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Economic Indicators NSW (October 2013)

by

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SUMMARY

The last quarter has been characterised by mixed economic outcomes which underpinned the RBA Board's latest decisions to leave interest rates on hold in both September and October. The RBA Board also cited uncertainty about the effect of recent monetary easing on the economy as a reason behind its decision.

Nationally, overall quarterly growth in the economy has been below trend. Specifically, non-mining investment has remained subdued; household consumption has been below average; and wages growth has been soft. These weaker indicators were in contrast to above average levels of consumer and business confidence,¹ and the evidence of further improvement in the housing market.

According to BIS Shrapnel, the mining boom has left Australia with increased production capacity but an economy out of balance.² On this basis, the key challenge for the Australian economy going forward will be rebalancing the economy by stimulating growth in the non-mining sectors. The housing market, and specifically building construction, is seen as a prospective source of growth in rebalancing Australia's mining centric economy.

The resurgence in the housing market in Sydney, characterised by positive growth in prices, turnover, dwelling investment and borrowing, has supported much of the optimism in the NSW economy. Housing prices in Sydney rose by 2.5 per cent in September, and by 5.2 per cent over the quarter³, while average monthly dwelling approvals were up 28 per cent for the 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.⁴ This growth is likely to underpin building construction for both new and established homes, which is pivotal for jobs across the State economy.⁵ NSW Treasury estimates that for every \$1 million spent on residential construction, \$2.5 million may be generated in the overall economy which would give rise to eight full-time jobs.⁶

Labour market indicators in NSW appear to dampen the optimism from the

¹ Reserve Bank of Australia, [Minutes of the Monetary Policy Meeting of the RBA Board](#), 1 October 2013

² BIS Shrapnel, *Economic Outlook*, September 2013

³ RP Data, [Capital city home values reach new record high in September 2013](#), 1 October 2013

⁴ BIS Shrapnel, *Australian Housing Outlook Report*, October 2013

⁵ Deloitte Access Economics, *Business Outlook*, September 2013

⁶ NSW Treasury, *NSW Treasurer Economic Update*, September 2013

housing market. Average monthly employment growth has been flat over the last quarter, and is virtually unchanged from the previous year. While the unemployment rate in September has fallen to 5.6 per cent, average quarterly unemployment (5.7 per cent) is still higher than the June quarter (5.4 per cent), and higher than the previous year (5.1 per cent). Average quarterly labour force participation is also down by 0.3 per cent.

Consumer confidence and consumption growth appears to be relatively subdued in NSW, as below-average income growth and softer labour market conditions appear to have been weighing on households' willingness to spend.⁷ Retail trade growth in NSW, for example, remains relatively flat, increasing by only 0.3 per cent between the March and June quarters. Vehicle sales are also down by 7.7 per cent between the June and September quarters and remain flat from the previous 12 months.

Using key economic indicators, the October 2013 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 ACT and Northern Territory. NSW is now equal fourth with Queensland.⁸ 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 in NSW over the last year.

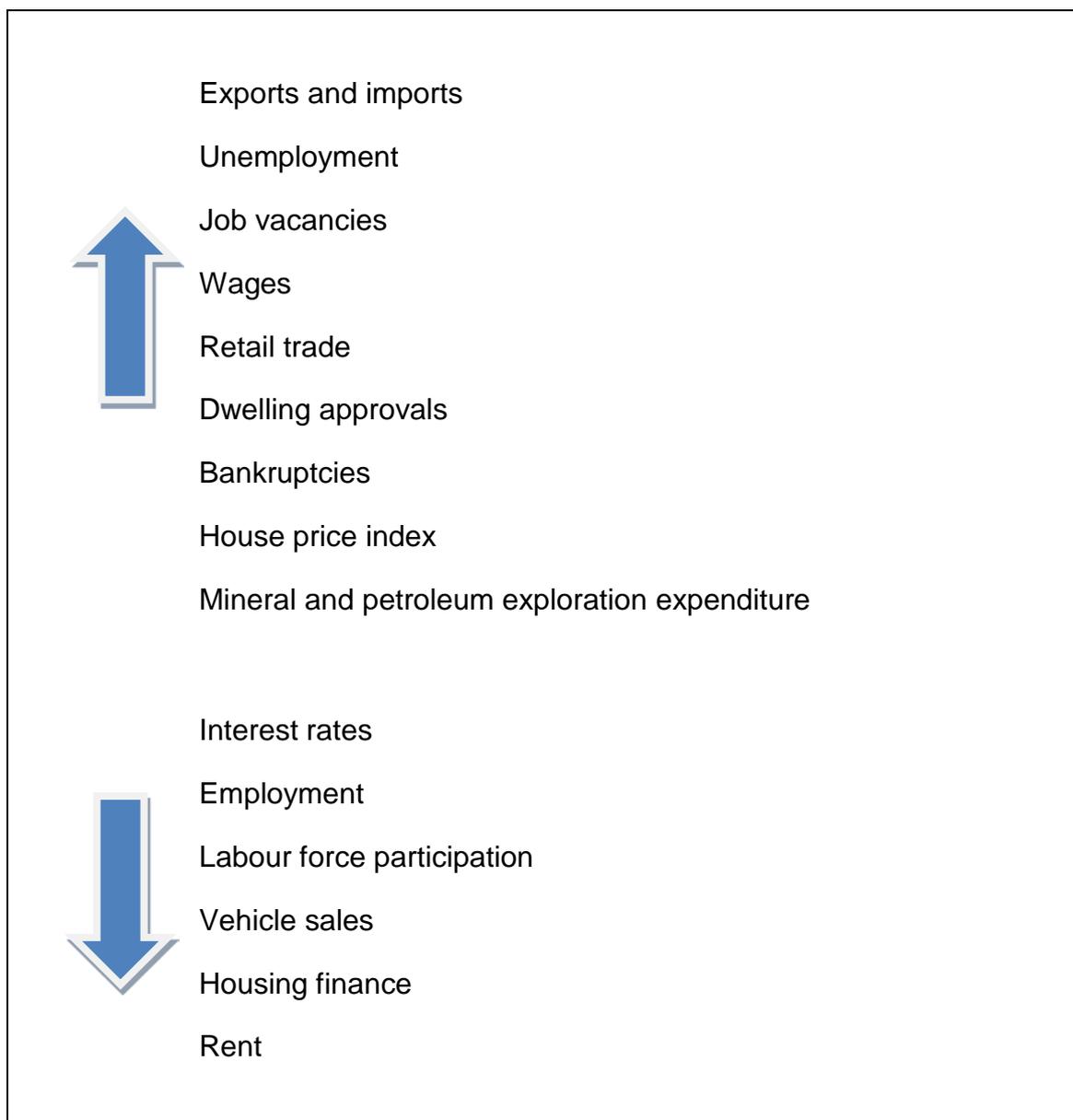
	Strength	Weakness
NSW	Job market	Economic growth
Victoria	Job market	Construction work
Queensland	Business investment	Population growth
South Australia	Construction work	Retail spending
Western Australia	Retail spending	Dwelling starts
Tasmania	Housing pickup	Various
Northern Territory	Economic growth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

This October 2013 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 June or September 2013 quarters. There are no updates to the sections on Gross State Product, wages, agricultural production and income, and business investment, as this is annual data released by the ABS in November. This edition has included two new economic indicators: quarterly house price indexes for the eight capital cities; and quarterly mineral and petroleum exploration expenditure statistics for the States and the Northern Territory.

⁷ Reserve Bank of Australia, [Statement on monetary policy](#), August 2013

⁸ Commsec, [State of the States: Economic performance report](#), October 2013

For New South Wales, the direction in which the quarterly averages for each indicator moved since the July 2013 edition is summarised below.



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.

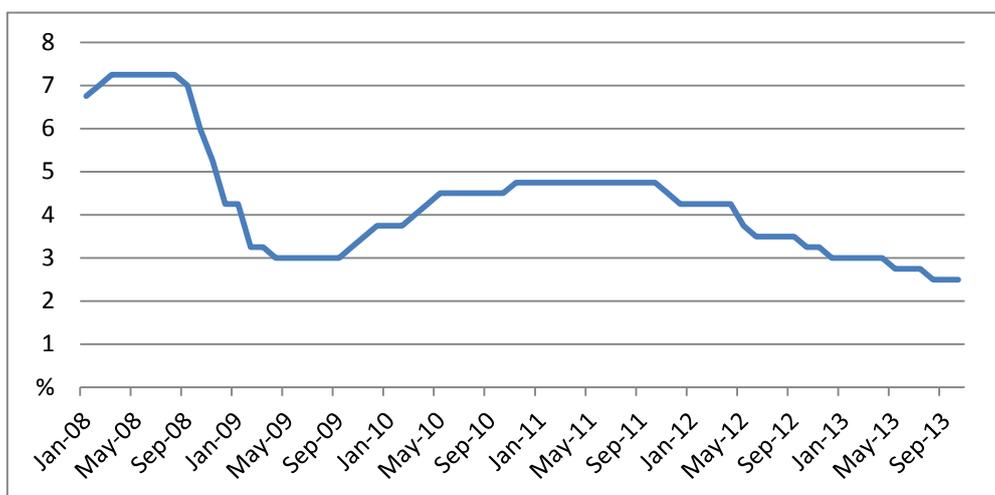
INTEREST RATES

In the last quarter, the Board of the Reserve Bank of Australia lowered the cash rate by 25 basis points from 2.75 per cent to 2.5 per cent. This decision came in August in response to relatively low June quarter inflation and below trend economic growth figures. Despite the rebound in borrowing and property prices, relatively subdued employment growth, a rise in unemployment and slowing wage growth were all factors underpinning the decision to lower the cash rate in August.⁹

Following the deliberations of the Board of the RBA in early October 2013, the cash rate was kept at a 50 year historical low of 2.5 per cent. Given the substantial degree of stimulus that had already been imparted, the RBA Board decided to leave the cash rate on hold until the full effects of this stimulus were understood.¹⁰ There were a number of mixed economic signals which contributed to this cautiousness. For example, overall growth in the domestic economy had been below trend. Specifically, non-mining investment had remained subdued; household consumption had been below average; and wages growth had been soft. These weaker indicators were in contrast to above average levels of consumer and business confidence. The housing market also showed evidence of further improvement with positive growth in housing prices, turnover, dwelling investment and borrowing.

The RBA Board has not discounted the possibility of further rate cuts.

Figure 1: Cash rate



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

⁹ Reserve Bank of Australia, [Minutes of the Monetary Policy Meeting of the RBA Board](#), 6 August 2013

¹⁰ Reserve Bank of Australia, [Minutes of the Monetary Policy Meeting of the RBA Board](#), 1 October 2013

GROSS STATE PRODUCT

Gross State Product (GSP) grew by 2.4 per cent between June 2011 and 2012, marginally lower than the 2.6 per cent increase in the 12 months prior to that. However, this was the third highest growth of the States behind Western Australia (6.7 per cent) and Queensland (4 per cent).

GSP per capita is currently \$60,807 in NSW, compared to an Australian average of \$63,754. Western Australia has the highest GSP per capita of the States and Territories at \$99,065.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS (GDP)
Jun-2005	384326	271947	222819	77531	169362	21801	13806	25025	1190111
Jun-2006	392503	277691	235394	78657	177637	22327	14264	25528	1226323
Jun-2007	400747	288274	248820	80199	188705	22937	15079	26645	1272776
Jun-2008	412244	298320	260796	84855	195973	23592	16135	27483	1320746
Jun-2009	416293	301548	263465	86450	204354	24154	16917	28618	1342514
Jun-2010	424547	307193	267221	87346	213151	24168	17118	29509	1370540
Jun-2011	435547	315571	269880	89322	221574	24218	17322	30455	1403888
Jun-2012	446169	322833	280622	91217	236338	24345	18086	31511	1451120

Source: ABS, *Australian National Accounts, State Accounts 2011-12*, 5220.0, November 2012

