

Regional Unemployment Index (RUIN) for May 2010

**Prepared by
Australian Development Strategies Pty Ltd**



Background note

The report has been prepared by ADS as an ongoing attempt to learn more about the current Australian cycle of economic downturn and recovery in terms of the monthly profile of the unemployed, to see if we can get some insights from looking at changing unemployment in regional Labour Force units and comparing these changes with their demographic composition.

It is basically an educational and public relations exercise and has not been designed as an advisory tool for business and we take no responsibility for those who use it for these purposes. The sampling errors for smaller Labour Force regions are large and the raw figures used are not adjusted for seasonal trends. There is also the statistical significance of the profiles to be considered on top of that. So we are looking for larger and longer term trends over 12 months, rather than spot results. We repeat, caution is urged in any interpretation.

This paper looks at the comparison of original or raw monthly unemployment rates in 69 Labour Force regions, across Australia, and uses simple modelling to benchmark these percentage figures against our Elaborate database. Data for the current regions was available for the first time in February 09 and back dated to November 2007, which happened to be the date of the last Federal election.

Regression analysis has been used, when appropriate to cross check the model and do some basic projections. Typically, the regression analysis explains some 75 percent of the variance in the monthly unemployment data from our model and almost half of this is contributed from the actual levels of unemployment at the time of the 2006 Census.

In other words, neighbourhoods with high unemployment four years ago, tend to have high levels of unemployment now. In fact, this trend for high unemployment in certain neighbourhoods goes back at least 20 years. The yearly seasonal trends can be seen in the longer term correlational charts: for example, unemployment for 15-19 year olds (leaving school) is typically higher in January and February and then declines during the year. The impact of fiscal and monetary policy is also extremely interesting to watch as some signs emerge from the profiles over time of the impact of both measures.

We hope the report is of some value to the political process now and in the future and that it encourages more Australian kids to want to learn about geography and statistics.

Thanks to John Lockwood for our Elaborate database and statistical analysis and Phil Henry of Business Geographics for Maps. And thanks to Otto Hellwig from MDS for the source of income and debt data.



Reading the report

From the top, we have included stereotype tables, which are a handy demographic snapshot of May 2010 and of changes during the past 12 months.

Then we have the correlation charts, which are the main substance of the report. These take two forms. The first is the monthly trends since November 2007, when the series began. Monthly trends should be considered in the context of an annual cycle described earlier. In other words, younger school leavers will tend to have a higher unemployment profile in February, which will fall during the year; high SES jobless profiles will be higher in December and lower in June. We are looking here for trends which over ride the annual cycle, such as interest rates changes or the value of the dollar, which may impact on employment in export industries like mining, agriculture or tourism.

The second group of correlation charts are the snapshot of May 2010, compared to May 2009. This comparison allows for monthly seasonal variation, but we stress we are looking at inferential statistics here and weaker correlations have a stronger likelihood of being due simply to chance factors. When we can, we check these out with regression analysis and this has given us some confidence we're on the right track with descriptive comments contained on most charts. But we can make mistakes or miss obvious points and the reader is invited to interpret them directly.

Finally we include the Regional Unemployment Index (RUIN) which presents the increases and falls in raw unemployment across all regions from May 09 to May 10. Those regions with the biggest unemployment gains will tend to contain those groups in Stereotype Table 1. The regions with the unemployment falls will be tend to be in Stereotype Table 2. A profile simply organizes real data in a systematic and objective way to see things we often miss by looking at a national summary with our own personal biases about what we expect to see. We also include here tables based on regression modeling, where applicable, showing which regions are performing better or worse than predicted by the model.

Summary of Results

The Unemployment Profiles from May 2009 to May 2010

The recession is well and truly over, with demand for high SES jobs now so high that unemployment in May 2010 in some rich inner city suburbs was heading down towards two percent and demand driven inflation must now be a real concern for the Reserve Bank.

While demand is strong for better paid jobs, the lower paid jobs boosted by the fiscal and monetary stimulus are fading, relative to skilled white collar workers and tertiary trained professionals. This would be a real concern for the Government.

During the depths of the downturn, in April 2009, these relativities between high and low SES workers were so squeezed as to be almost nonexistent.

Unemployment (original) for the top one third of family income Labour Force Regions was 5.1 percent and in both the middle and bottom income Labour Force regions it was 5.6 percent. There was little difference at that time between the unemployment profiles of top income Professionals, middle income Clerks and low income Laborers. In fact, Labourers were slightly better off than Clerks for a large part of 2009.

For the first six months of 2010, as the economy recovers, these relativities have been expanding to normal longer term patterns, where the better educated get more secure jobs and the less well educated get less secure jobs. High school matriculation classes and university campuses would be pretty quiet places if this were not the case.

In the latest regional ABS figures for May 2010, the original unemployment figures for the three regions were: Rich – 4.3 percent and falling fast; Middle Income – 5.5 percent and falling fast; Poor – 6.6 percent and in slow decline.

The national unemployment figures which offer so little explanation to economic analysis that they are often described as a lagged indicator, have been in slow decline, but this small national decline has masked a 0.8 percent increase in Poorer regions since December 2009 despite the economic recovery.

The May 2010 unemployment rate of 6.6 percent in our poorer suburbs is well above the 5.1 percent in place in November 2007, when Kevin Rudd won the last election on a platform of easing the burden on lower income working families. In fact the positive correlation between



unemployment in May 2010 and the voters who swung to Rudd in November 2007 is statistically significant. In other words, the same suburbs and voters dominate both high unemployment Labour Force Regions and the marginal seats won by Labor in 2007.

In rural and regional Australia, jobless profiles for farmers, miners and utility workers are weak, with a significant decline over the levels of 12 months ago. The employment security for Australians in May 2010 was strongest in the CBDs of the major cities and decreased, the further you moved away from the CBD.

The unemployment regional figures for June will not be released until July 15, but the state figures for June are shown in the tables below and confirm a continuation of this May trend. It seems that, in recent months, unemployment changes were due to older and poorer persons losing their temporary jobs as the stimulus faded and younger professionals regaining former jobs as the economy recovered.

For example, In June, WA was the state with the lowest mean age and the best 12 month unemployment improvement; NSW was the richest, with the second best performance. Victoria and Queensland were the middle ranking states for age and income, and also for unemployment improvements. The territories - NT and ACT already have low unemployment and can't improve much more. Tasmania and South Australia were the oldest and poorest states, with the worst unemployment performance.

The state based unemployment figures for both May (and June) have little to do with state governments, but everything to do with state economies and their demographics. Regression analysis confirms this interpretation with some 70 percent of variance in May unemployment across Labour Force Regions attributable to demographic factors. A young, well paid professional living in Tasmania (typically in a high SES suburb in Hobart) in May 2010 had just as much chance of finding a job as a young, well paid professional in WA – it's just that Tasmania has a smaller per capita number of young, well paid professionals than WA.

This stage of the economic cycle of downturn and recovery is boosting inner urban economies with large concentrations of younger, better educated, better paid workers, often with no kids and many of them overseas born – those who were the first to lose their jobs in the downturn. Similarly, in this stage of the recovery cycle, these higher SES workers are replacing the older, less well educated, unskilled, poorly paid and Australian born, often older women with families, who were drawn back into the workforce during the downturn, either by the stimulus or by the desire of employers to cut costs. The demographic patterns in this current downturn and recovery cycle look similar to those of the dotcom slump.

Despite commonly held Dickensian prejudices to the contrary, the first workers to get sacked in the current downturn were Professionals, followed by Clerks (both before national unemployment figures rose) followed by the Labourers (as the recovery phase began in the second half

of last year). The real canaries in the mineshaft nowadays are the professional consultants, whose jobs are cut by employers simply not returning their phone calls. That's the easiest way for an employer to cut immediate labour costs.

Education

Demand for jobs for middle class and upper class parents, those who have graduated from high school and attained tertiary qualifications, was heading for very strong highs in May, while demand for (blue collar) parents in with level 10 high school was heading in the reverse direction.

For three months now there have been clear signs here of an economy in danger of overheating, at least in urban areas, while those with qualifications in Agriculture were in jobs decline. It could be the increasing value of the Aussie dollar is cutting back jobs growth in our regional and rural sectors which rely on exports.

Age, Gender and Children

During the downturn and stimulus, jobs were lost by younger workers and job security for older workers was relatively enhanced. The tables have now turned here and normal patterns of job security are returning. Older mothers with two or three children have well and truly lost any employment gains during the height of the stimulus. Older families are in trouble.

Income

May saw a significant improvement in the jobless profiles for higher income earners in the inner suburbs and a decline for lower income earners, typically living in rural or regional Australia, or in outer suburbs of the big cities. We checked the monthly figures since November 2007, when the current series started, and went back even further, and we saw longer term jobs growth accompanies this sort of pattern, where a better education earns a higher and more secure income. Universities would be pretty quiet places otherwise. The downturn and stimulus had turned this pattern on its head. So we are now swapping better paid, higher SES jobs for temporary unskilled jobs. This looks a recovery to us, at least in the bigger cities.

When we compared the current family income charts for unemployment with the same family income charts for the last election, we saw a strong match between low to middle income families now adversely affected by unemployment and families who swung to Kevin Rudd in November 2007. This is a worrying sign for the current Government's chances of holding these seats in an early election.

Birthplace, Religion and Language

We saw an improvement in the jobless profiles for most migrant groups, reflected in their religions and language and a complementary decline for Australian born. Migrants tend to be found in our big cities, while the concentration of Australian born is higher in country and regional areas.

Industry and Occupation

Middle and Upper White collar occupations are doing well, while managers and blue collar workers are not. In terms of industry, the rural and remote farmers, miners and utility workers showed some serious declines in the 12 months to May 2010, while there was significant recovery in the urban based jobs of media, real estate, finance, consulting and public admin.

Home and Family.

The families doing it tougher in May 2010, compared to May 2009 were those older, welfare-dependant or farming families in rural and regional Australia, or those living in poorer outer urban areas, with lower cost homes, lower mortgages, lower rents and no internet. These are the groups who had fared best during the downturn, thanks in large part to the monetary and fiscal stimulus. They are now returning to a longer term position of lower job security than high SES groups, as the stimulus withers.

At the other end of the SES spectrum, the higher the income and debt, the better the job security in May 2010, compared to May 2009. The SES jobs profile for better educated Australians, in high status jobs, with higher incomes, is now back to historic levels. The recession, such as it was, is now over – unless of course you're a farmer or miner or lower paid, older working family in rural or regional Australia.

Stereotypes

We present here the simple correlation between our database, shown at the left of the following tables in summary form, and the figures for unemployment by region. We feature in these tables the profile of those demographic groups clustered in Labour Force regions with high levels of unemployment growth from May 09 to May 10. Also included are National Means for each variable.

The correlations in Tables 1 and 2 have been ranked to show those correlations which are normally significant to 95 percent or more. In other words, there's a five percent probability the correlations in the table are due to chance. The higher the correlation, plus or minus, the lower the probability it is due to chance.

We're interested here in groups which normally tend to show correlations indicating a possible high or low level of unemployment growth. For example, manufacturing in Australia has been in long term decline and hence will tend to show a consistent level of high unemployment in the profiles and this is simply the normal situation. However, when unemployment is growing significantly in manufacturing regions, then we have a short term problem.

We can really only say that a high positive correlation means that the group in question live in regions of high unemployment growth – they aren't unemployed because they are in a specific group. And a poor unemployment profile can co-exist with a rising total number of jobs, such as accommodation, where there more jobs being created, but they are less secure.

Code	Unem May 2009	Unem May 2010	May 10 minus May 09 Unem	Aust Means (RHS)
fSalvation Army	-0.21	0.44	0.51	0.34
Mort \$400-549	-0.24	0.41	0.50	6.11
f55-59 three kids	-0.21	0.37	0.45	1.91
Rent \$100-139	-0.18	0.39	0.44	11.11
55-59	-0.22	0.32	0.42	6.52
f45-49	-0.22	0.31	0.41	7.39
f55-59	-0.22	0.30	0.40	6.40
Mort Not Stated	-0.27	0.25	0.40	9.42
Mort \$250-399	-0.22	0.29	0.39	3.09
Rent \$0-49	-0.33	0.20	0.39	9.46
fUniting	-0.29	0.22	0.39	6.40
Mort \$1-249	-0.25	0.25	0.38	2.75
F\$250-399	-0.07	0.40	0.37	16.20
Employed/away from work	-0.45	0.06	0.37	2.03
fosAgriculture & Environment	-0.30	0.19	0.37	4.09
Rented Other	-0.28	0.21	0.37	1.89
Uniting	-0.28	0.21	0.37	5.47
Worked at home	-0.30	0.19	0.37	6.00
fAgriculture\ forestry & fishing	-0.26	0.21	0.36	4.06
45-49	-0.13	0.31	0.35	7.31
fManagers	-0.32	0.15	0.35	11.13
50-54	-0.24	0.22	0.35	6.78
fosAgriculture & Environment	-0.32	0.15	0.34	1.54
f65-69 three kids	-0.11	0.32	0.34	1.22
Mort \$550-749	-0.17	0.27	0.34	8.06
fEmployed/away from work	-0.52	-0.04	0.34	2.21
f55-59 two kids	-0.23	0.21	0.33	2.82
Fully Owned	-0.16	0.27	0.33	34.96
f75-79 three kids	-0.13	0.29	0.33	0.76

Table 1. Shows in column four (fourth from the left) those demographic groups in the community most likely to be living in areas of high unemployment growth in the 12 months to May 2010.

We are seeing here lower income, older families, with religious beliefs and children. Their rents and mortgages, like their incomes, are first or second quartile.

These are the classic Howard Battlers from 2001 and 2004 who swung to Kevin Rudd in 2007 across the outer suburbs of Australian cities.

We also see a strong representation from rural and regional groups – Manager farmers, workers at home (farmers) or away from home (typically miners) and home owners or families owing very little in mortgage payments.

So, we have two basic clusters: outer urban working poor families and older rural and provincial groups, in both agriculture and mining, who would tend to own their own homes.

All the correlations for May 2009 are negative and almost all of them for May 2010 are positive, meaning these groups have moved from a position of employment security to a position of employment insecurity in the space of 12 months.

This is not a good look for the Government in rural and regional Australia.

Code	Unem May 2009	Unem May 2010	May 10 minus May 09 Unem	Aust Means (RHS)
PredUnemployed_mean_May 09	0.89	-0.01	-0.63	
Mort \$1600-1999	0.31	-0.25	-0.42	11.06
f35-39	0.15	-0.35	-0.39	7.39
fosfManagement & Commerce	0.29	-0.22	-0.38	19.66
fThailand	0.30	-0.21	-0.38	0.19
Catholic Total Fees 06_07	0.14	-0.34	-0.38	\$1,677
f65-69 one kid	0.23	-0.25	-0.37	0.33
Thailand	0.36	-0.13	-0.36	0.10
Oth Religious	0.28	-0.19	-0.35	0.52
Mortgage Debt Per Cap 06_07	0.06	-0.37	-0.35	\$24,922
Catholic Sec Fees 06_07	0.19	-0.27	-0.35	\$2,089
fOther	0.21	-0.24	-0.35	3.36
Real Estate	0.11	-0.33	-0.35	1.50
Rented Agent	0.24	-0.22	-0.34	13.47
Non Govt Prim Fees 06_07	0.00	-0.41	-0.34	\$2,134
Mort \$2000-2999	0.21	-0.23	-0.34	13.19
Elsewhere	0.40	-0.06	-0.33	3.22
fPoland	0.26	-0.17	-0.33	0.28
Admin consulting	0.28	-0.16	-0.33	2.73
Non Govt Total Fees 06_07	-0.04	-0.43	-0.33	\$4,032
Total Debt Per Cap 06_07	-0.03	-0.43	-0.32	\$43,637
Internet Other	0.23	-0.20	-0.32	0.61
Med rent	0.11	-0.30	-0.32	\$192
Spanish	0.50	0.04	-0.32	0.41
f30-34 one kid	0.16	-0.25	-0.32	1.66
f55-59 one kid	0.16	-0.25	-0.32	0.72
f35-39 one kid	0.12	-0.28	-0.32	1.36
Poland	0.25	-0.17	-0.32	0.23

Table 2. Shows in column four those demographic groups in the community most likely to living in areas of unemployment decline (and jobs growth) in the 12 months to May 2010.

The top variable here is the modeled unemployment figures for May 09. In other words, the biggest drop in unemployment has been from those areas where unemployment was highest in May 2009.

This is a pretty good sign that the recession that never quite arrived, had well and truly gone 12 months later.

This is a classic demographic portrait up the younger, professional, upwardly mobile young family groups, crowding in towards the inner suburbs of our major cities.

There are higher incomes, along with higher debts, for mortgages and for both Catholic and Non Govt school fees.

We are also starting to see signs of overseas born from Catholic countries like Spain or Poland and we are finally seeing strong signs of recovery for employment prospects for workers in the Real Estate sector.

Areas of employment include management and commerce and the public service.

State	Median age	Median family inc	Unem Rate June 09	Unem Rate June 10	Unem Rate Ch to June 10
ACT	34.8	\$1,731	3.6	3.2	-0.4
NSW	38.3	\$1,271	6.3	5.2	-1.2
VIC	38.0	\$1,230	5.9	5.3	-0.6
WA	35.5	\$1,206	5.4	4.1	-1.3
QLD	37.2	\$1,174	5.4	5.2	-0.2
SA	39.5	\$1,101	5.1	5.0	-0.1
TAS	39.5	\$995	4.2	6.0	1.8
NT	27.3	\$971	3.8	2.9	-0.9
Australia	37.6	\$1,215	5.7	5.0	-0.7

Table 3: States ranked by decreasing mean Family Income

State	Median age	Median family inc	Unem Rate June 09	Unem Rate June 10	Unem Rate Ch to June 10
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TAS	39.5	\$995	4.2	6.0	1.8
Australia	37.6	\$1,215	5.7	5.0	-0.7

Table 5: States ranked by Improved Unemployment

Tables 3, 4 and 5, show median age, family income and unemployment rates for Australian states and territories.

The May quarter 2010 unemployment changes were due to older and poorer persons losing their temporary jobs as the stimulus faded and younger professionals regaining former jobs as the economy recovered. Regression analysis confirms this.

WA is the youngest state with the best performance; NSW is the richest, with the second best performance. Victoria and Queensland are the middle ranking states for age and income, and also for unemployment improvements. NT and ACT already have low unemployment and can't improve much more.

Tasmania and South Australia are the oldest and poorest states, with the worst unemployment performance.

Correlation charts

Correlation charts should be read the same way as the worm debating chart – the zero line is neutral and the score heightens as the correlation increases its distance above or below the zero line. Correlations above the line indicate a positive relationship and correlations below the line show a negative relationship. The significance levels vary according to the number of pairs and we would advise the reader not to get too excited about any correlations below plus or minus 0.23.

Similarly, the reader should be cautious about high correlations from variables with a very low mean, from the more esoteric religions, or unusual countries of birth or languages spoken at home. This is an arbitrary call, but, if it's less than about half of one percent of the population, it's usually pretty meaningless. **In summary, we are looking in the charts for longer vertical bars or trend lines, above or below 0.23, consistent patterns across each chart and big population numbers.** The corresponding national means for each variable are shown on the right hand axis.

The descriptive information for each chart will tend to be found in the explanatory boxes within the charts themselves, with the important ones highlighted in colour.

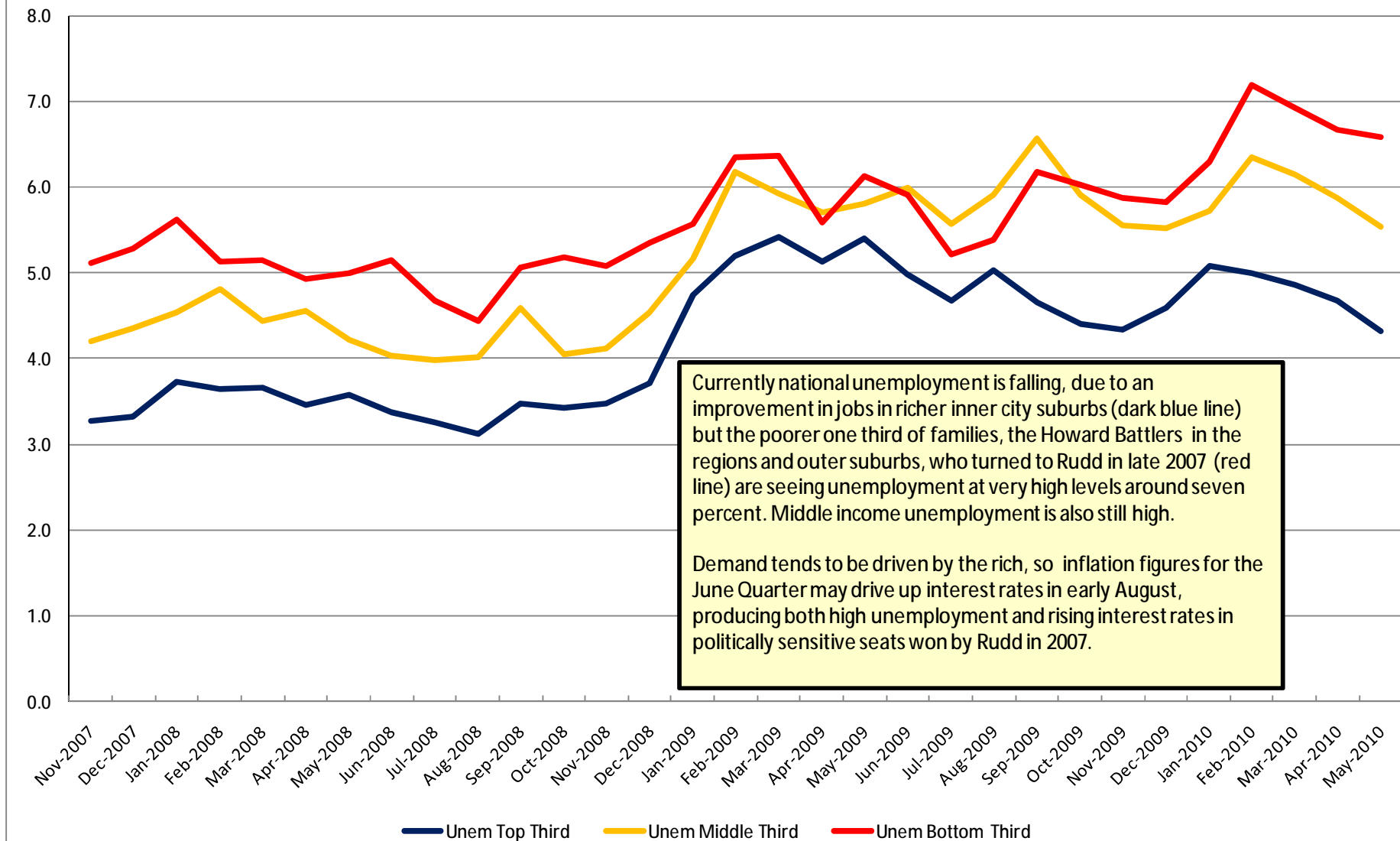
If the stereotype tables are snapshots, the following charts can be seen as small pictures, which can then be combined to make up a fine-grained demographic portrait or collage of unemployed Australians. We emphasize that we're looking here at what happened to the actual jobless figures, in terms of who lives in areas where unemployment is growing or declining, we're not looking survey results from an opinion poll, so causality can only be inferred.

We should also bear in mind that there's a large element of sampling error in these ABS Labour Force stats when they are broken down into smaller regional units and this error is magnified by profiling. So caution is advised and any findings of interest should be confirmed wherever possible by cross references to other data. We've done this where time has permitted and we think the material is sufficiently useful and timely to warrant the effort. There's certainly an interesting story trying to get out from under the bland aggregates of any national data set and the Labour Force figures are no exception.

