

The West Australian Labour Market and Gender Equality Post-Covid

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1. Introduction

Most will remember the year 2020 for the start of the COVID19 pandemic and the resultant economic havoc. COVID19 was declared a pandemic by the World Health Organisation on 14 March 2020 and on 22 March 2020 Governments across Australia began the shutdown of non-essential services and businesses. Although the shutdown witnessed a sudden and sharp increase in unemployment and delivered Australia's first recession since 1991, by years end the national and WA economies were performing better than had been initially expected. The labour market effects associated with the policy responses to COVID19 have, however, differed for men and women and for younger and older workers. Unlike Australia's last recession (1991) where more than 90% of jobs lost were previously held by males, in the 2020 recession around 40% of the jobs lost were jobs previously held by females.¹

The Reserve Bank of Australia (RBA) anticipates the recovery to be "... uneven and drawn out".² Interest rates have been reduced to record lows to aid the recovery process. However, on its own, monetary policy will not be enough to drive the recovery – a point consistently made by the Governor of the RBA. National, State and Territory Governments will be central to the rebuilding of the Australian and local economies. In this regard it is essential that decisions are made that are informed by evidence and which take into consideration the needs of diverse groups such as males and females and the young and the old. For example, while 'shovel ready' projects which target male dominated sectors such as construction may provide a welcome stimulus for this sector they provide little relief for workers (predominantly females) in retail, hospitality and care related sectors.

With the above in mind, the aim of this paper is to provide a gendered overview of labour market developments in Western Australia (WA) in 2020 with a view to informing a recovery plan that supports all WA labour market participants. The remainder of the paper is organised as follows. Section 2 focuses on employment indicators, Section 3 on unemployment and Section 4 on wages. Section 5 provides a summary and discussion and a conclusion follows in Section 6.

¹ For a detailed review of the Australian labour market in 2020 see: Birch, E. and A. Preston (forthcoming), 'The Australian Labour Market in 2020', *Journal of Industrial Relations*.

² RBA (2020) November monetary policy decision. Speech by the Governor of the RBA. Available at: <https://www.rba.gov.au/speeches/2020/sp-gov-2020-11-03.html>

2. Employment

This section considers employment outcomes in WA labour market in 2020, but prefaces this with background information on the civilian population (Table 1) and trends in total monthly hours worked (Figure 1). It is commonly understood that COVID19 has seen a fall in immigration and a significant increase in return migration nationally. Estimates for WA show that, in the year to December 2020, there has been a fall in the number of young people (aged <35) and a rise in the number of older people, particularly those aged 35-54 years.

TABLE 1. % change in civilian population between December 2019 and December 2020, by Age and Sex

	Females				Males			
	15-24	25-34	35-54	55-64	15-24	25-34	35-54	55-64
Greater Perth	-0.6%	-2.4%	5.1%	1.7%	-0.8%	-1.7%	3.9%	1.9%
Rest of WA	-0.3%	-1.5%	-0.1%	0.1%	-0.5%	-1.4%	-0.1%	0.2%
Total WA	-0.9%	-3.9%	5.0%	1.8%	-1.4%	-3.2%	3.8%	2.1%

Source: ABS 6202, LM9. Labour force status by age (detailed), greater capital city and rest of state (ASGS) and sex.

Figure 1 shows the trend in total monthly hours worked in WA alongside comparative data for Australia as a whole. As shown, the shutdown policies in March 2020 led to a sharp and sudden drop off in hours worked in WA and nationally. The recovery was gradual and by August 2020 total hours worked in WA as a share of total hours worked in December 2019 was equal to 99%, rising to 101% by December 2020. The corresponding shares nationally were 95% and 99%. In other words, by December 2020 the total number of hours worked in WA exceeded that recorded at December 2019.

These employment trends are also shown in Figure 2 using payroll data. The latter is a new Australian Bureau of Statistics (ABS) statistical series designed to monitor the effects of COVID19. It does, however, have its limitations. Small business, for example, may be under-represented. The data are, nevertheless, insightful and a sex-based analysis shows that in the initially stages of the pandemic the shutdown effects in WA were disproportionately born by females. Between 14 March and 18 April 2020, there was a 10% loss in jobs held by females and a 6% loss in jobs held by males. Over the remainder of the year employment (payroll jobs) recovery in WA was stronger for females than males.

FIGURE 1. Monthly hours worked, Australia and WA, December 2019 to December 2020

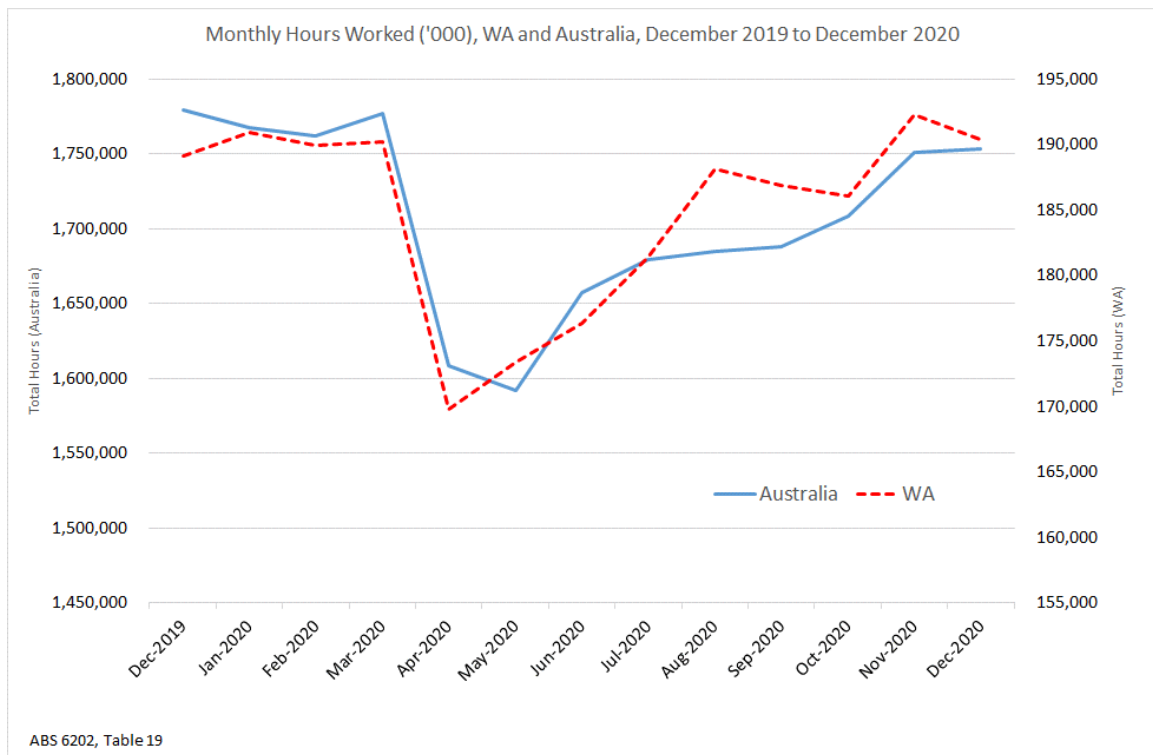
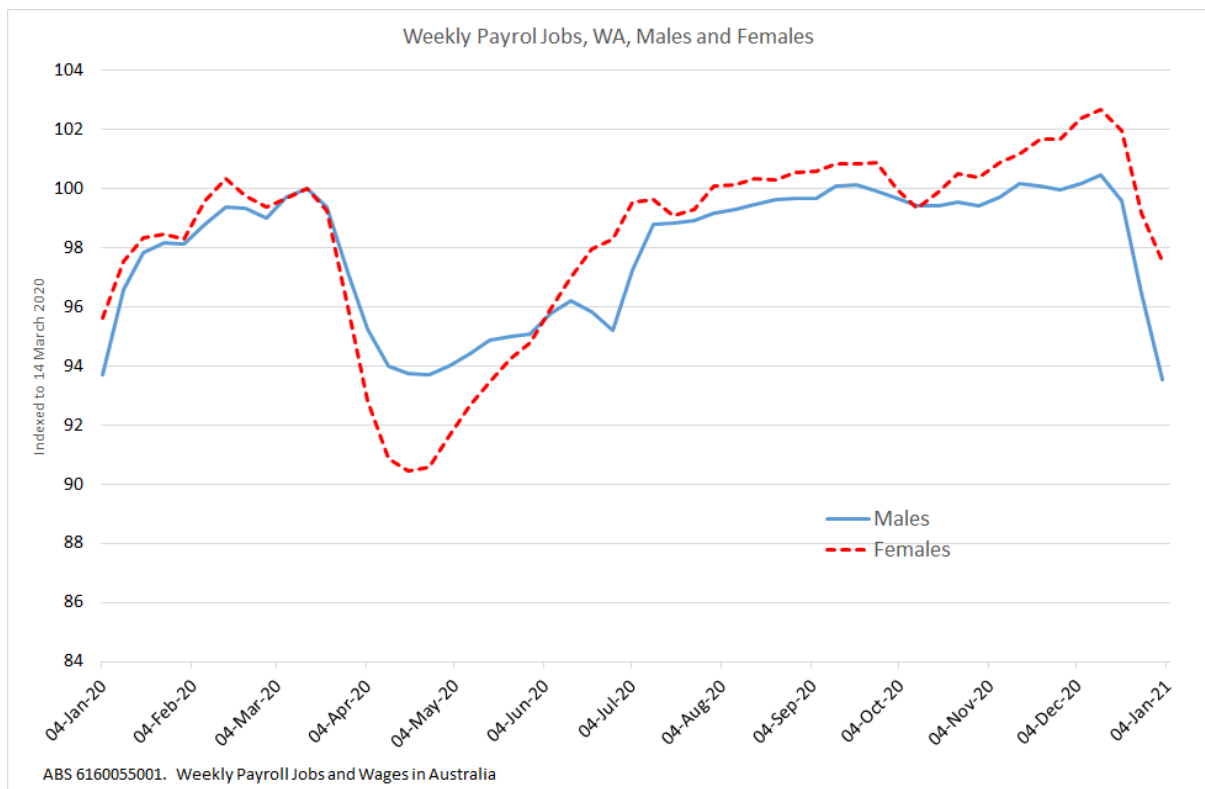


