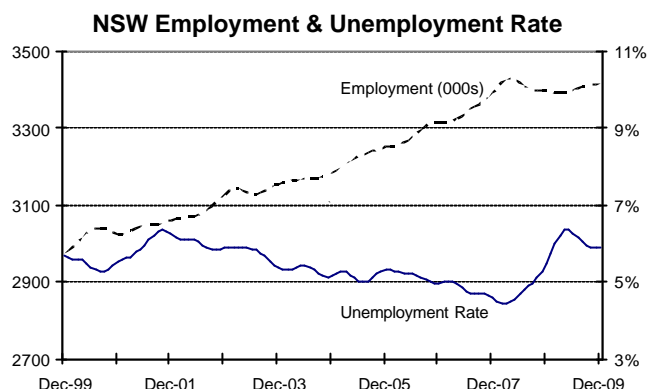




NSW QUARTERLY LABOUR MARKET REPORT JANUARY 2010

SUMMARY (Trend data for December, change over previous month)

- **Employment:** Up 1,800 to 3,416,000
- **Unemployment:** Down 200 to 213,600
- **Unemployment rate:** Unchanged at 5.9%
- **Participation rate:** Unchanged at 63.2%



Figures are trend estimates from the ABS Labour Force Survey unless indicated otherwise. The most recent months of trend estimates are subject to revision.

Employment

Employment in NSW rose by 1,800 in December and increased by 25,100 in the nine months to December. Compared to December 2008, employment was 19,400 or 0.6 per cent higher (Australian employment was 0.8 per cent higher). Female employment was 11,700 or 0.8 per cent higher over the year to December and male employment was 7,700 or 0.4 per cent higher.

Full-time employment rose by 400 in December following a decline of 75,300 over the previous 18 months. Compared to a year earlier, full-time employment was 36,800 or 1.5 per cent lower. Male full-time employment was 2,800 or 0.2 per cent lower over the year and female full-time employment was 34,000 or 3.9 per cent lower.

Part-time employment rose by 1,400 in December and by 56,200 or 5.9 per cent over the 12 months to December. Females accounted for over 80 per cent of the annual rise in part-time employment.

Disclaimer: This report may contain material of a speculative nature. The Commonwealth, its officers, employees or agents disclaim responsibility for any loss howsoever caused, whether due to negligence or otherwise arising from the use of this report.

Unemployment

The number of unemployed persons in NSW fell by 16,700 in the seven months to December to 213,600. However unemployment was 16,800 or 8.5 per cent higher over the year to December.

NSW's unemployment rate was unchanged at 5.9 per cent for the third month in a row in December after falling from 6.4 per cent in May 2009 (the Australian unemployment rate was 5.6 per cent in December). In December 2008 the NSW unemployment rate was 5.5 per cent. The male unemployment rate in December was higher than a year earlier (6.1 per cent v 5.3) while the female unemployment rate was slightly lower (5.6 per cent v 5.7 per cent).

The number of long-term unemployed (LTU) in NSW rose from 37,300 to 47,600 over the year to December. Over the same period the proportion that LTU comprises of total unemployment rose from 19.2 per cent to 21.7 per cent.

The unemployment rate for 15-19 year olds was higher in December (19.3 per cent) than a year earlier (17.8 per cent) but lower than in April 2009 (20.6 per cent). The unemployment rate for 20-24 year olds fell from 9.9 per cent in June 2009 to 7.5 per cent in December but was higher than in December 2008 (8.6 per cent).

Labour force participation

Labour force participation in NSW in December was unchanged from the previous month at 63.2 per cent. The participation rate was lower than in June 2009 (63.7 per cent) and a year ago (63.5 per cent). The female participation rate fell from its record high of 57.2 per cent in April 2009 to 56.3 per cent in December and was also lower than a year earlier (56.8 per cent) while the male participation rate was a little lower over the year to December (70.4 per cent v 70.6 per cent).

Regional NSW labour market

Regional data are not trended. Compared to the same quarter in 2008, average employment in the December quarter was 1.5 per cent higher in Sydney and 1.4 per cent lower in the balance of NSW. Of the non-Sydney regions, employment grew over the year in the Hunter and Northern, Far West-North West & Central West.

