

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

Providing monthly updates and expert insights and analysis around key labour market indicators.

Professor Alan Duncan



Full-time Employment on the Rise – Time for Cautious Optimism?

Full-time employment is the good news story stemming from the latest ABS labour force survey, with all states recording strong growth on year-to-date measures, and an additional 30,000 persons employed in a full-time capacity since May 2017. While part-time employment is still growing at a much faster pace than full-time employment in a number of states, other labour market indicators including unemployment and labour force participation rates are signalling that we can be cautiously optimistic about the Australian labour market's future. Wages growth needs to follow suit and sooner rather than later for this optimism to become a reality.

Twitter: @Alan_S_Dunc

Email: alan.duncan@curtin.edu.au

Associate Professor Rebecca Cassells



Women Continue to be the Most Underutilised in the Labour Force

Women remain one of the most vulnerable groups within the Australian labour market, with higher rates and volume of underutilisation. This trend has been in play for a number of years, with underemployment driving a large component of overall underutilisation. More than 1 million women are currently either underemployed (wanting more hours) or unemployed in Australia, compared with 860,000 men. The economic and social implications of this spare capacity are many, including lower life-time wealth accumulation and overall downward pressure on wages growth. Barriers women face in accessing jobs are different to men and need to be addressed by both government and employers.

Twitter: @BeckCassells

Email: rebecca.cassells@curtin.edu.au

Dr Yashar Tarverdi



Job Seekers Finding Their Feet in the WA Labour Market

The WA labour force has added another 4,800 to its ranks, a sign that the State may be finding its feet again after the post-mining boom malaise. The State has been the top performer in full-time jobs growth on year-to-date measures, and part-time work is easing. However, with a 5.6% unemployment rate, WA is still far from the best performer. And while the State has seen growth in labour force participation and full-time employment, underemployment remains problematic. The underemployment ratio among men has climbed to 8.0% in WA and for women has reached 13.2% and doesn't look to be receding any time soon.

Twitter: @Yashar_Tarverdi

Email: yashar.tarverdi@curtin.edu.au

Table 1: Employment Changes - states and territories

According to the latest ABS data, employment figures signal a moderate growth across almost all states with the exception of the NT.

With an additional 26,400 persons employed in the month of June, Australia has a total workforce of just over 12.1 million.

In the past 12 months, national employment has risen by 1.9%, with Tasmania and Victoria leading the way with 3.8% and 3.3% growth respectively. NSW and the ACT lag behind with just 1.0% growth, while the NT records the only negative monthly change in employment, with 1,300 fewer employed.

Since May 2017, all states have shown positive changes in the number of full-time employed persons, adding a total of 30,000 more full-time employed persons nationally. In contrast, the territories experienced a reduction in full-time employment in the same period. This trend is evident when looking at annual growth, with full-time employment shrinking in the ACT and NT, but growing in other states. Annual growth in full-time employment is 2.1% nationally and both annual and monthly growth figures signal a moderate recovery in the Australian labour market. However, part-time employment is still growing at a much faster pace than full-time employment in a number of states, suggesting that there is still some way to go.

	Employed Persons ('000)	Change from:		Change from May-2017 ('000)		Change (%) from Jun-2016			
		Jun 2017	May-2017 ('000) Rank	Jun-2016(%) Rank	Full-Time	Part-time	Full-Time	Part-time	
Australia	12,160.1	▲ +26.4	---	▲ +1.9%	---	+30.0	-3.6	▲ +2.1%	▲ +1.5%
NSW	3,848.2	▲ +11.6	1	▲ +1.0%	7	+11.4	+0.2	▲ +2.0%	▼ -1.2%
VIC	3,142.9	▲ +7.3	2	▲ +3.3%	2	+8.2	-0.9	▲ +2.9%	▲ +4.3%
QLD	2,391.4	▲ +7.0	3	▲ +1.8%	4	+5.1	+1.9	▲ +0.9%	▲ +4.0%
SA	820.3	▲ +0.6	6	▲ +1.1%	6	+1.4	-0.8	▲ +1.9%	▼ -0.4%
WA	1,363.3	▲ +4.8	4	▲ +1.7%	5	+4.7	+0.1	▲ +3.9%	▼ -2.9%
TAS	245.6	▲ +1.2	5	▲ +3.8%	1	+0.8	+0.4	▲ +0.6%	▲ +10.0%
NT	136.7	▼ -1.3	8	▲ +2.0%	3	-1.2	-0.1	▼ -1.9%	▲ +17.9%
ACT	215.8	▲ +0.0	7	▲ +1.0%	7	-0.1	+0.1	▼ -1.3%	▲ +7.5%

