

AUSTRALIAN EMPLOYERS ADD 10,100 JOBS AS EUROPEAN CRISIS CONTINUES

Australian employers added many workers for a second month in October and the unemployment rate fell as energy companies ramped up hiring, thus helping the economy weather global market turmoil from Europe's fiscal crisis. The statistics bureau said in Sydney today that the number of people employed rose by 10,100 after a revised gain of 22,500 in September. The increase was in line with the median estimate for 10,000 more jobs in a Bloomberg News survey of at least 24 economists. The unemployment rates rate fell from a revised 5.3 percent to 5.2 percent. The report showed a divergence in the nation's two biggest resource states, with Queensland adding at least 17,900 workers and Western Australia losing 8,200. The job market nationwide may benefit from Reserve Bank of Australia Governor Glenn Stevens's decision last week to lower the nation's benchmark interest rate from a developed-world high of 4.75 percent to 4.5 percent. "There is a bit of stability there in the last couple of months," says Brian Redican, who is the senior economist in Sydney at Macquarie Group Ltd., Australia's biggest investment bank. He sees a "reasonable chance" the RBA will lower rates again in December, "but I think it will be driven more by Europe than by domestic concerns at the moment. Today's reports showed the number of full-time jobs advanced by 20,000 in October, and part-time employment fell by 9,900. The report also shows that Australia's participation rate, which measures the labor force as a percentage of the population over 15 years old, held at 65.5 percent in October from a month earlier. As of 12:05 p.m. the Australian dollar was little changed at \$1.0129 in Sydney from \$1.0119 before the data and \$1.0143 in New York yesterday. Australia's economy is being driven by a resource bonanza as China and India, who are two countries that account for more than a third of the world's population, increase demand for minerals and energy. According to the industry-funded group Construction Skills Queensland, more than 25,00 new workers will be needed to complete mining, natural gas and transportation projects in Queensland by late-2012. BG Group Plc, Santos Ltd. and ConocoPhillips are trying to move ahead with more than \$50 billion of liquefied natural gas projects on the central Queensland coast. Arrow Energy Ltd., who is owned by Royal Dutch Shell Plc and PetroChina Co., plans a fourth LNG development on Queensland's Curtis Island. Lowe, who actually heads the RBA's economics department, spoke after the concern about Europe intensified overnight as Italy's bond yields surged past the 7 percent threshold that prompted Greece, Portugal and even Ireland to seek out bailouts. Today's employment report is a "good result that shows, alongside other data this week, that the domestic economy is healthy and in no need of rate cuts," says Adam Carr, who is the senior



economist in Sydney at ICAP Australia Ltd., a unit of the world's largest interdealer broker.