



BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

No November pain for employment, only for borrowers

Estimates from the Australian Bureau of Statistics (ABS) labour force survey for November show no signs of the anticipated economic downturn. The national labour market managed to absorb a surprising 71,300 new labour force entrants in November while maintaining the unemployment rate at 3.4 per cent. This pushed the participation rate to 66.8 per cent, equalling the record high set in June of this year. While the number of unemployed persons did rise, total employment increased by almost 64,000 jobs, shared roughly evenly between full-time and part-time positions.

Since the initial 0.25 basis point hike in interest rates in May 2022, seven further increases have pushed the cash rate from 0.1 per cent to 3.1 per cent, as the Reserve Bank strives to cool the economy and rein in inflation. Over that tightening cycle, total employment has instead increased by 234,000 jobs, equating to a robust annualised rate of employment growth of 3.5 per cent, and the unemployment rate has dropped by 0.5 of a percentage point.

That would be cause for celebration if the spectre of inflation didn't have policy-makers in Grinch mode for Christmas. The strength of the labour market can be seen in NSW, VIC and QLD all recording +6.2 per cent growth in full-time employment from November 2021. The one indicator that tightening monetary policy may be taking effect was the resumption in November of a downward trend in job vacancies advertised online.

The record books were rewritten in November, as the ABS revised the labour force survey estimates going back to June 2016 to reflect 2021 Census population benchmarks. While the changes are minor, the 3.4 per cent unemployment rate estimate for July 2022 was revised up to 3.5 per cent. That passes the '50-year record low unemployment rate' mantle onto the current 3.4 per cent rate recorded in October and November 2022.

WA charting a steady course: storm clouds in the distance?

The Western Australian labour market added 7,400 total jobs in the month of November, as higher full-time employment more than offset a decline in part-time employment. The increase in full-time employment of 10,000 jobs reversed a fall of similar magnitude in October, and helped to push the State's unemployment down by 0.1ppt to 3.5 per cent.

The WA labour market seems to have settled on a relatively steady course for now. Employment is trending up at a modest rate equating to 1.3 per cent growth per annum. The unemployment rate is up from the low of 2.9 per cent recorded in April of this year, to be close to its 12-month average of 3.4 per cent. WA's participation rate remains the highest among the states at 68.9 per cent, but has eased from the 70.1 per cent recorded earlier in the year.

The state's Mid-year Review was released last week, and included an upward revision to 3 per cent in state final demand growth for 2022-23. However, the WA economy may still face headwinds as we head into 2023. Recent figures show a fall in business investment in the September quarter, and a sharp fall in business confidence in the December quarter, which may translate into softening employment demand in coming months.



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

Nationwide employment rises in November

The number of employed people in Australia increased by over 64,000 in the month to November 2022, recovering after a relatively stagnant October and taking national employment to over 13.7 million.

Six out of eight states and territories recorded a rise in the number of people employed over the month to November with VIC (adding 30,800 more workers) as the primary driver of employment growth, followed by NSW (+29,800). WA saw the number of employed people increase by 7,400 over the month. The biggest employment fall was in ACT (down 2,600 over the month), along with a minor fall in SA (down 1,300).

Part-time and full-time employment grew nationally over the past month, with full-time employment up by 34,200 and part-time workers rising by 29,800. The growth in national full-time employment was driven primarily by an increase of 21,800 in the number of full-time workers in QLD, and growth of 13,500 in VIC. The number of full-time workers in WA rose by 10,000 in November, while NSW recorded the biggest drop in full-time employment - down by 16,500 over the month. Meanwhile, most of the growth in part-time employment in November was driven by large increases in NSW (+46,300) and VIC (+17,400), offset by falls in QLD (-18,400), ACT (-3,900) and WA (-2,600).

Looking to year-on-year measures, all states and territories have recorded an increase in full-time employment compared to November 2021. Nationally, part-time employment grew by 5.8 per cent over the year, with strongest growth in the two territories of NT (+8.0%) and ACT (+6.7%). All states other than SA recorded year-on-year full-time employment growth rate of over 4 per cent. Part-time employment has increased by 0.6 per cent nationally compared to November 2021, with the NT (+8.0%) and NSW (+6.0%) leading the way. WA (-5.7%), VIC (-1.9%), and QLD (-1.0%) recorded falls in part-time employment over the year.

