



# Australian Jobs Profile for May 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

The Labour Market national summary figures look strong, but a detailed examination shows structural and demographic weaknesses. Many of the new jobs for men are part time, the figures for retail and hospitality are very soft and half of the jobs created are once again in the industries which tend to be ultimately funded or regulated by the Commonwealth – or rather future generations of taxpayers.

Those who have joined the labour force in the last 12 months have usually entered through lower paying, casual jobs and this has done little to generate higher value private sector jobs outside professional services.

Some higher income jobs in finance and real estate have also been lost and these seem to have impacted many families paying high mortgages with commensurately high levels of mortgage stress.

At the moment with very low interest rates this has not presented as a problem, but it will if it persists through to the period when interest rates again rise to normal levels.

# 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 return the focus to unemployment rates, as it appears some of the hidden unemployed are finally returning to the labour market chasing jobs, making the unemployment figure more reliable again.

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.



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	12 month 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
May-2008	10690.3	478.3	11168.6	5896.4	17065.0	4.3	65.4	280.3	15.0	295.3	75.0	370.2	0.0	0.3
May-2009	10786.8	667.5	11454.3	5995.0	17449.4	5.8	65.6	93.6	192.1	285.7	107.7	393.4	1.5	0.2
May-2010	10957.4	604.6	11562.0	6191.1	17753.2	5.2	65.1	243.1	-60.9	182.1	211.6	393.8	-0.6	-0.4
May-2011	11196.2	589.8	11786.0	6238.2	18024.2	5.0	65.4	255.4	-13.7	241.7	39.1	280.7	-0.2	0.3
May-2012	11390.0	620.4	12010.4	6331.7	18342.0	5.2	65.5	193.8	30.5	224.4	93.5	317.8	0.2	0.1
May-2013	11490.1	676.1	12166.2	6503.4	18669.6	5.6	65.2	100.1	55.7	155.9	171.7	327.5	0.4	-0.3
May-2014	11572.0	718.0	12290.0	6698.0	18988.0	5.8	64.7	81.9	41.9	123.8	194.6	318.4	0.3	-0.4
May-2015	11827.8	732.7	12560.5	6755.3	19315.9	5.8	65.0	255.8	14.7	270.5	57.4	327.9	0.0	0.3

**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 May 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 255,800), unemployment growth of 10,000 (not 14,700) and Not in the Labour Force growth of 120,000 (not 57,400).

So our employment growth was about 45,000 ahead of expectations, unemployment growth was 5,000 too high and Not in the Labour Force was 60,000 below expectations. These figures show the labour market was 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.

This means rise in unemployment rates is not a problem if it is a sign of re-energised labour market and a reduction in the numbers of discouraged workers. We can see here that this is indeed the case, as the participation rate rose 0.3 percent in the past 12 months (see figure at bottom right of the above table).

**However, of the extra 132,600 jobs for men in the past year, more than half were part time instead of what we usually see for men, which is fewer than one in five. So about 50,000 of the extra jobs for men gained in the past year which would normally be full time and on full time pay rates were only part time, with reduced job security and wages. This is a sign a lack of confidence by employers and contributes to current flat income growth.**

Quarter & Year	Agriculture\ forestry & fishing	Mining	Manufacturing	Utilities	Construction	Wholesale	Retail	Accom & Food	Transport	Media	Finance	Real Estate	Professional consulting	Admin consulting	Public admin	Education	Health & social assist	Arts & recreation	Other Services	Total Employed
May-2008	352.4	163.7	1062.2	124.4	973.2	397.9	1223.9	707.8	566.6	222.3	406.9	199.4	778.6	339.5	626.7	821.6	1101.1	176.7	445.6	10690.3
May-2009	338.1	154.2	991.3	135.4	987.7	401.3	1205.1	721.2	597.8	223.3	394.9	181.6	767.6	343.2	692.0	811.7	1192.0	204.6	443.9	10786.8
May-2010	358.9	179.2	965.1	140.1	1001.9	404.6	1172.7	753.9	590.2	219.7	388.1	195.6	834.6	365.7	692.3	832.1	1210.9	194.8	457.0	10957.4
May-2011	319.6	214.1	952.6	150.3	1030.4	392.2	1202.4	777.4	574.0	214.6	426.8	202.3	839.6	390.7	710.1	870.4	1266.9	217.4	444.5	11196.2
May-2012	338.7	275.2	939.6	155.6	983.1	400.2	1191.2	766.4	545.0	236.7	431.7	216.1	922.6	394.4	701.7	896.7	1331.3	218.6	445.1	11390.0
May-2013	299.3	259.8	915.4	148.7	989.7	425.7	1235.9	801.4	583.4	219.6	423.6	193.7	907.0	390.5	730.1	915.7	1371.6	221.9	457.0	11490.1
May-2014	327.3	262.6	919.8	145.9	1030.8	385.0	1232.8	779.6	584.6	203.1	407.9	228.9	935.3	396.5	727.8	922.9	1383.2	190.4	507.7	11572.0
May-2015	298.7	229.2	916.8	142.7	1049.1	396.1	1214.6	834.3	612.9	208.5	395.6	212.2	1027.5	413.2	741.4	937.1	1480.8	228.3	488.7	11827.8
May 15 minus May 14	-28.7	-33.5	-3.0	-3.2	18.3	11.1	-18.2	54.8	28.3	5.4	-12.3	-16.6	92.2	16.7	13.6	14.2	97.6	37.9	-19.0	255.8

**Table 2.** This table shows quarterly employment levels by industry in 000's for the 11,827,800 employed persons in column two, bottom row, of Table 1. The last row of Table 2 shows movements from May 2014 to May 2015 with big gains highlighted in blue and losses in maroon.

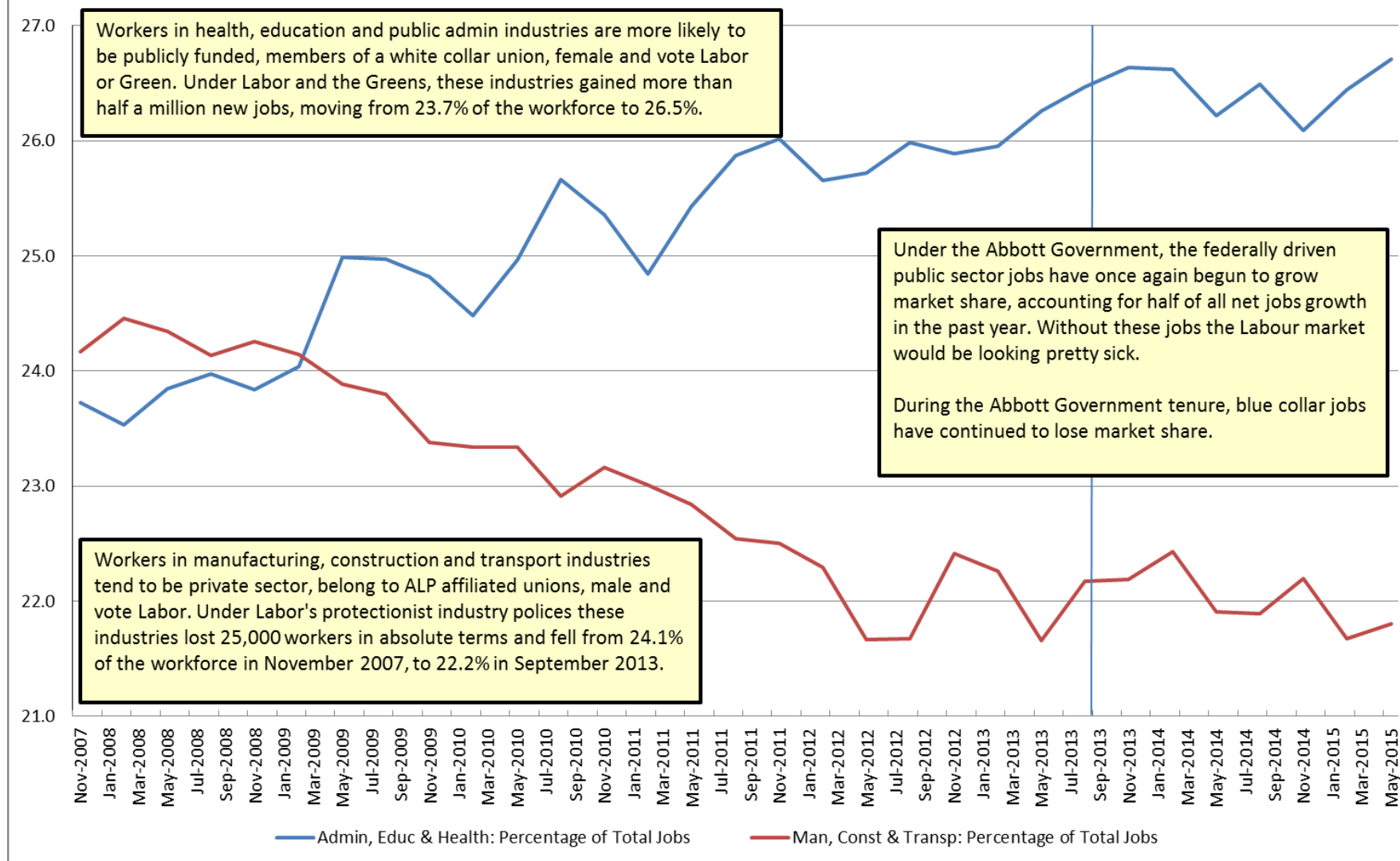
The past 12 months saw big job gains for the public sector funded or regulated trio of Public Admin, Education and Health. These three industries accounted for 125,500 extra jobs or 49 percent of all additional jobs created in the past 12 months. This is the sort of public sector expansion we became used to seeing during the heaviest spending binges of the Rudd and Gillard Governments.

