

# REGIONAL AUSTRALIA LED JOBS RECOVERY IN 2020

Chief Economist Dr Kim Houghton



## Job vacancies

In December 2020 there were over 54,000 jobs advertised on the internet across Regional Australia. Regional vacancy recovery has been much faster (up 71% on May 2020) than capital cities, particularly the east coast capitals which are still 22-25% below their May 2020 levels.

December regional vacancies were slightly below the November peak of 57,000. However, there is always a seasonal fall over the holiday period, and this year it was much less than in previous years. In seasonally-adjusted terms, job vacancies Australia-wide actually increased in the month to December by 1.4%.

December 2020 regional vacancies were a huge 30% above where they were a year before in December 2019. Regional job vacancies have risen steadily since the low point in April 2020.

This internet vacancy series is a three-month average, so the figures soften the month to month volatility in employers taking the time to advertise vacancies.

The December data highlights the continuing significant differences between regions as they emerge from the COVID-19 restrictions. Most regions are now seeing more vacancies advertised in December 2020 than there were in December 2019. Standout vacancy growth is seen in Dubbo and Western NSW which had over 1,300 vacancies advertised in December 2020, up 100% on the 650 vacancies in December 2019. Other regions showing growth were North Coast (NSW), Tamworth (NSW) and Southwest WA, each with vacancies last month around 60-75% higher than a year ago.

In December 2020, jobs in most demand in Regional Australia continued to be well-paid mid- to high-skilled professionals and trades jobs. These two occupations accounted for over 50% of all advertised vacancies. But looking at growth rates, lower-skilled vacancies are leading. Vacancies for Sales Workers, Labourers and Community & Personal Services workers are up over 50-60% on December 2019 levels in Regional Australia, while the higher skilled professions and trade vacancies were 12-30% above their levels last year. Regional employers are clearly looking to hire more 'feet on the ground' in these fundamental roles.

### DECEMBER REGIONAL JOBS AT A GLANCE 54,070 advertised

↑31% in regions ↓3.5% in metro compared to Dec 2019

Most regional jobs: Biggest regional vacancy increases:

- NSW 16,400
- QLD 15,150
- VIC 7,380
- NSW ↑55.8%
- SA ↑39.9%
- WA ↑39.7%

The December 2020 trends indicate that Regional NSW is showing the fastest recovery – with the number of vacancies up over 50% on December 2019. While Regional Victoria's vacancy numbers were lagging due the second lockdown, they have now caught up with the regional areas in other states which are now all in the range of 25-40% above December 2019 levels.

	Actual vacancies Dec 2020	% change between Dec 2019 and Dec 2020
Regional Australia	57,070	31.4%
Regional NSW (excl. Sydney)	16,400	55.8%
Regional VIC (excl. Melbourne)	7,380	26.5%
Regional QLD (excl. Brisbane)	15,150	26.9%
Regional SA (excl. Adelaide)	1,220	39.9%
Regional WA (excl. Perth)	4,600	39.7%
TAS	2,140	24.4%
NT	1,880	21.1%
ACT	5,300	-2.1%
Mainland Capitals	100,700	-3.5%

## People flows

There was much discussion in late 2020 about the extent to which COVID restrictions have catalysed an increase in people moving from Australia's cities to regions. Jobs growth has clearly been very strong in Regional Australia, and there are reports of regional employers struggling to find the people they need. The pattern of people moving into Regional Australia is a critical part of the labour market solution for regional employers.

While reliable data on the overall flows are not yet available, there are consistent signs that some regions are experiencing sizeable inflows, with rapid jumps in house prices and tight housing rental markets. Places reasonably close to capital cities like Gold Coast, Sunshine Coast, Geelong, Daylesford, Ballarat, Wollongong, and Newcastle saw the biggest price growth through 2020. Further afield, prices in Regional Tasmania rose 11% over the year, while Regional NSW overall saw an 8% increase<sup>i</sup>.

## Regional Australia continues to lead national COVID recovery

The ABS updated its quarterly estimates of people flows between cities and states in November 2020<sup>ii</sup>. The updated estimates showed that more people left most capital cities in the June Quarter 2020 than arrived. The exception being Brisbane which showed a net gain of 3,000 residents in the quarter. Sydney has had net outflows of around 5,000 people per quarter for many years. Melbourne had been seeing small net inflows, but in 2020 these changed to larger net outflows too. As a result, the capital cities had a net loss of 10,500 people from internal migration, the largest quarterly net loss on record.

The RAI is working with our corporate partners to develop a more real-time measure of these flows using customer transaction and place of residence data.

## SUMMARY TABLE

Number of advertised job vacancies	Dec 2019	Nov 2020	Dec 2020	% change December 2019 to December 2020	% change November 2020 to December 2020
<b>Regional Australia</b>	<b>41180</b>	<b>57650</b>	<b>54070</b>	<b>31.4%</b>	<b>-6.2%</b>
Regional NSW (excludes Sydney)	10620	18220	16400	55.8%	-10.0%
Regional VIC (excludes Melbourne)	5790	7060	7380	26.5%	4.5%
Regional QLD (excludes Brisbane)	11900	16350	15150	26.9%	-7.3%
Regional SA (excludes Adelaide)	870	1360	1220	39.9%	-10.3%
TAS	1690	2150	2140	24.4%	-0.5%
Regional WA (excludes Perth)	3320	4800	4600	39.7%	-4.2%
NT	1520	2010	1880	21.1%	-6.5%
ACT	5460	5700	5300	-2.1%	-7.0%
<b>Mainland Capital Cities</b>	<b>110940</b>	<b>112400</b>	<b>107000</b>	<b>-3.5%</b>	<b>-4.8%</b>

Source: Labour Market Information Portal Vacancy Report, <https://lmp.gov.au/default.aspx?LMIP/GainInsights/VacancyReport>

<sup>i</sup> <https://www.abc.net.au/news/2021-01-04/house-prices-rise-1pc-regional-beats-capital-cities/13029268#:~:text=Annual%20data%20by%20real%20estate,cent%20increase%20for%20regional%20markets.>

<sup>ii</sup> <https://www.abs.gov.au/statistics/people/population/regional-internal-migration-estimates-provisional/latest-release>