



# BCEC

Bankwest Curtin Economics Centre

## LABOUR MARKET UPDATE

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

### Professor Alan Duncan



#### A positive labour market tune... but with one discordant note

An extra 20,000 workers were added to the Australian economy over the month to September 2019, with employment growing by 2.4% over the last year. Labour force participation has continued to inch its way up, surpassing previous highs each month – now at 66%. At the same time, we're seeing unemployment hold across the nation at 5.3% on trend data – and improve by 0.1ppt to 5.2% over the last month on a seasonally adjusted measure. Nationally, women continue to have stronger participation rates and full-time employment growth.

But there are some discordant notes that jar with an otherwise positive tune.

Male unemployment has risen to more than 7% over the last year in QLD (7.3%) and SA (7.1%), with youth unemployment rates nearly double that (13.8% in SA, and 13.7% in QLD). The NT has also seen both measures rise over the year to 6% and 11% respectively.

The signs of labour market recovery across much of the country have been reasonably consistent for some time – certainly the last 18 months. WA's labour market is now emerging out of the fog and signals are positive overall, but QLD and SA will need to follow.

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### Associate Professor Rebecca Cassells



#### WA labour market bounces back – Mining sector comes to the rescue.....again

The WA economy is looking the healthiest it has for some time, with the latest data showing WA as the best performer in reducing its unemployment rate over the last year – falling 0.5ppt to 5.7%. This represents 7,000 fewer unemployed people in the State than a year ago.

Earlier this year I wrote about the possibility of WA being on the cusp of another mining boom, with investment in mining picking up substantially, demand for iron ore and rare earths unwavering despite global trade turbulence and substantial employment growth in the mining sector. On latest data - Mining has added more than 13,000 workers to the WA economy over the last year – the top industry performer.

But it's not all roses for the WA labour market – labour force participation among men is down and most of the employment growth has been driven by part-time jobs (+4.8%), whereas full-time jobs have seen an overall loss. The Construction sector continues to lose workers, shedding more than 9,000 over the last year.

And while the mining sector has been the backbone of the WA (and Australia's) economy for some time now, the heavy reliance on this sector to turn things around is something that needs to be addressed.

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### Dr Daniel Kiely



#### Women and men facing different outcomes in the labour market

The latest ABS data reveals some strong gendered patterns across Australia's labour market. Participation rates among women have increased significantly nation-wide (+0.9 ppt) over the last year, and are three times higher than the change we've seen among men (+0.3 ppt).

We're also seeing stronger full-time employment growth for women, up by around 3.7% over the last year, compared to only 1.2% for men. On the other hand, part-time employment growth has grown at double the pace for men, +4.3% compared to +2.3%.

This has translated into higher rates of male underemployment, which has edged up across nearly all states and territories, whereas female underemployment has fallen in 5 out of 8 states and territories. Despite these changes, underemployment among women is still significantly higher when compared to men.

Strong growth in the female dominated 'non-market' sectors has likely been the strong contributor to these patterns with 2 in 3 jobs over the last year generated in this sector. No doubt these trends are working together to place downward pressure on wage growth.

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Table 1: Employment changes - states and territories

National employment has increased by just over 20,000 people from August 2019 to September 2019, according to the most recent labour force figures released by the ABS. All states and territories experienced an increase in employment over this period. The largest proportionate increases over the month to September 2019 were seen in VIC (up 7,900 people or 0.23%) and QLD (up 6,600 people or 0.26%). NSW also experienced significant growth over the month to September 2019 (up 3,800 or 0.1%).

The total number of employed persons in Australia has risen to over 12.9 million, representing a year-to-date increase of 2.4%.

Over the year to September 2019, employment in the ACT has experienced the largest growth rate (+3.3%), followed closely by VIC (up 3.1%). Full-time employment has increased in all states over the month bar WA, which experienced a moderate decrease of 1,300 people. NSW was the largest contributor to the increase in full-time employment over the month (up 4,800 people) providing over half the increase in the number of full-time employed nation-wide. The trend toward part-time employment continues to grow, adding 11,300 workers over the month to September 2019. VIC and QLD experienced the largest increase in part-time employment over the month (up 5,500 and 4,100 people respectively).

On year-to-date measures all states and territories have experienced an increase in part-time employment, again showing the trend towards part-time employment. Full-time employment has also increased in all but 3 states and territories over the year. Both the NT and TAS experienced significant decreases (down 6.2% and 2.1% respectively) and WA experienced a small decrease (down 0.6%).

