



Australian Council of Trade Unions

MEDIA RELEASE

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Jobs data shows stimulus is working and must be maintained, say unions

A drop in Australia's jobless rate is welcome and shows the Federal Government's economic stimulus should be maintained, say unions.

An extra 40,600 Australians found work last month – including 35,400 new full-time jobs.

ACTU Secretary Jeff Lawrence said these tentative signs of an improved employment outlook were good news, as was the growth in hours worked last month.

But he warned that the improvement could be undone by this week's increase in official interest rates by the Reserve Bank.

"Signs that unemployment may not be as bad as previously forecast show that the stimulus action taken by the Government is working," Mr Lawrence said.

"But we need to remember that even with today's improvement, there are still almost 170,000 more Australians looking for work than there were a year ago.

"And there are also more than 220,000 employed people who want more hours at work.

"It should also be noted that these numbers are patchy, and unemployment worsened in Queensland, Western Australia and Tasmania.

"At this stage, it still pays to be cautious about tightening monetary policy.

"There is no case for winding back the fiscal stimulus at this stage.

"It is particularly important to maintain stimulus as the next wave of spending will be on nation-building infrastructure, which will not only provide jobs in the short term, but set up a more prosperous and competitive Australian economy for the future.

"Premature action to contain growth could send the economy into a second downturn.

"It would be counter-productive and put Australia's economic recovery at risk if the stimulus was cut, as the Coalition is recklessly proposing," said Mr Lawrence.

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