When we add in the extra 92,200 jobs in professional services, these four predominantly white collar industries accounted for 85 percent of all extra jobs created in the past year. Professional services include scientific researchers, architects, engineers, lawyers, accountants, market researchers, advertisers, management consultants, vets, management consultants and photographers.

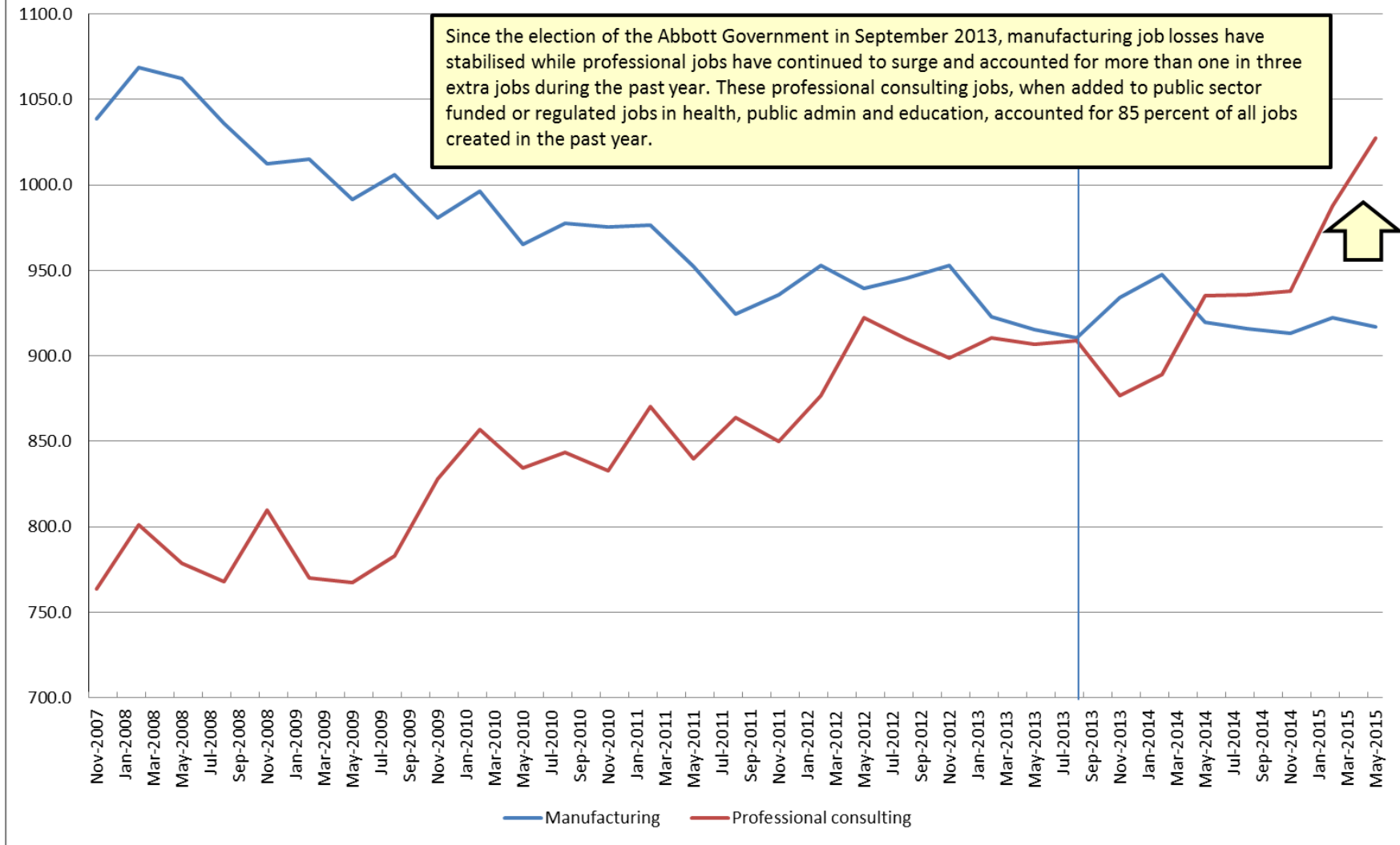
The more private sector and blue collar industries of agriculture, mining and manufacturing shed 75,000 jobs for men and gained 10,000 jobs for women, mainly in manufacturing. Construction looked reasonably solid, but Real Estate (and hiring services) went backwards by nearly 17,000 jobs. Two thirds of these jobs were lost in rental and hiring services, but still enough were lost from Real Estate (especially female estate agents) to look like a little of the air is already subsiding from the housing price bubble. The high SES inner urban industry of Finance also shed more than 12,000 workers, mostly in insurance and superannuation services. The blue collar industry of Transport enjoyed healthy growth.

Accommodation/Food and Retail currently have underemployment rates of 19.1 percent and 16.1 percent respectively. Of the 1.2 million persons employed in Retail, almost 200,000 of them are chasing more working hours. Along with this underemployment, Retail lost 42,600 jobs from food retailers and department stores last year and 33,600 of those former jobs were held by women, typically using this income to help pay for school fees and child care and also to top up mortgage payments.

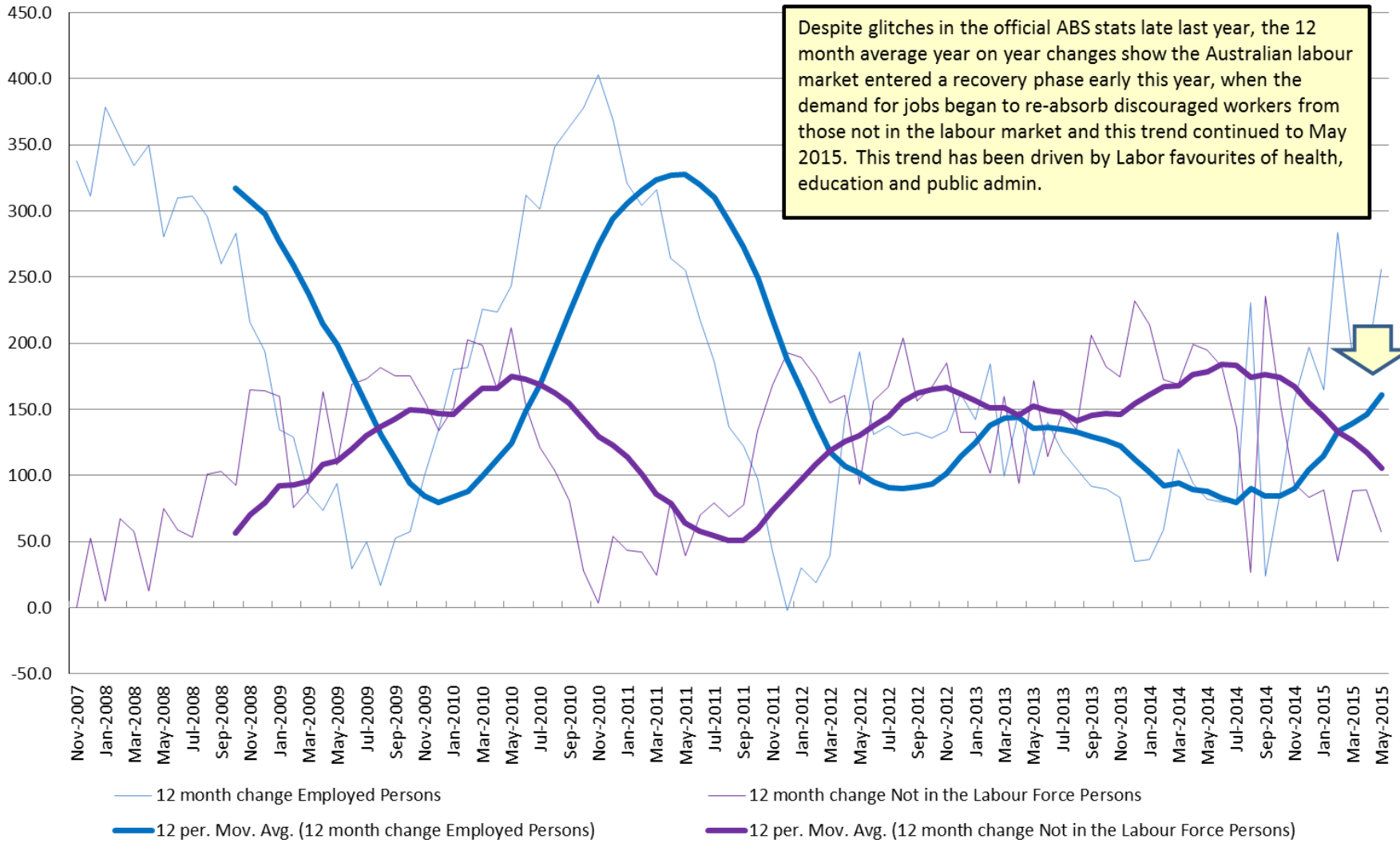
## Labour Market Shares for key White Collar and Blue Collar Workers