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

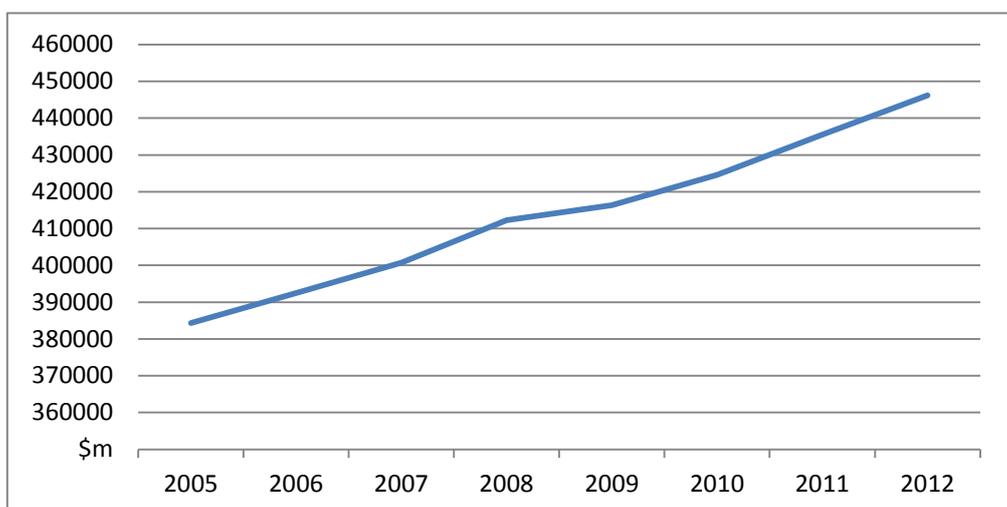
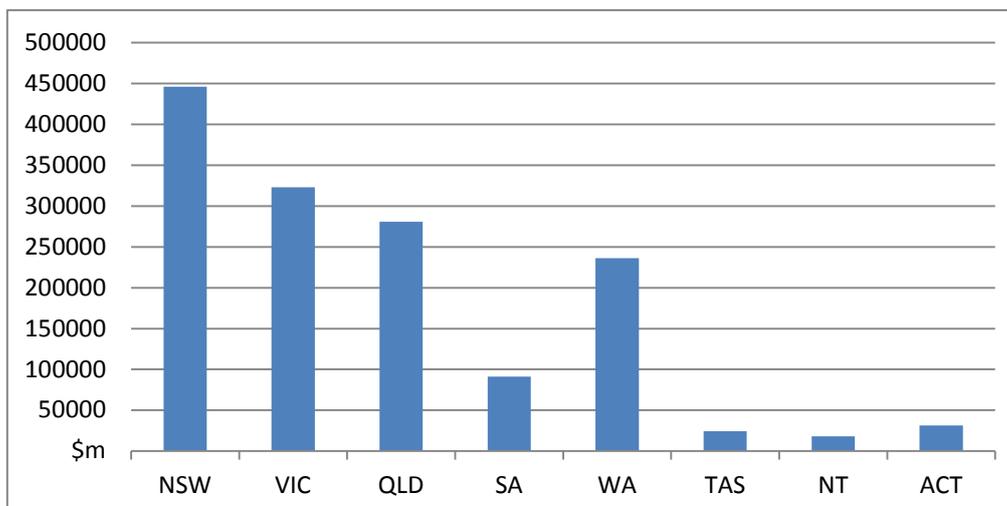


Figure 3: Gross state product, year ending June 2012**Figure 4: GSP per capita, chain volume measure, year ending June 2012****Figure 5: Change in GSP, June 2011 to June 2012**

INTERNATIONAL TRADE

Exports

The **average monthly free on board (FOB) value of merchandise exports** from NSW increased by 11 per cent in the June 2013 quarter to \$3.14 billion. Western Australia continued to dominate the States and Territories in terms of the amount exported (an average of \$10.2 billion per month), followed by Queensland at \$3.9 billion (up 22 per cent from the previous quarter). NSW exported the third highest amount.

The **top five destinations for merchandise exports** from NSW for the month of August 2013 only were: Japan (\$931m – up from \$867m in May 2013); China (\$634m – up from \$530m); Korea (\$270m – up from \$259m); United States (\$189m – up from \$163m); and New Zealand (\$170m – down from \$182m). 67 per cent of exports were to the top five destinations, with 47 per cent of all exports to Japan and China.

Imports

The **average monthly customs value of merchandise imports** for NSW increased by 6 per cent in the June 2013 quarter to \$6.9 billion. NSW continues to import the greatest amount of the States and Territories, followed by Victoria at \$4.8 billion (up 5 per cent).

The **top five import sources** for NSW in the month of August 2013 only were: China (\$2065m – up from \$1809m in May 2013); the United States of America (\$871m – up from \$780m); Japan (\$580m – up from \$555m); Germany (\$424m – up from \$355m); and Thailand (\$309m – up from \$252m). 55 per cent of all imports were from the top five sources, with 27 per cent from China alone.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
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	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	3165	1773	3937	828	9416	253	476	1
Mar-13	2835	1710	3172	891	9541	281	451	2
Jun-13	3140	1964	3883	974	10245	238	512	0

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

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
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	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	7536	5148	3894	621	2914	65	598	0
Mar-13	6549	4577	3400	541	2572	62	360	2
Jun-13	6899	4789	3232	576	2668	55	381	1

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

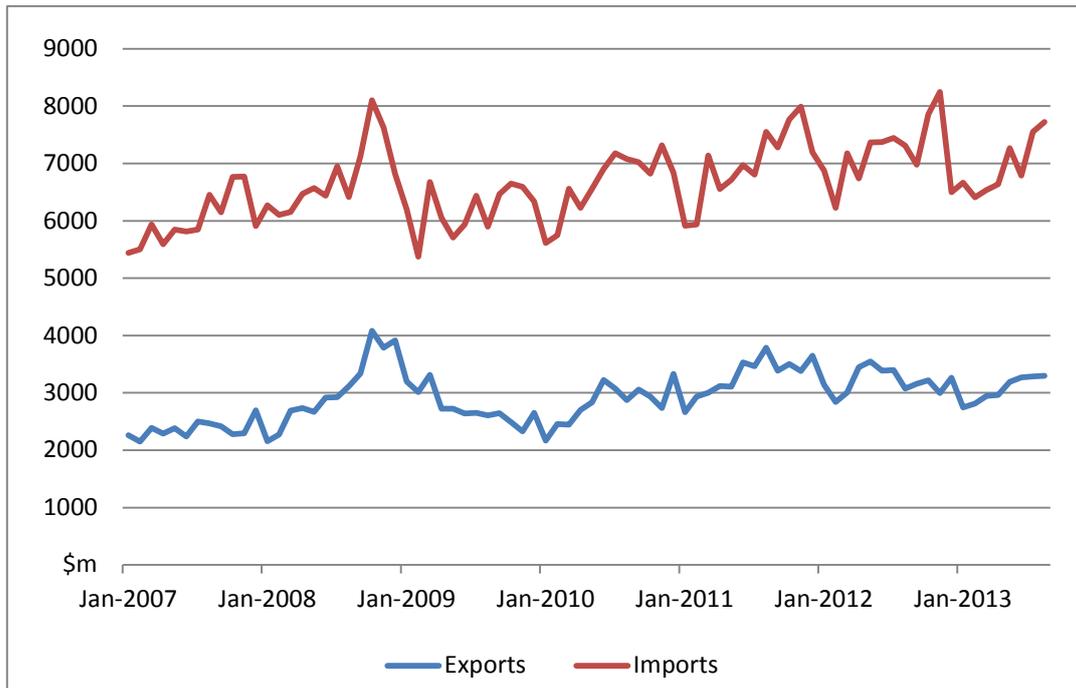
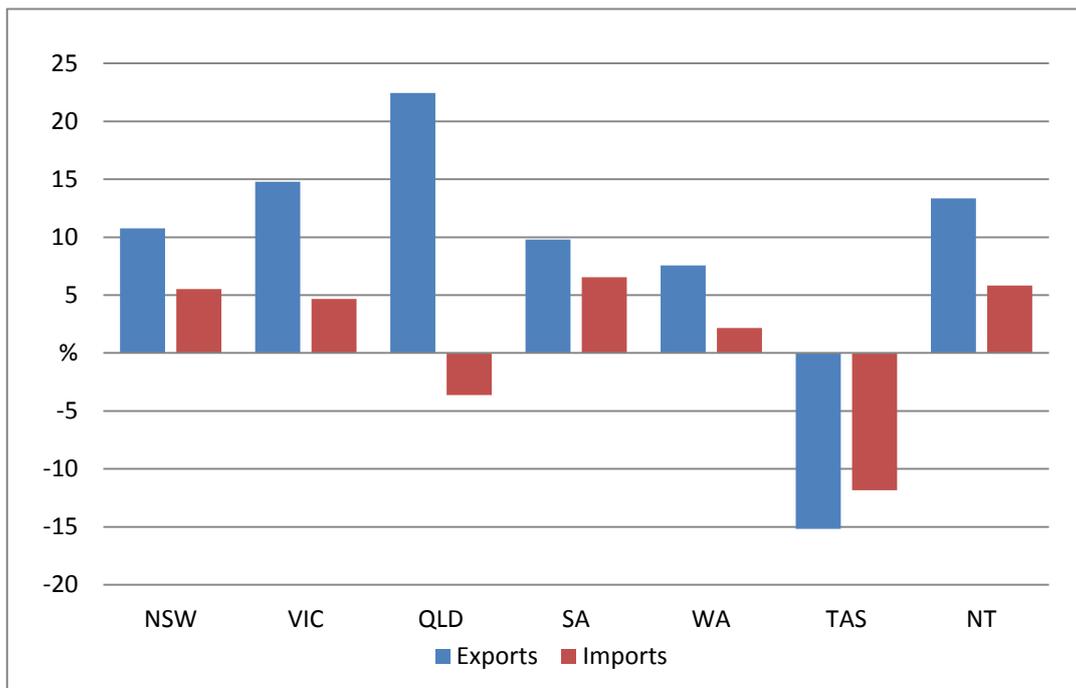
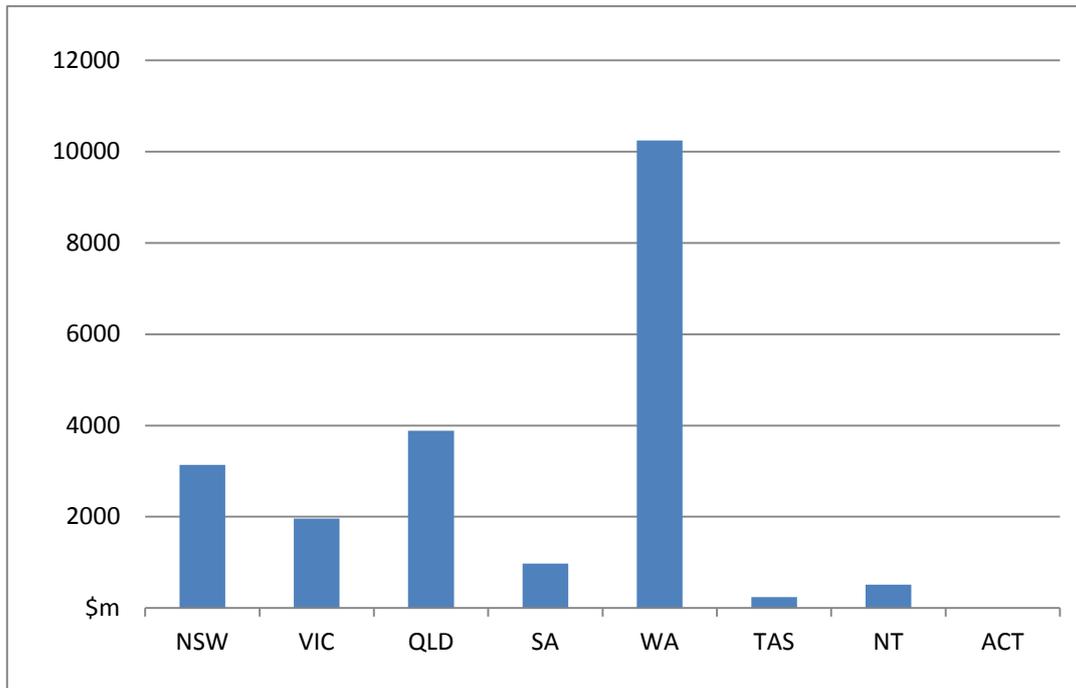
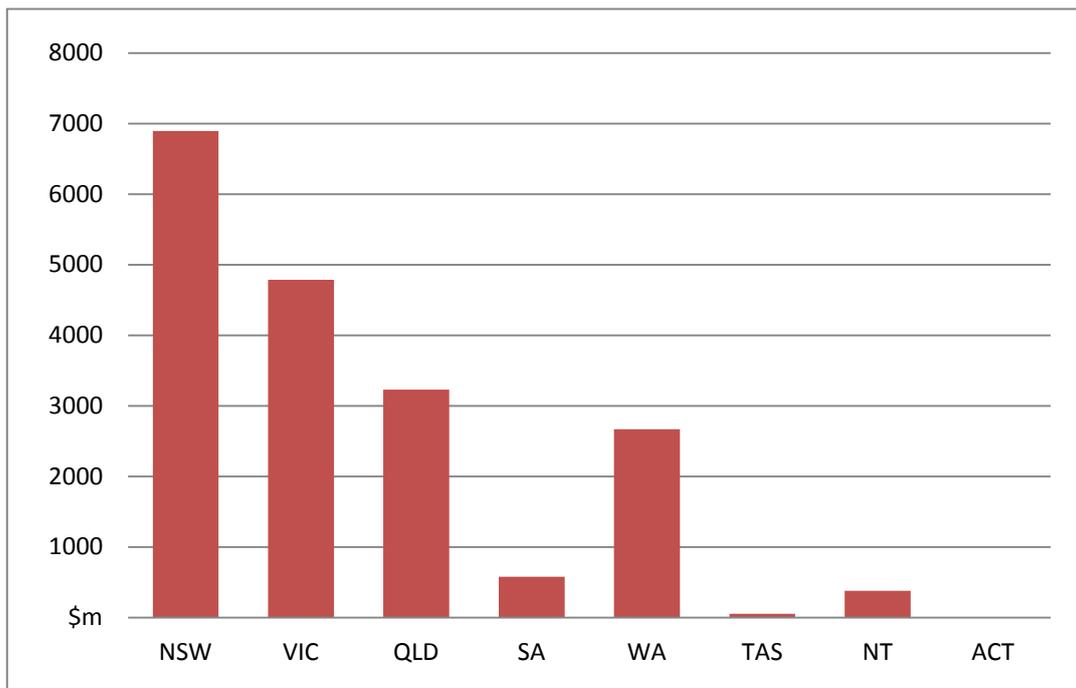
Figure 6: Merchandise exports and imports, NSW**Figure 7: Change in exports and imports, March 2013 to June 2013 quarters**

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

CONSUMER PRICE INDEX

Consumer Price Index (CPI) for all groups in Sydney between September 2012 and September 2013 increased by 2.1 per cent (lower than the Australian average of 2.2 per cent). This was also less than the change in the CPI between June 2012 and June 2013, when it rose by 2.6 per cent.

