

Labour Force – September 2010

ECONOMIC ALERT

7 October 2010

Job market remains robust

Unemployment rate holds steady, as full-time jobs increase

Australia's unemployment rate remained at 5.1% in September. Employment growth rose to 0.4%, on the back of strong growth in full-time jobs. The number of full-time jobs in Australia increased 0.7% in September, while part-time jobs declined 0.2%.

Employment growth was strongest in Queensland, where the number of jobs created rose 0.9%. Employment in New South Wales increased 0.3%, followed by Victoria and Western Australia where employment growth both reached 0.2%. Tasmania was the only State to record a drop in employment, while employment in South Australia remained unchanged from August.

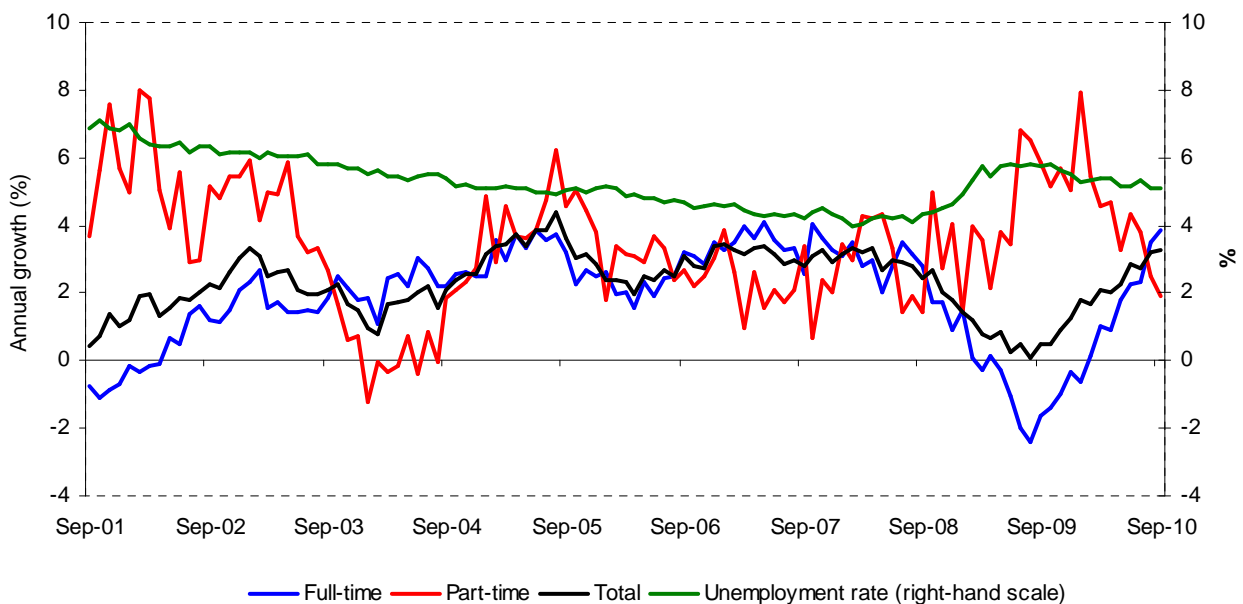
Increase in full-time jobs bodes well for retail trade

The September labour force data indicates that the Australian job market is robust, reflecting the recovery in domestic demand over recent months. Furthermore, the concentration of job creation in full-time positions bodes well for household income growth and thus supportive of consumer spending and retail trade in the period ahead.

More pressure for interest rate and the Australian dollar to rise

As slackness in the Australian labour market dissipates, it is likely that inflationary pressures will build up more rapidly and the Reserve Bank of Australia will be compelled to resume raising interest rates sometime soon. Consequently, the Australian dollar looks set to strengthen even more in the coming months. Reflecting the build-up of such expectations, the Australian dollar moved higher on the back of the better than expected September labour force data.

Chart: Employment Growth and Unemployment Rate in Australia



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Table 1: Employment Growth (%)

	September	August	Monthly change (% pts)
Australia	0.4	0.3	0.1
NSW	0.3	0.6	-0.3
VIC	0.2	0.7	-0.5
QLD	0.9	-0.5	1.4
SA	0.0	0.1	-0.1
WA	0.2	0.0	0.2
TAS	-1.0	0.9	-1.9

Table 2: Unemployment Rate (%)

	September	August	Monthly change (% pts)
Australia	5.1	5.1	0.0
NSW	5.2	5.0	0.2
VIC	5.3	5.5	-0.2
QLD	5.3	5.4	-0.1
SA	5.5	5.4	0.1
WA	4.6	4.5	0.4
TAS	5.4	6.0	-0.6