

# BCEC

Bankwest Curtin Economics Centre

# LABOUR MARKET UPDATE

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

## Lockdowns strike again in the East

At the national level, the latest labour force figures can offer little more than a confirmation that the labour market had been recovering nicely until the economy was plunged into another round of lockdowns, as we all turn our minds to the question of just how the labour market will be affected by the myriad of COVID-related restrictions now in play. The reference period for the July Labour Force Survey was from 4 to 17 July, while restrictions in New South Wales in response to the latest Sydney outbreak have been steadily ramping up since June 23. Victoria also went into another lockdown on 15 July, and QLD, SA, NT and ACT have all since been affected.

Australia's unemployment rate managed to fall to a 13-year low of 4.6 per cent in July, but jobs growth stagnated and it was only falling participation – notably in NSW – that pushed the jobless rate down. The national labour force fell by 37,700, but labour force participation in NSW plummeted by an extraordinary 63,600 over the last month. Other signs of negative effects of the lockdowns are readily apparent in the NSW data, with that state shedding 36,400 jobs, hours worked per worker dropping 6.2 per cent and internet vacancies plummeting 10 per cent for the month.

The worst is almost certainly yet to come, with the August survey reference period covering the first two weeks of August. The Commonwealth Government has implemented the JobSaver package to support severely affected businesses to maintain employee headcounts but, unlike the former JobKeeper package, payments are not directly linked to the jobs of particular employees. The other main assistance measure, the COVID-19 Disaster Relief Payment, is made directly to workers who lose income because of public health orders and is not directly designed to protect jobs. In the labour force survey, people who did not work in the previous week are asked whether they had a job they were away from because of holidays, sickness or any other reasons. People who are away from a job are still considered employed if they worked or received pay in the past four weeks. By this methodology, the number of people who are away from jobs who are classified as unemployed rather than employed is likely to increase as lockdowns lengthen.

## You can go your own WA...

Even though the state and national unemployment rates converged, the contrasting outlook for Western Australia could hardly be starker. Employment increased by 6,500 for the month, a substantial 0.5 per cent increase, and the state's unemployment rate fell by half a percentage point to 4.6 per cent, confirming suspicions that last month's unexpected rise was largely due to statistical volatility (the estimates are based on a sampling ratio of 1 in 310 households in WA). Employment growth was driven by an increase in full-time jobs, and shared between males and females. Vacancies remain high and reports of skills shortages abound, particularly in the regions. The youth unemployment rate fell by 3 percentage points to 8.3 per cent. While July is traditionally a seasonal low in the youth unemployment rate, this marked the lowest figure recorded in the series since July 2014.

Another indicator of the underlying strength of the WA labour market was the return to positive wages growth in average weekly earnings data released by the ABS on the same day as the July labour force figures. The commonly used benchmark of male, ordinary time earnings rose by 1.7 per cent in the six months to May 2021, after falling in the previous six months. There was an even stronger rebound in total earnings, which includes part time workers and overtime payments, of 5.6 per cent. Both men (4.0%) and women (5.4%) saw increased total earnings after declines in the six months to November 2020.

Breaking the cycle of low wages growth would be a positive development if it reflects the rising contributions workers are making to the growth of our economy. But it could also be a sign that skills shortages are putting upward pressure on wages, preventing some businesses from being able to respond to economic opportunities, either domestically or in export terms.

If this is the case, the government's priority should be for concerted action to meet the skills needs of businesses across the country.



**Professor Alan Duncan**

Twitter: [@Alan\\_S\\_Dunc](https://twitter.com/Alan_S_Dunc)

Email: [alan.duncan@curtin.edu.au](mailto:alan.duncan@curtin.edu.au)



**Professor Michael Dockery**

Twitter: [@BankwestCurtin](https://twitter.com/BankwestCurtin)

Email: [m.dockery@curtin.edu.au](mailto:m.dockery@curtin.edu.au)



**Associate Professor Astghik Mavisakalyan**

Twitter: [@BankwestCurtin](https://twitter.com/BankwestCurtin)

Email: [astghik.mavisakalyan@curtin.edu.au](mailto:astghik.mavisakalyan@curtin.edu.au)

**Australian employment rises marginally in July**

Australia's long term employment recovery continued to slow in July, recording an additional 2,200 workers to keep the total number of employed persons in Australia above 13.1 million.

