties are an outright sham. Liberal Premier Denis Naphine is promoting his “Victorian Jobs in the 21st Century” package, describing this as a “landmark \$33 billion plan” that will supposedly generate 200,000 new jobs. The vast bulk of this money is allocated to various pro-business, semi-privatised infrastructure projects, including a new East-West toll road and other transport projects. Even if these proceed as planned, only a limited number of short term construction jobs will be created.

Other funds have been allocated by the government to different sections of business. Manufacturing companies, for example, will receive \$274 million to “invest in innovative new processes and equipment,” while another \$120 million is set aside to “grow and develop service sectors such as our biotechnology industry, our design and innovation capabilities and our international education markets.” All of these handouts will simply bolster selected corporation’s profit margins, with not a single obligation to increase employment.

The opposition Labor Party, led by Daniel Andrews, has pledged to generate more than 100,000 jobs within two years. At the centre of its policy is a \$1 billion package that is even more blatantly pitched towards big business than the Liberal Party’s measures. Of the \$1 billion, \$100 million is allocated to handouts to companies that hire long-term and young unemployed workers. Another \$200 million is for subsidies to “high-growth areas, including pharmaceuticals, new energy, food and fibre, and international education,” while a so-called Regional Jobs Fund will receive \$200 million.

Half a billion dollars will be distributed to different corporations making “strategic investments.” This will be via a new “Premier’s Jobs and Investment Panel,” comprised of representatives from the Victorian Employers’ Chamber of Commerce and Industry, Australian Industry Group, Victorian Farmers Federation, and Australian Council of Trade Unions (ACTU). This proposed body underscores the intimate relationship between corporate Australia and the trade unions.

Business groups warmly endorsed Labor’s proposals. Mark Stone of the Victorian Employers’ Chamber of Commerce and Industry declared that they “show that the major parties are taking note of the priorities in [our] election agenda.”



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