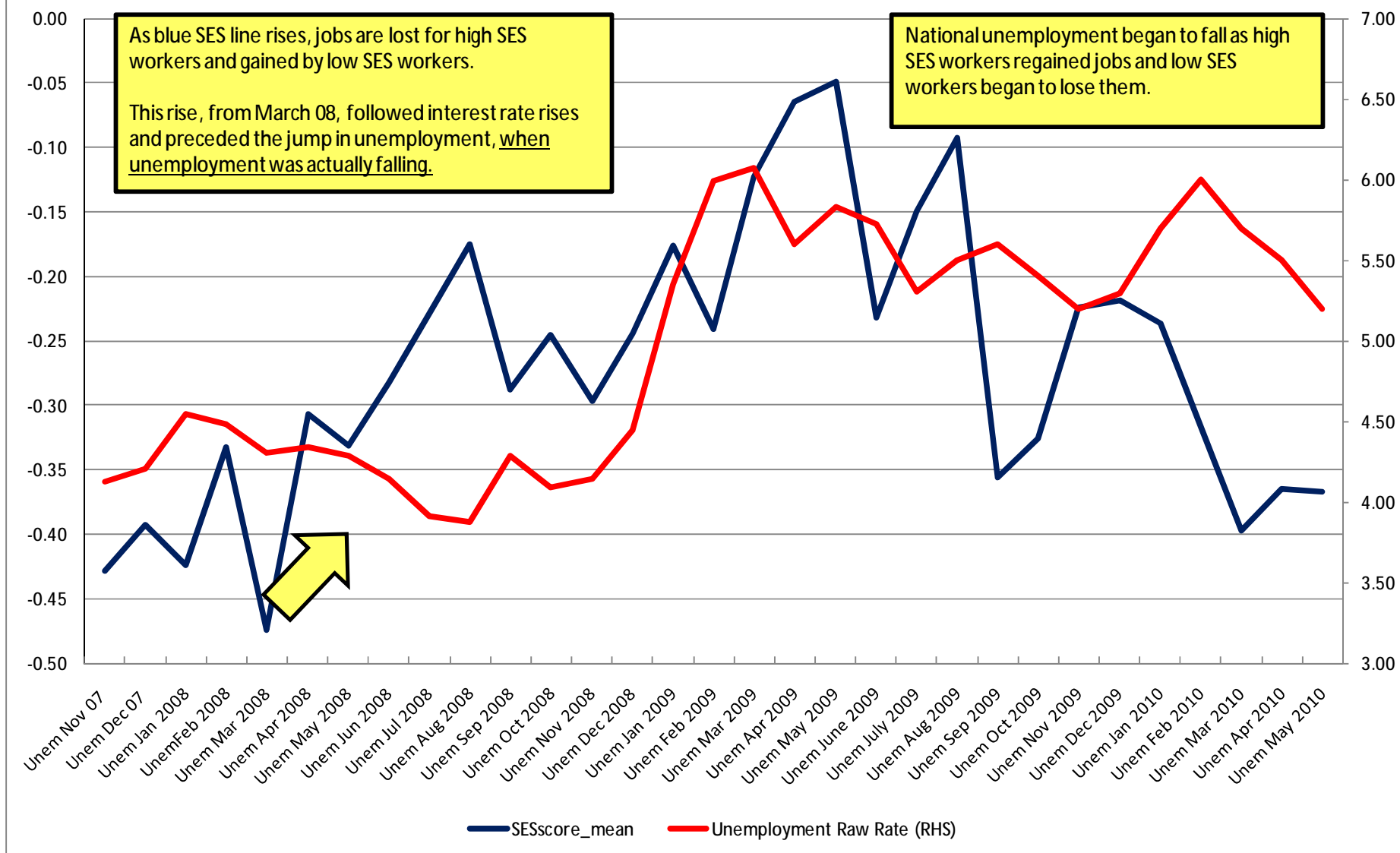
The first few charts below trace movements across the months from November 2007. When the profile of a variable heads down that means the unemployment profile for that particular group is improving – i.e. they are finding jobs. So a decline in any profile is a good thing and a rise is a bad thing. When we are looking at charts of actual data however, such as raw or seasonally adjusted unemployment, or interest rates, or the Trade Weighted Index, the data score can be read directly, usually from the right axis.



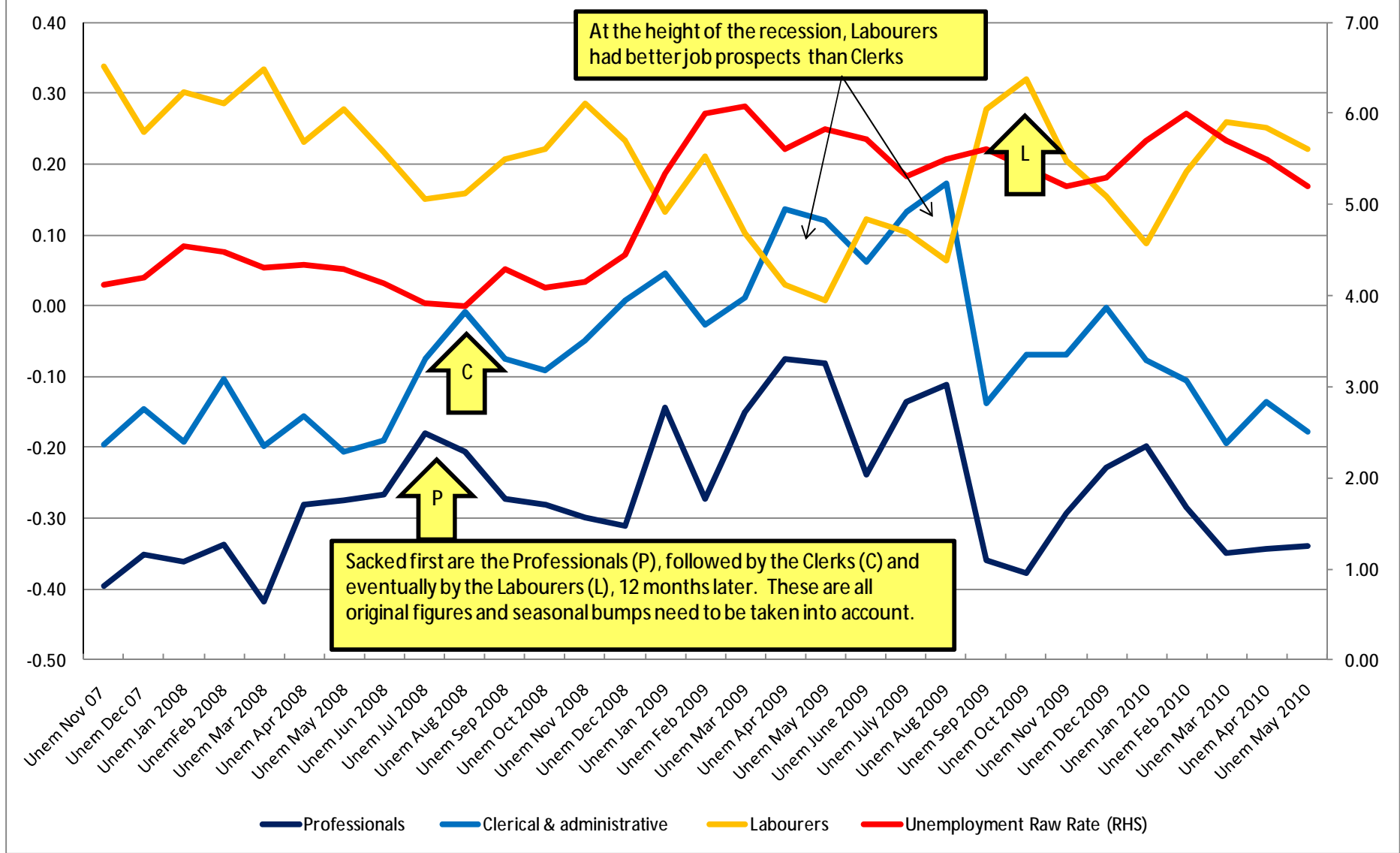
Original Unemployment Levels by Family Income



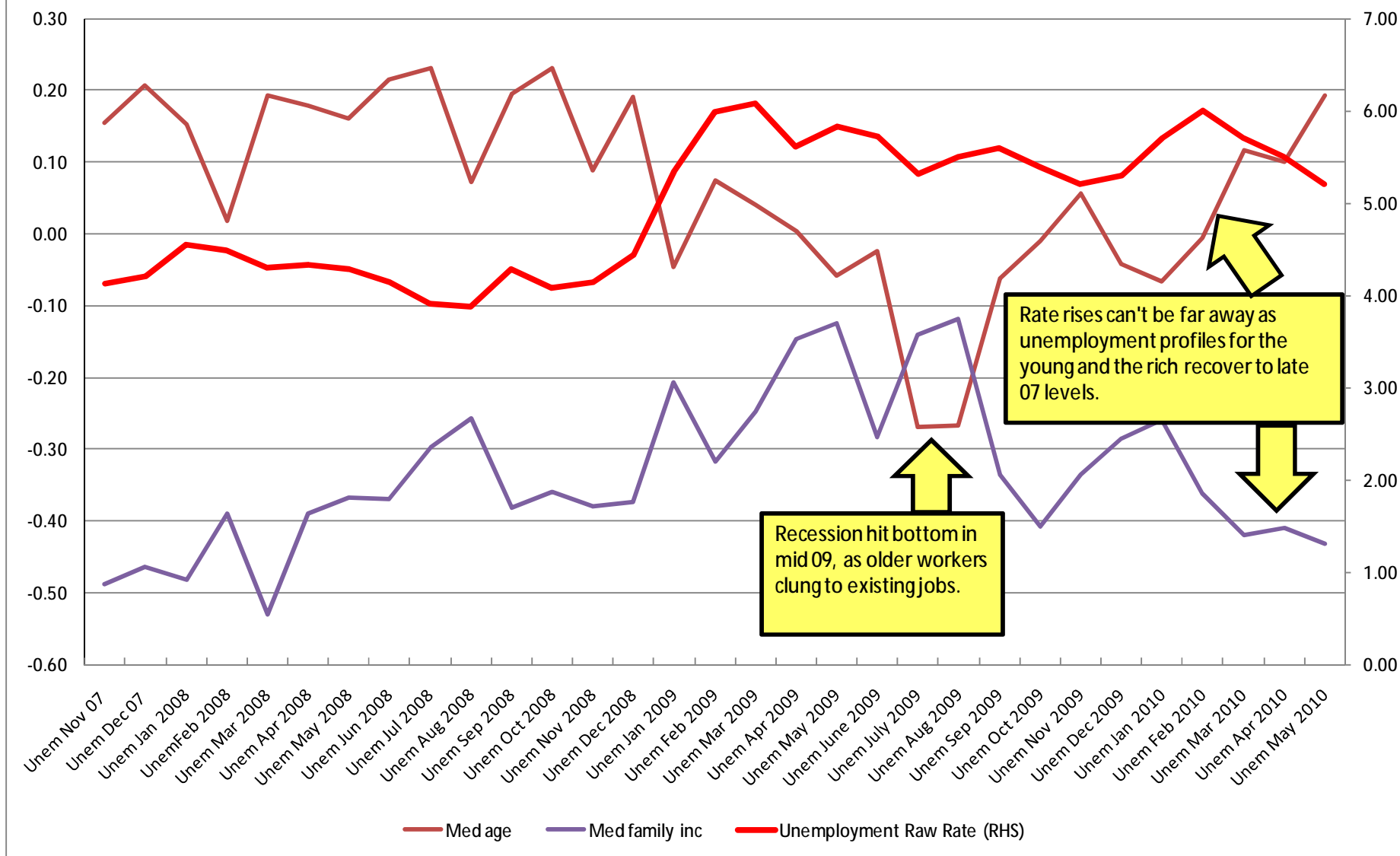
Unemployment by SES (Raw)



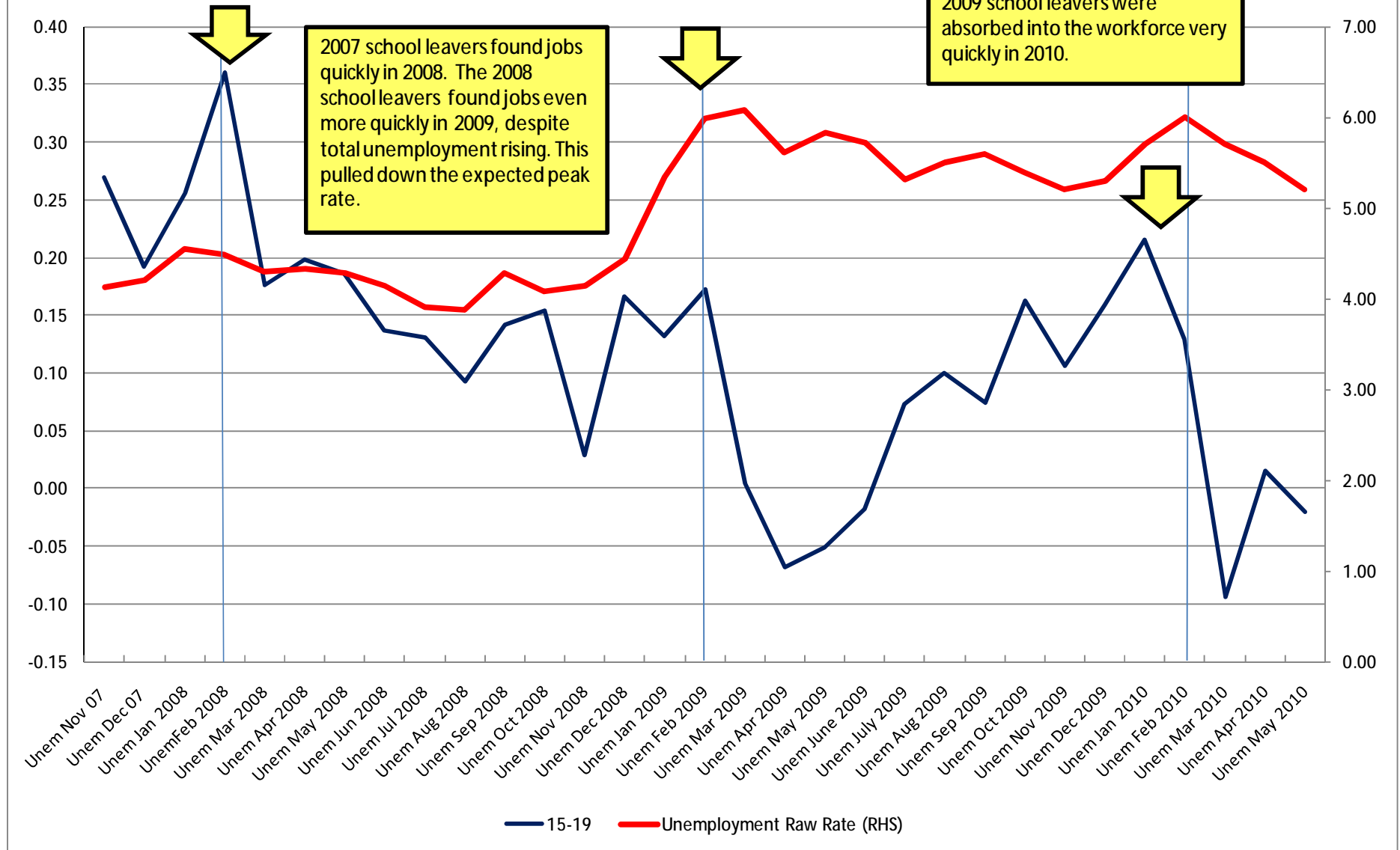
Who gets sacked first in a downturn?



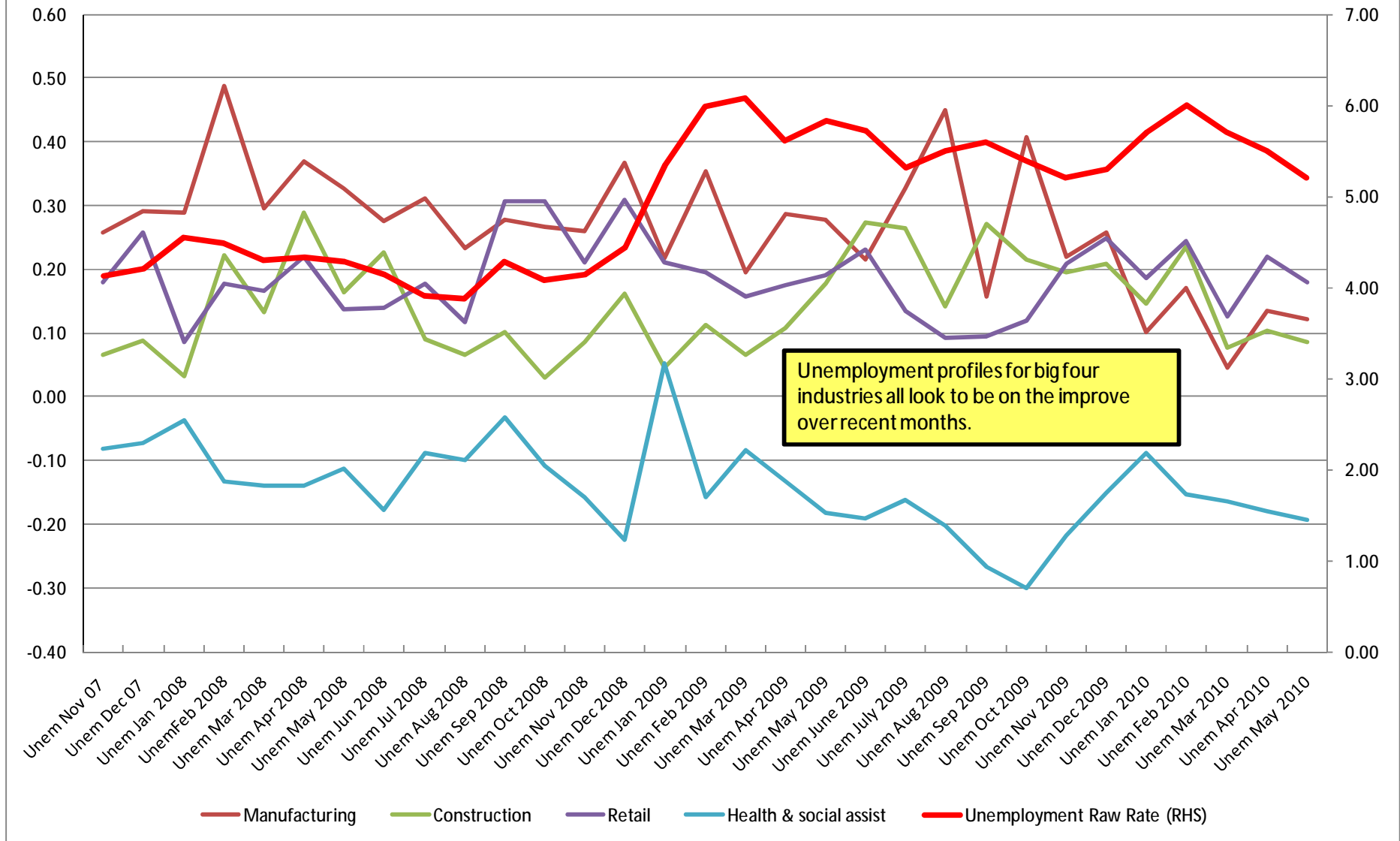
Age and Income: key indicators of downturn and recovery



