

Under-employment soars to record high in Australia

Mike Head
10 May 2021

Behind the endless government and media claims of a “recovery” in the Australian economy and a rapid drop in unemployment, the COVID-19 pandemic is being used to accelerate the decades-long offensive against workers’ jobs and conditions.

In particular, full-time jobs are being eliminated and replaced by part-time, temporary and casualised work, driving down wages and working conditions throughout the working class.

Tonight’s federal budget is set to step up this assault by allowing the remaining international students and temporary visa holders to work unlimited hours, but only if they accept jobs in the low-paid hospitality and tourism sectors.

At the end of March, the Liberal-National Coalition government had already intensified this process, by simultaneously terminating its JobKeeper wage subsidy scheme and slashing JobSeeker dole payments back to pre-pandemic, sub-poverty levels.

These moves effectively coerce workers into jobs with sub-standard pay and conditions, often filling gaps left by the loss of the previous main sources of super-exploited labour—students, immigrant visa holders and visiting backpackers.

Released last week, but buried by the corporate media, the latest employment data from the Roy Morgan polling company shows 1.31 million workers were unemployed in April. That was down 332,000 on March, leaving an unemployment rate of 9.0 percent, the lowest since before the pandemic hit in early March 2020.

However, the drop was offset by a rise in under-employment, which increased by 268,000 in April to 9.3 percent of the workforce. “Under-employment” measures workers who are employed but wanting more hours. That is, they are working part-time or as casuals,

yet needing more work to survive financially.

In total, 2.66 million workers—18.3 percent of the workforce—were either unemployed or under-employed in April, a small decrease of 64,000 on March, when Prime Minister Scott Morrison’s government made its JobKeeper and JobSeeker changes.

Compared to early March 2020, before the government was forced by workers and the public as a whole to institute a limited nation-wide lockdown to prevent the spread of COVID-19, there are over 500,000 more workers either unemployed or under-employed.

During April, full-time employment rose by 129,000 to 8,534,000. But there was a far greater rise in part-time employment—up 413,000 to 4,757,000. Part-time employment hit a new record high, while full-time employment returned to around pre-pandemic levels.

These figures are substantially higher than the official data produced by the Australian Bureau of Statistics (ABS), primarily because the ABS does not count as jobless those who worked more than one hour a week, nor those who worked zero hours for “economic reasons.”

No ABS figures have yet been released for April, but in March—before the JobKeeper-JobSeeker cuts—its unemployment estimate dropped from 5.8 percent to 5.6 percent. The ABS also reported there were 1.1 million people under-employed, for a total of 1.93 million unemployed or under-employed (14.0 percent).

Despite the ongoing toll on workers, Roy Morgan CEO Michele Levine, like other business commentators, said the results had vindicated the government’s decision to end JobKeeper and “wind back” JobSeeker payments. In releasing the company’s April data, she said “Australia’s employment markets have powered through.”

This hubris disguises what is actually happening. The pandemic has both temporarily driven up domestic consumer spending—because no one can travel overseas—and pressured more impoverished workers into taking poorly-paid and insecure jobs.

Treasurer Josh Frydenberg yesterday admitted that the boost to the economy from spending, by people unable to leave the country, was only a “pandemic effect, not a permanent one.”

Interviewed by Nine Media newspapers—the Melbourne *Age* and the *Sydney Morning Herald*—as part of his pre-budget public relations pitch, he said tonight’s budget would be predicated on reopening the international border in 2022 and restoring net migration to the pre-pandemic level, which was 239,700 in 2018-19.

In the meantime, the 350,000 remaining student visa holders will be permitted to work unlimited hours in hospitality and tourism, removing the current cap of 20 hours per week. Temporary visa holders will be able to shift to a COVID-19 “pandemic event visa” for up to a year, if they also take up jobs in those industries.

The *Australian Financial Review* enthusiastically reported that the tourism and hospitality industries will join agriculture, food processing, healthcare, aged care, disability care and childcare as “critical sectors,” allowing workers to be eligible for the “408 visa subclass.”

Significantly, the reported labour shortages in these industries have not produced any uplift in wages, which have stagnated since the 2008-09 global financial crisis. Average wages growth is currently sitting at a record low 1.4 percent, well below the official Consumer Price Index, which rose 0.6 percent in the first three months of this year—an annual rate of 2.4 percent. Moreover, that average figure disguises the outright pay cuts taking place among the worst-paid workers.

These figures expose the lie that lower jobless rates will lead to higher wages in the “labour market.” This claim has been made in every recent federal budget, with repeated predictions that annual wages growth would rise to around 3.5 percent “in a few years.”

The Labor Party opposition has also long peddled the illusion that better wages will flow from larger profits. Moreover, together with the trade unions, Labor peddles reactionary nationalism, blaming overseas workers, not capitalism and the ruling class, for

deteriorating living standards.

Opposing the government’s plans to increase migration, Labor leader Anthony Albanese criticised the reliance on temporary migrant workers, saying they should be replaced by “investing in training Australians.” This serves to pit workers against each other, along national lines.

For all the hype about “recovery,” the worsening global pandemic will increasingly impact on the world and, therefore, the Australian economy, even if major COVID-19 outbreaks do not erupt in Australia, Epidemiologists have warned, however, that this is almost inevitable.

In the July-to-September quarter of 2020, Australia recorded the biggest three-month fall in resident population since the depths of World War I, during which 334,000 young soldiers were sent to the battlefields of Europe. That drop removes the main component of the country’s economic growth over the past four decades.

So far, Australia’s corporate elite has been kept afloat by soaring iron ore prices and exports to China, near-zero interest rates and the pouring of hundreds of billions of dollars into business “stimulus” packages, subsidies, incentives and cheap loans. The handouts have boosted profits and the wealth of the super-rich, but the cost is now being extracted from the only possible source—the labour power of the working class.

The pandemic catastrophe, deepening social stress, staggering inequality, and the drive to further slash wages and conditions are setting the stage for mass class struggles in Australia and internationally. Last week, Australian Council of Trade Unions (ACTU) secretary Sally McManus nervously warned the ruling class that working class unrest could erupt outside the control of the trade unions, which have suppressed workers’ struggles for decades.



To contact the WSWs and the
Socialist Equality Party visit:

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