

# **Regional Unemployment Index (RUIN) for August 2009**

**Prepared by Australian Development Strategies Pty Ltd**

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# Background note

The report has been prepared as an ongoing attempt to learn more about the Australian economic downturn in terms of the changing profile of the unemployed, as it happens, to see if we can get some insights from looking at regional Labour Force units and their demographic composition. In other words, are richer Labour Force Regions affected differently by a recession? What about the poorer regions, or those reliant on agriculture, or mining, or coastal retirement areas? Who loses their jobs first? Are there any hints in the profiles to the elusive green shoots of recovery?

We started doing this sort of profiling in 1974 for State and Federal electorates and we think we have gained some insights into political behaviour as a result. Politicians think so too and the work has been progressively incorporated into political campaigns since the early eighties. That modelling now explains some 96 percent of the variance in votes across 150 electorates, which is a good deal better than the old fashioned electoral pendulums. Our unemployment modelling is now explaining up to 85 percent of the variance in unemployment across 69 Labour Force Regions. As we are upgrading our database to include more sources of income and debt variables, we are cautiously optimistic we can improve on this figure and use it to obtain insights into other aspects of the economy.

We are working on the assumption that any significant regional economy with a growth in unemployment of more than 1.5 percent in the past 12 months is in recession. This definition also applies to Australia, which has been dropping in and out of recession since February this year, depending on seasonal factors and the impact of the stimulus at that time.

We'd also like to know if profiling shows any sections of the workforce experience declines in employment at the early stages of a downturn, so the political process can be better informed in future about a possible recession before it happens, rather than nine months afterwards, as is the case with the use of quarterly GDP growth figures, which are subject to revision more than six months after they were first published. We are also trying to see if the Government's stimulus has had any disproportionate effect on demographic groups and what possible political impacts there are for the Government in the future from the downturn and the stimulus.

**It's 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 there's statistical significance of the profiles to be considered on top of that. We will however be doing additional and more complex analysis for our regular business clients, including modelling the unemployment figures down to CD levels and tracking links between unemployment, and a range of other economic trends, such as home loan pressures and house and land prices and private school and university enrolments.



This paper looks at the comparison of monthly unemployment rates in 69 Labour Force regions, across Australia, and benchmarks these percentage figures against our Elaborate database. Data for these new regions was available for the first time in February and back dated to November 2007.

We hope it is of some value to the political process now and in the future. And we thank the Local Government Association of Queensland for their sponsorship of the project and John Lockwood for his patience with the statistics. We also hope it encourages more kids to want to learn about geography and statistics. 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 August 2009 and of changes during the past 12 months. Then we have the Correlation charts, which are the main substance of the report. The things to watch for include possible impacts of the Government's financial stimulus which seems to have worked favourably on lower income groups, and demographic variables running parallel with the increase in unemployment. The latter have so far been the high SES groups, as well as migrants (whatever their SES) and the internationally exposed tourism industry. For example, when tourist numbers declined from Japan, we saw a rise in the unemployment profile from Japanese born persons, Japanese speakers and Buddhists. We always try to look for these multiple links and burrow back up the causal chain to infer some sort of economic drivers. 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.

Finally we include the Regional Unemployment Index (RUIN) which presents the increases and falls in raw unemployment across all regions from August 08 to August 09. Those regions with the biggest unemployment gains will tend to contain those groups in Stereotype Table 3. The regions with the unemployment falls will tend to be in Stereotype Table 4. 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, showing which regions are performing better or worse than predicted by the model.

Included in this section we include for the first time, a breakdown of the Queensland Labour Force regions, and some modelled data for the bigger Queensland LGAs. And finally, a map showing changes in unemployment across South East Queensland since last December.



# Summary of Results

## The picture in August.

The August unemployment figures show a net 240,000 Australians have lost full time jobs since November, due to the recession, while the stimulus has helped to create 168,000 jobs.

Our profiling shows the full time jobs lost were overwhelmingly skilled blue collar, clerical and professional, while the part time jobs created tended to be unskilled and paid minimum wages.

As well as providing jobs for the unemployed, between last November and August, the stimulus even pulled an extra 86,000 underemployed Australians back into the workforce. Where Peter Costello had begun a trend to boost workforce numbers with the sticks of Work choices and Welfare to Work, Wayne Swan has accelerated it, aided by the freezing of minimum wages and the carrot of a \$95 billion stimulus.

There's some evidence in the profiles that the trend for growth in minimum wage jobs leading up to the 2007 election helped disguise an increase in unemployment by higher SES groups which can be the first sign of an impending recession. So the RBA may have been cranking up interest rates in response to increased flexibility in the Labour market, rather than to a strengthening of the Labour market.

Still, this flexibility is why unemployment is now at 5.8 percent instead of 7 percent and represents the human face of the economic return on the Government's \$95 billion stimulus. The question now worrying the Government and its advisers is: how long will these stimulus jobs last? The answer from this month's profile is: not much longer.

Hardest hit by the recession to August were younger, white collar, clerical workers and professionals in middle income full time jobs carrying large per capita mortgage debts – many acquired due to the Government's first home buyers scheme. The August unemployment profile of these groups shows they now have less chance of holding their jobs, than previously underemployed households whose primary source of income until the stimulus was Government welfare.

There's been some decent jobs created over the past nine months in Agriculture and Mining, but that's probably got more to do with the weather and the Chinese stimulus, than to any action of the Australian Government. Lower interest rates from the RBA have also helped.



Jobs that have been preserved since last November – as opposed to created - are in the unionized public sector areas of health and education and the private sector industries of construction, manufacturing and transport, although there are some signs of recent weakening in manufacturing for men and women.

In their place the stimulus has created unskilled jobs across no industry in particular, and workers have been drawn from normally welfare dependant, older, less well educated Australian-born groups normally not engaged in the workforce.

These have tended to be clustered in rural and regional Australia – Richmond Tweed, Wide Bay, Southern Tasmania, Gippsland and the Illawarra, and low SES outlying blue collar suburbs in the capital cities, while the inner urban wealthier suburbs and more middle class urban regions have suffered major jobs loss (see relevant map of South East Queensland at the end of the report).

This transfer of the misery of unemployment has tended to level out unemployment across Labour Force Regions, with low and high SES regions returning similar unemployment levels.

For example, in the 12 months to August, while the ten wealthiest Labour Force Regions had seen unemployment rise by 1.7 percent, to 4.7 percent, the poorest ten regions saw unemployment fall by 0.4 percent to 4.4 percent. These are pretty astounding margins and in the long term, clearly unsustainable.

The best the Government can hope for is that a natural economic rebound or the stimulus will eventually bring some form of recovery in the white collar and professional regions in the middle to inner suburbs of the capital cities, while the stimulus maintains current lower levels of unemployment in the blue collar outer suburbs and the regions. Unfortunately for Government, the trends were heading in the reverse direction in August.

The August jobless profiles for the politically volatile, young, middle white collar families look very discouraging, and in August they were getting a lot worse very fast. This important political group has so far been missed completely by the targeted spending of the stimulus.

The modelling shows some initial tentative signs of recovery in parts of New South Wales and Queensland. The economy of Far North Queensland however still looks like it's been hit by a natural disaster and is by far the worst performing regional economy in the country.

**At this stage of the recession/stimulus cycle some targeted spending by State and Federal Governments would help to mop up unemployment in regions, like Far North Queensland, which have been hit by the recession – but not helped by the stimulus.**

## **The Unemployment Profiles - Education**

The big group of Government school parents has been hanging onto their jobs. Those parents who completed High School to Year 12 normally have a much better chance of gaining employment, but this advantage has been completely negated by the growth of high SES unemployment over the past 12 months.

The Qualifications' chart shows that the big male skilled blue collar group with certificate qualifications has been improving their employment security, as job security has declined for University graduates. The latter groups include graduates in IT, Management and Commerce, Science, Engineering, Architecture and Creative Arts. On the flip side, public spending growth has ensured that Graduates in public sector fields of Education and Health are improving their employment security significantly. This trend is unchanged from July, except that there's some slow down in the rate of decline for the better educated.

## **Age, Gender and Children**

The recession has hit men and women aged less than 44, while those 45 and over have improved their relative employment profile. The big swinging voter group of 35-39 year old women, with pre-school aged children has suffered significant job losses over the past 12 months. Women with two or more children seem comparatively secure in their jobs. Again, this is unchanged from July.

## **Income**

This recession has hit the richer men, women and families, with the top one third of income earners losing the most, in terms of their unemployment profile. Specifically, this means Labour Force Regions with a lot of income earners in the top one third have been suffering the largest unemployment increases between August 08 and August 09. This picture has changed slightly from July, in that the unemployment bulge is moving down the income scale somewhat, so that more middle income earners are losing their jobs, as there's a slight slowing in the decline for the top income earners. Rather like a boa constrictor digesting an ass. This passage is reminiscent of the early signs of recovery in previous downturns.

## **Birthplace, Religion and Language**

Every migrant group has seen its employment profile diminished by the recession. This includes the very well qualified and high SES groups with normally very strong employment profiles - from Canada, the USA, South Africa, Western Europe and Asia. This sort of profiling shows us how much we owe to these skilled migrants who seem to take a lot of the risks in terms of generating economic growth and jobs for others, but



have obtained little net return from the stimulus. This migrant disadvantage feeds through to the religion tables and the Language spoken in the home. Mainstream Australian born protestant groups are faring well in the recession, with the exception of Catholics, who have a tendency to be migrants, or employed in the white collar jobs now under threat.

## **Industry and Occupation**

In terms of Occupations, most blue collar jobs are holding firm, albeit at their higher traditional levels and managers (usually farmers or senior public servants) are faring extremely well. The position for professionals is stabilizing and the pain is being felt mainly by men and women in middle white collar clerical and administrative jobs and by women in semi skilled blue collar jobs – a sign that the recession is reaching into manufacturing.

In terms of male industries, Admin Consulting jobs continue to cop a hammering. Wholesale and Manufacturing jobs for men are also being lost, but at barely significant rates. The mainly rural and regional Agriculture and Utilities jobs are the stand out performers to date in the recession. The impact of the stimulus on the big female retail and hospitality sectors is now fading from July levels. Female industries faring badly in the 12 months to August 09 include Wholesale, Manufacturing, Finance, Real Estate and Consulting. That's a big list. Those doing well include Primary Industry and the big female teaching and health sectors.

In the employment table we see full time jobs for men and women still being lost, albeit at non-significant levels, but the previous advantage held by women is now lost and the stimulus no longer seems to be sucking unemployed and under-employed women back into the workforce.

The stimulus looks to be fading fast and female workers have joined the recession. The jobless position for female clerical workers is amongst the worst we have seen in the current database, stretching back some nine years. This would normally be expected to impact soon on the Government's electoral support, in its outer marginal seats, unless these voters accept that the Government is doing all it can to help and the Opposition fails to convince them otherwise.

## **Home and Family.**

August marks the month when the huge group of Car As A Driver Commuters (57 percent of commuters) no longer enjoyed immunity from the jobless profiles. The recession is indeed finally reaching into Australia's middle class suburbs. This trend is confirmed by the now-significant level of unemployment growth for home buyers. This should be setting off alarm bells for the Government if it is considering an early election strategy.



When we look at mortgages, we clearly see the recession has now hit the politically volatile third quartile. This completes a pattern of political concern for Government strategists, with young families, middle white collar women, car commuters and third quartile home buyers all now significantly linked to unemployment growth.

When we look at Family Budgets, we see unemployment profiles no longer rising across every income and expenditure indicator, as they were in July – meaning that the recession is definitely no longer affecting just the high income professional groups. The Debt chart shows families in the highest levels of per capita mortgage debt are the families most likely to have lost their jobs over the past 12 months.

### **Political.**

For the first time Labor voters have been losing job security to a statistically significant degree and the voters who swung to Labor in 2007 are also joining the jobless profiles, albeit at a level just below statistical significance.

August 09 marks the month for the Government when unemployment, in political terms, began to get ugly.



# 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 in August 2009 and high levels of unemployment growth from August 08 to August 09. Also included are National Means for each variable, recent profile results for Home Loan Arrears, ALP Two Party Preferred votes in 2007, the swing to the ALP in 2007 and the 2007 Green Primary votes.

The correlations in Tables 1 and 2 have been ranked to show those correlations which are significant to 99 percent or more. In other words, there's only a one 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. Tables 3 and 4 have been ranked to show correlations significant to 95 percent or more. The reader should note here that Tables 3 and 4 profile a change in unemployment growth by region – the numerical correlation figure in column four is not obtained by subtracting column two from column three. They do however, typically tell a consistent story.

We're interested here in groups which normally tend to show correlations indicating a possible high or low level of unemployment (Tables 1 and 2) and those with high or low unemployment growth (Tables 3 and 4). For example, manufacturing in Australia is 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.

Code	Unem Aug 08	Unem Aug 09	Unem Aug 09 minus Aug 08	Aust Means (RHS)	90 Day Arrears	ALP 2PP 2007	2PP Swing 04-07 to ALP
fosfEngineering	0.27	0.56	0.37	2.19	0.27	0.47	0.08
fManufacturing	0.29	0.49	0.23	5.67	0.67	0.37	0.31
fMachinery operators & drivers	0.26	0.49	0.22	1.57	0.66	0.44	0.33
fUnemployed	0.49	0.46	0.00	2.82	0.52	0.49	0.29
Manufacturing	0.23	0.45	0.21	13.73	0.40	0.34	0.38
Hindi	0.28	0.45	0.20	0.27	0.74	0.37	0.16
fIslam	0.35	0.45	0.16	1.32	0.33	0.48	0.06
fPhilippines	0.24	0.45	0.23	0.70	0.50	0.39	0.22
Islam	0.34	0.45	0.16	1.49	0.33	0.49	0.05
fTagalog ex Fil	0.26	0.45	0.21	0.27	0.49	0.37	0.20
Turkish	0.25	0.44	0.25	0.22	-0.07	0.34	0.15
fTurkish	0.26	0.44	0.24	0.21	-0.08	0.34	0.15
fFilipino ex Tag	0.24	0.44	0.22	0.20	0.47	0.41	0.22
Turkey	0.24	0.43	0.26	0.13	-0.07	0.34	0.12
fFiji	0.28	0.43	0.15	0.22	0.79	0.36	0.22
Transport	0.32	0.43	0.11	6.49	0.53	0.49	0.45
Hindi	0.28	0.43	0.21	0.31	0.69	0.40	0.11
Fiji	0.29	0.43	0.14	0.18	0.80	0.36	0.22
Spanish	0.24	0.42	0.23	0.41	0.76	0.50	0.06
fTurkey	0.24	0.42	0.25	0.12	-0.08	0.32	0.13
Samoan	0.04	0.42	0.28	0.11	0.67	0.35	0.28

**Table 1.** Shows in column three (third from the right) those demographic groups in the community most likely to be living in areas of high unemployment in August 2009. Top of the list is a cluster of variables covering skilled and semi skilled jobs in Manufacturing and Transport Industries. The rest are migrant groups from Middle Eastern and Pacific Island countries, with associated languages and religions.

Interestingly, the change in Unemployment through the year to August 09 (column four) is positive for all of these groups, indicating a bad situation was getting worse for them. These groups also tend to have some problems with mortgage repayments earlier this year and swung strongly to the ALP in 2007 (columns six to eight).

Code	Unem Aug 08	Unem Aug 09	Unem Aug 09 minus Aug 08	Aust Means (RHS)	90 Day Arrears	ALP 2PP 2007	2PP Swing 04-07 to ALP
fManagers	-0.17	-0.44	-0.27	11.13	-0.57	-0.58	-0.19
Managers	-0.11	-0.43	-0.31	17.45	-0.59	-0.71	-0.19
fosfHealth	-0.12	-0.42	-0.33	14.26	-0.60	-0.60	-0.02
Worked at home	-0.10	-0.40	-0.31	6.00	-0.52	-0.66	-0.06
Total Income To Total Debt Per Cap	0.01	-0.39	-0.20	.84			
Other Tenure	-0.11	-0.38	-0.29	0.90	-0.53	-0.50	-0.03
fEducation	-0.22	-0.38	-0.19	11.35	-0.49	-0.32	-0.18
fAustralia	-0.04	-0.38	-0.39	73.68	-0.54	-0.41	0.12
fEnglish	-0.23	-0.37	-0.24	79.89	-0.54	-0.56	0.06
English	-0.23	-0.37	-0.23	79.62	-0.53	-0.56	0.06
Family no kids	-0.21	-0.35	-0.14	39.40	-0.74	-0.38	-0.26
fEmployed/away from work	-0.48	-0.35	0.02	2.21	-0.21	-0.21	-0.22
fosfEducation	-0.15	-0.35	-0.24	11.81	-0.55	-0.65	0.01
Australia	-0.05	-0.35	-0.35	71.86	-0.54	-0.42	0.16
fUniting	0.04	-0.34	-0.37	6.40	-0.65	-0.44	0.21
Uniting	0.06	-0.34	-0.39	5.47	-0.62	-0.45	0.21
fosfAgriculture & Environment	-0.13	-0.34	-0.24	1.54	-0.54	-0.45	0.00
Rent \$0-49	-0.10	-0.34	-0.25	9.46	-0.49	-0.41	-0.04
Mort Not Stated	-0.12	-0.33	-0.22	9.42	-0.56	-0.50	-0.10
f55-59	-0.24	-0.32	-0.15	6.40	-0.52	-0.57	0.02
f85+ three kids	-0.01	-0.32	-0.28	0.43	-0.53	-0.31	-0.19
Employed/away from work	-0.36	-0.32	-0.02	2.03	-0.51	-0.36	-0.12
f65-69 no kids	0.17	-0.32	-0.39	0.43	-0.45	-0.11	-0.09

**Table 2.** Shows those demographic groups in the community most likely to living in areas of low unemployment in August 2009(column three). The clusters present here are those employed in Agriculture (older Australian born Managers who have studied Agriculture and work at Home and tend to be of the Uniting faith) remote workers (usually in mining or utilities) and public servants employed in health and education.

Looking at the columns further to the right of the table, we see most of these groups had improved their employment security in the 12 months to August 09, had no trouble paying off their homes and voted non Labor in 07. We are looking mainly at National Party voters in the regions here – both farmers and public servants.

Code	Unem Aug 08	Unem Aug 09	Unem Aug 09 minus Aug 08	Aust Means (RHS)	90 Day Arrears	ALP 2PP 2007	2PP Swing 04-07 to ALP
fosfEngineering	0.27	0.56	0.37	2.19	0.27	0.47	0.08
fMormons	-0.15	0.30	0.35	0.25	0.57	0.23	0.29
Admin consulting	0.01	0.31	0.34	2.73	0.32	0.35	-0.08
f35-39 one kid	-0.11	0.19	0.33	1.36	0.42	0.39	-0.05
Sri Lanka	0.05	0.32	0.33	0.27	0.14	0.22	0.07
fSri Lanka	0.06	0.32	0.32	0.27	0.13	0.20	0.07
fSinhalese	-0.02	0.31	0.32	0.11	0.01	0.21	0.12
\$800-999	-0.11	0.28	0.32	9.22	0.39	0.09	0.35
fIndia	0.10	0.34	0.31	0.59	0.36	0.25	-0.04
f40-44 one kid	-0.10	0.15	0.31	1.13	0.16	0.33	0.02
Mormons	0.00	0.25	0.31	1.34	-0.34	-0.20	0.28
Elsewhere	0.14	0.42	0.30	3.22	0.74	0.48	-0.07
Dutch	-0.37	0.01	0.30	0.17	-0.40	-0.30	-0.14
F\$600-799	-0.23	0.14	0.30	9.42	0.53	0.01	0.13
Oth Religious	0.12	0.38	0.29	0.52	0.65	0.21	0.08
fThailand	-0.05	0.21	0.29	0.19	0.55	0.37	-0.25
fElsewhere	0.11	0.38	0.28	3.26	0.76	0.44	-0.08
fAdmin consulting	-0.01	0.27	0.28	3.50	0.44	0.40	-0.04
India	0.17	0.35	0.28	0.74	0.28	0.34	-0.05
f30-34 one kid	0.06	0.31	0.28	1.66	0.50	0.49	0.09
Samoan	0.04	0.42	0.28	0.11	0.67	0.35	0.28
fDutch	-0.28	0.07	0.27	0.20	-0.31	-0.33	-0.12
35-39	-0.14	0.13	0.27	7.21	0.45	0.41	-0.13

**Table 3.** Casualties of the recession. Shows the demographic groups which have suffered the biggest declines in their unemployment profiles from August 08 to August 09 (column four). Also shown are the Australian means for each variable (column five) and some recent profiling results for each variable. The regions which correspond to these profiles are included at end of the document at the top of the RUIN index.

The table is dominated by skilled clerical workers and middle income migrant groups. The first groups to get off loaded in the recession have been admin and professional consultants. They tend to be in politically volatile age cohorts – e.g. women with children in their late 30s, who swung strongly to the ALP in 2007, but would now be joining the undecided column in Labor’s outer urban marginal seats.

Code	Unem Aug 08	Unem Aug 09	Unem Aug 09 minus Aug 08	Aust Means (RHS)	90 Day Arrears	ALP 2PP 2007	2PP Swing 04-07 to ALP
Uniting	0.06	-0.34	-0.39	5.47	-0.62	-0.45	0.21
f65-69 no kids	0.17	-0.32	-0.39	0.43	-0.45	-0.11	-0.09
fAustralia	-0.04	-0.38	-0.39	73.68	-0.54	-0.41	0.12
fUniting	0.04	-0.34	-0.37	6.40	-0.65	-0.44	0.21
Australia	-0.05	-0.35	-0.35	71.86	-0.54	-0.42	0.16
fosfHealth	-0.12	-0.42	-0.33	14.26	-0.60	-0.60	-0.02
p75-84 De Facto	0.11	-0.26	-0.31	0.05	-0.68	-0.38	-0.08
Worked at home	-0.10	-0.40	-0.31	6.00	-0.52	-0.66	-0.06
Managers	-0.11	-0.43	-0.31	17.45	-0.59	-0.71	-0.19
f65-69	0.15	-0.22	-0.31	3.99	-0.60	-0.31	-0.04
Fully Owned	0.08	-0.28	-0.31	34.96	-0.60	-0.41	-0.06
p75-84 Married	0.19	-0.20	-0.31	3.01	-0.60	-0.24	-0.08
p65-74 De Facto	0.03	-0.28	-0.30	0.19	-0.56	-0.44	-0.01
75-79	0.19	-0.21	-0.30	2.71	-0.59	-0.22	-0.09
fSalvation Army	-0.02	-0.30	-0.29	0.34	-0.47	-0.11	0.18
Med age	0.07	-0.27	-0.29	37.63	-0.65	-0.42	-0.04
Med age	0.07	-0.27	-0.29	37.63	-0.65	-0.42	-0.04
Other Tenure	-0.11	-0.38	-0.29	0.90	-0.53	-0.50	-0.03
fAgriculture\ forestry & fishing	-0.01	-0.29	-0.29	4.06	-0.41	-0.48	-0.01
fosAgriculture & Environment	-0.02	-0.30	-0.28	4.09	-0.54	-0.53	-0.04
f85+ three kids	-0.01	-0.32	-0.28	0.43	-0.53	-0.31	-0.19
80+	0.15	-0.21	-0.28	2.92	-0.57	-0.20	-0.17

**Table 4.** Beneficiaries of the stimulus. Shows the demographic groups which have experienced an improvement in their unemployment profiles from August 08 to August 09(column four). We see a lot of mainstream overlapping groups in this chart – for example older, Australian born Protestants who own their own homes and live in rural areas and work their own farms. Apart from the farmers and public servants employed in health, there is no occupation or industry profile here, which is interesting – the stimulus is not generating jobs in any specific parts of the economy.

Moving to the right columns of the table, we see that we are looking at big groups here – such as Australian born and home owners – who have no problem servicing their mortgage, if indeed they still have one, who voted for the Coalition and swung to the Coalition in 2007.

