



Australian Jobs Profile for August Qtr. 2015

Prepared by Australian
Development Strategies
Pty Ltd

This report has been prepared as an educational and public relations exercise and has not been designed as an advisory tool for business and we take no responsibility for those who use it for these purposes. The sampling errors for smaller Labour Force regions are often large and the raw figures used cannot be easily adjusted for seasonal trends. The statistical significance of the profiles also need to be considered. We repeat, caution is urged in any interpretation of these statistics. We acknowledge and thank the Australian Bureau of Statistics for the provision of original data, Dr Otto Hellwig of MDS for the HES microsimulation modelling and Phil Henry of Business Geographics for the mapping.



Summary

- Signs of recovery detected in May Quarter Labour Force figures have evaporated.
- Year on Year figures to August Quarter and September monthly seasonal trends indicate jobs growth has slowed below the minimum required to sustain labour market growth and new jobless are sliding back into hidden unemployed.
- Publicly funded or regulated industries such as public admin, health and education are generating all of net jobs growth for the past year.
- Male participation rates have started to slide downwards again. This is of major concern.
- Regions faring worst over past year are those dominated by mining jobs which saw Australia through the GFC. Local informal reports from these areas say housing markets and retail sectors are in trouble.
- South Australian and Tasmanian economies have become basket cases.
- Regions doing the best and propping up national figures are led by high SES inner suburbs of Sydney, Melbourne, Brisbane and Perth. If or when the mining slump finally reaches these areas the country is in trouble.

Method and Presentation

This profile is based on jobs data collected by the Australian Bureau of Statistics. The primary source is the monthly Labour Force survey by Regions (6291.0.55.001), but includes national data from 6202.0, detailed quarterly data from 6291.0.55.003, earnings by industry 6302.0 Job Vacancies Australia 6354.0 and Demographic Statistics 3101.0. We have also made some use of ABS data on underemployment and labour underutilisation. As detailed data is only available in Original form, we use this, unless otherwise stated to be Trend or Seasonally Adjusted.

The modelling used by ADS compares this cross section of data with our Elaborate database and uses inferential statistics to project these sample results onto all Australian postcodes and Commonwealth Electoral Divisions. Material in the ADS Elaborate database is based on data from the ABS Census, Electoral Commissions, Household Expenditure Surveys modelled by MDS Data Systems, data on home loan arrears and a wide range of published data on political and economic behaviour.

We present here, in Correlation Tables, the correlation between our database and the relevant jobs figures by region. The correlations have been ranked to typically show those which are normally significant to 95 percent or more (0.16). In other words, there's a five percent probability the correlations in the table are due to chance. The higher the correlation, plus or minus, the lower the probability it is due to chance.

The Correlation Charts should be read the same way as the worm debating chart – the zero line is neutral and the score heightens as the correlation increases its distance above or below the zero line. A positive correlation shown well above the zero line means that the demographic group in question is concentrated in regions or suburbs with high or increasing levels of the relevant jobs figure. A negative correlation well below the zero line means they're concentrated in regions or suburbs where the jobs figure is lower or falling.

Growth in hidden unemployment across labour market regions after the GFC led us to rely more on workforce participation and employment growth as a stronger guide to the health of regional labour markets than the traditional unemployment rate. In this report we include charts on participation, employment and unemployment rates.

Labour Market data provided by the Australian Bureau of Statistics has undergone a major overhaul. The monthly figures for August and September 2013 appear to contain non-sampling errors due to questionnaire compliance which has impacted on the Year on Year employment figures to August and September 2014 and this can be seen in some of the following descriptive charts. These problems appear to be getting progressively overcome by the ABS. Caution is however recommended, as always.



Month & Year	Employed total Persons	Unemployed total Persons	Labour Force Persons	Not in the Labour Force Persons	Civilian population Persons	Unemployment rate Persons	Participation rate Persons	12 month change Employed Persons	12 month change Unemployed Persons	12 month change Labour Force Persons	change Not in the Labour Force Persons	12 month change Civilian population Persons	12 month change Unemployment rate Persons	12 month change Participation rate Persons
Aug-2008	10,710.4	429.4	11,139.8	6,021.2	17,161.0	3.9	64.9	295.9	-14.8	281.2	100.6	381.8	-0.2	0.2
Aug-2009	10,707.3	623.5	11,330.8	6,200.6	17,531.4	5.5	64.6	16.6	196.0	212.6	181.8	394.5	1.6	-0.2
Aug-2010	10,973.8	559.3	11,533.1	6,281.8	17,814.9	4.8	64.7	348.4	-59.4	289.1	104.0	393.1	-0.6	0.2
Aug-2011	11,130.7	597.0	11,727.6	6,367.3	18,094.9	5.1	64.8	136.4	34.3	170.7	68.5	239.1	0.2	0.1
Aug-2012	11,260.8	590.1	11,850.8	6,571.0	18,421.8	5.0	64.3	130.1	-6.9	123.2	203.7	326.9	-0.1	-0.5
Aug-2013	11,355.6	679.5	12,035.1	6,704.0	18,739.1	5.6	64.2	94.8	89.4	184.2	133.1	317.3	0.7	-0.1
Aug-2014	11,570.7	733.2	12,303.9	6,723.6	19,027.5	6.0	64.7	215.2	53.7	268.9	19.6	288.4	0.3	0.4
Aug-2015	11,698.3	761.4	12,459.6	6,852.1	19,311.8	6.1	64.5	127.6	28.2	155.7	128.5	284.3	0.2	-0.1

Table 1. National labour market summary (shown in 000's). The monthly figures for each year are in the left hand columns (green headings) and the Year on Year figures (YoY) are in the right hand columns (blue headings). These figures are for the months of August from 2008 onwards.

