Target: 80,000 Real Jobs

During this election campaign a major focus has rightly been given to jobs and economic growth that will lead to job creation. It is critical that we understand the current labour force status in South Australia in order to have informed debate about what is needed.

The basic situation for South Australia and Australia – March 2016

	SA	Aust
full-time employed people:	529,100	8,193,800
part-time employed people	282,000	3,799,000
total employed people	811,100	11,910,000
employment to population ratio	57.7%	61.2%
Unemployed people	62,800	729,600
Unemployment rate	7.2%	5.8%
Total labour Force	873,900	12,639,600
Participation rate	62.2%	65%

So South Australia's labour market is not performing as well as Australia wide with a higher than national unemployment rate, lower participation rate and lower proportion of the population employed.

Hours Worked

The total number of hours worked per month, in South Australia is shown in figure 1 below, note that since the pre-GFC peak in September 2008, the total number of hours worked in South Australia has declined, despite good growth during 2010 and 2011. There are currently less hours worked per month, in South Australia, than before the global financial crisis - nearly 8 years ago.
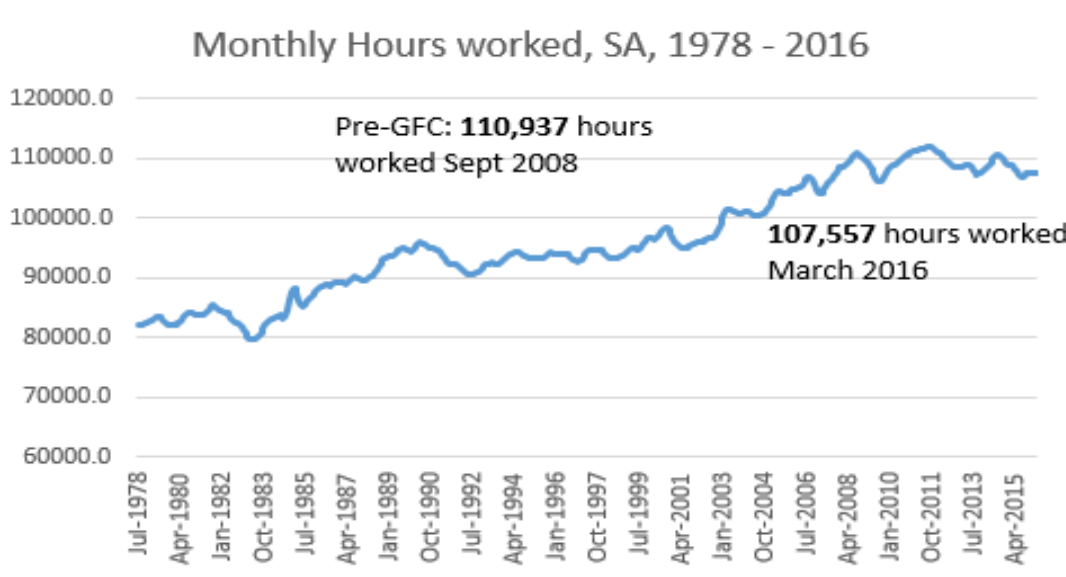

