

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 2012

15 – 17 February 2012

Question: AET 1275

Topic: Unemployment rate

Hansard Page: 8 (Thursday 16 Feb)

Senator Cormann asked:

You have one in the Mid-Year Economic and Fiscal Outlook of 5.5 per cent for this year and next and we have a statement from acting Treasurer Shorten who says that the unemployment rate would be heading to six per cent this year. I am interested to know what it is. Is it 5.5 per cent or is it six per cent?

Senator Wong: I will see if we can provide you with any further information. I have just seen the article. It is not a quote so I do not know to what extent it reflected what was actually said. What he said was, in quotation, 'I've got to release the December unemployment numbers today and I expect they will go up slightly.' What I would say is we have reflected the risks in the global outlook about which there has been much discussion and the consequences for Australia in the MYEFO. There is quite a lengthy discussion about that. That is consistent with the sort of approach or the views that were expressed by the RBA in the recent statement. We have taken those things into account.

Senator, yes, I do think you are one of the people in the coalition who says he cares about these issues. I wish you applied 1/10th of the scrutiny to your own numbers that you appear to want to apply to the government's. Your leader has just added \$2.4 billion to your \$7 billion of cuts.

Answer

The 2011-12 Mid-Year Economic and Fiscal Outlook (MYEFO) presents the most recent economic forecasts underpinning the budget estimates. The 2011-12 MYEFO forecasts the unemployment rate to be 5 ½ per cent in both 2011-12 and 2012-13.