

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

The nation rebound meets Omicron

On the heels of November's record 366,000 job rebound after COVID-19 restrictions eased in the Eastern States, December delivered further growth of 64,800 jobs nationally. The participation rate remained unchanged over the month, so this translated directly into a fall in the number of unemployed persons of 62,200, driving the unemployment rate down from 4.6 per cent to 4.2 per cent, the lowest seen nationally since August of 2008, just prior to the impact of the Global Financial Crisis.

The current pace of recovery has the labour market heading toward uncharted waters. The current national series, which began in 1978, has never recorded a rate below 4.0 per cent. However, we're only just starting to see evidence on how the Omicron outbreak is affecting the economies in the east, and we anticipate the recovery will lose steam in the coming months. For the December survey, people were asked about their employment status with reference to the two weeks from 28 November to 11 December. It wasn't until mid-December that the daily case numbers of the Omicron variant began to accelerate, and then in Victoria from the beginning of January. Almost 90 per cent of all employment growth in the past two months has been in NSW and Victoria, but that boost from the easing of restrictions associated with the Delta strain is likely to have run its course. Meanwhile, NSW and Victoria experienced sharp drops in on-line job vacancies recorded in the month to December 21, despite many employers struggling to fill positions.

With reports of widespread supply issues and businesses such as airlines scaling back operations, it is likely that labour shortages will lead to reduced rather than growing employment opportunities in this environment. The high number of cases associated with the Omicron wave in January will restrict people's capacity to participate in the labour market, whether as workers directly contracting COVID-19, as contacts, or taking on caring roles. While those absent from work will primarily remain classified as employed, we anticipate recruitment and hence employment growth at the national level stalling in coming months.

Fortress WA just got stronger

While the national series has never produced an unemployment rate commencing with a '3', it may well be the norm for WA through much of 2022. The unemployment rate in this state dropped from 3.8% to 3.4%, the lowest recorded since December of 2008. Before these figures had hit the following morning's press, WA Premier Mark McGowan announced that WA's planned border re-opening on 5 February was to be postponed. And the delayed border opening will also push back the associated shock to WA's labour market from increased worker mobility once people are able to come into the state to take up job opportunities. Total employment in WA actually fell slightly in December, but don't be fooled by that. Full-time jobs and average hours worked increased strongly, vacancies remain high and, critically, commodity prices ended 2021 at near record highs.

The State's unemployment rate for calendar 2021 came in at 4.7%, down from 6.7% in 2020. The current outlook points to the State bettering that again in 2022. Significantly, the announcements around the extension of the 'hard-border' included additional exemptions to facilitate recruitment of skilled workers from interstate and overseas which, if utilised at scale, will put further downward pressure on the unemployment rate. The reference period for January's labour force survey ended on the 15th. The immediate wildcard for February is whether the current cluster of Omicron cases can be contained, while rising wage and price pressures across the country suggest a cycle of interest rate increases could commence later this year.



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Nationwide employment stays strong as NSW, VIC lead the way

December saw yet another strong month of employment growth in Australia. Employment rose nationally by 64,800 (0.5 per cent) over the month, with NSW and VIC continuing to have a strong effect on national employment figures. The number of employed people in Australia reached a new record high of approximately 13.24 million people in December 2021, beating the previous record of 13.18 million set last month.

Both part-time and full-time work recorded growth in December, with full-time jobs seeing the greatest gains over the month, with an additional 41,500 jobs. The increase in full-time work was driven by strong contributions from NSW (+22,300 jobs), VIC (+12,200), QLD (+10,100) and WA (+6,500), with only the ACT (-4,300), SA (-1,000) and the NT (-900) recording a fall in full-time work.

Part-time employment rose by an additional 23,300 jobs over the month of December, once again led by strong increases in VIC (+12,600) and NSW (+9,900) alongside smaller gains in the ACT and NT (+3,600 and +2,500, respectively). The largest fall in part-time work in December was WA (-7,300), followed by QLD (-3,500), with smaller falls recorded in TAS (-1,600) and SA (-1,000).

With COVID-19 cases rising in the eastern states in the second half of December due to the Omicron variant, the strong employment growth recorded at the end of 2021 may not continue into early 2022.

Table 1: Employment changes: states and territories

	Employed Persons ('000)	Change from:		Change from November 2021 ('000)		Change (%) from December 2020				
		December 2021	November 2021 ('000)	Rank	December 2020 (%)	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	13,242.0	+64.8	+2.9%	...	+41.5	+23.3	▲ +4.1%	▲ +0.5%
NSW	4,160.0	+32.3	1	1	+1.9%	6	+22.3	+9.9	▲ +3.1%	▼ -0.7%
VIC	3,471.3	+24.7	2	2	+3.4%	4	+12.2	+12.6	▲ +4.1%	▲ +2.1%
QLD	2,666.6	+6.5	3	3	+3.5%	3	+10.1	-3.5	▲ +5.8%	▼ -1.1%
SA	882.6	-1.9	8	8	+3.6%	2	-1.0	-1.0	▲ +3.7%	▲ +3.4%
WA	1,443.2	-0.8	5	5	+4.9%	1	+6.5	-7.3	▲ +6.0%	▲ +2.6%
TAS	260.5	-1.0	7	7	+2.8%	5	+0.5	-1.6	▲ +5.2%	▼ -1.1%
NT	131.5	+1.6	4	4	+1.3%	7	-0.9	+2.5	▲ +1.7%	▲ +0.2%
ACT	227.1	-0.8	5	5	▼ -4.5%	8	-4.3	+3.6	▼ -4.1%	▼ -5.6%

Notes: Seasonally adjusted values are used.

