OTHER KEY AUSTRALIAN ECONOMIC INDICATORS

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Inflation

- Annual growth in 'headline' inflation accelerated to 2.1% in the December quarter 2009, up from 1.3% in the previous quarter.
- In quarterly terms, the headline Consumer Price Index (CPI) rose by 0.5% in the December quarter 2009, compared with a 1.0% increase in the previous quarter.
- The most significant price increases were for fruit (+15.9%); domestic holiday travel & accommodation (+6.6%); house purchases (+1.0%); rents (+1.0%); and beer (+2.1%).
- The most significant offsetting price falls in the quarter were for automotive fuel (-2.8%); audio, visual & computing equipment (-7.1%); and pharmaceuticals (-5.3%).
- For policy purposes, the RBA focuses on two measures of underlying inflation, the 'trimmed mean' and the 'weighted median'. In annual terms, these measures grew by 3.2% and 3.6% respectively, averaging around 3.4% (a slight moderation from the 3.5% recorded in the September Quarter 2009).
- The capital cities' annual inflation rates were: Sydney 2.2%; Melbourne 1.8%; Brisbane 2.5%; Adelaide 2.0%; Perth 2.1%; Hobart 2.6%; Darwin 3.0%; and Canberra 2.3%.

Labour Price Index (LPI)

- The Labour Price Index (LPI) for the September quarter 2009 showed that annual growth in seasonally adjusted hourly rates of pay (excluding bonuses) eased to 3.6%, down from 3.8% in the preceding quarter, marking the slowest rate of growth in three years.
- Growth in the aggregate LPI in the September quarter was 0.7% (seasonally adjusted), the weakest quarterly increase since June 2004.
- Annual wages growth in the private sector eased to 3.2%, a seven and a half year low and significantly slower than the 4.6% aggregate increase in the public sector.
- By sector, in original terms, the highest annual wage adjustments were in public administration & safety (4.6%); transport, postal & warehousing (4.5%); healthcare & social assistance (4.5%); and electricity, gas, water & services (4.4%).
- The sectors with the lowest growth were financial & insurance services (2.2%); manufacturing (2.5%); and other services (2.6%).
- Manufacturing hourly rates of pay grew by 2.5% in the year to the September quarter 2009, down from 2.6% in the previous quarter. This represents the softest rate of manufacturing wages growth in the timeseries' 12-year history.
- Construction hourly rates of pay rose by 3.7% in the September quarter.

OTHER KEY AUSTRALIAN ECONOMIC INDICATORS

Labour Force

- National employment rose by 52,700 to 10,966,300 in January (seasonally adjusted).
- The rise in total employment was underpinned by a solid increase in part-time employment, by 36,900 to 3,314,200, and a fifth monthly rise in full-time employment, by 15,900 to 7,652,200.
- Annual employment growth lifted significantly in January, rising from 1.1% in December to 1.7%.
- Growth in annual part-time employment rose sharply from 4.8% in December to 7.7%. The rate of contraction in annual full-time employment increased from 0.5% in December to 0.7% in January, suggesting that employers remain cautious about expanding the full-time workforce.
- Despite an increase in the number of people employed in January, aggregate monthly hours worked fell, dropping by 1.0%.
- The unemployment rate fell by 0.2 percentage points, from 5.5% in December to 5.3%. The labour force participation rate remained steady at 65.3%.
- Seasonally adjusted, total employment rose in Victoria (+24,200); South Australia (+17,000); New South Wales (+ 7,800); Western Australia (+1,500); and Tasmania (+700). Employment fell in Queensland (-2,500).
- Unemployment rates ranged from 5.6% in New South Wales; 5.5% in Queensland; 5.3% in Victoria; 5.2% in Tasmania; 5.0% in Western Australia; and 4.4% in South Australia.

Building Approvals

- The seasonally adjusted number of dwelling units approved rose by 2.2% to 14,869 in December 2009. This followed a (revised) 10.4% increase in November and was the second consecutive month of growth.
- The annual rate of growth in dwelling approvals increased from 40.5% in November to 53.3% in December. This constituted the strongest annual increase since April 2002.
- Private sector other dwelling approvals (incl. apartments) posted the strongest growth, rising by 9.1% to 3,919 following a 35.1% increase in the previous month. The number of private sector houses approved was 3.1% higher in December after a 4.3% fall in November.
- The trend number of total dwelling approvals expanded for an 11th successive month, growing by 3.1% in December.
- The seasonally adjusted estimate for the value of total building approved fell by 3.7% in December, although this followed a rise of 25.8% in November.
- The seasonally adjusted estimate for the value of new residential building approved rose by 3.0%, while the value of alterations and additions approved rose by 3.7%.
- The seasonally adjusted estimate for the value of non-residential building fell by 9.4%, although this followed a 25.7% increase in the previous month.
- The trend estimate for total number of dwelling units approved rose in all states and territories.