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Economic Indicators NSW (April 2011)

by

Talina Drabsch

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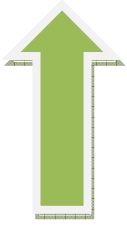

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SUMMARY

This April 2011 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 December 2010 or March 2011 quarters. The sections on Gross State Product, agricultural production and business investment have not been updated since the January 2011 edition as more recent data is not available.

For New South Wales, the direction in which the quarterly averages for each indicator moved since the January 2011 edition is summarised below.

	Wages
	Dwelling approvals
	Rent
	Exports and imports
	Change in the CPI
	Employment
	Unemployment
	Job vacancies
	Retail turnover
	Vehicle sales
	Bankruptcies

There was no movement since January 2011 in: interest rates; the labour force participation rate; and the average loan size for first home buyers.

State of the States report

CommSec, in its January 2011 *State of the States* report, ranked the ACT as having the stand-out economy in Australia. It remained in this position in the April 2011 *State of the States* report. However, the report noted that 'it is conceivable that any one of three economies – the ACT, Western Australia or Victoria – could take top spot over the next three months'. Whilst a number of weaknesses in the NSW economy were identified, it was nonetheless noted that 'the NSW economy is gaining momentum through low unemployment and

business investment’.

The *State of the States* report compares current activity levels to decade averages across eight key economic indicators:

1. economic growth
2. retail spending
3. equipment investment
4. unemployment
5. construction work done
6. population growth
7. housing finance
8. dwelling commencements.

It summarised the strengths and weaknesses of the Australian States and Territories in April 2011 as follows:

	Strength	Weakness
New South Wales	Investment	Economic growth
Victoria	Housing	Investment
Queensland	Investment	Housing
South Australia	Population	Unemployment
Western Australia	Construction	Housing
Tasmania	Dwelling starts	Investment
Northern Territory	Retail spending	Construction
Australian Capital Territory	Home building	Investment

In the January 2011 *State of the States* report, housing was deemed to be the area of weakness for NSW. However, by the April 2011 report, economic growth had taken its place as the major weakness for NSW (NSW was ranked eighth of the eight States and Territories for this indicator). Nonetheless, the NSW economy was still seen as being restrained by the construction sector.

The following table was compiled by CommSec for its April 2011 *State of the States* report and shows the annual percentage change in wages, consumer prices and home prices. The table reveals wage growth to be above the rise in consumer prices for all of the States and Territories, thus wage gains are characteristic of all jurisdictions. NSW experienced the greatest growth in home prices.

	Wages	Consumer prices	Home prices
NSW	3.8	2.4	3.3
VIC	3.6	3.1	2.5
QLD	4.2	3.0	-5.3
SA	3.9	2.5	0.6
WA	4.0	2.6	-4.1
TAS	3.3	2.3	-4.1
NT	3.8	2.4	-5.2
ACT	3.7	2.1	0.7

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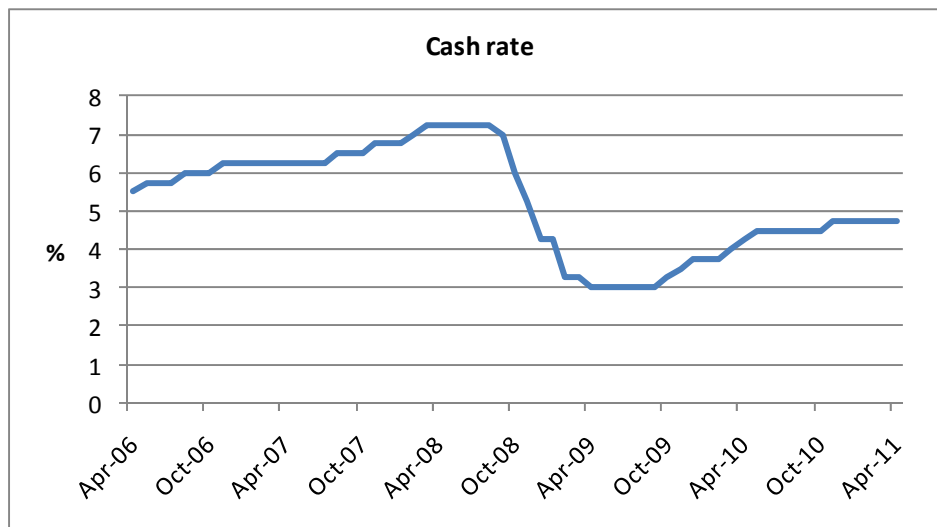
Sources used

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 Reserve Bank of Australia, at its meeting on 5 April 2011, left the cash rate at 4.75%, where it has been since November 2010. Glenn Stevens, Governor of the Reserve Bank, noted in his Statement following the meeting, that caution was evident in the household sector regarding spending and borrowing. He concluded that:

Inflation is consistent with the medium-term objective of monetary policy, having declined significantly from its peak in 2008. These moderate outcomes are being assisted by the high level of the exchange rate, the earlier decline in wages growth and strong competition in some key markets, which have worked to offset large rises in utilities prices. Production losses due to weather are temporarily raising prices for some agricultural produce, which will boost the March quarter CPI, but these prices should fall back later in the year. Overall, looking through these temporary effects, the Bank expects that inflation over the year ahead will continue to be consistent with the 2–3 per cent target.¹



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

¹ Reserve Bank of Australia, *Media Release*, 5/4/11

GROSS STATE PRODUCT

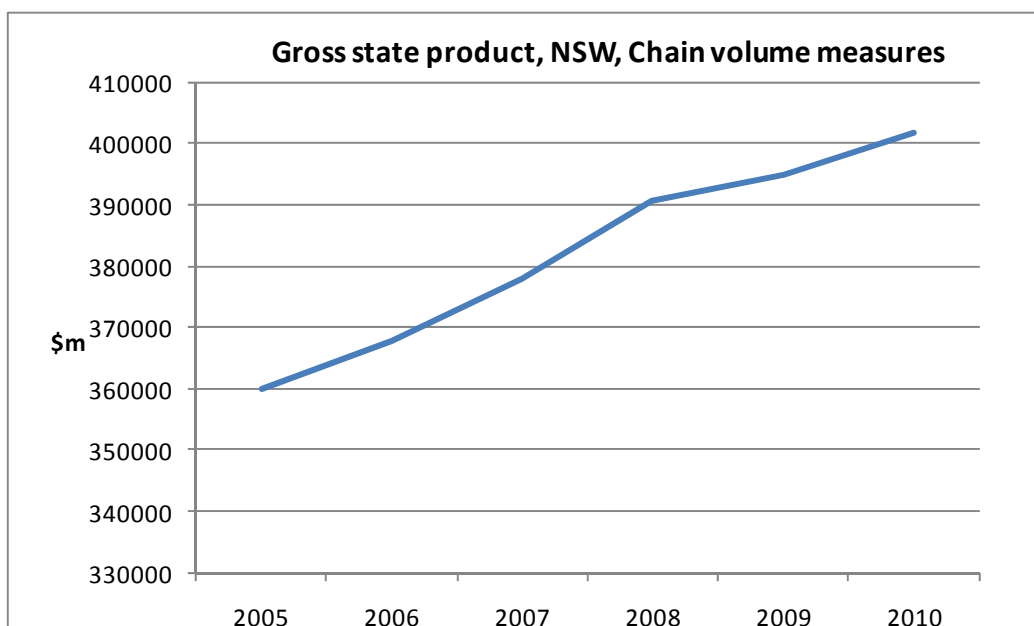
Gross State Product (GSP) grew by 1.7% in NSW in the year ending June 2010, the third highest increase in Australia after Western Australia (4.3%) and Victoria (2%). At \$402 billion, NSW has the largest GSP in Australia followed by Victoria and Queensland, with NSW's GSP equating to a little under a third of the National Gross Domestic Product.

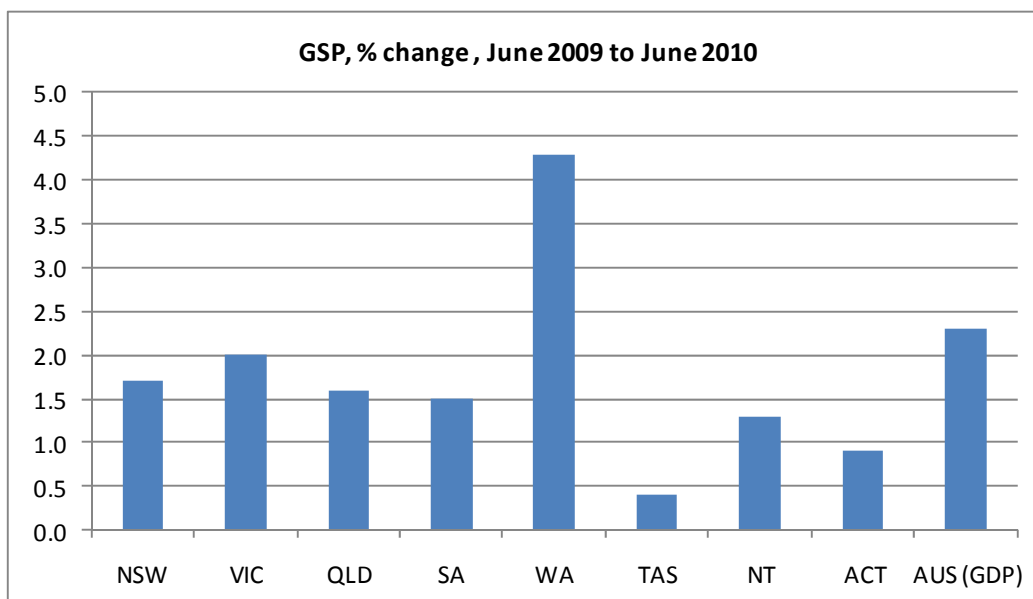
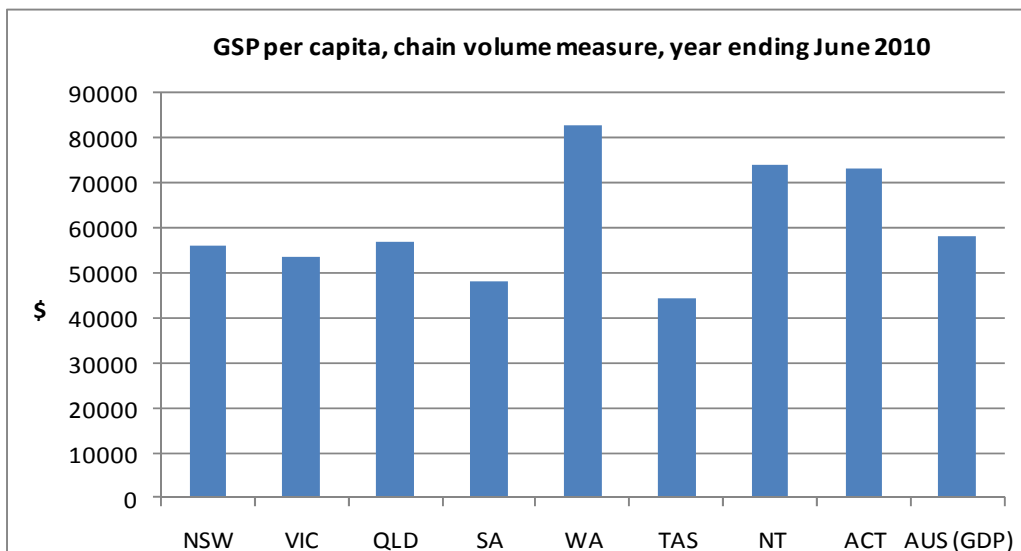
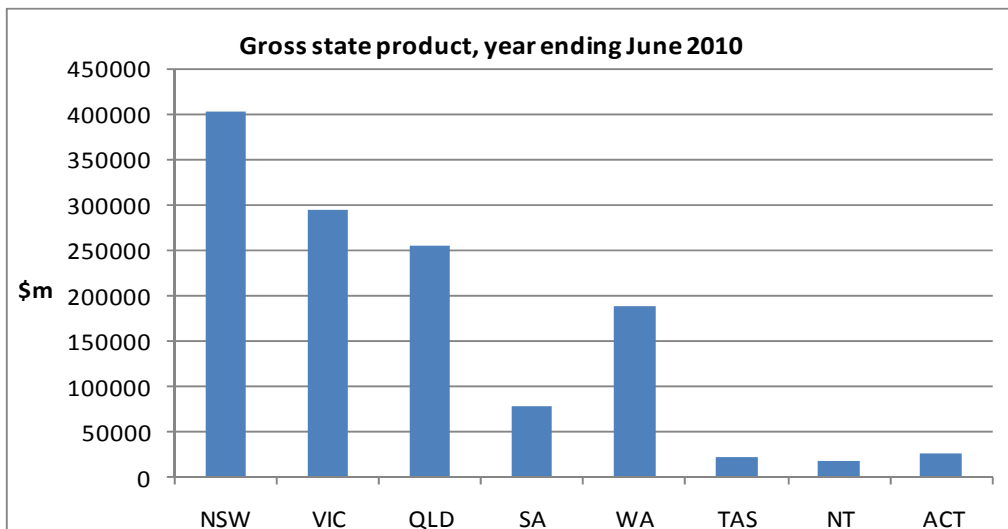
GSP per capita is currently \$55,868 in NSW, less than the Australian average of \$57,925. Western Australia has the highest GSP per capita at \$82,653.