# 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.

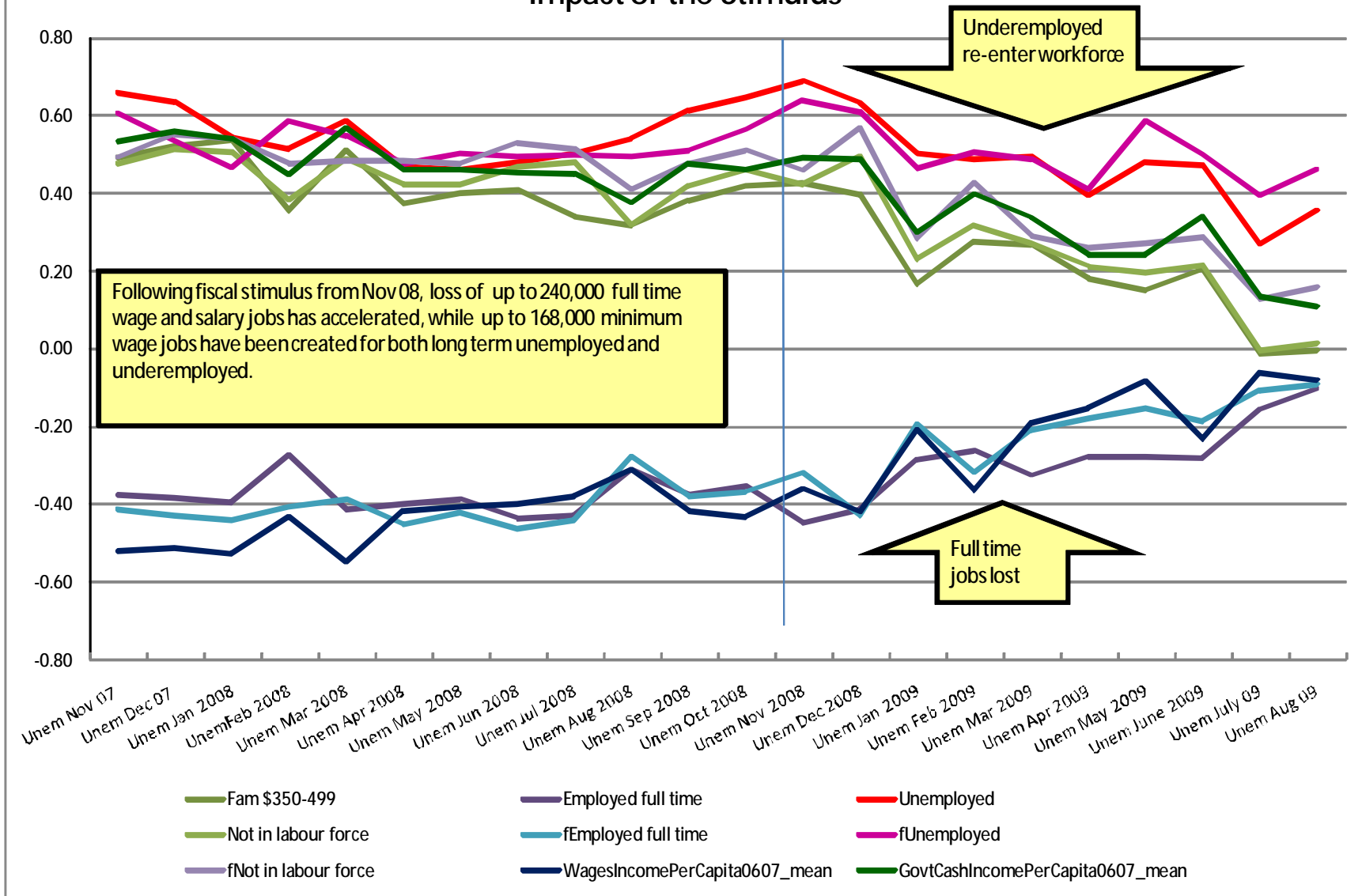
If the stereotype tables are snapshots, the following charts can be seen as small pictures, which can then be combined to make up a fine-grained demographic portrait or collage of unemployed Australians. We emphasize that we're looking here at what happened to the actual jobless figures, in terms of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

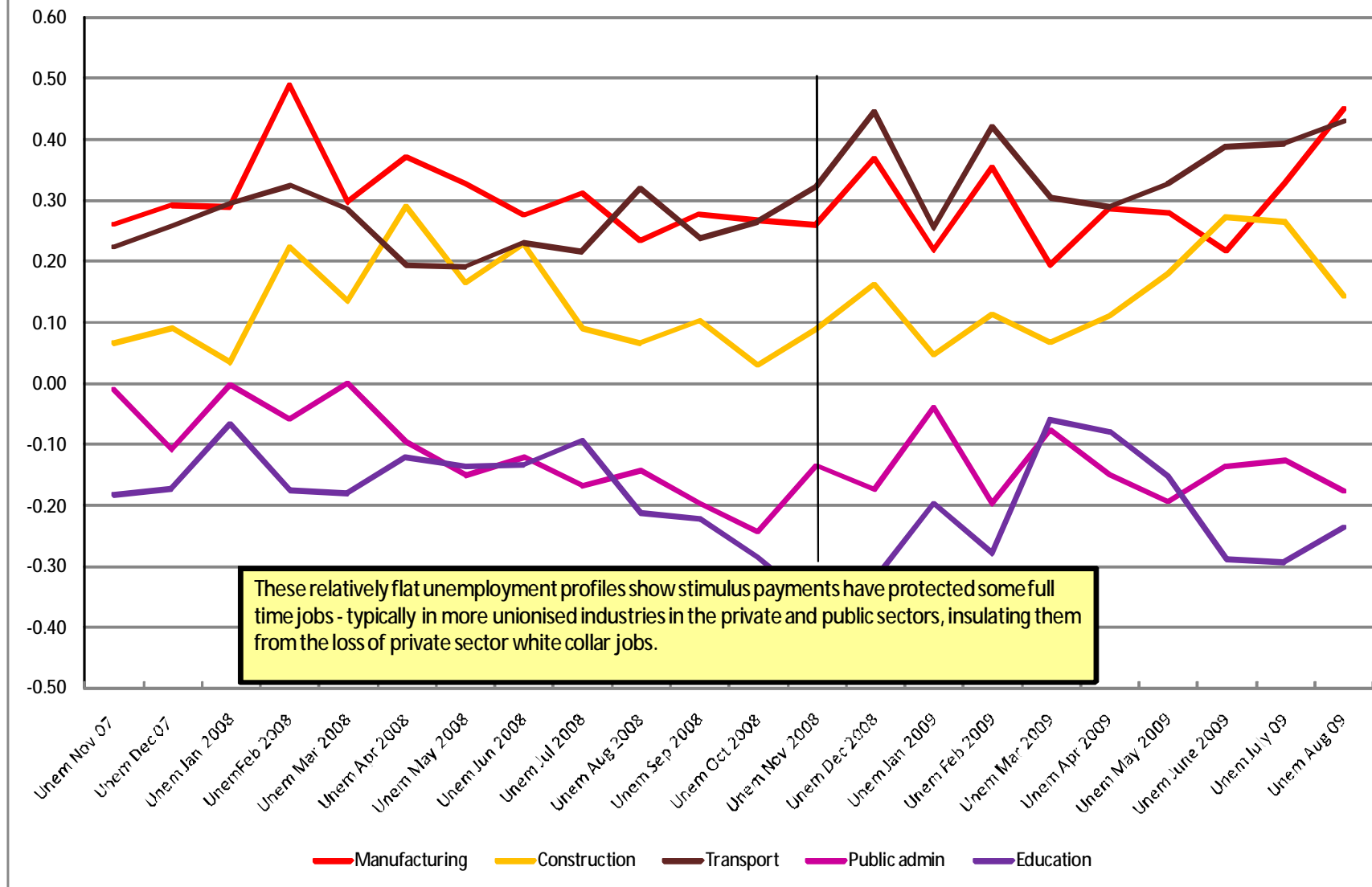
The first four charts below trace movements across the months from November 2007. When the profile heads down, that means the unemployment profile for that particular group is improving – i.e. they are finding jobs. So a decline in any profile is a good thing and a rise is a bad thing. Normally these patterns show a definite reward for effort and investment in the jobs market, so a grade 12 education and a University degree means you would normally have a better or lower unemployment profile. These trends have been turned on their head by the combined impact of the recession and the stimulus.



# Impact of the Stimulus

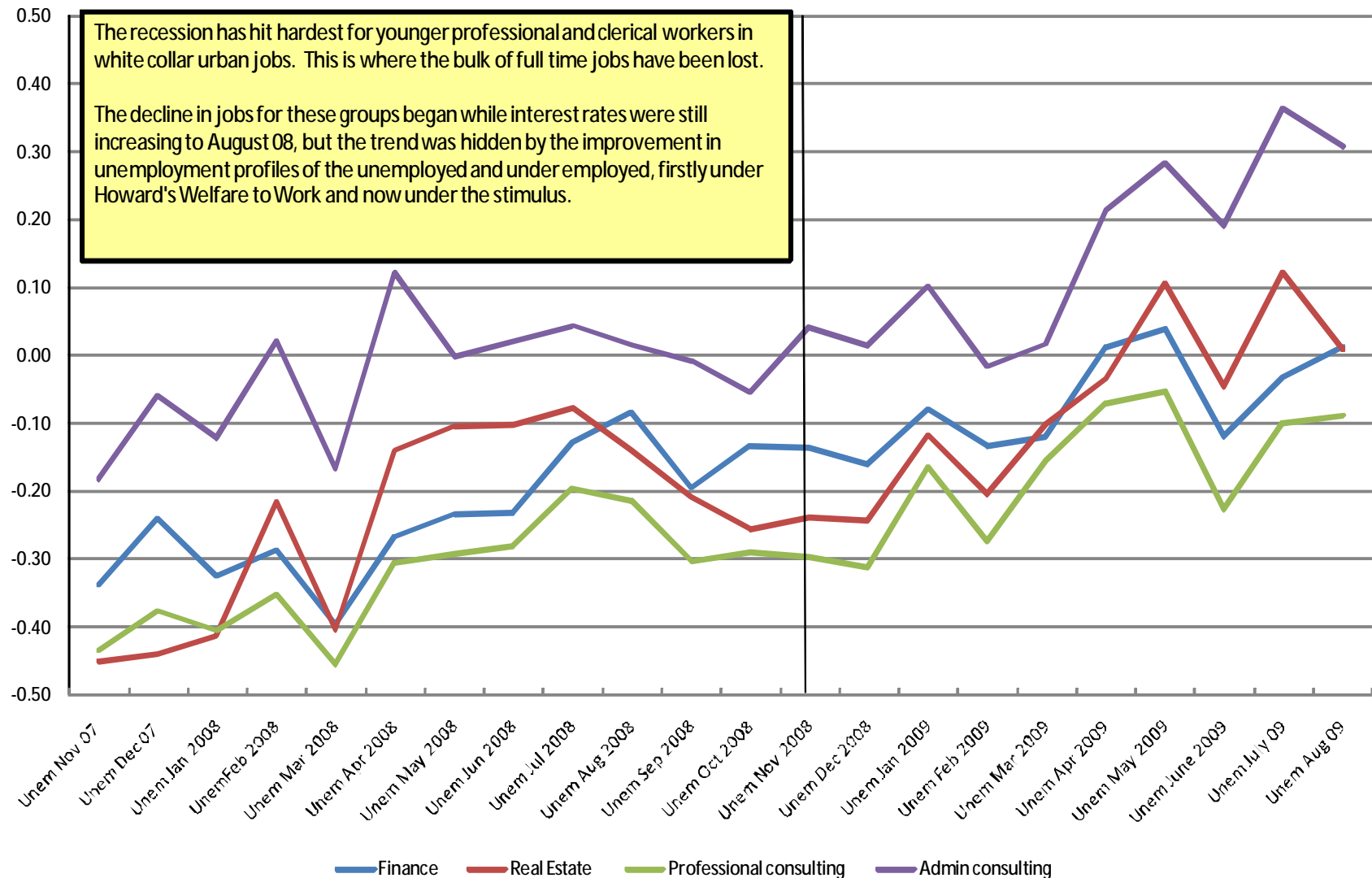


## What Recession? Selected Unionised Industries - Male

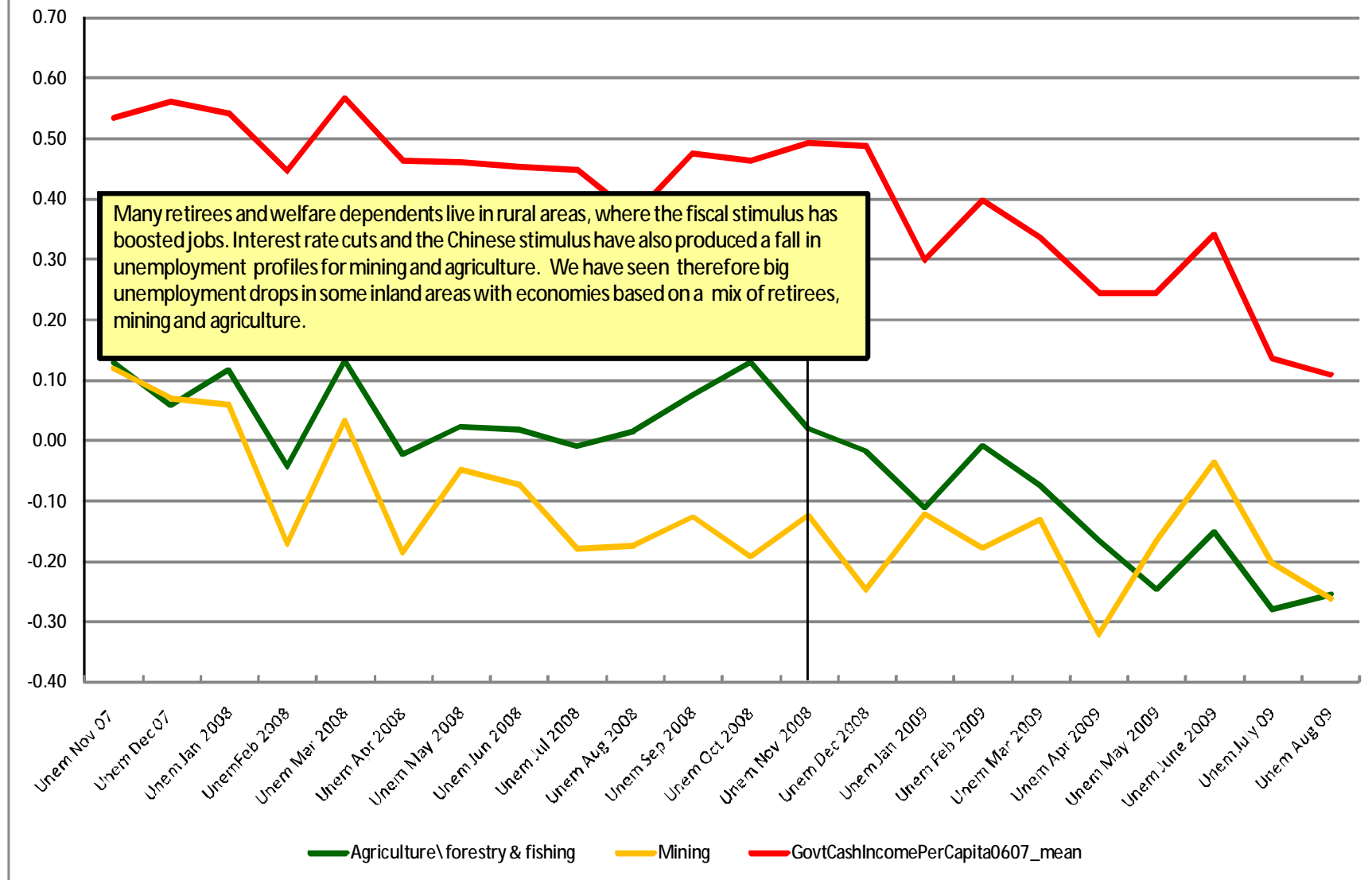




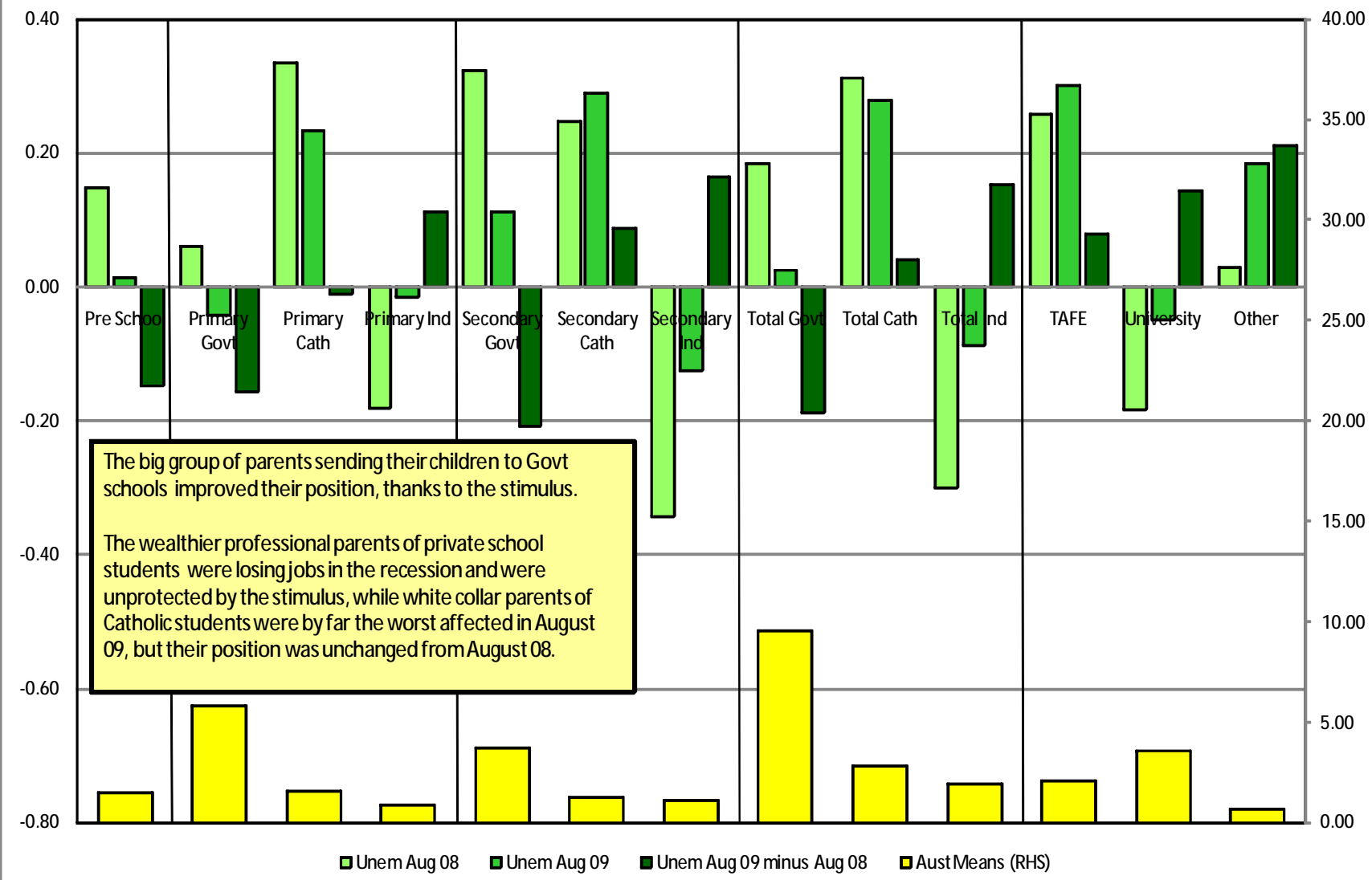
## This Recession: Selected Non-Unionised Industries - Male



## Major Rural Demographics



### Current Schooling

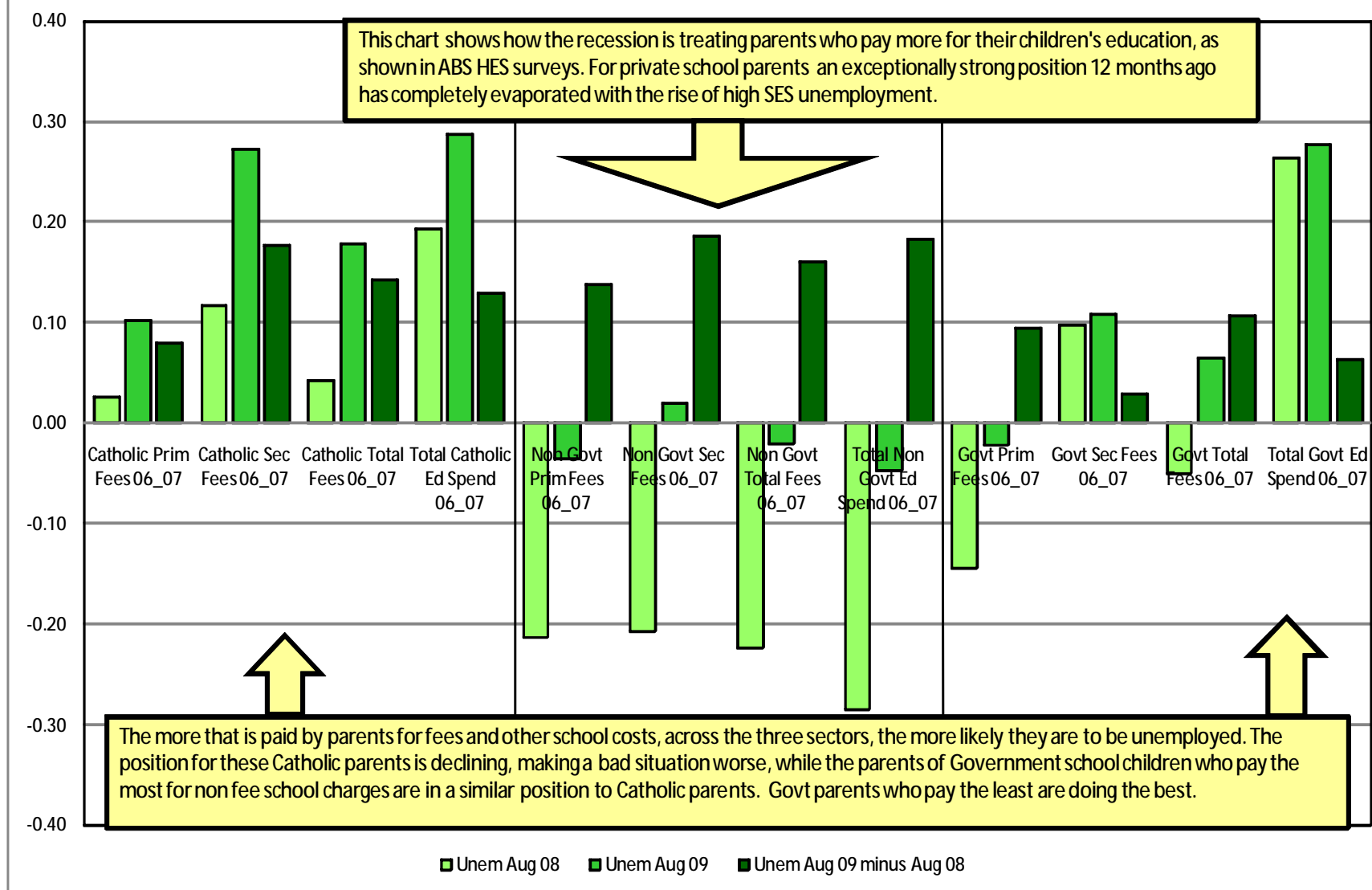


The big group of parents sending their children to Govt schools improved their position, thanks to the stimulus.

The wealthier professional parents of private school students were losing jobs in the recession and were unprotected by the stimulus, while white collar parents of Catholic students were by far the worst affected in August 09, but their position was unchanged from August 08.

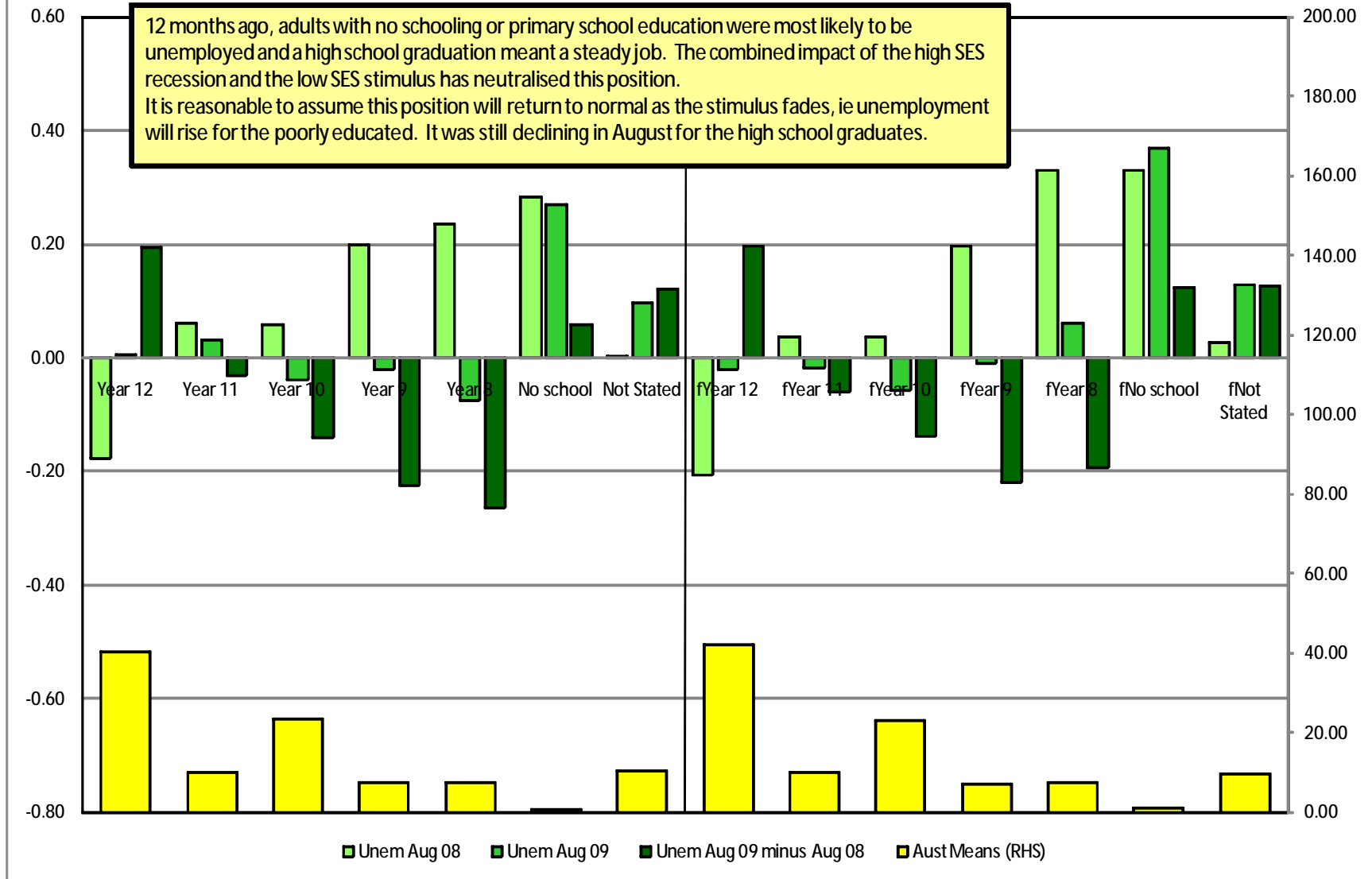


## School Fees Across Three Sectors

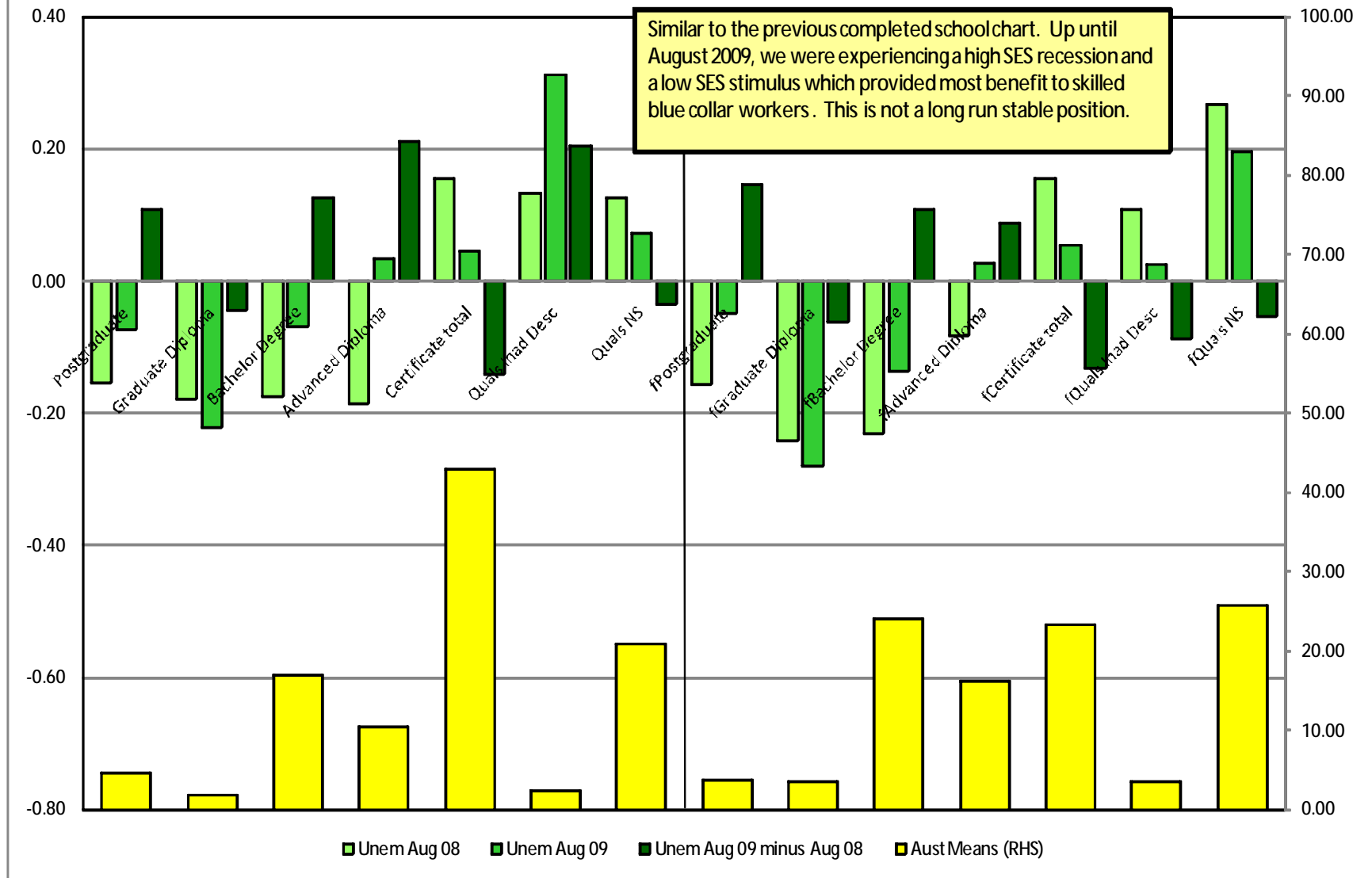


## Parental Schooling

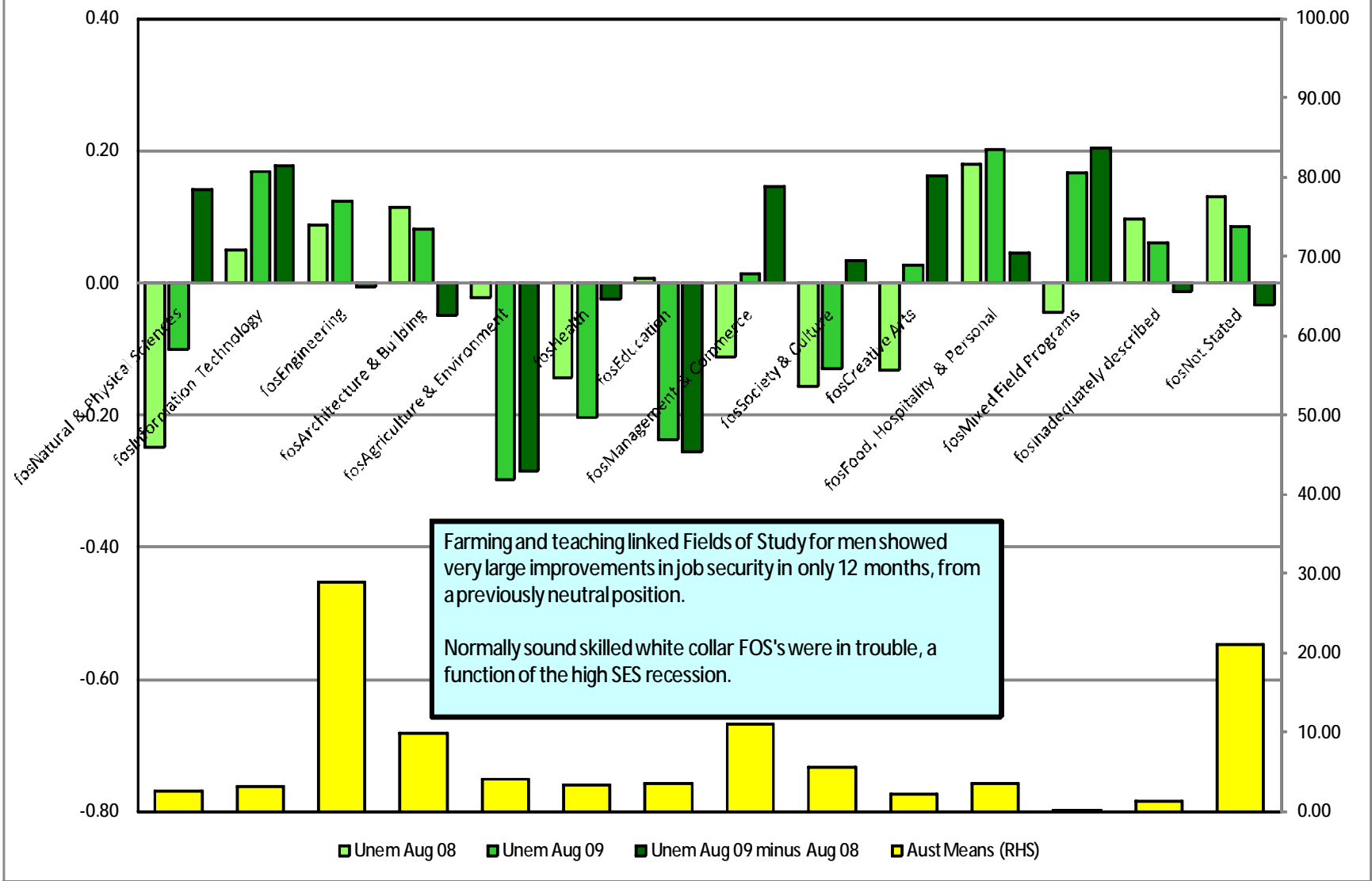
12 months ago, adults with no schooling or primary school education were most likely to be unemployed and a high school graduation meant a steady job. The combined impact of the high SES recession and the low SES stimulus has neutralised this position. It is reasonable to assume this position will return to normal as the stimulus fades, ie unemployment will rise for the poorly educated. It was still declining in August for the high school graduates.