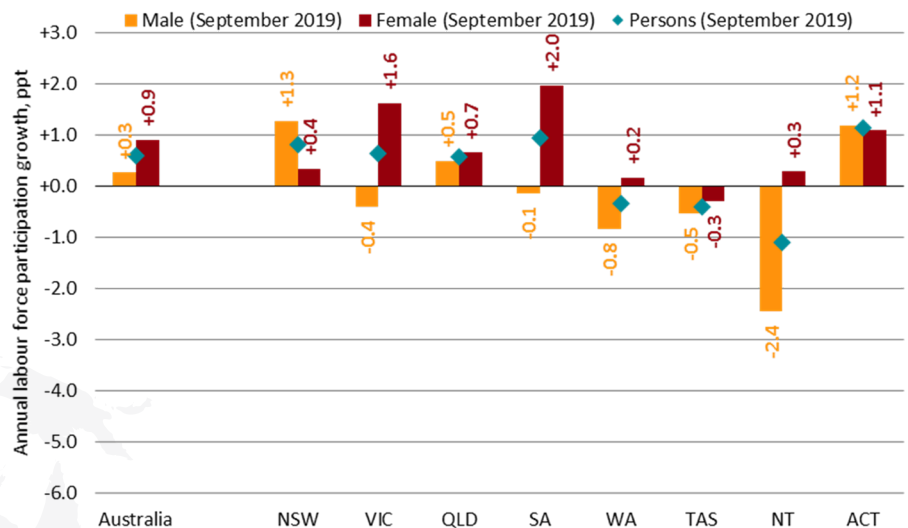
	Employed Persons ('000)	Change from:				Change from August 2019 ('000)		Change (%) from September 2018	
		September 2019	August 2019 ('000)	Rank	September 2018 (%)	Rank	Full-Time	Part-time	Full-Time
Australia	12,942.8	▲ +20.2	---	▲ +2.4%	---	+9.0	+11.3	▲ +2.1%	▲ +2.9%
NSW	4,148.6	▲ +3.8	3	▲ +2.7%	3	+4.8	-1.0	▲ +3.4%	▲ +1.3%
VIC	3,419.7	▲ +7.9	1	▲ +3.1%	2	+2.4	+5.5	▲ +2.1%	▲ +5.3%
QLD	2,544.2	▲ +6.6	2	▲ +2.4%	4	+2.4	+4.1	▲ +2.5%	▲ +2.1%
SA	855.4	▲ +0.4	7	▲ +1.5%	5	+0.3	+0.1	▲ +1.2%	▲ +2.1%
WA	1,355.4	▲ +1.4	4	▲ +0.9%	6	-1.3	+2.8	▼ -0.6%	▲ +4.3%
TAS	250.0	▲ +0.7	6	▲ +0.3%	7	+0.8	-0.1	▼ -2.1%	▲ +4.2%
NT	130.5	▲ +0.4	7	▼ -3.0%	8	+0.4	+0.0	▼ -6.2%	▲ +9.6%
ACT	235.0	▲ +1.1	5	▲ +3.3%	1	+0.3	+0.8	▲ +2.9%	▲ +4.4%

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 – states and territories

Since September 2018, the national labour force participation rate (LFPR) has increased by 0.6 ppt. The female LFPR has increased significantly nation-wide (+0.9 ppt), being 3 times larger than the change in the male LFPR (+0.3 ppt). However, the national LFPR conceals significant differences which are present at the state and territory level.

All states and territories have recorded positive changes in the LFPR for women, with the exception of TAS (-0.3 ppt). VIC and SA experienced a significant increase in the LFPR for women (+1.6 ppt and +2.0 ppt respectively), while most other states and territories experienced marginal to moderate increases. The LFPR for men has shown a contrasting trend to women, with most states and territories recording a decrease in male LFPR. Of these, the NT saw the largest decrease in male LFPR (-2.4 ppt) with TAS, WA, QLD and VIC all reporting marginal to moderate decreases over the year. The ACT and QLD experienced moderate increases in male participation rates, with NSW (+1.3 ppt) being a key contributor to the overall positive growth nationally.



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0  
Notes: Trend values are used. Figures show growth from September 2018 to September 2019.

Table 2: Unemployment changes – states and territories

There are currently just under 718,000 unemployed people in Australia. Over the month to September 2019, the national unemployment rate has remained stable at 5.3% on trend data. Most states and territories saw little to no movement in their u/e rate over the month. With QLD, SA and the NT all experiencing a marginal increase, and WA experiencing a marginal decrease.