Gross State Product, chain volume measures, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS (GDP)
Jun-2005	359984	259130	218483	68450	150455	19585	13621	22557	1116248
Jun-2006	367671	265644	227565	70329	158954	20108	14540	23397	1150644
Jun-2007	377941	275084	239828	71793	165912	20615	15179	24617	1191655
Jun-2008	390645	284978	249968	75837	172851	21519	15846	25411	1237320
Jun-2009	394980	287619	250573	77407	180008	22247	16658	25748	1255241
Jun-2010	401716	293313	254550	78558	187834	22341	16880	25988	1283799

Source: ABS, *Australian National Accounts, State Accounts*, 5220.0





INTERNATIONAL TRADE

Exports

The **average monthly free on board (FOB) value of merchandise exports** from NSW for the December 2010 quarter fell slightly from \$3.004 billion to \$3.003 billion (15% of all exports from Australia). NSW was again in third position behind Western Australia (\$9.220 bn) and Queensland (\$4.212 bn). NSW and Queensland were the only States to experience a drop in the amount exported, albeit only a slight drop in the case of NSW.

The **top five destinations** for merchandise exports from NSW in February 2011 were: Japan (\$822M); Korea (\$338M); China (\$251M); Taiwan (\$186M); and United States of America (\$178M). 60% of all exports from NSW in February 2011 went to these five destinations. The same countries formed the top three destinations for exports as in November 2010. However, Korea moved past China into second place. Taiwan re-entered the top five, in fourth place, replacing New Zealand, whilst the United States of America remained in fifth position.

Japan was the destination for 28% of all exports from NSW in February 2011. The Commonwealth Treasury believes that the recent earthquake and tsunami in Japan may cut demand for bulk commodity exports from Australia in the short term.² However, the Reserve Bank has speculated that after this short term impact the rebuilding effort and a possible increase in the use of non-nuclear energy forms could boost Australian exports.³

Imports

The **average monthly customs value of merchandise imports** for NSW in the December 2010 quarter fell by 1% to \$6.99 billion (down from \$7.09 billion) (38% of all Australian imports). NSW continues to receive the greatest value of imports into the Australian States and Territories, followed by Victoria and Queensland. The top five import sources for NSW in February 2011 were: China (\$1381M) (down from \$2079M in November 2010); United States of America (\$637M); Japan (\$463M); Singapore (\$351M); and Germany (\$303M).

53% of all imports into NSW in February 2011 were from the above five countries, with 23% from China. The top three countries have not changed since the January 2011 edition of this paper. However, Singapore continued its move upwards, into fourth place, with Germany moving from fourth to fifth position.

² The Hon Wayne Swan MP, 'Treasurer's Economic Note', 3/4/11.

³ Reserve Bank of Australia, *Minutes of the Monetary Policy Meeting of the Reserve Bank Board*, 5/4/11.

Average monthly merchandise exports per quarter, FOB Value, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Dec-06	2389	1766	3052	750	5216	292	345	2
Mar-07	2268	1506	2753	717	4831	334	285	0
Jun-07	2305	1685	2904	816	5202	306	325	0
Sep-07	2462	1718	2820	879	5128	299	313	1
Dec-07	2422	1754	2742	825	5375	311	369	0
Mar-08	2372	1598	2413	780	5794	264	363	0
Jun-08	2774	1775	3797	961	6650	338	470	0
Sep-08	3123	1805	5229	916	7600	296	558	2
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	9098	263	453	0
Dec-10	3003	1652	4212	880	9220	277	502	0

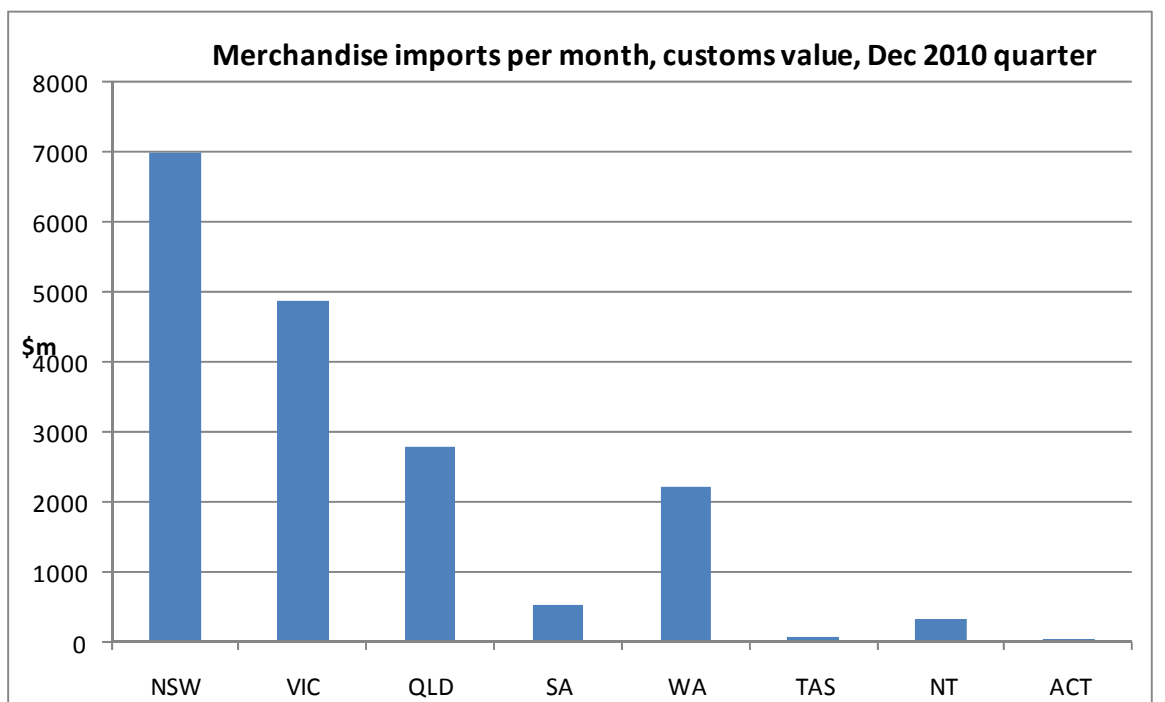
Source: ABS, International trade in goods and services, 5368.0

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Dec-06	6084	4351	2325	554	1863	59	220	104
Mar-07	5625	4084	2137	591	1917	42	272	1
Jun-07	5750	4338	2349	530	1985	47	221	1
Sep-07	6150	4424	2445	552	2073	56	194	1
Dec-07	6484	4752	2675	619	2076	58	175	0
Mar-08	6175	4612	2701	607	2353	50	232	2
Jun-08	6493	4898	2966	669	2615	67	259	2
Sep-08	6830	5322	3353	655	2861	101	380	0
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	6989	4859	2781	531	2216	63	324	1

Source: ABS, International trade in goods and services, 5368.0





CONSUMER PRICE INDEX

The change in the Consumer Price Index (CPI) for all groups in Sydney between December 2009 and December 2010 fell once again, from 2.6% to 2.4%. It was the fifth largest change in CPI of the States and Territories. The national CPI for the same period was 2.7%. Melbourne and Brisbane experienced the greatest increases at 3.1% and 3% respectively.

The greatest price increases in Sydney between December 2009 and December 2010 occurred in the following groups:

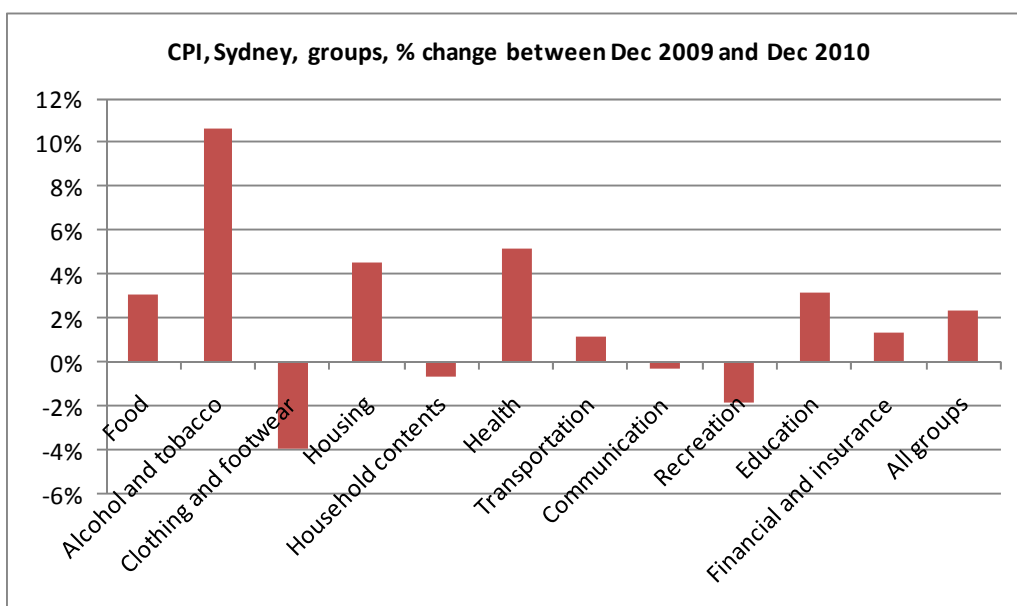
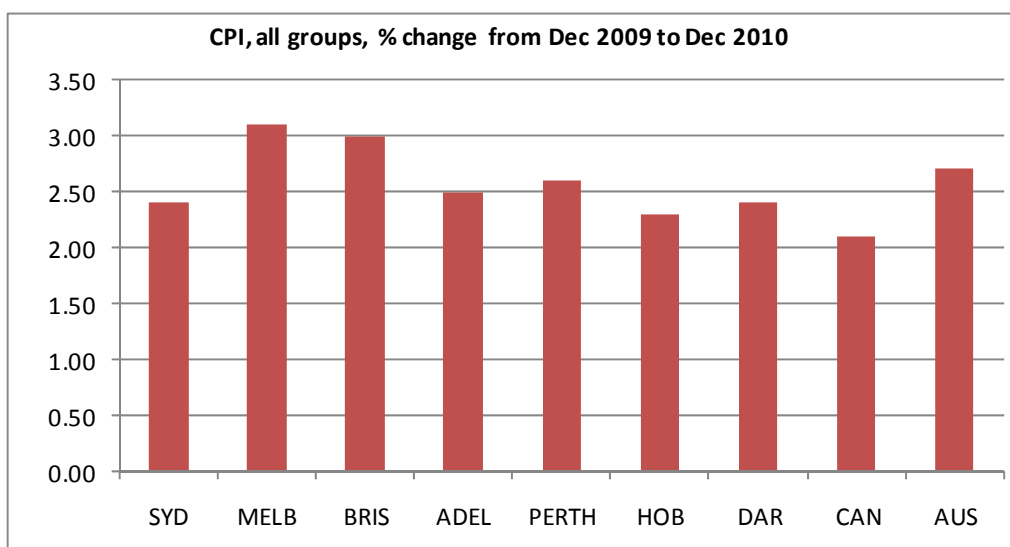
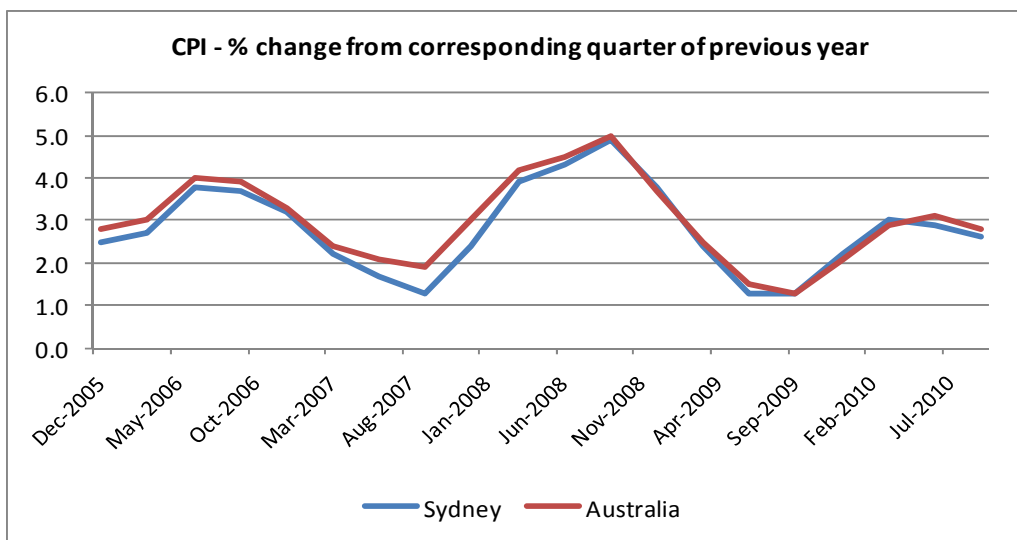
- Alcohol and tobacco (up by 11%) (the figures are still affected by the 25% increase in excise tax that applied from 30 April 2010)
- Health (up by 5.2%)
- Housing (up by 4.5%)

Prices continued to fall in some groups, namely clothing and footwear, household contents, communication and recreation.