The largest price increases over the last 12 months in Sydney occurred in: education (up by 5.8 per cent); health (up by 4.3 per cent); and housing (up by 4.0 per cent). Within the sub-groups, increases in utility prices were more subdued than the previous quarter; in Sydney utility prices were up 5.0 per cent from the previous year, with the price of electricity increasing by 4.7 per cent and gas and other household fuels up by 9.6 per cent. There were also solid increases in the price of insurance (up by 7.6 per cent) and tobacco (up by 9.0 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

Source: ABS, *Consumer Price Index, Australia, September 2013*, 6401.0, October 2013.

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

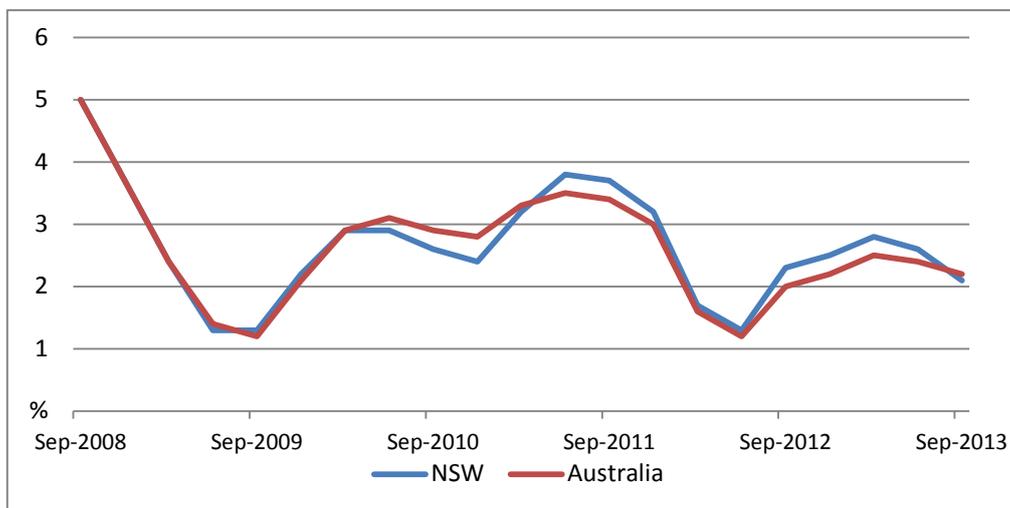


Figure 11: Change in CPI, all groups, September 2012 to September 2013

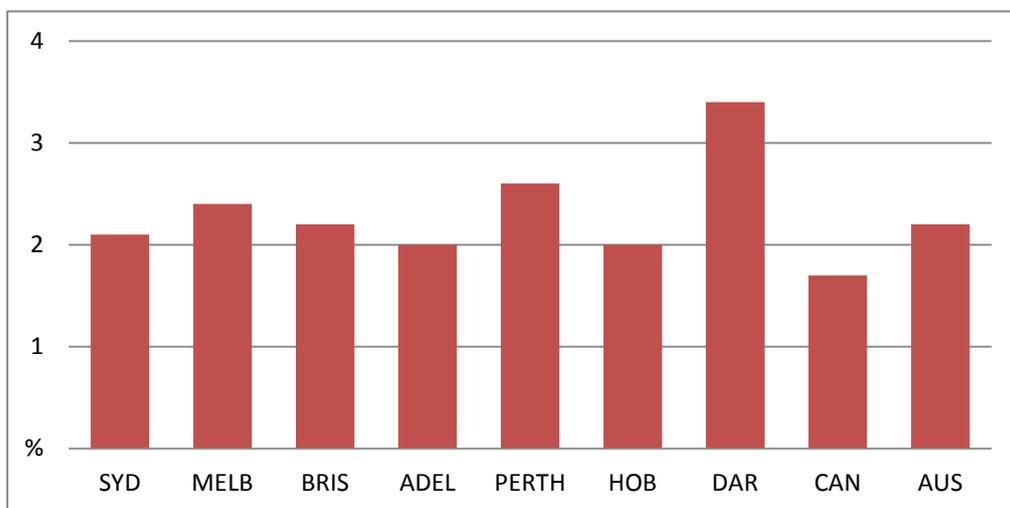
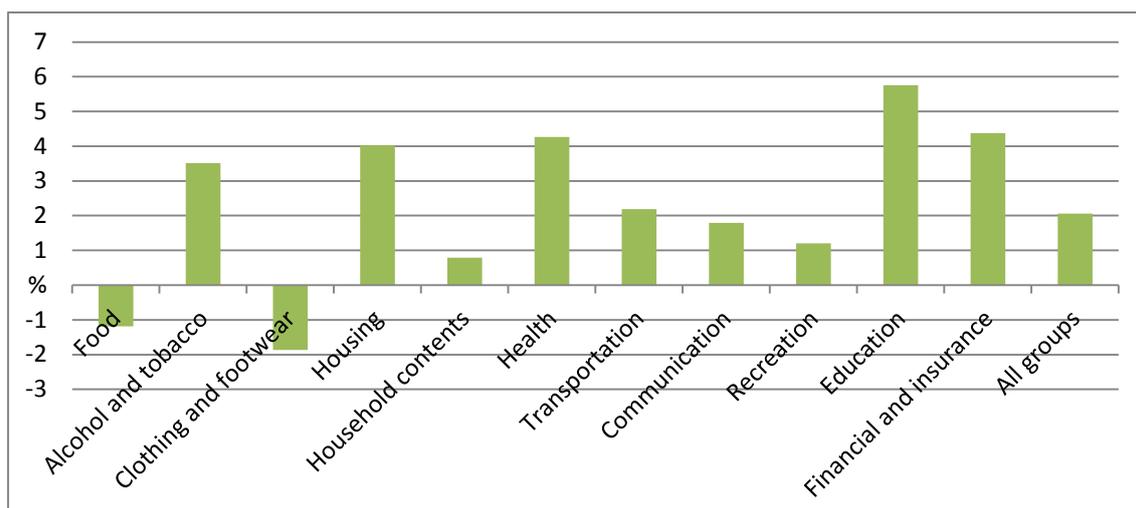


Figure 12: Change in CPI, groups, September 2012 and September 2013



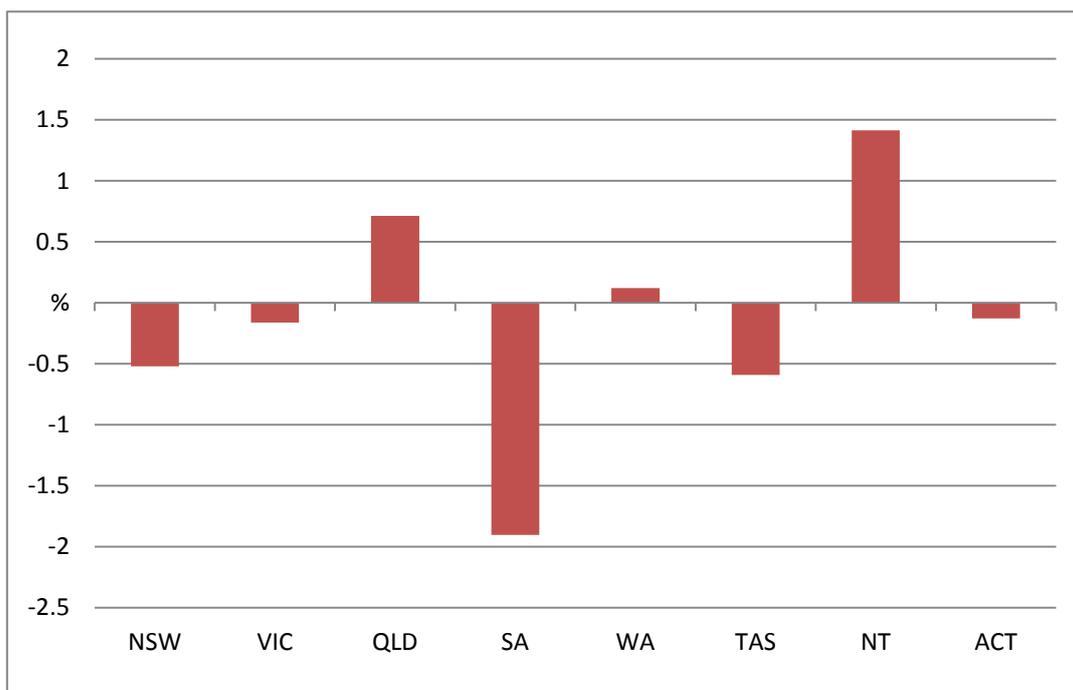
EMPLOYMENT

The average number of people employed in NSW in the September 2013 quarter fell marginally by 0.5 per cent to 3,664,000, with total employment 1.3 per cent higher than a year ago. Employment growth across the other States was relatively subdued, with the Northern Territory (a rise of 1.42 per cent) and South Australia (a fall of 1.9 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

Source: ABS, *Labour Force, Australia, September 2013*, 6202.0, October 2013.

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

UNEMPLOYMENT

The unemployment rate in NSW rose in the September 2013 quarter to 5.7 per cent, which is the same as the average Australian unemployment rate, and is now equal fourth lowest of the States and Territories. Tasmania continued to have the highest average quarterly unemployment rate at 8.3 per cent followed by South Australia at 6.6 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.¹¹

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

Source: ABS, *Labour Force, Australia, September 2013*, 6202.0, October 2013.

¹¹ OECD, [OECD Employment Outlook 2013](#), July 2013

Figure 15: Unemployment rate, NSW

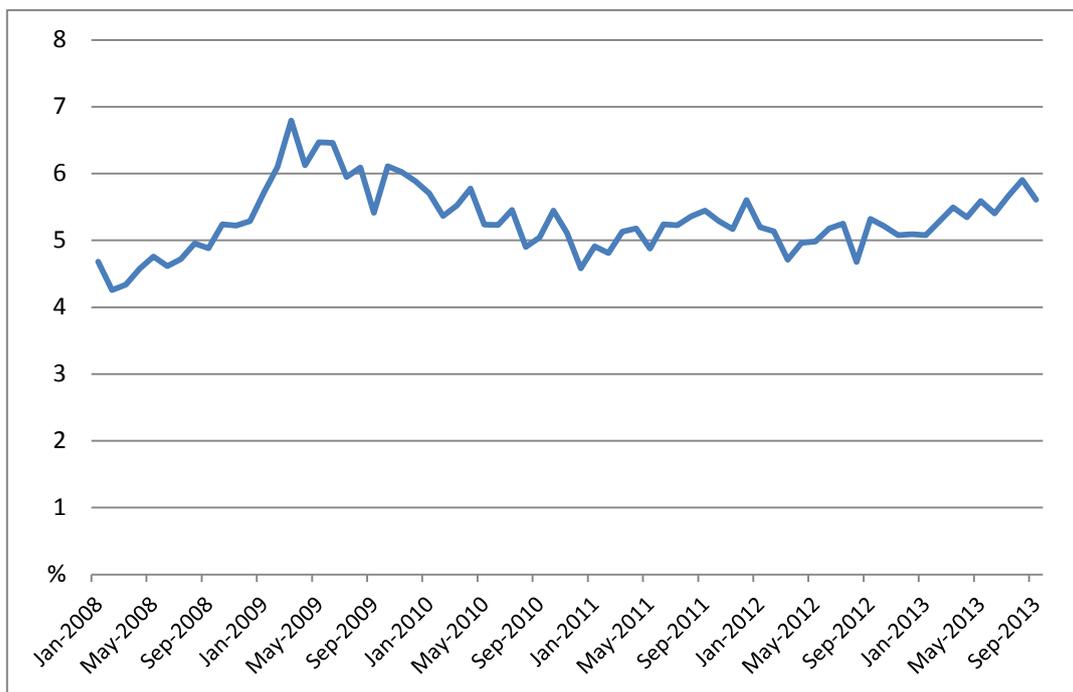
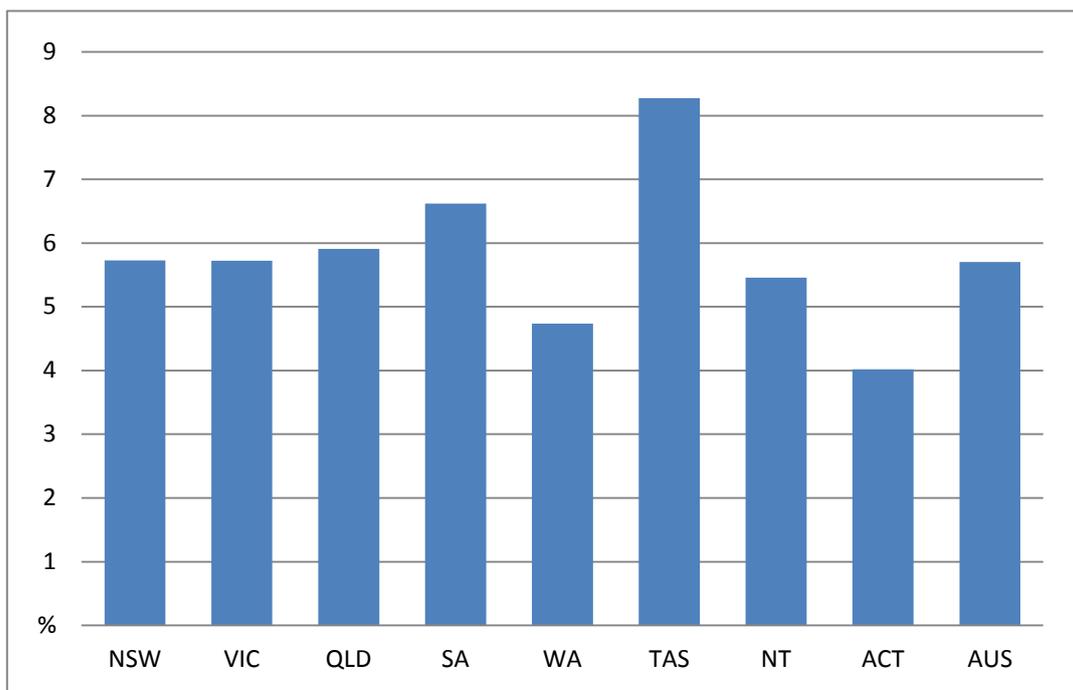