The average unemployment rate in the December quarter was higher than in the same quarter in 2008 in Sydney (5.7 per cent v 5.1 per cent) and the balance of NSW (5.9 per cent v 4.9 per cent). Unemployment rose over the year in all non-Sydney regions except Richmond-Tweed & Mid-North Coast where the rate was unchanged. Of the five major non-Sydney regions, the unemployment rate in the December quarter was lower than the NSW average in the Hunter and Murray-Murrumbidgee.

ACT labour market

Trend employment in the ACT increased by 2,300 in the five months to December but was 1,300 or 0.7 per cent lower than in the corresponding month in 2008. Full-time employment rose by 2,700 in the five months to December and was 800 or 0.5 per cent higher than a year earlier. The number of persons unemployed in the ACT increased from 5,100 to 7,600 over the year to December while

the ACT's unemployment rate rose from 2.5 per cent to 3.7 per cent. The participation rate in the ACT rose from 71.8 per cent in July 2009 to 72.4 per cent in December but was lower than a year earlier (72.8 per cent).

Australian labour market

Australian employment increased by 110,100 over the six months to December and was 82,400 or 0.8 per cent higher than in December 2008. Full-time employment rose by 36,200 over the four months to December but was 72,900 or 0.9 per cent lower than a year ago. The number of unemployed persons in Australia fell by 13,400 in the five months to December to 648,200 but was 111,900 or 20.9 per cent higher over the year. The national unemployment rate fell from 5.8 per cent in August 2009 to 5.6 per cent in December but was higher than in December 2008 (4.7 per cent).

Employment by industry

The five industry groups that recorded the largest increases in *non-trend* employment in NSW in the year to November 2009 were Public Administration and Safety (17,500), Health Care and Social Assistance (11,000), Administrative and Support Services (9,300), Electricity, Gas, Water and Waste Services (5,500) and Agriculture, Forestry and Fishing (5,000).

Employment fell in eight of the 19 industry groups with the largest declines being in Retail Trade (-23,000) and Professional, Scientific and Technical Services (-9,000).

Employment by occupation

Community and Personal Service Workers recorded the largest rise (17,000) in *non-trend* employment in NSW in the year to November 2009, followed by Managers (10,800) and Clerical and Administrative Workers (7,500).

Employment fell in four of the eight occupational groups with the decline being greatest in the group of Technicians and Trade Workers (-22,500).

Outlook for employment

The DEEWR Leading Indicator of (National) Employment rose for the seventh consecutive month in January, confirming the prediction that employment is likely to grow more quickly than its long-term trend rate of 1.8 per cent. After falling for 18 consecutive months, there is a tentative signal that cyclical employment has troughed over the past two months.

According to the ANZ Job Advertisements series, the number of job ads in major metropolitan newspapers in NSW trended up in the six months to December 2009 but was 6.8 per cent lower than in the corresponding month in 2008. For Australia, the number of newspaper job ads was 9.8 per cent lower over the year.

The DEEWR Internet Vacancy Index for NSW was 28.6 per cent lower in December than a year earlier. For Australia the index was 31.3 per cent lower over the year.