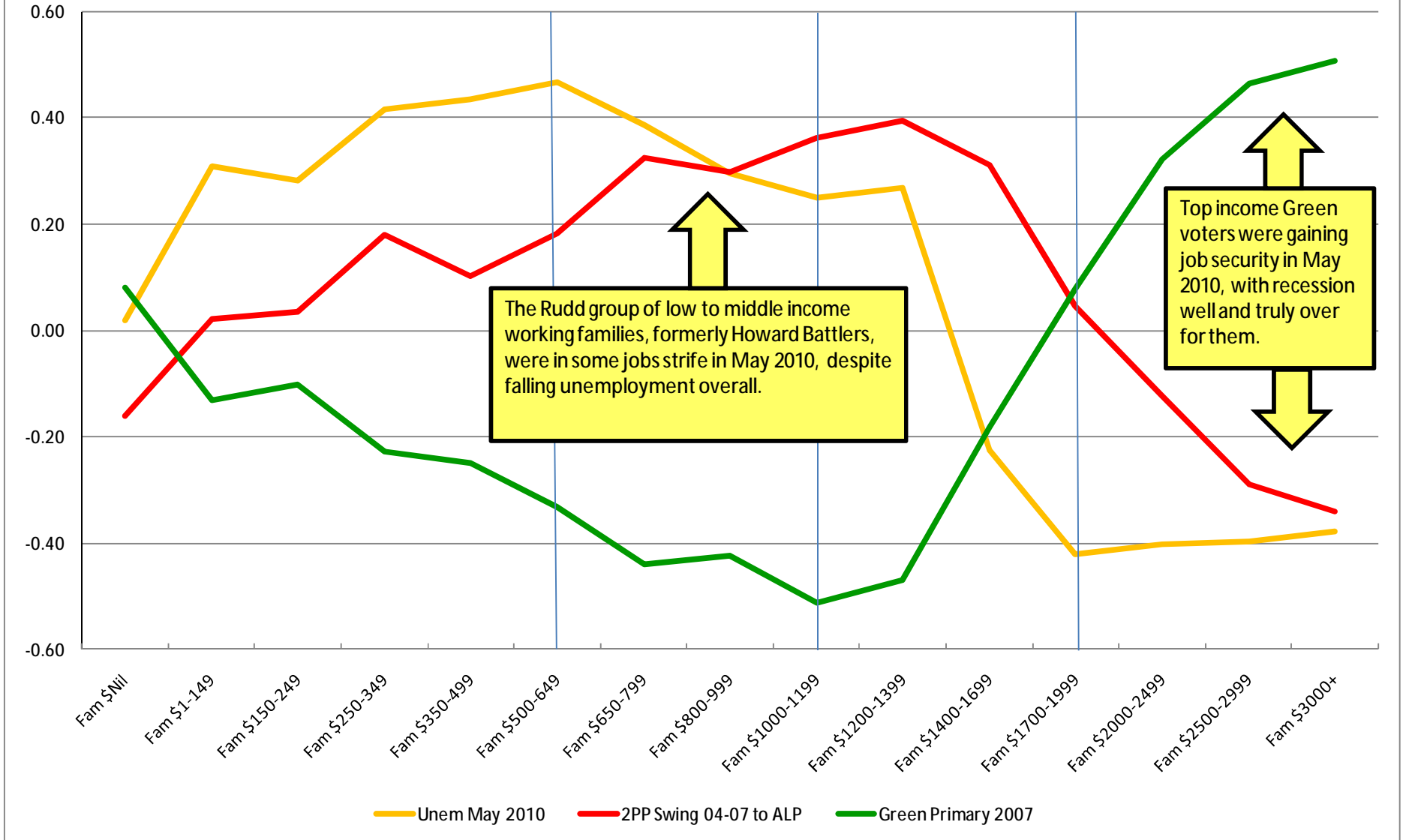
School leavers - Male



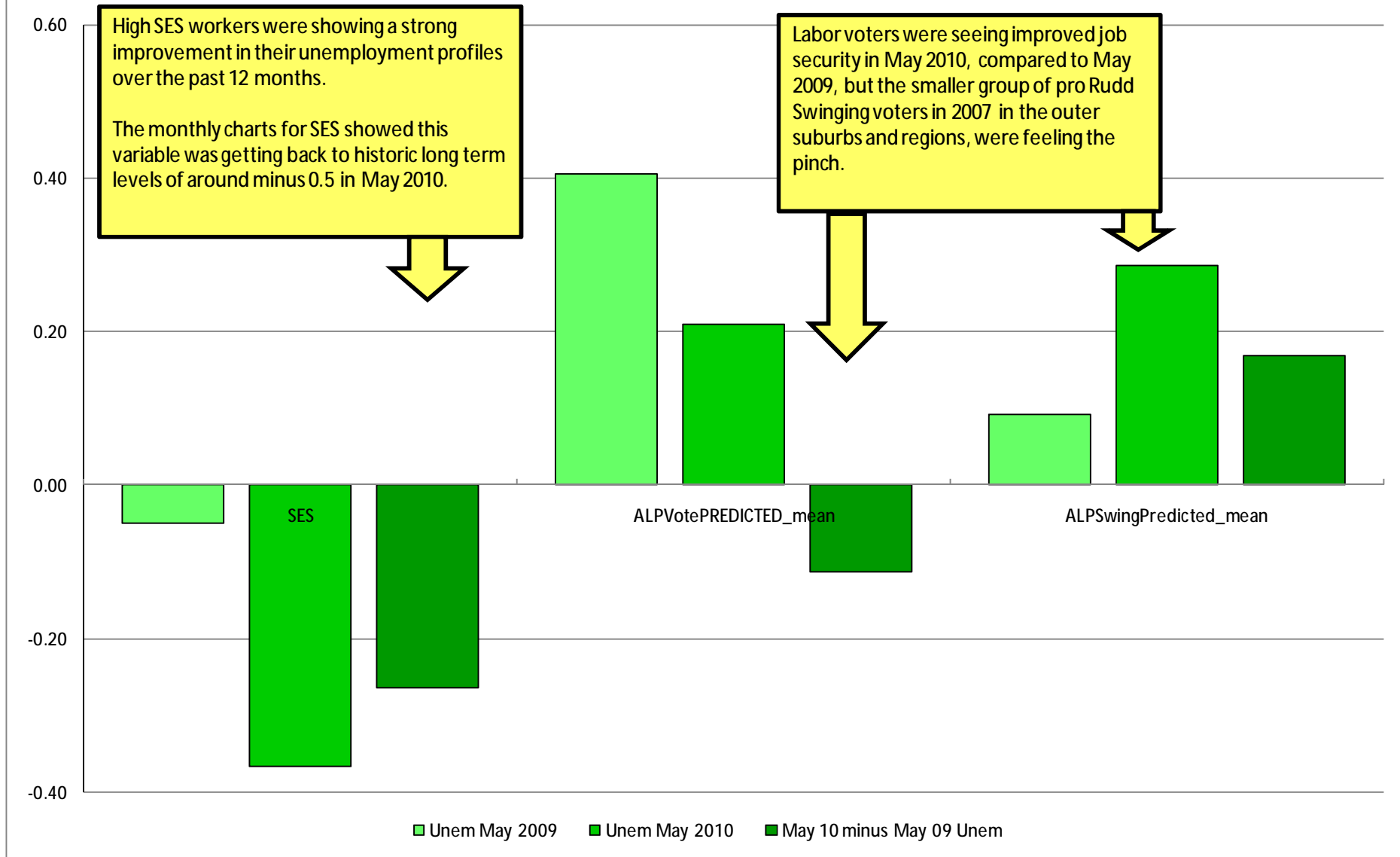
The Big Four



Family Income by Unemployment and Votes

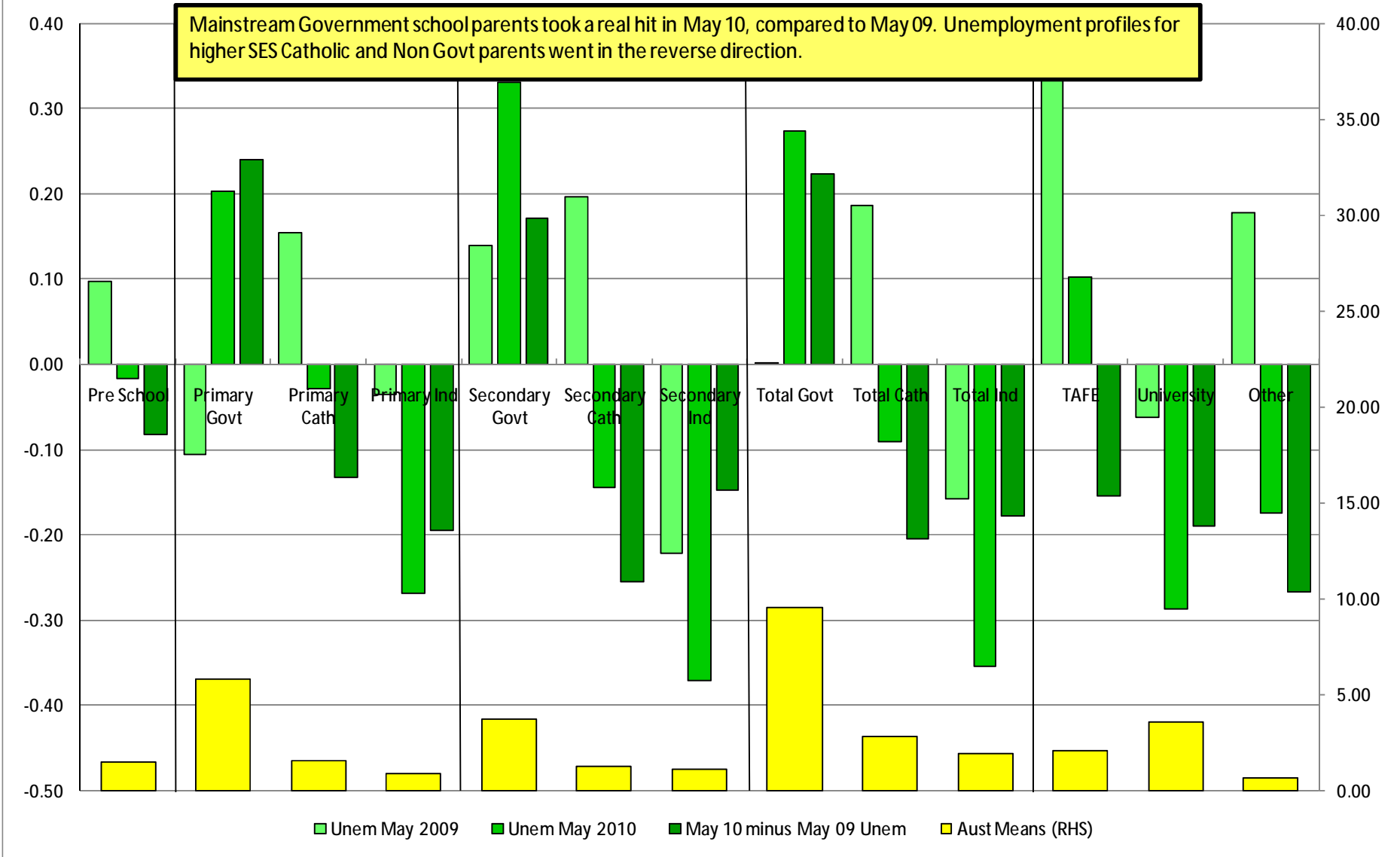


Political Indicators

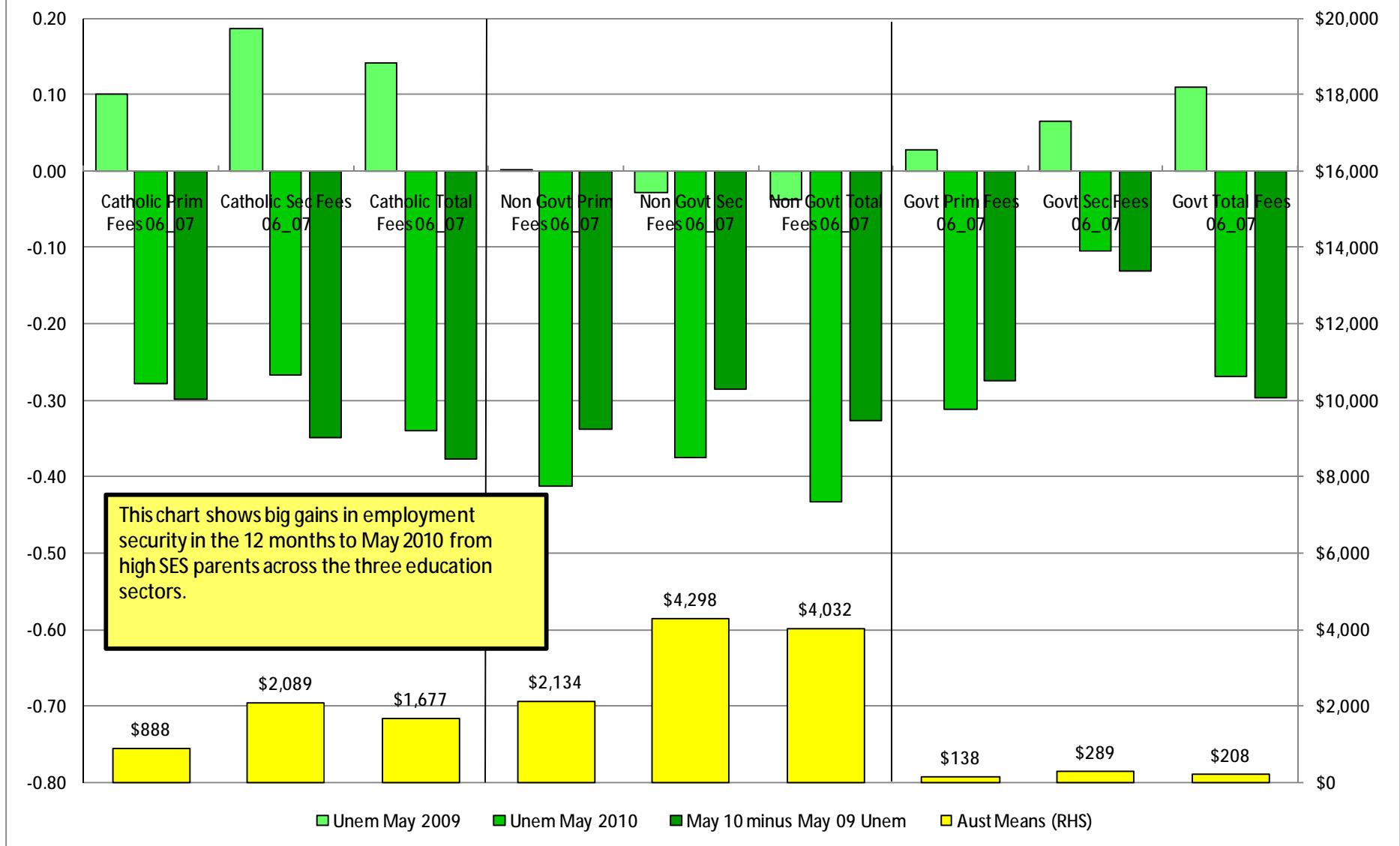


Current Schooling

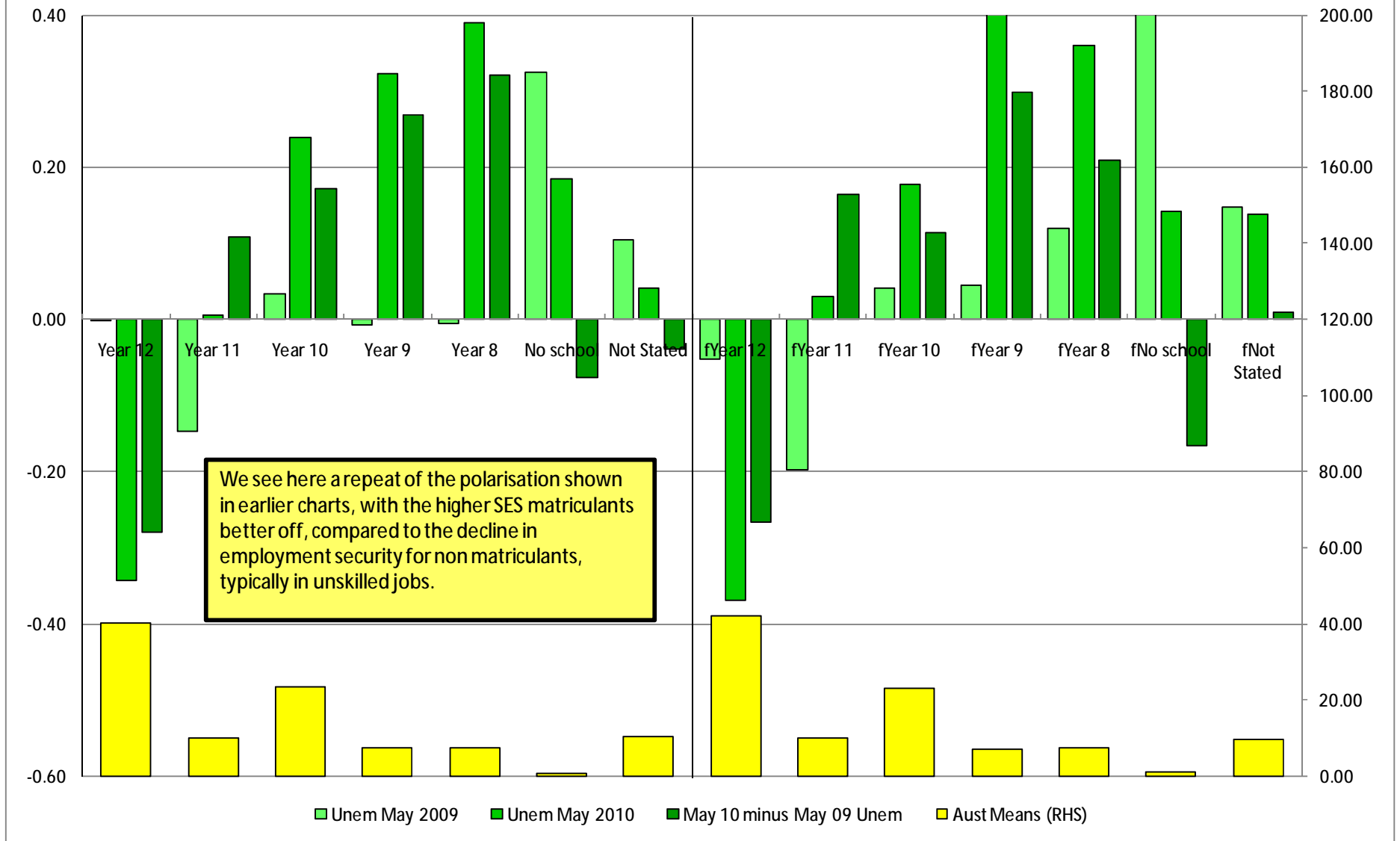
Mainstream Government school parents took a real hit in May 10, compared to May 09. Unemployment profiles for higher SES Catholic and Non Govt parents went in the reverse direction.



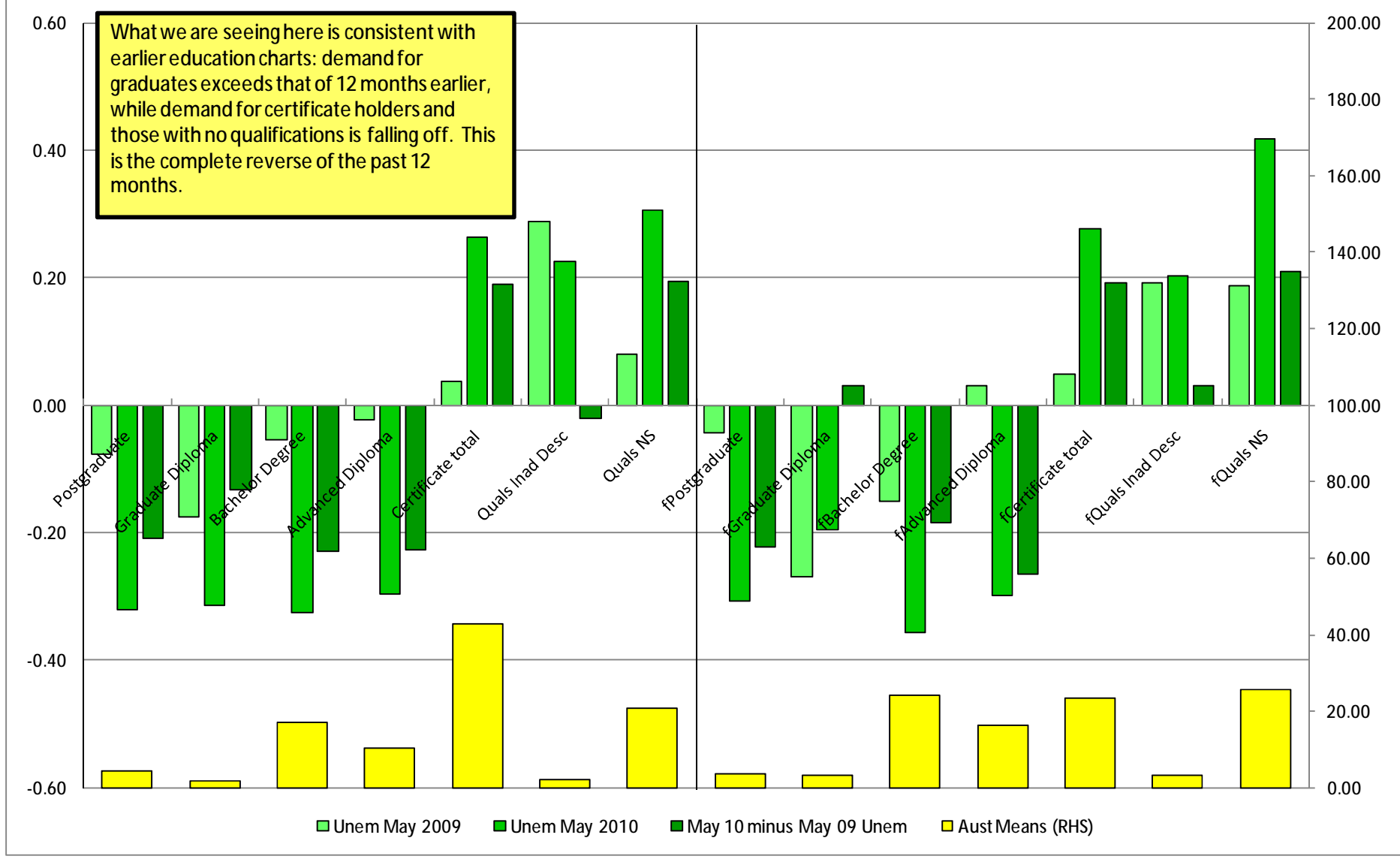
School Fees Across Three Education Sectors



