

September 2024

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

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

- Nationally 64,100 jobs added in September as male full-time employment surges 1.1 per cent in a single month.
- Unemployment rate steady at 4.1 per cent, after August figure revised down.
- Public sector employment growth conflicting with monetary policy efforts to cool labour market.

Jobs juggernaut shows no sign of easing

For those watching closely for a hint of softening in September's labour force figures, it was another month of 'déjà vu all over again'. Total employment increased by 64,100 jobs, with employment growth now averaging over 50,000 jobs per month for four consecutive months. In September, almost all that growth was in full-time employment, in contrast to August which saw 48,500 part-time jobs added.

Evidence of strong ongoing labour demand in the latest figures will have analysts across the country pushing out expectations for when the Reserve Bank will start cutting interest rates. The odds of a rate cut this year are rapidly vanishing. Employment increased in all jurisdictions save for a slight drop in the NT. There was growth in employment for both men and women, helped by a 1.1 per cent surge in male full-time employment (63,600 jobs) and 1.0 per cent jump in female part-time employment (30,000 jobs).

As published in the September figures, the headline unemployment rate remained steady at 4.1 per cent. That misses some of the picture. On release the August figure was 4.2 per cent. That has been revised down to 4.1 per cent in the latest estimates, reinforcing the underlying strength of the labour market. Further, the rate dropped almost a percentage point in September from that revised figure, but remained at a rounded-up 4.1 per cent.

The participation rate set a new record high of 67.2 per cent (up 0.1ppt), while the proportion of workers wanting to work more hours eased. The number of job vacancies advertised online recorded a second monthly increase in September (1.3%), adding to a surprise jump in August.

The September quarter CPI figure will be released at the end of this month, with the RBA Board meeting the following week. Based on recent monthly figures, measures of underlying inflation are unlikely to fall into the RBA's target range of 2-3 per cent per annum. Even a better-than-expected figure is unlikely to prompt an interest rate cut in light of the robust labour market and future inflation already baked in as the effects of rebates for household electricity bills eventually unwind.

A public nuisance for monetary policy?

In [June's MLMU](#) we noted that employment in the public

sector was growing at over twice the rate of private sector employment, with potentially negative consequences for productivity and wage growth. Recently released data suggest this shift has become even more concerning.

The ABS provide more detailed breakdowns of employment for the middle month of each quarter. Data on employment by sector for August 2024 show employment in the public sector to have increased by 639,000 jobs over the past 12 months, a remarkable 33 per cent increase. Private sector employment actually declined by 264,000 jobs (2.2%) for the year. Cautioning that these figures are not seasonally-adjusted, there was a remarkable 24 per cent jump in public sector employment in the latest quarter.

As explored this month, the expansion of public sector jobs was observed across all states and territories. The shift can partly be explained by strong growth in industries in which the public sector is prominent, such as health care and education, but there's more to the story. Public sector employment increased in every industry over the year. Further, where public sector employment increased most, private sector employment has fallen. This pattern can be seen in Health care and social assistance, where public sector jobs increased by 173,000 in the past 12 months while private sector jobs fell by 69,000; Education and training (+148,000 public sector jobs, -36,000 private sector jobs); Public administration and safety (+98,000, -55,000); and other industries.

Competition for workers and skills drawn into the public sector can only add to wage and price pressures in the private sector. RBA projections show they see the unemployment rate rising to 4.4 per cent to be consistent with inflation falling sustainably into the 2-3 per cent target range. Save for some unknown change in how jobs are being coded by sector, the ABS data highlight how public sector expenditure is working against monetary policy and the RBA's efforts to cool inflationary pressure stemming from the labour market.

With the value of output harder to measure in the non-market sector, and more challenging again in the case of services, growing public sector employment may also partially explain the economy's mixed signals of strong employment growth and low unemployment juxtaposed by weak GDP growth and falling productivity on conventional measures.

