

# BCEC

Bankwest Curtin Economics Centre

# LABOUR MARKET UPDATE

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

## Labour market strong in June but likely to unravel fast

The latest labour force figures from the ABS revealed the continued strength of the Australian labour market, with the unemployment rate falling to a ten year low of 4.9 per cent, an additional 29,000 workers added to the economy and youth unemployment the lowest it's been in 12 years. And in contrast to other months, full-time employment among men in particular saw the biggest gains signalling a complete recovery of the labour market.

However, there were also a number of signs in June pointing to an easing of the fast paced improvements seen in previous months. Employment growth slowed, as has labour force participation and job advertisements, and underemployment has started to inch up again.

Together with the strong return of male full-time employment, these signs were pointing to an almost "back to normal", or as normal as possible labour market.

But we need to bear in mind, these numbers were taken in early-mid June, well before the Sydney and now Melbourne and South Australian lockdowns. Next month's figures are not going to look so good and we are likely to see substantial falls in economic and employment activity in the coming surveys. There will also likely be an undercount of the number of unemployed and flows into and out of employment, unemployment and not in the labour force will be important to watch.

## Will the labour market rebound again after the latest lockdowns?

So far the resilience of the economy and the ability of state and territory labour markets to rapidly recover has been noteworthy. But this V-shaped pattern is unlikely to last as the two biggest economies - Sydney and Melbourne lockdown without a big enough lifeboat to support them. We face the real possibility that we will move into the start of a W-shape trajectory.

We only have to look to Victoria to see the scarring impact of extended lockdowns. Victoria is still falling down on employment recovery and this latest month shows both a significant decrease in average monthly hours and labour demand for the state. In fact, it was the only state to see a decrease in job vacancies across the suite of major occupation classes.

Lockdowns erode business and consumer confidence. They also push thousands of workers into zero or lower hours, or out of work completely, often without a substantial safety net to rely on. Both businesses and households reduce or postpone their spending and investment decisions, further unravelling the household expenditure and investment gains seen over the last quarter.

To contend with the pandemic and regulation responses back in March 2020, the government was prepared to and did spend big. A similar but more targeted response is needed now for businesses and workers to prevent the economy spiralling back into the abyss it was facing last year.

But more than this, there needs to be a consistent approach to lockdown responses and the support offered. Not doing so not only compromises the economy's ability to recover but it also places enormous stress and financial pressure on business owners and workers.



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National employment rises again

Australia's long term employment recovery rose again in June, recording an additional 29,100 workers (+0.2%). This was the seventh nationwide employment gain in eight months, with the total number of employed persons in Australia still comfortably above 13 million.

In June, part time jobs fell across the nation as employment continued to shift towards full-time work with 51,600 new full time jobs created. Meanwhile, since May, around 22,500 part-time jobs have been lost.

Only three states recorded a rise in jobs since June, with the nation's gains concentrated in QLD (+16,700 jobs), WA (+12,600) and TAS (+2,600). Meanwhile NSW (-9,200 jobs), VIC (-9,200), SA (-4,500), NT (-5,100) and ACT (-5,900) all recorded a fall in employment over the month.

Part-time employment only marginally rose in TAS for June (+1,400), whilst every other state saw a part-time loss; with the biggest losses recorded in NSW (-14,700) VIC (-12,800), and WA (-12,100). Full-time employment saw strong growth over the month, driven primarily by WA (+24,700) and QLD (+18,800), with only marginal decreases in NT and ACT.

Table 1: Employment changes – states and territories: seasonally adjusted

	Employed Persons ('000)	Change from:		Change from May 2021 ('000)		Change (%) from June 2020			
		June 2021	May 2021 ('000)	Rank	June 2020(%)	Rank	Full-Time	Part-time	
Australia	13,154.2	+29.1	---	▲ +6.3%	---	+51.6	-22.5	▲ +5.7%	▲ +7.6%
NSW	4,154.8	-9.2	7	▲ +5.4%	5	+5.5	-14.7	▲ +4.9%	▲ +6.5%
VIC	3,444.5	-9.2	7	▲ +5.3%	6	+3.6	-12.8	▲ +4.6%	▲ +6.7%
QLD	2,661.3	+16.7	1	▲ +9.7%	1	+18.8	-2.1	▲ +9.5%	▲ +10.1%
SA	866.6	-4.5	4	▲ +5.5%	4	-1.1	-3.4	▲ +5.5%	▲ +5.5%
WA	1,404.4	+12.6	2	▲ +7.6%	2	+24.7	-12.1	▲ +5.8%	▲ +11.4%
TAS	262.2	+2.6	3	▲ +6.3%	3	+1.2	+1.4	▲ +6.0%	▲ +6.8%
NT	126.2	-5.1	5	▼ -1.8%	8	-4.1	-1.0	▼ -1.0%	▼ -4.3%
ACT	232.3	-5.9	6	▼ -0.6%	7	-1.9	-3.9	▼ -0.7%	▼ -0.4%

