

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

Jobs up, unemployment down, but real wages keep on falling

The Australian labour market remains defiant in the face of rising interest rates, adding 32,000 additional jobs in October. The unemployment rate fell back to 3.4 per cent, equalling the 50 year low achieved in July of this year. Total employment reached a new all-time high and the number of unemployed persons fell to 477,600, the lowest number of Australians out of work since August of 2008.

Despite this resilience in job numbers, the outlook for real wages continues to deteriorate. Data just released show the wage price index (WPI) jumped by 1 per cent in the September quarter but, even so, pay packets are still failing to keep up with rising prices. With inflation of 1.8 per cent for the same quarter, real wages effectively fell 0.8 per cent. Moreover, the September quarter increase in the WPI can largely be attributed to indexation of national and state awards taking effect in July, including the Fair Work Commission's decision that increased wages by between 5.2 per cent for minimum wage workers and 4.6 per cent at higher award classifications.

Those factors won't be pushing up wages in coming quarters, although the Fair Work Commission did delay implementation of indexation until October for sectors such as hospitality and tourism still struggling with the effects of COVID. So nominal wage growth is likely to weaken in the immediate future, but there is no sign yet of inflation slowing down, suggesting real wages will fall even further.

And the downside of October's surprise fall in the unemployment rate is the added pressure on interest rates. The Reserve Bank will be looking for the unemployment rate to start to rise as a sign that tightening monetary policy is working to curb inflation, providing another factor mitigating against the chances of real wages picking up.

WA's real wage rise is an illusion, as employment stagnates

The total number of persons employed in Western Australia fell by 11,400 in October, and the state has seen no overall jobs growth since January of this year. Only a fall in the participation rate of 0.5 percentage points kept the unemployment rate from rising above 3.5 per cent.

Despite this, the wage price index shows wages in WA growing faster than the national rate in the September quarter, at 1.4 per cent compared to 1.0 per cent in nominal terms. With the CPI for Perth actually falling by 0.5 per cent in that quarter, these figures have real wages in WA growing by a healthy 1.9 per cent for the quarter. However, that rise is likely to be a temporary blip in the series for a couple of reasons.

First, nominal wage growth in WA will have been inflated by award indexation coming into effect in July, as has been the case nationally. Second, the fall in inflation in WA was primarily due to the state government's \$400 household electricity credit, and doesn't reflect the underlying trend in prices. As the effect of that credit passes through, that fall will be reversed and WA's inflation rate may well continue to increase in the coming quarters. Real wages in WA remain around 3 per cent below pre-pandemic levels, and any recovery looks to be some time off yet.



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WPI increases by 10-year high, yet real wages continue to fall

The ABS released the latest issue of the wage price index (WPI) in the same week as this month's labour force survey results, providing an opportune time to review developments in real wages. Deflating the nominal WPI by the consumer price index (CPI) provides a measure that tracks the change in real wages over time.

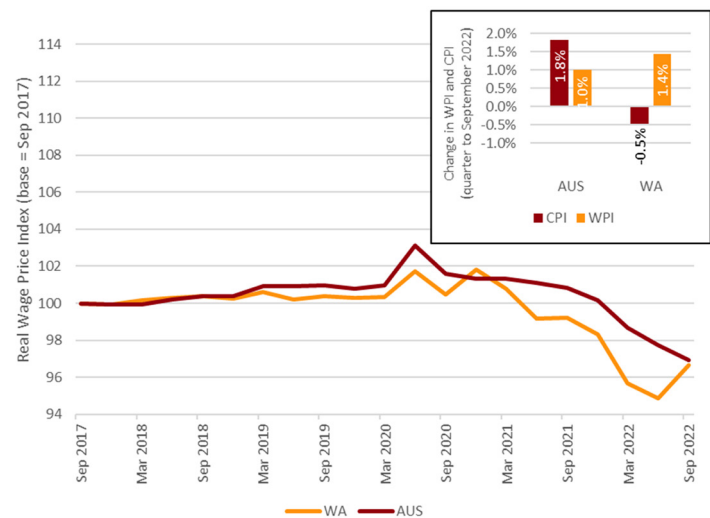
Over the quarter to September 2022, the nominal WPI rose by exactly 1 per cent nationally, the highest increase in over a decade dating back to the March 2012 quarter. WA followed suit, recording an even higher nominal WPI increase of 1.4 per cent, the largest rise since the quarter to September 2011. The increase in the WPI was largely driven by the Fair Work Commission's Annual Wage Review, which resulted in award increases ranging from 4.6 per cent to 5.2 per cent, along with some labour market pressures in the private sector.

However, despite the pick-up in nominal wages, real wages fell nationally by 0.8 per cent, owing to a 1.8 per cent increase in the national CPI over the quarter and indicating that the cost of living for Australians is still mounting. In contrast, WA recorded a 1.9 per cent real wage increase over the quarter, owing in part to a 0.5 per cent fall in the CPI. The fall in inflation over the quarter in WA was primarily due to the introduction of a \$400 electricity credit bill by the WA Government, which temporarily eased inflationary pressures in the state.