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Labour market fundamentals

Key takeaways

- The number of employed persons has continued to grow, with 64,100 more workers in September 2024.
- National employment increased 0.6 per cent for men and 0.3 per cent for women in the month.
- Labour force participation rate up 0.1ppt to new record high of 67.2 per cent.

With a new record high of 14.5 million workers, employment continues to grow, up by 64,100 workers over the month to September 2024. Results were driven by a substantial 51,600 more full-time workers, with increases among most states and territories. The rise in full-time employment was led by SA with an increase of 13,800 workers, followed by NSW (+9,900 full-time workers) and VIC (+7,400 workers). With an increase of 12,500 workers, national part-time employment also grew, with VIC seeing the largest increase in part-time employment with 14,400 more workers, followed closely by NSW with 14,200 workers. Growth in part-time employment was offset by SA with 10,000 fewer workers. National employment continues to increase across gendered lines, up 0.6 per cent for men and 0.3 per cent for women. Female part-time employment grew 1.0 per cent, with major increases in NSW (+2.4%), VIC (+2.2%) and QLD (+0.6%); offset by drops in SA (-2.4%) and WA (-1.5%) (see Figure 1). Full-time employment for women dropped a slight 0.3 per cent, with NT leading results with a 2.4 per cent drop, followed by NSW (-1.0%) and VIC (-0.5%); countered

by growth in SA (+3.6%) and TAS (+0.1%). Nationally, full-time employment for men leapt by 1.1 per cent, with major increases in SA (+1.5%), NSW (+1.2%) and TAS (+1.5%). Meanwhile, part-time employment for men dropped by 1.1 per cent, with major drops in SA and NSW offset by a substantial increase for WA.

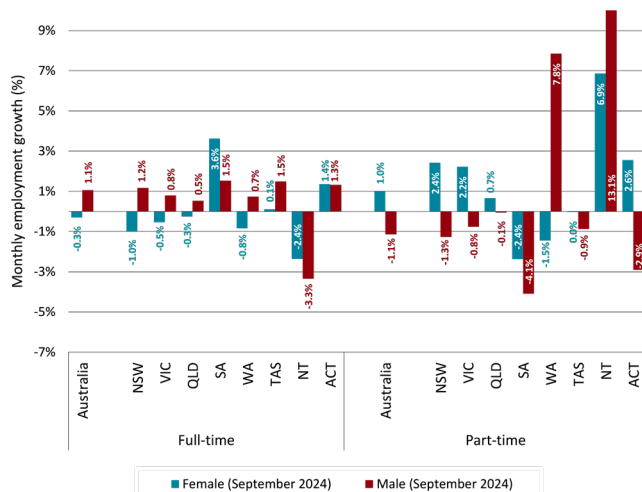
The monthly labour force participation rate grew 0.1ppt to reach a record high of 67.2 per cent (Figure 2). Across gendered lines, female and male participation both increased by 0.1ppt to rates of 63.2 per cent and 71.3 per cent, respectively. Female participation increased for most states and territories, with the greatest increase of 0.3ppt for both VIC (to 63.7%) and SA (to 58.4%); offset by a 0.9ppt drop in participation for WA to 63.7 per cent. Male participation evidenced mixed results among states, with WA experiencing the largest increase of 0.8ppt (to 73.9%), followed by SA with an increase of 0.6ppt (to 67.8%). Male participation dropped by 1.0ppt in NT to a rate of 72.3 per cent.