FIGURE 2. Payroll jobs, WA, Males and Females, January 2020 to January 2021



Developments in 2020 have impacted on the composition of the WA labour market. This reflects, in part, the population changes noted above (Table 1) but also the relatively stronger growth in female employment. At December 2020 proportionately more females were in employment than that recorded at December 2019 (3.1% increase), while, for males, there was no change in the total numbers employed (Table 2). A disaggregated analysis shows that growth was particularly strong outside of the 'greater Perth' area; for females this regional employment growth was predominantly part-time (i.e. fewer than 35 hours per week) and for males it was predominantly full-time (35 or more hours per week). When combined with population information the data (not reported) shows that there has been an increase in the male and female employment/population (E/P) ratios in the year to December 2020.

TABLE 2. % change in employment, December 2019 to December 2020, by Age and Sex. Greater Perth and the Rest of WA

	Females				Total (15-64)	Males				Total (15-64)
	15-24	25-34	35-54	55-64		15-24	25-34	35-54	55-64	
All persons										
Greater Perth	3.1%	2.9%	2.1%	2.5%	2.5%	-11.1%	-2.7%	0.0%	4.8%	-1.6%
Rest of WA	17.0%	-1.6%	12.2%	-8.3%	5.9%	15.2%	8.6%	8.5%	-4.9%	6.7%
Total WA	5.3%	2.1%	4.1%	-0.2%	3.1%	-6.8%	-0.7%	1.7%	2.4%	0.0%
Full-time										
Greater Perth	-13.8%	4.8%	3.2%	-10.4%	-0.4%	-6.7%	-0.5%	-0.3%	3.9%	-0.3%
Rest of WA	-14.5%	-25.4%	6.8%	-18.2%	-7.0%	40.3%	13.9%	5.5%	8.8%	11.0%
Total WA	-13.9%	-0.1%	3.9%	-12.2%	-1.7%	2.2%	2.1%	0.9%	5.0%	2.0%
Part-time										
Greater Perth	14.2%	-0.3%	0.9%	16.2%	5.7%	-15.5%	-16.9%	3.5%	9.6%	-8.1%
Rest of WA	44.1%	30.8%	20.2%	1.1%	21.7%	-24.3%	-60.2%	54.0%	-50.5%	-20.2%
Total WA	18.6%	5.6%	4.2%	12.3%	8.6%	-16.7%	-21.2%	11.4%	-9.9%	-10.1%

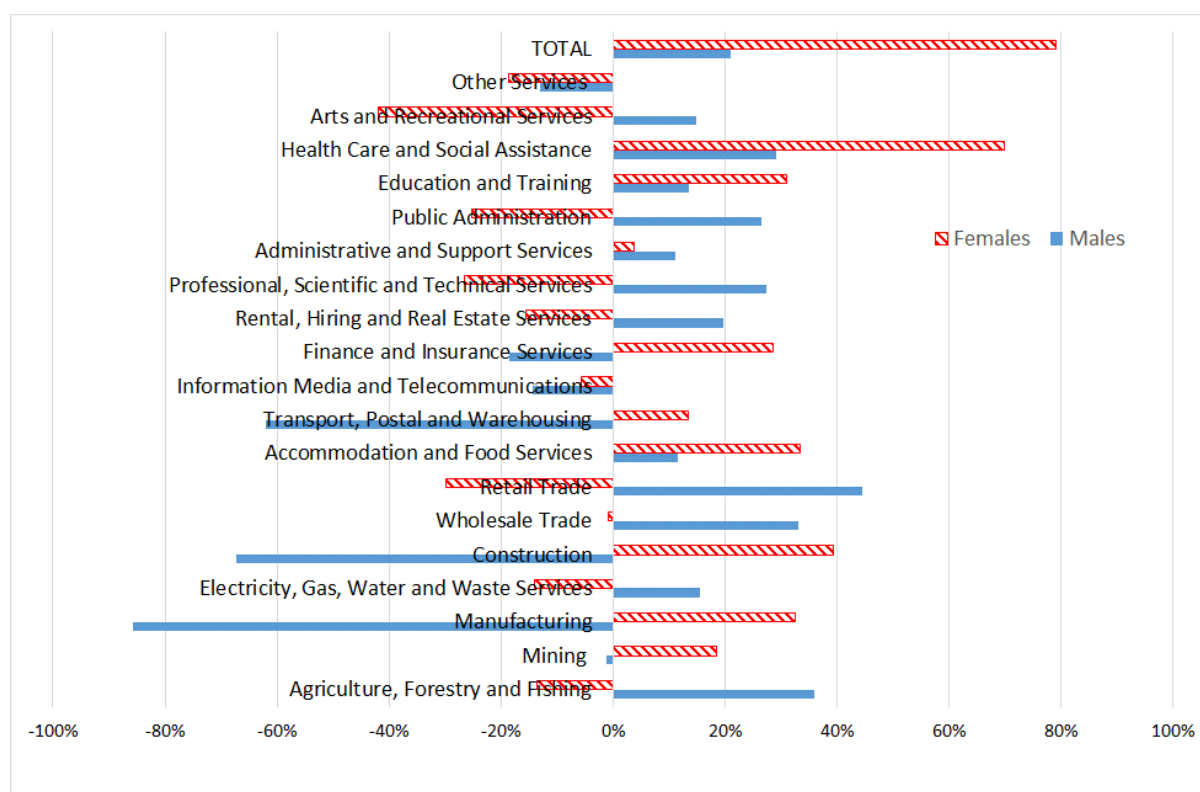
Source: ABS 6202, LM9.