The real WPI indicates that real wages have been steadily declining in both WA and Australia, with no real signs of improvement. On year-on-year terms, the real WPI has fallen 3.9 per cent for Australia and 2.6 per cent for WA. At the national level, there have been seven consecutive quarterly falls in the real WPI dating back to March 2021, whilst WA had seen six consecutive falls prior to this month's increase.

Despite the uptick in wage growth this month, it is unlikely to be replicated in coming quarters due to the one-off award increase for the year arising from the Fair Work Commission Annual Wage Review – whilst inflationary pressures continue to prove hard to curb at both the national and state level. With the cessation of the \$400 electricity credit at the end of October, WA is likely to revert to real wage decreases in coming quarters as inflation rises to reflect underlying price levels.

Figure 1: Change in real Wage Price Index, WA and AUS



Notes: Seasonally adjusted values are used

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6345.0 and 6401.0.

Nationwide employment rises in October

The number of employed people in Australia increased by over 32,000 in the month to October 2022, recovering after a stagnant September and taking total employment nationally to over 13.6 million people.

Six out of eight states and territories recorded a rise in employment over the month to October, with NSW the primary contributor to national employment growth (+34,600 people), followed by SA (+11,800) and the ACT (+4,200) with VIC, Tasmania, and the NT recording minor employment gains. The biggest fall in employment was recorded in WA (-11,400), along with a minor fall in QLD (-1,300).

Part-time and full-time employment had contrasting fortunes in October, with full-time employment increasing strongly by 47,100 persons, whilst part-time workers fell by 14,900. Full-time employment growth was unsurprisingly driven by NSW (+42,200), whilst SA (+7,300) also made a solid contribution. The notable fall in full-time work was recorded in WA, who saw a fall of 9,400 persons. The fall in part-time employment in October was also driven by NSW (-7,600), along with QLD (-2,200) and WA (-1,600), with some moderate increases recorded in VIC (+3,300) and the ACT (+2,400).

Looking to year-on-year measures, all states and territories have recorded an increase in full-time employment compared to October 2021, increasing by 6.4 per cent nationally, led by NSW (+9.3%) and VIC (+6.1%). Encouragingly, all states and territories have a year-on-year full-time employment growth rate of over 4 per cent, highlighting the strong and evenly distributed nature of full-time work across the nation. Part-time employment has increased by 4.8 per cent nationally compared to October 2021, with the ACT (+20.9%) and NSW (+10.2%) leading the way. Only WA (-2.5%) and SA (-1.2%) recorded a fall in part-time employment compared to October 2021.

Table 1: Employment changes - states and territories

	Employed Persons ('000)	Change from:				Change from September 2022 ('000)		Change (%) from October 2021	
		September 2022 ('000)	Rank	October 2021 (%)	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	13,617.9	+32.2	---	+5.9%	---	+47.1	-14.9	+6.4%	+4.8%
NSW	4,322.8	+34.6	1	+9.6%	1	+42.2	-7.6	+9.3%	+10.2%
VIC	3,518.2	+2.2	4	+5.8%	3	-1.2	+3.3	+6.1%	+5.0%
QLD	2,769.0	-1.3	7	+3.9%	5	+0.9	-2.2	+4.5%	+2.5%
SA	897.1	+11.8	2	+2.5%	7	+7.3	+4.6	+4.5%	-1.2%
WA	1,455.4	-11.4	8	+2.1%	8	-9.8	-1.6	+4.2%	-2.5%
TAS	268.8	+1.0	6	+3.5%	6	-0.2	+1.2	+4.4%	+1.9%
NT	137.2	+1.5	5	+4.0%	4	+0.0	+1.5	+5.0%	+0.7%
ACT	240.0	+4.2	3	+9.3%	2	+1.8	+2.4	+5.9%	+20.9%

Notes: Seasonally adjusted values are used.

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

Labour market tightens slightly, as unemployment to vacancies ratio falls

The number of unemployed people per job vacancy provides a useful indication of labour market tightness and the difficulties faced by businesses in filling advertised roles. The ratio of unemployed persons to online vacancies fell by 0.1 points to 1.7 in October 2022, indicating a slightly tightening labour market in spite of the 0.2 point rise in last month's ratio. The fall in the ratio nationally was mainly due to falling unemployment, compounded by a minor rise in job vacancies over the month.

In October, all states and territories except for VIC (+0.1pts) recorded a fall in the ratio of unemployed persons to job vacancies, and which was primarily led by large falls in both TAS (-0.5) and QLD (-0.4). Other notable falls in the ratio were recorded in SA and the NT (-0.2 each), along with NSW (-0.1), who contribute strongly to the national ratio.

