

# OTHER KEY AUSTRALIAN ECONOMIC INDICATORS



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## Inflation

- Annual 'headline' inflation eased to 1.3% in the September quarter 2009, down from 1.5% in the previous quarter.
- In quarterly terms, the headline Consumer Price Index (CPI) rose by 1.0% in the September quarter 2009, compared with a 0.5% increase in the previous quarter.
- The quarterly increase in the headline CPI reflected the net balance of a number of key factors.
- The most significant price rises in the quarter were for electricity (+11.4%), automotive fuel (+4.0%), water and sewerage (+14.1%), deposit and loan facilities (+3.0%) and house purchase (+1.1%).
- The most significant offsetting price falls were for other financial services (-2.3%), vegetables (-5.6%), fruit (-5.4%), pharmaceuticals (-4.4%) and audio, visual and computing equipment (-2.2%).
- For policy purposes, the RBA focuses on two measures of underlying inflation, the 'trimmed mean' and the 'weighted median'. In annual terms, these measures also eased to 3.2% and 3.8% respectively, averaging around 3.5%.
- The annual inflation rates in Australia's capital cities were: Sydney 1.3%; Melbourne 0.6%; Brisbane 1.9%; Adelaide 1.4%; Perth 1.2%; Hobart 1.8%; Darwin 2.7%; and Canberra 1.4%.

## Labour Price Index (LPI)

- The Labour Price Index (LPI) for the June quarter 2009 showed that annual growth in seasonally adjusted hourly rates of pay (excluding bonuses) eased to 3.8%, down from 4.2% in the preceding quarter.
- Growth in the aggregate LPI in the June quarter was 0.8% (seasonally adjusted), the same outcome as in the March quarter.
- Annual wages growth in the private sector was 3.5%, significantly slower than the 4.5% aggregate increase in the public sector.
- By sector, in original terms, the highest annual wage adjustments were in mining (4.8%); electricity, gas, & water supply (4.6%); government administration and defence (4.5%); and education (4.5%).
- The sectors with the lowest growth were communication services (3.0%) and finance and insurance (3.1%).
- Manufacturing hourly rates of pay grew by 2.7% in the year to the June quarter 2009, down from 3.6% in the previous quarter.

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## Labour Force

- National employment rose in September, by 40,600 to 10,805,600 (seasonally adjusted).
- Full-time employment rose solidly, by 35,400 to 7,589,800 in September.
- Part-time employment rose by 5,200 to 3,215,800 (the highest level in the 30-year history of the time series).
- Annual employment growth became positive again in September, rising to 0.1% compared to a fall of 0.3% in August.
- The lift in full-time employment was the first for five months and meant that the fall in annual full-time employment eased, from a decline of 2.8% in August to a fall of 2.0% in September. Annual part-time employment growth remained strong, though it eased from 6.0% in August to 5.3% in September.
- The unemployment rate fell by 0.1 percentage points to 5.7% following three months of stability at 5.8%. Interestingly the unemployment rate fell despite an increase in the participation rate of 0.1 percentage points to 65.2.
- Seasonally adjusted, total employment rose in South Australia (+15,900); New South Wales (+6,100); Victoria (+5,300); and Tasmania (+2,600). Employment fell in the resources states of Western Australia (-6,300); Queensland (-700).
- Unemployment rates ranged from 6.3% in Queensland; 5.8% in Western Australia; 5.7% in South Australia; 5.6% in New South Wales; 5.6% in Victoria; and 5.5% in Tasmania.

## Building Approvals

- The seasonally adjusted number of dwelling units approved rose by 2.7% to 12,476 in September. This followed a revised 0.9% decline in August and a 7.2% rise in July.
- The annual rate of growth in dwelling approvals accelerated strongly from 0.4% in August to 11.7% in September. This constituted the strongest annual increase since January 2008.
- A solid 14.6% increase in other dwelling approvals drove the improvement in total dwelling approvals in September, and helped offset the 16.4% decline recorded in the preceding month.
- The number of private sector houses approved in September rose modestly (up 0.3%). This brought to nine the number of consecutive months of expansion.
- The seasonally adjusted estimate for the value of total building approved fell by 22.4% in September, although this followed an average monthly increase of 24.5% in each of the preceding three months.
- The seasonally adjusted estimate for the value of new residential building approved rose by 0.8% while the value of alterations and additions approved fell 1.0%. The seasonally adjusted estimate for the value of non-residential building fell 37.1%.
- The trend estimate for total dwelling units approved rose in all states in the month, with growth rates ranging from: NSW (+4.6%); WA (+3.4%); Tasmania (+3.0%); Victoria (+1.1%); SA (+0.4%); and Queensland (+0.2%).