Figure 1, Source ABS Labour Force, cat no 6202.0

<u>Under-employment</u>

While considerable attention is given to the 'headline' unemployment rate, a more useful measure of the state of the labour market is under-employment, which includes people who are unemployed and wanting work as well as people who are employed part-time needing more hours, these measures are shown in figure 2 below.
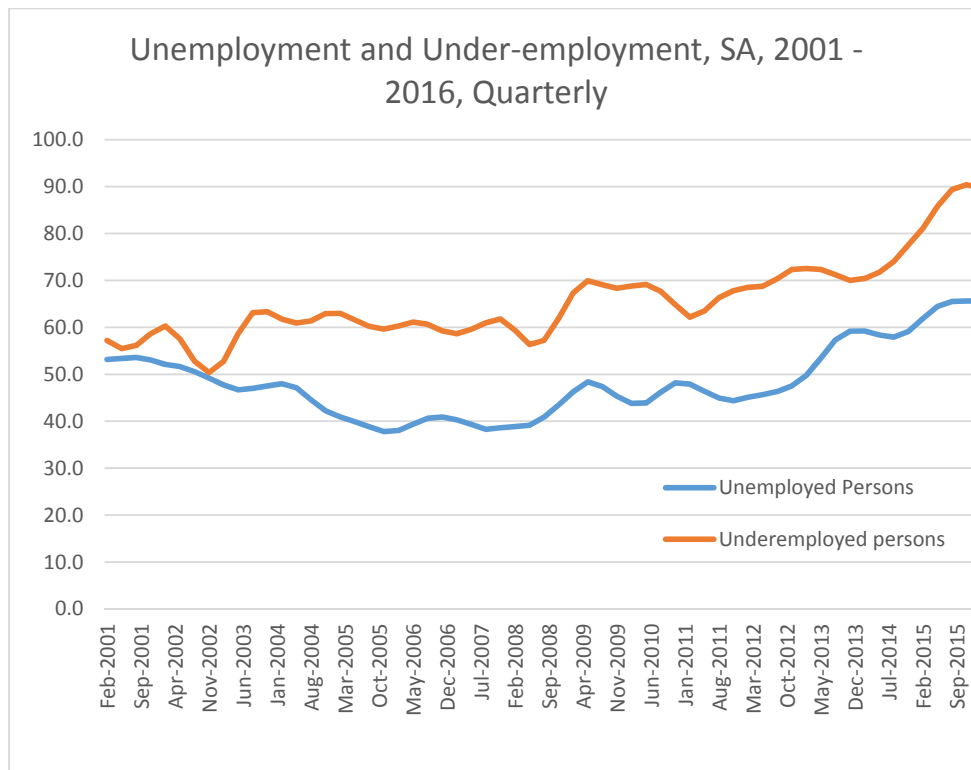

Figure 2, Source ABS Labour Force, cat no 6202.0

The unemployment rate and critically the under-employment rate have both grown steadily for South Australia since the global financial crisis, with the under employment rate the highest level recorded for South Australia since the 1970s when ABS started measuring under-employment.

As of February 2016, there were 89,600 people in South Australia either unemployed and looking for work or employed part-time needing more hours. Allowing for a 'natural' unemployment rate of about 10,000 people for South Australia (the number of people who would be between jobs under full employment), then 80,000 jobs are needed now, for South Australia to be experiencing full employment.

Job vacancies

In February 2016, there were 9,800 jobs advertised across South Australia.

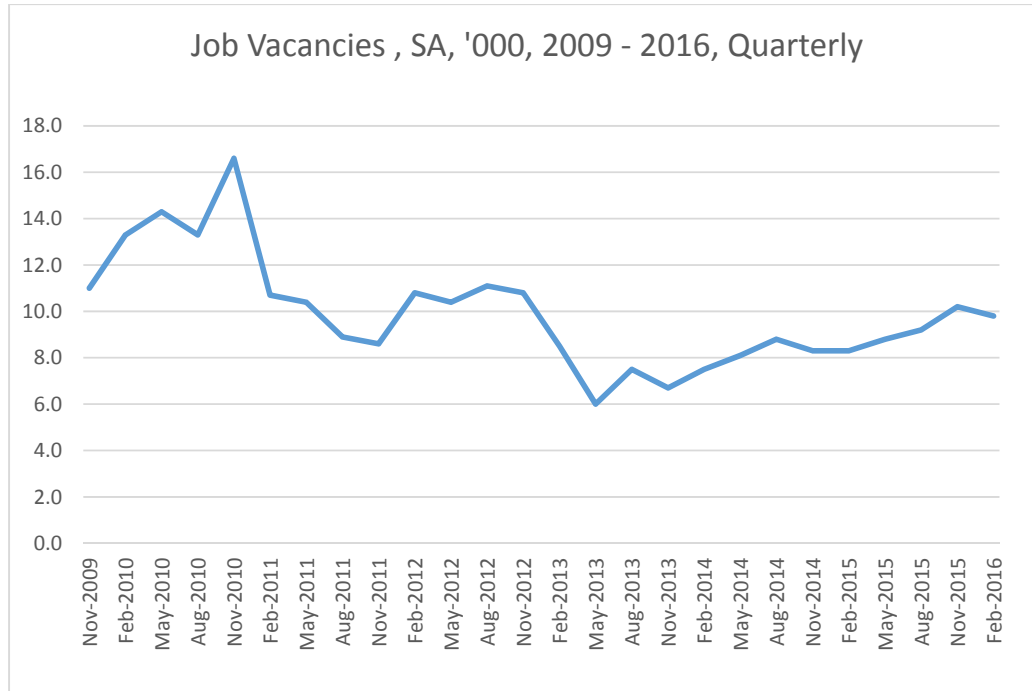Job Vacancies , SA, '000, 2009 - 2016, Quarterly

