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Economic Indicators NSW (January 2014)

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By Andrew Haylen

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Economic Indicators NSW (January 2014)

by

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SUMMARY

The last quarter has again been characterised by mixed economic outcomes which underpinned the RBA Board's latest decisions to leave interest rates on hold in both November and December.

Economic growth figures have not been released for the December quarter. Nationally, economic growth was around the 5-year quarterly average for the September 2013 quarter with GDP increasing by 0.6 per cent. For the year ending June 2013, GDP grew by 2.6 per cent, which was below the 3.6 per cent growth realised for the previous 12 months. According to the Commonwealth Bank (2013), Australian economic growth is likely to stay below trend (of 3 per cent) during 2014. The positive growth forces for next year are expected to be stimulatory monetary policy, a rise in residential construction, resource export growth and a gradual lift in non-mining investment. On the other hand, weakness will be felt through the decline in resources investment, cautious household spending and savings patterns, and a cut-back in fiscal expenditure.¹

In NSW, GSP increased by 2.4 per cent for the year ending June 2013. Of the other Australian States, only Western Australia (which grew by 5.5 per cent) outperformed NSW over that 12 month period. GSP growth in NSW has been underpinned by strong growth in the real estate market and above average growth in private business investment.

The resurgence in the housing market in Sydney, characterised by positive growth in prices, turnover, dwelling investment and borrowing, has supported much of the growth in the NSW economy. Housing prices in Sydney rose by 4.1 per cent over the December quarter and by 14.5 per cent over the year,² while average monthly dwelling approvals were up 17 per cent for the September quarter. This has been described as a 'technical recovery' after subdued price growth between 2010 and 2012 and is expected to continue, with BIS Shrapnel forecasting Sydney house prices to rise by 19 per cent over the next three years.³ This growth is likely to underpin building construction for both new and established homes, which is pivotal for growth in the State economy.⁴ This sentiment was supported by the Commonwealth Bank (2013) which suggests that there is still considerable opportunity for further price and construction gains if consumer confidence levels are not dented by the weak jobs market.⁵

Labour market indicators in NSW remain relatively weak and appear to dampen the strength from the housing market. Average monthly employment growth was down over the December quarter, and was mostly unchanged from the previous year. While the unemployment rate in December 2013 fell to 5.8 per

¹ Commonwealth Bank, [The Australian economy and financial markets in 2014](#), December 2013

² Commonwealth Bank, [RP Data house prices – December 2013](#), January 2014

³ BIS Shrapnel, [Australian Housing Outlook 2013 – 2016](#), October 2013

⁴ Deloitte Access Economics, *Business Outlook*, September 2013

⁵ Commonwealth Bank, [The Australian economy and financial markets in 2014](#), December 2013

cent, average quarterly unemployment of 5.9 per cent was still higher than the September quarter (5.7 per cent), and higher than the previous year (5.1 per cent). Average quarterly labour force participation was also down by 0.5 per cent.

Consumption growth remains relatively subdued in NSW. Retail trade in NSW, for example, grew by only 0.5 per cent between the June and September quarters. Vehicle sales were up 3.8 per cent between the September and December quarters, and up 2 per cent over the previous 12 months.



Using key economic indicators, the January 2014 Commsec *State of the States Report* assessed the strengths and weaknesses of the individual States and Territories. Western Australia was determined by Commsec to be Australia's best performing economy, followed by the Northern Territory, and then the ACT and Queensland. NSW is now equal fifth with Victoria.⁶ NSW's strength was deemed to be its job market whilst economic growth remains its weakness. Commsec uses decade averages of these indicators as a comparison to assess performance for the quarter. While quarterly unemployment remains only slightly above the decade average in NSW, it has been trending up over the last year.

	Strength	Weakness
NSW	Job market	Economic growth
Victoria	Housing pickup	Construction work
Queensland	Business investment	Population growth
South Australia	Construction work	Retail spending
Western Australia	Retail spending	Dwelling starts
Tasmania	Housing pickup	Various
Northern Territory	Economic growth	Home lending
ACT	Population growth	Business investment

This January 2014 edition of *Economics Indicators: NSW* updates statistical information on key economic indicators, thereby presenting an updated snapshot of the NSW economy and providing relevant points of comparison with other Australian States and Territories. Statistics are updated to the end of the most recent quarter available. Most indicators have thus been updated to include the September or December 2013 quarters. There are no updates to the sections on wages as this is biannual data released by the ABS in February 2014.

⁶ Commsec, [State of the States: Economic performance report](#), January 2014

For New South Wales, the direction in which the quarterly averages for each indicator moved since the October 2013 edition is summarised below (for those indicators for which new figures were available).

	Exports
	Imports
	Consumer Price Index
	Unemployment
	Business Investment
	Turnover of retail trade
	Vehicle sales
	House price index
	Employment
	Labour force participation
	Job Vacancies
	Gross value of agricultural production
	Mineral and petroleum exploration expenditure
	Housing finance
	Bankruptcies

Sources used

The major source for much of the information in this paper is data collected by the Australian Bureau of Statistics. The figures used are the original numbers, unless otherwise indicated. Sources other than the Australian Bureau of Statistics have been used where relevant and are identified in the paper itself.

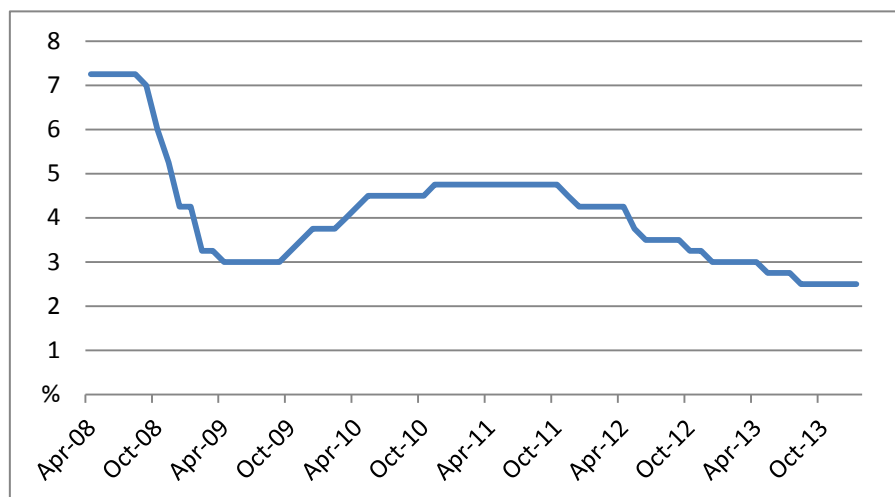
INTEREST RATES

The cash rate target remains unchanged from the previous quarter having been left on hold by the RBA Board in their November and December announcements. The Board again cited uncertainty about the effect of recent monetary easing on the economy as a reason behind its decision.⁷

Recent data suggested that growth of the Australian economy had remained a bit below trend over the second half of the year and there were a number of other mixed economic signals which contributed to the Board's cautiousness. For example, business and housing investment had risen in the September quarter; and while business investment and consumer spending are expected to increase, they still remain at relatively weak levels. Mining investment is also expected to decline over the coming years.

The RBA Board acknowledged that it would not close off the possibility of reducing the cash rate further should that be appropriate to support sustainable growth in economic activity, consistent with the inflation target. It doing so, it would continue to examine the data over the months ahead to assess whether monetary policy remained appropriate.

Figure 1: Cash rate target as at 4 December 2013



Source: Reserve Bank of Australia, 'Cash rate target', www.rba.gov.au

⁷ RBA, *Minutes of the Monetary Policy Meeting of the Reserve Bank Board*, December 2013

GROSS STATE PRODUCT

Gross State Product (GSP) for NSW grew by 2.4 per cent between June 2012 and 2013, the same increase as the 12 months prior to that. This was the second highest growth of the States behind Western Australia (5.5 per cent), while South Australia was ranked third (2.3 per cent). Queensland recorded the weakest growth of the States (0.8 per cent), which was well down on the growth 12 months previous (4 per cent).

GSP per capita is currently \$64,098 in NSW, compared to the Australian average of \$66,549. Western Australia has the highest GSP per capita of the States and Territories at \$102,232.

Table 1: Gross State Product, chain volume measures, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS (GDP)
Jun-2006	409577	283201	238300	79866	179528	22304	14738	27090	1256658
Jun-2007	417751	293933	251866	81652	190681	22933	15566	28372	1304022
Jun-2008	429129	303977	263795	86387	198327	23510	16634	29221	1352242
Jun-2009	433894	307448	266655	88333	206772	24098	17444	30460	1375809
Jun-2010	441855	312384	270202	89382	215493	24144	17664	31394	1402813
Jun-2011	452128	319295	272561	91411	224340	24235	18002	32336	1434227
Jun-2012	462831	328285	284441	93031	240811	24342	18813	33517	1486072
Jun-2013	471354	333393	294548	94210	252999	24191	19860	34414	1524969

Source: ABS, *Australian National Accounts, State Accounts 2011-12*, 5220.0, November 2013

Figure 2: Gross state product, NSW, chain volume measures

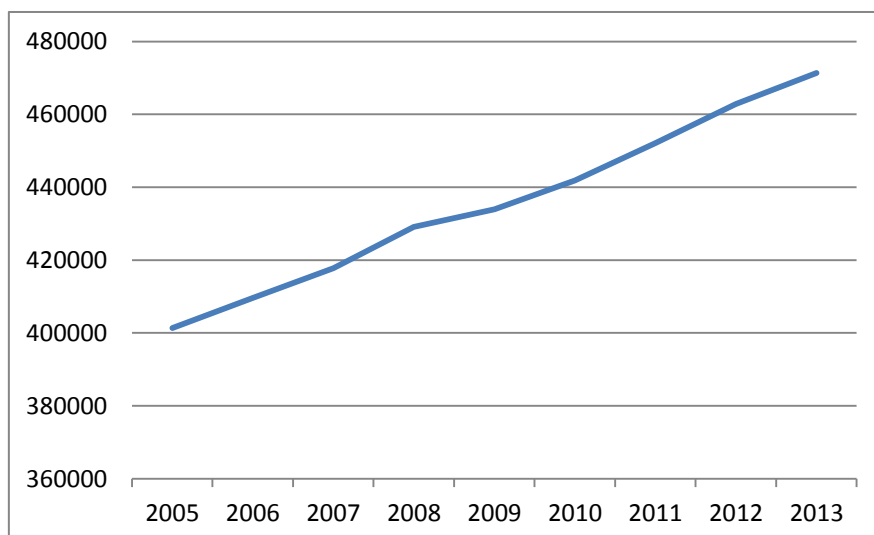
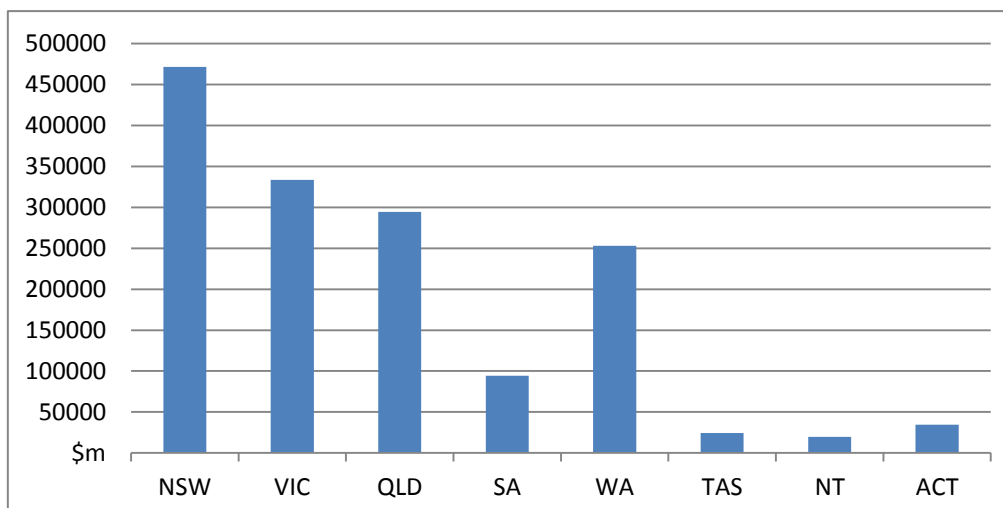
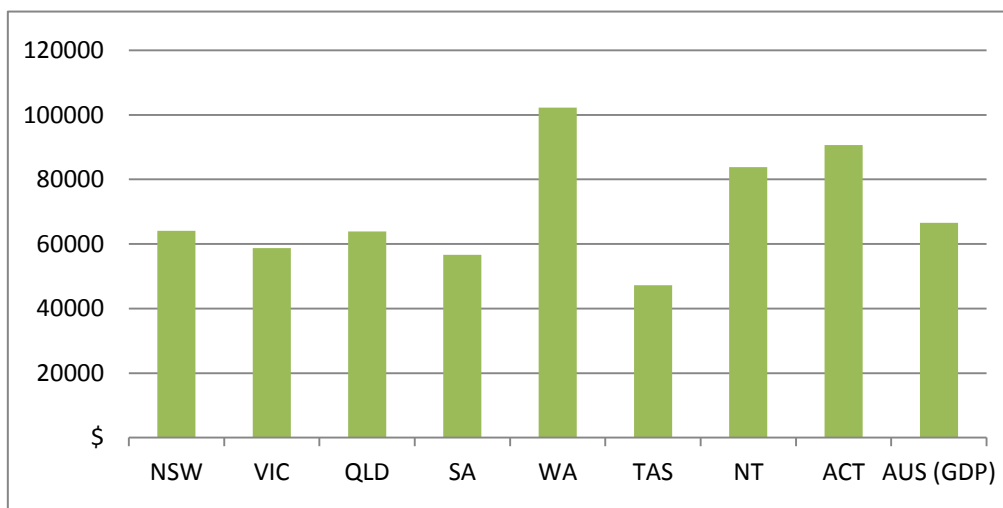
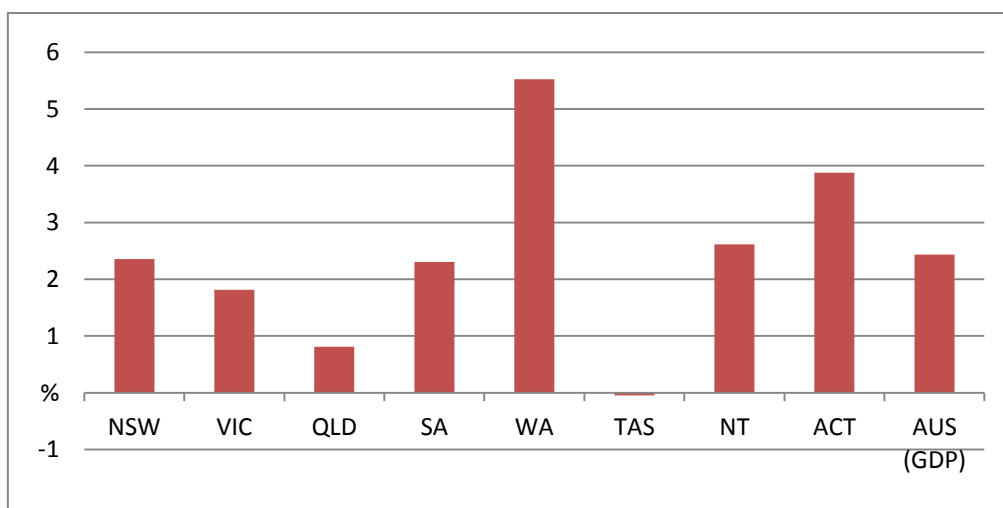


Figure 3: Gross state product, year ending June 2013**Figure 4: GSP per capita, chain volume measure, year ending June 2013****Figure 5: Change in GSP, June 2012 to June 2013**

INTERNATIONAL TRADE

Exports

The **average monthly free on board (FOB) value of merchandise exports** from NSW increased by only 1 per cent in the September 2013 quarter to \$3.17 billion. Western Australia continued to dominate the States and Territories in terms of the amount exported (an average of \$10.6 billion per month), followed by Queensland at \$3.9 billion. NSW exported the third highest amount.

The **top five destinations for merchandise exports** from NSW for the month of November 2013 only were: Japan (\$700m – down from \$931m in August 2013); China (\$548m – down from \$634m); Korea (\$325m – up from \$270m); New Zealand (\$161m – down from \$170m); and United States (\$150m – down from \$189m). 66 per cent of exports were to the top five destinations, with 44 per cent of all exports to Japan and China.

Imports

The **average monthly customs value of merchandise imports** for NSW increased by 11 per cent in the September 2013 quarter to \$7.6 billion. NSW continues to import the greatest amount of the States and Territories, followed by Victoria at \$5.6 billion (up 16 per cent).

The **top five import sources** for NSW in the month of November 2013 only were: China (\$2,356m – up from \$2,065m in August 2013); the United States of America (\$818m – down from \$871m); Japan (\$518m – down from \$580m); Germany (\$436m – up from \$424m); and Korea (\$370m – up from \$242m). 56 per cent of all imports were from the top five sources, with 29 per cent from China alone.