Given our long term participation and unemployment rates of about 65 percent and 5 percent respectively, we should see 12 month employment growth of 210,000 (not 127,600), unemployment growth of 10,000 (not 28,200) and Not in the Labour Force growth of 120,000 (not 128,500).

So our employment growth was about 80,000 below expectations, unemployment growth was 18,000 too high and Not in the Labour Force was about 10,000 higher than we would like to see. The May 2015 figures showed the labour market had been growing strongly above trends and sucking 60,000 persons from the hidden unemployed back into the labour market, where the vast majority were finding jobs and some were actively looking for jobs while unemployed.

These August figures however showed the recovery to May 2015 may have stalled with job creation down below critical break-even levels, official unemployment up and hidden jobless on the rise. These trends combined to raise the unemployment rate and drop the participation rate.

As we see from the Participation Rate chart for males and females on page 10, this softening of demand for jobs may well have started back in February 2015. If so, the August drop will mark the onset of a serious downturn for the national economy later this year and into next year. If however the August figures were partly the result of a lack of confidence by consumers and business in the Abbott Government, then outcomes for the national economy will also depend on the performance of the new Turnbull Government.

Quarter & Year	Agriculture\ forestry & fishing	Mining	Manufacturing	Utilities	Construction	Wholesale	Retail	Accommodation & Food	Transport	Media	Finance	Real Estate	Professional consulting	Admin consulting	Public admin	Education	Health & social assist	Arts & recreation	Other Services	Total Employed
Nov-2007	342.9	137.1	1038.8	109.6	953.6	371.9	1240.9	679.2	553.4	234.2	400.5	193.3	763.7	335.5	628.9	785.7	1084.7	199.5	481.9	10535.1
Aug-2008	347.4	171.4	1035.8	118.3	982.3	415.0	1202.1	712.5	566.4	220.0	410.3	207.6	768.1	342.1	654.1	825.4	1088.5	187.4	455.7	10710.4
Aug-2009	349.6	164.3	1005.9	124.3	970.0	406.6	1151.8	741.7	571.6	207.9	392.1	189.8	783.0	351.8	638.5	819.7	1215.4	191.3	431.9	10707.3
Aug-2010	359.6	194.7	977.6	145.1	974.2	410.7	1172.1	718.0	562.7	206.5	392.0	200.9	843.4	375.6	690.9	872.9	1252.3	182.5	442.2	10973.8
Aug-2011	300.7	221.6	924.3	137.7	1007.9	400.3	1192.1	762.6	576.5	201.1	425.9	190.9	864.1	400.5	726.2	850.1	1303.0	204.4	440.6	11130.6
Aug-2012	309.3	272.7	945.4	147.0	946.4	416.7	1179.3	766.1	548.8	233.9	417.6	201.1	909.9	392.6	682.8	892.8	1350.4	212.3	435.8	11260.8
Aug-2013	279.4	265.5	909.9	149.2	1024.3	408.9	1183.5	769.7	582.6	196.2	425.7	192.9	908.2	383.7	772.5	876.1	1357.0	208.3	461.7	11355.6
Aug-2014	326.2	234.6	914.0	142.0	1022.5	402.8	1246.8	774.8	595.6	216.5	423.5	213.5	933.3	368.8	711.4	940.7	1414.3	207.6	481.9	11570.7
Aug-2015	306.1	245.7	869.5	152.2	1020.4	376.9	1233.5	793.4	612.0	213.9	413.0	200.2	962.4	412.9	721.6	958.6	1518.8	214.3	473.1	11698.3
Aug 15 minus Aug 14	-20.1	11.1	-44.5	10.1	-2.2	-25.9	-13.3	18.6	16.4	-2.7	-10.5	-13.3	29.1	44.1	10.2	17.9	104.5	6.7	-8.8	127.6

Table 2. This table shows quarterly employment levels by industry in 000's for the 11,698,300 employed persons in column two, bottom row, of Table 1. The last row of Table 2 shows movements from August 2014 to August 2015.

The past 12 months saw huge jobs growth in health and social assistance jobs of 104,500, or four fifths of an estimated total national jobs growth of 127,600.

When we add in the additional workers in public admin and education, we see that the growth for these three publicly funded or regulated industries was 132,600, well in excess of the national jobs growth figure. Hopefully these increases represent improved outcomes for students and patients, as well as the implementation of union quota systems for members employed as nurses and teachers.