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

Ratio of unemployed persons per job vacancy falls in December

The ratio of unemployed people to job vacancies in Australia fell for the second consecutive month in December 2021, decreasing by 0.2 persons to 2.3 unemployed persons for every one job vacancy, a result of a strong fall in national unemployment over the month along with a small fall in the number of job vacancies.

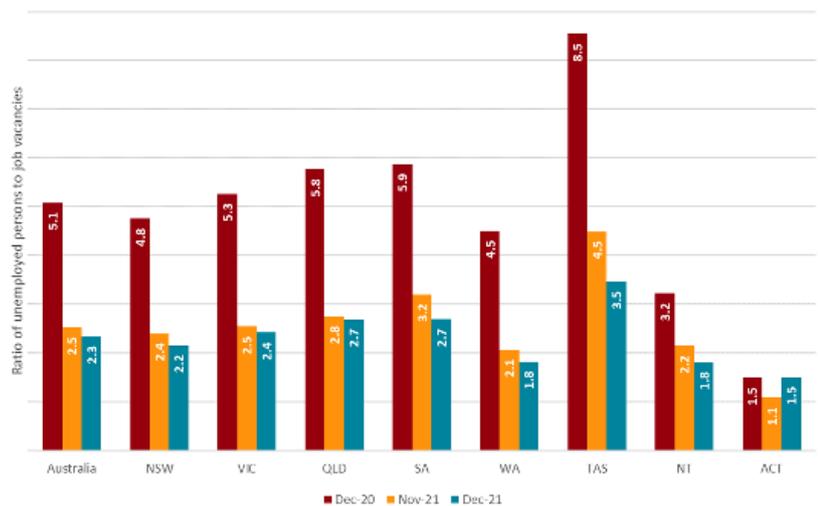
The number of unemployed people for each job vacancy fell in all states and territories over the month except for the ACT (+0.4 persons), led predominantly by gains in TAS (-1.0 persons), SA (-0.5 persons) and the NT (-0.3 persons).

The strong drop in the number of unemployed people per job vacancy was largely a result of national unemployment falling by over 62,000 persons over the month, driven by falls in NSW (-26,500) and VIC (-17,500). Job advertisements also fell in December, with all states and territories except QLD (+0.1 per cent) recording a fall in job vacancies over the month. The drop in job advertisements was led by the ACT (-9.0 per cent), VIC (-5.4 per cent) and NSW (-3.7 per cent) with the remaining states all recording falls lower than 2.0 per cent.

The ACT still holds the lowest ratio at 1.5 unemployed persons per job vacancy, followed by WA and the NT (1.8 persons each).

The number of unemployed people for each job vacancy has more than halved nationally since December 2020, and the tightening labour market is starting to drive wages growth across the country.

Figure 1: Ratio of unemployed persons per job vacancy



Notes: Seasonally adjusted values are used.

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0 and Australian Government National Skills Commission.

WA leads nation in hours and jobs growth since March 2020

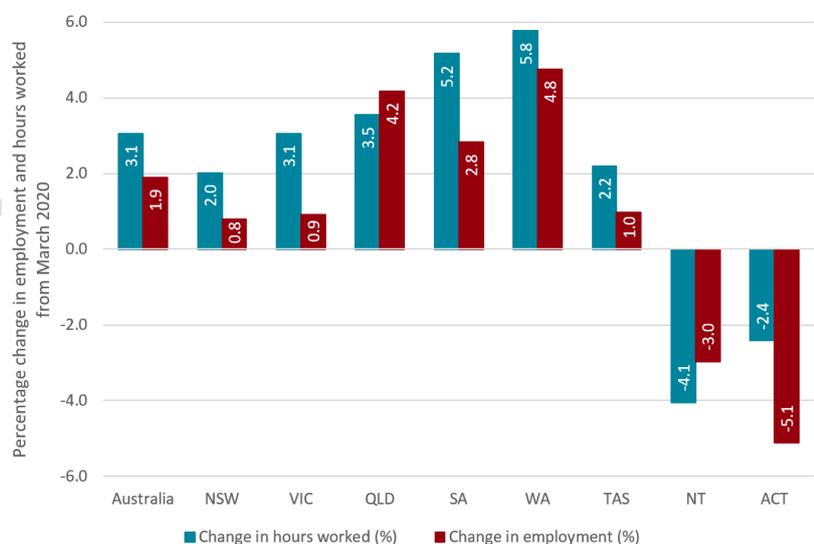
Steady employment growth across the country, particularly in the eastern states, has lifted both the number of jobs and total hours worked beyond the levels seen at the start of the COVID-19 pandemic in March 2020.

There are now 1.9 per cent more jobs in Australia compared to pre-pandemic levels, with total hours 3.1 per cent higher over the period.

WA has enjoyed the strongest labour market recovery over the course of the COVID-19 pandemic, with total hours worked now 5.8 per cent higher than in March 2020. Employment in NSW and VIC continued to grow strongly into December. Total hours worked in VIC are now 3.1 per cent higher than in March 2020, with hours worked in NSW now 2.0 per cent higher than before the pandemic after December's 2 per cent monthly gain. NT remains below pre-pandemic levels in both employment (-3%) and total hours worked (-4.1%), while total hours in the ACT is down 2.4 per cent compared to March 2020, due largely to a drop in hours worked in September 2020 as a result of the local spread of the Omicron variant.

