

# Librarians affected by public employment collapse



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In a recent *Work watch* column I said that an important factor in Australia's poor training effort had been a decline in public sector employment. Data released since then confirm just how remarkable that collapse has been.

Research by the Parliamentary Library (*The Incredible Shrinking Public Sector*, 24 March 2006, ISSN 1449-8456) reveals that the public sector now has only 16 per cent of total Australian employment, compared with 26 per cent twenty years ago. Had the percentage share remained constant, there would now be 940 000 more jobs available in public employment. In 1984 the public sector had 1.7 million employees. There were 4.8 million in private sector employment. By 2005 public employment had fallen to 1.6 million, while the private sector workforce had climbed to 8.4 million.

State, territorial and federal governments have all been affected. But only the Commonwealth has declined in actual numbers, from 422 000 jobs in 1984 to 251 000 in 2005. The federal government now has only 16 per cent of all public employment compared with 25 per cent in 1984. Looking across industry sectors, while public employment fell in all of them, some were not greatly affected. But huge losses were recorded in electricity, gas and water supply (96 per cent down to 55), communications (89 per cent to 39), transport and storage (44 per cent to 9) and finance (26 per cent to 3). Almost 80 per cent of all public employees now work in education, government administration, defence or health and community services.

The paper cites a number of factors as contributors to the decline in public sector employment. Especially important was increased privatisation at both Commonwealth and State levels. Privatisation surged in the 1990s when the Commonwealth Bank was sold off. Numerous government assets followed including transport and communication enterprises, insurance offices, electricity and gas utilities. Also pivotal was the outsourcing of services. There was a massive increase in use of consultants by government departments. In Defence, for example, spending on consultants increased

from \$1.2 million in 1984/85 to \$49 million in 2004/05. Expenditure on consultants by the Department of Finance was less than half a million dollars in 1987/88 and rose to \$13 million in 2004/05. Another negative factor was use by the public sector of labour hire arrangements, in preference to direct employment. At the same time, productivity improvements created by technological advances and more efficient work practices allowed the public sector to reduce its workforce still further.

Table 1. Public sector employment share by industry

	May 1984 %	May 2005 %
Agriculture, Forestry and Fishing	3.1	0.9
Manufacturing	4.9	0.5
Electricity, Gas and Water Supply	95.9	54.7
Construction	12.2	0.5
Transport and Storage	44.4	8.9
Communication and Services	88.9	39.1
Finance and Insurance	26.1	2.8
Property and Business Services	13.3	2.5
Government Administration and Defence	93.0	90.9
Education	73.7	72.4
Health and Community Services	51.1	35.0
Cultural and Recreation Services	23.8	10.1
Personal and Other Services	31.9	27.6
All Industries	25.6	16.2

Sources:

ABS, *Wage and Salary Earners, Public Sector, Australia* (Cat. No. 6248.0.55.001)  
ABS, *Labour Force, Australia, Detailed - Electronic Delivery* (Cat. No. 6291.0.55.001)

'Revolution' is not too strong a word to describe this huge labour market shift. As well as having negative effects on Australia's training and apprenticeship systems, it has also had a massive impact on trade union membership. With public sector employment traditionally highly unionised, its decline has inevitably hit unionism hard. Traditionally, around 70 per cent of the library workforce has been employed in the public sector. So for librarians, a smaller public workforce has had a powerful effect on job opportunities. Tightness in the library labour market in recent years can now be seen as far more a result of a declining public sector than of factors specific to the occupation itself. ■

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