Figure 16: Average unemployment rate, September 2013 quarter



LABOUR FORCE PARTICIPATION

The labour force participation rate in NSW decreased in the September 2013 quarter to 63.8 per cent (the Australian average was 65.0 per cent). Only South Australia (62.3 per cent) and Tasmania (60.1 per cent) have lower participation rates than NSW. The highest labour force participation rate is in the Northern Territory (75.0 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

Source: ABS, *Labour Force, Australia, September 2013*, 6202.0, October 2013.

Figure 17: Labour force participation rate, NSW

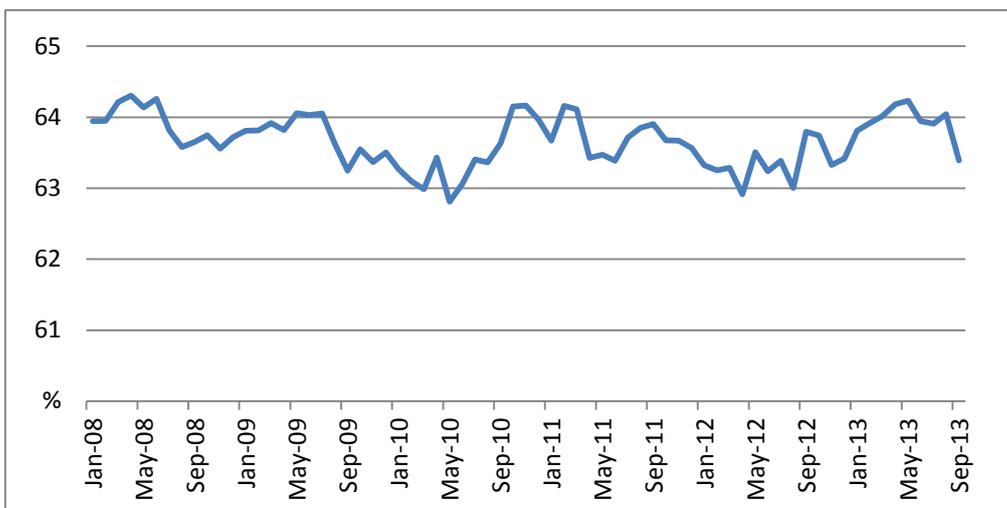
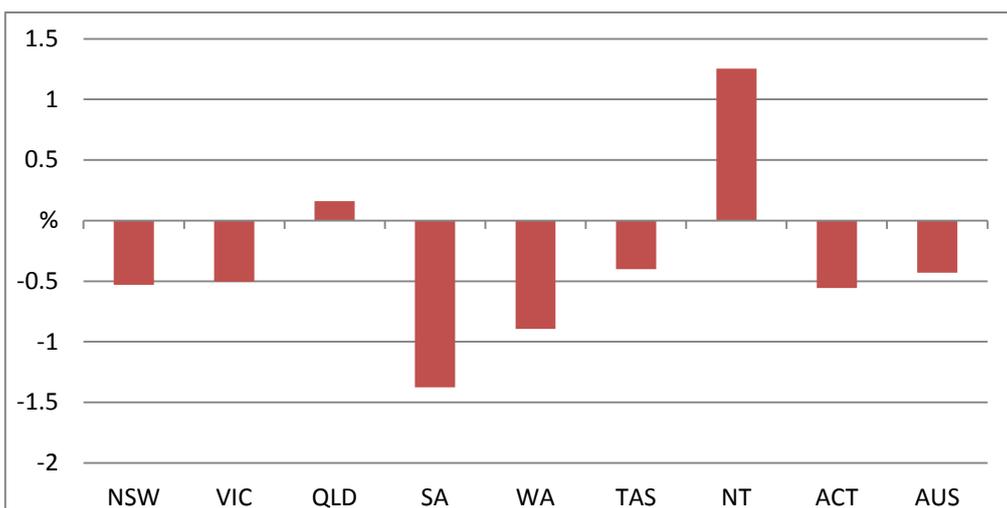


Figure 18: Labour force participation rate, September quarter



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



JOB VACANCIES

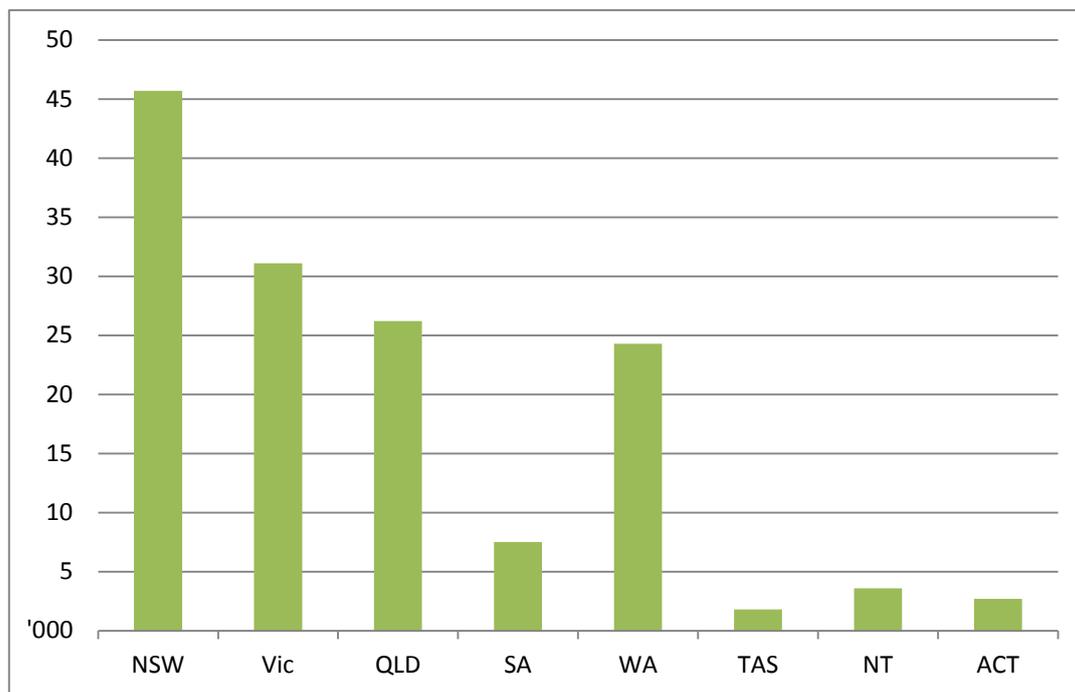
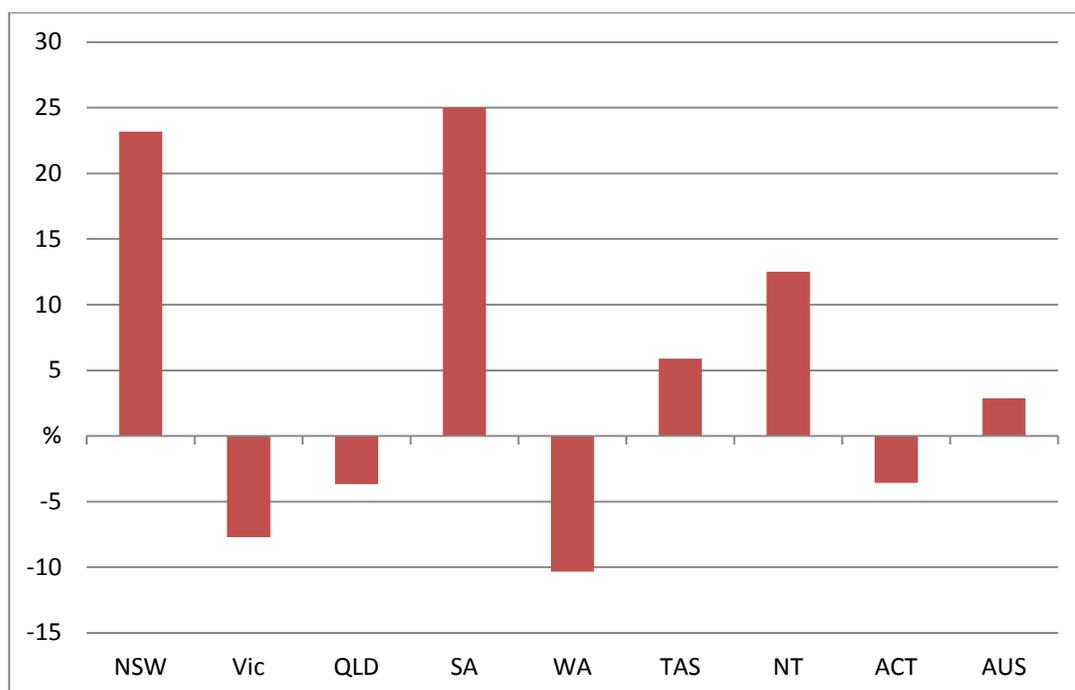
The number of job vacancies in NSW increased by 23 per cent in the August 2013 quarter to 45,700. This was up from a 10 year low in the May 2013 quarter, which has historically been a weak month for job vacancies in NSW (72 per cent of May quarters have recorded negative job vacancies growth since 1984). While the August 2013 result is a positive sign for the NSW job market, job vacancies still remain below the 10 year average of 47,400.

There was an average increase of around 3 per cent in the number of job vacancies across Australia. The number of job vacancies fell in Victoria (down by 8 per cent), Queensland (4 per cent) and Western Australia (10 per cent), while increasing in South Australia (up by 25 per cent) and the Northern Territory (12.5 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

Source: ABS, *Job Vacancies, Australia, August 2013*, 6354.0, October 2013.

Figure 20: Number of job vacancies, August 2013**Figure 21: Change in job vacancies, May 2013 to August 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).

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

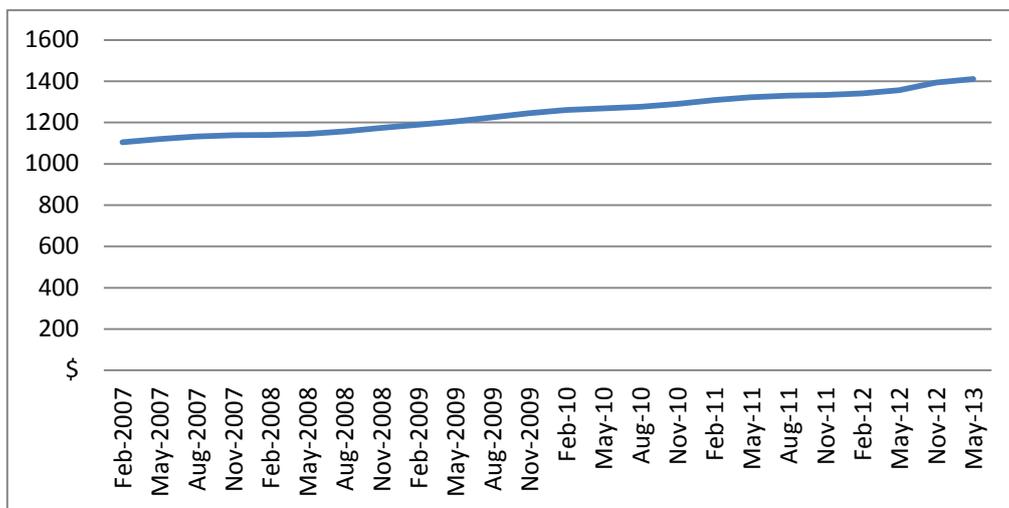


Figure 23: Average adult weekly fulltime earnings, May 2013

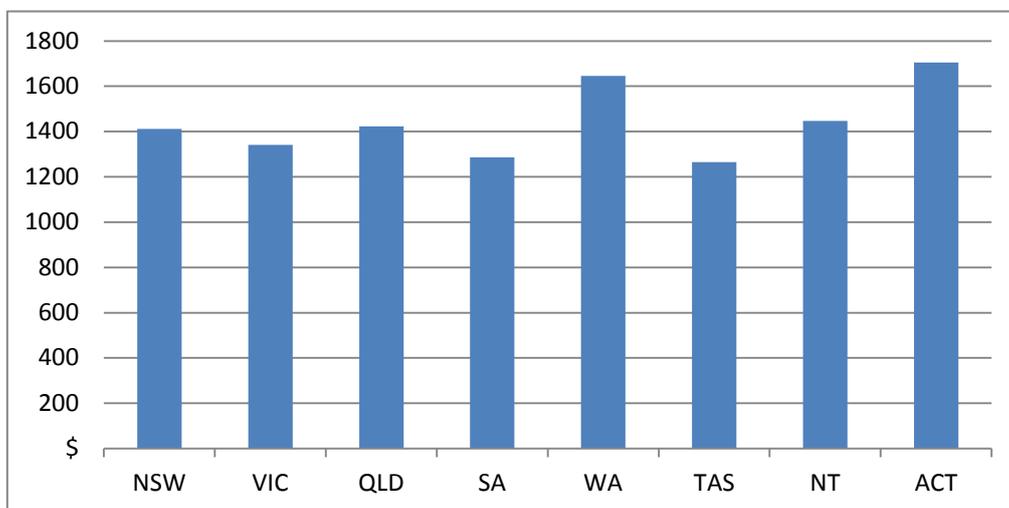


Figure 24: Change in average weekly fulltime earnings, Nov 2012 to May 2013



AGRICULTURAL PRODUCTION AND INCOME

The gross value of agricultural production in NSW fell slightly in the year ending June 2012 to \$15.3 billion. NSW recorded the second highest gross value in agricultural production in Australia, after Victoria.