Employment recovery over the course of the pandemic has followed a similar pattern. WA leads the nation in employment growth since March 2020 by a strong margin (+4.8%), and employment is also higher than before the pandemic in NSW (+0.8%) and VIC (+0.9%) as they continue to rebound from lockdowns in previous months. However, despite the strong growth in the eastern states in December, a rise in COVID cases in the final half of the month may see progress in hours worked and employment stagnate in next month's figures.

Figure 2: Change in employment and hours worked since March 2020



Notes: Seasonally adjusted values are used.

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

Women's FT work leads employment recovery since pandemic

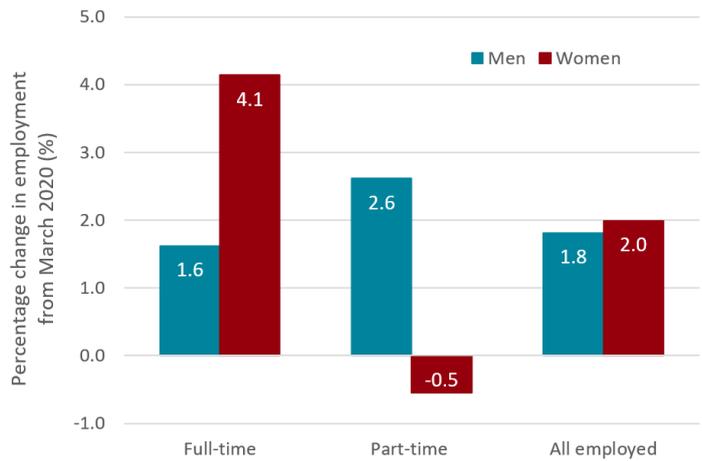
Full-time and part-time work rose nationally in December for both men and women as employment growth remained strong following the end of the eastern states lockdowns in November. **Total employment grew for the second consecutive month in December, with 42,000 more jobs for men and nearly 23,000 more for women.**

Women's full-time employment is now 4.1 per cent higher than in March 2020, following an increase of 9,500 full-time jobs in December. Nearly three quarters of the employment growth for men in the month of December (an extra 32,000 jobs) were in full-time positions. The most recent gains in full-time jobs for men have pushed male full-time employment 1.6 per cent higher than the start of the pandemic.

Part-time employment among women grew by an additional 13,000 jobs in December, whilst men recorded an additional 10,000 part-time jobs over the month. These latest increases have taken men's part-time employment 2.6 per cent higher than in March 2020. However, despite the most recent gains, women's part-time employment remains 0.5 per cent below the level for March 2020.

On the back of the increases in full-time and part-time employment for the second consecutive month, **total employment is 2.0 per cent higher among women compared to the start of the pandemic, and 1.8 per cent higher for men.**

Figure 3: Change in employment since March 2020 by gender



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

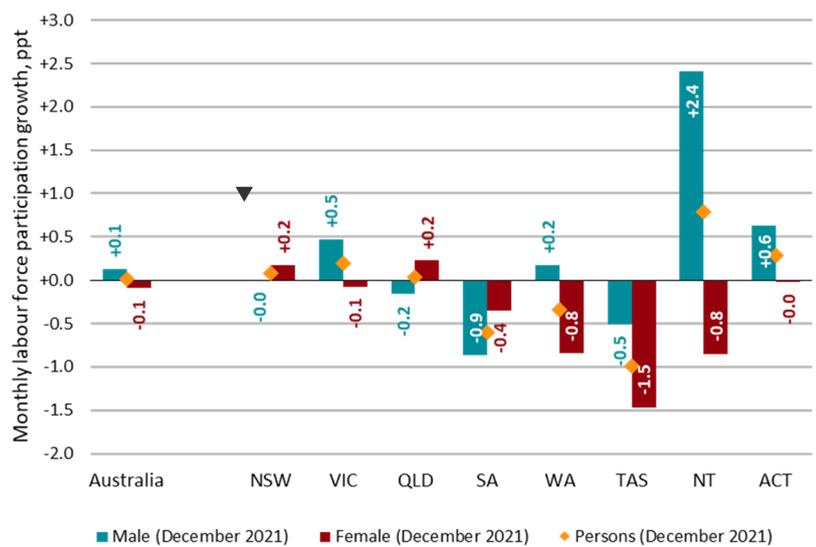
Participation rate remains steady in December

The national labour force participation rate recorded no change in December, remaining at 66.1 per cent following November's large increase in participation as the labour force recorded a small rise of 2,500 persons in December. The labour force participation rate remains close to returning to the record high of 66.3 per cent set in March 2021.

Four out of eight states and territories recorded a rise in participation in December, led by the NT (+0.8ppt), the ACT (+0.3ppt), VIC (+0.2ppt) and NSW (+0.1ppt). For VIC and NSW, the gains in participation amounted to increases in the labour force of 7,000 and 5,800 persons respectively. In contrast, TAS (-1.0ppt), SA (-0.6ppt) and WA (-0.3ppt) recorded a fall in participation over the month, with QLD remaining stagnant (no change).

On year-on-year measures, the nationwide participation rate in December 2021 is the same as it was a year ago (66.1%). However, there has been a shift in the gender balance of the Australian labour force. The labour force participation rate among women rose 0.2ppt to 61.5 per cent over the year to November, while men's participation fell 0.1ppt to 70.8 per cent since this time last year. **This means that the overall gender participation rate gap between men and women has decreased by 0.3ppt to 9.3ppt over the last year.**

Figure 4: Monthly change in labour force participation



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

Unemployment falls to lowest level since 2008

The national unemployment rate dropped by 0.4ppt in December to 4.2 per cent, with the number of unemployed people in Australia falling to 574,000 – down more than 62,000 over the month. The unemployment rate of 4.2 per cent is the nation's lowest in over 13 years, since August 2008.

