

Jobless rate hits 18-month low

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The nation's jobless rate hit 5.1 per cent in June - the lowest since January 2009 - as WA's unemployment rate continues to storm ahead of the other states.

The state jobless rate slipped further to 4.1 per cent, down from the 4.3 per cent recorded for May. This was the lowest level since January 2009.

The June figure was the envy of the nation, well below the 5.3 per cent unemployment rate recorded for New South Wales, the nation's second-best performing state.

But WA still has some way to go to match the heady days of the last mining boom, when the jobless rate plunged to 2.3 per cent in October 2008, leading to mass skills shortages across the state.

National employment surge

Signs of continuing economic improvement bolstered employer sentiment nationwide.

In June, the labour market posted a net rise of 45,900 jobs, about three times the total number that had been predicted by economists and the biggest net jobs gain since since January. Of the new positions, 18,400 were full-time and 27,500 part-time.

Revised data issued by the Australian Bureau of Statistics show that the jobless rate for May was also 5.1 per cent, a tenth of a percentage point better than originally recorded.

“Brilliant. What can you say? This is a very healthy economy,” said ICAP economist Adam Carr.

“Jobs growth is strong - that is fantastic news. This is what it’s all about. As long as we can all get a job, we’re all happy.”

Australia's jobs market has been much stronger than economists had predicted. The economy has added more than 120,000 jobs so far this year, bringing the unemployment rate to about half that of much of Europe and the US.

The jobs news sent [the Australian dollar soaring to 87.48 US cents](#), from 86.67 US cents just prior to the release of the data. As recently as Monday, the dollar was buying less than 84 US cents. [Stocks also added to morning gains](#) and were on course for their best day in five weeks.

Rates view

It also saw the credit market's outlook on interest rates move sharply, from a widely held expectation the RBA board would keep rates on hold when it meets next month to a one-in-five chance of a quarter-percentage point increase.

The latest jobs figures come the same week the Reserve Bank left the official interest rate on hold at 4.5 per cent, a decision that reflected concerns about global economic growth.

The local labour market provided a bright spot for the central bank, which noted demand for workers continued to build.

Mr Carr said the downside is that the strength in the labour market could prompt the RBA to raise rates again.

He said depending on official inflation figures to be released at the end of July, the RBA could hike rates in August and November. "The RBA can't let inflation get out of control," Mr Carr said.

WA leads

Among the states, Western Australia posted the biggest change last month, with its jobless rate sinking to 4.1 per cent from 4.3 per cent in May as the mining industry continues to boom.

The major eastern states saw their jobless rates unchanged last month, with New South Wales holding steady at 5.3 per cent, with Queensland and Victoria both at 5.4 per cent, the ABS said.

South Australia and Tasmania posted a 0.1 percentage point increase for the month, raising their jobless rates to 5.5 per cent and 6.3 per cent, respectively.

The ACT's jobless rate eased to 6.8 per cent from 6.9 per cent, while Northern Territory posted the lowest rate in the country at 3.4 per cent, down from 3.6 per cent in May.