

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

Inflation looms as the constraint

Employment continued its strong growth path in May. The labour force figures show an additional 60,000 persons gained employment in Australia from the previous month, with 70,000 additional full-time jobs offset by a decline in part-time jobs. Total hours worked increased by 0.9 per cent in May, and there was a significant fall in measures of under-employment. A rise in the participation rate, as more people were drawn into the labour market, kept the unemployment rate steady at 3.8 per cent. Highlighting the strength of the labour market, the national participation rate hit a new record 66.7 per cent: for the first time since statistics have been kept, more than 2 in every 3 Australians of working-age were participating in the labour market.

With the worst effects of the pandemic and floods behind us, the looming challenge to the labour market is the need for monetary policy to respond to rapidly rising inflation. The Reserve Bank will be treading a fine line with interest rate settings, trying to reel in inflation without also sending the unemployment rate rising again. The current energy crisis in states connected to the National Energy Market is making this balancing act all the more difficult.

Minimum wages to rise

The Fair Work Commission's decision in the recent minimum wage case will see workers on the Federal minimum wage receive a 5.2 per cent increase in their hourly wage from \$20.33 per hour to \$21.38 per hour. The decision will come into effect on 1 July, but for workers in several sectors still recovering from the effects of the pandemic the increase will be delayed to 1 October, 2022, notably for awards in hospitality, tourism and aviation. We don't believe this will have a significant effect on either aggregate employment or inflation for a number of reasons: the decision will see the minimum wage rate continue to fall in real terms over the coming year; inflation is largely being driven by external factors, with wages just playing catch-up; and tight labour market conditions were already conducive to wage rises. And in the history of decisions by the Fair Work Commission, 9 out of the last 10 minimum wage awards have been higher than the prevailing inflation rate. This latest award translates to a real wage rise of only 0.1 per cent for workers on the national minimum wage, but a real wage fall of 0.5 per cent for workers on modern award wages - a far greater share of the 2.7 million workers on some award or minimum rate. Business groups have argued the decision will mean job losses and business closures, particularly among smaller businesses. However, the process of economic adjustment that delivers us rising living standards includes labour market adjustments in which jobs that don't generate sufficient value of output to support payment at the minimum wage disappear, and workers and resources are reallocated to activities with higher productivity. While there is never an ideal time for such structural adjustment to occur, it is better if it takes place when unemployment is low and labour demand is high.

Screws tighten for WA

WA continues to dig into every pocket of spare capacity in the labour market. Strong growth in full-time jobs led to an increase in total jobs, and replaced some part-time jobs. While the unemployment rate inched back above 3 per cent, still the lowest rate in the country, this was a result of 8,400 people entering the labour force. The male participation rate jumped by more than a full percentage point (1.1ppt), and WA's participation rate stands almost 3 ppts above the national rate. The State's underutilisation rate has fallen from 10.8 per cent at the beginning of the year to 8.6 per cent in May, also the lowest in the country bar for the ACT. Last month's MLMU noted the need to lure back workers from overseas and interstate, and accordingly the State Government is now running campaigns in the eastern states, New Zealand and Europe to do just that. All this was achieved during the month that saw the State's peak in COVID cases. That may explain a somewhat puzzling fall in average hours worked per month, given the shift from part-time to full-time work, and signal further tightening in the labour market in June.



Professor Alan Duncan

Twitter: @Alan_S_Dunc

Email: alan.duncan@curtin.edu.au



Professor Michael Dockery

Twitter: @BankwestCurtin

Email: m.dockery@curtin.edu.au



Associate Professor Astghik Mavisakalyan

Twitter: @BankwestCurtin

Email: astghik.mavisakalyan@curtin.edu.au

NMW rises by 0.1% more than CPI, marginally eases cost of living pressures

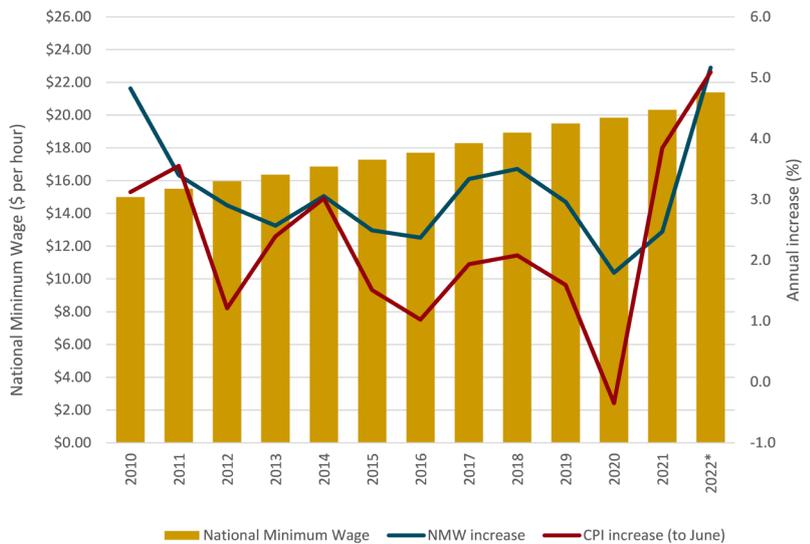
The Fair Work Commission announced that the National Minimum Wage (NMW) will increase by 5.2 per cent from the 1 July 2022, translating to a \$40 per week increase for full-time workers. With the Consumer Price Index rising by 5.1 per cent nationally to June 2022, this means that NMW workers will receive a 0.1 per cent real wage increase.