Part-time work rebounded slightly in July, with an additional 6,400 jobs created, as 4,200 full-time jobs were lost. Queensland recorded the largest fall in full-time work (-32,200 jobs), but also the highest increase in part-time work (+25,600 jobs). Lockdown restrictions in NSW contributed to the state losing 36,100 part-time jobs over the month.

Six out of eight states recorded a rise in jobs in July, with the nation's gains concentrated in VIC (+16,000 jobs), SA (+10,700) and WA (+6,500). However, the majority of employment gains were offset by the significant fall in NSW (-36,400 jobs) along with QLD (-6,600).

Part-time and full-time employment growth increased in 5 out of 8 states and territories, with VIC notably recording gains in full-time (+7,200) and part-time (+8,900) employment, along with the NT and SA. Full-time employment was also strong for WA (+7,000).

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

	Employed Persons ('000)	Change from:		Change from June 2021 ('000)		Change (%) from July 2020			
		July 2021	June 2021 ('000)	Rank	July 2020(%)	Rank	Full-Time	Part-time	
Australia	13,156.4	+2.2	---	---	---	-4.2	+6.4	▲ +5.3%	▲ +5.6%
NSW	4,118.4	-36.4	8	8	6	-0.3	-36.1	▲ +4.5%	▲ +0.5%
VIC	3,460.5	+16.0	1	1	4	+7.2	+8.9	▲ +5.8%	▲ +4.3%
QLD	2,654.7	-6.6	7	7	1	-32.2	+25.6	▲ +7.3%	▲ +13.0%
SA	877.2	+10.7	2	2	3	+4.5	+6.2	▲ +4.7%	▲ +8.0%
WA	1,410.9	+6.5	3	3	2	+7.0	-0.5	▲ +5.6%	▲ +9.4%
TAS	263.0	+0.8	6	6	5	+2.5	-1.8	▲ +5.7%	▲ +1.3%
NT	129.4	+3.3	4	4	7	+1.6	+1.6	▼ -1.0%	▲ +10.0%
ACT	233.7	+1.4	5	5	8	-1.8	+3.2	▼ -2.2%	▲ +4.8%

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

**Labour market tightens again**

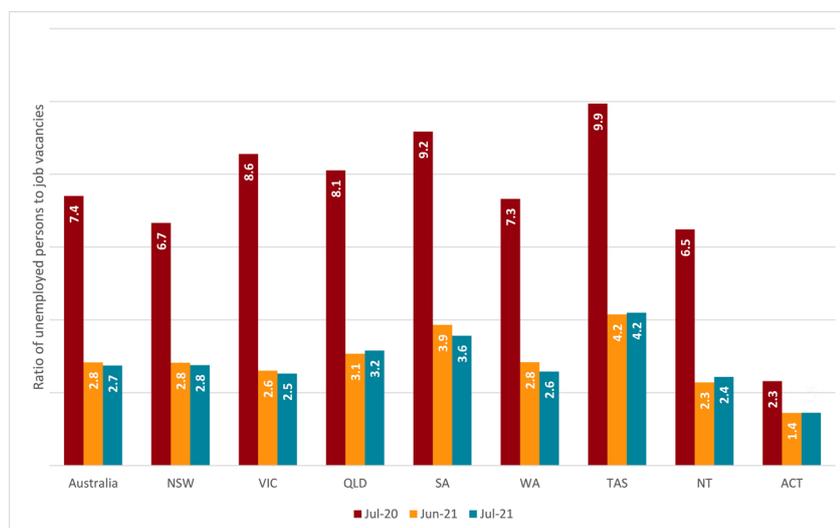
The ratio of unemployed people to job vacancies in Australia continued fall in July 2021, falling by 0.1 persons to 2.7 unemployed persons for every one job vacancy. Although marginal, this indicates that labour demand is increasingly matching labour supply in the market currently.

