



June 2024

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

- Run of strong employment growth extends into third month.
- Unemployment rate back up to 4.1 per cent as more women enter the labour force.
- A 6th of August increase in the official cash rate now firmly on the cards.

Jobs surge heightens chance of an interest rate rise

Nationally the number of persons in employment increased by 50,200 in the month of June 2024, rounding off a quarter of very robust employment growth. As it happens, the increase in the number of employed persons in June almost exactly matched the ABS' estimate of the rate at which the working-age population is currently expanding, at 49,600 persons per month.

Don't be fooled by the increase in the headline unemployment rate from 4.0 per cent to 4.1 per cent. The labour market remains strong, with the unemployment rate edging over 4 per cent only due to near record rates of participation and the ongoing influx of working-age migrants. The participation rate increased 0.1ppt to 66.9 per cent in June, just shy of the all-time record of 67.0 per cent. The unemployment rate actually increased by just one-half of a percentage point, helped to 4.1 per cent by a good deal of rounding, and the trend estimate remains at 4.0 per cent.

It was already clear from the May labour force figures that the current rate of employment growth is higher than that consistent with Treasury's scenario for inflation returning to the Reserve Bank of Australia's (RBA's) target of 2-3 per cent per annum over 2024-25. The increase in jobs in June was the largest in four months, and marked the second consecutive month of very strong growth in full-time employment, which is now trending up at an annualised growth rate of over 4 per cent.

For the record, we can now compare the actual June quarter 2024 figures to the projections contained in the recent May federal budget. Employment growth in the 12 months to the June quarter came in at 2.72 per cent, almost half a percentage point above the projected 2.25 per cent; and the participation rate was 66.8 per cent compared to a projected 66.5 per cent. The budget projection for the unemployment rate was spot on at 4.0 per cent for the quarter but for the wrong reasons, having assumed fewer jobs and people starting to drop out of the labour force.

The critical June monthly and quarterly consumer price index (CPI) figures will be released at the end of July, a week before the RBA Board meeting on 5-6 August. The Board pays most attention to the quarterly CPI figure, as it is based on price changes for the full basket of goods and

services included in the index. Given monthly figures for April and May of 3.6 per cent and 4.0 per cent respectively, the June quarterly CPI is very unlikely to be heading in the right direction from the March quarter figure of 3.6 per cent.

The likely increase in the quarterly CPI figure for June would surely test the RBA's patience, given the absence of any signs of employment growth faltering in the June labour force figures.

A tale of two mining states

The two key mining states of WA and Queensland had the highest rates of employment growth in the 12 months to June, at 5.0 per cent and 4.2 per cent, respectively. At first blush, that might suggest the mining sector is propping up the national economy. However, more detailed employment figures by state and industry, released at the end of June, tell a different story. Employment in mining in Queensland increased by 9.5 per cent over the year to May 2024. In contrast, jobs in WA's mining sector had fallen by 17.6 per cent. Nationally the sector has shed 35,300 jobs (-10.9%) since May last year, with 31,000 of those jobs lost in WA.

Ominously, since those figures were collated, there has been a run of further announcements of rationalisations in mining and related industries in WA. These include the closures of the Ravensthorpe Nickel mine and BHP's Nickel West operations, and redundancies at Fortescue Minerals Group.

As detailed in this month's MLMU, by far the fastest growing industry over the past 12 months has been Electricity, Gas, Water and Waste Services, with employment up by 38.9 per cent and way ahead of the 13.5 per cent growth recorded for the second-placed real estate sector. In absolute numbers, employment in Health Care and Social Assistance expanded by 121,600 jobs, double the number created in second-placed Electricity, Gas, Water and Waste Services.

Employment over the year has also grown more than twice as fast in the public sector (5.9%) than the private sector (2.0%). These sectoral shifts are unlikely to be particularly conducive to productivity or real wage growth, particularly the decline in jobs in the relatively highly paid mining sector.

