

KEY POINTS

Employment

- National employment increased in February with the total number of persons employed rising by 1,800 to 10,810,400. (seasonally adjusted).
- Full time employment decreased by 53,800 in February, the largest monthly fall since October 1991.
- By contrast, part-time employment lifted by 55,600, following a fall of 37,400 persons in January.
- Annual employment growth fell to 0.7%, down from 1% in January, the lowest rate of growth since October 2001.

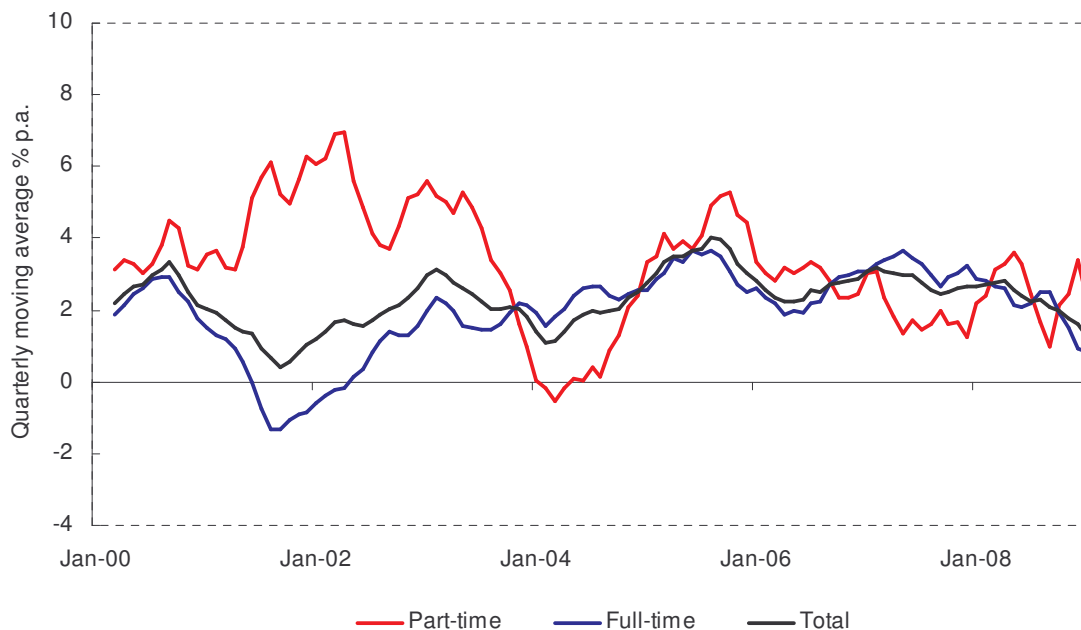
National unemployment rate

- The unemployment rate rose to 5.2% for the first time since March 2005, while the participation rose 0.2% to 65.5%.

The states

- Employment fell in all states.
- Total employment fell in Victoria, (-22,000); New South Wales (-11,400); Western Australia (-10,900) Queensland (-3,700); South Australia (-1,500);
- Unemployment rates ranged from 5.8% in New South Wales and South Australia; 5.6% in Victoria, 4.5% in Tasmania and Queensland and 4.2% in Western Australia.

Chart: Employment Growth



Labour Force

ECONOMIC ALERT

FEBRUARY 2009

Policy implications

- The unemployment outcome in February was slightly worse than the 5% rate expected by financial markets. Total employment growth has continued to ease, with full-time employment growth declining more quickly than growth in part-time employment.
- A significant increase in unemployment and the associated deterioration in consumers' expectations of employment certainty have the potential to exacerbate the slowdown in household spending that has been in train over recent quarters.
- This risk and the ongoing deterioration in global growth prospects is likely to see the Reserve Bank resume reductions in the official cash rate over coming months.