Table 2: Average monthly merchandise exports per quarter, FOB value, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Dec-08	3930	1984	6003	832	7756	315	611	1
Mar-09	3175	1527	3945	721	7699	269	523	1
Jun-09	2697	1475	3674	706	5905	290	406	0
Sep-09	2635	1462	3494	677	5841	227	375	0
Dec-09	2491	1561	3306	668	6213	237	437	1
Mar-10	2356	1480	3023	590	6694	233	407	0
Jun-10	2920	1639	4599	776	9022	305	441	0
Sep-10	3004	1592	4832	836	9101	263	453	0
Dec-10	3000	1651	4250	880	9220	281	506	0
Mar-11	2866	1575	3024	979	9049	245	412	0
Jun-11	3253	1732	4345	1036	10020	273	395	0
Sep-11	3546	1805	4981	977	10667	276	473	1
Dec-11	3512	1839	4892	987	10439	258	456	0
Mar-12	2996	1639	3726	869	8805	272	401	0
Jun-12	3459	1916	4023	970	10267	251	428	3
Sep-12	3210	1792	3832	884	9380	240	546	0
Dec-12	3161	1773	3937	828	9409	253	476	1
Mar-13	2828	1711	3165	887	9525	279	452	2
Jun-13	3140	1961	3877	971	10215	238	512	0
Sep-13	3170	1983	3931	999	10584	207	555	0

Source: ABS, *International trade in goods and services, Australia*, 5368.0, November 2013

Table 3: Average monthly merchandise imports per quarter, customs value, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Dec-08	7517	5382	3316	651	3110	97	362	1
Mar-09	6083	4215	2293	527	2919	54	434	1
Jun-09	5901	3900	2362	456	2151	66	272	0
Sep-09	6268	4359	2551	516	2202	61	269	1
Dec-09	6527	4559	2591	587	2571	81	257	0
Mar-10	5975	4301	2511	515	2174	47	240	0
Jun-10	6564	4487	2692	531	2366	49	250	0
Sep-10	7093	4943	2720	523	2010	50	344	0
Dec-10	6991	4862	2781	530	2216	63	324	1
Mar-11	6330	4473	2671	544	2153	47	291	0
Jun-11	6747	4658	2857	579	2273	52	270	1
Sep-11	7213	4995	3258	612	3042	52	368	2
Dec-11	7652	5217	3287	616	2710	153	389	1
Mar-12	6761	4721	3277	568	3145	55	349	0
Jun-12	7159	4942	3448	625	2797	51	278	4
Sep-12	7246	5009	3602	615	3081	49	371	1
Dec-12	7534	5149	3894	621	2914	65	598	0
Mar-13	6538	4575	3353	541	2611	62	360	2
Jun-13	6901	4781	3213	576	2685	56	381	1
Sep-13	7649	5566	3732	716	3076	69	430	0

Source: ABS, *International trade in goods and services, Australia*, 5368.0, November 2013

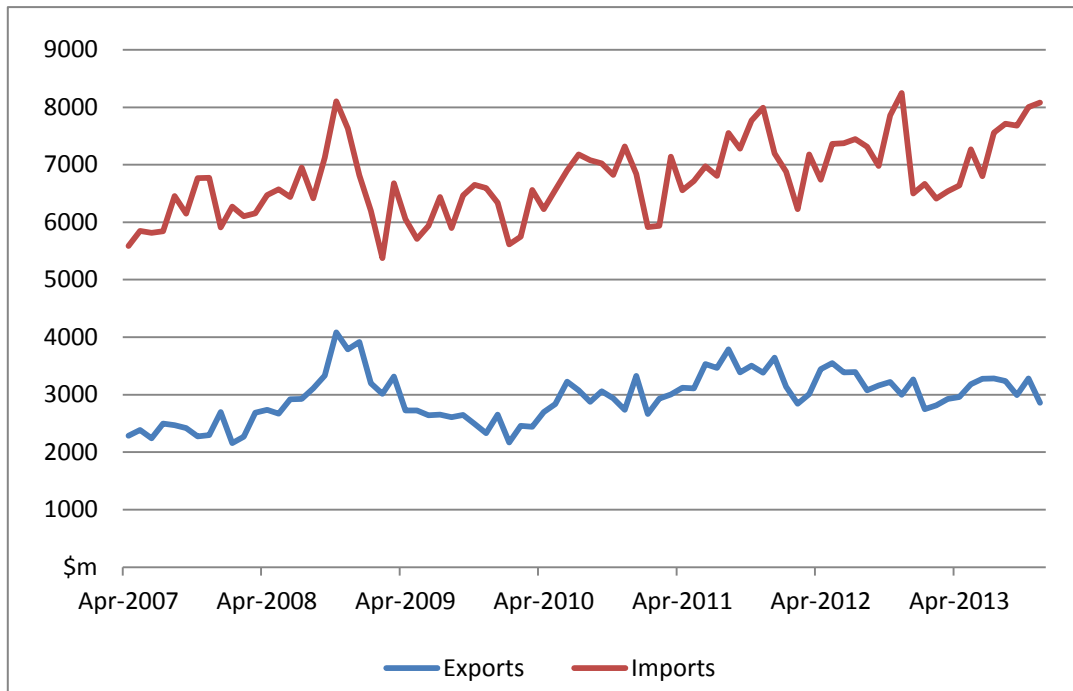
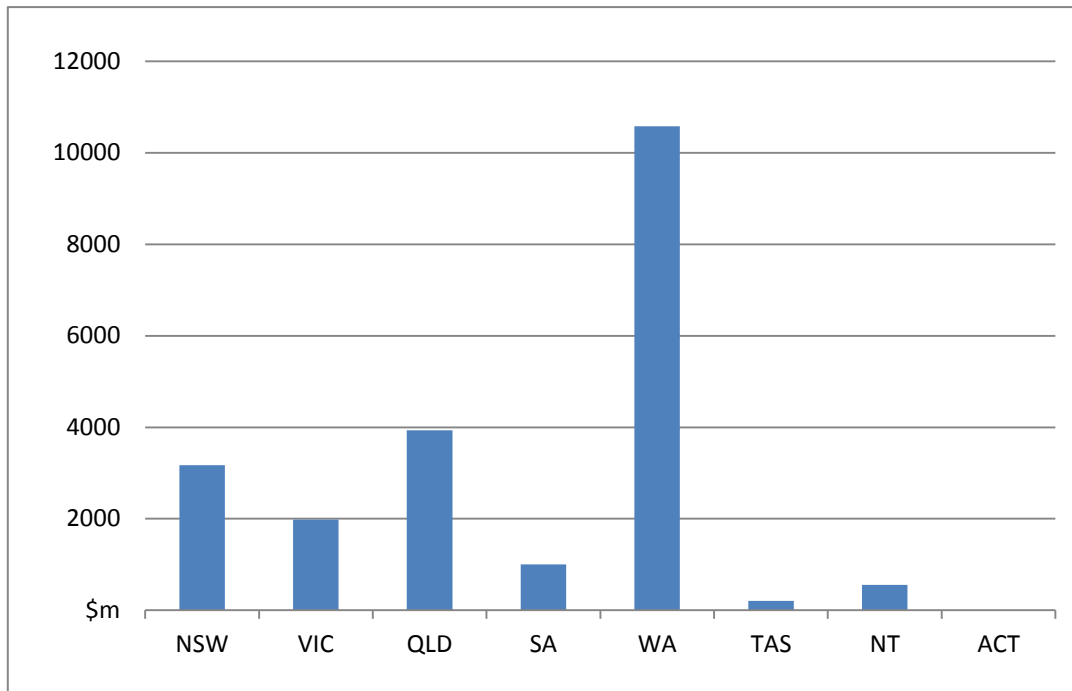
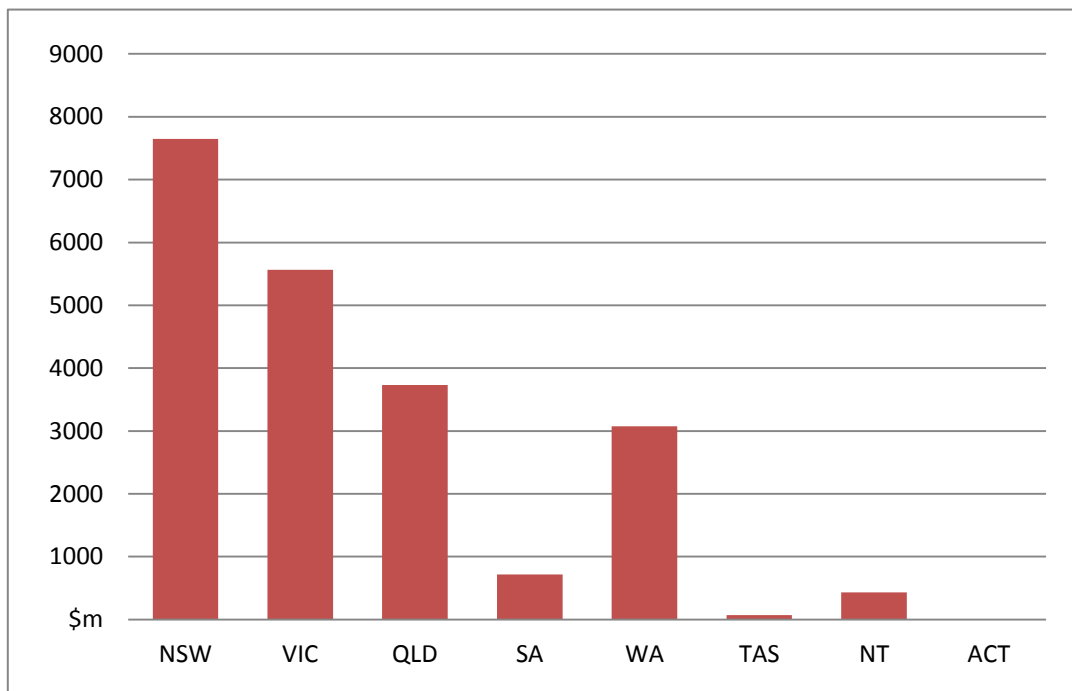
Figure 6: Merchandise exports and imports, NSW**Figure 7: Change in exports and imports, June 2013 to September 2013 quarters**

Figure 8: Average monthly merchandise exports, September 2013 quarter**Figure 9: Average monthly merchandise imports, September 2013 quarter**

CONSUMER PRICE INDEX

Consumer Price Index (CPI) for all groups in Sydney between December 2012 and December 2013 increased by 2.6 per cent (marginally lower than the Australian average of 2.7 per cent). This was higher than the change in the CPI between September 2012 and September 2013, when it rose by 2.1 per cent.

The largest price increases over the last 12 months in Sydney occurred in: education (up by 5.8 per cent); alcohol and tobacco (up by 5.5 per cent); health (up by 4.0 per cent); and housing (up by 3.9 per cent). Within the housing group in Sydney, utility prices did not rise over the quarter (compared to a rise of 4.2 per cent over the September quarter), but were up by 5.0 per cent over the year from the December 2012 quarter. Over the year, electricity increased by 4.7 per cent and gas and other household fuels increased by 9.6 per cent.

Table 4: Consumer price index, capital cities, all groups

	SYD	MELB	BRIS	ADEL	PERTH	HOB	DAR	CAN	AUS
Jun-2008	91.7	91.8	91.1	91.3	92.0	91.5	90.9	91.6	91.6
Sep-2008	92.7	92.9	92.4	92.5	92.9	92.5	92.5	93.0	92.7
Dec-2008	92.4	92.3	92.2	92.2	92.6	92.3	92.1	92.6	92.4
Mar-2009	92.5	92.6	92.4	92.2	92.5	92.5	92.2	92.9	92.5
Jun-2009	92.9	92.9	92.9	92.7	93.3	93.0	93.2	93.5	92.9
Sep-2009	93.9	93.4	94.2	93.7	94.0	94.1	95.0	94.3	93.8
Dec-2009	94.4	94.0	94.5	94.1	94.5	94.7	94.9	94.7	94.3
Mar-2010	95.2	95.2	95.2	94.6	95.6	95.4	95.4	95.3	95.2
Jun-2010	95.6	95.8	95.9	95.3	96.5	95.8	96.2	95.6	95.8
Sep-2010	96.3	96.3	96.9	96.2	96.9	96.8	97.2	96.3	96.5
Dec-2010	96.7	96.9	97.4	96.5	97.0	96.9	97.1	96.7	96.9
Mar-2011	98.2	98.5	98.6	98.1	98.1	98.2	98.2	98.1	98.3
Jun-2011	99.2	99.2	99.6	99.0	99.4	99.1	99.2	99.2	99.2
Sep-2011	99.9	99.8	99.9	100.0	99.6	99.9	99.9	99.8	99.8
Dec-2011	99.8	99.9	99.7	100.0	99.8	100.0	99.5	100.1	99.8
Mar-2012	99.9	99.9	99.9	99.9	100.0	100.3	99.9	99.7	99.9
Jun-2012	100.5	100.4	100.5	100.2	100.5	99.9	100.7	100.3	100.4
Sep-2012	102.2	101.6	101.6	101.7	101.6	100.6	102.0	101.4	101.8
Dec-2012	102.3	102.0	101.9	102.1	101.9	101.0	102.0	101.8	102.0
Mar-2013	102.7	102.4	102.0	102.1	102.4	101.3	103.7	101.9	102.4
Jun-2013	103.1	102.6	102.5	102.3	103.0	101.7	104.6	102.5	102.8
Sep-2013	104.3	104.0	103.8	103.7	104.2	102.6	105.5	103.1	104.0
Dec-2013	105.0	104.8	104.6	104.4	104.9	103.6	106.5	104.1	104.8

Source: ABS, *Consumer Price Index, Australia, December 2013*, 6401.0, January 2014.

Figure 10: Change in CPI from corresponding quarter of previous year

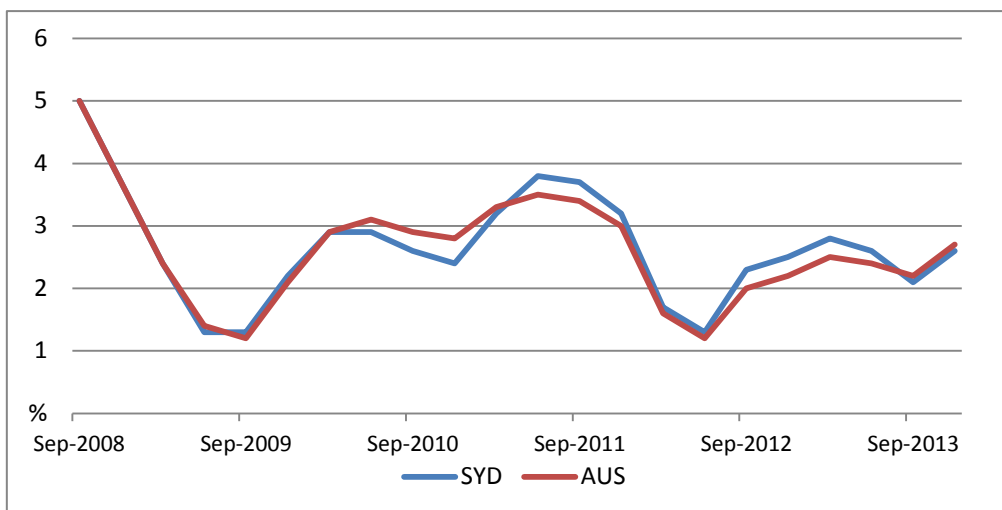


Figure 11: Change in CPI, all groups, December 2012 to December 2013

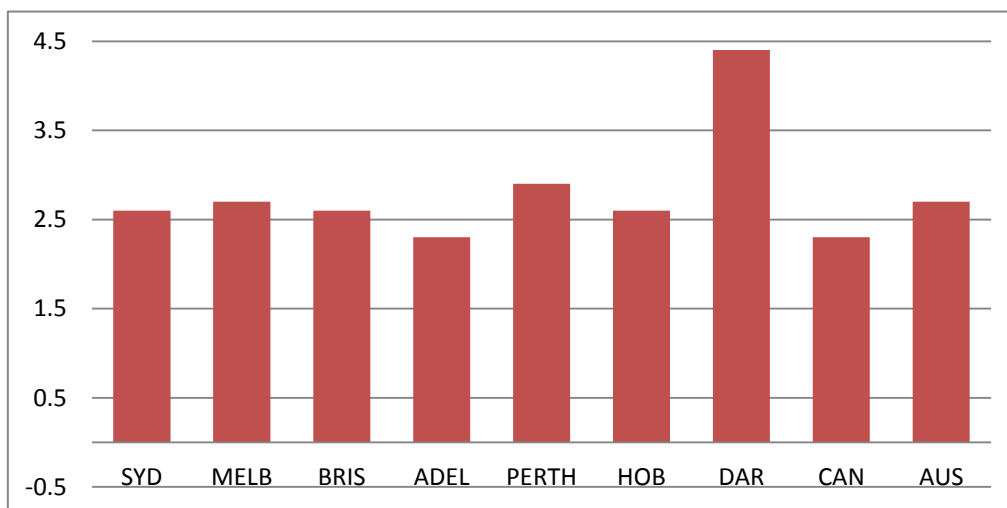
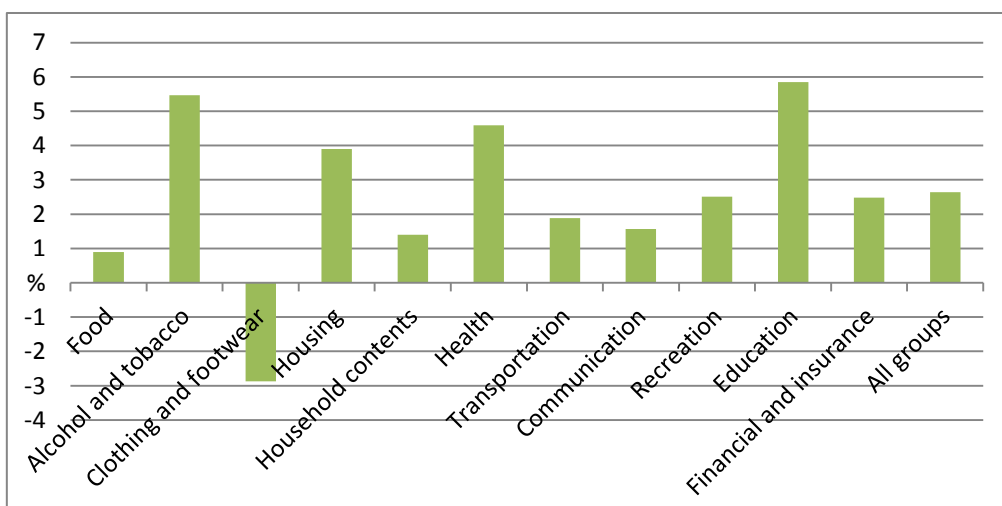