The NMW increase will directly lift the wages of 184,000 workers, equating to around 1.6 per cent of the Australian workforce. The FWC decision is measured in a way that balances the flow-on economic effects of the increased NMW, while at the same time ensuring that those on minimum wages are able to withstand strong cost of living pressures.

One of the concerns that has arisen from the NMW increase is the potential for the NMW rise to contribute to price inflation, owing to the 5.2 per cent wage increase. However, only a small proportion (1.6%) Australian workers are being paid at the NMW, and further, since 2010, the NMW increase has outpaced CPI growth 10 times out of a possible 12, with the 0.1% increase in June 2022 ranked as the fourth-lowest NMW increase relative to CPI over that time period.

Additionally, there is some concern around a 'flow-up' effect from the NMW increase into higher earning workers under award wages and other enterprise agreements – particularly unionised workers. Currently, the Fair Work Commission announced a 4.6% increase for award minimums, equating to a 0.5% real wage cut – signalling that the focus is purely on ensuring that the cost of living pressures are mitigated for those persons earning the minimum wage.

Figure 1: National Minimum Wage and CPI growth: June 2010 to June 2022



Source: BANKWEST CURTIN ECONOMICS CENTRE | CPI increases are expressed as annual price inflation figures to June, other than 2022 (March 2022)

Nationwide full-time employment strengthens again

National employment broke through the 13.5 million mark in May 2022, as the number of employed persons in Australia rose by 60,600 workers. This also marked the seventh consecutive month of growth in employment across the nation.

Employment growth was largely positive amongst the states and territories in May, led primarily by strong employment growth in NSW (+49,000) and QLD (+46,600). In contrast, VIC (-14,100) suffered the heaviest employment losses over the month, followed only by the ACT (-800 persons).

Full-time work continued to go from strength to strength in May 2022, with over 69,400 jobs added nationally, led by NSW (+61,900), QLD (+19,900) and SA (+13,400). Part-time work fell again in May, decreasing by 8,700 workers, with NSW (-13,000) and SA (-9,400) facing the largest falls.

The recent national trend of increasing full-time work reinforces the rising demand for workers in the labour market, and with many of the disruptions in the Eastern States beginning to ease, this suggests that workers are better able to access more hours.

Table 1: Employment changes: states and territories

	Employed Persons ('000)	Change from:		Change from April 2022 ('000)		Change (%) from May 2021			
		May 2022	April 2022 ('000)	Rank	May 2021 (%)	Rank	Full-Time	Part-time	Full-Time
Australia	13,510.9	+60.6	--	▲ +2.9%	--	+69.4	-8.7	▲ +5.3%	▼ -2.1%
NSW	4,260.8	+49.0	1	▲ +2.1%	5	+61.9	-13.0	▲ +4.4%	▼ -3.1%
VIC	3,516.0	-14.1	8	▲ +1.9%	6	-13.8	-0.3	▲ +3.4%	▼ -1.2%
QLD	2,766.7	+46.6	2	▲ +4.7%	2	+19.9	+26.7	▲ +6.5%	▲ +0.7%
SA	886.2	+4.0	4	▲ +1.9%	6	+13.4	-9.4	▲ +5.5%	▼ -4.6%
WA	1,473.3	+4.8	3	▲ +5.6%	1	+7.1	-2.2	▲ +10.8%	▼ -4.5%
TAS	264.9	+2.7	5	▲ +2.2%	4	-3.7	+6.4	▲ +5.5%	▼ -3.0%
NT	135.8	+1.3	6	▲ +3.9%	3	-0.1	+1.4	▲ +4.6%	▲ +1.5%
ACT	234.9	-0.8	7	▼ -0.8%	8	+1.5	-2.3	▲ +2.5%	▼ -9.4%

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

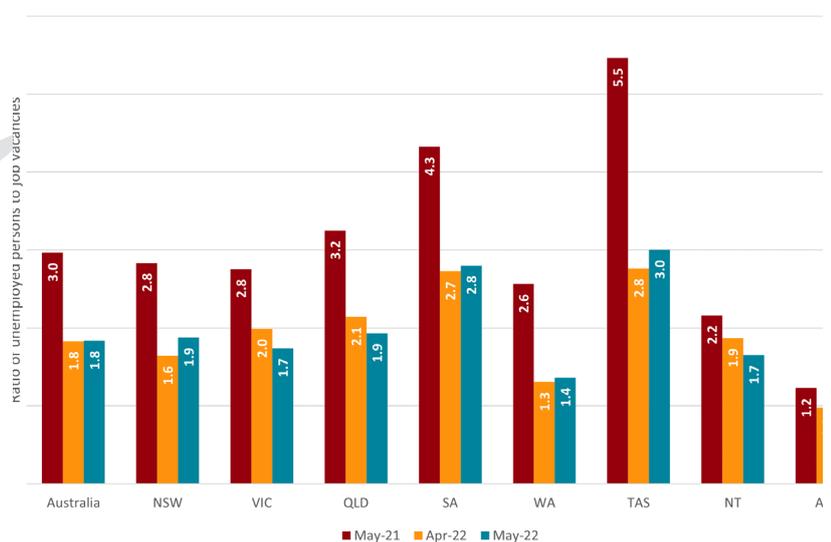
Ratio of unemployed persons holds steady

