

Regional unemployment: Winners & Losers

Regional jobs

- **Regional jobless rates:** Of the 15 SA4 regions with the highest unemployment rates in the land, Queensland had the highest representation with six regions in March followed by NSW (four) and Victoria (three). Sydney – South West had the highest unemployment rate of 11.2 per cent, but the NSW Riverina region had the lowest jobless rate at just 0.8 per cent.
- **Employment:** More regions reported annual job gains in March than those reporting job losses. Overall 46 of 87 regions reported gains, led by Melbourne - West (up 41,700). But the NSW Capital region lost the most jobs (-19,800) over the year to March.

Regional job data highlights the regions of strength and weakness and can influence housing and spending activity.

What does it all mean and what do the figures show?

- Aussie regions with the highest and lowest jobless rates were scattered across the nation in March rather than being confined to a particular state or territory. Of the 15 regions with the highest unemployment rates in the land, Queensland had the highest representation with six regions followed by NSW (four) and Victoria (three).
- Of the 15 regions with the lowest unemployment rates, NSW had the highest representation with seven regions in March followed by Queensland (three) and Victoria (two).
- Jobless rates can bounce around from month to month, but unemployment remains high in pockets of Western Sydney. In fact, unemployment in Sydney – South West was the highest in the country at 11.2 per cent in March – the region’s second highest reading since January 2001. Over 14,000 jobs were lost in the region over the year to March. The unemployment rate in Blacktown - also in Sydney’s West - eased from a 5½-year high of 9.8 per cent in February to 9.1 per cent in March, but remains elevated. And Ipswich and Logan - Beaudesert – both in Queensland – still have high unemployment rates of near 10 per cent.
- Regional Australia has been a pandemic outperformer. In fact, 12 of the 15 SA4 regions with the lowest unemployment were outside the major capital cities. The region with the lowest jobless rate in March was the Riverina, NSW at just 0.8 per cent, followed by the Central West, NSW at just 1.5 per cent. Encouragingly, Queensland regions also feature prominently with unemployment rates in Central Queensland and Toowoomba between 1.8 per cent and 1.9 per cent with mining and agriculture both performing well in the pandemic.
- Despite the challenges posed by the coronavirus, 46 of 87 regions posted job gains over the year to March.

WHERE JOBLESS RATES WERE HIGHEST

As at 31 March 2021

State	SA4 regions: identifier number and name	%
NSW	127 Sydney - South West	11.2
QLD	310 Ipswich	10.1
QLD	311 Logan - Beaudesert	9.9
SA	406 South Australia - Outback	9.2
NSW	116 Sydney - Blacktown	9.1
VIC	210 Melbourne - North West	8.9
VIC	213 Melbourne - West	8.8
QLD	319 Wide Bay	8.6
NSW	109 Murray	8.5
SA	402 Adelaide - North	8.3
NSW	108 Mid North Coast	8.0
QLD	303 Brisbane - South	7.8
VIC	207 Melbourne - Inner East	7.7
QLD	315 Queensland - Outback	7.7
QLD	313 Moreton Bay - North	7.3

Source: ABS, CommSec

WHERE JOBLESS RATES WERE LOWEST

As at 31 March 2021

State	SA4 regions: identifier number and name	%
NSW	113 Riverina	0.8
NSW	103 New South Wales - Central West	1.5
NSW	126 Sydney - Ryde	1.7
QLD	308 Central Queensland	1.8
QLD	317 Toowoomba	1.9
NSW	122 Sydney - Northern Beaches	2.2
NSW	128 Sydney - Sutherland	2.4
WA	509 Western Australia - Wheat Belt	2.6
VIC	203 Geelong	2.6
QLD	312 Mackay - Isaac - Whitsunday	3.0
NSW	110 New England and North West	3.3
WA	501 Bunbury	3.5
VIC	217 Warramboul and South West	3.6
NSW	101 Capital Region	3.8
ACT	801 Australian Capital Territory	3.8

Source: ABS, CommSec.

Ryan Felsman, Senior Economist
(02) 9118 1805; Twitter: @CommSec

IMPORTANT INFORMATION AND DISCLAIMER FOR RETAIL CLIENTS

The Economic Insights Series provides general market-related commentary on Australian macroeconomic themes that have been selected for coverage by the Commonwealth Securities Limited (CommSec) Chief Economist. Economic Insights are not intended to be investment research reports.

This report has been prepared without taking into account your objectives, financial situation or needs. It is not to be construed as a solicitation or an offer to buy or sell any securities or financial instruments, or as a recommendation and/or investment advice. Before acting on the information in this report, you should consider the appropriateness and suitability of the information, having regard to your own objectives, financial situation and needs and, if necessary, seek appropriate professional of financial advice.

