

# The Australian Labour Market Research Workshop 2023

## Abstracts and Authors

### Day 1 Session 1

#### **Closure of Australia's automotive assembly industry: Impacts on worker outcomes**

**Ashani Abayasekara**, David Johnston, Michael Shields, Sonja de New, Monash University

##### **Abstract**

Australia's 100-year-old automobile industry ended in 2017 with the closure of the Toyota, General Motors, and Ford assembly plants. We study how this major economic event affected the automobile manufacturing workforce's economic and mental health outcomes. Using a difference-in-differences approach, we find that the economic wellbeing of blue-collar automobile workers – as measured by real wages, occupation instability, and welfare use – worsened in the years following plant closure announcements and actual closures. These effects were most pronounced for low-skilled workers, with estimates indicating a 30 per cent decrease in wages, a six-percentage point increase in occupational switching, and a two percentage-point increase in welfare use in the post-closure period. In contrast to these economic effects, we do not find evidence for worsening mental health outcomes. One possible explanation for this latter result is that the support systems initiated by industry and government, such as counselling, resilience training, and wellbeing programs, effectively supported workers' mental wellbeing.

### Day 1 Session 1

#### **Measuring First Nations women's time use**

Zoe Staines, **Elise Klein**, Janet Hunt, Mandy Yap and Yonatan Dinku, ANU

##### **Abstract**

Care is central to the flourishing of social, economic, and cultural life; it grows people, nourishes people, and no one can live without it. This work is often unpaid and largely undertaken by women. There is no society or indeed life without the care work of raising the young, caring for the elderly, maintaining homes, building and sustaining communities and the vast work of ecological care. The social and economic implications of undertaking unpaid care work have long been a subject of academic and policy discussions. However, research on First Nations' women's unpaid care roles is extremely sparse, both in Australia and elsewhere. There has been an enduring need for research that supports First Nations women to share their own stories and experiences of unpaid care, which may include not just care of family and community, but also care of Country and care of culture.

This research fills this gap and builds on the 2020 Australian Human Rights Commission Aboriginal and Torres Strait Islander Social Justice Commissioner's report, *Wiyi Yani U Thangani* ('Women's Voices'). The current study aims to understand the *volume* of care work being undertaken by First Nations women via a time-use survey. Measuring time use is important for improving visibility of labour and activities that occur beyond the typical purview of administrative and economic datasets. This is especially pertinent for bringing greater attention to unpaid work, such as the diverse unpaid care labour long described by First Nations women.

The paper begins by giving a brief overview of standards for time use measurement globally and in Australia. It then explains the methods employed for this study, which we adapted from an earlier international research study that used a short time use module within a survey, rather than the more demanding and costly time use diary approach. The paper then describes what we found in relation to the time use, including the high amount of time spent on unpaid care work among First Nations women in five study locations. We also allocate monetary value to these amounts of time being spent on care, to further illustrate the extraordinary contributions First Nations women make to the Australian economy and their communities.

## Day 1 Session 2

### **Using tax rebate exposure to examine the impact of child care on child and parental outcomes**

*Harini Weerasekera, Monash University*

#### **Abstract**

This study uses data from the Longitudinal Study of Australian Children (LSAC) to examine the effects of formal child care attendance on children's academic achievement and parental labour market outcomes. By exploiting variation in exposure to Australia's Child Care Tax Rebate (CCTR) policy, the instrumental variable analysis indicates a negative impact of day care attendance on early ability test scores for 4-5 year-old children. Furthermore, this negative child care effect remains - with larger and more persistent effects seen for children with university-educated mothers - as reflected in lower grades in National Assessment Program Literacy and Numeracy (NAPLAN) tests taken in school. The results pertaining to parental labour outcomes find no significant effects from child care attendance on work hours.

## Day 1 Session 3

### **Returns of parental education on children's development by cultural inheritance and ethnic background**

*Ariun-Erdene Bayarjarga, Productivity Commission and ANU, Maria Jahrom, ANU*

#### **Abstract**

Parents' education and the time they spend with their children are crucial for child on children's cognitive development, academic performance and their subsequent labour market outcomes, and how all these vary by ethnicity. In particular, we test the Minorities' Diminished Returns (MDR) framework, according to which returns of parental education on children's development outcomes are expected to be smaller for ethnic minorities due to structural barriers. We use 8 waves of the Longitudinal Study of Australian Children between 2004 and 2019. Children's development outcomes are measured by their cognitive ability in early childhood, and their academic achievement as proxied by NAPLAN scores in numeracy, spelling, grammar, reading, and writing in years 3, 5, 7 and 9. We identify test score gaps by ethnicity, but these are mostly explained by socio-demographic and school characteristics, time use and ability. Nevertheless, children of Asian immigrants frequently outperform their peers after controlling for those factors in Augmented Value Added models. There is evidence of MDR in the Australian context, but to a smaller degree than in other countries such as the US. In some cases, there are increased returns to parental education for ethnic minorities. MDRs are more frequently experienced by children with Indigenous heritage, or whose parents immigrated from non-English-speaking countries (except for Asia).