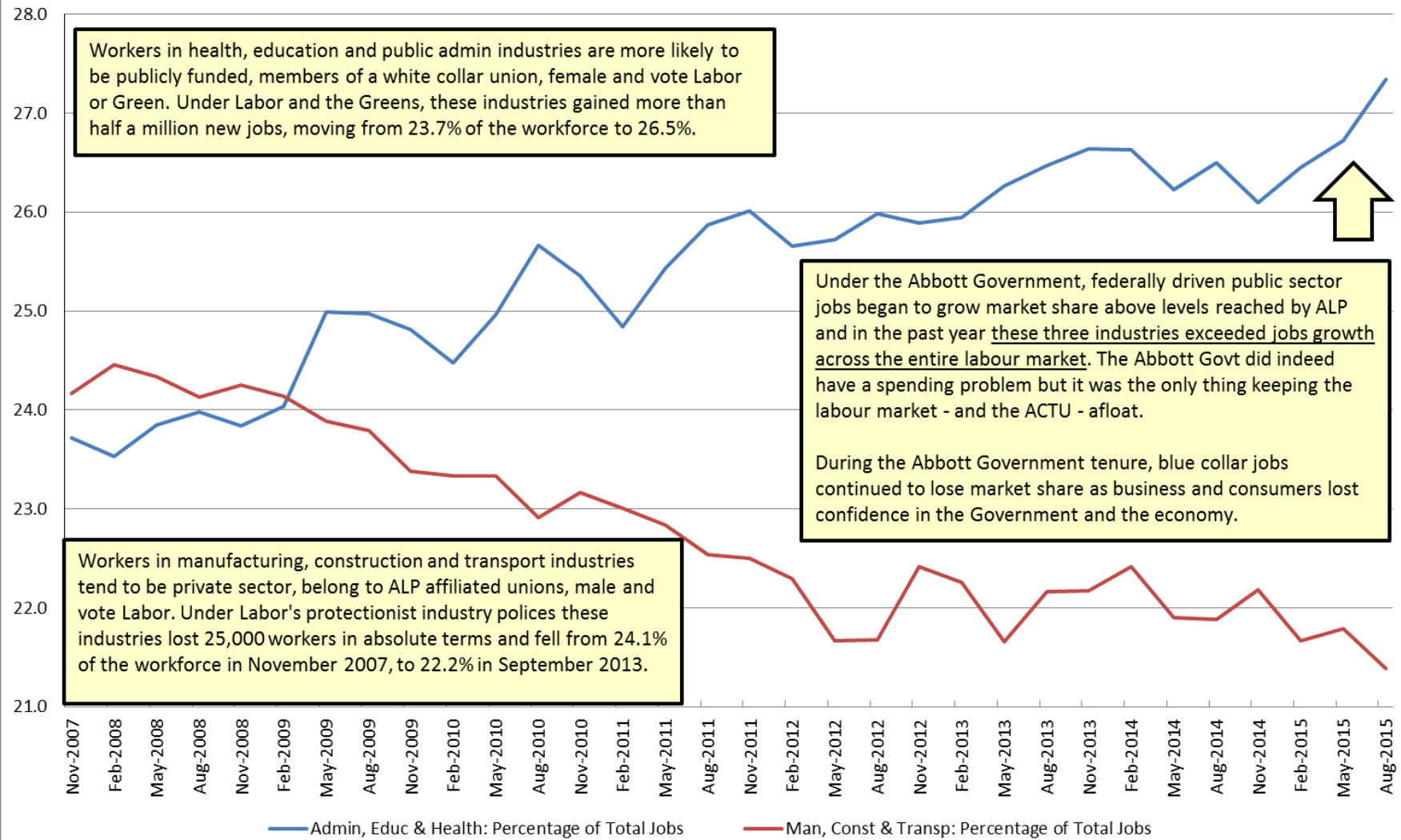
The ABS figures report that mining jobs increased in the 12 months to August 2015, which seems hard to reconcile with major job losses in strong iron ore and coal mining regions in both West Australia and Queensland, unless the jobs lost in these regions have been in industries such as construction, which relied heavily on mining investment.

Manufacturing jobs continued their steady decline which predates the GFC in 2008 and the three key predominantly private sector industries of manufacturing, transport and construction lost a combined 30,300 jobs.

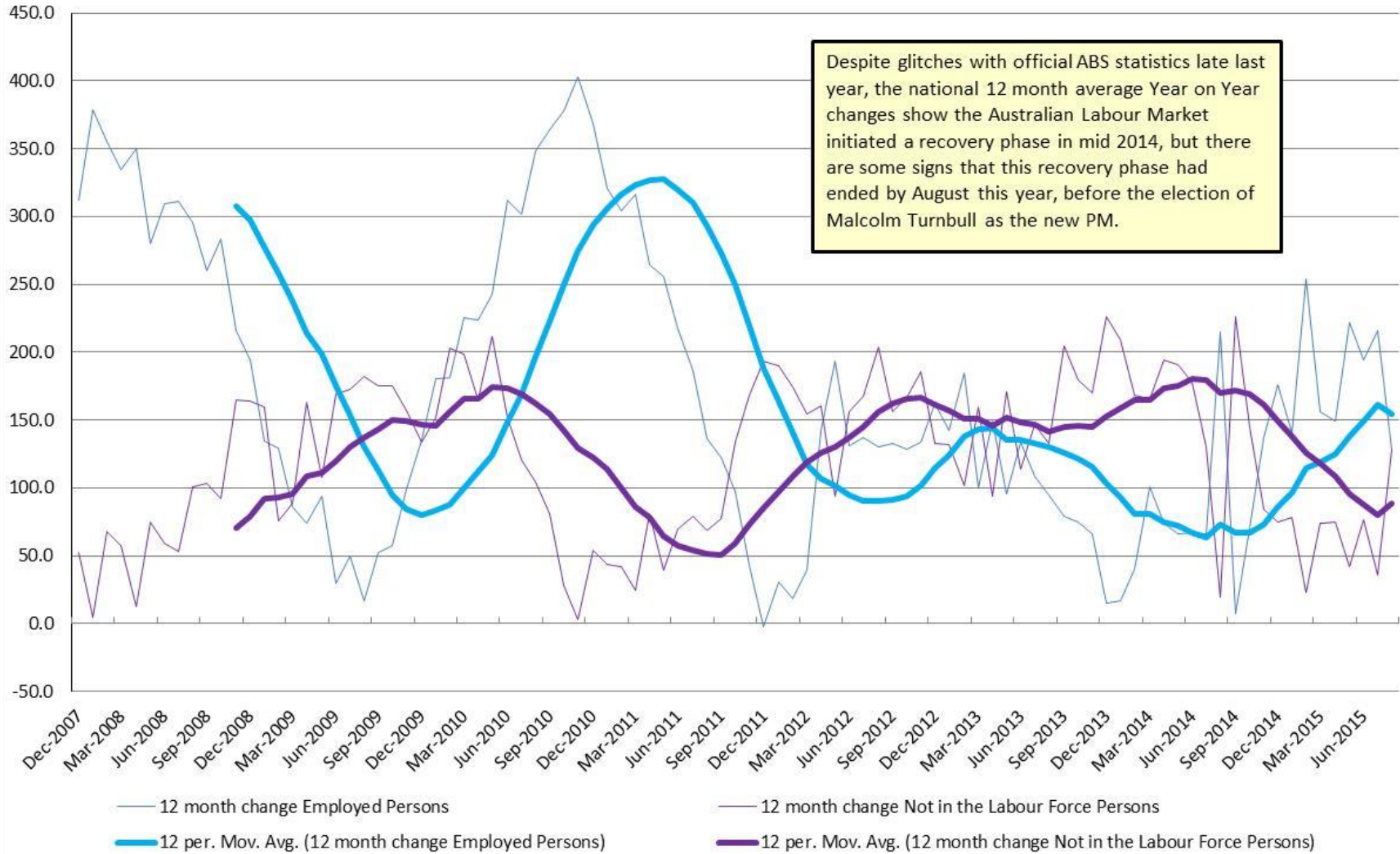
Not shown here are big job losses since February 2015 of well over 100,000 workers in the combined industries of manufacturing (especially printing), agriculture and accommodation and food (including 33,500 jobs for women). These more recent losses explain some of the labour market downturn shown in participation rate charts on pages nine and 10.



