# Australian Jobs profile for Feb Qtr. 2014

## 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.

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# Executive Summary

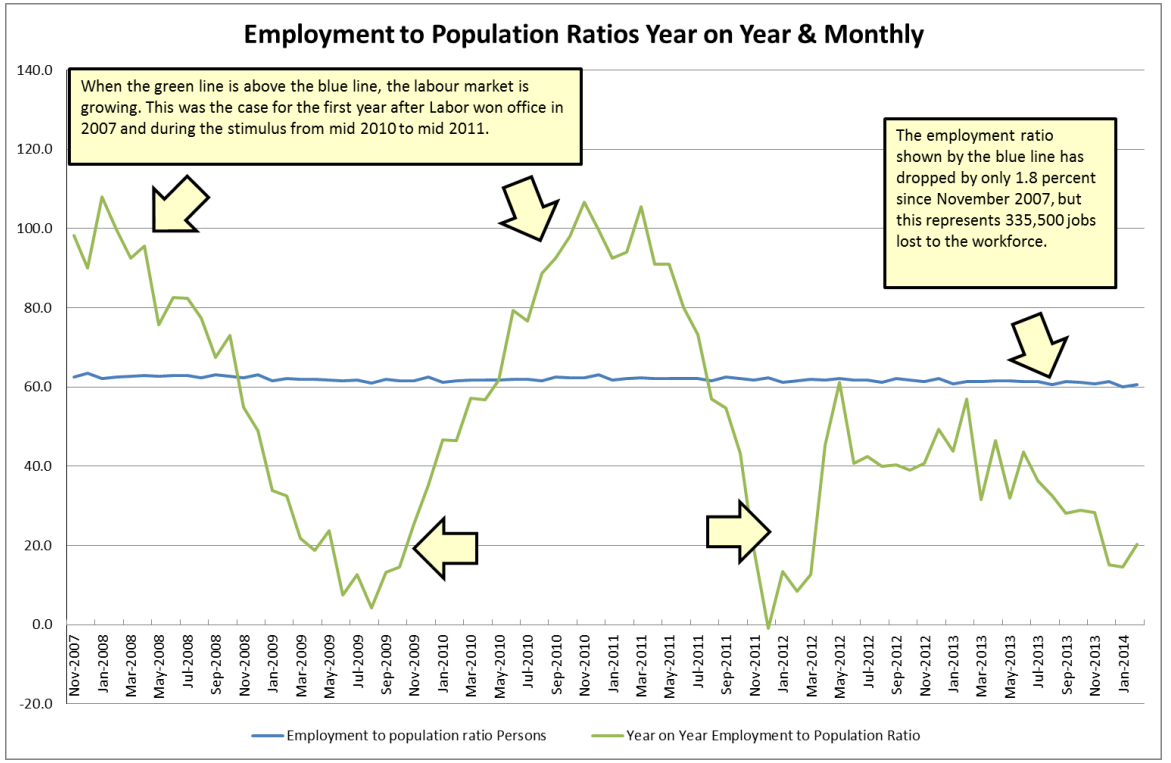
The reader is advised that Labour Market data provided by the Australian Bureau of Statistics has undergone a major overhaul leading up to the preparation of the February Quarter figures. With adjustments for a new Census, new boundaries, a new sample and a new collection system, the figures will need caution in their interpretation for the first six months of the year.

We first examined national figures for employment, unemployment rates, participation rates and those persons not entering the Labour Market. We also reviewed ABS breakdowns of this data for age and gender. We then reviewed changes to the industries of employed persons in terms of their occupation and gender.

We then examined the regional data for changes to employment, unemployment rates and participation rates to check for spatial patterns and changes to the demographic composition of each Labour market figure. In other words, have jobs been gained or lost in the regions, or the outer suburbs or inner suburbs?

These changes were then modelled against our own demographic data for the same regions to look for any demographic links to changes and this has been compared to the above national data where possible. Modelled estimates were then projected onto current Federal electorates.

Table 1 deals with national monthly Labour Market figures for each year and the Year on Year figures. The results show the Rudd Government inherited a labour market from John Howard and Peter Costello at the end of 2007, which was generating Year on Year almost as many jobs as could be provided annually by growth in the civilian population 15

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years and over.

In September 2013, the Abbott Government inherited a labour market from Kevin Rudd and Wayne Swan which was generating jobs for only one in four potential new entrants to the workforce (94,300 jobs from 334,700 potential new workers).

Year on Year employment had dropped alarmingly to 52,400 in December.

It then climbed slowly back to 68,700 in February which means the Abbott Government was then generating enough demand for Labour to find places for only one in five potential new workers. More workers were joining the ranks of the unemployed than finding jobs.

This contraction of demand for jobs was driving up the Year on Year Unemployment Rate in February by 0.7 percent and pulling down the Year on Year Participation Rate by 0.3 percent.

When the data from Table 1 is reproduced in temporal form, Year on Year charts show unemployment is on long run growth phase which has endured since the stimulus faded in mid-2010. Those not in the Labour Force, which includes hidden and discouraged workers, has been growing in parallel to unemployment since mid-2010. And, finally, jobs growth has been dropping since the start of 2013.

The decline in jobs and participation rates may have begun to level out since December, but it is too soon to tell if this is the start of a trend or just the bedding in of a new statistical series.

The remaining charts on female unemployment give little cause for optimistic interpretations.

When we compare the trend national figures for female underemployment and underutilisation, we see younger women aged 25-34 have been facing economic headwinds that are as severe now as they were during the worst of the GFC, when 13.5 percent were either unemployed or in part time jobs where they are unable to obtain the number of hours they seek to work. The figure for February was 13.4 percent.

For older women, labour underutilisation is historically lower than it is for younger women, as older women do not have the same problems with child care for younger children. However, the gap between young and older women has been narrowing since the interest rate cuts beginning in mid-2011 and for older women, labour underutilisation is now much worse than it was during

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the GFC.

In February 2014, the percentage of women 55 and over who were actively seeking a job or in a job where they couldn't get sufficient hours to work was 10.9 percent, compared to 9.1 percent during the GFC.

In February the ABS estimates some 162,800 women were chasing part time jobs – this is the highest figure we could find on record by a big margin.

Table 2 shows the breakdown of employed persons by Industry over selected quarters since the election of the Rudd Government in November 2007 and the quarterly position since the election of the Abbott Government in early September 2013.

We see from Table 2 that major job losses from 2007 to 2013 in Agriculture, Manufacturing, Media and Service Industries appear to have been reversed since the Federal election.

On the other hand, the big industry drivers of 2007 to 2013 which have slowed or reversed include Mining, Wholesale, Accommodation and Food, Professional Consulting, Admin Consulting and Public Administration.

In the chart below Table 2 we look at the three classic skilled and semi-skilled blue collar industries of Manufacturing, Construction and Transport and at the predominantly public sector funded or regulated industries of Health, Education and Public Administration.

During six years of Labor Governments, the three blue collar industries lost 25,000 workers and fell from 24.1 percent of the workforce in November 2007 to 22.2 percent in September 2013. The three white collar industries on the other hand gained more than half a million workers and grew from 23.7 percent of the workforce to 26.5 percent in September 2013.

Since the election of the Abbott Government the growth of the three public sector industries has plateaued while the three traditional Labor industries have grown by 57,000 workers.

Table 3 shows Labour Force Regions with the highest Unemployment Rates in February 2014 and the demographic groups disproportionately represented in these regions. Regions with higher levels of unemployment in February 2014 are found in Queensland and New South Wales' regional and provincial centres, a cross section of inner and outer suburban Melbourne, East and Western Tasmania and Adelaide

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North.

These regions tend to contain lower income individuals and families, persons not employed at the time of the last Census, unskilled blue collar men working in labouring jobs and women working in the services sector. For example, Coffs Harbour – Grafton ranks third of 87 regions for low income, Richmond – Tweed ranks fifth for Female Services workers and Queensland Outback ranks fifth for Labourers.

Table 4 shows Labour Force Regions with the lowest Unemployment Rates in February 2014 and the corresponding demographic groups. The table shows a mix of urban, regional and outback regions with very high incomes because their workforces have very high participation rates. Included among these (younger) workers are the Irish born and a mix of other Anglophone migrant groups such as USA born and South African born. When we rank the 87 regions for Irish born we see the Eastern Suburbs of Sydney at one, Perth Inner at two and Brisbane Inner at four.

Table 5 shows Labour Force Regions with the biggest growth in Unemployment Rates between February 2013 and February 2014 and the demographic groups located disproportionately within these regions. With unemployment growth well in excess of 1.5 percent per annum, some economists would consider all of the above regions to be in recession.

While the appearance of Shepparton region in this list is no surprise after the Govt decision on the future of SPC Ardmona, we are however surprised to see only one region from the declining industrial states of South Australia and Tasmania but seven regions from the resource states of Queensland and Western Australia. Exports of coal and iron ore from these two states to China kept the Australian economy insulated from the GFC and these days look to be winding down with the moderation of Chinese economic growth.

The demographic groups represented in these regions include lower income (and older) self-employed and part time workers, chasing part time jobs in hospitality or health, in the face of state Government spending cuts and a high Australian dollar. We see a smattering of smaller Asian language groups such as we expect to see working in international tourism jobs. At the moment this trend is not evident in international visitor numbers, so it could reflect higher unemployment among Asian language groups in the Labour Force regions affected.

Table 6 shows Labour Force Regions with the biggest falls in Unemployment Rates between February 2013 and February 2014 and the demographic groups located disproportionately within these regions are at top right.

Most of the regions are based on provincial cities or remote areas. In contrast to what we normally see in this table, there is only one region from WA doing well and this is Mandurah, south of Perth. NSW has Shoalhaven, the Outer West and Central Coast, while Queensland has a strong cross section of standalone regional economies drawing on coal, cattle or gas production to drive private sector jobs growth.

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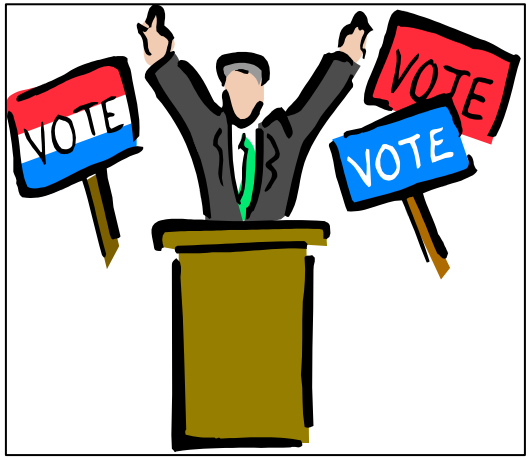
The unifying demographic characteristics of these regions include some large demographics – Anglicans, young married couples with two kids, earning middle incomes and buying their first home. We also see Tradies with mechanical backgrounds and Transport workers. These are the classic "working families" targeted by Rudd in 2007 but not in his 2013 campaign. Low interest rates have been working for these traditional blue collar Labor voting groups, if not for the Coalition demographics in Table 5, above.




We used statistical modelling to project an estimate of the regional Labour market figures onto 2013 election boundaries and Table 7 shows the 12 Federal electorates with the biggest gains in Unemployment Rates and the 12 electorates with the biggest falls in Unemployment Rates.

The 12 electorates with increasing unemployment could be considered to be in recession, with unemployment growth exceeding 1.5 percent per annum. Of these predominantly urban electorates, six are represented by the Labor Party and six by the Coalition. The constituents of these MPs are usually managers or older pre-retirement professionals, pressured back into the jobs market by low interest rates or cost cutting by major firms or state Governments. These voters, as we see from the national polls, seem pretty unimpressed with the economic achievements of the Government to date.

The electorates at top right have unemployment rates which have marginally improved or remained steady during the past 12 months. Two of them, Charlton and Kingsford Smith are held by Labor. The remaining 10 seats are represented by Coalition candidates. Constituents in these seats and others doing well include many rusted on blue collar Labor voters, but they also contain many younger working families whose votes can be won by either party – such as Eden Monaro, Lyons, Deakin, Gilmore and Corangamite.

While this review deals primarily with unemployment, we also examined changes in both employment and participation rates from February 2013 to February 2014.

This review found significant falls in jobs numbers in regions with higher numbers of older women 50 and over and persons employed in the retail and wholesale industries.

It also found significant rises in job numbers in regions where younger, married workers were prepared to move house to find jobs and live in rented accommodation. Many of the jobs they were finding were in the mining industry. Overlapping these demographics were persons speaking an Indigenous Language or following traditional Aboriginal religions.

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# 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 (0.21). 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 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.

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. However, since the change of Government there are some early signs that Year on Year unemployment growth is accelerating. This led us to take a closer look this time at the Unemployment rate as a useful labour market diagnostic to see if we can find plausible explanations.

