

INDUSTRIAL RELATIONS

Voters sceptical of official unemployment figures, Roy Morgan research finds



The Australian Bureau of Statistics follows a strict definition of unemployment

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More than half the country, including two-thirds of Queenslanders, believes the unemployment rate is at least double the actual level, according to new polling that suggests the government faces a hard slog convincing voters of a jobs boom.

Almost 60 per cent of Australians surveyed, including 70 per cent of 18 to 24 year olds, think the unemployment rate is closer to 10, 15 or 20 per cent — far above the official level of 5.5 per cent, according to exclusive polling by Roy Morgan.

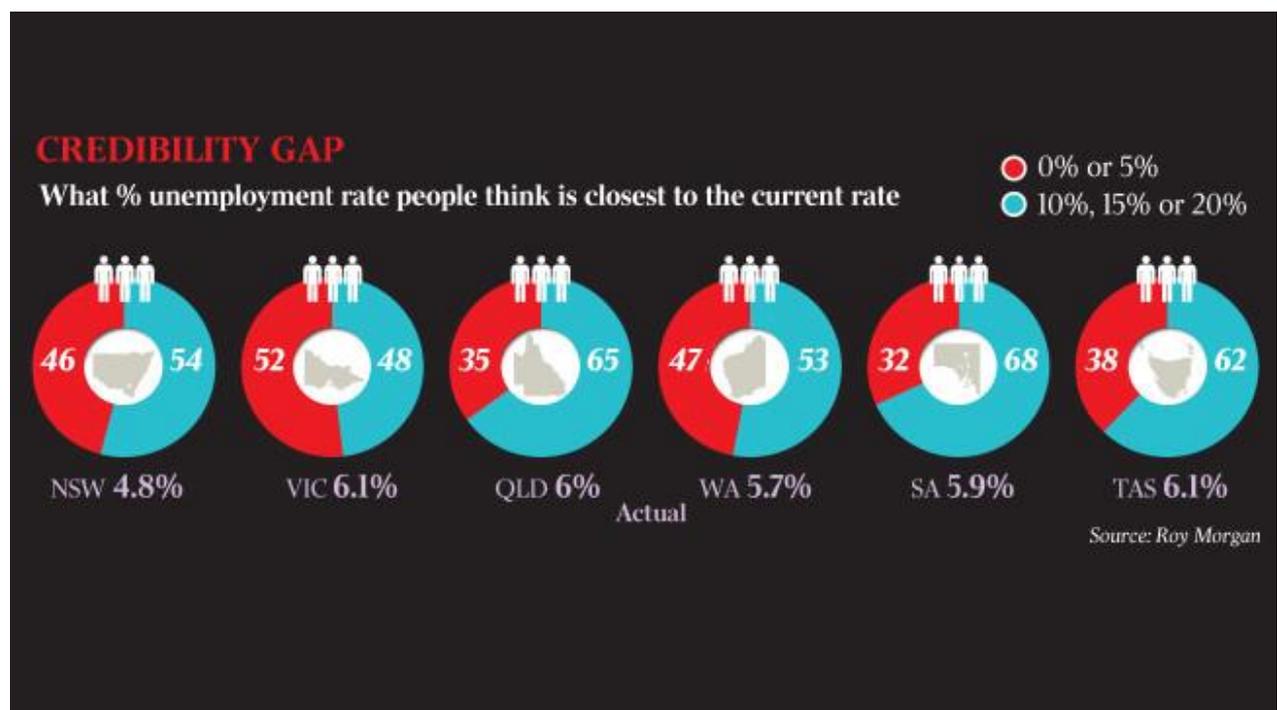
Executive director Gary Morgan said “everyone” knew the official figures were “nonsense”.

“The polities know it, the ABS knows it, the Australian people know it,” he said, suggesting the popularity of Nick Xenophon’s SA Best party in South Australia was linked to a lack of honesty about the labour market.

The unemployment rate fell from 5.7 per cent to 5.5 per cent last year on the back of a 400,000 record increase in employment.

While 730,000 people were classified as unemployed in December, an extra 1.32 million wanted to work but were not counted as unemployed, according to the most recent assessment.

The Australian Bureau of Statistics and other national statistical agencies follow a strict definition of unemployment that counts people as unemployed only if they have applied for a job in the past four weeks and are ready to start work in the week of the survey.



As of February last year, 985,000 Australians “wanted to work but were not actively looking for work and were available to start work last week or within four weeks”, according to the ABS’s most recent assessment. A further 275,000 wanted a job but weren’t available to start yet. To be counted as employed, people must be working at least one hour a week.

The Roy Morgan survey, conducted in mid-January, asked about 3400 Australians whether they thought the unemployment rate in their state was closest to 0, 5, 10, 15 or 20 per cent.

Almost one-third of South Australians and Queenslanders suggested 15 or 20 per cent, which is about triple the official rates in those states. Only in Victoria did more than half of respondents choose 5 per cent.

Mr Morgan said South Australia's Labor government had "covered up" the real unemployment rate by "increasing government jobs and government spending — like other state governments — creating a false and unsustainable economy".

"It's why the minor parties are doing so well because neither side of politics will speak the truth about unemployment or underemployment," he added.

Economists worldwide have struggled to explain a recent slowdown in wage growth at the same time as unemployment rates have been falling.

Roy Morgan reckons a more realistic unemployment rate would be 10 per cent. "Despite a lot of head-scratching about why wages growth is near record low levels, our real unemployment and underemployment figures show that nearly 20 per cent of the Australian workforce is either out of work or underemployed and looking for more work," said Michele Levine, chief executive at Roy Morgan.

While media attention focuses on the unemployment rate, the ABS also calculates an under-utilisation rate, which was 13.7 per cent in December. It adds together unemployed and underemployed (those in work who want, and are available to work, more hours).

Link: <https://www.theaustralian.com.au/national-affairs/industrial-relations/voters-sceptical-of-official-unemployment-figures-roy-morgan-research-finds/news-story/414cce5eb01f95df01ed7e41cd6c6c6f>