media release

ACTU
australian council of trade unions

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Jobless rise must stop interest rates hiking

Australian Unions say today's rise in the unemployment rate means the Reserve Bank has already cooled the economy and lifting interest rates again next month would put more jobs at risk.

Unemployment increased to 4.9% in October, from 4.7% the previous month, according to ABS labour force figures released today. 44,000 workers lost their jobs last month, taking unemployment to its highest level since the pandemic lockdowns.

Working Australians are hanging on by a thread and the weakening jobs outlook should signal to the Reserve Bank that a sixth interest rate increase would cause unsustainable economic hardship and ultimately, more job losses.

Parts of corporate Australia have already embarked on a cycle of job shedding under the cover of global economic uncertainty, and AI out-sourcing strategies to offshore and bring about job cuts.

The Reserve Bank should not do anything to accelerate this process, while big businesses take the low road strategy of outsourcing, offshoring and wiping out jobs, instead of engaging with their workforce to make their operations more productive.

On Tuesday, the minutes from the last RBA monetary policy board were released showing that three board members voted against raising rates on the grounds that "the economy might be near the point of entering a materially sharper downturn and pointed to the costs in terms of unemployment". Today's unemployment results confirm their concerns.

The RBA had forecast earlier in November that unemployment would only reach 4.7% by the end of this year, a bad error given today's results and corporate Australia's foreshadowing of more significant job losses to come.

The RBA Board next meets on 7 and 8 December 2026.

Quotes attributable to ACTU Secretary, Melissa Donnelly:

"Workers are absolutely at the limit of being able to take on any more rate rises. A long struggle with high prices all year should not be repaid with job uncertainty and job losses.

"Big business is treating workers like items on a spreadsheet to be cut in the name of technological advancement, AI and automation, or some combination that ignores the impact on workers.

"What NAB, Qantas, CBA and other firms are doing is a combination of AI outsourcing strategy, with technology partners employed to outsource the work to developing countries, where it will be performed with the assistance of AI, while companies work on automating the entire workflow.

"Whether that automation ever takes place is unknown, what is clear is that AI is leading to job cuts in Australia because companies are engaging in this low-road strategy and making the active decision to cut the costs of their existing processes, rather than engaging with their workforce to lift productivity.

"In this already volatile environment, the Reserve Bank must uphold its dual mandate to protect jobs and manage inflation, instead of paying lip service to the pain its rate increases cause but going ahead with them anyway.

“So many people are just one expense away from keeping their heads above water, and the Reserve Bank should look through its inflation taming obsession to see the workers who are hanging on by a thread.”

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