Table 1: Employment changes – states and territories

	Employed Persons ('000)	Change from:				Change from August 2024 ('000)		Change (%) from September 2023	
		September 2024	August 2024 ('000)	Rank	September 2023(%)	Rank	Full-Time	Part-time	Full-Time
Australia	14,521.9	+64.1	---	▲ +3.1%	---	+51.6	+12.5	▲ +2.6%	▲ +4.2%
NSW	4,483.1	+23.1	1	▲ +2.6%	5	+8.9	+14.2	▲ +0.6%	▲ +7.7%
VIC	3,806.6	+21.7	2	▲ +4.2%	1	+7.4	+14.4	▲ +4.9%	▲ +2.6%
QLD	2,958.9	+8.2	4	▲ +4.0%	2	+4.3	+4.0	▲ +3.2%	▲ +5.7%
SA	947.2	+3.8	5	▼ -0.2%	7	+13.8	-10.0	▼ -2.1%	▲ +3.7%
WA	1,619.9	+8.3	3	▲ +3.5%	3	+1.7	+6.5	▲ +5.0%	▲ +0.2%
TAS	281.9	+1.4	7	▼ -2.1%	8	+1.7	-0.3	▼ -3.5%	▲ +0.5%
NT	138.5	-0.7	8	▲ +2.0%	6	-3.2	+2.5	▼ -1.1%	▲ +14.7%
ACT	272.5	+3.2	6	▲ +2.7%	4	+2.8	+0.4	▲ +6.2%	▼ -7.8%

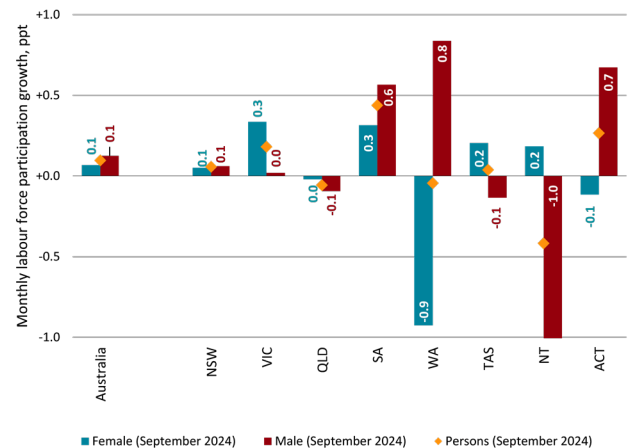
Notes: Seasonally adjusted values are used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

Figure 1: Employment growth by state and gender



Notes: Seasonally adjusted values are used. Figures show change from August 2024 to September 2024. Estimates for the ACT and NT, and for male part-time employment are generally more volatile due to smaller sample sizes. 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 August 2024 to September 2024. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

Underemployment and unemployment

Key takeaways

- Headline national unemployment rate stays at 4.1 per cent, despite a 0.08ppt drop.
- National unemployment rate went up 0.1ppt for women and dropped 0.2ppt for men with both groups now having an unemployment rate of 4.1 per cent.
- The national underemployment rate dropped 0.1ppt to 6.6 per cent.

The national unemployment rate had a slight 0.08ppt drop, holding steady at a rounded 4.1 per cent for August and September 2024. This was after the published August figure was revised down from 4.2 per cent in the latest release. The number of unemployed people decreased by 9,200 in September 2024 (Table 2). Mixed results were seen at the state level, with the greatest drops in WA (-0.3ppt to 3.6%, 4,500 fewer unemployed persons) and TAS (-0.3ppt to 4.0%, 1,100 fewer unemployed persons). SA was the only state to see an increase in unemployment, with the rate up by 0.4ppt to 4.3 per cent, and 4,500 more persons unemployed.

Nationally, the unemployment rate among women went up by 0.1ppt to 4.1 per cent, with 5,100 more women being unemployed (Figure 3). At the state level, much of this change comes from an increase in VIC by 2,500 more women unemployed (+0.1ppt to 4.9%), countered by a drop in NSW by 1,500 unemployed women (-0.1 to 3.7%). The national unemployment rate for men dropped by 0.2ppt,

also to 4.1 per cent, with 14,400 fewer men unemployed. Among states, NSW had the greatest drop with 7,900 less unemployed men (-0.3ppt to 3.9%) and QLD with 4,700 fewer unemployed men (-0.3 to 4.4%). WA experienced the greatest drop in the unemployment rate for men by 0.5ppt to 3.4 per cent and 3,800 fewer unemployed men.