Figure 3, Job vacancies, ABS, Labour Force, cat no 6202.0

The shortfall between the nearly 90,000 jobs needed and the about 10,000 available highlights the magnitude of the challenge for the communities and businesses of South Australia and highlights that election promises must be based on a real understanding of the size of the issue with genuine strategies to deal with unemployment. A simple 'leave it to the market' mantra will simply not deliver anything like the number of jobs that are needed now.

Disadvantaged in the labour market

When labour markets are under stress, some groups of people in the community find it even harder to get a job. Jobs that were traditionally entry level positions go to people with experience, locking out younger people while older workers are targeted for separation and not seen as good employment prospects. The reality is that both younger and older workers are squeezed to higher levels of unemployment and diminished employment prospects.

Similarly people with disabilities, newer arrivals, people with a conviction and people from some regions also face extra difficulty.

Jobs policy cannot target one group of disadvantaged job seekers over another. Additional supports to assist people more disadvantaged in the labour market are essential.

<u>What's needed</u>

Informed debate and creative thinking is needed to deal with the challenge of better utilising our underused workforce. This means it is time to end the tired old game of blaming the unemployed for being out of work, and be clear and upfront about what the problem of unemployment is: it is a problem of too few jobs available. It is folly to constantly attack job-seekers when so many want work and are looking for work.

For any political party to be serious about jobs for South Australia, the following commitments need to be made.

1. Specific industry and employment growth plans. Talk about commitment to jobs on the election context needs to be informed, not hollow rhetoric. It is not an easy challenge, but it is important
2. 80,000 jobs are needed for full employment in SA – This is the size of the task at hand – lets get real about the size of the issue and focus on the facts.
3. Government backed infrastructure projects help to generate jobs. "Leave it to the market" is not an adequate plan on its own.
4. Government funded community based support services must be retained. Some people are hampered more than others in finding work. (This is about jobs and job development for everyone looking for work – no one group is more or less important than any other.)
5. Newstart allowance needs to be increased for job seekers not able to find work

We are calling on the parties to commit to target 80,000 jobs in SA by:
   a. A commitment to developing industry and jobs strategies to create new jobs, maintain existing jobs and enable the transition for workers, into new employment opportunities.
   b. A strong commitment to education and skill development, particularly for people disadvantaged in the labour market in communities with higher unemployment rates. This includes cadetships and an expanded range of apprenticeship options
   c. A commitment to support jobseekers who are unable to get the non-existent jobs, through improving New Start Allowance. (This will both assist New Start recipients to have a basic standard of living and will provide economic stimulus as additional income to New Start recipients will be spent in local communities creating local employment 'multipliers'.)

Further Information

Mark Henley

0404 067 011

MarkH@unitingcommunities.org