Labour Market Shares for key Blue Collar and White Collar Industries

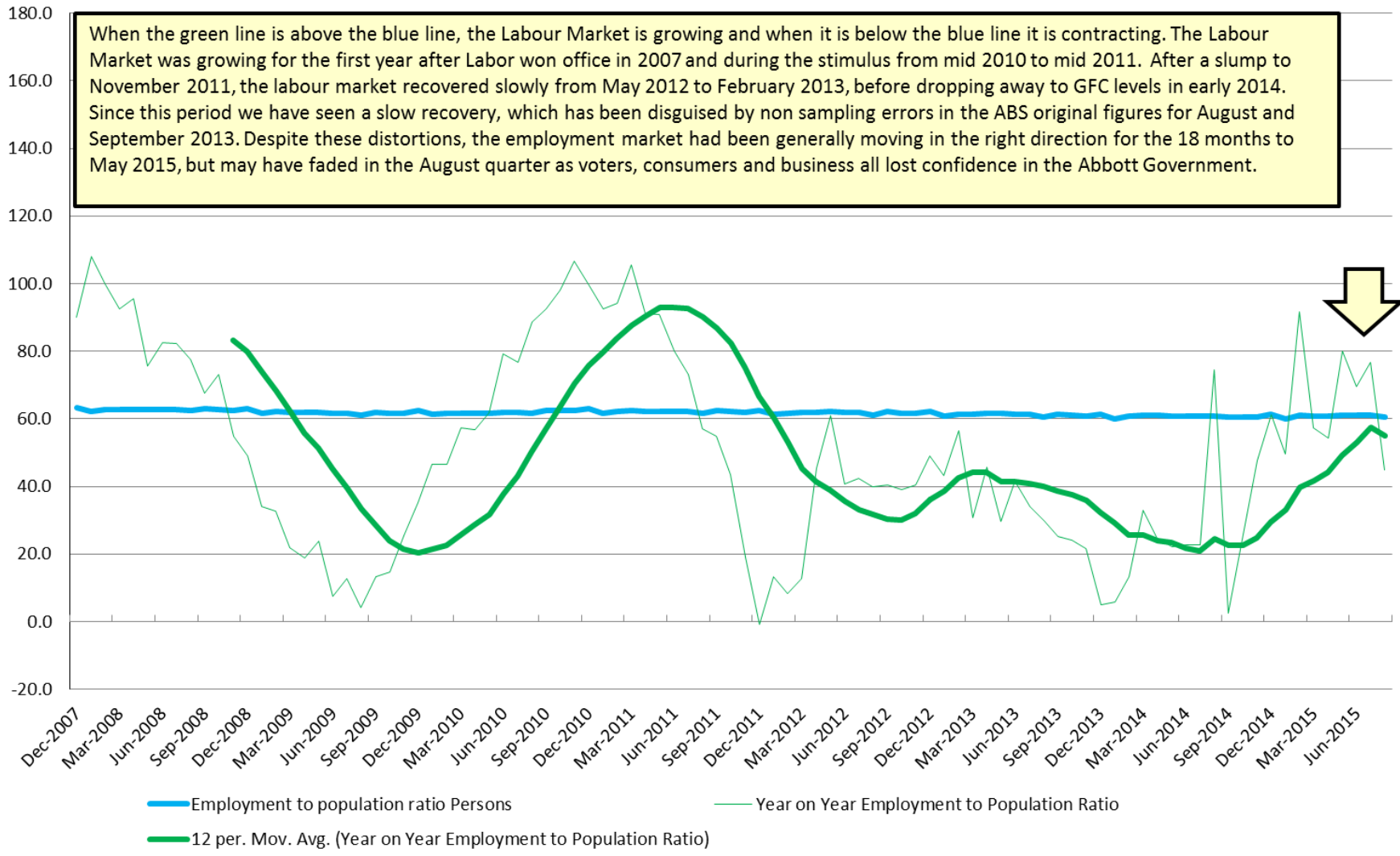


Labour Market Dynamics Year on Year

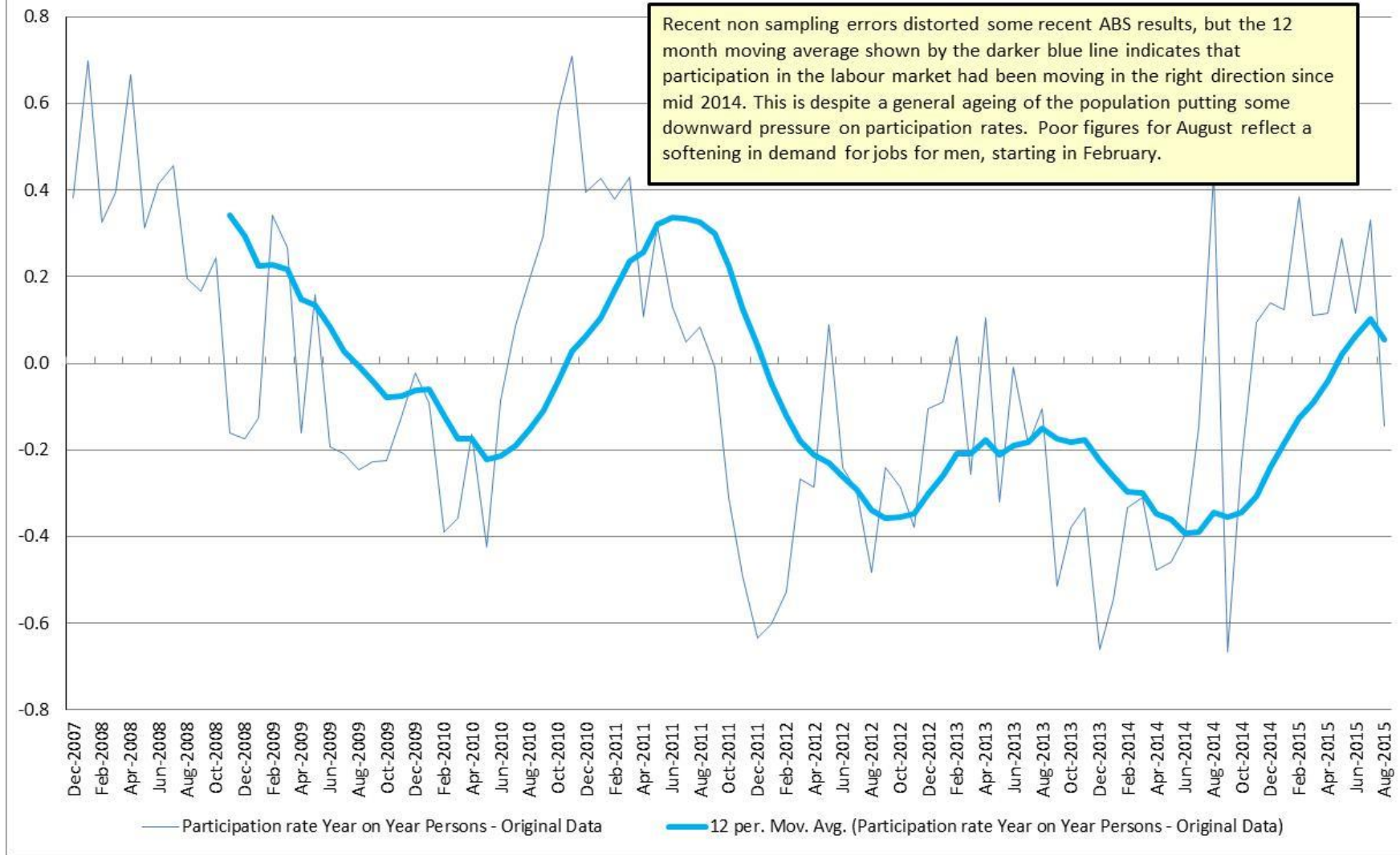


Employment to Population Ratios: Year on Year and Monthly

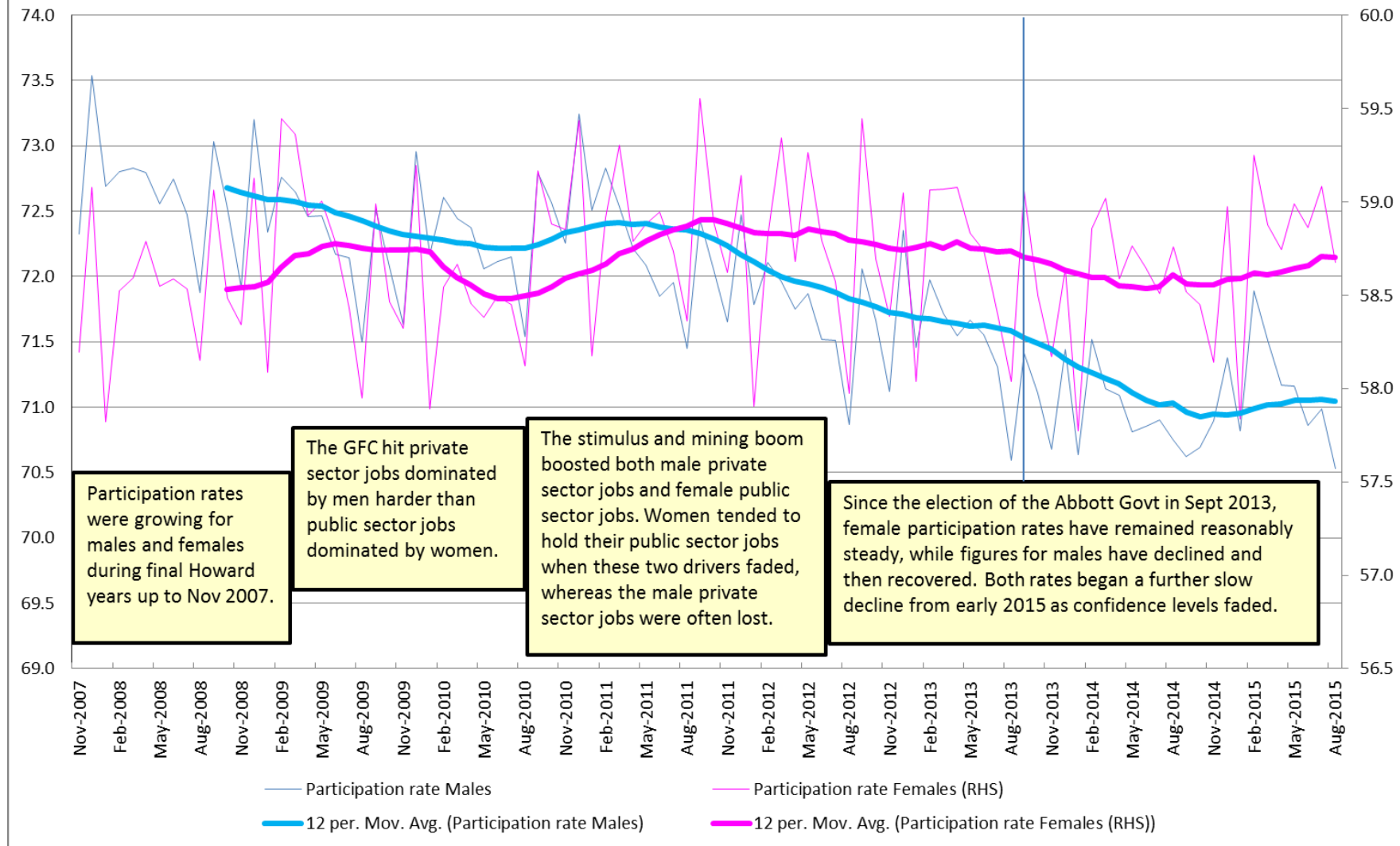
When the green line is above the blue line, the Labour Market is growing and when it is below the blue line it is contracting. The Labour Market was growing for the first year after Labor won office in 2007 and during the stimulus from mid 2010 to mid 2011. After a slump to November 2011, the labour market recovered slowly from May 2012 to February 2013, before dropping away to GFC levels in early 2014. Since this period we have seen a slow recovery, which has been disguised by non sampling errors in the ABS original figures for August and September 2013. Despite these distortions, the employment market had been generally moving in the right direction for the 18 months to May 2015, but may have faded in the August quarter as voters, consumers and business all lost confidence in the Abbott Government.