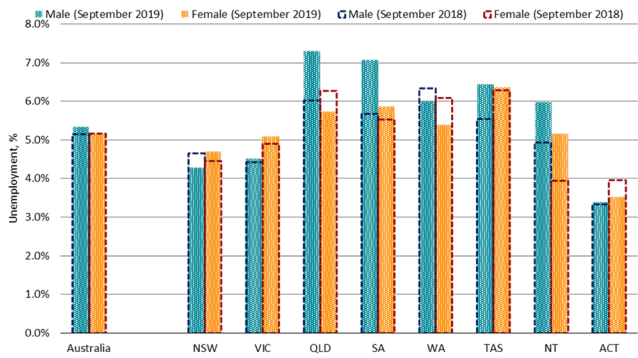
On year-to-date measures however, there has been a slight increase in the u/e rate (+ 0.1 ppt). This reflects an increase in the number of people unemployed since September 2018 of 32,300. QLD, SA and VIC were the largest contributors to this increase adding 15,800, 10,300 and 9,400 persons unemployed respectively). WA was the only state to experience significant decreases in the number of unemployed people over the year to September 2019 (down 7,000).

WA has been the best performer over the year in terms of change in the u/e rate, experiencing a 0.5ppt reduction over the year to September 2019. The ACT remains the best performer by a significant margin, with an u/e rate of 3.5% in September 2019 (a 0.2ppt decrease over the year).

	Unemployment Rate	Rank	Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
			September 2019	Rank		August 2019	September 2018
Australia	5.3%	---	0.0	▲ +0.1	718.0	▲ +1.6	▲ +32.3
NSW	4.5%	2	0.0	▼ -0.1	193.9	▼ -0.4	▲ +1.5
VIC	4.8%	3	0.0	▲ +0.1	171.6	▲ +0.1	▲ +10.3
QLD	6.6%	8	▲ +0.1	▲ +0.4	178.4	▲ +2.5	▲ +15.8
SA	6.5%	7	▲ +0.1	▲ +0.9	59.4	▲ +0.6	▲ +9.4
WA	5.7%	5	▼ -0.1	▼ -0.5	82.0	▼ -1.0	▼ -7.0
TAS	6.4%	6	0.0	▲ +0.5	17.3	▼ -0.1	▲ +1.4
NT	5.6%	4	▲ +0.2	▲ +1.1	7.6	▲ +0.3	▲ +1.3
ACT	3.5%	1	0.0	▼ -0.2	8.4	0.0	▼ -0.1

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

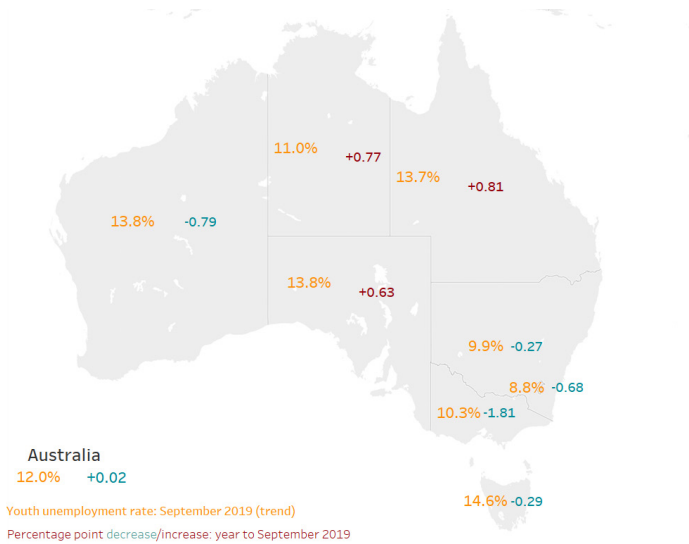
Figure 2: Unemployment rate by gender – states and territories



The national u/e rate for men is slightly higher than for women (5.3% compared to 5.2%), having increased from September 2018 when both genders had the same u/e rate. State and territory unemployment rates for men have increased significantly in QLD (up 1.3 ppt to 7.3%), SA (up 1.4ppt to 7.1%), TAS (up 0.9ppt to 6.5%) and the NT (up 1.1ppt to 6.0%). The u/e rate for men only decreased in NSW (down 0.4ppt to 4.3%) with the ACT and VIC both experiencing very marginal increases.

The unemployment rate among women has increased in five out of the eight states and territories over the year to September 2019. The NT saw the largest increase in the female u/e rate (up 1.2ppt to 5.2%), while, NSW, VIC, SA and TAS saw very marginal increases. QLD, WA and the ACT on the other hand all saw moderate decreases in the female u/e rate, with the largest decrease in WA (down 0.7ppt to 6.0%). Nationally, the u/e rate for women has remained unchanged from the previous year at 5.2%.