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Labour market fundamentals

Key takeaways

- The number of employed persons in Australia increased by 50,200 in June 2024, resulting primarily from an increase in full-time employment by 43,300 workers.
- Across gender lines, employment increased 0.4 per cent for men and 0.3 for women.
- National participation rate increased 0.1ppt to 66.9 per cent, just below its record high of 67.0 per cent.

The Australian labour market recorded its fourth consecutive monthly increase in the number of employed persons, rising by 50,200 workers in June 2024 (Table 1), largely from 43,300 extra full-time positions, with part-time employment rising by 6,800 people. Sizeable increases in full-time employment were recorded in QLD (+24,400 workers), followed by SA (+16,200) and VIC (+13,900).

Overall employment growth was more or less balanced across gender, with 0.4 per cent more male workers and 0.3 per cent more female workers employed over the past month. Full-time employment increased 0.5 per cent for men and 0.2 for women (Figure 1).

At the state level, female full-time employment increased the most in SA (+1.7%), VIC (+1.5%), and WA (+0.6%) and dropped in TAS (-1.9%) and QLD (-0.9%). On a yearly basis, female full-time employment saw substantial growth in NT (+5.2%) and WA (+3.6%), and major drops in SA (-6.7%) and VIC (-3.3%).

For men, full-time employment had the greatest monthly increase in QLD by 2.4 per cent followed by a 1.3 per cent increase in WA, while dropping for TAS (-1.7%) and VIC (-0.5%). Comparatively, men saw the highest yearly growth in full-time employment in VIC (+4.3%) and WA (+4.1%), and major drops in TAS (-2.5%) and SA (-1.1%).

The national labour force participation rate rose 0.1ppt to 66.9 per cent (Figure 2) last month, bringing participation close to the record high of 67.0 per cent recorded in November 2023.

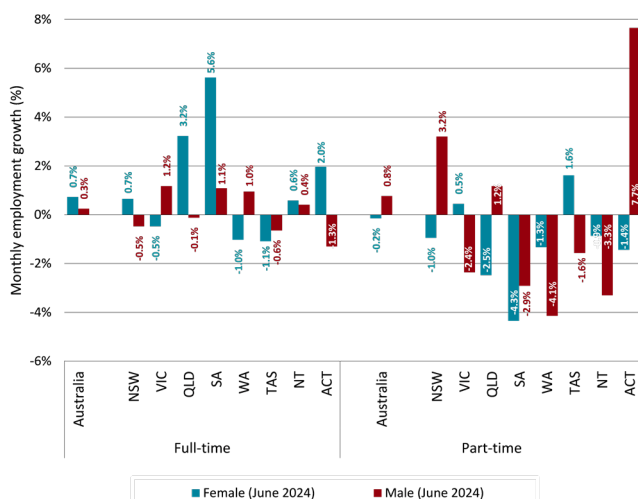
Women led this growth in labour market engagement, with female participation rates increasing 0.2ppt to 62.9 per cent over the month, while the male rate held steady at 71.0 per cent.

Table 1: Employment changes – states and territories

	Employed Persons ('000)	Change from:				Change from May 2024 ('000)		Change (%) from June 2023	
		June 2024	May 2024 ('000)	Rank	June 2023(%)	Rank	Full-Time	Part-time	Full-Time
Australia	14,406.1	+50.2	---	▲ +2.8%	---	+43.3	+6.8	▲ +1.2%	▲ +6.3%
NSW	4,449.8	+5.9	3	▲ +1.7%	6	-0.7	+6.6	▲ +0.0%	▲ +6.1%
VIC	3,747.8	+8.2	2	▲ +3.0%	4	+13.9	-5.6	▲ +1.3%	▲ +6.7%
QLD	2,960.6	+12.1	1	▲ +4.2%	2	+24.4	-12.4	▲ +3.2%	▲ +6.5%
SA	939.1	+3.1	4	▲ +0.0%	7	+16.2	-13.1	▼ -3.2%	▲ +6.8%
WA	1,607.4	-8.9	8	▲ +5.0%	1	+2.4	-11.3	▲ +4.0%	▲ +7.4%
TAS	283.9	-0.8	7	▼ -0.8%	8	-1.5	+0.6	▼ -2.1%	▲ +1.5%
NT	138.9	+0.0	6	▲ +2.2%	5	+0.5	-0.5	▲ +3.5%	▼ -2.6%
ACT	271.3	+1.8	5	▲ +3.1%	3	+0.4	+1.4	▲ +1.4%	▲ +8.5%