The sharp fall in the national unemployment rate continues to stem from the relaxation of restrictions in NSW, VIC and the ACT, with many people returning to employment or finding work, particularly in light of a record number of job vacancies over the previous months. **Unemployment rates fell in nearly all states and territories, with TAS (-1.2ppt), SA (-0.7ppt), NSW (-0.6ppt) and VIC (-0.5ppt) leading the way.** Smaller falls were recorded in WA (-0.4ppt), the NT (-0.2ppt) and QLD (-0.1ppt) over December.

The ACT was the only state or territory that faced an increase in their unemployment rate over the month of December (+0.7ppt).

WA now has the lowest unemployment rate across the country at 3.4 per cent, followed by SA and TAS at 3.9 per cent each. All states and territories now have an unemployment rate below 4.5 per cent, with the exception of QLD (4.7 per cent).

Table 2: Unemployment changes: states and territories

	Unemployment Rate	Rank	Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
			November 2021	December 2020		December 2021	November 2021
Australia	4.2%	--	▼-0.4	▼-2.4	574.4	▼-62.2	▼331.5
NSW	4.0%	4	▼-0.6	▼-2.3	171.7	▼-26.5	▼101.9
VIC	4.2%	6	▼-0.5	▼-2.2	153.7	▼-17.7	▼77.1
QLD	4.7%	8	▼-0.1	▼-2.7	130.6	▼-3.1	▼76.0
SA	3.9%	2	▼-0.7	▼-2.4	35.7	▼-6.9	▼21.3
WA	3.4%	1	▼-0.4	▼-2.9	50.6	▼-6.0	▼42.0
TAS	3.9%	3	▼-1.2	▼-3.1	10.7	▼-3.4	▼8.5
NT	4.2%	5	▼-0.2	▼-1.1	5.8	▼-0.2	▼-1.6
ACT	4.5%	7	▲+0.7	▲+0.7	10.7	▲+1.7	▲+1.3

Notes: Seasonally adjusted values are used. State and territory numbers of unemployed people do not sum to figures for Australia due to ABS seasonal adjustment methods.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Underemployment continues to trend down

The national underemployment ratio (the share of those employed who wish to work more) fell 0.9ppt to 6.8 per cent in December, due to falling underemployment levels in both NSW and VIC (-1.2ppt and -1ppt respectively).

Outside of NSW and VIC, underemployment was mixed, with WA, TAS, and QLD all recording a decrease of less than one percentage point (-0.2, -0.4, and -0.3ppt, respectively), whilst SA and the NT recorded small increases (+0.5ppt and +0.6ppt respectively).

Underemployment fell for both women and men in the month to December, with underemployment for women falling 1.1ppt to 8.1 per cent and male underemployment dropping 0.6ppt to 5.9 per cent. The large decrease for women can primarily be attributed to falling underemployment in NSW, due to more women in the state have secured full-time work over the last two months. The ACT also recorded a large fall in underemployment; down 2.2ppt to 5.6 per cent; but this must be tempered against the rising unemployment figures in the territory over the last month.

Underemployment has improved for all states compared to the same month last year, with the underemployment ratio having fallen by 1.7ppt for men over the year to November 2021, and by 2.7ppt for women. Underemployment among men fell most strongly in TAS and VIC (down 2.9ppt), followed closely by SA (down 2.5ppt). For women, the underemployment ratio fell the most in VIC (down 3.4ppt), and SA (down 2.8ppt). Finally, the gap in the underemployment ratio between men and women decreased once more by 0.4ppt to 2.2ppt over the year to December 2021. Despite this, women continue to face higher underemployment ratios in seven of the eight states and territories.

Figure 5: Underemployment ratio by gender: state and territories

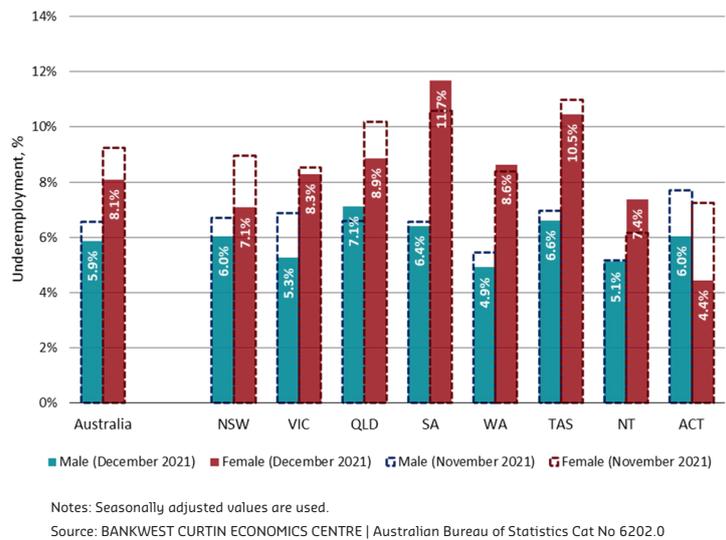
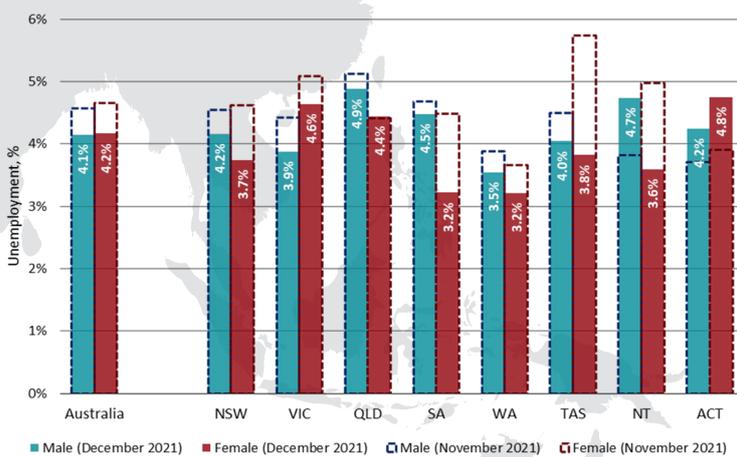