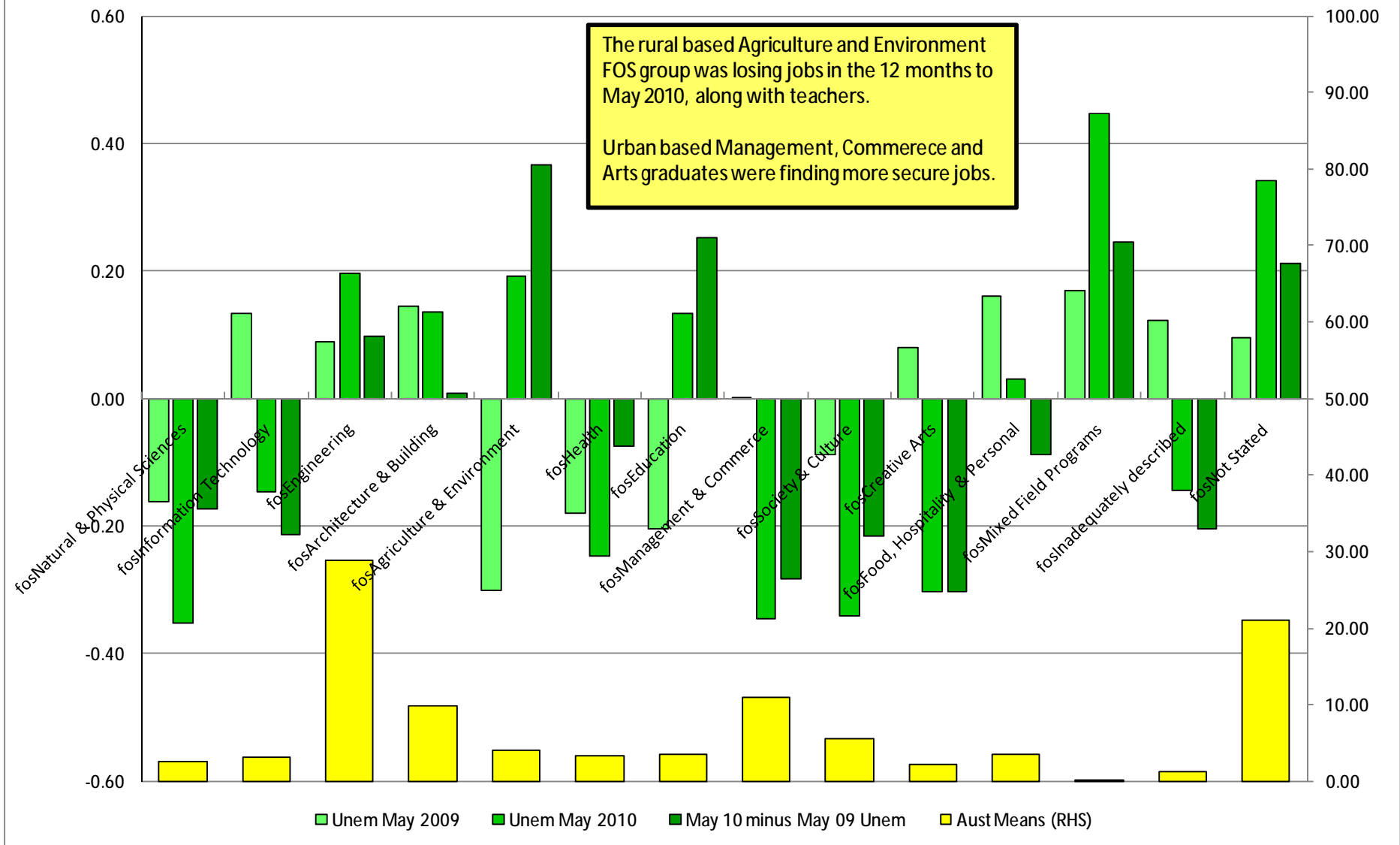
Parental Schooling



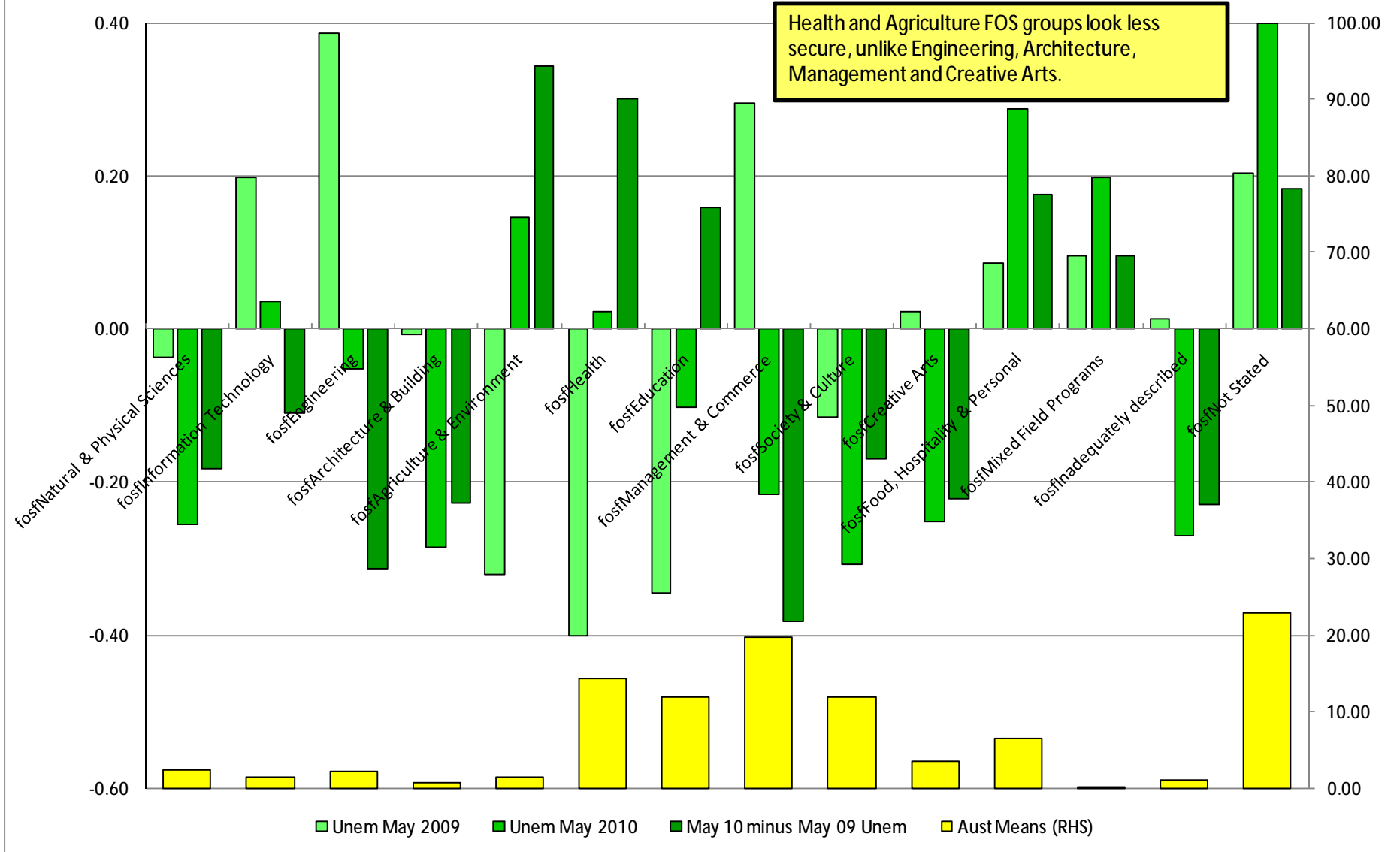
Qualifications Male & Female



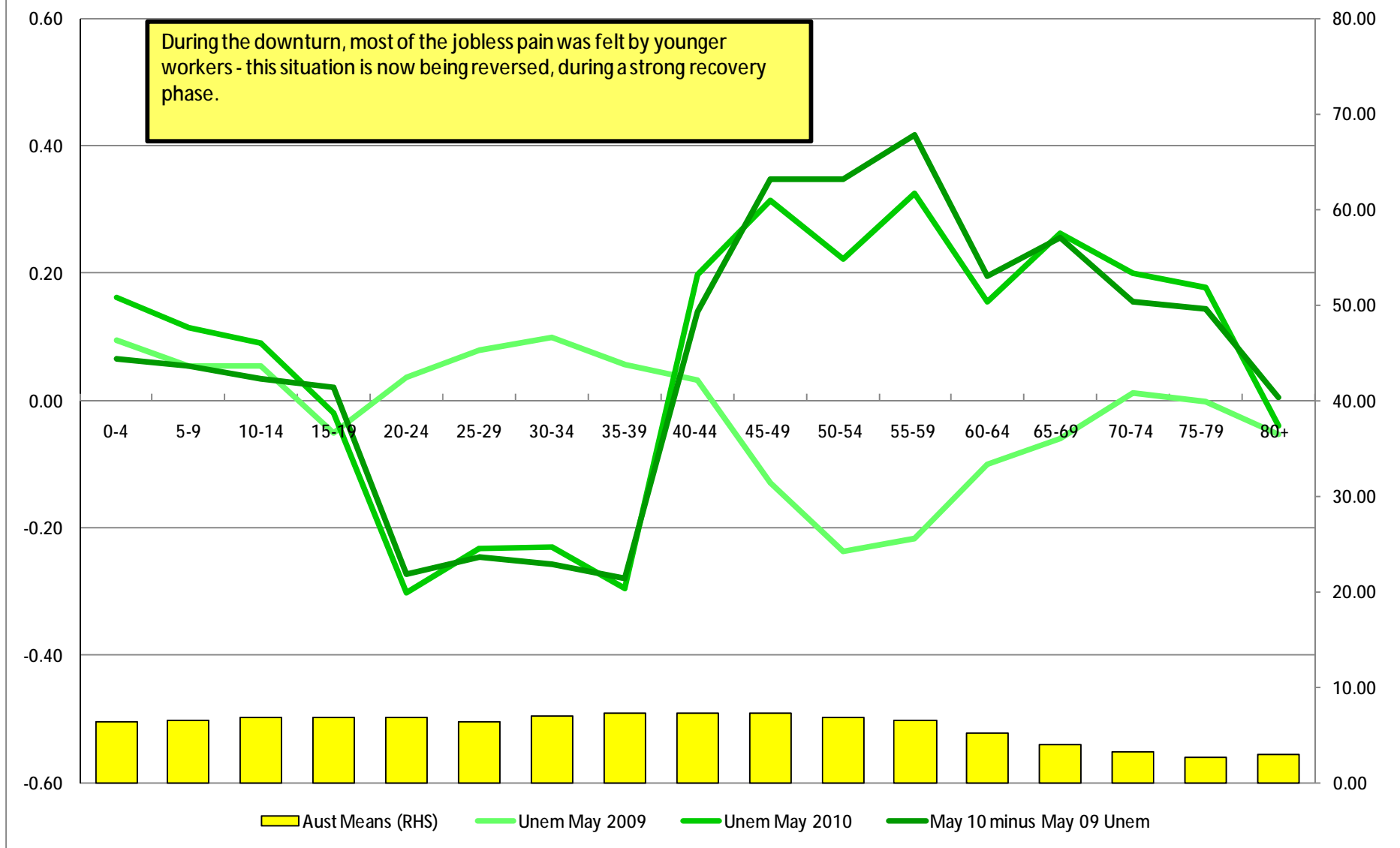
Field of Study Male



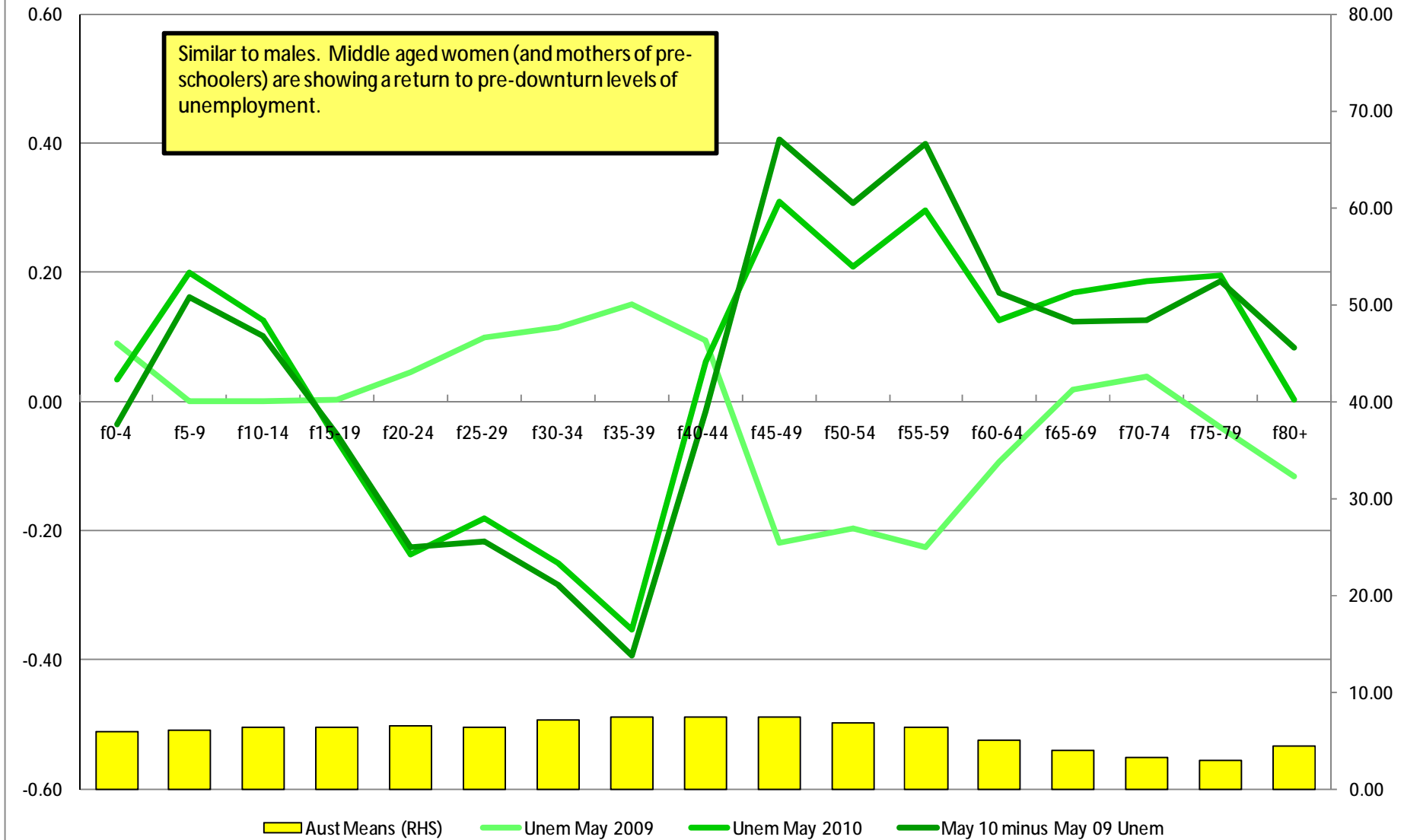
Field of Study Female



Age Male

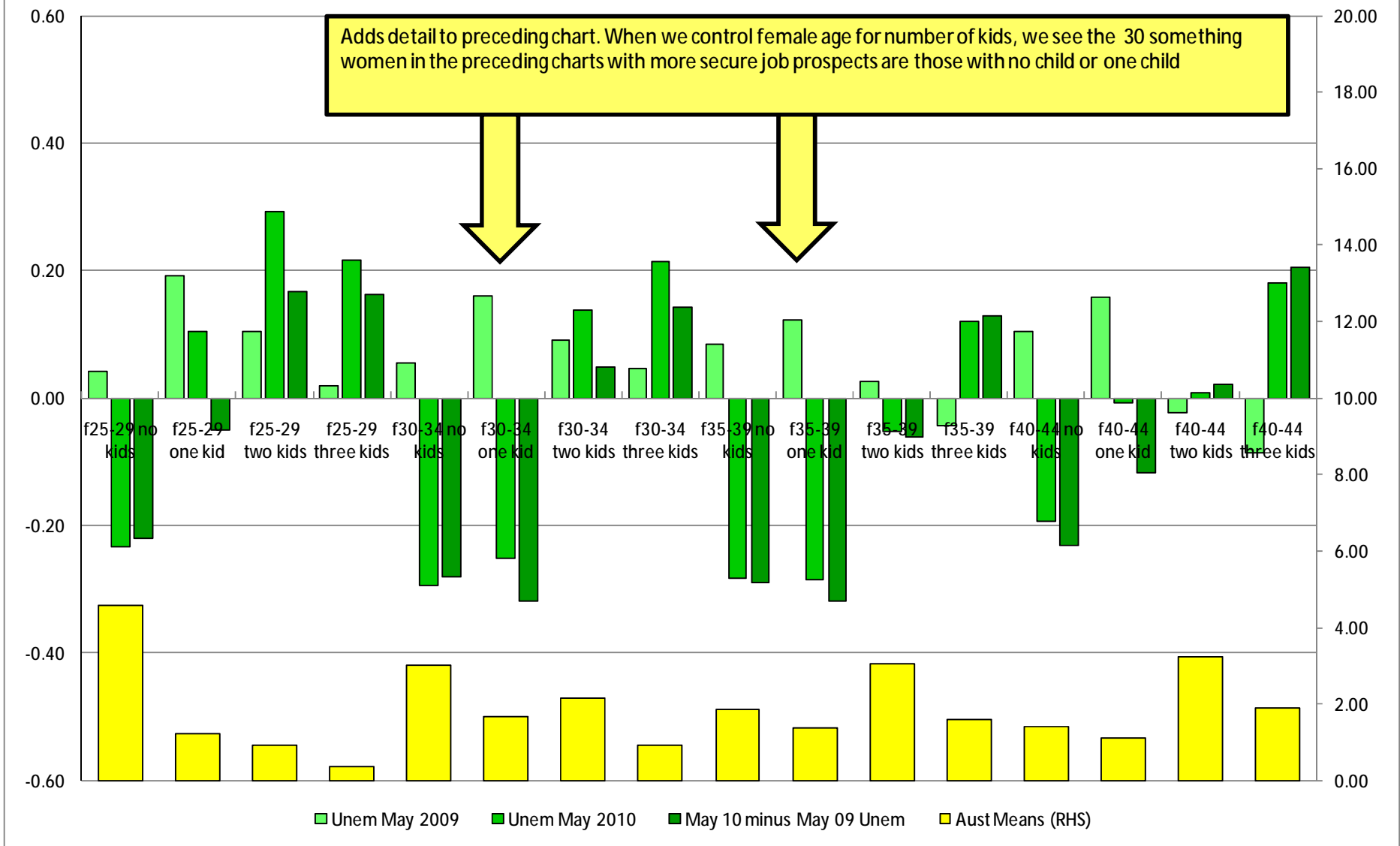


Age Female

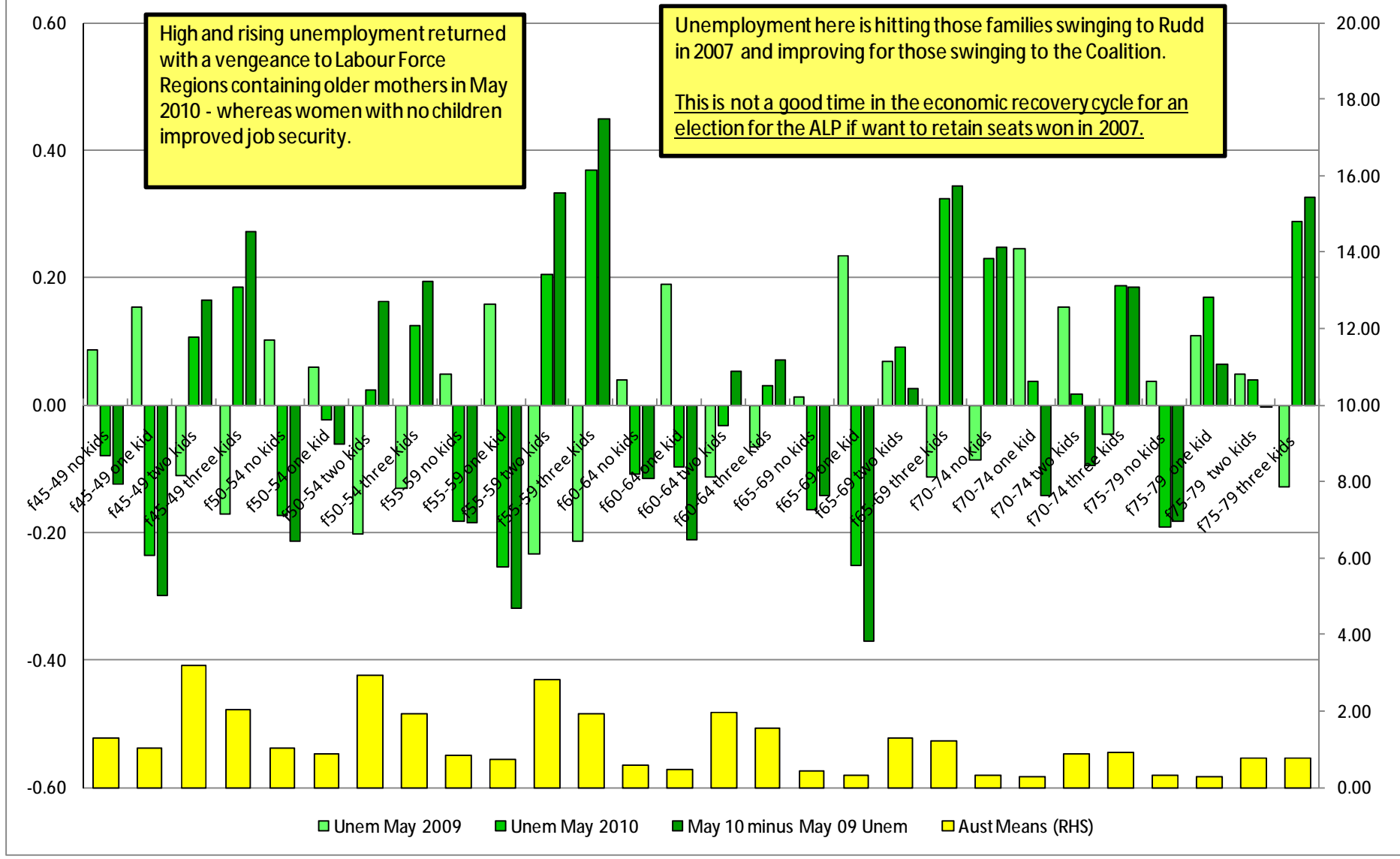


Mothers and Children

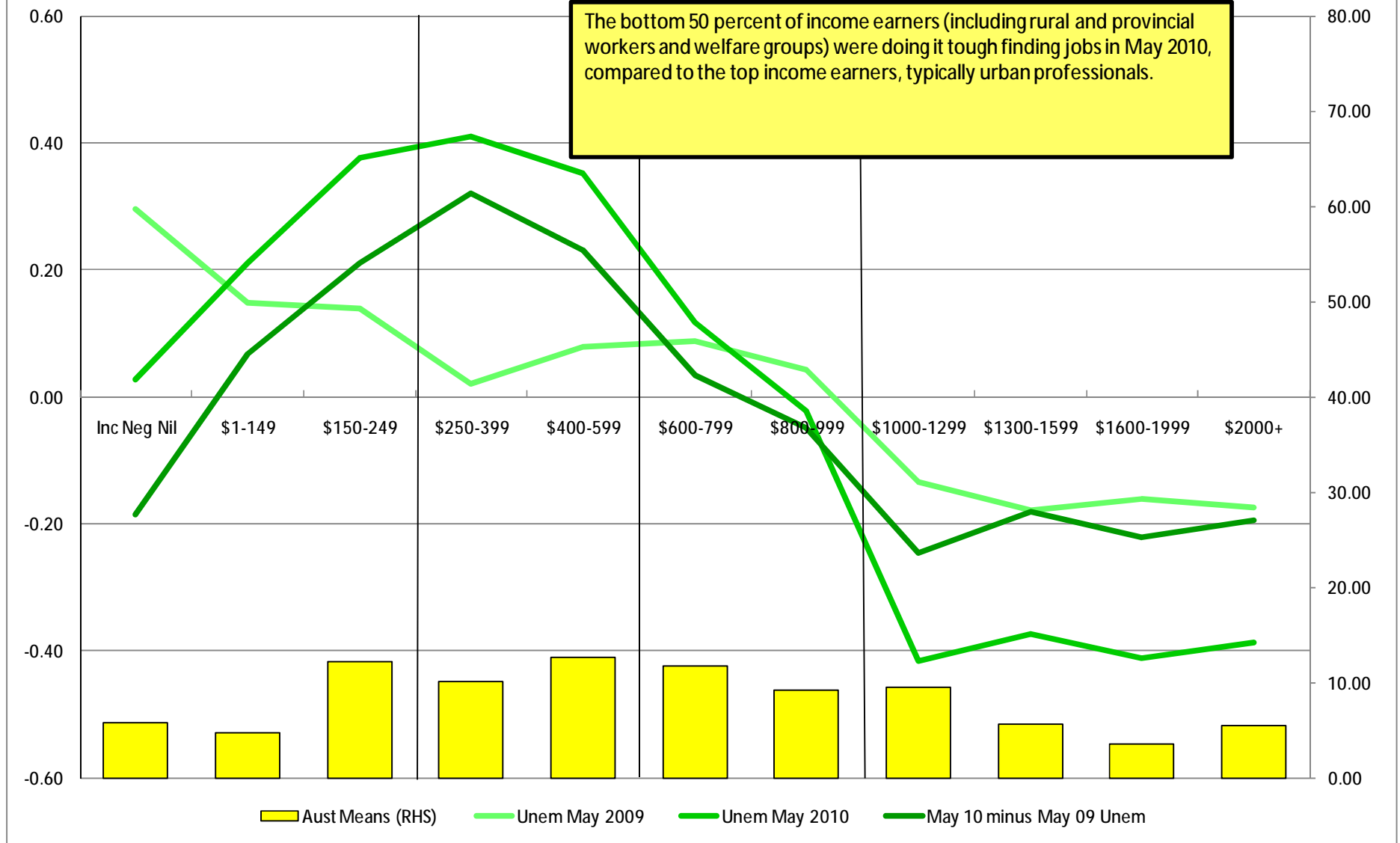
Adds detail to preceding chart. When we control female age for number of kids, we see the 30 something women in the preceding charts with more secure job prospects are those with no child or one child