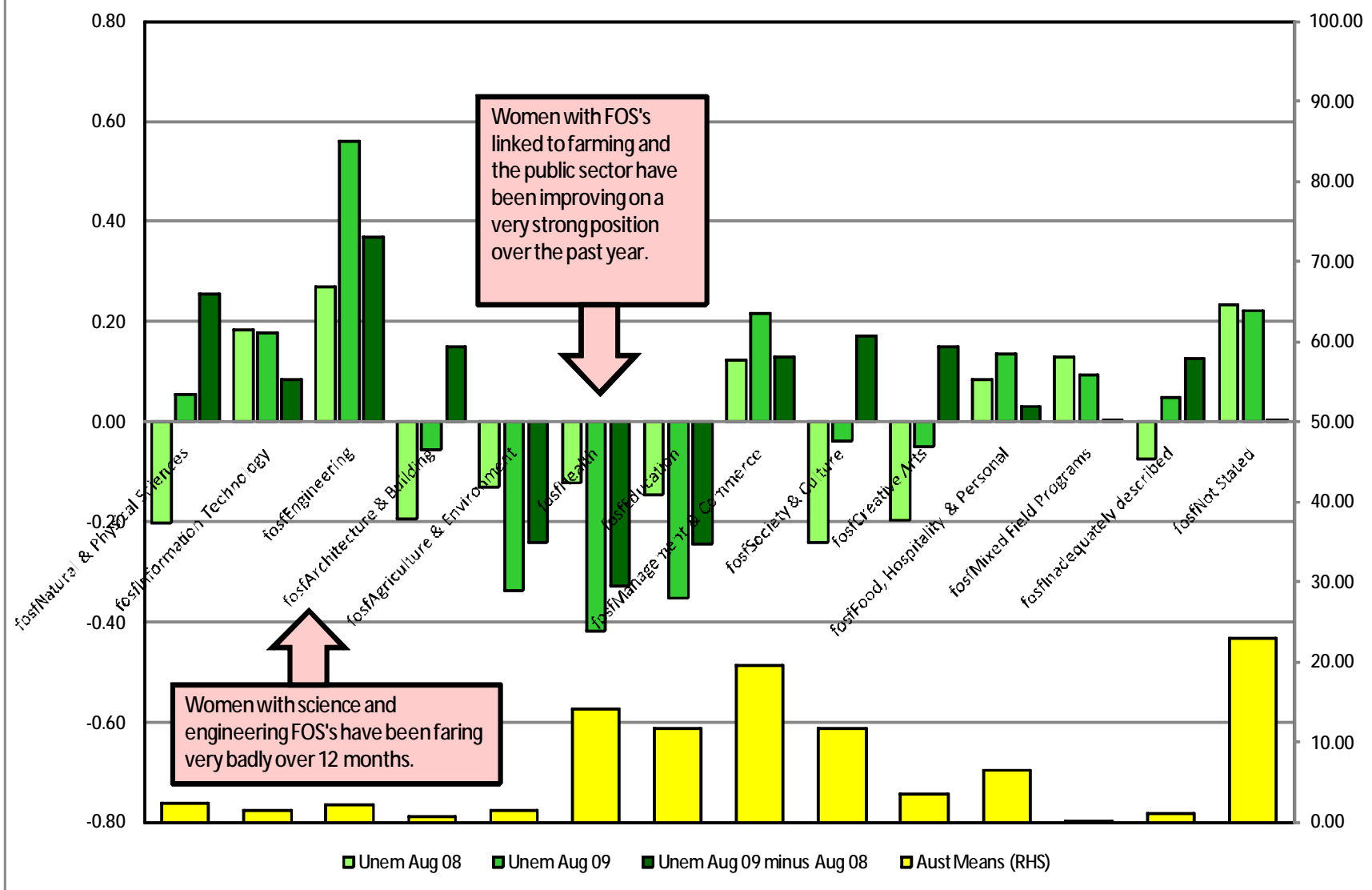
## Qualifications: Male & Female



## Field of Study Male

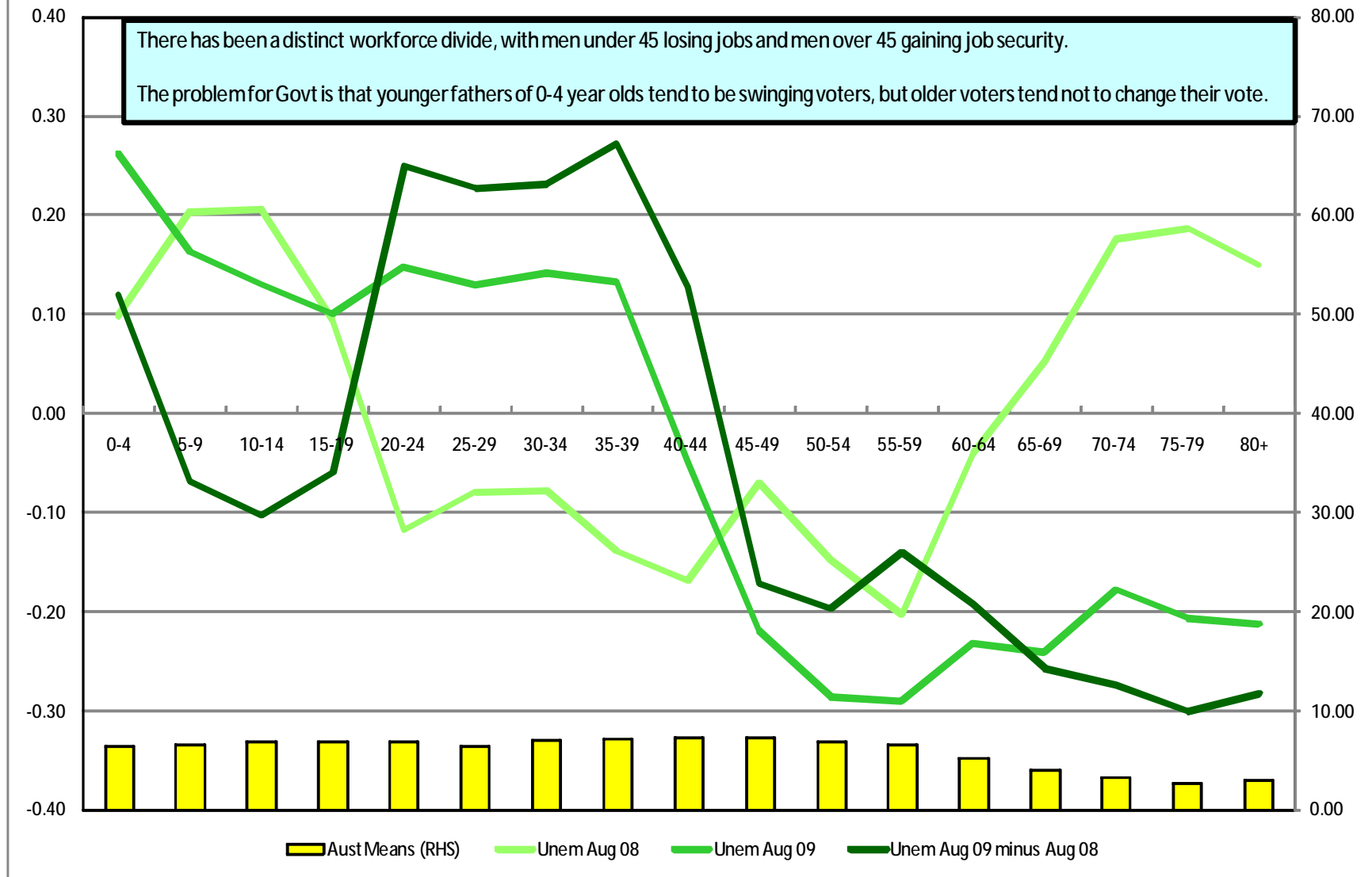


## Field of Study Female

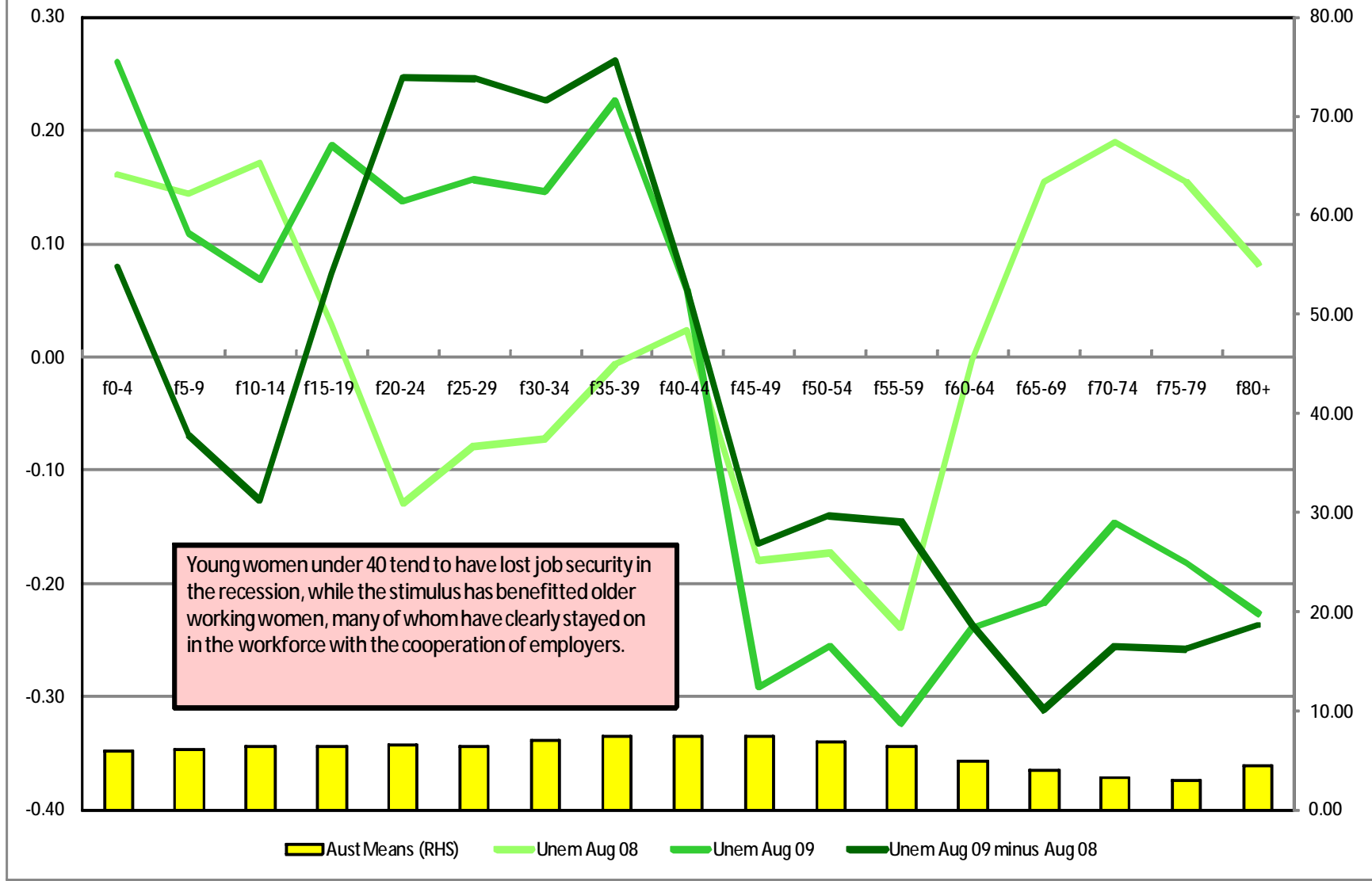




# Age Male



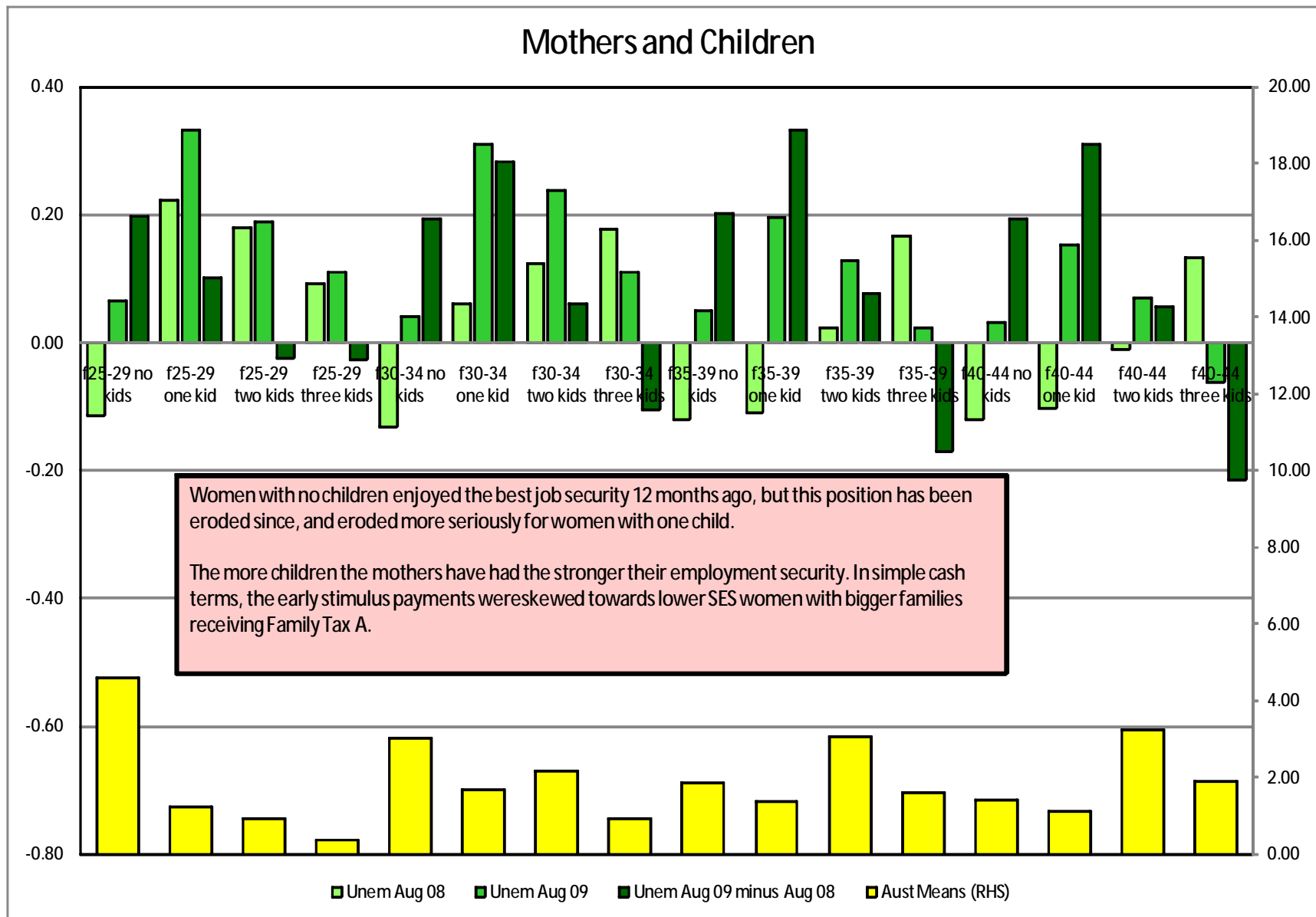
## Age Female



Young women under 40 tend to have lost job security in the recession, while the stimulus has benefitted older working women, many of whom have clearly stayed on in the workforce with the cooperation of employers.

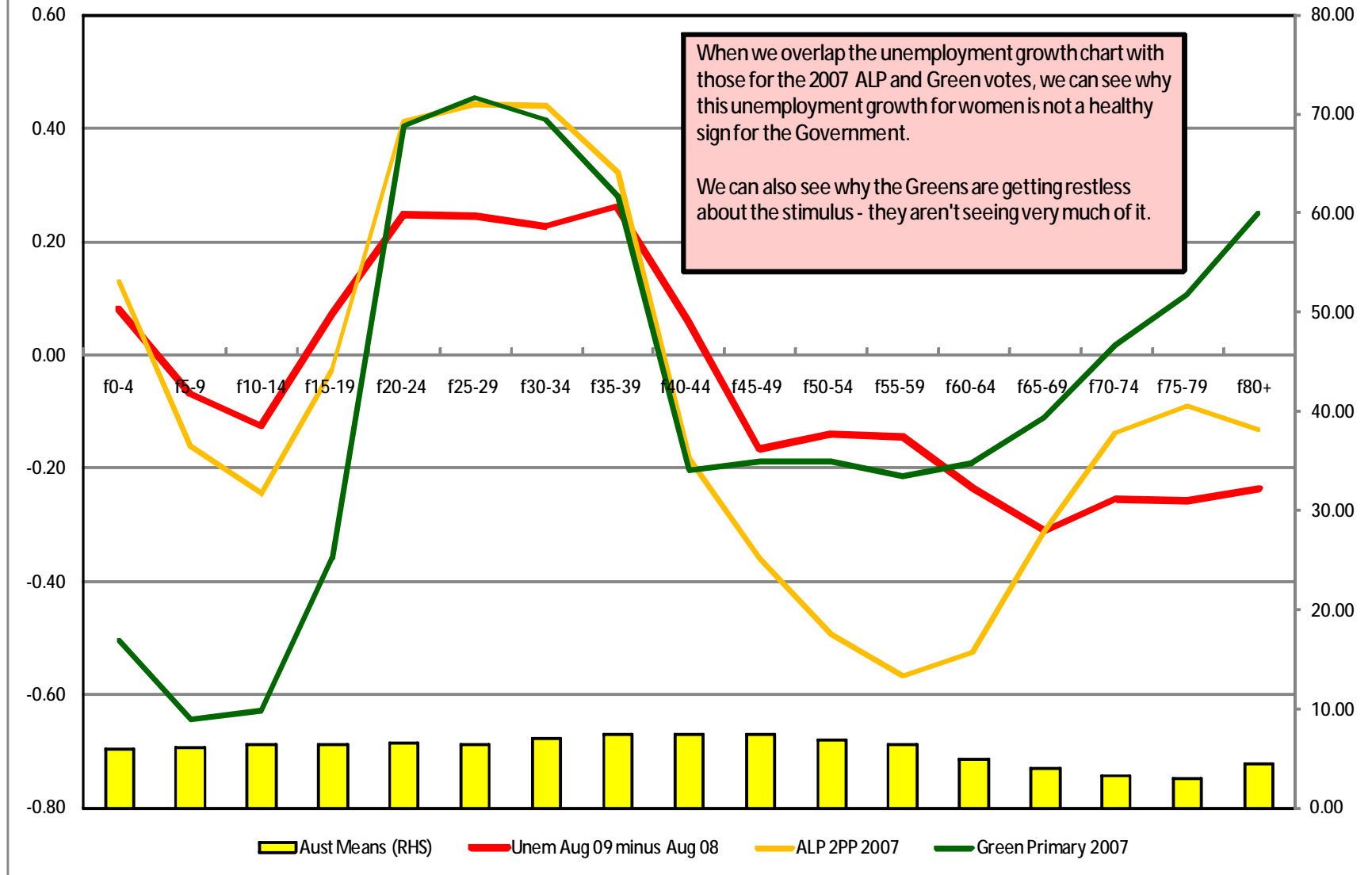


## Mothers and Children

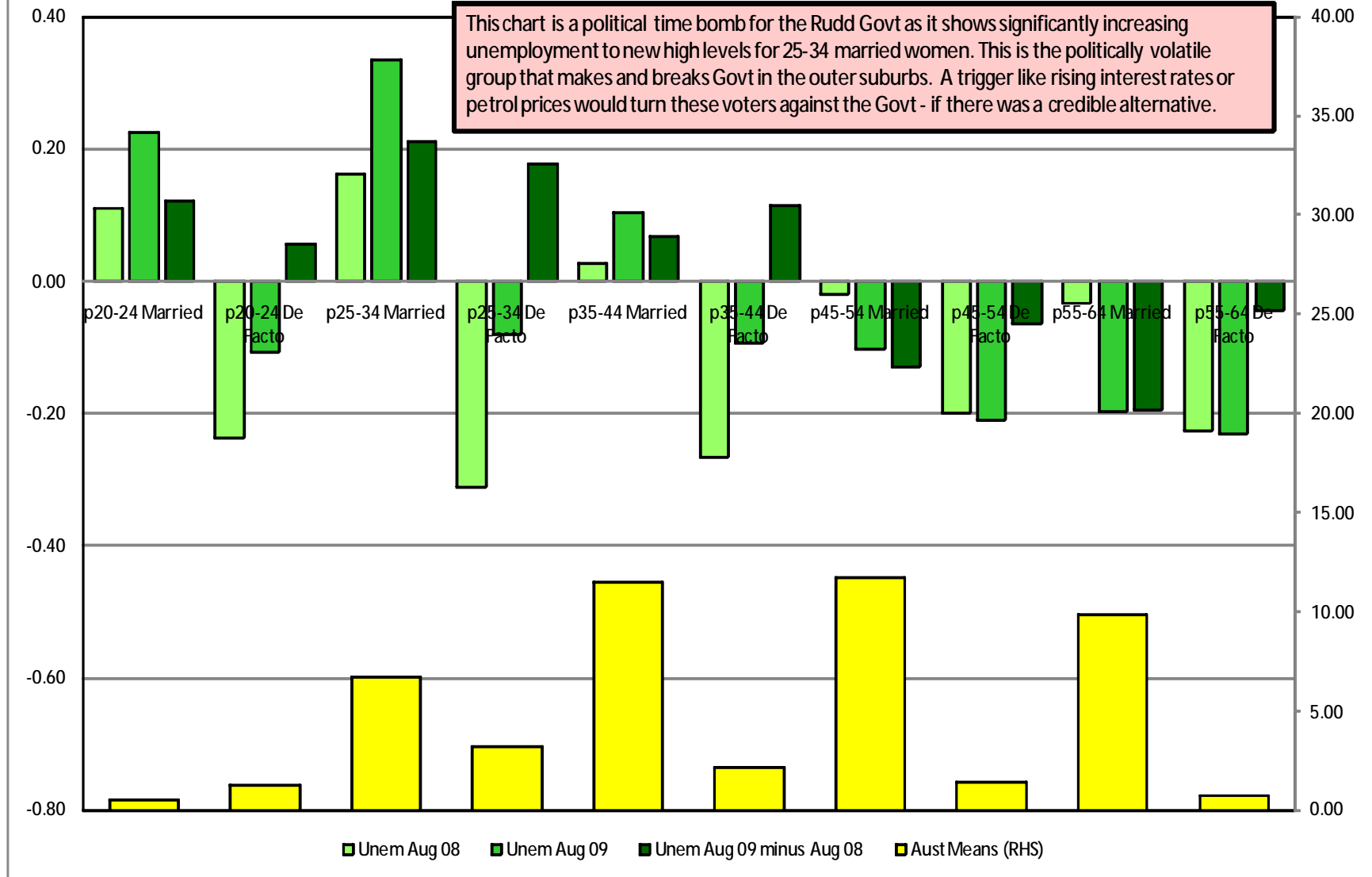


Women with no children enjoyed the best job security 12 months ago, but this position has been eroded since, and eroded more seriously for women with one child.  
  
 The more children the mothers have had the stronger their employment security. In simple cash terms, the early stimulus payments were skewed towards lower SES women with bigger families receiving Family Tax A.