Figure 6: Unemployment figures fall as businesses begin to re-hire



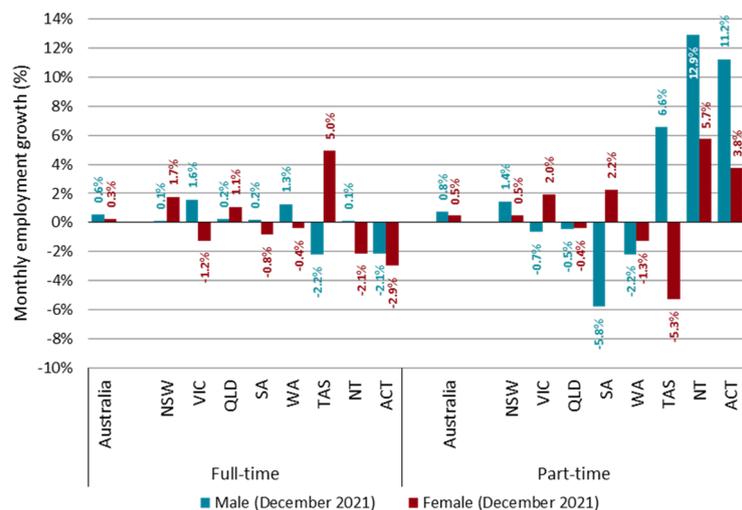
The national unemployment rate fell 0.5ppt for both men and women in December, down to 4.1 per cent for men and 4.2 per cent for women, as more workers begin to find positions post-lockdown in VIC and NSW. Total unemployment fell by 62,000 in December, which is a positive indicator when we take the stable participation rate into account.

Both men and women saw a fall in unemployment in all states in the month to December 2021; with the largest fall for women being observed in SA, dropping 1.2 ppt to 3.2 per cent unemployment, joining WA with the lowest unemployment rate for women. The unemployment rate for women in the ACT increased by 0.9ppt in the month of December to 4.8 per cent, the highest rate across all states and territories.

The unemployment rate among men fell 0.5 ppt to 3.9 per cent in VIC in December, and to 4 per cent in TAS. WA currently has the lowest unemployment rate for men, at 3.5 per cent following a reduction of 0.4 ppt over the last month.

Conversely, the unemployment rate for men rose by 0.5 ppt to 4.2 per cent in the ACT, and by 0.9 ppt to 4.7 per cent unemployment in NT. The highest level of male unemployment this month is in QLD, at 4.9 per cent, despite the rate falling 0.2 ppt in the month to December 2021.

Figure 7: Nationwide employment recovering primarily in part-time work



Part-time and full-time employment both grew marginally at a national level over the month of December, for both men and women. Men saw a 0.6 per cent increase in full-time employment and a 0.8 per cent increase in part-time employment, while women saw increases of 0.3 per cent and 0.5 per cent, respectively.

The two territories experienced the strongest growth in women's part-time employment over the month to December, rising 5.7 per cent in the NT and by 3.8 per cent in the ACT). Across states, SA enjoyed the largest increase in part-time jobs for women (+2.2%). Part-time employment for women fell most strongly in TAS, by 5.3 per cent, and by 1.3 per cent in WA. Meanwhile, full-time employment for women increased by 5 per cent in TAS and by 1.7 per cent in NSW. Conversely, the number of women in full-time jobs fell by 1.2 per cent in VIC, and by a smaller 0.4 per cent in WA in the month to December.

Part-time employment for men primarily rose in NSW and TAS this month (+1.4 per cent and +6.6 per cent, respectively), but fell over the month in SA and WA (by 5.8 per cent and 2.2 per cent respectively). Men also saw an increase in full-time employment in VIC (up 1.6 per cent) and WA (up 1.3 per cent), but the number of men working full-time fell by 2.2 per cent in TAS.

Youth unemployment plummets in eastern states

The national youth unemployment rate (not seasonally adjusted) fell by 1.5ppt to 9.4 per cent over the month to December as employment figures improve for young Australians in the larger eastern states.

Approximately 122,000 more young Australians found work during the month, with youth unemployment rates falling most drastically in VIC (down 1.9ppt to 9.6%) and NSW (down 1.5ppt to 8.1%). SA also saw a fall in youth unemployment in December, dropping 0.8ppt to 7.3 per cent. However, youth unemployment rose by 1.9ppt to 13.1 per cent in the ACT in December, likely due to the effects of the rising numbers of Omicron cases at the end of 2021.