Unemployed to job vacancies ratio rises, but labour market remains tight

Over the month to November, the ratio of unemployed people to online job vacancies rose by 0.1 points to 1.8 persons, suggesting that the labour market may be loosening slightly. The marginal increase in the ratio was driven by the combination of an increase in the number of unemployed and a fall in the number of job vacancies.

The rise in the number of unemployed people per job vacancy ratio appears to be at odds with other labour market indicators in November – particularly the record national participation rate coupled with the low unemployment rate recorded this month. However, vacancies are often seen as a leading indicator of the labour market, so the trend of falling job vacancies may be suggestive of a looming slowdown in labour demand, irrespective of this month's solid labour force figures.

In November, 5 out of 8 states and territories recorded a rise in the ratio of unemployed people to job vacancies, led by NSW (+0.2pts), whilst WA, QLD and VIC all recorded a 0.1pt gain, and SA a small rise that left the ratio unchanged in rounded terms. In contrast, TAS, the NT and the ACT all recorded a fall of 0.2pts in the ratio.

The ACT labour market continues to grow ever tighter, with the 0.2 point fall over the month taking the territory's ratio to 0.8 unemployed people per job vacancy. Following the ACT, but by some margin behind, are NSW, QLD and the NT (each at 1.7 unemployed people per vacancy), along with WA (1.8) and VIC (1.9). TAS (3.0) and SA (2.7) lead the nation with the highest ratio of unemployed persons per job vacancy.

National participation rate soars, returns to record-high level

The national labour force participation rate rose by 0.2ppt to a record-high 66.8 per cent in November, last matched in June 2022. The participation rate for women and men rose by 0.2ppt each over the month, with women's participation climbing back to a record-high 62.4 per cent and men's participation reaching 71.3 per cent.

The male labour force participation rate increased in 6 out of 8 states and territories, led by strong increases in the NT (+1.6ppt), TAS (+0.7ppt), NSW (+0.6ppt) and VIC (+0.4ppt). Only the ACT (down 0.3ppt) and QLD (down 0.1ppt) experienced a fall in male labour force participation in November.

Women's labour force participation rates closely tracked those for men, led by gains in the NT (+1.2ppt), VIC (+0.4ppt) and NSW and TAS (+0.3ppt each). Labour force participation fell precipitously for women in the ACT, by 2.3ppt over the month. A large fall in the female labour force participation rate was also recorded in SA (down 0.5ppt).

Looking to year-on-year measures, participation rates for both men and women are significantly higher than in November 2021. At the national level, labour force participation is 0.6ppt higher overall, with national participation rates for women and men sitting, respectively 0.7 and 0.5ppt higher than this time last year. Changes in labour force participation rates have been mixed across the states and territories. NT saw the strongest increase in the overall participation rate growth (+3.1ppt), followed by NSW (+1.9ppt) and the ACT (+1.7ppt). Participation rates fell WA (-0.7ppt), SA (-0.3ppt) and QLD (-0.2ppt) compared to November 2021.

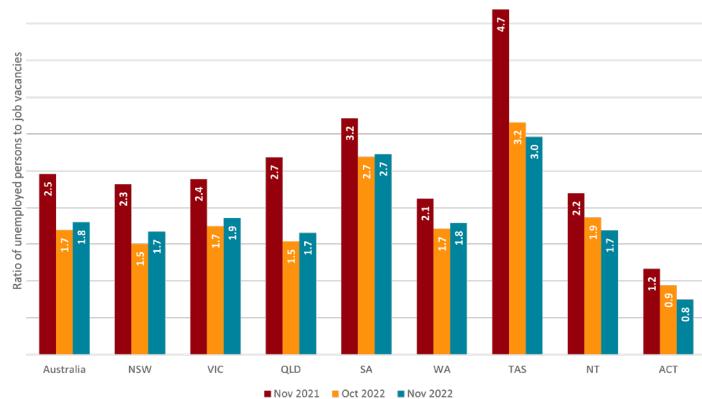
Table 1: Employment changes – states and territories