CPI – All groups – Capital cities

	SYD	MELB	BRIS	ADEL	PERTH	HOB	DAR	CANB	AUS
Mar-2006	152.2	150.5	153.5	155.6	150.5	152.2	146.7	152.2	151.9
Jun-2006	155.8	153.5	157.3	158.8	155.5	154.7	152.6	155.6	155.5
Sep-2006	155.6	153.8	158.0	158.4	155.8	155.4	152.6	155.9	155.6
Dec-2006	157.4	155.6	160.2	160.3	158.0	157.4	154.7	158.0	157.5
Mar-2007	158.1	156.9	161.7	161.5	158.9	157.9	156.6	159.2	158.6
Jun-2007	159.5	158.5	163.4	163.1	160.2	159.2	157.1	160.8	160.1
Sep-2007	161.7	160.6	165.6	165.5	162.5	161.3	158.5	163.0	162.2
Dec-2007	164.1	162.5	168.4	167.6	165.1	162.9	160.8	165.0	164.6
Mar-2008	165.9	164.4	170.8	169.8	166.7	164.7	163.6	167.5	166.5
Jun-2008	165.5	163.5	170.4	169.3	166.2	164.4	162.9	166.8	166.0
Sep-2008	165.6	163.9	170.8	169.3	166.0	164.8	163.0	167.4	166.2
Dec-2008	166.3	164.4	171.8	170.3	167.4	165.7	164.8	168.4	167.0
Mar-2009	168.1	165.4	174.1	172.1	168.7	167.7	168.0	169.9	168.6
Jun-2009	169.1	166.4	174.7	172.7	169.7	168.7	167.8	170.6	169.5
Sep-2009	170.5	168.5	176.0	173.7	171.6	170.0	168.7	171.7	171.0
Dec-2009	171.1	169.5	177.3	175.0	173.2	170.7	170.1	172.3	172.1
Mar-2010	172.5	170.5	179.1	176.6	174.0	172.4	171.9	173.4	173.3
Jun-2010	173.1	171.5	180.0	177.1	174.1	172.6	171.8	174.2	174.0

Source: ABS, *Consumer Price Index, Australia, December 2010*, 6401.0, January 2011



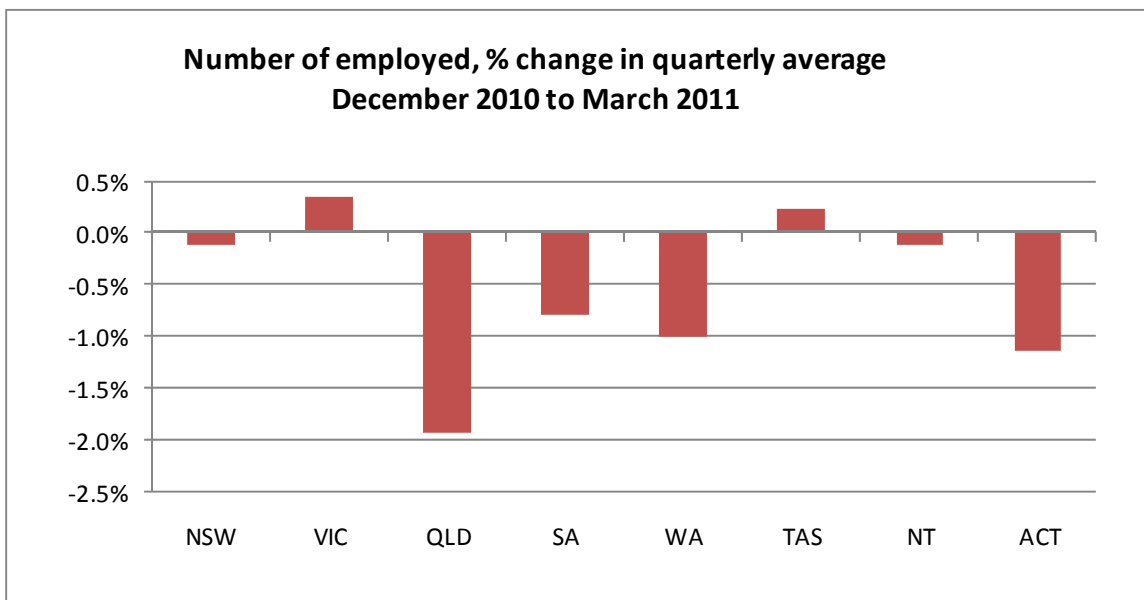
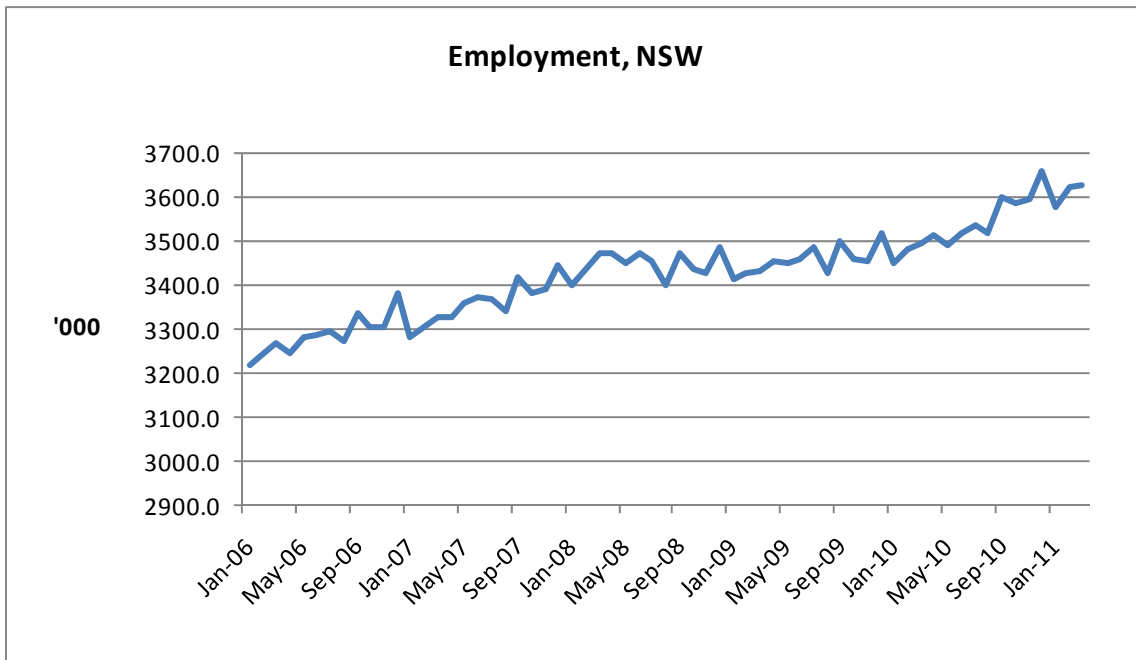
EMPLOYMENT

The average number of people employed in NSW fell by 0.1% in the March 2011 quarter to reach 3,606,000 (includes part time and full time employment). Victoria and Tasmania were the only jurisdictions to not experience a decrease in the total number of persons employed. However, the total number of people employed in NSW was 3.8% higher than a year earlier, in the March 2010 quarter.

Total number of persons employed, quarterly average, '000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Mar-06	3242	2499	2018	748	1064	224	98	184
Jun-06	3268	2536	2054	756	1078	226	104	189
Sep-06	3301	2560	2098	764	1081	224	105	195
Dec-06	3328	2573	2122	772	1090	225	106	195
Mar-07	3302	2589	2130	760	1098	225	104	192
Jun-07	3351	2625	2162	765	1113	227	107	194
Sep-07	3373	2640	2177	772	1128	227	111	196
Dec-07	3404	2670	2198	785	1138	231	113	194
Mar-08	3435	2677	2180	784	1147	230	110	194
Jun-08	3465	2691	2214	787	1151	238	114	198
Sep-08	3441	2691	2251	795	1183	240	115	199
Dec-08	3447	2699	2263	799	1200	240	116	200
Mar-09	3423	2686	2246	789	1179	239	116	196
Jun-09	3452	2691	2249	798	1181	235	122	196
Sep-09	3468	2714	2257	795	1170	233	119	198
Dec-09	3475	2774	2266	804	1188	232	123	199
Mar-10	3474	2784	2260	807	1191	234	117	201
Jun-10	3506	2795	2311	804	1207	238	121	203
Sep-10	3549	2824	2316	813	1225	237	125	203
Dec-10	3611	2869	2348	819	1230	238	123	206
Mar-11	3606	2879	2303	813	1217	238	122	204

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery, March 2011*, 6291.0.55.001, April 2011



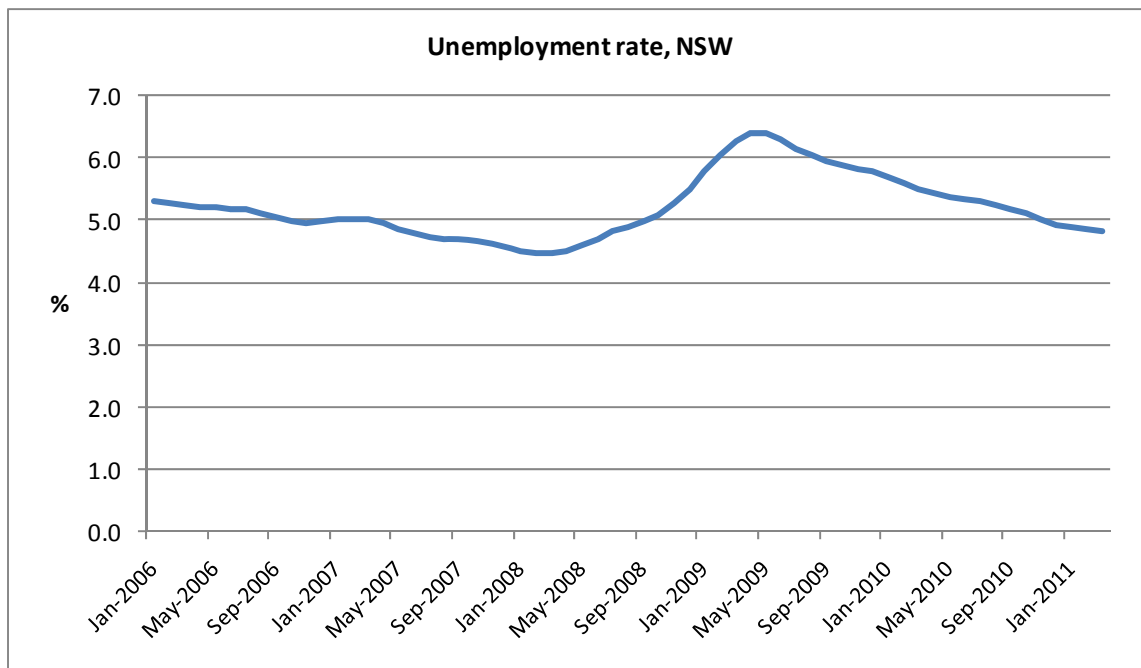
UNEMPLOYMENT

Unemployment in NSW fell for the seventh quarter in a row in March 2011 to reach 4.9%, the lowest it has been since September 2008. An average of 185,100 people were unemployed in NSW in the March 2011 quarter, 2.5% less than in the December 2010 quarter. The unemployment rate in NSW is less than the Australian average of 5.0%. Western Australia is the only State to have a lower unemployment rate – it is currently 4.3%.

Unemployment rate per quarter - trend estimates

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	5.3	5.3	4.9	4.9	4.0	6.6	5.9	3.3	5.0
Jun-06	5.2	5.1	4.6	4.9	3.5	6.6	5.2	3.1	4.8
Sep-06	5.1	4.9	4.4	4.8	3.3	6.3	4.3	2.9	4.7
Dec-06	5.0	4.9	4.1	5.1	3.4	5.9	3.0	3.0	4.6
Mar-07	5.0	4.9	3.9	5.2	3.0	5.4	3.4	3.0	4.5
Jun-07	4.9	4.6	3.6	4.9	3.1	5.0	4.5	2.9	4.3
Sep-07	4.7	4.5	3.7	4.9	3.4	5.2	4.6	2.7	4.3
Dec-07	4.6	4.6	3.7	4.9	3.4	5.2	4.9	2.5	4.3
Mar-08	4.5	4.5	3.6	4.7	3.2	4.8	4.5	2.6	4.2
Jun-08	4.6	4.4	3.7	4.8	3.2	4.2	3.4	2.7	4.2
Sep-08	4.9	4.4	3.6	5.0	2.8	4.0	3.0	2.8	4.2
Dec-08	5.3	4.6	3.9	5.4	3.0	4.3	3.7	2.6	4.5
Mar-09	6.0	5.4	4.6	5.7	4.1	4.8	4.0	2.7	5.2
Jun-09	6.4	5.9	5.3	5.6	5.1	5.0	4.0	3.4	5.7
Sep-09	6.1	5.8	5.9	5.6	5.4	5.0	3.9	3.7	5.8
Dec-09	5.8	5.5	5.9	5.3	5.2	5.5	3.5	3.7	5.6
Mar-10	5.6	5.3	5.6	5.2	4.9	5.8	3.2	3.5	5.4
Jun-10	5.4	5.4	5.5	5.3	4.4	6.2	2.9	3.3	5.2
Sep-10	5.2	5.5	5.4	5.4	4.4	5.8	2.9	3.1	5.2
Dec-10	5.0	5.3	5.6	5.6	4.5	5.5	2.7	3.3	5.1
Mar-11	4.9	4.9	5.6	5.5	4.3	5.7	2.4	3.3	5.0

