

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 32
Topic: Employment growth and Work Choices
Hansard Page: Written

Senator EVANS asked:

- (1) Isn't it the case that during the current economic expansion there has been a pronounced cyclical pattern to employment growth? Over the last decade employment growth upswings have occurred on average about every 2 years —hasn't it?
- (2) Isn't it the case that there was a trough in employment growth just prior to the introduction of the new industrial relations laws and a cyclical upswing coinciding with the months following its introduction — making it the 5th such cyclical upswing in the last decade?
- (3) Haven't there been three other March-September periods where employment growth has been higher, and 37 other six month periods where employment growth has been higher?
- (4) How does the current upswing compare to earlier upswings?

Answer:

In answer to questions 1 to 4, annual employment growth over the last decade has averaged about 2.1 per cent. Growth has consistently cycled around this average and has been much less volatile than in earlier periods.

Employment growth over the past few years has been strengthened by people entering the labour force. The participation rate was at 64.9 per cent in December 2006, after reaching a record high of 65.0 per cent in September 2006. The unemployment rate was 4.6 per cent in December 2006, around the lowest rate since mid-1976.