Employment by Industry

Between November 2019 and November 2020 total employment in WA increased by 14,100 persons. If we think of this as being 14,100 new jobs then figure 3 shows that 79% of these new jobs over this period went to females and 21% to males. A breakdown by industry shows that 70% of the 14,100 new jobs were female jobs in the Health Care and Social Assistance Sector, followed by a further 31% of female jobs in Education and Training.

There was, however, a sizeable loss of male jobs in the construction sector (9,500) and manufacturing sector (12,100). This equates to 67% and 86%, respectively, of total jobs gained. Female job loss was concentrated in Arts and recreational services, retail trade and Professional, Scientific and Technical Services.³

FIGURE 3. Distribution of job gains and losses by industry and sex, WA. November 2019 to November 2020.



Source: 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly. Table 06.

Note: The % changes show the % of jobs (by sex and industry) lost or gained as a share of total (person) job change (gain) between November 2019 and November 2020. Overall there was a 14,100 increase in number of people employed in WA during this time. As shown, 79% of the new jobs went to females and 21% to males.

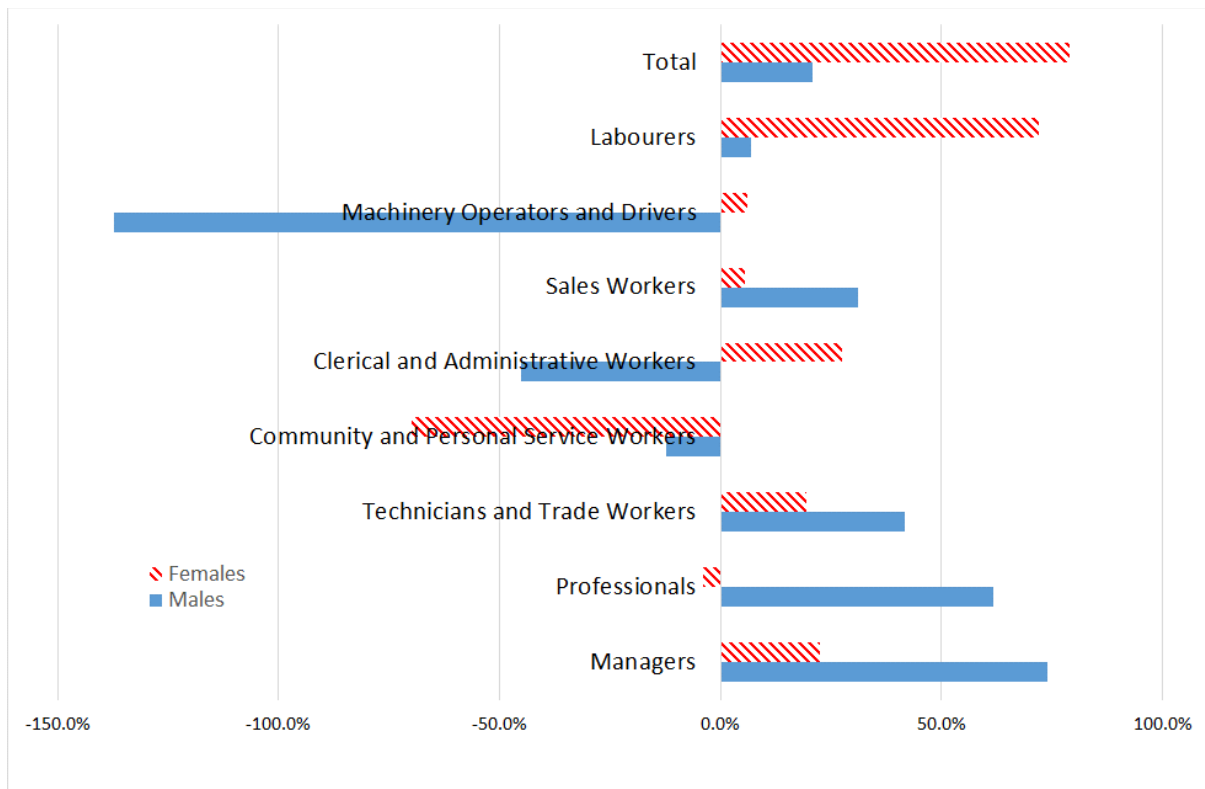
Employment by Occupation

Figure 4 shows the distribution of job gains and losses in WA between November 2019 and November 2020 by sex and occupation. We saw earlier that of all the new jobs created, 79% were occupied by females with the Health Care and Social Assistance sector dominating this growth. The occupational data shows that female jobs growth was predominantly at the bottom of the occupational ladder (72% of all new jobs were female 'Labouring and related' jobs). There was also a sizeable loss in female Community and

³ For comparable analysis at the national level see Birch and Preston (forthcoming). Details at footnote 1 above.

personal service workers. For males the data shows a decline in male Machinery Operator and Drivers (consistent with a decline of male jobs in construction and manufacturing) and strong growth in males employed as professionals and managers. In other words the job change in WA has seen a growth in low skilled (and low paid) female jobs, a loss in low skilled male jobs and a growth in high skilled male jobs (Professionals and Managers).

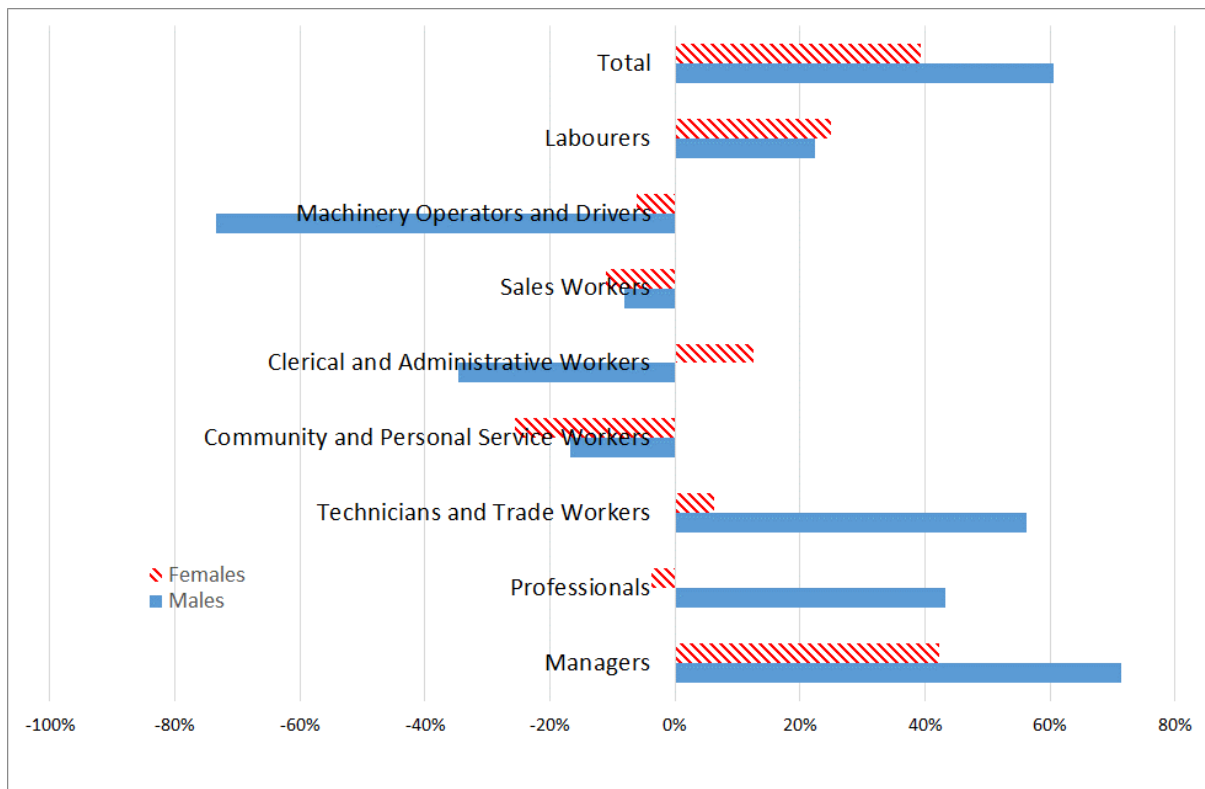
FIGURE 4. Distribution of job gains and losses by Occupation and sex, WA. November 2019 to November 2020.