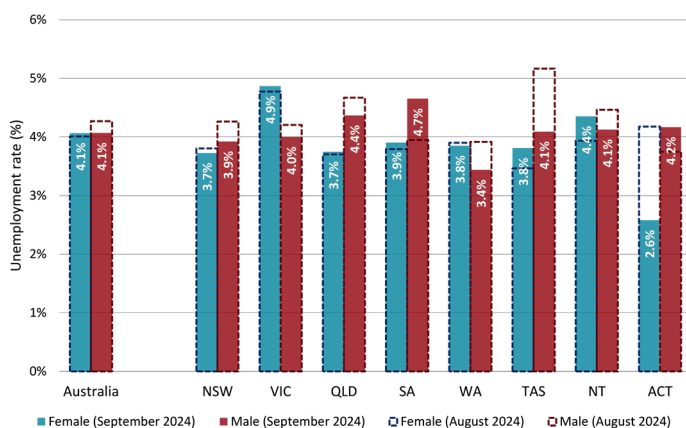
The national underemployment ratio dropped 0.1ppt to 6.6 per cent over the month to September 2024 (Figure 4). The female underemployment ratio increased 0.1ppt to 7.8 per cent, while the male ratio fell 0.3ppt to 5.8 per cent. Across states, underemployment for women increased the most in TAS by 2.9ppt to 10.3 per cent, followed by NT by 1.9ppt to 6.1 per cent; countered by a 0.2ppt drop in SA to 10.0 per cent, followed by QLD with a 0.1ppt drop to 8.0 per cent. As of men, the underemployment ratio fell the most in NSW (-0.8ppt to 5.1%), followed by WA (-0.7ppt to 4.4%). Results in men's underemployment were countered by the NT as the only state with an increase in the underemployment ratio (+1.1ppt to 4.8%).

Table 2: Unemployment rates and changes: states and territories

	Unemployment Rate		Change (ppt) from:		Change ('000) from:		
	September 2024	Rank	August 2024	September 2023	September 2024	August 2024	September 2023
Australia	4.1%	--	0.0	+0.5	615.7	▼ -9.2	+90.1
NSW	3.8%	3	▼ -0.2	+0.4	178.4	▼ -9.5	+24.2
VIC	4.4%	8	▼ -0.1	+0.9	175.6	▼ -1.7	+42.0
QLD	4.1%	5	▼ -0.1	+0.3	125.3	▼ -3.9	+12.0
SA	4.3%	7	▲ +0.4	+0.6	42.5	▲ +4.5	+6.4
WA	3.6%	2	▼ -0.3	+0.2	61.0	▼ -4.5	+6.0
TAS	4.0%	4	▼ -0.3	-0.2	11.6	▼ -1.1	-0.9
NT	4.2%	6	0.0	-0.3	6.1	0.0	-0.3
ACT	3.4%	1	▼ -0.6	-0.7	9.6	▼ -1.5	-1.7

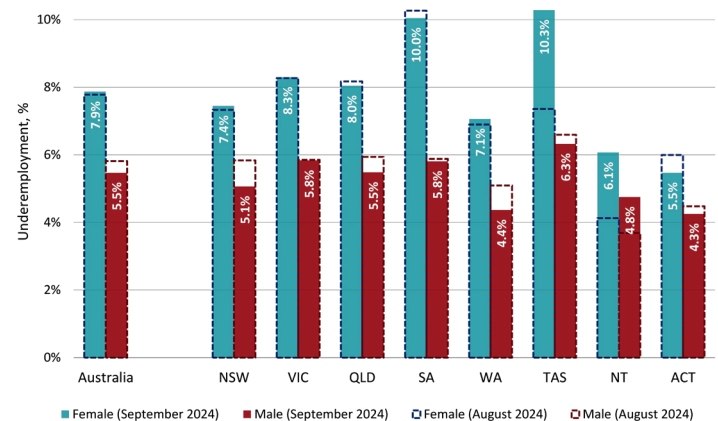
Notes: Seasonally adjusted values are used. State and territory numbers of unemployed people do not sum to the figures for Australia due to ABS seasonal adjustment methods.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

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

- The National Internet Vacancy Index grew 1.3 per cent over September 2024.
- Technicians and trade workers experienced the largest increase by 4.1 per cent.
- National monthly hours worked per worker dropped 0.2 per cent, averaging 135.5 hours per worker.