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

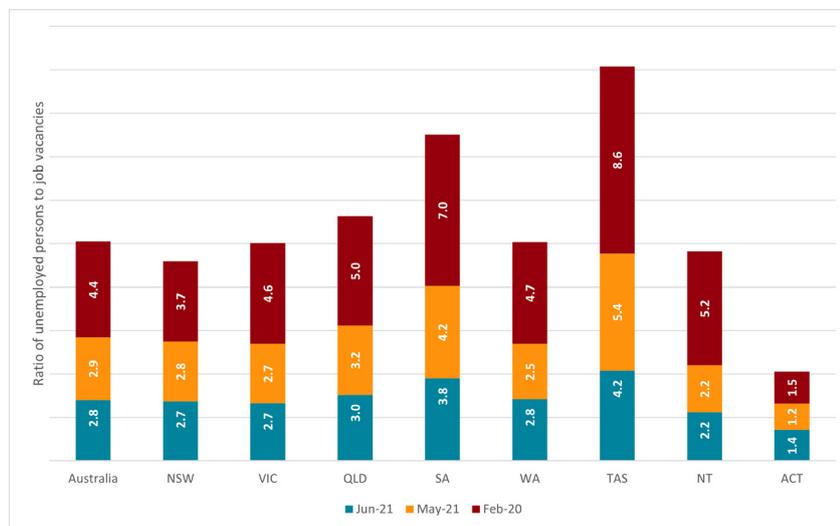
Labour market tightens marginally

The ratio of unemployed people to job vacancies in Australia continued to trend in the right direction in June 2021, falling by 0.1 persons to 2.8 unemployed persons for every one job vacancy. Whilst marginal, this indicates that labour demand is increasingly matching labour supply in the market currently.

Amongst the states and territories, the ACT currently holds the lowest ratio at 1.4 unemployed persons per job vacancy, followed by the NT (2.2 persons), NSW and VIC (2.7 persons each). Conversely, TAS has the highest ratio (4.2 persons) along with SA (3.8 persons) and QLD (3.0 persons).

Since February 2020 (pre-pandemic), the ratio of unemployed persons to job vacancies has clearly improved, with the ratio of unemployed persons falling from 4.4 persons to 2.8 persons nationally. TAS leads all states and territories since February 2020, decreasing 4.4 persons, followed by SA (-3.2 persons) and the NT (-3.0 persons).

Figure 1: Unemployed persons per job vacancy February 2020-June 2021



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

Women's employment remains stable as men recover

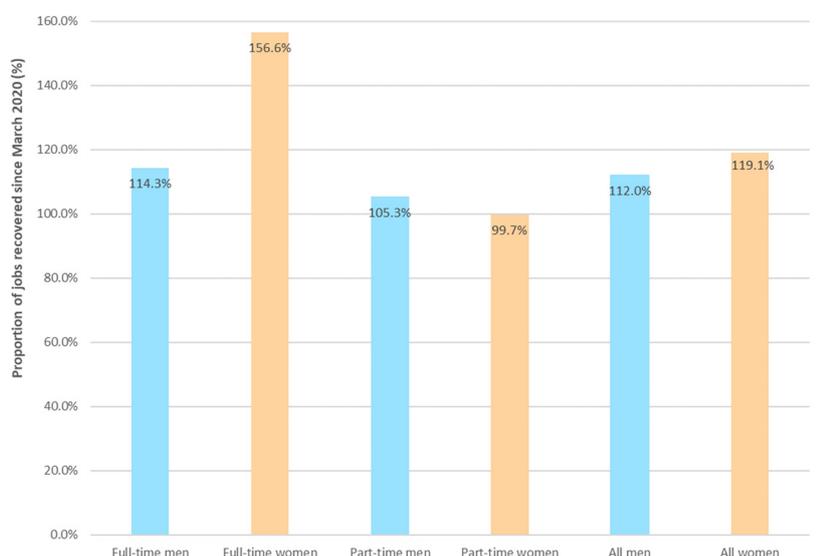
Men saw employment recovery in the month of June, whilst women remained stagnant, with men's full-time employment rising by 8.9ppt since May, whilst women recorded a 0.3ppt increase in full-time work over the month.