The ratio of unemployed people to job vacancies in Australia held firm at 1.8 unemployed persons for every one job vacancy in May 2022, as the rapid job vacancy growth recorded in previous months began to return to normal levels and the number of unemployed persons increased by over 7,800 nationally.

Vacancies increased by a modest 0.9 per cent nationally this month, with all states recording an increase, led by TAS (+11.5 per cent), WA (+3.8 per cent) and SA (+1.0 per cent). There were mixed results amongst the states and territories in the ratio of unemployed persons to job vacancies in May, with VIC, QLD and the NT all recording a fall of 0.2 persons, contrasted against rises in NSW (+0.2 persons), WA and SA (+0.1 each).

WA's ratio has maintained its strength over recent months, despite recording a small increase to 1.4 unemployed persons per job vacancy, compared to 2.6 this time last year. The ACT continues to hold the lowest ratio, at 0.9 persons per job vacancy, as labour demand remains strong and the number of unemployed persons continues to fall in the territory.

Figure 2: Ratio of unemployed persons per job vacancy



Notes: Seasonally adjusted values are used. Source: BBANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0 and Australian Government National Skills Commission.

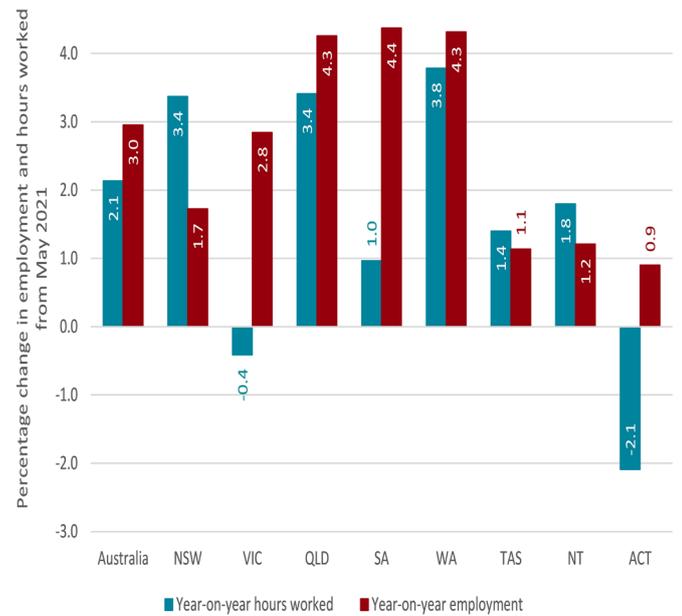
Year-on-year employment and hours worked improve greatly

The total number of hours worked in Australia in May 2022 is 2.1 per cent higher than this time last year, with the majority of the states and territories recording an increase in hours worked relative to May 2021. In comparison, national employment growth has risen by an even more impressive 3.0 per cent. Employment and hours worked have both benefitted from a reduction in labour market disruptions, particularly in the Eastern States, as the effects of Omicron and the flooding events begin to decrease.

With the exception of the ACT and VIC, all states and territories now have higher levels of employment and hours worked than this time last year. SA (+4.4 per cent) leads all states and territories in year-on-year growth in employment followed closely by WA and QLD (+4.3 per cent each). Year-on-year hours worked growth is led by WA (+3.8 per cent), with VIC and QLD recovering strongly (+3.4 per cent each).

Monthly growth in hours worked was mixed in May 2022, with 5 out of 8 states and territories recording a gain in hours worked, led by TAS (+2.6 per cent), QLD (+2.3 per cent) and NSW. Monthly employment growth was somewhat sluggish, with the largest gains recorded in the NT (+2.2 per cent), VIC (+0.3 per cent) and NSW (+0.2 per cent), whilst SA (-0.6 per cent) and QLD (-0.5 per cent) recorded the greatest fall in employment.

