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Record low jobless masking poverty

EMacdonald

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The ACT's unemployment rate has hit a record low of just 3per cent - the best result since 1978, when the Australian Bureau of Statistics started collecting labour force figures.

Yet an Australian National University economist warned that continuing "good news" regarding unemployment and economic conditions in the territory had masked pockets of low-skilled unemployed Canberrans who were raising children in a jobless environment - a problem just as critical as the current skills shortage, but one not being addressed by policy-makers.

Dr Andrew Leigh, an economist within the Research School of Social Sciences, has issued a call to the ACT Government to consider offering wage subsidies to low-skilled workers to counter a prevailing trend of under-employment in this group, as well as the potential impact of the Commonwealth's new welfare changes.

"Policy-makers need to recognise that workers who stop searching for a job, or move on to the Disability Support Pension, don't show up in the unemployment statistics," Dr Leigh



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said.

According to the ABS's latest report, Australia's unemployment rate stayed steady at 5per cent in August, despite a surge in jobs.

Another 32,600 jobs were added to the workplace, with total employment reaching 10.067million people, but despite the increase in total employment, the number of people out of work actually increased by 5100 to 530,000.

Unemployment was up in NSW (to 5per cent from 4.8per cent), Queensland (5.3per cent from 5per cent) and South Australia (4.8per cent from 4.6per cent).

It fell in Victoria (down to 5.2 per cent from 5.4per cent), Western Australia (4.4per cent from 4.8per cent), the Northern Territory (4 per cent from 4.7per cent) and the ACT (3per cent from 3.1per cent).

The last record low for the ACT - before the steady drop the territory has witnessed since 1999 - was in July, 1986, when unemployment reached 4.3per cent.

Dr Leigh said an important measure of employment was to consider the share of adults in the workforce. On this measure, the proportion of workers aged 25-64 in the ACT had actually fallen since 1978. Today only about 60per cent of adults in the ACT have a full-time job.

For men with less than 10 years of education, the unemployment rate is

around 50per cent, compared with 80per cent for those with a university degree. For women, the situation is worse - only 30 per cent of low-skilled women are employed, compared with 60per cent of skilled women.

According to Dr Leigh, "the best reason to worry about employment rates is for the sake of children growing up in workless households" with research showing they were far more likely to end up jobless themselves.

He believed the challenge for the ACT was "real jobs creation... focused on those with least education".

And one of the most successful international models was to provide wage subsidies - which increased the dollar value of income earned once someone got a job.

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