

Job losses continue in Australia amid stalling economic growth

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6 January 2017

The destruction of full-time jobs in Australia continues because of global stagnation, corporate restructuring and stalling growth in China, the destination for the largest portion of the country's commodity exports. Companies from mining and manufacturing to retail are laying off workers and shuttering operations.

The Australian Bureau of Statistics (ABS) official jobs survey, which seriously understates the real level of joblessness, shows the number of people looking for work has persisted at more than 720,000. On average, there are 18 persons for every known vacancy.

The ABS survey counts anyone working for just one hour a week as employed. Even so, ABS recent figures show unemployment rose to 5.7 percent in November from 5.6 percent in October. Youth unemployment stood at over 12 percent.

Such levels of joblessness underscore the fraud of the Liberal-National government's claim in the July 2 federal election that its policies would deliver "jobs and growth."

While the ABS survey claims that 39,300 full-time jobs were added in November and 200 part-time jobs lost, the result does not reverse the underlying casualisation of the workforce.

To September, the total number of hours worked in part-time jobs climbed 5.3 percent this year, whereas full-time hours increased by just 0.33 percent, well down from the more than 5 percent pace of five years ago.

Despite the surge in part-time jobs, overall employment growth so far this year has averaged just 4,300 per month, a sharp decline on the average of 28,600 recorded in the 12 months to November last year. This does not keep pace with the population increase, let alone the employment needs of young

people, including school, college and university leavers.

Research agency Roy Morgan—based on a broader interview process than that used by the ABS—estimates that the jobs situation is far worse. By its measure, unemployment in November was 9.2 percent. Underemployment, people in a job but wanting more hours, was 8.4 percent. In other words, 17.6 percent of the workforce, or a total of 2.299 million people, were either unemployed or underemployed.

Key economic indices point to a worsening jobs situation ahead. Australia's economy shrank by 0.5 percent in the September quarter, the worst result since the 2008 global financial crisis.

Reflecting the unwinding of the mining infrastructure boom, the value of engineering construction fell by 3.8 percent to \$20.3 billion, down from 23.2 percent in the same quarter in 2015.

Major resources projects, including a series of liquefied natural gas (LNG) platforms, have been completed or are near completion. Thousands of workers employed in the construction stage of the projects, such as Chevron's \$54 billion Gorgon LNG project off northern Western Australia, completed in March, have been laid off.

In September, Ichthys LNG project in Darwin in the Northern Territory entered its final construction phase. At the peak of construction the project employed around 8,000 workers but this will fall to about 350 to 400 once it becomes operational.

Figures released by the ABS in September showed that investment in onshore and offshore oil and gas exploration in Australia fell by almost two thirds over the previous two years to its lowest level since the first quarter of 2006.

Mining sector job losses continue as companies cut

costs to compete for market share and cash in on iron ore and coal price increases that are likely to be temporary. Iron ore prices have roughly doubled this year to around \$US80 a tonne, as have the metallurgical coal prices, which are now up to \$300 a tonne.

In November, reports emerged that mining giant **Rio Tinto** plans to axe 500 jobs, or 4 percent of its workforce, across its iron ore division in Western Australia. The cull is on top of 170 jobs shed by the company in March.

Anglo American will axe 82 jobs at its German Creek coal mine in Queensland's Bowen Basin after the Fair Work Commission approved forced redundancies, despite 32 of the sacked workers being on strike at the time.

Peabody Energy announced plans to close its Moorvale open-cut coking coal mine in Queensland as part of a major restructure. The mine employs 250 people, including contractors.

In December, Canadian company **Kirkland Lake Gold** suspended underground mining operations at its Stawell operations in western Victoria, axing 150 jobs.

Flow-on effects of the mining slump are still being felt. In November, mine equipment manufacturer **Hastings Deering** shed 40 jobs at its Rockhampton and Mackay offices in Queensland. The company axed 400 production jobs from Bowen Basin workshops in July, on top of 200 in June 2013.

At the end of October, rail haulage company **Pacific National** (PN) announced it will cut 120 jobs across its New South Wales (NSW) operations. The majority of the losses will be train crew positions at PN's Port Waratah coal-haulage operation in Newcastle.

Other data released last month points to further job cuts and company failures in the troubled retail sector. The ANZ-Roy Morgan consumer confidence index fell by 4.4 points to 113.4, the lowest level since May and is now only fractionally above its long-run average of 112.8.

Last year electronics retailer Dick Smith closed its operations at the cost of 3,300 jobs, Woolworths announced plans to close or sell off hardware business Masters, threatening 1,700 job losses, and children's clothing retailer Pumpkin Patch announced the closure of its stores by February at the cost of 1,600 jobs across Australia and New Zealand.

Administrator Ferrier Hodgson announced in

December that **Payless Shoes** would also close in February, destroying 700 jobs across its 132 stores and online outlets nationally. The shoe retailer has been in administration since 2015 after chalking up losses of more than \$10 million in 2014 and 2015.

Further public sector job cuts were announced in November and October. Government-owned Airservices Australia, which is responsible for air traffic control, airway navigation and airport emergency services, announced plans to shed 900 backroom support jobs.

The **Australian Bureau of Statistics** will shed up to 150 jobs. The NSW state government will cut 200 jobs at **State Transit**, which operates buses in the Sydney area, while state-owned NSW power distributor **Essential Energy** will shed 600. The Western Australian state government will shed 10 jobs at its tourism department, **Tourism WA**, reducing the current workforce by 10 percent.



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