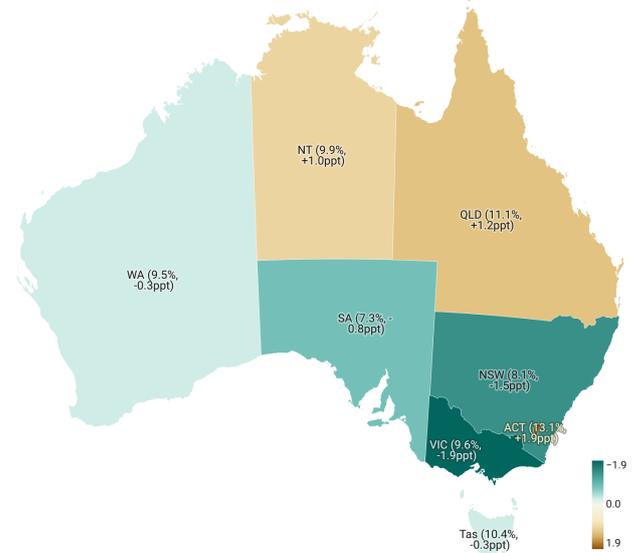
WA's youth unemployment fell by 0.4 percentage points in December, while the Northern Territory posted the only increase in the youth unemployment rate, rising 1ppt to 9.9 per cent over the month.

With the fall in youth unemployment in NSW and VIC, the ACT now has the highest unemployment rate nationally at 13.1 per cent, followed by QLD (11.1 per cent) and TAS (10.4 per cent). In contrast, SA (7.3 per cent) has the lowest youth unemployment rate, whilst WA (9.5 per cent) now ranks third lowest.

Youth unemployment is still very much lower now compared to December 2020, having fallen from 14 per cent last year to 9.4 per cent now, with all states and territories other than the ACT having lower youth unemployment rates. Leading the year-to-date youth unemployment rate statistics is SA (down 7.3ppt), along with TAS (down 6.2ppt), with VIC and NSW tied for third (both down 5.2ppt).

Figure 8: Youth unemployment: monthly change, states and territories

Youth unemployment rate - Australia: (9.4%, -1.5ppt)



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

Average monthly hours worked rise strongly in WA

We expect average monthly hours to rise when labour markets are tight and unemployment rates are low, with more workers moving from part-time to full-time employment, and more hours being offered to workers who remain part-time. And these expectations are borne out by the latest labour market data from the ABS.

Average monthly hours worked rose again during December, by 0.5 per cent nationally to an average of 137.4 monthly hours per worker.

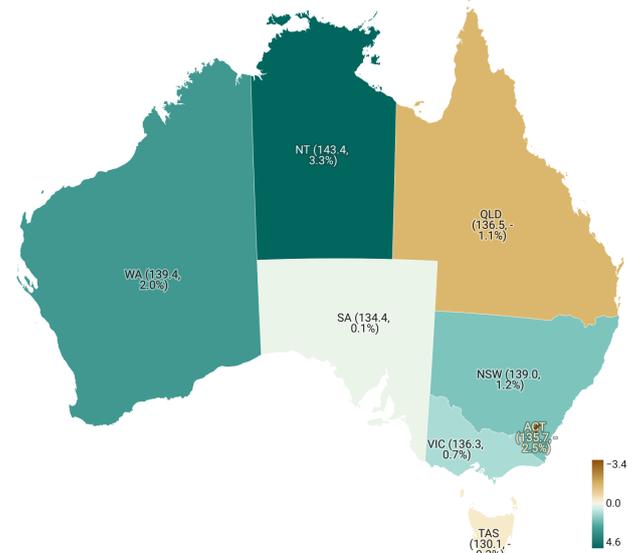
The NT recorded both the largest percentage increase (3.3 per cent) and the highest average monthly hours (143.4 hours) in the month to December 2021, with average monthly hours rising by 2 per cent in WA to an average of 139.4 hours per month.

The wave of COVID-19 infections in the ACT in late 2021 drove a reduction in average monthly hours, down 3.4 hours compared to the previous month to 135.7 hours worked. Average hours also fell by 1.1 per cent in QLD, to 136.5 hours worked, and by 0.3 per cent in TAS to 130.1 hours worked.

The NT has reclaimed first place for average hours worked per week from the ACT in December (143.4 hours), with WA also pushing ahead of the ACT into second place.

Figure 9: Monthly hours worked: states and territories

Average monthly hours - Australia: AUS (137.4, +0.5%)



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

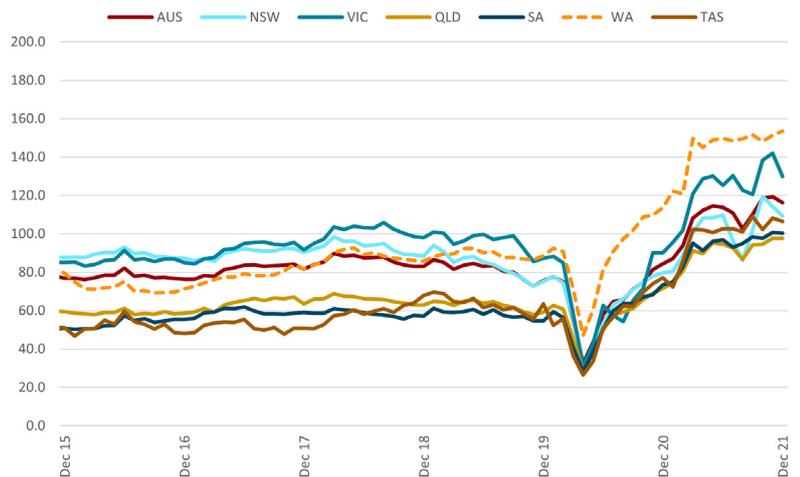
National vacancy rate falls slightly

National vacancies fell by 2.6 per cent in December, from a combination of job vacancies beginning to be filled in the eastern states alongside some early concern from businesses regarding the Omicron variant of COVID-19. The national Internet Vacancy Index (IVI) now sits at 116.2, 37.7 per cent higher than it was in December 2020.