Source: 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly. Table EQ08..

In Figure 5 the breakdown is with respect to hours worked. Comparison is made between total hours worked in WA in the survey week in November 2019 and November 2020. Again the analysis is disaggregated by sex and occupation. As shown, although there has been a net jobs gain and females have moved into the majority of the new jobs created, as a share of additional hours worked in WA only 39% of these additional hours worked have gone to females and the balance (61%) to males.

FIGURE 5. Distribution of ‘hour’ gains and losses by Occupation and sex, WA. November 2019 to November 2020.



3. Unemployment

In this section the focus is on unemployment, underemployment, underutilisation (the unemployment rate + underemployment rate) and job search duration. Figure 6 tracks the unemployment rate (defined as the % of people who, during the survey week, were available to work and were actively looking for work as a share of the labour force). At December 2019 the male and female unemployment rates in WA were above those recorded nationally. By December 2020 this had reversed. The WA male unemployment rate was 6.3% and the WA female unemployment rate equal to 5.8%. It is possible that the official unemployment rate statistics understate the actual level of unemployment as a result of JobKeeper and temporary changes to the JobSeeker provisions (eg. temporary removal of the requirement to engage in job search). Nevertheless, the data remain instructive and show that during the early shutdown period, unemployment rates were higher in WA than they were nationally, especially for WA females. Figure 7 shows the WA unemployment rate disaggregated by sex and region (Greater Perth and Rest WA). As shown since June the male and female unemployment rates in regional WA have tracked lower than they have in the Greater Perth area.

FIGURE 6. Unemployment Rate (%), WA and Australia, by sex. December 2019 to December 2020.

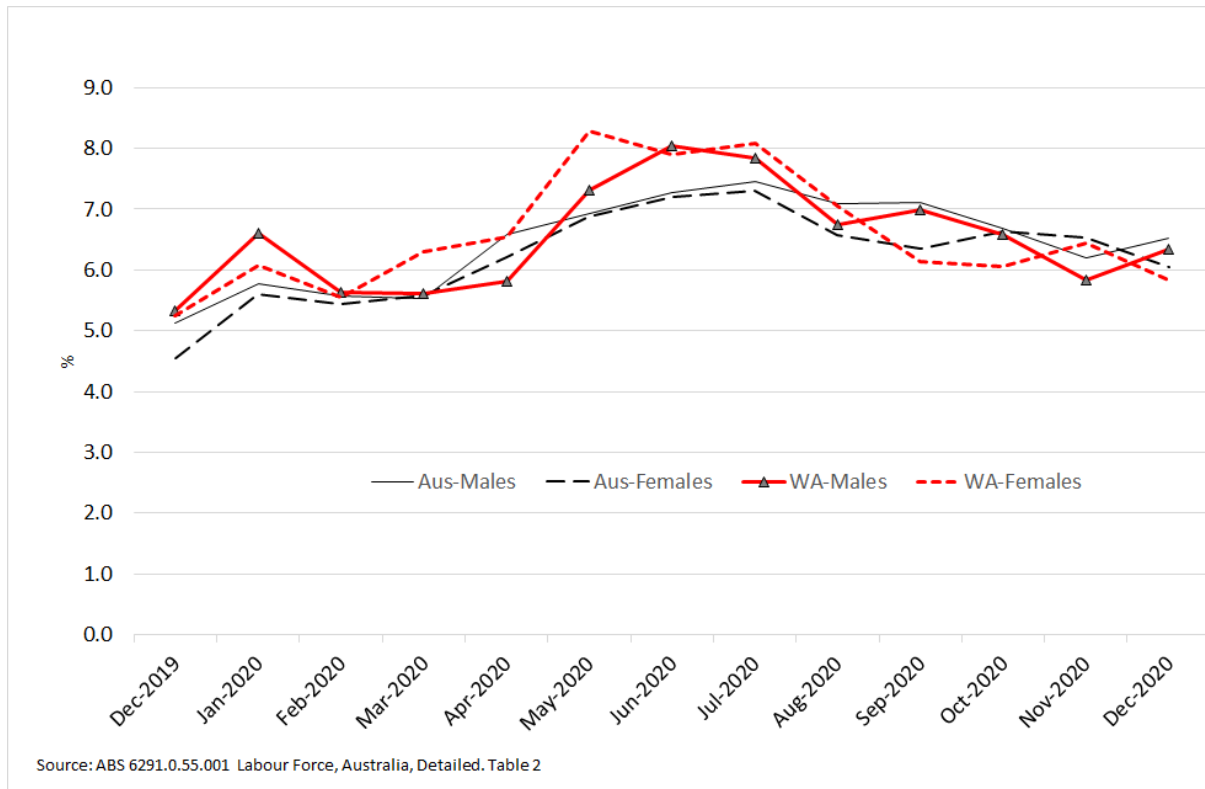


FIGURE 7. Unemployment Rate (%), Greater Perth and Rest WA, by Sex.