The National Internet Vacancy Index continued to rebound for a second consecutive month, up by 1.3 per cent over September 2024, still down almost 14.0 per cent compared to last year. Among states and territories, WA experienced the largest increase of 2.6 per cent, followed by QLD (+2.1%) and SA (+1.6%). Results were offset by other states including TAS, dropping 2.0 per cent over the month, followed by NSW with a 0.2 per cent drop.

Nationally, increases in internet vacancies were recorded across all occupations except managers and professionals. Technicians and trade workers experienced the largest increase by 4.1 per cent, driven by growing demand in QLD by 5.8 per cent and NSW by 5.3 per cent. Community and personal service workers came second with a 4.0 per cent increase, driven by substantial increases in SA (+11.7%),

followed by VIC (+3.3%). Despite the jump in vacancies for professionals by 7.6 per cent in August, this month shows a drop by 0.4 per cent, mainly driven by drops in NSW by 2.9 per cent and TAS by 3.0 per cent.

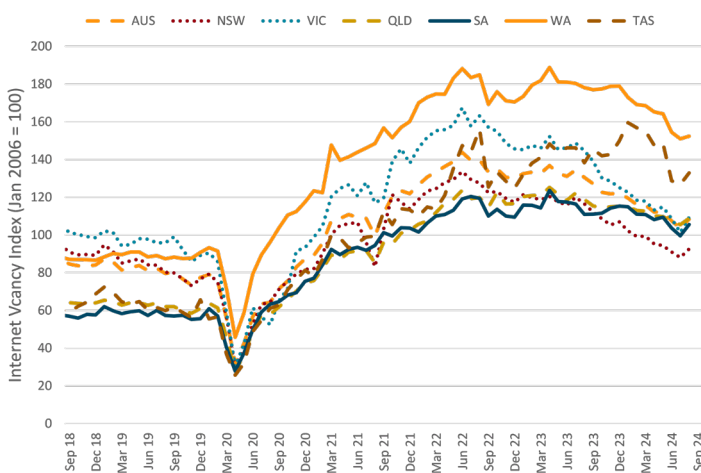
Monthly hours worked per worker saw a slight drop of 0.2 per cent over September 2024, with a national average of 135.5 hours per worker. Most states and territories experienced a drop in monthly hours, with much of the national drop driven by WA, dropping by 1.9 per cent, averaging 138.9 hours worked, followed by NT with a 1.1 per cent drop to 142.6 hours worked (being now the state with the highest number of hours worked on average). Results were countered by SA which experienced an increase of 0.7 per cent to 132.3 hours worked per worker.

Table 3: Change in Internet Vacancy Index, by Occupation: August 2024 to September 2024

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	-0.2%	-1.4%	+0.6%	-1.8%	-0.4%	+7.3%	-5.2%	+3.9%	+3.4%
Professionals	-0.4%	-2.9%	-1.1%	+0.1%	+1.3%	+1.7%	-3.0%	+4.8%	+2.8%
Technicians And Trade Workers	+4.1%	+5.3%	+3.3%	+5.8%	+1.3%	+2.3%	-5.7%	+2.1%	-0.4%
Community And Personal Service Workers	+4.0%	+2.6%	+3.8%	+3.3%	+11.7%	+1.1%	-3.2%	+5.8%	+9.2%
Clerical And Administrative Workers	+0.4%	-1.1%	+1.3%	+0.6%	+0.2%	+1.0%	-0.9%	+5.9%	+1.1%
Sales Workers	+1.6%	+0.9%	+0.2%	+1.7%	+3.0%	+4.6%	+3.0%	+5.5%	+6.0%
Machinery Operators And Drivers	+2.5%	+2.5%	+0.1%	+4.4%	-5.6%	+2.5%	-9.6%	+2.9%	+1.8%
Labourers	+3.5%	+4.4%	-1.3%	+6.4%	+0.6%	-3.4%	+5.5%	+0.9%	+3.8%
Total	+1.3%	-0.3%	+0.5%	+2.1%	+1.7%	+2.5%	-2.0%	+4.0%	+3.7%