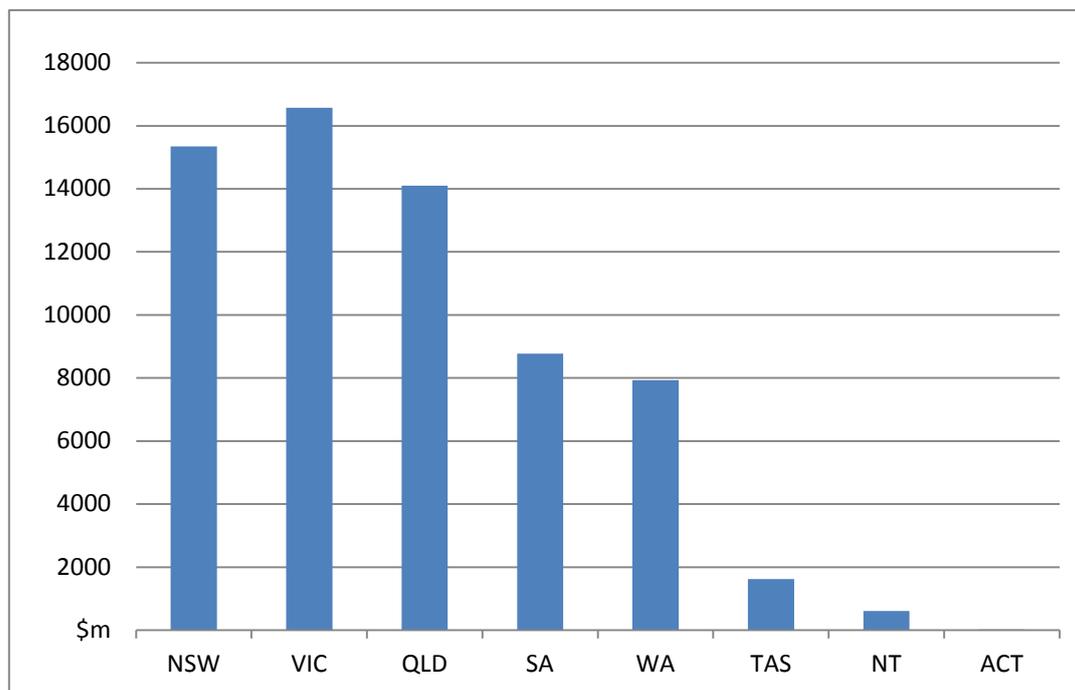
Agricultural income in NSW was \$2.005 billion in the year ending June 2012.

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

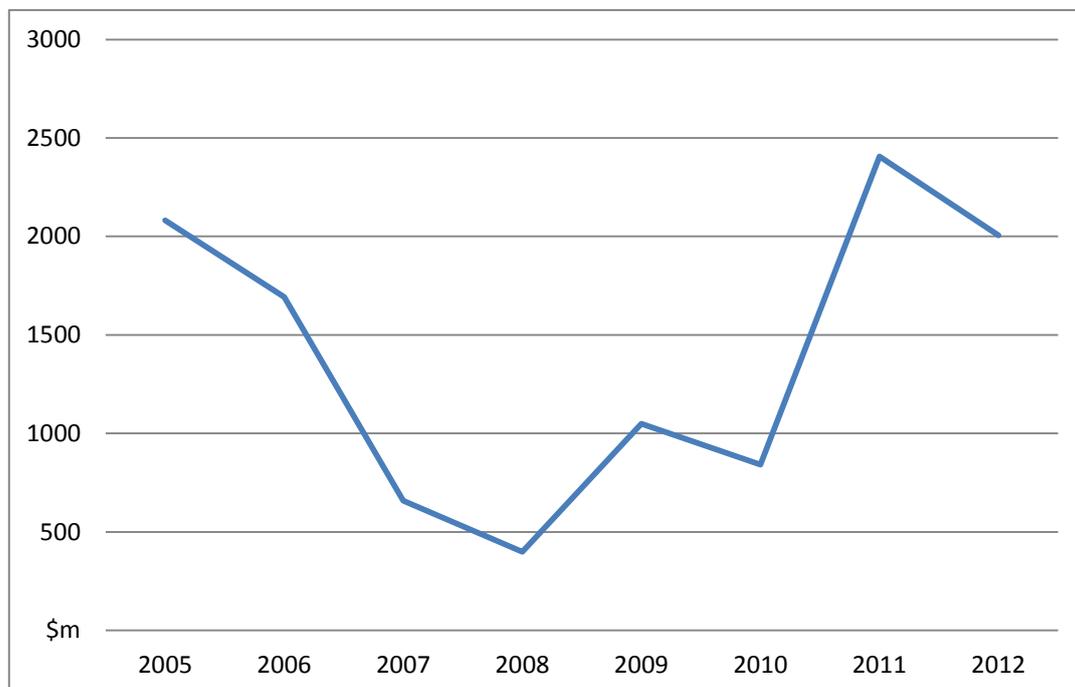
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	12312	11088	11935	5554	6911	1247	461	32
Jun-2006	12563	11780	12581	6109	7937	1332	426	34
Jun-2007	10734	10999	13064	5273	6546	1337	478	30
Jun-2008	12137	14590	12159	7076	9242	1563	583	32
Jun-2009	12978	13319	13481	6670	9553	1628	556	30
Jun-2010	11211	13985	13095	6451	7446	1405	562	23
Jun-2011	15367	16250	13728	8452	7054	1599	591	25
Jun-2012	15349	16569	14101	8775	7934	1616	609	24

Source: ABS, *Australian National Accounts, State Accounts 2011-12*, 5220.0, November 2012

National agricultural production and income statistics are obtained from the ABS *Australian National Accounts, State Accounts* catalogue. This is an annual publication and the 2012-13 issue is expected to be released in November 2013.

Figure 25: Gross value of agricultural production, year ending June 2012

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 significant mineral and petroleum expenditure growth in last 10 years. Between June 2003 and June 2013, expenditure has increased by around 540 per cent. In the last two quarters alone, expenditure has more than doubled from \$44.4 million (December 2012) to \$101.4 million (June 2013).

Western Australia (61 per cent) still accounts for the majority of mineral and petroleum expenditure in Australia, followed by Queensland (22 per cent) and South Australia (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	136.8	139.2	832.0	7.6	118.4	1402.3
Jun-2008	61.7	25.6	173.7	123.7	935.6	8.4	70.8	1506.3
Sep-2008	49.8	23.8	169.0	109.6	937.8	7.3	103.3	1480.9
Dec-2008	54.2	19.5	160.7	84.8	1150.3	7.3	69.5	1574.1
Mar-2009	45.4	10.3	160.1	66.7	1064.9	3.1	105.1	1542.5
Jun-2009	43.2	10.0	153.2	69.1	1017.4	2.8	113.8	1423.0
Sep-2009	49.1	15.0	191.7	74.3	928.4	3.5	73.4	1368.3
Dec-2009	43.8	24.0	234.3	61.3	848.9	4.4	84.0	1331.2
Mar-2010	75.8	24.2	243.1	57.6	962.5	5.6	75.0	1470.6
Jun-2010	72.2	20.2	253.2	43.9	989.8	7.2	69.6	1560.7
Sep-2010	56.1	12.4	260.8	46.9	1002.1	8.0	70.1	1522.4
Dec-2010	78.3	12.5	253.2	70.3	930.6	10.1	67.7	1484.0
Mar-2011	66.7	13.1	278.6	108.2	1049.4	9.4	58.1	1611.1
Jun-2011	75.1	19.4	333.5	112.2	1020.7	9.9	90.6	1668.2
Sep-2011	62.9	19.4	383.2	111.6	980.9	9.5	56.1	1744.5
Dec-2011	61.5	13.1	351.5	121.5	1096.7	9.9	114.5	1810.5
Mar-2012	87.7	13.2	368.2	132.9	987.8	10.0	95.6	1701.8
Jun-2012	57.4	12.8	334.6	136.9	1156.0	10.0	112.4	1889.5
Sep-2012	48.4	10.2	300.6	154.7	1257.9	10.9	150.0	1971.4
Dec-2012	44.4	7.9	304.7	174.9	1373.4	9.9	115.5	2067.0
Mar-2013	84.1	10.9	293.3	176.1	1266.2	9.8	74.4	1919.8
Jun-2013	101.4	9.5	422.7	111.6	1156.2	9.8	66.1	1888.3

