

# Australia: Youth jobless rate soars in working class suburbs

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Last week's Australian official unemployment data, showing a rise from 5.5 percent to 5.7 percent in May, was treated as good news by Prime Minister Kevin Rudd, who responded by declaring that Australia had the second lowest jobless rate among the advanced economies, after Japan.

What the data actually demonstrates is that big business, with the help of the Labor government and the trade unions, is exploiting the worldwide downturn to carry through a far-reaching restructuring of the economy, at the particular expense of young people and workers in basic industries.

The Australian Bureau of Statistics (ABS) figures took the number of jobless workers to 651,200, a dramatic 37.7 percent increase over the past year. In just 12 months, the dole queues have grown by 174,500.

Despite a one-month dip in April, a probable statistical anomaly, unemployment is rising relentlessly, with some business analysts warning that the toll could exceed the Rudd government's own prediction of 8.5 percent, or nearly one million jobless, by the end of 2010.

The sharpest rise has occurred among teenagers, aged 15 to 19, who are now unemployed at about three times the overall rate. For teenagers actively looking for work, the jobless rate jumped from 12.8 percent in May 2008 to 16.6 percent in May 2009. For those seeking full-time work, the increase was even greater—from 16.6 percent to 25 percent.

By the end of last month, 140,500 teenagers were officially counted as unemployed. If those aged up to 24 are added, more than a quarter of a million—254,300—were jobless, a rate of 12.2 percent, or more than double the overall rate.

The official youth unemployment rate is not yet as high as during the last two recessions—in 1982-83 and 1991-92—when it peaked at around 25 percent, but it is rapidly heading there.

The global financial crash has impacted on new jobs, which

have largely dried up for school leavers, university graduates and retrenched young workers, while many older workers have delayed their retirement because of the decimation of superannuation and retirement funds.

In some major working class areas, youth unemployment is already at depression levels. In April, the last month for which regional data is available, Canterbury-Bankstown, a predominantly immigrant (and largely Muslim) area in Sydney's western suburbs, recorded a rate of 42.5 percent, quadruple the 10.6 percent figure in April 2008.

To the north of Sydney in Gosford-Wyong, an area of far-flung suburbs with little industry, the rate was 30.6 percent, up from 14.4 percent in 12 months; while in the Hunter Valley region, including the former steel city of Newcastle, the rate was 26.1 percent, up from 11.5 percent.

Around Melbourne, Australia's largest industrial centre, the rates were almost as high. In outer-eastern Melbourne, youth unemployment stood at 28.4 percent, almost three times the April 2008 rate of 9.9 percent, and in north-eastern Melbourne it was 24.6 percent, up from 14.2 percent.

Across northern Western Australia, where the mining boom has centred, youth unemployment hit 23.9 percent, nearly four times the 8.1 percent figure of 12 months earlier. In every state there were similar outcomes: in Adelaide's western suburbs the rate was 20.4 percent (up from 10.1); on Queensland's Sunshine Coast it was 19.7 (from 8.0); and in Hobart it was 22.6 (from 14.2).

These levels already exceed those of 1997, at the beginning of the mining-related boom, when the highest rate in the country was 25.1 percent in Fairfield-Liverpool, in Sydney's western suburbs.

The Rudd government is playing a key role in assisting employers to force youth into low-paid work, which serves to drive down wages for all workers. Last month's federal budget abolished youth allowance benefits for all 16-to-20-year-olds

unless they remain at school, enrol in an accredited training program or have a Year 12 school certificate. Their parents lose the associated family tax benefit.

Rudd and employment minister Julia Gillard claimed their “learn or earn” plan would push youth into acquiring further skills or education to meet employer needs in the future. At the same time, however, the government doubled the work requirement for students to claim allowances independent of their parents, now insisting they work at least 30 hours a week for an 18-month period in order to qualify.

Rudd and Gillard also proclaimed a “jobs compact” to provide youth with guaranteed vocational training. In reality, young people are finding it almost impossible to find apprenticeships and traineeships.

Interviewed on the Australian Broadcasting Corporation’s “Lateline” program, Greg Best of Central Coast Group Training, an agency in the Gosford-Wyong area, said: “In January alone we registered 2,359 young people, career hopefuls, looking for apprenticeships and traineeships. We were able to give 100 jobs. July we’ve got again a couple of thousand registrations and we’ll be able to give maybe 50 jobs. So the situation’s clearly going to get worse.”

Not unexpectedly, evidence is mounting of soaring levels of stress among teenagers. From September last year to April, the counselling service Kids Helpline recorded a 16 percent increase nationally in the number of calls compared to the corresponding period 12 months earlier.

Counsellors told journalists that family problems caused by the economic downturn were often the reason, as well as concerns about future job and life prospects. Most of the callers were about to leave school and were disturbed by the sudden economic pressures on their parents. One Helpline worker told the *Courier-Mail*: “They believe it’s a very difficult time to talk to their parents. They say, ‘They’re just so stressed’.”

Where entry-level jobs are available, employers have cut wages by up to 30 percent compared to before the financial crash. One recruitment agency told the *Courier-Mail* that receptionists were being offered as little as \$35,000 a year.

Other statistics indicate how business and the government are exploiting the global recession to slash workers’ pay, job security and conditions. Increasing numbers of workers are being pushed into insecure and low-paid work, or into becoming self-employed, working long hours as contractors, sub-contractors or small business operators.

While officially the total number of jobs in the economy has

not fallen during the past year, the *Australian Financial Review* estimated that 125,000 full-time jobs had been eliminated in 10 months, offset by a rise in part-time, temporary and casual working. About 50,000 jobs have gone from the manufacturing sector, throwing mainly men out of work.

This month, the ABS produced a new type of labour force survey, which showed that in November 2008, only 62 percent of the 10.7 million employed people, aged 15 years and over, were employees with entitlements to paid sick and/or holiday leave. Of the remaining employed, 2 million were employees without any paid leave entitlements, 1 million were independent contractors and 1.1 million were other business operators. Among the independent contractors, 75 percent worked more than 40 hours a week.

There is also a rising “labour under-utilisation rate”, which measures under-employment (those in part-time work who want more work) as well as unemployment. According to the ABS, that rate climbed to 13.4 percent in May, compared to 10.2 percent a year earlier. This means that nearly 1.5 million workers are already either looking for work or for more work.

That total does not count the estimated half a million workers who have retained their jobs but been forced onto short-time working and lower pay since last September, or those who have dropped out of the workforce altogether or shifted onto a disability support pension because of injury or ill-health, usually work-related. The number of disabled pensioners has risen to around 720,000, from about half a million in 1996, despite successive governments tightening the criteria to try to push recipients back onto the lower-paid unemployment benefits.

Over the past six months, the trade unions have worked hand in glove with the Rudd government and the employers to stifle any opposition to mass job cuts, like the 2,700 being eliminated by the Pacific Brands clothing conglomerate, and impose deep cuts in pay and working hours, as at General Motors-Holden, as a supposed alternative to layoffs.

Far from being temporary, these measures are part of an ongoing offensive against the conditions of the working class, aimed at imposing the full cost of the economic breakdown onto the backs of ordinary working people.



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