The makeup of the labour force appears to have changed significantly towards full-time employment since May, with men recording a significant 51,026 new jobs in full-time employment. Women have seen their solid growth in full-time employment slow down significantly, increasing by 585 jobs over the month.

Part-time employment on the other hand appears to be declining, with men recording a loss of 21,561 part-time jobs, taking recovery to 105.3%. Women saw a minor fall as well with an additional loss of 964 jobs since May.

June's employment gains have contributed to the recovery of over 112% of jobs for men since the onset of the pandemic. Men appear to be moving back to full-time employment compared to May. As of June, all jobs have recovered to pre-pandemic levels, except for part-time employment for women, which stands marginally below full recovery (99.7%).

Figure 2: Employment recovered since March 2020: men and women



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

## Participation rate remains steady nationwide, rises in WA

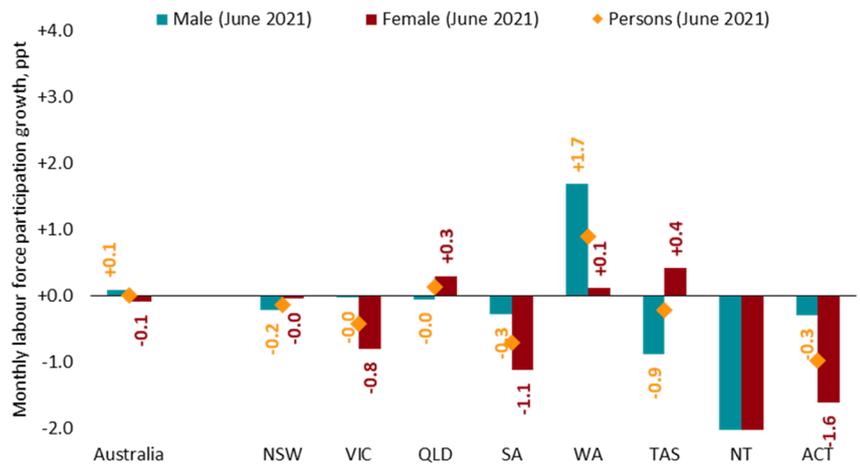
The national labour force participation rate was relatively stagnant in June, remaining at 66.2ppt. Women saw a small dip in their overall participation rate, by 0.1ppt; offset by a 0.1ppt rise for men.

Six out of the 8 states and territories recorded a participation rate fall in June, with the NT (-2.7ppt), the ACT (-1.0ppt) and SA (-0.7ppt) recording the largest decline. In contrast, WA (+0.9ppt) and QLD (+0.1ppt) saw a rise in participation over the month.

Men saw their largest increase in WA (+1.7ppt), whilst women saw their largest increase in TAS (+0.4ppt). Outside of the NT, the ACT (-1.6ppt) recorded the largest loss for women and TAS (-0.9ppt) recorded the largest decrease for men.

Year-to-date figures are still encouraging, with the participation rate up 2.1ppt since June 2020. Over the year, men saw a 1.8ppt increase in the participation rate with QLD (+3.4ppt) and WA (+2.1ppt) leading the way. The participation rate for women was even stronger over the year, with women recording a 2.4ppt increase with QLD (+3.6ppt) again leading the way along with TAS (+2.9ppt). Furthermore, the participation rate gap between men and women widened in June, increasing 0.2ppt to 9.4ppt.

## Figure 3: Monthly change in labour force participation



Notes: Seasonally adjusted values are used. Figures show growth from June 2020 to June 2021.  
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

## Nationwide unemployment falls for eighth consecutive month

The national unemployment rate (u/e rate) decreased yet again, falling by 0.2ppt to 4.9% over the month to June 2021, marking the eighth consecutive fall in the unemployment rate. The number of unemployed people in Australia has fallen to 679,100, a decrease of 22,000 since May 2021.

The decrease in the number of unemployed persons falls in line with the stabilising participation rate, suggesting that any effects from the end of JobKeeper have not extended into June.

Four of the eight states and territories experienced a decrease in their unemployment rate over the month, led by TAS (-1.2ppt), SA (-0.5ppt), VIC (-0.4ppt) and QLD (-0.3ppt). In contrast, the ACT (1.3ppt), WA (0.4ppt), NT (+0.3ppt) and NSW (+0.1ppt) all recorded a rise in the unemployment rate over June.