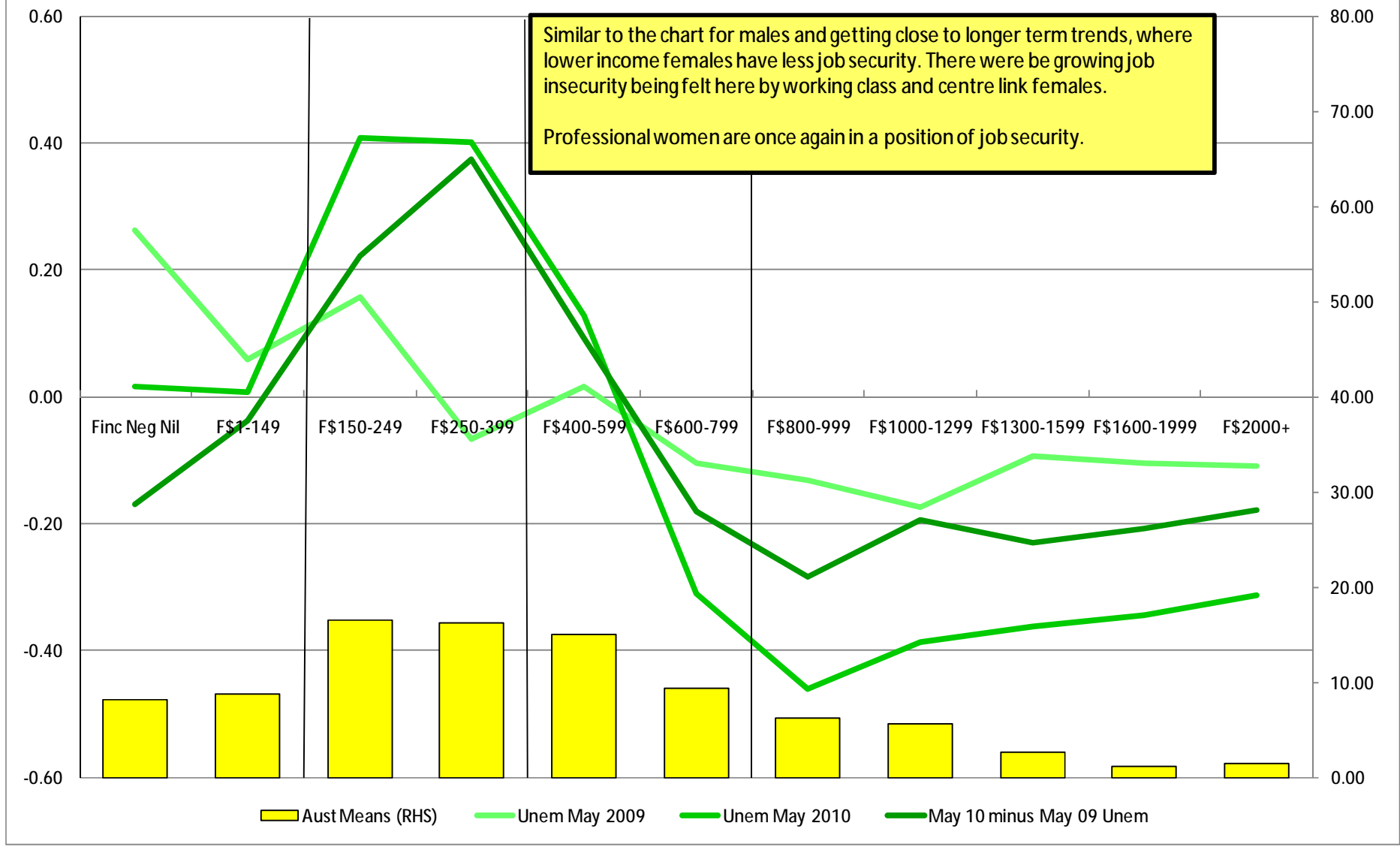
Older Mothers and Children



Income Male

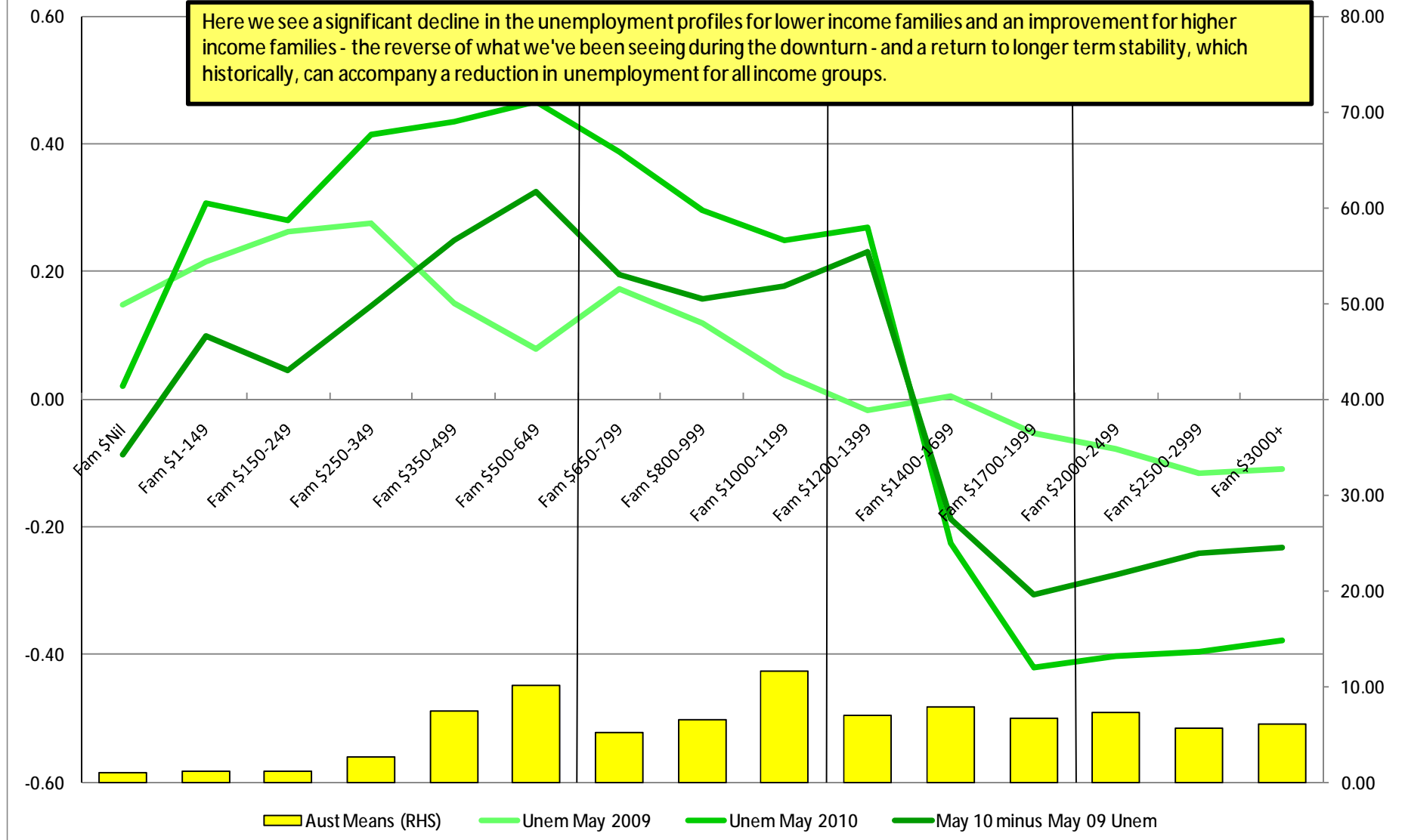


Income Female



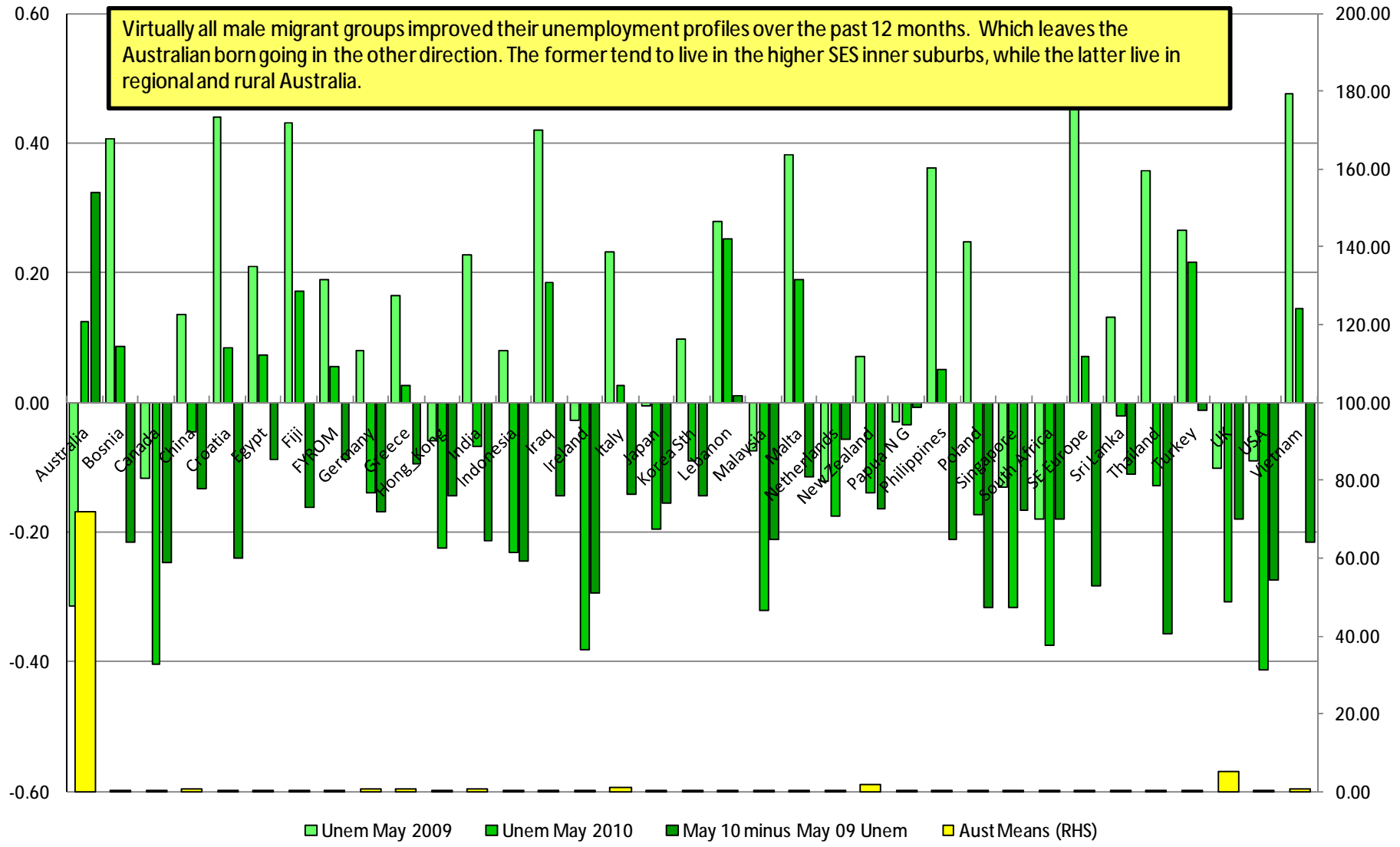
Income Family

Here we see a significant decline in the unemployment profiles for lower income families and an improvement for higher income families - the reverse of what we've been seeing during the downturn - and a return to longer term stability, which historically, can accompany a reduction in unemployment for all income groups.



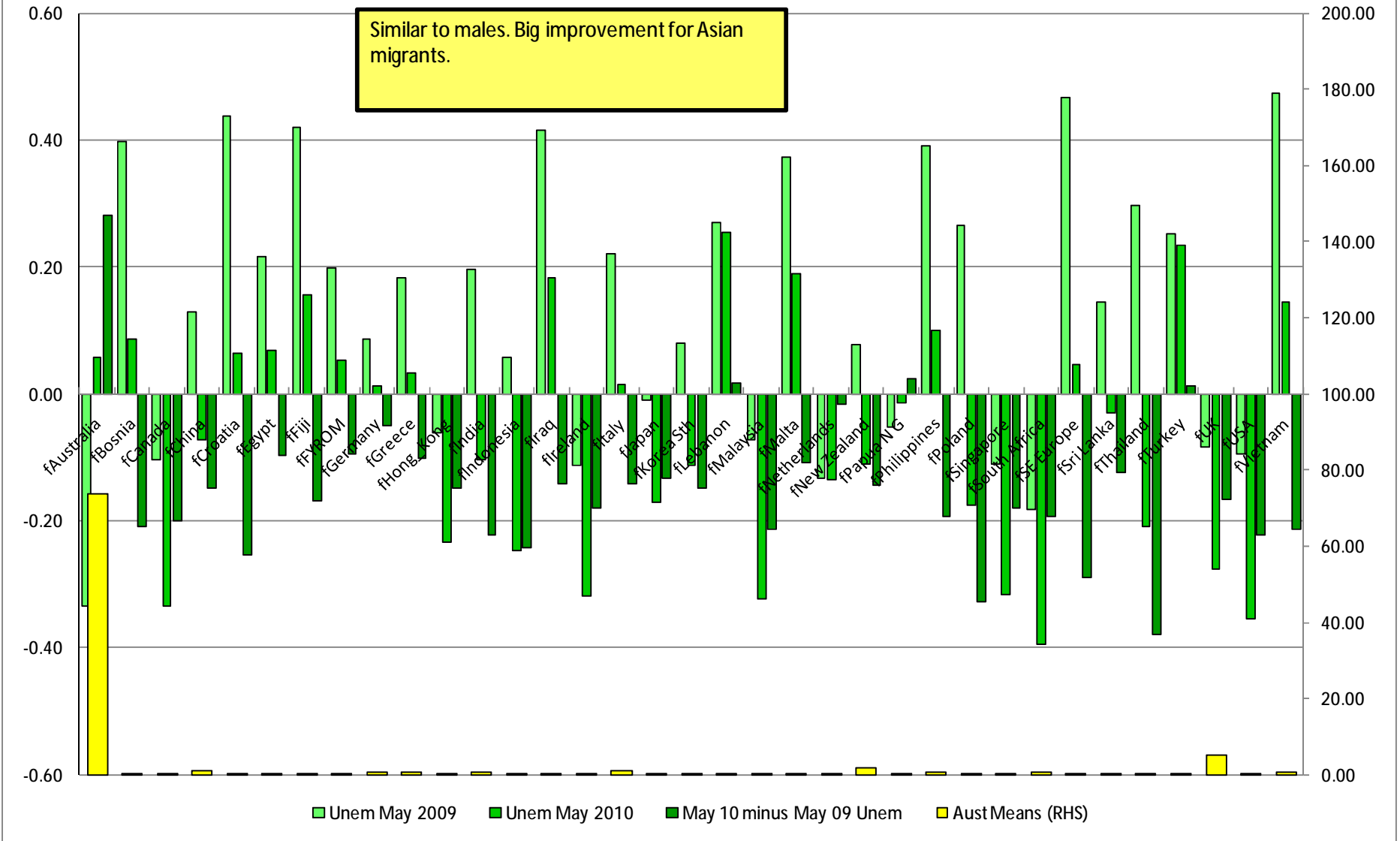
Birthplace Male

Virtually all male migrant groups improved their unemployment profiles over the past 12 months. Which leaves the Australian born going in the other direction. The former tend to live in the higher SES inner suburbs, while the latter live in regional and rural Australia.

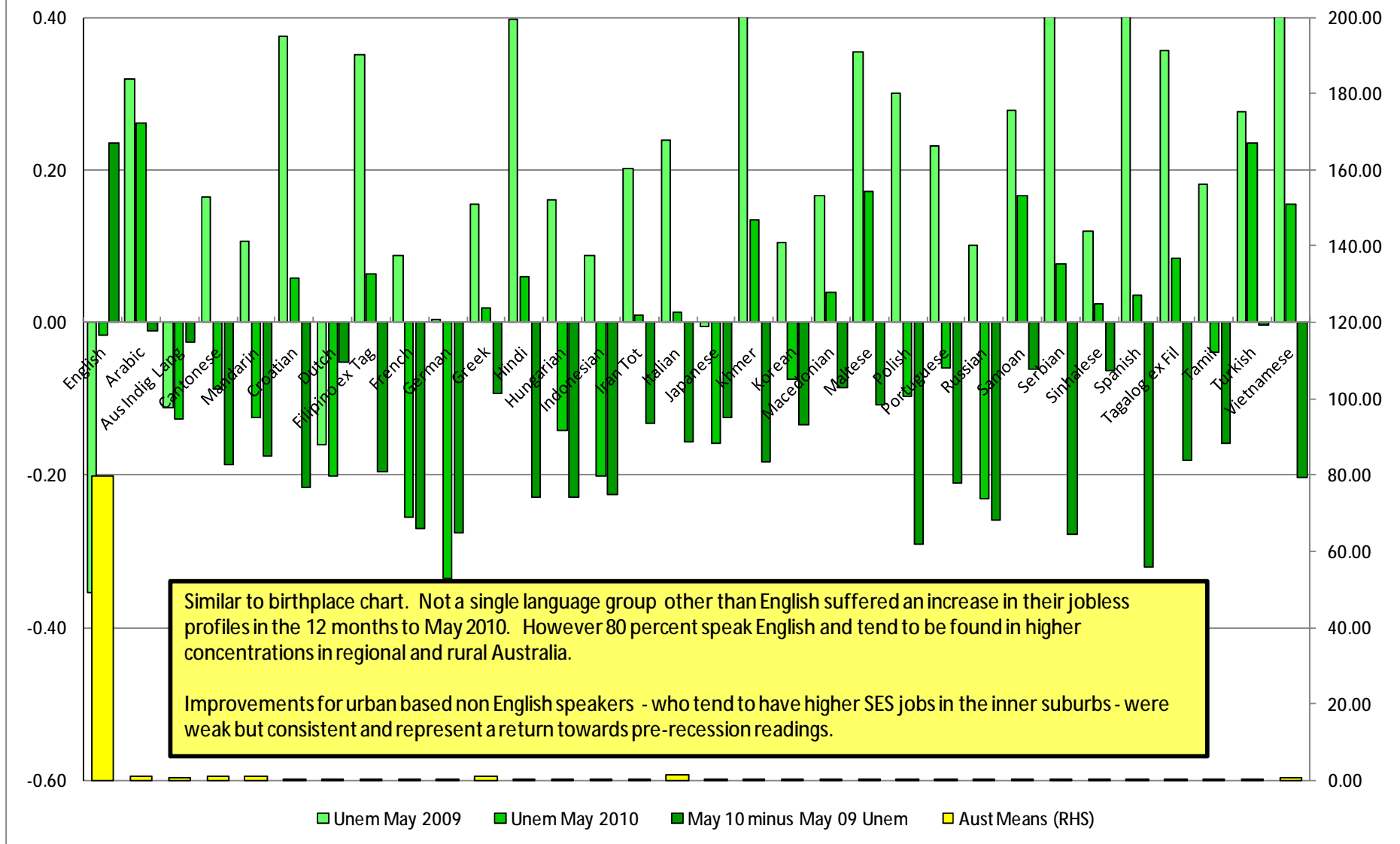


Birthplace Female

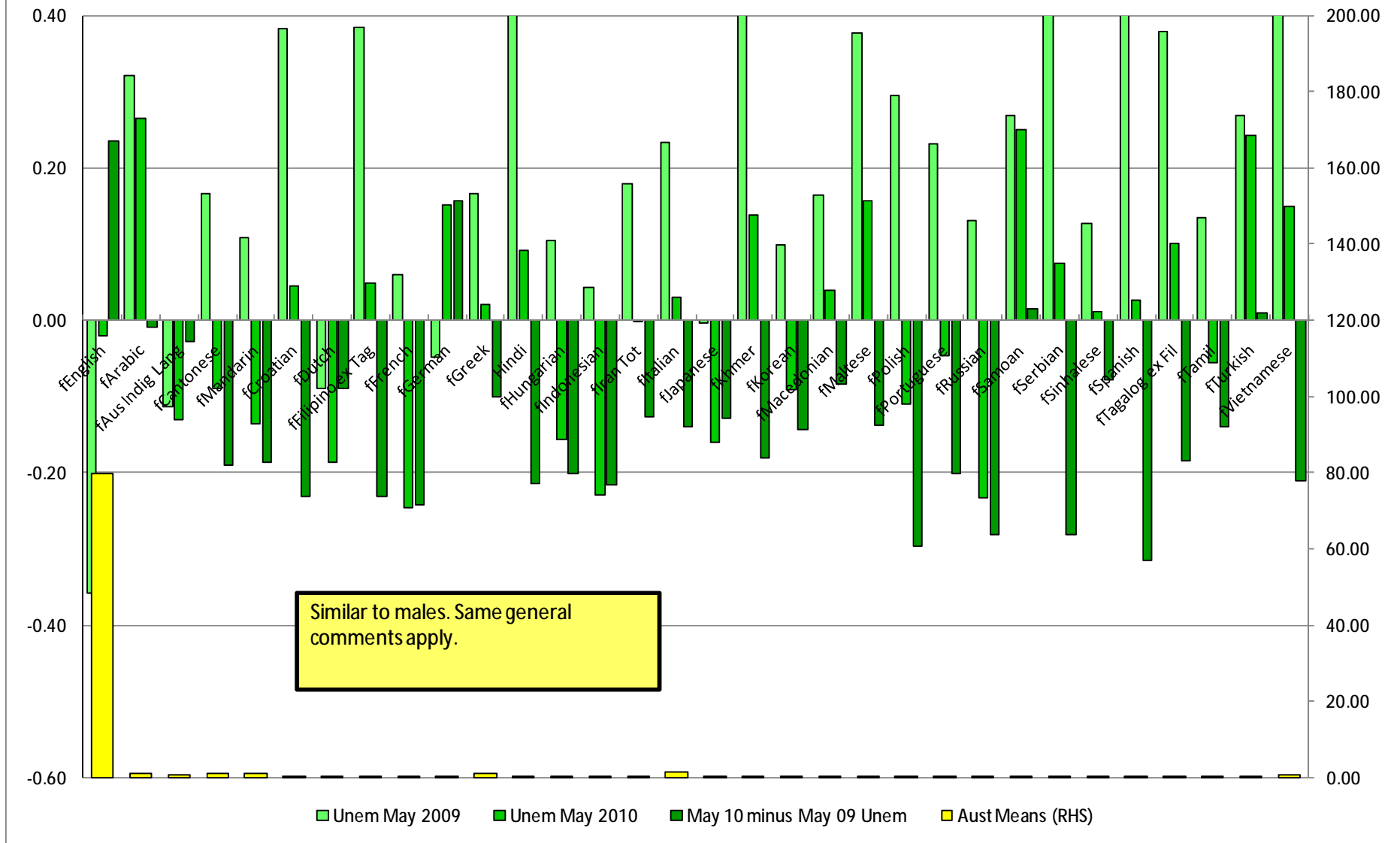
Similar to males. Big improvement for Asian migrants.