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

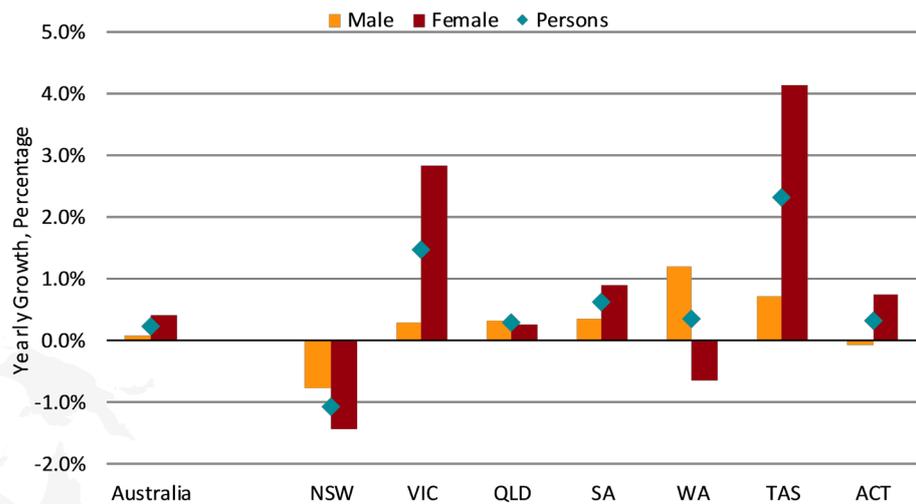
Notes: Trend values are used. Numbers may not sum to totals due to rounding.

Figure 1: Growth in Labour Force Participation Rate – states and territories

Nationally, the labour force participation rate (LFPR) has changed very little in the past year, with just 0.24% growth. Growth is positive across all states and territories, with the exception of NSW, and female LFPR in WA.

NSW and WA aside, women have seen higher growth in participation than men among the states and territories. WA's 0.7% reduction in the female LFPR is smaller than NSW, which saw a 1.4% reduction over the last 12 months. The LFPR for women has increased the most in Tas, with 4.2% growth, followed by Vic at 2.9%.

For men, WA has seen the greatest growth, increasing by 1.2%. In QLD, the LFPR for men and women increased at the same rate, around 0.3%.



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Notes: Trend values are used. Figures show growth from June 2016 to June 2017.

Table 2: Unemployment Changes – states and territories

The national unemployment rate now sits at 5.6% (on both trend and seasonally adjusted figures), representing 727,000 unemployed people. In the year to June 2017, the unemployment rate has declined marginally, by 0.1 percentage point.

Nationally, there are an additional 4,500 unemployed persons compared with June 2016; however this is an improvement compared to May 2017, with 3,700 fewer unemployed persons. In June 2017, the NT recorded the lowest unemployment rate and SA the highest, at 3.1% and 7.0% respectively.

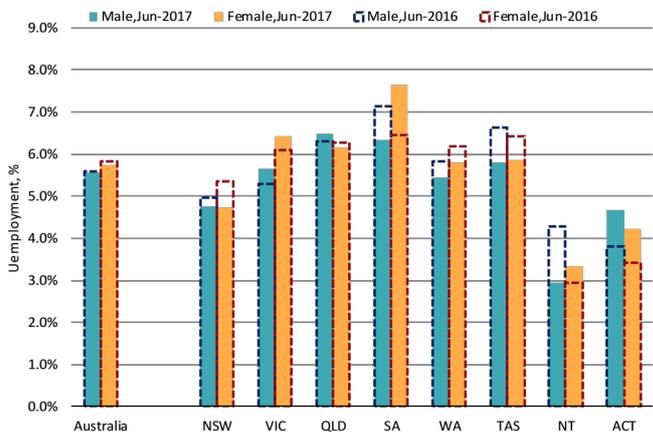
Since June 2016, Vic, Qld and SA have registered an increase in their unemployment rate, with no notable change in the last month, but all three states still stand above the national average. The ACT has seen the biggest worsening on both year-to-date and monthly comparisons, with unemployment now sitting at 4.4%.

