

Australia: Official figures continue to cloak jobs crisis

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Figures released last month by the Australia Bureau of Statistics (ABS) show that unemployment in June stood at 5.6 percent, up 0.1 percent on the previous month. While 62,000 full-time jobs were added over the month, this was largely offset by the loss of 48,000 part-time positions.

Even so, the outcome was immediately heralded by Liberal Prime Minister Malcolm Turnbull as proof that his promise of “jobs and growth” made repeatedly during last year’s federal election campaign was “not just a slogan” but “an outcome.” Federal Employment Minister Michaelia Cash also seized on the result to claim the economy was creating about 27,000 full-time jobs a month. “That is a fantastic thing for Australian people,” she asserted.

However, a closer examination of the report shows there is little to celebrate for the hundreds of thousands of people engaged in the daily search to find a job, or those who are still forced to accept part-time or casual employment. Even on ABS official figures—which always cloak the real level of joblessness by counting anyone who worked as little as one hour a week as employed—there are currently some 730,000 people without work.

A more realistic assessment of the job situation is provided by the Roy Morgan Research Institute survey, which shows real unemployment in June was 8.9 percent (1.2 million people) while underemployment—people employed but looking for more hours—stood at 10.7 percent. That is, it showed that over 2.6 million people, or 19.6 percent of the country’s workforce, were either without a job or looking for more work.

For young people, the official (ABS) unemployment rate is far above the national level, standing at 13.1 percent in June, up from 12.7 percent the month before.

In some regional areas, the rate is as high as 41 percent. Official youth underemployment stands at 18 percent, the highest level in 40 years.

While Cash waxed lyrically over the ABS’s estimation of full-time job creation over the last five months, this result in no way reverses the long-term trend to ever greater levels of casualisation. Full-time employment currently accounts for just 68 percent of the workforce, down from around 72 percent just 10 years ago. Moreover, Australia has the third highest proportion of part-time workers in the industrialised world.

At the same time, major employers across major sectors are continuing to push for greater casualisation of their workforces. Company demands for the lifting or weakening of restrictions on casual and contract hire now feature centrally in negotiations for a plethora of new enterprise work agreements.

Coal miners employed by mining company Glencore in the Hunter Valley in New South Wales are currently taking industrial action against the company’s refusal to accept restrictions on casualisation. Workers at Glencore’s Oaky North underground coal mine in Queensland have been locked out since June 9 over the same issue.

While the official unemployment rate has edged down slightly over the last few months, there are indices pointing to a worsening of the jobs situation across a number of key sectors over the next period.

The just released mining sector’s national job index by recruitment firm DFP Recruitment Services shows that the number of vacancies across the sector has started to stall, amidst weakening commodity prices.

The DFP report states that while the number of job vacancies in the industry during June was up almost 38 percent from a year ago, the rate was actually down 0.1

percent from May and was up just 0.2 percent for the entire June quarter. Moreover, the job vacancies were mainly for temporary and contract roles, which increased 3.5 percent during the June quarter while permanent vacancies fell 2.1 percent.

Aggregate bulk commodity prices fell by almost 30 percent over the first six months of this year. The benchmark price of iron ore fell from \$US94.86 a tonne in February to as low as \$US53.36 a tonne last month and now stands at just \$US65.74.

In three of the past four months, retail spending has slumped, recording month-on-month declines for the first time in almost six years.

According to a National Australia Bank (NBA) report last month based on about 4 million daily customer transactions, growth in spending on consumption-based goods and services by bank customers slowed to 2 percent over the year to the first quarter of 2017, down sharply from 3.1 percent over the year to the fourth quarter of 2016.

Speaking to the results NAB chief economist Alan Oster declared: "I think retail itself is in a recession. It is basically deteriorating and not contributing much to growth at all and we don't see it improving in the short term."

At the end of May, the Australian arm of British fashion chain Topshop went into administration, joining a string of recent retail failures, including Herringbone, Rhodes & Beckett, David Lawrence, Pumpkin Patch and Payless shoes.

Large-scale job cuts have been announced over the last three months. In early June, Australia's largest communications carrier **Telstra** announced it will shed 1,400 jobs nationally while giant transport company **Toll Holdings** revealed plans to slash 1,700 jobs over the next 12 months. Rail haulage company **Aurizon** announced it will cut 300 jobs and the **Commonwealth Bank** will axe 150 jobs over the next months.

The federal budget brought down in May includes the shedding of another 4,500 jobs public service positions, including 244 from the Health Department and 245 from the Immigration Department. The Australian Institute of Aboriginal and Torres Strait Islander Studies will lose 20 percent of its 150 staff. A major restructure of the Western Australia's state public service was announced in May, which will reduce 41 existing departments to just 25 and could result in the

shedding of around 3,000 jobs.

At the same time, hanging over the jobs situation is the looming closure of the Australia's car manufacturing sector. Toyota will close its Altona plant in Victoria in October this year, completing the destruction of 2,600 jobs. GM Holden will also end all production in Australia in October, destroying 2,300 remaining jobs.

Australian Automotive Aftermarket Association released a report at the beginning of February this year estimating that 25,000 jobs would be lost in the automotive supply chain businesses in the next 18 months as a consequence of the car plant closures. More than half of the 117 remaining tier-one component suppliers are expected to close.



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