Figure 3: Change in employment and hours worked since May 2021



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

Women's FT work, men's PT work drives increase in average hours worked

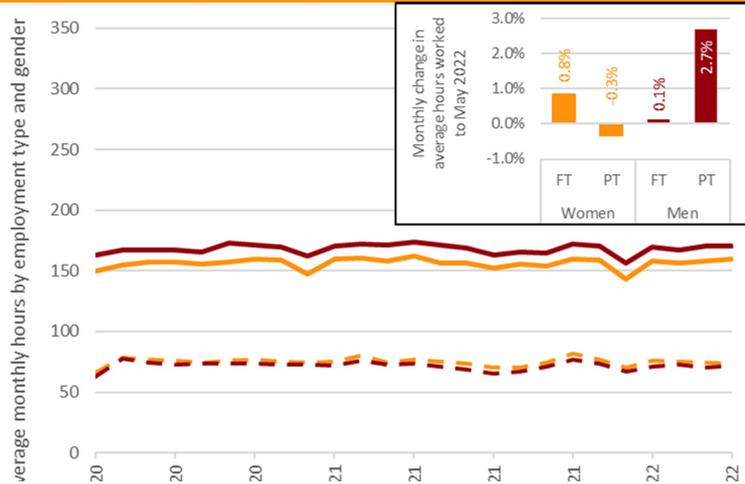
Average monthly hours worked grew solidly in May 2022, with increases in both full-time and part-time work over the month. Full-time employees worked an average of 166.2 average hours in May, up 0.7 hours compared to the previous month - the highest since November 2021. Part-time workers also recorded a gain of 0.5 hours worked to 73.2 hours on average per month.

Full-time average hours worked rose by 0.8 per cent for women and 0.1 per cent for men in May, equating to an aggregate increase of over 21.6 million full-time hours. Part-time average hours growth was mixed, with a 2.7 per cent increase for men which was offset by a 0.3 per cent fall for women, resulting in a net loss of 4.7 million part-time hours in May.

In May, women recorded a net gain of 16.8 million hours, whilst men recorded a net gain of 4.4 million hours. Specifically, women recorded a 21.5 million aggregate increase in full-time hours worked, which is at least partly due to the improving labour market conditions in the Eastern States, despite recording a fall of 4.7 million part-time hours. For men, an aggregate increase of 93 million full-time hours worked was partially offset by an 89 million decrease in part-time hours worked.

The gap in average monthly hours worked between men and women in full-time work narrowed in May to 11.1 hours in April, after falling as low as 10.5 hours in March 2022, but encouragingly, remains lower than May 2021 (11.5 hours).

Figure 4: Monthly percentage change in hours worked



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

Participation rate at another historical high, men's participation soars

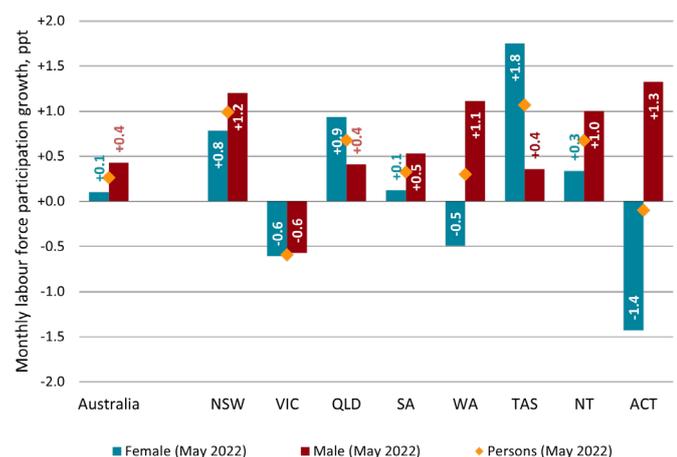
The national labour force participation rate rose 0.3ppt to 66.7 per cent in May, with men recording a sizeable 0.4ppt increase in participation and women recording a 0.1ppt participation increase over the month. May's participation rate is the highest ever recorded in Australia, beating the previous participation record of 66.5 per cent set in March 2022.

For women, participation was mixed across the states and territories, with five states and territories recording a rise in participation, including TAS (+1.8ppt), QLD (+0.9ppt) and NSW (+0.8ppt). In contrast, the largest falls in women's participation were recorded in the ACT (-1.4ppt), VIC (-0.6ppt) and WA (-0.5ppt) which offset a large proportion of participation rate growth over the month.

Men's participation was strong over the month of May, with seven out of eight states and territories recording a rise in participation, led by the ACT (+1.3ppt), NSW (+1.2ppt) and WA (+1.1ppt), with the lone fall recorded in NSW (-0.6ppt).

On year-on-year measures, the nationwide participation rate in May 2022 is 0.5ppt higher than it was a year ago (66.2%). The labour force participation rate among women rose 0.6ppt to 62.3 per cent over the year to April, while men's participation rose 0.4ppt to 71.2 per cent.

Figure 5: 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

National unemployment remains holds firm at 3.9 per cent

The national unemployment rate remained at 3.9 per cent in May 2022, despite a small national increase of 7,800 unemployed persons. Women's unemployment rose by 0.2ppt to 3.9ppt in May after reaching a historically low level of 3.7 per cent in April, whilst men's unemployment fell 0.1 per cent to 3.9 per cent.

Five out of eight states and territories recorded an increase in the unemployment rate over the month to May, led by TAS (+0.7ppt), NSW (+0.5ppt) and WA and the ACT (+0.2ppt each). These increases in unemployment rates across most states in May can be seen as a sign of encouragement that a greater number of people are entering the labour force. Indeed, labour force participation increased in each of NSW (+30,200 persons), WA (+8,400) and TAS (+4,200).

In contrast, only VIC and QLD (-0.5ppt) experienced a fall in the unemployment rate, whilst the NT saw no change.

However, for VIC, the falling unemployment rate was driven by decreasing participation, as 32,800 persons left the workforce over the month.

