

Australia: Thousands more jobs being destroyed

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The jobs crisis in Australia continues to mount, amid world stagnation and falling demand for commodities such as iron ore and coal, once the major mainstay of the economy's growth. Major companies are restructuring their operations, destroying jobs and working conditions in a bid to slash costs as part of a ruthless fight for market share and profits.

During the July 2 federal election, the Liberal-National Coalition claimed it would create "jobs and growth," while Labor promised it would generate "full employment." The stark reality for thousands of workers is low-paid and insecure part-time or casual employment, or poverty-level social security payments.

The official Australian Bureau of Statistics (ABS) unemployment rate for August fell to 5.6 percent, the lowest level in three years, down from 5.7 percent the previous month. But the survey counts as employed anyone who has worked for more than an hour in the month.

Even on these figures, there are more than 720,000 unemployed workers, an average of 18 per known vacancy. As a result, thousands are dropping out of the workforce.

The drop in the official rate was largely attributable to a fall in the seasonally adjusted workforce participation rate from 64.9 last November to 64.7 percent last month. The number of people looking for work declined by more than 100,000 over that period.

While 11,500 full-time jobs were added in August, part-time positions fell by 15,400, an overall loss of 3,900 jobs. This does not alter the underlying shift toward casualisation of the workforce at the expense of full-time jobs. Over the past year to August, full-time jobs fell by 64,500, while 136,300 workers were pushed into part-time work.

The total number of hours worked in part-time jobs

climbed 5.3 percent this year, whereas full-time hours worked increased by just 0.33 percent, well down from the more than 5 percent pace of five years ago, at the height of the mining boom.

According to the Roy Morgan employment survey, based on a broader interview process, the situation is far worse. Unemployment in August stood at 10.4 percent, with another 7.1 percent of workers under-employed, that is, looking for more hours. On this result, 2.249 million people were unemployed or under-employed, up by 132,000 since August 2015.

Young people are most affected. According to the ABS, the unemployment rate for 15- to 24-year-olds is 12.4 percent, more than double that for older workers. Young workers also make up a growing percentage of the casual and part-time workforce. The ABS estimates that their under-employment rate is five times that of the early 1980s.

Better-paying jobs are still being destroyed throughout mining-related and manufacturing industries, as commodity prices fall back from recent slight recoveries. More than 2,300 mining jobs have been axed this year as companies cut back workforces, suspend operations or close mines entirely.

Iron ore prices have dropped by more than 9 percent since August 23, down from almost \$US62 per tonne to \$US56.09 last week. Iron ore and coal prices are likely to remain low, because China has pledged to cut steel production by 150 million tonnes a year by 2020. Some 60 percent of Australia's iron ore and coal is exported to China.

The Joint Coal Board statistics report for the New South Wales coal industry for 2014-16 shows that more than one in five coal mining jobs have gone since employment peaked four years ago. As of June 30, the equivalent of 19,388 full-time employees were working

in or around a coal mine or coal washery, compared to 24,972 in June 2012. The number of operating coal mines in the state fell from 62 in June 2010 to 40 this June.

Retrenchments in the construction sector are mainly driven by the lack of investment in new LNG and other mining projects. According to ABS figures, the value of total construction on a seasonally adjusted base fell in the June quarter for the fifth consecutive quarter, dropping 3.7 percent to \$47 billion, a level not seen since 2011. Over the year, construction was down 10.6 percent.

Major employers across a range of sectors recently announced further job cuts.

Oil and gas company **Santos** revealed it will axe 600 jobs across its Australian operations, mainly in Queensland, in a bid to rein in cash flow and pay down debt. Telecommunications provider **Optus** will eliminate over 90 jobs in its networks division, on top of the 480 to be cut from a range of areas announced in April. Competitor **Telstra** will slash over 50 jobs from its wideband design workforce.

News Corp announced it will axe 300 jobs when it takes over APM News and Media's regional newspaper businesses across Queensland and northern NSW. Ship builder **ASC** will cut a further 175 jobs at its Port Adelaide shipyard in South Australia.

In the public sector, the **State Library of South Australia** will shed 20 jobs in a bid to save \$6 million over three years following budget cuts. The state government also confirmed that 200 nursing positions will be cut from **Southern Adelaide Local Health Network** when the Repatriation General Hospital closes at the end of next year.

The **New South Wales government** plans to cut 132 full-time teaching positions from the state's prison education program by December.



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