Amongst the states and territories, the ACT currently holds the lowest ratio at 1.5 unemployed persons per job vacancy, followed by the NT (2.4 persons) and VIC (2.5 persons). Four out of 8 states and territories recorded a fall in the unemployed persons per job vacancy ratio, with SA and WA (-0.3 persons respectively) recording the largest falls.

Conversely, TAS has the highest ratio (4.2 persons) along with SA (3.6 persons) and QLD (3.2 persons).

Since July 2020, the ratio of unemployed persons to job vacancies has improved significantly, with the ratio of unemployed persons falling from 7.4 persons to 2.7 persons nationally. VIC leads all states and territories on year-to-date figures, decreasing 6 persons, followed by TAS (-5.7 persons) and SA (-5.6 persons).

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



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

**Men's employment recovery continues, women's recovery falls**

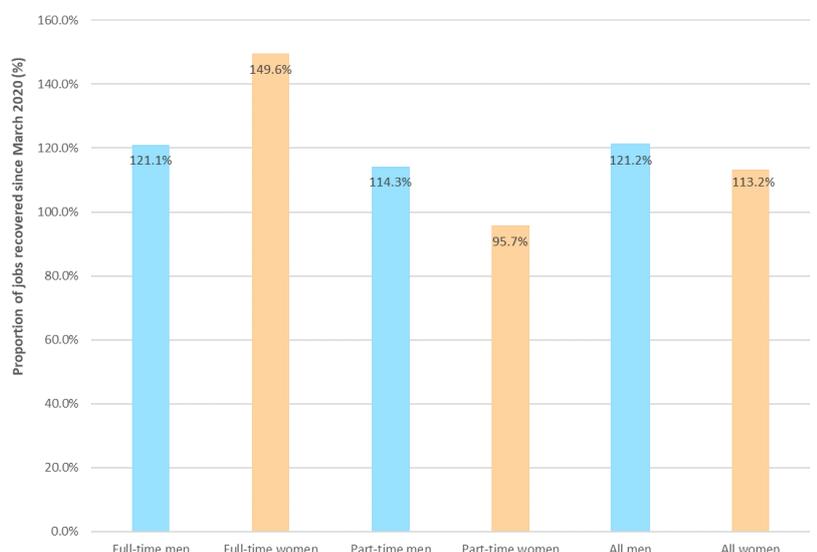
Benchmarked against jobs lost in the pandemic, male employment saw strong recovery in the month of July, whilst women suffered a noticeable fall, with the total employment for men rising by 9.2ppt since June, whilst women suffered a 5.9ppt fall in total employment over the month.

Men continued to trend towards greater full-time employment in July, recording an additional 9,200 jobs. However, the strong full-time employment growth for women came to a halt in July, as over 13,300 full-time jobs were lost. However, the total recovery for women in full-time employment remains at an impressive 150% and well above pre-pandemic levels.

Part-time employment followed a similar trend in July, with men recording a gain of 12,300 part-time jobs, taking recovery to 114.3%. Women also recorded a decrease in part-time employment over the month, with 6,000 part-time jobs lost, pushing total recovery down to 96%.

July's employment gains have contributed to the recovery of over 121% of jobs for men since the onset of the pandemic, whilst women's employment recovery fell back to 113% as a result of losses in full-time and part-time employment.

**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 falls nationwide, drops sharply in NSW

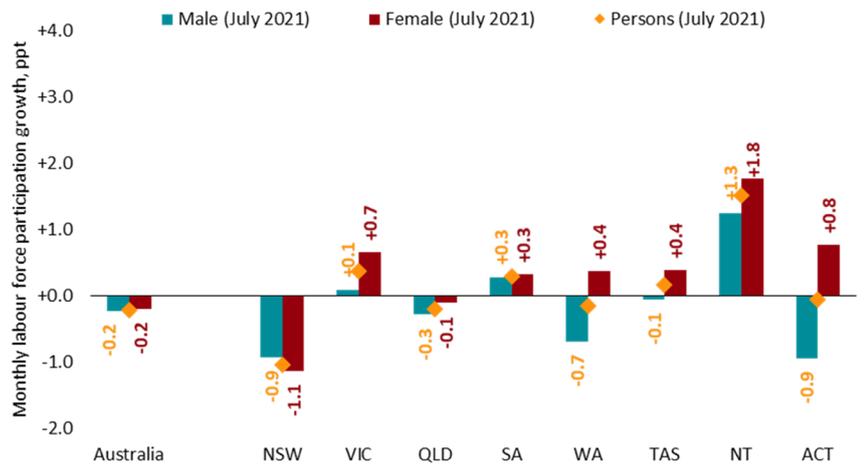
The national labour force participation rate fell 0.2ppt in July, decreasing to 66.0%. Both women and men saw a fall in their overall participation rate by 0.2ppt.