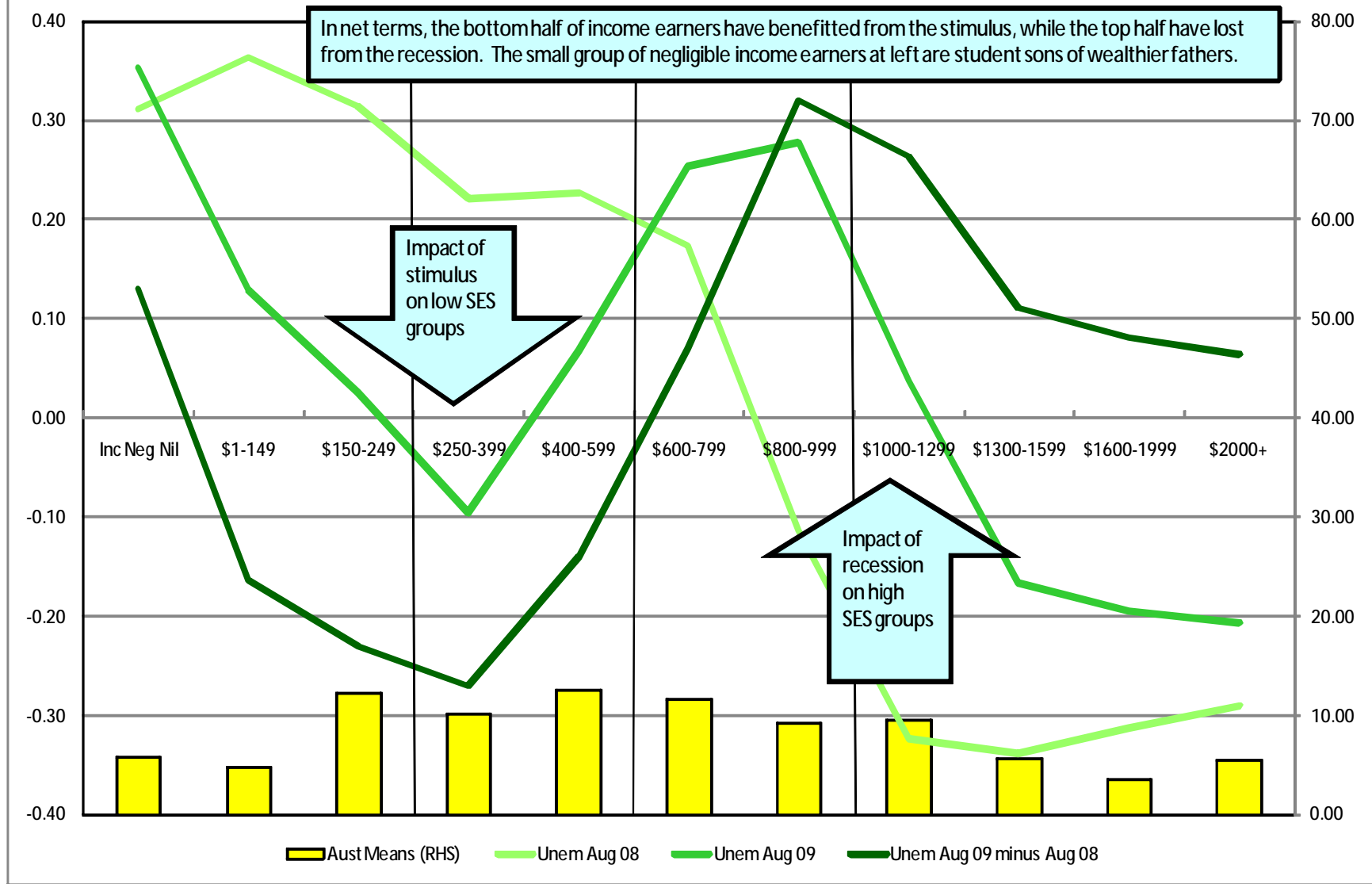
## Females Age by Unemployment and Vote



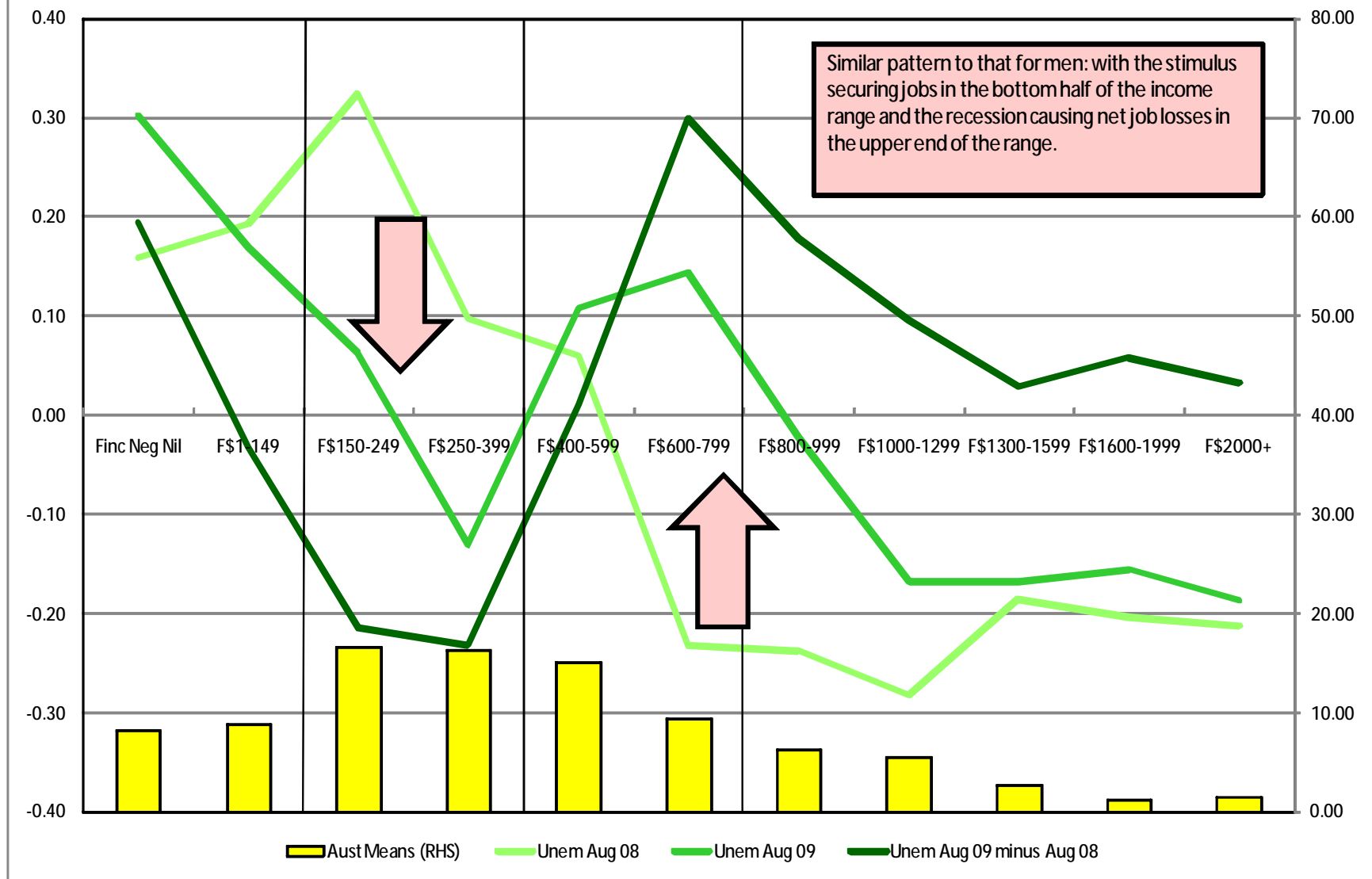
## Marital Status by Age



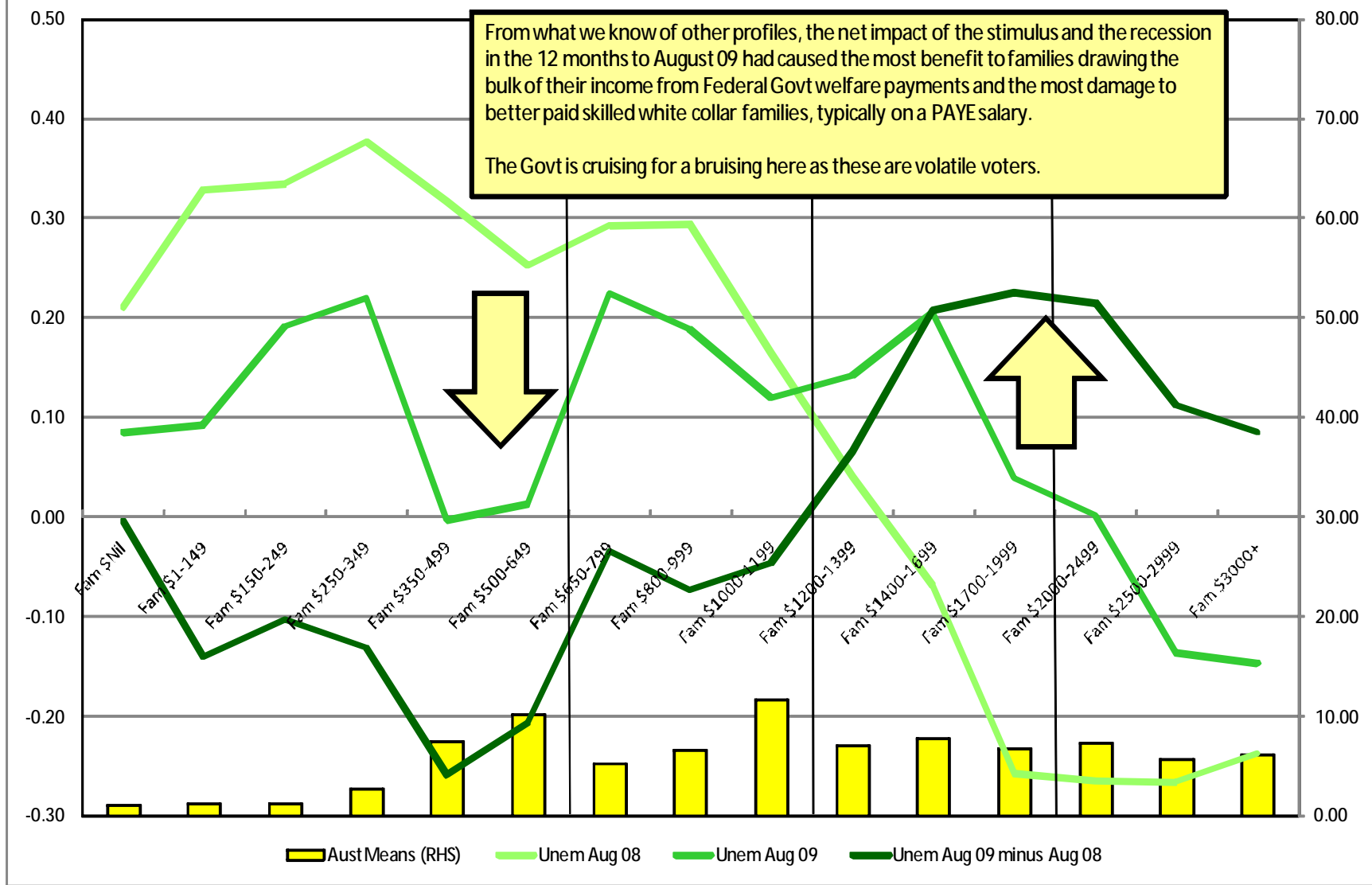
# Income Male



## Income Female

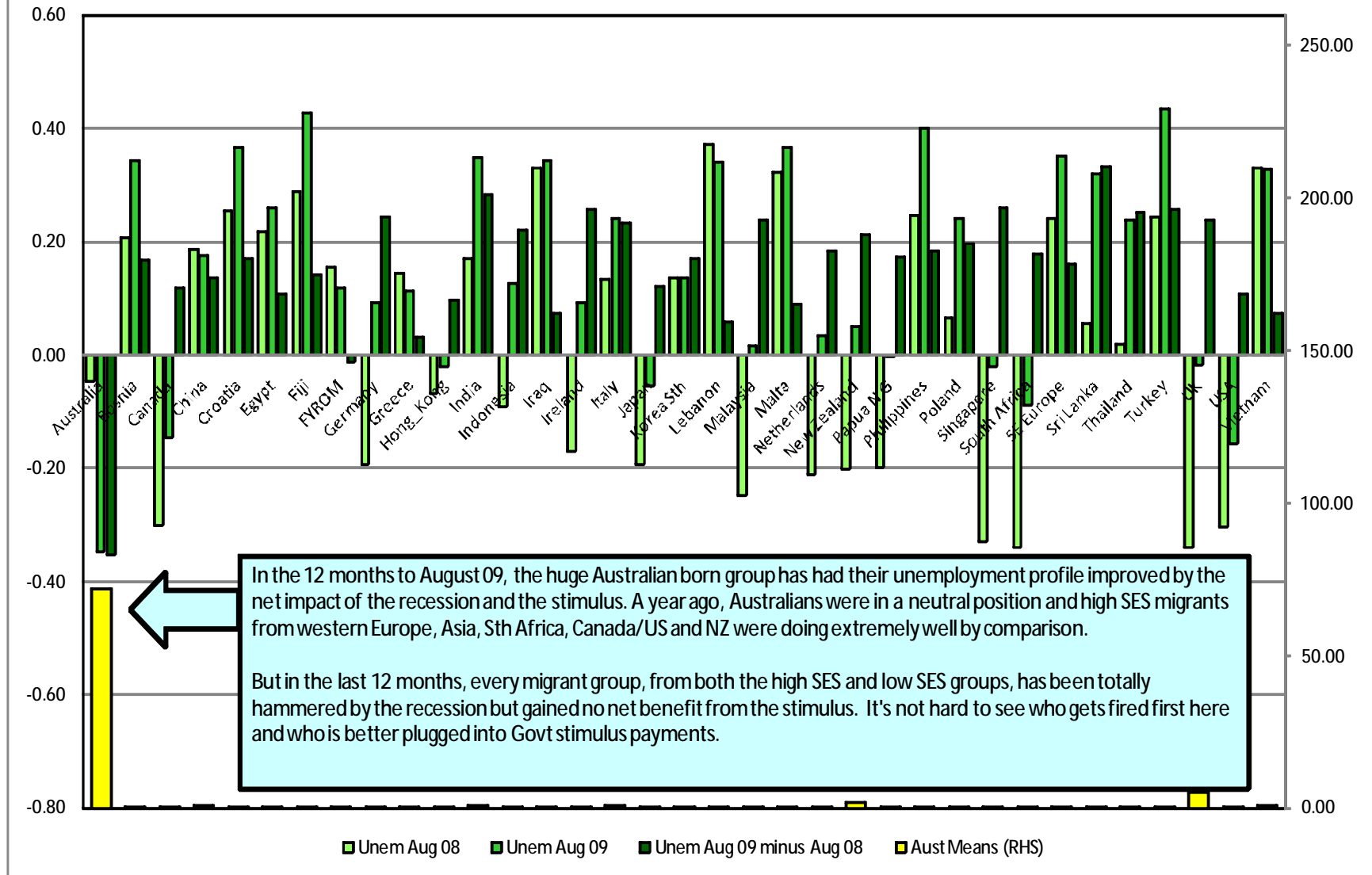


## Family Income

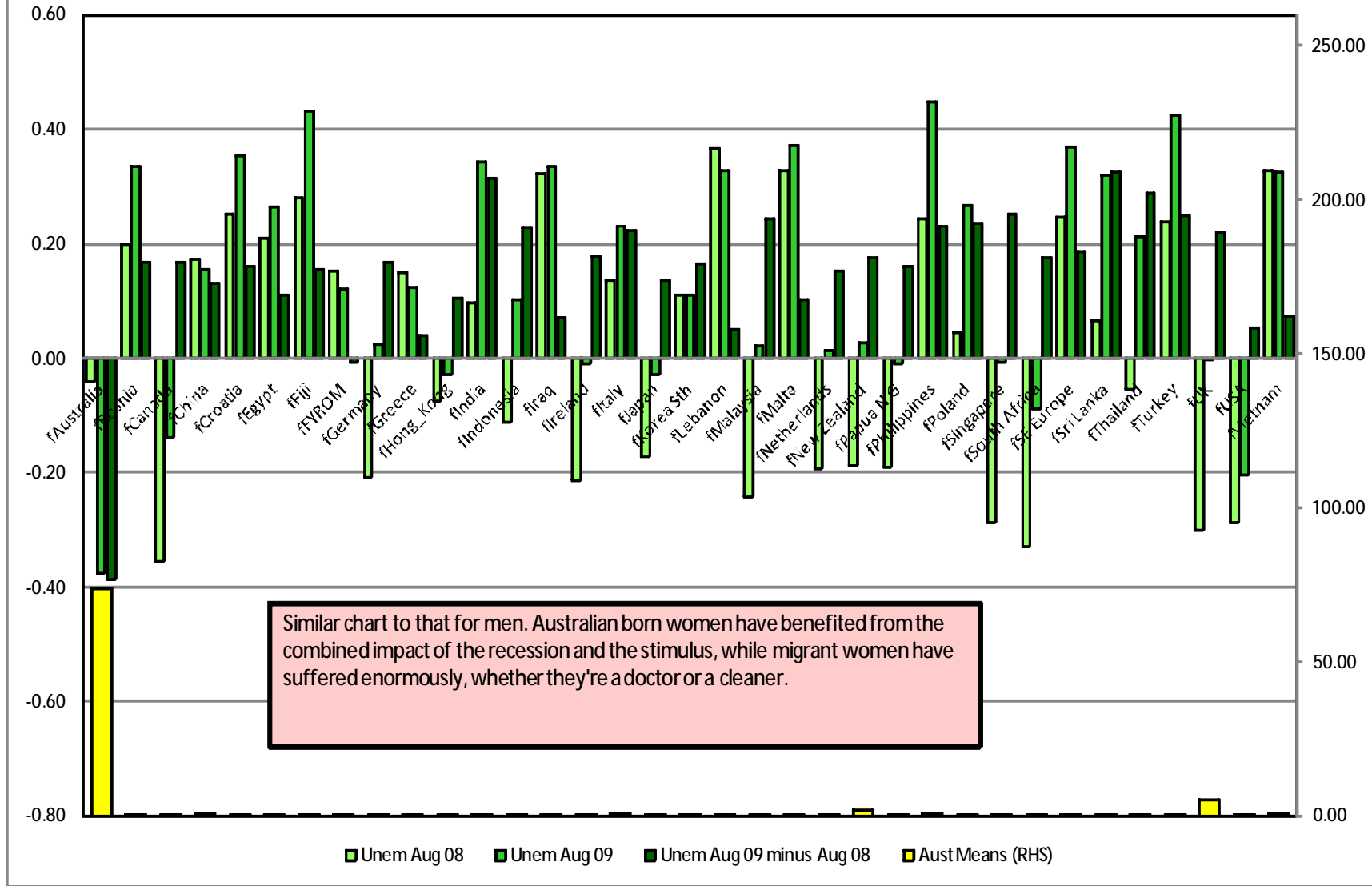




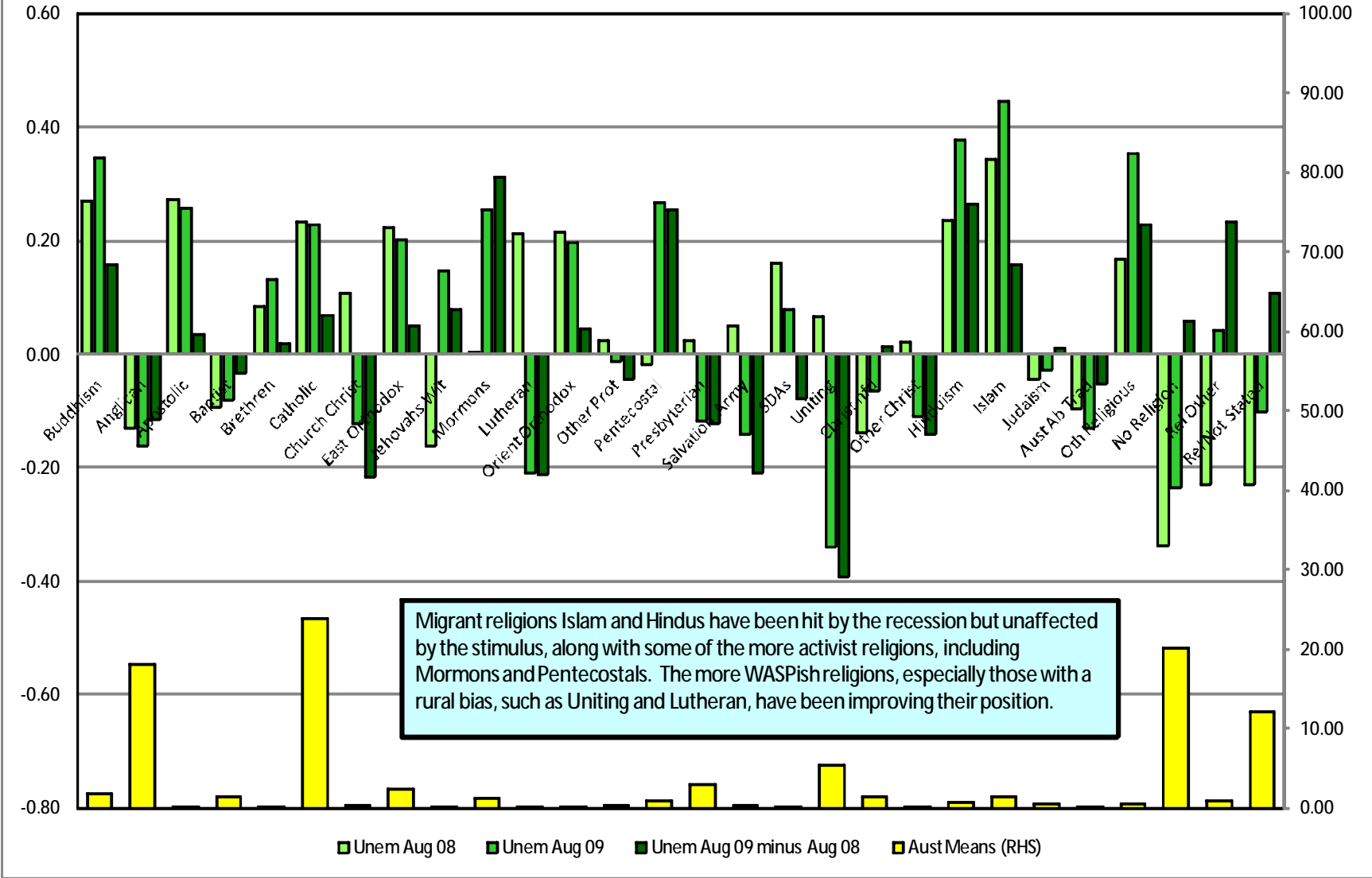
# Birthplace Male



# Birthplace Female



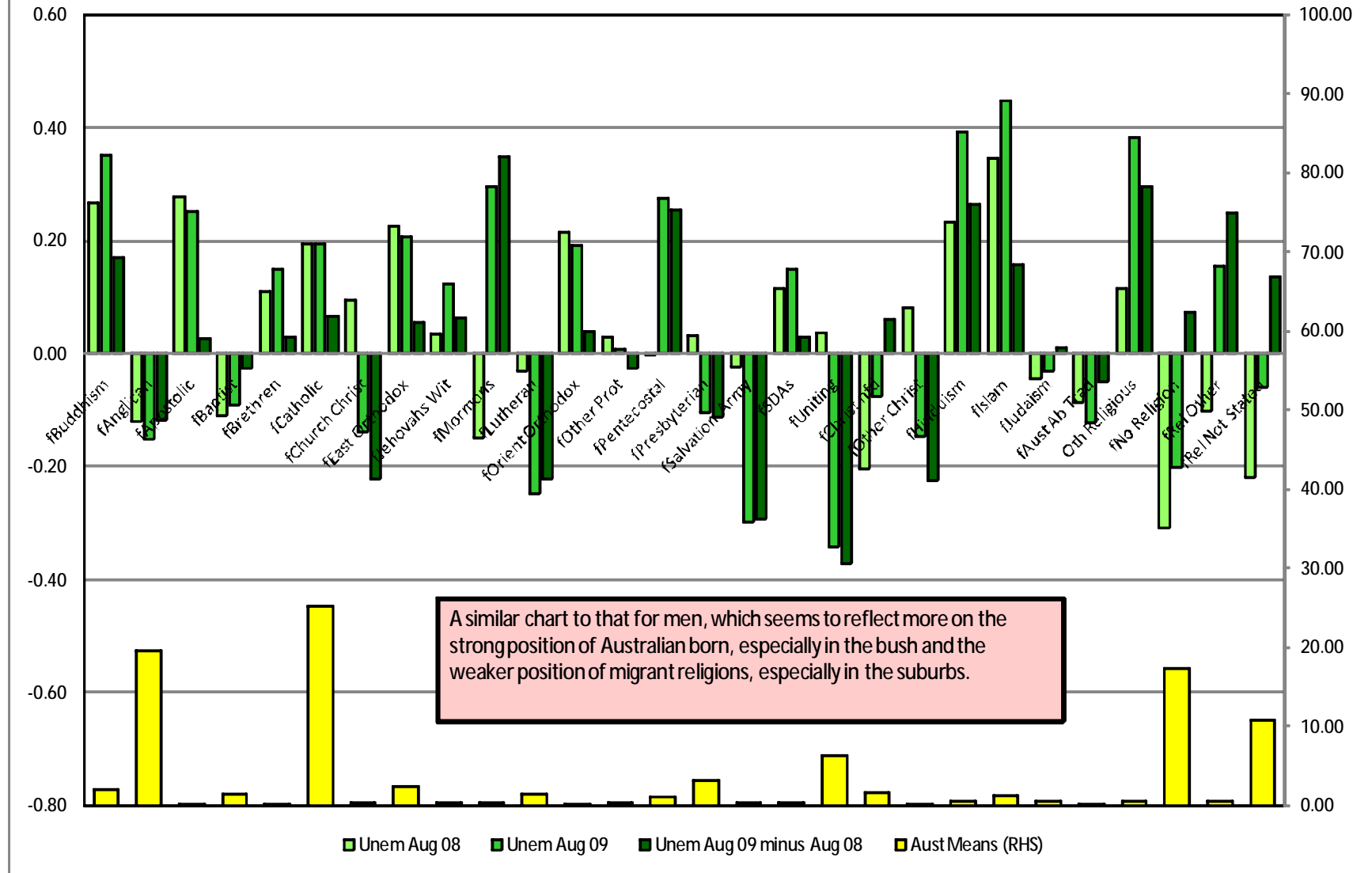
# Religion Male



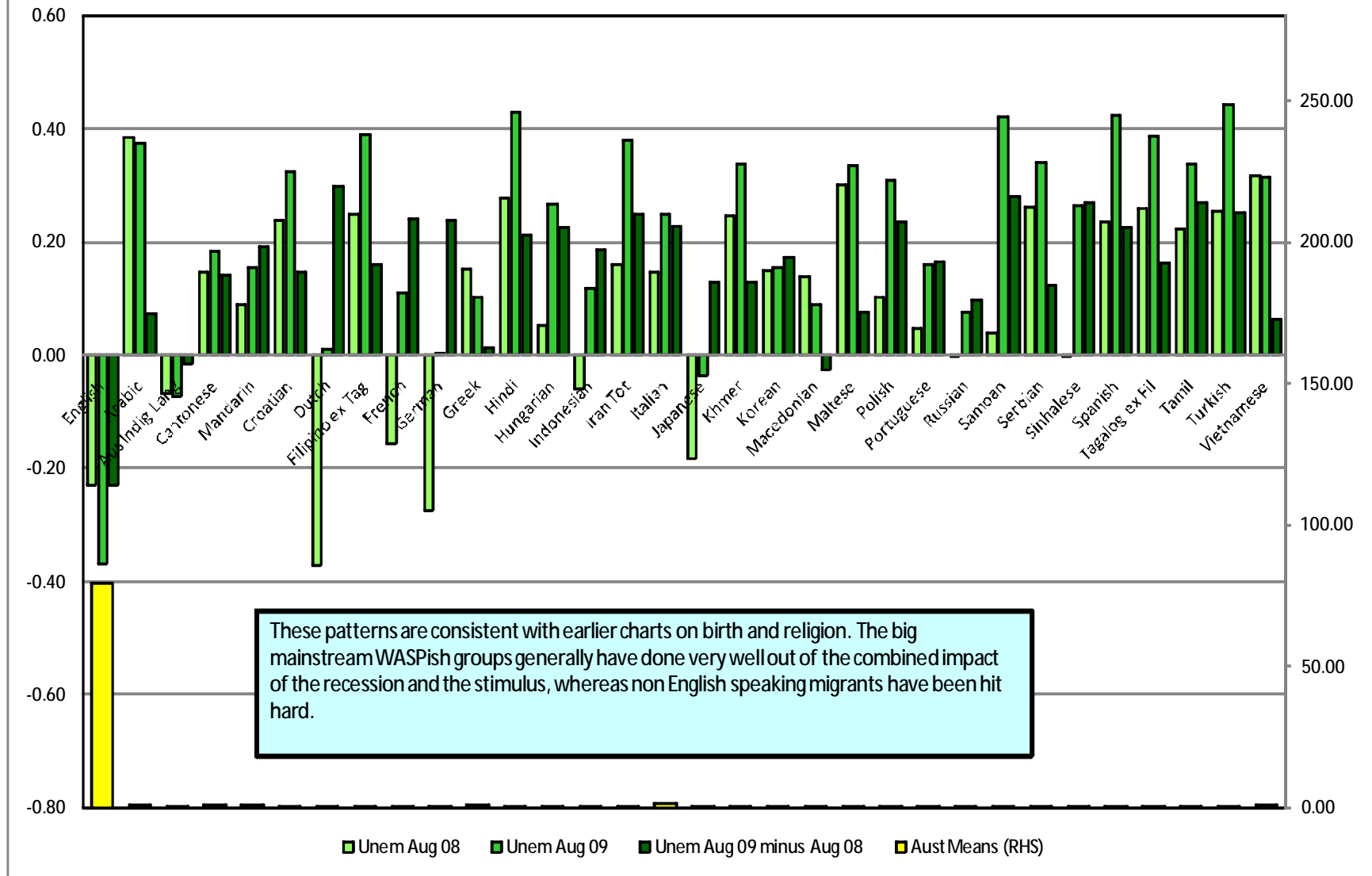
Migrant religions Islam and Hindus have been hit by the recession but unaffected by the stimulus, along with some of the more activist religions, including Mormons and Pentecostals. The more WASPish religions, especially those with a rural bias, such as Uniting and Lutheran, have been improving their position.