Labour Market data provided by the Australian Bureau of Statistics has undergone a major overhaul leading up to the preparation of the February Quarter figures. With adjustments for a new Census, new boundaries, a new sample and a new collection system, the figures will need caution in their interpretation for the first six months of the year.

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| Month & Year | Employed total Persons | Unemployed total Persons | Labour Force Persons | Not in 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov-2007 | 10535.0 | 451.4 | 10986.4 | 5876.8 | 16863.2 | 4.1 | 65.1 | 338.2 | 6.0 | 344.3 | -0.2 | 344.0 | -0.1 | 0.7 |
| Sep-2013 | 11547.0 | 692.5 | 12239.5 | 6540.6 | 18780.1 | 5.7 | 65.2 | 94.3 | 32.1 | 126.5 | 208.2 | 334.7 | 0.2 | -0.5 |
| Oct-2013 | 11499.3 | 679.9 | 12179.2 | 6630.9 | 18810.1 | 5.6 | 64.7 | 97.4 | 56.8 | 154.2 | 183.4 | 337.6 | 0.4 | -0.3 |
| Nov-2013 | 11471.5 | 657.0 | 12128.5 | 6711.7 | 18840.1 | 5.4 | 64.4 | 96.5 | 68.7 | 165.2 | 175.4 | 340.5 | 0.5 | -0.3 |
| Dec-2013 | 11570.7 | 695.3 | 12266.0 | 6604.1 | 18870.2 | 5.7 | 65.0 | 52.4 | 58.1 | 110.4 | 233.0 | 343.5 | 0.4 | -0.6 |
| Jan-2014 | 11353.6 | 772.8 | 12126.4 | 6771.5 | 18897.9 | 6.4 | 64.2 | 49.6 | 76.9 | 126.5 | 213.9 | 340.4 | 0.6 | -0.5 |
| Feb-2014 | 11493.0 | 837.8 | 12330.8 | 6594.9 | 18925.7 | 6.8 | 65.2 | 68.7 | 97.7 | 166.4 | 170.9 | 337.3 | 0.7 | -0.3 |

**Table 1.** National labour market summary (shown in 000s). The monthly figures for each year are in the left hand columns (green headings) and the Year on Year figures are in the right hand columns (blue headings).

As we can see from the top row of data, the Rudd Government in November 2007 inherited a labour market from John Howard and Peter Costello which was generating Year on Year almost as many jobs (338,200) as could be provided annually by growth in the civilian population 15 years and over (344,000).

In September 2013, the Abbott Government inherited a labour market from Kevin Rudd and Wayne Swan which was generating jobs for only one in four potential new entrants to the workforce (94,300 jobs from 334,700 potential new workers).

Since September, Year on Year employment has dropped alarmingly to 52,400 in December. It then climbed slowly back to 68,700 in February which means the Abbott Government was then generating enough demand for Labour to find places for only one in five potential new workers. More workers were joining the ranks of the unemployed than finding jobs. This contraction of demand for jobs was driving up the Year on Year Unemployment Rate in February by 0.7 percent and pulling down the Year on Year Participation Rate by 0.3 percent.

The Labour Market Year on Year charts below show unemployment is on long run growth phase which has endured since the stimulus ended in mid-2010. Those not in the Labour Force, which includes hidden and discouraged workers, has been growing in parallel to unemployment since mid-2010. Finally, jobs growth has been dropping since the start of 2013.

This decline in jobs and participation rates may have begun to level out since December, but it is too soon to tell if this is the start of a trend or just the bedding in of a new statistical series. The remaining charts on female unemployment give little cause for optimism.

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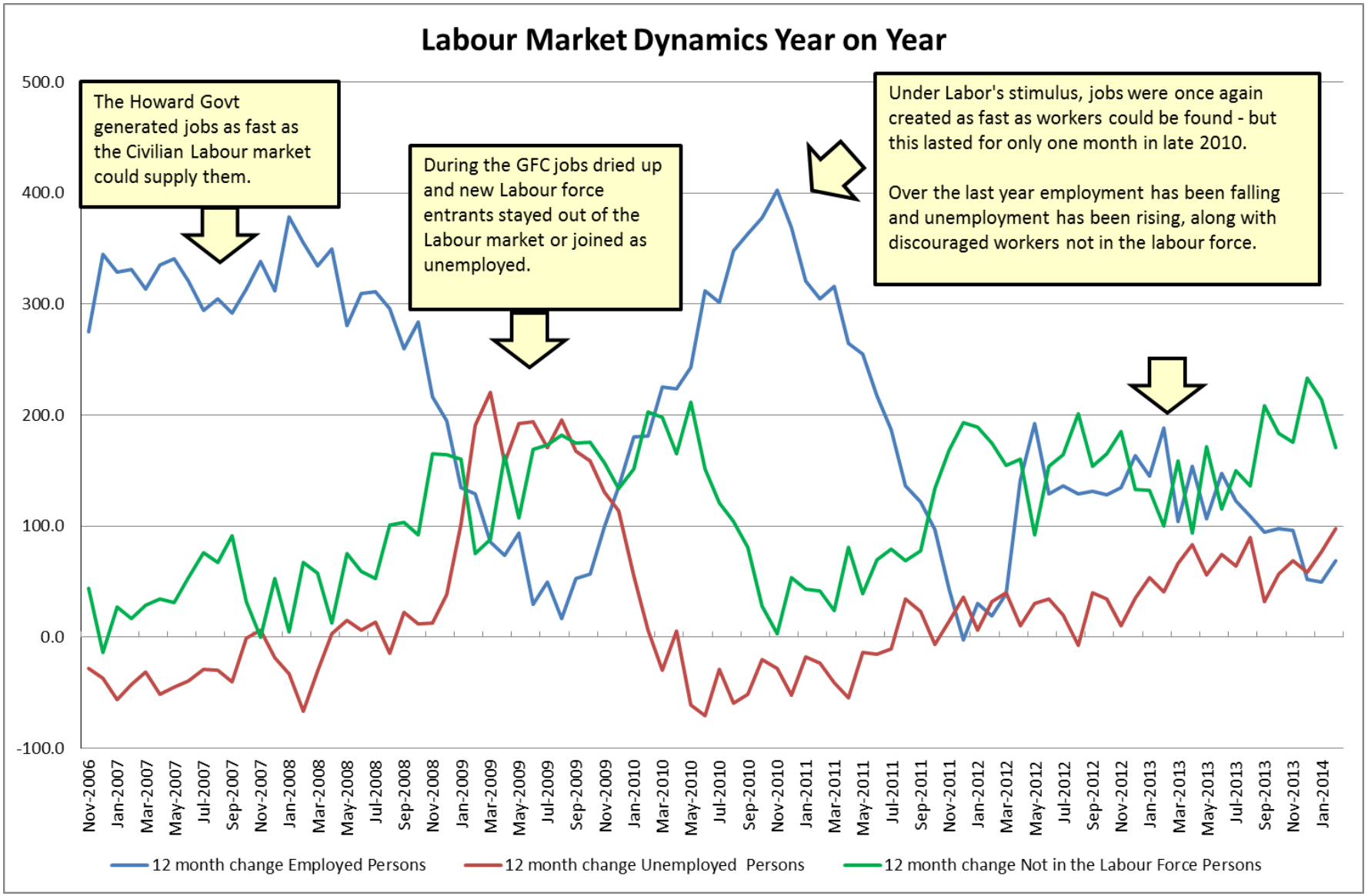


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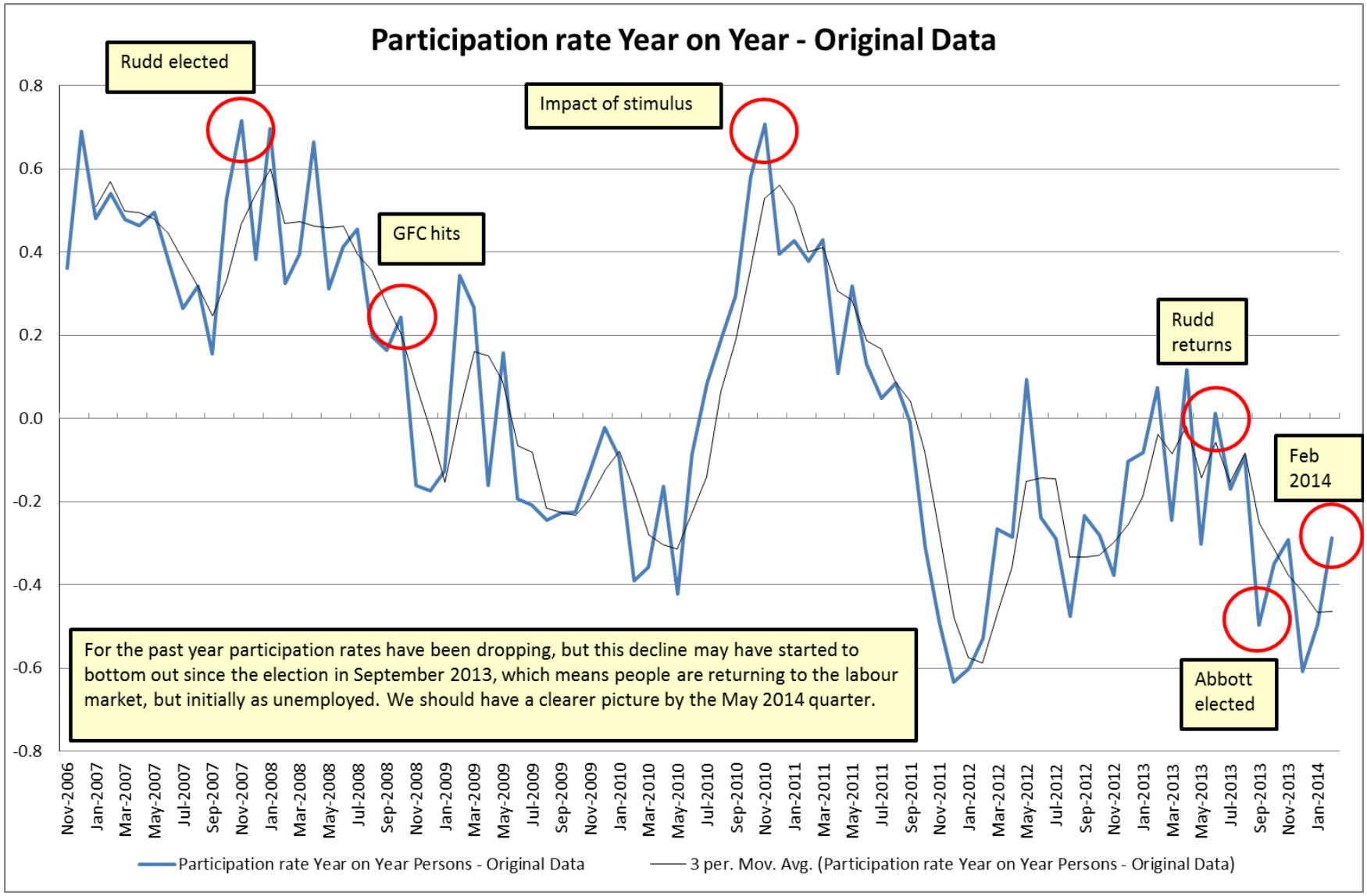