Figure 12: Change in CPI, groups, December 2012 to December 2013



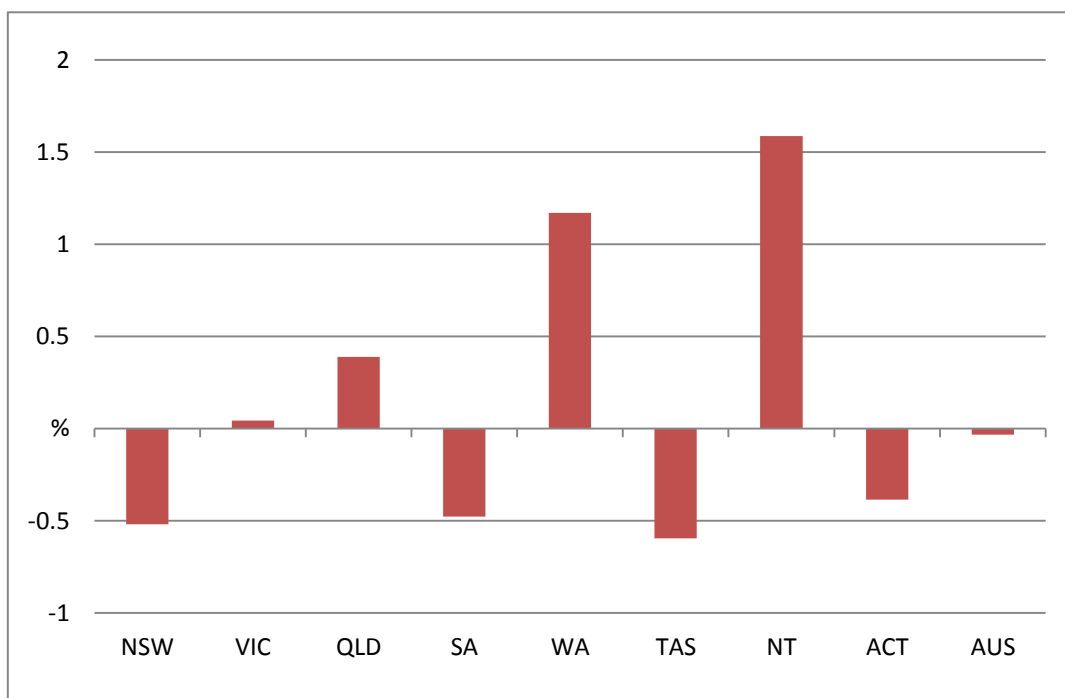
EMPLOYMENT

The average number of people employed in NSW in the December 2013 quarter fell marginally by 0.5 per cent to 3,645,000, with total employment 0.34 per cent higher than a year ago. Employment growth across the other States was relatively subdued, with the Northern Territory (a rise of 1.6 per cent) and Western Australia (a rise of 1.2 per cent) experiencing the largest quarterly changes.

Table 5: Total number of persons employed, quarterly average, seasonally adjusted, '000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-08	3463	2691	2214	787	1152	237	114	198
Sep-08	3441	2698	2248	796	1183	240	114	199
Dec-08	3443	2693	2254	795	1197	239	115	199
Mar-09	3435	2692	2265	792	1185	239	118	198
Jun-09	3449	2693	2251	798	1181	234	121	196
Sep-09	3465	2719	2254	797	1168	234	120	197
Dec-09	3462	2765	2253	800	1182	232	120	199
Mar-10	3474	2781	2270	810	1190	235	120	202
Jun-10	3489	2781	2298	803	1198	237	120	203
Sep-10	3530	2808	2294	812	1214	237	122	204
Dec-10	3579	2840	2317	812	1218	237	121	205
Mar-11	3590	2861	2302	810	1221	238	121	205
Jun-11	3564	2865	2327	818	1242	237	120	205
Sep-11	3586	2861	2331	820	1249	236	120	204
Dec-11	3585	2863	2343	818	1253	237	123	205
Mar-12	3592	2853	2344	818	1284	233	125	207
Jun-12	3598	2890	2343	815	1301	232	124	208
Sep-12	3617	2883	2341	814	1307	233	125	209
Dec-12	3633	2890	2337	818	1320	233	126	209
Mar-13	3666	2891	2358	820	1322	232	125	210
Jun-13	3684	2912	2353	824	1320	231	126	211
Sep-13	3664	2907	2369	809	1321	229	128	210
Dec-13	3645	2908	2379	805	1337	228	130	210

Source: ABS, *Labour Force, Australia, December 2013*, 6202.0, January 2014.

Figure 13: Number of people employed, NSW**Figure 14: Change in number of people employed, September 2013 to December 2013 quarters**

UNEMPLOYMENT

The unemployment rate in NSW fell in the December 2013 quarter to 5.8 per cent (5.9 per cent in the September 2013 quarter), which is the same as the average Australian unemployment rate, and is now fourth lowest (and fourth highest) of the States and Territories. Tasmania continued to have the highest average quarterly unemployment rate at 7.7 per cent followed by South Australia at 6.7 per cent. The ACT had the lowest unemployment rate at 4.0 per cent.

Unemployment in Australia is lower than in many other developed economies at present. For example, average unemployment is currently about 8 per cent in the OECD nations and 12.2 per cent in the Euro area. Unemployment is at: 6.2 per cent in New Zealand, 7.6 per cent in the United States of America and 7.7 per cent in the United Kingdom.⁸

Table 6: Unemployment rate, quarterly average, seasonally adjusted, %

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-08	4.6	4.5	3.8	5.0	3.4	3.9	3.4	2.7	4.3
Sep-08	4.9	4.4	3.6	4.9	2.9	4.2	3.0	2.8	4.2
Dec-08	5.3	4.6	3.8	5.3	2.8	4.5	3.7	2.6	4.5
Mar-09	6.2	5.4	4.7	5.8	4.2	4.4	4.1	2.7	5.3
Jun-09	6.4	6.0	5.4	5.5	5.1	5.2	4.0	3.3	5.7
Sep-09	5.8	5.8	5.8	5.7	5.6	5.0	3.8	3.7	5.7
Dec-09	6.0	5.4	5.9	5.3	5.0	5.6	3.5	3.7	5.6
Mar-10	5.5	5.3	5.6	4.9	5.0	5.7	3.3	3.6	5.3
Jun-10	5.4	5.5	5.6	5.5	4.3	6.0	2.9	3.3	5.3
Sep-10	5.1	5.4	5.4	5.3	4.5	6.0	2.9	3.1	5.2
Dec-10	5.0	5.2	5.6	5.6	4.4	5.4	2.6	3.3	5.1
Mar-11	5.0	4.8	5.6	5.5	4.3	5.8	2.7	3.5	5.0
Jun-11	5.1	4.8	5.3	5.3	4.2	5.4	3.5	3.9	5.0
Sep-11	5.3	5.2	5.7	5.3	4.2	5.1	4.0	4.0	5.2
Dec-11	5.4	5.3	5.5	5.3	4.2	5.9	4.3	3.7	5.2
Mar-12	5.0	5.5	5.6	5.2	4.0	6.9	4.1	3.5	5.2
Jun-12	5.0	5.4	5.4	5.6	3.7	7.3	4.0	3.6	5.1
Sep-12	5.1	5.5	6.0	5.5	3.9	6.9	4.0	3.9	5.3
Dec-12	5.1	5.5	6.1	5.6	4.4	6.9	4.0	4.3	5.4
Mar-13	5.3	5.7	5.8	5.9	4.5	7.2	4.3	4.4	5.5
Jun-13	5.4	5.7	6.0	5.9	4.9	8.0	5.1	4.0	5.6
Sep-13	5.7	5.7	5.9	6.6	4.7	8.3	5.5	4.0	5.7
Dec-13	5.9	6.1	5.8	6.7	4.4	7.7	4.4	4.1	5.8

Source: ABS, *Labour Force, Australia, December 2013*, 6202.0, January 2014.

⁸ OECD, [OECD Employment Outlook 2013](#), July 2013

Figure 15: Unemployment rate, NSW

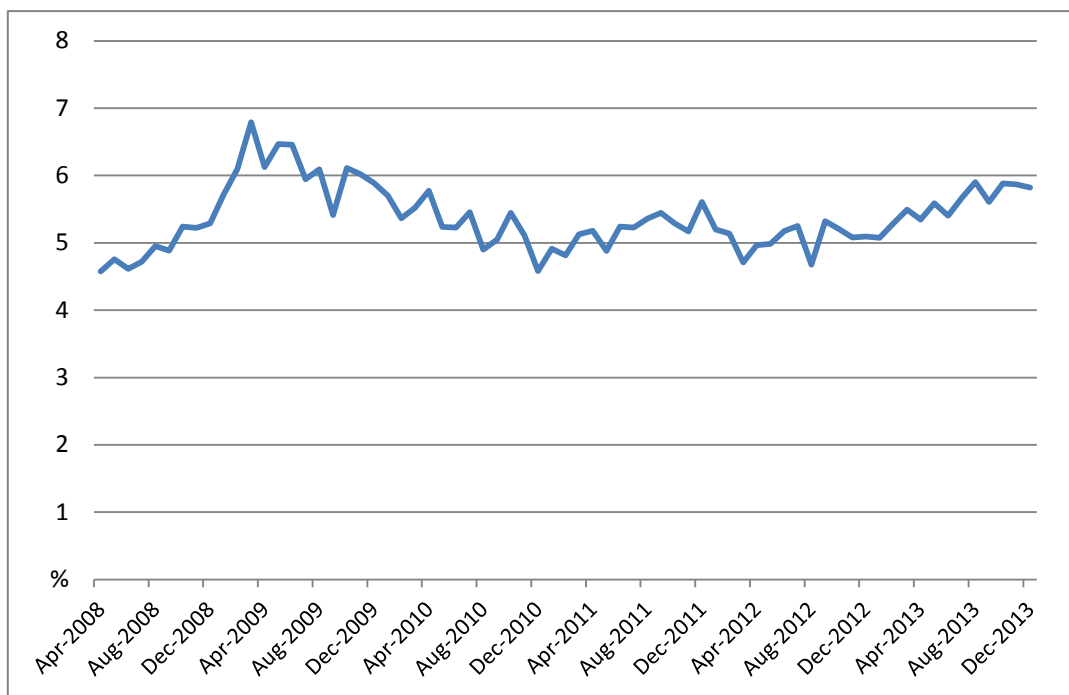
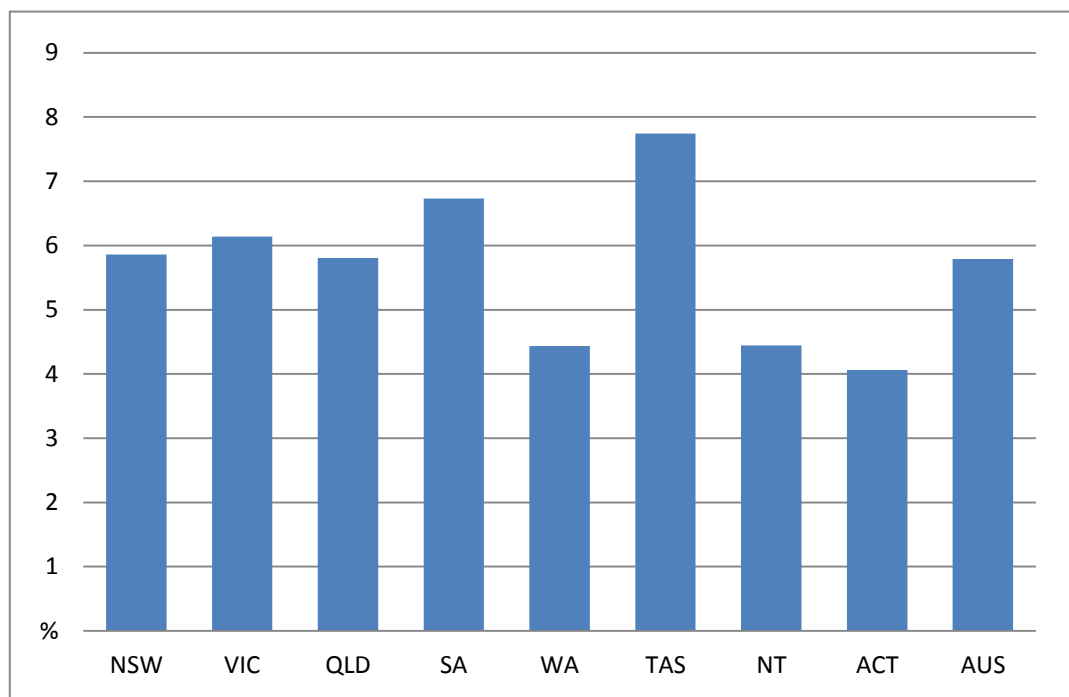


Figure 16: Average unemployment rate, December 2013 quarter



LABOUR FORCE PARTICIPATION

The labour force participation rate in NSW decreased in the September 2013 quarter to 63.3 per cent (the Australian average was 64.7 per cent). Only South Australia (62.0 per cent) and Tasmania (59.5 per cent) have lower participation rates than NSW. The highest labour force participation rate is in the Northern Territory (75.1 per cent).

Table 7: Labour force participation rate, quarterly average, seasonally adjusted, %

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-08	64.2	65.3	67.3	63.2	68.4	61.6	72.6	73.3	65.6
Sep-08	63.7	64.9	67.7	63.7	69.3	62.6	72.2	73.4	65.6
Dec-08	63.7	64.6	67.6	63.7	69.5	62.2	72.6	73.2	65.5
Mar-09	63.8	64.7	68.0	63.5	69.2	62.0	74.4	72.5	65.6
Jun-09	64.0	64.7	67.6	63.6	69.2	61.0	75.4	72.1	65.6
Sep-09	63.6	64.9	67.7	63.4	68.4	60.7	74.2	72.2	65.4
Dec-09	63.5	65.4	67.4	63.2	68.4	60.3	74.0	72.7	65.3
Mar-10	63.1	65.4	67.3	63.4	68.4	61.0	73.3	73.2	65.3
Jun-10	63.1	65.2	67.8	63.0	68.0	61.7	72.9	73.0	65.3
Sep-10	63.5	65.6	67.3	63.6	68.7	61.5	73.5	72.9	65.5
Dec-10	64.1	65.9	67.8	63.5	68.4	60.9	72.7	73.2	65.8
Mar-11	64.0	65.9	67.1	63.2	68.0	61.3	72.8	73.1	65.7
Jun-11	63.4	65.7	67.3	63.6	68.5	60.7	72.2	72.8	65.5
Sep-11	63.8	65.6	67.4	63.6	68.4	60.3	72.7	72.4	65.6
Dec-11	63.6	65.5	67.3	63.3	68.1	60.9	74.4	72.3	65.4
Mar-12	63.3	65.1	67.1	63.0	69.0	60.6	74.8	72.3	65.3
Jun-12	63.2	65.6	66.5	62.9	69.1	60.4	74.0	72.5	65.3
Sep-12	63.4	65.2	66.5	62.6	68.9	60.4	74.2	72.6	65.2
Dec-12	63.5	65.1	66.2	62.9	69.5	60.4	74.3	72.6	65.2
Mar-13	63.9	65.0	66.2	63.0	69.0	60.3	73.6	72.5	65.3
Jun-13	64.1	65.1	65.8	63.2	68.6	60.4	74.1	72.2	65.3
Sep-13	63.8	64.8	65.9	62.3	68.0	60.1	75.0	71.8	65.0
Dec-13	63.3	64.8	65.8	62.0	68.0	59.5	75.1	71.0	64.7

Source: ABS, *Labour Force, Australia, December 2013*, 6202.0, January 2014.