Employed Persons ('000)	Change from:		Change from October 2022 ('000)		Change (%) from November 2021				
	November 2022	October 2022 ('000)	Rank	November 2021 (%)	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	13,769.4	+64.0	---	▲ +4.2%	---	+34.2	+29.8	▲ +5.8%	▲ +0.6%
NSW	4,322.9	+29.8	2	▲ +6.2%	2	-16.5	+46.3	▲ +6.2%	▲ +6.0%
VIC	3,532.5	+30.8	1	▲ +3.6%	6	+13.5	+17.4	▲ +6.2%	▼ -1.9%
QLD	2,790.1	+3.4	5	▲ +3.9%	5	+21.8	-18.4	▲ +6.2%	▼ -1.0%
SA	920.3	-1.3	7	▲ +1.6%	7	-9.2	+7.9	▲ +1.7%	▲ +1.5%
WA	1,511.5	+7.4	3	▲ +1.4%	8	+10.0	-2.6	▲ +4.9%	▼ -5.7%
TAS	292.0	+4.1	4	▲ +4.5%	4	+0.8	+3.3	▲ +5.2%	▲ +3.3%
NT	144.0	+3.4	5	▲ +8.7%	1	+2.0	+1.5	▲ +8.9%	▲ +8.0%
ACT	258.6	-2.6	8	▲ +5.7%	3	+1.3	-3.9	▲ +6.7%	▲ +2.5%

Notes: Seasonally adjusted values are used.

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

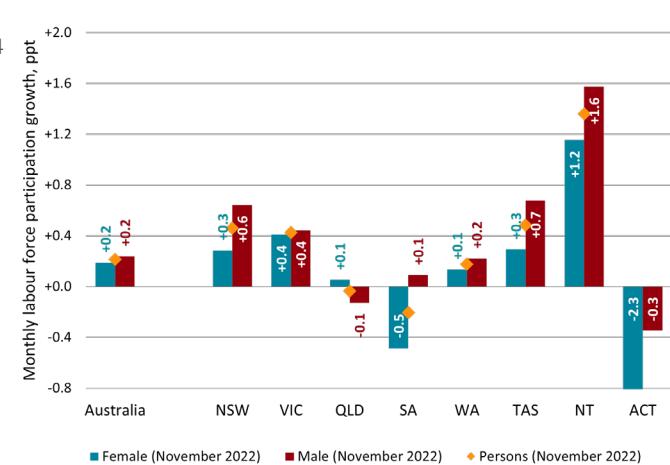
Figure 1: Ratio of unemployed persons per job vacancy



Notes: Seasonally adjusted values are used.

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

Figure 2: Monthly change in labour force participation



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

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

National unemployment holds firm at near-record low

The national unemployment rate held steady at 3.4 per cent in November 2022, despite there being an increase of nearly 7,400 in the number of people unemployed over the month. The 3.4 per cent unemployment rate for October and November 2022 marks the lowest rate recorded since August 1974. We previously reported that same record for July of this year, but revisions to reflect population benchmarks from the 2021 Census nudged the July 2022 figure up to 3.5 per cent.

Changes in unemployment rates across the country were mixed, with rates dropping in four of eight states and territories. The biggest unemployment rate falls were in the ACT (down 0.6ppt), the NT and TAS (down 0.4ppt each) and WA (down 0.1ppt). For the ACT, the unemployment rate reduction over the month was largely driven by a sharp fall in participation, resulting in a 4,300 drop in the size of the labour force.

Unemployment rates remained unchanged in VIC, QLD and SA over the month to November. **The unemployment rate in NSW increased by 0.2ppt to 3.2 per cent over the past month, driven by a 9,200 increase in the number of unemployed people.**

The ACT enjoyed the lowest unemployment rate across all jurisdictions in November (2.5%) aided by a sharp fall in the size of its labour force. QLD and the NT each recorded unemployment rates of 3.3 per cent, with slightly higher rates in WA and TAS (3.5% each).

Table 2: Unemployment changes: states and territories

	Unemployment Rate November 2022	Rank	Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
			October 2022	November 2021	November 2022	October 2022	November 2021
Australia	3.4%	--	0.0	-1.2	491.7	▲ +7.4	-143.9
NSW	3.2%	2	▲ +0.2	-1.4	143.8	▲ +9.2	-52.2
VIC	3.7%	7	0.0	-1.0	134.2	▲ +0.2	-34.0
QLD	3.3%	4	0.0	-1.4	95.0	▲ +0.6	-38.5
SA	4.1%	8	0.0	-0.5	39.1	▼ -0.7	-4.3
WA	3.5%	5	▼ -0.1	-0.3	54.2	▼ -1.3	-5.1
TAS	3.5%	6	▼ -0.4	-1.6	10.6	▼ -1.2	-4.4
NT	3.3%	3	▼ -0.4	-1.2	4.9	▼ -0.6	-1.4
ACT	2.5%	1	▼ -0.6	-1.4	6.6	▼ -1.8	-3.2

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 falls marginally in November

National underemployment fell slightly, by just 0.1ppt over the month to November 2022 due to a 0.2ppt decrease in men's underemployment.

