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On September 19, 2012

Senator Penny Wong refuses to answer questions on Australia's real unemployment and under-employment – Over 2 million

By Gary Morgan, Michele Levine & Julian McCrann

Yesterday Senator Penny Wong in the Senate repeatedly refused to answer questions regarding Australia's unemployment and under-employment figures – even refusing to back up statements she made whilst in Opposition only five years ago. Senator Wong was asked several times to clarify her statements of five years ago including that “we know that there are around 2.3 million Australians who are officially unemployed or want more work than they can get.”

The full transcript of the exchange is recorded in Hansard for Tuesday September 18, 2012 (And is attached). Following are some of the questions directed at Senator Wong in her capacity as the Minister representing the Minister for Employment Participation (The Honorable Kate Ellis MP).

Senator IAN MACDONALD (Queensland) (14:48): “My question is to the Minister representing the Minister for Employment Participation, Senator Wong. I ask the minister: does she recall her letter to Mr. Marcus L'Estrange on 8 March 2007, where she argued that the official unemployment figures did not accurately reflect the real figures of unemployment and underemployment in Australia? I ask the minister does she stand by her statement in that letter of the disconnect between ABS unemployment figures and the true state of the Australian labour market? Just to help the minister, two very simple and brief questions does she recall her argument in that letter about the official unemployment figures, and does she stand by her statement about the disconnect between the ABS unemployment figures and the true state of the Australian labour market?”

Senator George Brandis: “Mr. President, the minister specifically said she would not answer the question. You directed her to do so. The question asked whether the minister stood by a statement concerning employment statistics, which she had made earlier some years ago. You should direct her to the question does she stand by that which she once said?”

Senator Ian Macdonald: “Does she agree with the statement made by a Senator Wong in 2007 about the disconnect between the ABS unemployment figures and the true state of the Australian labour market? So what I am saying to the Minister representing the Minister for Employment Participation is: does she agree with a statement that a Senator Wong made in 2007 regarding the disconnect between the official unemployment figures and the true state of the Australian labour market?”

Senator IAN MACDONALD (Queensland) (14:55): “I am not sure whether Senator Wong agrees with Senator Wong, but I will try a supplementary question. Does the minister agree with the Roy Morgan organisation estimate which shows that the real unemployment number in Australia is currently 1.2 million people—that is, 9.8 per cent of the workforce—and that an additional 7.5 per cent of Australians—that is, 926,000 people—are underemployed? That is, a total of 2.13million Australians, or 17.3 per cent, are looking for work or looking—“(Time expired)

Senator Penny WONG (South Australia—Minister for Finance and Deregulation) (14:56): “I am not quite sure what the question means, other than he might be a little bit obsessed with me, but that is okay. What I would say is this: the ABS does publish statistics on the labour market and that includes the unemployment rate, it includes—“

Senator Ian Macdonald: “Mr. President, I rise on a point of order going to direct relevance. I did not ask about the ABS figures; I said: does Senator Wong, as the representative minister, agree with the Roy Morgan organisation figures which show that 17.3 per cent of Australians are unemployed or underemployed? That is what I asked. Do you agree with that, Minister, or don't you? If you don't, what are your figures?”

There were several other attempts by Senators Ian McDonald and George Brandis to ask Senator Wong to clarify her statements of five years ago, although Senator Wong continually refused to answer the question and simply referred back to the ABS unemployment figure ([5.1% in August 2012](#)) that five years ago she had comprehensively proved understated the true level of Australia's unemployment and under-employment.

Last week Roy Morgan published in full Senator Penny Wong's March 8, 2007 letter to Marcus L'Estrange outlining why the ABS unemployment figures do not provide a full picture of the true level of unemployment and under-employment in Australia. The full letter, and accompanying release is available for viewing here: <http://www.roymorgan.com/resources/pdf/papers/20120902.pdf>

The most important statements made by Senator Penny Wong in reply to a letter from Marcus L'Estrange concerning Australia's true rate of unemployment follow: (Made by Senator Wong while in Opposition to the then Howard Government on March 8, 2007).

“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.”