Figure 17: Labour force participation rate, NSW

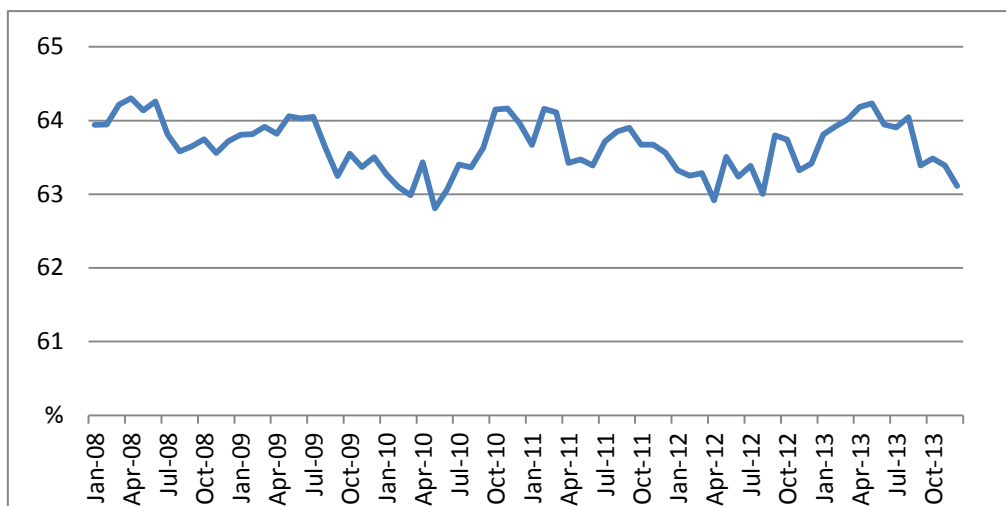


Figure 18: Labour force participation rate, December quarter

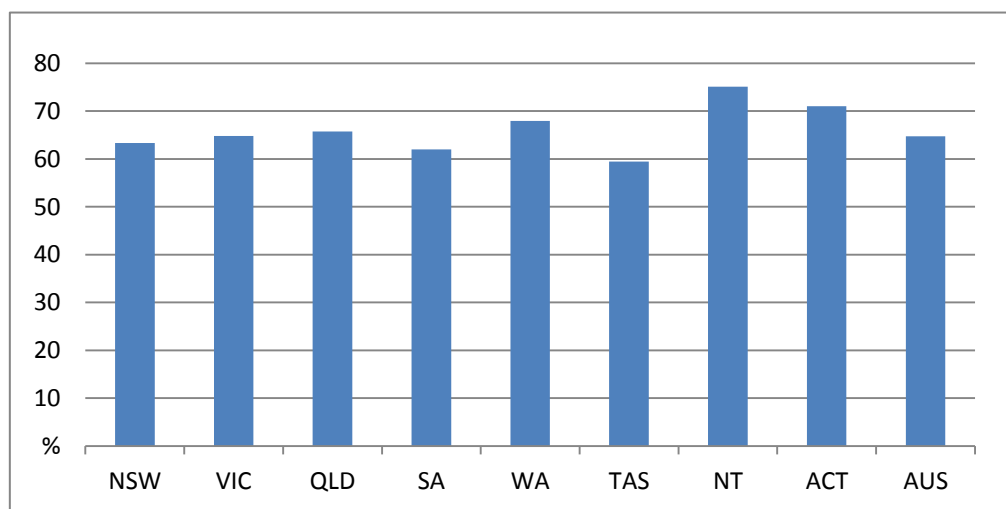
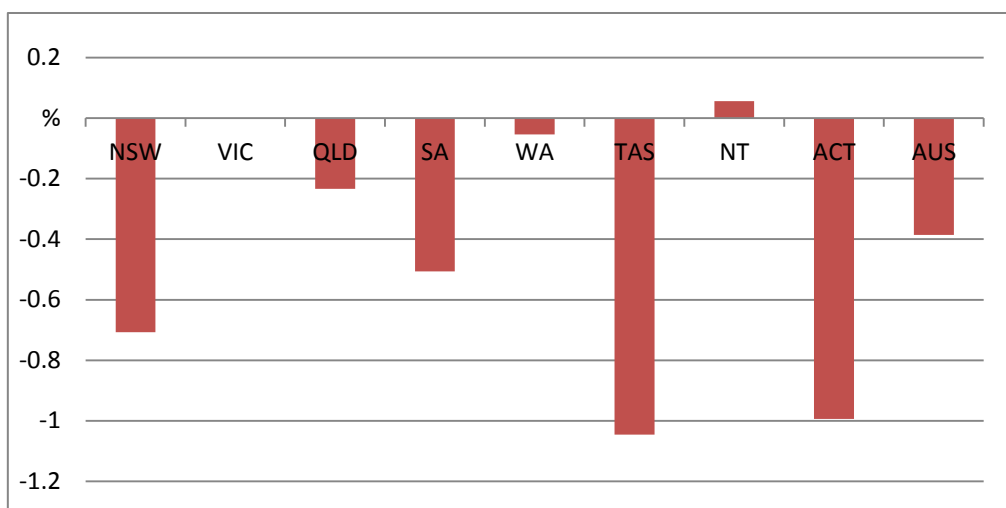


Figure 19: Change in labour force participation rate, Sept 2013 to Dec 2013



JOB VACANCIES

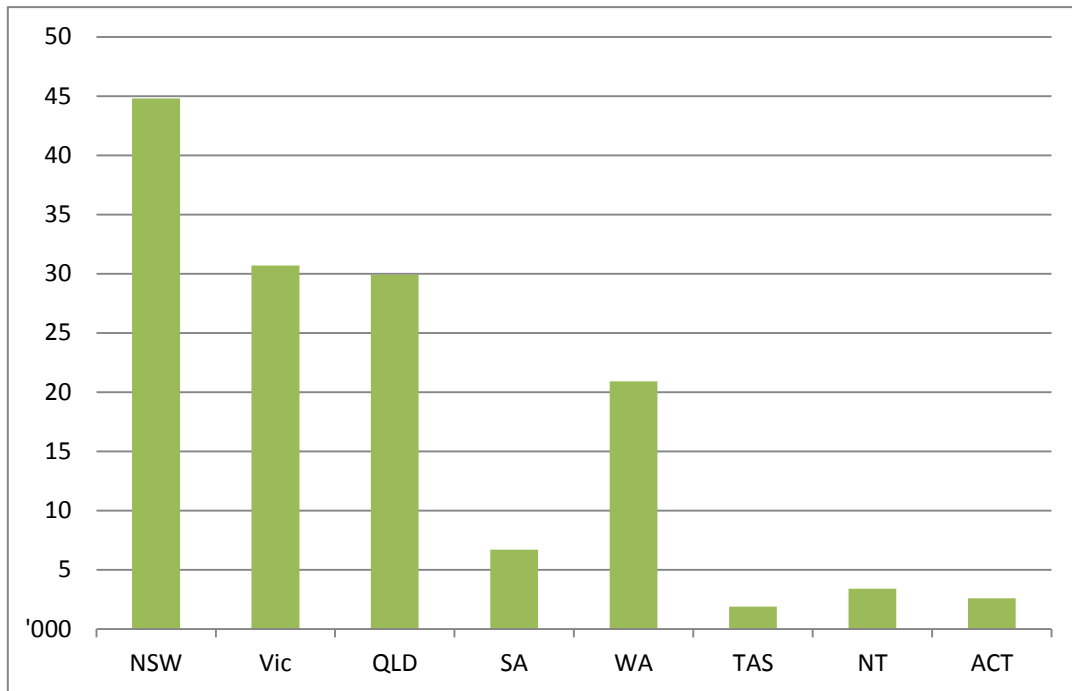
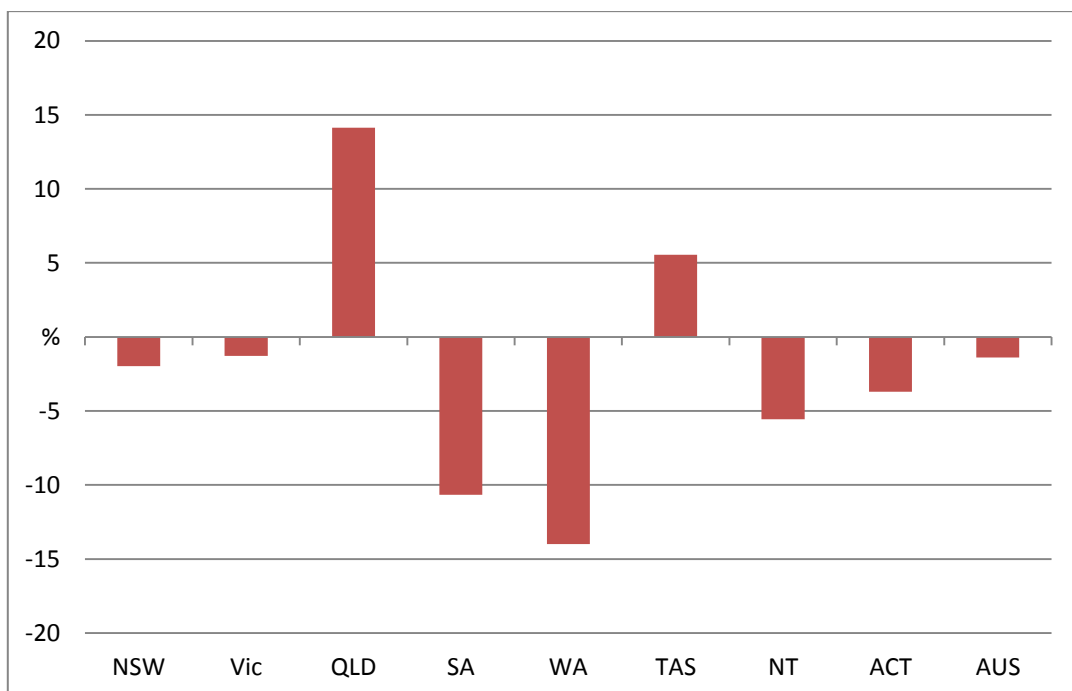
The number of job vacancies in NSW decreased by 2 per cent in the November 2013 quarter to 44,800. This was down from the 45,700 recorded in the August 2013 quarter, which has historically been a relatively strong month for job vacancies growth in NSW. Job vacancies still remain below the 10 year average of 46,600.

There was an average decrease of around 1.4 per cent in the number of job vacancies across Australia. The number of job vacancies fell in Victoria (down by 1.3 per cent), South Australia (10.7 per cent) and Western Australia (14 per cent), while increasing in Queensland (up by 14 per cent) and Tasmania (5.6 per cent).

Table 8: Number of job vacancies, original figures, '000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Nov 2009	46.3	32.6	27.9	11.0	21.8	2.0	2.9	6.2	150.8
Feb 2010	50.3	33.3	31.6	13.3	27.6	2.8	4.4	5.8	169.0
May 2010	47.5	36.8	28.5	14.3	27.0	1.7	4.1	4.7	164.7
Aug 2010	52.9	40.2	33.4	13.3	28.4	2.6	4.3	6.2	181.4
Nov 2010	50.1	46.0	37.4	16.6	30.3	2.6	3.9	6.8	193.7
Feb 2011	49.2	47.7	38.3	10.7	31.5	2.3	3.8	6.2	189.9
May 2011	47.3	40.8	41.6	10.4	28.0	2.3	4.2	6.4	181.0
Aug 2011	47.1	41.9	44.6	8.9	32.8	2.3	3.1	6.0	186.7
Nov 2011	49.0	38.1	43.4	8.6	32.5	2.6	2.6	4.9	181.6
Feb 2012	52.6	40.1	36.1	10.8	31.6	1.9	3.2	5.8	182.2
May 2012	45.2	32.9	43.1	10.4	31.3	2.0	2.3	4.7	172.1
Aug 2012	48.2	36.6	34.8	11.1	37.6	2.5	3.2	4.7	178.7
Nov 2012	45.9	38.7	30.7	10.8	32.4	2.1	2.6	3.9	167.1
Feb 2013	44.7	31.9	26.0	8.5	31.1	2.2	2.7	2.8	149.8
May 2013	37.1	33.7	27.2	6.0	27.1	1.7	3.2	2.8	138.9
Aug 2013	45.7	31.1	26.2	7.5	24.3	1.8	3.6	2.7	142.9
Nov 2013	44.8	30.7	29.9	6.7	20.9	1.9	3.4	2.6	140.9

Source: ABS, *Job Vacancies, Australia*, 6354.0, November 2013.

Figure 20: Number of job vacancies, November 2013**Figure 21: Change in job vacancies, August to November 2013 quarters**

WAGES

The ABS now releases its data on wages on a biannual rather than quarterly basis. In its most recent publication, trend estimates for wages are available for May 2013. The ABS determined that the change in the frequency of publication resulted in a shift in the level of trend estimates and thus released a new series commencing with May 2012 data. Accordingly, the table below shows the movement in wages before this change, and then from May 2012 onwards.

The average adult weekly fulltime earnings (ordinary time) in NSW rose by just over 1 per cent in the May 2013 half year to \$1411. NSW had the fifth highest average weekly earnings behind the ACT (\$1705), Western Australia (\$1646), the Northern Territory (\$1447) and Queensland (\$1423).

National agricultural production and income statistics are obtained from the ABS *Average weekly earnings, Australia* catalogue. This is a biannual publication and the November 2013 issue is expected to be released in February 2014.

Table 9: Average adult weekly fulltime earnings, ordinary time, trend estimates

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
May 2007	1120	1058	1027	1004	1113	938	1048	1250
Aug 2007	1133	1071	1042	1017	1136	947	1063	1259
Nov 2007	1139	1079	1053	1027	1161	951	1079	1267
Feb 2008	1140	1088	1069	1036	1185	951	1095	1279
May 2008	1145	1103	1091	1051	1206	956	1108	1298
Aug 2008	1157	1120	1115	1071	1224	966	1122	1320
Nov 2008	1174	1136	1133	1093	1244	980	1134	1338
Feb 2009	1190	1150	1146	1109	1266	996	1144	1345
May 2009	1206	1162	1163	1117	1287	1014	1151	1352
Aug 2009	1225	1175	1187	1122	1310	1035	1160	1373
Nov 2009	1246	1190	1209	1127	1332	1054	1175	1408
Feb 2010	1260	1206	1223	1132	1350	1071	1197	1441
May 2010	1268	1221	1233	1140	1364	1084	1221	1459
Aug 2010	1276	1231	1244	1149	1384	1101	1246	1464
Nov 2010	1289	1236	1257	1160	1411	1118	1265	1470
Feb 2011	1308	1241	1268	1176	1449	1136	1281	1484
May 2011	1323	1251	1277	1193	1488	1152	1305	1505
Aug 2011	1330	1271	1289	1207	1516	1164	1336	1523
Nov 2011	1334	1290	1305	1218	1523	1174	1367	1543
Feb 2012	1341	1302	1320	1224	1520	1185	1391	1565
May 2012	1350	1308	1336	1230	1511	1196	1408	1590
New series								
May 2012	1356	1303	1326	1236	1530	1199	1407	1598
Nov 2012	1398	1328	1367	1272	1583	1224	1419	1639
May 2013	1411	1341	1423	1286	1646	1265	1447	1705

Source: ABS, *Average weekly earnings, Australia, May 2013*, 6302.0, October 2013.

Figure 22: Average adult weekly fulltime earnings, NSW

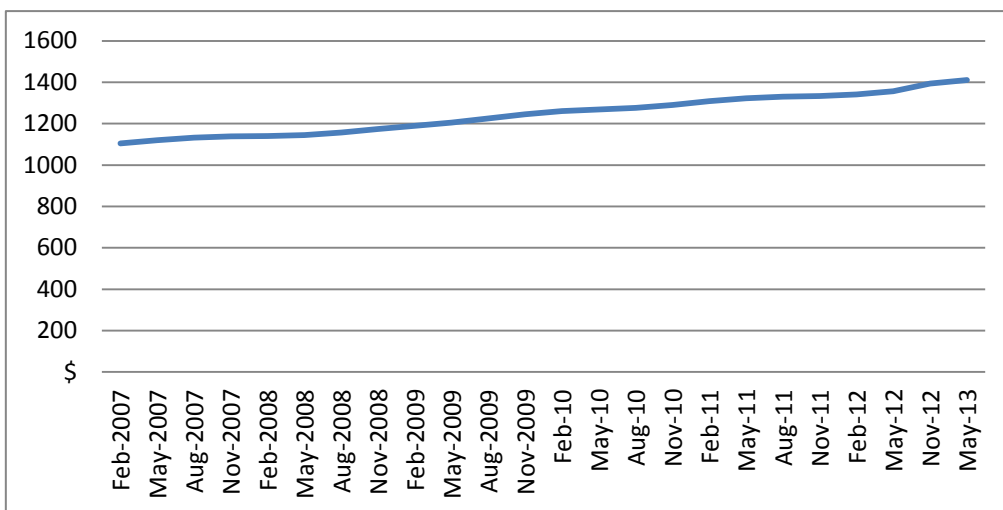


Figure 23: Average adult weekly fulltime earnings, May 2013

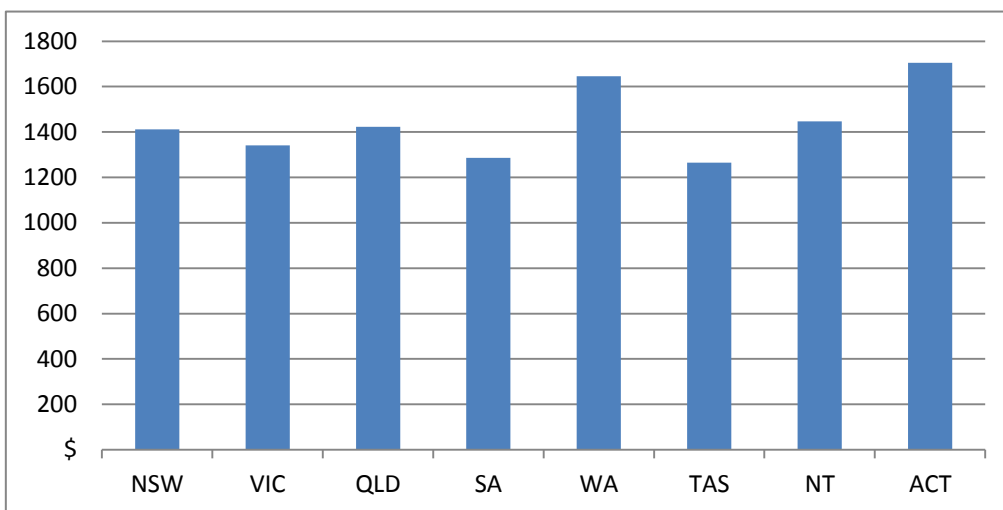
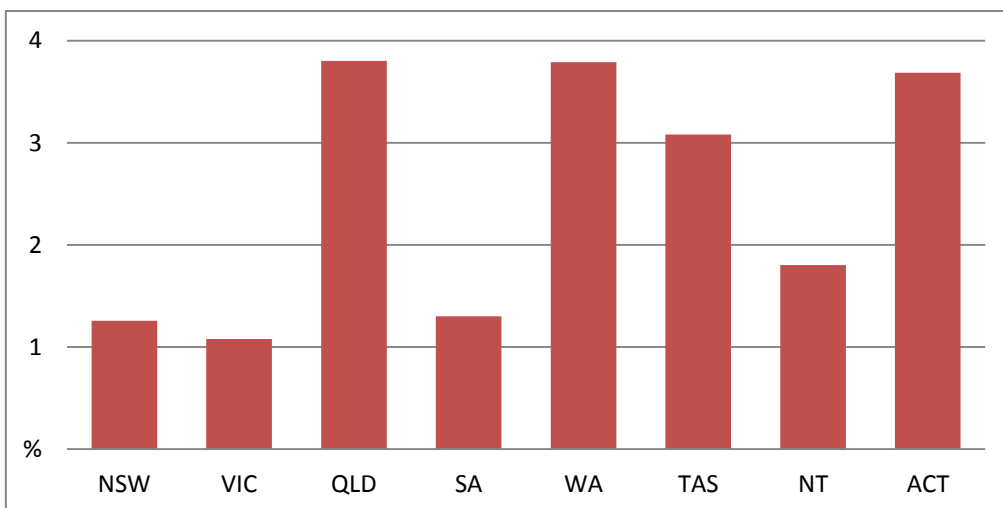


