

Finding No. 4820  
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## **The real 'truth' about Australian Unemployment revealed by Senator Penny Wong in 2007!**

Senator Penny Wong, in a reply to a letter from Marcus L'Estrange concerning Australia's true rate of unemployment had this to say: (March 8, 2007) – while in Opposition to the then Howard Government.

*“Whilst Labor is always pleased to see the official rate of unemployment drop, and to see more people gaining work, we recognise a great many people do not show up in those figures. For example, one in five part-time workers – some 600,000 people – want more work than they can get.*

*“There are also many people who are not in the labour force at all. Around 1.2 million Australians would like to work but for various reasons are not looking. Many of them are discouraged or do not have the skills employers are looking for.*

*“When you add these two factors to the nearly 500,000 officially unemployed, we know that there are around 2.3 million Australians who are officially unemployed or want more work than they can get. This is a point that I, and a number of Labor members have made on a number of occasions.”*

**Senator Wong has not repeated these statements since the ALP won Government at the 2007 Federal Election.**

Full Letter from Penny Wong: <http://www.roymorgan.com/resources/pdf/papers/20120902.pdf>

Gary Morgan says:

*“Senator Penny Wong has revealed (albeit when in Opposition in March 2007) that the Federal Government is well aware of the true state of the employment market in Australia – but is content to ‘cover-up’ the real situation in the Australian labour market to boost their standing in the electorate.*

*“[Today's ABS August unemployment figures – showing a drop in Australia's unemployment rate to 5.1% \(down 0.1% since July\)](#) defy belief and don't equate with the general unease felt in many parts of the community. Senator Wong explained succinctly the ‘disconnect’ between the ABS unemployment figures and the true state of the Australian labour market in a letter to constituent Marcus L'Estrange in March 2007 – which Mr. L'Estrange has passed on to Roy Morgan.*

*“Our own [Roy Morgan unemployment estimate shows real unemployment in Australia of 9.8% in August \(1,205,000\) and an additional 7.5% of Australians under-employed \(926,000\)](#). This is a total of 2.13 million Australians (17.3%) looking for work or looking for more work. This figure is also remarkably similar to the figure quoted by Senator Wong in March 2007 (2.3 million Australians).*

*“It is amazing that since the Rudd-Gillard Government was elected in late 2007, we have not heard Senator Wong repeat her convictions on the true state of unemployment in Australia. This also goes for the leaders in the Government including Prime Minister Julia Gillard and Treasurer Wayne Swan. All quote the ABS unemployment figures **despite the fact they are all well aware how the ABS measurement understates the true level of unemployment in Australia.**”*

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# SENATOR PENNY WONG

Labor Senator for South Australia

8 March 2007

Mr. Marcus L'Estrange  
F1/3 Woonsocket Court  
ST KILDA, VIC. 3182

*Marcus*  
Dear Mr. L'Estrange,

Thank you for your correspondence concerning the misinformation surrounding the level of unemployment in Australia. My apologies for not having been able to respond to your concerns earlier.

As you know, Australia's official unemployment rate currently at 4.6 percent means around 494,500 Australians are looking for work. To count as employed, you need to be working a minimum of one hour per week.

In collecting this information, the Australian Bureau of Statistics adopts internationally recognised measurements for employment, that is, all persons engaged in one or more hours of work during a reference period, as well as some persons temporarily absent from work. A more detailed explanation of the method used by the ABS to compile statistics on unemployment is available on their website at [www.abs.gov.au](http://www.abs.gov.au) in the area of labour force statistics.

Whilst Labor is always pleased to see the official rate of unemployment drop, and to see more people gaining work, we recognise a great many people do not show up in those figures. For example, one in five part time workers - some 600,000 people - want more work than they can get.

There are also many people who are not in the labour force at all. Around 1.2 million Australians would like to work but for various reasons are not looking. Many of them are discouraged or do not have the skills employers are looking for.

When you add these two factors to the nearly 500,000 officially unemployed, we know that there are around 2.3 million Australians who are officially unemployed or want more work than they can get. This is a point that I, and a number of Labor members have made on a number of occasions.

There are other key problems that are not revealed by the official unemployment figures. Very long term welfare dependency has increased dramatically under the Howard Government.

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Many of the people gaining work now are new entrants to the labour market, rather than these very long term welfare dependents. In addition, much unemployment is concentrated in regional areas. Teenage unemployment in many of these regions is chronic.

Labor believes that a coherent approach to employment and workforce participation must take account of all these factors, to ensure that people don't miss out on the prosperity that can come from employment.

Labor believes that Australia's growing underemployment problem means that a vast amount of potential is wasted, because a great many Australians, who would like to contribute to a more productive economy, are hampered through a lack of opportunities.

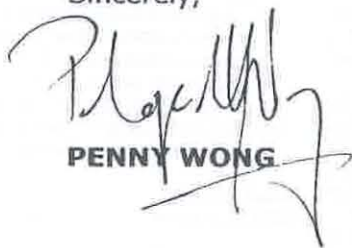
Government measures to equip Australians to participate in workforce will be needed as well as a shift in attitudes in relation to more mature workers and people with disabilities. However, little can be achieved in solving Australia's labour market problems until the Howard Government is willing to acknowledge that these problems exist.

Labor will continue to advocate strongly for far greater investment in Australian workers to ensure the economy can grow and benefit from the currently untapped resources in our community. As Shadow Minister I am developing Labor's policies aimed at achieving a more inclusive workforce that offers opportunities and security.

Late last year, I released a comprehensive discussion paper which outlined Australia's labour force participation challenges. The attached media release provides more information. Please contact my office if you would like a copy of the discussion paper.

Thank you again for your correspondence detailing your considerable thoughts on this vital issue. Your concerns are shared by Federal Labor and that we are strongly committed to solving all of Australia's employment problems.

Sincerely,



**PENNY WONG**