The ACT continues to have the tightest labour market by some margin, with the 0.1 point fall over the month taking the territory's ratio to 0.9 unemployed persons per job vacancy. Following the ACT is NSW and QLD (1.5 persons each), along with WA and VIC (1.7 each). TAS (3.0) and SA (2.6) lead the nation with the highest ratio of unemployed persons per job vacancy.

After some loosening of the labour market in September, followed by tightening again in October, the direction in which the labour market will move next is not entirely clear. However, with signs that unemployment is beginning to stabilise, and with a sharp decline in vacancies last month, there may be a slow and gradual trend towards the easing of labour market tightness in the coming months.

Full-time hours worked march on, as part-time hours stagnate

Average hours worked rose for both men and women in October, due to strong gains in full-time employment, which covered marginal losses in average hours worked in part-time work.

Over the month to October, the average hours worked in full-time employment nationally rose by 2.5 per cent, as the average hours worked by women in full-time employment rose by 2.9 per cent, and men recorded a 2.1 per cent rise. In contrast, the average hours worked in part-time employment fell by 0.2 per cent nationally, as both women (-0.2 per cent) and men (-0.3 per cent) recorded similar falls in average part-time hours worked.

The average hours worked for full-time male employees rose to 171.7 hours in October, up from 168.2 hours last month, whilst full-time average hours worked for women rose to 159.6 hours from 155.1 hours in September. In contrast, average hours worked in part-time employment fell marginally for both men and women, with men working an average of 73.8 hours in October, down from 74.0 hours, whilst women worked an average of 75.5 hours, down from 75.6 hours in the previous month.

Looking to year-on-year measures, average monthly hours have risen by 3.1 per cent from October 2021, with strong contributions from both full-time and part-time work. In particular, men in full-time employment have seen their average hours worked increase by 4.3 per cent over the year, with women also seeing an increase in full-time average hours worked of 2.7 per cent. Part-time average hours worked growth over the year has also been encouraging, with men recording a 3.9 per cent increase, with women recording a 0.4 per cent rise.

Participation rate holds firm in October

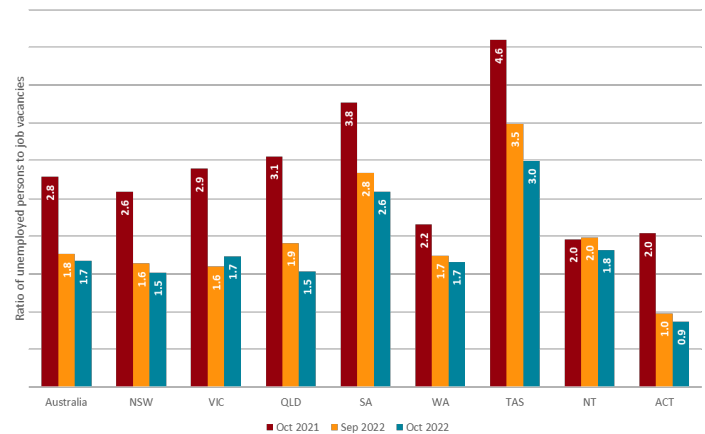
The national labour force participation rate remained unchanged at 66.5 per cent for the second consecutive month in October 2022. The participation rate for women remained the same as last month at 62.3 per cent, with participation for men dropping marginally from 71.0 per cent to 70.9 per cent.

Across the states and territories, women's participation was varied over the month to October, with strong gains recorded in the ACT (+1.2ppt) and the NT (+0.7ppt), whilst NSW (+0.3ppt) and VIC (+0.1ppt) recorded solid increases in participation. These gains were offset by heavy participation falls in WA (-0.5ppt) and QLD (-0.4ppt).

Men also saw inconsistent participation rate growth across the nation in October, with the largest participation gains concentrated amongst the NT (+1.2ppt), the ACT (+0.7ppt) and SA (+0.7ppt). In contrast, the largest falls in participation for men were from WA (-0.7ppt), TAS (-0.3ppt) and VIC and QLD (-0.2ppt each).

Compared to October 2021, participation rates remain higher at the national level for both men and women. Women fare slightly better on year-on-year measures, recording a 2.2ppt increase from this time last year, compared to 1.3ppt for men. All states and territories except for QLD have also recorded a higher level of participation year-on-year, with the most notable improvement in NSW (+3.5ppt), who recorded a 2.9ppt increase for men and a 4.2ppt increase for women. QLD (-0.3ppt) has recorded a year-on-year decrease in participation (men -0.6ppt; women 0.0ppt).