Table 2: Unemployment changes: states and territories

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
	May 2022	Rank	April 2022	May 2021	May 2022	April 2022	May 2021
Australia	3.9%	--	0.0	-1.2	548.1	▲ +7.8	-155.8
NSW	4.0%	4	▲ +0.5	-1.0	177.5	▲ +22.8	-44.3
VIC	3.7%	3	▼ -0.5	-1.1	135.8	▼ -18.8	-38.1
QLD	4.0%	5	▼ -0.5	-1.5	116.7	▼ -12.1	-36.2
SA	4.6%	8	▲ +0.1	-1.3	43.0	▲ +1.6	-11.6
WA	3.1%	1	▲ +0.2	-1.6	47.0	▲ +3.5	-21.5
TAS	4.5%	7	▲ +0.7	-1.3	12.5	▲ +2.2	-3.4
NT	4.1%	6	0.0	-0.4	5.8	0.0	-0.5
ACT	3.3%	2	▲ +0.2	-0.4	8.0	▲ +0.4	-1.0

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.

Small decreases in underemployment overall, except for Victoria

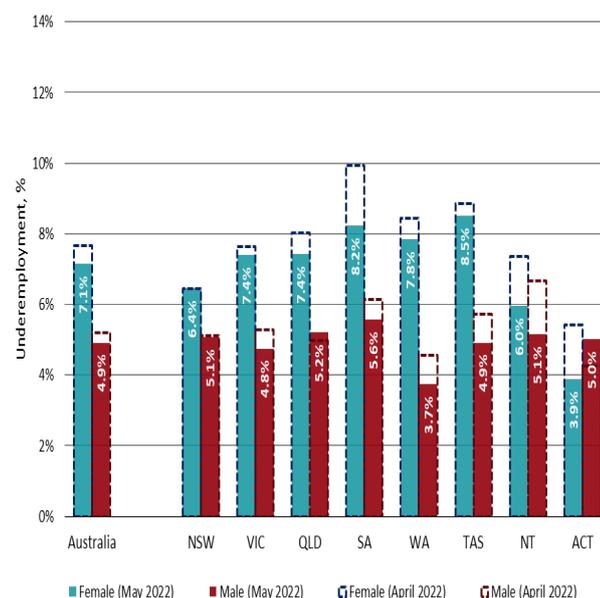
The underemployment ratio – the share of workers who would prefer to work more hours per week – fell by 0.4 per cent nationally in May 2022, with a decrease of 0.5ppt for women and 0.3ppt for men. As in previous months, the falling underemployment ratio is representative of the national shift towards increased full-time employment away from part-time work, resulting in an increase in hours worked in the labour force.

All states and territories recorded a fall in the underemployment ratio for women, led by SA (-1.7ppt), the ACT (-1.5ppt) and the NT (-1.4ppt). Overall, the lowest underemployment ratio for women belongs to the ACT at 3.9 per cent, significantly ahead of the NT (6.0%) and NSW (6.4%).

For men, five out of eight states and territories recorded a fall in the underemployment ratio, with the NT (-1.5ppt) and WA (-0.8ppt) recording the greatest decreases. In contrast, the ACT (+0.8ppt) recorded the greatest rise in men's underemployment along with QLD (+0.2ppt), with NSW recording no change. WA holds the lowest men's underemployment ratio at 3.7 per cent, followed by VIC (4.8%) and TAS (4.9%).

On year-on-year terms, national underemployment has remained well below the levels observed in May 2021, falling 1.9ppt for men and 2.0ppt for women. Amongst the states, TAS recorded the largest year-on-year drop in underemployment for men, falling 3.6ppt over the year to May, whilst for women, the largest year-on-year underemployment fall was recorded in the ACT (-3.7%).

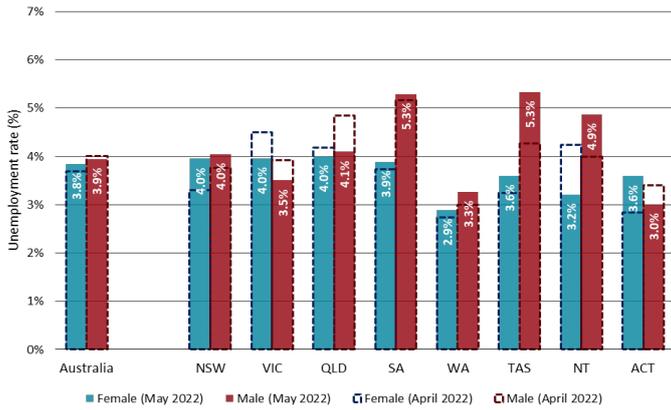
Figure 6: Underemployment ratio by gender: state and territories



Notes: Seasonally adjusted values are used.