Underemployment remained relatively stable overall over the month, with underemployment ratios changing by no more than a percentage point for either men or women in most states.

Despite male underemployment falling over the month, **only 3 out of 8 states and territories recorded a fall in male underemployment, led by decreases in the ACT (-0.7ppt) and NSW (-0.5ppt) and a marginal fall in VIC (-0.1ppt).** The greatest increases were recorded in TAS (+0.8ppt), the NT (+0.6ppt) and SA (+0.2ppt).

Underemployment remains substantially higher for women than men in most state jurisdictions, with the two territories the only exceptions to the rule. NT posted the largest fall in female underemployment (-2.1ppt), followed by TAS (-0.7ppt), WA and NSW (-0.2ppt each). The underemployment ratio for women rose by 0.6ppt in ACT and by 0.4ppt in SA. The situation improved slightly for women in WA, with a 0.2ppt decrease in underemployment ratio. Meanwhile, VIC and QLD remained steady.

Year-on-year measures show that underemployment has fallen across the board compared to November 2021, with a net reduction of 1.8ppt in the national underemployment ratio for both women and men. Male underemployment fell by 2.4ppt in NSW and by 1.9ppt in VIC. Underemployment ratios for women improved over the past year in the eastern states, falling by 2.3ppt in NSW and by 1.5ppt in VIC.

Figure 3: 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 4: Women's unemployment rate falls marginally



Notes: Seasonally adjusted values are used

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

The national unemployment rate remained steady over the month to November 2022, with a 0.1ppt decrease in female unemployment offset by a 0.1ppt increase in male unemployment. Nationally, the unemployment rate for women (3.5%) is now only marginally higher than the rate for men (3.4%).

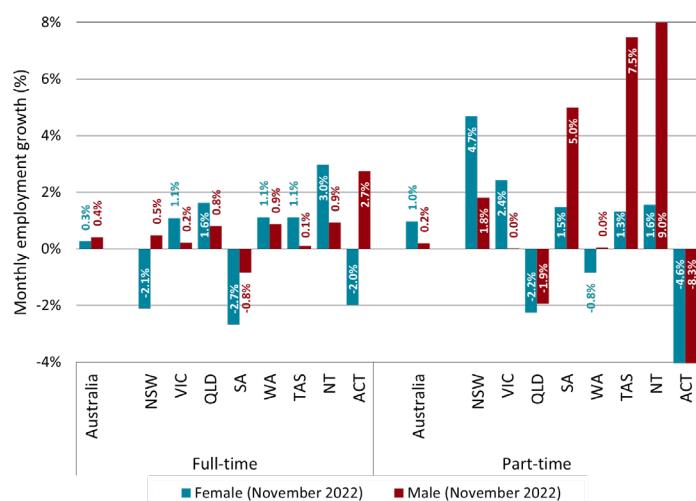
The increase in the male unemployment rate was driven by large rises in VIC (+0.6ppt) and NSW (+0.4ppt) that more than offset smaller reductions in the ACT (-1.0ppt), QLD, WA, TAS and the NT (-0.3ppt each). SA recorded a minor fall of 0.1ppt.

Unemployment rates for women increased in QLD and WA (by 0.3ppt and 0.1ppt, respectively) but fell in VIC (down 0.8ppt), the NT (down 0.7ppt) and TAS (down 0.5ppt).

National unemployment rates are still lower compared to a year ago, having fallen by 1.2ppt for men and 1.1ppt for women. Male unemployment rates have improved most strongly in QLD, falling 2.0ppt compared to November 2021. Unemployment rates for women have reduced significantly in TAS and NT, with rates falling by 2.3ppt and 2.0ppt respectively over the year.

The changes in unemployment for WA were less pronounced over the year for both women and men, but this is largely because rates have been at historical lows for most of the period. The unemployment rate for men in WA fell 0.6ppt to 3.3 per cent for men in the year to November 2022, whilst rates for women remained unchanged on a year-on-year comparison, at 3.7 per cent.

Figure 5: Employment up across the board, but women's full-time shaky



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

Full-time and part-time employment grew for both women and men nationally over the month to November 2022. The number of women in part-time employment grew by 1 per cent over the past month, while male part-time employment grew by 0.2 per cent. Full-time employment growth was similar for both men and women over the month, rising by 0.4 and 0.3 per cent, respectively.