Similarly, 4 out of 8 states experienced a decrease in unemployed persons, with VIC (-13,000) again driving unemployment falls across the country, with QLD and SA (-8,200 and -5,200) also making strong contributions over June. Year-to-date figures again provide a source of encouragement, with the national unemployment rate sitting 2.5ppt lower than a year ago and all states and territories except the ACT recording an identical or lower unemployment level than June 2020. The clear leaders in year-to-date unemployment rates are WA and SA (-3.4ppt), VIC (-2.9ppt), and VIC (-2.0ppt).

## Table 2: Unemployment changes - states and territories

	Unemployment Rate	June 2021	Rank	Change (ppt) from:		Unemployed ('000)		Change ('000) from:	
				May 2021	June 2020	June 2021	May 2021	June 2020	
Australia	4.9%	4.9%	--	▼ -0.2	▼ -2.5	679.1	▼ -22.0	▼ -303.7	
NSW	5.1%	5.1%	5	▲ +0.1	▼ -1.7	221.4	▲ +1.0	▼ -66.4	
VIC	4.4%	4.4%	1	▼ -0.4	▼ -2.9	160.2	▼ -13.0	▼ -99.3	
QLD	5.1%	5.1%	6	▼ -0.3	▼ -2.7	143.8	▼ -8.2	▼ -61.0	
SA	5.3%	5.3%	8	▼ -0.5	▼ -3.4	48.7	▼ -5.2	▼ -29.3	
WA	5.1%	5.1%	7	▲ +0.4	▼ -3.4	76.0	▲ +7.7	▼ -45.0	
TAS	4.5%	4.5%	2	▼ -1.2	▼ -2.2	12.3	▼ -3.4	▼ -5.5	
NT	4.8%	4.8%	3	▲ +0.3	▼ -0.8	6.4	▲ +0.2	▼ -1.3	
ACT	4.9%	4.9%	4	▲ +1.3	▲ +0.1	11.9	▲ +3.0	▲ +0.2	

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

## Underemployment rises in June, led by VIC

Underemployment rose appreciably in June 2021, increasing 0.6ppt for men and 0.3ppt for women.

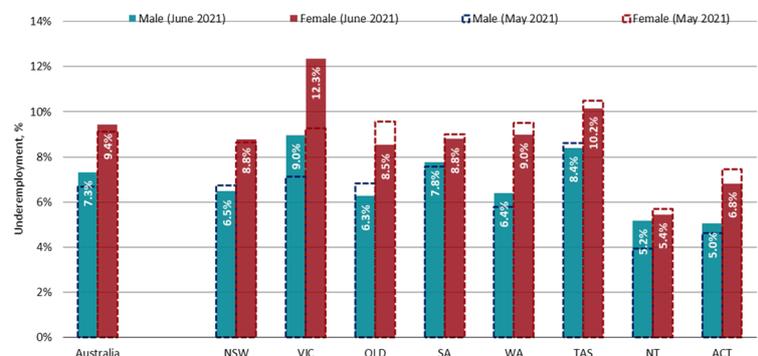
Over the month to June 2021, men's underemployment rose marginally from 6.7% to 7.3%, whilst women's underemployment rose from 9.1% to 9.4% over the month. The unemployment ratio gap between men and women fell again in June, decreasing 0.3ppt to 2.1ppt.

The main driver of the rising underemployment rate was VIC, which saw a 1.8ppt rise in underemployment for men and a 3.1ppt rise in underemployment for women. Outside of VIC, men saw a rise in underemployment in 4 states and territories, led by the NT (+1.3ppt) and WA (+0.6ppt). In contrast, women recorded a fall in underemployment in 6 out of 8 states and territories, led by QLD (-1.0ppt) and the ACT (-0.6ppt).

Year-to-date measures continue to present a positive picture for underemployment ratios, with women recording a 4.0ppt decrease from June 2020. All states and territories recorded a fall in the underemployment ratio for women, with the largest contributors to the year-to-date fall for women being SA (-5.8ppt), WA (-5.3ppt) and QLD (-4.3ppt). All states recorded a year-to-date fall in the underemployment ratio, with NT, NSW and QLD (-7.2ppt and -4.5ppt for the latter two respectively) leading the fallers.