Participation rate Year on Year Persons - Original Data



Participation Rates for Males and Females (Original)



Labour Force Regions	Unem Aug Qtr 15
Mandurah	11.7
Mid North Coast	11.6
Hunter Valley exc Newcastle	11.1
Townsville	9.4
Richmond - Tweed	9.3
New England and North West	9.3
Queensland - Outback	9.2
Wide Bay	9.2
Adelaide - North	9.1
Sydney - Blacktown	8.4
Fitzroy	8.4
South Australia - South East	8.3
Sydney - Parramatta	8.2
West and North West	8.2
Adelaide - West	8.1
Barossa - Yorke - Mid North	8.0
Cairns	8.0
South Australia - Outback	7.9
Bendigo	7.9
Adelaide - South	7.9
Central West	7.6
Western Australia - Wheat Belt;	7.5
North West	7.5
Melbourne - West	7.4
Logan - Beaudesert	7.4
Perth - North West	7.3

Variables	Aust Means	Unem Aug Qtr 15
PredUnemMay15	6.1	0.64
Fam \$400-599	8.6	0.51
Fem Inc \$200-299	11.6	0.50
DisabilitySupport_Pct	5.6	0.50
Inc \$200-299	9.0	0.48
Machine operators & drivers	11.1	0.48
Fam \$600-799	8.1	0.47
Fem Community & Personal	14.3	0.47
Fem Technical & Trades	4.5	0.45
Fem Labourers	7.1	0.45
Fem Certificate 1&2	3.0	0.45
Fem Certificate 3&4	16.8	0.44
NewStart_Pct	4.6	0.44
CarerAllowance_Pct	3.8	0.44
Labourers	11.4	0.44
Fem Inc \$300-399	12.1	0.43
SeniorsHealthCareCard_Pct	10.1	0.43
fos Engineering	28.0	0.43
FamilyTaxB_Pct	9.3	0.43
ParentingSingle_Pct	1.8	0.42
Fam \$800-999	7.8	0.42
FamilyTaxA_Pct	10.8	0.42
Fem Not in labour force	38.7	0.42
Single Parent kids under 15	8.3	0.42
Fem Retail	13.0	0.42

Table 3. The 26 Labour Force Regions with the highest unemployment rates in the August Quarter 2015 are shown at top left. Here we see six out of seven South Australian regions, showing what happens when generations of politicians are allowed to use taxpayers' money to pick winners. We also see three out of nine of the normally prosperous West Australian regions, which shows that sometimes the private sector also doesn't invest its own money too wisely. The rest of the table comprises industrial, tourism or retirement regions.

