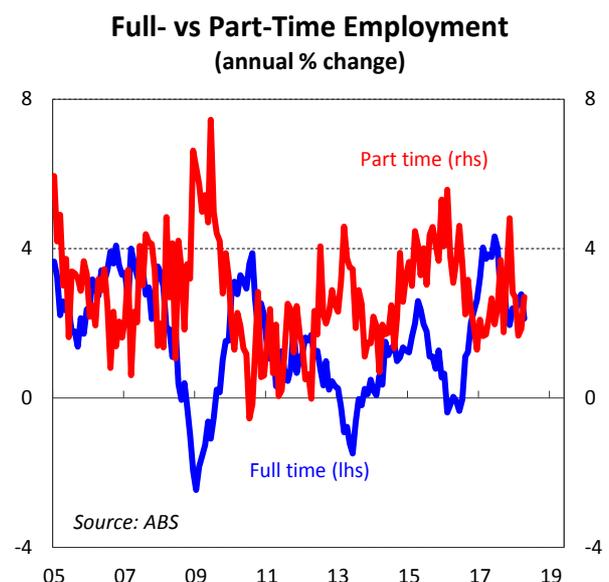


## Labour Force

### Jobs Growth Beats Consensus Yet Again

- Employment beat consensus expectations again; jobs jumped 37.0k in November, against consensus expectations for a rise of just 20.0k.
- The unemployment rate ticked up slightly, from 5.0% in October to 5.1% in November. However, this uptick was driven by more people joining the labour force to look for a job.
- Indeed, the participation rate rose from 65.5% to 65.7%, which is near a record high. It suggests there is limited room for the participation rate to move any higher from here.
- In November, the growth in jobs came from part-time work. There was a 43.4k net increase in part-time work, which is the biggest monthly rise in nearly a year. Full-time jobs retreated by 6.4k, representing the first fall in six months.
- Across States and territories, Victoria was a stand out. Victoria created 30.9k net new jobs in November, which is the strongest of any State or territory. It was also the biggest monthly jobs rise in the Garden State in two years.
- We continue to expect national jobs growth to continue and for slack to gradually be worked out of the labour market. However, we would not be surprised to see some moderation in the pace of jobs growth in 2019.



Employment beat consensus expectations again; jobs jumped 37.0k in November, against consensus expectations for a rise of just 20.0k.

The unemployment rate ticked up slightly, from 5.0% in October to 5.1% in November. However, this uptick was driven by more people joining the labour force to look for a job, reflected in the lift in the participation rate. Indeed, the participation rate rose from 65.5% to 65.7%. What is notable is this participation rate is not far from the record high of 65.8%, suggesting there might be limited room for the participation rate to move any higher from here.

In November, the growth in jobs came from part-time work. There was a 43.4k net increase in part-time work, which is the biggest monthly rise in nearly a year. Full-time jobs retreated by 6.4k, representing the first fall in six months.

Smoothing out the month-to-month volatility, both part-time and full-time jobs continue to record firm gains, indicating the labour market remains in good shape and continues to tighten.

There continues to be greater job creation in full-time work; in the twelve months to November, the total net new jobs created stood at 180.2k for full-time work compared with 105.5k for the part-time segment.

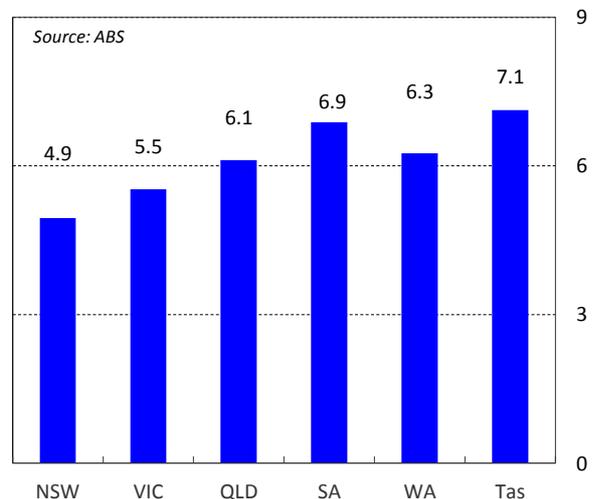
Across States and territories, Victoria was a stand out in the month. Victoria created 30.9k net new jobs in November, which is the strongest of any State or territory. It was also the biggest monthly jobs rise in the Garden State in two years (since October 2016). Annual growth of jobs in Victoria is also very strong at 3.2%.

NSW lost 12.6k jobs in November, but this State has created the most jobs of any State or territory over a twelve-month period (+111.1k). NSW also has the lowest unemployment rate at 4.4% of all States.

### Outlook

We continue to expect jobs growth to continue and for slack to gradually be worked out of the labour market. However, we would not be surprised to see some moderation in the pace of jobs growth in 2019, reflecting the downside risks to the consumer coming from the downturn in dwelling prices. There is also greater uncertainty emerging from the global economy and volatility in financial markets. The Federal election next year and NSW State election might also cause some temporary pause in hiring activity until the uncertainty surrounding the elections passes.

**Unemployment Rate By State**  
(November 2018, %)



**Besa Deda, Chief Economist**  
Ph: 02-8254-3251

## Contact Listing

### Chief Economist

Besa Deda  
[dedab@bankofmelbourne.com.au](mailto:dedab@bankofmelbourne.com.au)  
(02) 8254 3251

### Senior Economist

Josephine Horton  
[hortonj@bankofmelbourne.com.au](mailto:hortonj@bankofmelbourne.com.au)  
(02) 8253 6696

### Senior Economist

Janu Chan  
[chanj@bankofmelbourne.com.au](mailto:chanj@bankofmelbourne.com.au)  
(02) 8253 0898

### The Detail

The information contained in this report (“the Information”) is provided for, and is only to be used by, persons in Australia. The information may not comply with the laws of another jurisdiction. The Information is general in nature and does not take into account the particular investment objectives or financial situation of any potential reader. It does not constitute, and should not be relied on as, financial or investment advice or recommendations (expressed or implied) and is not an invitation to take up securities or other financial products or services. No decision should be made on the basis of the Information without first seeking expert financial advice. For persons with whom Bank of Melbourne has a contract to supply Information, the supply of the Information is made under that contract and Bank of Melbourne’s agreed terms of supply apply. Bank of Melbourne does not represent or guarantee that the Information is accurate or free from errors or omissions and Bank of Melbourne disclaims any duty of care in relation to the Information and liability for any reliance on investment decisions made using the Information. The Information is subject to change. Terms, conditions and any fees apply to Bank of Melbourne products and details are available. Bank of Melbourne or its officers, agents or employees (including persons involved in preparation of the Information) may have financial interests in the markets discussed in the Information. Bank of Melbourne owns copyright in the information unless otherwise indicated. The Information should not be reproduced, distributed, linked or transmitted without the written consent of Bank of Melbourne.

---

Any unauthorized use or dissemination is prohibited. Neither Bank of Melbourne- A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ACL 233714, nor any of Westpac’s subsidiaries or affiliates shall be liable for the message if altered, changed or falsified.

---