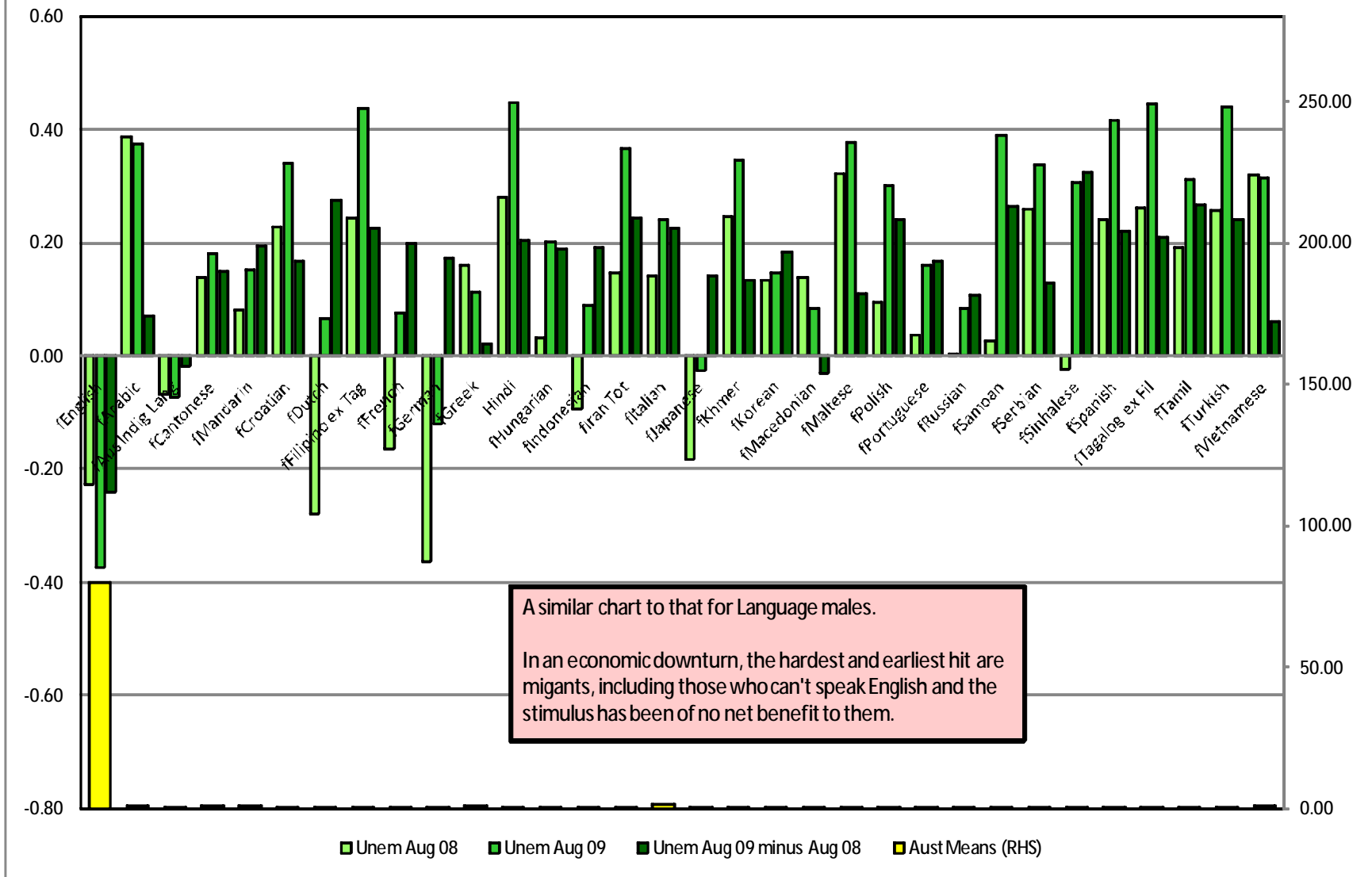
# Religion Female



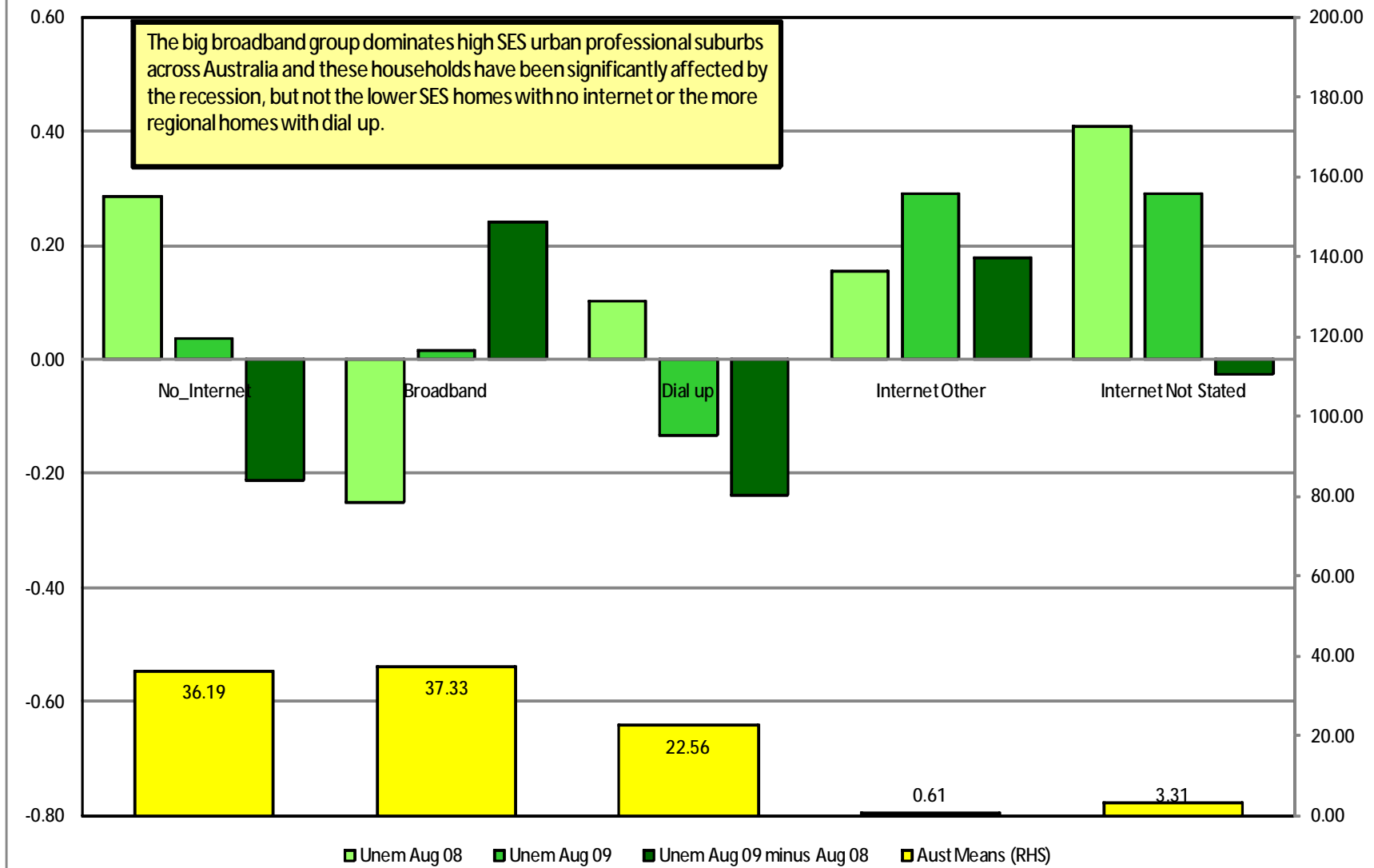
# Language at Home Males



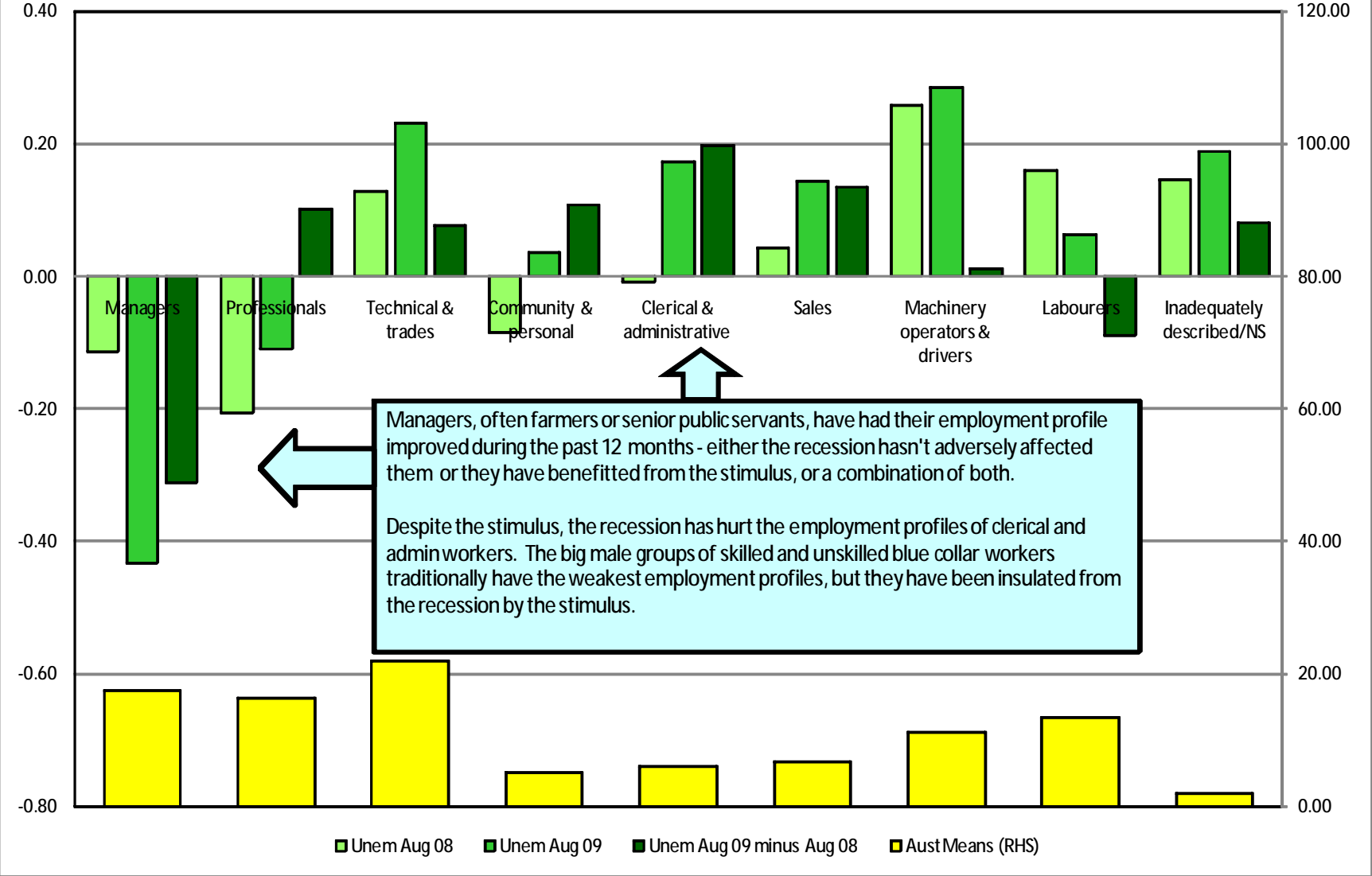
# Language at Home Females



## Web Connections



# Occupation Male



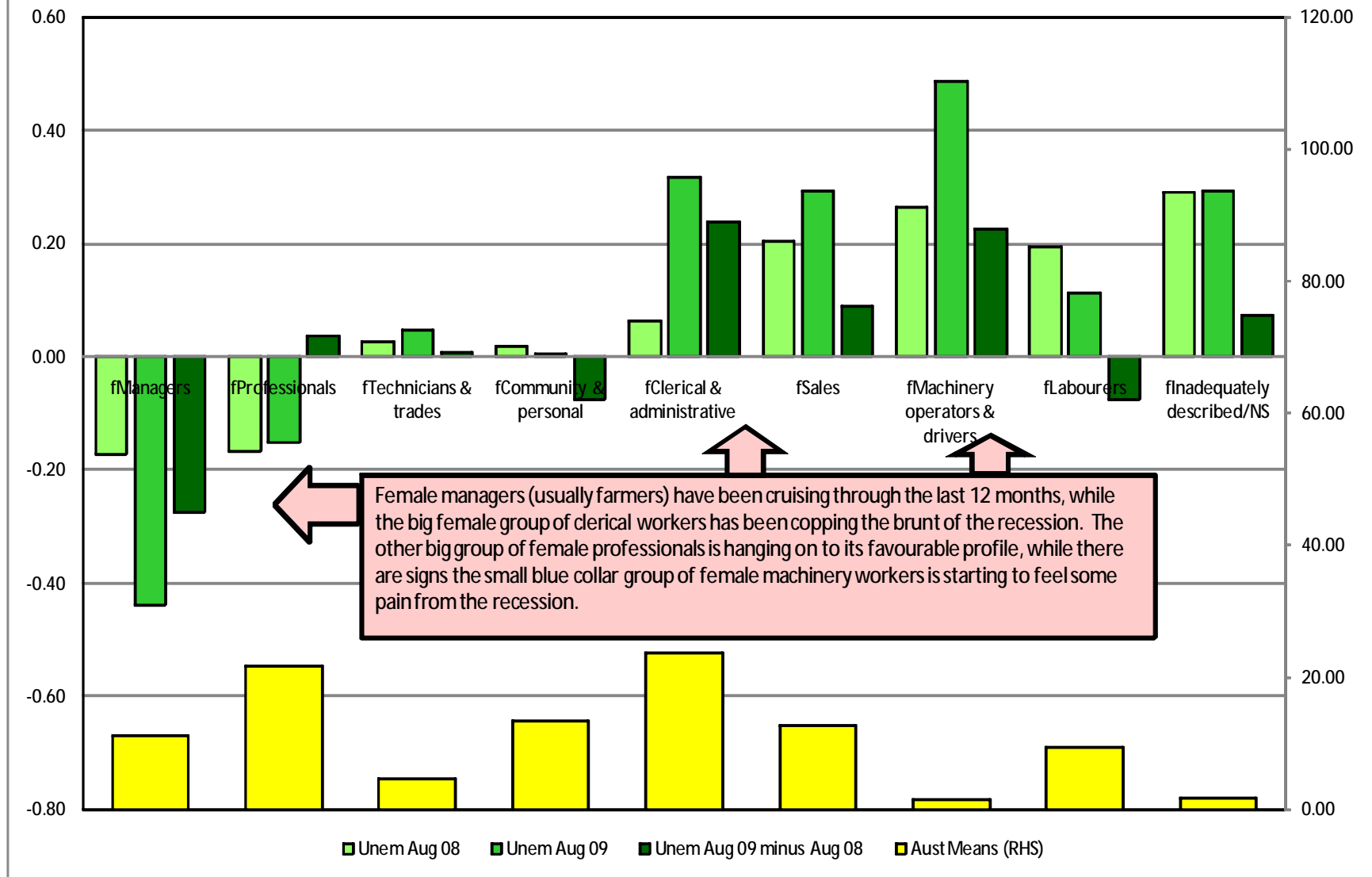
Managers, often farmers or senior public servants, have had their employment profile improved during the past 12 months - either the recession hasn't adversely affected them or they have benefitted from the stimulus, or a combination of both.

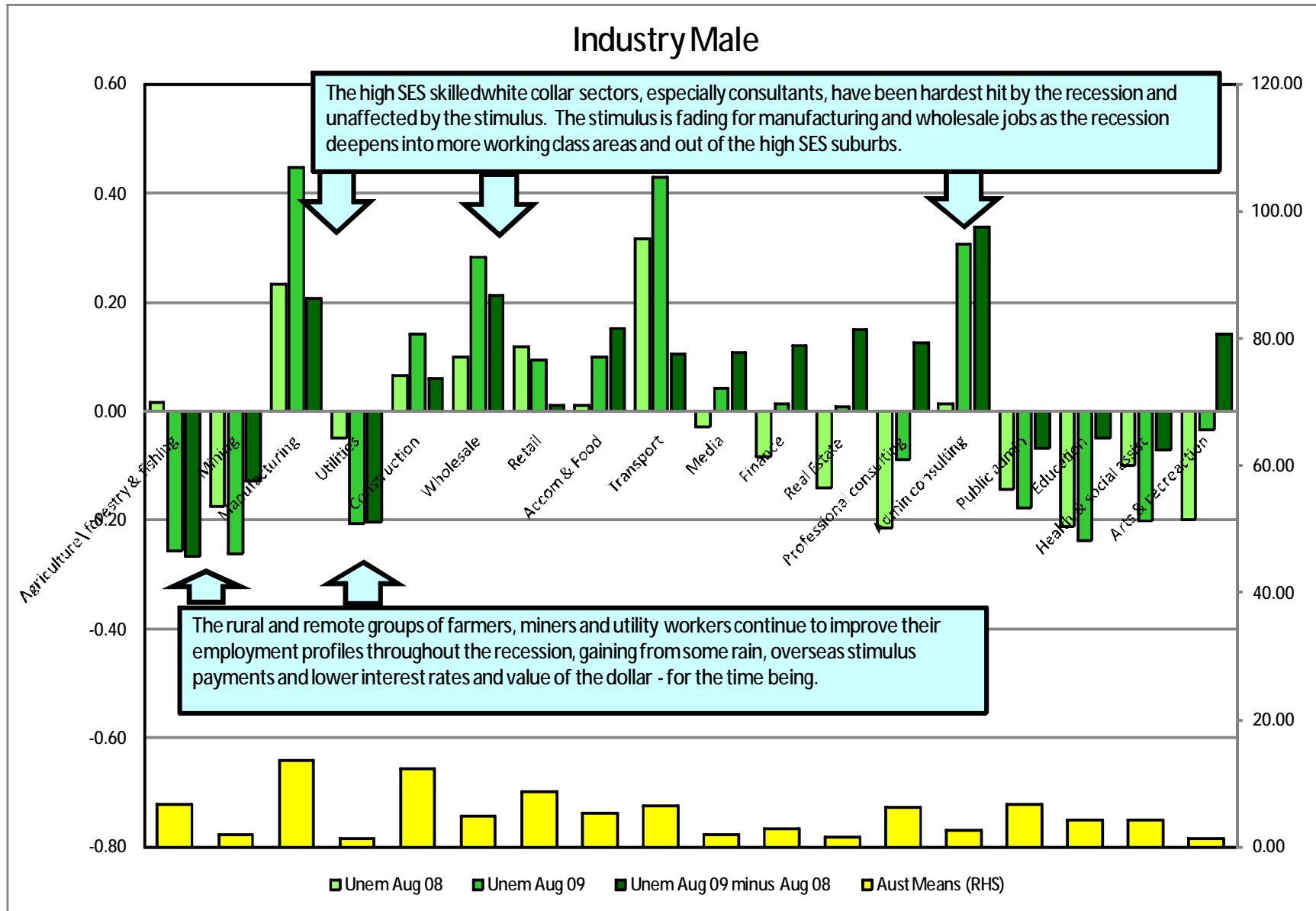
Despite the stimulus, the recession has hurt the employment profiles of clerical and admin workers. The big male groups of skilled and unskilled blue collar workers traditionally have the weakest employment profiles, but they have been insulated from the recession by the stimulus.





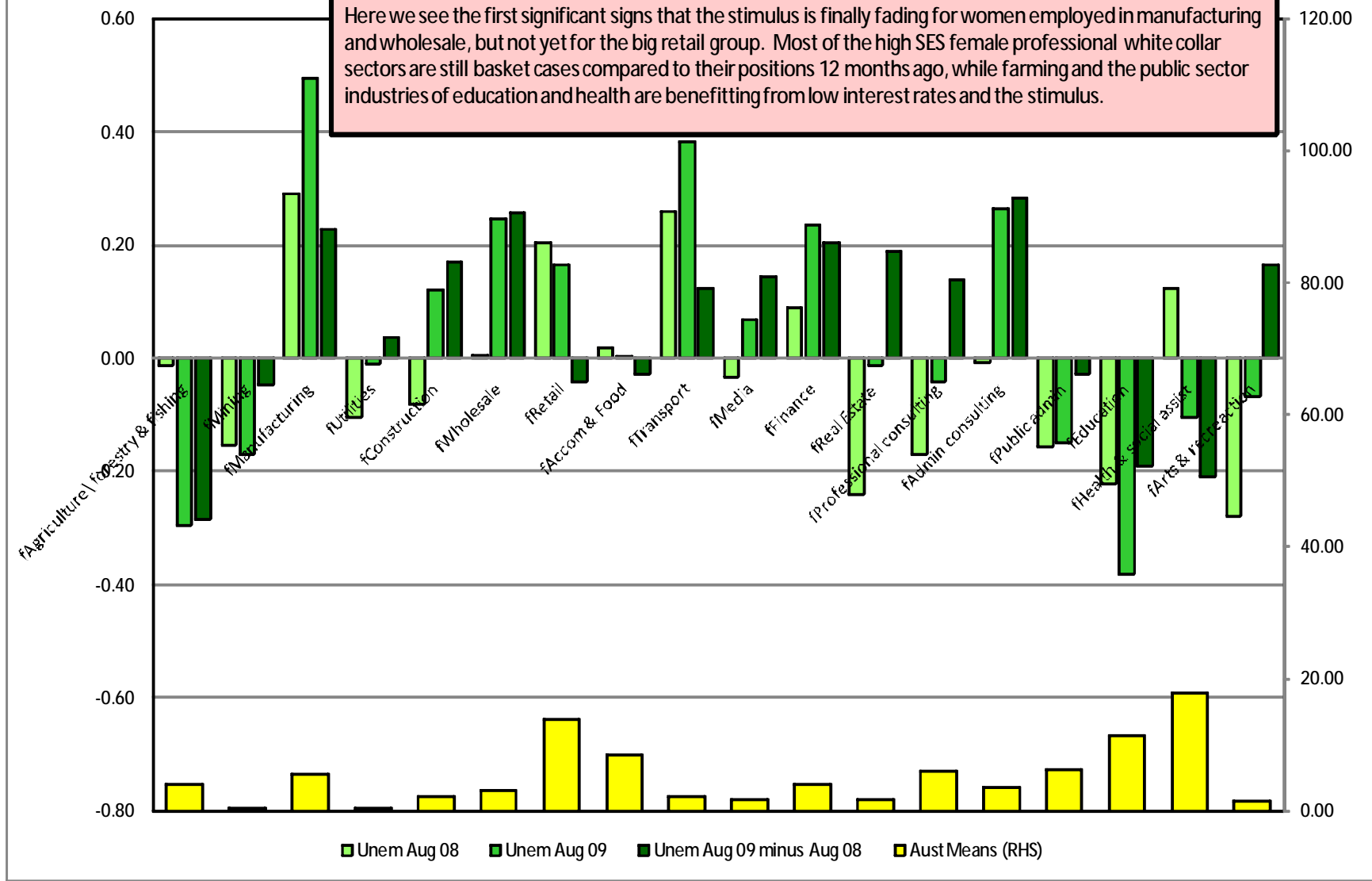
# Occupation Female





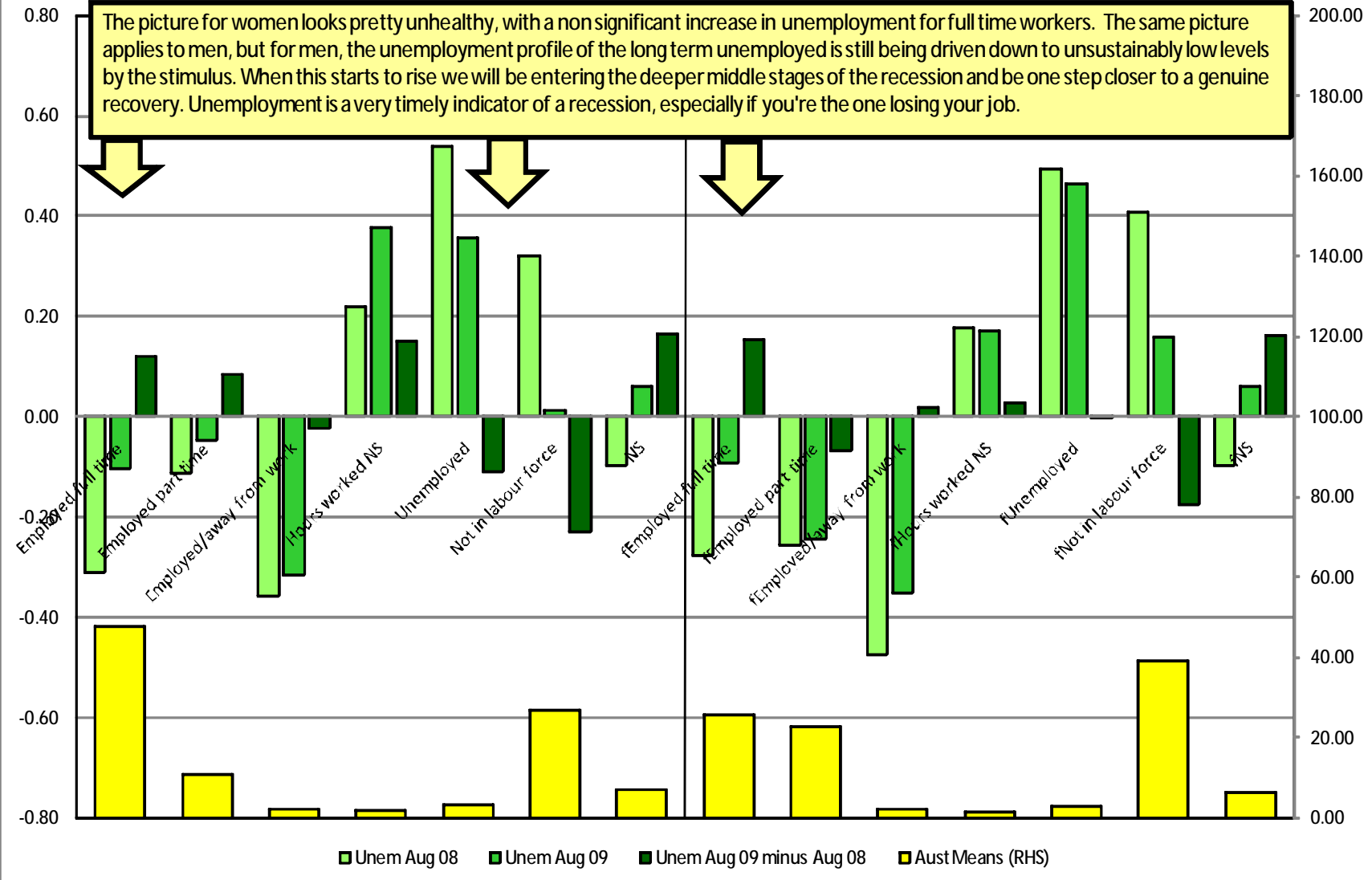
## Industry Female

Here we see the first significant signs that the stimulus is finally fading for women employed in manufacturing and wholesale, but not yet for the big retail group. Most of the high SES female professional white collar sectors are still basket cases compared to their positions 12 months ago, while farming and the public sector industries of education and health are benefitting from low interest rates and the stimulus.