The demographic variables at top right dominate these regions and include an interesting mix of the long term unemployed, low-income families, single parents, welfare dependents, skilled and unskilled blue collar workers, along with women in casualised jobs in services and retail and older persons with a seniors' health care card.

Labour Force Regions	Unem Aug 15 minus Aug Qtr 14
Mid North Coast	4.7
Fitzroy	4.6
Mandurah	3.7
Hunter Valley exc Newcastle	3.7
Western Australia - Wheat Belt;	3.2
Queensland - Outback	3.2
South Australia - South East	3.1
Barossa - Yorke - Mid North	3.0
Perth - North West	2.9
Mackay	2.6
Sydney - Inner South West	2.6
Hume	2.2
Sydney - Sutherland	2.2
Adelaide - Central and Hills	2.1
Bunbury	2.1
Melbourne - Inner East	2.0
Latrobe - Gippsland	1.9
North West	1.8
Brisbane Inner City	1.6
Richmond - Tweed	1.6
Adelaide - West	1.5
Sydney - Blacktown	1.4
Brisbane - North	1.4
Darling Downs - Maranoa	1.3
Adelaide - South	1.2
West and North West	1.2

Variables	Aust Means	Unem Aug Qtr 15 minus Aug Qtr 14
Mining	2.7	0.38
FamInc_Part_Inc	9.7	0.30
Fem Mining	0.7	0.28
Commute Other	0.7	0.28
Other Tenure	0.9	0.25
Employed/away from work	2.1	0.21
Family no kids	37.8	0.18
Fem Technical & Trades	4.5	0.17
fos Engineering	28.0	0.17
Renter Private	6.7	0.16
Mort \$1-299	4.2	0.16
Quals Inad Desc	2.0	0.15
Two Person Home	34.0	0.15
Fem fos Education	11.5	0.15
Fem Quals Inad Desc	3.1	0.14
Rent \$75-79	4.5	0.14
Inc \$1500-1999	8.5	0.14
Inc \$2000+	9.7	0.14
Rent \$0-74	6.8	0.14
Fem UK	5.0	0.13
PerCap_Investment_Property_Income_2010	-\$40	0.13
Renter Other	1.4	0.13
persons 20-24 De Facto	1.2	0.13
Semi Detached Bedrooms 1	0.7	0.12
Employment NS	6.0	0.12
PredPRMay15	65.0	0.12

Table 4. The 26 Labour Force Regions with the biggest rises in unemployment rates in the 12 months between August Quarter 2014 and August Quarter 2015 are shown at top left. A regional economy which has experienced rises in unemployment greater than 1.5 percent in a year can be considered to be experiencing recession levels of contraction and 21 of the regions here are in this position. A majority of West Australian and South Australian regions find themselves in this table, along with some normally prosperous inner city regions.

Living in these regions at top right are younger male and female miners, often with no kids, in de facto relationships, working away from home, living in subsidised rental homes near the mines and earning big money in skilled blue collar jobs. With high incomes and participation rates they had often saved enough to buy a rental investment home. We also see partially declared family incomes, which tend to describe couples with one self-employed partner and the other in a more secure job with a known income. This is a big group.