Figure 24: Change in average weekly fulltime earnings, Nov 2012 to May 2013



AGRICULTURAL PRODUCTION AND INCOME

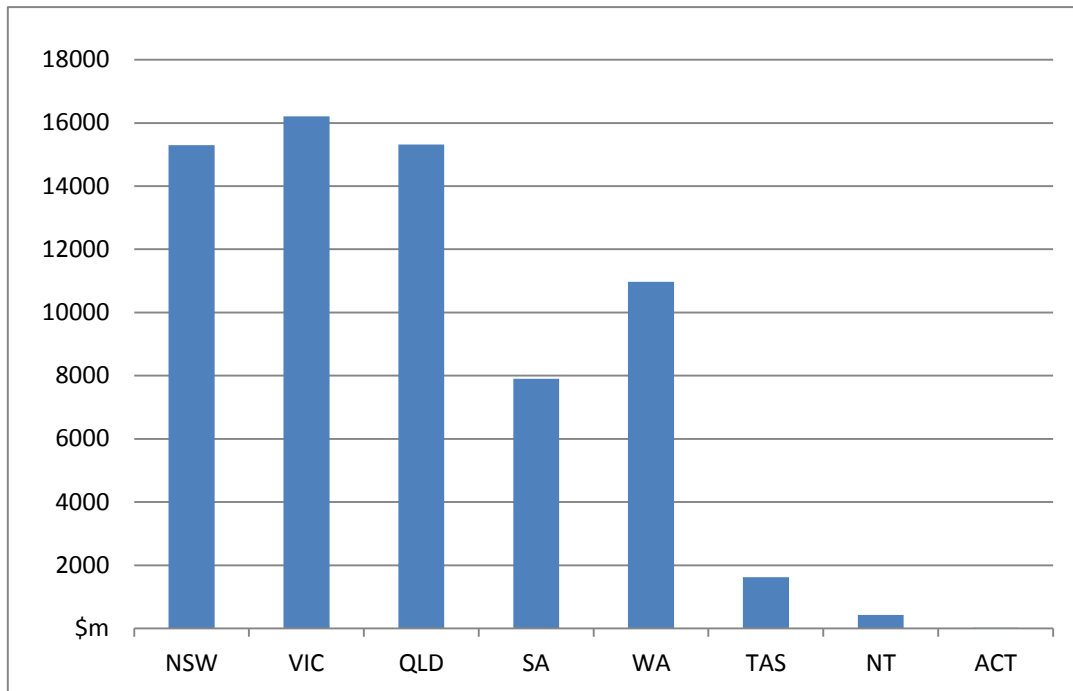
The gross value of agricultural production in NSW was virtually unchanged at \$15.3 billion for the year ending June 2013. NSW recorded the third highest gross value in agricultural production in Australia, after Victoria (\$16.2 billion) and Queensland (\$15.3 billion). Western Australia was the only State to record positive growth, with an increase of 6.9 per cent compared with the 12 months previous.

Agricultural income in NSW was \$2.65 billion in the year ending June 2013. This represented an increase of 45 per cent compared with the 12 months ending June 2012. South Australia (73 per cent) and Queensland (11 per cent) also recorded strong positive growth in the agricultural income.

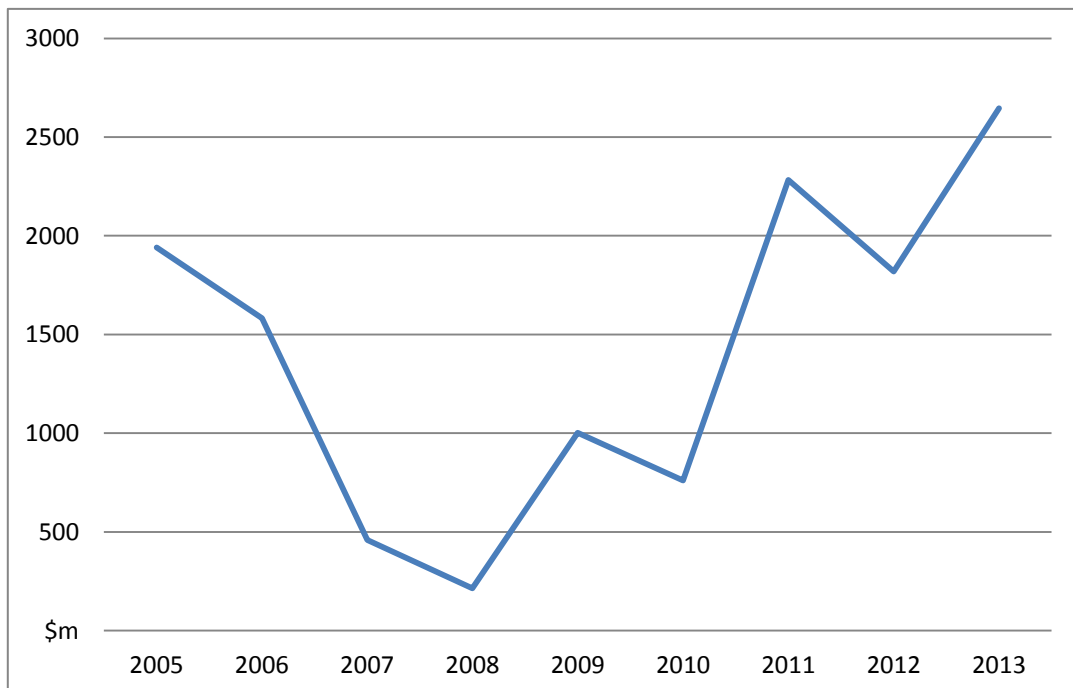
Table 10: Gross value of agricultural production, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	12322	11036	11965	5543	6917	1246	464	33
Jun-2006	12576	11679	12629	6113	7951	1334	428	34
Jun-2007	10746	10978	13064	5254	6550	1333	479	30
Jun-2008	12154	14568	12173	7049	9243	1558	586	32
Jun-2009	12984	13302	13480	6656	9550	1624	557	30
Jun-2010	11204	13960	13081	6431	7435	1398	563	23
Jun-2011	15375	16268	13755	8426	7093	1585	532	26
Jun-2012	15306	16931	15338	8048	10259	1684	421	22
Jun-2013	15301	16204	15314	7899	10972	1618	420	18

Source: ABS, *Australian National Accounts, State Accounts 2012-13*, 5220.0, November 2013

Figure 25: Gross value of agricultural production, year ending June 2013

NB: The gross value of agricultural production in the ACT was \$24 million, but due to its relatively small size it is not apparent on the above chart.

Figure 26: Agricultural income, NSW

MINERAL AND PETROLEUM EXPLORATION EXPENDITURE

There is no comprehensive quarterly or annual dataset available for the gross value of mining production for the States and Territories in Australia. Mineral and petroleum exploration expenditure is the only comprehensive dataset available through the ABS and is the best proxy for the level of mining activity taking place in NSW and elsewhere in Australia. No statistics are published for the ACT as it does not have any mining activities.

NSW has experienced two consecutive quarters of negative growth in mineral and petroleum exploration expenditure. Between March 2013 and September 2013, exploration expenditure in NSW declined by 57 per cent (or \$47.4 million).

Western Australia (67 per cent) still accounts for the majority of mineral and petroleum expenditure in Australia, followed by Queensland (16 per cent) and the Northern Territory (6 per cent).

Table 11: Mineral and petroleum exploration expenditure, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	AUS
Mar-2008	62.2	24.8	136.0	138.8	831.4	7.6	118.4	1400.7
Jun-2008	61.7	25.6	173.9	123.6	935.8	8.4	70.7	1506.4
Sep-2008	49.8	23.8	169.1	109.5	938.4	7.3	103.3	1481.6
Dec-2008	54.1	19.5	161.0	85.1	1150.2	7.3	69.6	1574.7
Mar-2009	45.4	10.3	159.4	66.5	1064.1	3.1	105.0	1540.7
Jun-2009	43.2	10.0	153.2	69.0	1017.6	2.8	113.7	1422.9
Sep-2009	49.2	15.0	191.7	74.3	929.2	3.5	73.5	1369.2
Dec-2009	43.7	24.0	234.8	61.7	848.6	4.4	84.0	1331.9
Mar-2010	75.8	24.2	242.5	57.3	961.5	5.6	74.9	1468.4
Jun-2010	71.9	20.2	253.4	43.5	989.4	7.2	69.4	1559.4
Sep-2010	56.7	12.4	260.3	47.4	1004.2	8.0	70.5	1525.2
Dec-2010	78.0	12.5	254.0	70.7	929.9	10.1	67.5	1484.7
Mar-2011	66.5	13.1	277.3	107.4	1048.0	9.3	57.8	1607.3
Jun-2011	74.4	19.4	333.3	111.2	1019.5	9.9	90.0	1664.6
Sep-2011	64.0	19.4	383.2	112.8	984.0	9.6	57.1	1751.7
Dec-2011	61.8	13.1	352.8	122.1	1095.7	9.9	113.9	1811.2
Mar-2012	87.3	13.2	366.5	131.7	985.6	9.9	95.3	1695.9
Jun-2012	56.3	12.8	334.1	135.8	1153.7	9.9	111.8	1883.2
Sep-2012	49.7	10.2	300.7	156.3	1260.8	10.9	151.0	1978.9
Dec-2012	44.7	7.9	306.2	175.3	1372.7	9.9	115.1	2067.9
Mar-2013	83.9	10.9	292.5	174.1	1266.4	9.8	74.3	1916.6
Jun-2013	47.3	9.5	422.4	112.4	1154.7	9.8	65.4	1884.9
Sep-2013	36.5	7.8	281.0	123.8	1170.2	9.3	100.9	1759.1

Source: ABS, *Mineral and Petroleum Exploration, Australia*, 8412.0, September 2013

Figure 27: Mineral and petroleum exploration expenditure, NSW

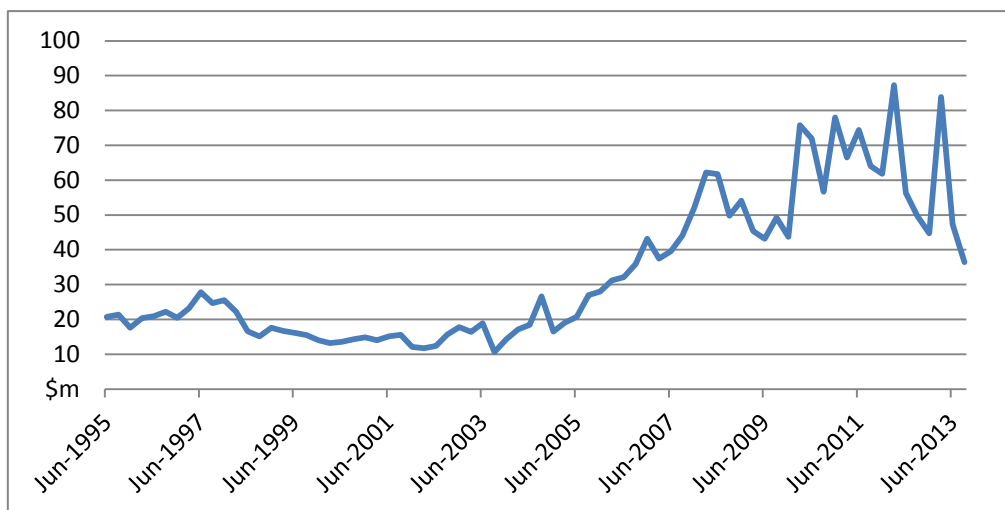


Figure 28: Mineral and petroleum exploration expenditure, September 2013

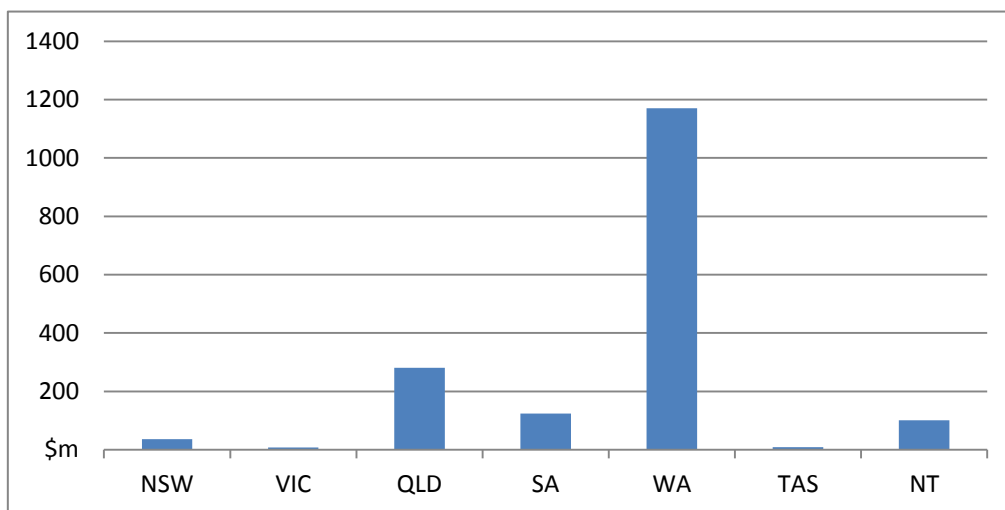


Figure 29: Change in mineral and petroleum exploration expenditure, September 2013



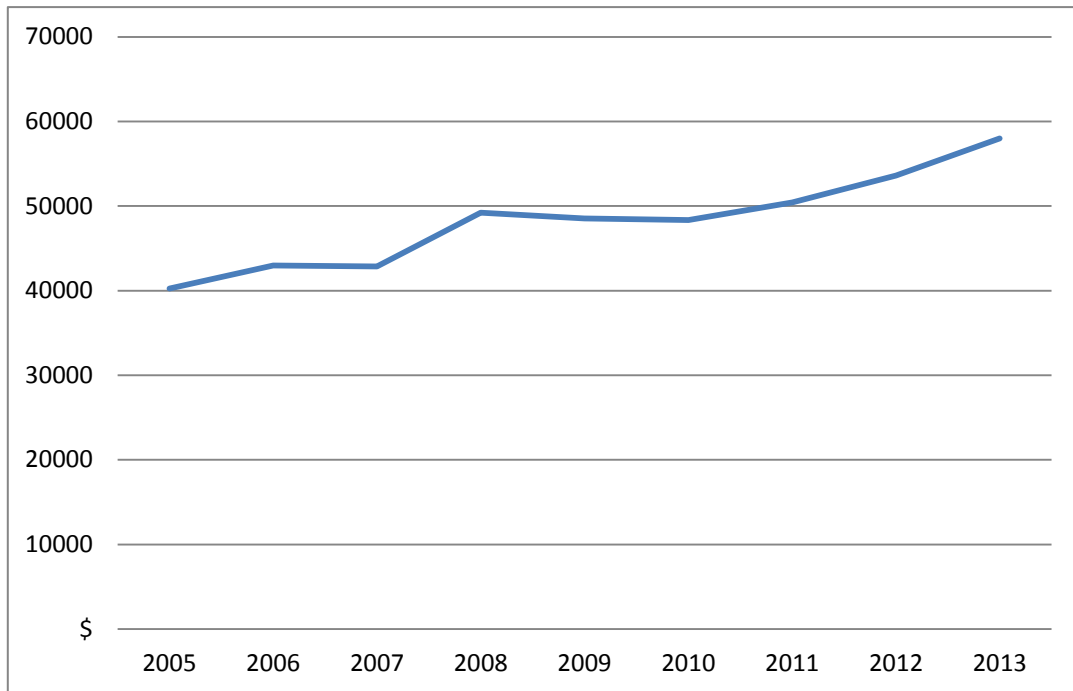
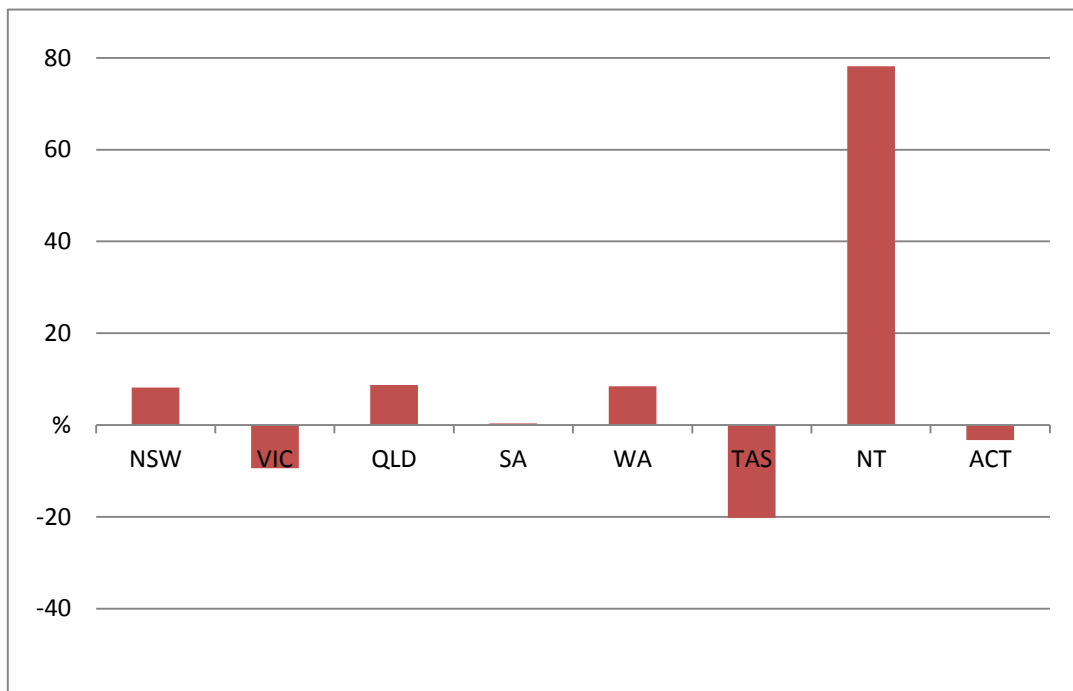
BUSINESS INVESTMENT

Total private business investment in NSW was \$58 billion (gross fixed capital formation, chain volume measures) for the year ending June 2013, 8 per cent more than in the year ending June 2012. This was the third highest amount of private business investment in Australia, behind Western Australia (\$74.8 billion) and Queensland (\$67.2 billion), which both recorded positive growth of 9 and 8 per cent respectively. Tasmania (down by 20 per cent) and Victoria (down by 9 per cent) both recorded negative private business investment growth for the year ending June 2013.

