

## “Crooked Canberra” – both Turnbull and Shorten ignore the major problem of Australia’s real unemployment and under-employment

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**The end of the mining boom, and the concomitant rebalancing of the Australian economy, is proving a challenging time for the Australian economy – and neither Prime Minister Malcolm Turnbull nor Opposition Leader Bill Shorten have proved they understand exactly what this means for Australia’s labour markets.**

The latest [Roy Morgan May real unemployment estimates](#) show Australian unemployment of 10.7% (1.369 million) and a further 7.4% (947,000) under-employed – a total of 2.316 million (18.1%) Australians looking for work or looking for more work. This is a far more accurate figure to work from when considering the Australian employment market than the artificially low [ABS unemployment figure of 5.7% for April](#).

There is a similar disconnect apparent in US politics. The most widely quoted [US Bureau of Labor Statistics U3 unemployment measure](#) dropped to an unbelievable low of only 4.7% in May, while the more accurate U6 unemployment measure was unchanged at 9.7%. However, even this higher figure, ignores millions of Americans who aren’t considered part of the American labour force who would like work.

This is not a surprise to the Australian people. On every occasion Roy Morgan has asked the Australian people a simple question: “*The ABS Unemployment rate in (month) was x%. The Roy Morgan estimate for (month) was y%. Which do you believe is closer to reality?*” – Australians have consistently confirmed they believe the Roy Morgan unemployment estimate is ‘*closer to reality*’: [In April 2015: a clear majority of Australians \(60%\)](#) said Roy Morgan’s estimate was ‘*closer to reality*’ compared to 29% who said the ABS estimate was ‘*closer to reality*’ while 11% couldn’t say.

Presumptive Republican Presidential nominee Donald Trump is the only significant US politician seemingly able to speak the truth on this matter. [Trump recently told a rally of supporters in San Diego, California](#), ahead of this week’s California primary, that the widely publicised unemployment figures trumpeted by President Obama as an example of the so-called ‘Obama economic recovery’, were bogus:

*“We have tremendous deficits. **Don’t believe the 5 per cent. The real [unemployment] number is 20 per cent.** The United States is dying from within, its domestic infrastructure is crumbling and successive administrations have wasted \$5 trillion in the Middle East instead of using the money to create jobs and prosperity at home.”*

Respected Australian business journalist Alan Kohler was right ‘on the money’ in his article last week with the opening statements to his article – [The Australian: Confusing economics and a higher Australian Dollar – Monday June 6, 2016](#):

*“Friday’s unemployment report in the United States was a dramatic demonstration of how inadequate the old economic indicators have become. Jobs growth was shockingly weak – 38,000 versus consensus expectation of 158,000 – yet the unemployment rate fell from 5% to 4.7% because of collapsing participation.*

*“What’s going on?”*

*“The truth is that the labour market is slacker than the unemployment rate suggests. Under-employment is 9%, and people are dropping out of the labour market who would take a job if they could get one; in other words, the real unemployment rate is far higher than the official one.*

***“The same is happening in Australia.”***

The Roy Morgan Australian real unemployment figures show Kohler is right – and yet, both major party leaders aspiring to be Prime Minister after next month’s Federal election continue to ignore this reality (**the latest Morgan Poll shows next month’s Federal Election is ‘too close to call’; the ALP 51% has a narrow lead over the L-NP 49% on a two-party preferred basis**).

CNBC last week published the results of another important poll – the Harris/Express Poll which shows that the majority of Americans (59%) who have been out of work for two years or more have stopped looking for work and a huge minority of all job-seekers (43%) have stopped looking for work.

The official estimates exclude those who aren’t looking for work from the official employment estimates which lead to the large, and growing, understatement of US unemployment – the same issue that faces the ABS unemployment estimates.

As the CNBC article points out:

*“The number of people of all ages whom the Government considers ‘not in the labor force’ swelled by 664,000 [in May] to a record 94.7 million Americans, according to Labor Department data.”*

Instead of dealing with this issue seriously – the biggest issue Australia faces following the end of the mining boom – **Opposition Leader Bill Shorten ‘appears’ more interested in protecting his union colleagues and the potentially illegal enterprise agreements struck between unions and large businesses to pay workers below award rates.**

A special snap SMS Morgan Poll last week showed a clear majority of Australians (77%) say the Federal Government should establish a National Crimes Authority to investigate unions and large employers paying workers below award rates. Clear majorities of L-NP voters (85%), ALP voters (69%), Greens voters (71%) and supporters of Independents/Others (85%) all agree the National Crimes Authority should be established.

The special snap SMS Morgan Poll followed the ruling by the Fair Work Commission on Wednesday June 1, 2016 overturning Coles’ enterprise agreement to pay its workers below award rates. Several other large employers have struck these ‘cosy’, and illegal, deals with the large unions and these deals are driving small businesses ‘to the wall’.

**Corrupt dealings between unions and large employers need to be ‘openly’ tackled by both Turnbull and Shorten showing leadership to change Australia’s most significant problem of Australia’s flawed industrial relations system and the resulting massive ‘cash economy’ – both completely ignored by the August 2015 Productivity Commission Draft Report into Australia’s Workplace Relations Framework – which only once mentioned the ‘cash economy’!**

## Morgan Poll Accuracy — Recent Elections State & Federal (2006 – 2013)

The Morgan Poll has proven to be consistently the most accurate regular poll in recent Australian Elections — including the 2013 Federal Election, 2010 Federal Election, 2007 Federal Election, 2010 Victorian State Election & 2012 Queensland State Election.

The Morgan Poll was the most accurate of all polling companies at [the 2013 Federal Election](#) for the two-party preferred vote (L-NP: 53.5% cf. ALP 46.5%) (sample 4,937 electors).

The Morgan Poll was the most accurate of all polling companies at [the 2007 Federal Election](#) for both primary vote and two-party preferred predictions (sample 2,115 electors).

The Morgan Poll accurately predicted [that the ALP would win the 2006 Queensland Election with a reduced majority](#) (sample 604 electors).

The Morgan Poll accurately predicted [that the ALP would win the 2006 Victorian Election with a reduced majority](#) (sample 956 electors). The Morgan Poll was also the most accurate on the primary vote of the major parties for the Victorian election.

**Note:** The [discussion on Possum Pollytics](#) regarding Morgan and Newspoll is well worth reading.

The following included comment says it all: “I find it interesting that for the only poll in the last five years for which there is any ‘real’ figure with which to compare, i.e. the polls immediately before the 2004 election, Morgan (45.5%) was closer to the actual Coalition Primary (46.7%) than Newspoll (45%) or Nielsen (49%), and Morgan (38.5%) was also closer to the ALP actual primary (37.6%) than Newspoll (39%), and only marginally further away than Nielsen (37%). Since we have no idea of how far away the ongoing polls are from ‘reality’ (whatever that means), surely we should just go with what we know, that in the most recent testable case, Morgan was better at forecasting the actual primary vote than Newspoll. On what possible basis should we decide that the Newspoll or Nielsen primary vote estimate is ‘better’ than Morgan’s.”

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### Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. The following table gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. The figures are approximate and for general guidance only, and assume a simple random sample. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
1,000	±3.2	±2.7	±1.9	±1.4