## Changing Face of the Australian Labour Market



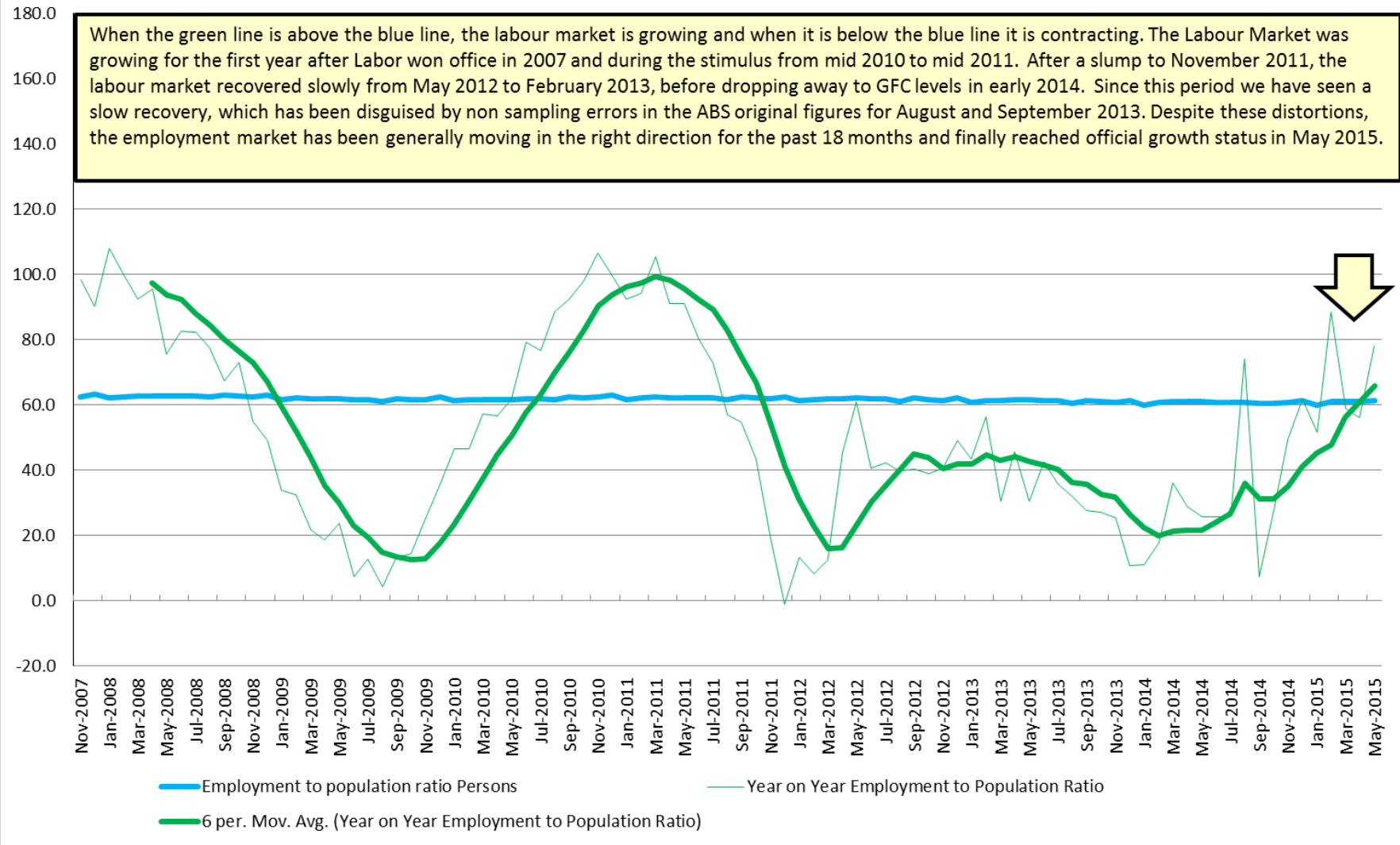
## Labour Market Dynamics Year on Year



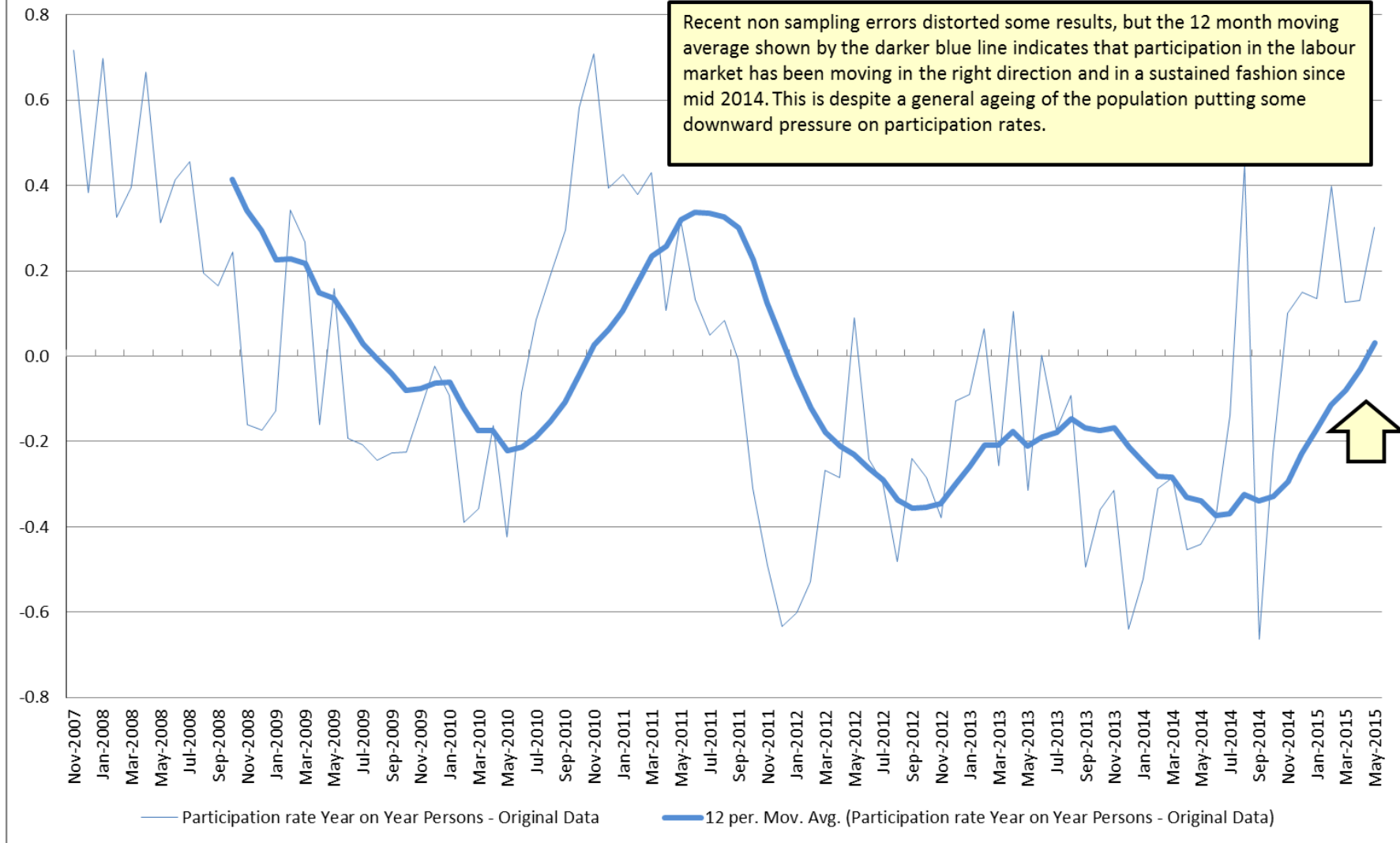


## Employment to Population Ratios: Year on Year and Monthly

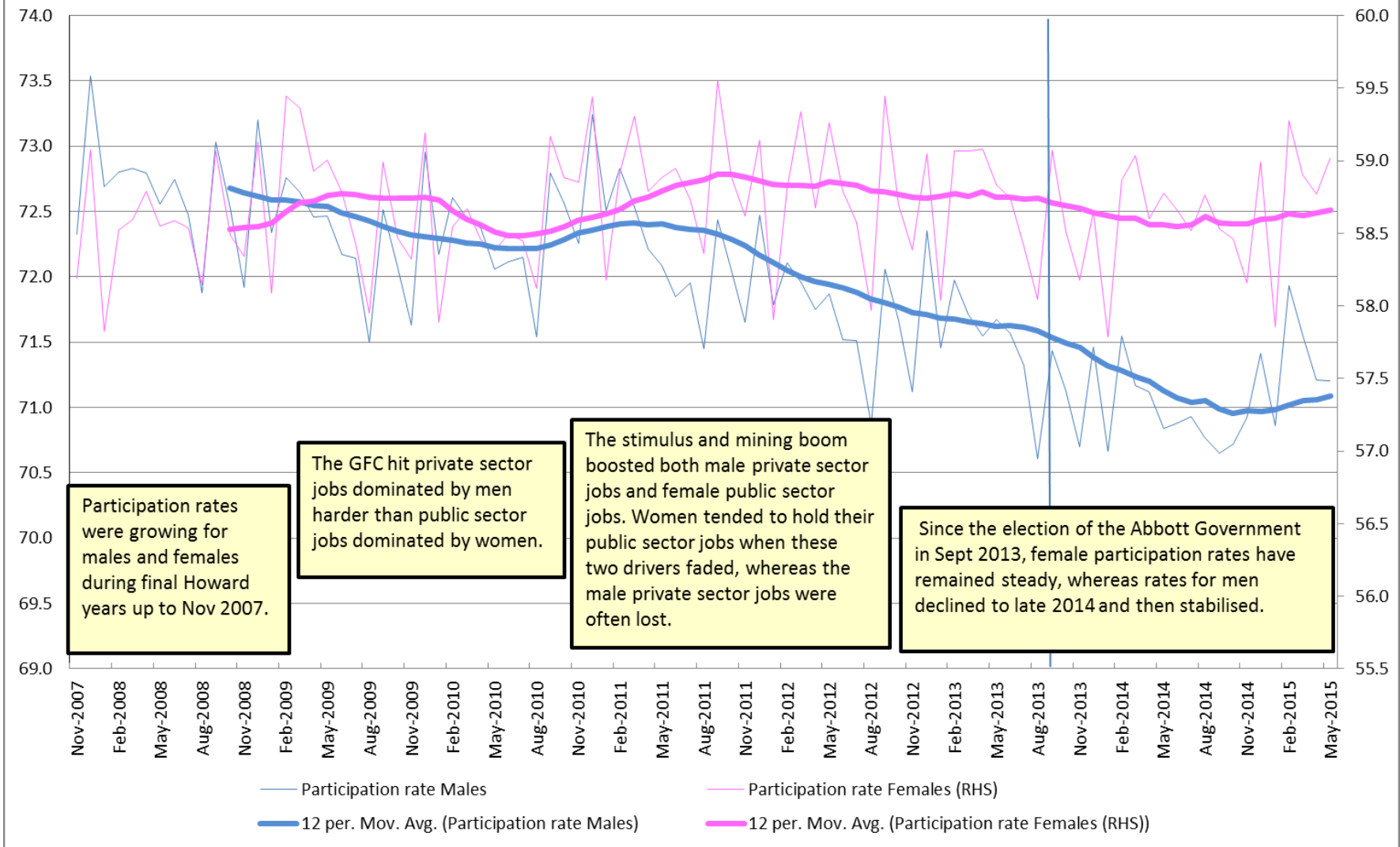
When the green line is above the blue line, the labour market is growing and when it is below the blue line it is contracting. The Labour Market was growing for the first year after Labor won office in 2007 and during the stimulus from mid 2010 to mid 2011. After a slump to November 2011, the labour 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 has been generally moving in the right direction for the past 18 months and finally reached official growth status in May 2015.



## Participation rate Year on Year Persons - Original Data



## Participation Rates for Males and Females



Participation rates were growing for males and females during final Howard years up to Nov 2007.

The GFC hit private sector jobs dominated by men harder than public sector jobs dominated by women.

The stimulus and mining boom boosted both male private sector jobs and female public sector jobs. Women tended to hold their public sector jobs when these two drivers faded, whereas the male private sector jobs were often lost.

Since the election of the Abbott Government in Sept 2013, female participation rates have remained steady, whereas rates for men declined to late 2014 and then stabilised.



Labour Force Regions	Unem May Qtr 14	Unem May Qtr 15	Unem May 15 minus May Qtr 14	Variables	Aust Means	Unem May 2014 Qtr	Unem May 2015 Qtr	Unem May Qtr 2015 minus May Qtr 2014
Mackay	4.0	8.1	4.1	Fem Real Estate	1.7	-0.27	0.01	0.28
Illawarra	5.6	9.0	3.4	Fem 70-74 one kid	0.3	-0.01	0.23	0.24
Southern Highlands and Shoalhaven	6.1	9.5	3.3	Portuguese speakers	0.2	-0.45	-0.22	0.24
Hunter Valley exc Newcastle	8.1	11.3	3.2	Moved past five years	39.2	-0.27	-0.04	0.24
Sydney - Outer South West	3.6	6.6	3.0	Real Estate	1.5	-0.42	-0.19	0.23
Fitzroy	4.5	7.4	2.9	Fem Portuguese speakers	0.2	-0.46	-0.24	0.23
