

Rising unemployment means Government stimulus spending must not be wound back, say unions

The latest employment data released today shows that every month thousands of Australians are still losing their jobs as a result of the Global Financial Crisis, and the Australian economy is still struggling, say unions.

Unemployment rose to 5.8% and the 670,100 people out of work – an increase of 11,100 in October - is the highest since 2002.

Almost all of the employment growth in the past month was in part-time work, with just 3000 full-time jobs created.

ACTU Secretary Jeff Lawrence said the Federal Government's stimulus and infrastructure investment package was working, and had to be maintained during a delicate period for the economy.

"Australia's economy has been one of the more resilient in the Global Financial Crisis because of the Government's early stimulus spending," Mr Lawrence said.

"But there are still 171,000 more people out of work than a year ago – that is almost 3300 a week.

"The revised official government economic forecast earlier this month reveals about 95,000 more Australians will be jobless by the middle of next year.

"It is also disturbing that the unemployment rate in the nation's biggest economy, New South Wales, has leapt back above 6%.

"Aggregate monthly hours worked has fallen, indicating there are probably also more Australians suffering from underemployment than a month ago.

"Today's data clearly shows that the champagne corks should be firmly placed back in the bottle."

Mr Lawrence said withdrawing the stimulus and infrastructure investment program at this stage would put Australia's economic recovery at risk.

"Without that action, unemployment would undoubtedly be higher," he said.

"This spending must be maintained not only to continue creating jobs, but also to rectify the massive deficit of infrastructure spending left behind by the former Coalition Government.

"Employers must continue to pull out all stops to retain jobs and create more full-time work.

"It is an outrage that the average top company CEOs took home more than \$2 million last year, while tens of thousands of working Australians are unable to find jobs as a result of the greed and mismanagement that led to the GFC."

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