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

Figure 7: Unemployment down in VIC, but rises in NSW



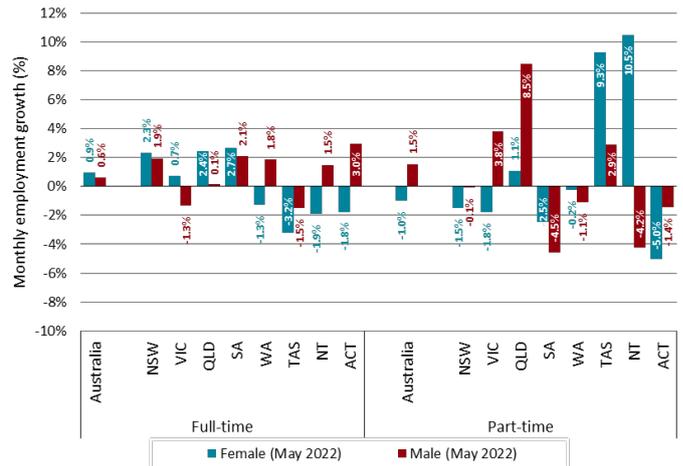
Notes: Seasonally adjusted values are used.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

The national unemployment rate fell 0.1ppt to 3.9 per cent for men and rose by 0.2ppt to 3.8 per cent for women in May 2022. With the national participation rate rising in May, and with a modest increase in the number of unemployed persons, it is likely that the increasing unemployment rate for women may be a result of more women entering the labour force – which presents an encouraging sign.

At the state level, VIC and QLD were the sole states to record a fall in both men and women's unemployment over the month, with VIC recording falls of 0.4ppt for men and 0.5ppt for women, whilst QLD recorded falls of 0.7ppt for men and 0.2ppt for women. However, the fall in women's unemployment for VIC must be taken with caution, as over 32,800 persons left the VIC labour force in May.

In contrast, NSW, TAS and WA all recorded unemployment increases for both women and men, with NSW (+0.6ppt for women and +0.3ppt for men) the primary driver for the national increase in women's unemployment in May. Mixed growth occurred in the remaining states and territories, particularly in the ACT (+0.7ppt for women; -0.4ppt for men).

Figure 8: Employment growth mixed but part-time women still struggling



Notes: Seasonally adjusted values are used. Figures show growth from April 2022 to May 2022. ACT and NT values are generally more volatile than other states.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Employment growth in May 2022 was relatively mixed, with increasing employment for both women and men in the full-time sector (+0.9 and +0.6 per cent), whilst women working part-time saw a 1 per cent decrease in employment compared to a 1.5 per cent increase for men. The largest increases in full-time employment growth over the month were observed in SA, where employment increased 2.7 per cent for women and 2.1 per cent for men; which was offset by an overall 2.5 per cent decrease in employment for women working part-time, and a 4.5 per cent decrease in employment for men working part-time in the state.

Meanwhile in WA, women working both full- and part-time saw a decrease in employment- the former falling 1.3 per cent and the latter 0.2 per cent. For men, full-time employment increased by 1.8 per cent; but this was offset by a 1.1 per cent decrease in employment for men working part-time.

Outside of WA, growth in the eastern states was also mixed. NSW had strong employment growth for both women and men working full-time (+2.3 per cent and +1.9 per cent respectively) whilst seeing a decrease in overall part-time work (-1.5 per cent for women and -0.1 per cent for men). Meanwhile in VIC, women saw an increase in full-time employment but a decrease in part-time employment (+0.7 per cent and -1.8 per cent respectively) whilst men saw the opposite (-1.3 per cent full-time employment and +3.8 per cent part-time employment.)

The youth labour market growth is slow but steady

National youth unemployment saw a further decrease in May 2022, falling 0.1ppt to a national unemployment rate of 8.8 per cent. This coincided with a participation rate rise of 0.6ppt, indicating that overall activity in the youth labour market improved marginally. Notably, the number of young people employed full-time decreased by roughly 6,800, which was swamped by an increase of roughly 30,200 part-time workers.

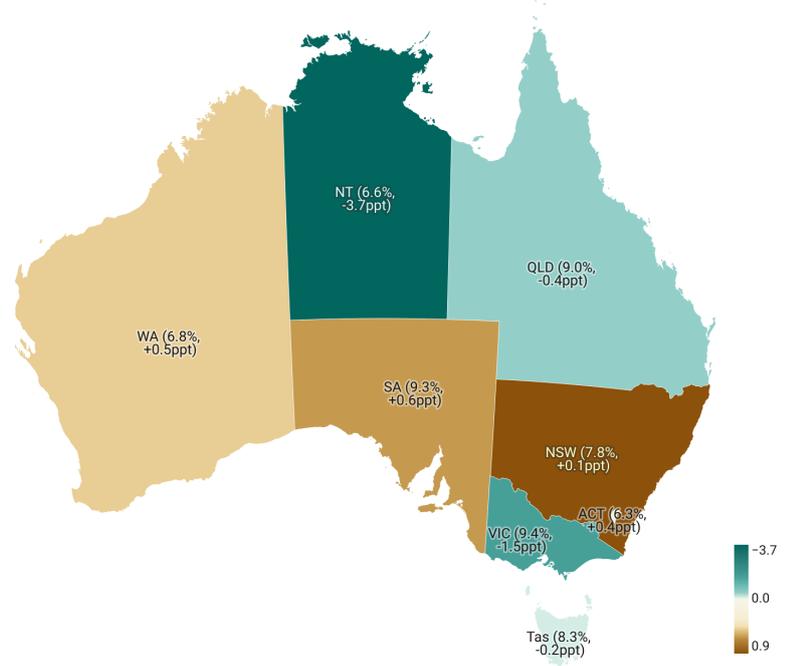
Decreases in youth unemployment for the month were primarily driven by a 1.5ppt fall in youth unemployment in VIC, although despite this decrease VIC still has the highest level of youth unemployment out of all states and territories (9.4 per cent). Meanwhile, WA continues to report the lowest level of youth unemployment out of all states, despite the fact that the youth unemployment rate rose by 0.5ppt to 6.8 per cent in May.