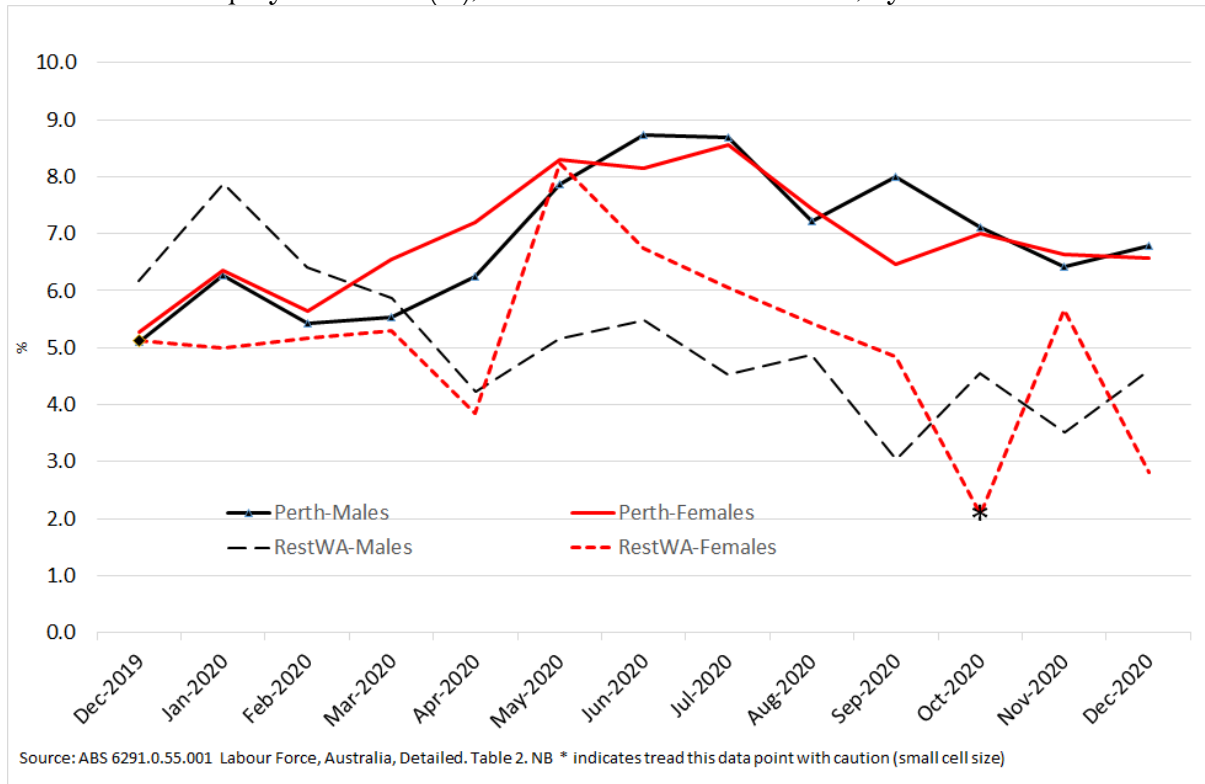
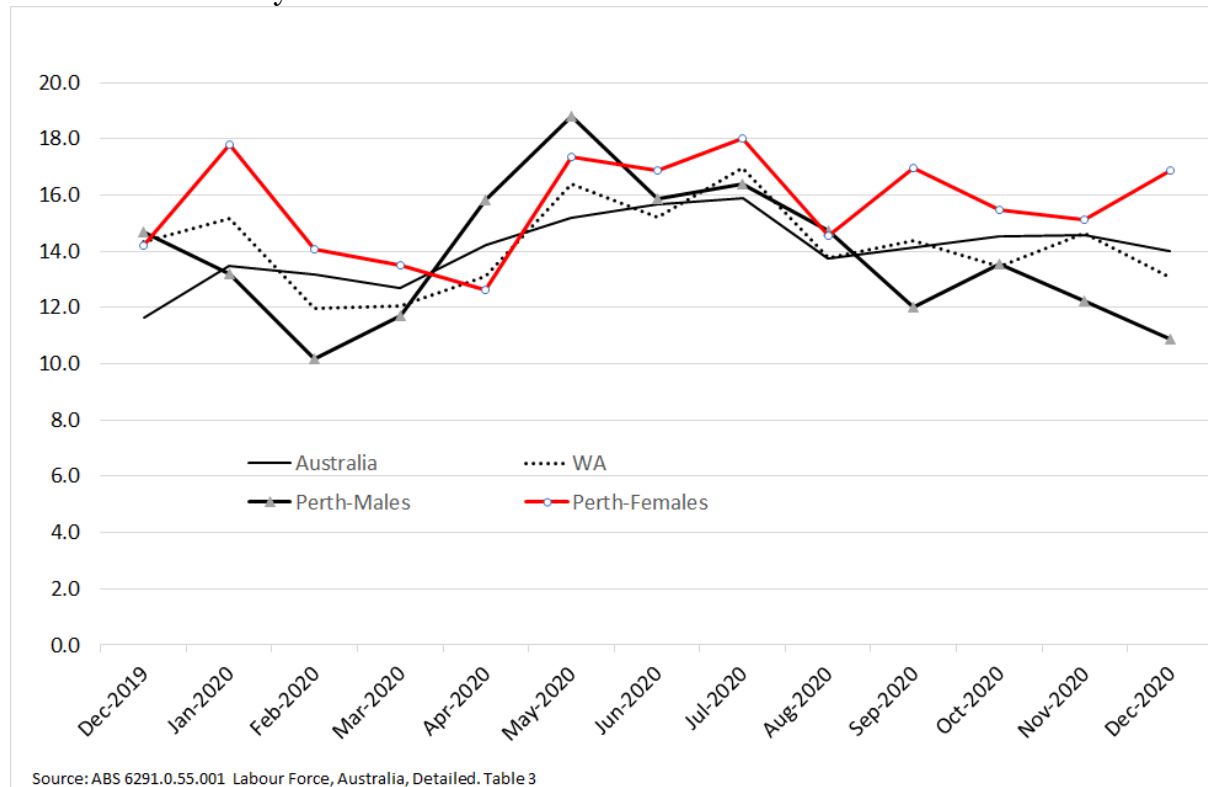


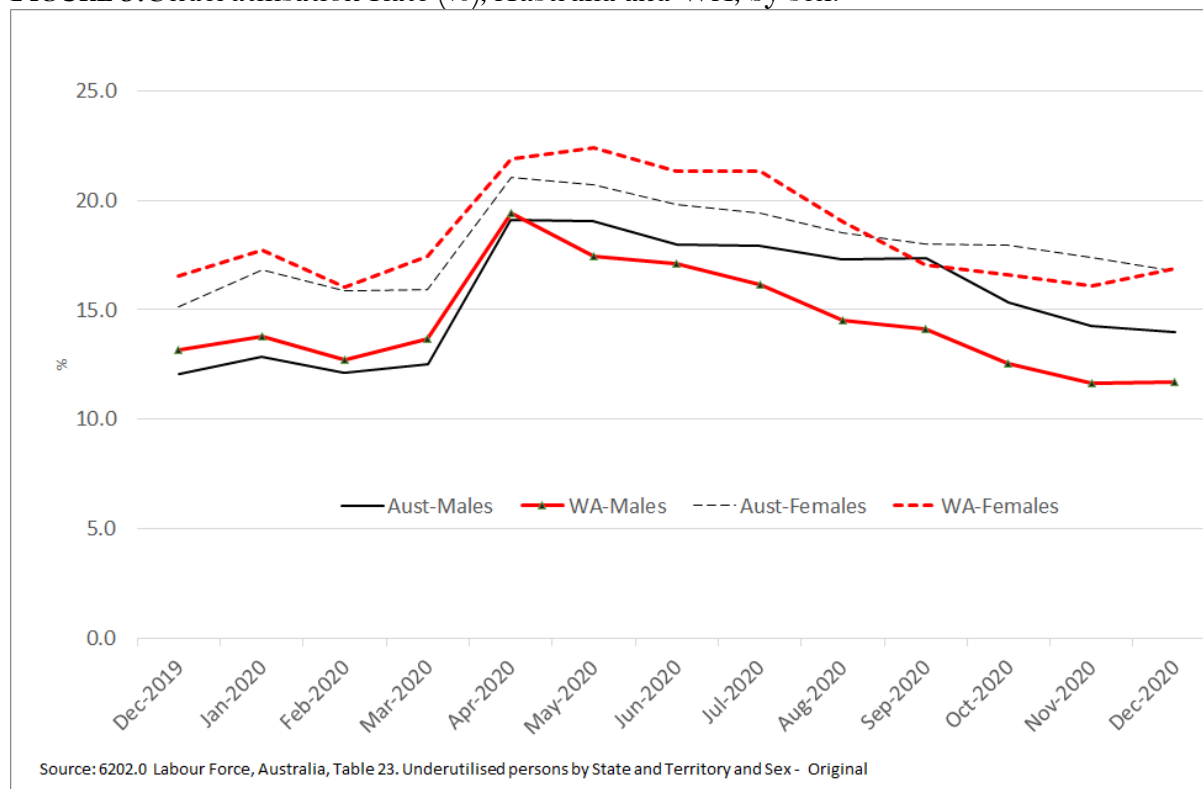
Figure 8 shows the youth (aged 15-24) unemployment rates for Australia (persons), WA (persons), Greater Perth (Males) and Greater Perth (Females). As shown, in December 2019 the youth unemployment rate in the Greater Perth area was 14.2%, above the national average of 11.7%. By December 2020 the youth female unemployment rate in the Greater Perth area had increased to 16.9%. This compares to the 10.9% unemployment rate amongst young men in the Greater Perth area.

