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From:
Sent: Friday, 15 March 2013 5:36 PM
To:
Cc:
Subject: RE: February 2013 employment growth

Thanks very much folks. A very good note.

Two things:

1) I thought that we need the gross flows data to be able to tell how much of the measured employment growth was due to sample rotation, and that gross flows data was only available several days after the monthly labour force release. So, on what basis are we estimating employment growth excluding sample rotation?

2) You make the point that, with the passage of time, the seasonally-adjusted series moves back quickly to the trend series. Actually, I think the trend series is the one that does the moving. The definition of the trend series differs depending on whether you are at the end of the series or some distance from the end. With the passage of time, a given data point (say for Feb 13) moves from being the end point of the series (as it is now) to being some distance from the end, with later points having been added. When that happens, seasonally adjusted data points beyond Feb 13 help to inform the value of the trend series at Feb 13. That means that, over time, the value of the trend series at Feb 13 will increasingly reflect later seasonally adjusted data points, and hence will bend back towards the continually evolving seasonally-adjusted series.

Please let me know if I have point 2) wrong!

Cheers

Executive Director
Macroeconomic Group
Australian Treasury

ph: 02 6263
mob:

[@treasury.gov.au](mailto:)

From:
Sent: Friday, 15 March 2013 3:48 PM
To:
Cc:
Subject: February 2013 employment growth

Hi,

Please find attached a short note considering the drivers of the strong February 2013 employment growth result.

Regards,

Analyst

Domestic Economy Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone: (02) 6263

email: [@treasury.gov.au](mailto:)