Source: ABS, *Labour Force, Australia, March 2011*, 6202.0, April 2011



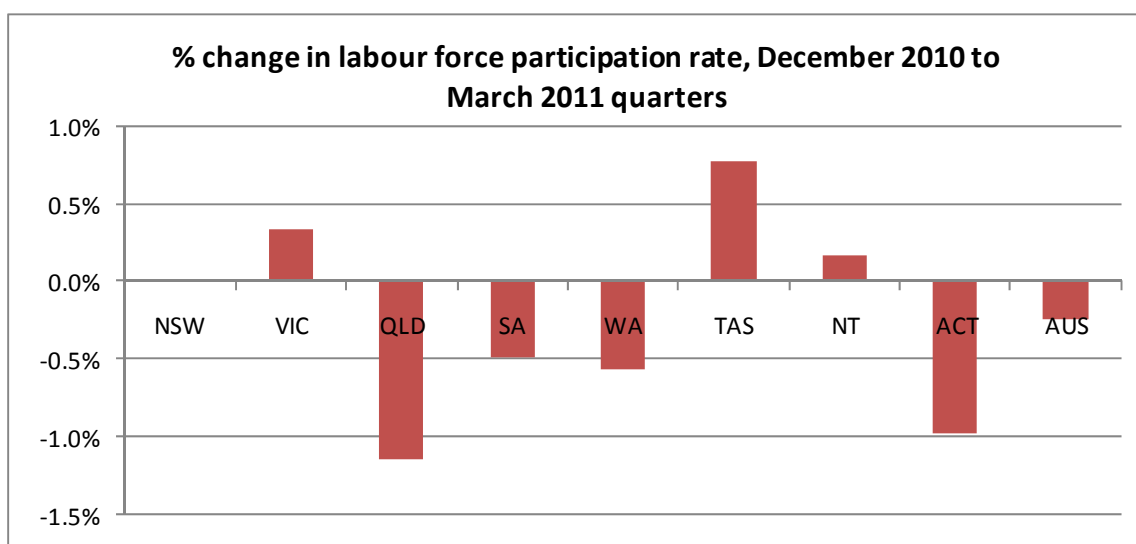
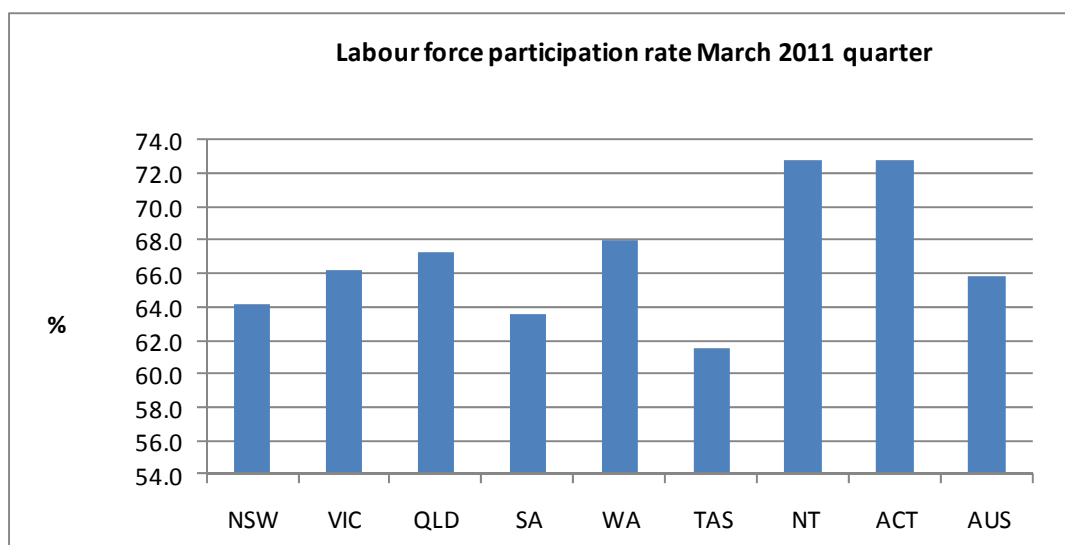
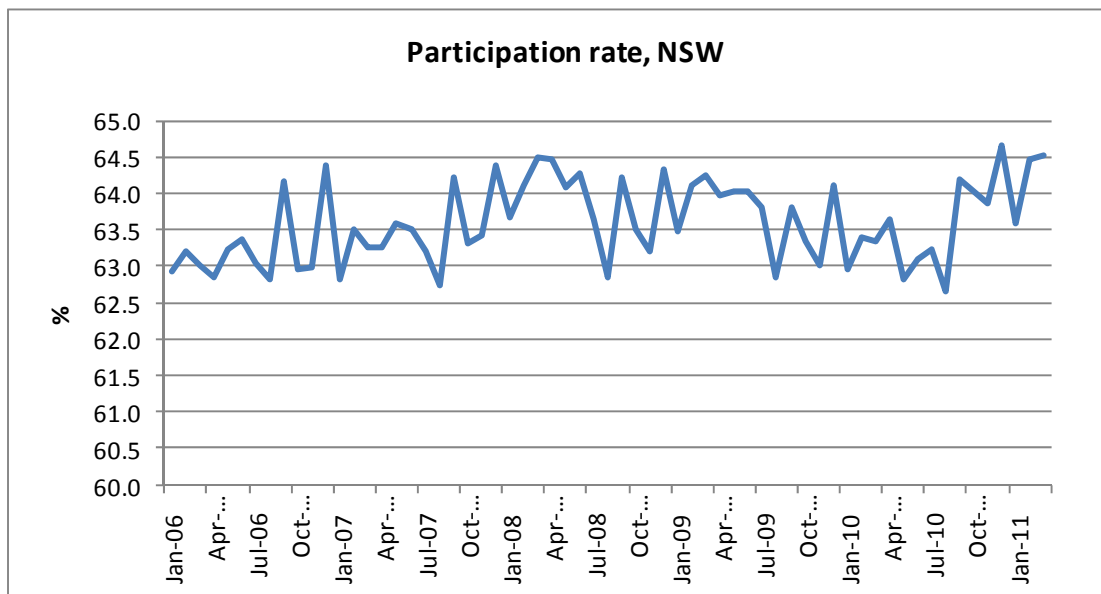
LABOUR FORCE PARTICIPATION

The labour force participation rate in NSW remained steady at 64.2% in the March 2011 quarter. The Australian average fell slightly to 65.8%. The ACT and Northern Territory have the highest labour force participation rates at 72.8% each.

Average labour force participation rate per quarter

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	63.0	64.2	66.3	62.0	68.2	61.6	68.8	71.7	64.5
Jun-06	63.1	64.5	66.3	62.2	67.9	61.3	71.6	73.2	64.7
Sep-06	63.3	64.5	67.2	62.6	67.6	60.6	70.4	74.7	64.9
Dec-06	63.4	64.6	67.1	63.2	67.6	60.6	70.0	74.5	65.0
Mar-07	63.2	65.0	67.5	62.5	67.8	60.2	69.4	73.3	65.0
Jun-07	63.4	65.2	67.3	62.1	68.1	60.1	71.5	73.7	65.2
Sep-07	63.4	65.0	67.3	62.4	68.6	60.4	73.0	73.3	65.2
Dec-07	63.7	65.5	67.5	63.5	68.7	61.4	74.1	72.6	65.6
Mar-08	64.1	65.4	66.9	63.2	68.8	60.8	72.1	72.6	65.5
Jun-08	64.3	65.3	67.3	63.1	68.4	61.7	73.3	73.4	65.6
Sep-08	63.6	64.7	67.7	63.4	69.3	62.3	72.0	73.6	65.5
Dec-08	63.7	64.6	67.7	63.9	69.6	62.4	73.0	73.2	65.5
Mar-09	63.9	64.9	68.0	63.7	69.2	62.1	73.4	72.1	65.7
Jun-09	64.0	64.7	67.6	63.5	69.2	61.0	76.3	72.2	65.6
Sep-09	63.5	64.7	67.6	63.0	68.4	60.4	73.5	72.2	65.2
Dec-09	63.5	65.4	67.4	63.4	68.3	60.4	75.1	72.5	65.4
Mar-10	63.2	65.6	67.4	63.5	68.5	61.1	72.1	73.3	65.4
Jun-10	63.2	65.3	67.8	63.0	68.1	61.6	72.6	73.1	65.3
Sep-10	63.4	65.5	67.3	63.3	68.8	61.1	74.4	72.6	65.4
Dec-10	64.2	66.0	68.0	63.8	68.4	61.1	72.7	73.6	66.0
Mar-11	64.2	66.2	67.3	63.5	68.0	61.5	72.8	72.8	65.8

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery, March 2011*, 6291.0.55.001, April 2011



JOB VACANCIES

The number of job vacancies in NSW for the quarter ending February 2011 fell by 1.8% to 49,200. Victoria, Queensland and Western Australia were the only jurisdictions in Australia to experience an increase in the number of job vacancies between the November 2010 and February 2011 quarters, with the national average being a fall of 2%.

However, the average number of newspaper job advertisements per week in NSW in the March 2011 quarter rose to 2601. Tasmania was the only jurisdiction where the number of newspaper job advertisements dropped.

There are numerous jobs advertised on the Internet each week. However, as the data is collected on a national basis, as opposed to individual States and Territories, it has not been included here.

Number of job vacancies, '000, Original figures

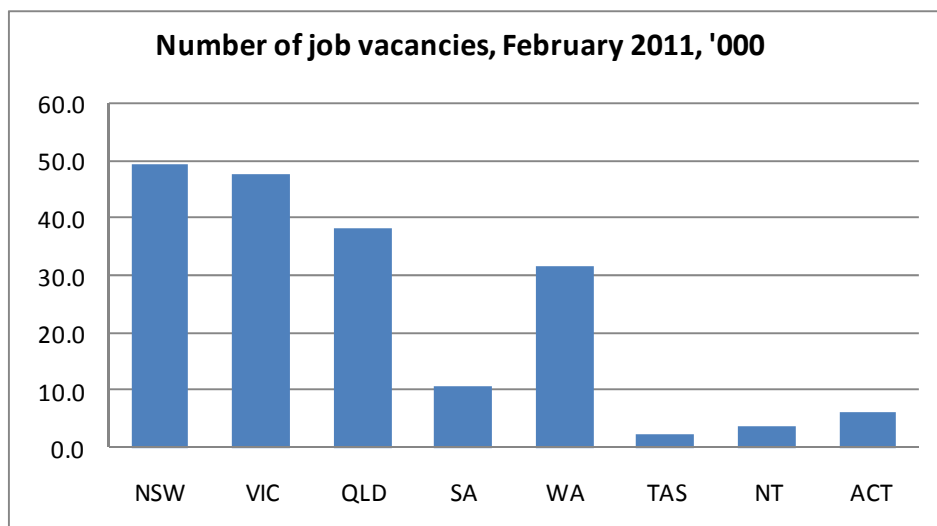
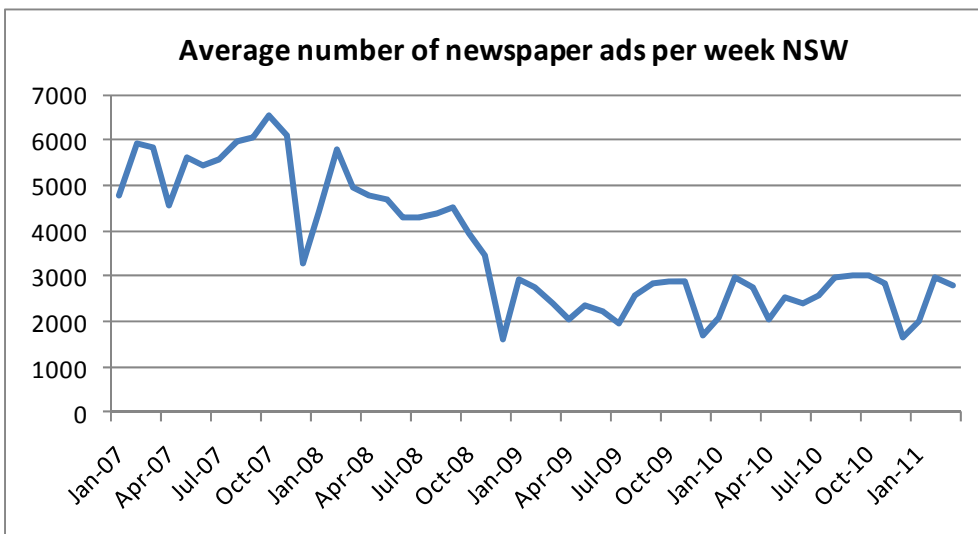
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Nov 2009	46.3	32.6	27.9	11.0	21.8	2.0	2.9	6.2	150.8
Feb 2010	50.3	33.3	31.6	13.3	27.6	2.8	4.4	5.8	169.0
May 2010	47.5	36.8	28.5	14.3	27.0	1.7	4.1	4.7	164.7
Aug 2010	52.9	40.2	33.4	13.3	28.4	2.6	4.3	6.2	181.4
Nov 2010	50.1	46.0	37.4	16.6	30.3	2.6	3.9	6.8	193.7
Feb 2011	49.2	47.7	38.3	10.7	31.5	2.3	3.8	6.2	189.9

Source: ABS, *Job Vacancies, Australia, February 2011*, 6354.0, March 2011.