Outside of WA and VIC, youth unemployment saw some notable decreases in QLD and TAS (-0.4ppt and -0.2ppt respectively), but these decreases were largely offset by a 0.1ppt increase in youth unemployment in NSW.

On yearly terms, youth unemployment is roughly 1.8ppt below the levels observed in May 2021. WA experienced the largest annual reduction, with a 4.8ppt decrease from May 2021 to May 2022. TAS and NSW also displayed strong yearly performances, with the former falling 3.5ppt and the latter by 3.2ppt. Overall youth participation also increased by 2.6ppt over the year to May 2022 as well.

Figure 9: Youth unemployment: monthly change, states and territories

Youth unemployment rate Australia: (8.8%, -0.1ppt)



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

Hours worked slowly increasing

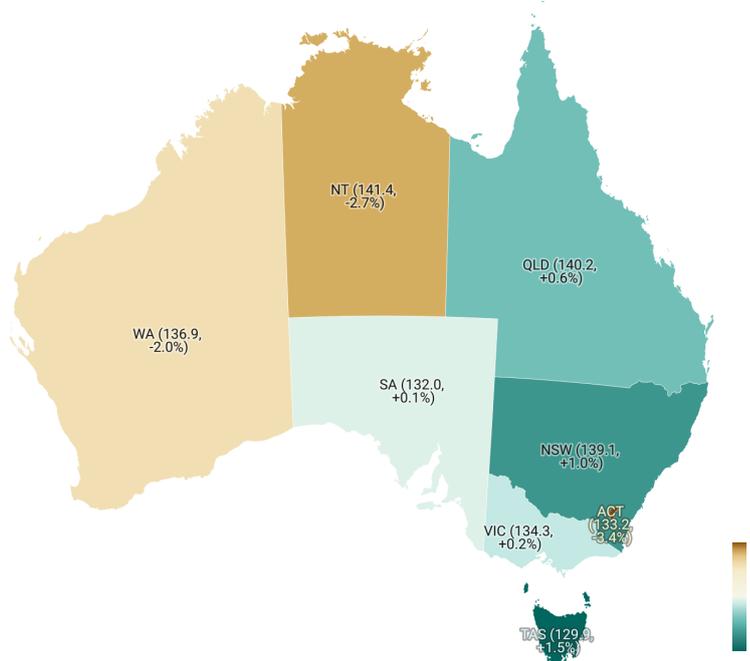
National average monthly hours per worker saw a slight increase in May 2022, growing by 0.5 per cent to 137.4 hours worked per worker on average, with continued recovery in hours worked in states that had previously been impacted by floods and other eastern states. TAS saw the largest increase in monthly hours worked, with a 1.5 per cent increase to 129.9 hours worked on average, whilst NSW saw the next largest increase, with a 1 per cent increase to 139.1 hours worked on average.

Hours worked in WA saw the largest decrease out of all the states in May 2022, falling 2 per cent to 136.9 hours worked on average, and was the only state to record a month-on-month decrease. Meanwhile QLD once again held the crown of the most hours worked on average, with a 0.6 per cent increase leading to 140.2 hours worked per worker in the state.

Compared to May 2021, average monthly hours worked are down by 0.8 per cent, with aggregate hours once again increasing at a slower rate than the number of workers, indicating a larger amount of workers in lower-hour part-time or casual jobs. Almost every state or territory recorded a year-on-year decrease in hours worked; with NSW recording the sole increase of 1.2 per cent, and VIC recording a 2.3 per cent yearly decrease. WA recorded a decrease of 1.7 per cent.

Figure 10: Average monthly hours worked: states and territories

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



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

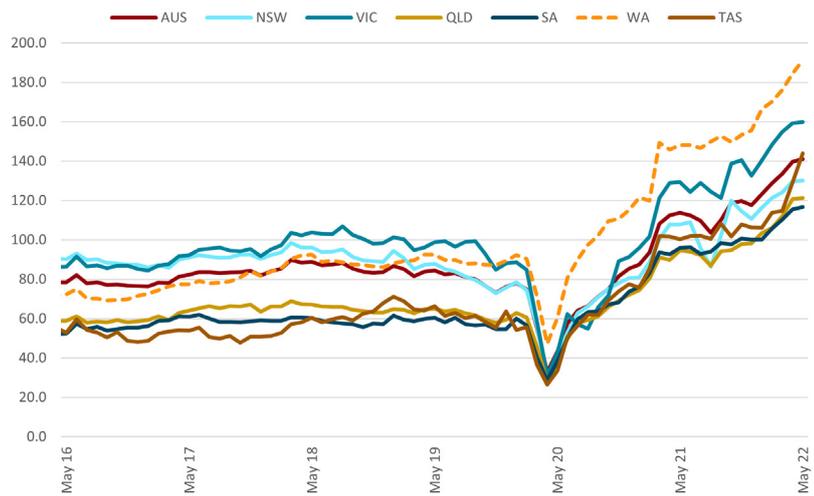
Vacancy rate adjustments change the magnitude, not the story

