

Australia: Official unemployment figures downplay growing jobs crisis

By Terry Cook
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Thousands of people across Australia continue to be thrown into unemployment with little prospect of finding work. Many more are being forced into precarious low-paid casual and part-time jobs that lack even the minimal conditions associated with full-time work.

The mass destruction of full-time jobs, and a rapid growth in casualisation across every sector, has been overseen by Liberal and Labor governments at the state and federal levels. Together with the unions, they have enforced a relentless corporate offensive against jobs and working conditions.

The extent of the resulting jobs crisis, however, is covered up by official employment data issued by the Australian Bureau of Statistics (ABS). Employment figures for September, released earlier this month, show that the unemployment rate fell marginally to 5.2 percent from 5.3 percent the previous month.

While 26,200 full-time jobs were reportedly created in September, the number of part-time jobs fell by 11,400. This means that only 14,700 jobs were added. Moreover, a drop in the participation rate—which measures the proportion of people in work or looking for it—by one percentage point to 66.1 percent, contributed to the September fall in unemployment.

Even according to the ABS figures, which count as employed anyone who has worked for just one hour a week, the number of people out of work currently stands at around 709,000. More than 41,000 are deemed to be long-term unemployed, having been out of work for more than 12 months in a row. In fact, a report by the Department of Employment this month indicates that the rate of long-term unemployment among those who lose their job has jumped from 13 percent in 2009 to 23 percent today.

A more reliable monthly employment survey,

conducted by Roy Morgan research, reveals a far more drastic jobs situation, putting real unemployment in September at 8.7 percent, meaning there are around 1.2 million people out of work. The research also shows that underemployment, which covers people employed on a part-time or casual basis wanting more work, stands at 970,000, or seven percent of the workforce.

Recent research by Dr Jim Stanford, chief economist at The Centre for Future Work, reveals an even grimmer picture.

Stanford argues that the “marginally attached,” people who have applied for jobs but eventually give up hope of finding work and are not counted in official figures, should be considered as unemployed. If the “marginally attached,” numbering more than a million people, were factored in, the unemployment rate would be around 12 percent. Adding the underemployed would see the rate leap to a massive 19.7 percent.

Another statistic reflecting the extent of the jobs crisis is the rate of youth unemployment, which, even on official figures, now stands at 11.7 percent, more than double the overall rate. Nor is the situation likely to improve. Recent research conducted by welfare organisation Anglicare into youth unemployment, shows there are currently 19 applications for every entry-level job advertised.

The unemployment crisis is set to worsen dramatically over the next period, amid warnings of a pronounced global economic slowdown that will have direct consequences for economic growth in Australia. In its recent World Economic Outlook, the International Monetary Fund has downgraded its prediction of Australian growth from 2.1 percent to 1.7 percent for 2019. This reduction is among the sharpest in the world.

At the same time, economic growth in China, the

world's second largest economy and a major destination for Australian commodities, including iron ore and coal, grew by just 6 percent in the three months ending September. This was down from 6.2 percent in the preceding quarter, and was the weakest rate since the country began reporting quarterly data in 1993.

Mass sackings are on the cards in major sectors such as construction, where 50,000 jobs have reportedly been shed over the twelve months to September. According to a report by the Reserve Bank of Australia (RBA), "investment in new high and low-density housing has fallen as well as for renovations." The RBA is forecasting a further 7 percent decline in dwelling investment over the next year and states "there is some risk the decline could be even larger."

Facing turbulent economic headwinds, companies large and small continue to restructure their operations in a bid to cut costs.

This month, telecommunications provider **Vodafone Australia** announced a further restructure of its contact call centre in Hobart, Tasmania. It expects to axe a further 130 positions, or around half the centre's workforce, on top of the 100 jobs destroyed last year.

Internet provider **TGP** also signalled a further undisclosed number of job cuts, on top of the 280 it shed in the 2019 financial year. **Telstra**, Australia's largest communications provider, continues to cut positions, as part of its plan announced in June to eliminate 10,000 jobs over the next two years.

Broadcaster **Seven West Media** has announced it will be axing the flagship current affairs show "Sunday Night" in a restructure that could cost 100 jobs across the country. The **Australian Broadcasting Corporation** also confirmed this month that it will cut positions, as a result of federal government budget cuts.

One of Australia's largest food exporters, **SunRice**, eliminated more than 30 regional staff at its mills and grain storage sites in the NSW Riverina region, after producing its second-lowest rice crop. Fast food chain **Red Rooster** closed seven of its stores this month, at the cost of 100 jobs. UK-based health giant **Bupa** has announced a major restructure of its Australian operations, which will see 100 positions destroyed, and property listings website **REA Group** cut 60 jobs.

In September, **Virgin Australia** announced a major restructure of its operations and the axing of 750 jobs, or around 7 percent of the company's workforce, to

achieve savings of \$75 million a year.

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