

03 April 2009

## Media release

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### True unemployment rate now at 11.3 per cent

The number of Australians out of a job is significantly more than widely reported, according to The Australia Institute.

An analysis of new Australian Bureau of Statistics data by The Australia Institute reveals that in September 2008 there were 780,900 people who did not have a job, wanted to work but were not included in the unemployment figures.

Taking account of these 'hidden unemployed' brings Australia's real rate of unemployment to 11.3 per cent. The official rate is currently stated as being 5.2 per cent.

'For every person officially recorded as unemployed there are some 1.6 people, the hidden unemployed, who would also like to work and are available to start,' commented David Richardson, Senior Research Fellow at The Australia Institute.

'Combining the official unemployment rate with the hidden unemployment rate gives a more accurate picture of the number of jobless in Australia.

'With the global financial crisis causing further deterioration in the job market and a surge in welfare claimants forecast as a result, it is time for the Government to address the inadequate benefits available to the unemployed.'

The Australia Institute recommends that unemployment benefits be increased by \$56 a week for singles and \$64 for couples to bring their payments in line with the age and disability pensions.

'Newstart Allowance has been steadily declining relative to average incomes and the age pension for some time. This widening gap between the unemployed and the rest of society needs to be tackled at some point and the current economic crisis provides an obvious opportunity,' concluded Mr Richardson

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#### Notes to Editors

1. The Australian Bureau of Statistic's annual 'Persons Not in the Labour Force, Sep 2008' was released on Friday 27 March.

2. Hidden unemployment refers to those aged 15 to 69 with marginal attachment to the labour force but who were actively looking for work (70,200 people) and those who wanted to work, were not actively looking but were available to start work within four weeks (710,700 people). These tended to list their main activity as attending an educational institution, household duties and caring for children. These people satisfied some but not all of the criteria necessary to be classified as unemployed.
3. To be classified as unemployed by the ABS in the reference week (the week before the ABS interview), people had to be aged 15 years and over, not employed during the reference week, had to have actively looked for full-time or part-time work in the four weeks up to the end of the reference week, were available for work in the reference week; or were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.
4. The Australia Institute's submission to the Henry Tax Review 'Increasing the Newstart Allowance: A necessary part of equitable fiscal stimulus' is available on our website [www.tai.org.au](http://www.tai.org.au)