Male part-time employment grew 1.8 per cent in NSW over the month to November 2022, but fell by 1.9 per cent in QLD. The number of women in part-time employment rose by 4.7 per cent in NSW and by 2.4 per cent in VIC. However, the situation was somewhat different in other jurisdictions. Female part-time employment dropped by 2.2 per cent drop in QLD and by 0.8 per cent in WA.

Female full-time employment dropped by 2.1 per cent drop in NSW over the last month, and by 2.7 per cent in SA. However, the number of women working full-time rose 1.6 per cent in QLD over the same period.

Full-time employment in WA strengthened by 1.1 per cent for women and by 0.9 per cent for men.

Youth employment trends following the national example

National youth unemployment followed more or less the same path as overall unemployment in November 2022, with no significant shifts over the month. Much like seasonally adjusted national participation, seasonally adjusted youth labour force participation rose 1.9 percentage points to 73.1 per cent over the month - the highest youth labour market participation rate on record.

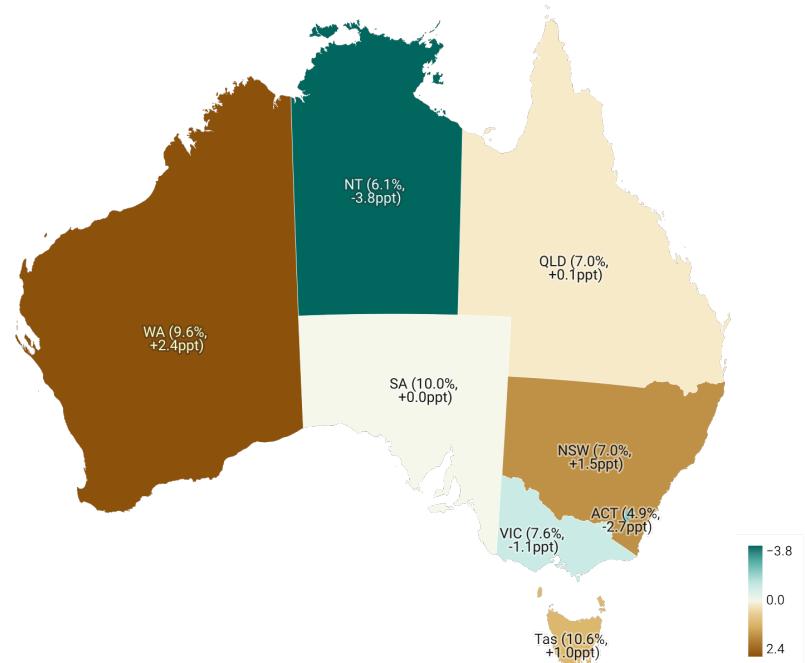
WA recorded the largest increase out of all the states and territories in the rate of youth unemployment, with a 2.4 percentage point rise over the month to November 2022. This increase was likely driven by a significant growth in the youth labour force participation rate in WA, rising by 2.6 percentage points - the largest increase in participation since May 2021. This brings the youth labour force participation rate in WA to its highest level since 2008 (75.6%).

The youth unemployment rate rose by 1.5ppt to 7% in NSW over the month to November 2022, but dropped by 1.1ppt in VIC.

The national youth unemployment rate is well and truly below where it sat in November 2021, having fallen 3.3 percentage points to 7.7 per cent over the year. The eastern states were the primary driver of this shift; with QLD having fallen 4 percentage points, NSW 3.4 percentage points, and VIC 4.8 percentage points over the year to November 2022. **The youth unemployment rate in WA has fallen by a lower margin over the year, down 1.1 percentage points to 9.6 per cent.**

Figure 6: Youth unemployment: monthly change, states and territories

Youth unemployment rate Australia: (7.7%, +0.0ppt)