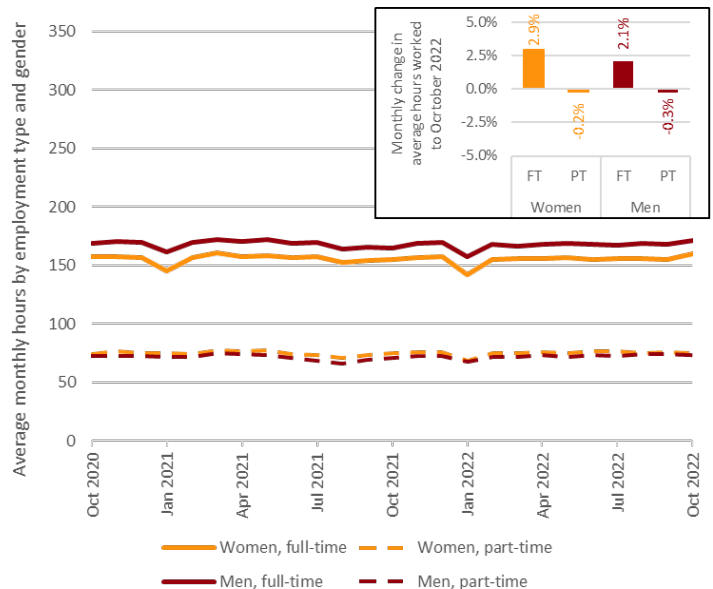
Figure 2: Ratio of unemployed persons per job vacancy



Notes: Seasonally adjusted values are used. Figures show change from September 2022 to October 2022.

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

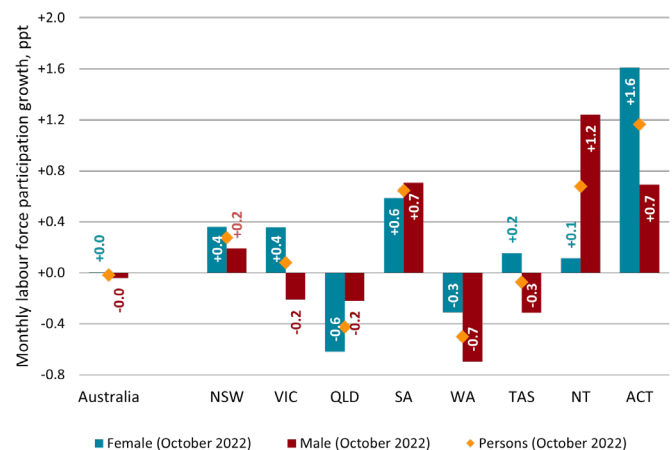
Figure 3: Monthly percentage change in hours worked



Notes: Seasonally adjusted values are used. Figures show change from September 2022 to October 2022.

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

Figure 4: Monthly change in labour force participation



Notes: Seasonally adjusted values are used. Figures show change from September 2022 to October 2022.

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

National unemployment rate falls as NSW leads the way, WA stumbles

Table 2: Unemployment changes: states and territories

Australia's unemployment rate fell 0.1ppt to 3.4 per cent over the month to October 2022 after remaining stagnant last month, as the number of unemployed persons nationally fell by over 20,600.

Changes in unemployment across the nation were mixed, with five out of eight states and territories recording an unemployment rate fall in the month. The largest falls in unemployment were recorded in QLD (-0.4ppt), along with NSW and TAS (-0.3ppt each). For NSW, this presents an encouraging sign as the fall in the unemployment rate also coincided with an increase in participation over the month. However, in contrast, QLD's fall in unemployment was due to a net reduction in the labour force (-14,000 persons).

The unemployment rate rose in both WA (+0.2ppt) and VIC (+0.1ppt). For WA in particular, October represents a sluggish month for the state, having also recorded a decline in employed persons.

NSW has begun to break away from the remaining states and territories with an unemployment rate of 3.0 per cent, followed by the ACT (3.2%) and QLD (3.3%). WA, which had occupied pole position for several months prior, has now slipped to an unemployment rate of 3.6 per cent. The highest unemployment rate amongst the states and territories is SA (4.1%) followed by TAS (3.8%).

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
	October 2022	Rank	September 2022	October 2021	October 2022	September 2022	October 2021
Australia	3.4%	--	▼-0.1	-1.9	477.6	▼-20.6	-236.2
NSW	3.0%	1	▼-0.3	-2.5	135.5	▼-11.1	-93.4
VIC	3.6%	5	▲+0.1	-2.0	133.0	▲+6.6	-65.3
QLD	3.3%	3	▼-0.4	-1.9	94.0	▼-13.5	-52.6
SA	4.1%	8	▼-0.2	-1.2	38.3	▼-1.7	-10.9
WA	3.6%	4	▲+0.2	-0.3	53.7	▲+1.4	-4.2
TAS	4.0%	7	▼-0.3	-1.0	11.2	▼-0.8	-2.6
NT	3.8%	6	▼-0.2	-0.1	5.4	▼-0.2	0.0
ACT	3.2%	2	▲+0.1	-3.3	7.8	▲+0.2	-7.5

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 tilts up, but still well down over the year