	Unemployment Rate	Rank	Change (ppt) from:		Unemployed ('000)		Change ('000) from:	
			Jun 2017	Jun-2016	Jun-2017	May-2017	Jun-2016	
Australia	5.6%	--	▲ 0.0	▼ -0.1	726.8	▼ -3.7	▲ +4.5	
NSW	4.8%	3	▼ -0.1	▼ -0.4	192.1	▼ -2.4	▼ -14.8	
VIC	6.0%	6	▲ 0.0	▲ +0.3	200.9	▲ +0.2	▲ +18.3	
QLD	6.3%	7	▲ 0.0	▲ +0.1	161.9	▲ +0.2	▲ +4.4	
SA	7.0%	8	▲ 0.0	▲ +0.1	61.3	▲ +0.3	▲ +1.9	
WA	5.6%	4	▼ -0.1	▼ -0.4	80.9	▼ -1.6	▼ -4.6	
TAS	5.8%	5	▲ 0.0	▼ -0.7	15.2	▲ 0.0	▼ -1.4	
NT	3.1%	1	▼ -0.1	▼ -0.6	4.4	▼ -0.1	▼ -0.7	
ACT	4.4%	2	▲ +0.3	▲ +0.8	10.1	▲ +0.7	▲ +2.0	

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Notes: Trend values are used.

Figure 2: Unemployment Rate by gender – states and territories



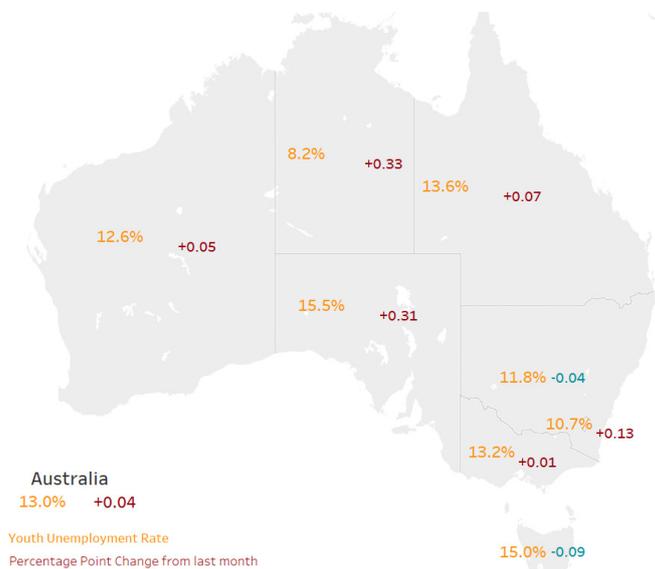
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Trend values are used.

Nationally, the unemployment rate for men and women has remained steady since June 2016, at around 5.6% and 5.8% respectively. However, considerable differences are evident across states and territories. SA has the highest female unemployment rate, increasing significantly from 6.5% to 7.1% in the past year – almost 2ppt above the national rate. Vic, NT and the ACT have also seen increases across the same period. On the other hand, NSW, Qld, WA and Tas have seen an overall improvement in the female u/e rate in the year to June 2017.

For men, the unemployment rate is highest in Qld at 6.5%, rising slightly from 6.3% at the same time last year. The reduction in male unemployment is the highest in the NT, dropping from 4.3% to 2.9%, but noting the volatility of the NT figures.

The ACT is the only region where both female and male unemployment rates increased in the past 12 months. Excluding the ACT, Qld and Vic, the male unemployment rate has reduced in all states since June 2016.