Quarterly average for the number of newspaper job advertisements per week

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Mar 08	5065	3943	2713	1810	3861	524	883	375
Jun 08	4577	3724	2343	1626	3333	482	705	429
Sep 08	4393	3316	2196	1577	3236	576	711	390
Dec 08	2992	2255	1375	1163	2153	452	503	302
Mar 09	2688	1923	1092	1055	1636	420	591	260
Jun 09	2207	1608	807	850	1199	381	467	284
Sep 09	2444	1941	987	994	1456	496	528	300
Dec 09	2474	1800	827	982	1443	515	489	314
Mar 10	2604	1871	774	1114	1928	547	579	422
Jun 10	2324	1880	732	764	1865	450	550	364
Sep 10	2869	2056	859	792	2112	492	578	381
Dec 10	2498	1802	711	751	1959	476	503	305
Mar 11	2601	1879	833	786	1967	471	561	306

Source: ANZ, 'Job Advertisement Series', www.anz.com



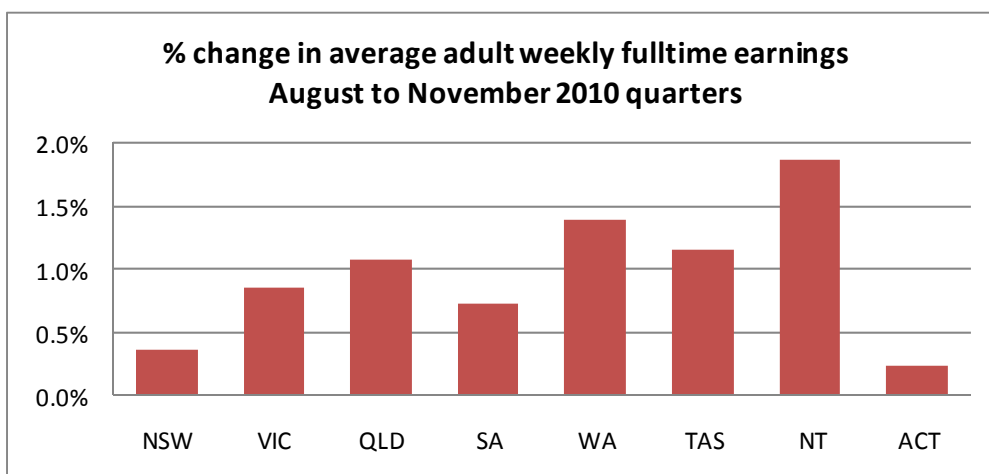
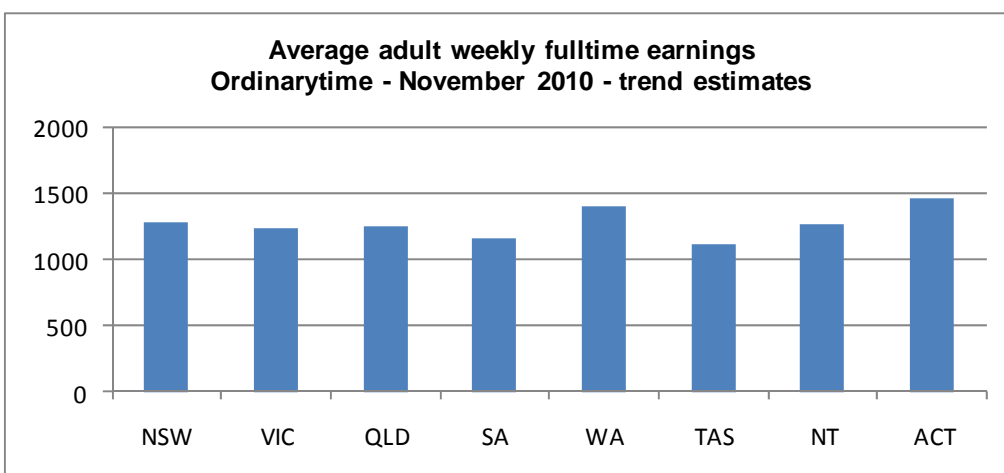
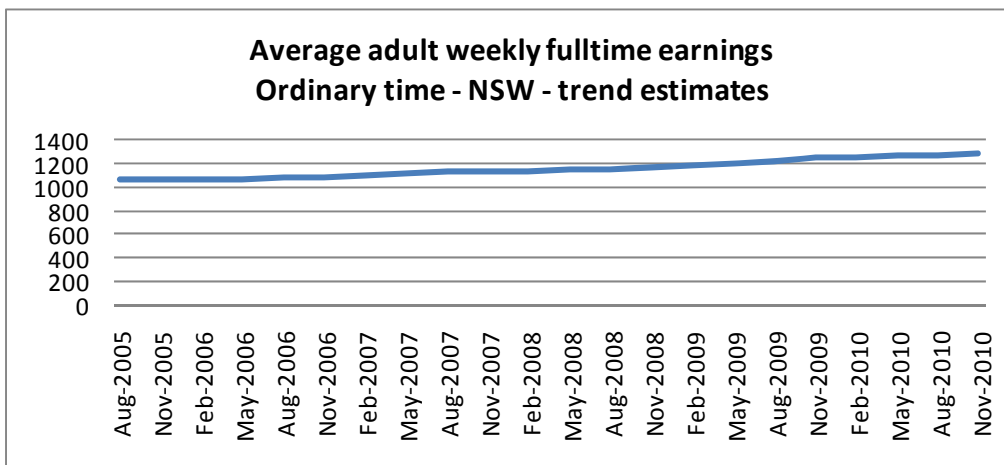
WAGES

The average adult weekly fulltime earnings (ordinary time) in NSW rose by 0.4% in the November 2010 quarter to reach \$1280. The ACT was the only jurisdiction to experience smaller growth in wages at 0.2%. Nonetheless, it still has the highest average weekly earnings at \$1468, followed by Western Australia at \$1404 and then NSW. The Northern Territory and Western Australia experienced the greatest growth in wages at 1.9% and 1.4% respectively.

Average adult weekly fulltime earnings (ordinary time) (trend estimates)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Feb-2006	1070	1012	963	963	1031	867	1010	1176
May-2006	1072	1017	972	974	1050	873	1009	1197
Aug-2006	1078	1020	980	978	1066	881	1015	1219
Nov-2006	1089	1025	993	982	1080	897	1023	1234
Feb-2007	1104	1039	1010	991	1095	920	1034	1242
May-2007	1120	1058	1027	1004	1113	938	1048	1250
Aug-2007	1133	1071	1042	1017	1136	947	1063	1260
Nov-2007	1138	1079	1053	1027	1161	950	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	1072	1225	966	1122	1320
Nov-2008	1173	1136	1133	1093	1244	980	1135	1338
Feb-2009	1190	1149	1147	1109	1266	996	1143	1345
May-2009	1206	1162	1164	1118	1287	1015	1151	1352
Aug-2009	1225	1175	1187	1122	1310	1035	1160	1373
Nov-2009	1245	1190	1209	1126	1332	1054	1175	1407
Feb-2010	1261	1206	1223	1132	1350	1071	1196	1441
May-2010	1270	1220	1233	1141	1366	1086	1221	1458
Aug-2010	1275	1231	1244	1150	1384	1101	1245	1465
Nov-2010	1280	1242	1257	1158	1404	1114	1269	1468

Source: ABS, *Average weekly earnings, Australia, November 2010, February 2011*, 6302.0



AGRICULTURAL PRODUCTION AND INCOME

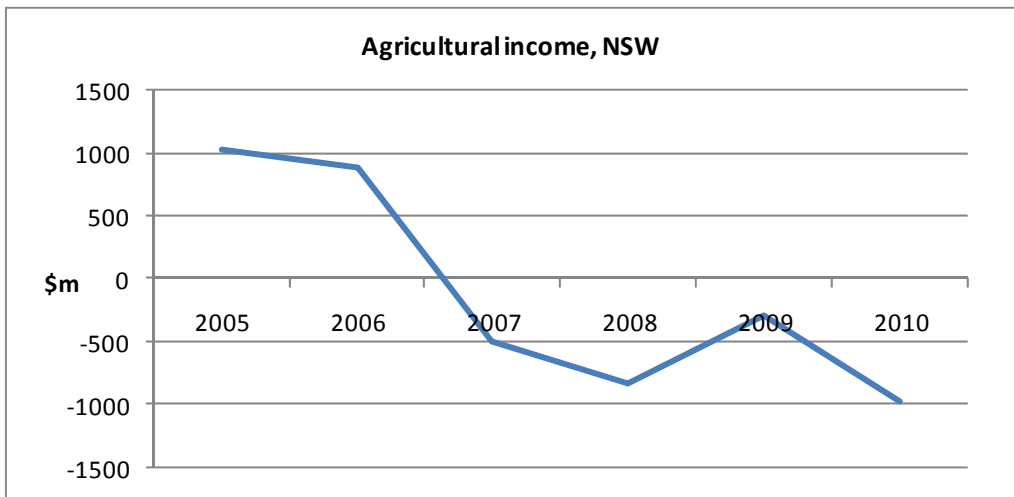
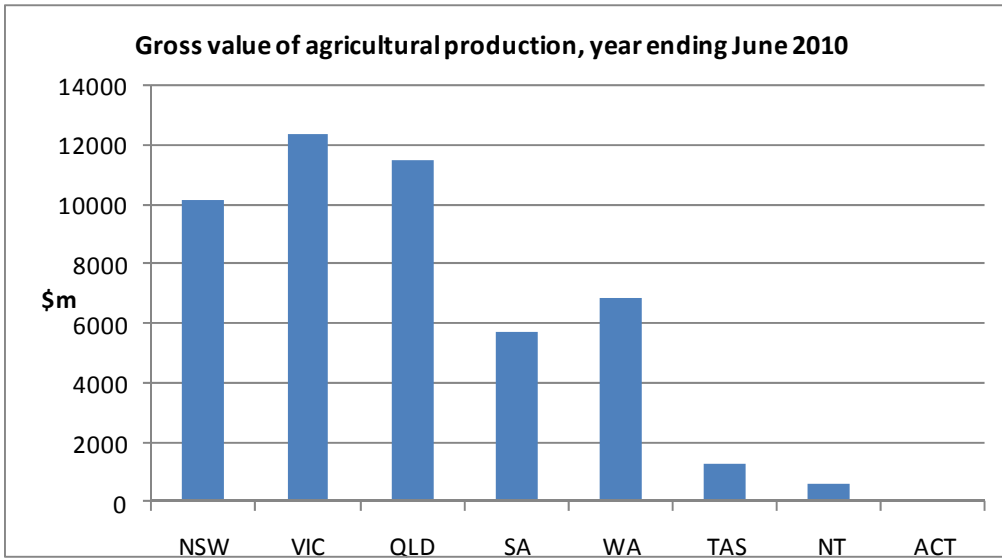
The gross value of agricultural production in NSW fell in the year ending June 2010 to \$10.1 billion. However, NSW recorded the third highest gross value in agricultural production in Australia, after Victoria and Queensland.

Apart from the ACT, NSW was the only State or Territory with a negative agricultural income, reaching -\$973 million. 2010 was the fourth year in a row that NSW has experienced a negative agricultural income.

Gross value of agricultural production, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	11790	10646	11223	4916	6726	1157	515	25
Jun-2006	12261	11421	11502	5579	7472	1279	513	23
Jun-2007	10228	10851	12556	4720	5815	1239	519	21
Jun-2008	10482	13543	10978	5747	8151	1319	505	22
Jun-2009	10988	12393	11522	5132	8218	1342	573	20
Jun-2010	10116	12374	11514	5677	6866	1286	587	19

Source: ABS, *Australian National Accounts, State Accounts*, 5220.0



BUSINESS INVESTMENT

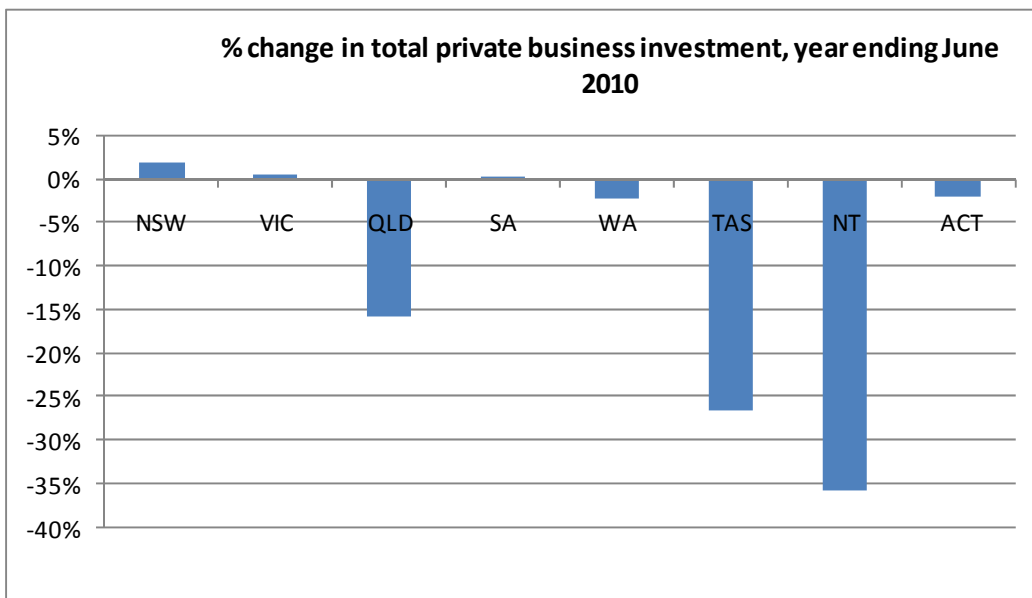
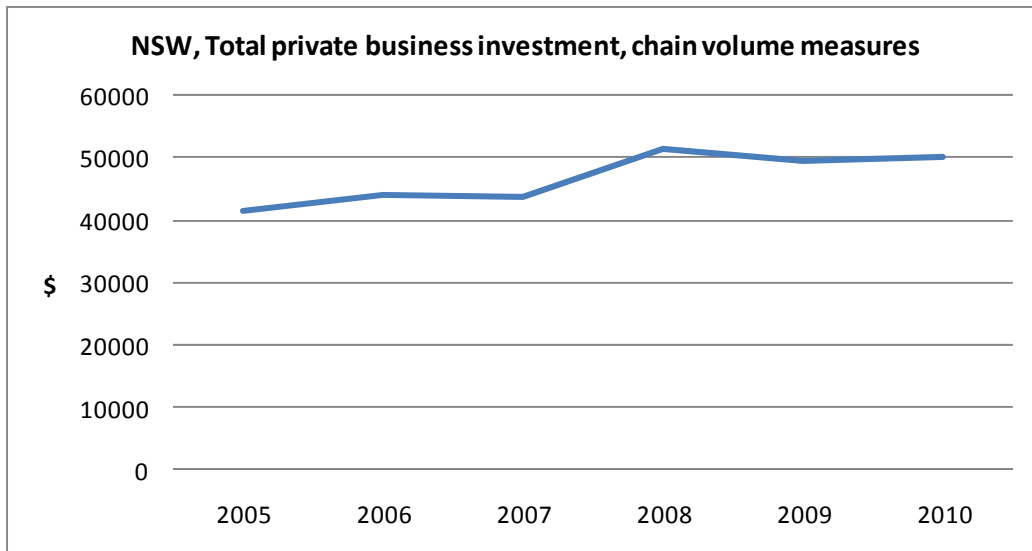
Total private business investment in the year ending June 2010 was \$50.2 billion (gross fixed capital formation, chain volume measures), an increase of 2% on the previous year. NSW experienced the largest growth in this area, with declines occurring in Queensland, Western Australia, Tasmania and the Northern Territory.