Table 1
LABOUR FORCE STATISTICS for December 2009

	<i>Trend (smoothed seasonally adjusted)*</i>					<i>Seasonally Adjusted</i>		
	Dec-09	Change from previous				Dec-09	Monthly change	
		Month	Year		(000s)		%	
	(000s)	%	(000s)	%	(000s)	%		
NSW								
Persons								
Employed (000s)	3416.0	1.8	0.1	19.4	0.6	3421.0	8.0	0.2
-- Full-time	2406.5	0.4	0.0	-36.8	-1.5	2409.9	1.9	0.1
-- Part-time	1009.5	1.4	0.1	56.2	5.9	1011.1	6.1	0.6
Unemployed (000s)	213.6	-0.2	-0.1	16.8	8.5	214.6	-2.0	-0.9
Unemployment rate (%)	5.9	0.0 % points		0.4 % points		5.9	-0.1 % points	
15-19 yrs Une. rate (%)	19.3	0.3 % points		1.5 % points				
20-24 yrs Une. rate (%)	7.5	-0.4 % points		-1.1 % points				
LTU (000s)**	47.6	2.1	4.6	10.3	27.6			
LTU share of Une. (%)	21.7	1.0 % points		2.5 % points				
Participation rate (%)	63.2	0.0 % points		-0.3 % points		63.3	0.0 % points	
Males								
Employed (000s)	1861.0	0.9	0.0	7.7	0.4			
-- Full-time	1560.3	2.3	0.1	-2.8	-0.2			
-- Part-time	300.7	-1.4	-0.5	10.5	3.6			
Unemployed (000s)	121.5	1.2	1.0	18.1	17.5			
Unemployment rate (%)	6.1	0.0 % points		0.8 % points				
Participation rate (%)	70.4	0.0 % points		-0.2 % points				
Females								
Employed (000s)	1555.0	0.9	0.1	11.7	0.8			
-- Full-time	846.2	-1.9	-0.2	-34.0	-3.9			
-- Part-time	708.8	2.8	0.4	45.7	6.9			
Unemployed (000s)	92.1	-1.4	-1.5	-1.3	-1.4			
Unemployment rate (%)	5.6	-0.1 % points		-0.1 % points				
Participation rate (%)	56.3	-0.1 % points		-0.5 % points				
ACT								
Persons								
Employed (000s)	195.6	0.5	0.3	-1.3	-0.7			
-- Full-time	148.3	0.7	0.5	0.8	0.5			
-- Part-time	47.3	-0.2	-0.4	-2.1	-4.3			
Unemployed (000s)	7.6	0.2	2.7	2.5	49.0			
Unemployment rate (%)	3.7	0.0 % points		1.2 % points				
Participation rate (%)	72.4	0.2 % points		-0.4 % points				
AUSTRALIA								
Persons								
Employed (000s)	10884.3	22.3	0.2	82.4	0.8	10905.9	35.2	0.3
-- Full-time	7622.9	12.1	0.2	-72.9	-0.9	7635.1	7.3	0.1
-- Part-time	3261.4	10.2	0.3	155.3	5.0	3270.8	27.9	0.9
Unemployed (000s)	648.2	-3.8	-0.6	111.9	20.9	639.4	-10.6	-1.6
Unemployment rate (%)	5.6	-0.1 % points		0.9 % points		5.5	-0.1 % points	
-- 15-19 yrs Une. rate (%)	16.2	-0.1 % points		2.2 % points		16.4	-0.5 % points	
Participation rate (%)	65.2	0.0 % points		-0.1 % points		65.2	0.0 % points	

Due to the volatility of the seasonally adjusted series, only major variables from it are included here.

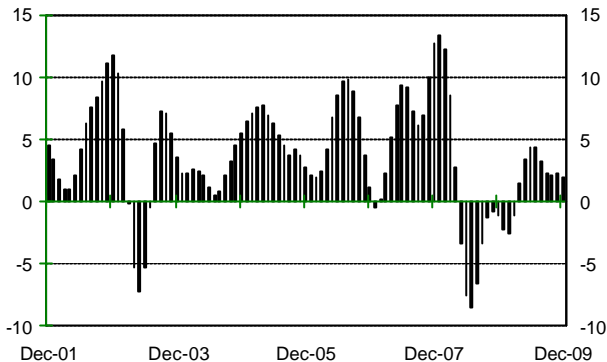
* The LTU and youth unemployment figures are trended by the NSW Labour Economics Office.

** Persons continuously unemployed for at least 52 weeks.

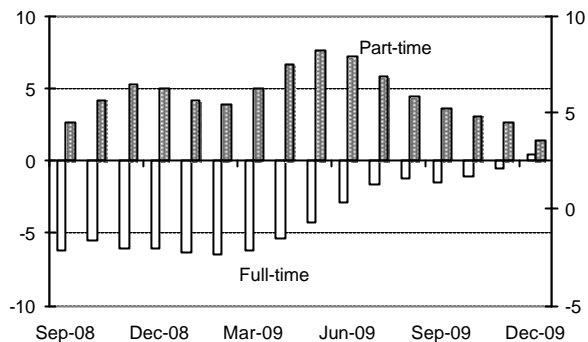
Minor inconsistencies may be evident due to rounding of estimates.