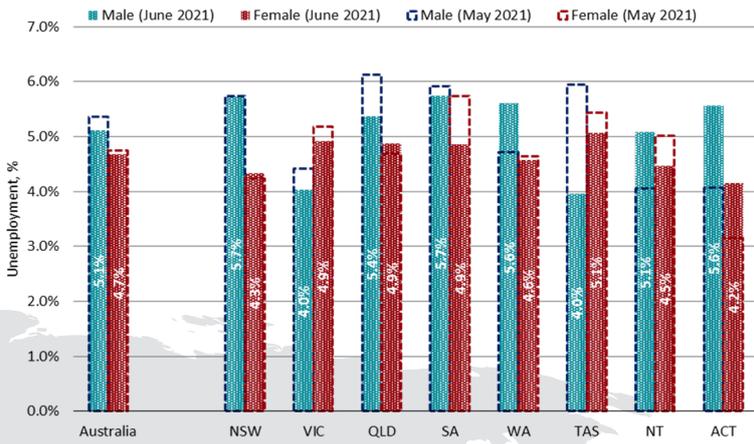
Men also recorded strong year-to-date figures in the underemployment ratio, with a 4.5ppt decrease over the last 12 months.

## Figure 4: Underemployment ratio by gender, states and territories



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

Figure 5: Unemployment falls among men



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

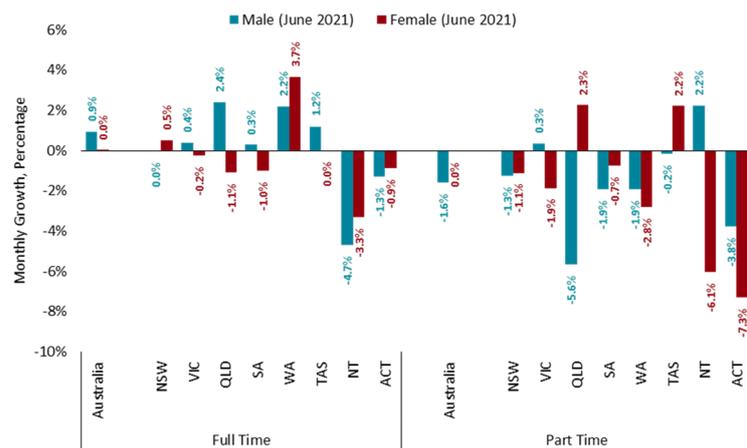
In June, the unemployment rate decreased 0.3ppt for men, whilst remaining stagnant for women, with men falling to 5.1% and women remaining at 4.7%.

The unemployment rate for women fell in 5 out of 8 states in the month of June, with SA and NT (-0.9ppt and -0.5ppt respectively) recording the largest falls. TAS (-0.4ppt), VIC (-0.3ppt) and WA (-0.1ppt) also recorded decreases over the month. WA has the third lowest u/e rate for women at 4.6%, trailing only the ACT (4.2%) and NSW (4.3%).

Four out of eight states also recorded a decrease in u/e rates for men. TAS (-2.0ppt) led all states followed by QLD and VIC (-0.8ppt and -0.4ppt). In contrast, the ACT (1.5ppt) and the NT (1.0ppt) saw the largest national rises in unemployment over the month.

On year-to-date figures, the male u/e rate is performing strongly and is 2.3ppt lower than June 2020. Similarly the female u/e rate is 3.4ppt lower than June 2020.

Figure 6: Full-time work rebounds as employment growth rises



Notes: Seasonally adjusted values are used. Figures show growth from May to June 2021. ACT and NT values are generally more volatile than other states.  
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Full-time employment rose 0.9% for men and remained stagnant for women over the month of June, with part-time employment also falling for men (-1.6%) and remaining stagnant for women.

Five out of eight states and territories recorded an increase in full-time employment for men in June, led by QLD (+2.4%), WA (+2.2%) and TAS (+1.2%), with NT (-4.7%) and ACT (-1.3%) the notable fallers. For women, full-time employment growth was very mixed in June, with WA (+3.7%) giving a strong push that was offset by the NT (-3.3%) and QLD (-1.1%).

Part-time employment for women fell in six out of eight states in June. QLD (+2.3%) saw the largest increase, followed by TAS (+2.2%). Meanwhile, the largest fall was in the ACT, which fell by a sizeable 7.3%, closely followed by a 6.1% drop in the NT.

Men also saw part-time employment fall in six out of eight states, with the largest rise being in the NT (+2.2%) and NSW (+0.4%), whilst the largest falls were recorded in QLD (-5.7%) followed by the ACT (-3.8%).

Year-to-date figures are still particularly strong for women and men in full-time and part-time employment. Full-time employment is up 4.4% for men and up 7.9% for women over the year to June 2021. Part-time work is also strong, up 9.4% for men and 6.7% for women.

