

# Full-time jobs and wages falling in Australia

Mike Head  
20 August 2016

Thousands of full-time jobs are being eliminated every month in Australia and real wages are falling, according to official statistics released this week. The results provide a picture, in a limited form, of the accelerating assault being conducted on the working conditions and living standards of the working class.

Even by the under-stated figures produced by the Australian Bureau of Statistics (ABS), full-time jobs fell by 64,500 over the past year, while 136,300 workers were pushed into part-time work, which is typically less secure and worse paid.

Jobs are being destroyed throughout mining-related and manufacturing industries, with the only jobs growth occurring in service sectors, such as hospitality, education and tourism, dominated by low-paid, casualised conditions.

This is a deterioration of a longer-term trend, which has been intensified by the deepening world slump and the further restructuring of economic life for the benefit of the financial elite since the global crash of 2008.

Although the ABS's official headline unemployment rate dropped from 5.8 percent to 5.7 percent for July, this figure disguises the true levels of joblessness and the growth of an army of "under-employed" workers who want longer hours of employment in order to pay their bills.

The ABS statistics exclude all those working more than just an hour a week. Surveys conducted by Roy Morgan Research, a private consultancy, indicate a substantially worse situation, with 1.36 million workers unemployed and seeking work (10.5 percent) and 1.17 million under-employed (9.0 percent) in July. By this measure, 2.53 million workers, nearly one-fifth of the total workforce (19.5 percent), are either jobless or looking for more work.

The ABS estimate is also distorted by the fact that more unemployed workers are giving up looking for jobs. Last month, the seasonally adjusted workforce

participation rate remained steady at 64.9 percent. Over the past year, however, about 33,000 adults dropped out of the ABS unemployment calculation.

In July, there was a slight increase in total working hours, but the average working month fell over the past year by just over an hour to 138 hours and 46 minutes, contributing to an overall decline in workers' incomes and living standards.

The results further expose the fraud of the slogan of "jobs and growth" adopted by the Liberal-National government after Malcolm Turnbull ousted Tony Abbott as prime minister last September. Nevertheless, Treasurer Scott Morrison hailed the results as evidence that the government was delivering the greater "flexibility" required by business.

"What we've been seeing for some time now on the part-time, full-time front is there is more flexibility in the labour force," Morrison told Sky in an interview. "I know some people tend to look down on those sorts of jobs; I certainly don't," Morrison said. "A job is a job, and more jobs is always a good thing."

These comments, full of contempt for the victims of this process, underscore the fact that the corporate elite regards the jobs crisis as an opportunity to force unemployed workers into cheap labour. This is especially the case for the quarter of a million young people out of work, with the official youth unemployment rate at 13 percent—more than double the overall rate.

Part-time jobs doubled at the expense of full-time employment over the past four decades. In the late 1970s, only 15 percent of jobs were part-time, a figure that rose to 25 per cent by the late 1990s. Now it stands at a record 31.9 percent. Part-time work is becoming the "new normal" for growing layers of workers, with devastating consequences for living standards.

Throughout the corporate media, efforts are being made to present this process as one of "lifestyle

choices” by workers to spend less time working. But a closer examination of the latest ABS data indicates otherwise.

In the first place, male employees, typically mining and industrial workers, are being affected the most. Close to 1.2 million males were engaged in part-time work as of June, compared with 1.07 million in June 2014. The 11 percent growth in male part-timers was more than double the rate of growth of females working part-time.

This shift reflects the collapse of the mining boom that largely sustained Australian capitalism in the immediate aftermath of the 2008 crisis, mainly driven by unsustainable credit-fuelled growth in China. The most mining-reliant states now have highest official unemployment rates—South Australia 6.4 percent, Western Australia 6.3 percent and Queensland 6.1 percent. By contrast, New South Wales, the state that hosts most financial companies and where housing prices and construction have not yet dropped, has the lowest rate of 5.2 percent.

Since mining export prices began to fall four years ago, tens of thousands of formerly high-paid mining jobs have been destroyed, with many more in related manufacturing and service industries. During the same period, the elimination of industrial jobs has gathered pace, led by the ongoing closure of the entire vehicle assembly industry by General Motors, Ford and Toyota, with all plants due to shut by the end of 2017.

This corporate offensive is driving down average wages. Commonwealth Bank of Australia (CBA) economist John Peters commented that the “lift in spare capacity in the labour market” had “toned down workers’ pursuit of higher wages,” with workers “possessing little real negotiating clout.”

According to the ABS Wage Price Index, the results for the past six months were the weakest since the current index began in 1998. During the June quarter, wages growth stayed at a record annual low of 2.1 percent, with wages rising by 1.9 percent in the private sector and 2.3 percent in the public sector. Among mining workers, the rate was just 1.3 percent.

Average real wages, taking inflation into account, have now been stagnant, or falling for some workers, for the past three years. While record low interest rates have helped workers paying off mortgages, those who are renting or not benefiting from lower prices of some

items within the official “inflation basket” are worse off.

Since 2013, real wages have grown just 0.3 percent, using the underlying inflation measure of the “trimmed mean.” This does not take into account changes to welfare payment thresholds and rises in nominal pay that push people into higher levels of taxation and above certain cut-offs for welfare payments. As a result, on average, working-class living standards would have decreased in that time.

The widening gulf between working people and the wealthiest layers of society—the top 1 percent and 10 percent—was illustrated when the CBA reported this month that its CEO Ian Narev’s total pay for the past year rose to \$12.3 million, an increase of 50 percent.

The bank itself, which was privatised by Labor governments between 1991 and 1996, posted a record profit of \$9.45 billion, up 3 percent, with the lion’s share going to the corporate giants that dominate its share register. During the last half of 2015, the bank shed 727 jobs, adding to the unemployment and under-employment crisis.



To contact the WSWS and the  
Socialist Equality Party visit:

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