Appendix 2 NSW Labour Market

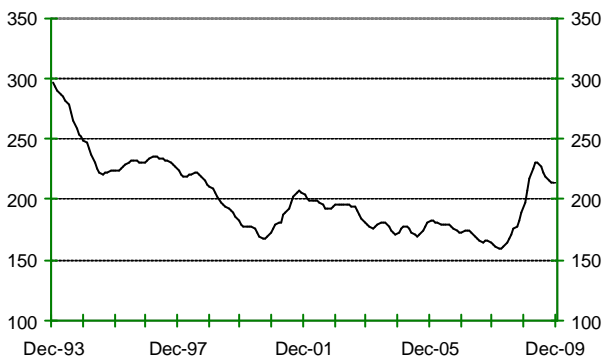
Monthly Changes in Employment (000s)



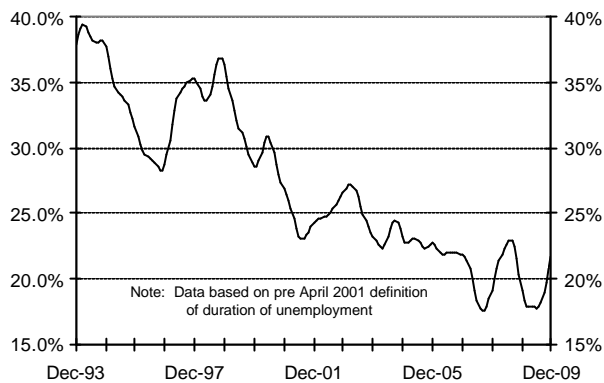
Monthly Changes in FT & PT Emp. (000s)



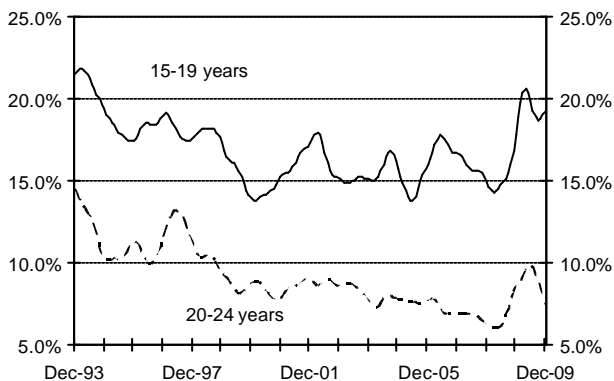
Unemployed Persons (000s)



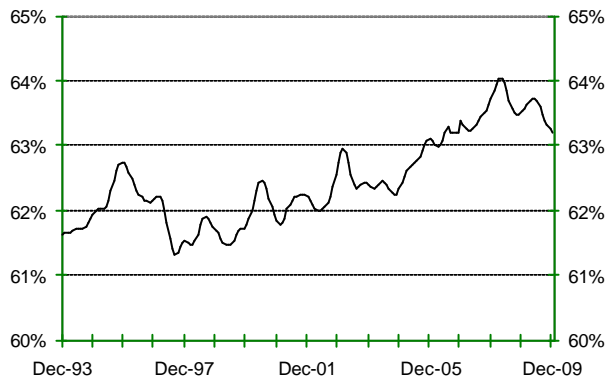
Share of Unemployed that are LTU (%)



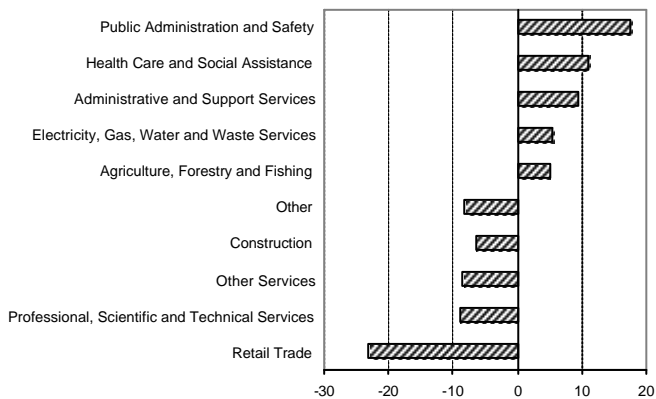
Youth Unemployment Rates (%)



Participation Rate (%)



Change in Employment by Industry and Occupation (000s) - Year to November 2009



Source: ABS Labour Force Survey. The LTU and youth unemployment figures are trended by the NSW Labour Economics Office.