Youth unemployment falls to 12-year low

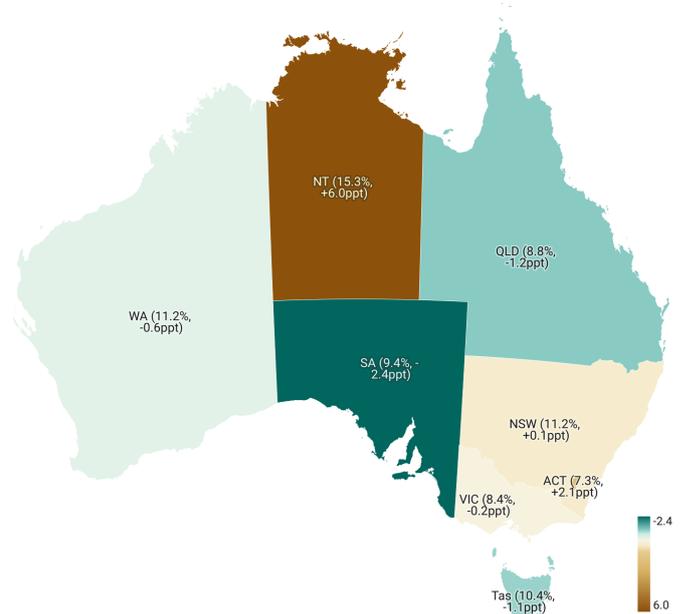
The national youth unemployment rate has fallen 0.5ppt to 10.2% over the month to June 2021, representing its lowest level since January 2009.

SA had the largest decline in youth unemployment, falling by 2.4ppt over the month, taking its youth u/e rate down to 9.4%. Other large fallers included QLD (-1.2ppt) and TAS (-1.1ppt). NT (+6.0ppt) saw a large spike in youth unemployment compared to the other states, followed by the ACT (+2.1ppt). The NT now has the highest youth u/e rate (15.3%), followed by NSW and WA (11.2%).

Youth unemployment rates on year-to-date data also present an optimistic picture for most states and territories recording a lower youth u/e rate than May 2020. Leading the year-to-date youth u/e rate statistics is QLD (-9.3ppt), VIC (-8.1ppt) and SA (-7.8ppt). The NT, on the other hand, has reported a year-wide increase in youth unemployment (1.6ppt).

Figure 7: Youth unemployment - monthly change, states and territories

Youth unemployment rate - Australia: (10.2%, -0.5ppt)



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS labour force data - Created with Datawrapper

Victoria drives national fall in hours

The number of average monthly hours worked by Australians fell by 2.1% in June to 135.4 hours worked per week, likely as a result of the lockdown in Victoria in late May. Over the month to June, average monthly hours in VIC fell by 8.1%, the largest decrease across all states and territories.

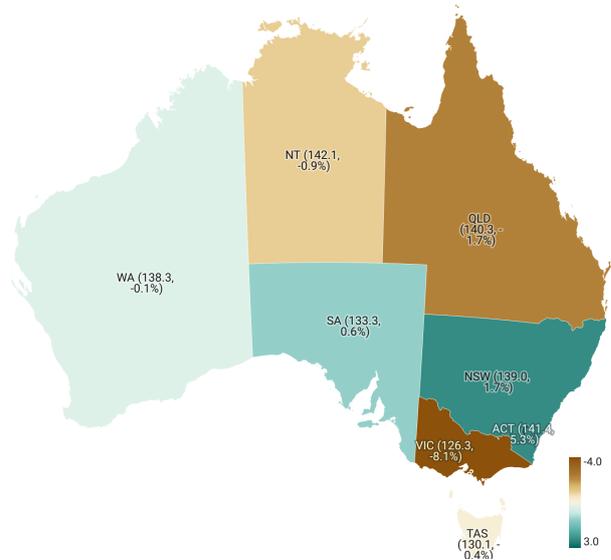
Three out of eight states and territories saw an increase in the average monthly hours worked between May and June. The largest increase was recorded in the ACT (+5.3%), along with NSW (+1.7%) and SA (+0.6%).

The NT (142.1 hours) has returned to the top spot in terms of average hours worked, overtaking the ACT (141.4 hours) in June, followed by QLD (140.3 hours) and NSW (139.0 hours).