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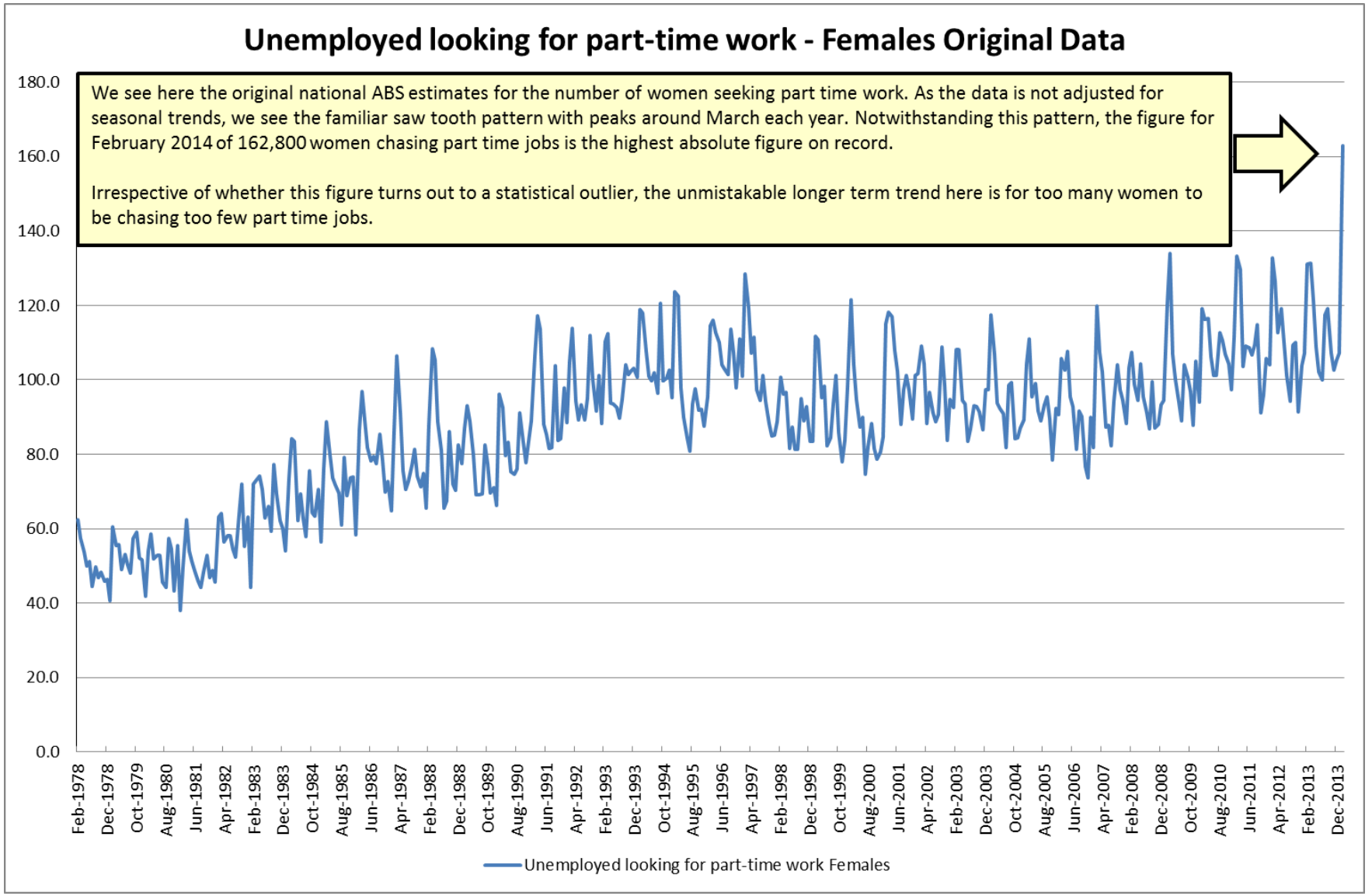


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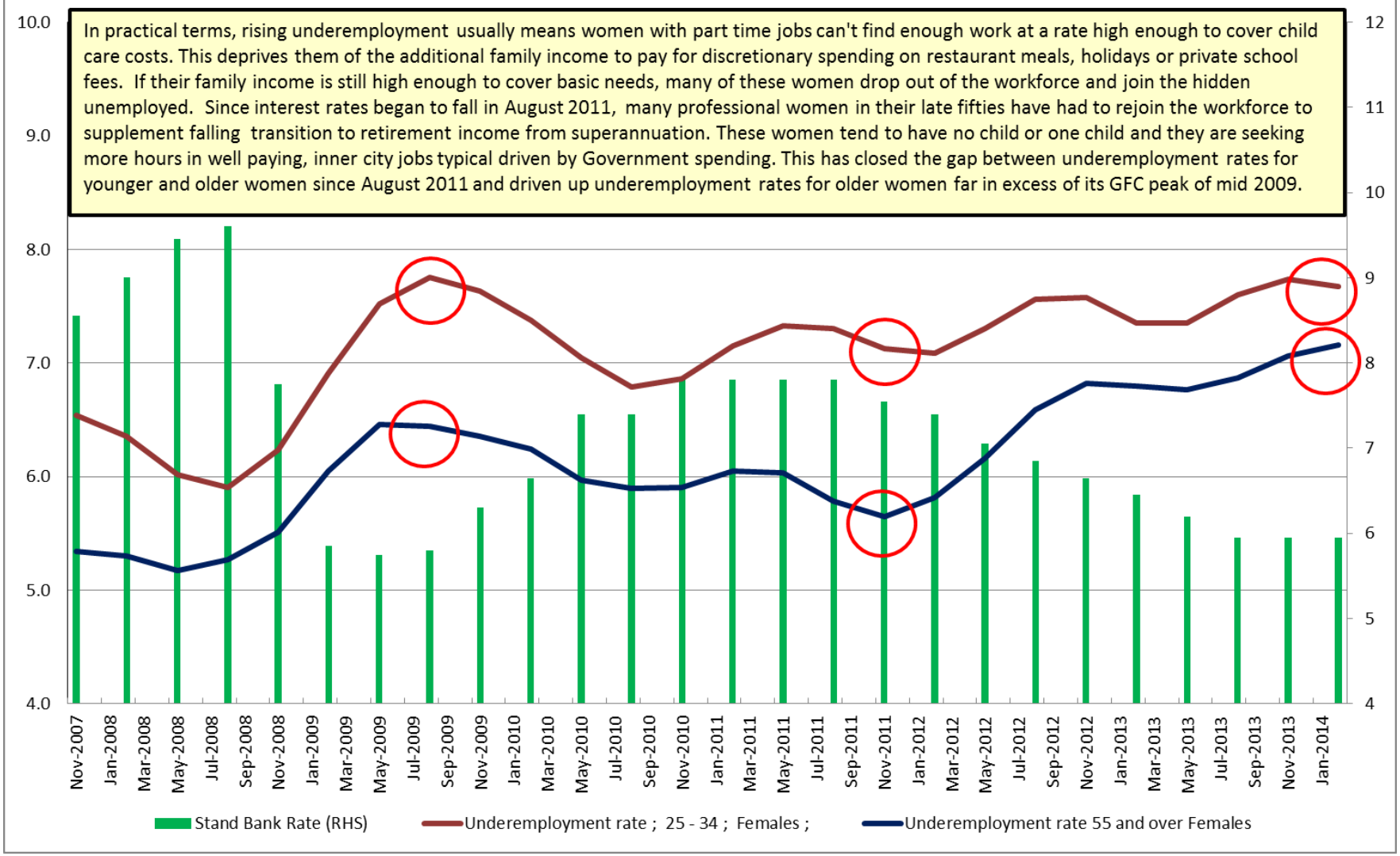
# Trend Underemployment rates & Interest rates

In practical terms, rising underemployment usually means women with part time jobs can't find enough work at a rate high enough to cover child care costs. This deprives them of the additional family income to pay for discretionary spending on restaurant meals, holidays or private school fees. If their family income is still high enough to cover basic needs, many of these women drop out of the workforce and join the hidden unemployed. Since interest rates began to fall in August 2011, many professional women in their late fifties have had to rejoin the workforce to supplement falling transition to retirement income from superannuation. These women tend to have no child or one child and they are seeking more hours in well paying, inner city jobs typical driven by Government spending. This has closed the gap between underemployment rates for younger and older women since August 2011 and driven up underemployment rates for older women far in excess of its GFC peak of mid 2009.

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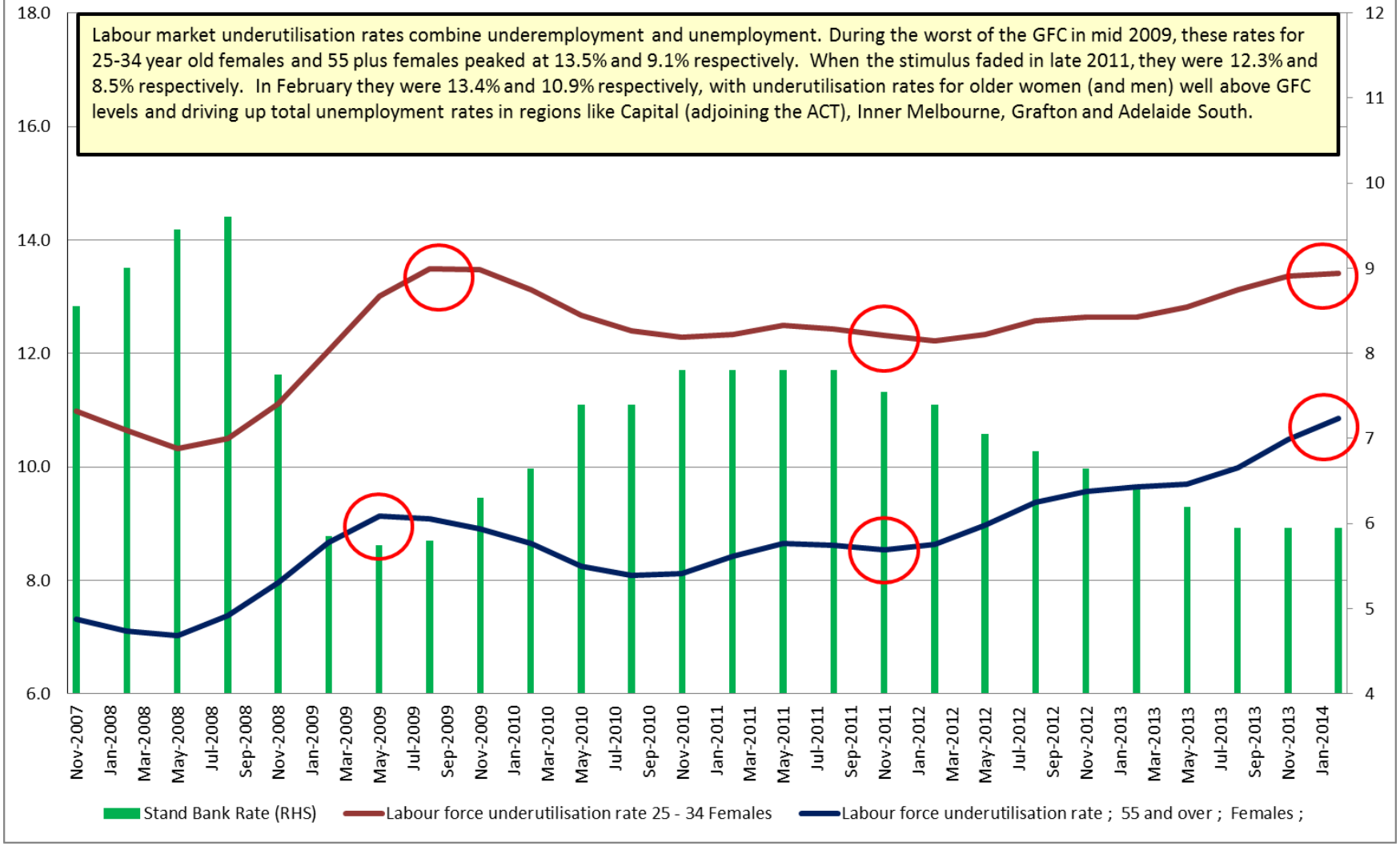
# Trend Underutilisation rates & Interest rates

Labour market underutilisation rates combine underemployment and unemployment. During the worst of the GFC in mid 2009, these rates for 25-34 year old females and 55 plus females peaked at 13.5% and 9.1% respectively. When the stimulus faded in late 2011, they were 12.3% and 8.5% respectively. In February they were 13.4% and 10.9% respectively, with underutilisation rates for older women (and men) well above GFC levels and driving up total unemployment rates in regions like Capital (adjoining the ACT), Inner Melbourne, Grafton and Adelaide South.