Table 12: Total private business investment, gross fixed capital formation, chain volume measures, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	40262	32887	25685	9617	20042	2374	3273	1742
Jun-2006	42985	37074	31021	9663	28019	2656	3801	2122
Jun-2007	42871	38202	35588	10169	34242	2193	3733	2557
Jun-2008	49219	41997	41254	9866	40505	2928	3924	2410
Jun-2009	48527	41010	43277	9986	45893	3173	5099	2395
Jun-2010	48338	40626	36806	9951	45085	2425	3260	2418
Jun-2011	50405	42071	44959	10922	49601	2646	2622	2384
Jun-2012	53614	43517	61831	12295	68976	2997	5458	2682
Jun-2013	57989	39426	67217	12337	74817	2392	9723	2595

Source: ABS, *Australian National Accounts, State Accounts 2012-13*, 5220.0, November 2013

Figure 30: Total private business investment, NSW**Figure 31: Change in total private business investment, year ending June 2013**

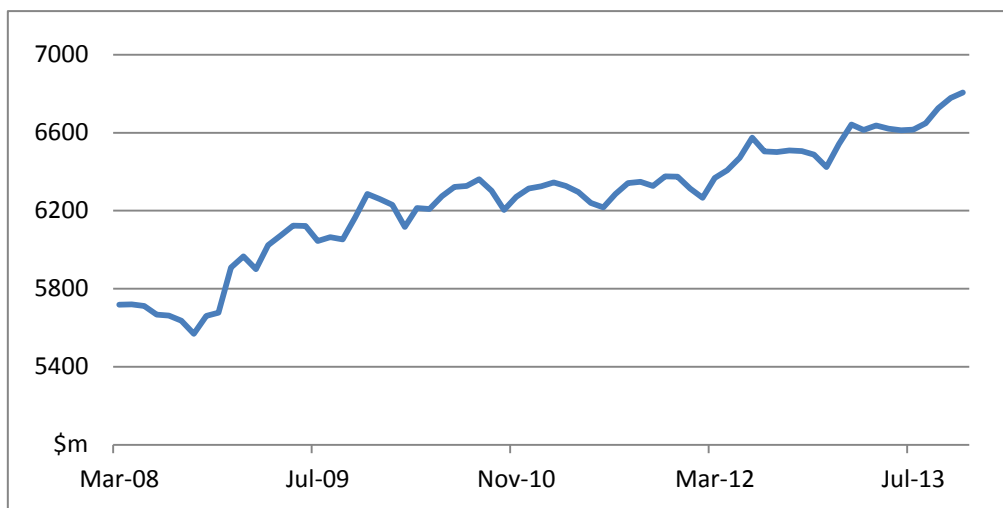
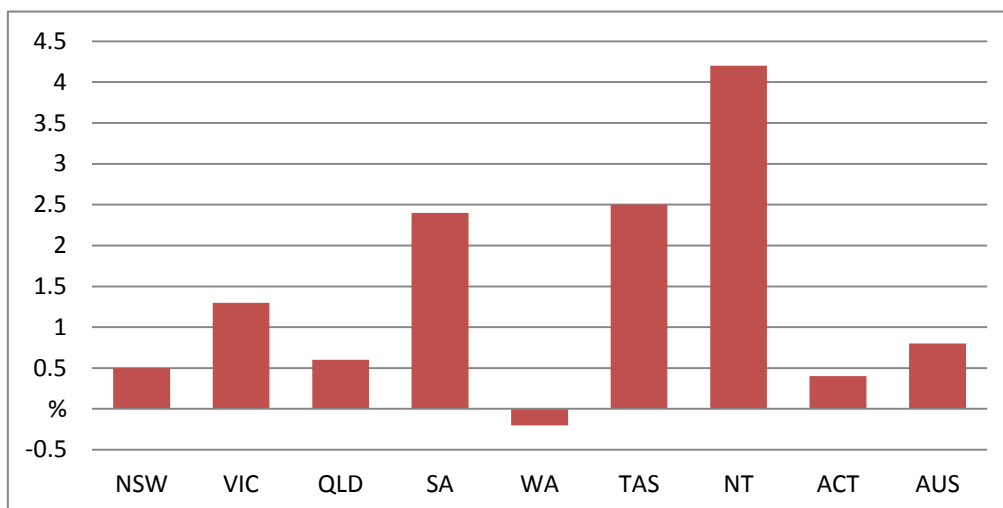
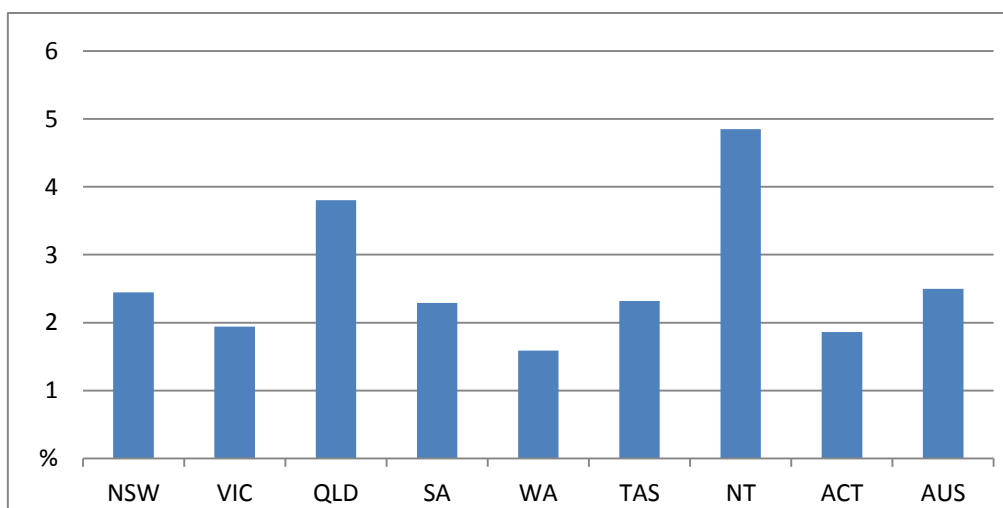
TURNOVER OF RETAIL TRADE

Average monthly turnover of retail trade in NSW rose by only 0.5 per cent in the September 2013 quarter to \$6.664 billion. Retail turnover in NSW was up 2.4 per cent from 12 months previously. Retail trade growth was also relatively subdued in Queensland (0.6 per cent), the Australian Capital Territory (0.4 per cent) and Western Australia (-0.2 per cent). The Northern Territory (4.2 per cent), South Australia (2.4 per cent) and Victoria (1.3 per cent), however, all recorded relatively strong retail trade growth. As at September 2013, NSW accounted for 30.3 per cent all retail trade in Australia.

Table 13: Turnover of retail trade, quarterly average, seasonally adjusted, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-08	5700	4557	3828	1358	2076	408	195	349	18471
Sep-08	5622	4609	3909	1389	2107	415	203	346	18600
Dec-08	5749	4754	3989	1407	2101	426	212	356	18994
Mar-09	5963	4886	4071	1415	2121	433	219	363	19472
Jun-09	6106	4959	4151	1442	2151	444	218	372	19842
Sep-09	6054	4921	4076	1412	2139	439	217	371	19629
Dec-09	6237	4962	4101	1431	2176	444	223	374	19948
Mar-10	6187	5028	4079	1441	2186	439	223	376	19959
Jun-10	6269	5114	4093	1474	2195	440	228	380	20193
Sep-10	6331	5214	4141	1458	2204	433	226	377	20383
Dec-10	6263	5221	4124	1444	2215	432	218	383	20300
Mar-11	6332	5188	4196	1457	2294	426	228	385	20507
Jun-11	6251	5327	4222	1435	2331	429	228	377	20601
Sep-11	6325	5320	4254	1442	2390	436	231	378	20776
Dec-11	6359	5339	4256	1457	2447	433	233	378	20901
Mar-12	6316	5357	4349	1459	2508	432	236	388	21046
Jun-12	6484	5366	4424	1475	2568	431	241	391	21381
Sep-12	6505	5382	4448	1465	2620	422	239	399	21480
Dec-12	6472	5348	4480	1450	2657	416	241	393	21457
Mar-13	6599	5428	4575	1455	2661	426	243	404	21789
Jun-13	6624	5413	4587	1464	2664	421	240	404	21816
Sep-13	6664	5487	4617	1499	2662	432	250	406	22017

Source: ABS, *Retail Trade, Australia*, Cat. No. 8501.0, November 2013

Figure 32: Turnover of retail trade, NSW**Figure 33: Change in turnover of retail trade, June to September 2013 quarters****Figure 34: Change in turnover, September 2012 to September 2013 quarters**

VEHICLE SALES

The average number of new vehicles sold per month in NSW increased by 3.8 per cent in the December 2013 quarter to 29,660. All of the other States and Territories, with the exception of Queensland and the Northern Territory, experienced increases in the average monthly sales of new vehicles, with the change in sales averaging 4.4 per cent. Tasmania and the ACT had the sharpest increases in sales, rising by 19.6 and 10.2 per cent respectively.

Table 14: Sales of new vehicles, quarterly average

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-09	24548	20966	17731	5186	8677	1455	871	1317	80751
Sep-09	23514	19863	16106	4823	8012	1347	727	1190	75584
Dec-09	25886	22935	17848	5806	8811	1794	748	1292	85118
Mar-10	25870	22683	17159	5448	9068	1557	832	1324	83942
Jun-10	27796	25282	19217	5950	10861	1571	1001	1436	93114
Sep-10	25472	22441	16474	5330	9815	1471	828	1353	83184
Dec-10	26356	23404	16450	5420	9407	1853	747	1314	84951
Mar-11	26119	22526	16659	5093	8898	1367	816	1343	82821
Jun-11	25575	21399	17995	5102	9076	1278	930	1236	82591
Sep-11	26276	22675	17893	5518	9356	1424	828	1329	85297
Dec-11	26894	22800	17745	5207	9168	1520	758	1344	85436
Mar-12	26868	23242	18096	5334	9777	1172	883	1335	86707
Jun-12	29674	24682	21015	5721	10887	1260	1157	1513	95911
Sep-12	28051	24317	19201	5565	10698	1428	911	1435	91607
Dec-12	29147	25685	20029	6046	11306	1800	915	1525	96453
Mar-13	27850	24119	18817	5765	10674	1425	897	1470	91016
Jun-13	30961	26632	21377	6047	10963	1596	1088	1557	100221
Sep-13	28571	25075	18739	5687	10059	1597	956	1393	92078
Dec-13	29660	26608	18719	5996	10136	1910	864	1535	95428

Source: ABS, *Sales of new motor vehicles, Australia*, Cat. No. 9314.0, December 2013

The September quarter has historically been a relatively weak month for new vehicle sales in NSW. For example, NSW has recorded negative vehicle sales growth between the June and September quarters in almost every year since 1994 (Figure 35). New vehicle sales growth between the September and December quarters, on the other hand, has been positive in almost every year since 1994.

Figure 35: Change in new vehicle sales, September and December quarters

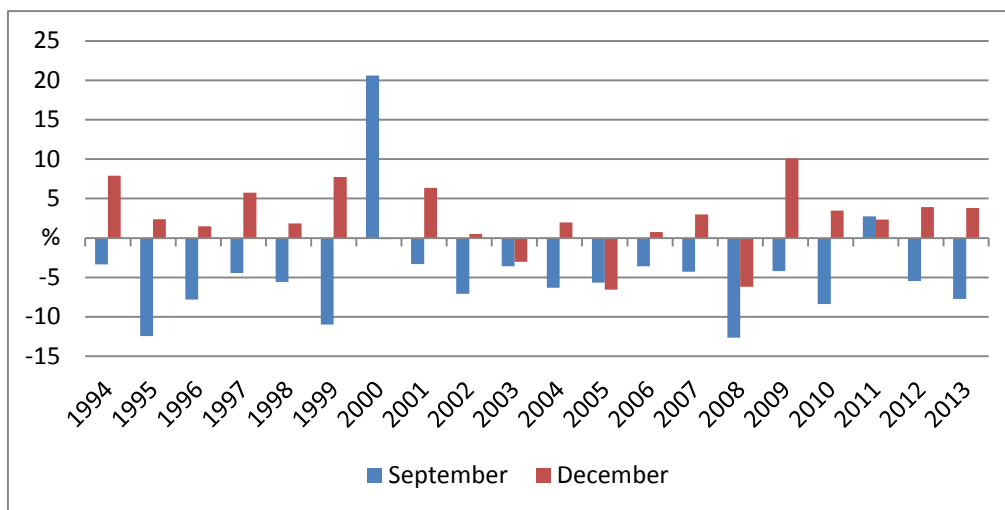


Figure 36: Total vehicle sales, NSW

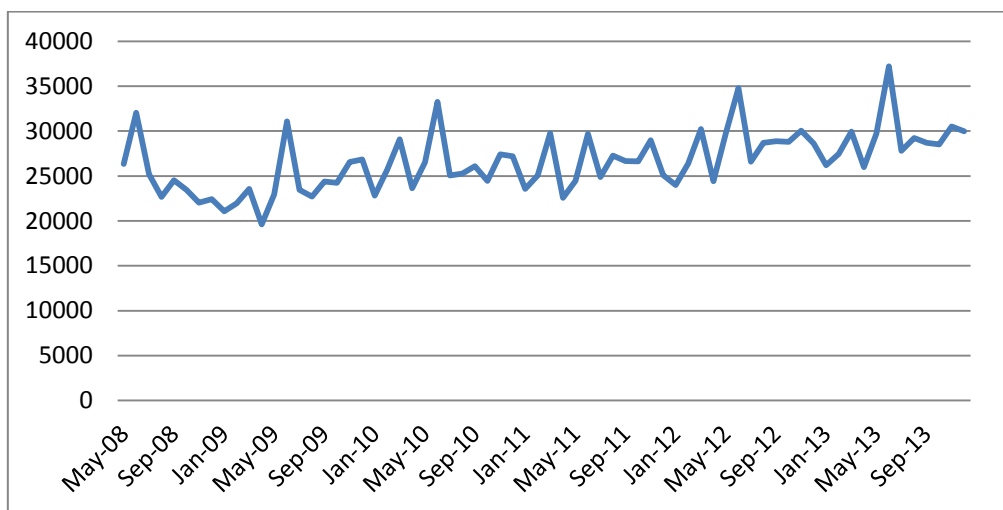
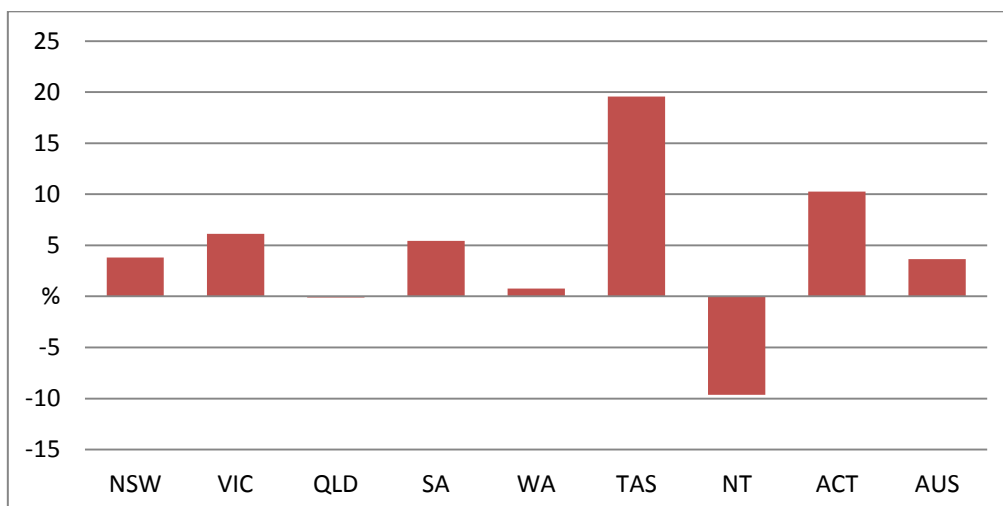


Figure 37: Change in average monthly vehicle sales, Sept to Dec 2013



HOUSE PRICE INDEXES

This data provides estimates of quarterly house price changes for each of the eight capital cities in Australia. This information is presented in the form of price indexes and is calculated on an index reference period of 2003-04 = 100.0 for each of the eight capital cities and a weighted average of all eight cities.