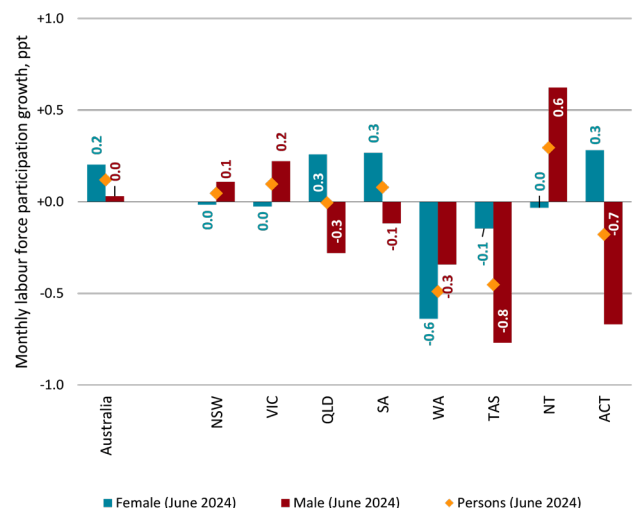
Notes: Seasonally adjusted values are used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 1: Employment growth by state and gender



Notes: Seasonally adjusted values are used. Figures show change from May 2024 to June 2024. ACT and NT estimates are generally more volatile than other states. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 2: Monthly change in labour force participation



Notes: Seasonally adjusted values are used. Figures show change from May 2024 to June 2024. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Underemployment and unemployment

Key takeaways

- The national unemployment rate in Australia increased 0.1ppt to 4.1 per cent in June 2024.
- National unemployment rate increased 0.2ppt for women and fell -0.1ppt for men.
- The national underemployment ratio sat at 6.7 per cent, up 0.3ppt.

The national unemployment rate in Australia rose by 0.1ppt to 4.1 per cent in June 2024, translating to 9,700 more unemployed people over the past month (Table 2). The two largest states of NSW and VIC collectively added 13,100 unemployed people to the national count, offset by 4,500 fewer unemployed people in QLD.

In share terms, the strongest increases were in NT (up 0.5ppt to 3.7%), WA (up 0.2ppt to 3.8%) and NSW and VIC (up 0.1ppt to 3.9% and 4.5%, respectively).

The number of women entering unemployment increased by 14,600 nationally over the month, mostly due to a 0.4ppt increase in WA's female unemployment rate to a 3.9 per cent rate (+3,100 persons), followed by NSW and VIC, both up 0.2ppt to 3.8 per cent and 4.8 per cent respectively.

The national underemployment ratio sat at 6.7 per cent, dropping 0.3ppt over the month to June 2024. Results were led by a 0.7ppt drop for women (down to 7.9%), and remaining virtually unchanged for men (at 5.6%).