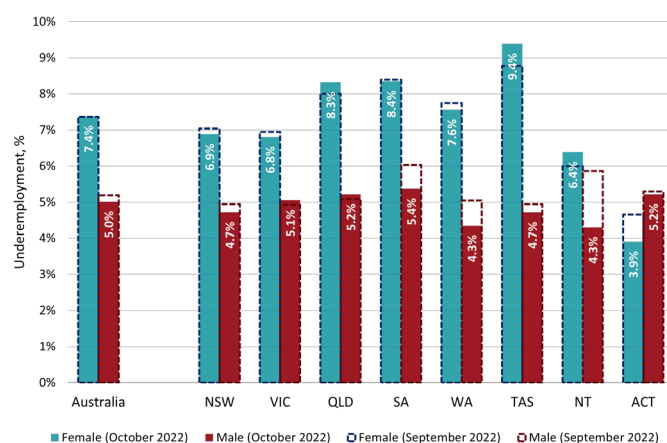
Figure 5: Underemployment ratio by gender: state and territories

National underemployment saw a very slight decrease over October 2022; falling by just 0.1ppt nationally thanks to a 0.1ppt decrease in men's underemployment. Whilst there was some overall mixed performance across the states, no state saw a shift in underemployment greater than a percentage point for either men or women.

Falling men's underemployment was driven by decreases in SA and WA (-0.7ppt each), as well as NSW and TAS (-0.2ppt each). These decreases were offset by minor increases in underemployment in VIC and QLD (+0.1ppt each).

Women, meanwhile, saw stronger overall underemployment decreases in the south-east, with VIC and NSW both recording a 0.2ppt fall. However, their overall performance was held back by a 0.3ppt increase in underemployment in QLD and a 0.6ppt increase in TAS. Women in WA followed the trend set by the south-east, also recording a 0.2ppt decrease in underemployment.

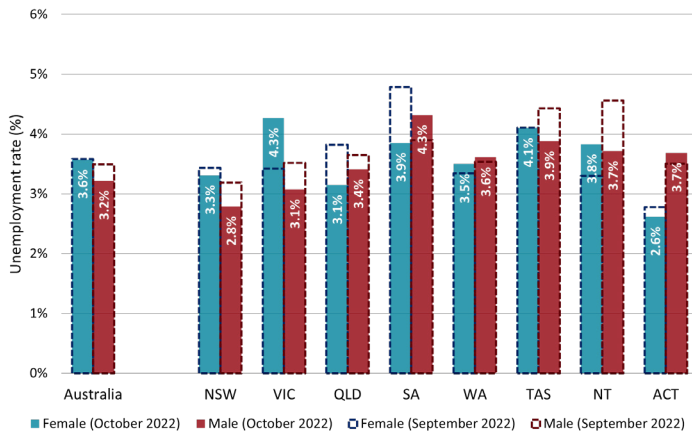
Underemployment rates, on year-on-year measures, are down across the board compared to October, with a net decrease of 3.8ppt overall, driven by a 3.3ppt decrease for women and a 4.3ppt decrease for men. Decreases for men were primarily driven by the south-east; with NSW recording a 6.1ppt fall, and VIC a 7ppt decrease as well. Women, likewise, also performed well in the south-east, falling 4.7ppt in NSW and 4.8ppt in VIC. In WA, meanwhile, falls were much more constrained; with men seeing a 1ppt decrease and women a 0.5ppt decrease in October 2022 compared to 2021.



Notes: Seasonally adjusted values are used.

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

Figure 6: Women's unemployment rate steady as men's falls



Notes: Seasonally adjusted values are used.

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

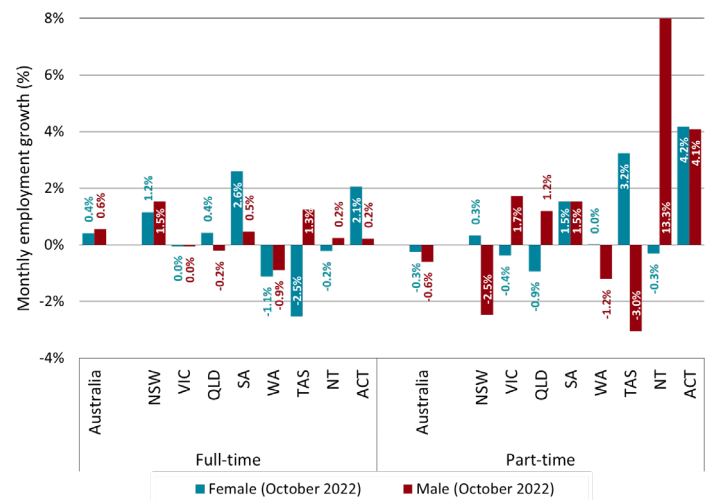
Women's unemployment saw little to no decrease this month, with the national decrease in overall unemployment being driven primarily by falling unemployment for men. This was not the story, however, in WA; where unemployment for men continued to outpace unemployment for women, despite an increase in the unemployment rate for both and a larger increase for women overall (+0.2ppt for women, +0.1ppt for men).

