Queensland Government

MACROECONOMICS TEAM, OESR

LABOUR FORCE: JUNE 2009*

ABS 6202.0

Released: 9 July 2009, 11:30am

Summary (trend)

Employment: Queensland, ↓ 3,500 (0.2%)
(persons, growth) Australia, ↓ 4,800 (0.0%)

Unemployment: Queensland, ↑ 3,500 (5.4%)
(persons, rate) Australia, ↑ 12,600 (5.8%)

Labour Force: Queensland, 0 (0.0%)
(persons, growth) Australia, ↑ 7,800 (0.1%)

- Trend employment in Queensland fell 0.2% in June 2009 (down 3,500 persons), to be only 0.6% higher over the year. Annual employment growth comprised 5,900 full time and 7,300 part time persons. Trend monthly employment growth has broadly moderated since reaching a cyclical peak of 0.4% in June 2008.

- The trend participation rate in Queensland fell to 67.5% in June 2009, 0.2 percentage point lower than the historic high reached in March 2009. The fall in participation likely reflects a withdrawal from the labour force by marginally attached workers due to poor employment prospects.

- With employment falling and the labour force unchanged, the trend unemployment rate in Queensland rose to 5.4% in June 2009, 0.2 percentage point higher than the May result. This is the highest trend unemployment rate since July 2004 (see Chart 1).

- National trend employment fell marginally in June (down 4,800 persons) and the trend unemployment rate rose 0.1 percentage point, to 5.8%.

- Nationally, seasonally adjusted (sa) employment fell 21,400 persons in June 2009, in line with market expectations of a 25,000 fall. Falling participation saw the national sa unemployment rate rise only 0.1 percentage point however, to 5.8% in June, slightly less than market expectations of a rise to 5.9%.

2008-09 outcomes

- In original, year-average terms, Queensland employment rose 2.2% in 2008-09, in line with the State Budget estimate of 2¼%. Strong labour force participation in the year saw labour force growth outpace jobs growth in Queensland, leading to an increase in the unemployment rate, to 4.4%, which was also broadly in line with the Budget forecast of 4¼%.

Table 1: Monthly labour force outcomes, June 2009

<table>
<thead>
<tr>
<th>Level (000s)</th>
<th>June-09</th>
<th>Month</th>
<th>Year</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>55,200</td>
<td>-800</td>
<td>12,900</td>
<td>-3,500</td>
</tr>
<tr>
<td>Aust</td>
<td>42,600</td>
<td>184,800</td>
<td>-12,500</td>
<td>-800</td>
</tr>
</tbody>
</table>

Table 2: Interstate comparison, June 2009

<table>
<thead>
<tr>
<th>Employment</th>
<th>QLD</th>
<th>Victoria</th>
<th>NSW</th>
<th>South Australia</th>
<th>SA</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Queensland</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>% change on a month ago</td>
<td>-0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>-0.2</td>
<td>-0.3</td>
<td>-0.0</td>
<td>-0.0</td>
<td>-0.1</td>
<td>-0.3</td>
</tr>
<tr>
<td>Change on a month ago (No.)</td>
<td>-3,500</td>
<td>-700</td>
<td>1,400</td>
<td>-800</td>
<td>-800</td>
<td>-4,800</td>
<td>0.0</td>
<td>0.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>% change on a year ago</td>
<td>0.6</td>
<td>-0.8</td>
<td>-0.6</td>
<td>0.8</td>
<td>1.1</td>
<td>1.6</td>
<td>-0.1</td>
<td>-0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Change on a year ago (No.)</td>
<td>12,200</td>
<td>-7,700</td>
<td>6,600</td>
<td>12,200</td>
<td>-1,700</td>
<td>-10,200</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Note: The ABS reduced the sample size of this survey by 24% (or 13,300 persons nationally) in the July 2008 survey month, citing “a tight budget situation in 2008-09, which has led to a range in reductions in the ABS work program”. This raised the sample standard error, and the volatility of the series. Hence, particular caution should be used when interpreting labour force data from July 2008. This follows an 11% reduction (6,800 persons) between November 2007 and June 2008. In May 2009, the ABS announced that the 24% reduction in the sample size will be reversed between September and December 2009, which will decrease the standard error of the sample by approximately 15%.

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