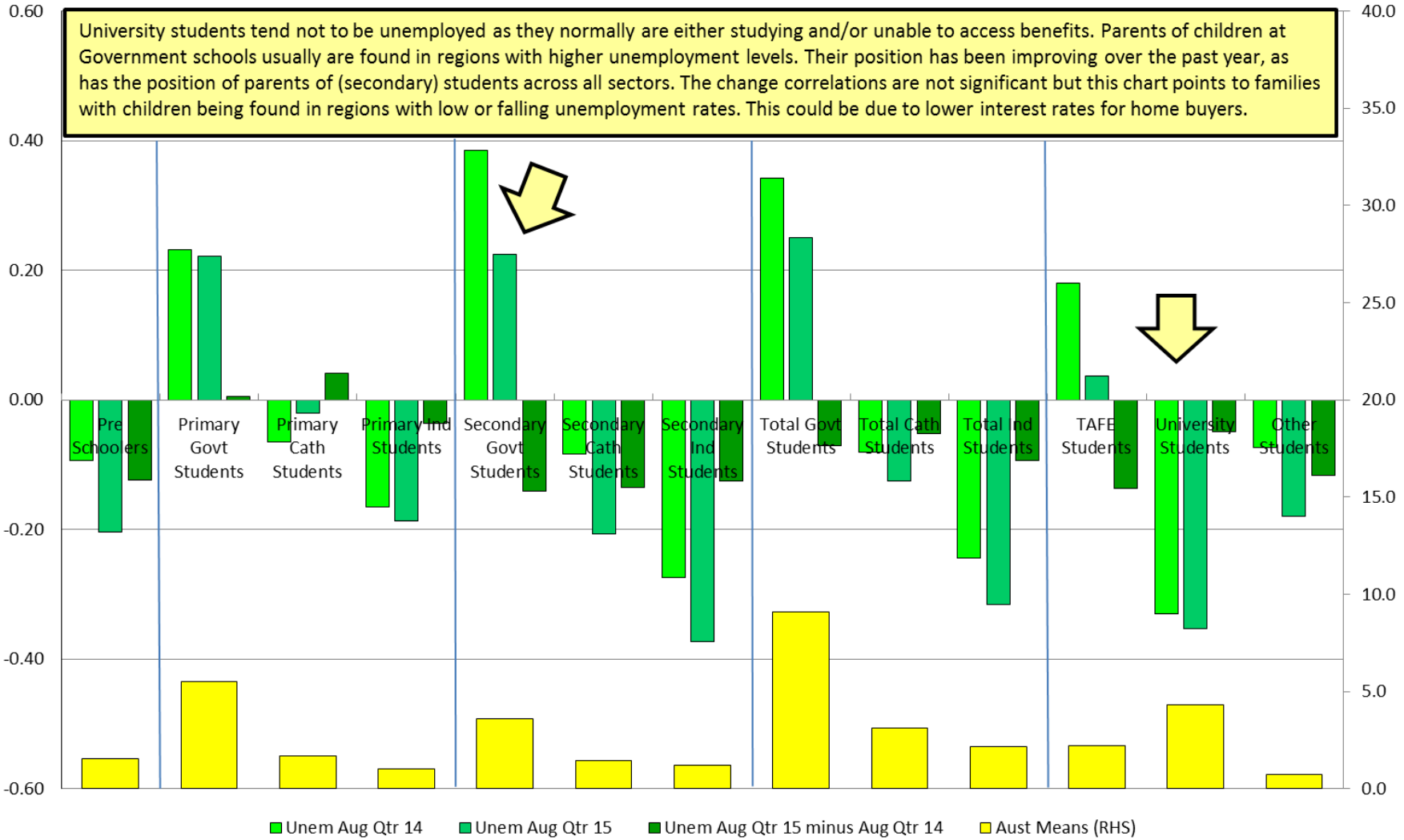
Labour Force Regions	Unem Aug Qtr 15
Warrnambool and South West	1.2
Sydney - Eastern Suburbs	2.1
Sydney - Baulkham Hills and Hawkesbury	2.6
Sydney - Northern Beaches	2.6
Sydney - North Sydney and Hornsby	2.9
Capital Region	3.0
Darwin	3.1
Riverina	3.3
Melbourne - Inner South	3.4
Sydney - Inner West	3.9
Far West and Orana	3.9
Brisbane - South	4.3
Perth - Inner	4.3
Darling Downs - Maranoa	4.3
Moreton Bay - South	4.3
Perth - North East	4.4
Australian Capital Territory	4.4
Toowoomba	4.5
Brisbane Inner City	4.6
Sydney - Outer West and Blue Mountains	4.6
Shepparton	4.6
Western Australia - Outback	4.7
Melbourne - Outer East	4.8
Coffs Harbour - Grafton	5.1
Brisbane - East	5.1
Sydney - Ryde	5.1

Variables	Aust Means	Unem Aug Qtr 15
PerCap_Unincorp_Income_2010	\$1,501	-0.53
PerCap_Mortgage_Debts_Invest_Property_2010	\$10,818	-0.53
SES_Score	100	-0.51
PerCap_Credit_Card_Debts_2010	\$965	-0.50
PerCap_Other_Assets_2010	\$7,349	-0.50
Fem Inc \$1500-1999	4.5	-0.50
Median family inc	\$1,481	-0.50
PerCap_Incorporated_Assets_2010	\$12,038	-0.50
Fem Inc \$1250-1499	4.3	-0.49
PerCap_Share_Income_2010	\$594	-0.49
Mort \$4000+	6.5	-0.49
Fam \$4000+	4.1	-0.49
Median personal inc	\$577	-0.49
Median hhold inc	\$1,234	-0.49
Fem Inc \$1000-1249	6.6	-0.49
Fem Inc \$2000+	2.9	-0.48
Rent \$650 plus	3.7	-0.48
Rent \$550-649	3.0	-0.48
PerCap_Total_Assets_2010	\$95,297	-0.48
PerCap_Total_Debt_2010	\$42,887	-0.48
Fam \$3500-3999	2.6	-0.47
Fem Professional consulting	6.9	-0.47
PerCap_Total_Household_spend_2010	\$19,839	-0.47
PerCap_Total_Income_2010	\$28,974	-0.46
PerCap_Wages_Income_2010	\$20,828	-0.46
Fem Year 12 Graduates	50.2	-0.46

Table 5. The 26 Labour Force Regions with the lowest unemployment rates in the August Quarter 2015 are shown at top left. Missing from this table are the industrial rust belt states of South Australia and Tasmania. Clearly here, the big wealthier inner urban and richer retirement regions of New South Wales are serving to pull down the rather misleading national unemployment figures. When Sydney and the wealthy inner urban regions of Melbourne, Brisbane and Perth are impacted by the collapse in our mining regions then unemployment is set for a big jump. This would be hastened by any shocks to these regions' overinflated housing markets which may serve to remind these residents that they should not confuse income with an inflated mortgage offset account.

So, who are the (currently) fortunate residents of these high SES regions? Every variable except one here is about money in the form of income and spend, assets and debt and the predominantly blue colour means they are have a lot of it to lose.

Current Education



University students tend not to be unemployed as they normally are either studying and/or unable to access benefits. Parents of children at Government schools usually are found in regions with higher unemployment levels. Their position has been improving over the past year, as has the position of parents of (secondary) students across all sectors. The change correlations are not significant but this chart points to families with children being found in regions with low or falling unemployment rates. This could be due to lower interest rates for home buyers.



Age Female



Industry Male