Sydney experienced a 3.6 per cent increase in the house price index for the September 2013 quarter, compared to the June 2013 quarter. This is a reflection of the resurgence in the housing market this year, and comes off the back of mostly flat or negative movement in the Sydney house price index between June 2010 and March 2012. With the exception of Canberra and Adelaide, all the other capital cities experienced increases in their respective house price indexes, with Melbourne (1.9 per cent) and Brisbane (1.2 per cent) experiencing the largest increases outside of Sydney.

Table 15: Established house price indexes, eight capital cities, indexed to 2003-04

	Syd	Mel	Bris	Adel	Per	Hob	Dar	Can	Ave
Jun-08	101.1	143.2	146.1	147.0	190.8	143.1	177.7	126.7	129.9
Sep-08	98.8	138.5	140.5	146.9	186.6	139.7	181.9	122.3	126.5
Dec-08	97.2	137.0	138.0	146.6	182.4	141.0	188.5	121.9	124.8
Mar-09	95.6	136.3	138.3	145.1	181.6	140.0	192.6	122.2	123.8
Jun-09	100.3	144.3	142.2	149.0	185.3	145.0	197.5	126.4	129.1
Sep-09	104.8	153.6	146.7	151.8	191.0	147.9	204.2	131.9	134.8
Dec-09	110.6	163.7	151.9	157.6	202.0	156.8	218.5	140.6	142.2
Mar-10	114.2	172.2	153.8	159.7	208.7	160.1	220.2	147.2	147.1
Jun-10	117.3	177.2	154.3	162.8	208.3	156.2	223.6	146.6	149.8
Sep-10	117.0	174.0	152.0	162.3	202.8	156.4	222.4	147.0	148.1
Dec-10	116.7	176.6	151.9	163.3	202.7	161.7	223.8	148.0	148.8
Mar-11	116.4	174.2	149.1	160.6	200.6	160.6	220.2	147.8	147.3
Jun-11	116.6	172.2	147.7	157.1	194.5	155.1	213.2	147.7	145.8
Sep-11	114.4	168.7	143.5	156.0	193.3	151.5	214.7	142.3	143.1
Dec-11	113.0	166.7	143.7	156.0	194.3	153.8	218.3	145.3	142.3
Mar-12	113.9	164.9	143.6	154.6	196.0	149.4	227.8	146.3	142.3
Jun-12	115.6	165.4	143.1	155.4	197.1	147.4	233.4	143.5	143.2
Sep-12	115.3	163.5	144.5	154.5	199.4	147.7	234.2	144.1	142.9
Dec-12	118.1	166.7	146.0	155.6	206.3	147.4	242.4	147.4	145.9
Mar-13	119.5	167.3	145.8	155.6	210.5	150.4	244.4	145.4	147.1
Jun-13	124.0	171.4	148.6	157.0	216.2	147.3	247.2	146.8	151.0
Sep-13	128.5	174.6	150.4	156.0	216.6	149.3	248.2	145.0	153.8

Source: ABS, *House price indexes, Australia*, Cat. No. 6416.0, September 2013

Figure 38: House price indexes, selected cities

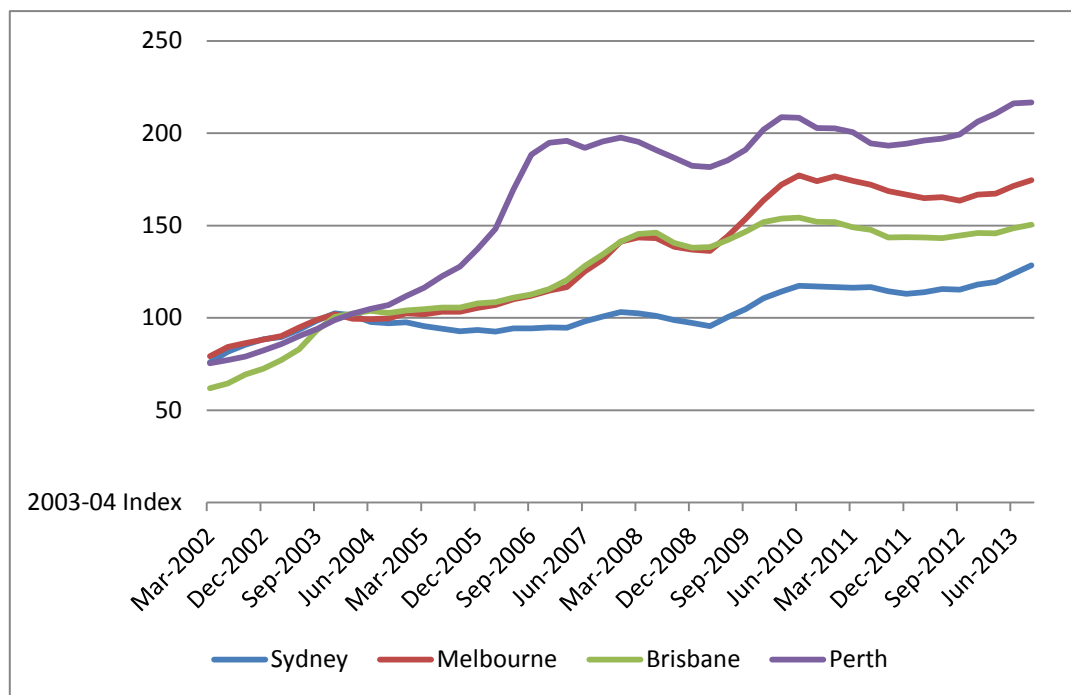
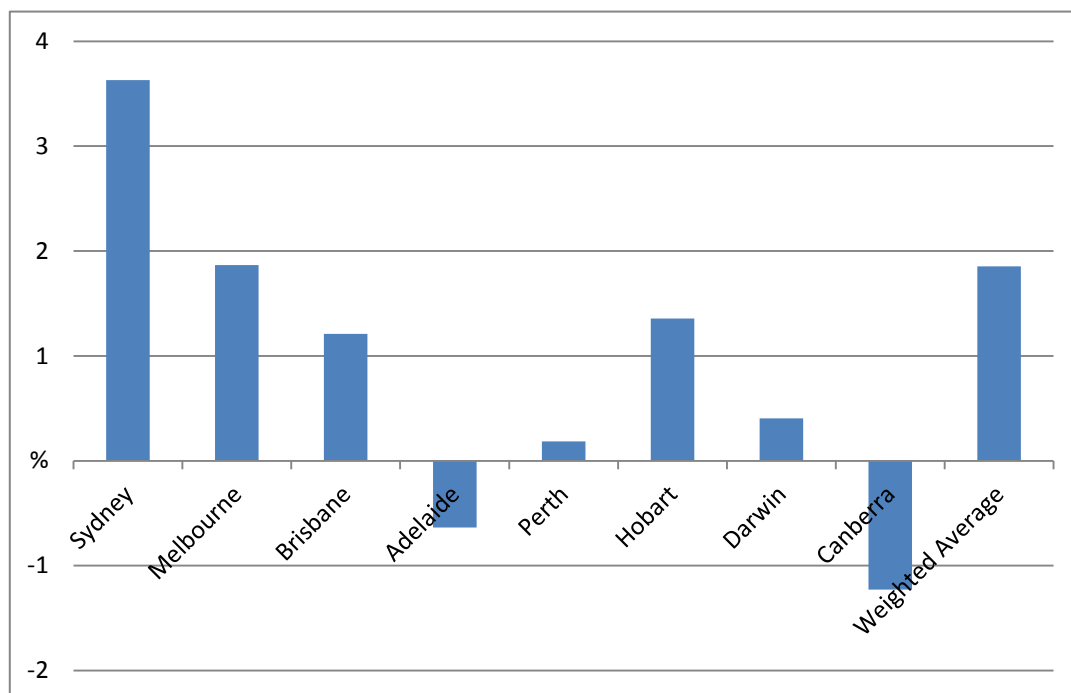


Figure 39: Change in house price indexes, June to September 2013 quarters



DWELLING APPROVALS

The average monthly number of dwellings approved in NSW increased by 17 per cent in the September 2013 quarter to 4,428, reflecting the supply response to recent strong house price growth in Sydney. The number of approvals in the September 2013 quarter is 48 per cent above that of a year previously, when the average monthly number of dwellings approved in the September 2012 quarter was 2,984. 56 per cent of dwellings approved in NSW in the September 2013 quarter were houses, compared to 47 per cent in the previous quarter.

All the other jurisdictions experienced positive growth in dwelling approvals over the September 2013 quarter. The Northern Territory had the highest growth, up 59 per cent from the previous quarter. Queensland, Victoria, South Australia and the ACT all recorded growth above 10 per cent.

Table 16: Number of dwellings approved, quarterly average

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-08	2696	3604	3618	1285	1988	251	102	253	13796
Sep-08	2328	3789	3222	1231	1909	304	85	211	13079
Dec-08	2214	3166	2366	932	1487	252	217	271	10906
Mar-09	1585	3340	1846	903	1359	233	80	169	9516
Jun-09	2172	3634	2422	1002	1749	289	106	311	11685
Sep-09	2652	4687	2890	1073	2049	301	109	385	14146
Dec-09	2969	4755	2976	1021	2125	314	146	347	14651
Mar-10	3029	4748	3021	1052	2347	250	55	310	14811
Jun-10	2951	5044	3233	1145	2030	253	168	471	15295
Sep-10	2838	5882	2729	1206	1850	293	207	401	15406
Dec-10	3467	5239	2631	939	1847	270	136	636	15163
Mar-11	2695	4515	2053	845	1613	230	59	396	12407
Jun-11	2544	4541	2458	961	1697	248	110	522	13082
Sep-11	3335	4654	2570	843	1734	207	148	511	14003
Dec-11	2921	3726	2140	709	1596	166	124	407	11789
Mar-12	2456	3567	2047	697	1686	168	78	217	10916
Jun-12	3065	4880	2434	628	1402	167	189	486	13252
Sep-12	2984	4694	2448	680	1899	171	254	216	13346
Dec-12	3850	4156	2465	753	2024	149	117	346	13859
Mar-13	2823	3375	2271	681	1914	120	207	299	11689
Jun-13	3776	3959	2636	819	2380	160	120	406	14257
Sep-13	4428	4541	2986	910	2521	172	190	509	16257

Source: ABS, *Building Approvals, Australia*, Cat. No. 8731.0, October 2013

Figure 40: Number of dwellings approved, NSW

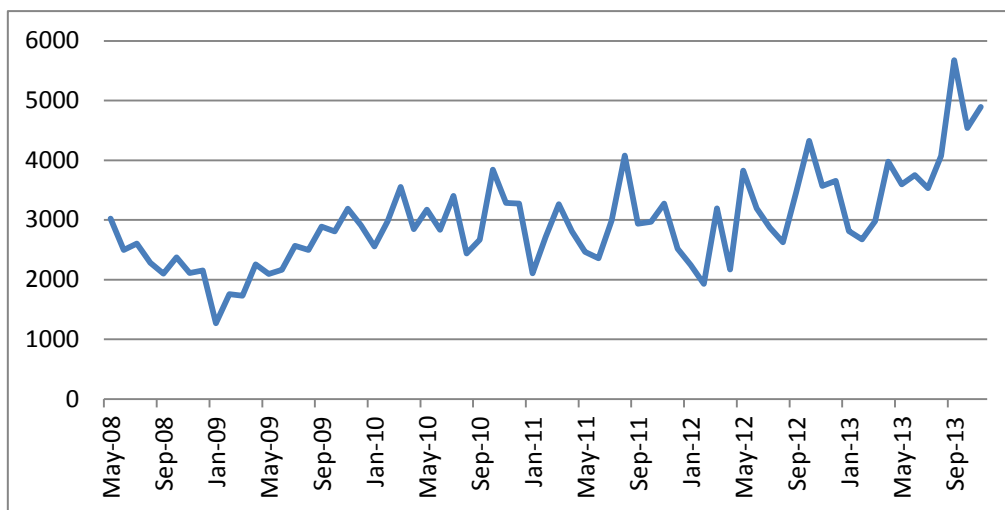


Figure 41: Average number of dwellings approved, September 2013 quarter

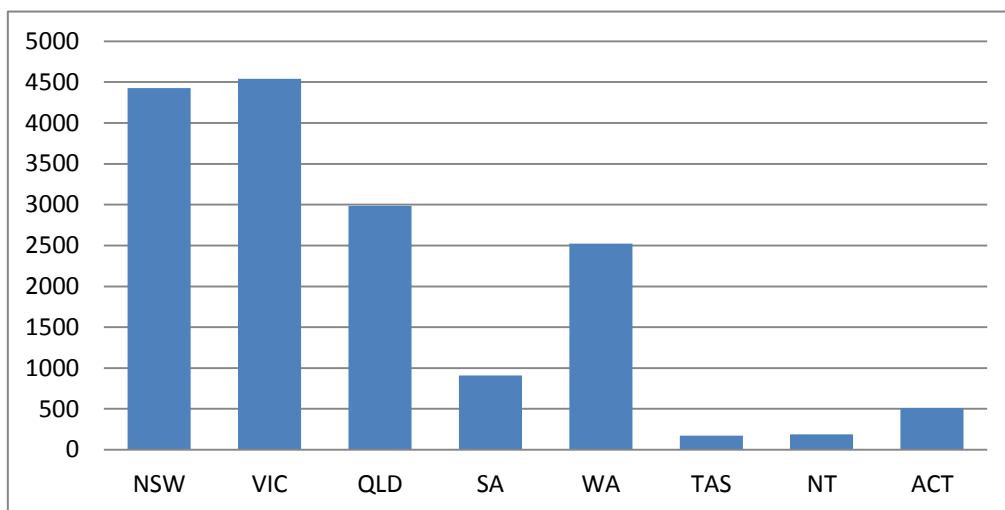
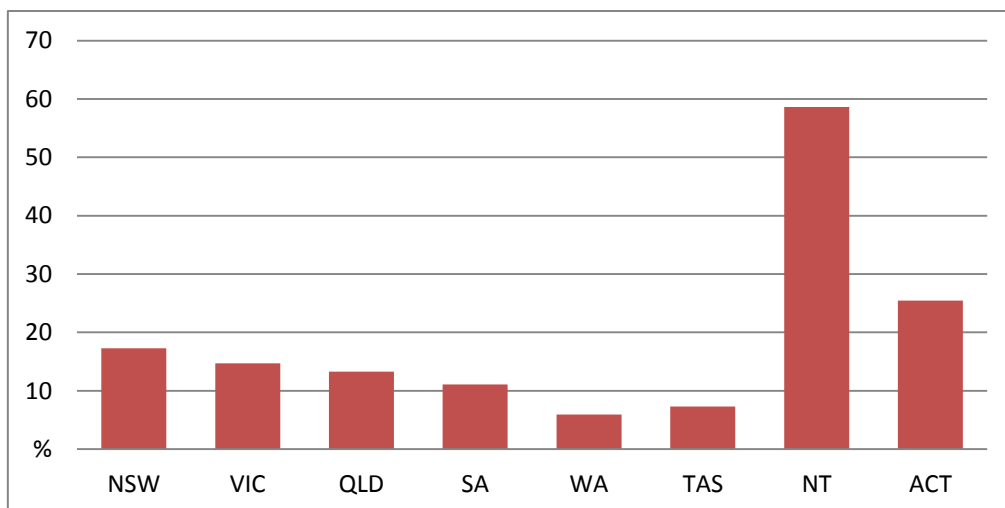


Figure 42: Change in approvals, June to September 2013 quarters



HOUSING FINANCE

The average loan size for first home buyers in NSW declined in the September 2013 quarter to \$300,000. This was the second highest average loan size for first home buyers in Australia, after Western Australia at \$317,000.

Growth in the average loan size for first home buyers in NSW has remained relatively subdued since 2009, fluctuating between \$288,000 and \$323,000. NSW experienced relatively strong growth in first home buyer finance between December 2007 and December 2009, increasing by 29 per cent. This reflected the increase in first home owner grants by the Federal Government in 2008 as part of the global financial crisis stimulus. The other more populous States in Australia have followed similar historical trends to NSW in this respect (Figure 43).