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

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

For further information:

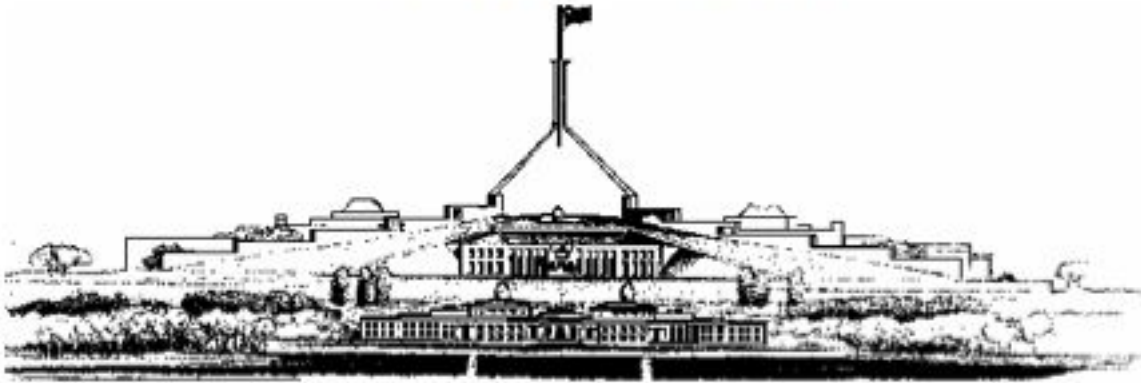
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COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

QUESTIONS WITHOUT NOTICE

Employment

QUESTION

Tuesday, 18 September 2012

BY AUTHORITY OF THE SENATE

QUESTION

Date Tuesday, 18 September 2012
Page 19
Questioner Macdonald, Sen Ian
Speaker

Source Senate
Proof Yes
Responder Wong, Sen Penny
Question No.

Employment

Employment

Senator IAN MACDONALD (Queensland) (14:48): My question is to the Minister representing the Minister for Employment Participation, Senator Wong. I ask the minister: does she recall her letter to Mr Marcus L'Estrange on 8 March 2007, where she argued that the official unemployment figures did not accurately reflect the real figures of unemployment and underemployment in Australia? I ask the minister: does she stand by her statement in that letter of the disconnect between ABS unemployment figures and the true state of the Australian labour market? Just to help the minister, two very simple and brief questions: does she recall her argument in that letter about the official unemployment figures, and does she stand by her statement about the disconnect between the ABS unemployment figures and the true state of the Australian labour market?

Senator Chris Evans: Mr President, I rise on a point of order. I think the senator is asking a question of Senator Wong about a letter she wrote not in her capacity representing the minister for employment. He sought to ask her a question in her capacity representing the minister for employment and then referred to a letter that I think he asserts Senator Wong wrote not in that capacity. Clearly that is out of order. He is not asking a question of Senator Wong in her capacity, as he pretended he did. Mr President, on that basis, it is not a question directed at her in her responsibility in representing the minister for employment and it ought to be ruled out of order.

The PRESIDENT: There is no point of order.

Senator Chris Evans: There is.

The PRESIDENT: Order! There is not. I have listened closely to the question. I believe the question is in order. The minister can answer that part of the question which does refer to her portfolio in the representational capacity that she has been asked. It is the minister representing the Minister for Employment Participation.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:51): Mr President, there

is no aspect of that question within the representing portfolio.

Senator Brandis: Mr President, on a point of order.

The PRESIDENT: The question has been answered but I will take your point of order.

Senator Brandis: Mr President, the minister specifically said she would not answer the question. You directed her to do so. The question asked whether the minister stood by a statement concerning employment statistics, which she had made earlier, some years ago. You should direct her to the question: does she stand by that which she once said?

Senator Jacinta Collins: Mr President, I rise on a point of order. I understand that you are keen to progress dealing with this matter but it is important that it be understood very clearly before us the nature of the response, which has been completely misrepresented by Senator Brandis. Senator Wong clearly indicated that there was no aspect of that question that fits within her representation of the minister.

The PRESIDENT: Order on both sides! The minister did answer the question. I cannot instruct a minister how to answer the question. The minister did give an answer. I cannot instruct a minister and direct a minister how to answer the question. That is something that the minister has in their own right.

Senator Ian Macdonald: Mr President, I rise on a point of order. I asked the Minister for Employment Participation: does she agree with the statement made by a Senator Wong—

The PRESIDENT: No—I understand she is representing the minister. You said 'as the minister'.