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| Quarter & Year | Agricult | Mining | Manufact | Utilities | Const-ruction | Whole-sale | Retail | Accom & Food | Transp | Media | Finance | Real Estate | Profess consult | Admin consult | Public admin | Educat | Health & social assist | Arts & Rec | Other Servic |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| Feb-2008 | 323.0 | 137.9 | 1068.9 | 113.8 | 993.0 | 408.6 | 1221.8 | 693.9 | 536.0 | 226.0 | 404.4 | 198.3 | 801.0 | 344.5 | 630.3 | 767.6 | 1101.5 | 189.1 | 463.3 |
| Feb-2009 | 358.1 | 167.7 | 1015.0 | 151.0 | 994.7 | 394.6 | 1220.7 | 700.6 | 592.2 | 225.8 | 400.4 | 175.9 | 770.2 | 355.3 | 664.0 | 766.9 | 1159.5 | 214.1 | 450.1 |
| Feb-2010 | 347.0 | 176.5 | 996.6 | 133.5 | 989.4 | 430.9 | 1173.0 | 723.3 | 555.2 | 207.7 | 419.4 | 163.7 | 856.7 | 392.2 | 679.9 | 792.8 | 1192.7 | 199.1 | 459.4 |
| Feb-2011 | 315.3 | 203.5 | 976.3 | 150.9 | 998.6 | 419.7 | 1212.6 | 777.2 | 589.4 | 212.4 | 406.2 | 197.0 | 870.4 | 398.7 | 698.4 | 793.8 | 1276.4 | 208.5 | 440.8 |
| Feb-2012 | 318.9 | 249.5 | 953.3 | 154.2 | 1004.5 | 392.8 | 1190.1 | 725.1 | 546.9 | 221.8 | 422.0 | 224.0 | 876.9 | 399.8 | 734.6 | 815.8 | 1332.1 | 199.2 | 474.7 |
| Feb-2013 | 296.2 | 266.9 | 924.0 | 135.3 | 1014.7 | 455.6 | 1201.6 | 783.4 | 604.7 | 216.3 | 412.9 | 196.7 | 910.9 | 392.2 | 716.4 | 868.9 | 1378.5 | 199.7 | 449.5 |
| May-2013 | 299.9 | 260.3 | 916.7 | 148.8 | 990.2 | 426.0 | 1236.3 | 801.5 | 583.6 | 219.5 | 423.8 | 193.5 | 907.5 | 390.7 | 730.7 | 915.8 | 1371.4 | 221.9 | 457.2 |
| Aug-2013 | 280.6 | 266.9 | 911.5 | 149.6 | 1025.8 | 409.6 | 1183.9 | 769.9 | 583.5 | 196.5 | 425.9 | 192.9 | 909.7 | 384.0 | 773.9 | 876.9 | 1357.3 | 208.4 | 462.2 |
| Nov-2013 | 323.4 | 273.1 | 935.8 | 154.7 | 1009.2 | 400.5 | 1252.9 | 756.4 | 600.6 | 184.1 | 402.8 | 191.7 | 878.1 | 385.1 | 753.2 | 901.0 | 1400.7 | 200.6 | 467.6 |
| Feb-2014 | 319.3 | 271.2 | 949.7 | 156.1 | 1037.4 | 375.6 | 1208.1 | 726.0 | 590.7 | 203.6 | 422.2 | 200.5 | 890.6 | 379.5 | 741.5 | 882.4 | 1434.3 | 208.5 | 495.9 |
| | | | | | | | | | | | | | | | | | | | |
| Feb 14 minus Feb 13 | 23.1 | 4.3 | 25.8 | 20.8 | 22.7 | -80.0 | 6.6 | -57.3 | -14.1 | -12.7 | 9.3 | 3.8 | -20.3 | -12.8 | 25.1 | 13.5 | 55.7 | 8.9 | 46.4 |
| Feb 14 minus Aug 13 | 38.7 | 4.4 | 38.2 | 6.5 | 11.6 | -34.0 | 24.2 | -43.9 | 7.1 | 7.1 | -3.7 | 7.6 | -19.1 | -4.5 | -32.4 | 5.5 | 76.9 | 0.2 | 33.6 |
| Nov 13 minus Nov 07 | -17.7 | 138.3 | -107.0 | 44.3 | 61.9 | 27.4 | 10.1 | 81.0 | 41.9 | -50.7 | -0.2 | 0.8 | 113.0 | 51.2 | 129.4 | 119.9 | 327.0 | -0.2 | -12.6 |

**Table 2.** This table shows quarterly employment levels by industry in 000's for employed persons in column two of Table 1, above. We saw in Table 1 that there were 10,535,000 employed persons in November 07 and this number is broken into 19 major industry groups in row two. Remaining rows show the same breakdown for employed persons in February each year since then until 2013, when all quarterly figures are included.

Bottom rows show breakdowns for each major industry group for employment changes for the last 12 months, since the election at the end of the August 2013 quarter and quarterly since then. The last row shows longer term trends between November 2007 and November 2013.

The table therefore shows the way in which the major industries have waxed and waned over the six years of Labor Governments from 2007 to 2013 and what has been happening since then. We can see major job losses from 2007 to 2013 in Agriculture, Manufacturing, Media and Service Industries appear to have been reversed since the Federal election.

On the other hand, the big job drivers of 2007 to 2013 which have slowed or reversed include Mining, Accommodation and Food, Professional Consulting, Admin Consulting, Public Administration and Education.

In the chart below we look at the three classic skilled and semi-skilled blue collar industries of manufacturing, construction and transport, which are strongly unionised, dominate our Labor voter profiles and play a leading role in Labor party factions. We also look at the predominantly public sector funded or regulated industries of health, education and public administration, which are strongly unionised but have traditionally played a lesser role in the ALP factions and appear instead in high profile roles at the ACTU.

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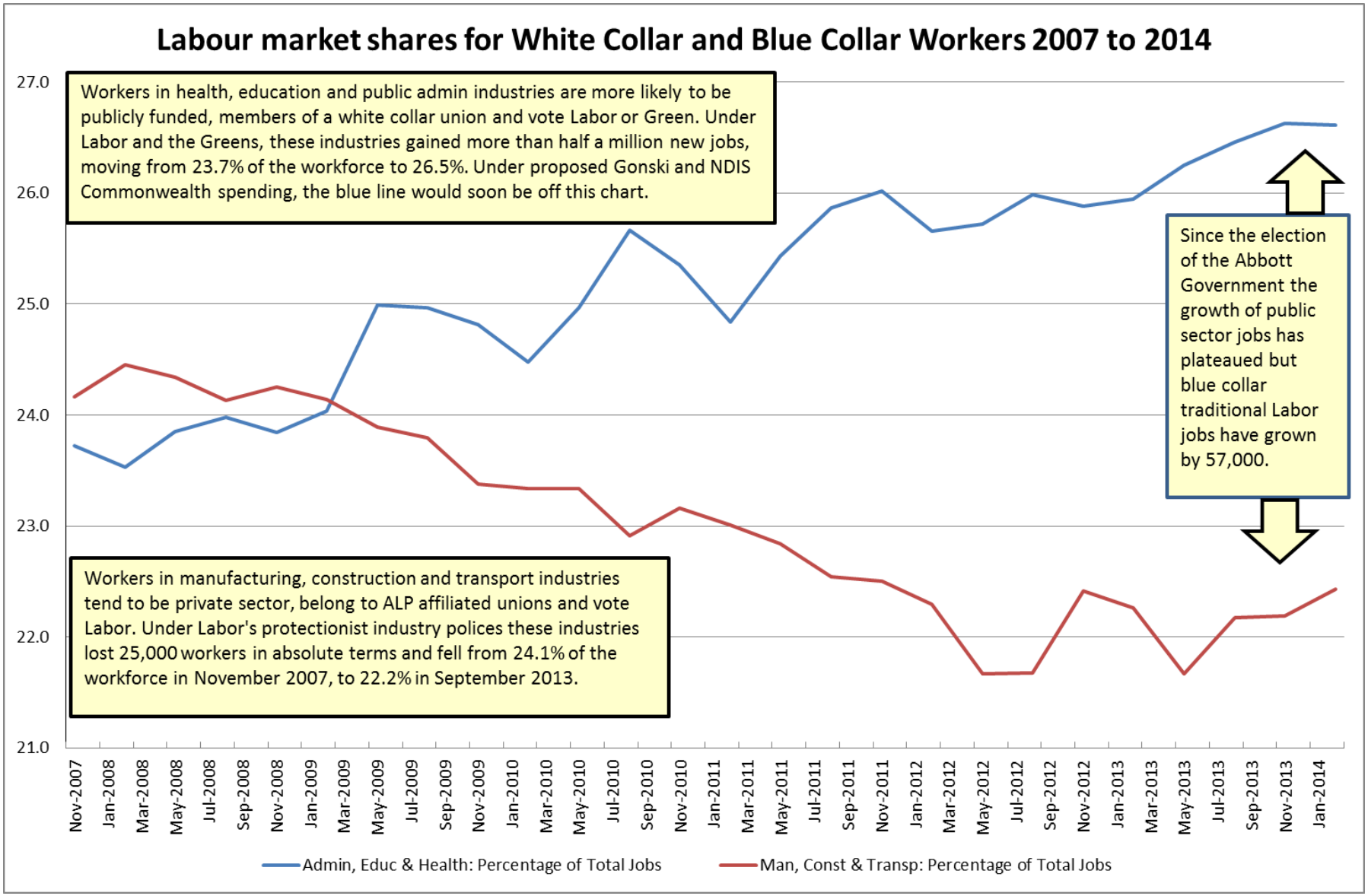


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| Top Unemployment Labour Force Regions | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|
| Ipswich | 9.4 | 12.3 | 2.8 |
| Coffs Harbour - Grafton | 7.8 | 10.4 | 2.6 |
| Queensland - Outback | 1.9 | 10.2 | 8.3 |
| Moreton Bay - North | 7.0 | 9.9 | 2.9 |
| Cairns | 9.0 | 9.8 | 0.8 |
| Murray | 1.8 | 9.6 | 7.7 |
| Melbourne - Inner East | 4.6 | 9.5 | 4.9 |
| Capital Region | 2.5 | 9.5 | 6.9 |
| South East | 10.1 | 9.4 | -0.7 |
| Melbourne - North East | 5.9 | 9.2 | 3.3 |
| Melbourne - North West | 7.1 | 9.1 | 2.0 |
| West and North West | 9.8 | 9.0 | -0.8 |
| Warrnambool and South West | 6.5 | 8.9 | 2.4 |
| Richmond - Tweed | 8.1 | 8.9 | 0.7 |
| Adelaide - North | 9.4 | 8.6 | -0.8 |
| Sunshine Coast | 7.3 | 8.5 | 1.2 |
| Sydney - Parramatta | 7.8 | 8.4 | 0.5 |
| Melbourne - Inner | 5.7 | 8.4 | 2.7 |

| Demographic Variables in top Unemployment Labour Force regions | Aust Means | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|---|
| Inc $200-299 | 9.0 | 0.50 | 0.46 | -0.04 |
| Fam $400-599 | 8.6 | 0.49 | 0.45 | -0.04 |
| Fam $600-799 | 8.1 | 0.48 | 0.45 | -0.03 |
| Fam $800-999 | 7.8 | 0.47 | 0.45 | -0.02 |
| Unemployed | 3.8 | 0.37 | 0.45 | 0.08 |
| Fem Inc $200-299 | 11.6 | 0.51 | 0.43 | -0.08 |
| Fam $1000-1249 | 7.8 | 0.47 | 0.43 | -0.04 |
| Inc $300-399 | 7.5 | 0.44 | 0.42 | -0.02 |
| Not in labour force | 27.1 | 0.43 | 0.42 | -0.01 |
| Inc $400-599 | 9.2 | 0.40 | 0.41 | 0.01 |
| Fem Inc $300-399 | 12.1 | 0.42 | 0.39 | -0.03 |
| Fem Community & Personal | 14.3 | 0.42 | 0.39 | -0.03 |
| Fem Not in labour force | 38.7 | 0.42 | 0.39 | -0.03 |
| Mort $300-449 | 2.4 | 0.24 | 0.37 | 0.13 |
| Mort $450-599 | 2.2 | 0.24 | 0.37 | 0.13 |
| Inc $600-799 | 10.0 | 0.40 | 0.35 | -0.05 |
| Fem Inc $400-599 | 13.9 | 0.41 | 0.35 | -0.06 |
| Labourers | 11.4 | 0.42 | 0.35 | -0.07 |

**Table 3.** Labour Force Regions with the highest Unemployment Rates in February 2014 are shown above left. Above right are the demographic groups disproportionately represented in these regions. The regions at left are colour coded for each state and the demographic groups at right are also colour coded, with shades of red referring to lower income and mortgages groups.

Regions with higher levels of unemployment in February 2014 are found in Queensland and New South Wales regional and provincial centres, a cross section of inner and outer suburban Melbourne, East and Western Tasmania and Adelaide North.

These regions tend to contain lower income individuals and families, persons not employed at the time of the last Census, unskilled blue collar men working in labouring jobs and women working in the services sector. For example, Coffs Harbour – Grafton ranks third of 87 regions for low income, Richmond – Tweed ranks fifth for Female Services workers and Queensland Outback ranks fifth for Labourers.