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

Notes: Seasonally adjusted values are used

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

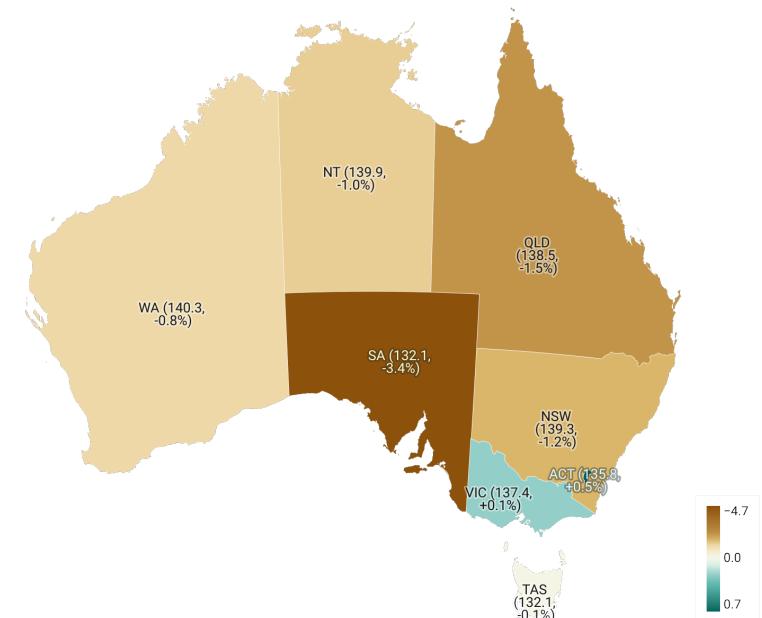
Average hours worked slowdown, but WA putting in elbow grease Figure 7: Average monthly hours worked, per cent change: states and territories

National average hours worked fell by 0.9 per cent between October and November 2022 to an average of 138.1 hours worked per month. Every state in Australia recorded a reduction in average hours. **SA experienced the most dramatic shift, with average monthly hours worked falling 3.4 per cent to a total average of 132.1.** This matches TAS for the lowest average monthly hours worked across the country.

Montly hours worked in QLD fell 1.5 per cent to an average of 138.5 in November 2022, with NSW recording the third largest decrease over the month - down 1.2 per cent to 139.3 hours worked on average. Average monthly hours fell by 0.8 per cent in WA, but the state still has the highest average monthly hours worked out of all jurisdictions at 140.3 hours worked on average.

Average hours worked may have seen a slight drop over the month, but on a year-on-year comparison, average hours worked in November 2022 is roughly 1.1 per cent greater than average hours in November 2021. WA had the largest year-on-year increase out of all the states and territories; with average hours increasing by 2.1 per cent compared to the year prior. The next largest increase was observed in VIC, up 1.6 per cent over the year. SA was the only state to experience a year-on-year reduction in average monthly hours.

Average monthly hours - Australia (138.1, -0.9%)



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

Notes: Seasonally adjusted values are used

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

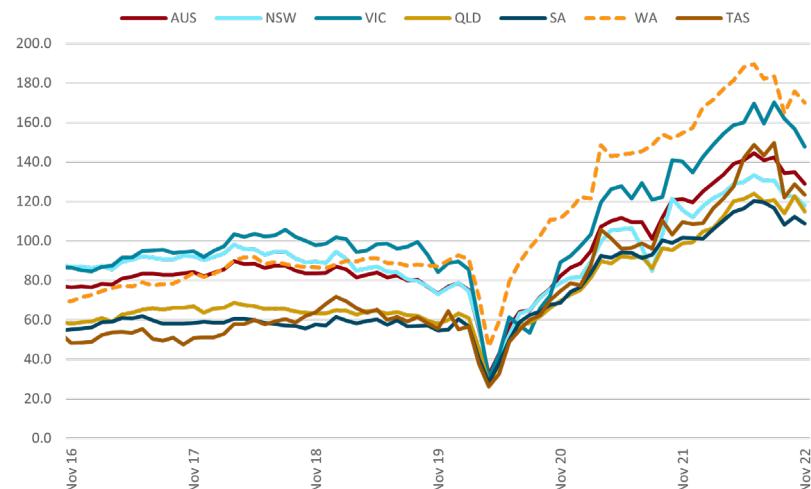
Vacancies past the peak as labour demand on the downswing

The National Skills Commission Internet Vacancy Index continued its downward trajectory over past month, dropping by 4.4 per cent over the month to November 2022. This comes after a brief respite in October when the index rose by 1.1 per cent.

Although not as high as the 5.7 per cent fall in September, this decrease may still be a sign that labour demand is moderating as a result of weakening business sentiment and further increases in the RBA cash rate.

Internet vacancy rates fell in the eastern states over the past month, particularly in VIC (down 5.8 per cent) and QLS (down 6.3 per cent). Online vacancy rates fell by 3.7 per cent in NSW over the month to November 2022, the third-highest decrease of the states, and by 3.2 per cent in WA.

Figure 8: Change in Internet Vacancy Index: November 2016 to November 2022



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

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





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