Outside of WA, falling men's unemployment was seemingly driven by a combination of NSW, VIC, and QLD (-0.4ppt, -0.4ppt, and -0.2ppt swings respectively). In the case of NSW, this fall coincided with an increase in participation, indicating a labour market rally in the state; whilst in VIC and QLD the participation rate also contracted, which may indicate that the unemployment falls aren't necessarily a sign of a tightening labour market.

Women's unemployment was mixed across the nation, with a sharp increase in unemployment in VIC (+0.9ppt) being offset by falling unemployment in SA (-0.9ppt), QLD (-0.7ppt), and to a lesser extent NSW (0.1ppt).

Annually, national unemployment rates are still down overall, having fallen by 1.9 per cent for men and 1.8 per cent for women; with the change over the year to October 2022 being driven by strong overall performance; men performing particularly well in NSW, where unemployment has fallen 2.6ppt compared to October 2021, and women doing equally well in NSW and QLD, where unemployment fell 2.3ppt in both states. In WA, however, year-on-year performance was more constrained, with men seeing 0.3ppt decrease in unemployment, and women a 0.4ppt decrease.

Figure 7: NSW, SA holding up full-time work as part-time work falls



Notes: Seasonally adjusted values are used. Figures show growth from September 2022 to October 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.

As noted, employment growth over the month was primarily driven by full-time work, with women seeing their full-time employment grow by 0.4 per cent, and men 0.6 per cent nationally. Part-time employment, on the other hand, saw a contraction over the month; falling by 0.3 per cent for women, and 0.6 per cent for men.

At the state level, performance overall was very mixed; with NSW primarily driving the national increase in full-time employment (+1.2 per cent for men, +1.5 per cent for women), but with a sharp decline in men's part-time employment (-2.5 per cent). Full-time employment saw its largest increase for women in SA; where it increased by 2.6 per cent; counterbalancing a 2.5 per cent decline in TAS. WA, meanwhile, had an overall negative performance in full-time employment; falling 1.2 per cent for women and 0.9 per cent for men.

In terms of part-time employment, men's part-time employment in WA fell 1.2 per cent with little change in women's employment. SA displayed an overall improvement in part-time employment; with both men and women seeing an equal increase of 1.5 per cent; whilst VIC only saw an increase in part-time work for men, one that was the largest increase out of all the states, rising 1.7 per cent.

Eastern states help keep youth unemployment down

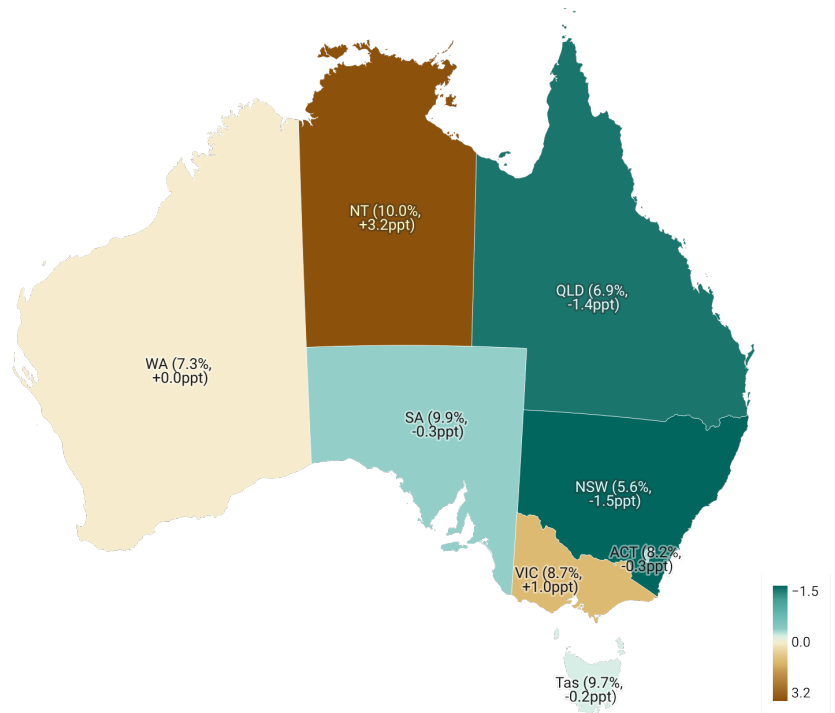
Following last month's small fall in youth unemployment of 0.7ppt, October 2022 saw it decrease nationally once again, with a 0.4ppt drop. National youth participation however also fell by roughly 0.5ppt, meaning youth leaving the labour market rather than gaining jobs accounted for the further fall in unemployment in October.

NSW and QLD were the states that primarily contributed to the fall in youth unemployment over October; the former recording a 1.5ppt decrease and the latter a 1.4ppt decrease. Outside of these two states, however, performance was more mixed; with SA recording the next largest fall of just 0.3ppt, and VIC recording a 1ppt increase in youth unemployment over October 2022. WA, meanwhile, saw no net change in overall youth unemployment; but youth participation in the labour market fell by 0.4ppt, indicating a small overall market slowdown in the state.