NSW recorded a significant participation rate fall of 1.0ppt in July, driven by lockdown restrictions, which have left many people unable or unwilling to look for work. SA, WA (-0.2ppt each) and the ACT (-0.1ppt) recorded minor falls in the participation rate. In contrast, the NT (+1.5ppt), VIC (+0.4ppt) and SA (+0.3ppt) recorded the largest gains in participation in July.

As expected, both men and women saw the largest decrease in participation rates in NSW, falling 0.9ppt and 1.1ppt respectively. Conversely, men recorded their largest participation increases in the NT (+1.3ppt) and SA (+0.3ppt), whilst women saw the largest rises in the NT (+1.8ppt) and the ACT (+0.8ppt).

Year-to-date participation figures remain strong, up 1.3ppt since July 2020. Over the year, men saw a 1.1ppt increase in the participation rate, whilst women recorded a 1.6ppt increase. Furthermore, the participation rate gap between men and women fell marginally in July, decreasing 0.1ppt to 9.3ppt.

Figure 3: Monthly change in labour force participation



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

Nationwide unemployment falls, but doesn't tell the full story

The national unemployment rate (u/e rate) decreased again in July, falling by 0.3ppt to 4.6% over the month, a 12-year low. The number of unemployed people in Australia has fallen to 639,300, a decrease of 39,900 since June 2021.

Typically, a large decrease in the u/e rate would engender confidence in the labour market, but there are more sinister factors underlying this month's fall – notably, the ongoing lockdown in NSW meaning many residents were excluded from being counted in the labour force.

Five of eight states experienced a decrease in their unemployment rate over the month, with NSW, SA (-0.6ppt each) and WA leading the way. Meanwhile VIC and QLD (+0.1ppt) recorded a marginal rise in the unemployment rate over July.

Similarly, 5 out of 8 states experienced a decrease in unemployed persons, with lockdown NSW residents (-27,200) unsurprisingly driving unemployment falls across the country, along with WA (-8,100 persons). Year-to-date figures again provide a source of encouragement, with the national unemployment rate sitting 2.8ppt lower than a year ago and all states and territories recording a lower unemployment level than July 2020. The clear leaders in year-to-date unemployment rates are WA (-3.6ppt), QLD (-3.5ppt) and SA (-3.2ppt).

Table 2: Unemployment changes - states and territories

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)		Change ('000) from:	
	July 2021	Rank	June 2021	July 2020	July 2021	June 2021	July 2020	
Australia	4.6%	--	▼ -0.3	▼ -2.8	639.2	▼ -39.9	▼ -364.9	
NSW	4.5%	3	▼ -0.6	▼ -2.6	194.2	▼ -27.2	▼ -112.7	
VIC	4.5%	2	▲ +0.1	▼ -2.3	161.4	▲ +1.2	▼ -79.4	
QLD	5.2%	8	▲ +0.1	▼ -3.5	145.3	▲ +1.5	▼ -87.7	
SA	4.7%	7	▼ -0.6	▼ -3.2	42.9	▼ -5.8	▼ -28.4	
WA	4.6%	6	▼ -0.5	▼ -3.6	67.9	▼ -8.1	▼ -50.4	
TAS	4.5%	4	0.0	▼ -1.5	12.5	▲ +0.1	▼ -3.8	
NT	4.6%	5	▼ -0.2	▼ -2.7	6.2	▼ -0.1	▼ -3.8	
ACT	4.3%	1	▼ -0.6	▼ -0.3	10.5	▼ -1.5	▼ -0.8	

