

Understanding the recovery

A (brief) look at Western Australian employment in 2020

Conrad Liveris, October 2020

Key outtakes

- WA employment fell at a greater rate than the national average;
- Men lost full-time jobs at a higher rate during the economic crisis;
- Women were more likely to leave the labour force entirely;
- A majority of jobs in the recovery have been created for women, though this is not at replacement rate;
- Almost 9-in-10 jobs created since May has been part-time;
- For men since May, 2,600 full-time jobs have been created alongside 16,600 part-time jobs.

May 2020 was the depths of the coronavirus economic crisis for Australian employment. 854,900 people had lost their job since January 2020 (ABS6202, October 2020). During the same period, 92,400 people in Western Australia had lost their job (10.80 per cent of all national job losses).

Unless referenced otherwise, all following figures are Western Australian. Original data sourced from ABS6202.

From January - May

Of the 92,400 people who lost their job in WA to May, 53,300 of these were women, compared to 39,200 men. For women, this equated to a drop of 9.14 per cent in employment, the largest on record, and men at 5.64 per cent.

Because of the make up of the labour market (men are more likely to be employed in full-time work and women in part-time work), men lost both more full-time jobs and a greater percentage of them, at 2.70 per cent compared to 2.52 per cent.

Women lost 12.73 per cent of part-time work and men 11.76 per cent.

The number and percentage of women unemployed was greater than men, with an increase of 18,000 (or 33.35 per cent) for women and 11,500 (or 19.66 per cent) for men.

Women were also more likely to leave the labour force entirely, at a drop of 5.54 per cent compared to 3.67 per cent and participation rate slide of 3.6 per cent compared to 2.9 per cent.

The national picture shows that WA employment fell at a greater rate than the average. This was driven by a greater fall in women's employment.

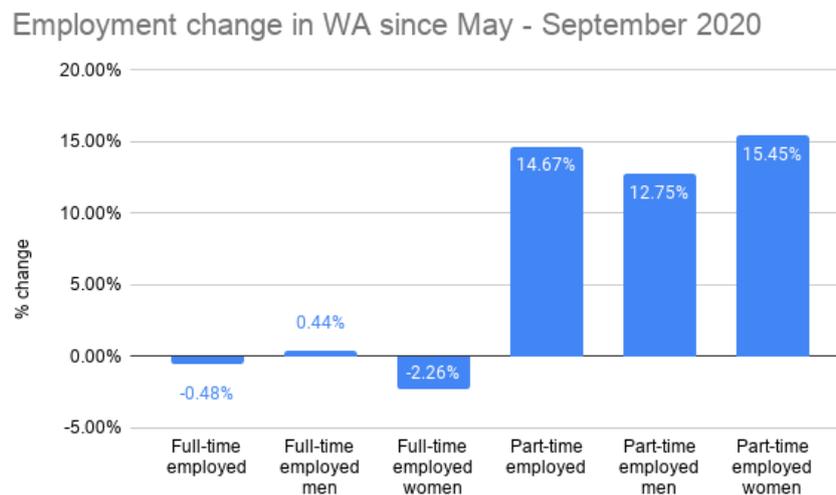
From May - August

After May, things started turning around. May was the depths of the economic crisis, in WA and nationally.

Marginally, the majority of jobs since May have been created for women, being 49,000 compared to 26,900 for men. This is primarily due to the economic reopening. One of the reasons women lost more jobs than men is that the sectors they worked in were hardest hit, ie retail, hospitality, education, healthcare, customer service etc.

However, since May, full-time work for women has continued to slide, by 6,900, while for men it has increased by 2,600.

Additionally, part-time job growth has surged at unprecedented levels, by 12.75 per cent for men and 15.45 per cent for women. The majority of part-time jobs were for women, at 50,000 compared to men at 16,600.



Of all the jobs created since May, 87.66 per cent of them have been part-time.

I am confident to advise that the economic recovery has been and will be driven by part-time employment.

The participation continues to recover to January levels, down 0.6 per cent overall. Between January and May it dropped 3.2 per cent. The rate is 0.2 per cent for women and 0.9 per cent for men below January's level.

As the below table illustrates, when compared nationally, the recovery since May has been distinctly stronger than the national average, for both men and women.

	Total employed (WA)	Employed men (WA)	Employed women (WA)	Total employed (National)	Employed men (national)	Employed women (national)
Jan-Sept	-1.22%	-1.70%	-0.67%	-3.25%	-3.11%	-3.40%
Jan-May	5.61%	3.73%	7.76%	3.55%	2.58%	4.64%
May-Sept	-1.22%	-1.70%	-0.67%	-3.25%	-3.11%	-3.40%

However, growth in full-time employment between May and September is still negative in WA where nationally it is at a slight positive, -0.48 per cent to 0.08 per cent.

Recovery in the participation rate has been higher in WA than the national trend.

What does this tell us

1. The reopening of retail, hospitality and other industries like healthcare and education, these has been essential in supporting recovery in women's employment. In August, women's employment was still slower than in January where men's had almost entirely recovered.
2. Business is preferencing part-time job creation, and likely contract-based employment, in the recovery. This is likely to give options should there be a second-wave or the recovery slows and the financial situation tightens.
3. Women have not returned to the labour market as strongly as men, which could be economic and sociological factors, such as a preference for a male-bread-winner.

Source:

ABS 6202, Australian Labour Force, September 2020.

Definitions

Labour force: the sum of employed plus unemployed.

Participation rate: number of people working or actively seeking work as a percentage of the working population.

Disclosure:

This is part of a periodic analysis of various workplace and economic issues of contemporary national and industry interest conducted by Conrad Liveris, independently and no in any of his formal roles.

All efforts are made to present the evidence as impartial, independent, fair and not misleading. Where possible, evidence is checked by another party.

The author, Conrad Liveris, is a corporate adviser and economist, focusing on the labour market and workplaces. Considered one of Australia's leading employment and workplace experts, he works closely with decision-makers across sectors on a range of HR, management and economic issues. He is alumni of the US State Department's programs and is an Associate Fellow of the Royal Commonwealth Society (London). He completed his Bachelor of Arts at the University of Notre Dame Australia, a Master of Commerce at Curtin University and has received scholarships for management education at the Governance Institute of Australia and the University of California, Los Angeles. In 2020 he is completing a course in economics at the University of Oxford.

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