

QUEENSLAND TREASURY

MACROECONOMICS TEAM, OESR LABOUR FORCE: JULY 2008

ABS 6202.0

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Note: The ABS reduced the sample size of this survey by 24% (or 13,300 persons nationally) in this survey month. The ABS cited "a tight budget situation in 2008-09, which has led to a range in reductions in the ABS work program". This will raise the sample standard error, and "result in a less common sample between June and July 2008". Hence, particular caution should be used when interpreting labour force data this month, as the level of volatility introduced during the change of sample is unknown. Further, between November 2007 and June 2008, the sample size was reduced by 11% (6,800 persons) after the ABS introduced a new methodology. The new methodology has roughly the same standard error with a smaller sample size.

Summary (trend)								
Employment: (persons)	Queensland, Australia,	↑	5,600 5,900	(0.3%) (0.1%)				
Unemployment Rate:	Queensland, Australia,	unchanged unchanged		3.8% 4.3%				
Labour Force: (persons)	Queensland, Australia,	↑	6,200 10,900	(0.3%) (0.1%)				

- Trend employment in Queensland rose 0.3% (5,600 persons) in July 2008, to be 2.7% higher over the year. Annual employment growth was comprised of 41,500 full time and 16,500 part time jobs.
- The trend participation rate in Queensland rose to 67.4% in July 2008, 0.3 percentage point higher than the same month last year.
- The trend unemployment rate in Queensland remained at 3.8% in July 2008, slightly higher than the generational low rate of 3.6% recorded in February.
- Trend employment nationally rose 0.1% in July, and the trend unemployment rate remained at 4.3%.
- Nationally, seasonally adjusted (sa) employment rose 10,900 jobs in July 2008, well above the market expectation of a 1,250 job increase. The national sa unemployment rate was unchanged (from a revised June result) at 4.3%, equal to the market consensus. Following the release, the A\$ rose 40 basis points, to US\$0.9125, before falling back to US\$0.9110, while futures markets expectations of a 50 basis point cut in interest rates next month diminished slightly.

Outlook

 Leading indicators suggest that jobs growth in the coming months may be modest. The latest ANZ Job Advertisement Series for Queensland fell 4.0% in July 2008, while the Queensland DEWR Skilled Vacancy Index (trend) fell 1.8% in the same month.

Chart 1
Unemployment rate, trend



Note: Charts for July may not be consistent with table 1 due to rounding.

Table 1 Labour force, July 2008

	Monthly	Change	% cha	nge on	% cha	nge on
Monthly Data	(num	ber)	a mon	th ago	a year ago	
	QLD	Aust	QLD	Aust	QLD	Aust
Trend						
Employment	5,600	5,900	0.3	0.1	2.7	2.3
Full-time	10,000	12,600	0.6	0.2	2.7	2.3
Part-time	-4,400	-6,600	-0.7	-0.2	2.9	2.2
Labour Force	6,200	10,900	0.3	0.1	2.9	2.3
Seas. Adjusted						
Employment	17,200	10,900	0.8	0.1	3.4	2.4
Full-time	34,800	53,700	2.2	0.7	4.7	2.9
Part-time	-17,600	-42,800	-2.9	-1.4	0.0	1.0
Labour Force	16,900	16,500	0.7	0.1	3.5	2.4
	Curr	ent	A mon	th ago	A year ago	
Unemploy. Rate						
Trend	3.8	4.3	3.8	4.3	3.6	4.3
Seas. Adjusted	3.7	4.3	3.8	4.3	3.7	4.3
Participation Rate						
Trend	67.4	65.3	67.3	65.3	67.1	65.0
Seas. Adjusted	67.5	65.3	67.1	65.3	66.9	64.9

Chart 2
Monthly employment growth, trend

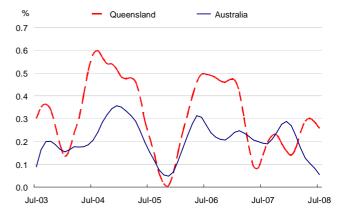


Table 2
Interstate comparison, July 2008

Monthly Trend Data	QLD	NSW	VIC	SA	WA	Tas	Aust
Employment	QLD	14044	VIC	- JA	***	143	Aust
% change on a month ago	0.3	-0.1	0.0	0.2	0.3	0.4	0.1
Change on a month ago (No.)	5,600	-3,400	300	1,200	3,100	1,000	5,900
% change on a year ago	2.7	2.0	1.5	2.7	2.7	4.1	2.3
Change on a year ago (No.)	58,000	68,700	39,000	20,300	30,200	9,400	237,100
Labour Force							
% change on a month ago	0.3	0.0	0.1	0.2	0.3	0.4	0.1
Change on a month ago (No.)	6,200	-1,300	2,200	1,300	3,000	1,000	10,900
% change on a year ago	2.9	2.1	1.6	2.6	2.6	3.2	2.3
Change on a year ago (No.)	65,000	72,700	42,900	20,900	30,400	7,700	249,400
Unemployment Rate							
July-08	3.8	4.7	4.6	4.8	3.3	4.3	4.3
June-08	3.8	4.7	4.5	4.8	3.3	4.3	4.3
July-07	3.6	4.7	4.5	4.8	3.4	5.1	4.3
Monthly Difference	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Annual Difference	0.2	0.0	0.1	0.0	-0.1	-0.8	0.0
Participation Rate							
July-08	67.4	63.6	64.8	63.1	68.4	61.8	65.3
June-08	67.3	63.7	64.8	63.1	68.3	61.6	65.3
July-07	67.1	63.2	64.9	62.3	68.4	60.4	65.0
Monthly Difference	0.1	-0.1	0.0	0.0	0.1	0.2	0.0
Annual Difference	0.3	0.4	-0.1	0.8	0.0	1.4	0.3

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