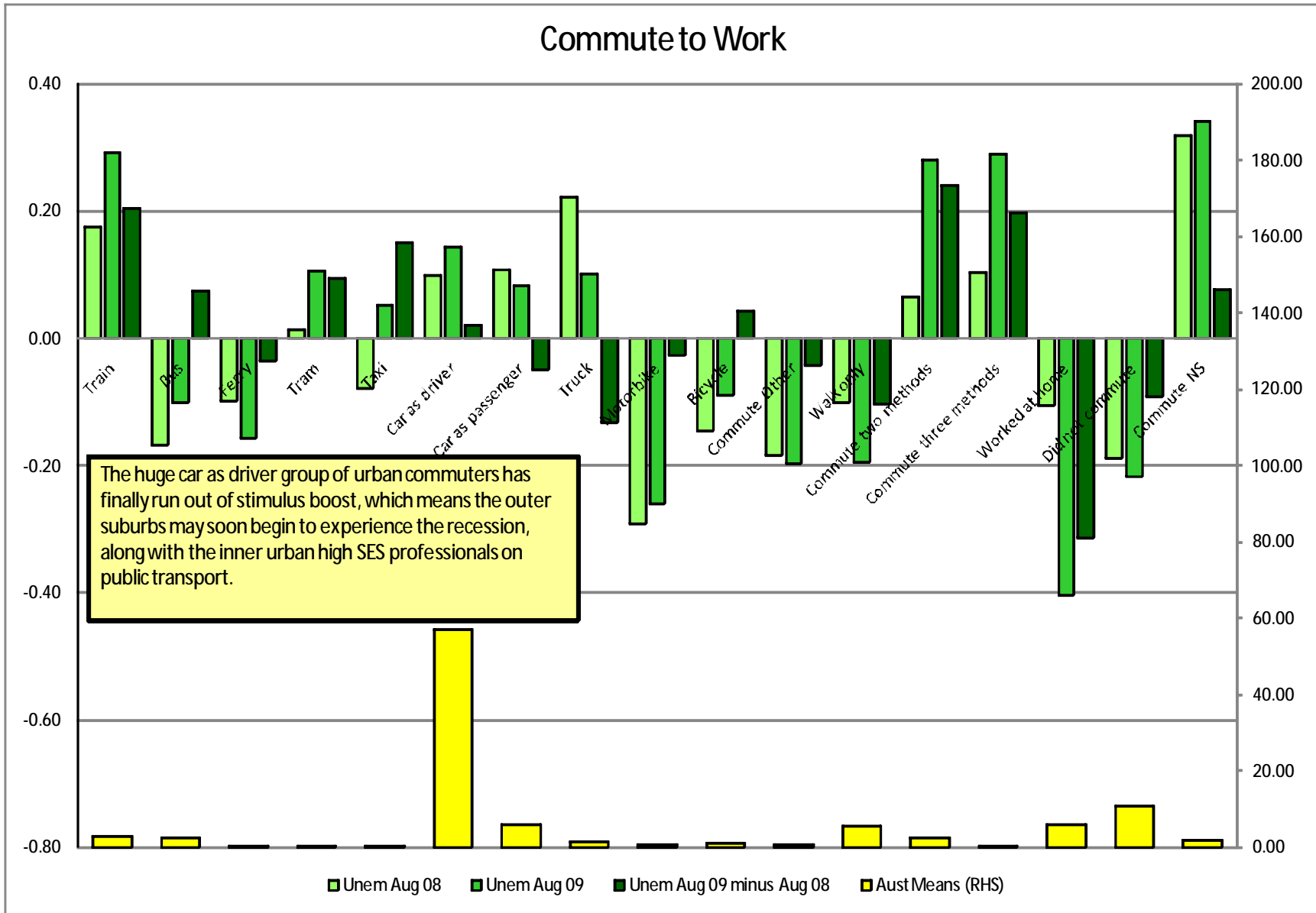


# Employment: Male & Female

The picture for women looks pretty unhealthy, with a non significant increase in unemployment for full time workers. The same picture applies to men, but for men, the unemployment profile of the long term unemployed is still being driven down to unsustainably low levels by the stimulus. When this starts to rise we will be entering the deeper middle stages of the recession and be one step closer to a genuine recovery. Unemployment is a very timely indicator of a recession, especially if you're the one losing your job.



# Commute to Work

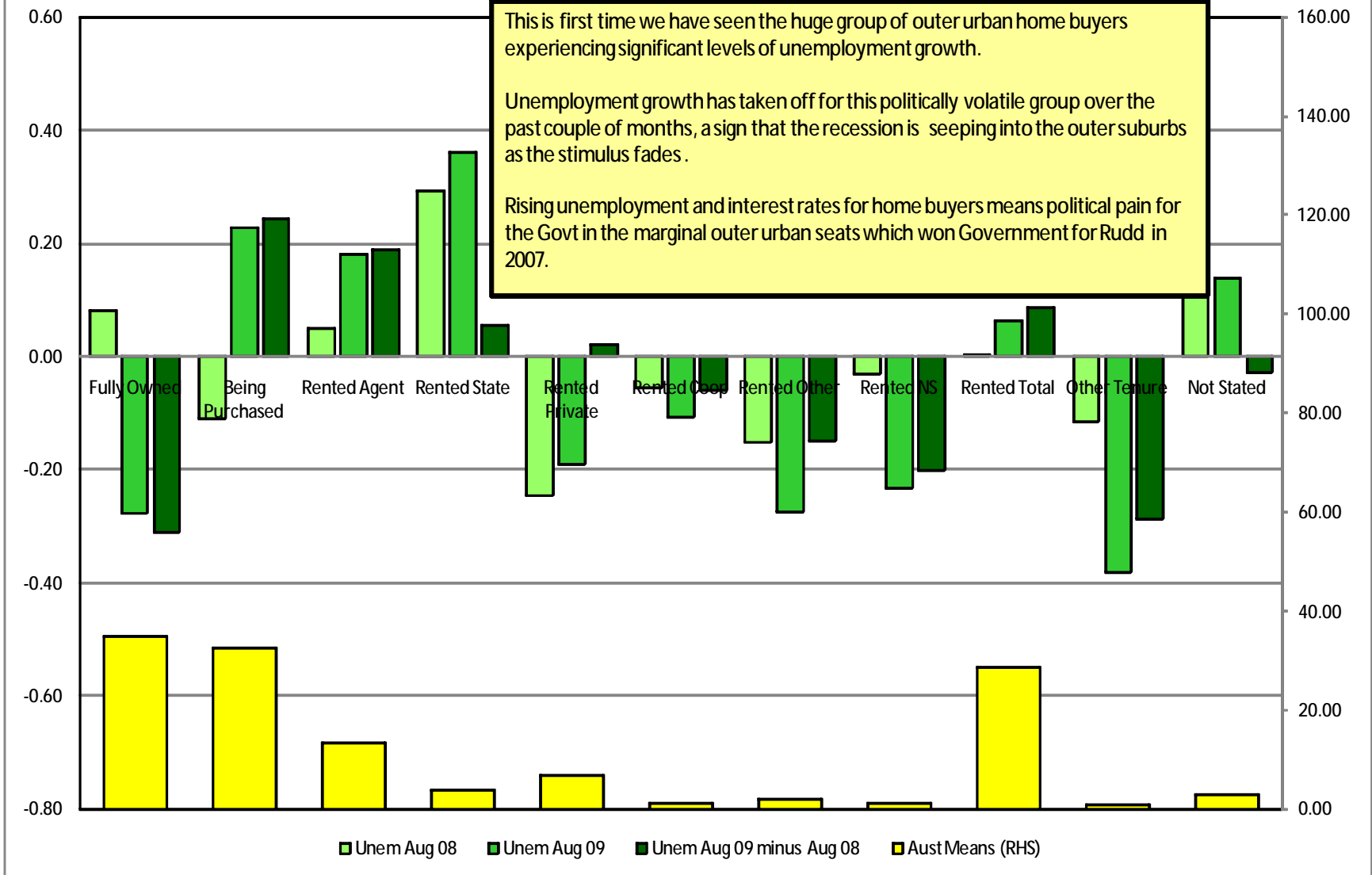


# Housing Tenure

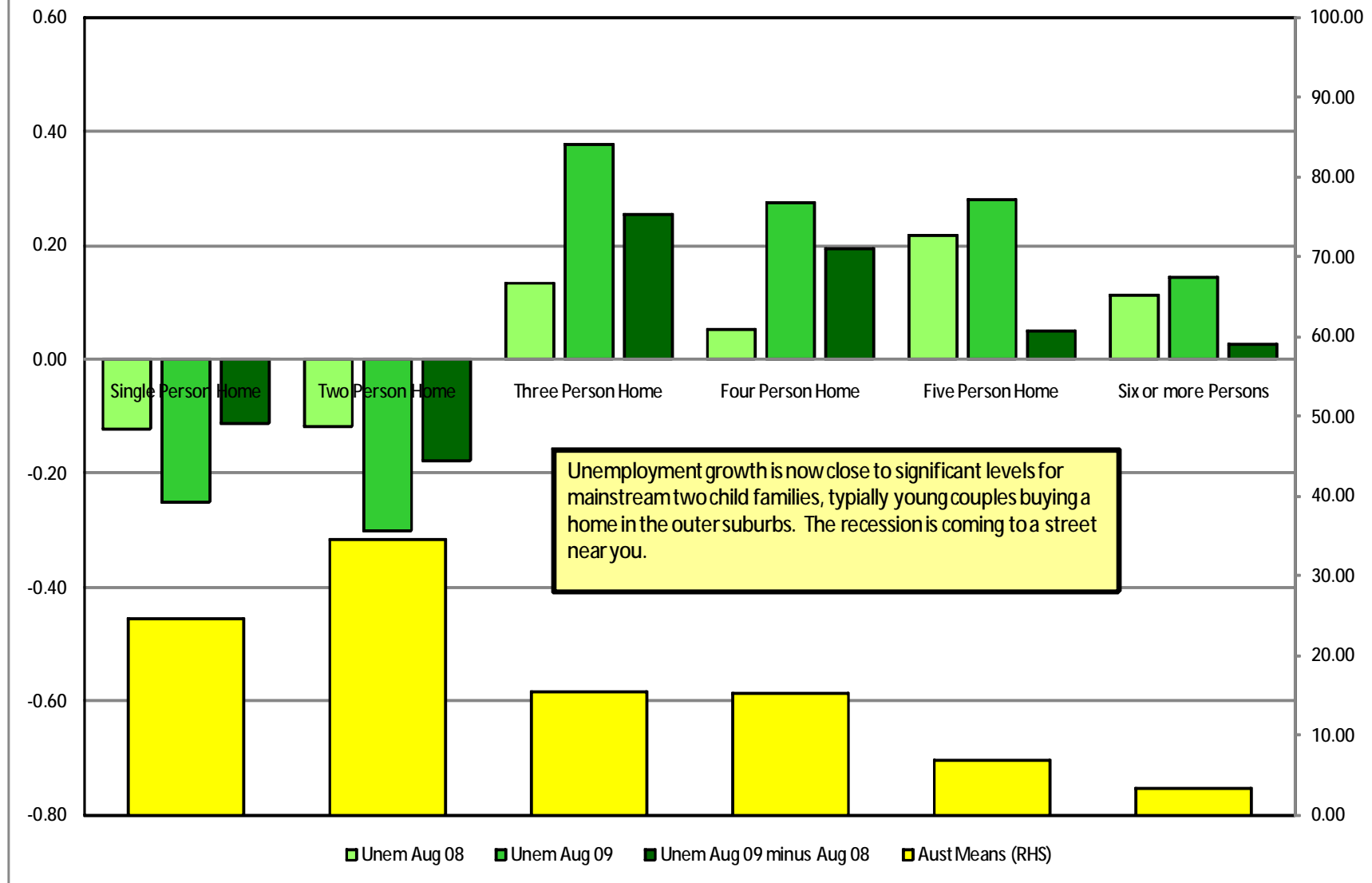
This is first time we have seen the huge group of outer urban home buyers experiencing significant levels of unemployment growth.

Unemployment growth has taken off for this politically volatile group over the past couple of months, a sign that the recession is seeping into the outer suburbs as the stimulus fades.

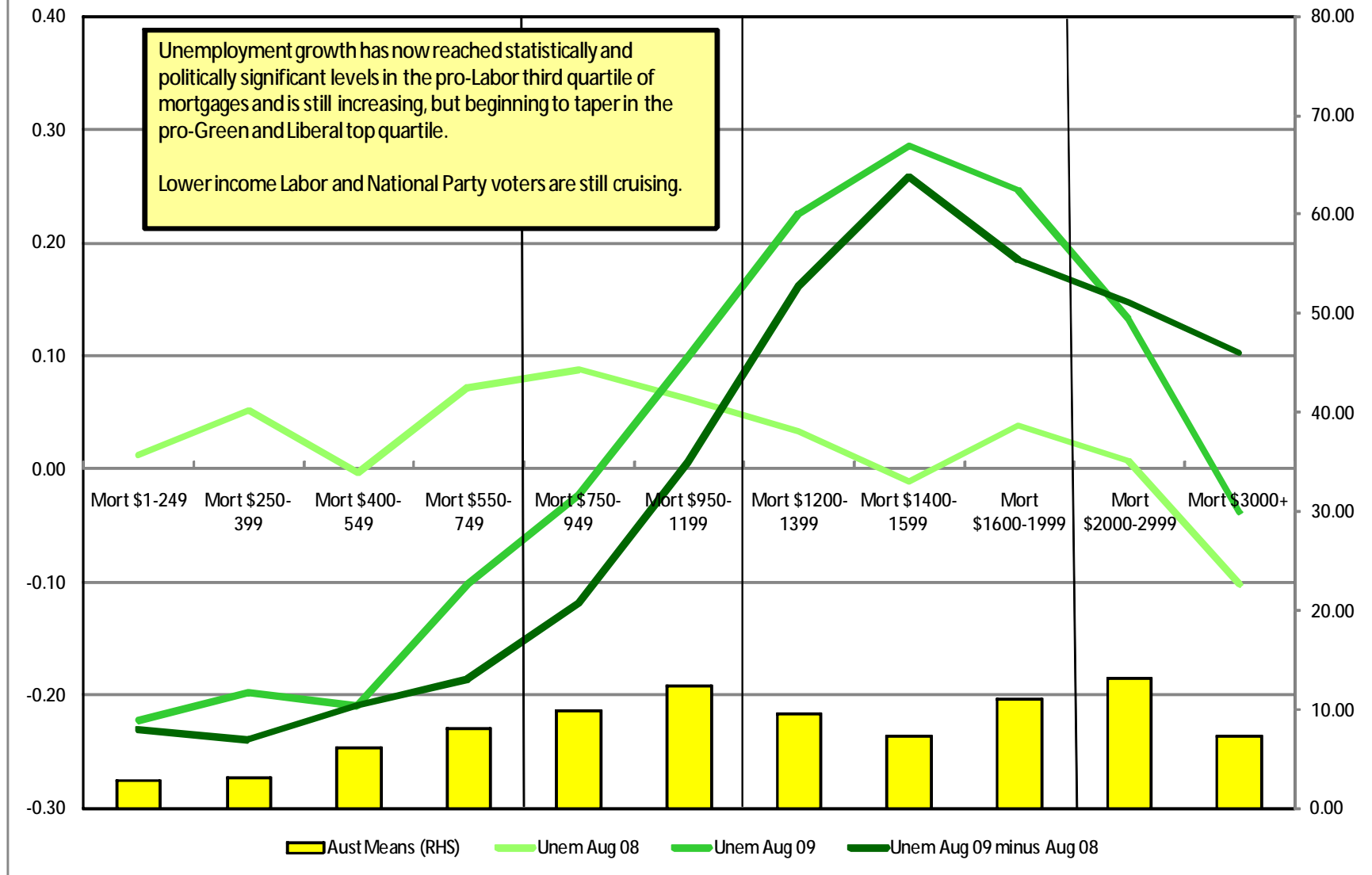
Rising unemployment and interest rates for home buyers means political pain for the Govt in the marginal outer urban seats which won Government for Rudd in 2007.



