

Jobs bloodbath in Australia continues as companies restructure to slash costs

Terry Cook
11 October 2020

Thousands of jobs continue to be shed across Australia as companies continue to restructure their operations to slash costs in a bid to offset the impact of the COVID-19 pandemic and maintain profits.

According to the Australian Bureau of Statistics (ABS), the unemployment rate is currently 6.8 percent, down from a 22-year high of 7.5 percent in July. The ABS monthly jobs survey, however, understates the real levels of joblessness by counting as employed anyone who has worked for just one hour a week.

A more reliable indicator of current levels of joblessness is provided by Roy Morgan Research. According to its September survey, 1.83 million people were unemployed or 12.9 percent of the workforce. An additional 1.33 million or 9.4 percent were under-employed—i.e., working but seeking more hours. In total, a massive 3.16 million, 22.3 percent, were unemployed or under-employed.

The real rate of unemployment is also obscured by the federal Liberal government's JobKeeper scheme under which employers originally received \$1,500 per fortnight to keep employees on their books, even when they have been stood down. The government scheme was introduced in April, when COVID-19 restrictions were being imposed and out of fear that the looming depression levels on unemployment would provoke social explosions.

Unemployment levels are set to leap dramatically as the JobKeeper payment is wound up at the end of March next year, having already been reduced to \$1,200. According to Natasha Hawker, director of Employees Matter, the end of JobKeeper will leave workers exposed to a "redundancy bloodbath." She told the media that for smaller businesses—"for whom cash flow is vital"—JobKeeper "has been like a ventilator but the oxygen is about to be turned off, and some businesses won't survive without life support."

Those employees now being thrown out of work will

also face increasing financial hardship as the federal government moves to end the JobSeeker unemployment benefit that it introduced in the first months of the pandemic, doubling the previous social security payment. The JobSeeker benefit has now been slashed by \$300 to \$815.70 a fortnight, and will revert to the old poverty-level \$282.85 a week payment from January.

The JobSeeker payment is being slashed to coerce the jobless into low-wage employment and the drastically worsened conditions that have been created during the pandemic. One of these areas is in farm produce harvesting, where the government has reduced its COVID-19 travel restrictions so that the agricultural industry can access cheap backpacker labour.

The "redundancy bloodbath" underway since April has seen thousands of jobs destroyed across the university sector.

According to the latest figures compiled by the National Tertiary Education Union on September 25, nearly 12,500 permanent jobs have been cut at Australian universities or 10 percent of the entire pre-COVID-19 university workforce of approximately 130,000 people. The union estimates that 90,000 permanent, fixed-term and casualised tertiary jobs have been eliminated in the past six months.

Many employers are utilising COVID-19 to restructure and implement sweeping workplace changes that were planned prior to the pandemic, including moving face-to-face customer services to online servicing and opening the way for further outsourcing of jobs.

For example, in September, **Suncorp**, the Brisbane-headquartered banking and insurance group, announced that it will permanently close 19 stores in Queensland, New South Wales and Victoria and one business centre at the cost of 550 jobs. Most of the stores had been shut since April. A Suncorp spokesman said the company was "continuing to realign teams around our new operating

model."

Thousands of jobs have been axed in the airline sector, led by Australia's largest carrier, **Qantas**, despite pocketing millions of dollars in government handouts. At the end of August, the company announced the destruction of 2,400 in-house ground staff positions through outsourcing. This came on top of the elimination of 6,000 jobs earlier in the year. **Virgin Australia**, newly-acquired by corporate raider Bains Capital, has announced another 150 job cuts on top of the 3,000 slashed in August.

Other layoffs include:

Travel agency **Flight Centre** announced this month it will shut down 91 stores across Australia, destroying hundreds of jobs. The cuts come on top of the 300 store closures and the axing of 4,000 sales and support workers jobs by the company in the past six months.

As part of a global restructure, **Chevron** will cut 230 jobs, or 10 percent of the workforce, at its Australian operations. This follows the company's elimination of 1,500 jobs in July.

Australia's largest meat processing company, **JBS**, announced last month it will cut 600 jobs at its Dinmore plant in Queensland, or a third of the 1,700-strong workforce. Consultancy company **Accenture** will cut up to 250 jobs at its Australian operations, as part of an international restructure to cut 25,000 positions worldwide.

Opera Australia has plans to axe over 25 percent of its permanent workforce and terminate the contracts of many others. The company employs over 300 permanent artists and staff, and provides employment opportunities for up to 1,000 people in any one year.

The **NRL** (National Rugby League) will cut 25 percent of staff, including head office positions, in a restructure to save \$50 million per year.

The **Australian Defence Department** in August said it will cut 111 jobs across multiple divisions, including those of scientific and engineering specialists.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact