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by Talina Drabsch

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Economic Indicators NSW

October 2010

by

Talina Drabsch

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SUMMARY

CommSec, in its July 2010 *State of the States* report, which assesses eight key economic indicators (economic growth, retail spending, equipment investment, unemployment, construction work done, population growth, housing finance, and dwelling commencements), ranked NSW and Queensland as the worst performing economies in Australia. Western Australia was deemed the best performer, with its strong job market and the rising demand for resources considered to be major factors in its success. Current activity levels were compared to decade averages to determine the rankings, which were as follows:

1. Western Australia
2. Australian Capital Territory
3. South Australia
4. Northern Territory
5. Victoria
6. Tasmania
7. Queensland and New South Wales

Nonetheless, the NSW economy is seen as having a number of strengths which will serve it well into the future. The following were identified by Access Economics:¹

- Highly service and knowledge focused.
- Closer integration with emerging Asian markets – of particular benefit to NSW's resources sector.
- Its position as a global city – motivates many companies to locate a head office in Sydney.

Noting the above, Access Economics went on to identify four mega-trends it believes will have a considerable impact on the shape and performance of the NSW economy in the next ten years. These are:

1. National and global policy actions to address climate change.
2. Demand and competition from emerging economies, especially China and India.
3. The widespread adoption of new information technologies.
4. Demographic change, especially a growing and ageing population.

This October 2010 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 2010 quarters.

¹ Access Economics, *The NSW Economy in 2020: A foresighting study*, August 2010, p i.

For New South Wales, the direction in which the quarterly averages for each indicator have moved since the June 2010 edition is summarised below.



Exports and imports
Employment
Labour force participation rate
Job vacancies
Wages
Retail turnover
Loan size (first home buyers)
Rent (although prices were stable in a number of areas)



Consumer Price Index
Unemployment
Vehicle sales
Dwelling approvals
Bankruptcies

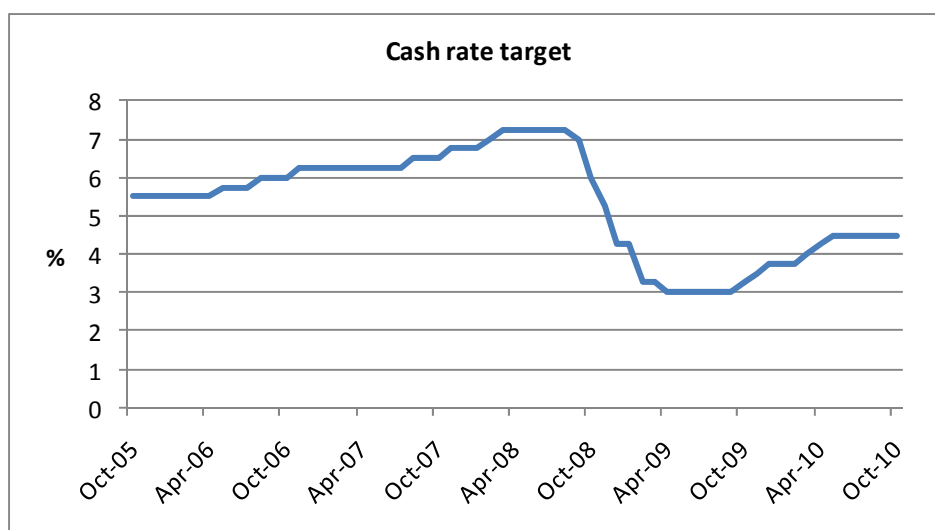
As more recent data is not as yet available, indicators on Gross State Product, agricultural production, and business investment have not been updated since the April 2010 edition. However, the next edition of *Economic Indicators: NSW* should contain updates in these sections.

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

Contrary to the expectations of many commentators, the Reserve Bank of Australia decided, at its meeting on 5 October 2010, to leave the cash rate unchanged at 4.5% for the third month in a row. The Board believed that its monetary policy stance of interest rates being close to the average of the past decade was still appropriate. Factors influencing this policy stance include: growth being close to trend; inflation is near target; and the global outlook remains uncertain.² However, Glenn Stevens, Governor of the Reserve Bank noted:

If economic conditions evolve as the Board currently expects, it is likely that higher interest rates will be required, at some point, to ensure that inflation remains consistent with the medium-term target.³



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

² Reserve Bank of Australia, Media Release, 3/8/10.

³ Reserve Bank of Australia, Media Release, 5/10/10.

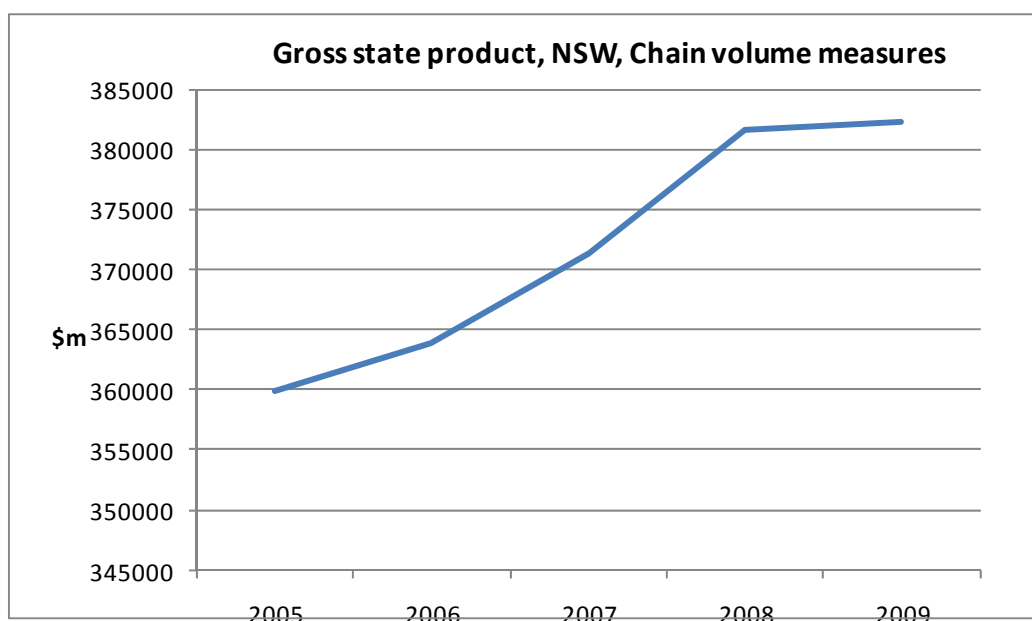
GROSS STATE PRODUCT

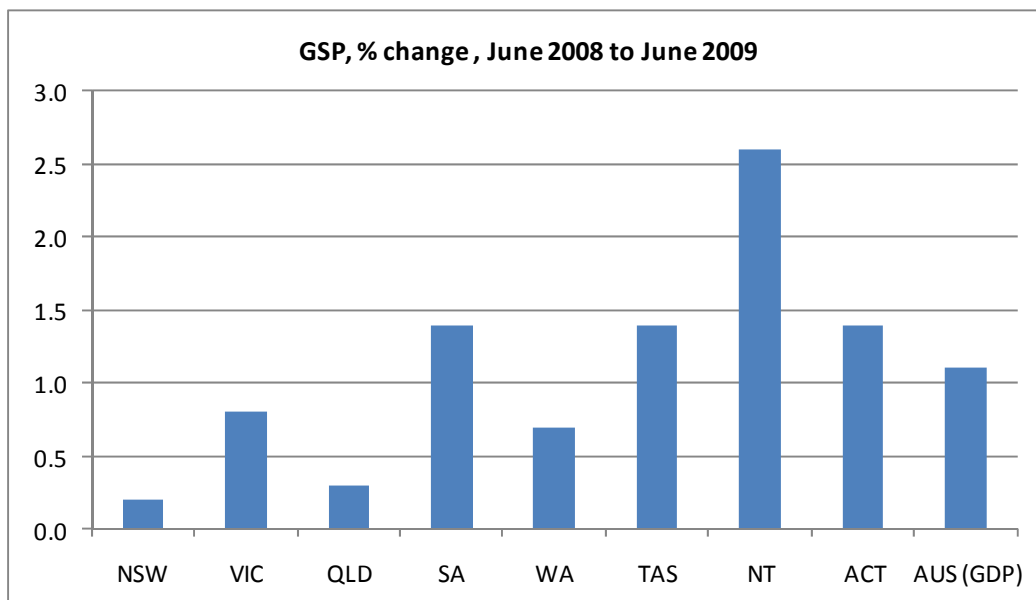
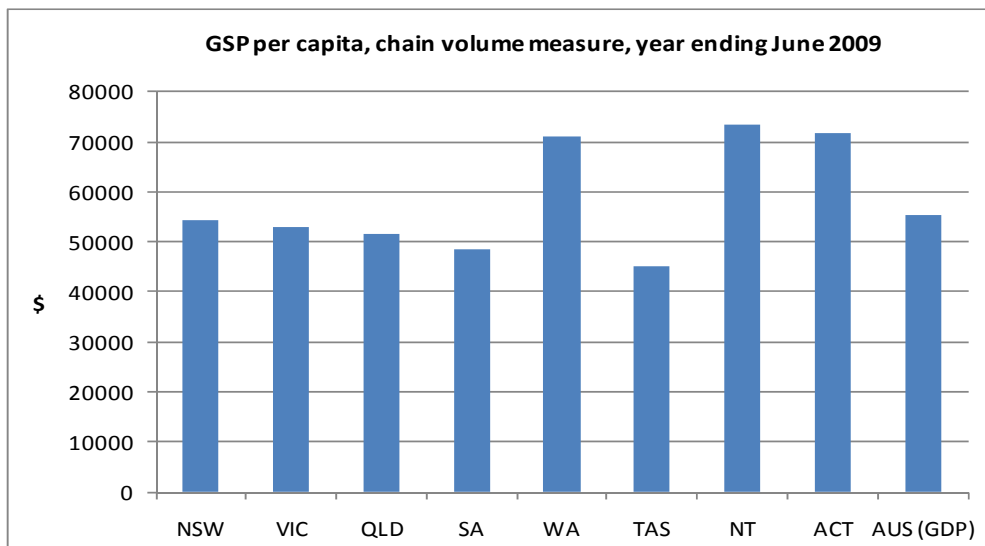
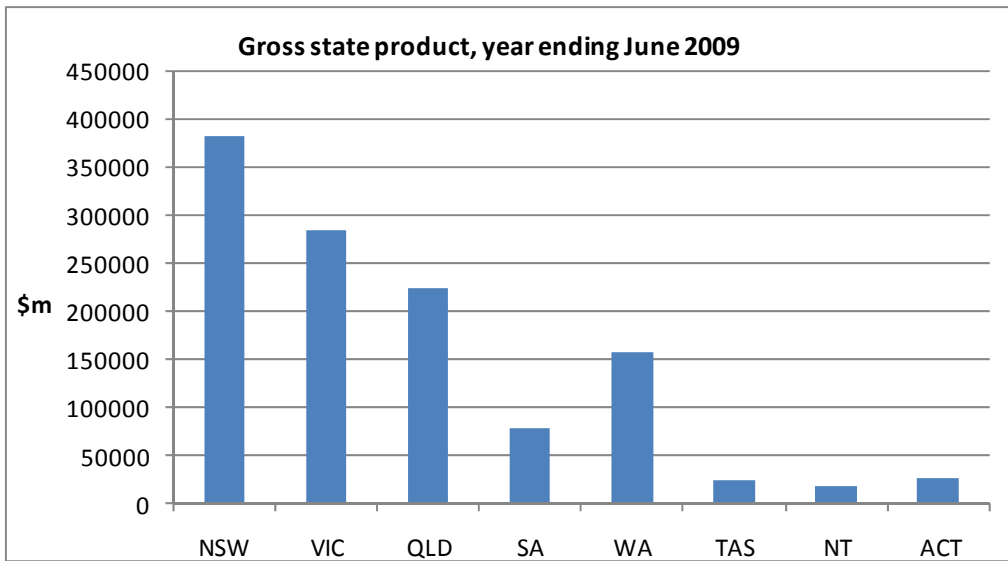
Gross State Product (GSP) continues to rise in NSW, albeit at a slower rate than the other States and Territories, totalling \$382.3 billion in the year ending June 2009. Whilst total GSP is greatest in NSW compared to other States and Territories, and represents 32% of National Gross Domestic Product, GSP per capita is slightly lower in NSW than the national average. Nevertheless, it is the highest of the eastern seaboard States.

Gross State Product, chain volume measures, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS (GDP)
Jun-2005	359948	251909	193442	70127	131783	20239	13426	21574	1065166
Jun-2006	363874	259446	202233	72445	139824	20738	14331	22598	1097866
Jun-2007	371304	270675	213444	73625	147961	21387	15290	23712	1139256
Jun-2008	381720	281504	223450	76905	155449	22261	15879	24582	1181750
Jun-2009	382314	283784	224187	77991	156603	22564	16297	24916	1194496

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 June 2010 quarter rose from \$2.4 billion to \$2.9 billion (14% of all exports from Australia). NSW continued in third position behind Western Australia (\$9 bn) and Queensland (\$4.6 bn).

All Australian States and Territories increased the amount exported in the June 2010 quarter, with the greatest increases in Queensland and Western Australia at 52% and 35% respectively.

The top five destinations for merchandise exports from NSW in August 2010 were:

1. Japan (\$802M)
2. China (\$281M)
3. Korea (\$255M)
4. United States of America (\$196M)
5. New Zealand (\$193M)

60% of all exports from NSW in August 2010 went to these five destinations.

Japan continued to dominate as the main destination for exports. China moved from fourth to second position, bumping Korea to third place. The United States of America regained fourth position, and New Zealand moved back into the top five taking the place of Taiwan which fell from third to sixth position.

Imports

The average monthly customs value of merchandise imports for NSW in the June 2010 quarter increased from \$6 billion to \$6.6 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 August 2010 were:

1. China (\$1853M)
2. United States of America (\$819M)
3. Japan (\$426M)
4. Germany (\$377M)
5. Malaysia (\$316M)

54% of all imports into NSW in August 2010 were from the above five countries. The countries constituting the top five sources and their positions have not changed from May 2010.

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

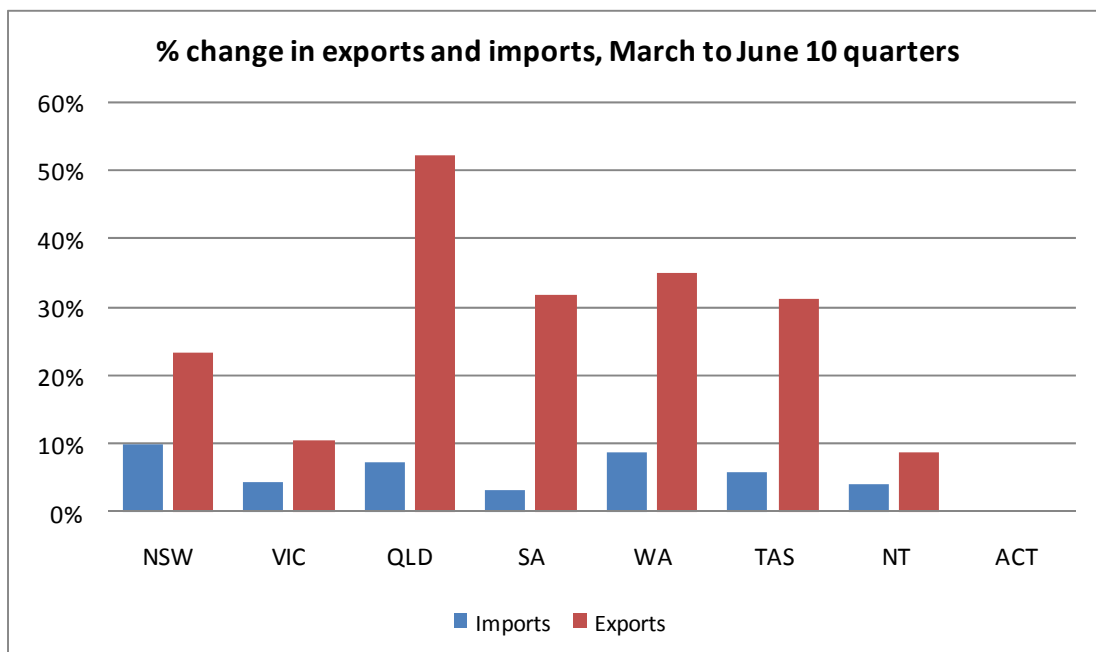
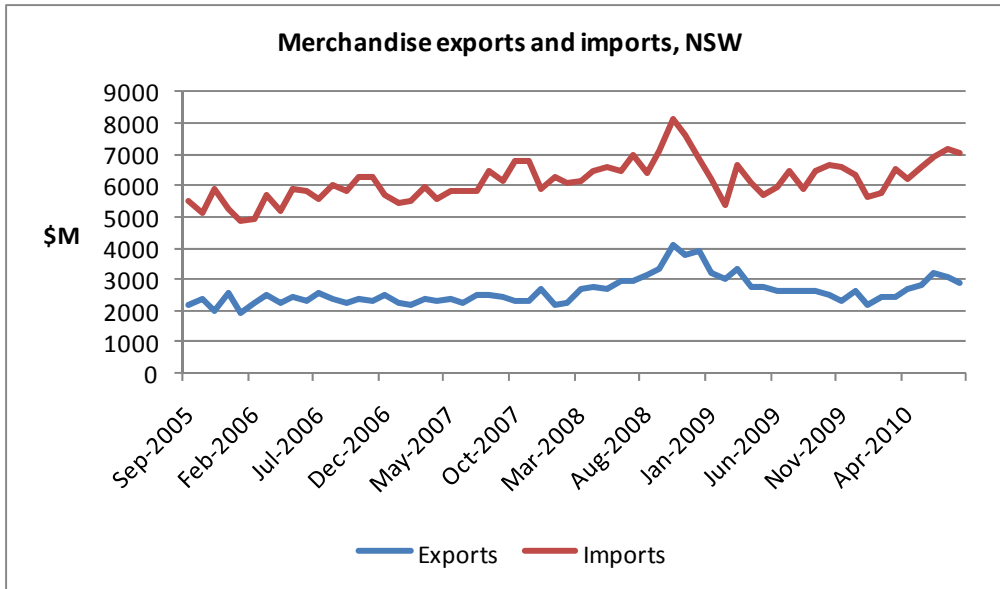
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Sep-06	2392	1727	3103	723	4921	306	383	0
Dec-06	2389	1766	3052	750	5216	292	345	2
Mar-07	2268	1506	2753	717	4831	334	285	0
Jun-07	2305	1685	2904	816	5202	306	325	0
Sep-07	2462	1718	2820	879	5128	299	313	1
Dec-07	2422	1754	2742	825	5375	311	369	0
Mar-08	2372	1598	2413	780	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	2357	1480	3023	590	6695	233	407	0
Jun-10	2909	1637	4601	776	9038	305	442	0

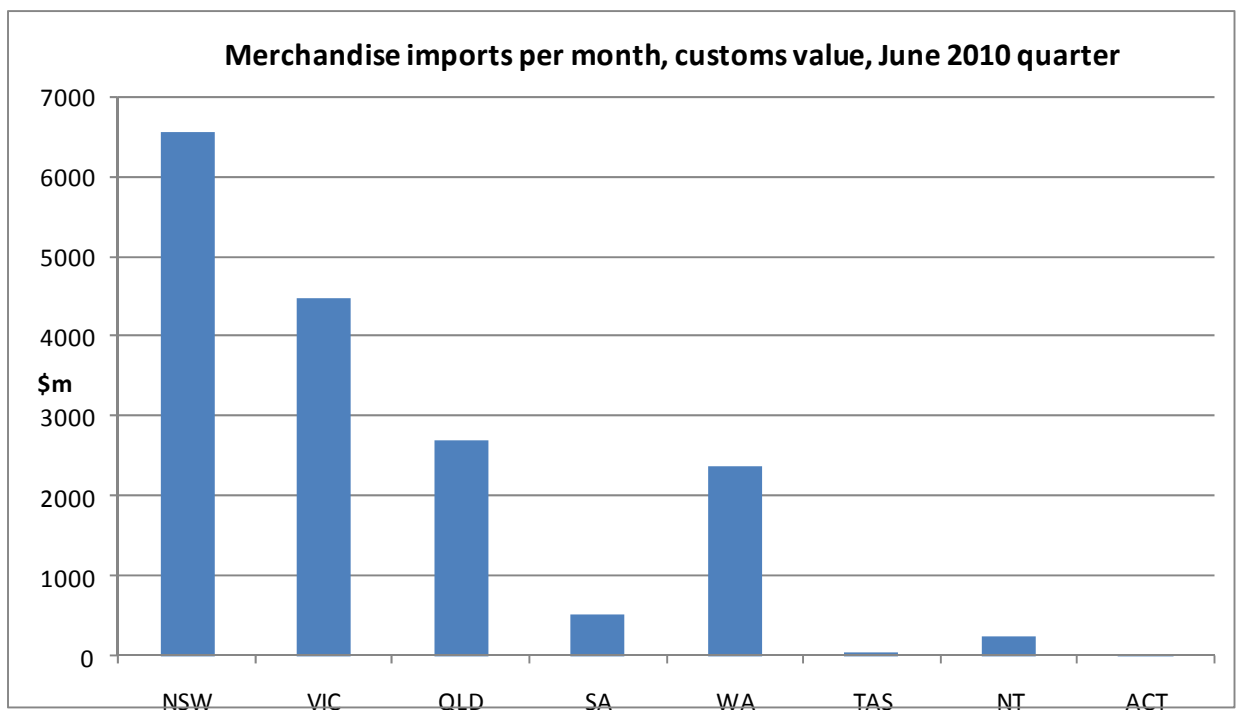
Source: ABS, International trade in goods and services, 5368.0

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Sep-06	5805	4335	2255	520	1610	57	236	0
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	2696	531	2366	49	250	0

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 from June 2009 to June 2010 decreased slightly to 2.9%, less than the national average of 3.1%. Sydney had the third smallest change in CPI with only Adelaide and Canberra experiencing smaller increases at 2.8% and 2.3% respectively.

The greatest increase in Sydney from June 2009 to June 2010 occurred in the following groups:

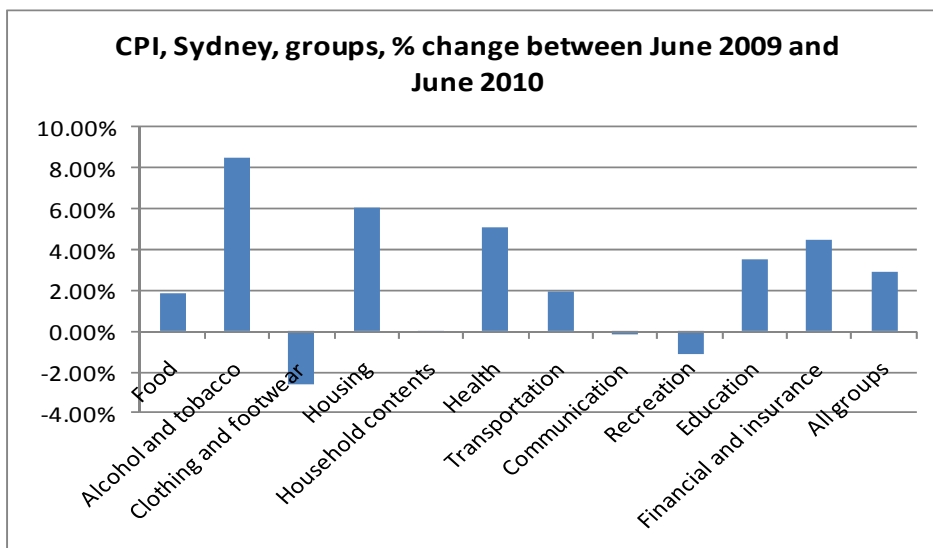
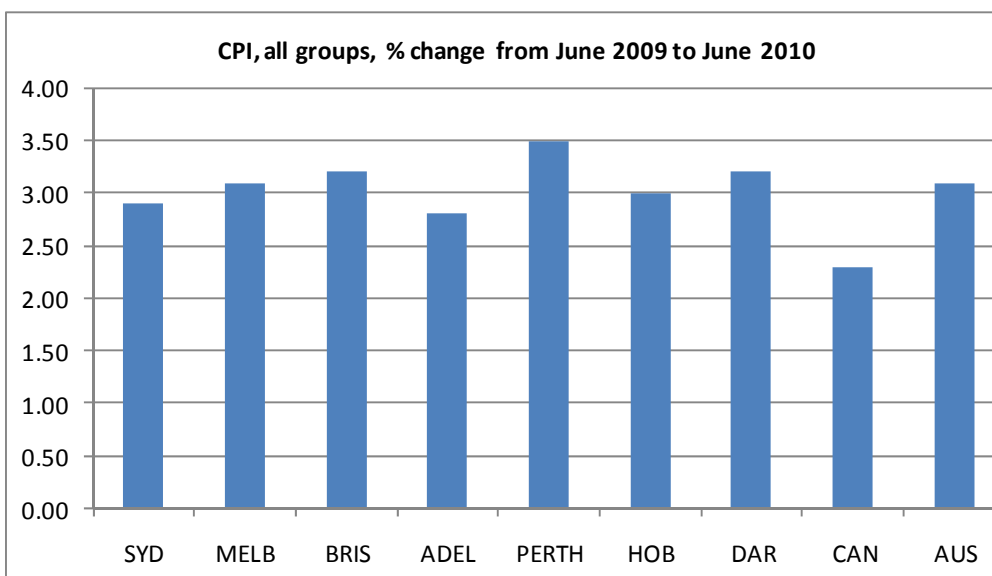
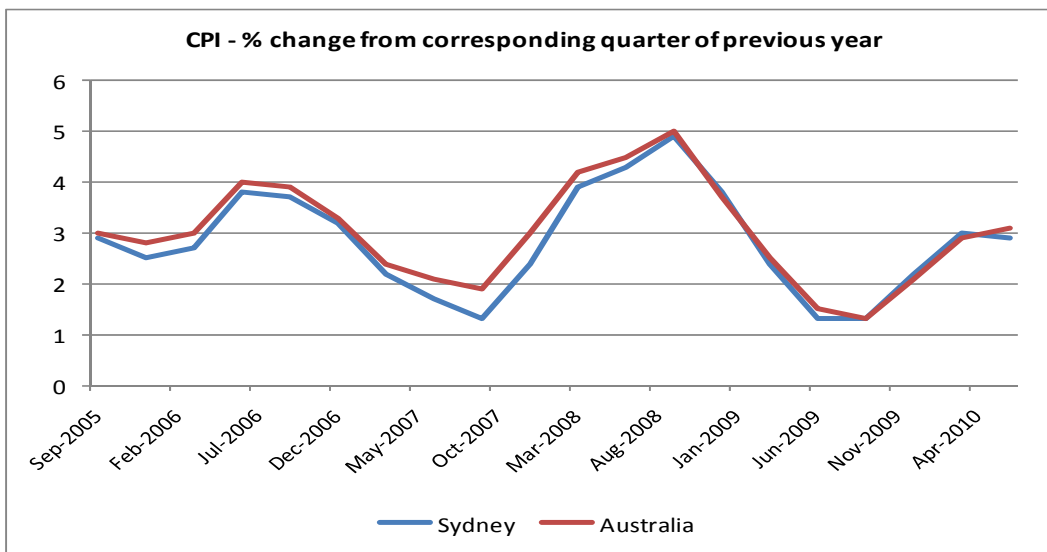
- Alcohol and tobacco (up by 8.53%)
- Housing (up by 6.04%)
- Health (up by 5.13%)

Clothing and footwear, recreation, and communication prices fell from June 2009. The increase in the alcohol and tobacco group can largely be attributed to the rise in tobacco prices that resulted from the 25% increase in excise tax on 30 April 2010.

CPI – All groups – Capital cities

	SYD	MELB	BRIS	ADEL	PERTH	HOB	DAR	CANB	AUS
Mar-06	152.2	150.5	153.5	155.6	150.5	152.2	146.7	152.2	151.9
Jun-06	154.7	152.6	156.2	157.6	153.2	154.0	149.2	154.9	154.3
Sep-06	156.1	153.7	157.5	159.3	154.9	155.1	151.8	156.0	155.7
Dec-06	155.8	153.5	157.3	158.8	155.5	154.7	152.6	155.6	155.5
Mar-07	155.6	153.8	158.0	158.4	155.8	155.4	152.6	155.9	155.6
Jun-07	157.4	155.6	160.2	160.3	158.0	157.4	154.7	158.0	157.5
Sep-07	158.1	156.9	161.7	161.5	158.9	157.9	156.6	159.2	158.6
Dec-07	159.5	158.5	163.4	163.1	160.2	159.2	157.1	160.8	160.1
Mar-08	161.7	160.6	165.6	165.5	162.5	161.3	158.5	163.0	162.2
Jun-08	164.1	162.5	168.4	167.6	165.1	162.9	160.8	165.0	164.6
Sep-08	165.9	164.4	170.8	169.8	166.7	164.7	163.6	167.5	166.5
Dec-08	165.5	163.5	170.4	169.3	166.2	164.4	162.9	166.8	166.0
Mar-09	165.6	163.9	170.8	169.3	166.0	164.8	163.0	167.4	166.2
Jun-09	166.3	164.4	171.8	170.3	167.4	165.7	164.8	168.4	167.0
Sep-09	168.1	165.4	174.1	172.1	168.7	167.7	168.0	169.9	168.6
Dec-09	169.1	166.4	174.7	172.7	169.7	168.7	167.8	170.6	169.5
Mar-10	170.5	168.5	176.0	173.7	171.6	170.0	168.7	171.7	171.0
Jun-10	171.1	169.5	177.3	175.0	173.2	170.7	170.1	172.3	172.1

Source: ABS, *Consumer Price Index, Australia, June 2010*, 6401.0, July 2010



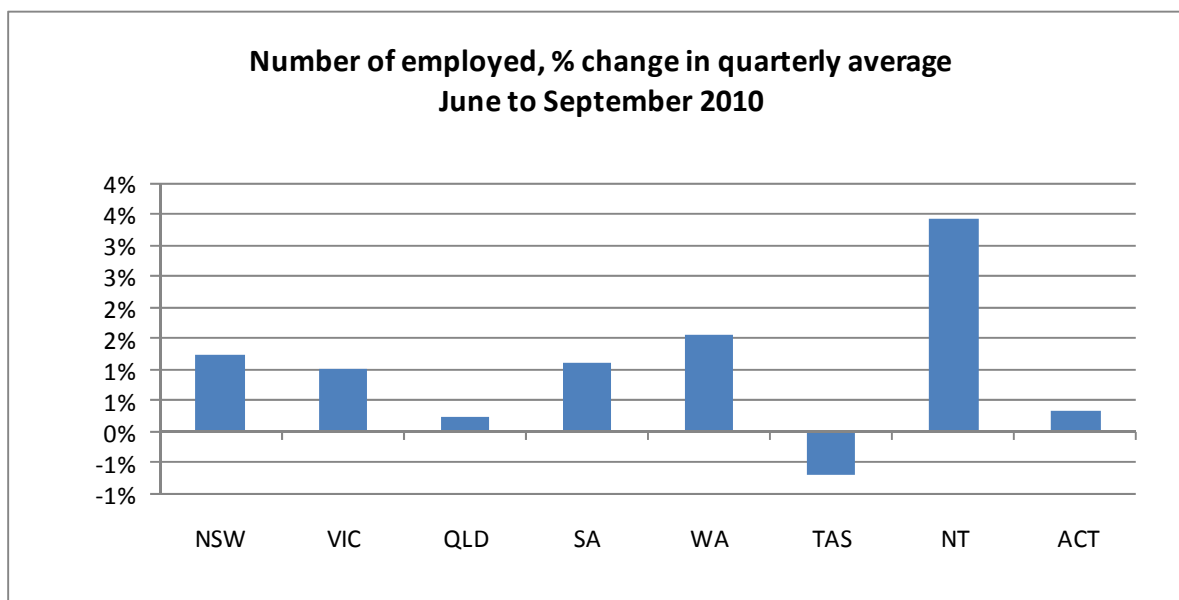
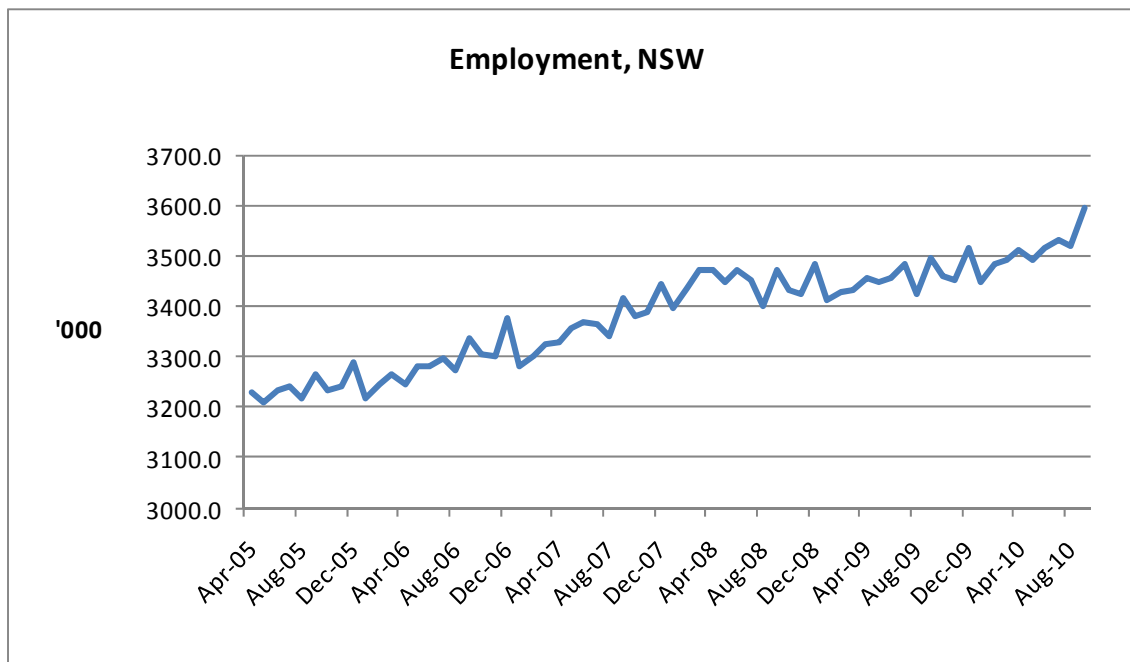
EMPLOYMENT

The average number of people employed in NSW increased by 1.2% in the September 2010 quarter to 3,549,000 (includes part time and full time employment). Almost one third of all people employed in Australia are in NSW. NSW experienced the third largest percentage growth in employment between the quarters, behind the Northern Territory and Western Australia. Tasmania was the only State or Territory where the number of persons employed fell.

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

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery, September 2010*, 6291.0.55.001, October 2010



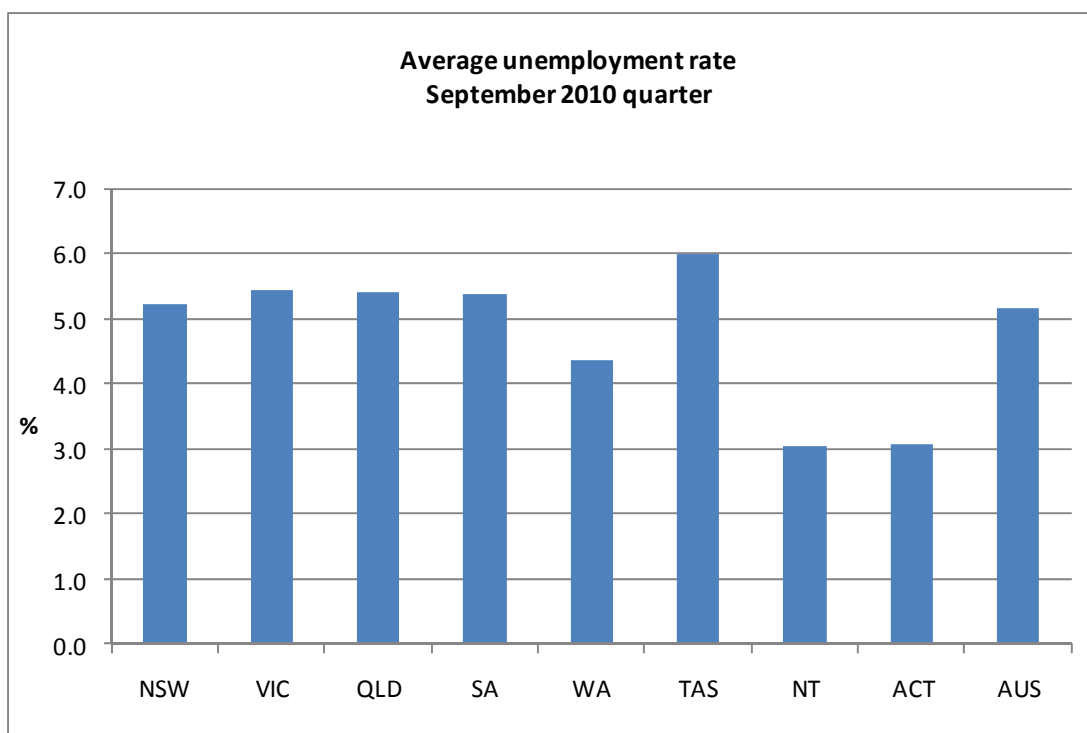
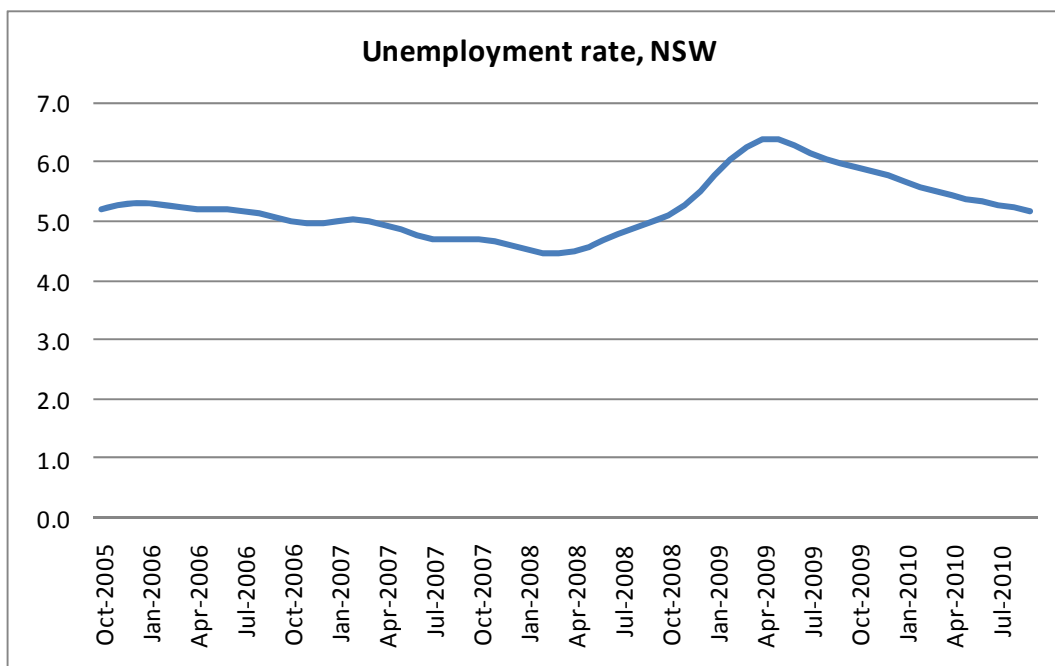
UNEMPLOYMENT

Unemployment in NSW fell once again in the September 2010 quarter to reach 5.2%, the same as the Australian unemployment rate. The NSW unemployment rate is lower than the rate in Tasmania, Victoria, Queensland, and South Australia.

Unemployment rate per quarter - trend estimates

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

Source: ABS, *Labour Force, Australia*, 6202.0



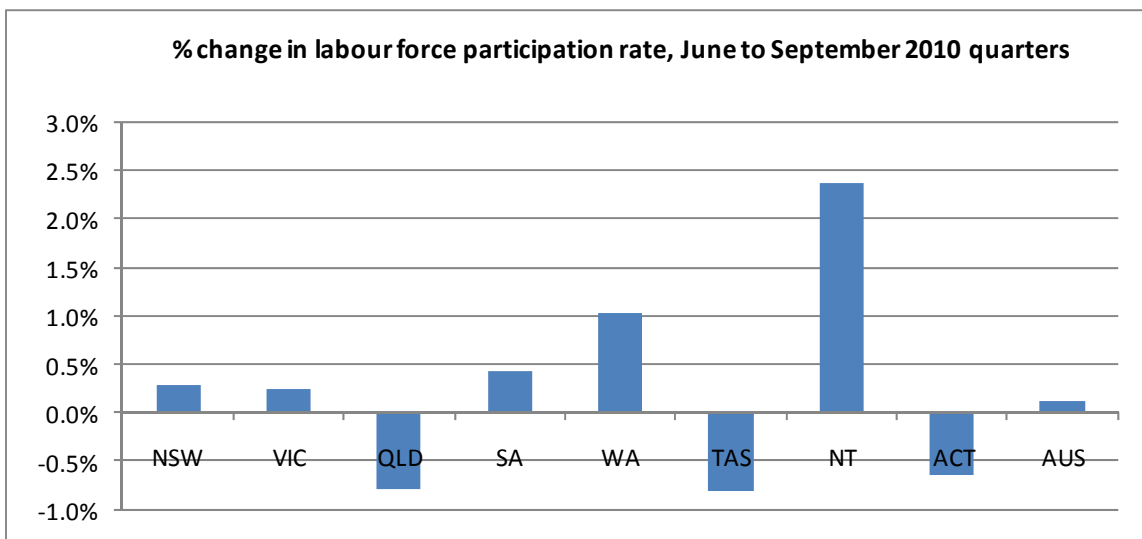
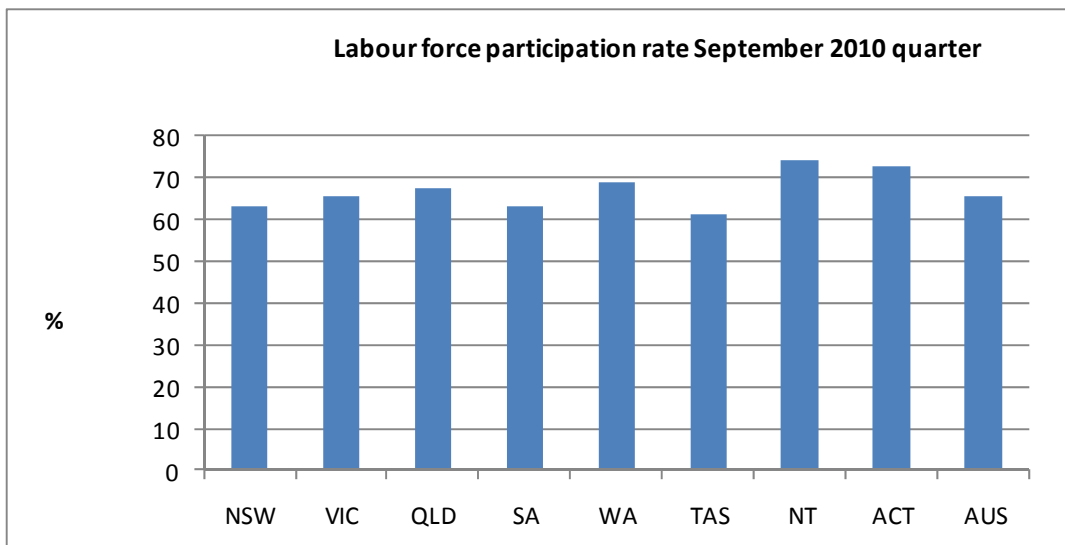
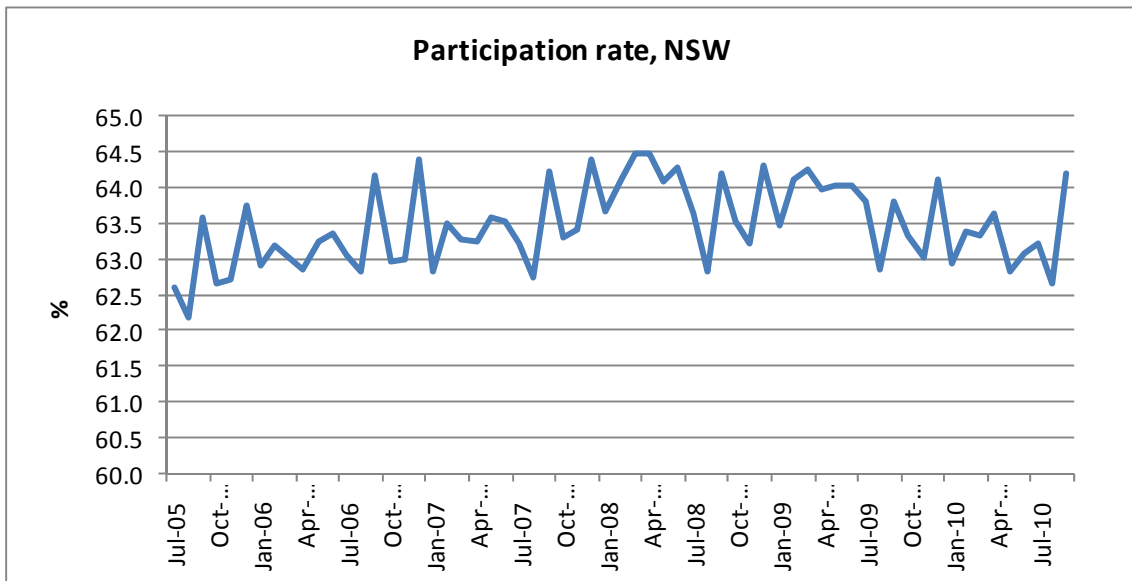
LABOUR FORCE PARTICIPATION

The labour force participation rate in NSW increased slightly in the September 2010 quarter to reach 63.4% but it is still under the Australian average of 65.4%. The highest labour force participation rates were in the two Territories. The labour force participation rate fell in Queensland, Tasmania and the Australian Capital Territory.

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

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery, September 2010*, 6291.0.55.001, October 2010



JOB VACANCIES

The number of job vacancies in NSW for the quarter ending August 2010 rose by 11% to 52,900. All of the States and Territories also experienced growth in the number of vacancies, with the Australian average being 10.1%.

The average number of newspaper job advertisements per week in NSW in the September 2010 quarter increased by 23% to 2869. All the States and Territories experienced growth in the number of newspaper job advertisements but NSW was clearly ahead, followed by Queensland with a 17% increase.

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

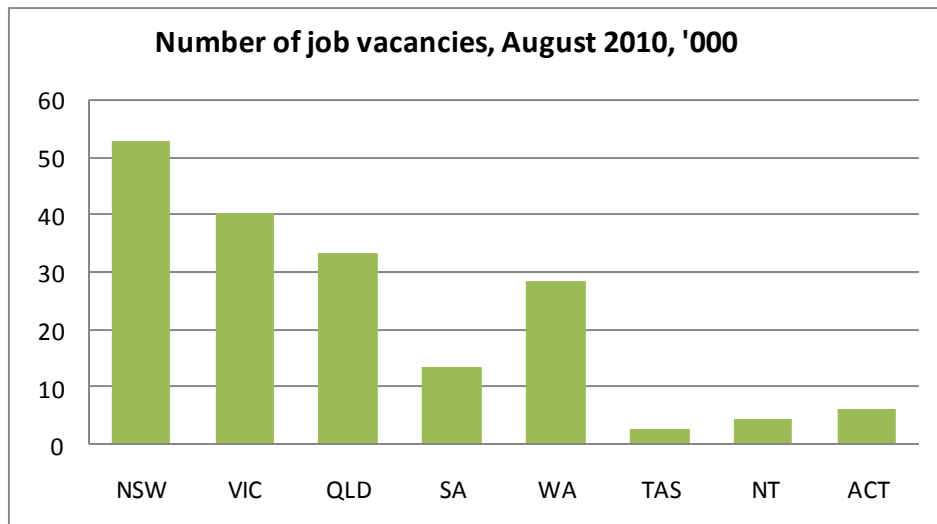
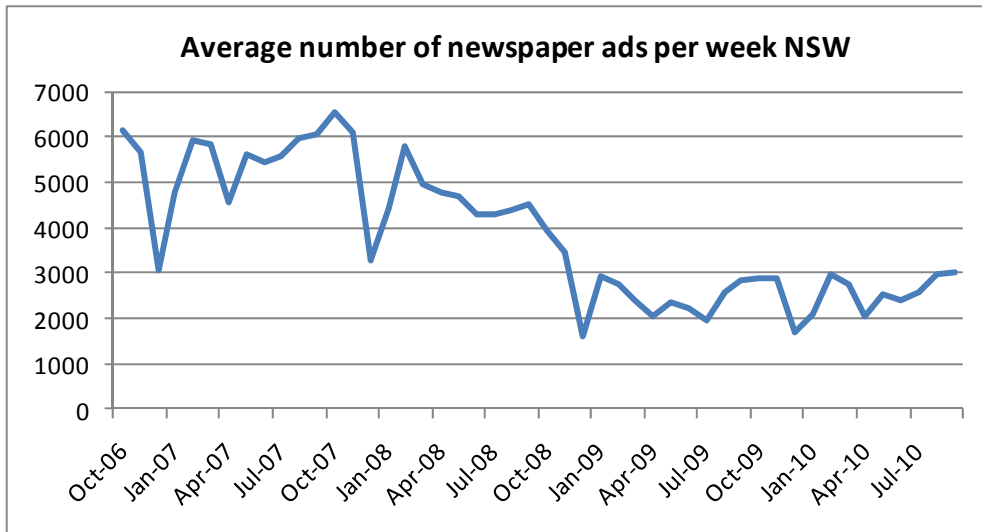
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Nov-09	46.3	32.6	27.9	11.0	21.8	2.0	2.9	6.2	150.8
Feb-10	50.3	33.3	31.6	13.3	27.6	2.8	4.4	5.8	169.0
May-10	47.5	36.8	28.5	14.3	27.0	1.7	4.1	4.7	164.7
Aug-10	52.9	40.2	33.4	13.3	28.4	2.6	4.3	6.2	181.4

Source: ABS, *Job Vacancies, Australia, August 2010*, 6354.0, September 2010.

Quarterly average for the number of newspaper job advertisements per week

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Dec-07	5314	3737	2902	1671	3786	509	771	368
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

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



WAGES

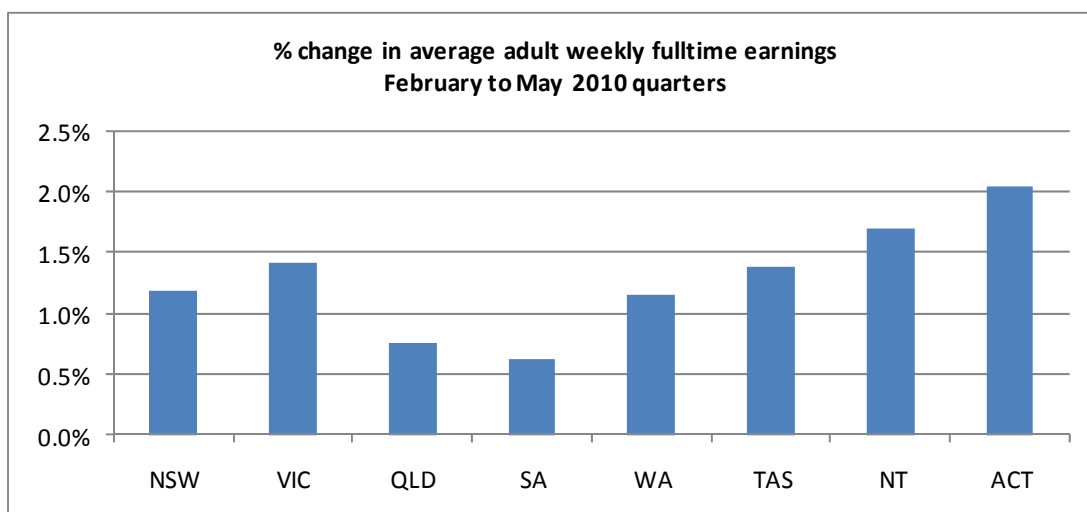
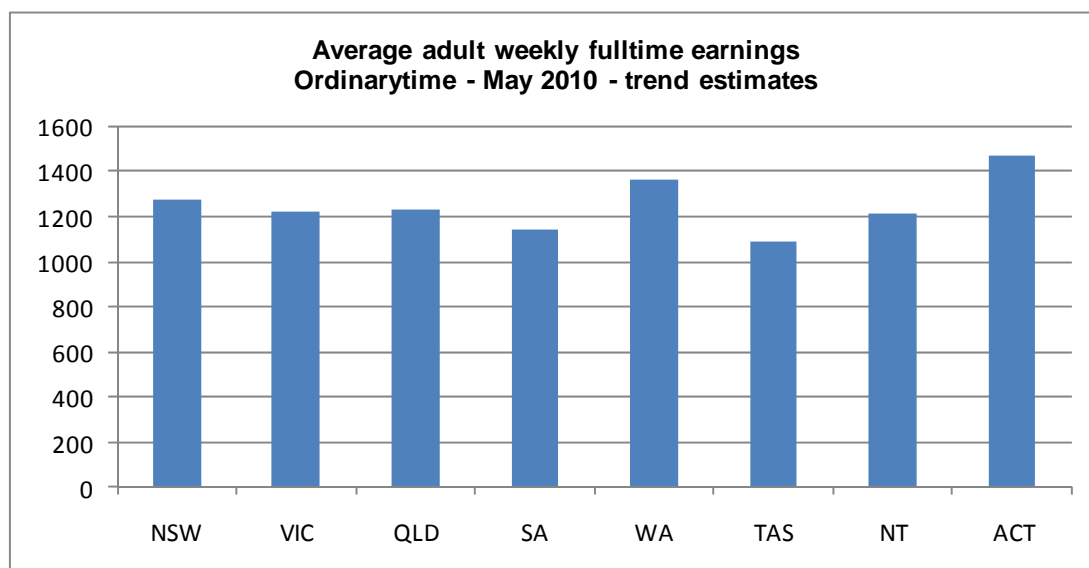
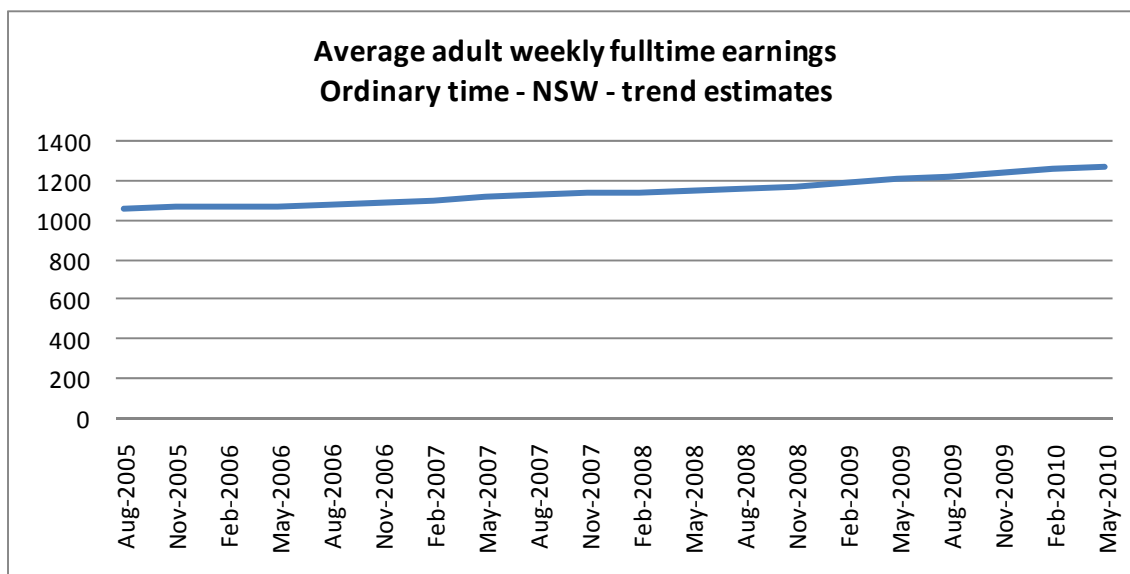
The average adult weekly fulltime earnings (ordinary time) in NSW rose by 1.2% between February and May 2010 to reach \$1275. Only Queensland and South Australia experienced smaller growth.

The highest average weekly earnings were in the ACT at an average of \$1470 per week. Western Australia had the second highest average at \$1366. The Australian Capital Territory and the Northern Territory had the greatest percentage growth in wages at 2% and 1.7% respectively.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Feb-06	1070	1012	963	963	1031	867	1009	1176
May-06	1072	1017	971	974	1050	873	1009	1197
Aug-06	1078	1020	980	978	1066	881	1015	1219
Nov-06	1089	1025	993	982	1080	897	1023	1235
Feb-07	1104	1039	1010	991	1095	920	1033	1242
May-07	1120	1058	1027	1004	1113	938	1048	1250
Aug-07	1133	1071	1041	1017	1136	947	1063	1259
Nov-07	1138	1079	1053	1027	1161	950	1079	1267
Feb-08	1140	1088	1069	1036	1185	951	1094	1279
May-08	1145	1103	1091	1051	1206	956	1108	1298
Aug-08	1157	1120	1115	1071	1225	966	1122	1319
Nov-08	1173	1136	1134	1093	1244	979	1135	1338
Feb-09	1190	1149	1147	1109	1265	996	1143	1345
May-09	1206	1162	1163	1117	1287	1015	1151	1352
Aug-09	1224	1175	1185	1122	1310	1036	1162	1373
Nov-09	1244	1190	1209	1127	1332	1053	1176	1406
Feb-10	1264	1205	1233	1133	1353	1066	1189	1443
May-10	1275	1224	1233	1140	1366	1085	1217	1470

Source: ABS, *Average weekly earnings, Australia, May 2010, August 2010, 6302.0*



AGRICULTURAL PRODUCTION AND INCOME

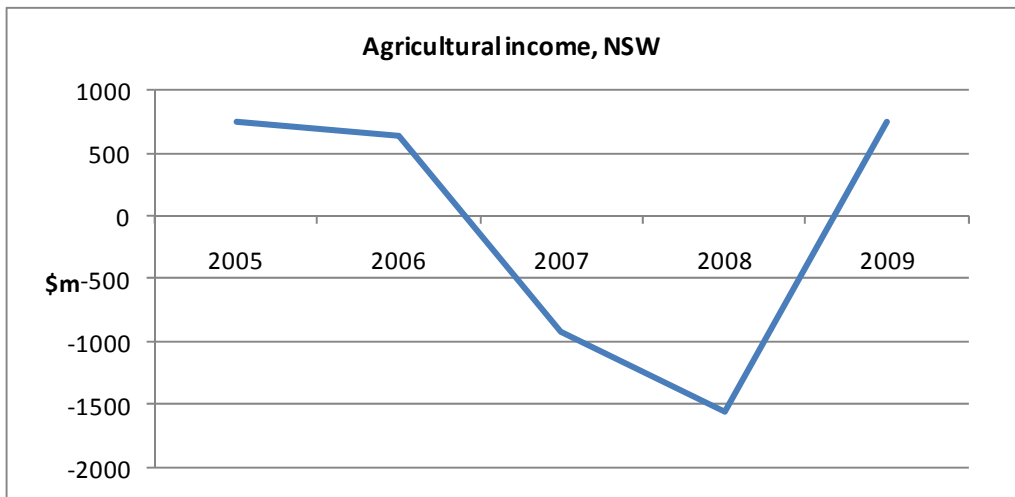
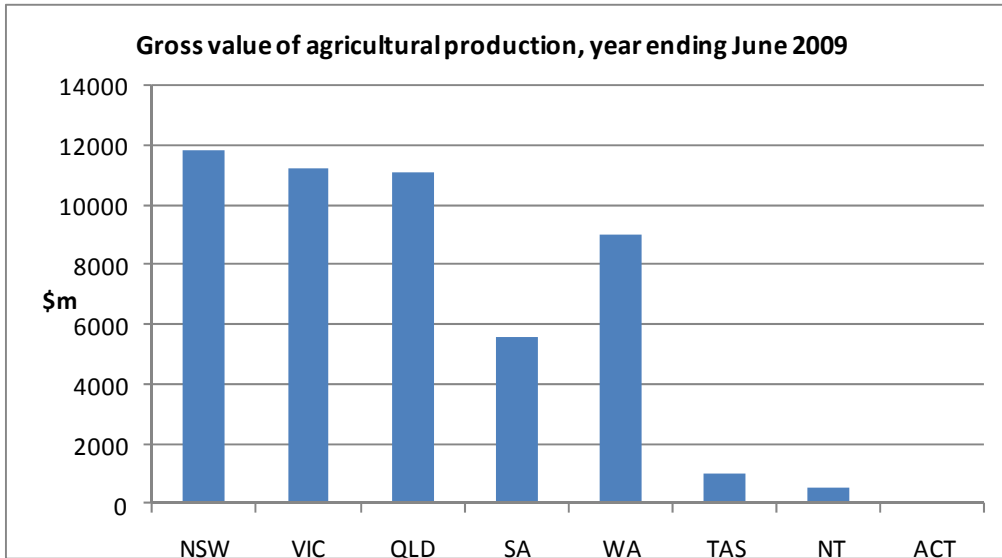
NSW recorded the greatest gross value in agricultural production for the year ending June 2009 at \$11.8 billion.

Agricultural income in NSW has been negative since late 2006 but has since recovered to \$750 million in the year ending June 2009.

Gross value of agricultural production, \$m

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	12001	10582	10779	4557	7553	1010	489	26
Jun-2006	12481	11349	11036	5175	8377	1122	486	23
Jun-2007	10484	10809	11912	4367	6793	1056	474	21
Jun-2008	10480	13495	10516	5584	8640	1146	540	22
Jun-2009	11834	11204	11066	5556	8989	1012	559	21

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



BUSINESS INVESTMENT

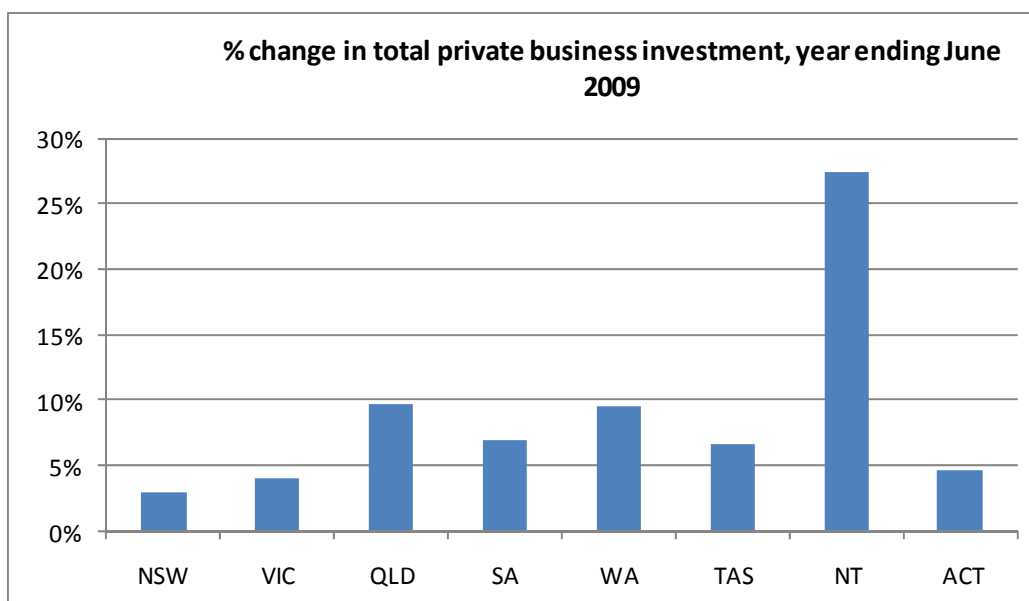
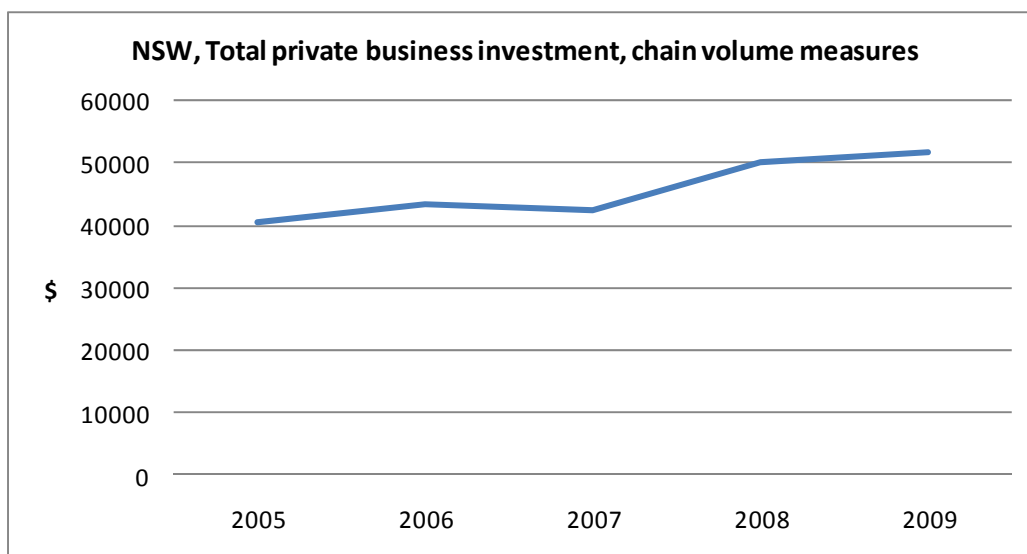
Total private business investment in the year ending June 2009 was \$51.7 billion (gross fixed capital formation, chain volume measures). This is an increase of almost 3% on the previous year, which was the smallest increase of any of the Australian States and Territories. The Northern Territory experienced the greatest increase at 28%.

Total private business investment

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Jun-2005	40492	35059	25433	9566	19510	2181	2756	2014
Jun-2006	43307	39483	30709	9675	27229	2420	3290	2440
Jun-2007	42578	40317	35465	10125	33371	2290	3299	2879
Jun-2008	50207	45039	41264	10103	40626	2846	3535	2746
Jun-2009	51690	46815	45282	10798	44482	3034	4507	2871

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



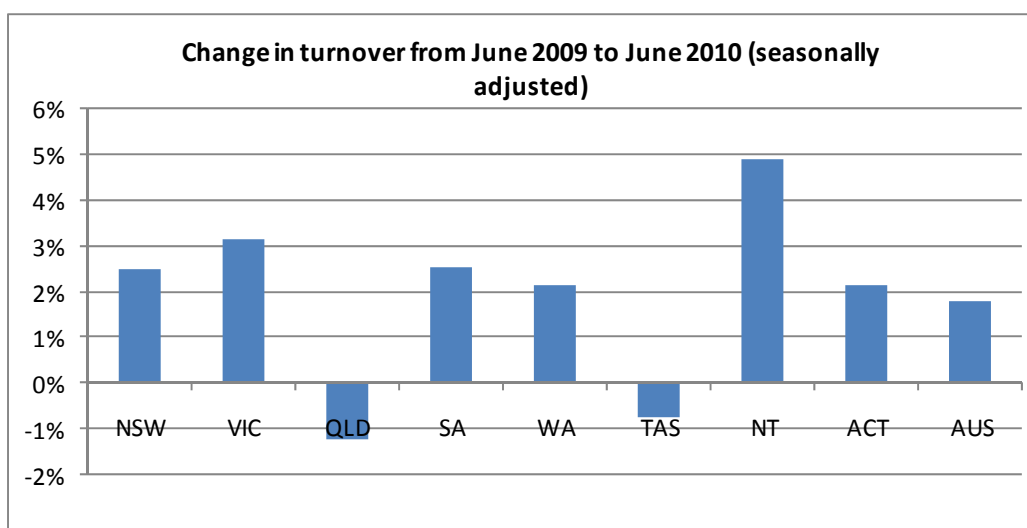
TURNOVER OF RETAIL TRADE

The average monthly turnover of retail trade in NSW increased by 0.7% in the June 2010 quarter to \$6240 million (seasonally adjusted). Equal with South Australia, NSW achieved the third highest growth in monthly turnover of the States and Territories, behind the Northern Territory and Victoria. Turnover fell in Western Australia and Tasmania. Compared to June 2009, average retail turnover in NSW was up 2.5%. NSW continues to hold its 31% share of retail turnover in Australia.

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

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Mar-06	5115	4051	3280	1123	1760	370	151	312	16161
Jun-06	5212	4196	3327	1152	1807	366	160	316	16535
Sep-06	5261	4234	3391	1171	1846	372	164	322	16761
Dec-06	5321	4287	3418	1193	1910	372	167	332	16999
Mar-07	5455	4363	3543	1228	1985	379	172	336	17461
Jun-07	5490	4351	3636	1231	2006	391	176	342	17624
Sep-07	5698	4457	3753	1253	2028	394	180	344	18108
Dec-07	5735	4543	3820	1295	2054	396	188	346	18376
Mar-08	5713	4587	3840	1335	2036	398	189	350	18449
Jun-08	5687	4551	3829	1356	2074	407	195	349	18449
Sep-08	5642	4626	3923	1393	2107	415	203	346	18653
Dec-08	5740	4751	3977	1403	2095	426	211	356	18959
Mar-09	5967	4876	4064	1419	2130	434	220	365	19475
Jun-09	6088	4953	4161	1440	2150	443	218	371	19823
Sep-09	6078	4942	4090	1417	2138	439	218	370	19691
Dec-09	6227	4963	4086	1426	2166	444	221	374	19907
Mar-10	6199	5011	4078	1443	2205	440	224	378	19978
Jun-10	6240	5110	4109	1476	2196	440	228	379	20178

Source: ABS, *Retail Trade, Australia, August 2010*, 8501.0, October 2010



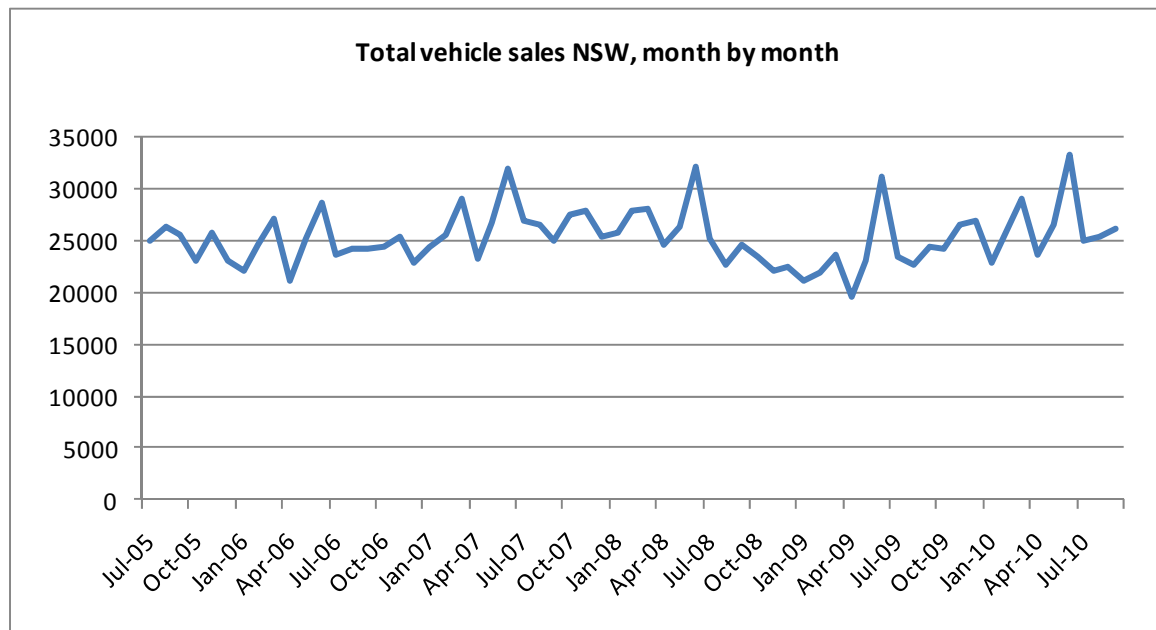
VEHICLE SALES

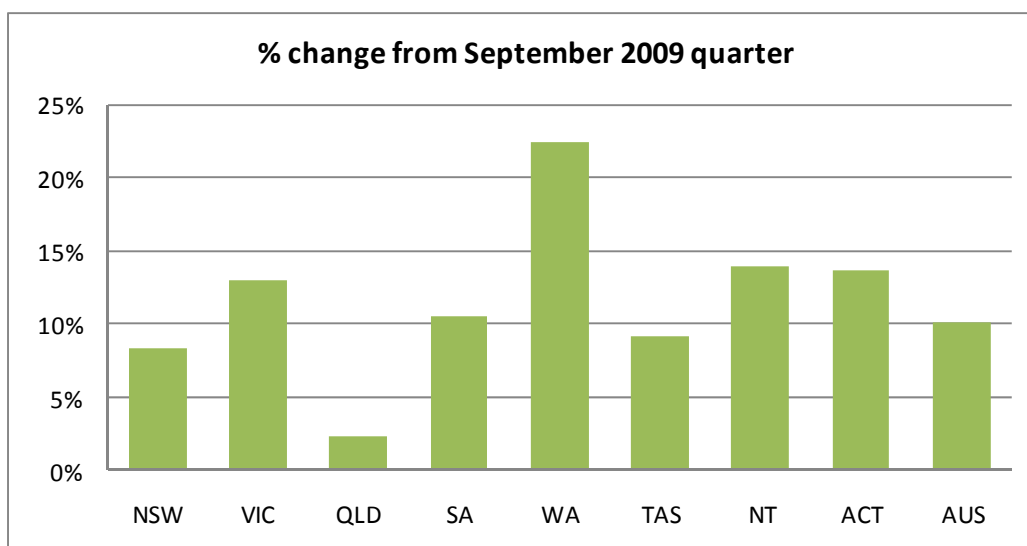
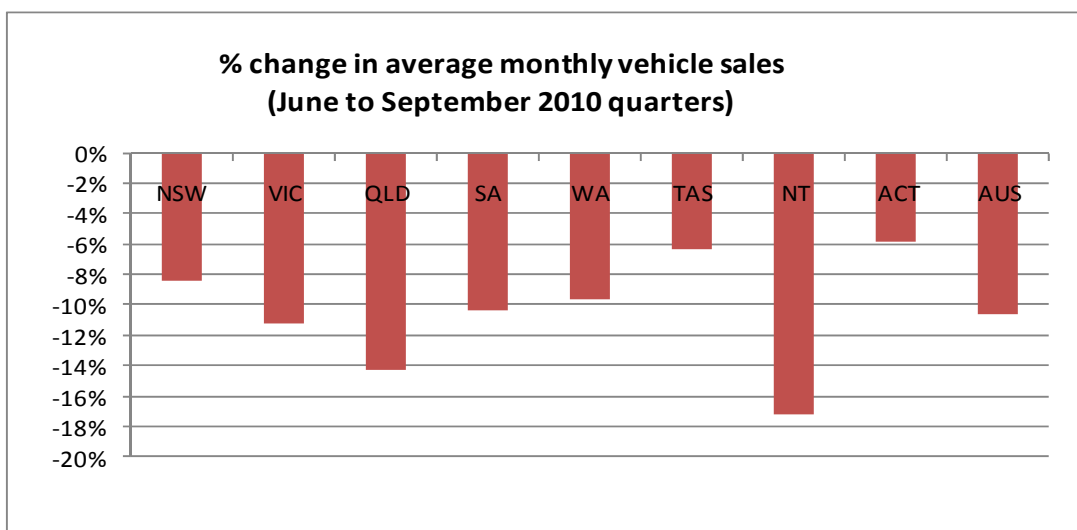
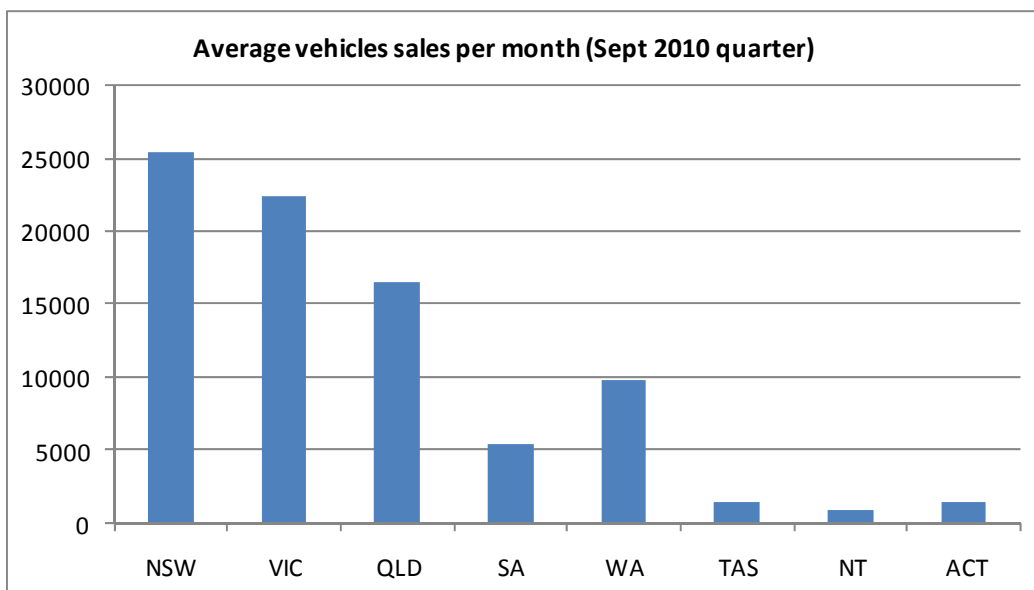
The average number of vehicles sold per month in NSW in the September 2010 quarter fell by 8.4% to 25,472. However, there was a decrease in all the States and Territories in the average number of vehicles sold since the June 2010 quarter – the fall in sales in NSW was the third smallest in Australia, with only the Australian Capital Territory and Tasmania experiencing less of a decline.

Average monthly sales of new vehicles per quarter

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
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

Source: ABS, *Sales of new motor vehicles, Australia*, 9314.0, September 2010





DWELLING APPROVALS

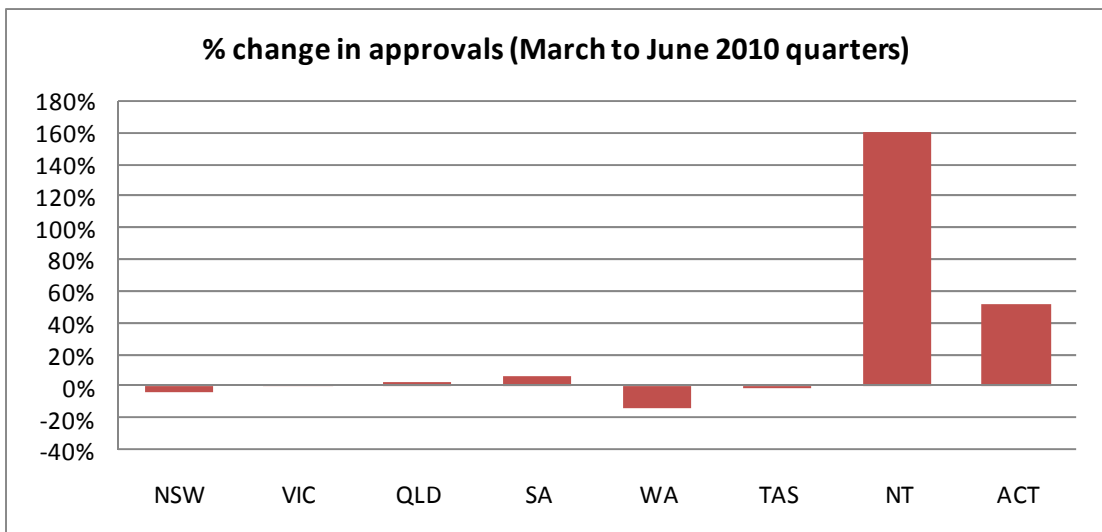
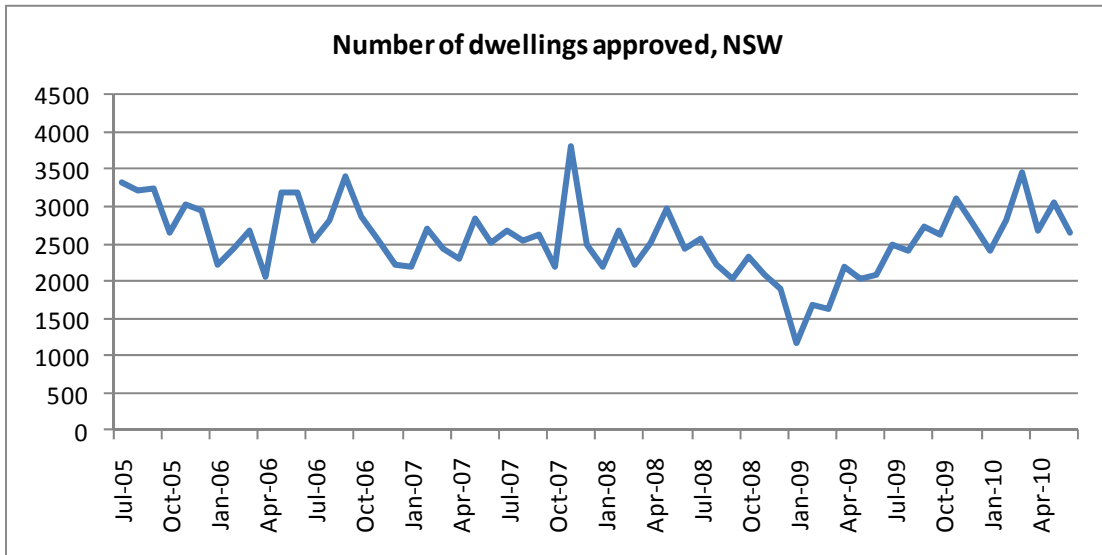
2796 dwellings per month were approved on average in the June 2010 quarter in NSW. This was a decrease of 3% compared to the previous quarter and was the first fall in the quarterly average since March 2009. Western Australia and Tasmania also saw a drop in the average number of dwellings approved.

19% of all dwellings approved in Australia in the June 2010 quarter were located in NSW. 50% of the dwellings approved in NSW were houses compared to 45% in the March 2010 quarter.

Average monthly number of dwellings approved per quarter

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Mar-06	2437	3003	2944	910	2064	211	105	149
Jun-06	2816	3224	3146	1050	2342	231	93	190
Sep-06	2921	3468	3561	939	2431	244	139	232
Dec-06	2546	3047	3332	901	2135	256	106	140
Mar-07	2444	2881	3364	885	1719	231	132	159
Jun-07	2556	3251	3581	882	2077	249	111	218
Sep-07	2613	3767	4000	1086	1969	239	108	186
Dec-07	2828	3673	4318	1149	1948	258	120	197
Mar-08	2358	3258	3105	946	1981	234	88	144
Jun-08	2635	3605	3594	1279	1983	249	75	253
Sep-08	2277	3777	3201	1231	1901	302	55	211
Dec-08	2104	3168	2353	927	1484	250	88	271
Mar-09	1497	3341	1755	873	1342	226	80	169
Jun-09	2101	3635	2343	973	1735	278	106	312
Sep-09	2535	4673	2682	1053	2029	294	109	385
Dec-09	2843	4719	2794	1005	2108	307	142	347
Mar-10	2893	4682	2842	1040	2325	241	55	310
Jun-10	2796	4719	2921	1105	1994	240	142	471

Source: ABS, *Building Approvals, Australia, August 2010*, 8731.0, September 2010



HOUSING FINANCE

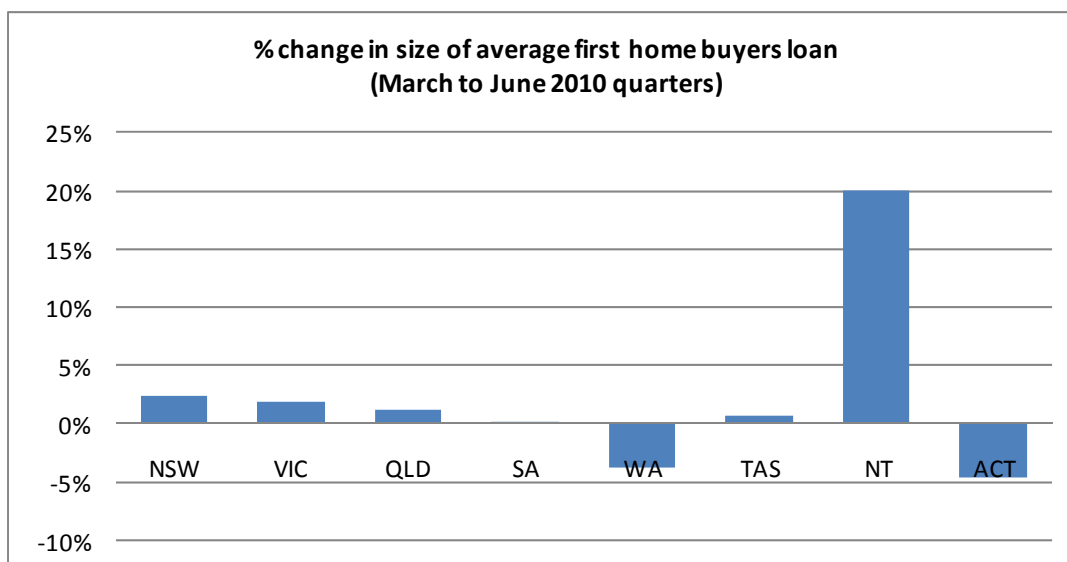
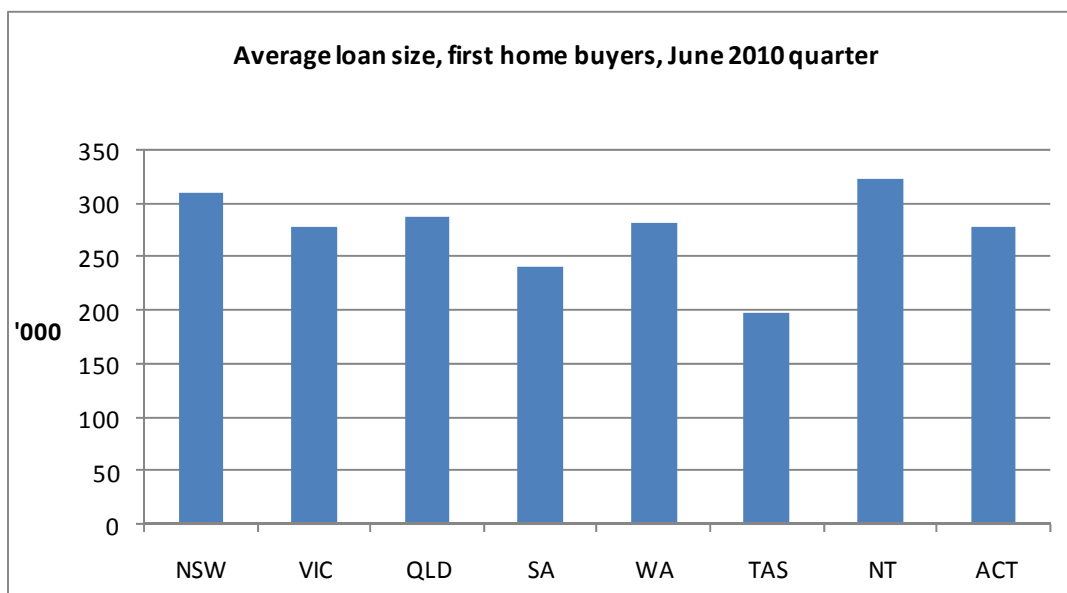
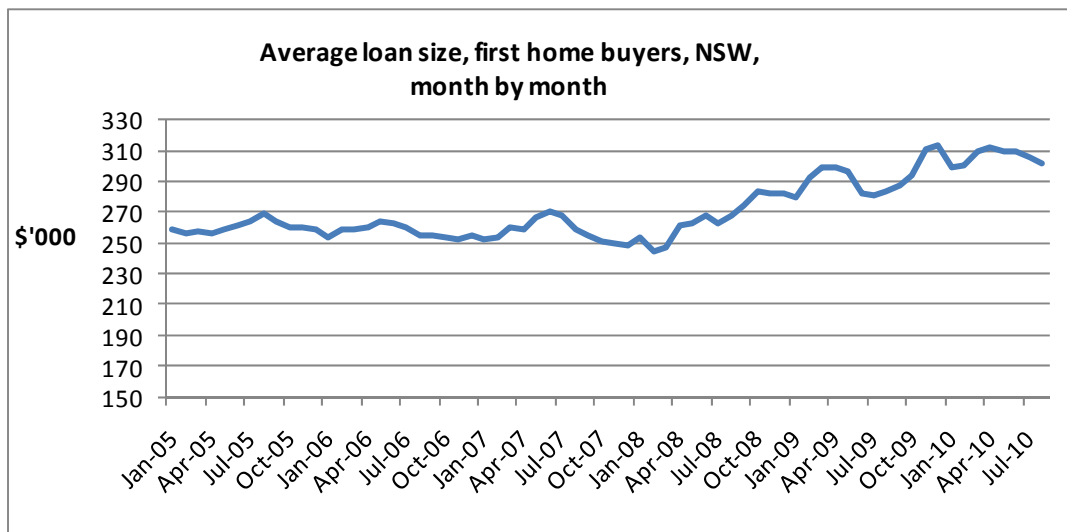
First home buyers account for between 25 and 30% of all house sales, with approximately 90% requiring a mortgage to purchase a property.⁴ The average loan size for first home buyers in NSW rose by 2% to \$310,000 in the June 2010 quarter. The Northern Territory overtook NSW in the June 2010 quarter to have the highest average loan size for first home buyers. The remaining States and Territories have average loans under the \$300,000 mark and the average loan size for first home buyers in Tasmania was less than \$200,000. The average loan size fell in Western Australia and the Australian Capital Territory.

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

Source: ABS, *Housing Finance, Australia, August 2010*, 5609.0, October 2010.

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



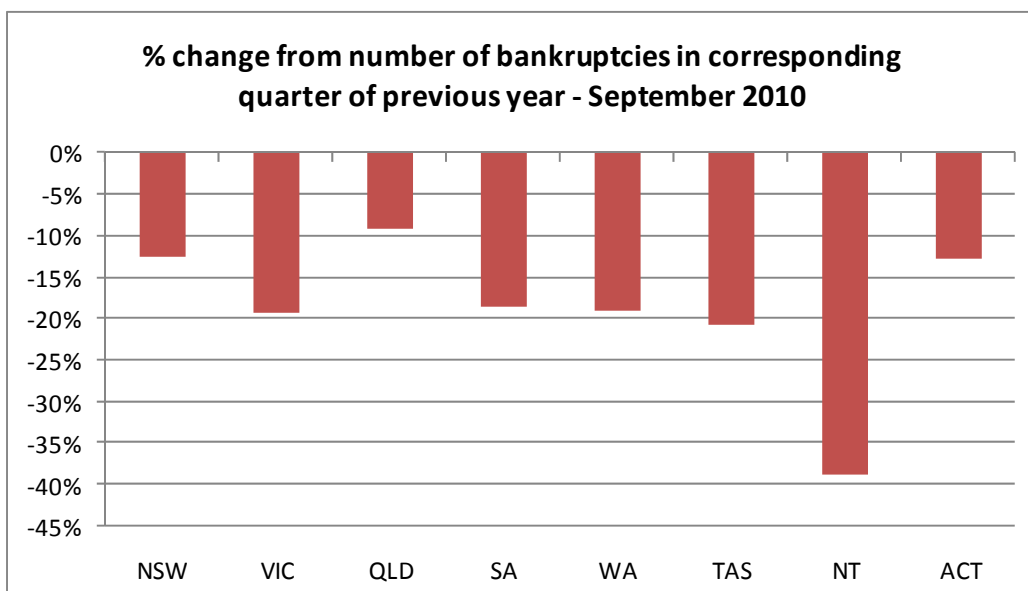
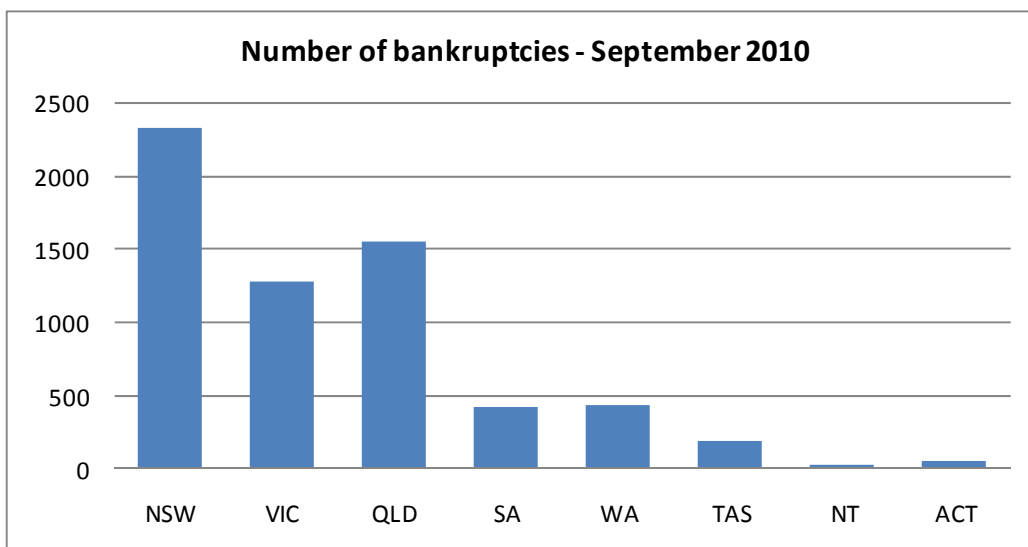
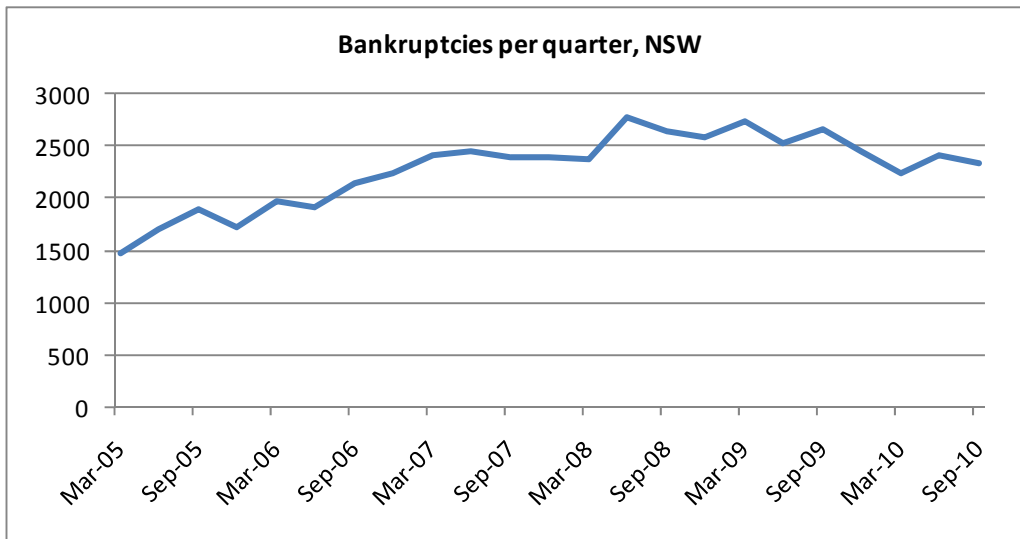
BANKRUPTCIES

The number of bankruptcies in NSW in the September 2010 quarter fell to 2332. Despite the fall, the share of bankruptcies in NSW rose from 35% to 37%. As the graph on the following page shows, there was a decrease in the number of bankruptcies in all of the Australian States and Territories when the September 2009 and 2010 quarters are compared. Western Australia was the only State or Territory to have a greater number of bankruptcies in the September 2010 quarter than in the June 2010 quarter.

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	2232	1391	1702	489	467	186	37	64
Jun-10	2408	1433	1802	487	411	202	37	62
Sep-10	2332	1274	1549	418	431	180	22	54

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



RENT

The average weekly rent for new bonds in NSW remained stable in half of the categories in the June 2010 quarter. Increases occurred for:

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

The largest growth in rental prices in NSW in the June 2010 quarter was for one bedroom dwellings in the Greater Metropolitan Region (excluding Sydney) (up by 2.9%) and two bedroom dwellings in Sydney (up by 2.5%).

Sydney

The average weekly rent for new bonds in Sydney in the March 2010 quarter was: \$380 for a one bedroom place; \$410 for two bedrooms; \$420 for three bedrooms; and \$530 for four or more bedrooms.

The highest median rent for a two bedroom place in Sydney was in the Sydney local government area at \$600 a week. Woollahra local government area had the highest median rent for a three bedroom place at \$975 (up 8.9% from the previous quarter).

The lowest median rents were \$240 for a two bedroom place in the Wollondilly local government area and \$300 for three bedroom places in the Wollondilly and Wyong local government areas.

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: \$180 for a one bedroom place; \$275 for two bedrooms; \$330 for three bedrooms; and \$400 for four or more bedrooms.

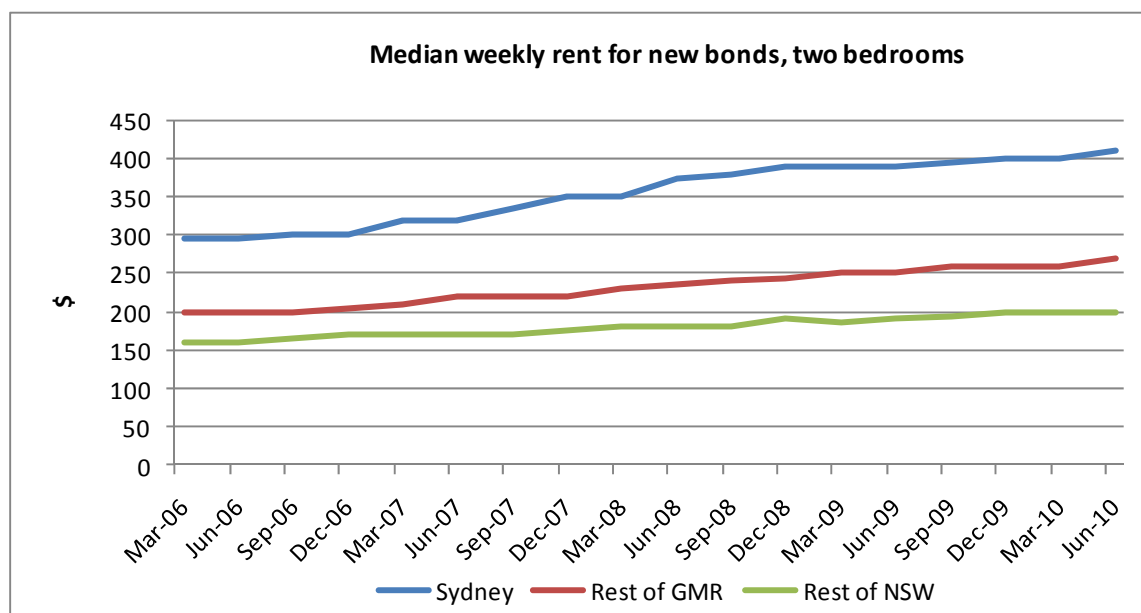
The highest median rent for a two bedroom place in the rest of the GMR was \$300 per week in Newcastle. Kiama and Newcastle had the highest median weekly rents for three bedroom places at \$360.

The lowest median rent for a two bedroom place was in Port Stephens at \$240. Cessnock had the lowest median rent for three bedroom places at \$273.

Regional NSW

The average rent for a two bedroom place outside the Greater Metropolitan Region remained at \$200 for yet another quarter. The median rent for three bedrooms increased to \$270. The highest median weekly rent for a two

bedroom place in regional NSW was \$300 in Queanbeyan compared to a low of \$135 in the Upper Darling. The highest median weekly rent for a three bedroom place was in Queanbeyan at \$400 and the lowest was in Macquarie-Barwon at \$170.



Source: Housing NSW, *NSW Rent and Sales Report*, No 92, 2010.

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.