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| Bottom Unemployment Labour Force Regions | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|
| Toowoomba | 7.5 | 2.7 | -4.8 |
| Sydney - Eastern Suburbs | 2.1 | 2.8 | 0.7 |
| Sydney - Sutherland | 2.7 | 3.0 | 0.3 |
| Mackay | 4.6 | 3.2 | -1.4 |
| Darwin | 2.8 | 3.3 | 0.5 |
| Australian Capital Territory | 5.2 | 3.6 | -1.6 |
| Hume | 9.2 | 3.8 | -5.5 |
| Darling Downs - Maranoa | 1.0 | 3.9 | 2.9 |
| Perth - Inner | 3.2 | 4.4 | 1.2 |
| Mornington Peninsula | 7.4 | 4.7 | -2.8 |
| Sydney - North Sydney and Hornsby | 4.6 | 4.7 | 0.1 |
| Northern Territory - Outback | 9.0 | 4.8 | -4.2 |
| Brisbane - North | 4.5 | 4.9 | 0.4 |
| Moreton Bay - South | 3.6 | 5.0 | 1.3 |
| Perth - North East | 2.5 | 5.0 | 2.5 |
| Sydney - Northern Beaches | 5.3 | 5.1 | -0.2 |
| Brisbane Inner City | 7.3 | 5.1 | -2.2 |
| Sydney - Outer West & Blue Mountains | 8.3 | 5.2 | -3.0 |

| Demographic Variables in bottom Unemployment Labour Force regions | Aust Means | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|---|
| Median personal inc | $577 | -0.48 | -0.49 | -0.01 |
| Inc $1500-1999 | 8.5 | -0.43 | -0.48 | -0.05 |
| Median family inc | $1,481 | -0.50 | -0.47 | 0.03 |
| Median hhold inc | $1,234 | -0.49 | -0.47 | 0.02 |
| Fam $3000-3499 | 5.8 | -0.48 | -0.46 | 0.02 |
| Employed full time | 47.9 | -0.42 | -0.46 | -0.04 |
| Fam $2500-2999 | 8.2 | -0.48 | -0.45 | 0.03 |
| Fem Inc $1500-1999 | 4.5 | -0.46 | -0.44 | 0.02 |
| Fam $3500-3999 | 2.6 | -0.48 | -0.44 | 0.04 |
| Inc $1250-1499 | 6.8 | -0.28 | -0.42 | -0.14 |
| Inc $2000+ | 9.7 | -0.48 | -0.42 | 0.06 |
| Fem Inc $1250-1499 | 4.3 | -0.46 | -0.41 | 0.05 |
| Fam $4000+ | 4.1 | -0.48 | -0.41 | 0.07 |
| Fem Ireland | 0.3 | -0.41 | -0.41 | 0.00 |
| Rent $550-649 | 3.0 | -0.44 | -0.41 | 0.03 |
| Fem Inc $1000-1249 | 6.6 | -0.45 | -0.40 | 0.05 |
| Ireland | 0.3 | -0.40 | -0.40 | 0.00 |
| Mort $3000-3999 | 9.6 | -0.39 | -0.40 | -0.01 |

**Table 4.** Labour Force Regions with the lowest Unemployment Rates in February 2014 are shown above left and above right are the demographic groups located disproportionately in these regions. Income groups are colour coded in our database and higher income quartiles are in shades of blue.

We are looking here at a mix of urban, regional and outback regions with very high incomes because their workforces have very high participation rates. In other words, they work hard.

Included among these (younger) workers are the Irish born and a mix of other Anglophone migrant groups not shown here USA born and South African born. When we rank the 87 regions for Irish born we see the Eastern Suburbs of Sydney at one, Perth Inner at two and Brisbane Inner at four. Top four regions for full time working men include Moreton Bay South, Mackay and Brisbane Inner. And a ranking of the top five Labour Force regions for top family incomes shows all of them included in the low Unemployment regions above left.

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| Top Unemployment growth Labour Force Regions | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|
| Queensland - Outback | 1.9 | 10.2 | 8.3 |
| Murray | 1.8 | 9.6 | 7.7 |
| Capital Region | 2.5 | 9.5 | 6.9 |
| Melbourne - Inner East | 4.6 | 9.5 | 4.9 |
| Adelaide - South | 3.9 | 7.8 | 3.9 |
| Shepparton | 4.0 | 7.8 | 3.9 |
| Mid North Coast | 4.4 | 8.1 | 3.6 |
| North West | 4.4 | 7.8 | 3.4 |
| Melbourne - North East | 5.9 | 9.2 | 3.3 |
| Western Australia - Outback | 4.7 | 7.6 | 3.0 |
| Brisbane - West | 5.1 | 8.0 | 2.9 |
| Darling Downs - Maranoa | 1.0 | 3.9 | 2.9 |
| Moreton Bay - North | 7.0 | 9.9 | 2.9 |
| Ipswich | 9.4 | 12.3 | 2.8 |
| Melbourne - Inner | 5.7 | 8.4 | 2.7 |
| Coffs Harbour - Grafton | 7.8 | 10.4 | 2.6 |
| Sydney - South West | 5.1 | 7.7 | 2.6 |
| Perth - North East | 2.5 | 5.0 | 2.5 |

| Demographic Variables in top Unemployment growth Labour Force regions | Aust Means | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|---|
| Fam $Nil | 1.0 | -0.24 | 0.08 | 0.32 |
| Malaysia | 0.5 | -0.33 | -0.09 | 0.24 |
| Fem Malaysia | 0.6 | -0.33 | -0.09 | 0.24 |
| Mort $1-299 | 4.2 | 0.00 | 0.24 | 0.24 |
| Chinese speakers | 2.8 | -0.29 | -0.07 | 0.22 |
| Hong Kong | 0.3 | -0.34 | -0.13 | 0.21 |
| Managers & Farmers | 15.6 | -0.27 | -0.06 | 0.21 |
| Fem Managers & Farmers | 9.7 | -0.27 | -0.06 | 0.21 |
| Fem Chinese speakers | 3.2 | -0.29 | -0.08 | 0.21 |
| Inc Neg Nil | 6.8 | -0.19 | 0.00 | 0.19 |
| China | 1.3 | -0.25 | -0.06 | 0.19 |
| Fem China | 1.6 | -0.27 | -0.08 | 0.19 |
| Accom & Food | 5.3 | -0.10 | 0.07 | 0.17 |
| Health & social assist | 4.6 | -0.22 | -0.06 | 0.16 |
| Walk to work | 3.7 | -0.17 | -0.02 | 0.15 |
| Buddhism | 2.3 | -0.13 | 0.01 | 0.14 |
| Fem Buddhism | 2.7 | -0.14 | 0.00 | 0.14 |
| Employed part time | 11.5 | -0.14 | 0.00 | 0.14 |

**Table 5.** Labour Force Regions with the biggest growth in Unemployment Rates between February 2013 and February 2014 and the demographic groups located disproportionately within these regions. With unemployment growth well in excess of 1.5 percent per annum, some economists would consider all of the above regions to be in recession.

While the appearance of Shepparton region in this list is no surprise after the Govt decision on the future of SPC Ardmona, we are however surprised to see only one region from the declining industrial states of South Australia and Tasmania but seven regions from the resource states of Queensland West Australia. Exports of coal and iron ore from these two states to China kept the Australian economy insulated from the GFC and these days look to be winding down with the moderation of Chinese economic growth.

The demographic groups represented in the table at top right include lower income (and older) self-employed and part time workers, chasing part time jobs in hospitality or health, in the face of state Government spending cuts and a high Australian dollar. We see a smattering of smaller Asian language groups such as we expect to see working in international tourism jobs. At the moment this trend is not evident in international visitor numbers, so it could reflect higher unemployment among Asian language groups in the Labour Force regions at top left, including Melbourne's Inner East or Sydney's South West.

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| Bottom Unemployment growth Labour Force Regions | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|
| Southern Highlands and Shoalhaven | 13.7 | 7.9 | -5.8 |
| Hume | 9.2 | 3.8 | -5.5 |
| Toowoomba | 7.5 | 2.7 | -4.8 |
| Northern Territory - Outback | 9.0 | 4.8 | -4.2 |
| Mandurah | 10.3 | 6.6 | -3.7 |
| Sydney - Outer West & Blue Mountains | 8.3 | 5.2 | -3.0 |
| Fitzroy | 9.6 | 6.7 | -2.9 |
| Mornington Peninsula | 7.4 | 4.7 | -2.8 |
| Bendigo | 8.8 | 6.3 | -2.5 |
| Melbourne - West | 8.8 | 6.4 | -2.4 |
| Brisbane Inner City | 7.3 | 5.1 | -2.2 |
| Central Coast | 7.5 | 5.5 | -2.0 |
| Australian Capital Territory | 5.2 | 3.6 | -1.6 |
| Brisbane - East | 7.2 | 5.6 | -1.5 |
| Riverina | 8.0 | 6.5 | -1.5 |
| South Australia - South East | 6.7 | 5.3 | -1.4 |
| Mackay | 4.6 | 3.2 | -1.4 |
| Wide Bay | 9.6 | 8.3 | -1.3 |

| Demographic Variables in bottom Unemployment growth Labour Force regions | Aust Means | Unem Feb 13 | Unem Feb 14 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|---|
| Fem 30-34 two kids | 2.1 | 0.23 | -0.02 | -0.25 |
| Home Being Purchased | 34.9 | 0.12 | -0.12 | -0.24 |
| Rent $225-274 | 11.7 | 0.52 | 0.28 | -0.24 |
| Transport Industry | 6.9 | 0.32 | 0.11 | -0.21 |
| Rent $200-224 | 6.1 | 0.45 | 0.24 | -0.21 |
| Technical & Trades | 22.6 | 0.36 | 0.15 | -0.21 |
| Aged 0-4 | 6.9 | 0.10 | -0.10 | -0.20 |
| Inc $1000-1249 | 9.3 | 0.01 | -0.19 | -0.20 |
| Fem 35-39 two kids | 3.2 | 0.00 | -0.20 | -0.20 |
| Year 10 Graduates | 21.3 | 0.37 | 0.18 | -0.19 |
| Fam $1500-1999 | 12.5 | 0.21 | 0.02 | -0.19 |
| Fem Industry Other | 3.6 | 0.00 | -0.19 | -0.19 |
| Fem Year 10 Graduates | 20.5 | 0.36 | 0.18 | -0.18 |
| Anglican | 16.3 | 0.21 | 0.03 | -0.18 |
| Fem Technical & Trades | 4.5 | 0.38 | 0.20 | -0.18 |
| persons 20-24 Married | 0.5 | 0.13 | -0.05 | -0.18 |
| Fem Anglican | 17.9 | 0.20 | 0.03 | -0.17 |
| Field of Study Engineering | 28.0 | 0.31 | 0.14 | -0.17 |

**Table 6.** Labour Force Regions with the biggest falls in Unemployment Rates between February 2013 and February 2014 are shown at top left and the demographic groups located disproportionately within these regions are at top right.

Most of the regions at top left are based on regional centres or remote areas. In contrast to what we normally see in this table, there is only one region from WA doing well and this is Mandurah, south of Perth. NSW has Shoalhaven, the Outer West and Central Coast, while Queensland has a strong cross section of unprotected regional economies drawing on coal, cattle or gas production to drive private sector jobs growth.

The unifying demographic characteristics of these regions include some large demographics – Anglicans, young married couples with two kids on middle incomes, buying their first home, Tradies with mechanical backgrounds and Transport workers. These are the classic "working families" targeted by Rudd in 2007 and strangely forgotten in his 2013 campaign. Low interest rates have been working for these traditional blue collar Labor voting groups, but not for the demographics in Table 5, above.

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| Seat | STATE | ALP 2013 2PP Sept 8 | Pred Unem Feb 2013 | Pred Unem Feb 2014 | Unem Feb 14 minus Feb 13 | | Seat | STATE | ALP 2013 2PP Sept 8 | Pred Unem Feb 2013 | Pred Unem Feb 2014 | Unem Feb 14 minus Feb 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Lingiari | NT | 51.4 | 3.9 | 6.4 | 2.5 | | Gilmore | NSW | 47.5 | 7.8 | 6.7 | -1.1 |
| Chifley | NSW | 61.1 | 6.2 | 8.6 | 2.4 | | Warringah | NSW | 34.5 | 4.0 | 3.0 | -1.0 |
| Melbourne | VIC | 66.0 | 6.1 | 8.3 | 2.2 | | Hinkler | QLD | 41.1 | 10.3 | 9.5 | -0.8 |
| McMahon | NSW | 55.9 | 5.5 | 7.6 | 2.1 | | Paterson | NSW | 40.3 | 7.1 | 6.5 | -0.6 |
| Kooyong | VIC | 39.6 | 3.9 | 6.0 | 2.1 | | Lyne | NSW | 34.9 | 8.0 | 7.4 | -0.5 |
| Tangney | WA | 35.6 | 3.1 | 5.0 | 1.9 | | Sturt | SA | 40.0 | 6.1 | 5.6 | -0.5 |
| Berowra | NSW | 31.0 | 3.6 | 5.4 | 1.9 | | Kingsford Smith | NSW | 53.2 | 4.6 | 4.2 | -0.4 |
| Lilley | QLD | 51.1 | 3.2 | 5.1 | 1.9 | | Flinders | VIC | 38.9 | 5.2 | 4.9 | -0.3 |
| Jagajaga | VIC | 53.1 | 3.6 | 5.4 | 1.8 | | Charlton | NSW | 59.9 | 6.3 | 6.0 | -0.3 |
| Dickson | QLD | 43.8 | 3.5 | 5.2 | 1.7 | | Wide Bay | QLD | 37.3 | 8.7 | 8.4 | -0.3 |
| Ryan | QLD | 42.0 | 3.6 | 5.3 | 1.7 | | Mayo | SA | 37.5 | 7.1 | 6.9 | -0.2 |
| Hughes | NSW | 38.9 | 3.2 | 4.9 | 1.7 | | Maranoa | QLD | 29.2 | 5.7 | 5.5 | -0.2 |

**Table 7.** We used statistical modelling to project an estimate of the regional Labour market figures onto 2013 election boundaries and Table 7 above, shows the 12 electorates with the biggest gains in Unemployment Rates at top left, and the 12 electorates with the biggest falls in Unemployment Rates at top right.

