

Massive loss of jobs and hours continues in Australia, showing real face of “recovery”

Mike Head**22 January 2021**

While the government and the corporate media proclaim “recovery,” the latest data on jobs, working hours, wages, poverty and inequality point to the reality: as elsewhere internationally, the ruling class is exploiting the global COVID-19 pandemic to deepen the decades-long assault on working class conditions.

By the most reliable estimates, more than three million workers remain unemployed or “underemployed.” Another 1.5 million are on JobKeeper wage subsidies that the government is adamant must terminate in March. The government is also slashing JobSeeker dole payments back to sub-poverty levels, in order to further push workers into low-paid and insecure employment.

This is part of the ruthless drive to “reopen” all workplaces, regardless of the ongoing danger of COVID-19 outbreaks, including of the more infectious UK and South African variants, which have arrived in Australia. Low-income and young workers are the most exposed to this offensive, on both the health and employment fronts.

The economy remains mired in slump, despite the federal, state and territory governments pouring more than \$400 billion into business stimulus packages since March, the setting of record low interest rates, and the withdrawal of \$36 billion from superannuation retirement funds by nearly 3 million financially-stressed workers.

According to the official figures released by the Australian Bureau of Statistics (ABS) last Thursday, the unemployment rate decreased 0.2 points to 6.6 percent in seasonally adjusted terms in December. That figure still represents 912,000 workers—up by 221,700, or 32 percent, over the year.

The youth (aged 15 to 24) jobless rate decreased 1.7 points to 13.9 percent, but that is still up 2.3 points over the year to December.

The ABS underemployment rate—a measure of how many workers are working less hours than they

want—decreased by 0.8 points to 8.5 percent, producing an “underutilisation rate” of 15.1 percent, or more than two million workers.

Because of the narrow definitions used by the ABS, these figures are a vast under-estimate. According to the Roy Morgan polling company, total unemployment and under-employment rose from 21 percent to 21.4 percent during December, taking the number of workers who are jobless or wanting more work to more than three million.

In addition to the 1.7 million workers (12 percent) unemployed, 1.36 million (9.4 percent) were underemployed. That was an increase of 73,000 on a month earlier, driven by a rise in part-time employment, which hit a record high of 4.5 million in December.

Roy Morgan CEO Michele Levine commented: “[S]ince the COVID-19 pandemic began to heavily impact Australia in mid-March there are now an extra 900,000 Australians either unemployed or underemployed, which will make for a very competitive jobs market for those currently looking for new work... there are clearly not enough jobs to go around for all those looking for new employment.”

Employers are exploiting this “very competitive” market to drive down workers’ wages and conditions, led by companies such as Qantas, which has just axed 2,000 ground staff, and Peters Ice Cream, which is trying to cut casual workers’ pay by \$9 an hour.

That offensive will intensify in coming months as the JobKeeper wage subsidies end, along with rental eviction moratoriums and repayment holidays offered by banks and financial institutions for mortgages and other loans.

Minutes after the ABS results were released, Prime Minister Scott Morrison declared that the dire predictions around unemployment from the gradual reduction of JobKeeper subsidies had not been realised. He claimed: “Jobs, Jobs Jobs. Jobs is our focus.”

Last month, the JobKeeper subsidies were cut back

from \$1,500 to \$1,000 per fortnight for full-time workers and from \$750 to \$650 per fortnight for part-time workers, as a step toward ending them altogether at the end of March.

Treasurer Josh Frydenberg said the ABS job numbers were “another indication that Australia’s economic recovery is well underway.” He insisted: “Around 90 percent of the 1.3 million Australians who lost their job or whose working hours were reduced to zero at the start of the crisis are now back at work.”

These claims are utterly false, as was underscored by research released by the ANZ bank. It indicated that most of the jobs being reopened are the lowest-paid.

Roughly 39 percent of all job losses from February to May were from six low-income occupations: waiters, sales assistants, bar attendants/baristas, kitchenhands, drivers and beauty therapists.

Young workers, who held many of these jobs, were overrepresented, accounting for 37 percent of the employment losses, despite making up less than 15 percent of the pre-COVID workforce.

“Encouragingly, as restrictions have lifted, employment has rebounded quickly in the lowest paid occupations,” ANZ senior economist Catherine Birch said in an economic note distributed by the bank. That is no doubt “encouraging” for the financial elite, whose soaring fortunes are derived at the expense of low-paid workers.

Birch added: “Workers in the middle and second-lowest quintiles (income brackets) may suffer more hardship in the short-term from loss of employment and income. They tend to be older... and more likely to have dependent children than workers in the lowest quintile.”

These processes will accelerate the suppression of wage levels, which rose by average only 1.36 percent over the year to September 2020, as measured by the ABS. That was by far the lowest annual rate of increase for any 12-month period since the ABS began gathering that data in 1997.

The rise is barely above the official inflation rate. For most workers it indicates real wage cuts, because the ABS “average” includes high-income recipients, many of whom are reaping substantial increases.

Financial stress, poverty and social inequality will intensify. To boost the profits of construction companies and property developers, the government is pouring billions of dollars into grants to build or renovate homes—driving housing prices back up. Yet a Productivity Commission report on government services, released on Wednesday, found no progress has been made on

homelessness support or rental stress in the past decade.

Rental stress—defined as spending more than 30 percent of gross income on rent—was affecting 50.2 percent of low-income households in the private rental market. That figure was “largely unchanged over the past 10 years,” the report said.

About 290,500 people were helped by homelessness services last financial year, up from 279,196 four years earlier, with the level of unmet demand for those services rising further. A third of those who needed accommodation were unable to receive it, up from 28.7 percent in 2015-16.

Even before COVID-19, social inequality was widening. A recent report, *Inequality in Australia 2020: Part 2, Who is Affected and Why*, found that the richest 20 percent of households, with average wealth of \$3.3 million, have 90 times the wealth of the lowest 20 percent, with just \$36,000 on average.

By 2017, the latest year of available statistics, 3.24 million people (13.6 percent of the population) lived below the poverty line, including 774,000 children under the age of 15 (17.7 percent of all children).

This worsening social crisis is, above all, an indictment of the Labor Party and the trade unions. They spearheaded the deregulation and privatisation of the economy and the destruction of hundreds of thousands of jobs, beginning under the Hawke and Keating Labor governments in the 1980s and 1990s.

Over the past year, the unions have been the chief enforcers of the pro-business response to the pandemic, overseen by the federal Liberal-National government—doing everything they can to suppress strikes and other opposition from the working class.

That is why, in May, Industrial Relations Minister Christian Porter called Australian Council of Trade Unions (ACTU) secretary Sally McManus his BFF (“best friend forever”) and Prime Minister Morrison phoned McManus to thank her for the ACTU’s “constructive” role.



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