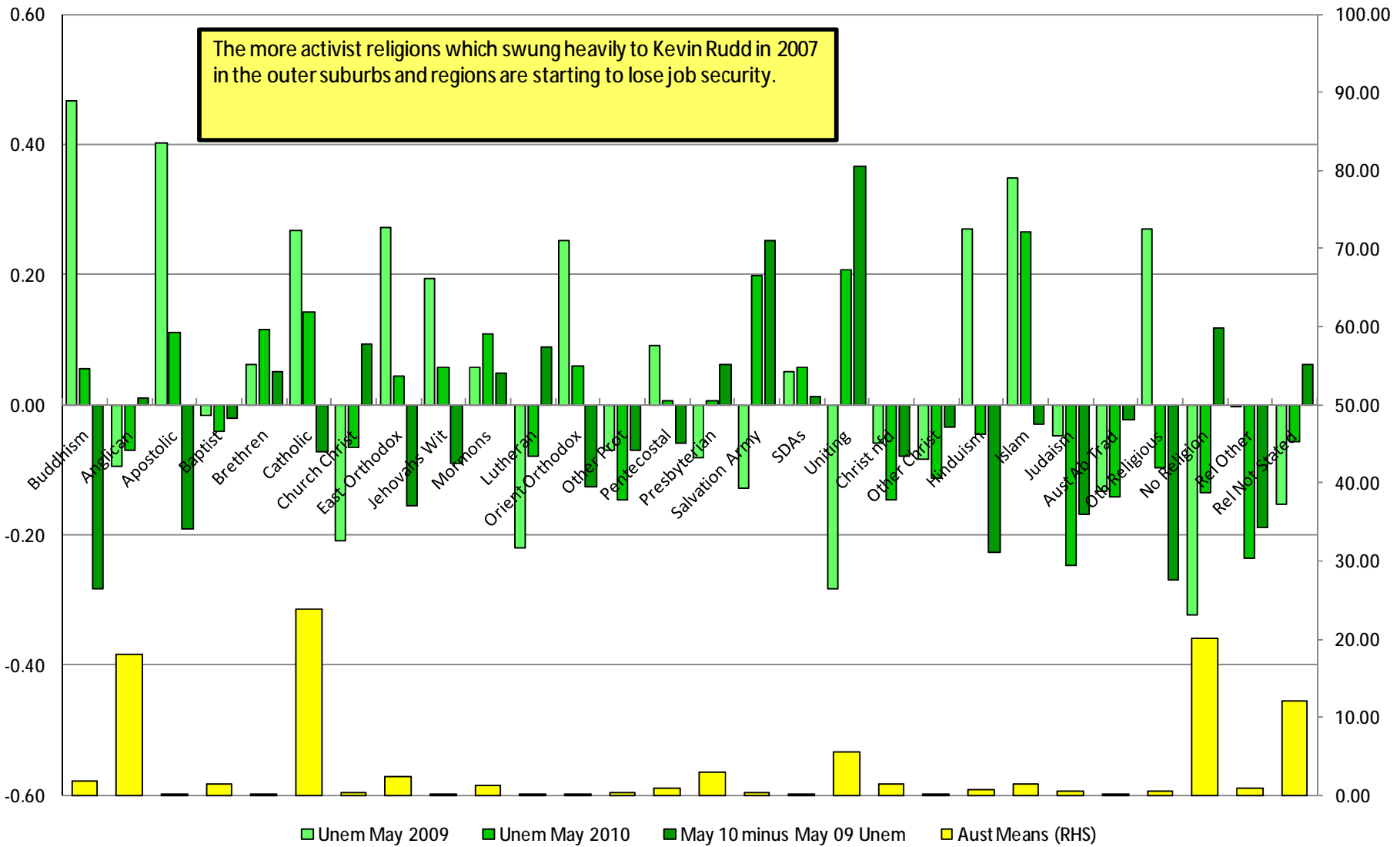
Language Spoken at Home Males



Language Spoken at Home Females

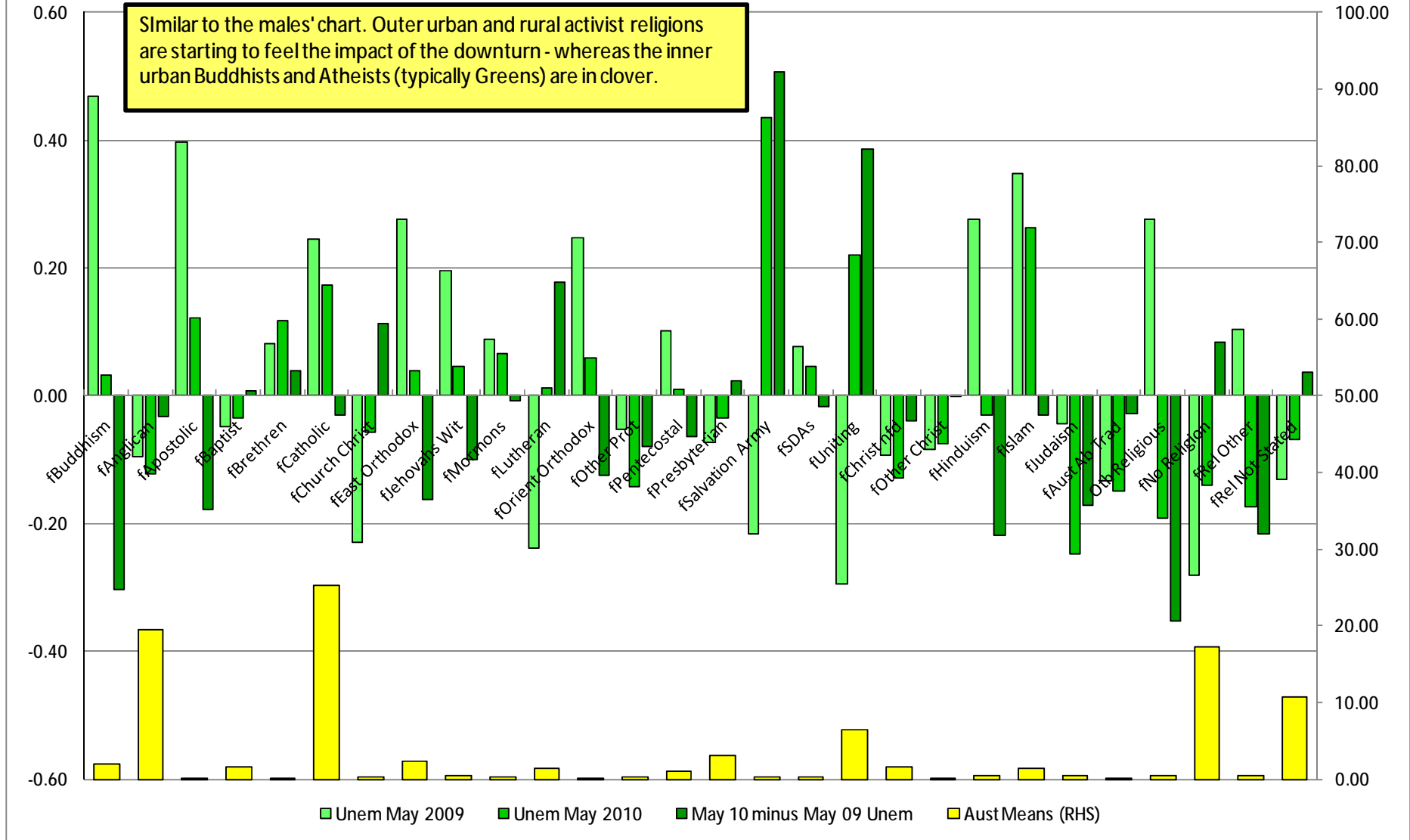


Religion Male



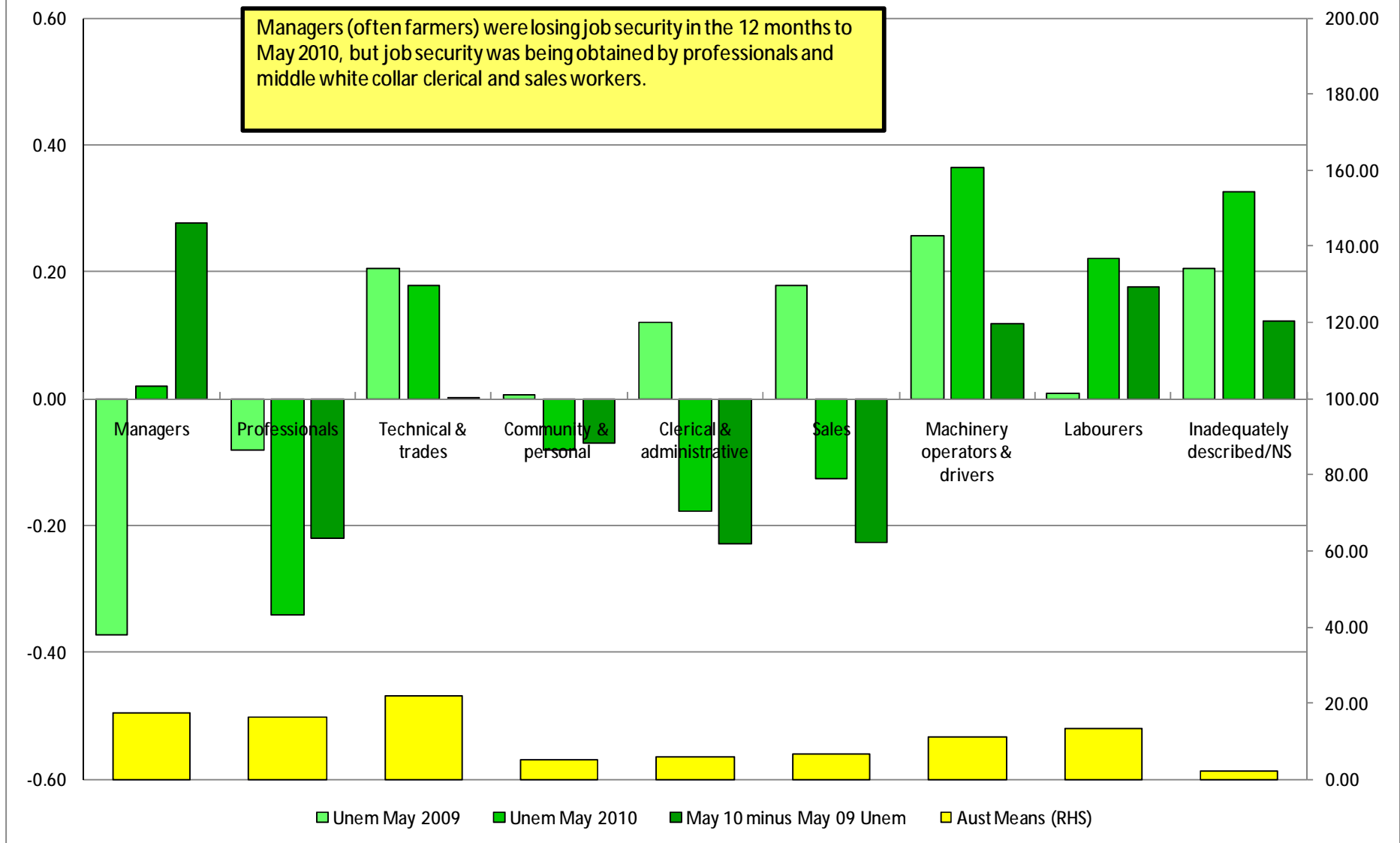
Religion Female

Similar to the males' chart. Outer urban and rural activist religions are starting to feel the impact of the downturn - whereas the inner urban Buddhists and Atheists (typically Greens) are in clover.



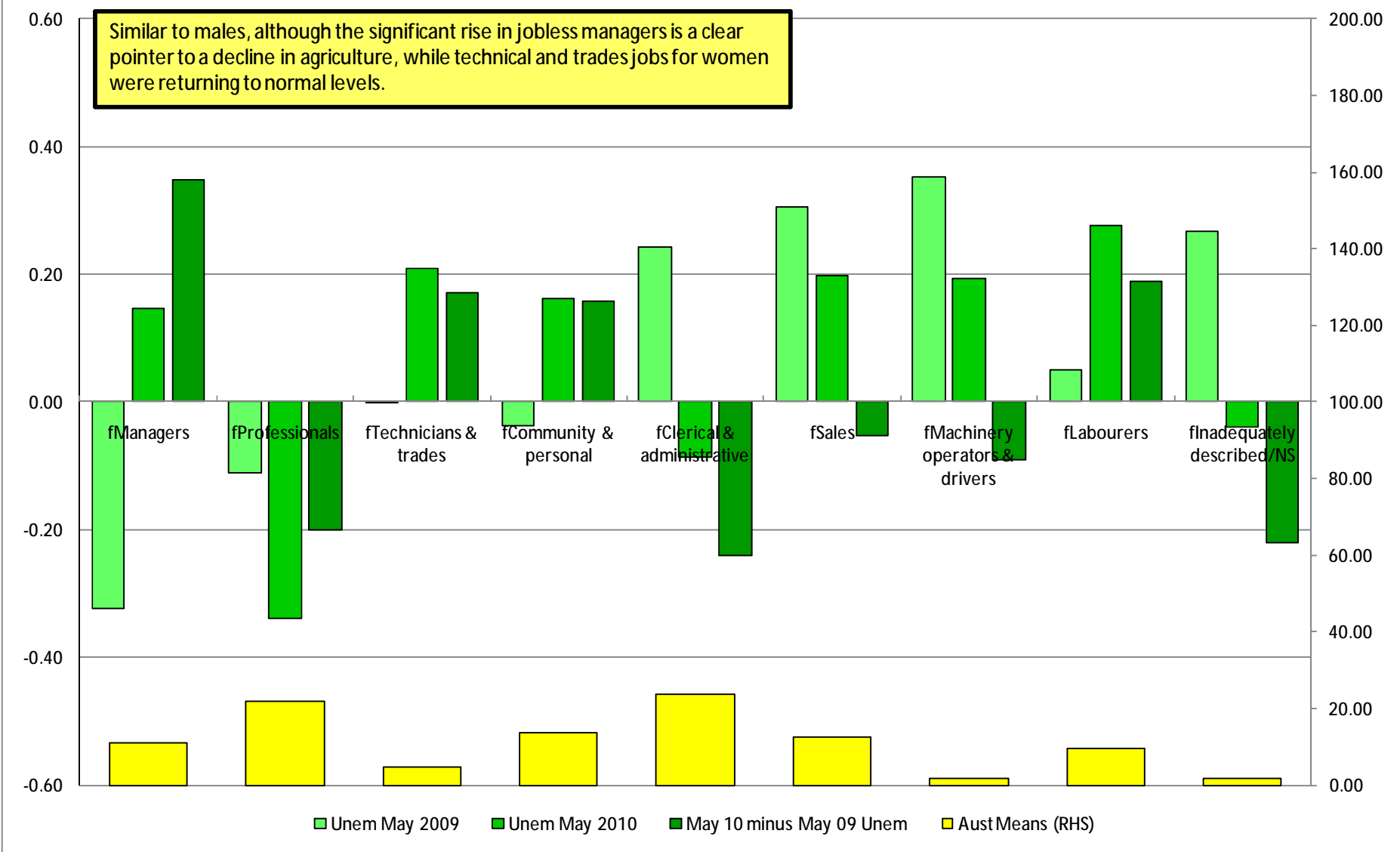
Occupation Male

Managers (often farmers) were losing job security in the 12 months to May 2010, but job security was being obtained by professionals and middle white collar clerical and sales workers.

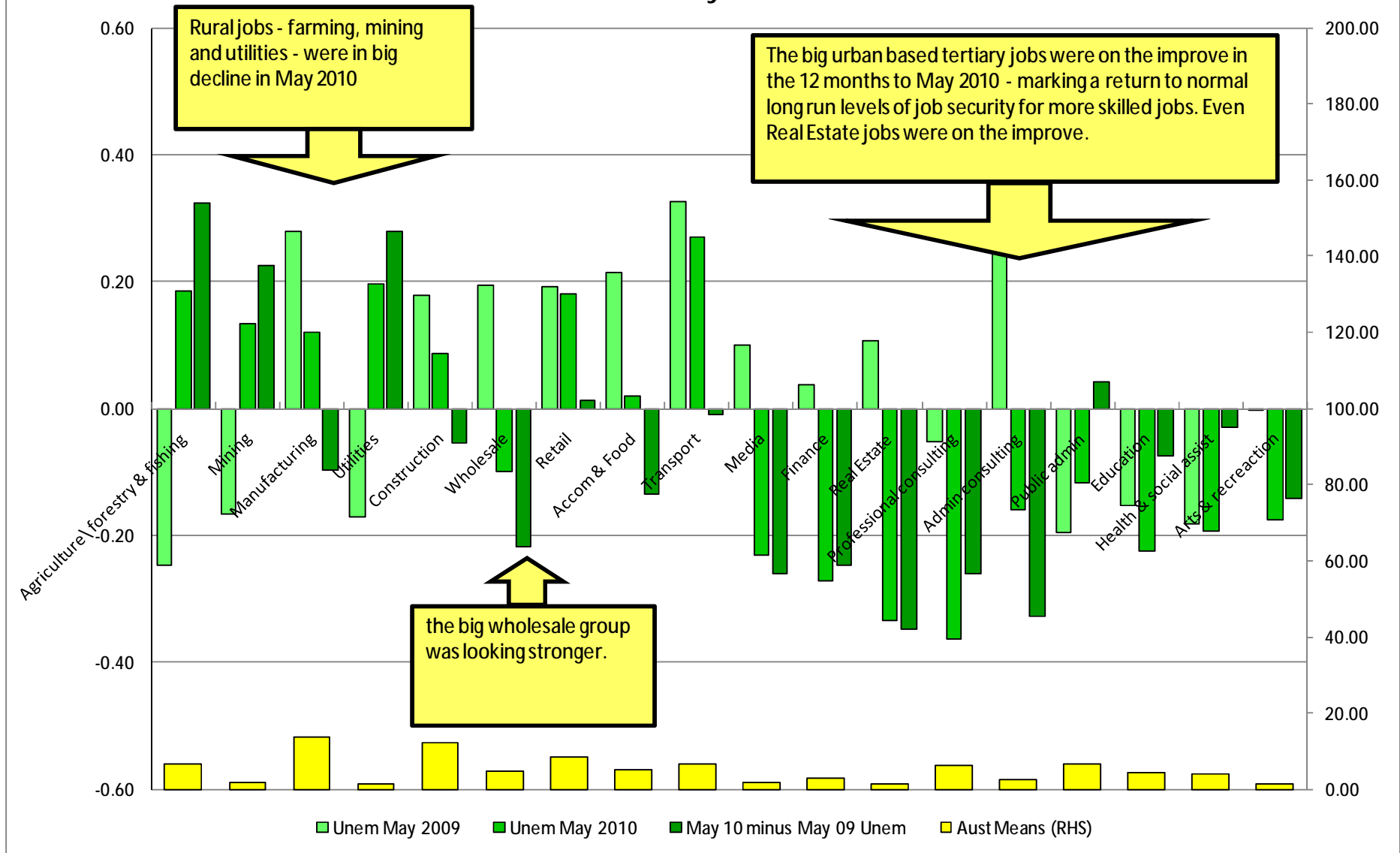


Occupation Female

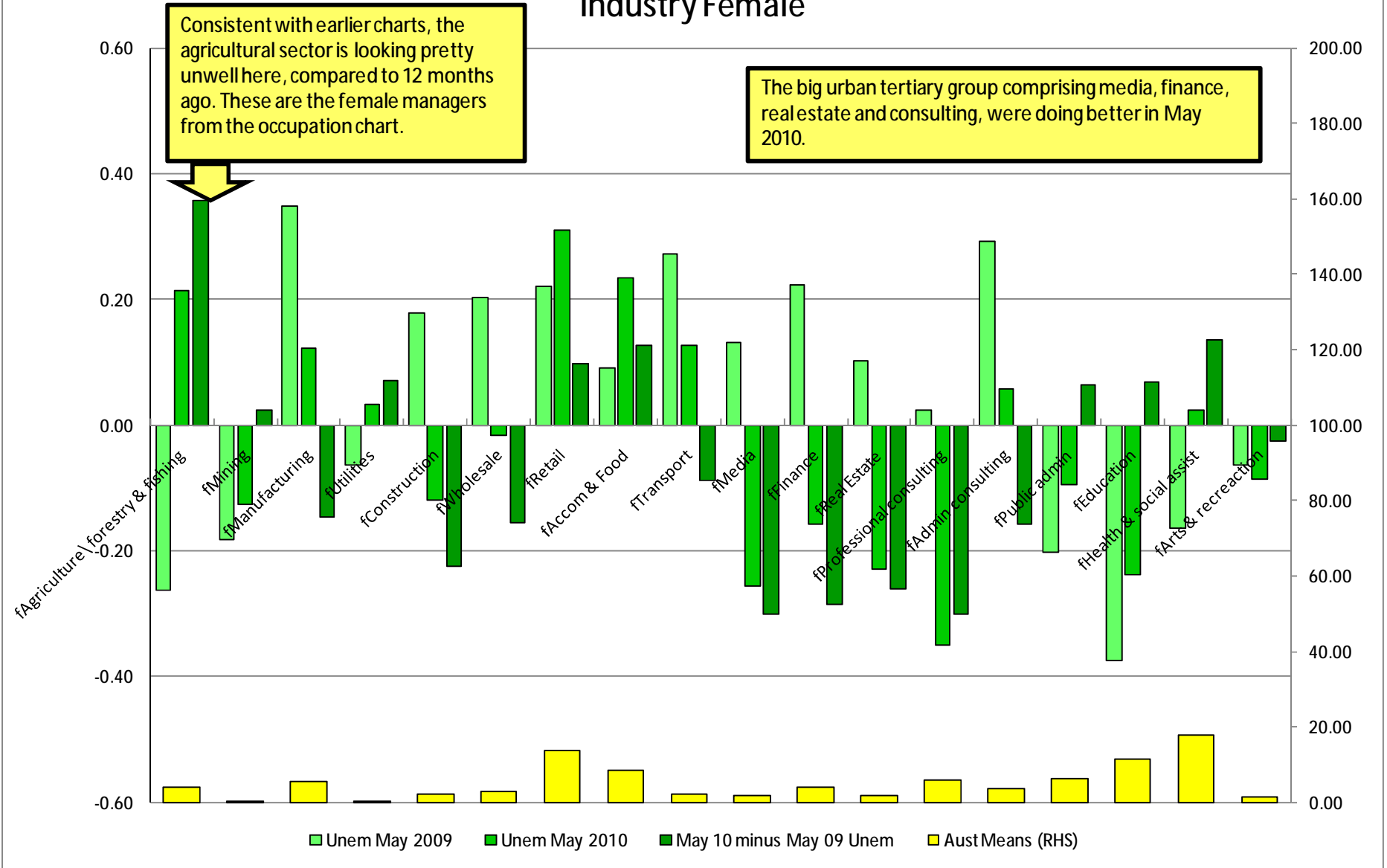
Similar to males, although the significant rise in jobless managers is a clear pointer to a decline in agriculture, while technical and trades jobs for women were returning to normal levels.