Figure 4: Youth Unemployment – states and territories

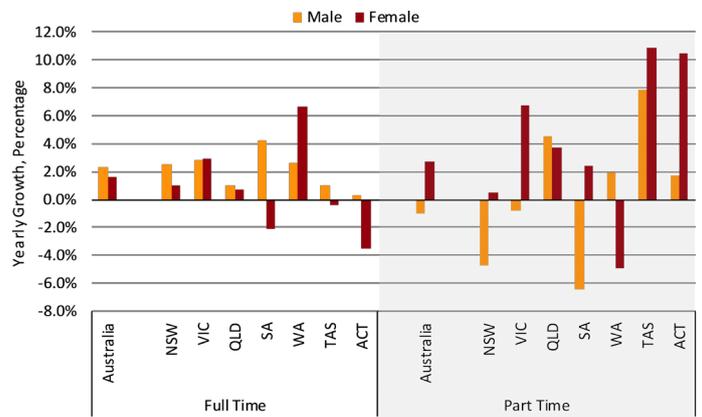


Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Figure shows unemployment rate for 15 to 24 years olds – For states and territories values are smoothed using 13-month rolling average. Percentages are rounded.

Between May 2017 and June 2017, the national youth unemployment rate increased by 0.04 percentage points to 13.0%. South Australia has recorded strong growth, while the NT has the lowest youth unemployment rate and highest change.

Improvement in youth unemployment is the greatest in Tasmania with a -0.09 percentage point difference. The only other state with an improvement in the youth unemployment rate is NSW, with a -0.04 percentage point difference.

Figure 3: Yearly growth in full-time and part-time Employment Rate by gender

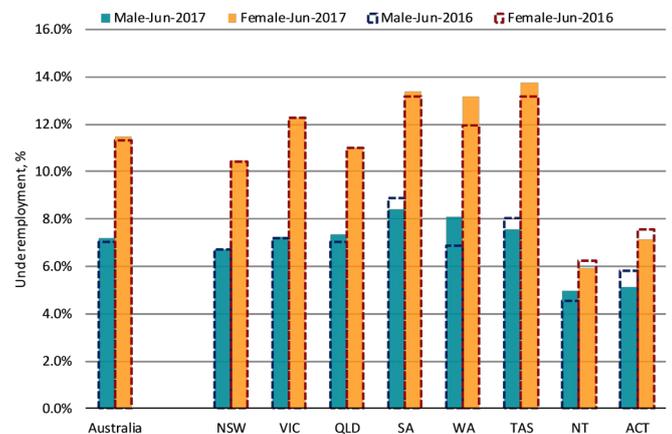


Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Trend values are used – Figures show growth from June 2016 to June 2017.

Full-time employment has continued to grow in the year to June 2017, by 2.3% for men and 1.6% for women. Male full-time employment has grown across all states, with SA leading the pack. Full time employment for women has increased the most in WA at 6.7%, whereas the ACT recorded the largest fall at -3.6%.

Part time employment growth reveals a mixed pattern across states and territories. Tas has seen the strongest growth for both men and women. WA is the only state with negative growth in female part time employment, reducing by around 5.0%. SA registered the largest reduction in male part time employment with, falling by 6.4% on annual measures.