When compared to this time last year, average monthly hours worked are similar, rising by 0.7 hours nationwide. All states and territories except for VIC and WA are up on year-to-date figures, with SA (+5.3 hours), TAS (+5.0 hours) and QLD (+4.8 hours) all above the national average.

Figure 8: Monthly hours of work - states and territories

Average monthly hours - Australia: (135.4 hrs, -2.1%)



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS labour force data • Created with Datawrapper

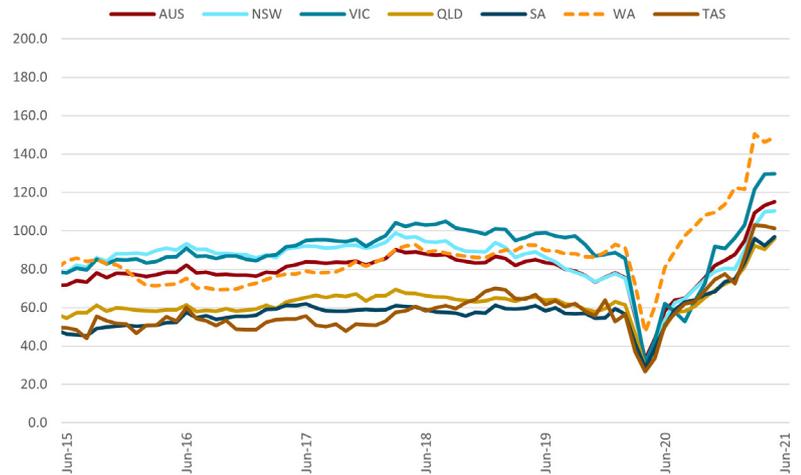
Nationwide labour demand dips slightly

The internet vacancy index, which provides detailed data on newly advertised job vacancies during the month had a very slight dip in June, falling by 0.4%. This is the first fall in internet vacancies in 14 months. The index now sits at 114.6, down from 115.1 last month.

The number of job advertisements rose in four out of eight states over June, resulting in mixed levels of growth compared to the overall recovery seen in May. Internet vacancies rose the most in the ACT (+3.9%), TAS (+1.4%) and NSW (+0.8%) in June, representing a combined 1,008 new advertisements across the three states, with VIC (-4.7%), QLD (-1.1%) and the NT (-0.8%) recording the greatest falls in job advertisements.

On year-to-date figures, job advertisements are 96.3% higher (+118,700) since June 2020, with all states and territories recording a sizeable increase in job advertisements. NSW (+107.6%) is the year-to-date leader with 41,817 additional job advertisements since last year, followed by TAS (+101.0%), and VIC (+98.7%). The ACT (+62.6%) recorded the lowest year-to-date increase in job advertisements, but still added over 2,700 new job advertisements since June 2020.

Figure 9: Change in Internet Vacancy Index: June 2015-2021



Notes: Seasonally Adjusted values are used. ACT and NT figures not shown. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government National Skills Commission.

Victoria driving nation-wide fall in labour demand

Labour demand was mixed across occupations and states and territories over the month of June.

Professionals (+2%) were the sole occupation that saw a nationwide rise in June. Four out of eight occupations recorded negative growth nationwide over the month, led by falls in Sales Workers (-5%) and Community and Personal Service Workers (-4%).

ACT recorded the strongest labour demand in June, led by both Managers (+10%) and Professionals (+11%).