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

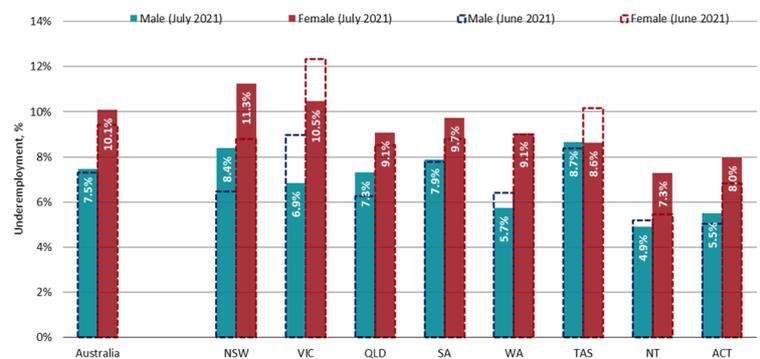
Underemployment on the rise as Sydney goes into lockdown

Over the month of July, men's underemployment rose marginally from 7.3% to 7.5%, whilst women's underemployment rose from 9.4% to 10.1%, as lockdowns in NSW lead to a rising national figure despite substantial falls in some other states.

Lockdown in NSW saw a 1.9ppt rise in underemployment for men and a 2.5ppt rise in underemployment for women. Other contributors to the rising underemployment rate include the ACT (+1.2ppt for women), and QLD (+1.0ppt) recording the largest increases in July. For men, 3 out of 8 states saw a decrease in underemployment, led by falls in VIC as it left lockdown (-2.1ppt), as well as WA (-0.7ppt) and the NT (-0.3ppt). Women likewise saw strong performance in VIC (-1.9ppt) followed by TAS (-1.5ppt).

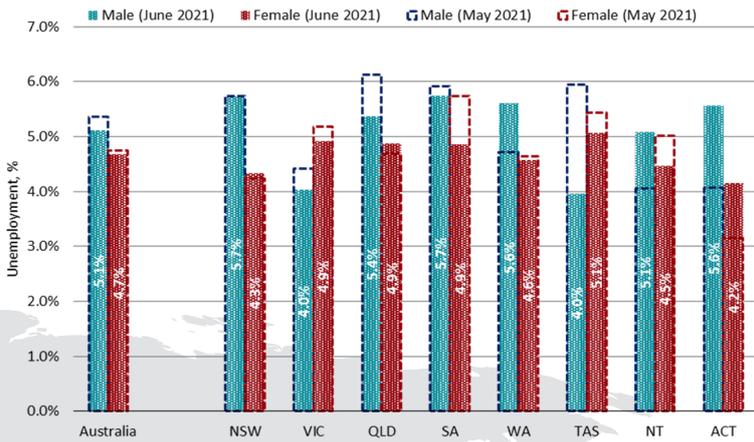
Year-to-date measures remain strong, with women recording a 3.1ppt decrease from July 2020, with men falling 3.8ppt. All states and territories recorded a fall in the underemployment ratio, with the largest contributors to the year-to-date fall for women being TAS (-7.0ppt), WA (-5.1ppt) and VIC (-5.0ppt). For men, the highest contributors were VIC (-6.0ppt), QLD (-4.6ppt) and WA (-3.3ppt). Further, the gap in underemployment between men and women rose in July, increasing 0.5ppt to 2.6ppt, and is now the same level as July 2020.

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 for men, stable for women



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

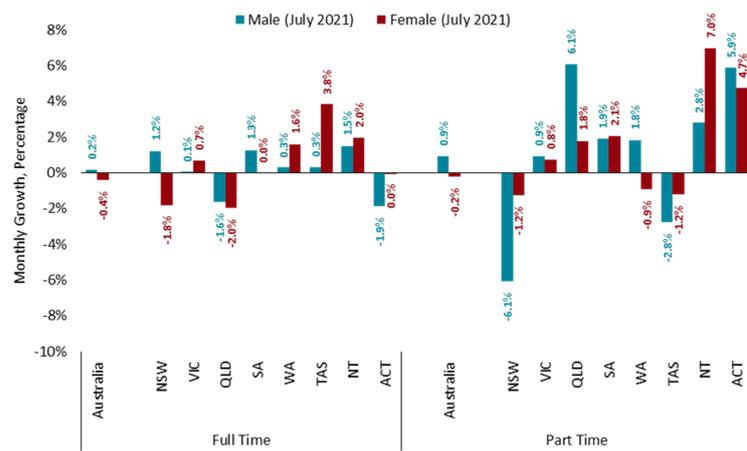
In July, the unemployment rate decreased 0.6ppt for men, whilst remaining stagnant for women, with the male rate falling to 4.6% and the rate for women remaining at 4.7%.