Senator Ian Macdonald: As the minister representing the minister.

The PRESIDENT: Yes, that is correct.

Senator Ian Macdonald: Does she agree with the statement made by a Senator Wong in 2007 about the disconnect between the ABS unemployment figures and the true state of the Australian labour market?

So what I am saying to the Minister representing the Minister for Employment Participation is: does she agree with a statement that a Senator Wong made in 2007 regarding the disconnect between the official unemployment figures and the true state of the Australian labour market?

Senator WONG: The ABS utilises definitions in relation to the official unemployment figures which have been in place for some time. I can take on notice how long, but my recollection is they certainly have used the same definition under both parties of government.

Senator Ian Macdonald: Mr President, I rise on a point of order. My question was: does the Minister representing the Minister for Employment Participation agree with a statement by a Senator Wong about the disconnect? Either the minister for employment participation representative agrees with the statement of a Senator Wong back in 2007 or she does not. That is the question. I did not ask for a definition or explanation.

Senator Jacinta Collins: Mr President, there is no point of order. Senator Wong is dealing with relevant background to the question, very generously given the nature of the question, and I suggest that the opposition listen.

The PRESIDENT: I have said this before: I am not able to tell the minister how to answer the question. I believe that the minister was answering the question. The minister still has 42 seconds remaining to answer the question. I call the minister.

Senator WONG: I am, of course, as always, flattered by the senator's interest in me and everything I have said through the years, but what I was trying to explain to him—

Senator Brandis interjecting—

Senator WONG: I am not sure if I should take that as a compliment or otherwise, Senator Brandis.

The PRESIDENT: Order! Ignore the interjections, Senator Wong.

Senator WONG: What I was trying to explain to him is that the ABS definition of unemployment is transparent, is available on their website and is, as I said—and I will check this—the same as was in place when Mr Costello was Treasurer. Obviously, the unemployment rate does not measure those not in the labour force, as it did not when Mr Costello was Treasurer.

Senator IAN MACDONALD (Queensland) (14:55): I am not sure whether Senator Wong agrees with Senator Wong, but I will try a supplementary question. Does the minister agree with the Roy Morgan organisation estimate which shows that the real unemployment number in Australia is currently 1.2 million people—that is, 9.8 per cent of the workforce—and that an additional 7.5 per cent of Australians—that is, 926,000 people—are underemployed? That is, a total of 2.13 million Australians, or 17.3 per cent, are looking for work or looking— (*Time expired*)

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:56): I am not quite sure what the question means, other than he might be a little bit obsessed with me, but that is okay. What I would say is this: the ABS does publish statistics on the labour market and that includes the unemployment rate, it includes—

Senator Ian Macdonald: Mr President, I rise on a point of order going to direct relevance. I did not ask about the ABS figures; I said: does Senator Wong, as the representative minister, agree with the Roy Morgan organisation figures which show that 17.3 per cent of Australians are unemployed or underemployed? That is what I asked. Do you agree with that, Minister, or don't you? If you don't, what are your figures?

The PRESIDENT: There is no point of order. The minister still has 38 seconds remaining to answer the question. I have been listening to the minister's answer. I believe the minister is in order.

Senator WONG: The official unemployment rate is 5.1 per cent. That reflects some softening in the labour market, as the senator may or may not know. The participation rate did also shift on a seasonally adjusted basis to 65 per cent, which is down by 0.2 per cent. If the senator is referring to the figures which are not the official unemployment rate figures, I will see if I can find any additional information to assist him on this matter.

Finding No. 4820
Available on Website: www.roymorgan.com
On September 6, 2012

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

Marcel
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 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.

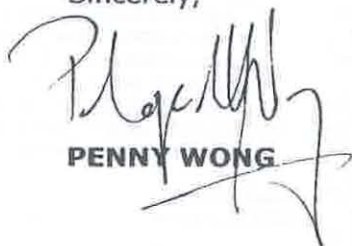
Government measures to equip Australians to participate in workforce will be needed as well as a shift in attitudes in relation to more mature workers and people with disabilities. However, little can be achieved in solving Australia's labour market problems until the Howard Government is willing to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