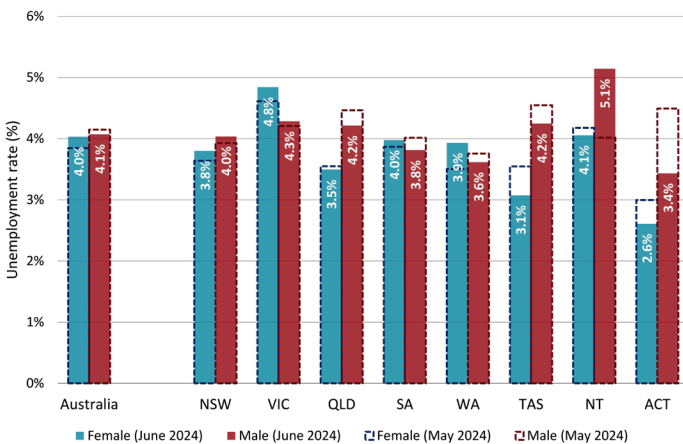
The drop in women's underemployment was primarily driven by WA (down 1.0ppt to 6.7%) and TAS (down 0.9ppt to 8.8%), while NSW and VIC both saw a 0.6ppt decrease to 7.0 per cent and 8.7 per cent, respectively. As of men, mixed results were evidenced among states, with a major increase in QLD (up 0.9ppt to 6.6%), countered by SA (down 0.4ppt to 5.9%).

Table 2: Unemployment rates and changes: states and territories

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)		Change ('000) from:	
	June 2024	Rank	May 2024	June 2023	June 2024	May 2024	June 2023	
Australia	4.1%	--	▲ +0.1	+0.6	608.2	▲ +9.7	+95.8	
NSW	3.9%	6	▲ +0.1	+0.9	181.7	▲ +6.7	+48.3	
VIC	4.5%	7	▲ +0.1	+0.8	178.5	▲ +6.5	+38.2	
QLD	3.9%	4	▼ -0.1	+0.2	118.9	▼ -4.5	+9.1	
SA	3.9%	5	0.0	-0.3	38.0	▼ -0.5	-3.0	
WA	3.8%	3	▲ +0.2	+0.2	62.8	▲ +1.8	+5.1	
TAS	3.7%	2	▼ -0.4	0.0	10.8	▼ -1.2	-0.1	
NT	4.6%	8	▲ +0.5	+0.5	6.7	▲ +0.8	+0.9	
ACT	3.0%	1	▼ -0.8	-1.0	8.5	▼ -2.1	-2.6	

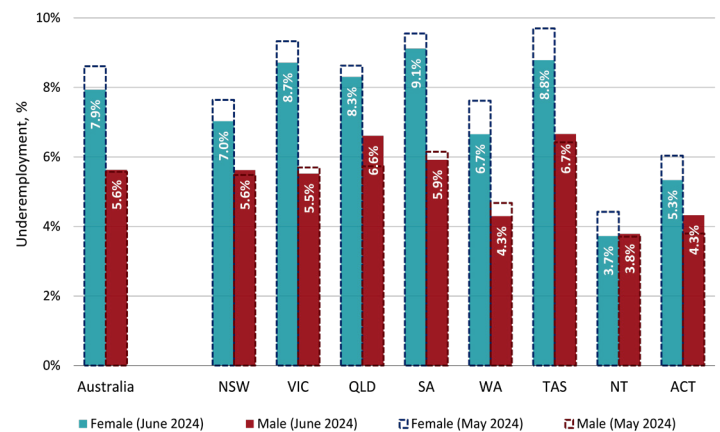
Notes: Seasonally adjusted values are used. State and territory numbers of unemployed people do not sum to the figures for Australia due to ABS seasonal adjustment methods. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 3: Unemployment rate by state and gender



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

Figure 4: Underemployment ratio by gender: states and territories



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

Strength of the labour market

Key takeaways

- Internet vacancies fell by 4.2 per cent over June, decreasing in every state and territory.
- Vacancies saw declines across all major occupation groups; community and personal service workers seeing the largest decline nationally (-6.4%).
- Average hours of work per worker increased 0.4 per cent, driven by a 1.4 per cent increase in WA.

The Internet Vacancy Index dropped by 4.2 per cent in June 2024, continuing its slow ongoing decline from the peak of vacancies observed in early 2022 (Figure 5). Declines in vacancies were observed in every state and territory in Australia this month; QLD recorded the smallest decline (-2.2%) whilst TAS recorded a dramatic 13.7 per cent fall in internet vacancies.