## Persons in the home

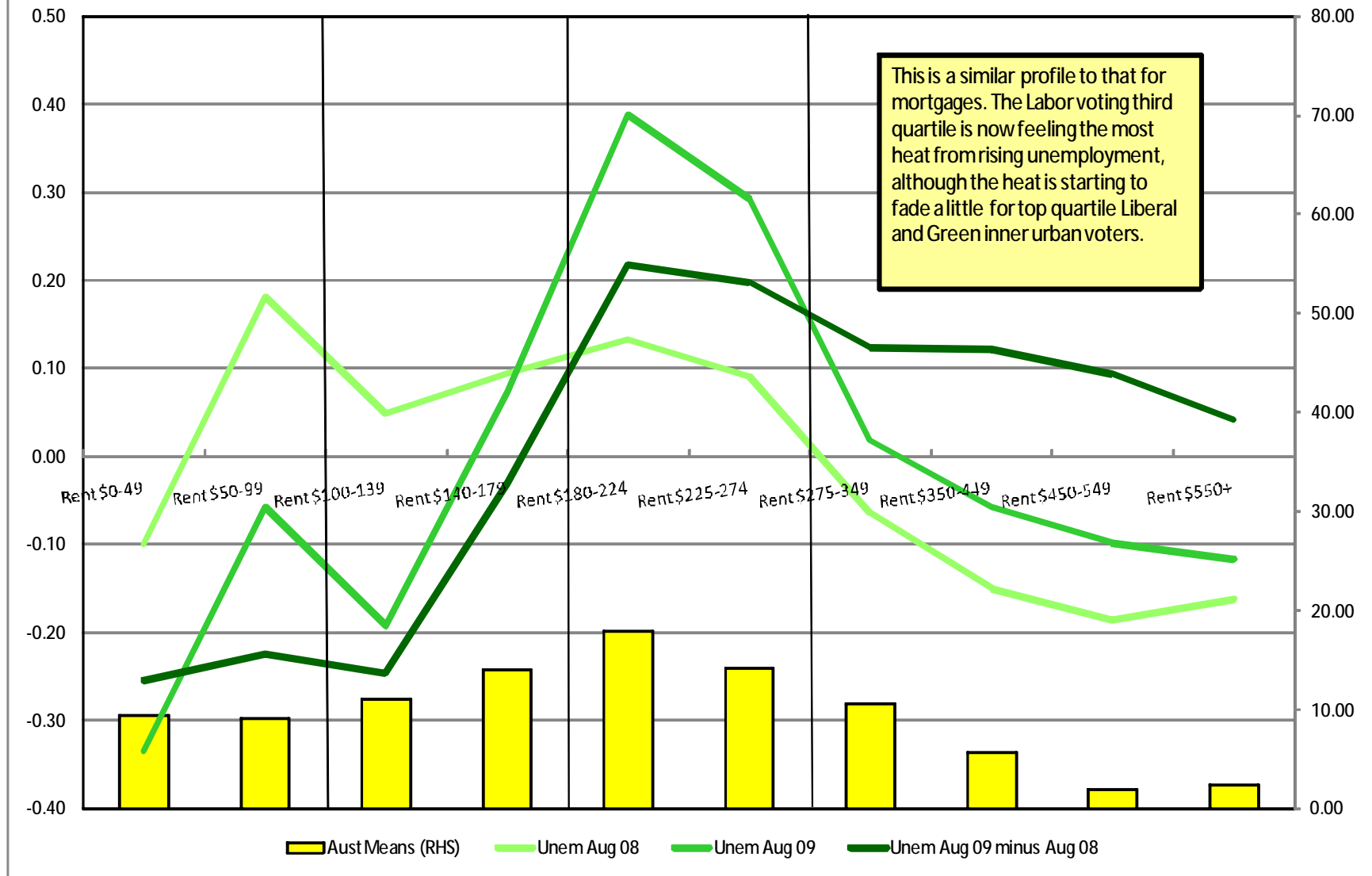


# The Monthly Mortgage

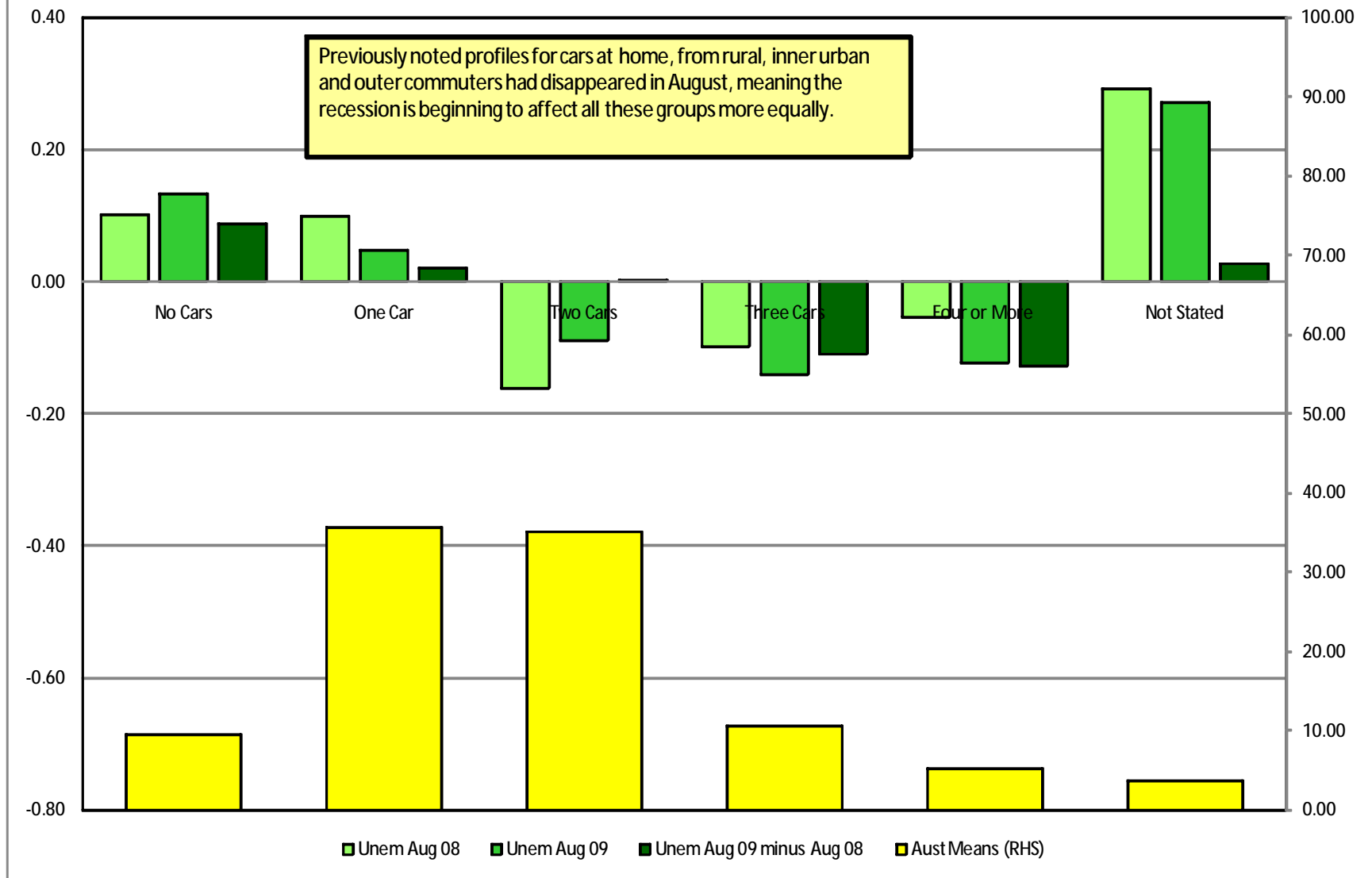




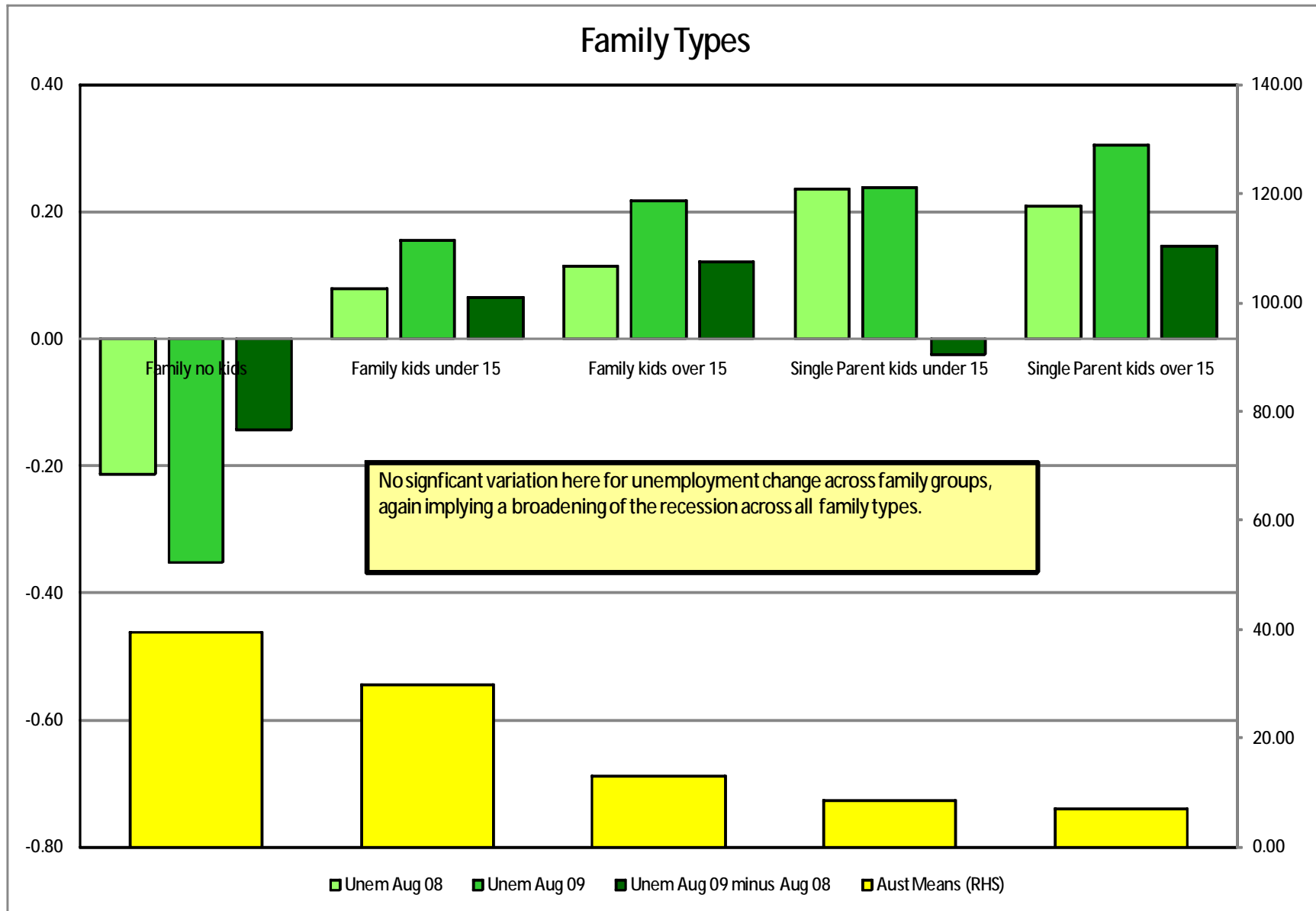
# Weekly Rents



# Cars at Home

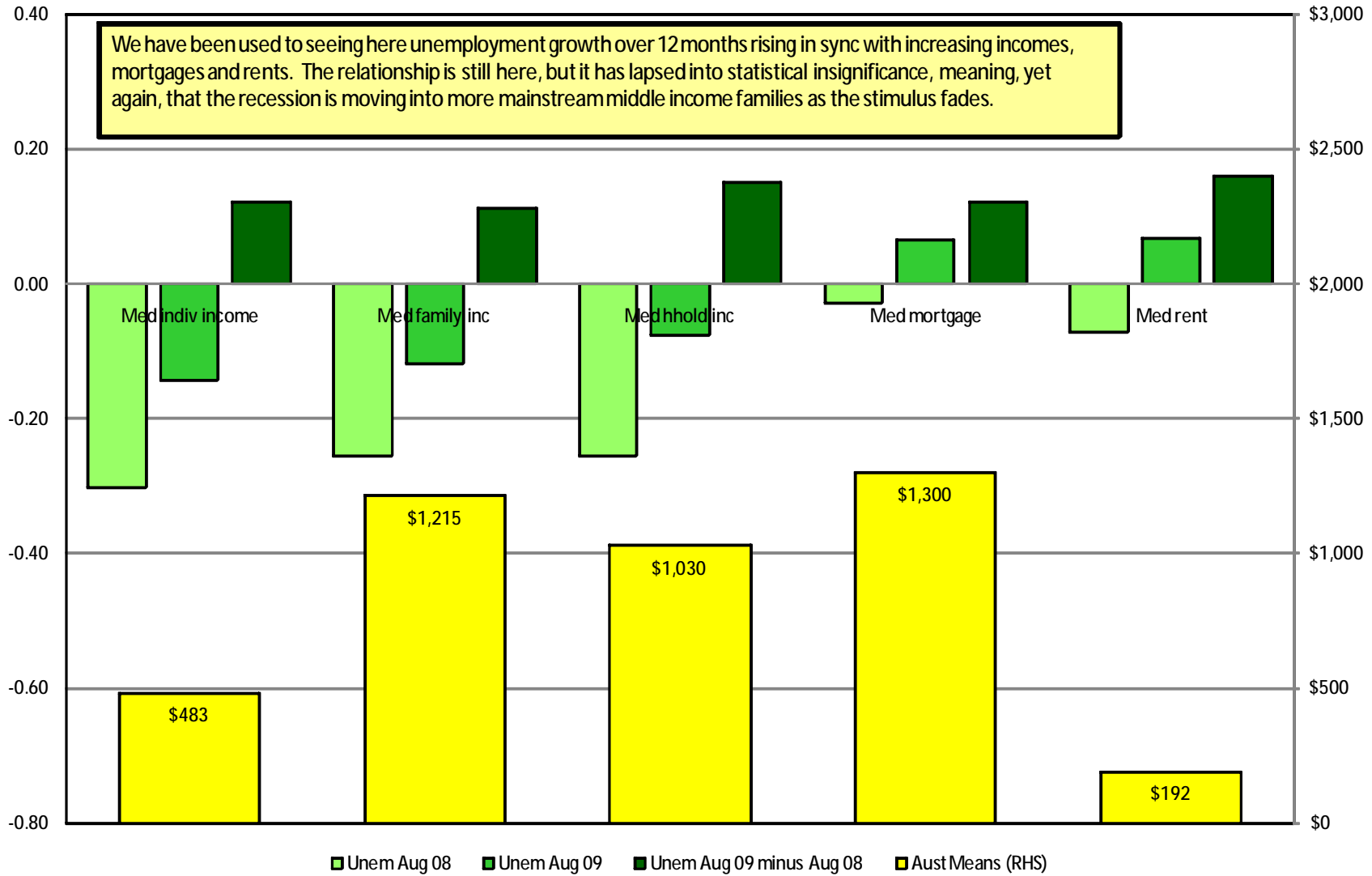


# Family Types

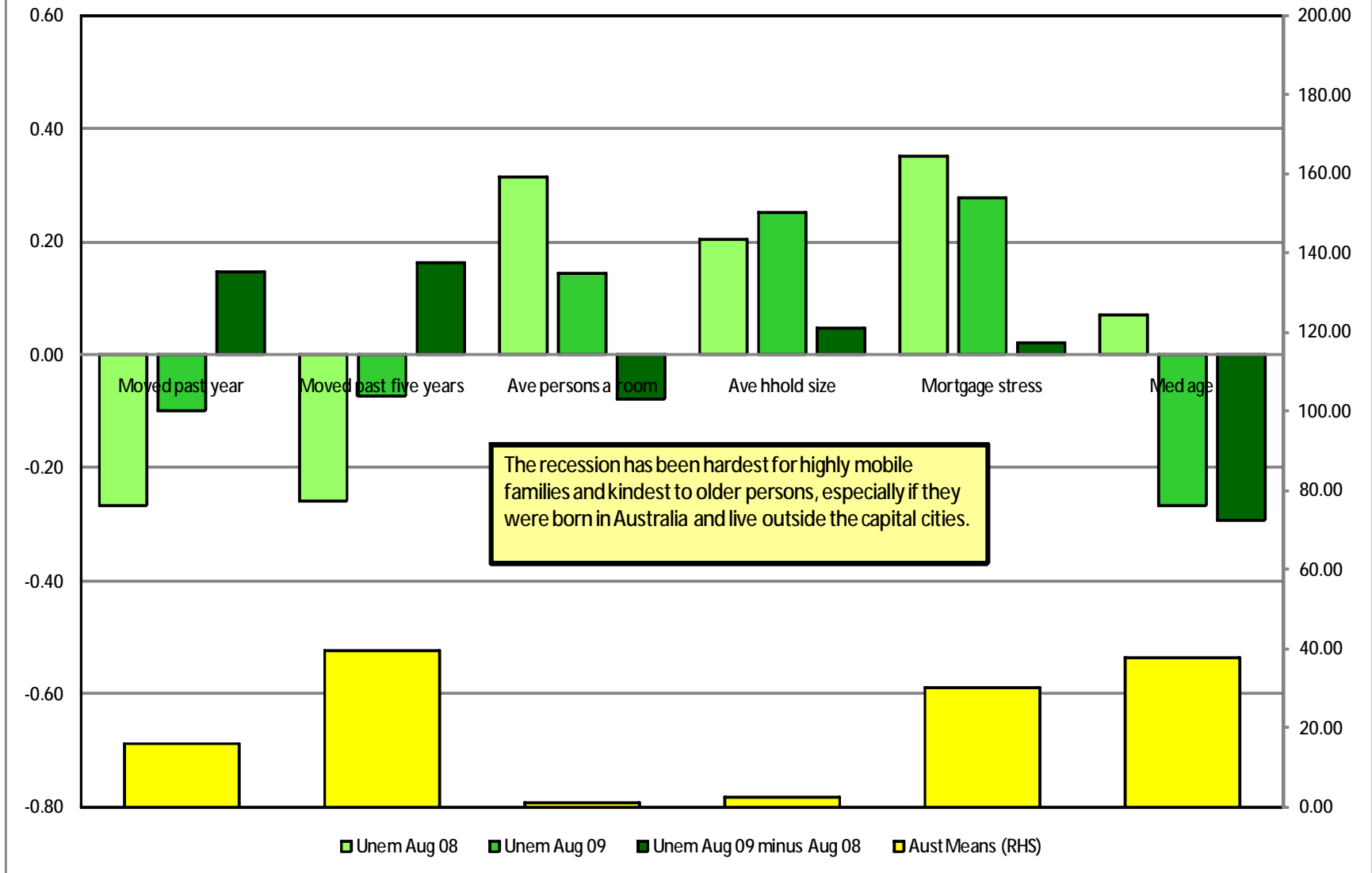


# Family Budgets

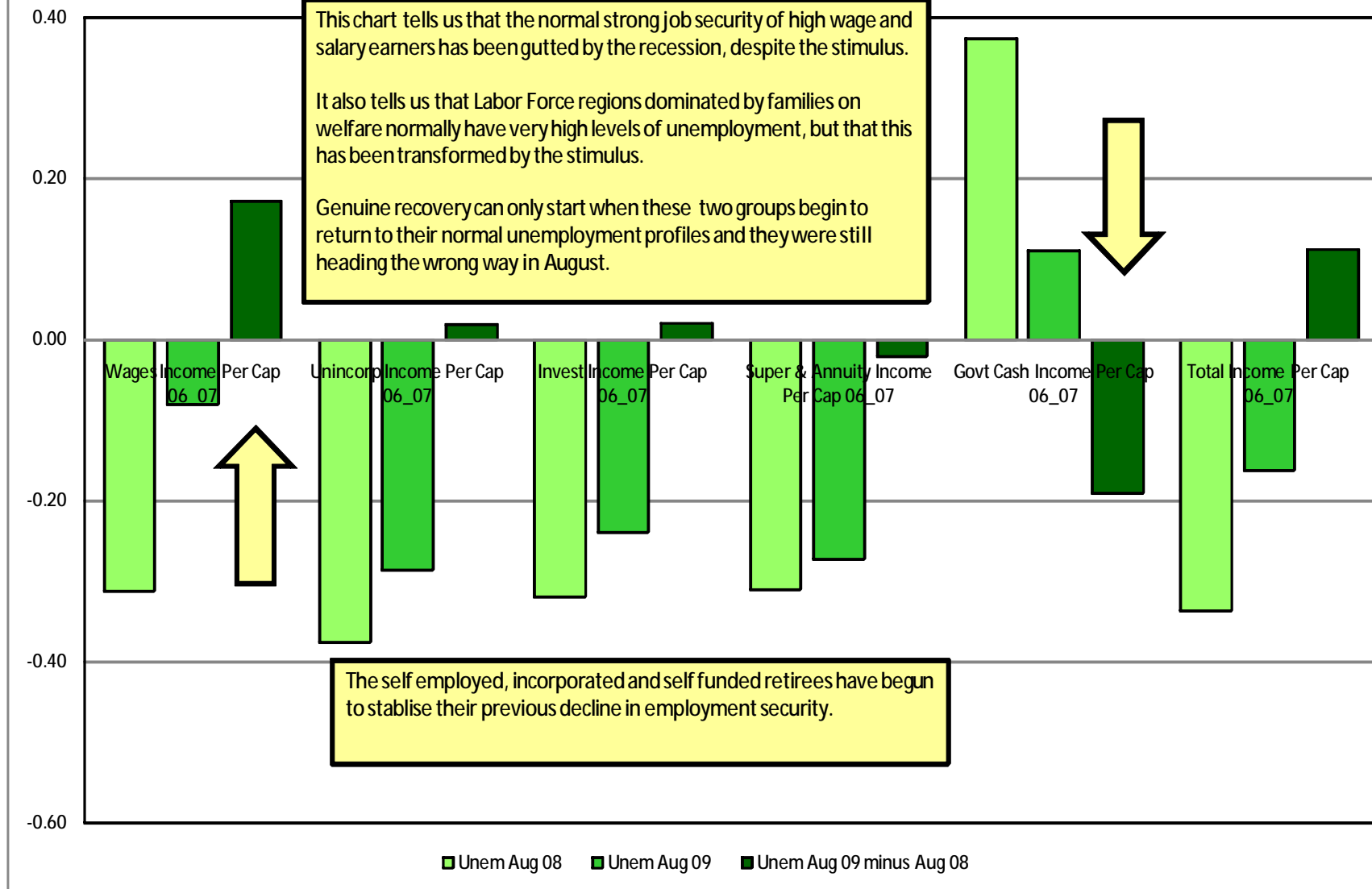
We have been used to seeing here unemployment growth over 12 months rising in sync with increasing incomes, mortgages and rents. The relationship is still here, but it has lapsed into statistical insignificance, meaning, yet again, that the recession is moving into more mainstream middle income families as the stimulus fades.



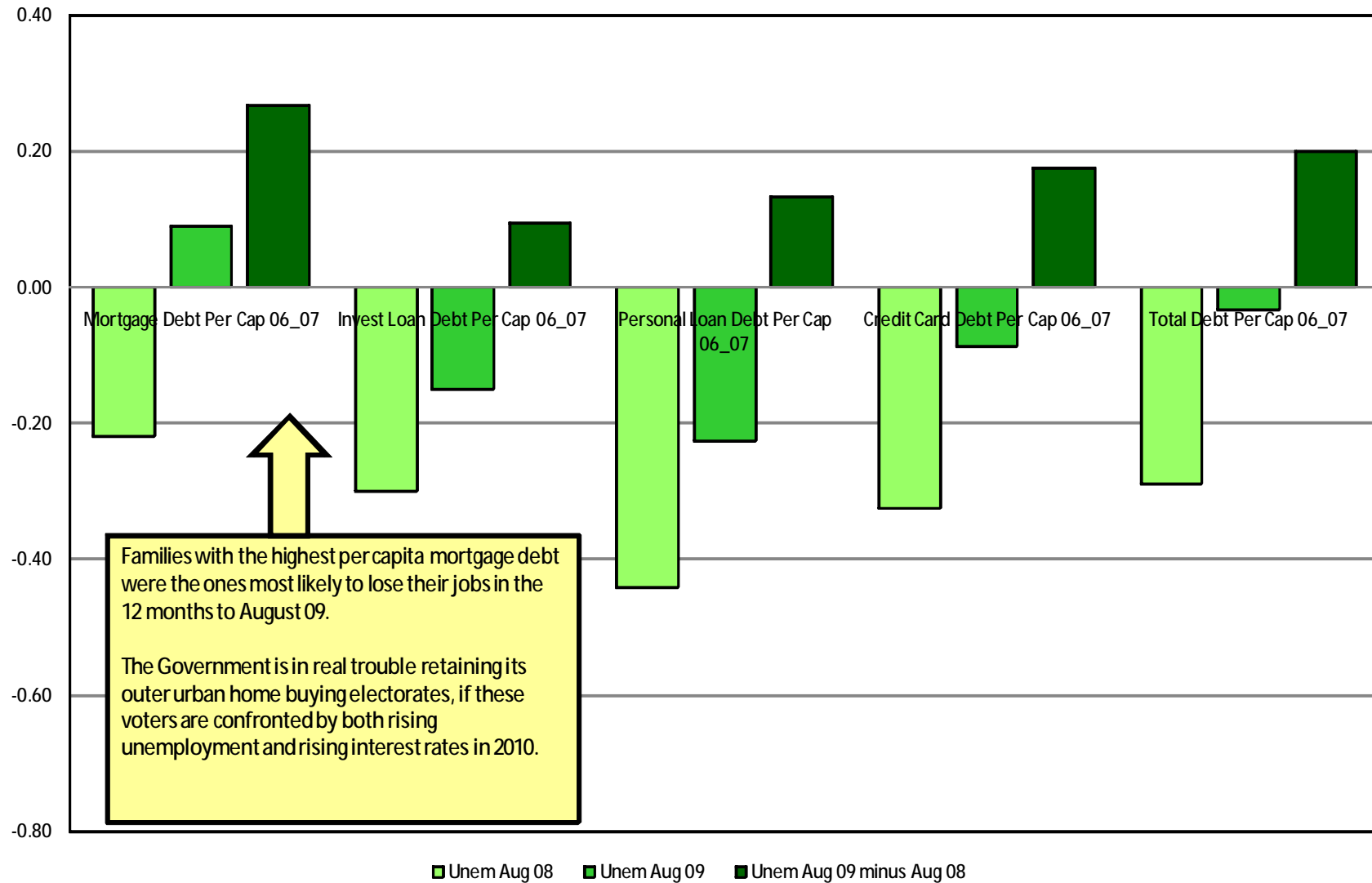
# Selected Family Stats



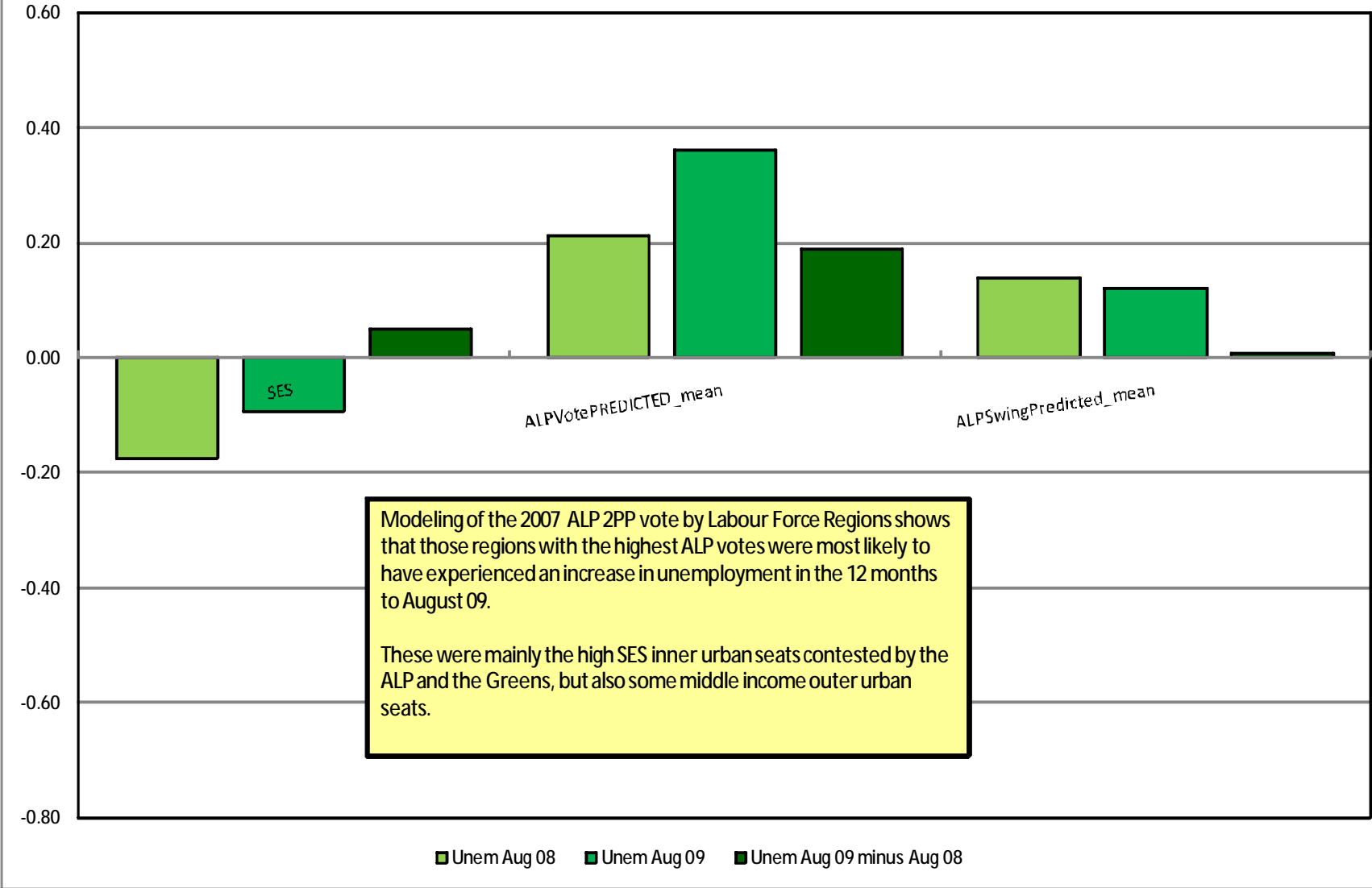
## Sources of Income



## Sources of Debt



# Political Indicators





# Regional Unemployment Index (RUIN)

Tables below show the 69 regions used in the Labour force monthly survey, the corresponding August 09 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).

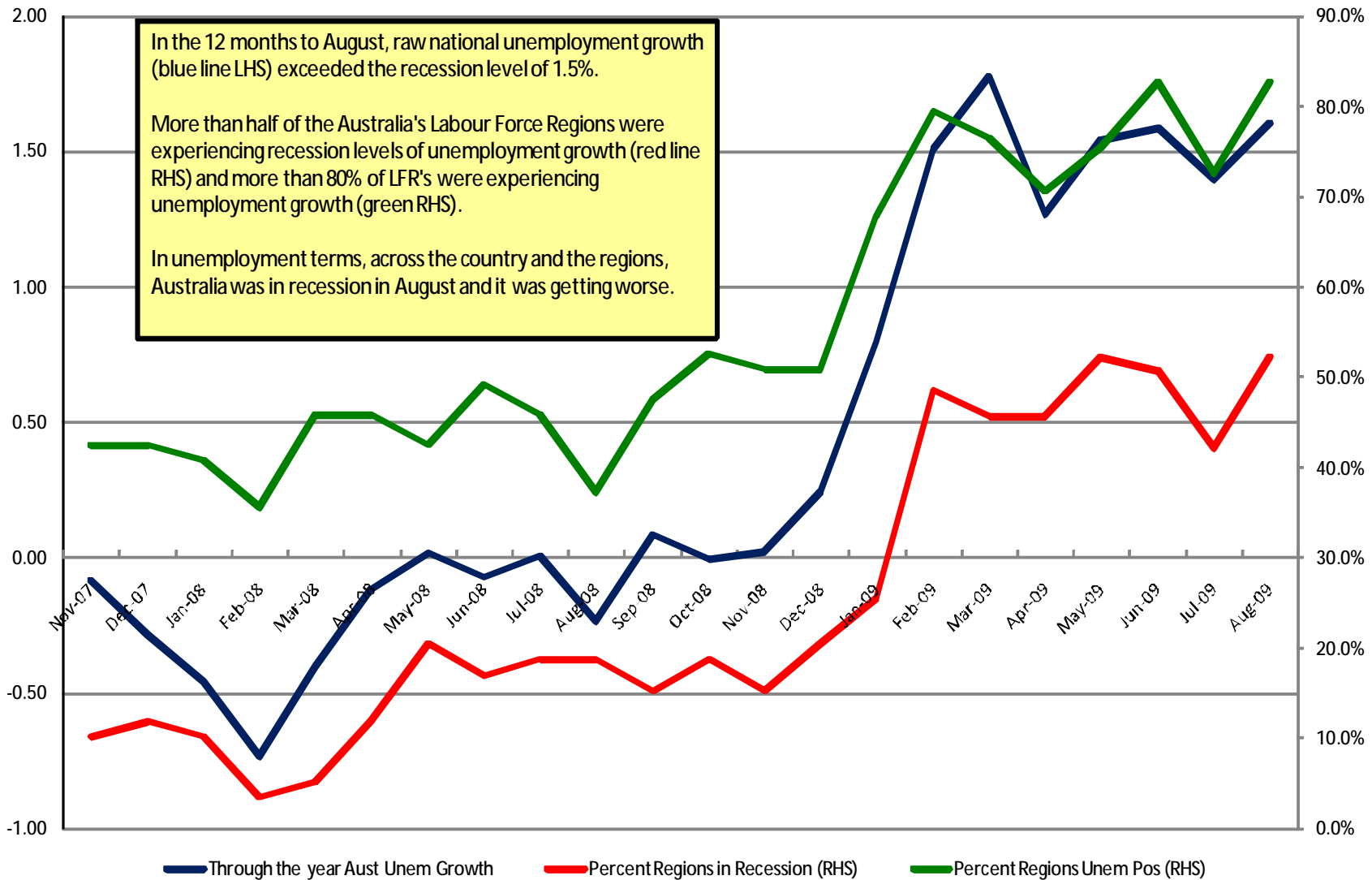
For the first time we include a breakdown of the 14 Queensland Labour Force regions and we use regression modelling of the unemployment data to project these predicted figures down to Local Government Areas.

The modelled regional data also enables us to make some tentative comments about the extent to which regional unemployment is above or below actual levels of unemployment. The difference between the two figures – the residuals – is a strong measure of local economic problems outside the model.