Appendix 3

NSW Labour Market and Economic Indicators

CURRENT AS AT 27 JANUARY 2010

See also Charts Appendix 4

INDICATOR (MEASURE)	LATEST DATE	LATEST DATA	CHANGE FROM	
			THREE MONTHS AGO	SAME MTH/QTR LAST YEAR
LABOUR MARKET INDICATORS				
LEADING INDICATORS OF EMPLOYMENT				
ANZ Job Ad Series	Dec-09 (M)	2,819	16.3%	-6.8%
DEEWR Internet Vacancy Index (March 2006=100)	Dec-09 (M)	61		-28.6%
DEEWR Leading Indicator (Aust) #	Jan-10 (M)		higher	lower
UNEMPLOYMENT RECIPIENTS (Qtly averages)				
NSA/YA (other) Job Seekers (nsa) (000s)	Nov-09 (Q)	126,856	-8.3%	23.1%
ECONOMIC INDICATORS				
Retail Turnover (trend) (\$m) **	Sep-09 (Q)	17,529	1.7%	4.8%
New Vehicle Sales (12 month average)	Dec-09	24,037	3.5%	-5.4%
Dwelling Approvals (trend)	Nov-09 (M)	2,647	14.1%	38.6%
Non-dwelling Approvals (trend) (\$m) @*	Nov-09 (Q)	1,301	4.2%	-30.7%
Takings from Accommodation (nsa) (\$m) *	Sep-09 (Q)	606	10.7%	-6.8%
Overseas Visitors (000s)	Nov-09 (CYTD)	1,939		-3.4%
Private New Capital Expenditure (trend) (\$m) **	Sep-09 (Q)	5,703	-0.4%	-2.8%
Coal Production (000 tonnes)	Nov-09 (CYTD)	169,436		1.0%
Consumer Price Index (Sydney, 1989-90=100)	Dec-09 (Q)	169	0.6%	2.2%
Average Weekly Earnings (trend) (\$) * ^	Aug-09 (Q)	1,219	1.1%	5.5%

The DEEWR Leading Indicator of Employment is the average of four series which have been shown to lead cyclical employment consistently. The average lead time (i.e. the time between a peak or trough in the Indicator and the corresponding peak or trough in cyclical employment) is around nine months.

* Non-Dwelling Approvals, Takings from Accommodation and Average Weekly Earnings are dollar values and have not been adjusted for inflation.

** Inflation adjusted.

@ Non-Dwelling Approvals is a volatile series, heavily influenced by the timing of large projects.

M = Month	Q = Quarter	FYTD = Financial Year to Date	CYTD = Calendar Year to Date
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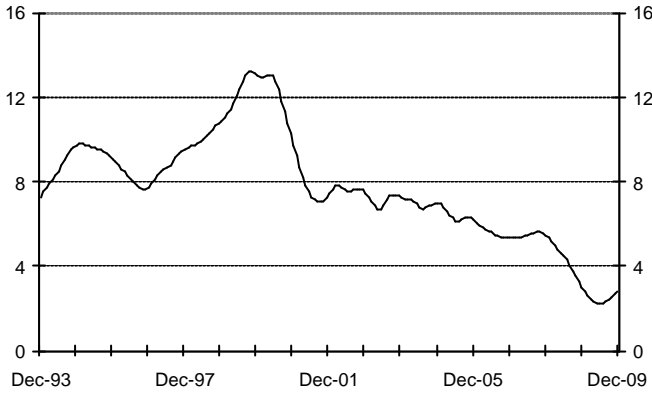
nsa Not Seasonally Adjusted

^ Average Weekly Earnings refers to full-time adult ordinary time earnings.