Wide Bay	9.2	12.0	2.9	Inc \$1500-1999	8.5	-0.56	-0.35	0.22
South Australia - South East	5.4	8.1	2.7	Moved past year	15.1	-0.26	-0.05	0.21
Sydney - Inner South West	4.9	7.5	2.6	Per Cap Current Housing Costs	\$4,516	-0.50	-0.29	0.21
Central West	5.3	7.9	2.6	Fem Admin consulting	3.6	-0.05	0.16	0.21
Logan - Beaudesert	6.7	9.1	2.4	Median mortgage	\$1,800	-0.49	-0.30	0.21
Brisbane Inner City	3.7	5.5	1.8	Fem Construction	2.3	-0.13	0.07	0.20
Toowoomba	4.5	6.3	1.8	Mort \$3000-3999	9.6	-0.55	-0.37	0.20
Perth - South East	4.8	6.6	1.8	Mort \$2400-2999	11.2	-0.37	-0.18	0.19
Newcastle and Lake Macquarie	5.9	7.5	1.6	Fam \$2500-2999	8.2	-0.56	-0.38	0.19
Adelaide - Central and Hills	4.5	6.2	1.6	Inc \$2000+	9.7	-0.54	-0.37	0.19
Sydney - Eastern Suburbs	2.0	3.6	1.6	Mining	2.7	-0.04	0.14	0.18
Adelaide - West	6.0	7.6	1.6	Per Capita Total Income	\$28,974	-0.57	-0.40	0.18
Townsville	7.2	8.8	1.5	Per Cap Wages Income	\$20,828	-0.59	-0.42	0.18
North West	5.0	6.4	1.3	Motorbike to work	0.6	-0.21	-0.03	0.18
Brisbane - North	4.3	5.6	1.3	Mortgage stress	33.7	0.10	0.28	0.18
Richmond - Tweed	6.4	7.7	1.3	Fam \$3500-3999	2.6	-0.57	-0.40	0.18

**Table 3.** The 22 Labour Force Regions with the biggest increases in unemployment rates in the 12 months between May Quarter 2014 and May Quarter 2015 are shown at top left. The 19 regions with unemployment increases greater than 1.5 percent in the past year can be considered to be in a regional recession. The regions here are biased towards mining centres in Queensland and New South Wales, older, low income retirement areas and some richer inner city suburbs in Sydney and Brisbane.

The demographic variables at top right dominate these regions in recession and include an interesting mix of highly mobile workers formerly working in mining and construction, along with high income men and their high income families, living in homes with commensurately high mortgages and showing some signs of mortgage stress. Most likely cause of this mortgage stress would be recent job losses or reduced hours for females in these families working in Real Estate or Admin consulting.



