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ABS Unemployment figure of 4.2% hides real toll of the ‘Omicron strain’ on Australia’s employment markets

by Michele Levine, Gary Morgan and Julian McCrann

The ABS this week announced Australia’s unemployment was unchanged at [4.2% for the month of January 2022](#). However, this figure hides the over 570,000 Australians who didn’t work in January who normally would.

The ABS estimate for January counts as employed an additional [214,400 Australians who were working zero hours for ‘economic reasons’ or ‘other reasons’](#) – such as being forced into isolation for being a close contact of a confirmed case.

In addition, the [ABS notes 449,900 workers worked zero hours due to illness, injury or sick leave in January](#). This figure is nearly five times higher than the average for January from 2016-2021 of 92,880 – a difference of 357,020.

If these 571,400 non-workers (214,400 off work for economic and social reasons and 357,020 higher than usual not working due to illness) are added back the ABS unemployment estimate for December increases to 1,152,000 (8.3% of the workforce) – in line with [Roy Morgan’s unemployment estimate of 8.2%](#).

The ABS also claims there are an additional 933,000 Australians (6.7% of the workforce) under-employed for a total of 2.1 million unemployed or under-employed (15.1% of the workforce). This figure is far closer to [Roy Morgan’s estimate of total unemployment and under-employment in Australia of 2.43 million Australians \(16.6% of the workforce\)](#).

The [ABS estimate of total hours worked in January 2022](#) also underscores the full impact of the ‘Omicron strain’ on Australia’s employment market with total hours worked in the month at 1,659.4 million hours – a drop of 159.4 million hours (-8.8%) on December 2021. Although the total hours worked generally drops in January as Australians head on holiday, this was the lowest total hours worked in the economy since April-May 2020 during the initial nation-wide lockdown of over 25 million Australians.

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