In VIC, total vacancies fell by 9 per cent, and in NSW by another 4 per cent. In fact, WA was the only state to see a rise in vacancies over the month, but with just an increase of 1 per cent. In the territories, the ACT also saw a fall of 9 per cent; and the NT a 1 per cent drop. QLD and SA are still behind the rest of the nation in vacancies, with little in the way of significant changes in the month of December 2021.

On year to date measures, job advertisements are still up compared to December 2020, with a total of around 67,200 more jobs being advertised nationally, and all states and territories once again recording an increase in year-on-year figures. Despite the monthly drop, VIC has recorded the largest increase relative to December 2020 (+44 per cent, 19,400 more advertisements). The next highest increase was recorded in TAS (+38 per cent), whilst the ACT recorded the lowest increase (+14 per cent) and WA recorded the lowest increase of all states (+35.2 per cent, 7,210 more advertisements).

Figure 10: Change in Internet Vacancy Index: December 2015 to December 2021



Notes: Seasonally Adjusted values are used. ACT and NT figures not shown.

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government National Skills Commission.

WA services still feeling a worker squeeze

VIC's drop in internet vacancies did not discriminate by occupation in December; with many different professions seeing a cut in open positions due to increasing employment as well as initial uncertainty regarding the Omicron variant. Labourers were the sole occupation to record an increase in demand, whilst sales workers were hit the most harshly of all, with a 13 per cent drop in positions over the month.

NSW did not fair much better, seeing a 9 per cent drop in sales worker positions as well, but the state also saw an increase in demand for Personal Service workers and Labourers (+5 per cent for both) as it geared up for the Omicron surge.

In WA, demand for service workers has surged by 16 per cent, as the state continues to feel a shortage of essentials such as nurses and aged care workers; which is likely to be further exacerbated with the delay to the border reopening. Machinery operators also saw an uptick (+6 per cent) as well.

Sales workers overall saw the largest national hit in openings, falling by 7 per cent across Australia, followed by managers, professionals, and administrative workers, all tied with a drop of 5 per cent. Community and personal service workers saw a national increase of 4 per cent as demand for healthcare workers continues to rise. Labourers (+3 per cent), technicians, and trade workers (+1 per cent) also saw a national increase, with the former being driven by a wave of demand in TAS (+27 per cent) and the latter by demand in QLD (+6 per cent), SA (+4 per cent) and WA (+3 per cent).

Table 3: Internet vacancies by State and Major Occupation Group

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	-5%	-5%	-9%	-0%	-2%	+1%	-2%	+0%	-11%
Professionals	-5%	-6%	-5%	-4%	-3%	-1%	-14%	+3%	-10%
Technicians And Trade Workers	+1%	-1%	-5%	+6%	+4%	+3%	-3%	-1%	-2%
Community And Personal Service Workers	+4%	+5%	-5%	+9%	-2%	+16%	-6%	+0%	+4%
Clerical And Administrative Workers	-5%	-6%	-10%	-2%	+5%	-1%	+3%	+5%	-7%
Sales Workers	-7%	-9%	-13%	-6%	-3%	+1%	+4%	-7%	-6%
Machinery Operators And Drivers	-1%	-3%	-7%	+5%	-11%	+6%	+4%	-14%	-9%
Labourers	+3%	+5%	+1%	-0%	+6%	+2%	+27%	+4%	-12%
Total	-3%	-4%	-9%	-0%	-0%	+1%	-2%	-1%	-9%

Notes: Seasonally Adjusted values are used. ACT and NT figures not shown.

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government National Skills Commission.

More workers flow back into the labour force as restrictions ease

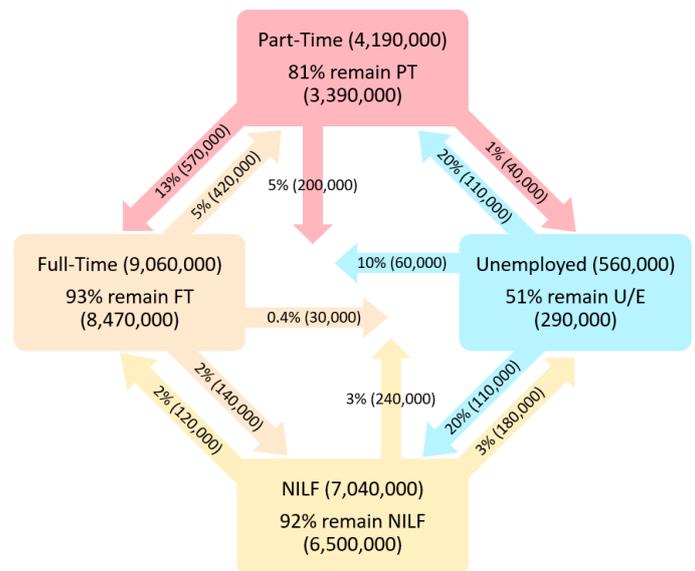
There was a net flow of around 90,000 total persons into the labour force in December 2021, with 540,000 entering the labour force, and 450,000 dropping out into NILF status. This is well below the net labour force inflow of 340,000 in November 2021, but it still remains a positive indicator of a growing labour market. Of those who entered the labour force in November, around 120,000 (22 per cent) moved into a full-time job, 230,000 (44 per cent) found part-time work and 180,000 (33 per cent) were seeking work.