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

Figure 27: Mineral and petroleum exploration expenditure, NSW

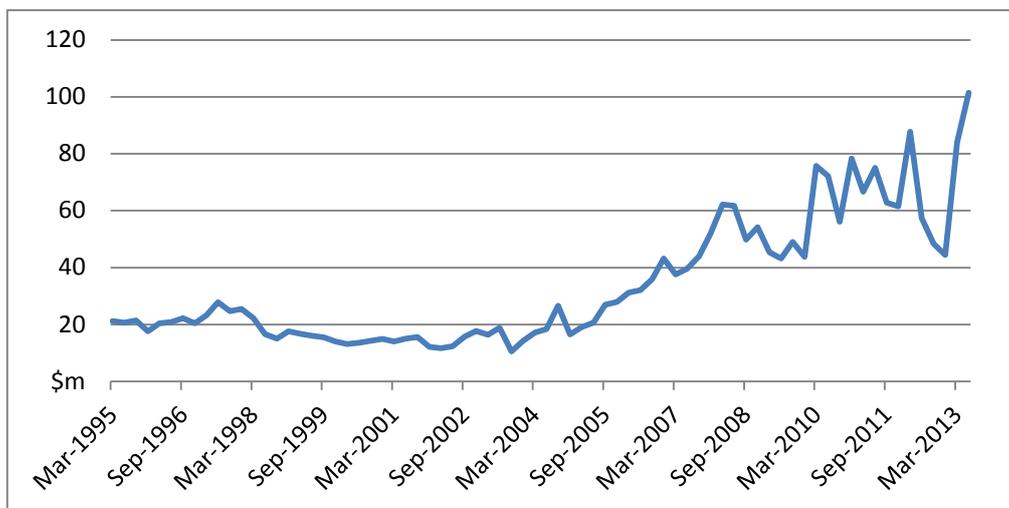


Figure 28: Mineral and petroleum exploration expenditure, June 2013

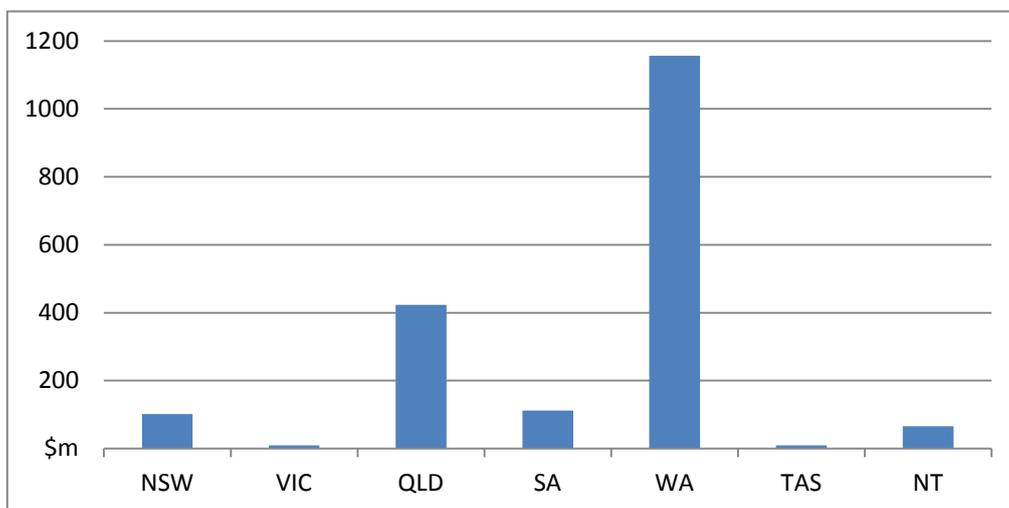
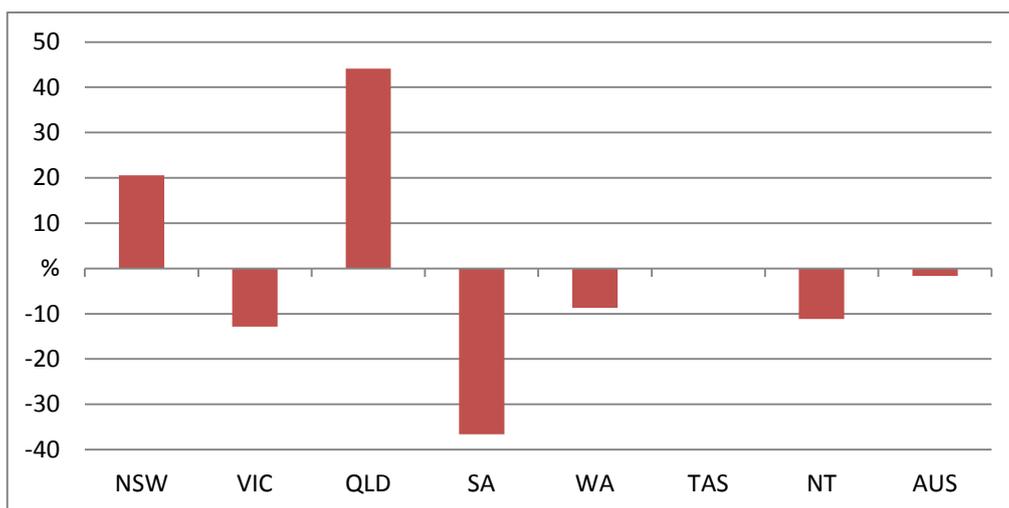


Figure 29: Change in mineral and petroleum exploration expenditure, June 2013



BUSINESS INVESTMENT

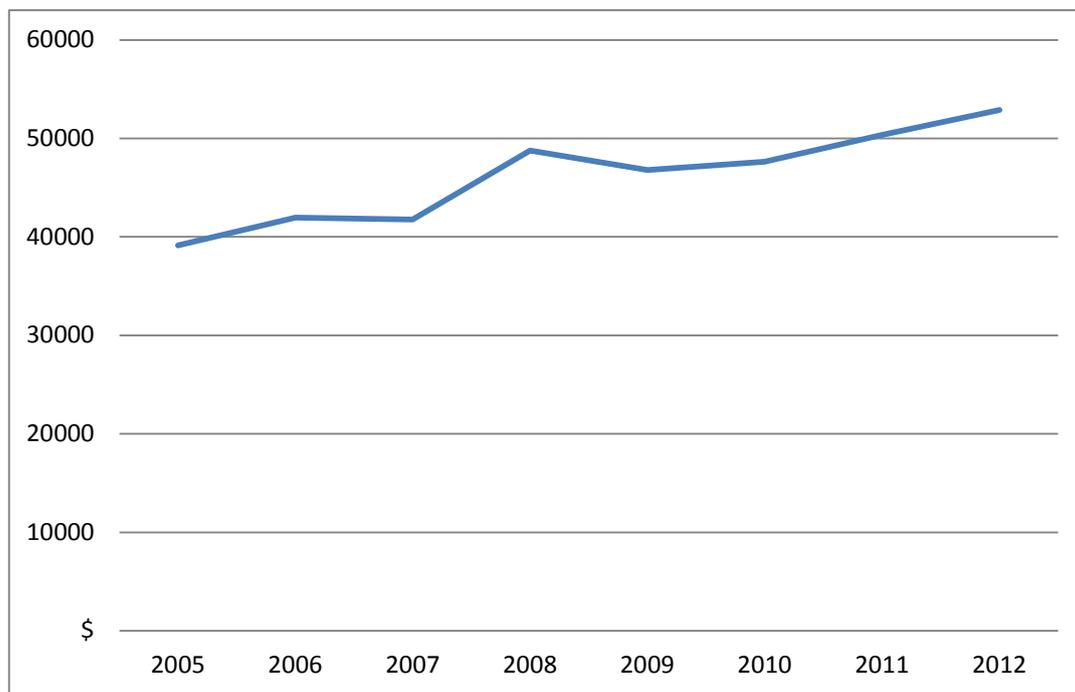
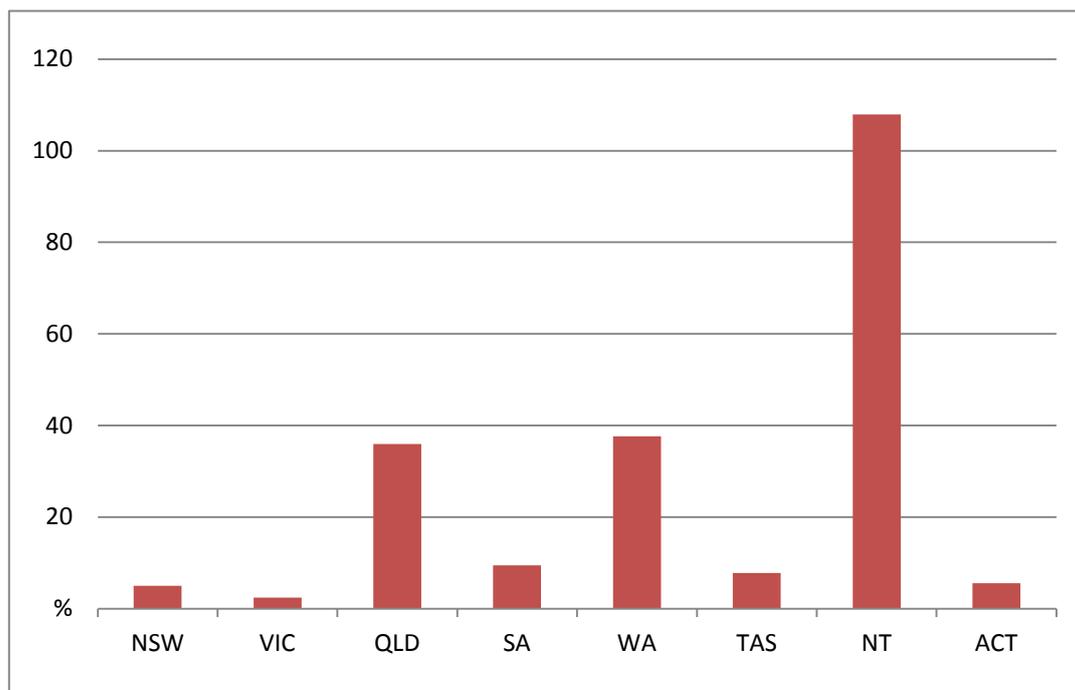
Total private business investment in NSW for the year ending June 2012 was \$52.9 billion (gross fixed capital formation, chain volume measures), 5 per cent more than in the previous year. This was the third greatest amount of private business investment in Australia, behind Western Australia and Queensland.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	39140	33542	25796	9813	20164	2408	3175	1774
Jun-2006	41968	37792	31118	9855	28150	2696	3693	2145
Jun-2007	41760	38931	35735	10357	34358	2213	3622	2572
Jun-2008	48762	42814	41593	10098	40695	2968	3844	2425
Jun-2009	46783	41765	43483	10165	46098	3216	4983	2440
Jun-2010	47644	41286	36940	10098	45091	2445	3209	2458
Jun-2011	50343	42521	44544	11141	49449	2641	2495	2383
Jun-2012	52875	43534	60555	12195	68072	2847	5187	2515

Source: ABS, *Australian National Accounts, State Accounts 2011-12*, 5220.0, November 2012

National business investment statistics are obtained from the ABS *Australian National Accounts, State Accounts* catalogue. This is an annual publication and the 2012-13 issue is expected to be released in November 2013.

Figure 30: Total private business investment, NSW**Figure 31: Change in total private business investment, year ending June 2012**

TURNOVER OF RETAIL TRADE

Average monthly turnover of retail trade in NSW rose by only 0.3 per cent in the June 2013 quarter to \$6.618 billion. Retail turnover in NSW was up 2.1 per cent from 12 months previously. Change in quarterly retail trade was relatively subdued for the other States, including Victoria, Queensland, South Australia and the ACT, which all experienced a less than 0.5 per cent change. Average Australian retail trade was mostly constant between the March and June quarters.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Jun-08	5698	4556	3828	1357	2076	408	195	349	18467
Sep-08	5622	4609	3908	1390	2107	414	203	346	18598
Dec-08	5751	4755	3990	1407	2102	427	212	356	18999
Mar-09	5964	4887	4072	1415	2121	433	219	363	19475
Jun-09	6103	4957	4151	1441	2152	444	218	371	19836
Sep-09	6053	4920	4074	1413	2137	439	217	371	19625
Dec-09	6241	4963	4102	1431	2176	445	223	374	19955
Mar-10	6189	5029	4080	1441	2188	439	223	376	19966
Jun-10	6264	5112	4092	1472	2196	439	228	379	20183
Sep-10	6327	5211	4139	1460	2200	432	226	377	20373
Dec-10	6270	5225	4125	1444	2215	433	218	384	20314
Mar-11	6333	5189	4198	1457	2295	427	228	385	20511
Jun-11	6246	5323	4222	1432	2333	428	228	377	20589
Sep-11	6321	5318	4250	1444	2387	436	231	377	20765
Dec-11	6366	5343	4255	1458	2448	434	233	379	20915
Mar-12	6317	5358	4352	1459	2511	433	236	388	21053
Jun-12	6478	5361	4424	1471	2571	430	241	392	21366
Sep-12	6502	5381	4447	1469	2614	422	239	398	21471
Dec-12	6481	5355	4481	1452	2656	417	241	394	21476
Mar-13	6604	5430	4580	1453	2665	426	242	404	21803
Jun-13	6618	5409	4585	1463	2665	421	240	404	21805

Source: ABS, *Retail Trade, Australia, August 2013*, 8501.0, October 2013

Figure 32: Turnover of retail trade, NSW

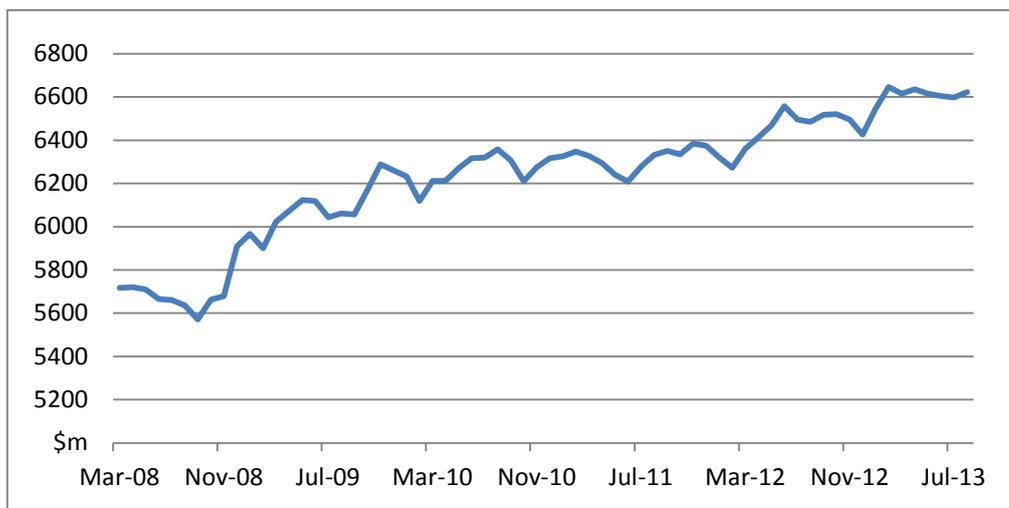


Figure 33: Change in turnover of retail trade, March to June 2013 quarters

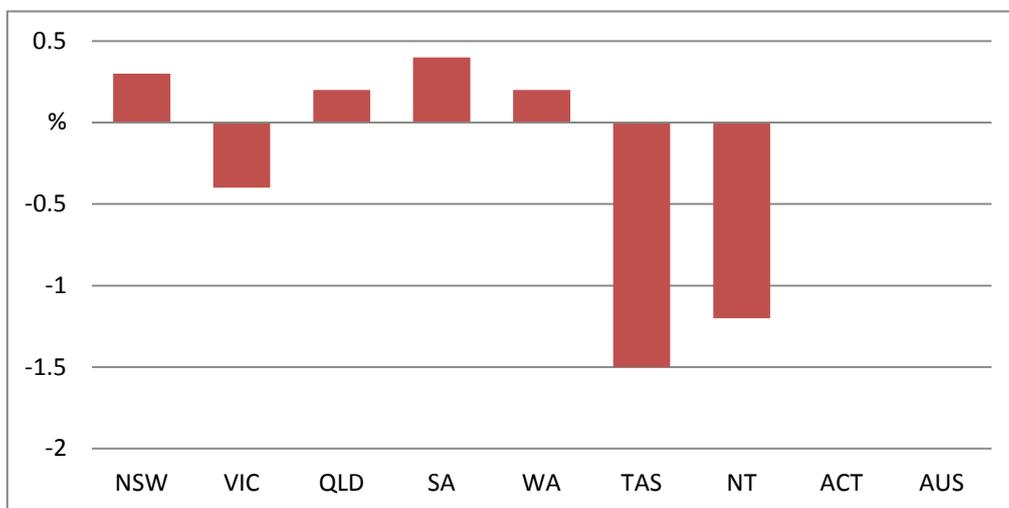


Figure 34: Change in turnover, June 2012 to June 2013 quarters



VEHICLE SALES

The average number of new vehicles sold per month in NSW fell by 7.7 per cent in the September 2013 quarter to 28,571. All of the other States and Territories, with the exception of Tasmania, experienced decreases in the average monthly sales of new vehicles, with the change in sales averaging 8.1 per cent. Queensland and the Northern Territory had the sharpest declines in sales, falling by 12.3 per cent and 12.2 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

Source: ABS, *Sales of new motor vehicles, Australia, September 2013*, 9314.0, October 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 March and June quarters, on the other hand, has been positive in almost every year since 1994.