FIGURE 8. Unemployment Rate (%), Youth (Aged 15-24), Australia (Persons), WA (Persons) and Greater Perth by Sex.



In Figure 9 the focus is on underutilisation (unemployment + underemployed, where underemployed are comprised of those who would like to work more hours). The comparison is for Australia and WA disaggregated by sex. Nationally, the male underutilisation rate has increased from 12.1% in December 2019 to 14.0% by December 2020. For WA males the trend has been opposite, falling from 13.2% in December 2019 to 11.7% by December 2020. Underutilisation is higher for females at a national level and within WA and by December 2020 was relatively unchanged from the rate observed in December 2019.

FIGURE 9. Underutilisation Rate (%), Australia and WA, by sex.



The final charts in this section considers job search duration. In Figure 10 the focus is on median job search duration and in Figure 11 attention is given to the number of long-term unemployed (those in search for a job for 52 weeks or more). Focusing on Figure 10, to smooth the data in this series an average of the last three months of 2019 and 2020 (i.e. average of October, November and December) is presented. As before, the estimates are disaggregated by Greater Perth and the rest of WA and show that for the Greater Perth area there has been an increase in the median time of job search (from 24.3 weeks at the end of 2019 to 28.3 weeks at the end of December 2020). WA median search duration time exceeds that observed nationally. Disaggregating the data further, we may see that within Mandurah and Bunbury job search duration is particularly high, equal to 32.3 weeks and 31.3 weeks, respectively, at the end of 2020.

An increase in the median job search duration time has, unsurprisingly, contributed to a rise in the total number of persons classified as long term unemployed (LTU) (i.e. unemployed for 1 year or more). The uptick in the number of LTU in WA has had a similar path as that observed nationally and by December 2020 the number had increased by 13% in WA and nationally. A disaggregated analysis by sex is not possible for the state level, however, data presented in a Parliamentary Budget Office Report (2020 JobSeeker Payment

Report) shows that the majority of long-term JobSeeker payment recipients (1 year or more) are female. It may be assumed that this pattern nationally is also reflected at a state level.⁴

FIGURE 10. Median Job Search Duration

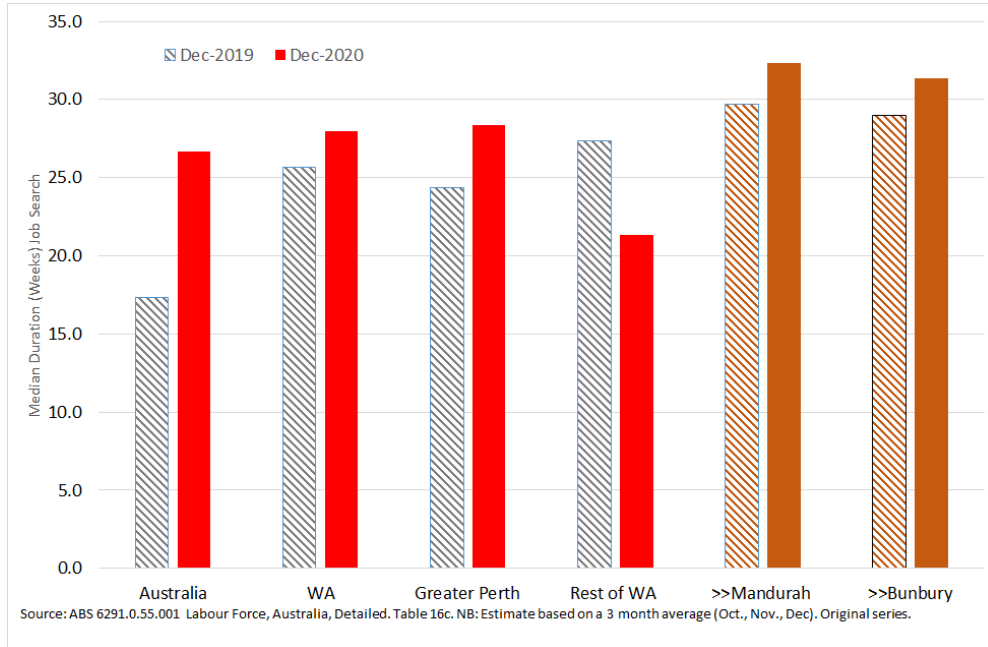
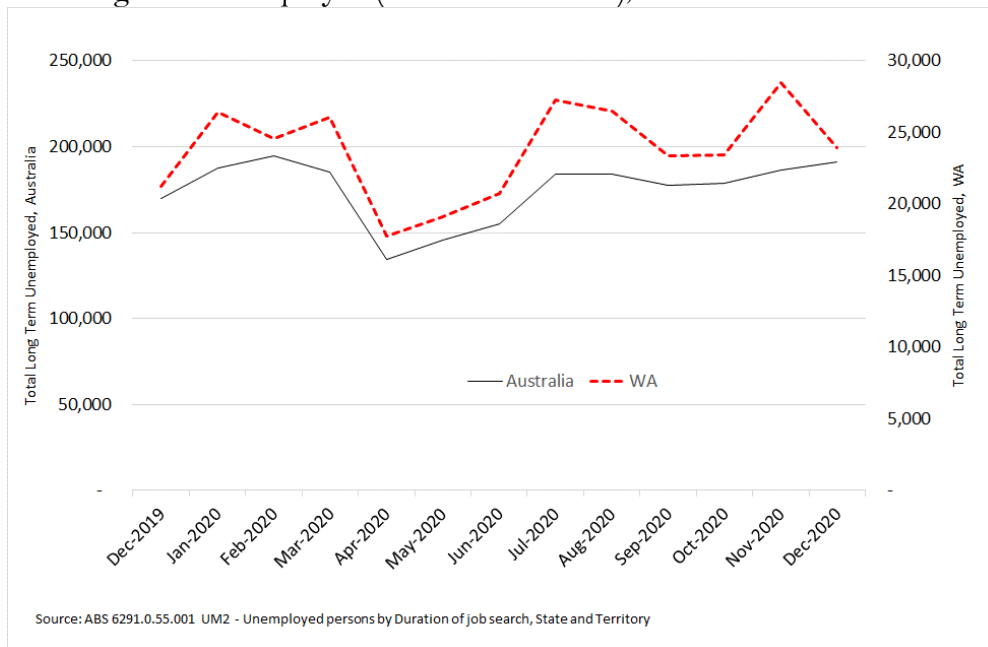


FIGURE 11. Long term unemployed (52 weeks or more), Australia and WA



⁴

https://www.apf.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment.