CommSec believes that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made based on information available at the time of its compilation, but no representation or warranty is made as to the accuracy, reliability or completeness of any statements made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed by any other member of the Commonwealth Bank of Australia group of companies.

CommSec is under no obligation to, and does not, update or keep current the information contained in this report. Neither Commonwealth Bank of Australia nor any of its affiliates or subsidiaries accepts liability for loss or damage arising out of the use of all or any part of this report. All material presented in this report, unless specifically indicated otherwise, is under copyright of CommSec.

This report is approved and distributed in Australia by Commonwealth Securities Limited ABN 60 067 254 399, a wholly owned but not guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124. This report is not directed to, nor intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or that would subject any entity within the Commonwealth Bank group of companies to any registration or licensing requirement within such jurisdiction.

Melbourne – West led the way with 41,700 jobs added, but the job creating regions were spread across the nation. The Gold Coast added 25,200 positions over the year, followed by Perth – South West WA (+22,200) and Illawarra, NSW (+16,900).

- Which regions lost most jobs? The NSW Capital region – which stretches from Young and Goulburn to Cooma and Eden – shed 19,800 over the year to March. The region is still recovering from severe bushfires prior to the pandemic. And Victoria’s Mornington Peninsula lost 18,200 positions over the period, perhaps impacted by reduced visitation by Melburnians due to multiple virus lockdowns.

What is the importance of the economic data?

- The **Labour Force** estimates are derived from a monthly survey conducted by the Bureau of Statistics. The population survey is based on a multi-stage area sample of private dwellings (currently about 22,800 houses, flats, etc.) and a sample of non-private dwellings (hotels, motels, etc.). The survey covers about 0.24 per cent of the population of Australia and includes all people over 15 years of age, except defence personnel. Detailed demographic and regional information is provided a week after top level estimates.

What are the implications for investors?

- Australia’s labour market recovery has been astonishing, but uneven across regions and industries. Parts of the country still have high unemployment with the closure of international borders (excluding New Zealand), mini-lockdowns and the impact of natural disasters weighing on job creation a year on from the national lockdown.
- That said, a record number of Aussies were employed in March with the key measure of labour demand – hours worked – back above pre-pandemic levels. Job vacancies are the highest in over 12 years, pointing to additional job gains. But with workforce participation at record highs and government stimulus fading - with the expiry of JobKeeper - the pace of employment gains and absorption of spare capacity could ease near-term.
- Commonwealth Bank (CBA) Group economists, however, still expect the unemployment rate to fall from 5.6 per cent in March to 5.0 per cent by December amid solid labour demand and skills shortages in strongly performing sectors of the economy.

Ryan Felsman, Senior Economist, CommSec
(02) 9118 1805; Twitter: @CommSec

BIGGEST ANNUAL JOB GAINS

As at 31 March 2021

State	SA4 regions: identifier number and name	'000
VIC	213 Melbourne - West	41.7
QLD	309 Gold Coast	25.2
WA	507 Perth - South West	22.2
NSW	107 Illawarra	16.9
NSW	118 Sydney - Eastern Suburbs	14.4
WA	508 Western Australia - Outback (North and South)	12.3
QLD	305 Brisbane Inner City	12.0
QLD	301 Brisbane - East	11.1
NSW	125 Sydney - Parramatta	10.5
NSW	110 New England and North West	10.3
VIC	212 Melbourne - South East	9.9
QLD	319 Wide Bay	8.7
VIC	202 Bendigo	8.7
QLD	302 Brisbane - North	8.7
QLD	310 Ipswich	8.5

Source: ABS, CommSec.

BIGGEST ANNUAL JOB LOSSES

As at 31 March 2021

State	SA4 regions: identifier number and name	'000
NSW	101 Capital Region	-19.8
VIC	214 Mornington Peninsula	-18.2
VIC	211 Melbourne - Outer East	-14.5
NSW	127 Sydney - South West	-14.1
NSW	102 Central Coast	-14.0
VIC	209 Melbourne - North East	-12.3
NSW	121 Sydney - North Sydney and Hornsby	-10.0
SA	402 Adelaide - North	-9.8
NSW	111 Newcastle and Lake Macquarie	-9.4
NSW	108 Mid North Coast	-8.7
QLD	313 Moreton Bay - North	-8.5
QLD	311 Logan - Beaudesert	-8.5
VIC	205 Latrobe - Gippsland	-7.8
NT	702 Northern Territory - Outback	-6.4
WA	505 Perth - North West	-5.7

Source: ABS, CommSec.