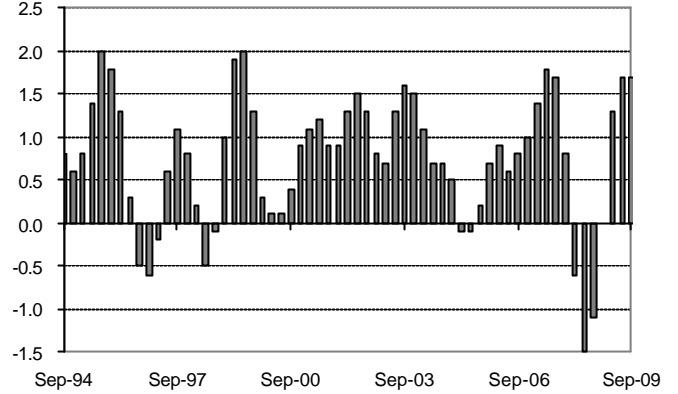
Appendix 4

NSW Economic Indicators

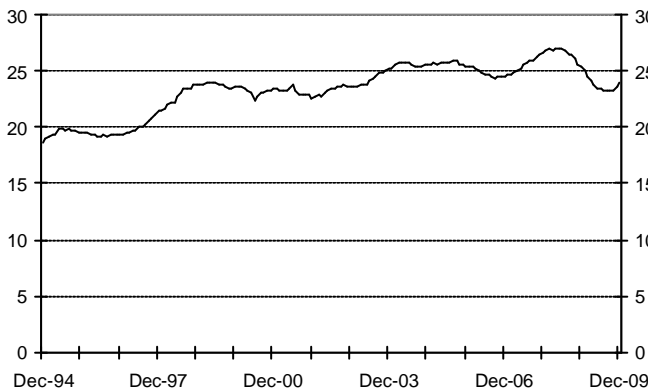
ANZ Job Ads (000s)
(monthly trend)



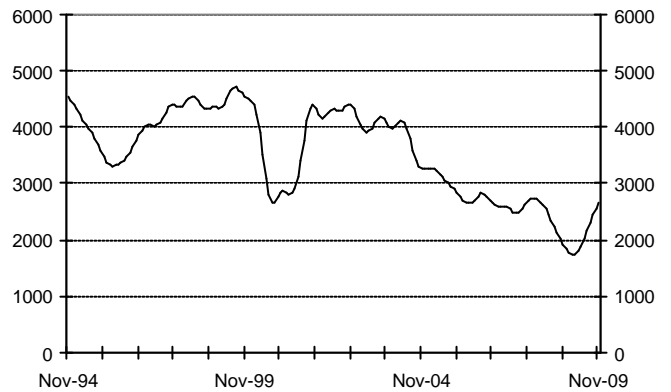
Retail Turnover (adjusted for inflation)
(% change from previous quarter)



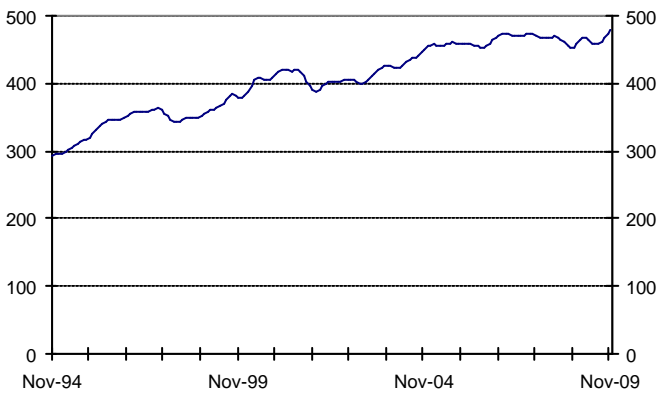
New Motor Vehicle Sales (000s)
(12 month average of original series)



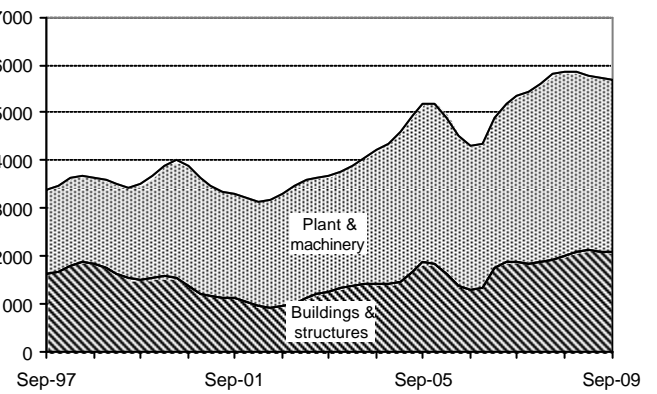
Number of Dwelling Approvals
(monthly trend)



Short-term Visitor Arrivals to Australia (000s)
(monthly trend)



Business Investment (\$m)
(quarterly trend)
(Break in series between Dec 06 and Mar 07)



Appendix 5 (See the Internet for our Quarterly Regional Labour Market Report)
Regional Labour Force Data * December 2009 Quarter

