

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 BUDGET SENATE ESTIMATES HEARING
29TH AND 30TH MAY 2006
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

Outcome 3: Increased workforce participation

Output Group 3.2: Labour market strategies

Output: 3.2.1 Labour market analysis

Question Number: W058-07

Senator Wong asked in writing:

ANZ Job Ads report conflicting with DEWR analysis. The May job ads report from ANZ reported that: Official data showed a strengthening in labour market conditions in the early months of 2006, with an upturn in employment growth and a fall in the unemployment rate back to a 30 year low of 5%. This improvement was consistent with a lift in the demand for labour six months previously as indicated by trend movements in the ANZ total job advertisements series. Unfortunately, more recent ANZ job advertisements data has shown a softer trend, indicating some winding back in employers' hiring intentions. It will take a few months to show through, but the latest reading is consistent with a slowing in trend jobs growth. This points to a rise in the unemployment rate to around 5.5% in the second half of 2006.

- a) Does DEWR agree with this forecast?
- b) If so, to what does DEWR attribute the winding back in employers' hiring intentions?
- c) If not, on what basis does DEWR disagree?

Answer:

- a) DEWR has no comment on this forecast.
- b) See (a) above. However, DEWR notes that the ANZ job ads series is only one of many measures of employers' hiring intentions and that other relevant series (such as the Olivier Internet job ads series and the SEEK New Job Ads Posted During the Month series) have been growing strongly over the year to May 2006.
- c) Not applicable. See (a) above.