

Media release

17 August 2010

Public service cuts to hit regions hard, but which ones?

The Coalition's plan to cut 12,000 jobs from the Commonwealth public service will have a significant impact on regional economies, according to a new analysis released by The Australia Institute today.

"Cutting the public service by 12,000 jobs as Tony Abbott has proposed to do via a hiring freeze will have a major impact on regional economies. When the spill over effects of job losses are taken into account the full impact on employment is estimated to be around 30,000 fewer jobs and the cities and towns that bear those losses will be hit hard," said Executive Director Dr Richard Denniss.

"There has been much debate within Canberra as to whether those job losses will be concentrated in the nation's capital or not with Liberal Senator Gary Humphries arguing that they won't. But if Senator Humphries is correct, then that raises the issue of where will the job losses likely be?"

The Australia Institute used Australian Bureau of Statistics census data to determine the current distribution of public sector employment. This data was then used to estimate the number of jobs likely to be lost in each electorate if the estimated 30,000 job losses were distributed across Australia according to the current public service employment patterns.

"If Gary Humphries is right when he says that public service job cuts will not be restricted to Canberra then the impact on regional economies will be significant. Eden Monaro, for example, would be likely to lose 536 jobs, the Queensland electorate of Herbert would lose 276 jobs, Gippsland would lose 220 jobs and Solomon in Darwin a further 227," said Dr Denniss.

"While some in the Coalition have suggested that Canberra would bear the brunt of the 30,000 job losses as 'front line' public service jobs would be protected, the Liberal Party's Senator for Canberra has suggested otherwise. While this confusion makes it unclear which regions would be hit hardest by the proposed job cuts, it is quite clear that the impacts will be significant wherever they are located.

"Cuts of 12,000 direct jobs and the associated loss of a further 18,000 indirect jobs will have a devastating impact on regional economies. The only doubt is which ones," concluded Dr Denniss.