

# Australia: Unemployment statistics mask job crisis

James Cogan  
12 June 2010

The official unemployment statistics in Australia have been systematically skewed to cover up the real extent of joblessness and the social crisis that it has given rise to. As a WSWS reporting team found this week, many of those without a job have simply been recategorised but continue to live on poverty-level welfare payments.

The latest survey carried out by the Australian Bureau of Statistics (ABS), published on Thursday, reports that official unemployment fell in May from 5.4 percent to 5.2 percent. Seasonally adjusted, there are 11.56 million people working and 610,000 unemployed. The workforce participation rate dropped slightly from 65.2 percent of the population down to 65.1 percent.

Prime Minister Kevin Rudd boasted: “We [Australia] now have about half the unemployment level of the United States, half the unemployment rate of many countries in Europe.” Conveniently ignored by Rudd is the fact that hundreds of thousands of people who want and need full time jobs do not show up in the figures because the ABS is not able to classify them as unemployed.

The statistics mask a systemic social failure that excludes a layer of the population from full time work and consigns them to a marginalised existence of part-time, casual or temporary work, or total dependence on the poverty-level allowances paid out by Centrelink—the state social security agency.

Australia has a huge pool of part-time workers of more than 3.28 million people or one third of the workforce. Part-time workers, who worked just one hour during the survey week, are not counted as unemployed. The ABS’s labour underutilisation rate, which includes “underemployed” workers who did not work as many hours as they wanted, stands at 10.6 percent, or more than 1.2 million people.

The real state of the job market in the wake of the global financial crisis is indicated by the fact that the number of long-term unemployed—people who have been receiving the Newstart unemployment allowance for over 12 months—soared by 72,000 over the past year to 334,224.

The long-term unemployed figure also does not include the estimated 770,000 people who are paid the Disability Support Pension (DSP), are therefore not officially looking for work and are not counted in the unemployment statistics.

The DSP was introduced in 1991 by the Labor government of Bob Hawke and Paul Keating, amid the double-digit unemployment produced by a severe recession and the wholesale restructuring of manufacturing industry. One aim was to enable the social security agency to designate people as “disabled” rather than unemployed. While the DSP is higher than the unemployment benefit, the state is relieved of any responsibility to provide retraining or other assistance to get people back into the workforce.

Welfare officers encourage people deemed too old, injured or ill to get a job to apply for DSP. Some 70 percent of recipients are between 40 and 60. In many cases, they became unemployed for medical reasons and have not been able to find work since. In other cases, they are discouraged unemployed who have fallen victim to depression or other mental health conditions. In 2007-2008, 32.8 percent of successful applicants were receiving unemployment benefits before they were placed on the disability pension.

The DSP effectively conceals the true extent of long-term unemployment and the number receiving the benefit has grown exponentially. There were 74,679 successful applications in 2007-2008 and a similar number in 2008-2009.

Now, as part of its general assault on social welfare, the Rudd government in its budget in May has moved to make it far more difficult to qualify for and stay on DSP. Under the new rules, which come into full force in 2012, new applicants will initially be forced to find work or take unemployment benefits unless they can prove that they cannot work more than 15 hours a week. When fully operational, the new procedures will save the state over \$300 million per year.

Welfare Rights Centre director Maree O’Halloran told the *Australian* last month: “No previous government contemplated such a draconian tightening in eligibility for this payment. With savings of such magnitude, it’s difficult to avoid the conclusion that the government is partly balancing its books off the backs of Disability Support Pensioners. Welfare Rights estimates that up to 112,000 people may be transferred on to other payments, which can be up to \$120 a week less.”

The jobless already confront a punitive regime that forces people off Newstart and benefits like the Youth Allowance, which is paid to the unemployed under 21-years-old and

qualifying students. The unemployed have to continually “prove” to Centrelink that they are looking for work by attending job placement agencies, most of which are operated by corporations or charity organisations. Each fortnight, they have to provide evidence that they have submitted job applications. If they do not, they can be “breached” and have their payments suspended for as long as six weeks. So-called “repeat offenders” are cut off altogether.