Notes: Seasonally adjusted values are used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government, Jobs and Skills Australia.

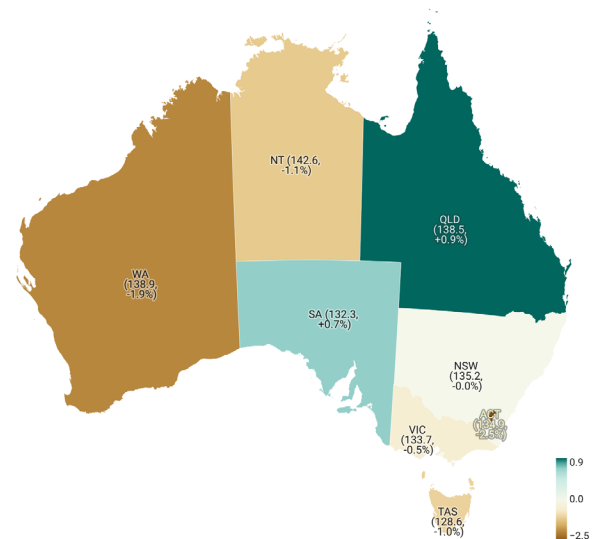
Figure 5: Internet vacancy index, by state: September 2018 to September 2024



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: Average monthly hours worked: states and territories

Average monthly hours - Australia (135.5, -0.2%)



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.

Employment by industry and sector

Key takeaways

- Education and training saw 111,500 more jobs over the year to August 2024 (+9.1%).
- Electricity, gas, water, and waste services saw the largest per cent increase (+28.4%).
- National employment in the public sector grew by 33 per cent with 639,000 more jobs in the 12 months to August.

The ABS provide more detailed figures from the Labour Force Survey on a quarterly basis, including annual changes in the number of jobs by industry (Figure 7) and sector (Figure 8). Recently released data for August 2024 (non-seasonally adjusted) show education and training has led the way with an increase in the number of jobs by 111,500 over the year (+9.1%). Health care and social assistance came second with an increase of 104,600 workers over the year (+4.7%). Meanwhile, electricity, gas and waste services experienced the highest per cent jump by (+28.4%, +45,200 jobs). In contrast, there have been major drops in the number of jobs in manufacturing (-37,900 jobs, -4.1%), mining (-23,600 jobs, -7.4%) and financial and insurance services (-21,600 jobs, -3.9%).

At the state level, drops in manufacturing were most pronounced in the NSW (-38,800 jobs, -14.5%). WA also experienced a substantial drop in manufacturing jobs (-11,400 jobs, 12.9%), as well as for the mining industry (-12,400 jobs, -7.4%). Among the growth industries, NSW

saw 52,900 new health care and social assistance jobs (+8.4%), and VIC saw strong growth in employment in education and training (+44,200 jobs, +15.0%).

