

Australian governments exploit mass unemployment to coerce workers into unsafe workplaces

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According to the vastly-understated official statistics released this week, unemployment and underemployment in Australia jumped to Great Depression levels last month. Employers and governments are using the COVID-19 pandemic to dramatically escalate an assault on full-time jobs that was already underway before this disaster.

The Australian Bureau of Statistics reported on Thursday that about 600,000 jobs were lost and hours worked fell 9.2 percent in April—the greatest and fastest loss of employment in post-World War II history.

The official jobless rate climbed a full percentage point to 6.2 percent, but that camouflaged the dire situation facing millions of workers. The data excludes anyone who worked an hour a week. If the North American method for calculating unemployment were adopted, the rate would be 11.7 percent, nearly double the 6.2 percent figure.

An estimated 490,000 persons dropped out of the labour force altogether last month because of the lack of jobs or because they were caring for family members. If they were still counted as actively looking for work, the official, under-stated jobless figure would be nearly half a million higher, at around 1.3 million.

More revealing is the record drop in working hours last month—163.9 million hours. The previous largest monthly decline was 36 million hours in 2007. The underemployment rate—people who have a job but want to work more hours—jumped to a record high, from 8.8 percent to 13.7 percent. That is the worst level since records began in the 1970s.

“Underutilisation,” which adds unemployment and underemployment together, reached a record 19.9 percent. Worst-affected are young workers, who are

mostly in highly-casualised jobs in the “gig” economy. In the past month, employment of workers aged 15 to 24 years fell 11 percent—more than three times the decrease of 3.4 percent for those aged 25 to 54 years.

However, even these statistics hide the real impact because the government claims that more than six million employees are on the federal government’s JobKeeper wage subsidy scheme. Under this scheme, employers can reduce their wages to \$750-a-week and cut their conditions. There is no guarantee that these jobs will continue once the subsidy ends in September.

Many family and other smaller businesses, in particular, have had great difficulties in accessing the JobKeeper scheme and are the most likely to go to the wall. Even if the rush to lift pandemic safety restrictions continues, large numbers of businesses will not reopen, including national chains and franchise networks.

Yesterday, denim chain G-Star Raw collapsed into voluntary administration, threatening another 200 jobs, adding to a long list of such retail bankruptcies, including Jeanswest, Bardot and Harris Scarfe.

Cynically, the federal Liberal-National government and its state and territory counterparts, the majority led by the Labor Party, seized on the jobless statistics to ramp up their demands that more workers go back into physical workplaces, even as these governments admit that COVID-19 infections will rise as a consequence.

“To get Australians back into work, that is the curve we are working on now,” Prime Minister Scott Morrison said at his media conference after yesterday’s latest national cabinet meeting of the federal, state and territory government leaders. “We are on the road back,” he declared, saying he was “so pleased” that the

states and territories were moving to stage two of a three-stage “reopening” blueprint adopted by the national cabinet last week.

With the number of COVID-19 deaths in Australia passing 100 and the infections rising above 7,000, the dangerous “curve” of the still-spreading global pandemic clearly has not ended. Fresh clusters are still emerging in workplaces such as aged care facilities, McDonalds restaurants and meat works.

There are still about 1,000 active cases in Australia, with 50 people in hospital and 12 on ventilators. By government estimates, some 950,000 coronavirus tests have been conducted, accounting for less than 4 percent of the population. That is what the national cabinet calls a “COVID-19 safe economy.”

This “recovery plan” is driven by the financial elite’s demand for profits to be restored by getting workers fully back into production, not concern for lives or livelihoods.

On Thursday, Morrison feigned sympathy for working people who are being financially devastated. He opened a press conference by saying the jobless numbers were “very tough” and “terribly shocking.”

These are crocodile tears. The government is preparing to coerce people back to work by threatening to cut them off the JobSeeker unemployment benefits scheme. Employment Minister Michaelia Cash announced on Thursday that the requirement for people on JobSeeker to be actively seeking work, known as “mutual obligation,” will resume on June 1.

With pubs, restaurants and cafes reopening for 10 to 20 diners at a time in many parts of the country, Morrison yesterday hailed Michael Gunner, the Labor Party’s Northern Territory chief minister, for “pulling the first brew” of beer in a Darwin hotel on national television. Morrison’s celebration was reminiscent of his notorious urging of people to come to watch rugby league games in packed stadiums as late as March 13, just before the national cabinet belatedly imposed restrictions on large gatherings.

To boost the “return to work” drive, the *Australian* today published “Treasury analysis” it had obtained, claiming that: “More than 850,000 jobs are expected to be restored by step three of Australia’s recovery plan, when gatherings increase to 100 people, interstate travel reopens and flights to New Zealand and other Pacific countries can be considered as early as July.”

Such jobs will only be “restored” on radically transformed terms. Employers, backed by the trade unions, are aggressively exploiting the crisis to slash pay and conditions. Already, led by the Australian Council of Trade Unions, unions in the retail, hospitality and clerical industries have agreed, behind the backs of their members, to impose cuts to penalty pay rates and working hours.

Throughout the universities, the National Tertiary Education Union has offered employers wage cuts of up to 15 percent, as well as increased workloads and forced redundancies. In private schools, the Independent Education Union has agreed to pay cuts of up to 25 percent. The federal and state governments have announced pay freezes for public sector workers.

The national cabinet’s true priorities were further displayed yesterday when it announced a \$48 million “Mental Health and Wellbeing Pandemic Plan.” About a third is for a publicity campaign and data collection, not frontline services. This is a tiny fraction of the more than \$325 billion allocated for economic “stimulus” packages, with the lion’s share going to big business and the banks. It is also a pittance compared to the need.

Former national mental health commissioner Professor Ian Hickie described the allocation as “small” and warned that Australia’s suicide rate would dramatically increase. He said fewer than half of the people who needed mental health care were currently receiving it.

Anticipating greater social unrest, yesterday’s national cabinet endorsed the Morrison government’s extension of its “human biosecurity emergency period” for three months from June 17 to September 17. These emergency powers permit rule by decree.



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