

Australian job figures cloak reality

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Figures released by the Australia Bureau of Statistics (ABS) for August show that the official unemployment rate remained at 5.6 percent, in line with the previous two months. According to the agency, 40,100 full-time jobs were added last month, along with 14,100 part-time positions.

Employment Minister Michaelia Cash claim the result highlighted “the success of the Turnbull government’s comprehensive economic plan.”

For tens of thousands of ordinary people forced to eke out an existence in precarious part-time and casual employment, however, there is little to celebrate.

The ABS figures always cloak the real level of unemployment by counting anyone who has worked for as little as one hour a week as employed. Even by that measure, around 730,000 people are without work of any kind. This level has persisted on average since the Liberal-National Coalition government took office in 2013.

A more accurate assessment is provided by the Roy Morgan survey, which shows that unemployment in August stood at 10.2 percent, meaning 1.324 million people were jobless. Underemployment—those wanting or looking for more work—stood at 9.5 percent, or 1.241 million people.

The Morgan survey reveals that the trend to ever-greater casualisation has persisted. The small increase in employment over the past year was driven by a large jump in part-time employment, which rose 535,000 to 4,247,000, offsetting a decrease in full-time employment, which fell 373,000 to 7,438,000.

Roy Morgan chairman Gary Morgan noted: “The Australian economy has generated new jobs over the past year with a net 162,000 new jobs created since August 2016—however the large increase in part-time jobs (up 535,000 or about 45,000 per month) obscures the loss of full-time jobs (down 373,000, just over 30,000 per month).”

Stephen Koukoulas, a research fellow at the Per Capita think tank, dismissed the government’s claims that over 700,000 jobs have been created since it took office in 2013 as a “statistical fraud.”

“While the number of people in employment in Australia has increased by 701,100 since the 2013 election, the number of people unemployed has also risen, by 38,900,” Koukoulas said.

Persistent high unemployment is leading to stagnant or falling real wages, as workers are forced into lower-paid and insecure work. Moreover, employers, with the assistance of the unions, are using the situation to impose below-inflation pay increases, wage freezes or direct pay cuts.

Another recent ABS report revealed that wages for all categories of workers grew by a record low of just 1.9 percent in the past year, just level with inflation. Wages in the private sector grew by only 1.8 percent.

In the June quarter, private sector wages grew by just 0.4 percent, the 10th consecutive quarter of pay growth below 0.5 percent. This result has been recorded only once before, during the September quarter of 2009 following the global financial crisis.

Coming weeks will see one of Australia’s largest-ever waves of job destruction, produced by the final closure of the entire car-making industry.

The GM Holden car factory at Elizabeth in Adelaide’s north will close by October 20, destroying the remaining 1,000 jobs. Toyota will also cease manufacturing at its Altona car plant in Victoria in October at the cost of 2,500 jobs. Ford Australia ended all production last October, axing the remaining 600 jobs at its Geelong and Broadmeadow plants.

As a result, thousands of jobs are being destroyed across the auto-component and vehicle manufacturing sector.

Car components manufacturer Tenneco Australia revealed it will cut 70 jobs at its Monroe shock

absorbers plant at Clovelly Park in Adelaide's south. Just weeks before, the company announced it would shut its Walker exhaust plant at O'Sullivan Beach, South Australia, costing another 128 jobs.

During August and September other employers have continued to slash jobs and shutter plants to further cut costs and boost profits.

Churchill Abattoir will close its plant in the Queensland city of Ipswich by the end of September, destroying 500 jobs. Also in Ipswich, Baiada Poultry will shutter its Steggles Wulkuraka chicken plant by January at the cost of 400 jobs.

JBS Australia, the country's largest meat processor, will cut a total of 190 at its plants in Cobram in northern Victoria and Longford in Tasmania.

Nannup Timber Processing in Western Australia shut its green timber processing mill in early September, axing 30 jobs or around half its workforce. Bendigo Woollen Mills announced it will close the Australian Country Spinners (ACS) plant in the rural city of Wangaratta in northeast Victoria in October, destroying 80 jobs. Fuel retailer Caltex Australia will cut 120 jobs as part of a restructure to deliver initial cost savings of around \$60 million.

Confectionary manufacturer Cadbury will axe 50 jobs from its 450-strong workforce at its Hobart plant in Tasmania by the end of this year. One of Australia's largest wine companies, Accolade, released plans to cut 35 jobs at its Berri Estates operation in South Australia's Riverland.

Major bank Westpac will close another nine branches in its retail network nationally, a move that will eliminate 39 positions. Law firm Slater & Gordon announced plans to sack around 85 of its 1,210 staff as part of a cost-cutting plan in which a consortium of hedge funds will take control of the company.

The government scientific research agency CSIRO plans to cut a further 60 jobs from its mineral research unit and Sydney laboratory. More than one in every five CSIRO jobs has been axed since 2013.



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