The 12 electorates at top left could be considered to be in recession, with unemployment growth exceeding 1.5 percent per annum. Of these predominantly urban electorates, six are represented by the Labor Party and six by the Coalition. The constituents of these MPs are usually managers or older pre-retirement professionals, pressured back into the jobs market by low interest rates or cost cutting by major firms or state Governments. These voters, as we see from the national polls, seem pretty unimpressed with the economic achievements of the Government to date.

The electorates at top right have unemployment rates which have marginally improved or remained steady during the past 12 months. Two of them, Charlton and Kingsford Smith are held by Labor. The remaining 10 seats are represented by Coalition candidates. Constituents in these seats and others doing well include many rusted on blue collar Labor voters, but they also contain many younger working families whose votes can be won by either party – such as Eden Monaro, Lyons, Deakin, Gilmore and Corangamite.

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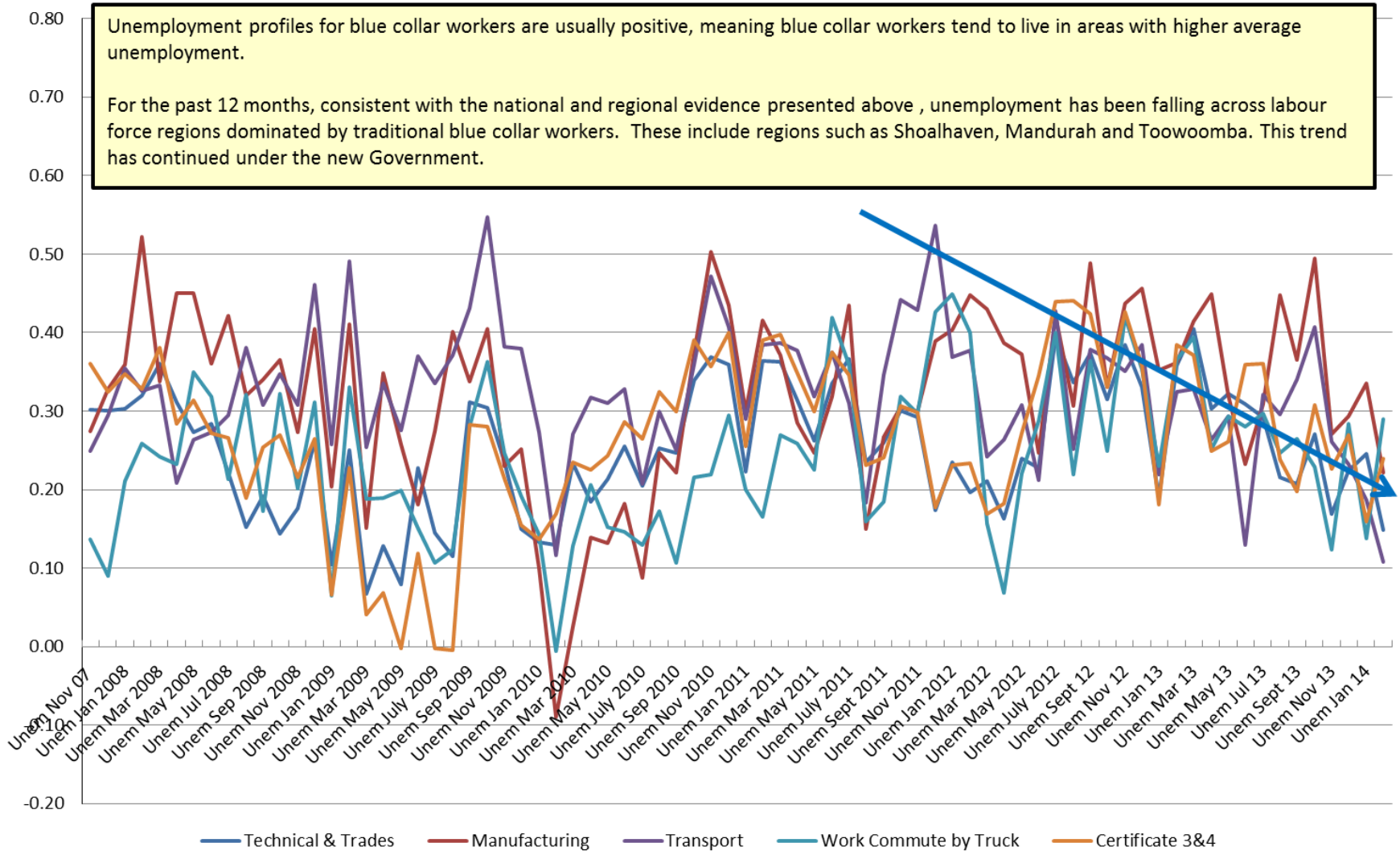
# Unemployment Rate Profiles of Traditional Blue Collar Demographics

Unemployment profiles for blue collar workers are usually positive, meaning blue collar workers tend to live in areas with higher average unemployment.

For the past 12 months, consistent with the national and regional evidence presented above , unemployment has been falling across labour force regions dominated by traditional blue collar workers. These include regions such as Shoalhaven, Mandurah and Toowoomba. This trend has continued under the new Government.

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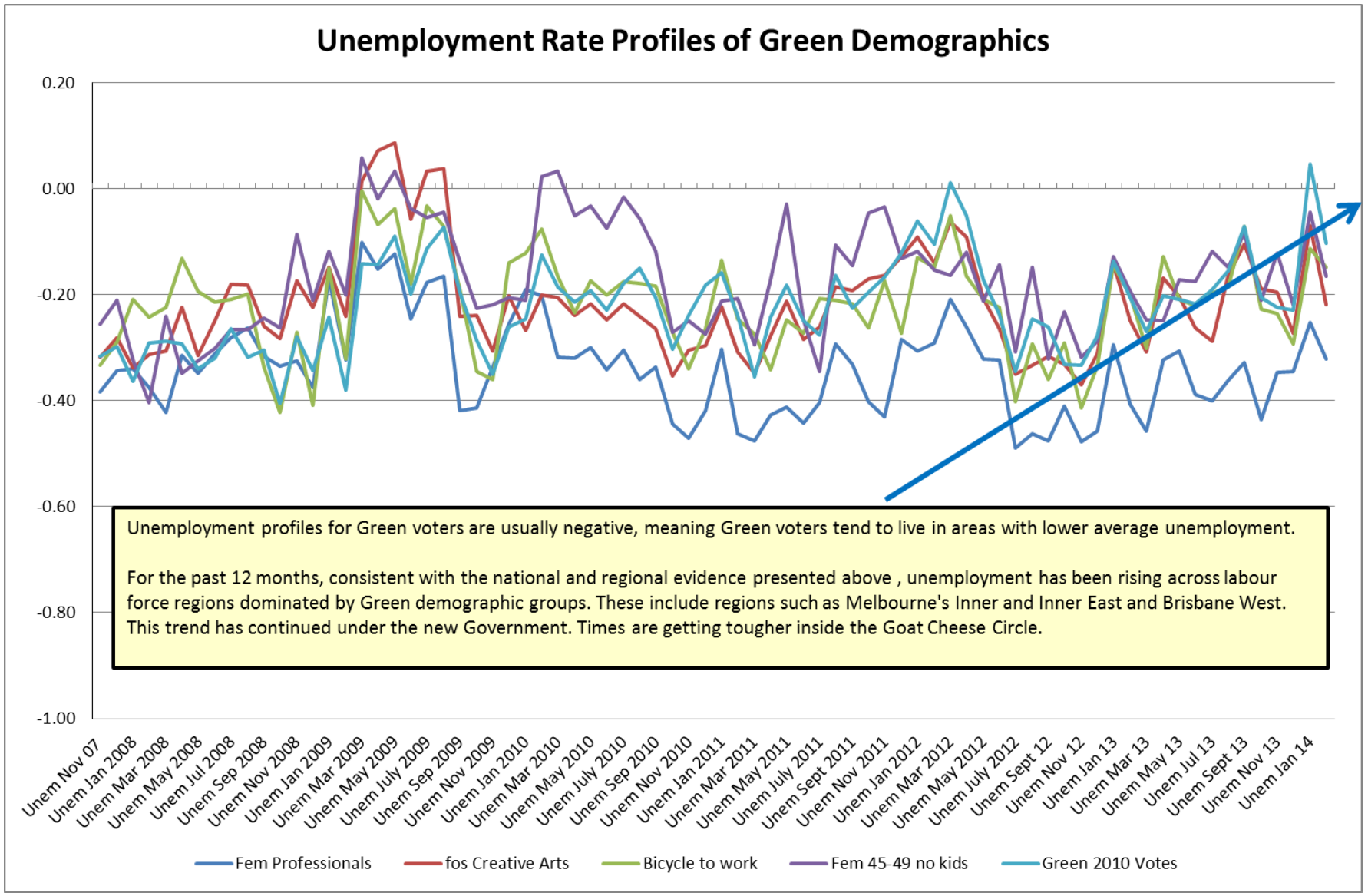


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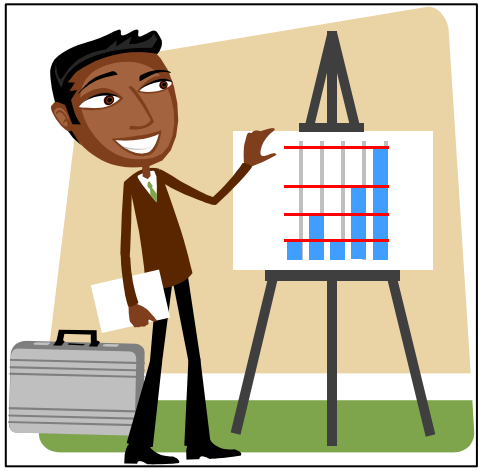
# Labour Market Change Charts



The following charts show correlations between some of the variables in our database and the Unemployment Rates for February 2013, February 2014 and February 2014 minus February 2013.

A strong positive correlation between a given variable and the Unemployment Rate means that persons in the relevant demographic group tend to live in Labour Market regions which had very high Unemployment Rates.

Any correlation more than plus or minus 0.18 from the zero line is significant to 90 percent confidence interval, which means there is a ten percent chance the result is due to random factors and doesn't mean anything at all. If the correlation is .21 the confidence interval is 95 percent, 0.27 is 99 percent and 0.34 is 99.9 percent.

In the Age Male Chart directly below we see parents of children aged 0 to 4 were likely to have experienced falling unemployment levels in their labour force region during the past 12 months, as the darkest green line dropped below minus 0.2.

We also see from the Age Male Chart that men aged 20 to 44 tend to be living in regions with low levels of unemployment and that they are more likely to live in areas of higher unemployment as their age increases beyond 50 and they start planning for retirement.

We have carried out detailed modelling of both employment growth and decline across all regions over the past year and changes in the participation rate across all regions. There is insufficient space for all this material here, but it has been drawn on where appropriate to cross check the unemployment profiles.

