Australia at risk of long-term structural unemployment

Australia's unemployment rate has now been at or above 6 per cent for nine consecutive months, since June 2014 – this is unacceptably high.

The ACTU is deeply concerned that Australia is at serious risk of developing long-term structural unemployment.

Former head of Treasury Martin Parkinson warned the Abbott Government about this risk in a speech in November last year that:

"We want to avoid the risk that cyclical unemployment develops into structural unemployment, which would create significant social and economic costs". *

Today's slight 0.1 percentage point drop in unemployment to 6.3 per cent does nothing to avert this risk.

The last time unemployment in Australia was in the 6 per cent range was July 2003.

ABS figures also released today shows very few days were lost to industrial disputes in 2014.

There were 188 disputes in 2014, the lowest of any 12 month period since 2008.

Australian Unions are deeply concerned about the Abbott Government's failure to tackle unemployment and provide Australians with a plan for jobs.

Quotes attributable to ACTU President Ged Kearney:

"The longer the unemployment rate has a '6' in front of it, the worse the social and economic outlook will be for Australia.

"We are facing a real risk of developing long-term structural unemployment yet the Abbott Government has absolutely no plan to create jobs.

"With unemployment this high, it's the worst possible time for the government to cut public sector jobs, dent consumer confidence, threaten welfare payments and pursue its agenda of budget cuts.

"The Abbott Government needs to bring forward infrastructure spending to help boost economic growth and get Australians back to work."

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*Former head of Treasury Martin Parkinson's comments were made on 27 November 2014:
http://www.treasury.gov.au/PublicationsAndMedia/Speeches/2014/CEDA-27112014

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