Australian government uses misleading jobless figures to ramp up attack on working conditions

Mike Head
19 March 2021

If one were to believe the Liberal-National government's rhetoric, and the corporate media headlines, the Australian economy experienced a "stunning" recovery in February from the COVID-19 pandemic recession, suddenly cutting the official unemployment rate from 6.3 to 5.8 percent.

Prime Minister Scott Morrison seized on the headline figure as an added justification for the government's decision to end its JobKeeper wage subsidy scheme on March 28. Morrison said the $90 billion program had "done its job," even though around a million workers remain dependent on the scheme and could therefore face being thrown onto the dole queues.

This is just the latest pretext for terminating JobKeeper payments, which already have been cut to just $500 a week, and simultaneously cutting JobSeeker unemployment benefits—on which another 1.6 million workers depend—to the sub-poverty level of $44 a day for a single adult. Previously, Morrison more bluntly declared that these social supports had to be slashed to end "disincentives" to employment, that is, to force jobless workers into lower-paid and less secure forms of work.

A closer examination of the joblessness data points to a very different picture than that trumpeted in the media: the use of the mass unemployment caused by the global pandemic, and the catastrophic profit-driven official responses to it, as a battering ram against the working class. By selectively reporting the figures released by the Australian Bureau of Statistics (ABS) this week, the government and the media are covering up the full extent of the financial stress and social misery being inflicted on workers.

In the first instance, even if the 5.8 percent figure represented an accurate estimation of joblessness, that would still mean 805,200 workers unemployed and actively seeking work—up by 109,500 over the year since February 2020.

Secondly, February's fall in the official unemployment rate was offset by a rise in the underemployment rate, up from 8.1 to 8.5 percent of the labour force. That rate measures those who are classified as employed, yet are seeking more hours. In total, the "underutilisation rate"—adding the unemployment and underemployment figures—decreased by just 0.1 points to 14.4 percent, or around 1.9 million workers.

Thirdly, the number of people counted as "employed" but working zero hours for economic reasons increased in February to 127,000. That was well below the peak of 767,000 in April 2020, but more than double the February 2020 level of 60,000.

Fourthly, according to the ABS data, in February employment overall returned to the same level as a year earlier, and yet between March 2020 and February 2021 payroll jobs decreased by 0.2 percent. That indicates the continuation of an offensive that began last July. The reported rebound in employment consists largely of an increase in the number of self-employed people. That is, workers retrenched during the pandemic are being pushed into seeking to operate their own small businesses to survive.

Fifthly, the monthly estimates produced by the Roy Morgan survey company show how much the narrow ABS definition of unemployment—which excludes anyone working more than an hour a week—under-estimates the true level of the social crisis.

By the Roy Morgan calculations, the number of unemployed workers rose by 250,000 from January to February, to a total of 1.93 million workers, although underemployment dropped 300,000 to 1.14 million. In all, 3.07 million workers, or 21 percent of the workforce, were either unemployed or underemployed. Compared to early March 2020, before the pandemic hit, over 900,000 more workers were unemployed or underemployed at the end of February 2021.

Finally, this toll is about to worsen when JobKeeper payments end in eight days' time. The latest figures released by Treasury, for the December quarter of 2020, showed there were still around 1.6 million workers receiving JobKeeper payments. That total may have since dropped to around a million, according to the government, although no official data has been made public.

Among the latest job cuts unveiled in the lead up to the JobKeeper cut-off are 230 by electricity provider Ausgrid. That adds to its plan to shed 500 workers by 2024, on top of the 5,000 jobs axed since it was privatised in 2015. Hydro Tasmania will cull 50 workers and Heinemann Australia will eliminate an as-yet unannounced number at its retail shops.

At the end of this month, any remaining moratoriums on mortgage and rent payments will cease as well, along with any assistance to small businesses trading while insolvent. As a result of this "fiscal cliff," millions of wage workers and self-employed people confront potential financial ruin.

As far as the government and the corporate elite are concerned, that is a welcome pressure on working class people to accept employment on whatever terms and conditions that employers dictate. At the same time, they are counting on the Labor Party and trade union apparatuses to suppress the rising discontent, as they have done since the pandemic began.

Labor and the unions bear the central responsibility for the deepening assault on workers' jobs, wages and conditions. Over the past year, they have collaborated with the Morrison government and big business via the bipartisan "National Cabinet" and months of tripartite backroom talks between the government, employer groups and the Australian Council of Trade Unions (ACTU).

Those talks began by allowing employers to gut wages and conditions as part of the JobKeeper scheme and led to this week's industrial relations bill that will accelerate the exploitation of casual workers. Throughout the year, unions worked might and main to isolate and sell out every workers' struggle that erupted, including the more than three-month stand taken by Coles warehouse workers at Smeaton Grange in Sydney against the supermarket giant's lockout.

While workers receiving JobKeeper payments will suddenly lose them, many of the companies that took the lion's share of the near $400 billion in JobKeeper and other business stimulus packages have reported increased profits as a result.

Analysis released this week by corporate consultants Ownership Matters showed that 95 of the country's top 300 share market-listed companies received $3.8 billion in subsidies in the second half of 2020. Of that, $2.5 billion was JobKeeper, which went to 75 companies that also collected another $1 billion in other subsidies. At the top of the list, $511 million went to Qantas, the airline corporation, as well as $726 million in JobKeeper. As another example, $160 million in childcare support went to G8 Education, which also received $102 million in JobKeeper payments, while the public universities, which were denied access to JobKeeper, shed an estimated 90,000 jobs.

These corporate handouts are just a small part of a staggering further transfer of wealth to the super-rich at the expense of the working class during the pandemic, far surpassing what occurred following the 2008–09 global financial crisis. Today's *Australian* published its annual list of "Australia's Richest 250." Total wealth on the List reached $470.07 billion, up from $377.77 billion a year ago, taking the average wealth of the 250 members to $1.88 billion, and the number of billionaires up by six to 122.

Heading the list were two iron ore magnates—Gina Rinehart and Andrew Forrest. Both more than doubled their fortunes in just 12 months, to $36.28 billion and $29.61 billion respectively, almost exclusively on the back of soaring exports to China and the resulting surges in share market values.

This acceleration of social inequality through the pandemic will further fuel widespread social and political disaffection, setting the scene for explosive class battles in which working people will come into confrontation not just with the corporate elite and the government but with their Labor and trade union servants.