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

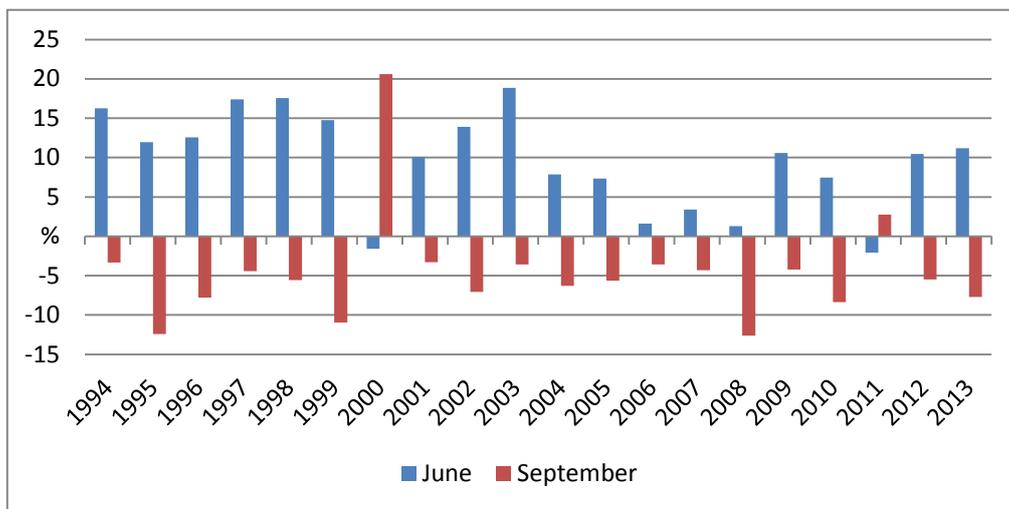


Figure 36: Total vehicle sales, NSW

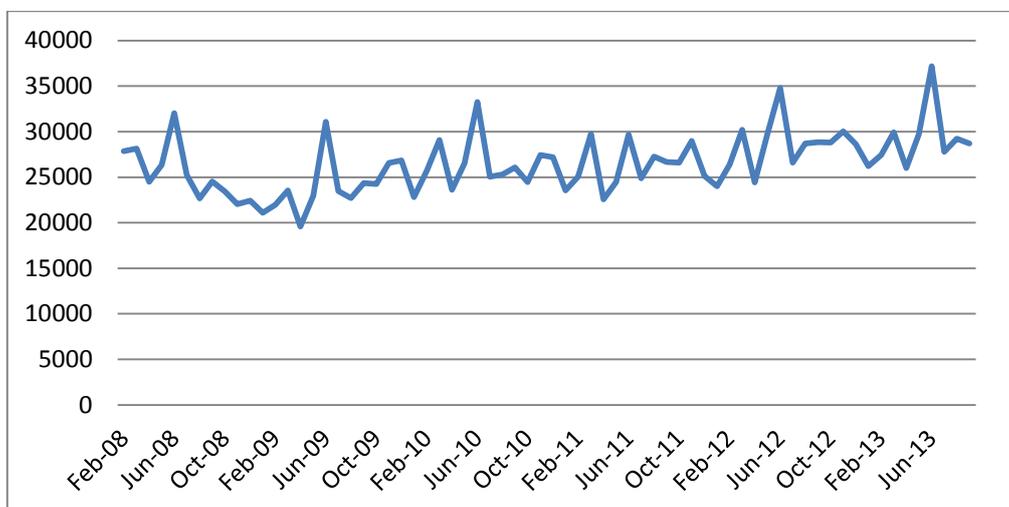


Figure 37: Change in average monthly vehicle sales, June to September 2013



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 has experienced a 2.7 per cent increase in the house price index in the June 2013 quarter, compared to the March 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 Hobart, all the other capital cities experienced increases in their respective house price indexes, with Perth (3.4 per cent) and Darwin (2.9 per cent) experiencing the largest increases.

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	166.8	145.7	155.8	211.5	150.6	244.4	145.7	147.0
Jun-13	122.7	170.8	148.4	156.3	218.7	149.1	251.4	147.2	150.5

Source: ABS, *House price indexes, Australia, June 2013*, 6416.0, August 2013

Figure 38: House price indexes, selected cities

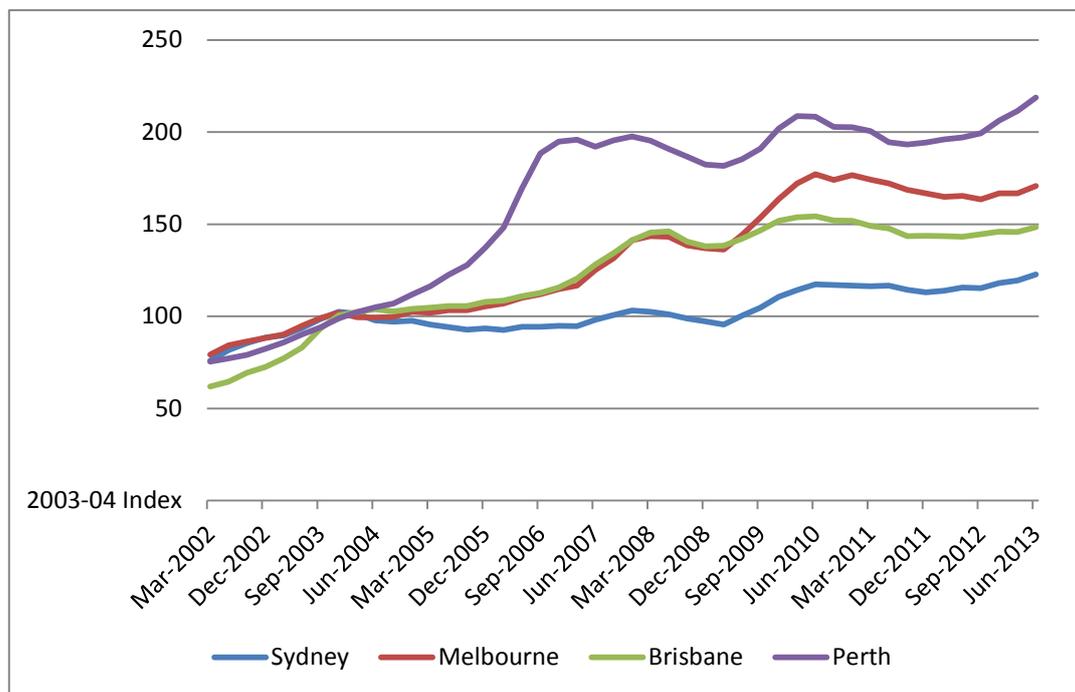
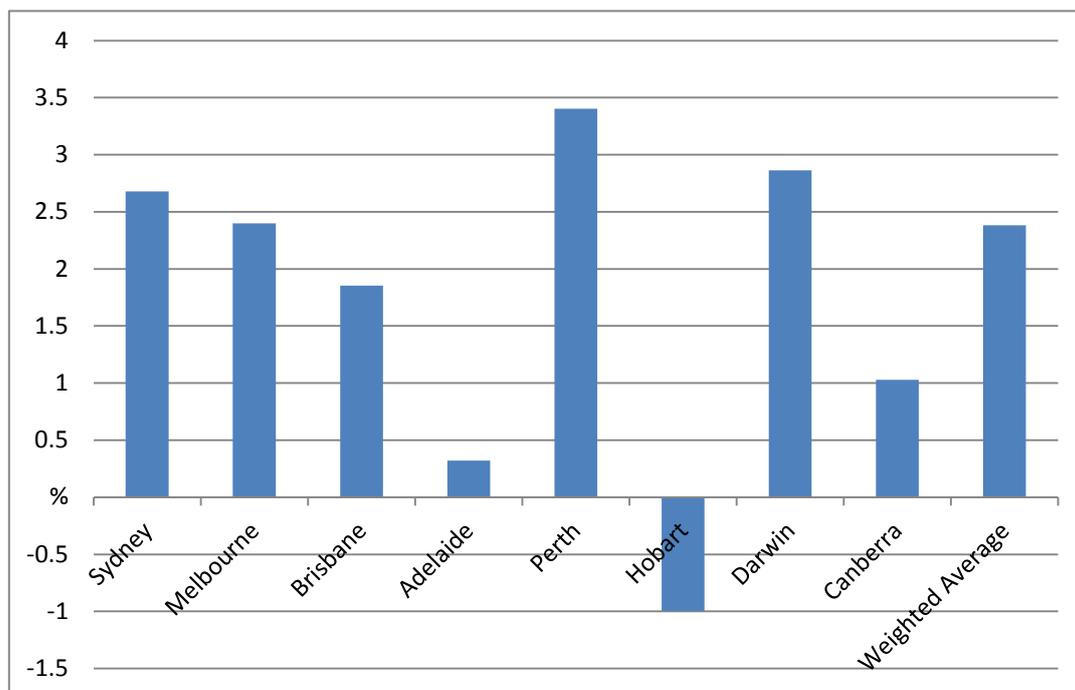


Figure 39: Change in house price indexes, March to June 2013 quarters



DWELLING APPROVALS

The average monthly number of dwellings approved in NSW increased by 28 per cent in the June 2013 quarter to 3554, reflecting the positive influence of historically low interest rates. The number of approvals in the June 2013 quarter is 16 per cent above that of a year previously, when the average monthly number of dwellings approved in the June 2012 quarter was 3065. The Northern Territory was the only jurisdiction to experience a drop in the number of dwelling approvals between the quarters, falling by 45 per cent. Victoria had the greatest number of approvals, at an average of 3960 per month (up 19 per cent from the previous quarter). 47 per cent of dwellings approved in NSW in the June 2013 quarter were houses, compared to 51 per cent in the previous quarter.

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	2926	4693	2448	680	1877	171	254	216	13264
Dec-12	3852	4151	2478	752	1971	149	117	346	13815
Mar-13	2772	3314	2271	680	1914	120	200	299	11571
Jun-13	3554	3960	2623	814	2362	154	111	374	13952

Source: ABS, *Building Approvals, Australia, August 2013*, 8731.0, October 2013

Figure 40: Number of dwellings approved, NSW

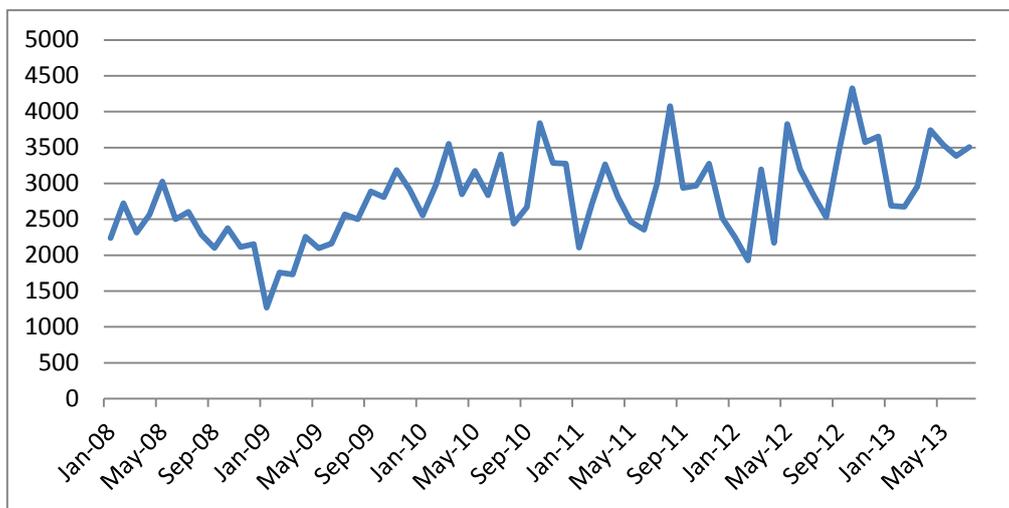


Figure 41: Average number of dwellings approved, June 2013 quarter

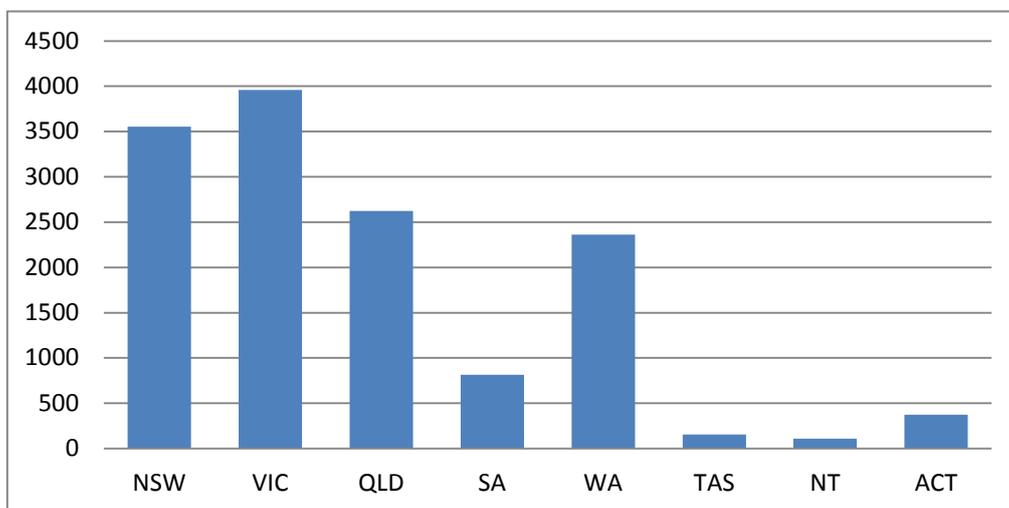


Figure 42: Change in approvals, March 2013 to June 2013 quarters



HOUSING FINANCE

The average loan size for first home buyers in NSW remained relatively constant in the June 2013 quarter at \$309,000. This was the second highest average loan size for first home buyers in Australia, after Western Australia at \$313,000.