Total private business investment

Gross fixed capital formation, chain volume measures, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	41353	35476	25975	9952	20113	2234	2929	1903
Jun-2006	44123	40027	31483	10026	27953	2502	3535	2346
Jun-2007	43638	41088	36120	10497	34400	2021	3526	2791
Jun-2008	51379	45917	42389	10481	41877	2782	3850	2664
Jun-2009	49333	44372	44167	10461	45775	3061	4887	2637
Jun-2010	50191	44608	37155	10476	44728	2244	3138	2581

Source: ABS, *Australian National Accounts, State Accounts*, 5220.0, November 2010



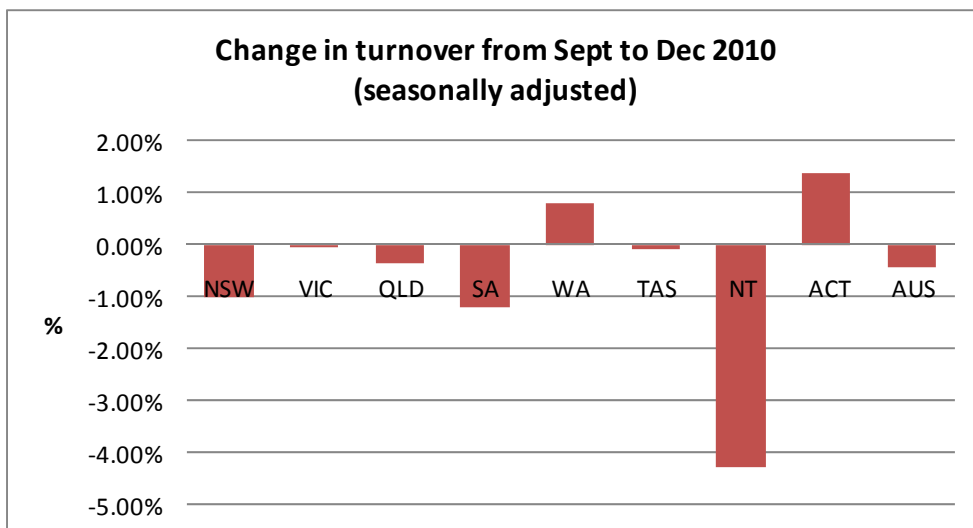
TURNOVER OF RETAIL TRADE

The average monthly turnover of retail trade in NSW fell by 1.03% in the December 2010 quarter to reach \$6276 million (seasonally adjusted). Nonetheless, it was 0.6% higher than the December 2009 quarter. The ACT and Western Australia were the only jurisdictions to experience growth, with the Australian average being a fall of 0.43%.

Average monthly turnover of retail trade per quarter, seasonally adjusted, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	5114	4051	3279	1122	1758	370	151	312	16157
Jun-06	5215	4199	3327	1152	1808	366	160	316	16544
Sep-06	5258	4229	3387	1171	1845	372	164	322	16748
Dec-06	5324	4289	3424	1194	1912	372	168	331	17014
Mar-07	5451	4362	3539	1226	1981	379	172	336	17445
Jun-07	5493	4356	3636	1231	2007	391	176	342	17634
Sep-07	5693	4452	3751	1253	2028	395	180	344	18095
Dec-07	5740	4541	3828	1297	2058	397	189	346	18395
Mar-08	5710	4590	3835	1335	2032	397	188	349	18438
Jun-08	5691	4560	3830	1355	2073	407	195	349	18459
Sep-08	5631	4612	3913	1391	2107	415	203	346	18617
Dec-08	5752	4750	3992	1407	2102	427	212	356	18997
Mar-09	5959	4884	4056	1416	2121	433	220	364	19454
Jun-09	6093	4962	4159	1439	2152	443	217	371	19836
Sep-09	6064	4924	4083	1414	2137	440	217	371	19650
Dec-09	6241	4958	4099	1430	2175	444	222	374	19943
Mar-10	6190	5027	4072	1444	2195	440	224	378	19970
Jun-10	6243	5113	4101	1469	2191	438	227	378	20162
Sep-10	6341	5222	4140	1461	2199	433	227	377	20401
Dec-10	6276	5219	4126	1444	2216	433	217	382	20313

Source: ABS, *Retail Trade, Australia, February 2011*, 8501.0, March 2011



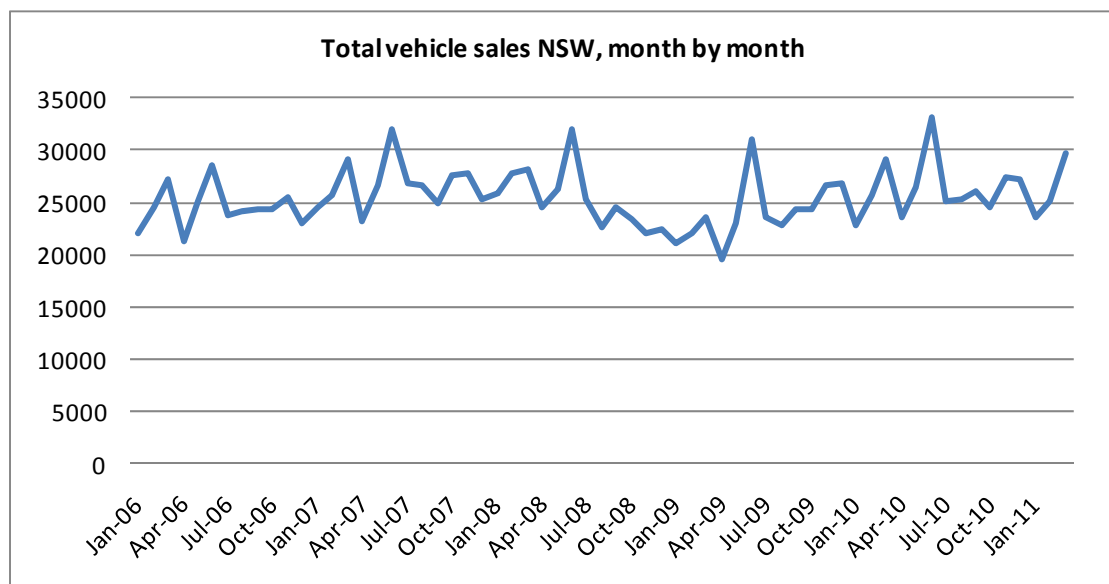
VEHICLE SALES

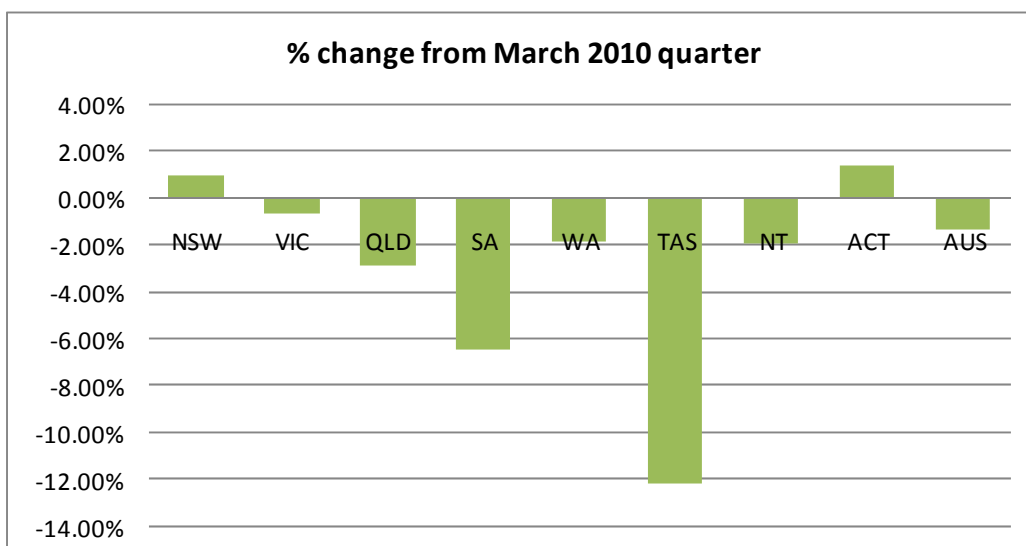
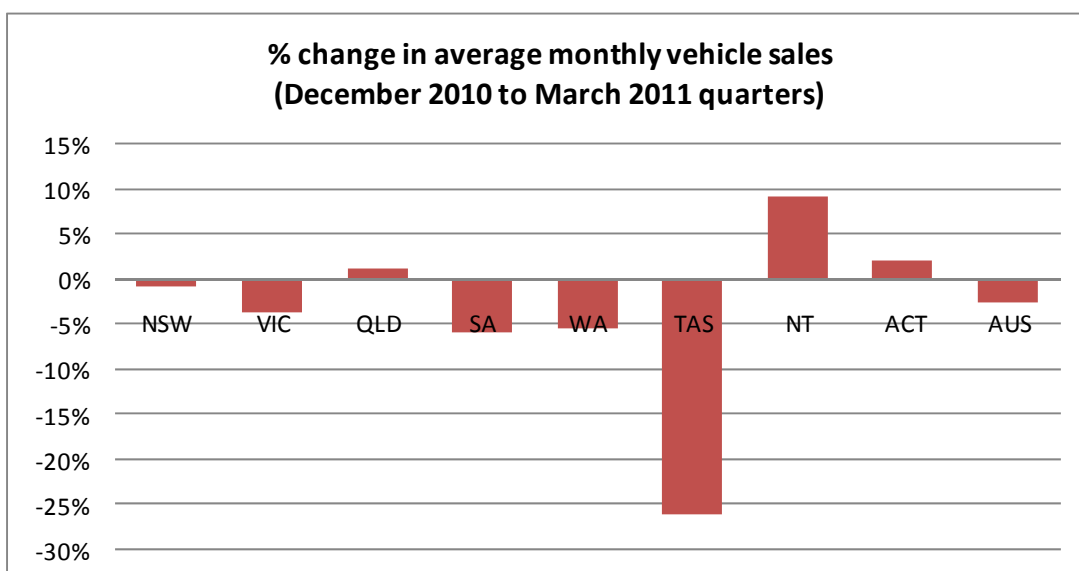
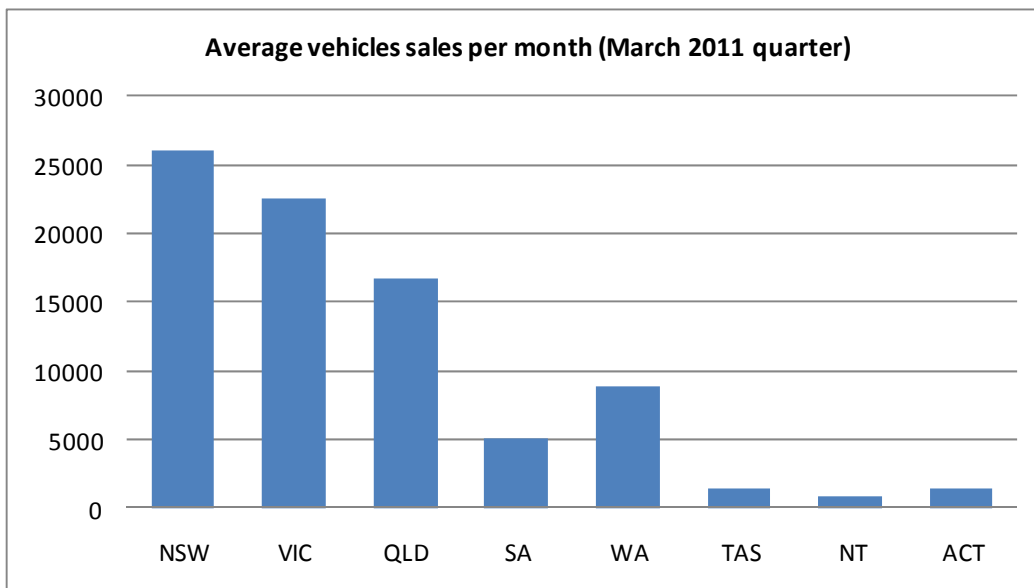
The average number of new vehicles sold per month in NSW in the March 2011 quarter fell by 1% to 26,119. However, this was a smaller decrease in sales than the Australian average of 3%. Queensland was the only State to experience positive growth in sales.