The unemployment rate for women fell in 4 out of 8 states in the month of July, with the NT (-0.7ppt), SA and the ACT (-0.4ppt respectively) recording the largest falls. The ACT and NT had the lowest u/e rate for women at 3.8%, followed closely by NSW (4.2%) and SA (4.4%). NSW's u/e rate has likely been influenced by residents leaving the labour force in response to the Sydney lockdown.

Six out of 8 states also recorded a decrease in u/e rates for men. WA (-1.3ppt) led with a significant fall followed by SA and NSW (-0.9ppt for both). TAS saw its male unemployment rate rise somewhat (0.4ppt), followed by the NT (0.2ppt).

On year-to-date figures, both the men's and women's unemployment figures are performing well, with both down 2.8ppt from July 2020.

Figure 6: Part-timers in NSW hit hard by lockdown



Notes: Seasonally adjusted values are used. Figures show growth from June to July 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 fell 0.4% for women and rose 0.2% for men over the month of July, with part-time employment also increasing slightly for men (0.9%) but falling for women (-0.2%).

Five out of eight states and territories recorded an increase in full-time employment for women in July, led by TAS (+3.8ppt) and the the NT (+2.0ppt), with QLD (-2.0ppt) and NSW (-1.8ppt) the notable fallers. For men, full-time employment growth was moderate, with good growth in the NT (+1.5ppt) and SA (+1.3ppt) being offset by falls in the ACT (-1.9ppt) and QLD (-1.6ppt).

Similarly, part-time employment for women increased in five out of eight states in July. The estimate for NT (+7.0ppt) saw the largest increase, followed by the ACT (+4.7ppt) and SA (+2.1ppt). This was offset by a -1.2ppt fall in employment in NSW.

Year-to-date figures are particularly strong for women and men in full-time and part-time employment. Full-time employment is up 4.5% for men and up 6.8% for women over the year to July 2021. Part-time work is also strong, up 6.4ppt for men and 5.3ppt for women.

Youth unemployment stable nationally, but shifts among states

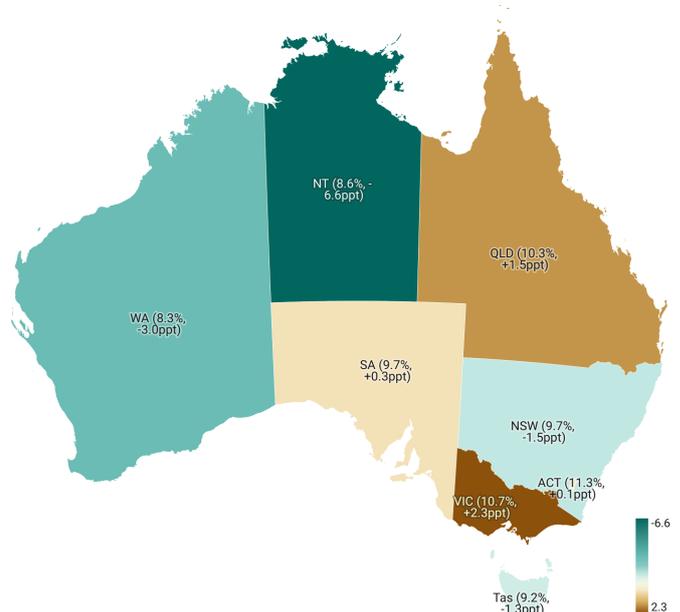
The national youth unemployment rate has remained stable from June to July; remaining at 10.2% over the month.