570,000 people moved from part-time to full-time employment during December 2021, once again equivalent to around 13 per cent of those who were in part-time employment at the end of November, continuing the trends shown in the previous month's labour force flows.

Interestingly, 60,000 (10 per cent) of those who were categorised as unemployed in November moved into full-time employment by December compared to 110,000 (20 per cent) who withdrew from the labour force, and an equivalent number (110,000) moved into part-time work from unemployment. Combined with a low outflow of full-time workers into unemployment (30,000, 0.4%), this may indicate a relatively low level of frictional unemployment from November to December, as workers settle into their positions over the holiday period.

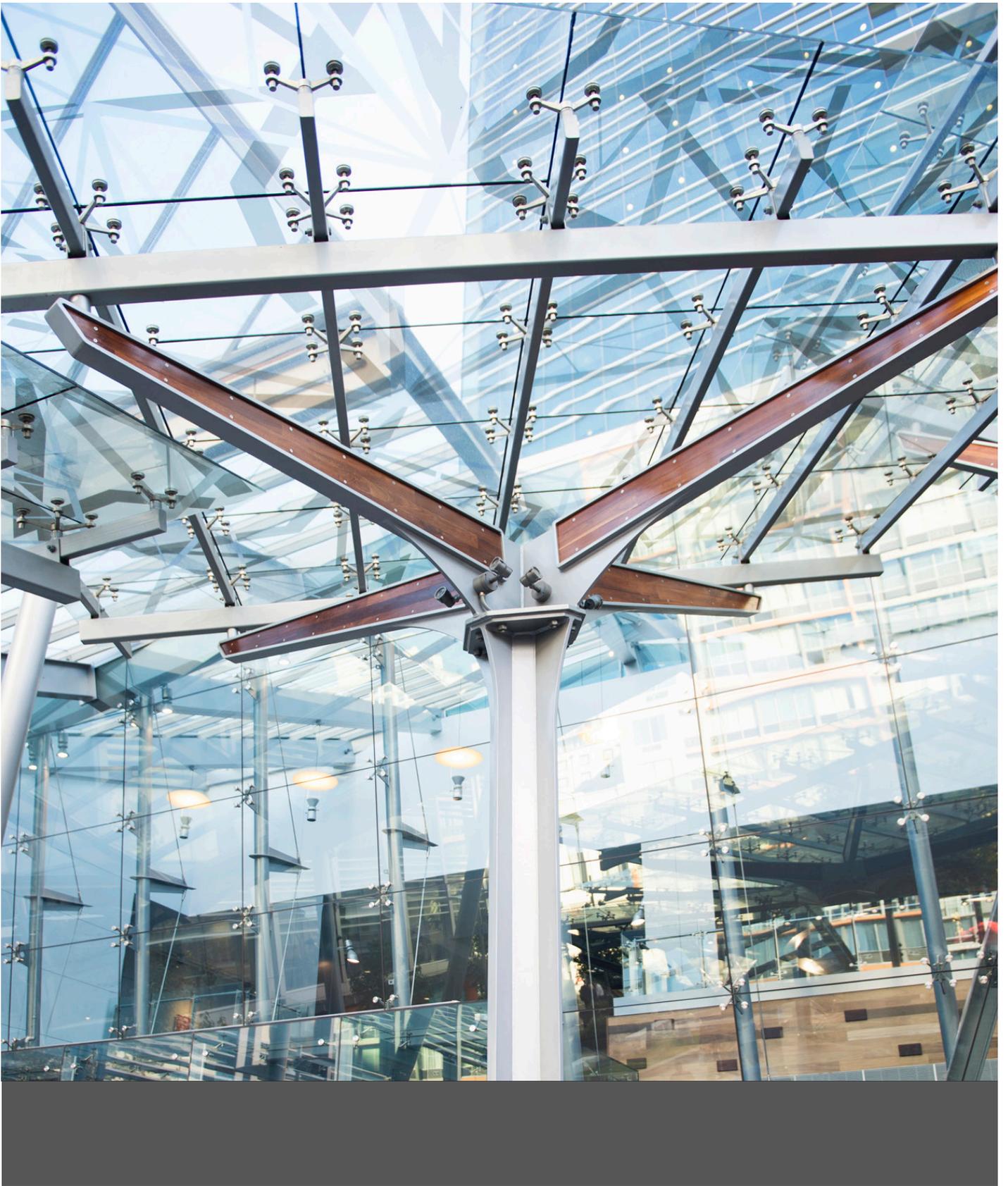
These flows data show that labour markets have remained relatively healthy over the month of December, but it should be noted that the figures pre-date the surge in cases of the Omicron variant in the eastern states. Whether these trends continue into January remains to be seen.

Figure 11: Labour force flows: November 2021 to December 2021



Notes: The ABS labour market flows series is based on a matched sample of respondents who are present in the labour force survey in two consecutive months. Just over 80% of ABS survey respondents in December 2021 were also present in the November 2021 survey. This chart includes indicative percentage flows across labour market states, with indicative counts (scaled to reflect approximate population totals) shown in parentheses. Due to rounding and scaling, figures will not match totals from elsewhere in this MLMU.

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0, Table 23 & Pivot table GM1



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