

More layoffs point to worsening jobs crisis in Australia

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A new wave of factory and shop closures indicates a deepening slump in Australia, accompanied by greater casualisation of the workforce which Liberal-National and Labor governments alike have enforced for decades.

This week alone, Kimberly-Clark said it would eliminate 220 jobs by closing the Ingleburn plant in southwest Sydney that makes Huggies nappies. The US corporation plans to shift production to Asia by July as part of a “global restructuring program.”

Retail giant Woolworths also confirmed the closure of 30 Big W stores, as well as two distribution centres. The store closures, the locations of which have not yet been announced, represent about 16 percent of its 183-strong network, threatening thousands of jobs.

Officially, unemployment in February fell 0.1 percentage points to 4.9 percent. Australian Bureau of Statistics (ABS) employment surveys, however, understate the real level of joblessness by counting anyone who has worked for one hour a week as employed.

For the same month, the number of people in full-time work fell for the third time in four months, dropping by 7,300, while part-time workers increased by 11,300. The participation rate also slipped to 65.6 percent in February, from 65.7 percent the previous month, as more people gave up actively looking for work.

A more reliable jobs survey conducted by Roy Morgan research put unemployment for February at 9.6 percent, almost twice the official rate. Under-employment—people in part-time work and looking for more work—stood at 8.6 percent. That means around 2.5 million workers, or 18.2 percent of the workforce, are either jobless or under-employed.

The jobs situation for young people, even on official

figures, is chronic. Unemployment for 15- to 24-year olds stood at 11.1 percent in February, more than double the overall ABS unemployment rate.

According to a survey by the charity group the Brotherhood of St Laurence, around a quarter of a million young people are without work. Youth joblessness was particularly high in regional areas, such as in Bendigo and Shepparton in Victoria, where the rate was 18.3 percent and 17.5 percent respectively. In the Coffs Harbour and Grafton region in New South Wales, the rate was 23 percent, while outback Queensland, which includes Mt Isa, Cape York and Longreach, had a rate of 25.7 percent.

Job vacancies are falling. The ANZ Job Ads Index dropped in February, for the fourth consecutive month, by a further 0.9 percent in seasonally-adjusted terms. The index was down 4.3 percent over the past year. An ANZ bank spokesman said the result pointed to a “more challenging period for employment growth in the year ahead.”

Further job losses are expected across the construction industry. In February, activity fell in all key sectors, with house and apartment construction declining for an 11th consecutive month. The overall decline continued the trend from the last quarter of 2018, which was down 2.6 percent from the same period in 2017.

A National Bank of Australia (NAB) economist warned that the forecast decline in dwelling investment “would of itself likely lead directly to a plunge in employment of anywhere between 50,000 to 150,000, depending on how protracted the decline becomes.”

The slump also is hitting jobs in industries supplying the residential construction sector, including importers, manufacturers, hardware-suppliers and related services such as developers, the real estate industry, finance and

plant hire.

Major companies across a range of sectors continue to shed jobs in the drive to slash labour costs amid forecasts of a worsening global slowdown, particularly in China, Australia's largest single export market.

In telecommunications, Telstra, Australia's largest company, announced in January the axing of 750 jobs in the second tranche of its T22 restructure plan to shed 9,500 positions over the next three years. From June to December 2018, the company destroyed 3,200 jobs in the first tranche.

In the banking and finance sector, Westpac bank announced in March it would divest its financial advice business arm, cutting 900 full-time jobs in the process. Rival NAB announced it would axe 900 jobs after handing over some of the bank's financial advice customers to Viridian Advisory.

Analysts have warned of further job losses in retail, with a growing list of bankruptcies and store closures. According to *Business Insider*, more than 4,000 store closures have been announced this year, led by Payless, Gymboree, Shopko, Performance Bicycle and Charlotte Russe. All filed for bankruptcy and announced full or partial liquidations.

Clothing retailer Ed Harry will close all its 87 outlets, shedding nearly 500 jobs. Department store chain Myer announced it would axe 50 jobs, mainly in marketing. Retailer Coogan is to close its store in Tasmania by the end of June at the cost of 35 jobs.

Qantas announced it will send its Boeing 717 fleet offshore for heavy maintenance, cutting 40 aircraft engineering jobs.

Ford Australia is to axe more than 205 jobs, including powertrain and chassis design engineers, as part of a global restructure. By 2017, Ford, GM Holden and Toyota had ended all vehicle production in Australia, costing thousands of jobs.



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