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 did experience 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

Source: ABS, *Housing Finance, Australia, August 2013*, 5609.0, October 2013

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

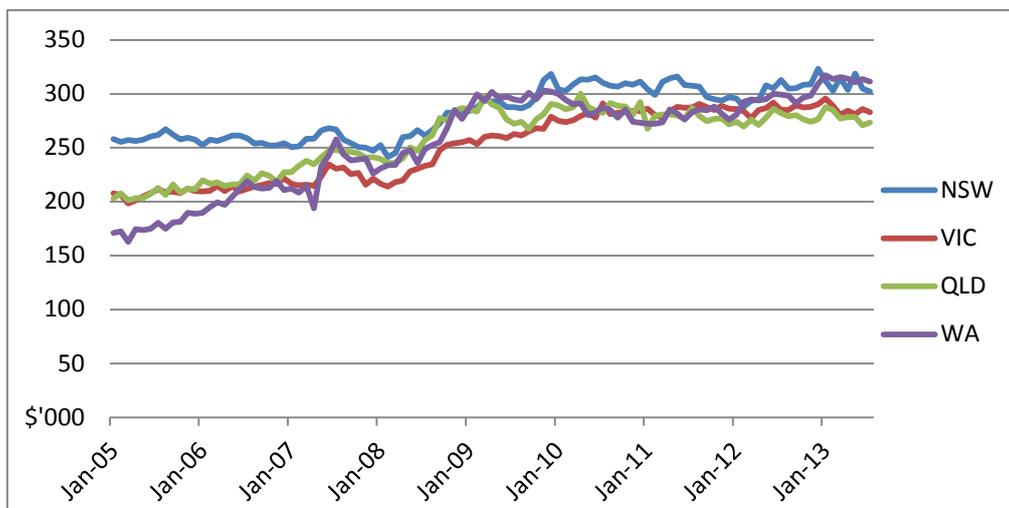


Figure 44: Average loan size, first home buyers, June 2013 quarter

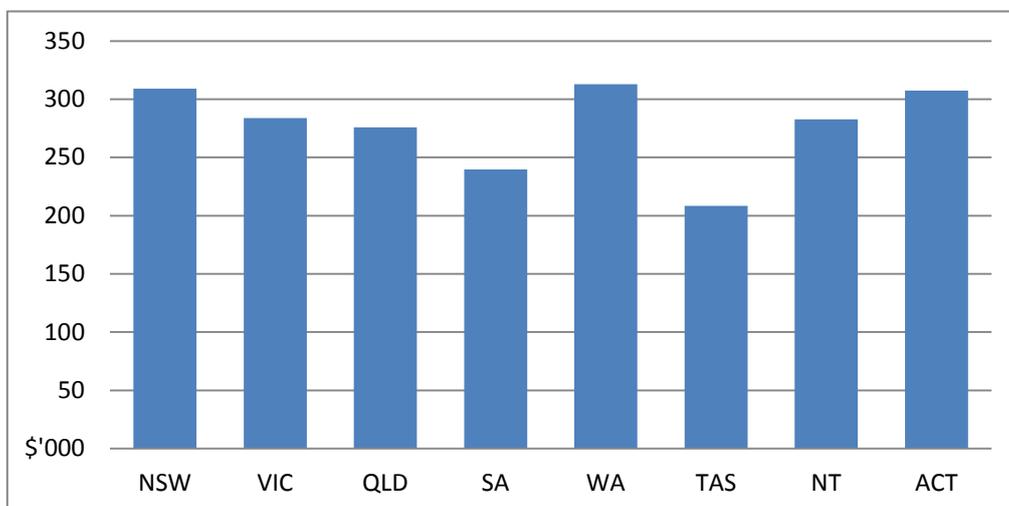


Figure 45: Change average first home buyers loan, March to June 2013 quarters



BANKRUPTCIES

The number of bankruptcies in NSW rose by 2 per cent in the September 2013 quarter to reach 1667 (11 per cent fewer bankruptcies than a year previously). The number of bankruptcies decreased in most of the States and Territories, except for Western Australia. Just over 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

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

Figure 46: Bankruptcies per quarter, NSW

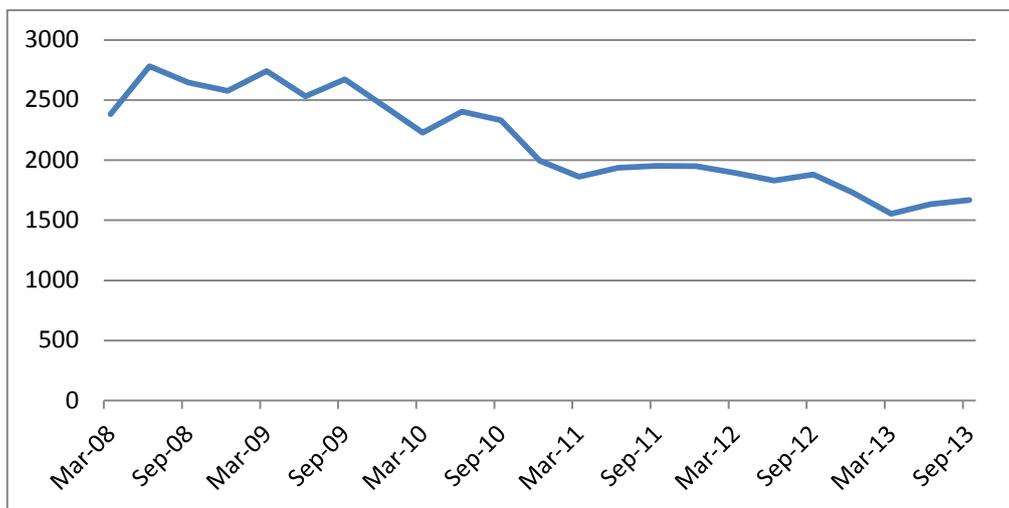


Figure 47: Number of bankruptcies, September 2013 quarter

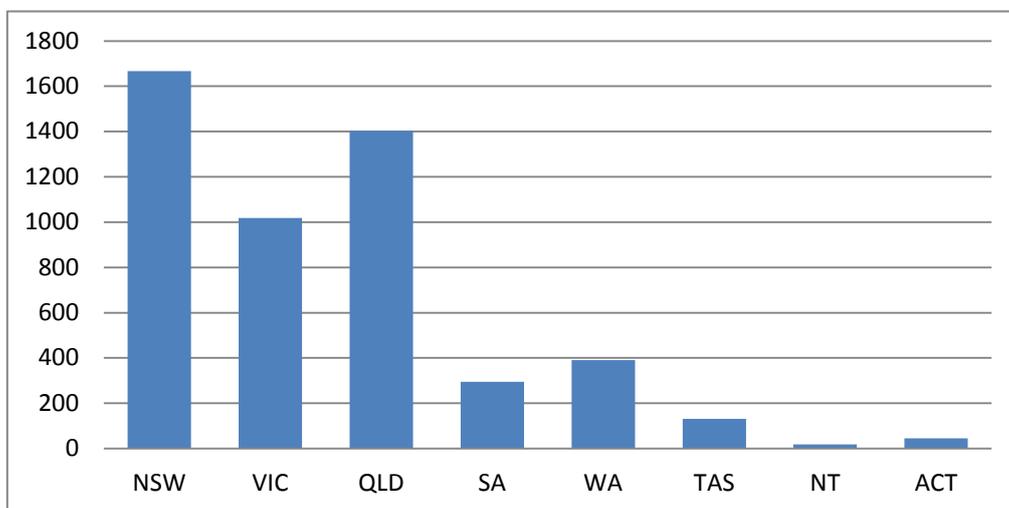


Figure 48: Change in number of bankruptcies, September 2012 to 2013



RENT

In contrast to the March quarter, five of the rental categories (all dwellings) in NSW experienced a decline in the average weekly rent for new bonds in the June 2013 quarter. With the exception of 1 bedroom apartments, which increased by 2.4 per cent, the remainder of the categories remained flat. The greatest percentage decrease was for the price of four or more bedroom dwellings in Sydney, down by 5 per cent on the March 2013 quarter.

Sydney

The **average weekly rent** for new bonds in Sydney in the June 2013 quarter was: \$430 for a one bedroom place; \$460 for two bedrooms; \$460 for three bedrooms; and \$570 for four or more bedrooms.

The **highest median rent** for a two bedroom place in Sydney was in the Warringah local government area at \$680 a week. The Waverly local government area had the highest median rent for a three bedroom place at \$1075.

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

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: \$211 for a one bedroom place; \$320 for two bedrooms; \$380 for three bedrooms; and \$430 for four or more bedrooms.

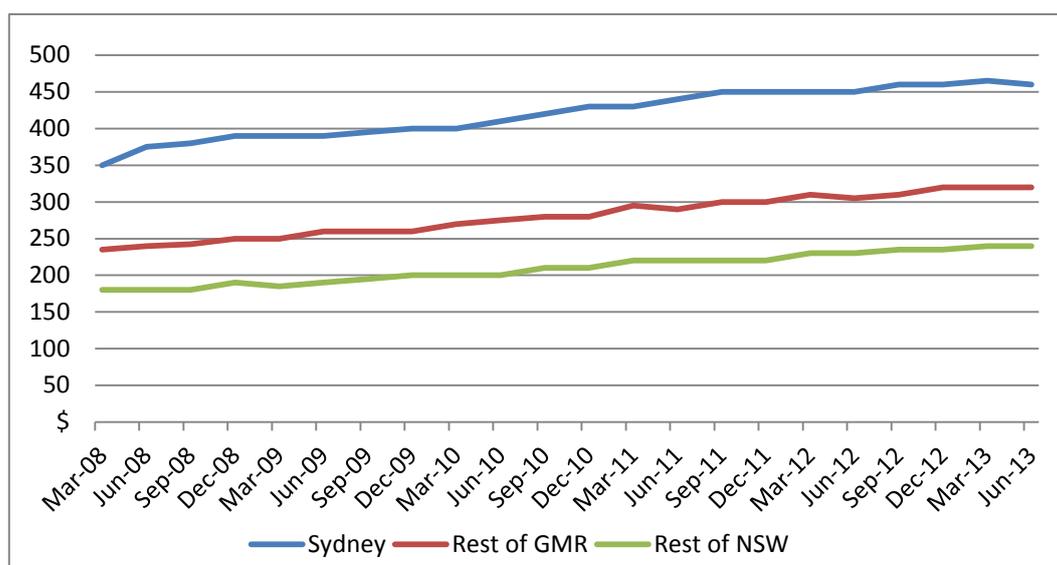
The **highest median rents** in the rest of the GMR were in Newcastle at \$350 a week for a two bedroom place and \$433 for a three bedroom place in Kiama.

The **lowest median rent** for a two bedroom place was in Cessnock at \$270. Cessnock had the lowest median rent for a three bedroom place at \$320.

Rural NSW

The **median rent** for a two bedroom place outside the Greater Metropolitan Region was \$240. The median rent for three bedrooms was \$300. The Snowy Mountains area had the **highest median weekly rent** for a two bedroom place at \$470. It also had the highest rent for a three bedroom place in regional NSW at \$700, reflecting the seasonality of rental prices in the area because of the ski season. The Lower Murray had the **lowest median weekly rent** for a two bedroom place at \$140 and Broken Hill had the lowest for a three bedroom place at \$220.

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



Source: Housing NSW, *NSW Rent and Sales Report*, No 104, 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.