Changes in the youth unemployment rate fared well in year-on-year measures; with it having fallen 5.8ppt on yearly measures compared to October 2021. This was driven by a noticeably strong decrease of 7.4ppt in VIC; as well as an even stronger 7.6ppt decrease in youth unemployment in NSW. QLD also saw a solid 4.6ppt decrease; WA meanwhile having a notable if lower 3.9ppt decrease in youth unemployment over the year.

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

Youth unemployment rate Australia: (7.5%, -0.4ppt)



Notes: Seasonally adjusted values are used

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

Hours per worker up across the board

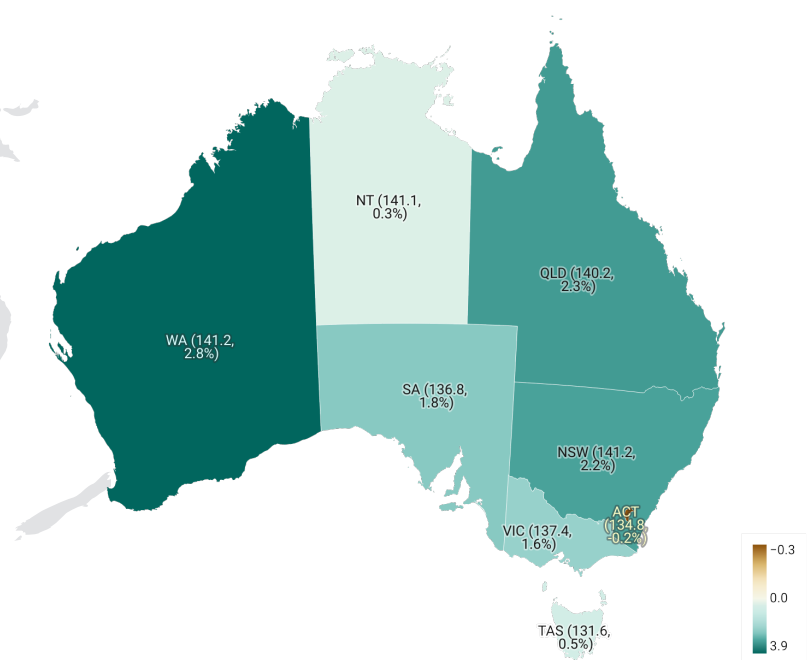
The national average hours worked per worker over October 2022 was 139.3 hours worked; an increase of 2.1 per cent over the month compared to September. Interestingly, every single state in Australia recorded an increase in average hours worked per worker; with WA in particular leading the charge with a 2.8 per cent increase in hours worked to 141.2 hours on average; the most out of any state or territory.

Other states performed relatively well; with TAS being the only state to see an increase in hours worked smaller than 1 per cent. NSW and QLD made significant contributions to the overall increase in average hours; the former rising by 2.2 per cent and the latter 2.3 per cent.

In terms of year-on-year changes, compared to October 2021 national average hours worked increased by roughly 3.5 per cent over the year to October 2022; with performance in the eastern states being mixed. NSW saw a decrease in hours of 3.5 per cent over the year; which was followed up by a 2.4 per cent decrease in QLD. However, this was counterbalanced by a 3.8 per cent increase in average hours in VIC, as well as a smaller 1.7 per cent increase in SA and a year-on-year increase of 2 per cent in WA.

Figure 9: Average monthly hours worked, per cent change: states and territories

Average monthly hours - Australia (139.3, 2.1%)



Notes: Seasonally adjusted values are used

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

Vacancies fighting falls, but unlikely to hold on for long

The national Internet Vacancy Index, after seeing a strong drop of 5.9 per cent in September 2022, saw a small rally over the month of October 2022, increasing 1.1 per cent.

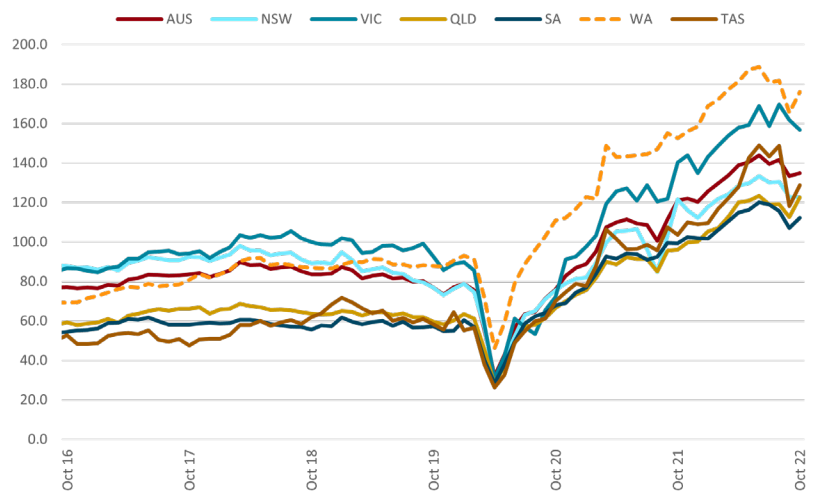
Vacancy index performance across the states was somewhat mixed; with falls in NSW and VIC (-0.1 and -3.1 per cent, respectively) reducing the impact of some notably strong increases in QLD, SA and WA (+8.9, +4.9, and +6.4 per cent, respectively).