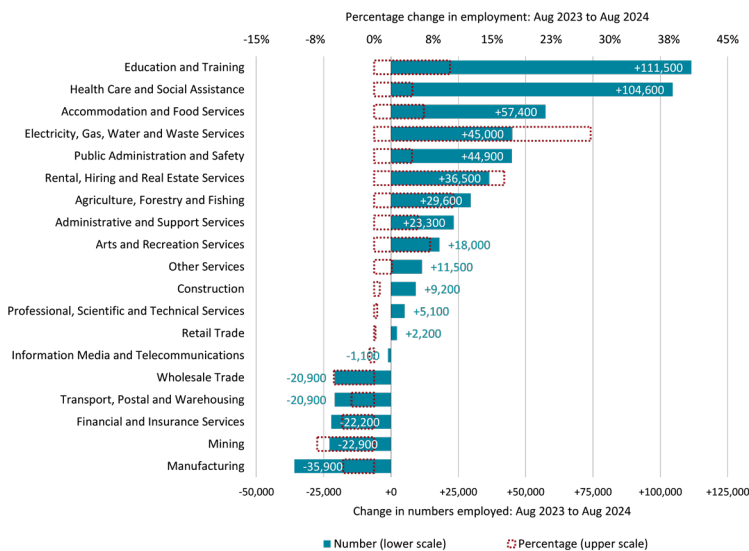
National employment in the public sector increased by a remarkable 33 per cent with 639,000 more jobs over the year to August 2024. This more than accounts for all employment growth over the year, with employment in the private sector actually contracting. All states and territories recorded substantial public sector increases, with VIC leading the way with an increase of 201,700 (up 48%), followed by NSW with 179,100 jobs (up 30%) and QLD with 123,700 more jobs (up 30%). WA recorded the highest percentage increase among states by 51 per cent (+92,100 jobs). Private sector employment declined in all states and territories, with a national drop of 2.2 per cent and roughly 264,300 less jobs by August 2024. NSW showed the greatest drop with 97,500 fewer jobs (down 2.6%), followed by VIC, down by 71,000 jobs (-2.2%).

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

Rank	NSW	VIC	QLD	SA	WA	TAS
Top Performers						
1	Health Care and Social Assistance +52,900 [+8.4%]	Education and Training +44,200 [+15.0%]	Retail Trade +44,900 [+17.5%]	Health Care and Social Assistance +6,800 [+4.1%]	Health Care and Social Assistance +22,700 [+10.6%]	Construction +2,700 [+11.1%]
2	Education and Training +48,300 [+13.8%]	Construction +27,500 [+8.4%]	Accommodation and Food Services +41,000 [+21.4%]	Construction +6,300 [+8.4%]	Public Administration and Safety +22,700 [+28.7%]	Accommodation and Food Services +1,700 [+8.4%]
3	Agriculture, Forestry and Fishing +16,500 [+21.1%]	Other Services +26,700 [+23.7%]	Public Administration and Safety +28,700 [+15.4%]	Other Services +5,500 [+17.9%]	Professional, Scientific and Technical Services +14,000 [+11.6%]	Information Media and Telecoms +1,400 [+49.2%]
Bottom Performers						
19	Manufacturing -38,800 [-14.5%]	Retail Trade -19,400 [-5.4%]	Transport, Postal and Warehousing -23,000 [-13.8%]	Public Administration and Safety -12,700 [-18.6%]	Mining -12,400 [-7.4%]	Transport, Postal and Warehousing -3,100 [-26.5%]
18	Construction -16,200 [-4.0%]	Professional, Scientific and Technical Services -6,800 [-1.8%]	Construction -18,600 [-6.5%]	Transport, Postal and Warehousing -6,700 [-15.0%]	Manufacturing -11,400 [-12.9%]	Education and Training -2,500 [-9.5%]
17	Administrative and Support Services -14,000 [-10.1%]	Manufacturing -5,600 [-1.9%]	Financial and Insurance Services -15,300 [-18.1%]	Agriculture, Forestry and Fishing -6,000 [-15.0%]	Other Services -11,300 [-16.9%]	Manufacturing -1,900 [-8.9%]