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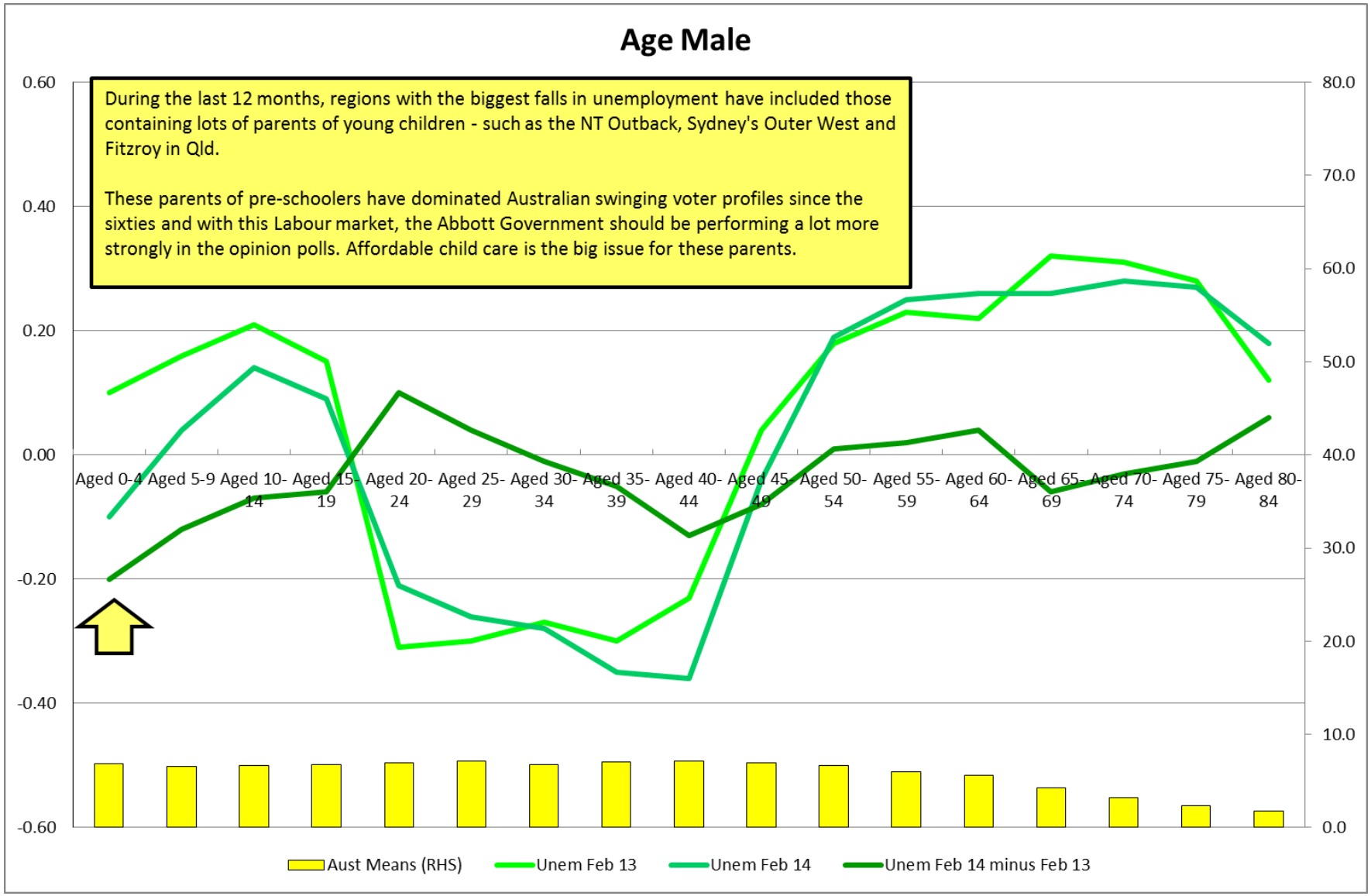


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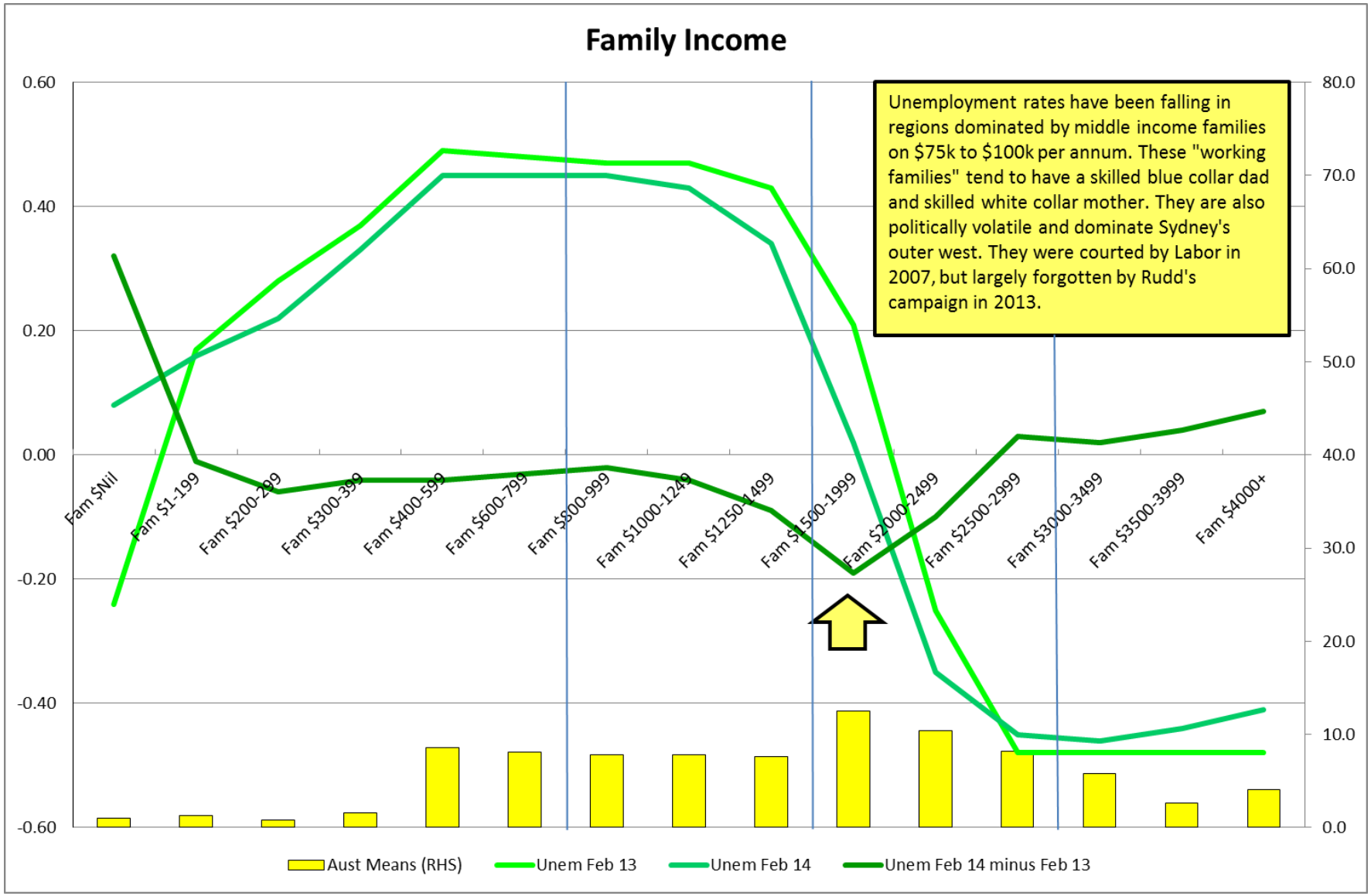


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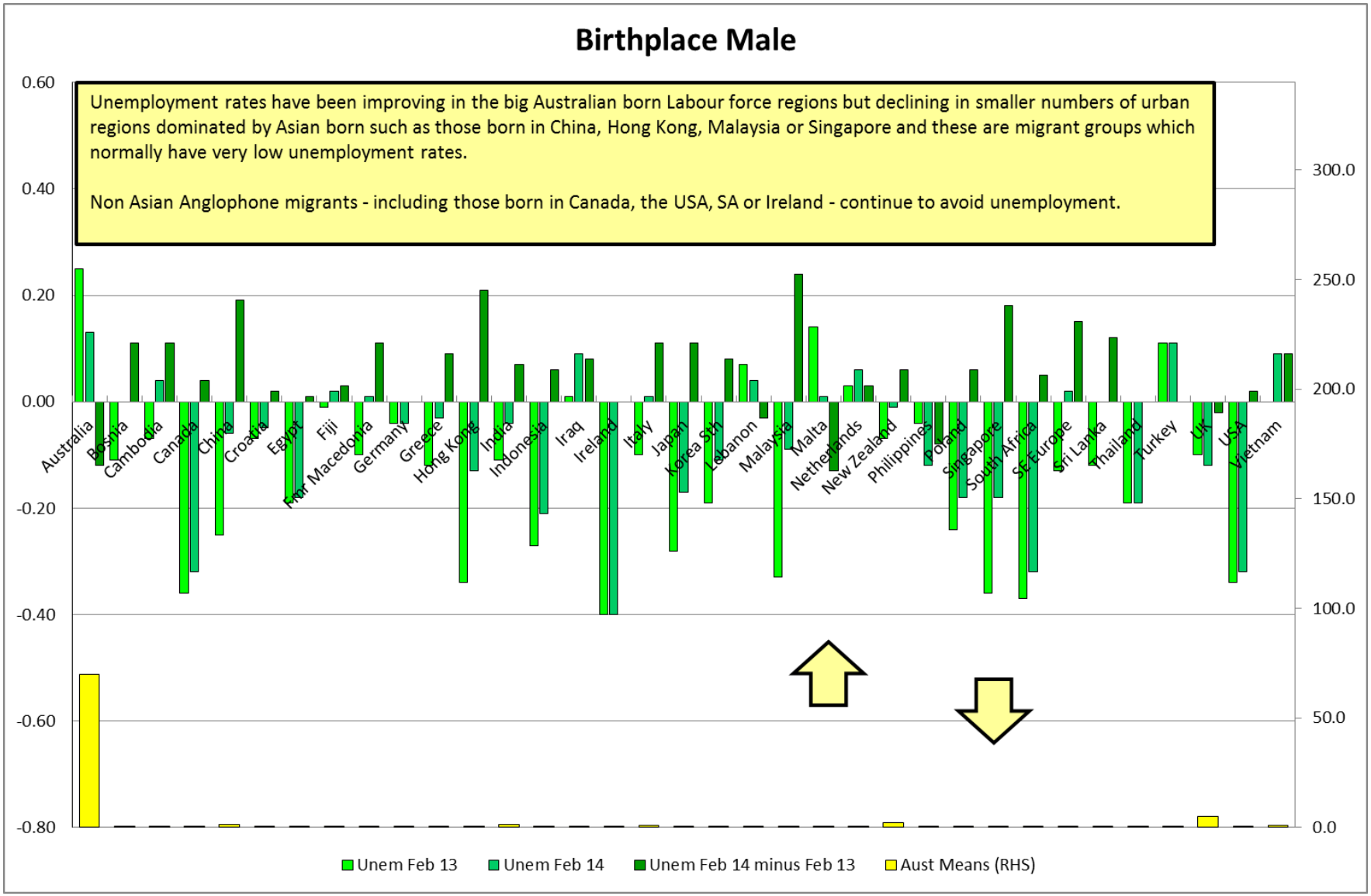


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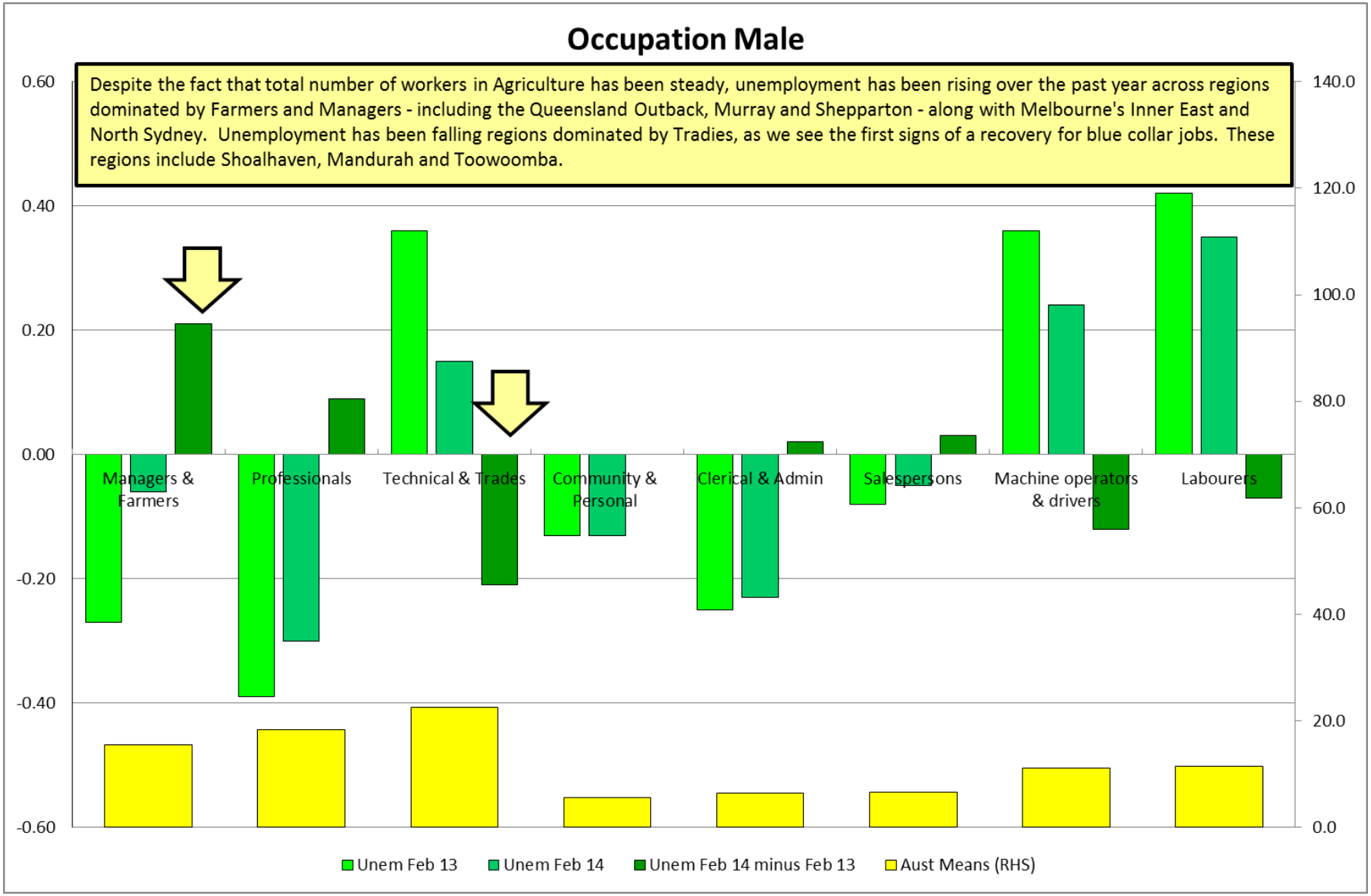


