



Coalition urged department to 'massage' data

EXCLUSIVE

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MINISTERIAL advisers encouraged federal officials to "massage" their economic forecasts to match Tony Abbott's vow to create one million jobs over the next five years amid concern the original estimates would fall short of his target.

Asking department experts to adjust their figures, the advisers to Employment Minister Eric Abetz sought to add 160,000 jobs to the projections due this week.

Their messages contributed to a wholesale revision of the department's work to produce forecasts with 15,000 more construction jobs, 20,000 more healthcare jobs, 20,000 more retail jobs and similar gains in other sectors.

The exchanges, revealed to *The Australian*, highlight the

government's anxiety about jobs growth as it fights off Labor attacks over layoffs at big companies including Qantas, Ford, General Motors Holden and Toyota.

Economists within the Department of Employment responded to the pressure by applying a higher growth rate to their original estimates despite their frustration at the interference.

The labour market analysts dumped their original projections for 838,100 new jobs over the next five years and replaced it with the higher figure suggested by the minister's adviser, Josh Manuatu.

"As previously indicated, the government firmly believes that our one million job target can be met subject to job creating policies passing the Senate such as abolishing the carbon tax," Mr Manuatu wrote.

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Mr Manuatu sent the February 24 email to department officers and his

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Part of an email sent by government adviser Josh Manuatu to Employment Department officials on February 24

Budget Estimates 2014-15

Education and Employment Senate Committee

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Tabled by: Senator Cameron



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fellow ministerial advisers. The department's deputy secretary, Jennifer Taylor, then spoke to him about his request.

Emails obtained by *The Australian* show Senator Abetz's office asked the department to "scale up" the projections and that this was agreed to. Only after further talks over several days did the minister's office give ground and agree to reinstate the original figures, despite complaining about the department's "passive resistance" to the instructions.

The Australian understands the minister's office has now accepted that the final report will show the addition of 838,100 jobs over the next five years, as departmental analysts originally intended.

While work was done on projections to fit the Coalition's target of one million jobs, this may not be released. Some economists have cast doubt on Mr Abbott's five-year jobs target — a key election pledge — given the uncertainty about economic growth over the next few years.

Jobs growth has rebounded in the short term, with the Australian Bureau of Statistics last week reporting an increase of 50,000 jobs across the economy in the three months to the end of February.

But a long-term analysis by the Parliamentary Library late last year, requested by Labor, estimated jobs growth would be 200,000 short of the Coalition pledge. The Department of Employment projections, which are produced each year and carry influence among analysts, will intensify the doubts over the target by showing a lower number than the government would like.

One person aware of the process said the minister's office had attempted to "massage" the figures before being rebuffed.

The most recent version of the

departmental report relayed to *The Australian* maps out the addition of 838,100 jobs over five years to November 2018, a 7.2 per cent increase in the workforce.

The outcome includes hard times for some, such as the loss of 40,300 manufacturing jobs and 2800 farming and forestry jobs.

Those losses are more than offset by big gains in construction, healthcare, education, transport, accommodation and food.

In contrast, the guidance from Senator Abetz's advisers on February 24 led to a projection of one million jobs over the same period, based on growth of 8.6 per cent.

Manufacturing job losses were trimmed to 28,700 under the government's preferred analysis.

The job losses originally estimated for farming and forestry disappeared in the revision.

Instead, the sector added 1300 jobs when analysts met the ministerial request to "scale up" the growth rate.

A key factor in the tussle over the jobs outlook is the use of last December's budget update from Treasury, the mid-year economic and fiscal outlook, as the basis for the departmental projections.

Labor and its supporters believe the MYEFO growth forecasts are being set too low by the government, to exaggerate the scale of future budget deficits.

The government is standing by the current growth forecasts while arguing that its policies to scrap the carbon tax, mining tax and other "red tape" will spur higher growth and ensure the five-year job target will be met.

A spokeswoman for Senator Abetz said the Department of Employment had offered to provide the alternate forecasts. Asked if the minister or his office had interfered in the department's analysis and sought to "massage" the figures, spokeswoman Erika Seymour rejected the idea.