4. Wages

In this section the focus is on wages, although there are limited data suitable for a detailed analysis. Two ABS series are referred to. The first is the ABS *Average Weekly Earnings, Australia* (Catalogue Number 6302) and the second is the ABS *Wage Price Index* (Catalogue Number 6345). Focusing on the former, the most recent estimates are for May 2020 with the November 2020 estimates forthcoming at the end of February 2021. This series shows average weekly earnings for adults employed full-time and total earnings. Analysis of the gender wage gap (the relative earnings of females compared to males) using this series is fraught because of the inability to compare hourly earnings. Accordingly, gender wage comparisons based on this series typically focus on persons employed full-time. However, as shown earlier, a significant portion of females work part-time and an increasing share of males are also engaged part-time. This means a comparison based on full-time data provides only a partial picture. It is also not possible to take into consideration compositional changes in the labour market and, as we saw earlier in this report, this could be important if females are increasingly moving into lower skilled occupations and males into higher skilled occupations. With these caveats in mind Figure 12 plots the average weekly ordinary time earnings (AWOTE) of adult males and females employed full-time. Comparisons are for Australia as a whole and WA and cover the period May 2012 to May 2020.

Nationally, the gender wage gap amongst those employed full-time (calculated as $(W_m - W_f) / W_f * 100$) (where 'W' denotes AWOTE, 'm' denotes males and 'f' denotes females) is equal to 16.3%. This means that for the earnings of males and females in full-time employment to be equal female earnings need to increase by 16.3%. In WA the corresponding gender wage gap in full-time employment is 29.4% and reflects the fact that there is a 10.3% gap in the wages of WA males and Australian males employed full-time. The WA gender wage gap in full-time employment is partly due to the greater proportion of males than females in the mining sector (a high paying sector), however, this is not the main driver given that mining employs relatively few (8.8%) of all WA employees.⁵ The relatively higher WA gender wage gap (vis a vis the corresponding gap nationally) also reflects the fact that a large share of females in WA are employed in the public sector (eg. as

⁵ For a more detailed discussion of the WA gender wage gap see Preston, A. and Birch, E. (2018), 'The Western Australian wage structure and gender wage gap: a post-mining boom analysis' *Journal of Industrial Relations*, 60(5): 619-646.

teachers and nurses) or in sectors where funding is dependent upon the public sector (eg. carers who are paid under the NDIS) and that wages growth has been relatively slower in the WA public sector (see Figure 13).

FIGURE 12. Average Weekly Ordinary Time Earnings, Adults, Employed Full-Time, by Sex

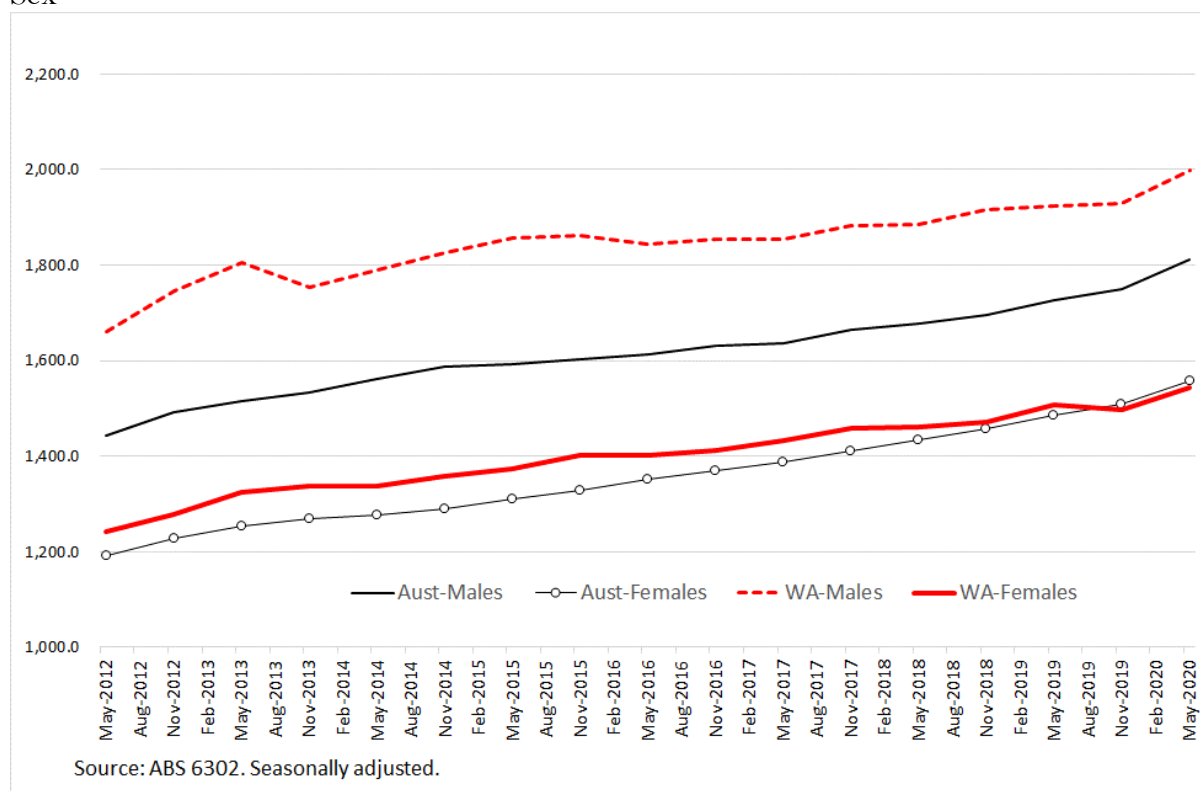
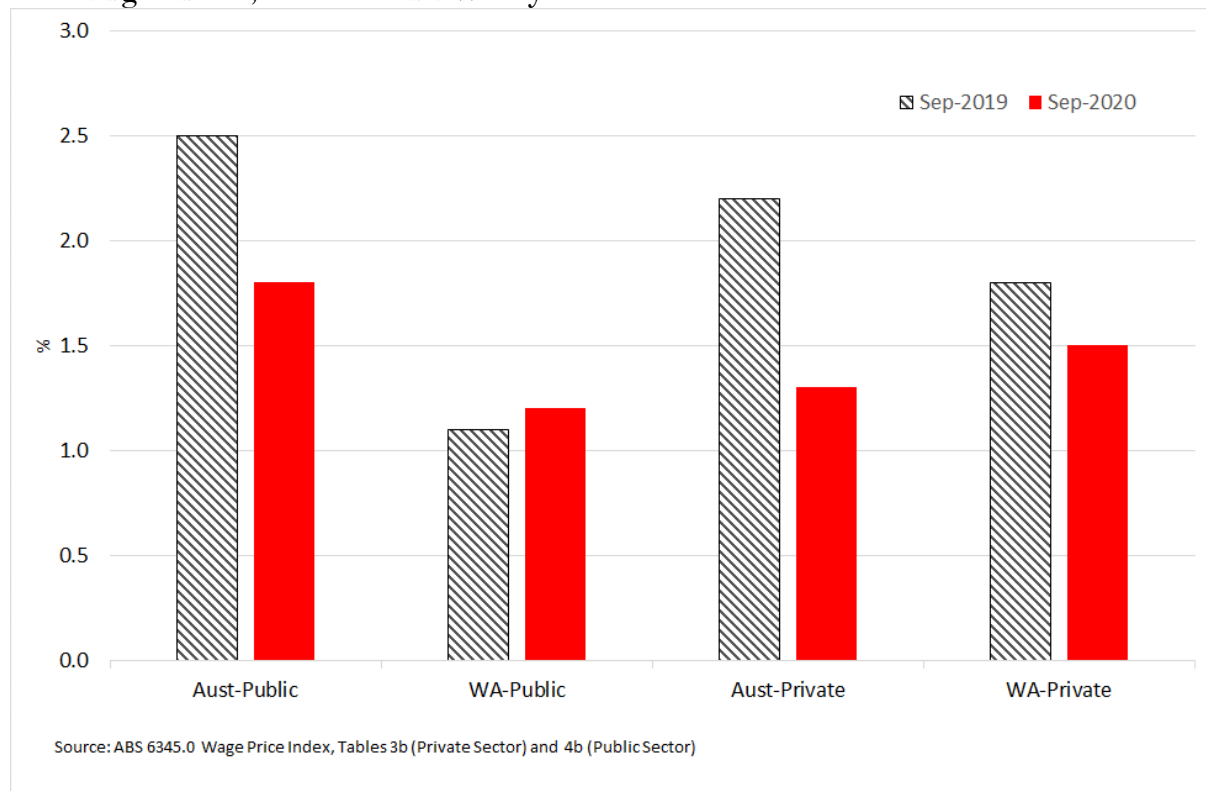