Industry Male

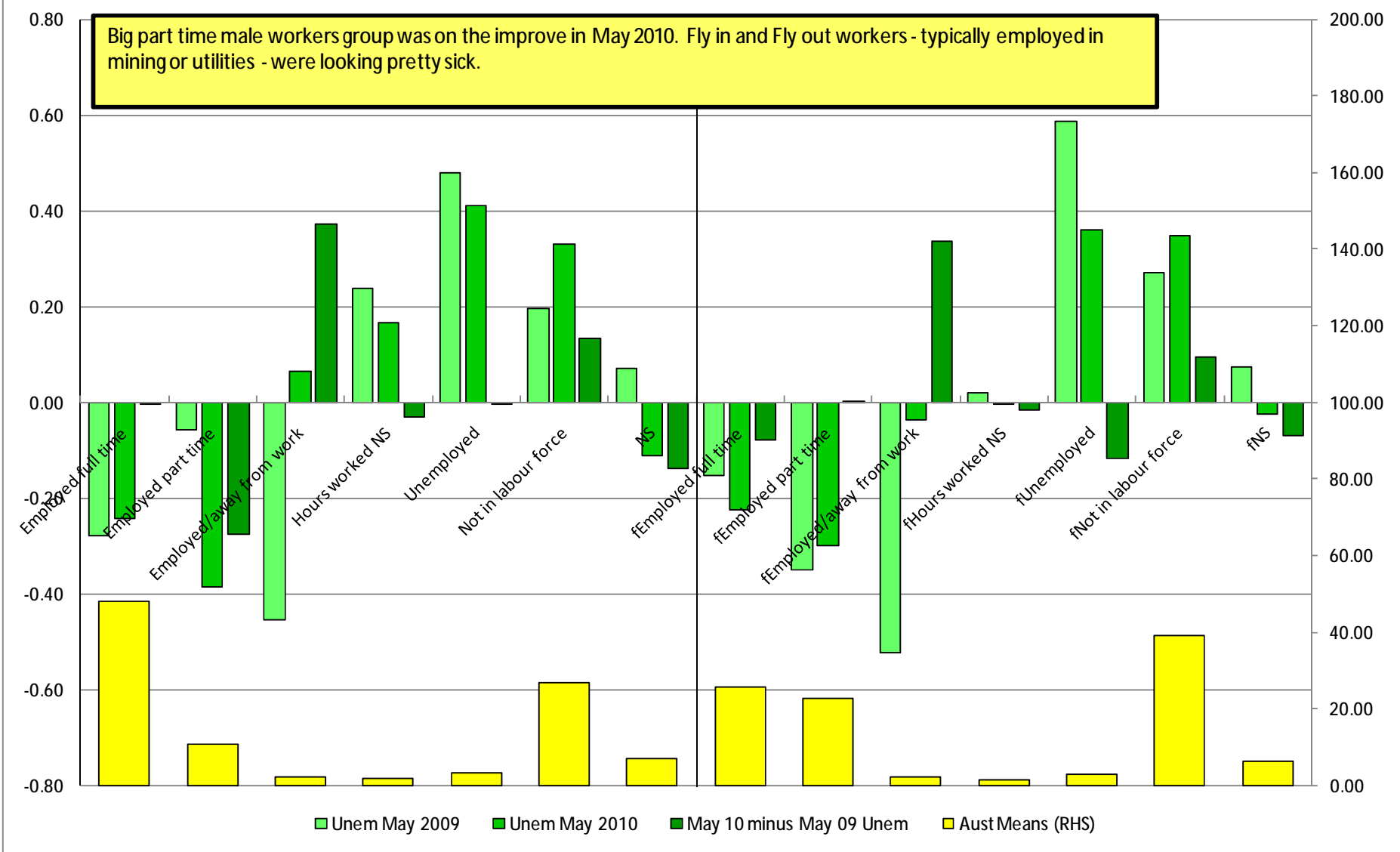


Industry Female

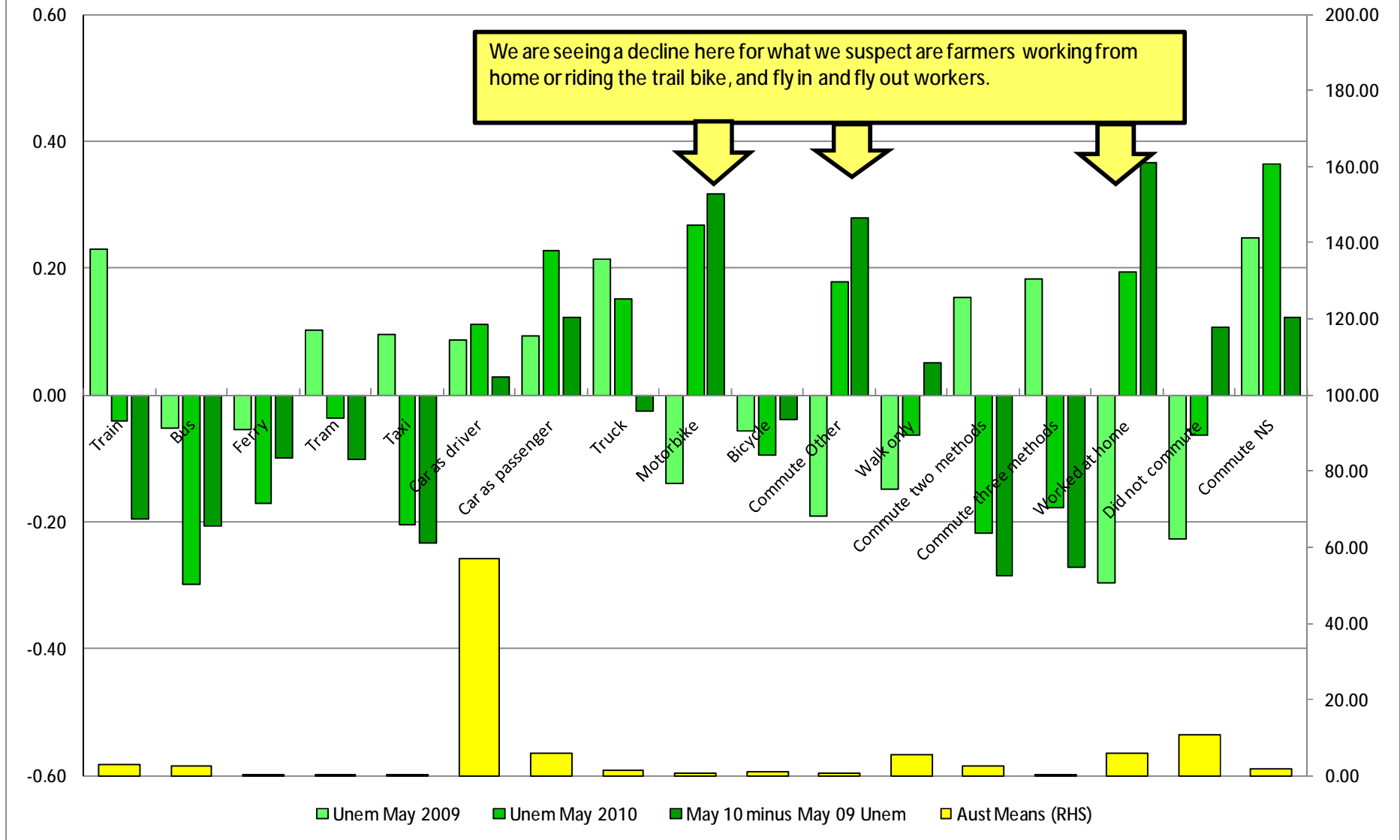


Employment Male & Female

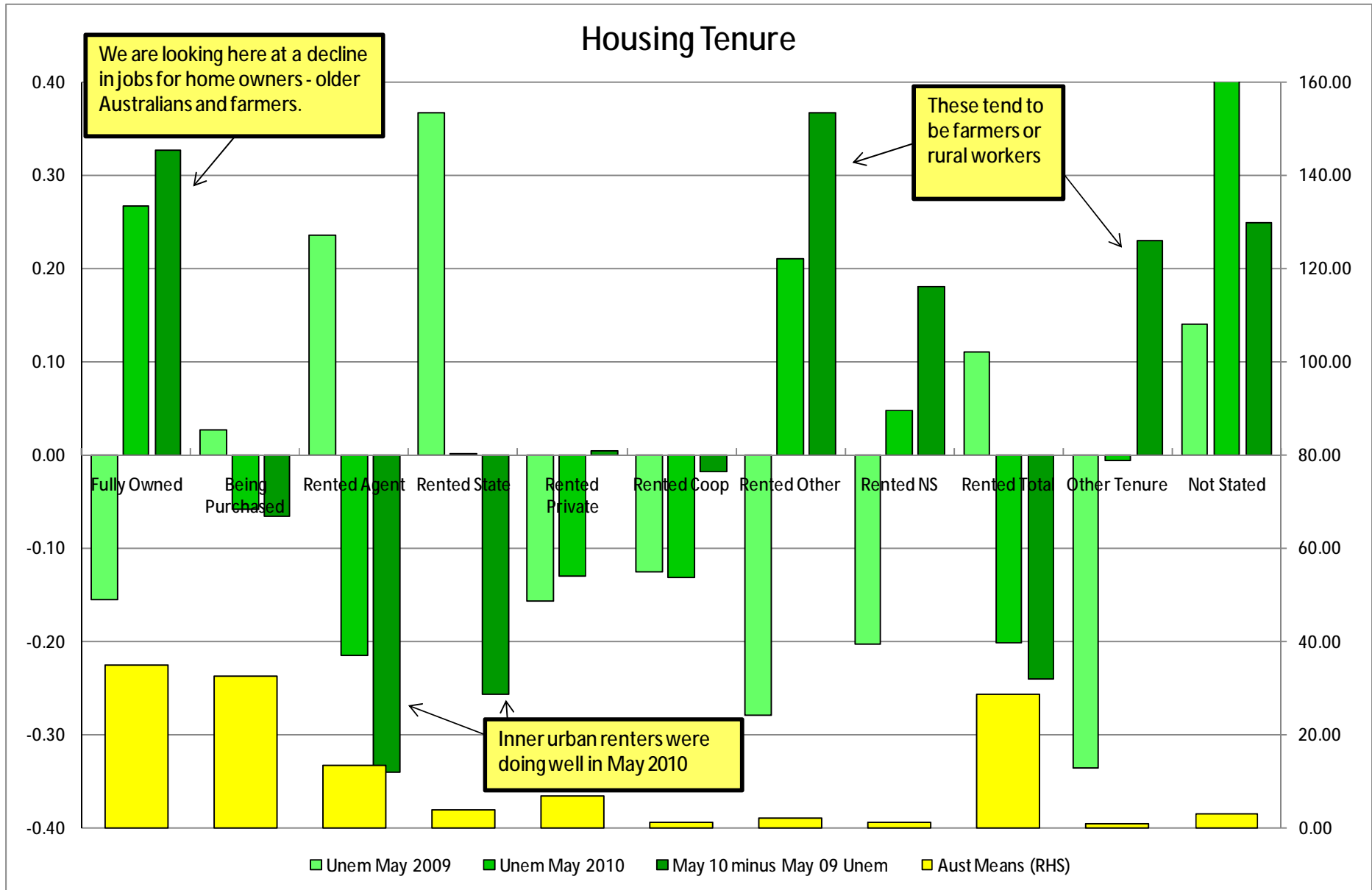
Big part time male workers group was on the improve in May 2010. Fly in and Fly out workers - typically employed in mining or utilities - were looking pretty sick.