To begin, adjustments to historical vacancy rate data indicate that the 10.2 per cent national increase in vacancies observed last month was a rather marked overestimation; with data now indicating vacancies only increased by 4.7 per cent between March and April 2022. As for the month of May 2022, national vacancies growth was somewhat slow compared to previous months, increasing by just 0.9 per cent. Whilst growth in national vacancies was held back by slow growth in the eastern states, WA was well above the national increase in vacancies, increasing by 3.8 per cent in May 2022, with the state still recording a sky-high indexed vacancy rate of 191.3.

As noted, vacancies growth outside of WA was somewhat more constrained; with eastern states such as NSW and VIC recording an increase of just 0.3 per cent. Growth in QLD was somewhat stronger, increasing by 0.6 per cent, and growth in SA was the largest of the major states outside of WA, increasing by 1 per cent. And when looking at smaller states and territories, vacancies in TAS have increased dramatically for the second month in a row; increasing by 11.5 per cent in the month to May 2022.

On year to date measures, 61,000 more jobs (+25.7 per cent) were advertised nationally in May 2022 compared to May 2021. Nationwide, no state recorded a yearly increase of less than 20 per cent. Outside of a 43.4 per cent year-on-year increase observed in TAS, WA recording the largest per cent increase in vacancies year-on-year (+29.1 per cent), followed by QLD (+28.4 per cent) and VIC (+23.6 per cent).

Figure 10: Internet Vacancy Index by state: May 2016 to May 2022



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

Flows to full-time work still strong, but part-time work also growing

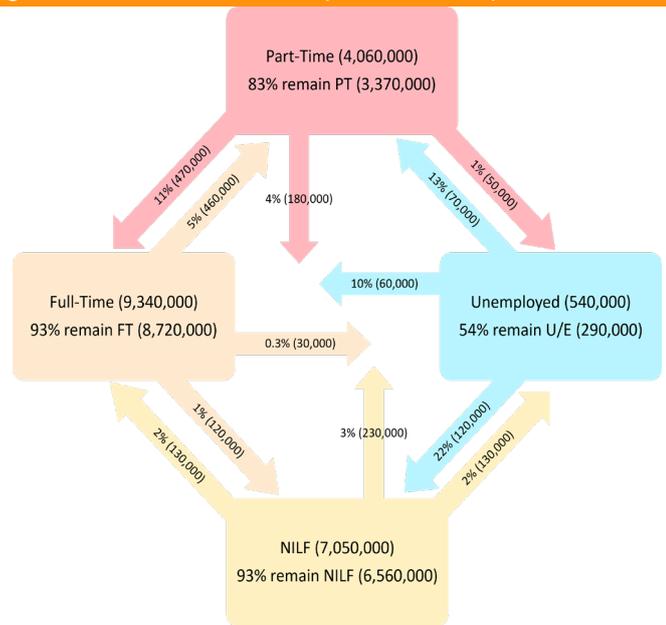
Between April 2022 and May 2022, a matched sample of the population showed a rough inflow of 70,000 persons into the labour force, with 420,000 workers leaving the labour force and 490,000 entering it. Part-time work continued to be the primary entrance into the labour force (230,000 workers, 3 per cent of NILF persons), while the share of those people who moved from not in the labour force (NILF) into full-time work decreased compared to the previous month (130,000 persons between April and May 2022, representing 2% of NILF persons, down 40,000 persons compared to the flow between March and April 2022).

Following the dramatic increase in flows to full-time work observed last month, this month's flows have subsided to a degree, with a larger share of workers moving into part-time work.

The share of unemployed persons increased to 54 per cent between April and March 2022, with the share of unemployed people moving out of the labour force increasing somewhat between April and May 2022 (an increase of 10,000 more persons compared to the flow between March and April 2022, +1ppt).

As noted earlier, fewer workers moved from part-time work to full-time work between April and May 2022 compared to March to April 2022; around 40,000 fewer workers. However, the share of part-time workers becoming unemployed decreased by 10,000 people, and the share of part-time workers leaving the labour force altogether fell by 30,000 workers (down 1ppt). Taken together, this indicates that, whilst work-hours aren't increasing as much for part-time workers, job stability appears to have improved between April and May.

Figure 11: Labour force flows: April 2022 to May 2022



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 79% of ABS survey respondents in May 2022 were also present in the April 2022 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



Bankwest Curtin Economics Centre

GPO Box U1987, Perth WA 6845, Australia

ph. +61 8 9266 1744
e. bcec@curtin.edu.au
w. bcec.edu.au

For media enquiries contact

bcec@curtin.edu.au