Average monthly sales of new vehicles per quarter

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	24552	19772	17131	4887	8506	1403	753	1198	78202
Jun-06	24952	20476	18895	5461	9383	1563	895	1227	82852
Sep-06	24059	20271	17698	4935	9391	1486	710	1189	79739
Dec-06	24241	20438	17084	4866	9678	1839	728	1223	80097
Mar-07	26391	21306	18921	5115	9695	1427	800	1368	85023
Jun-07	27286	22158	20777	5335	10289	1517	988	1418	89769
Sep-07	26115	22134	18923	4912	10206	1575	751	1378	85995
Dec-07	26894	23058	19560	5321	10235	1981	768	1391	89207
Mar-08	27264	22667	18706	5399	10028	1481	902	1370	87818
Jun-08	27617	24439	20705	5888	10369	1620	1067	1376	93081
Sep-08	24133	21442	16780	5115	9637	1584	837	1219	80746
Dec-08	22637	20295	15433	5011	8850	1571	748	1199	75744
Mar-09	22201	18423	14750	4490	7947	1283	671	1225	70990
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

Source: ABS, *Sales of new motor vehicles, Australia, March 2011*, 9314.0, April 2011





DWELLING APPROVALS

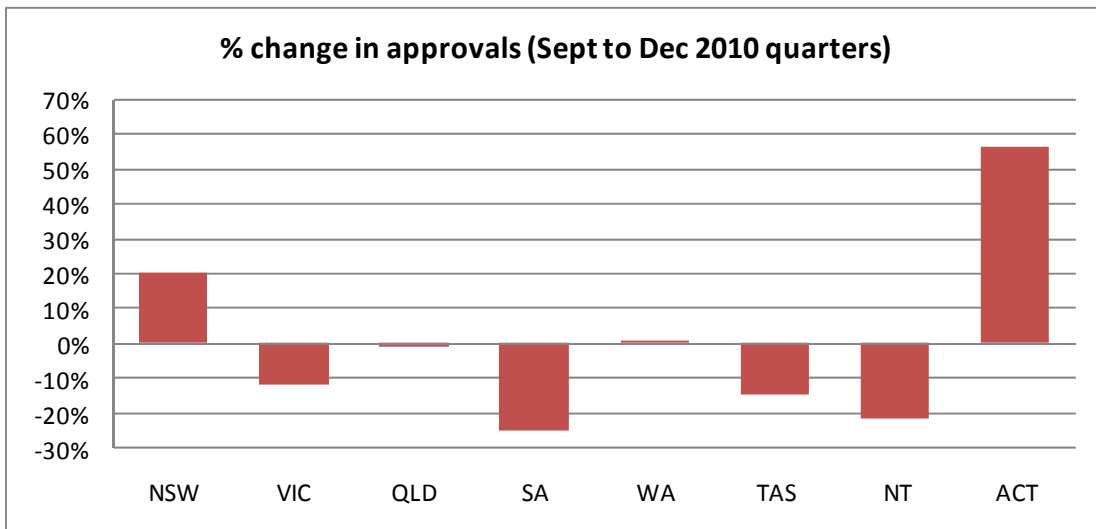
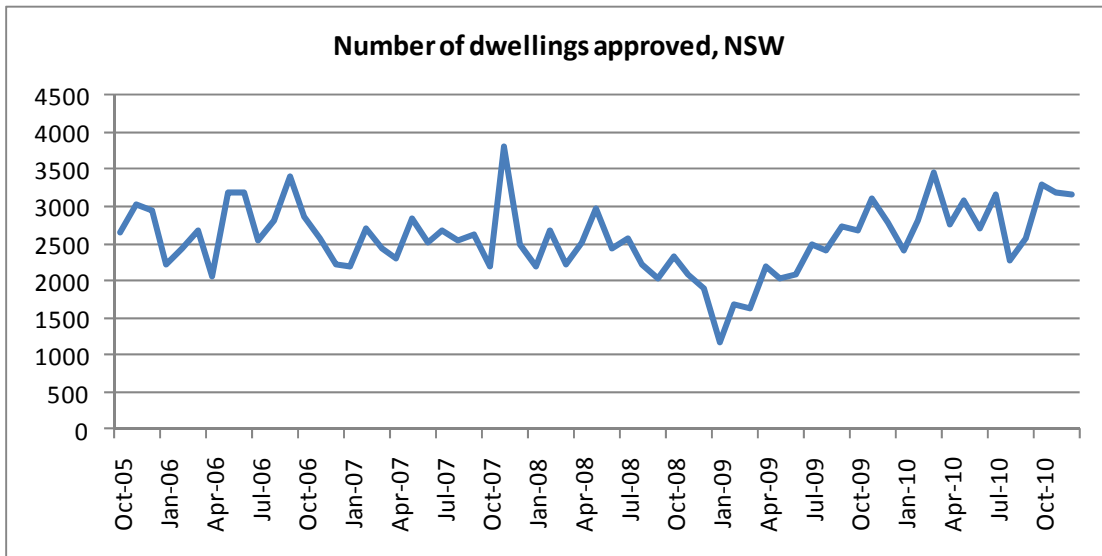
The average number of dwellings approved in NSW per month in the December 2010 quarter increased by 21% to 3217, the greatest growth in the number of approvals after the ACT. The majority of the States and Territories experienced a slump in the number of approvals.

22% of all dwellings approved in Australia in the December 2010 quarter were located in NSW. The proportion of dwellings approved in NSW that were houses fell to 43% compared to 51% in the September 2010 quarter.

Average monthly number of dwellings approved per quarter

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	2437	3003	2944	910	2064	211	105	149	11825
Jun-06	2816	3224	3146	1050	2342	231	93	190	13092
Sep-06	2921	3468	3561	939	2431	244	139	232	13936
Dec-06	2546	3047	3332	901	2135	256	106	140	12463
Mar-07	2444	2881	3364	885	1719	231	132	159	11815
Jun-07	2556	3251	3581	882	2077	249	111	218	12924
Sep-07	2613	3767	4000	1086	1969	239	108	186	13968
Dec-07	2828	3673	4318	1149	1948	258	120	197	14489
Mar-08	2358	3258	3105	946	1981	234	88	144	12113
Jun-08	2635	3605	3594	1279	1983	249	75	253	13673
Sep-08	2277	3777	3201	1231	1901	302	55	211	12954
Dec-08	2104	3168	2353	927	1484	250	88	271	10645
Mar-09	1497	3341	1755	873	1342	226	80	169	9282
Jun-09	2101	3635	2343	973	1735	278	106	312	11482
Sep-09	2536	4673	2682	1053	2029	294	109	385	13760
Dec-09	2861	4744	2794	1005	2107	307	142	347	14306
Mar-10	2899	4705	2842	1035	2325	241	55	310	14412
Jun-10	2851	4903	2927	1094	1993	235	138	471	14612
Sep-10	2669	5876	2342	1160	1824	291	172	394	14727
Dec-10	3217	5197	2315	873	1839	249	135	616	14442

Source: ABS, *Building Approvals, Australia, February 2011*, 8731.0, March 2011



HOUSING FINANCE

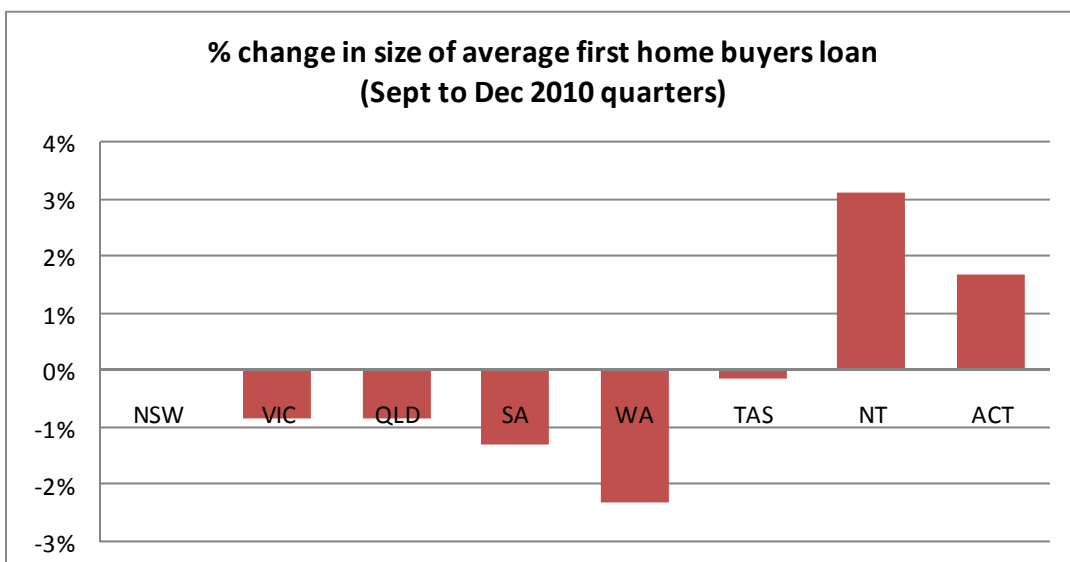
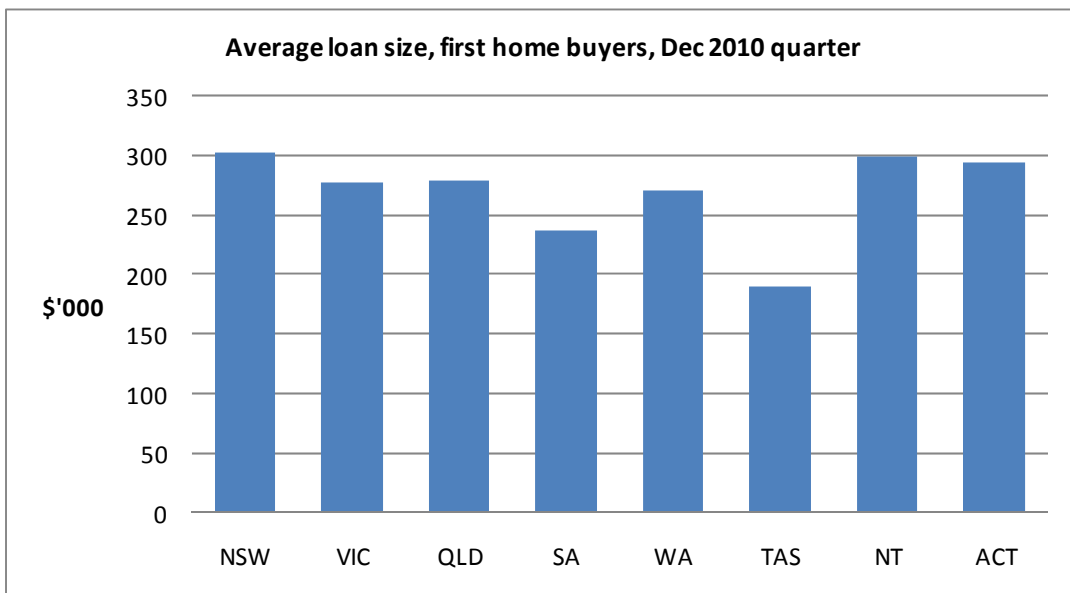
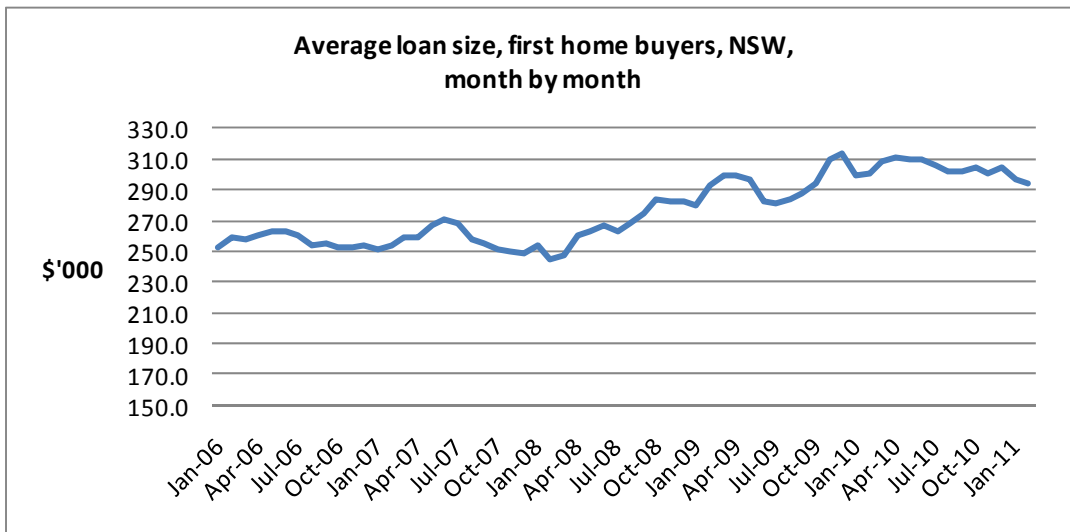
First home buyers account for between 25% and 30% of all house sales, with approximately 90% requiring a mortgage to purchase a property.⁴ The average loan size for first home buyers in NSW stayed constant at \$303,000 in the December 2010 quarter. NSW has the highest average loan size of the States and Territories and is once again the only one to have an average loan size over \$300,000. However, the Northern Territory is not far behind with an average loan size for first home buyers at \$299,000.