REGION	EMPLOYMENT (000s)			UNEMPLOYMENT (000s)			UE RATE		PARTICIPATION	
	Same Qtr Last Year	Current Quarter	Change	Same Qtr Last Year	Current Quarter	Change	Same Qtr Last Year	Current Quarter	Same Qtr Last Year	Current Quarter
NSW	3406.0	3421.3	15.3	181.0	210.5	29.4	5.0%	5.8%	63.5%	63.3%
SYDNEY	2221.1	2253.6	32.5	120.2	137.2	17.0	5.1%	5.7%	65.8%	66.1%
Inner Sydney and Inner Western Sydney	322.3	321.9	-0.4	12.6	17.9	5.3	3.8%	5.3%	71.4%	70.5%
Inner Sydney	226.0	228.3	2.3	7.7	10.7	3.0	3.3%	4.5%	74.4%	73.8%
Eastern Suburbs	137.9	142.1	4.2	2.8	4.2	1.4	2.0%	2.8%	66.5%	68.6%
St George-Sutherland	222.2	241.6	19.4	11.1	11.9	0.8	4.8%	4.7%	63.6%	68.4%
Canterbury-Bankstown	134.5	129.7	-4.9	10.5	13.5	3.0	7.2%	9.4%	57.8%	56.6%
Fairfield-Liverpool and Outer South Western Sydney	275.7	277.0	1.3	22.6	19.0	-3.6	7.6%	6.4%	63.4%	62.0%
Fairfield-Liverpool	156.9	152.8	-4.2	13.7	10.4	-3.3	8.0%	6.4%	60.3%	56.9%
Central Western Sydney	153.3	142.6	-10.7	11.0	13.8	2.8	6.7%	8.8%	62.1%	57.9%
North Western Sydney	309.1	313.1	4.0	20.7	19.8	-0.9	6.3%	5.9%	70.1%	69.8%
Lower Northern Sydney	171.4	179.0	7.6	6.4	7.3	0.9	3.6%	3.9%	67.9%	70.2%
Central Northern Sydney	227.1	234.9	7.8	8.8	12.6	3.8	3.7%	5.1%	67.2%	69.4%
Northern Beaches	131.7	133.9	2.3	4.2	4.8	0.6	3.1%	3.4%	70.1%	71.0%
Gosford-Wyong	135.9	137.6	1.7	9.6	12.6	3.0	6.6%	8.4%	58.0%	59.0%
BALANCE OF NSW	1184.8	1167.7	-17.1	60.8	73.2	12.4	4.9%	5.9%	59.7%	58.5%
Hunter	296.5	297.0	0.5	13.6	16.4	2.8	4.4%	5.2%	60.3%	59.9%
Newcastle	248.5	245.6	-2.9	10.9	13.3	2.4	4.2%	5.1%	60.2%	59.0%
Illawarra and South Eastern NSW	297.1	281.3	-15.8	14.5	18.9	4.4	4.6%	6.3%	60.1%	56.9%
Illawarra	191.5	170.7	-20.8	9.5	14.3	4.8	4.7%	7.7%	58.4%	52.9%
Wollongong	132.2	111.7	-20.5	7.7	10.7	3.0	5.5%	8.8%	60.9%	52.5%
Richmond-Tweed and Mid-North Coast	224.5	213.6	-10.9	15.7	14.9	-0.8	6.5%	6.5%	54.0%	50.3%
Northern, Far West-North Western and Central West	233.8	245.1	11.3	10.9	16.4	5.5	4.4%	6.3%	61.8%	65.6%
Murray-Murrumbidgee	133.0	130.7	-2.3	6.2	6.6	0.4	4.4%	4.8%	64.5%	62.8%
ACT	197.9	196.0	-1.9	4.6	7.0	2.3	2.3%	3.4%	73.1%	72.4%
NSW and ACT	3603.9	3617.3	13.4	185.7	217.4	31.8	4.9%	5.7%	63.9%	63.7%
AUSTRALIA	10847.2	10916.3	69.1	478.8	610.7	132.0	4.2%	5.3%	65.4%	65.3%

Original non-seasonally adjusted) figures in quarterly averages. TAKE CARE: Data for small regions can be very imprecise and movements may be exaggerated

Source: ABS Labour Force Survey. Minor inconsistencies due to rounding of estimates.

*Data refers to residents (eg employment includes those employed in a region other than their own).