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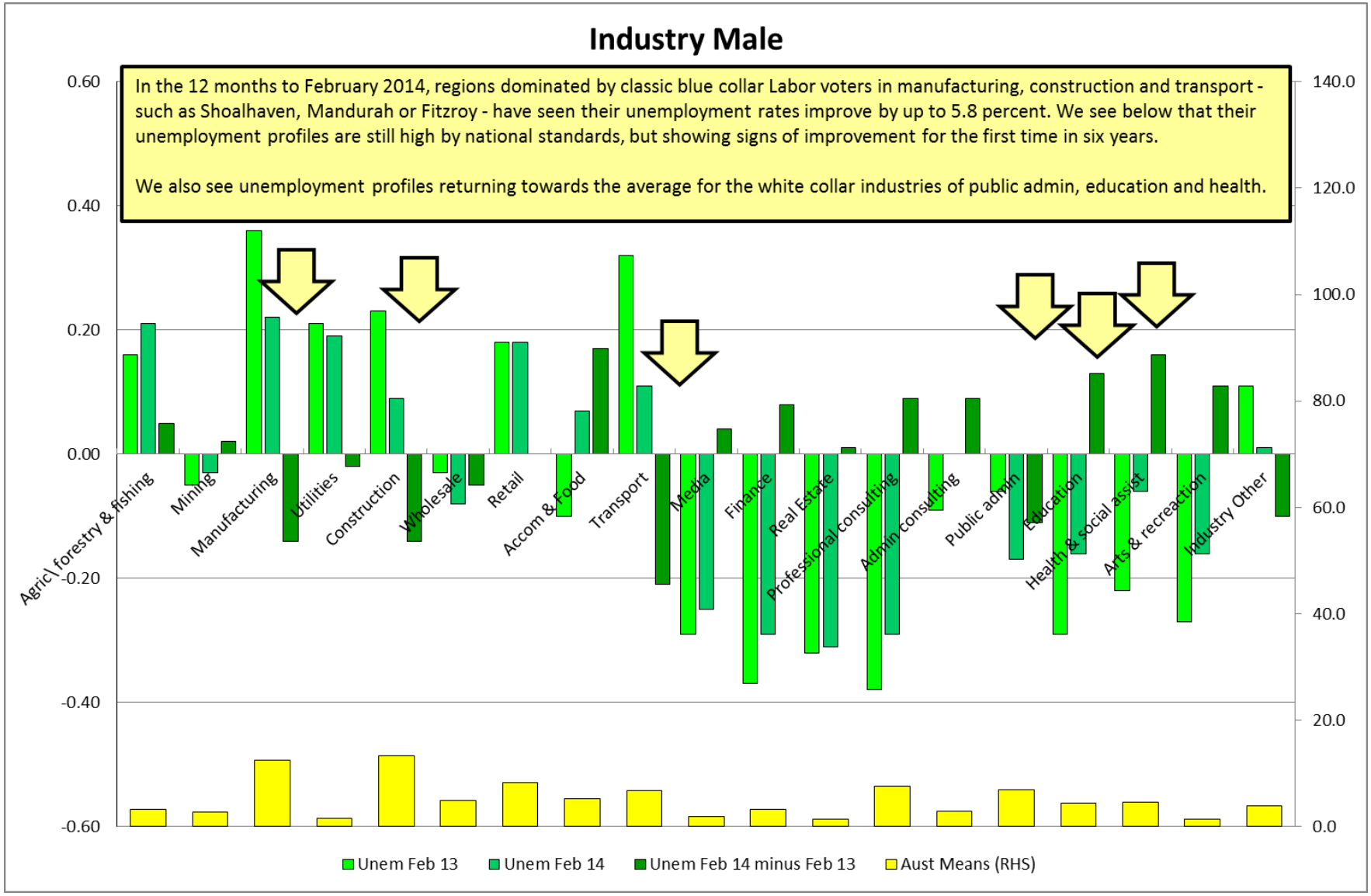


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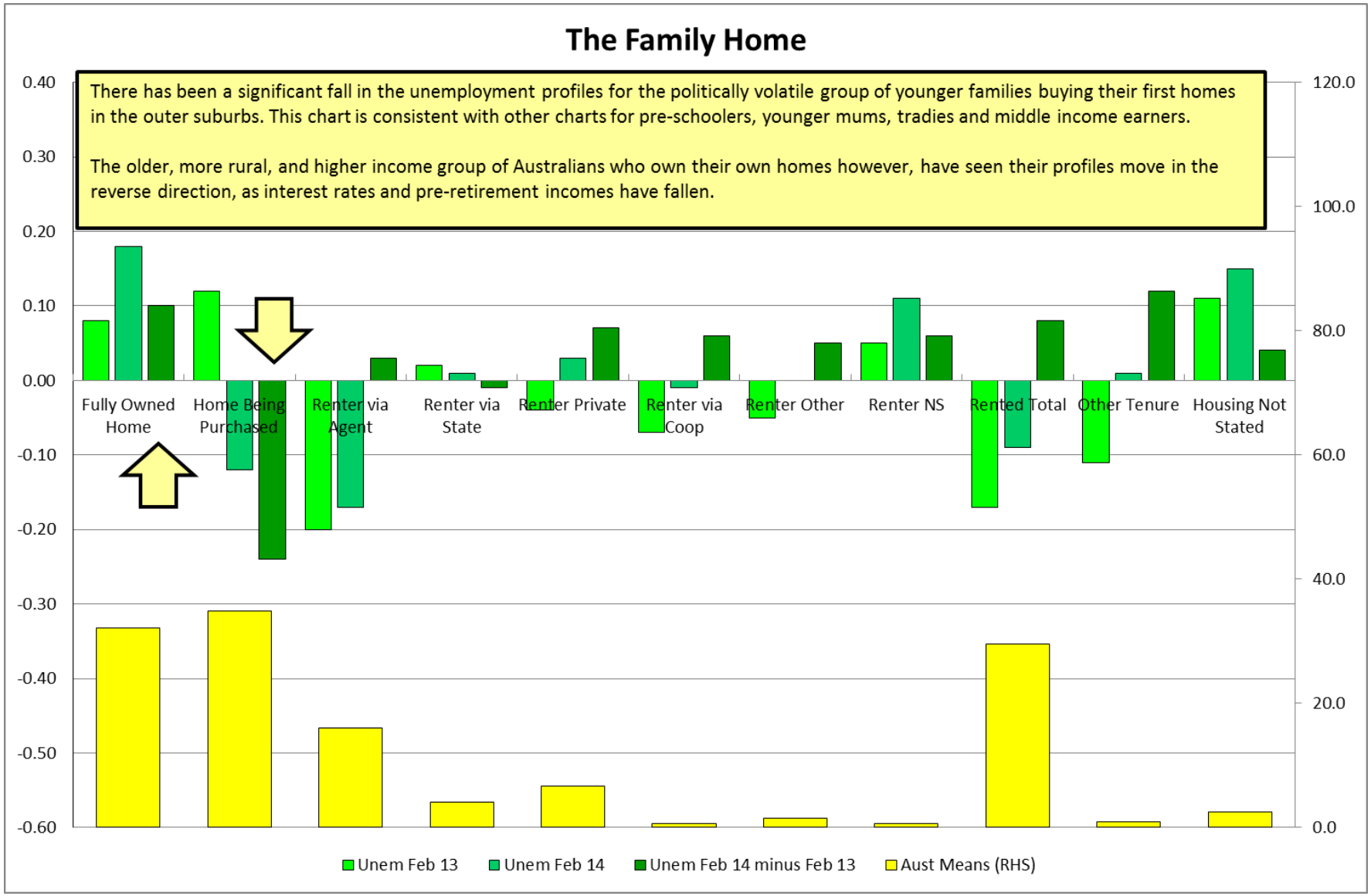
# The Family Home

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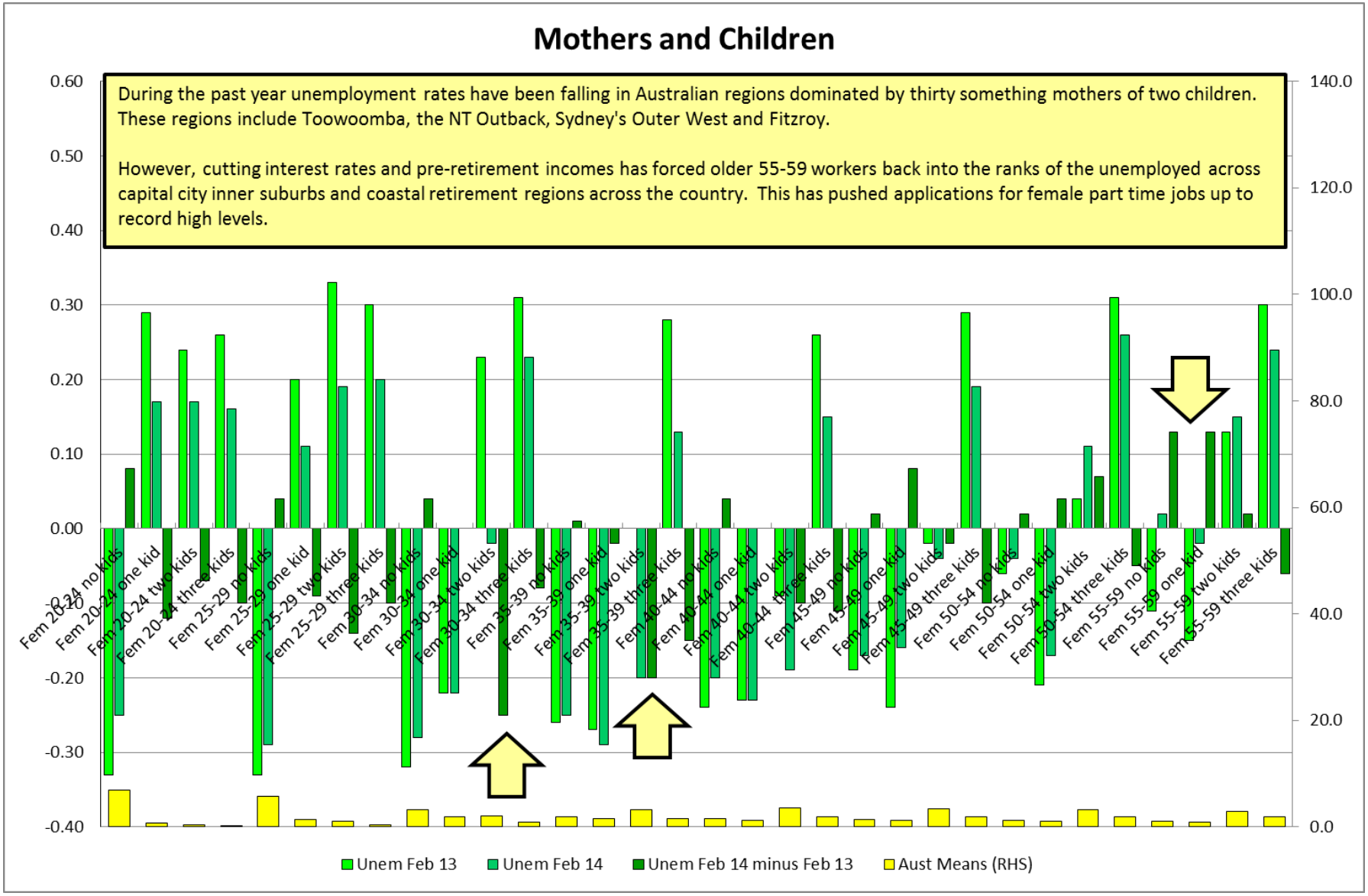
# Mothers and Children

During the past year unemployment rates have been falling in Australian regions dominated by thirty something mothers of two children. These regions include Toowoomba, the NT Outback, Sydney's Outer West and Fitzroy.

However, cutting interest rates and pre-retirement incomes has forced older 55-59 workers back into the ranks of the unemployed across capital city inner suburbs and coastal retirement regions across the country. This has pushed applications for female part time jobs up to record high levels.

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