First home buyers – average loan size - \$'000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Mar-06	257	213	218	176	196	170	182	232
Jun-06	262	213	215	174	206	161	181	225
Sep-06	256	215	223	178	217	161	192	227
Dec-06	253	219	222	182	216	167	201	235
Mar-07	255	217	232	187	215	159	209	238
Jun-07	265	225	240	193	225	171	208	230
Sep-07	260	230	246	199	248	174	232	269
Dec-07	250	222	241	195	236	163	213	243
Mar-08	249	217	236	193	233	171	216	244
Jun-08	264	227	245	202	244	166	224	245
Sep-08	269	240	264	218	253	181	241	269
Dec-08	283	251	279	229	274	192	281	293
Mar-09	291	256	289	250	292	198	296	303
Jun-09	293	260	283	245	295	195	300	298
Sep-09	284	261	268	232	294	200	297	296
Dec-09	306	269	280	233	298	202	321	288
Mar-10	303	273	284	241	293	197	269	292
Jun-10	310	278	287	241	282	198	323	278
Sep-10	303	280	282	239	278	189	290	290
Dec-10	303	278	280	236	272	189	299	295

Source: ABS, *Housing Finance, Australia, February 2011*, 5609.0, April 2011.

⁴ Bloxham P, McGregor D and Rankin E, 'Housing turnover and first home buyers', *Reserve Bank of Australia - Bulletin*, June Quarter 2010, p 4.



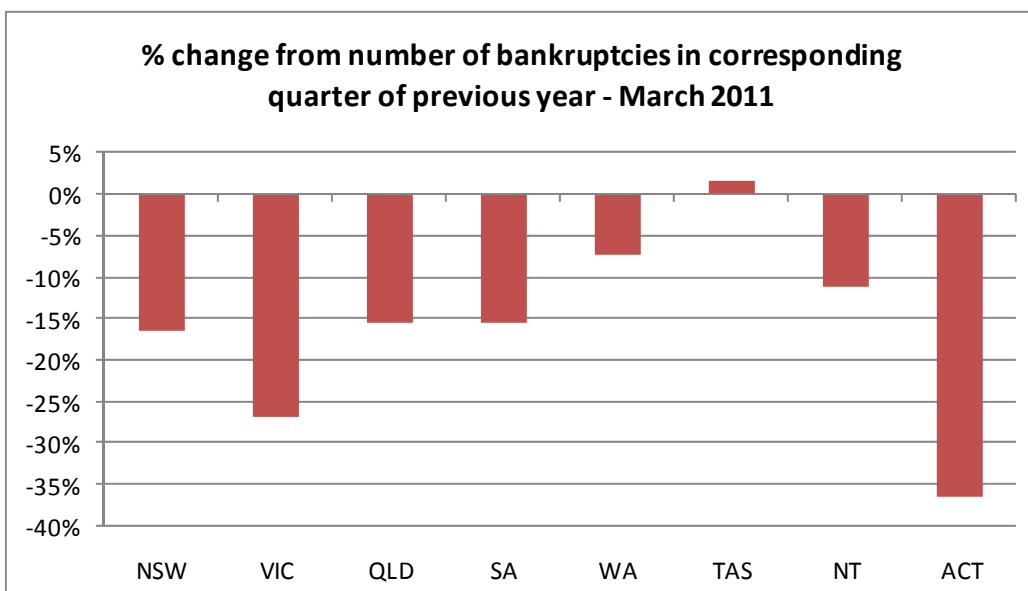
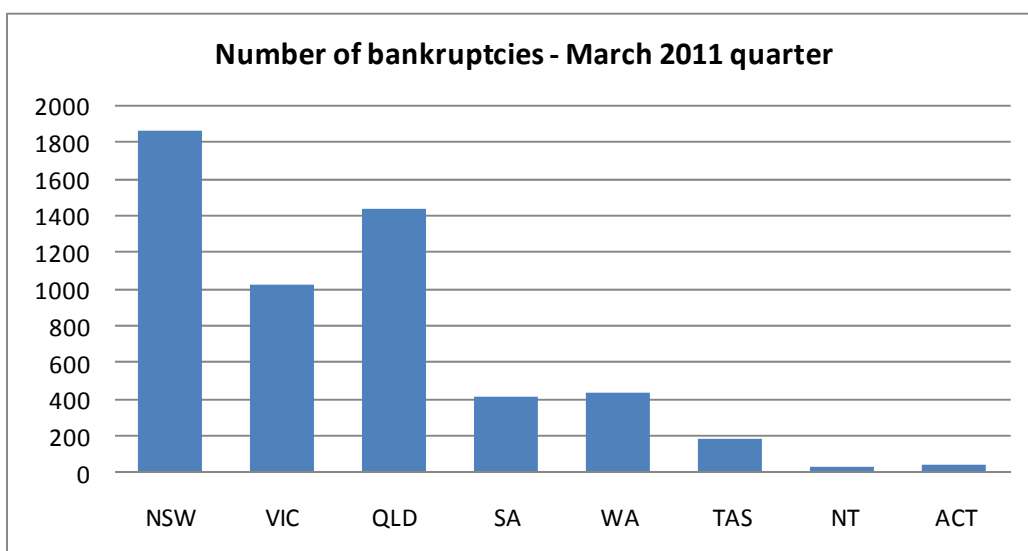
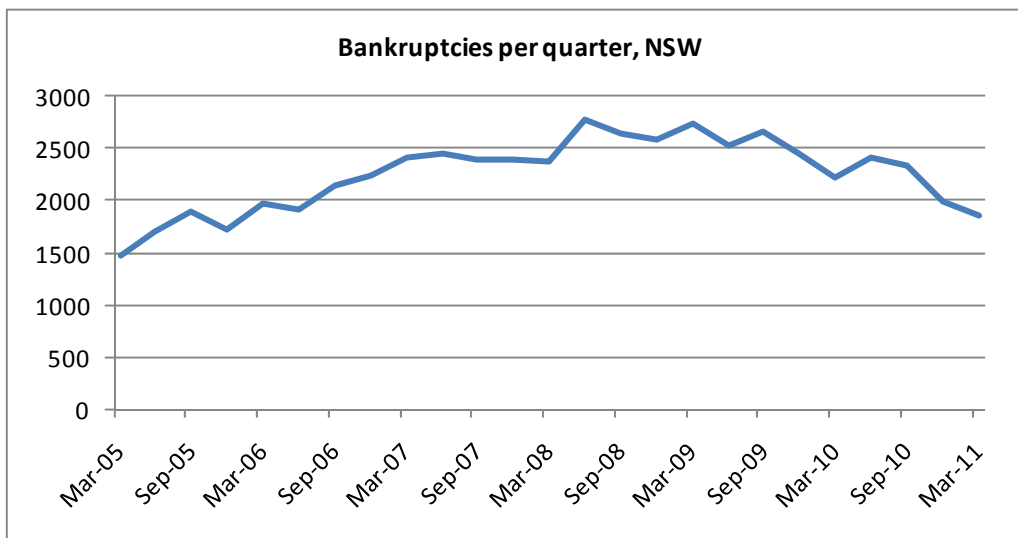
BANKRUPTCIES

The number of bankruptcies in NSW continued to fall in the March 2011 quarter reaching 1861. However, NSW's share of total bankruptcies in Australia remained steady at 34%. Compared to a year ago, Tasmania was the only one of the States and Territories to witness growth in the number of bankruptcies.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Mar-06	1978	1397	1470	559	384	164	24	69
Jun-06	1905	1284	1389	521	350	149	32	75
Sep-06	2153	1387	1394	521	383	139	27	72
Dec-06	2244	1383	1352	496	312	147	24	58
Mar-07	2403	1487	1525	569	355	173	25	47
Jun-07	2449	1459	1475	565	340	190	43	48
Sep-07	2384	1486	1357	511	320	202	27	43
Dec-07	2391	1374	1413	491	337	173	31	61
Mar-08	2382	1321	1415	537	396	161	31	63
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	2408	1433	1802	487	411	202	37	62
Sep-10	2332	1274	1549	418	431	180	22	54
Dec-10	1985	1081	1676	392	400	178	39	58
Mar-11	1861	1020	1434	415	434	186	32	40

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



RENT

Most areas in NSW experienced rent increases in the December 2010 quarter. Increases in the average weekly rent for new bonds in NSW occurred in the following groups:

- One, two, three and four plus bedroom dwellings in Sydney;
- One, three and four plus bedroom dwellings in the Greater Metropolitan Region (excluding Sydney); and
- Three bedroom dwellings in regional NSW.

The largest growth in rental prices in NSW in the December 2010 quarter was for four plus bedroom dwellings in the Greater Metropolitan Region (excluding Sydney) (up 5%).

Sydney

The **average weekly rent** for new bonds in Sydney in the December 2010 quarter was: \$390 for a one bedroom place; \$430 for two bedrooms; \$440 for three bedrooms; and \$550 for four or more bedrooms.

The **highest median rent** for a two bedroom place in Sydney was in the Sydney local government area at \$630 a week. Woollahra local government area had the highest median rent for a three bedroom place at \$995.

The **lowest median rents** were \$250 for a two bedroom place in the Wollondilly local government area and \$300 for a three bedroom place in the Wyong local government area.

Rest of the Greater Metropolitan Region

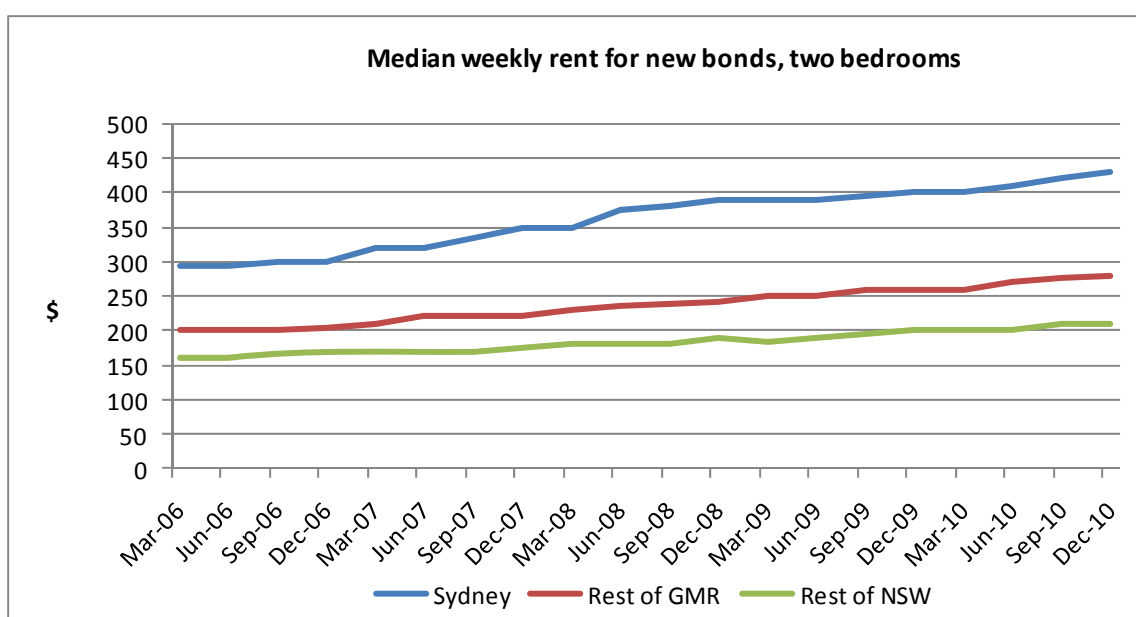
The **average rental price** in the Greater Metropolitan Region (GMR) excluding Sydney (includes Cessnock, Kiama, Lake Macquarie, Maitland, Newcastle, Port Stephens, Shellharbour and Wollongong) was: \$185 for a one bedroom place; \$280 for two bedrooms; \$343 for three bedrooms; and \$420 for four or more bedrooms. Two bedroom places were the only ones to not experience a rise in the average rental price.

The **highest median rent** for a two bedroom place in the rest of the GMR was \$315 per week in Newcastle. Kiama had the highest median weekly rent for a three bedroom place at \$390.

The **lowest median rent** for a two bedroom place was in Shellharbour at \$235. Cessnock had the lowest median rent for three bedroom places at \$293.

Regional NSW

The **median rent** for a two bedroom place outside the Greater Metropolitan Region stayed steady at \$210. The median rent for three bedrooms increased by 1.8% to \$280. The **highest median weekly rent** for two bedroom and three bedroom places in regional NSW was in Queanbeyan at \$305 and \$440 respectively. The **lowest median weekly rent** for two and three bedroom places was in Macquarie-Barwon at \$130 and \$170 respectively.



Source: Housing NSW, *NSW Rent and Sales Report*, No 94, 2011.

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.