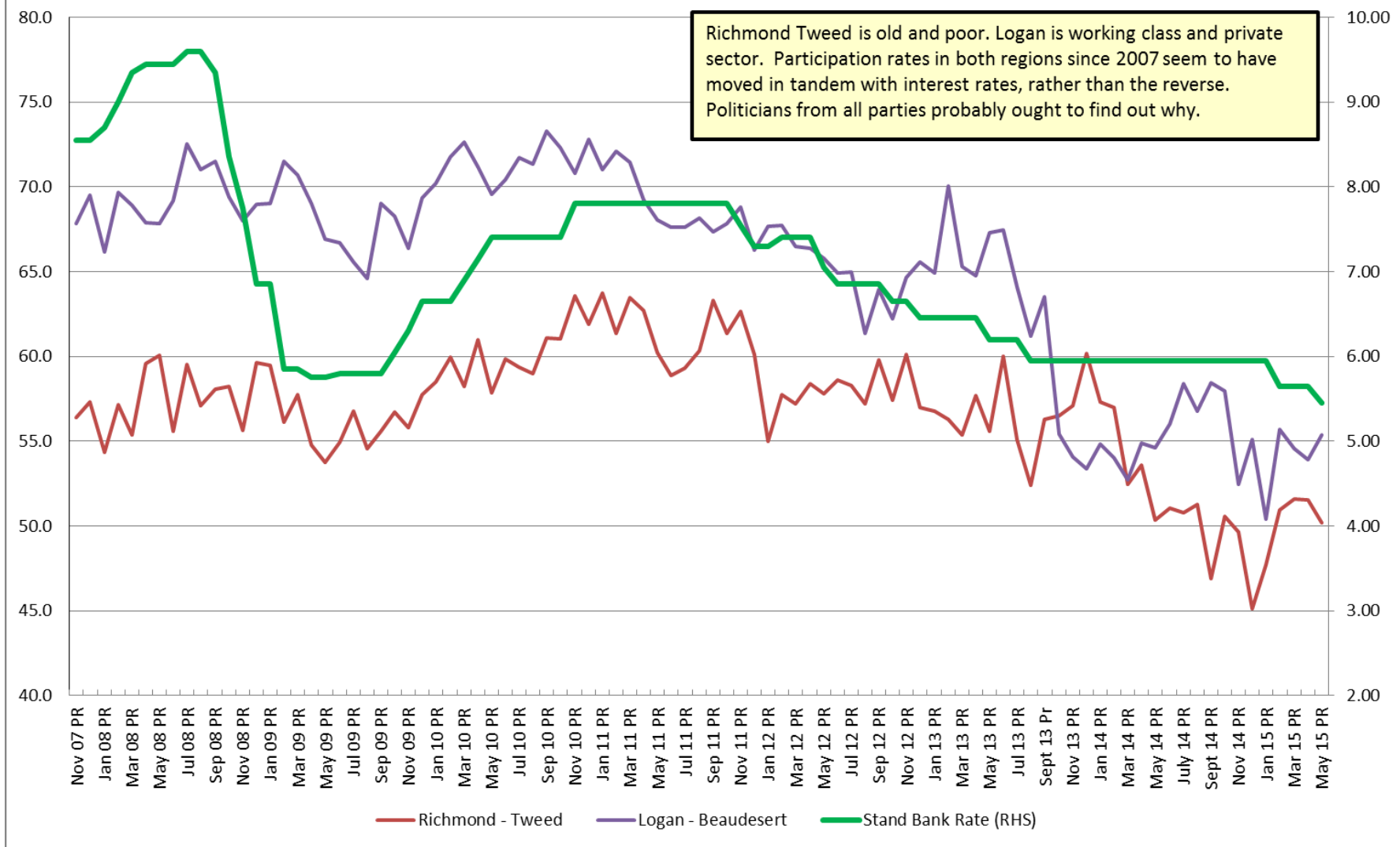
Labour Force Regions	Unem May Qtr 14	Unem May Qtr 15	Unem May 15 minus May Qtr 14
South Australia - Outback	10.1	4.1	-6.0
Queensland - Outback	5.1	1.2	-3.9
Moreton Bay - North	10.0	6.3	-3.7
Capital Region	7.3	4.0	-3.4
Ipswich	10.1	7.0	-3.1
Warmambool and South West	7.4	4.7	-2.7
Sydney - South West	8.9	6.2	-2.7
Murray	9.2	7.0	-2.2
Ballarat	4.7	2.5	-2.2
Barossa - Yorke - Mid North	9.3	7.2	-2.2
South East	9.3	7.4	-1.9
Sydney - Outer West and Blue Mountains	6.7	4.9	-1.8
Launceston and North East	8.0	6.2	-1.8
Central Coast	6.8	5.1	-1.7
Moreton Bay - South	5.8	4.2	-1.6
Sydney - Parramatta	6.8	5.1	-1.6
Far West and Orana	6.2	4.6	-1.6
Sydney - Blacktown	7.6	6.2	-1.5
Brisbane - South	6.4	5.0	-1.4
Shepparton	8.9	7.5	-1.3
Melbourne - Outer East	5.8	5.0	-0.8
Melbourne - Inner East	7.2	6.5	-0.8

Variables	Aust Means	Unem May 2014 Qtr	Unem May 2015 Qtr	Unem May Qtr 2015 minus May Qtr 2014
Pred Unem May14	6.0	0.78	0.53	-0.26
Mort \$300-449	2.4	0.44	0.19	-0.26
Mort \$450-599	2.2	0.41	0.17	-0.25
Occ Not Stated	2.1	0.18	-0.05	-0.24
ALP 2PP 07 to 10 Swing	-2.0	0.30	0.11	-0.20
Mort \$600-799	4.2	0.41	0.23	-0.20
Fem Year 11 Graduates	8.6	0.28	0.09	-0.20
Seniors Health Card	10.1	0.48	0.30	-0.19
Pred Unem Aug 14	6.0	0.73	0.56	-0.19
Separate House Bedrooms 1	0.9	0.23	0.04	-0.19
Separate House Bedrooms 0	0.1	0.09	-0.09	-0.19
Pred Unem Nov13	5.6	0.61	0.43	-0.19
Rent \$75-79	4.5	0.18	0.00	-0.19
Year 11 Graduates	9.2	0.28	0.10	-0.19
Fam \$1000-1249	7.8	0.54	0.37	-0.18
Mort \$1-299	4.2	0.11	-0.07	-0.18
Fem Iraq	0.2	0.19	0.02	-0.18
NewStart	4.6	0.48	0.32	-0.18
Inc \$1-199	5.5	0.41	0.24	-0.17
Iraq	0.2	0.18	0.01	-0.17
Fem Assyrian speakers	0.1	0.18	0.01	-0.17
Per Cap Unincorp Assets	\$10,402	0.13	-0.04	-0.17

**Table 4.** The 22 Labour Force Regions with the biggest falls in unemployment rates in the 12 months between May Quarter 2014 and May Quarter 2015 are shown at top left. All states are represented except West Australia and the regions look heavily biased to the bush and to outer urban, lower income, blue collar areas.

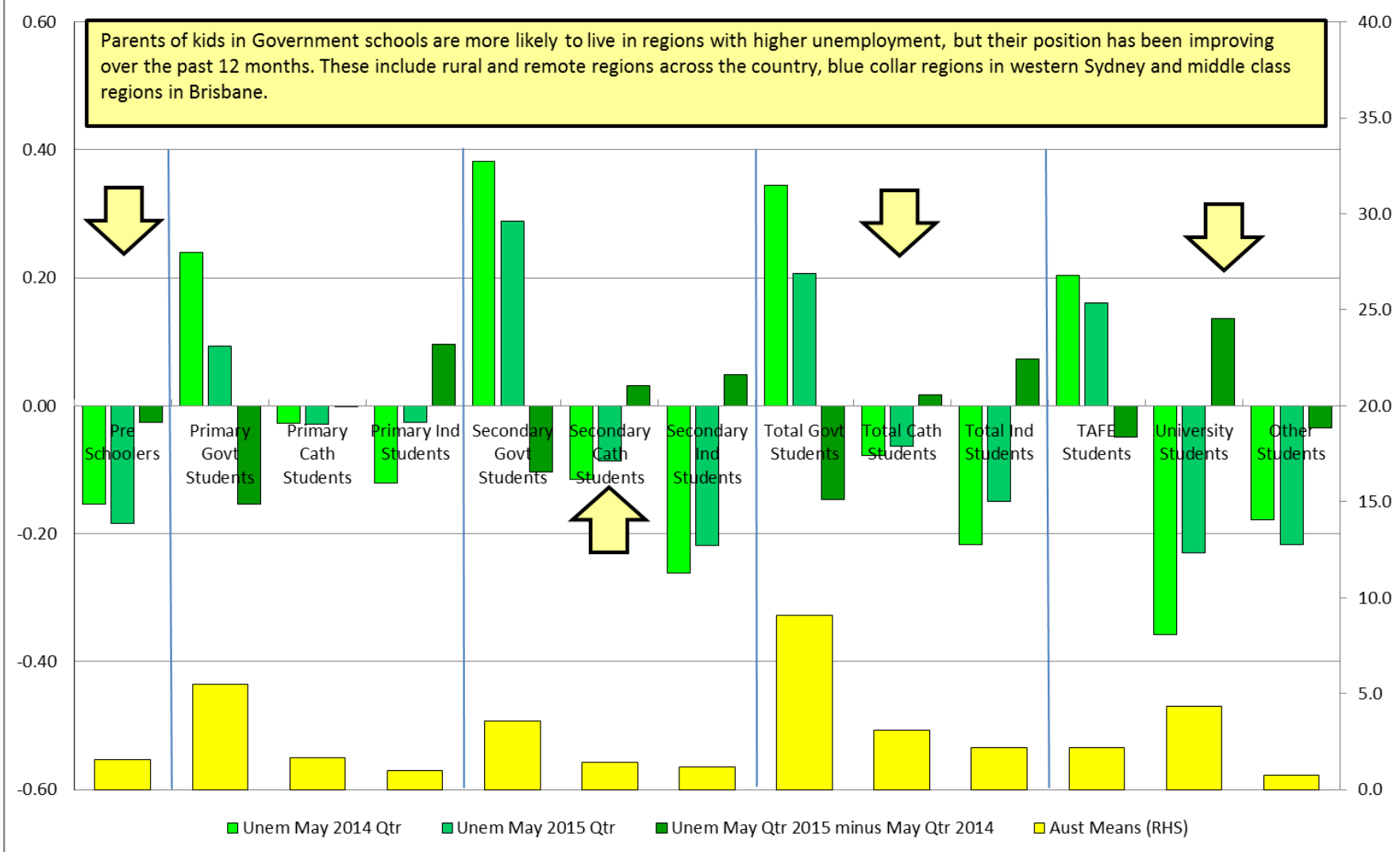
Living in these regions at top right are those formerly unemployed and on Newstart – possibly some Middle Eastern refugees - who have been gaining jobs over the past 12 months. We can see here that these jobs gained are overwhelmingly low income, with commensurately low rents and mortgages, but there are some asset rich persons with seniors’ cards. Politically, the big winners from the Abbott Government have been the Kath and Kim voters with Grade 11 education who swung heavily against Abbott in 2010 and effectively kept him from the PM’s job by swinging heavily to Julia Gillard, especially in Victoria and South Australia.