Table 17: First home buyers loan size, quarterly average, \$'000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-08	262	226	246	203	243	166	250	226
Sep-08	267	239	265	219	252	183	258	269
Dec-08	283	254	282	231	277	203	284	304
Mar-09	289	257	289	239	294	208	294	314
Jun-09	291	260	284	237	298	206	302	312
Sep-09	288	263	271	235	296	208	304	310
Dec-09	309	272	283	236	300	211	327	304
Mar-10	305	275	287	244	295	206	291	309
Jun-10	314	280	291	244	285	208	328	297
Sep-10	308	285	288	243	284	206	304	317
Dec-10	310	284	287	242	278	207	305	323
Mar-11	305	281	276	237	273	204	294	329
Jun-11	313	286	279	245	281	212	305	306
Sep-11	304	289	280	245	285	213	306	322
Dec-11	295	287	275	241	282	219	305	319
Mar-12	292	282	273	237	289	214	304	311
Jun-12	303	288	278	238	296	210	319	336
Sep-12	308	287	281	246	296	205	336	322
Dec-12	313	289	276	241	302	213	301	332
Mar-13	310	288	283	242	316	211	303	318
Jun-13	309	284	276	240	313	208	283	307
Sep-13	300	284	273	236	317	209	295	316

Source: ABS, *Housing Finance, Australia*, Cat. No. 5609.0, November 2013

Figure 43: Average monthly loan size, first home buyers, selected states

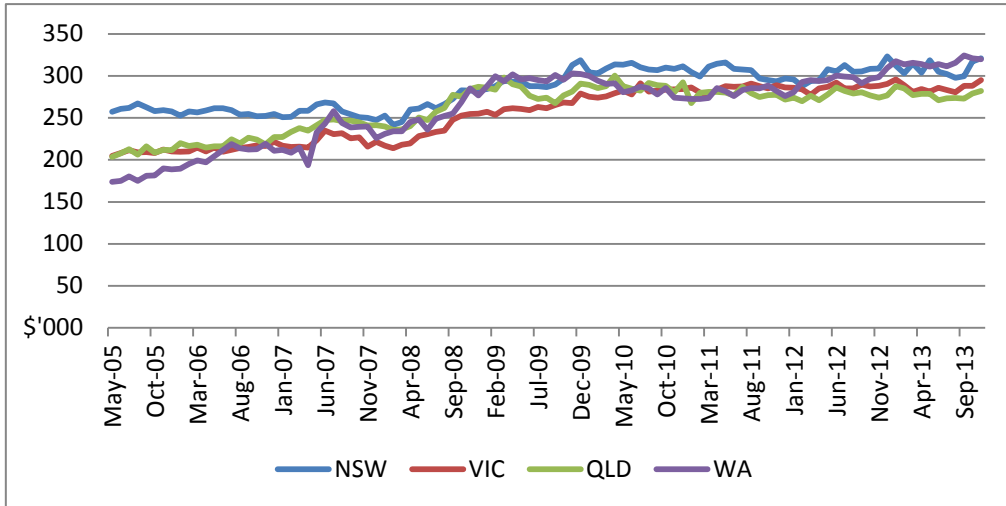


Figure 44: Average loan size, first home buyers, June 2013 quarter

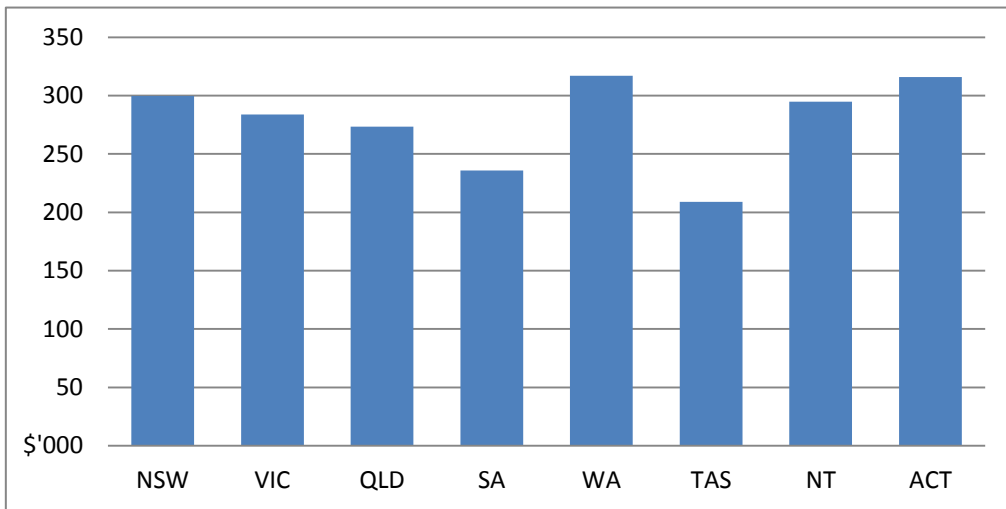


Figure 45: Change average first home buyers loan, March to June 2013 quarters



BANKRUPTCIES

The number of bankruptcies in NSW fell by 5 per cent in the December 2013 quarter to 1,582 (9 per cent fewer bankruptcies than a year previously). The number of bankruptcies increased in most of the States and Territories, except for Western Australia and Queensland which fell by 16 and 4 per cent respectively. The Northern Territory (61 per cent) and South Australia (10 per cent) had the largest increases in bankruptcies of the remaining jurisdictions. Around one-third of all bankruptcies in Australia occurred in NSW.

Table 18: Bankruptcies per quarter (Parts IV and XI of the Bankruptcy Act 1966 (Cth))

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-08	2781	1548	1508	550	375	214	38	44
Sep-08	2646	1434	1433	521	387	194	23	55
Dec-08	2577	1461	1460	457	400	210	31	53
Mar-09	2742	1527	1662	483	435	217	25	73
Jun-09	2532	1562	1688	483	438	221	24	66
Sep-09	2671	1580	1708	513	532	227	36	62
Dec-09	2451	1314	1800	452	476	175	41	61
Mar-10	2229	1393	1700	492	468	183	36	63
Jun-10	2403	1435	1801	489	410	204	36	64
Sep-10	2332	1274	1549	418	431	180	22	54
Dec-10	1994	1098	1668	409	389	175	31	48
Mar-11	1861	1020	1430	414	441	186	30	40
Jun-11	1936	1126	1504	364	437	169	22	44
Sep-11	1951	1125	1528	392	435	183	17	46
Dec-11	1950	1067	1538	388	391	166	25	48
Mar-12	1895	1039	1622	375	378	173	22	46
Jun-12	1831	1018	1563	368	363	172	16	32
Sep-12	1880	1147	1608	414	410	159	28	45
Dec-12	1732	1044	1542	350	384	137	28	42
Mar-13	1553	934	1411	332	322	140	23	59
Jun-13	1634	1055	1491	397	353	139	23	60
Sep-13	1667	1018	1403	295	391	131	18	45
Dec-13	1582	1043	1351	325	327	139	29	48

Source: Insolvency and Trustee Service Australia, 'Quarterly Statistics', www.itsa.gov.au

Figure 46: Bankruptcies per quarter, NSW

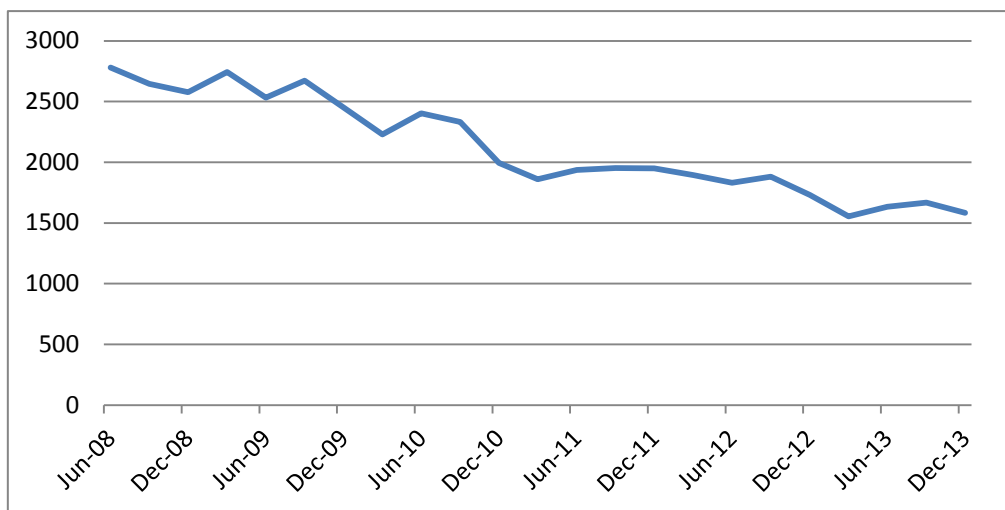


Figure 47: Number of bankruptcies, December 2013 quarter

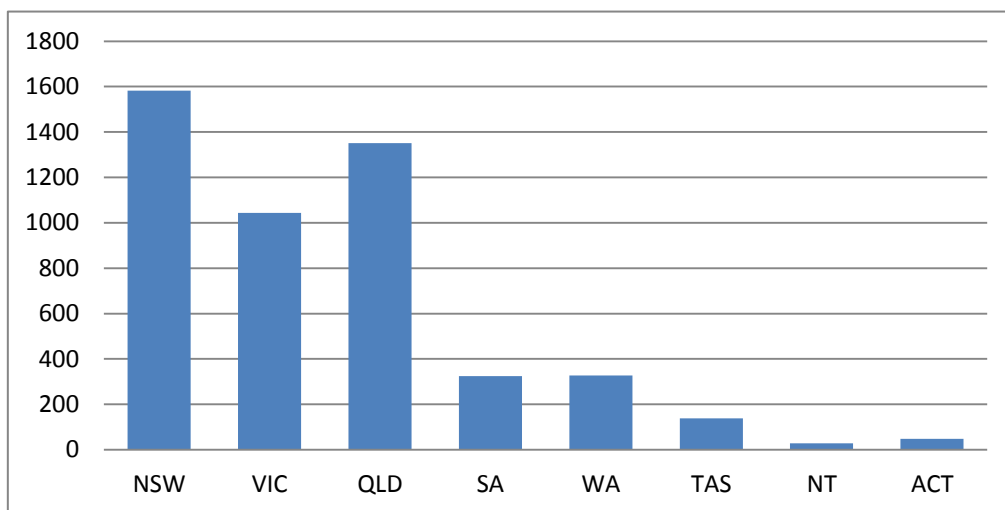
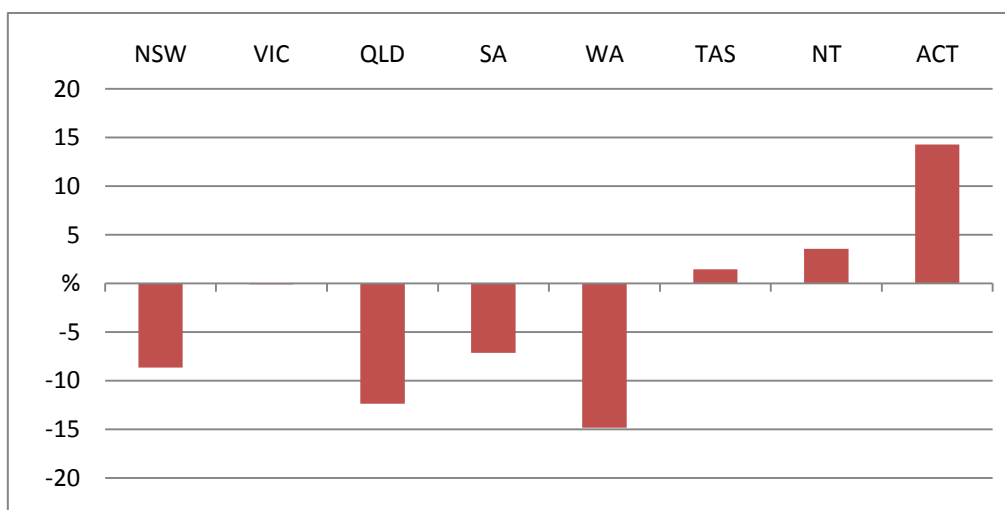


Figure 48: Change in number of bankruptcies, December 2012 to 2013



RENT

Movement in median rents across NSW was varied in the September 2013 quarter. Median rent for two and three bedroom apartments in Sydney both increased by 4.3 per cent. With the exception of 1 bedroom apartments in the Greater Metropolitan Region of NSW, which also increased by 4.3 per cent, median prices for the remainder of the categories remained relatively flat. The greatest percentage decrease was for three bedroom dwellings in the Greater Metropolitan Region, down by 2.6 per cent on the June 2013 quarter.

Sydney

The **average weekly rent** for new bonds in Sydney in the June 2013 quarter was: \$425 for a one bedroom place; \$480 for two bedrooms; \$480 for three bedrooms; and \$570 for four or more bedrooms.

The **highest median rent** for a two bedroom dwelling in Sydney was in the Sydney local government area at \$680 a week. The Woollahra local government area had the highest median rent for a three bedroom dwelling at \$1000.

The **lowest median rents** were in the Wollondilly local government area at \$290 for a two bedroom dwelling and \$380 in the Wyong area for a three bedroom dwelling.

Rest of the Greater Metropolitan Region

The **average rental price** in the Greater Metropolitan Region (GMR) excluding Sydney (includes Cessnock, Kiama, Lake Macquarie, Maitland, Newcastle, Port Stephens, Shellharbour and Wollongong) was: \$220 for a one bedroom dwelling; \$315 for two bedrooms; \$370 for three bedrooms; and \$430 for four or more bedrooms.

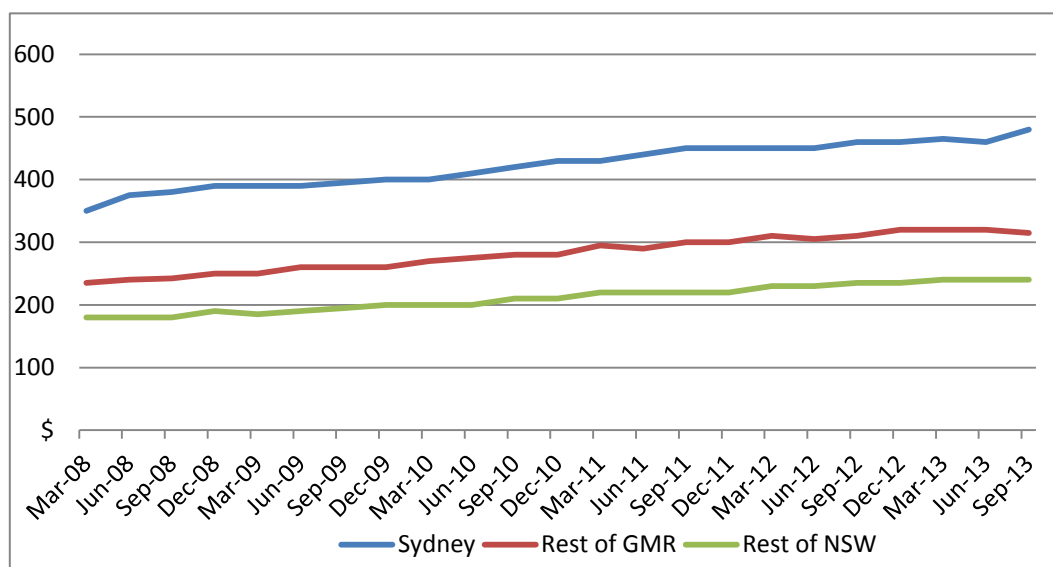
The **highest median rents** in the rest of the GMR were in Newcastle at \$350 a week for a two bedroom dwelling and \$420 for a three bedroom dwelling in Kiama.

The **lowest median rent** for a two bedroom dwelling was in Port Stephens at \$265. Cessnock had the lowest median rent for a three bedroom dwelling at \$310.

Rural NSW

The **median rent** for a two bedroom dwelling outside the Greater Metropolitan Region was \$240. The median rent for three bedrooms was \$300. The Richmond Valley area had the **highest median weekly rent** for a two bedroom dwelling at \$300. Queanbeyan has the highest median rent for a three bedroom dwelling at \$430. The Lower Murray had the **lowest median weekly rent** for two and three bedroom dwellings at \$135 and \$185 respectively.

Figure 49: Median weekly rent for new bonds, two bedrooms



Source: Housing NSW, *NSW Rent and Sales Report*, No 105, 2013

GLOSSARY

The following definitions are those used by the Australian Bureau of Statistics, unless otherwise stated.

Agricultural income: The income accruing from agricultural production during the year. It is equal to gross agricultural product at factor cost less consumption of fixed capital, compensation of employees, and net rent and interest payments.

Average weekly earnings: Average gross (before tax) earnings of employees. Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of number of employees.

Cash target rate: Monetary policy decisions are expressed in terms of a target for the cash rate, which is the overnight money market interest rate. (Source: Reserve Bank of Australia, www.rba.gov.au)

Chain volume measures: Estimates that exclude the direct effects of changes in prices. Unlike current measure estimates, they take account of changes to price relativities that occur from one year to the next. Annually re-weighted chain volume indexes are referenced to the current price values in a chosen reference year.

Consumer price index: The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This 'basket' covers a wide range of goods and services, arranged in the following eleven groups: food; alcohol and tobacco; clothing and footwear; housing; household contents and services; health; transportation; communication; recreation; education; and financial and insurance services.

Employed: All persons aged 15 years and over who, during the reference week: worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (comprising employees, employers and own account workers); or worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or were employees who had a job but were not at work and were: away from work for less than four weeks up to the end of the reference week; or away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or away from work as a standard work or shift arrangement; or on strike or locked out; or on workers' compensation and expected to return to their job; or were employers or own account workers, who had a job, business or farm, but were not at work.

Free on board (FOB): The value of goods measured on a free on board (f.o.b.) basis includes all production and other costs incurred up until the goods are placed on board the international carrier for export. Free on board values exclude international insurance and transport costs. They include the value of the outside packaging in which the product is wrapped, but do not include the

value of the international freight containers used for transporting the goods.

Gross domestic product: Is the total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production but before deducting allowances for the consumption of fixed capital. It is equivalent to gross national expenditure plus exports of goods and services less imports of goods and services.

Gross State product (GSP): GSP is defined equivalently to gross domestic product (GDP) but refers to production within a State or Territory rather than to the nation as a whole.

Labour force: For any group, persons who were employed or unemployed, as defined.

Participation rate: For any group, the labour force expressed as a percentage of the civilian population aged 15 years and over in the same group.

Private business investment: Investment in non-dwelling construction, plus machinery and equipment, plus cultivated biological resources, plus intellectual property products.

Seasonally adjusted estimates: Seasonally adjusted estimates are derived by estimating and removing from the original series systematic calendar related effects, such as seasonal (e.g. Christmas), trading day and moving holiday (e.g. Easter) influences. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. These irregular influences may reflect both random economic events and difficulties of statistical recording.

Trend series: A smoothed seasonally adjusted series of estimates.

Unemployed: Persons aged 15 years and over who were not employed during the reference week, and: had actively looked for full time or part time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.

Unemployment rate: For any group, the number of unemployed persons expressed as a percentage of the labour force in the same group.

Weekly ordinary time earnings: Weekly ordinary time earnings refers to one week's earnings of employees for the reference period, attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions (e.g. superannuation, board and lodging) have been made.