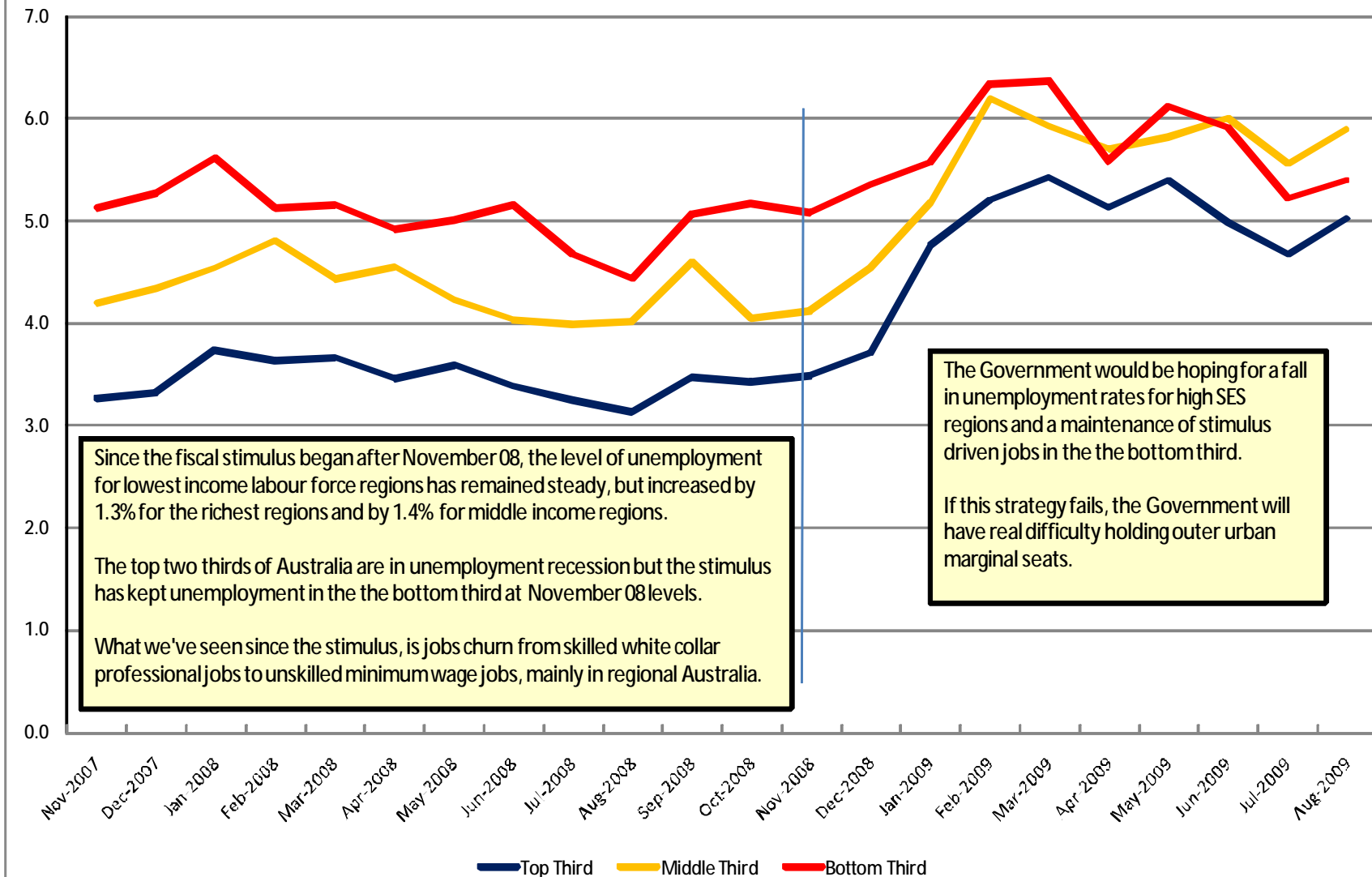
The Cairns region is a case in point and looks like the economic equivalent of a natural disaster. This region has the highest observed levels of unemployment in both Queensland and Australia and these observed levels are well above predictions, which take into account factors such as the downturn in international tourism and the stimulus. So Cairns is confronted by the most unfortunate combination of demographics which make it the most vulnerable region in the country and it also has a chronic level of economic underperformance superimposed on these natural disadvantages.

Some leadership from State and Federal Governments is clearly needed here.

## Regions in Recession



## Unemployment Levels by Three Income Thirds



Labour Force Regions	Aug 09 minus	
	Aug-2009	Aug 08
Far North Qld	11.8	7.6
Southern Tas	7.2	5.8
Ipswich City	7.5	5.6
South Eastern Melbourne	8.9	4.8
South East Perth	7.1	4.8
Inner Western Sydney	7.2	4.6
North Western Melbourne	9.2	4.3
Outer South Western Sydney	10.0	4.0
Inner Sydney	6.2	3.8
Central Western Sydney	10.6	3.5
Wollongong SRS	8.6	3.5
Central Northern Sydney	5.5	3.5
North Perth	5.2	3.5
Outer Eastern Melbourne	5.3	3.2
Barwon-Western District	6.0	3.0
Brisbane City Outer Ring	4.5	2.8
South West Perth	5.1	2.6
Southern and Eastern SA	5.7	2.6
Inner Melbourne	6.2	2.5
Illawarra excluding Wollongong	4.3	2.4
Central Perth	4.6	2.4
Sunshine Coast	5.0	2.3

**Table 5. The Regional Unemployment or RUIN Table, for all Australian Labour Force Regions, runs down three consecutive pages, concluding on page 62.**

It shows the Unemployment levels for each region as at August 09 and the changes from August 08 to August 09. Any region with 12 monthly unemployment growth of 1.5 percent or more 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 August should dominate those regions at the top of this list.

We've colour coded the regions by states, so you can easily see which states are worst affected. The regions hit in August were in Queensland, Southern Tasmania, Melbourne, Perth and Sydney, with Adelaide bringing up the rear.

The worst hit was Far North Queensland, which had both the highest unemployment in the country and the highest growth in unemployment. It's been a basket case regional economy since we started the recession profiles. (This is the same para we had here in July)

At the bottom end, where the recession has not yet impacted, we see lots of older agricultural and mining regions and some of the blue collar Australian born industrial cities - along with a hint of some recovery in parts of Sydney.

Gold Coast North SRS	6.0	2.3
Northern Adelaide	8.3	2.3
Mornington Peninsula	5.6	2.0
Eastern Adelaide	4.5	2.0
Northern SRS Tas	4.9	1.9
South and East Brisbane	5.5	1.9
Northern Beaches NSW	4.6	1.9
North Western Sydney	7.2	1.7
Lower Western WA	4.1	1.6
Darling Downs-South West	3.4	1.6
Inner Eastern Melbourne	4.8	1.6
Goulburn-Ovens-Murray	6.3	1.6
Outer Western Melbourne	6.5	1.5
Fairfield-Liverpool	8.9	1.5
Southern Melbourne	5.0	1.4
Northern-North West Qld	3.7	1.4
Gold Coast South SRS	5.0	1.4
Wide Bay-Burnett	7.7	1.3
Eastern Suburbs Sydney	5.4	1.2
South Eastern NSW	4.8	1.2
NORTHERN TERRITORY	3.2	1.1
Brisbane City Inner Ring	3.3	1.0
All Gippsland	4.3	1.0
Mersey-Lyell SRS Tas	6.4	1.0

The Labor Force Regions in this, the second page of the RUI table, are a little better off than the first one third of regions on the preceding page, but they are still all enduring positive unemployment growth at unacceptable levels.

The recession benchmark of 1.5 % and above ends half way down, at Fairfield Liverpool and it is pleasing to finally see this region falling from the top of the list.

The recession was clearly reaching down into some mainstream Queensland, NSW, Victorian, Tasmanian and South Australian regions in August.

Southern Adelaide	4.4	0.9
East Perth	3.6	0.9
North Brisbane Balance	3.8	0.9
Western Adelaide	5.8	0.8
Loddon-Mallee	6.2	0.7
Hunter excluding Newcastle	5.1	0.5
Northern, North Western and Central West	5.5	0.4
Mackay-Fitzroy-Central West	4.2	0.2
Greater Hobart	4.4	0.1
Canterbury-Bankstown	6.7	0.1
Balance WA	5.2	0.0
Far West NSW	0.0	0.0
AUSTRALIAN CAPITAL TERRITORY	3.2	-0.1
Newcastle SRS	4.2	-0.2
North Eastern Melbourne	4.1	-0.2
St George-Sutherland	3.2	-0.3
Murray-Murrumbidgee	2.8	-0.5
Lower Northern Sydney	2.5	-0.8
Gosford-Wyong	6.0	-1.2
Northern and Western SA	3.3	-2.0
Richmond-Tweed and Mid-North Coast	4.1	-3.5
Central Highlands-Wimmera	4.2	-3.9
West Moreton	1.3	-4.3

Page 3 of the RUIN Table at left. There's a lot of light blue down the bottom of this chart, which is a very good sign for New South Wales' Labour Force Regions.

The regions concerned seem to be those most benefitting from the stimulus, i.e. with high transfer payments, or with lots of farmers and miners.

This pattern drives the correlations in the stereotypes Table 4 – older, Australian born and protestant.



Labour Force Regions	August09	PredAug09	ResAug09
Far North Qld	11.8	7.62	4.20
Northern Beaches NSW	4.6	2.82	1.82
Southern Tas	7.2	5.43	1.74
Central Western Sydney	10.6	8.89	1.67
Wide Bay-Burnett	7.7	6.22	1.49
Outer South Western Sydney	10.0	8.67	1.35
Loddon-Mallee	6.2	4.87	1.35
Hunter excluding Newcastle	5.1	3.82	1.28

Labour Force Regions	August09	PredAug09	ResAug09
St George-Sutherland	3.2	5.69	-2.48
North Eastern Melbourne	4.1	6.41	-2.34
Richmond-Tweed and Mid-North Coast	4.1	6.05	-1.93
Greater Hobart	4.4	6.26	-1.88
Northern and Western SA	3.3	5.01	-1.75
Gold Coast South SRS	5.0	6.65	-1.65
West Moreton	1.3	2.90	-1.64
Illawarra excluding Wollongong	4.3	5.92	-1.58
East Perth	3.6	5.15	-1.53
Northern-North West Qld	3.7	5.19	-1.48
Murray-Murrumbidgee	2.8	4.16	-1.38
Canterbury-Bankstown	6.7	8.09	-1.38
South Eastern NSW	4.8	6.03	-1.28

**Table 6.** Shows the significant residuals for the August 09 observed levels of unemployment by regions.

We have modeled the actual unemployment nationally with our database and explained some 63 percent of the variation in unemployment with our database.

For example, unemployment in August 09 was higher in any given region across the country if it contained a lot of men and women employed in manufacturing, transport or consulting, and it tended to fall if there were high concentrations of most rural indicators.

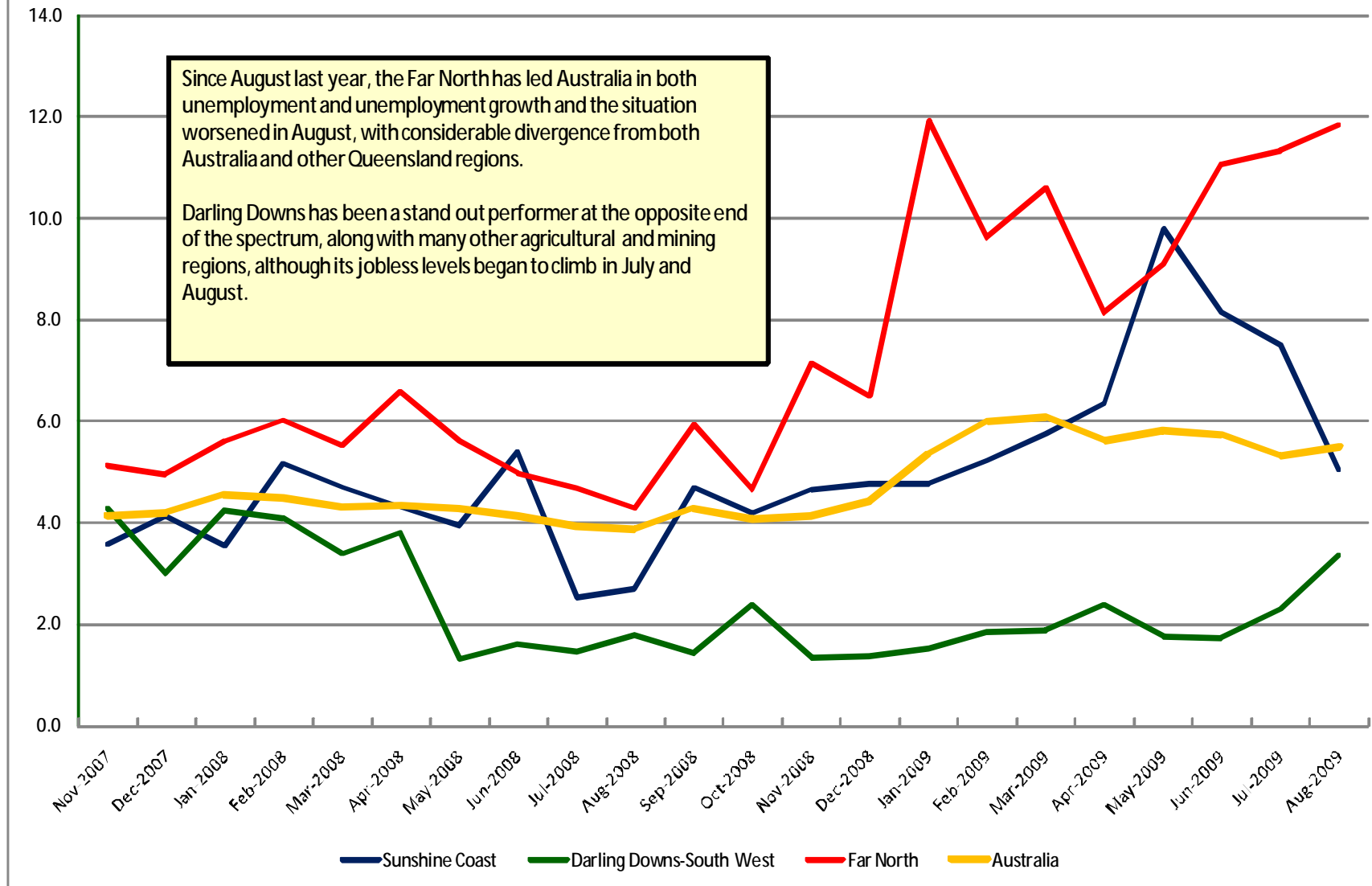
These regions in the top section of Table 6 had a lot more unemployed persons than the model predicted, due to factors outside the model and the regions in the bottom section of Table 6 were performing much better than the model predicted.

This means we have unexplained and localized spatial or regional factors driving up unemployment in Far North Queensland and making unemployment there a lot worse than it should be. This region is crying out for some leadership from the State and Federal Government and has been for months.

At the other end of the range, a number of regions in New South Wales and Queensland are doing better than the model predicts.

When we look at the bottom of Tables 5 and 6, it seems that we may be seeing the first signs of tentative recovery in sections of the New South Wales and Queensland economies.

## Far North leads jobless growth





Labour Force Regions	Aug 09 minus	
	Aug-2009	Aug 08
Far North Qld	11.8	7.6
Wide Bay-Burnett	7.7	1.3
Ipswich City	7.5	5.6
Gold Coast North SRS	6.0	2.3
South and East Brisbane	5.5	1.9
Sunshine Coast	5.0	2.3
Gold Coast South SRS	5.0	1.4
Brisbane City Outer Ring	4.5	2.8
Mackay-Fitzroy-Central West	4.2	0.2
North Brisbane Balance	3.8	0.9
Northern-North West Qld	3.7	1.4
Darling Downs-South West	3.4	1.6
Brisbane City Inner Ring	3.3	1.0
West Moreton	1.3	-4.3

Labour Force Regions	Aug 09 minus	
	Aug-2009	Aug 08
Far North Qld	11.8	7.6
Ipswich City	7.5	5.6
Brisbane City Outer Ring	4.5	2.8
Sunshine Coast	5.0	2.3
Gold Coast North SRS	6.0	2.3
South and East Brisbane	5.5	1.9
Darling Downs-South West	3.4	1.6
Northern-North West Qld	3.7	1.4
Gold Coast South SRS	5.0	1.4
Wide Bay-Burnett	7.7	1.3
Brisbane City Inner Ring	3.3	1.0
North Brisbane Balance	3.8	0.9
Mackay-Fitzroy-Central West	4.2	0.2
West Moreton	1.3	-4.3

**Table 7.** For the first time we include the 14 Labour Force Regions for Queensland in their own table.

They are ranked for through the year unemployment growth to August 09 in the top section, and for the level of unemployment in August 09 in the bottom section.

Top of the list for Queensland in both sections is Far North Queensland which has the dubious honour of also topping the Australian unemployment and unemployment growth index. This is a basket case economy and a blight on the Queensland Government.

In the lower section of this table, we see Ipswich, outer Brisbane, south east Brisbane, the Sunshine and Gold Coast North regions are also experiencing recession levels of unemployment growth and they are joined for the first time by previous star performer, Darling Downs in a sign that the recession could be spreading out from the high SES urban regions and regional tourist economies.

West Moreton is the stand-out success story in this table, followed by Mackay Fitzroy.

Care should be taken with these figures because of small sample sizes with some regions.

Labour Force Regions	August09	PredAug09	ResAug09
Far North Qld	11.8	7.62	4.20
Wide Bay-Burnett	7.7	6.22	1.49
Ipswich City	7.5	6.32	1.18
Gold Coast North SRS	6.0	5.42	.61
Mackay-Fitzroy-Central West	4.2	3.66	.59
Darling Downs-South West	3.4	2.81	.56
Sunshine Coast	5.0	4.93	.11
Brisbane City Outer Ring	4.5	4.50	.00
Brisbane City Inner Ring	3.3	3.67	-.33
North Brisbane Balance	3.8	4.27	-.43
South and East Brisbane	5.5	6.26	-.75
Northern-North West Qld	3.7	5.19	-1.48
West Moreton	1.3	2.90	-1.64
Gold Coast South SRS	5.0	6.65	-1.65

**Table 8.** Shows the Queensland break down of the data in Table 6 – the extent to which unemployment in the 14 Queensland regions was above (at the top) or below (towards the bottom) the levels predicted by the modeling.

Once again, Far North Qld tops the list and Wide Bay Burnett was also significantly ahead of predictions. Both regions warrant some sort of economic recovery plan by the State Government.

Gold Coast North is also a bit of an emerging problem area in this table and Table 7 and contains a lot of middle white collar, high mortgage stress postcodes. We expect it to get a lot worse if unemployment continues to climb for white collar workers.

On the brighter side, the three regions at the bottom of this table, Northern-north west, West Moreton and Gold Coast South, were performing better than predicted which is a good sign for those regions.

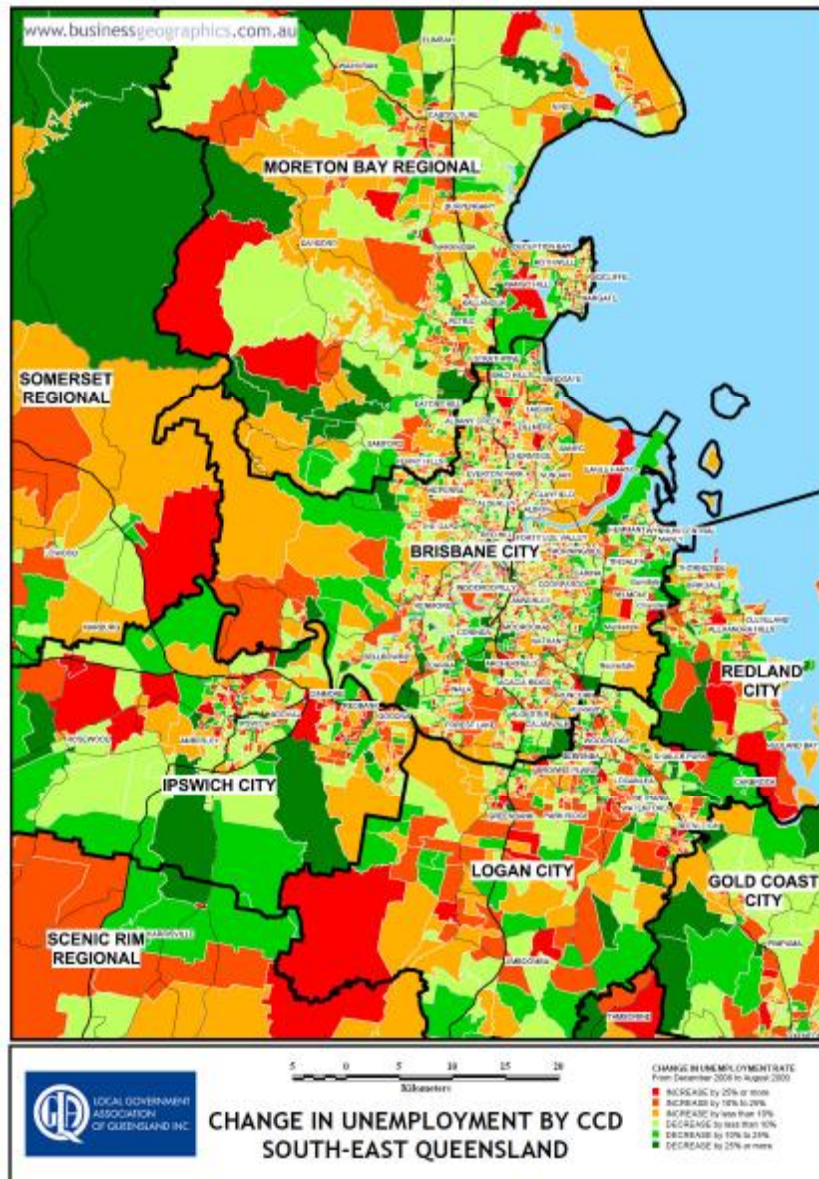
West Moreton is a bit of an all round success story, in terms of its current level of employment.

LGA	Pred Aug 09 Raw Unemployment	2008 Prov Population
Brisbane City	4.09	1,027,847
Bundaberg Regional	3.97	92,341
Cairns Regional	8.63	158,653
Cassowary Coast Regional	5.00	30,356
Central Highlands Regional	0.03	29,244
Dalby Regional	2.10	30,869
Fraser Coast Regional	6.36	95,689
Gladstone Regional	5.75	57,587
Gold Coast City	6.45	497,848
Gympie Regional	7.35	46,371
Ipswich City	5.92	154,153
Isaac Regional	4.37	21,933
Lockyer Valley Regional	3.22	33,946
Logan City	7.00	269,986
Mackay Regional	2.90	112,607
Moreton Bay Regional	4.29	356,709
Mount Isa City	7.12	21,570
Redland City Council	5.37	136,944
Rockhampton Regional	3.29	111,528
Scenic Rim Regional	3.90	36,179
Somerset Regional	2.59	20,613
South Burnett Regional	6.65	31,705
Southern Downs Regional	5.76	34,621
Sunshine Coast Regional	4.98	312,804
Tablelands Regional	5.10	45,297
Toowoomba Regional	2.99	155,124
Townsville City	4.66	175,542
Whitsunday Regional	2.37	33,126

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**Table 9.** Shows at left, an alphabetical listing of Queensland's major Local Government areas with populations greater than 20,000, (top left) and ranked by their predicted levels of unemployment in August (top right). Once again, Cairns tops the list and these predicted figures are about four percent higher in the real or observed levels because of chronic unemployment in the far north of the state.

Consistent with national trends, the best performing LGAs are those in the rural and regional areas of the state and fortunately Brisbane is one of those towards the bottom of the list and below the state average for August of 5.1 percent. The problem areas are seen in Map 2.



**Map 1.** Shows predicted unemployment growth or decline for south east Queensland Census Collectors Districts (CCDs), between December 08 and August 09. Superimposed on this map are some Local Government boundaries.

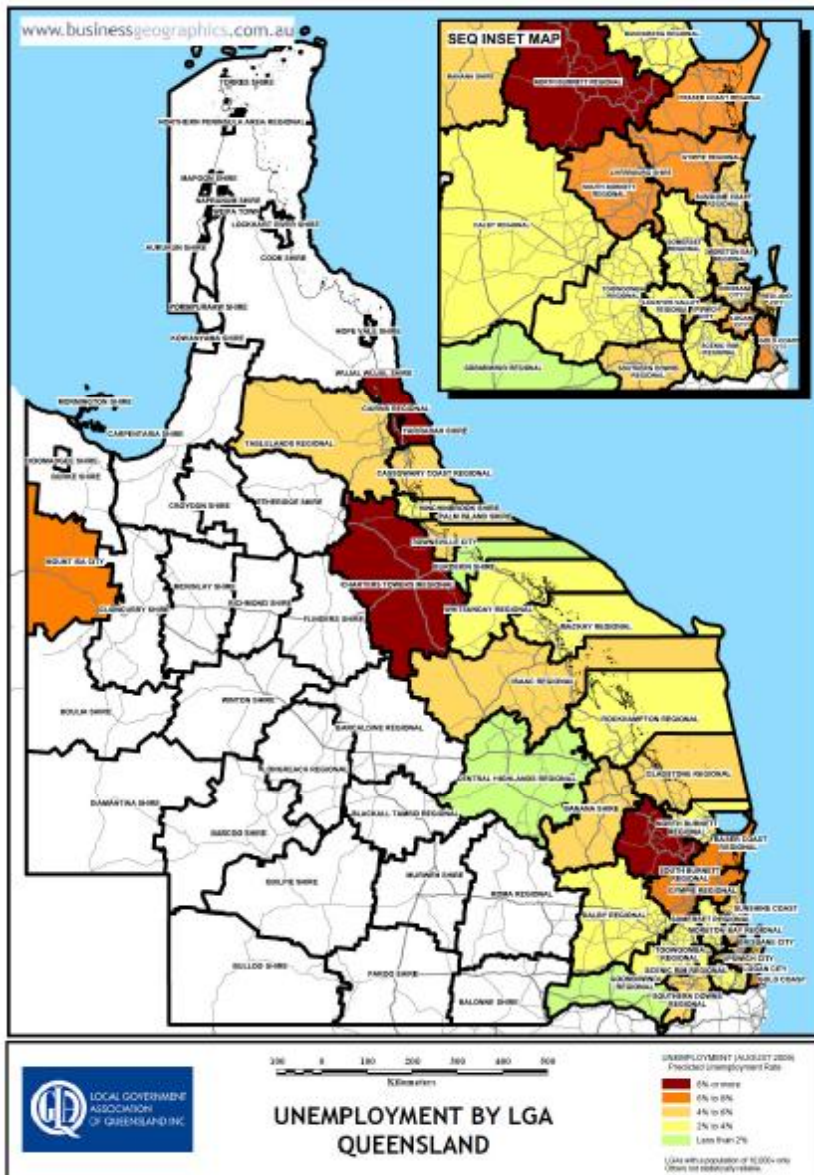
The recession has driven up unemployment in many younger middle class areas and these have not been compensated so far by the stimulus, which has increased workforce participation and driven down unemployment in many older low income areas.

The CCDs in red tend to be those with high percentages of mobile families of twenty somethings, who are renting; or thirty somethings who are moving into newly purchased homes and may have one child. They will be better educated, full time workers, in professional or clerical consulting or finance jobs, with family incomes around \$2000 per week. And heavy broadband or internet users. We are looking here at younger families with bigger debts, in satellite cities on the periphery of Brisbane City such as Caboolture or in new middle class outer urban housing estates.

The darker green CCDs contain higher percentages of older families. They will be employed in more rural based jobs, or in city based jobs protected so far by the stimulus, which to August, meant the public service or retail. Many will also be in low income areas with traditionally high levels of unemployment or underemployment and reliance on welfare, as the stimulus has been providing a lot of minimum wage unskilled jobs for these areas.

So the semi-rural areas will tend to be darker green, along with older areas like Wynnum and Corinda and there's some surprising patches of green in parts of some older working class suburbs in Ipswich City, Darra and Woodridge/Kingston.





**Map 2** provides a map of the data in Table 9 – the predicted August unemployment levels for Queensland Local Government Areas. These predictions are based on sample Labour Force Regional figures from the ABS monthly surveys and these figures often have large sampling errors which are increased when we pass them through the modelling process. This map is meant to show patterns of high unemployment across the state, rather than precise monthly predictions.

We have included a number of Shires here, although they weren't in the table, to ensure greater spatial continuity. All have more than 10,000 residents so we are comfortable with this compromise.

One extra word of caution here is that these predictions – consistent with Table 8 residuals - will tend to understate the real level of unemployment in those local Government Areas contained in the Labour Force Regions of Far North Queensland and Wide Bay Burnett, and overstate the real unemployment levels in Labour Force Regions of Northern- North West, West Moreton and the Gold Coast.

Bearing in mind these limits, we would be cautious about Mt Isa and Charters Towers' predicted levels of unemployment and point out that the picture around Cairns and Wide Bay Burnett could be a lot worse than it looks and it looks uncomfortably high, especially in North Burnett Regional.

And, irrespective of whether we rely on modelling or longer term trends in the ABS samples, the Cairns area is a genuine problem in terms of the absolute levels of unemployment and also unemployment growth. This area has been poorly served by the Federal Government's stimulus package, in terms of its real impact on real jobs. And recent interest rate increases will not help the local tourist industry.