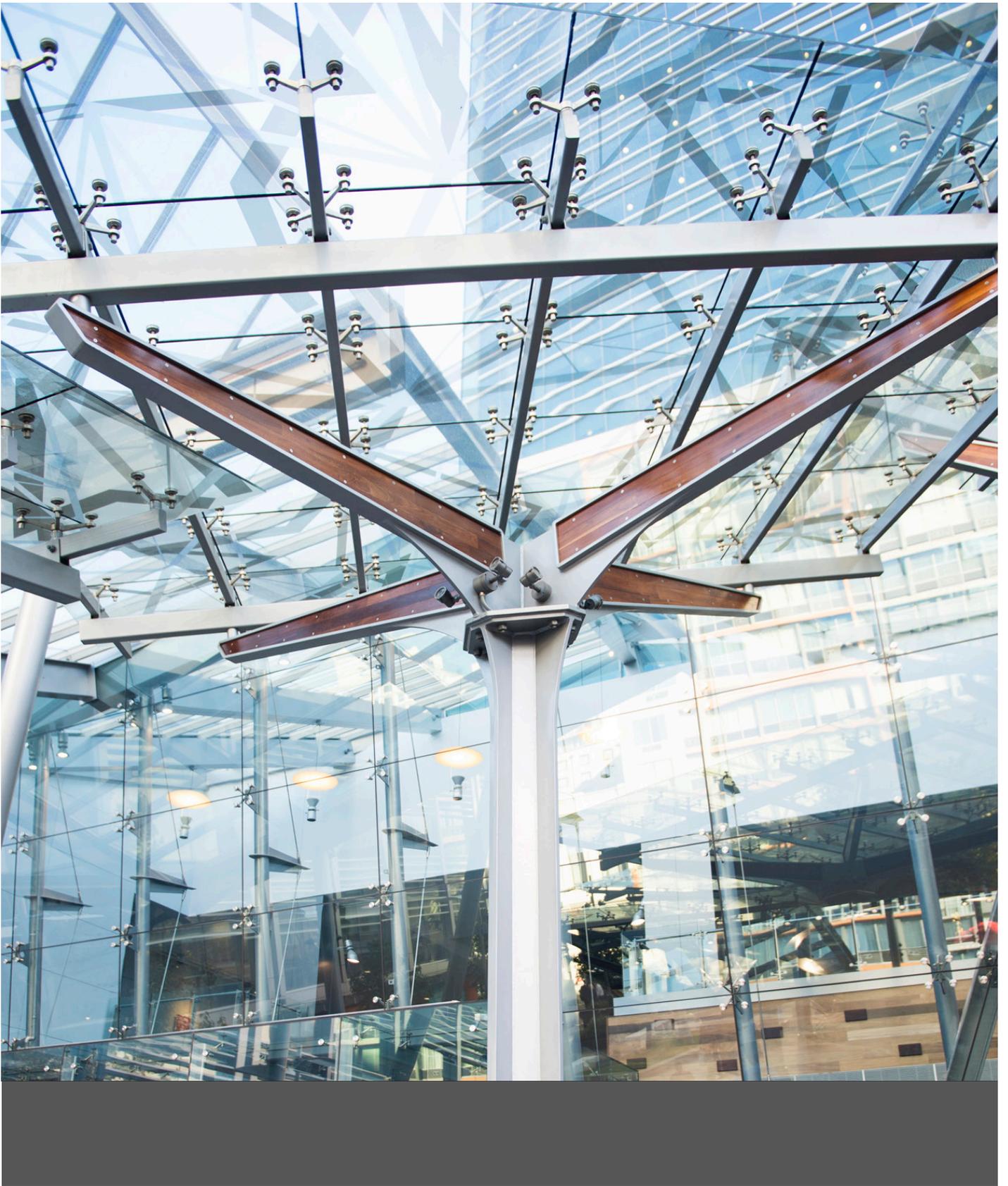
Across the other states, TAS saw a strong increase in demand for Community and Personal Service Workers (+6%) as well as Professionals (+5%), whilst NSW saw a 6% increase in advertisements for Professionals and a 3% increase for Clerical and Administrative Workers and Sales Workers. Other notable increases occurred in SA, which saw strong demand for Managers (+5%) as well as Professionals (+5%).

Notably, the NT recorded an enormous drop in demand for Machinery Operators and Drivers (-30%), as well as a significant drop in demand for Labourers (-10%). This was likely due to changing landscapes in the mining industry. Notably, VIC saw a fall in demand for all occupations in June, coinciding with the lockdown measures implemented in late May.

Table 3: Change in Internet Vacancy Index (IVI) by occupation, June 2021

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	+0%	+2%	-1%	-1%	+5%	+5%	-6%	-3%	+10%
Professionals	+2%	+6%	-3%	+3%	+5%	+1%	+5%	-2%	+11%
Technicians And Trade Workers	-3%	-5%	-5%	-3%	-2%	-1%	-1%	+0%	-1%
Community And Personal Service Workers	-4%	-3%	-11%	-3%	-5%	-1%	+6%	-3%	-2%
Clerical And Administrative Workers	+0%	+3%	-4%	+2%	+4%	-1%	-6%	+2%	+2%
Sales Workers	-5%	-2%	-8%	-2%	-6%	-8%	-0%	-6%	+2%
Machinery Operators And Drivers	-1%	+1%	-8%	+0%	+4%	+6%	-13%	-30%	-4%
Labourers	-3%	-1%	-7%	-6%	-4%	+0%	+1%	-10%	+3%
Total	-0%	+1%	-5%	-1%	+0%	-0%	+1%	-1%	+4%

Notes: Seasonally adjusted values are used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government National Skills Commission.



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