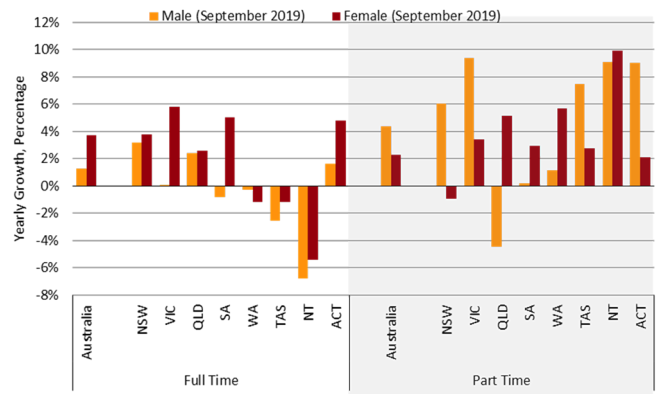
Figure 4: Youth unemployment – states and territories



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0  
 Notes: Figure shows the unemployment rate for 15-24 year olds in each state, along with the associated percentage point changes between September 2018 and September 2019. For states and territories, values are smoothed using a 13-month rolling average.

The national youth u/e rate currently sits at 12%, having seen a slight increase of 0.02ppt over the year to September 2019. Currently NSW, VIC, NT and the ACT have youth u/e rates below the national average. Of these, the ACT's youth u/e rate is the lowest by a significant margin at 8.8%. QLD, SA, WA and TAS on the other hand all have youth u/e rates above the national average at around 13.8% each, while TAS has the highest youth unemployment rate at 14.6%. Although TAS and WA both have relatively high youth u/e rates, both of these states experienced a decrease in these rates over the past year (down 0.29ppt and 0.79ppt respectively). Of the states below the national average, only the NT experienced an increase in their youth u/e rate over the year (up 0.77ppt). In terms of ppt change, VIC experienced the largest decrease in youth u/e rates over the year (down 1.81ppt) with the ACT and WA also seeing significant decreases (down 0.68ppt and 0.79ppt). On the other side, the largest increase in youth u/e rates over the year was experienced by QLD (up 0.81ppt) closely followed by the NT and SA.

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



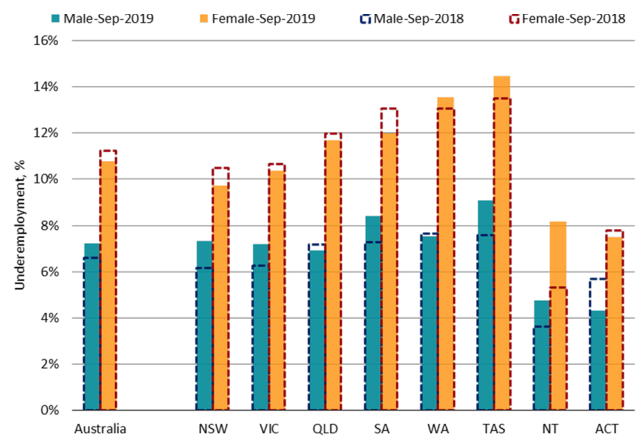
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0  
 Notes: Trend values are used. Figures show growth from September 2018 to September 2019.

In the year to September 2019, growth in full-time employment has been strongest among women, with particularly strong growth recorded in NSW (+3.8%), VIC (+5.8%), SA (+5.0%) and the ACT (up 4.8%). Full-time employment among women decreased in 3 out of the 8 states, with NT showing the most significant decrease (-5.4%).

Full-time employment among men saw a contrasting trend to women, increasing in only 3 out of the 8 states over the last 12 months. NSW and QLD saw substantial increases in full-time employment for men (up 3.2% and 2.4%), similar to the increases recorded among women in these states. There was zero growth in full-time employment for men in VIC and falling rates in the remaining states. TAS and the NT experienced the largest decreases in full-time employment growth among men of 2.6% and 6.8% respectively over the year to September 2019.

On the other hand, part-time employment growth has been the strongest among men, with significant growth in NSW (+6.0%), VIC (+9.4%), TAS (+7.5%), NT (+9.1%) and the ACT (+9.0%). SA and WA both saw relatively small growth in male part-time employment, and QLD was the only state where part-time employment fell (-4.5%). Part-time employment among women has increased in all states over the year to September 2019, with the exception of NSW. NT saw the strongest growth in part-time employment among women (up 9.94%), with VIC, QLD, and WA also showing strong growth.

Figure 5: Underemployment ratio by gender – states and territories



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

The gap in the underemployment ratio between men and women continues to shrink, reflecting the relatively larger increase in part-time employment growth among men, and full-time employment growth among women. Despite these changes, underemployment among women is still significantly higher when compared to men, following past trends within the Australian labour market.

At the state and territory level, the rate of female underemployment has fallen in 5 out of the 8 states and territories. Of these, SA and NSW saw the most significant decreases in female underemployment (down 1.08% and 0.76% respectively). NT saw the largest increase in female underemployment over the year to September 2019 (up 2.84%), while both WA and TAS saw marginal to moderate increases. Men again saw contrasting trends to women, with underemployment increasing in 5 out of the 8 states and territories, all showing moderate increases of 1-2%. QLD and WA experienced very marginal decreases in the male underemployment ratio, while ACT recorded a significant decrease (down 1.36%).



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