Outside of the NT, WA had the largest decline in youth unemployment, falling by 3.0ppt over the month, taking its youth u/e rate down to 8.3%. The NT saw a larger fall of 6.6ppt, dropping to 8.6% in July; but NT estimates are highly variable due to the low sample size in the territory. VIC (+2.2ppt) saw the largest rise in youth unemployment across the nation as youths returned to the labour force after the fourth lockdown. QLD (+1.5ppt) came in second place in terms of rising youth unemployment. The ACT (11.3%) now has the highest youth u/e rate, followed by VIC (10.7%) and QLD (10.3%).

Youth unemployment rates on year-to-date data also continue to present an optimistic picture with all states and territories recording a lower youth u/e rate than July 2020. Leading the year-to-date youth u/e rate statistics is the NT (-10.6ppt), along with QLD (-8.8ppt) and WA (-8.7ppt) who are also performing strongly.

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

Youth unemployment rate - Australia: (10.2%, +0.0ppt)



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

Average monthly hours worked rebounds

The average monthly number of hours worked per employed person in Australia fell slightly, dropping 0.2% in July to 135.1 hours worked per month, as the end of the fourth VIC lockdown coincided with Sydney entering a lockdown of their own.

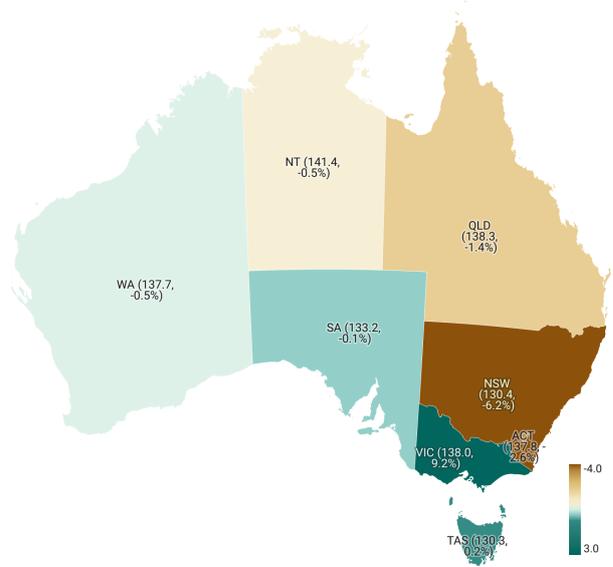
Only two of the eight states and territories saw an increase in the average monthly hours worked between June and July. The largest increase was recorded in Victoria (+11.7 hours), followed by a small increase in average hours in TAS (+0.2%). Every other state recorded a fall in monthly hours per worker; the most significant being NSW (-6.2%).

The NT has held onto the top spot in terms of average hours worked (141.4 hours), as well as QLD in second place (138.3 hours), followed by VIC with 138.0 hours.

When compared to this time last year, average monthly hours worked are somewhat up nationwide, rising 0.3 hours from July 2020. All states and territories are up or neutral on year-to-date figures save for NSW, with TAS (+4.5 hours) leading the way. Meanwhile, NSW has seen a significant year-to-date drop, falling 5.3 hours since July 2020.

Figure 8: Monthly hours of work - states and territories

Average monthly hours - Australia: (135.1 hrs, -0.2%)



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

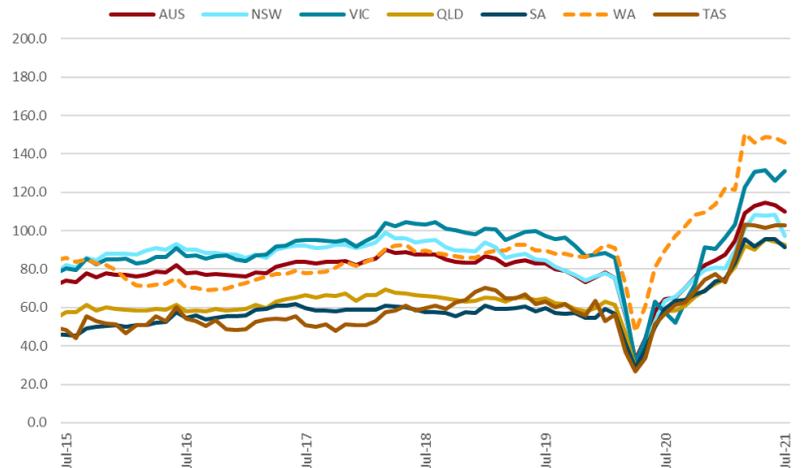
Nationwide labour demand weakens in July

The Internet Vacancy Index, which provides detailed data on newly advertised job vacancies during the month, suffered its first fall in 13 months in July 2021 – down by 3%. Despite this latest fall, the index still sits at 110.1, which represents a 72% increase from a year ago, when the index sat at 64.2.