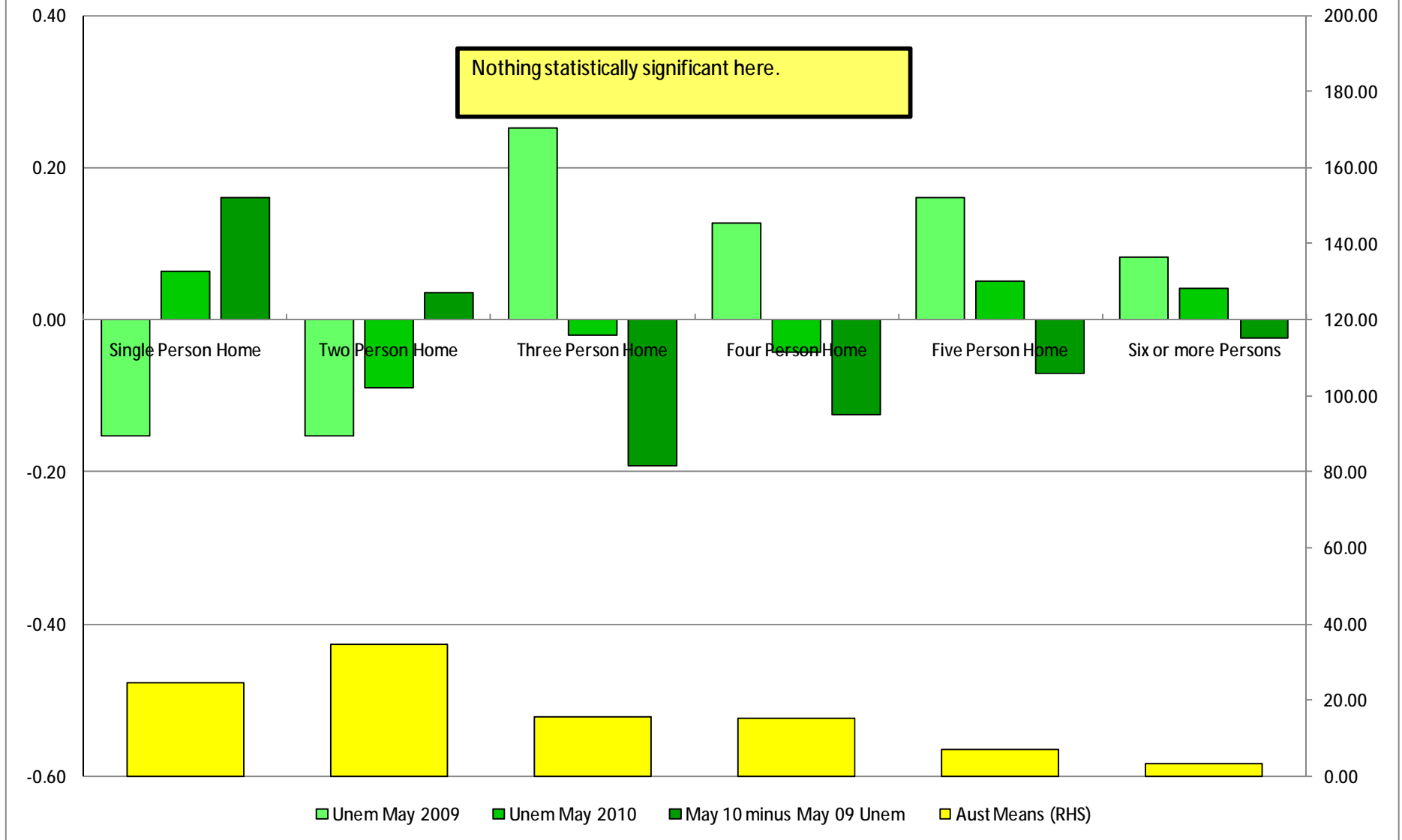
Commute to Work



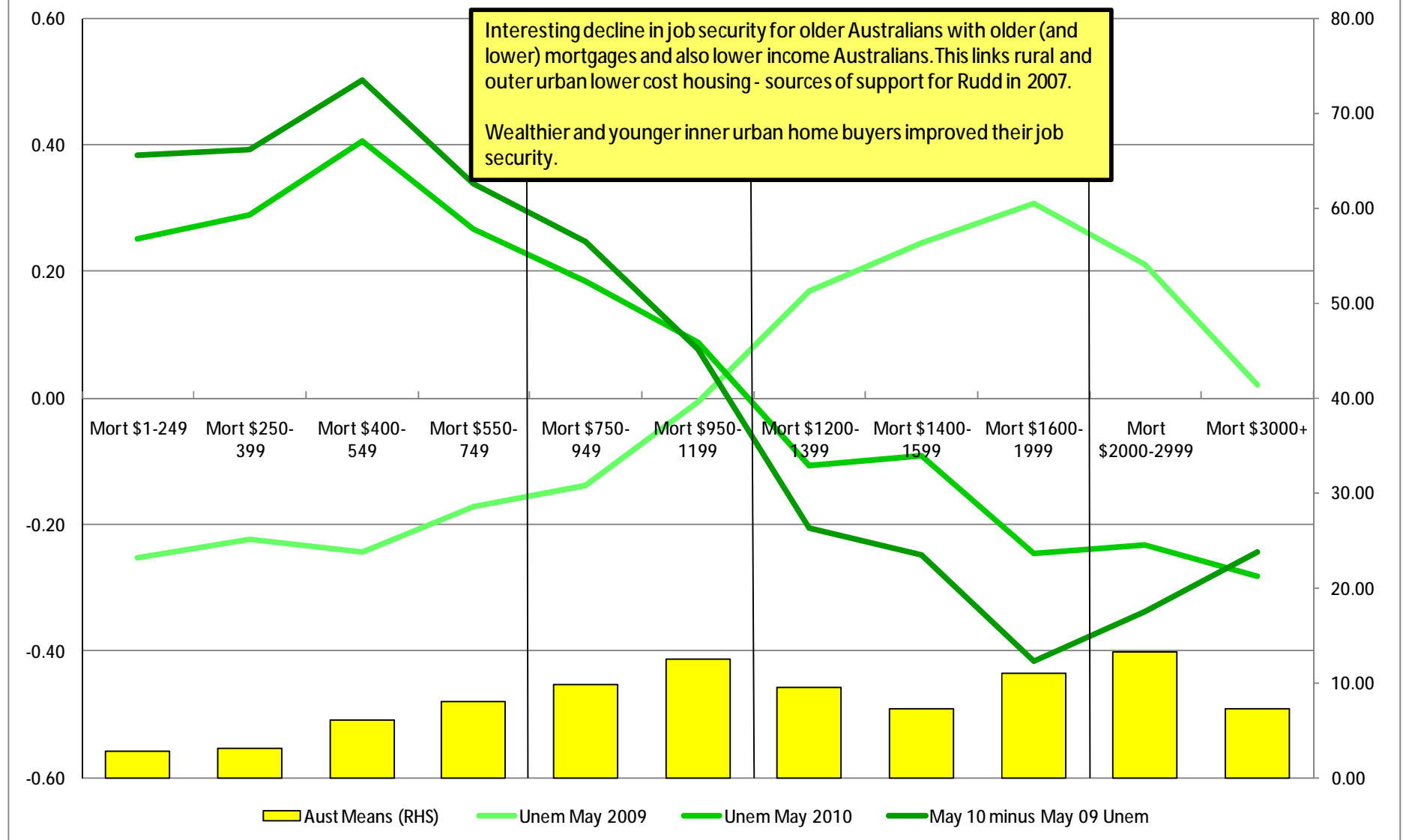
Housing Tenure



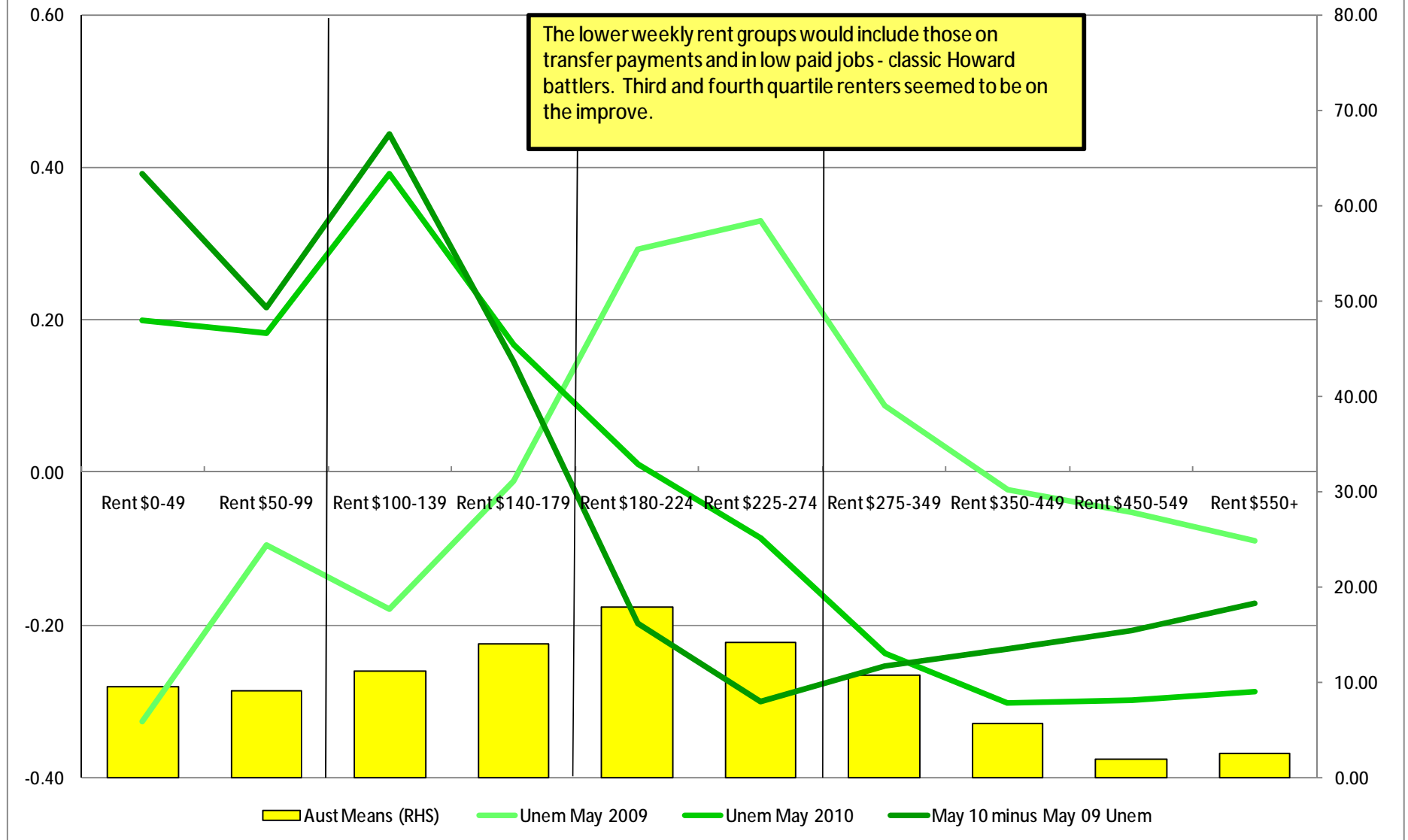
Persons in the Home



The Monthly Mortgage



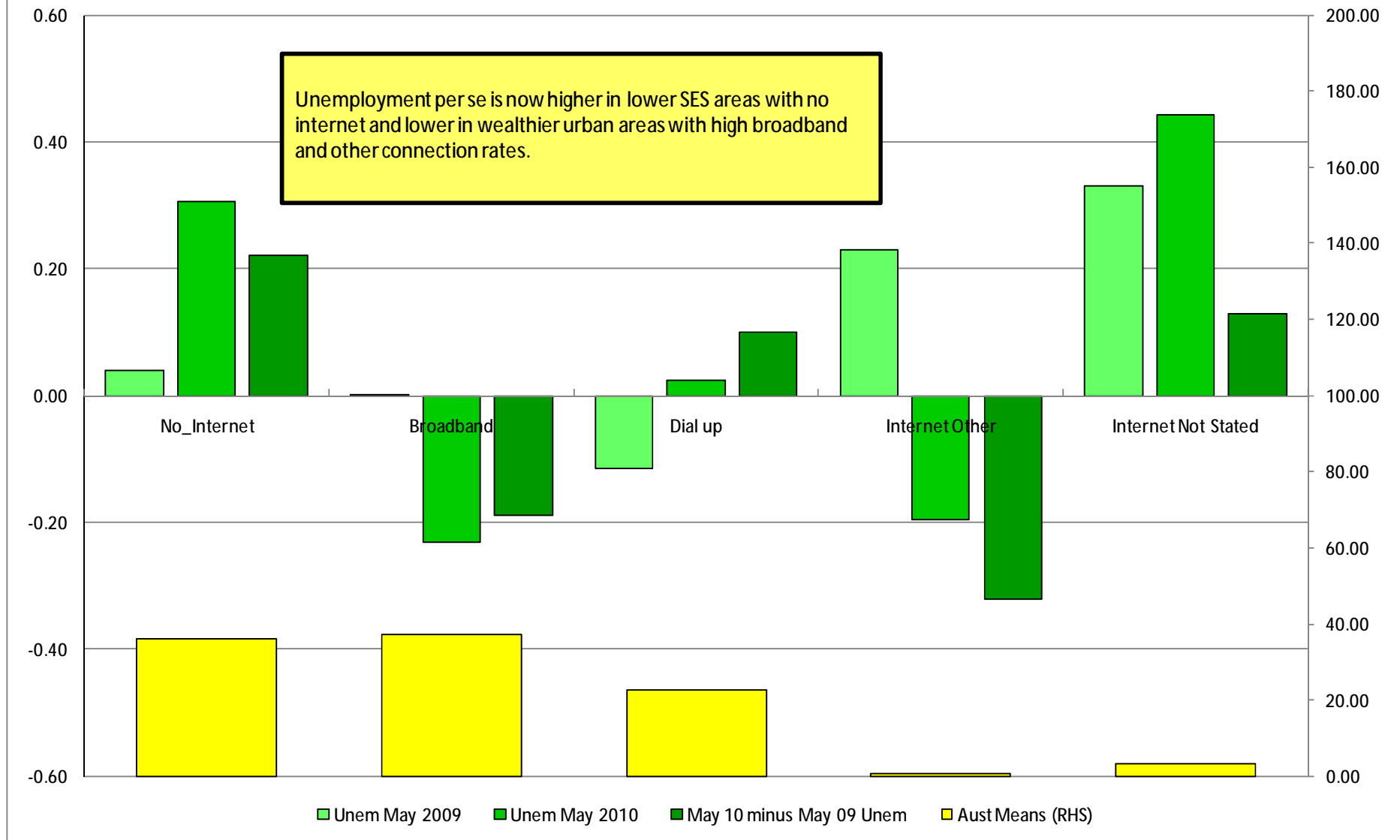
Weekly Rent



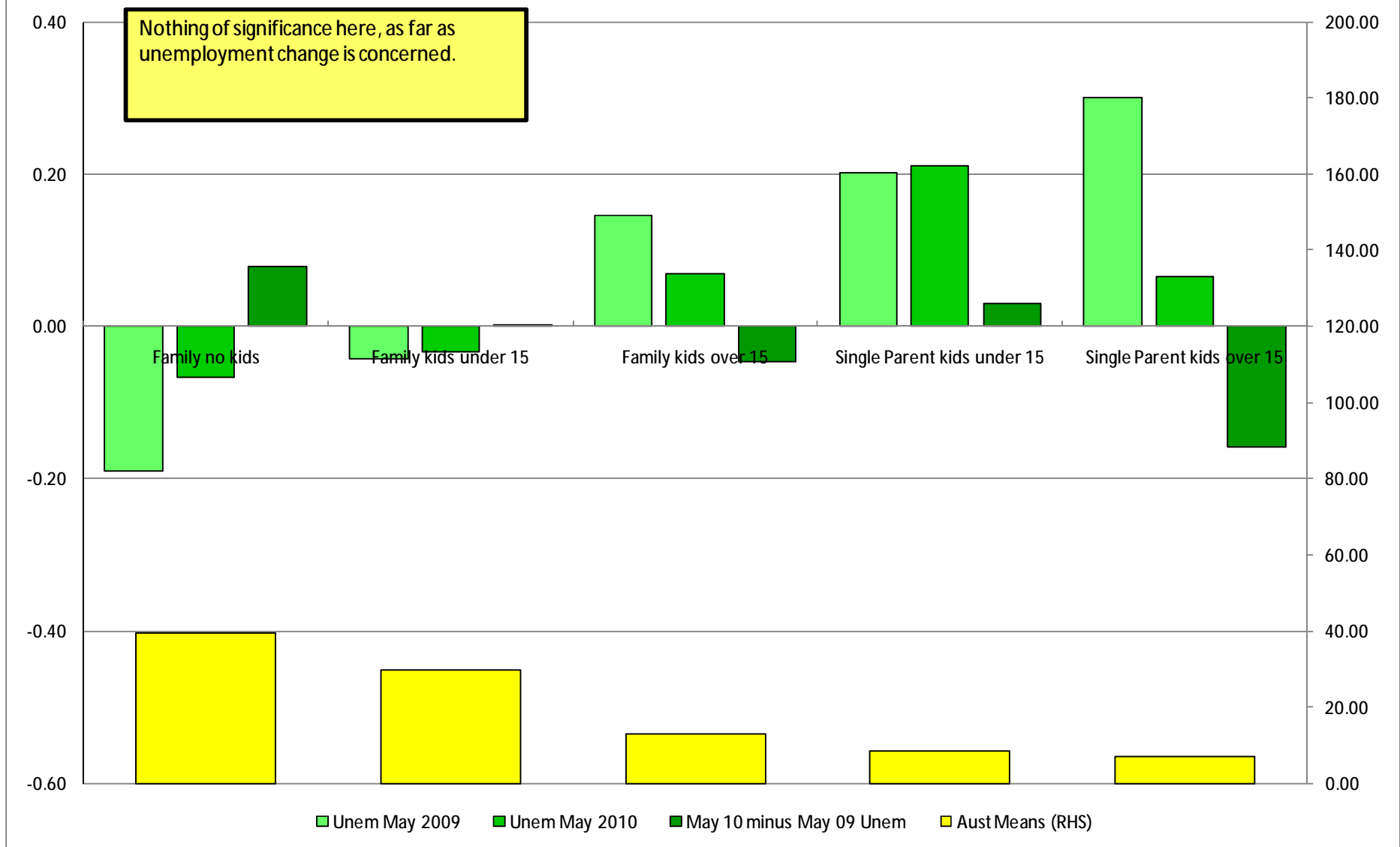
Cars at Home



The Web

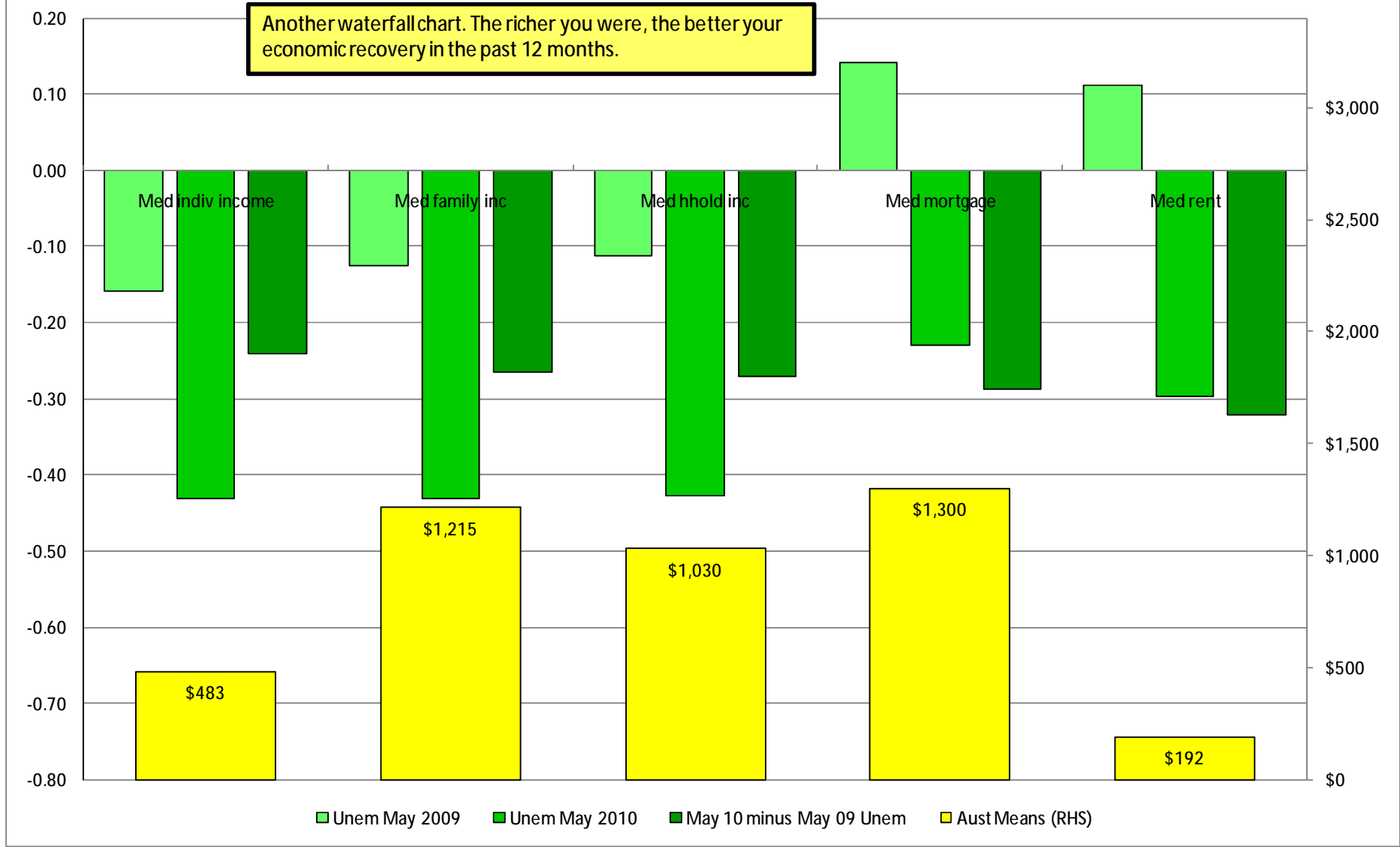


Family Types

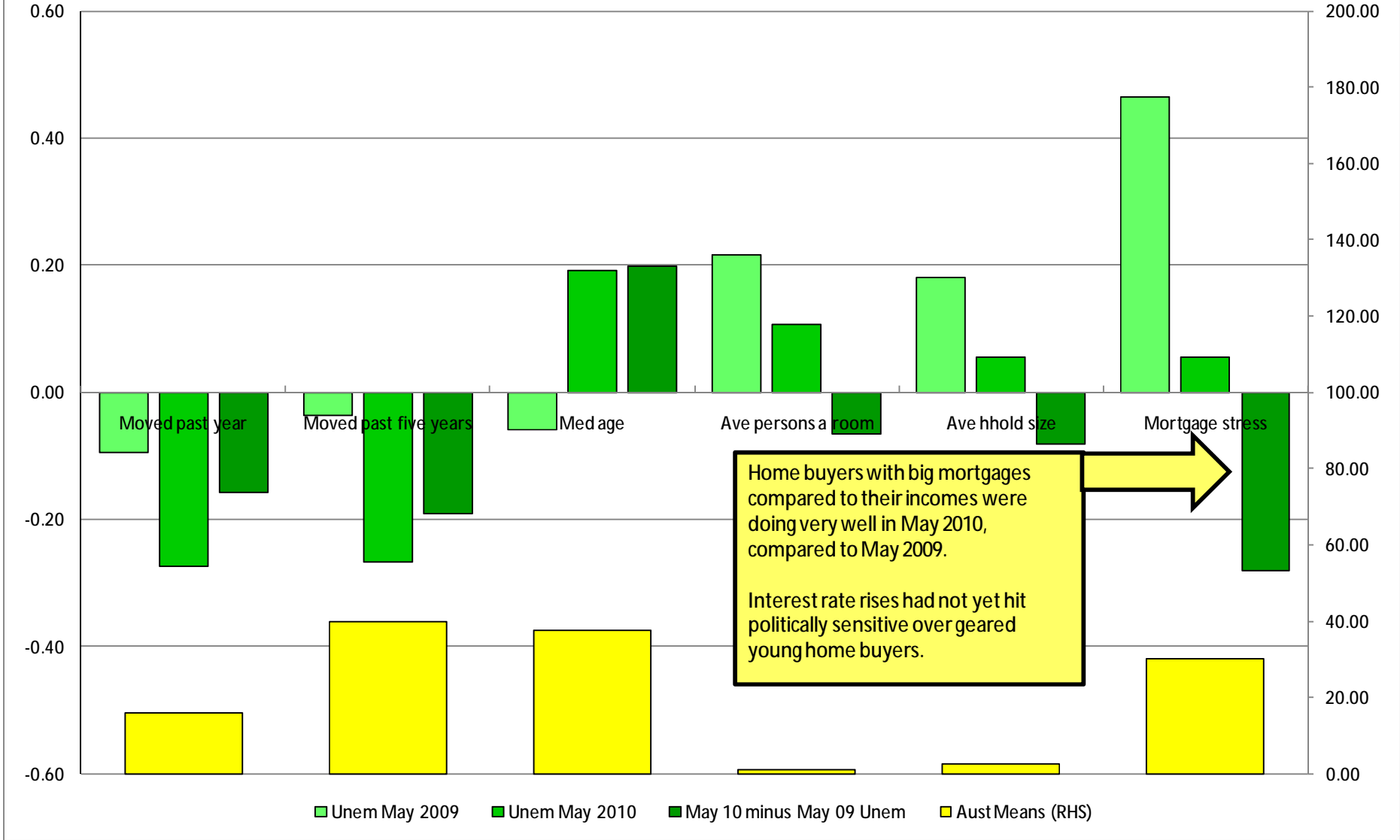


Family Budgets

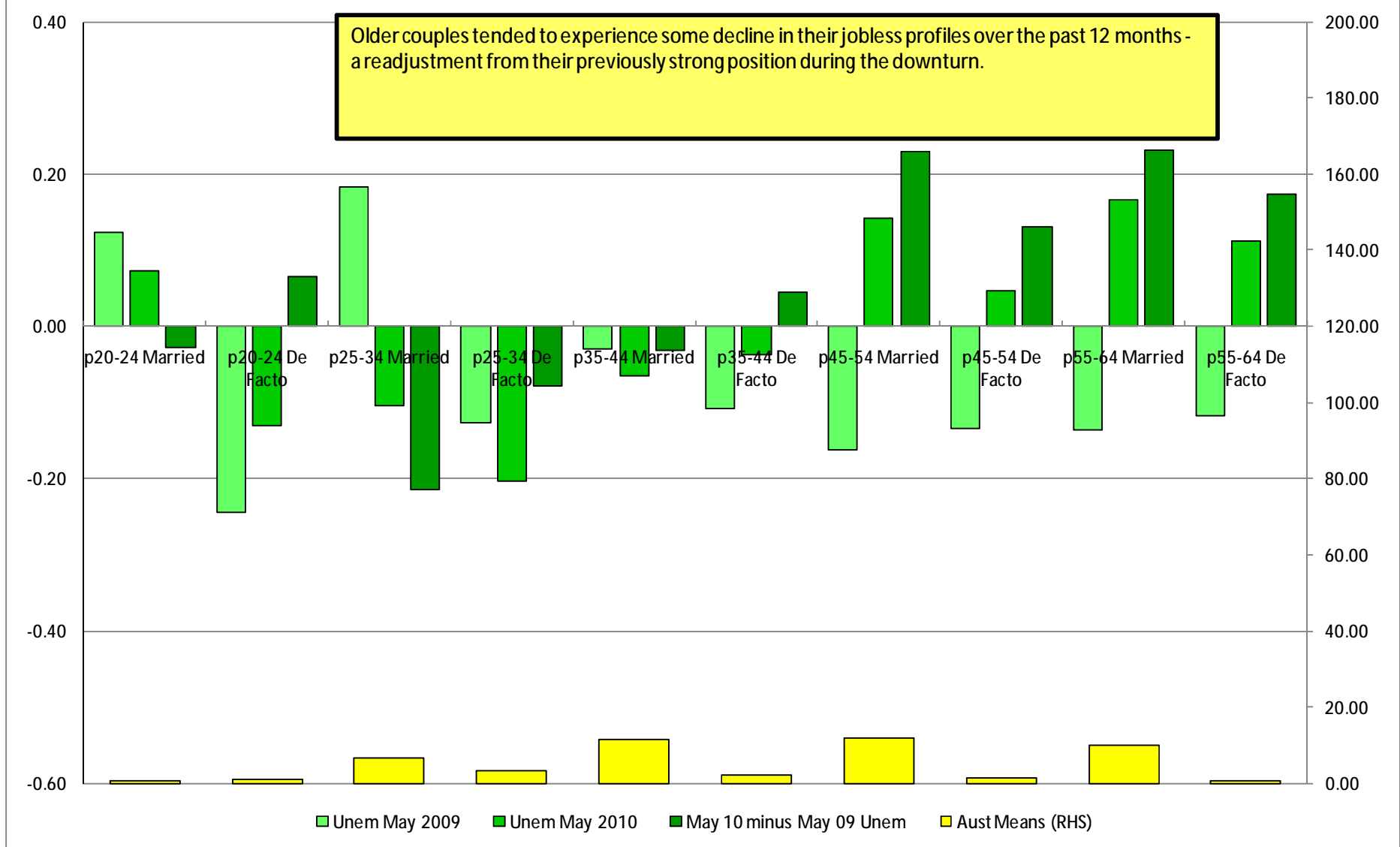
Another waterfall chart. The richer you were, the better your economic recovery in the past 12 months.



Selected Family Stats



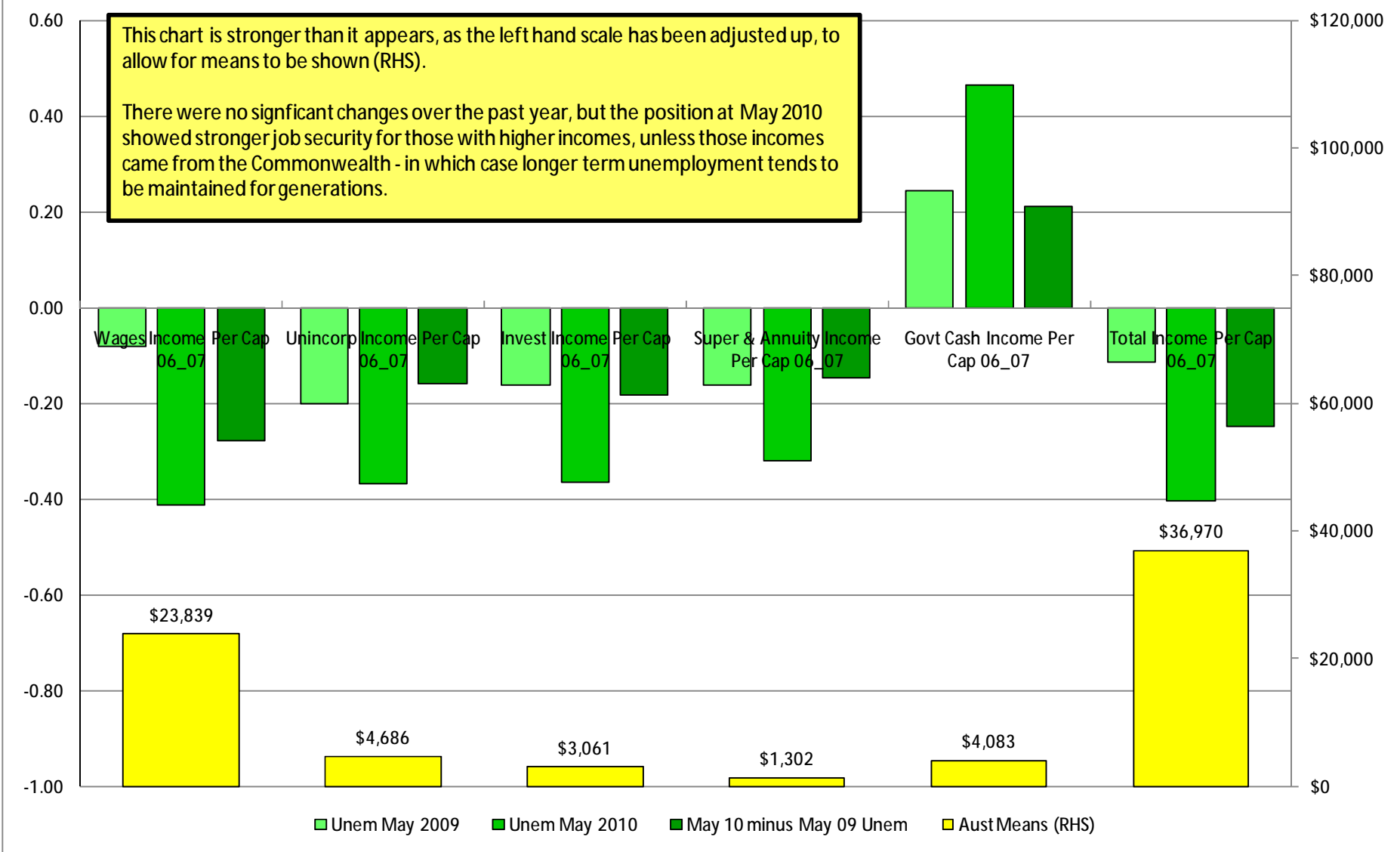
Marital Status by Age



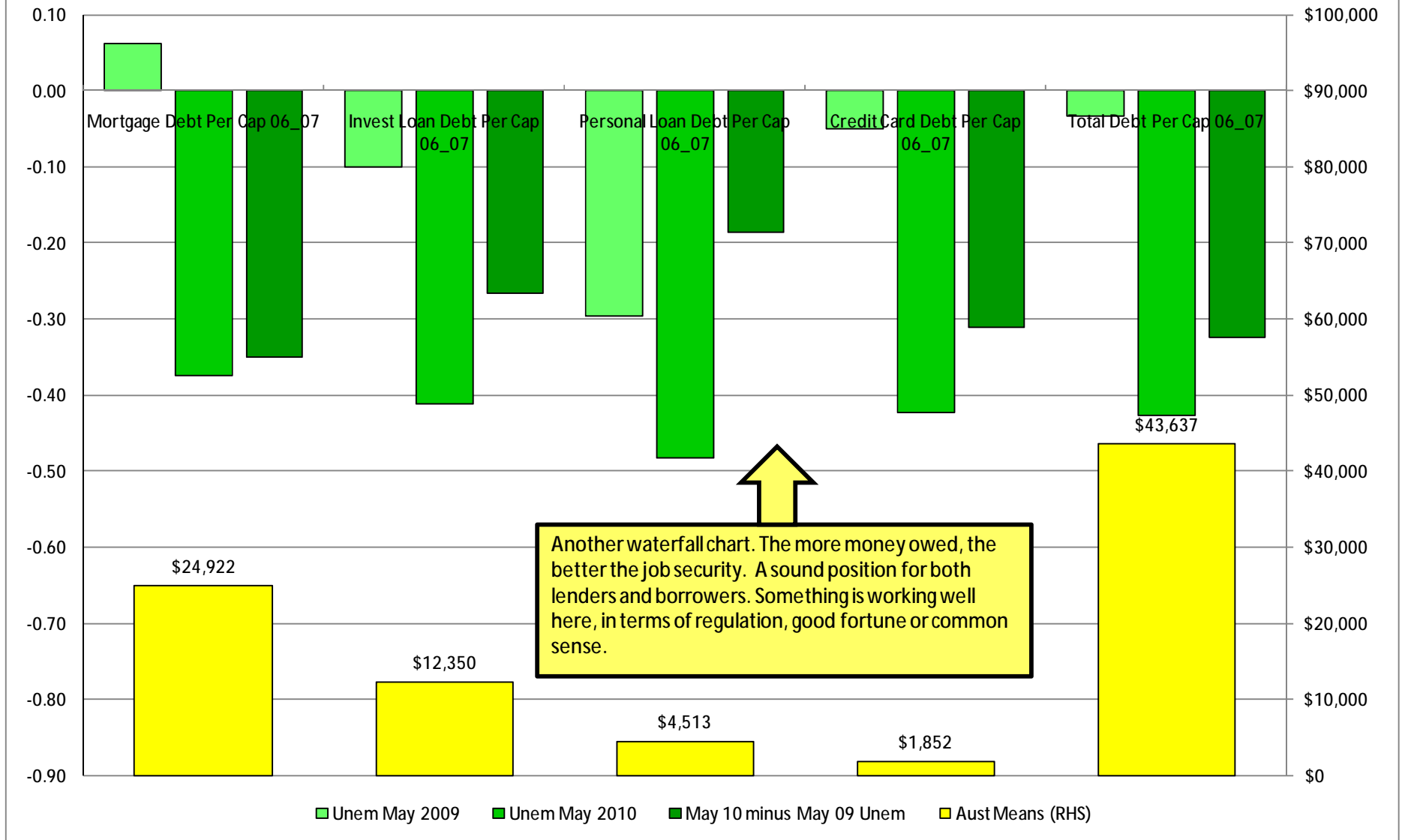
Sources of Income

This chart is stronger than it appears, as the left hand scale has been adjusted up, to allow for means to be shown (RHS).

There were no significant changes over the past year, but the position at May 2010 showed stronger job security for those with higher incomes, unless those incomes came from the Commonwealth - in which case longer term unemployment tends to be maintained for generations.



Sources of Debt



Regional Unemployment Index (RUIN)

Tables below show the 69 regions used in the Labour force monthly survey, the corresponding May 2010 unemployment rate and the change in unemployment over the past 12 months. The RUIN table is ranked by the changes over the past 12 months and where these changes are equal to or greater than 1.5 percent, then the region is a candidate for spatial recession as the local economy would be experiencing GDP growth of at least three percent below its full employment potential (for each percentage point by which unemployment exceeds its 'natural rate', GDP falls short of its potential level by between two and three percentage points).

Labour Force Regions	May-2009	May-2010	May 10 minus May 09
Far West NSW	2.5	18.7	16.2
Loddon-Mallee	4.8	8.0	3.2
Mornington Peninsula	3.1	6.0	2.9
Goulburn-Ovens-Murray	3.8	6.5	2.7
St George-Sutherland	2.8	5.4	2.6
Murray-Murrumbidgee	4.2	6.8	2.6
North Western Melbourne	7.2	9.7	2.5
All Gippsland	3.6	6.1	2.4
Canterbury-Bankstown	7.6	9.9	2.4
Southern Adelaide	3.4	5.8	2.4
South and East Brisbane	6.0	8.1	2.1
Darling Downs-South West	1.8	3.9	2.1
West Moreton	4.6	6.2	1.6
Southern Tas	4.3	5.7	1.3
Central Perth	3.5	4.8	1.3
Mackay-Fitzroy-Central West	4.1	5.2	1.1
Southern and Eastern SA	3.5	4.6	1.1
Illawarra excluding Wollongong	7.7	8.5	0.8
Northern SRS Tas	4.3	4.9	0.7
Greater Hobart	4.6	5.2	0.6
Brisbane City Inner Ring	3.7	4.3	0.6
Central Highlands-Wimmera	6.1	6.7	0.6
South Eastern NSW	5.4	5.9	0.5

Table 6. The Regional Unemployment or RUI Table, for all Australian Labour Force Regions, runs down three consecutive pages.

It shows the Unemployment levels for each region as at May 2010 and the changes from May 09 to May 10. Any region with monthly unemployment growth of 1.5 percent or more during the past 12 months is in recession, according to our definition.

This chart will tend to be consistent with the stereotypes, in that the variables worst hit by unemployment growth to May 10 in Table 1 should dominate those regions at the top of this list. These variables include older, lower income working families, fly in and fly out miners, farmers and farm workers.

This is why most of the regions here are from Queensland, Tasmania and rural regions from New South Wales, Victoria and South Australia.

Gold Coast South SRS	5.6	6.0	0.4
North Brisbane Balance	4.2	4.4	0.2
Brisbane City Outer Ring	4.8	4.9	0.1
Mersey-Lyell SRS Tas	7.3	7.4	0.1
New castle SRS	4.7	4.7	0.1
North Western Sydney	6.9	6.9	0.1
Northern-North West Qld	4.5	4.5	0.0
Lower Northern Sydney	5.1	5.1	0.0
Far North Qld	9.1	8.9	-0.2
Balance WA	4.7	4.5	-0.2
South Eastern Melbourne	7.6	7.4	-0.3
Barwon-Western District	5.7	5.4	-0.3
Northern Adelaide	7.2	6.9	-0.4
Ipswich City	4.7	4.3	-0.4
Inner Eastern Melbourne	5.1	4.7	-0.4
AUSTRALIAN CAPITAL TERRITORY	4.1	3.6	-0.4
South West Perth	5.3	4.7	-0.6
North Eastern Melbourne	5.1	4.3	-0.8
North Perth	4.9	4.0	-0.9
NORTHERN TERRITORY	3.6	2.7	-0.9
Lower Western WA	5.9	5.0	-1.0
Gosford-Wyong	5.4	4.3	-1.1
Northern and Western SA	4.5	3.4	-1.1

The Labor Force Regions in this, the second page of the RUIN table, are better off than the first one third of regions on the preceding page and most of them are now showing some signs of economic recovery – i.e. they have negative unemployment growth.

There's a reasonable demographic mix here from south east Qld, rural and regional Qld, rural and provincial NSW, Melbourne, WA and SA.

This looks like middle Australia, with some rural areas, some provincial, some inner city and some of the outer suburbs.

Eastern Adelaide	5.5	4.2	-1.3
Central Western Sydney	8.1	6.7	-1.4
Richmond-Tweed and Mid-North Coast	7.0	5.4	-1.7
East Perth	5.1	3.4	-1.7
Wide Bay-Burnett	10.0	8.1	-1.8
Eastern Suburbs Sydney	3.9	1.9	-2.0
Gold Coast North SRS	6.3	4.3	-2.0
Central Northern Sydney	4.2	2.1	-2.1
Northern Beaches NSW	6.0	3.7	-2.4
South East Perth	5.3	2.8	-2.5
Outer Eastern Melbourne	5.7	3.1	-2.6
Outer Western Melbourne	8.2	5.7	-2.6
Inner Western Sydney	7.0	4.4	-2.6
Southern Melbourne	6.9	4.2	-2.7
Northern, North Western and Central West	7.0	4.2	-2.8
Wollongong SRS	9.6	6.3	-3.3
Inner Melbourne	7.0	3.6	-3.4
Outer South Western Sydney	9.2	5.7	-3.6
Western Adelaide	8.5	4.6	-3.9
Sunshine Coast	9.8	5.9	-3.9
Fairfield-Liverpool	12.0	7.4	-4.6
Inner Sydney	8.9	4.3	-4.6
Hunter excluding New castle	8.6	1.3	-7.3

Page 3 of the RUIN Table at left. There's a lot of light and dark blue down the bottom of this chart, which is a very good sign for New South Wales and Victorian Labour Force Regions. SA isn't looking too bad either.

Consistent with the profile of unemployment decline shown in Table 2, we are seeing here strong signs of recovery from some of the areas hit last year by higher unemployment, such as Fairfield Liverpool or Wide Bay.

We also see a lot of higher SES inner city regions, in Brisbane, Melbourne and Sydney. The recession is over, for the time being and the next problem is clearly going to be an excess of demand in higher income urban areas.