Vacancies also declined in all major occupation groups at the national level (Table 3). Machinery operators and drivers saw the smallest decline in vacant positions at just 0.8 per cent, thanks to mild increases in vacant positions in SA (+0.5%) and WA (+0.6%), whilst community and personal service workers saw a sharp 6.4 per cent drop in internet vacancies, driven by a 9.8 per cent drop in vacancies in SA.

Complementing results in internet vacancies, the ratio of unemployed persons to vacant positions provides a useful indicator of labour market “tightness” and the recent release of the ABS quarterly vacancy series provides an opportunity to update the series to May 2024 (Figure 6).

The ratio of unemployed people to job vacancies increased by 0.1 over the most recent quarter to May 2024, up to 1.7 unemployed persons per vacancy. This is consistent with a slight easing in relative labour demand. At the state level, the greatest increase was observed in WA (up 0.4 to 1.8 unemployed persons per vacancy), followed by VIC (up 0.2 to 2.0 employed persons per vacancy). The lowest ratio of all states and territories was SA with 1.4 unemployed persons per vacancy (up 0.1ppt).

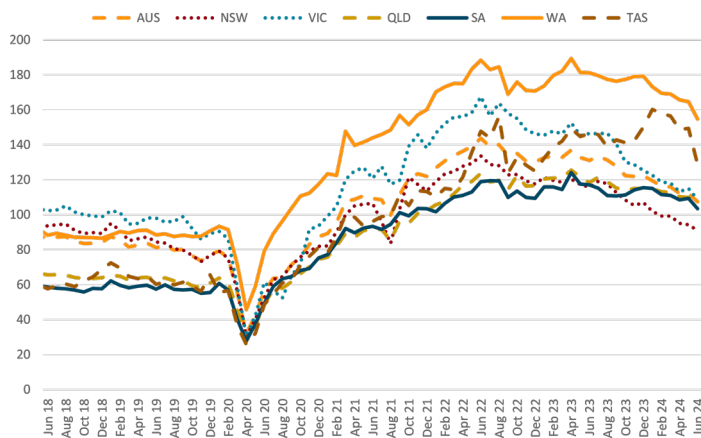
Whilst vacancies declined this month, average hours worked per worker saw a 0.4 per cent increase over the month of June 2024, with every state seeing an increase in hours (and every territory seeing a decrease). WA saw the most notable jump in average monthly hours worked, with a 1.4 per cent increase to a high of 141.0 hours per worker. TAS, meanwhile, continued to have the lowest hours worked per worker at just 129.8 hours, despite a 0.8 per cent increase this month.

Table 3: Change in Internet Vacancy Index, by Occupation: April 2024 to May 2024

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	-4.3%	-3.1%	-5.7%	-2.3%	-7.1%	-7.9%	-21.6%	+0.9%	-2.0%
Professionals	-4.4%	-3.5%	-6.6%	-0.6%	-5.9%	-6.7%	-21.1%	-5.5%	-1.9%
Technicians And Trade Workers	-3.8%	-1.9%	-4.4%	-3.8%	-4.7%	-4.2%	-11.4%	-4.3%	-10.4%
Community And Personal Service Workers	-6.4%	-5.8%	-7.6%	-3.3%	-9.8%	-7.7%	-9.0%	-14.1%	-9.2%
Clerical And Administrative Workers	-5.0%	-4.6%	-6.2%	-3.6%	-5.4%	-7.0%	-12.2%	-6.1%	-2.3%
Sales Workers	-4.3%	-3.0%	-2.2%	-4.0%	-2.9%	-10.9%	-14.4%	-5.5%	-11.4%
Machinery Operators And Drivers	-0.8%	-0.2%	-1.6%	-1.4%	+0.5%	+0.6%	-12.7%	-14.7%	+1.2%
Labourers	-2.8%	-2.6%	-3.5%	-1.6%	-4.4%	-5.9%	-0.3%	-10.5%	-1.8%
Total	-4.2%	-3.4%	-5.4%	-2.2%	-5.4%	-6.0%	-13.7%	-6.3%	-4.1%