Figure 13 draws on data from the ABS Wage Price Index (WPI) series. This series has the advantage of being unaffected by compositional changes. A disadvantage is that a breakdown by sex is not possible. Estimates in Figure 13 show changes in the WPI compared to the corresponding quarter of the previous year (i.e. September 2018 to September 2019 (captured by the legend ‘Sep-19’) and September 2019 to September 2020 (captured by the legend ‘Sept-20’). Nationally wages growth in the year to September 2020 was slower than it was in the year to September 2019. In WA, public sector wages grew marginally faster (1.2% in the year to September 2020 vis a vis 1.1% in the year to September 2019) and, unlike the pattern nationally, wages growth in WA was faster in the private sector (1.5% in the year to September 2020) than they were in the public sector. It is likely that slow wages growth in the WA public sector over successive years has contributed to a widening of the WA gender gap (as noted earlier).

FIGURE 13. Wage Price Index, % change from previous quarter; total hourly rates of pay excluding bonuses, Australia and WA by sector.



5. Summary and discussion

This report provides an overview of the WA labour market in 2020 with disaggregated data used, where possible, to shed light on the differing experiences of males and females. Such an analysis is important as the evidence shows that economic effects of the pandemic in WA have been different for males and females. In the early stages of the 2020 recession (i.e. following the March shutdown) females shed jobs (and thus hours of work) at a faster rate than males. By May 2020 the female unemployment rate had soared to 8.3%, significantly higher than that recorded nationally and higher than the corresponding male unemployment rate of 7.3%.

By years end female employment in WA had returned to pre-pandemic levels, indeed proportionately more females were employed in December 2020 than were employed in December 2019. There was a net increase in jobs in WA over the year to 2020, with females moving into 79% of these new jobs, the majority of which were in the Health care and social assistance sector. Analysis by occupation, however, shows that female employment growth was predominantly in low skilled jobs while male employment growth was in high skilled

jobs. An hours based analysis further underscores this point and shows that of the net growth in hours worked in the year to November 2020 61% of total hours were in male jobs and predominantly in managerial professional and trade related roles. The balance of hours (39%) were in female jobs and split between managerial roles and labouring / clerical roles.

Underutilisation data (measuring the unemployment rate and underemployment rate) shows that in WA there is a sizeable gender gap in underutilisation rates, with underutilisation significantly higher for females. In WA this gender gap in underutilisation is equal to 5.2 percentage points, whereas nationally it is equal to 2.8 percentage points. In short, while women in WA may have moved into a greater proportion of the new jobs since December 2019, the jobs are primarily part-time in nature. Women are, as a result, more likely to be under-employed than males.

The economic effects of the pandemic have also been different across geographic regions. Total employment growth (mostly part-time) has been faster outside of the Greater Perth area and the unemployment rate, as a result, is higher within the Greater Perth area. Unemployment is particularly high amongst youth (aged 15-24) and at years end, in the Greater Perth area, was equal to 16.9% for young females and 10.9% for young males. Data on median job search duration shows that the time taken to find a job in WA has increased from around 25.7 weeks at the end of 2019 to around 28 weeks at the end of 2020. Median job search time, however, is particularly high in areas such as Mandurah (around 32 weeks) and Bunbury (around 31 weeks). By December 2020 the number of long-term unemployed (LTU) in WA was 13% higher than that recorded in December 2019 and, if the composition of the LTU in WA reflects that nationally, then it is fair to say that the majority of the LTU (based on JobSeeker statistics) are women.

Wage data shows that, over recent years, WA wages growth has been behind that nationally and that WA females have been particularly disadvantaged. Between May 2019 and May 2020, for example, average weekly ordinary time earnings (AWOTE) of adults employed full-time grew by 5.8% and 4.5% amongst Australian (national) and WA males, respectively. The corresponding growth amongst WA females (employed full-time) was 2.8%. By May 2020 (latest available data) there was a 29.4% difference in the mean wages (AWOTE) of adult males and females in full-time employment in WA. Data from the ABS Wage Price Index series suggests that slow female wage growth in WA may stem from relatively slower growth in public sector wages.

6. Conclusion and recommendations

Nationally and internationally there is concern that the pandemic's economic impact has been disproportionately borne by women leading some to term it a "She-cession". Such concerns were particularly prominent during the early shutdown phase when female jobs were shed at a faster rate than male jobs, primarily because of their contractual arrangements (disproportionately higher share on casual contracts) and because of their over-representation in sectors such as retail and hospitality.⁶ Accordingly, there is mounting concern that government responses to the pandemic are gender blind. National and WA fiscal stimulus for the construction sector, for example, may provide welcome relief to those in that particular sector but do little to support workers (predominantly female) in other sectors such as retail, hospitality and care. More than anything, the gender-blind response confirms the invisibility and lack of value accorded to "women's work". Lyn Craig summed it up well in her piece titled "*COVID-19 has laid bare how much we value women's work, and how little we pay for it*".⁷ She writes "The Coronavirus crisis has made brutally clear that care work, both paid and unpaid, is fundamental to our economic and social survival".

While female employment in WA has more than recovered, the estimates in this paper demonstrate that females in WA have been disproportionately affected by the pandemic. This is reflected in, amongst other things, their lack of access to higher skilled positions, their higher rates of underemployment and their relatively slower wages growth. Reducing gender inequality in WA must be a key priority of government in the coronavirus recovery phase. It requires an investment in care, health and education sectors and the creation of better-paid and more secure positions.⁸ An agenda for a gender inclusive recovery is outlined in a recently published *Work + Family Policy Roundtable* paper.⁹

⁶ <https://www.uwa.edu.au/news/Article/2020/October/COVID19-highlights-the-risks-to-gender-equality>

⁷ See: <https://theconversation.com/covid-19-has-laid-bare-how-much-we-value-womens-work-and-how-little-we-pay-for-it-136042>

⁸ Hill, E. (2020) *Reducing Gender Inequality and Boosting the Economy: Fiscal Policy After COVID-19*. Committee for the Economic Development of Australia. September 2020.

⁹ https://www.workandfamilypolicyroundtable.org/wp-content/uploads/2020/12/Work-Family-Policy-Roundtable_FINAL-Statement_Dec-11.pdf

Members of the Roundtable call for:

- Inclusive employment and social protection, encompassing predictable income, predictable hours, living hours, decent shift notices, periods of minimum engagement.
- Quality care infrastructure, including:
 - High quality, adequately and securely resourced care (aged, child-care etc.)
 - Business and funding models that are transparent and allow for provision of high quality services.
- A sustainable care workforce, recognising that shortages in the care sector arise from low wages, casual working arrangements, fragmented work schedules and poor quality work arrangements.
- Robust data for evidenced-informed policy.

This paper endorses the recommendations of the *Work + Family Policy Roundtable* and commends them to WA State and local governments. If we fail to address the inequalities presently observed in the WA labour market we may expect a constrained recovery and on-going gender treatment disadvantage. The latter has enormous consequences for other societal outcomes including fertility and domestic violence.