The number of job advertisements fell in six out of eight states over July, with NSW (-10.3%), the NT (-5.2%) and SA (-4.5%) the largest contributors to a nationwide decrease in job advertisements of 7,200. Notably, only VIC (+3.8%) recorded an increase in job advertisements over the month, likely a result of the end of lockdown restrictions in the state.

On year-to-date figures, job advertisements are 72% higher (+97,000) since July 2020, with all states and territories recording a sizeable increase in job advertisements. VIC (+127%) is the year-to-date leader with 35,800 additional job advertisements since last year, followed by TAS (+82%), and the NT (+68%). NSW now has the lowest year-to-date recovery (+52%) amongst all states and territories.

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



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

NSW drives nationwide fall in labour demand, VIC rebounds strongly

Nationwide, the Internet Vacancy Index fell by over 3% in July, with lockdown restrictions in NSW contributing heavily to the downturn over the month, offsetting the strong increase recorded by VIC.

Vacancies for Community and Personal Service Workers (-10%), Technicians and Trade Workers (-9%) and Labourers (-7%) were hit hardest nationally in July, with each industry falling by at least 22% in NSW over the month. Only Managers (+1%) recorded positive nationwide growth in July.

VIC recorded the strongest labour demand in July, led by increases in Managers (+8%), Sales Workers and Machinery Operators and Drivers (+7% each), and recording positive growth in all occupation groups. Other notable increases included Machinery Operators and Drivers in the NT (+21%), TAS (+19%) and the ACT (+16%), as well as Managers in TAS (+9%).

Vacancies in NSW suffered heavily due to lockdown restrictions, falling by 10% in total, with Community and Personal Service Workers (-30%), Labourers (-25%), Machinery Operators and Drivers (-23%) and Technicians and Trade Workers (-22%) recording the largest decreases. SA also recorded a decrease across all occupation groups, with Technicians and Trade Workers (-9%), Sales Workers and Machinery Operators and Drivers (-7% each) responsible for the largest falls. WA recorded a 2% fall in vacancies, led by falls in Clerical and Administrative Workers (-5%) and Labourers (-4%). Furthermore, the NT and the ACT continued to exhibit some volatility amongst occupation groups, especially in comparison to the remaining Australian states.

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

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	+1%	-5%	+8%	-1%	-6%	+1%	+9%	-4%	+1%
Professionals	-1%	-4%	+3%	-1%	+0%	+0%	+4%	+4%	+0%
Technicians And Trade Workers	-9%	-22%	+1%	-4%	-9%	-2%	-3%	-6%	-4%
Community And Personal Service Workers	-10%	-30%	+3%	-7%	-1%	-0%	-7%	-14%	-7%
Clerical And Administrative Workers	-3%	-9%	+4%	-3%	-6%	-5%	+2%	-5%	-7%
Sales Workers	-1%	-13%	+7%	-2%	-7%	+1%	-3%	-3%	-4%
Machinery Operators And Drivers	-3%	-23%	+7%	-1%	-7%	-3%	+19%	+21%	+16%
Labourers	-7%	-25%	+4%	+1%	-6%	-4%	+1%	-7%	-11%
Total	-3%	-10%	+4%	-2%	-5%	-2%	-0%	-5%	-3%

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



**Bankwest Curtin Economics Centre**

GPO Box U1987, Perth WA 6845, Australia

ph. +61 8 9266 1744  
e. [bcec@curtin.edu.au](mailto:bcec@curtin.edu.au)  
w. [bcec.edu.au](http://bcec.edu.au)

For media enquiries contact

[bcec@curtin.edu.au](mailto:bcec@curtin.edu.au)