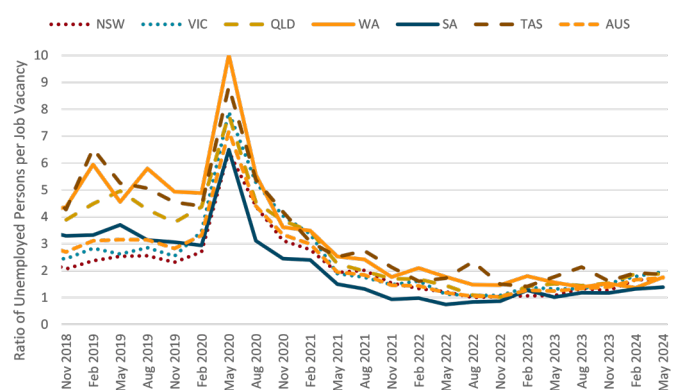
Notes: Seasonally adjusted values are used. State and territory numbers of unemployed people do not sum to the figures for Australia due to ABS seasonal adjustment methods. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 5: Internet vacancy index, by state: June 2018 to June 2024



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

Figure 6: Ratio of unemployed persons per job vacancy, by state: November 2018 to May 2024



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

Labour market dynamics

Key takeaways

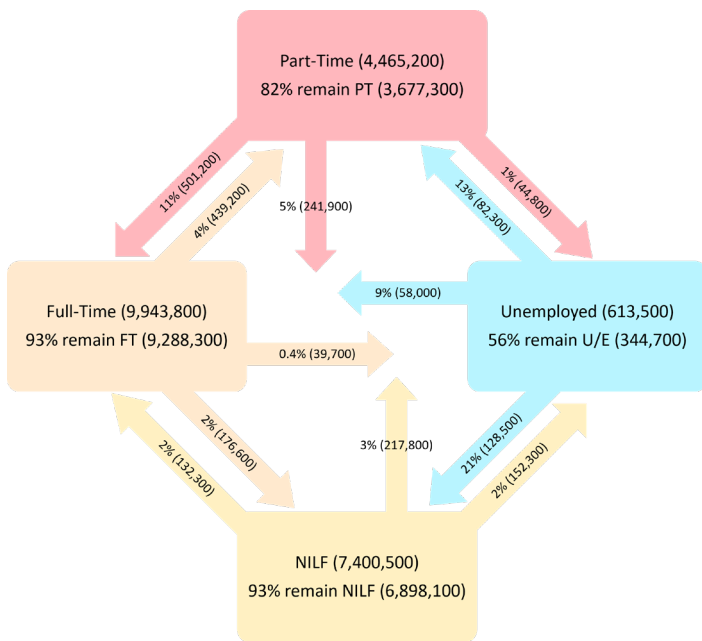
- An estimated 44,600 people left the labour force between May and June 2024.
- The main driver over the month was a net outflow of 44,300 people from full-time employment to non-participation.
- There was an offsetting net inflow of 36,000 into full-time work, principally from those previously working part-time.
- Youth unemployment fell by 0.3ppt nationally, but up 1.8ppt in WA and 2.9ppt in NT.

The ABS maintains a labour flows series that tracks the labour market status of a matched sample of respondents who are present in the labour force survey in two consecutive months. Using these data, we estimate there to have been a net outflow of 44,600 people who left the labour force between May and June 2024, driven primarily by 44,300 full-time workers leaving the labour force over the month. Despite this, there was a net inflow of 36,000 people into full-time employment, with 62,000 people moving from part-time to full-time employment, and an additional 18,300 formerly unemployed people moving to full-time work.