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

Figure 7: Employment change by industry, Australia, year to August 2024

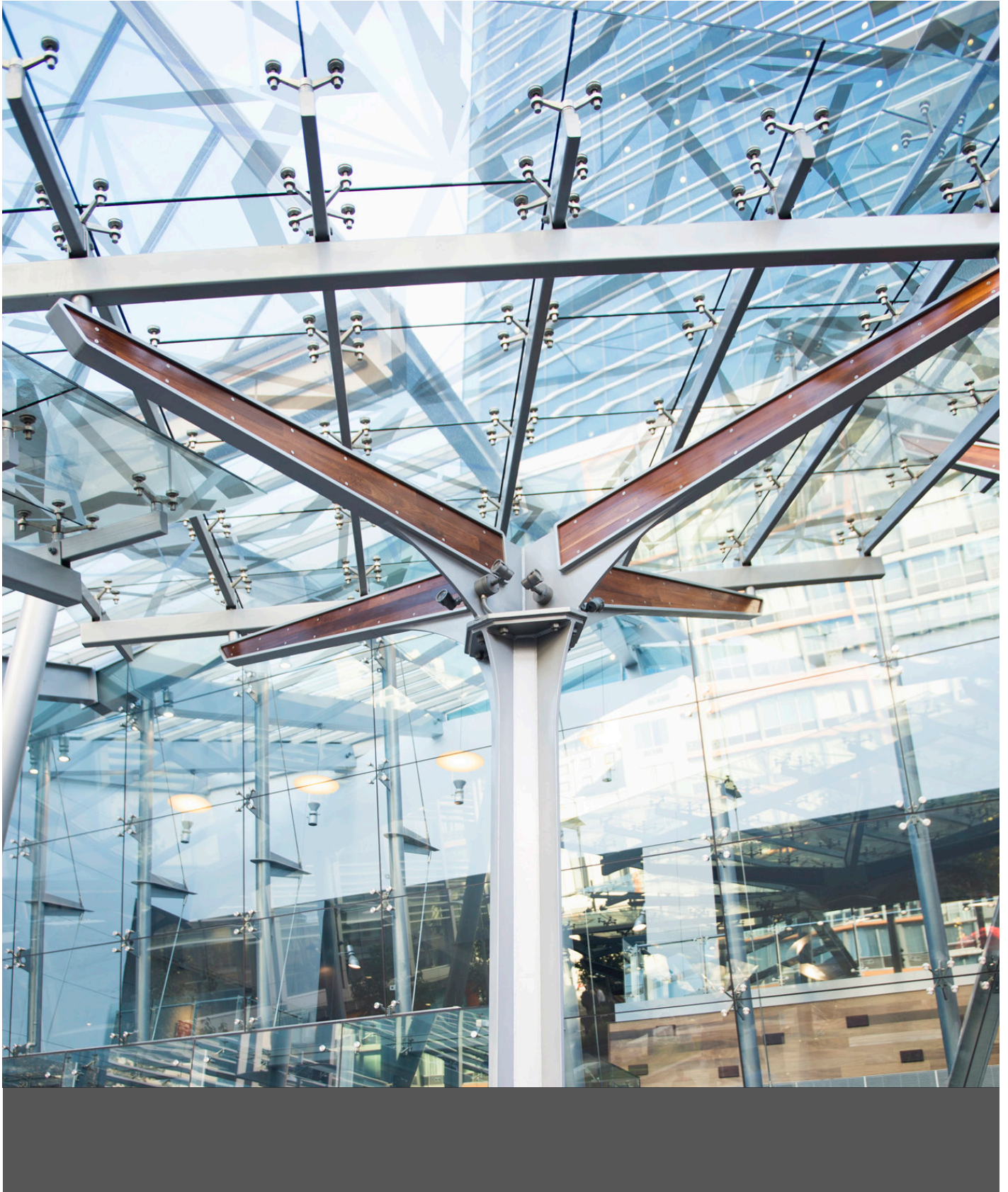


Notes: Original values used. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No. 6291.0.55.003 Table 5.

Figure 8: Employment by sector: annual change, states and territories



Notes: Original values are used. Figures show change from August 2023 to August 2024. Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6291.0.



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