On Thursday, WSWS reporters spoke with people leaving the Liverpool Centrelink office, which is one of the busiest in Sydney’s southwestern working class suburbs. Their remarks testify to the terrible personal circumstances faced by the unemployed and DSP recipients, as well as the demeaning treatment they endure at the hands of the welfare bureaucracy.

Steve, a 49-year-old painting tradesman, has been unemployed for two years. “I’m trying to live on \$228 a week,” he said. “That’s before rent comes out, power comes out and food comes out. I only use public transport—I can’t afford a car. I get a concession card but living on \$220-odd a week, if I was to go into the city, it would cost me \$12 [for one return trip]. I have no social life.

“No-one wants to hire someone my age that has been out of work for two years. I was a painter. Now I haven’t got a vehicle to go from job to job. If you haven’t got a vehicle, no-one wants you. You might be working in the painting game and you have to go the Eastern suburbs. If you haven’t got a car you can’t do it. It is virtually impossible for me to break back into my trade.

“I’ve gone from a very outgoing person to someone who is on medication for depression and anxiety. I’ve lost interest in everything. I go to a job network. If you don’t front up, they take ‘x’ amount from your benefit. If you get three strikes, they cut you off for six weeks. That hasn’t happened to me. I couldn’t let that happen. I’d lose where I live. I’d lose what little I’ve got.”

When asked about how he coped with medical expenses, he said, “I’ve got a perfect example.” Steve reached into his wallet and pulled out a script for antibiotics dated May 28. It had been prescribed to treat a serious ear infection but he had not been able to fill it due to lack of money. He had gone close to two weeks without medication and was visibly in pain and discomfort.

George, 32, had epileptic seizures two years ago and has been on Newstart since. “The doctor took my car license and my forklift license off me,” he said. “I can’t even drive an overhead crane in a factory, which is what I used to do. I’ve got to go and see a doctor again and tell him that in the last six months I haven’t had a seizure and can I please at least have a forklift license back so I can get a job.

“WorkCover should at least investigate people’s problems. It’s hard for me to get work. Every time I ring up a factory for labouring work, they ask ‘have you got a forklift license.’ What I’ve got is mild epilepsy, so the doctor keeps telling me,

so I keep asking so why can’t I have my license back? I have to go back and have a real debate with them.

“You’ve even got people earning \$1,000 a week who can’t survive because of their mortgage. They’re paying \$500 to \$700 a week to the bank. They can’t make ends meet trying to put petrol in the car, putting money away for bills and insurance, for their kids.

“I get \$430 a fortnight. That’s without rent assistance because I live with my parents. The biggest problem with getting my own place is the [bond] deposit. On \$400-odd a fortnight you can’t really save much.”

A bond is the equivalent of four weeks rent. Renters are also required to pay two weeks in advance upon beginning a lease. An older two bedroom apartment is currently renting for between \$250 and \$300 per week in the Liverpool area.

Nathan, a young man in his 20s who had worked in a florist, was put on DSP following a traumatic home robbery that left him with medically diagnosed anxiety disorder.

“Centrelink is a bit intense,” he said. “There are too many stages you have to go through to get a benefit which isn’t very much anyway. I only get about \$280 a week and my rent is \$120. It is struggle being on the benefit rather than having a job, but at the same time, it is really hard to get a job. If you haven’t got a thousand qualifications you have to jump through hoops. Especially out here [south west Sydney] there aren’t many jobs in my line of work in comparison with the city. So it’s pretty irritating looking.

“About 70 percent of people I know are on social security, mainly because of parenting or unemployment.”

Goran, a printer for 18 years and now in his early 40s, recently began receiving disability pension due to epileptic episodes.

“Everywhere I go to look for work, they say sorry, we can’t fit you in. No-one wants to take a risk. Centrelink is pushing me to get work but the employers won’t take me. They [Centrelink] know that but they won’t believe me. They just push it under the table. They’ve said that if I don’t go to job interviews they’ll cut me off and I won’t get any payment”.

“I’d say 90 to 95 percent of people I know rely on Centrelink for all or part of their income. They’re either casual and temps, or they’re on disability, or their unemployed. I know people who are 42 who say they are too old to get work. Forty-two! I feel sorry for my kids. What is it going to like when they start looking for a job?”



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**