Youth unemployment dropped by 0.3ppt over the month of June 2024, driven by declines in youth unemployment

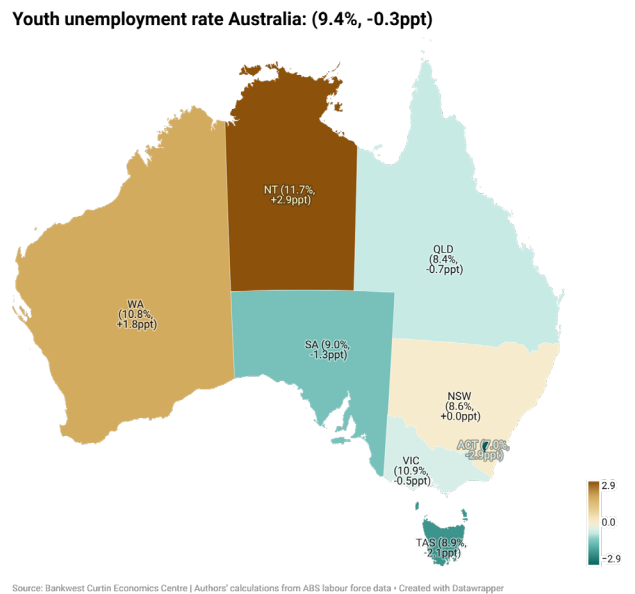
in every state save VIC (which saw no notable shift) and WA, where youth unemployment increased by 1.8ppt up to 10.8 per cent (Figure 8). The NT also saw a jump in youth unemployment over the month, increasing by 2.9ppt up to 11.7 per cent; whereas the ACT saw the exact opposite swing down to 7.0 per cent, giving the territories the lowest and the highest youth unemployment rates in the country. WA's notable increase in youth unemployment lines up with a major decline in part-time employment in the state for both women and men, which may be indicative of an overall reduction in positions across the part-time sector in the state.

Figure 7: Labour force flows: May 2024 to June 2024



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. Around 79 per cent of ABS survey respondents in May 2024 were also present in the June 2024 survey. Due to rounding and scaling, figures may 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 ...

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



Notes: Seasonally adjusted values are used. Figures show change from May 2024 to June 2024. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

Employment by industry

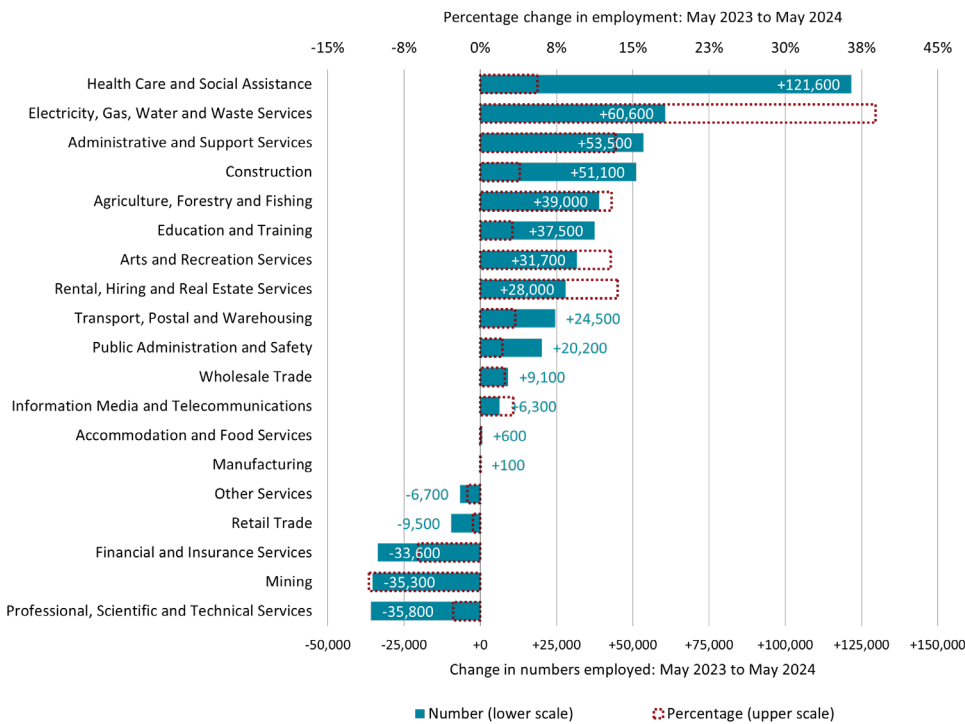
Key takeaways

- Health care and social assistance saw 121,600 additional workers over the year (+5.6%).
- Electricity, gas, water, and waste services saw the largest per-cent increase (+38.9%).
- Notable decline in mining jobs (-35,300 workers), seemingly driven by a drop in WA (-31,000 workers).