### Participation Rates and Interest Rates in two regions

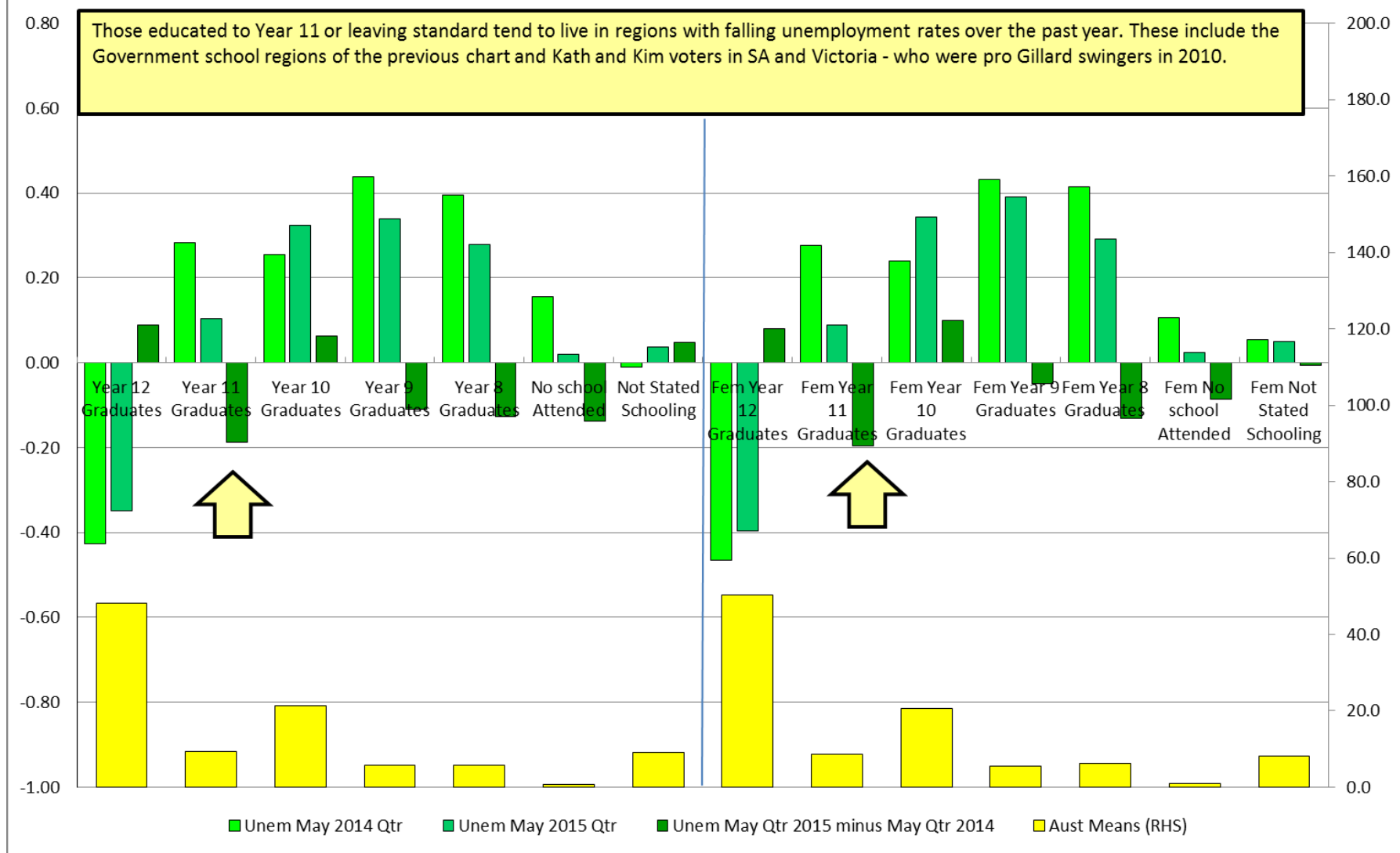


## Current Education

Parents of kids in Government schools are more likely to live in regions with higher unemployment, but their position has been improving over the past 12 months. These include rural and remote regions across the country, blue collar regions in western Sydney and middle class regions in Brisbane.