Yearly vacancies growth continued to slow down compared to previous trends, with an increase in year-on-year vacancies of just 11.5 per cent over October 2022 compared to October 2021; the lowest vacancies increase since an outright decrease of 1.3 per cent in October 2020.

This relatively small annual increase was driven by NSW; where year-on-year vacancies increased by just 0.9 per cent; again, the lowest increase in two years.

Predictions made in the previous edition of the MLMU for the overall direction for the labour market have yet to fully manifest; with the labour market seemingly having a small rally after last month's pause in jobs growth. However, with the continued push from the government and the Reserve Bank to slow the economy in order to reduce inflation, it is still likely that the labour market will soften from its post-lockdown peak soon.

Figure 10: Change in Internet Vacancy Index: October 2016 to October 2022



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

Flows out of unemployment slowing despite fall

Data from the matched sample of survey respondents show a net 30,000 persons flowed out of the labour force between September and October 2022, with the number of persons entering the labour force falling to 460,000, whilst the number leaving it remained at 490,000. This net difference was driven primarily by a noticeable outflow of roughly 30,000 persons from part-time work; coupled with a net outflow of 10,000 from full-time work out of the labour force.

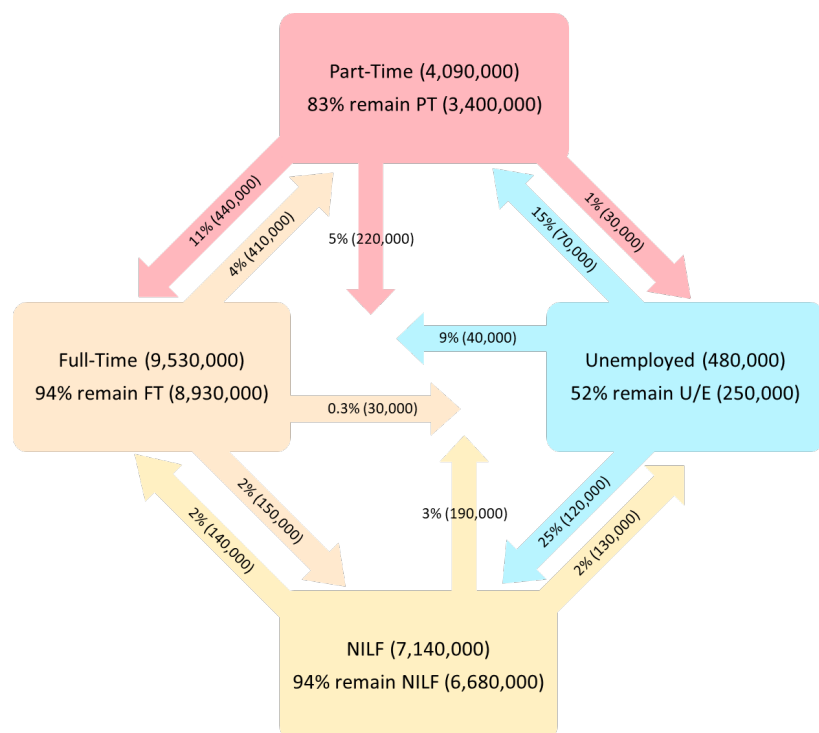
This was somewhat offset by a net inflow into the labour force into unemployment; but said flows have still contracted compared to last month, with there being just a net inflow of 10,000 persons into unemployment from NILF status from September to October, compared to 40,000 in August to September.

Outflows from unemployment into part- and full-time work also saw a notable contraction between September and October; with 10,000 less persons moving from unemployment to part-time work, and 20,000 fewer persons from unemployment to full-time work. In terms of net changes, flows from part-time employment to unemployment also fell by 10,000, holding the net outflow of persons from unemployment to part-time work at 40,000; at the same time, the number of persons flowing from full-time work to unemployment remained unchanged, resulting in the net flow contracting to just 10,000 persons moving out of unemployment.

The matching rate slowed down somewhat over the month, in spite of observed decreases in unemployment nationally, with the share of persons remaining unemployed increasing 3ppt to 52%. The share of unemployed persons leaving the labour market altogether also saw an increase; rising 3ppt to 25% between September and October from 22% over August to September.

Flows between other labour market states remained largely in line with previous months, with no strong signs as of yet of a downturn evident in the flows data.

Figure 11: AUS labour force flows: September 2022 to October 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 80% of ABS survey respondents in September 2022 were also present in the October 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



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