When looking at a more detailed breakdown of jobs by industry over the year to May (Figure 9), some interesting details become apparent that are indicative of the state of Australia’s current labour market. Whilst health care and social assistance workers continue to sit ahead of the pack in terms of headcount job growth over the last 12 months (+121,600 new jobs), electricity, gas, water, and waste services jobs saw a notable per-cent jump (+38.9%, 60,600 new jobs) in employed persons over the same period. This increase may reflect increased investment into the clean energy sector and a number of new clean energy projects creating new jobs across the country. Conversely, there has been a notable decline in mining

sector jobs over the last 12 months (-35,300 jobs, -10.9%). This decline was particularly concentrated in WA (-31,000 jobs, -17.6%), a concerning indicator given the mining industry’s importance to that state’s economy. VIC, meanwhile, saw a dramatic drop in the number of professional, scientific, and technical service workers (-65,500 jobs, -16.1%) as well. Declines were somewhat compensated for with growth in other industries; with WA seeing 33,800 new health care and social assistance jobs (+15.8%), and VIC seeing growth in the number of administrative and support services jobs (+29,500 jobs, +31.4%).

Figure 9: Employment change by industry, Australia, year to May 2024



Notes: Seasonally adjusted values are used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No. 6291.0.55.003 Table 5

Table 4: Top and bottom three industries by employment growth and state, year to May 2024

Rank	NSW	VIC	QLD	SA	WA	TAS
Top Performers						
1	Health Care and Social Assistance +45,900 [+7.1%]	Administrative and Support Services +29,500 [+31.4%]	Retail Trade +47,700 [+19.8%]	Construction +8,400 [+11.7%]	Health Care and Social Assistance +33,800 [+15.8%]	Construction +6,500 [+27.8%]
2	Education and Training +42,200 [+12.3%]	Health Care and Social Assistance +25,300 [+4.5%]	Administrative and Support Services +29,100 [+37.0%]	Health Care and Social Assistance +6,000 [+3.4%]	Public Administration and Safety +21,000 [+27.1%]	Accommodation and Food Services +3,500 [+18.1%]
3	Professional, Scientific and Technical Services +41,400 [+9.1%]	Construction +22,600 [+6.4%]	Electricity Gas Water and Waste Services +25,500 [+76.8%]	Retail Trade +5,500 [+6.4%]	Construction +17,500 [+12.3%]	Public Administration and Safety +2,800 [+13.3%]
Bottom Performers						
19	Retail Trade -31,700 [-7.5%]	Professional, Scientific and Technical Services -65,500 [-16.1%]	Education and Training -27,800 [-10.1%]	Professional, Scientific and Technical Services -9,500 [-12.8%]	Mining -31,000 [-17.6%]	Agriculture, Forestry and Fishing -3,700 [-20.5%]
18	Financial and Insurance Services -12,700 [-5.4%]	Retail Trade -22,600 [-6.3%]	Financial and Insurance Services -26,100 [-30.8%]	Accommodation and Food Services -8,800 [-14.8%]	Manufacturing -8,900 [-10.7%]	Transport, Postal and Warehousing -3,300 [-25.1%]
17	Wholesale Trade -11,500 [-8.6%]	Accommodation and Food Services -5,900 [-2.5%]	Professional, Scientific and Technical Services -12,400 [-5.3%]	Public Administration and Safety -6,900 [-10.5%]	Other Services -5,100 [-7.7%]	Education and Training -3,300 [-11.9%]

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



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