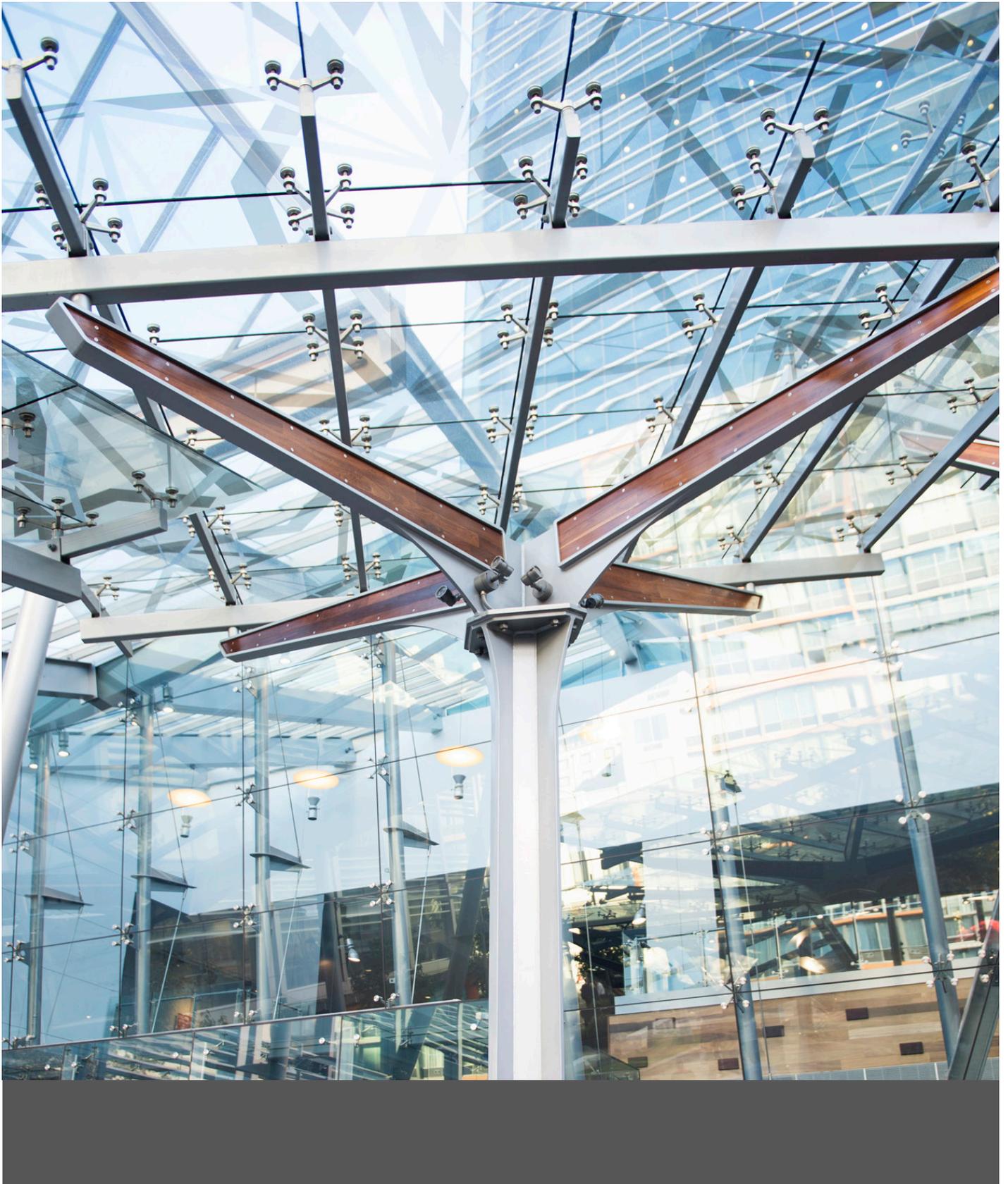
Figure 5: Underemployment Ratio by gender - states and territories



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Values are smoothed using 13-month rolling average. Underemployment ratio is the number of persons that worked part-time hours and wanted to work more hours as a proportion of the no. employed.

The past month has seen little change in the national underemployment ratios for men and women in Australia, remaining at around 7.2% and 11.3% respectively. The underemployment ratio remains higher for women than men across all states and territories.

There are noticeable improvements in male underemployment in Tas, SA and the ACT, with most other states remaining relatively unchanged. WA is the exception, with the male underemployment ratio climbing to 8%. Female underemployment has also increased in WA since June 2016, reaching 13.2% in June 2017. WA and Tas are the only two regions with growth in female underemployment, with the latter being the highest across all states and territories.



Bankwest Curtin Economics Centre

GPO Box U1987, Perth WA 6845, Australia

ph. +61 8 9266 2873
e. bcec@curtin.edu.au
w. bcec.edu.au

For media enquiries contact
Joanne Peckitt:

j.peckitt@curtin.edu.au