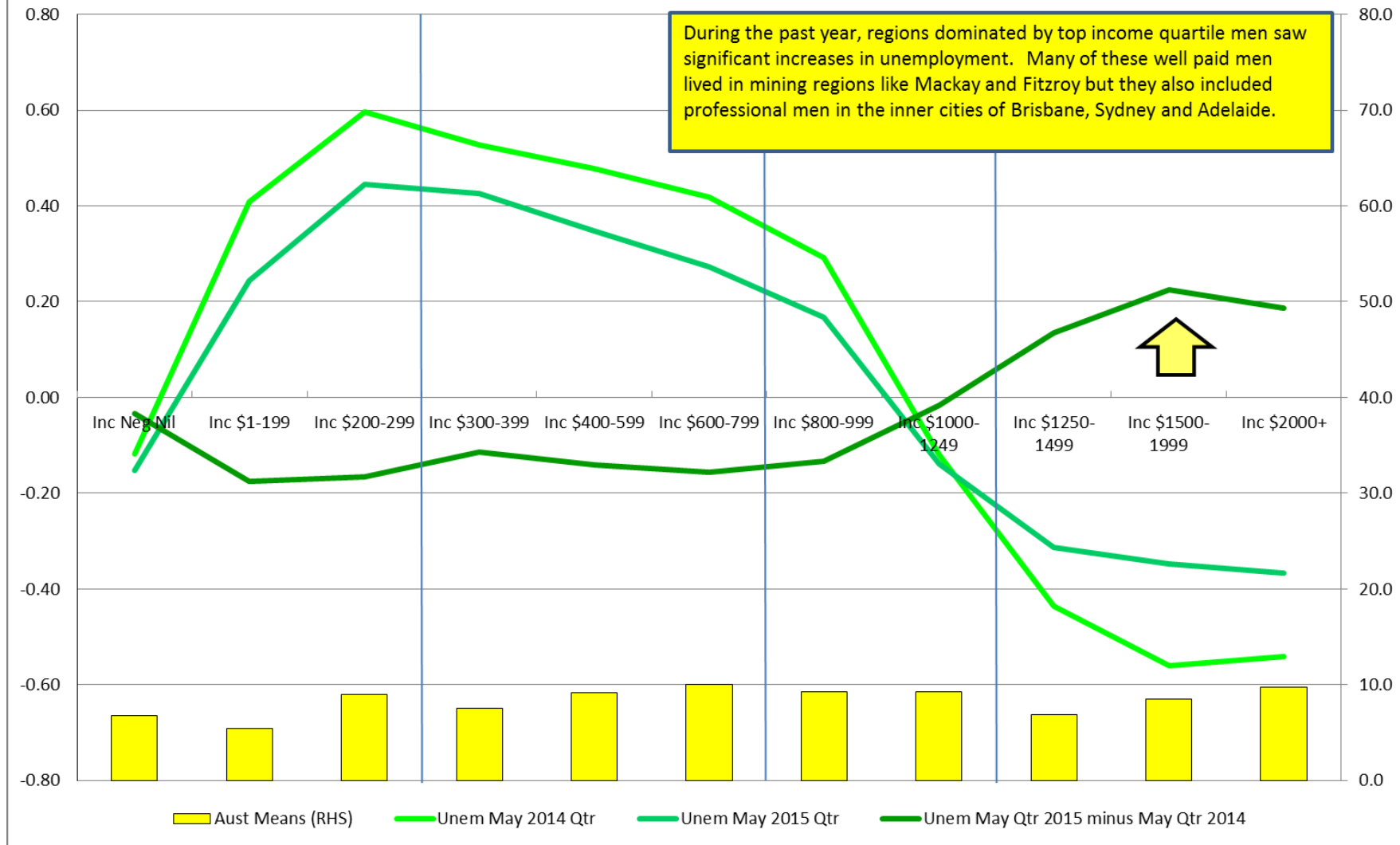


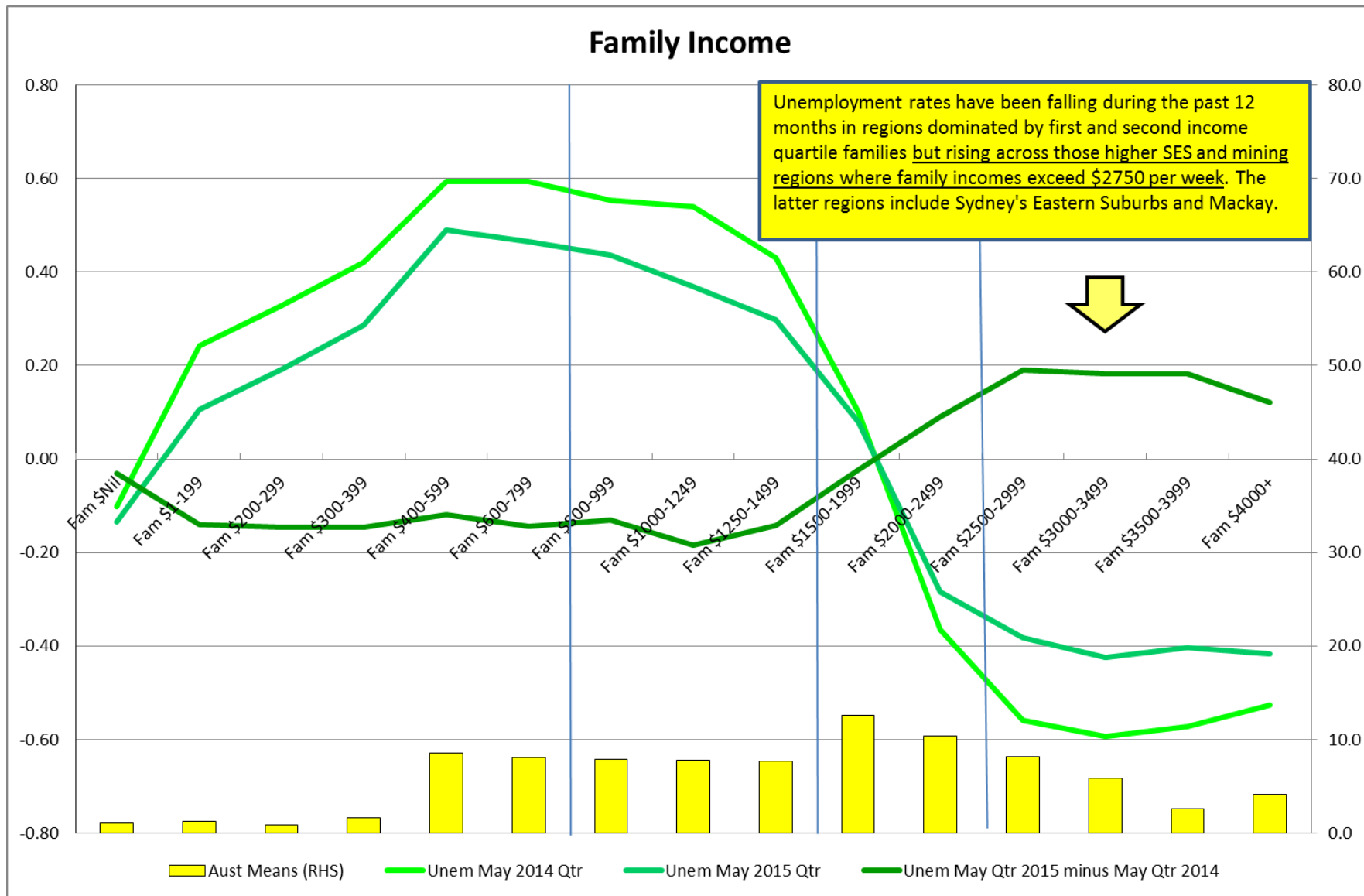
## Parent Education



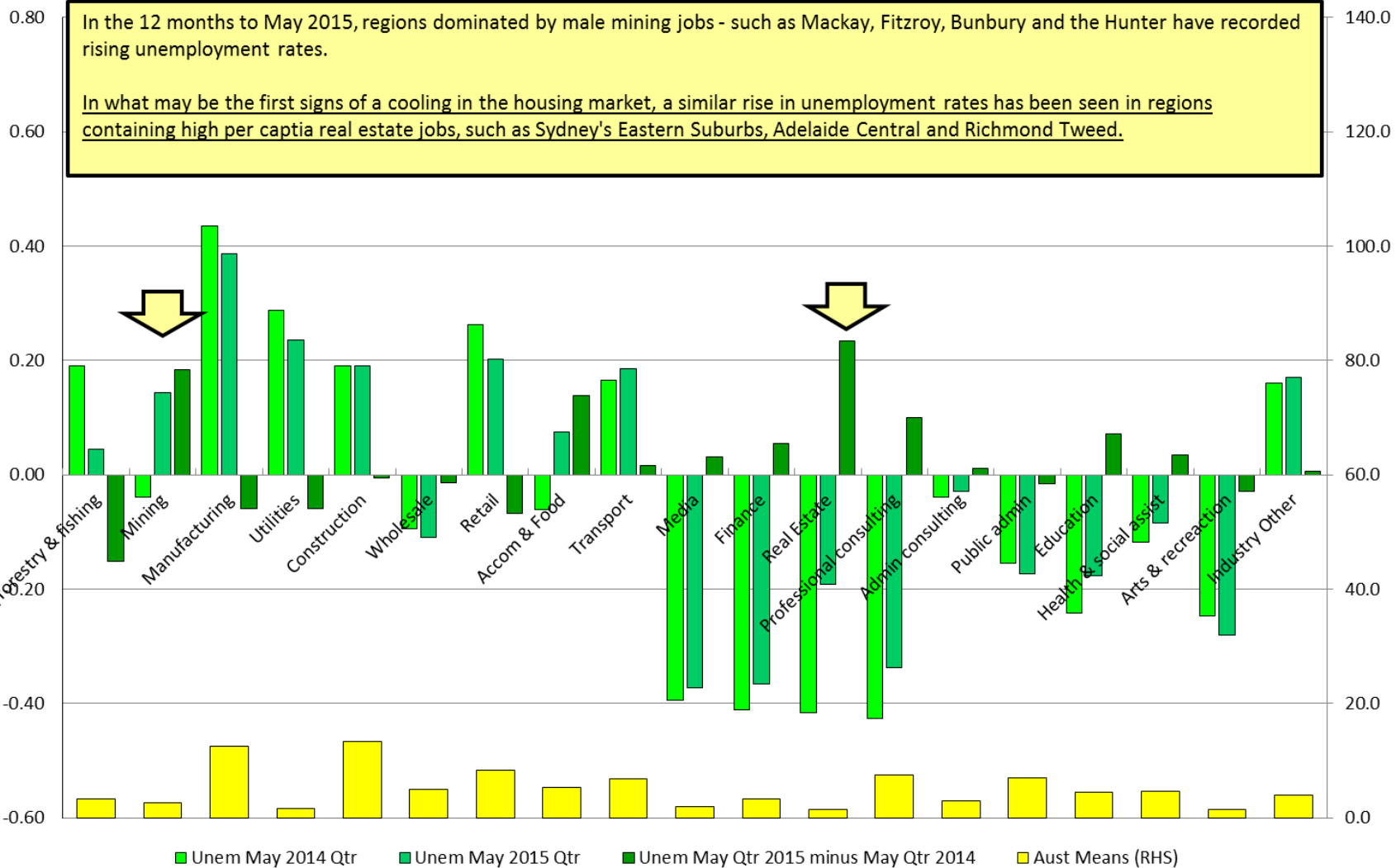


## Income Male

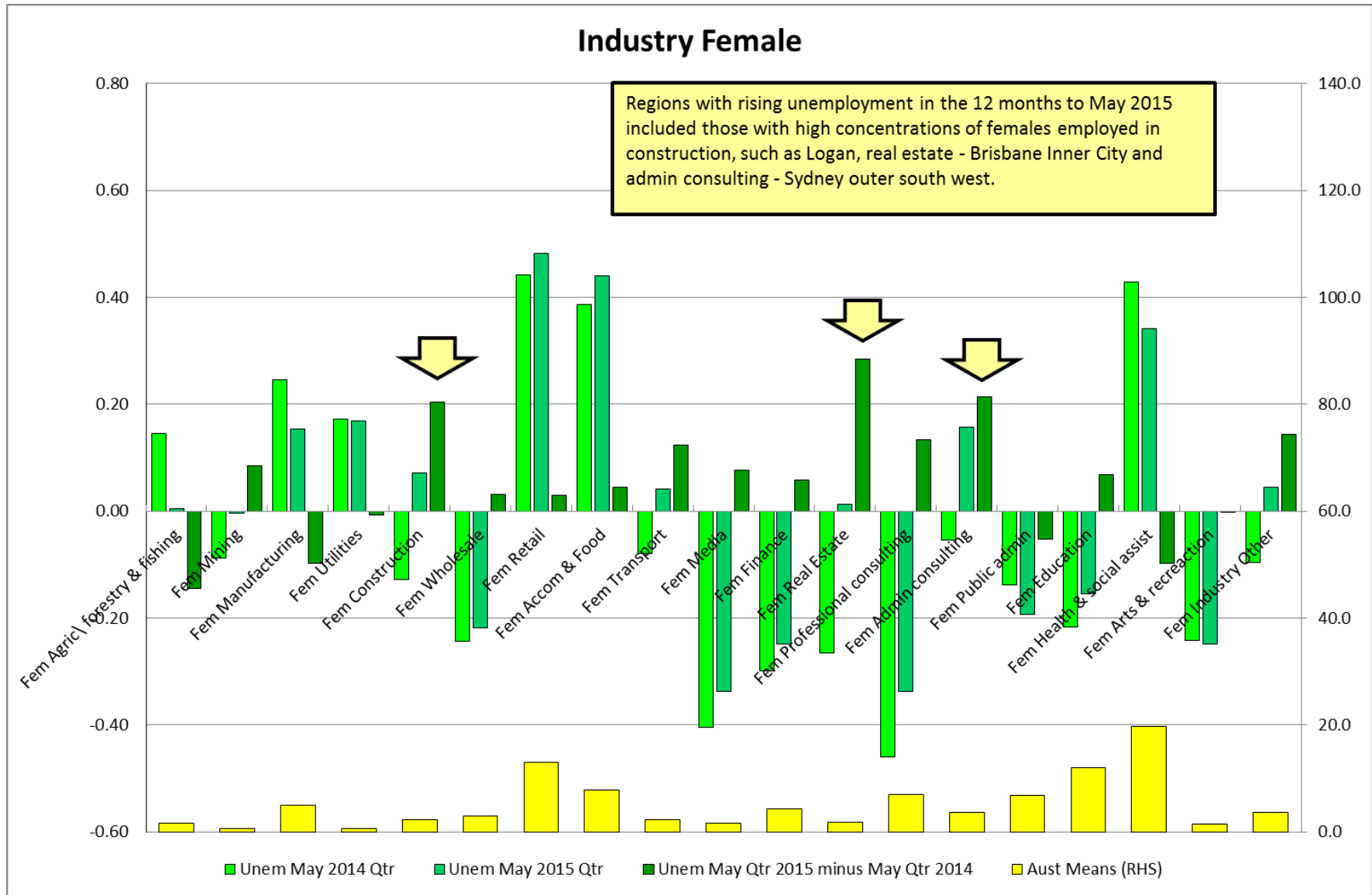




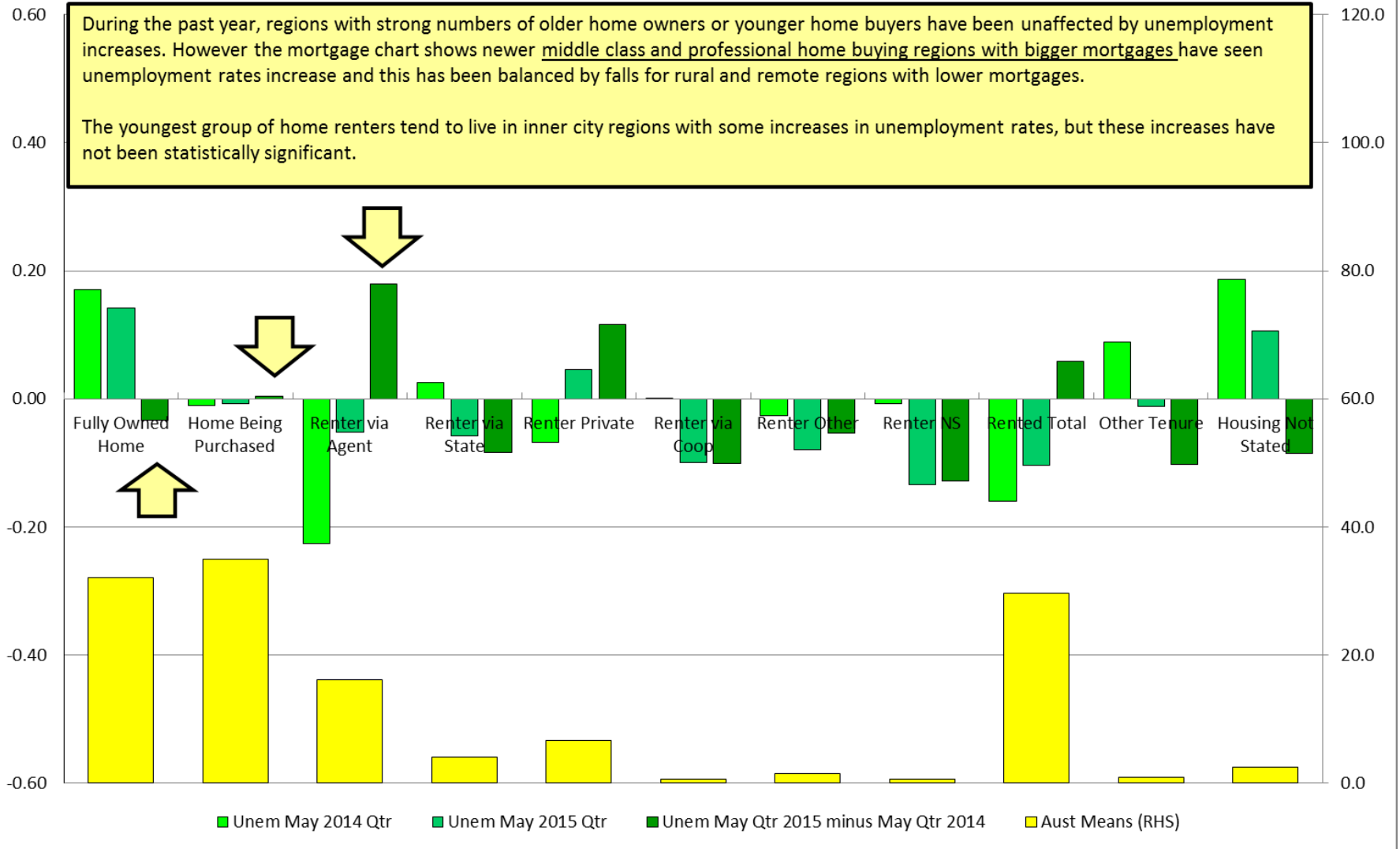
## Industry Male



## Industry Female



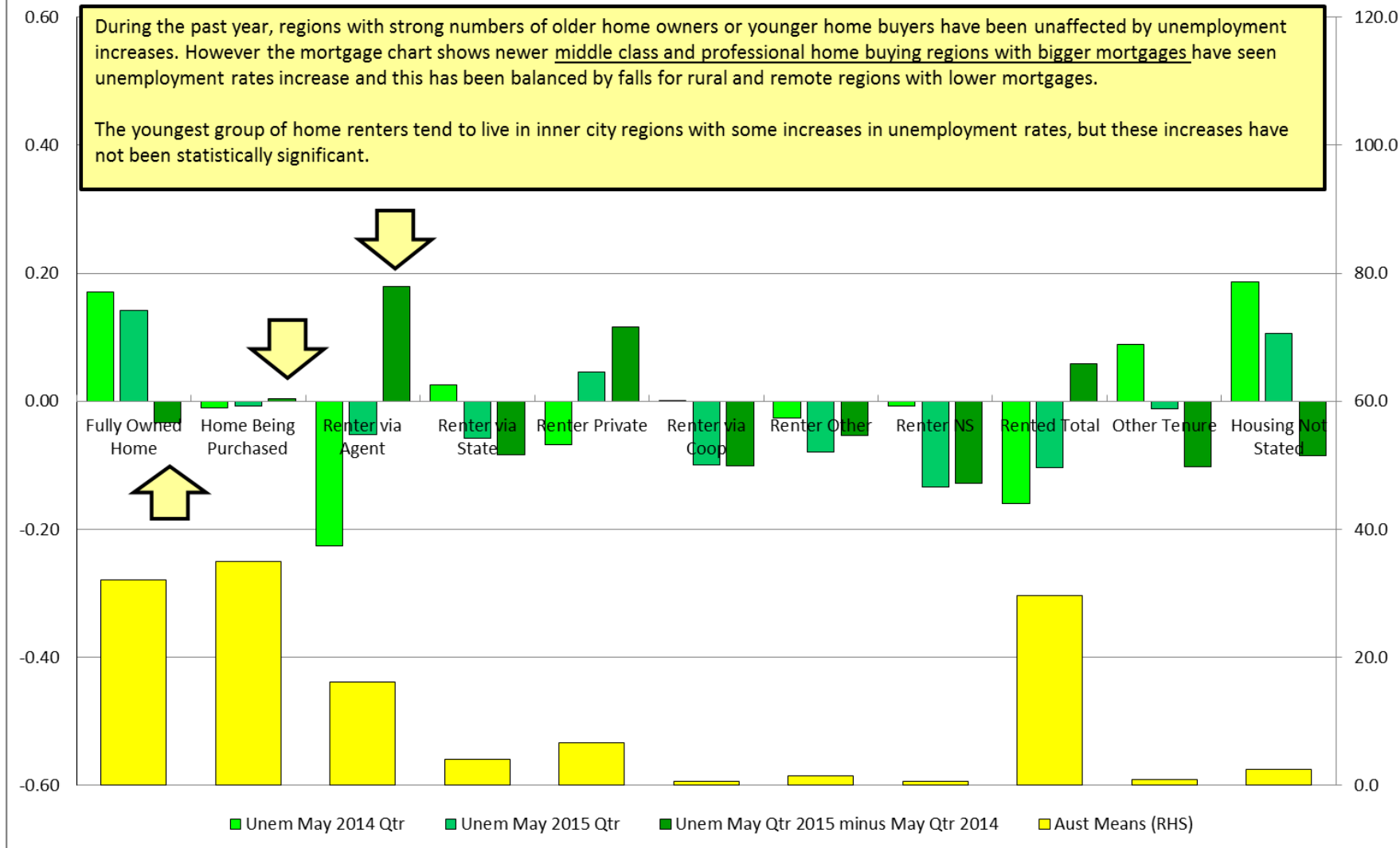
## The Family Home



## The Family Home

During the past year, regions with strong numbers of older home owners or younger home buyers have been unaffected by unemployment increases. However the mortgage chart shows newer middle class and professional home buying regions with bigger mortgages have seen unemployment rates increase and this has been balanced by falls for rural and remote regions with lower mortgages.

The youngest group of home renters tend to live in inner city regions with some increases in unemployment rates, but these increases have not been statistically significant.



## Family Statistics

Regions with significant increases in unemployment during the past 12 months contained disproportionate numbers of home buyers who had recently moved into a home with a top quartile mortgage. When these families lost one of the family's two jobs, this placed them in mortgage stress. These regions included Brisbane Inner City and Wide Bay, Mackay and Toowoomba, Sydney's Inner South West and Eastern Suburbs, the NSW Southern Highlands/Shoalhaven and Illawarra.