## Day 1 Session 3

### **University fees, subsidies and field of study**

*Maxwell Yong, Michael Coelli and Jan Kabatek, Melbourne Institute*

#### **Abstract**

We estimate the effects of discrete changes in student fees and government subsidies on student field of study preferences and enrolments at university. These estimates are constructed using both standard two-way fixed effects models and Conditional Multinomial Logit models using individual unit-record applications and enrolments data from the largest Australian state of New South Wales. Student preferences are negatively related to student fees, but the elasticity estimates are not large. This is likely due to generous income-contingent loans with a zero real interest rate that cover all tuition fees. University enrolments by field of study respond to changes in fees and subsidies in a manner consistent with student preference responses rather than teaching revenue maximisation. This may be due to supply constraints, reputation concerns and other organisational priorities.

## Day 1 Session 4

### **Expecting less in hard times: How the state of the economy Influences students' educational expectations**

Jessica L. Arnup, Nicole Black and David W. Johnston, Monash University

#### **Abstract**

Students' realistic aspirations about their educational attainment (expectations) are predictive of their efforts, actions, and future outcomes. Limited evidence suggests these expectations are affected by the macroeconomy; however, the direction is ambiguous. We combine seven waves of Programme for International Student Assessment (PISA) data to examine this relationship in 38 OECD countries. Using within-country fixed-effect regressions, we find students have significantly lower educational expectations when GDP growth is low or negative. Assessing the heterogeneity of these relationships, we find that the expectations of students with below-average reading skills at non-metropolitan schools are most strongly affected by the state of the economy. The results also suggest that when GDP growth is weak, students are significantly more likely to complete zero homework and arrive late to school, are less likely to participate in extracurricular academic programs, and expect lower labour market returns to completed education.

## Day 1 Session 4

### **Proud and paid: LGB pay gaps**

Karen Mumford, University of York and IZA, Edith Aguirre, University of Essex, Anna Einarsdóttir, University of York, Bridget Lockyer, Bradford Institute for Health Research, Melisa Sayli, University of Surrey and Benjamin A. Smith, Townsville Hospital and Health Service

#### **Abstract**

Studies investigating the relationship between sexual identity and pay have increased in number and scope over the last three decades, enabling a greater understanding of the outcomes facing non-heterosexuals in the labour market. Pay gap studies that also allow for the disclosure of sexual identity in the workplace are, however, very rare. Using a rich survey of employees from the National Health Service in England, we consider the relationship between relative pay, LGB identity and disclosure, for both men and women. Whilst the results reveal substantial heterogeneity within the LGB, we find that disclosure is related to more favourable pay treatment for LGB employees (men or women). This is particularly so for men.

## Day 2 Session 1

### **Gendered employment consequences of caring responsibilities**

*Peyman Firouzi Naeim, University of Technology Sydney, David Johnston, Monash University and Maryam Naghsh Nejad, University of Technology Sydney and IZA*

#### **Abstract**

An unanticipated increase in parental caring responsibilities can require a change in the quantity and type of paid work completed by parents. This study investigates the gendered aspects of this change and whether employer characteristics moderate effects. For identification, we compare changes in parental employment outcomes following a child's cancer diagnosis, which necessitates a substantial increase in caring duties. Using population-wide administrative records and a dynamic difference-in-differences approach, we find that mothers' labour supply and earnings significantly decline after diagnosis. Conversely, fathers' outcomes do not change, leading to an increasing gap between parents. Additional analysis demonstrates heterogeneity in these labour market effects by characteristics of (pre-diagnosis) employers, such as job flexibility and proportion of female managers. These results suggest the need for targeted support systems to address economic challenges experienced by parents coping with family adversity, ultimately promoting more equitable outcomes.

## Day 2 Session 1

### **Job matching efficiency and their drivers: The Australian experience**

*Peter Lake, Sam Shamiri, Kishor Sharma, David Hansell and Adam Bialowas, Jobs and Skills Australia*

#### **Abstract**

For the first time, we investigate the occupational level job matching efficiency and identify their drivers to improve our understanding of the functioning of the Australian labour market. JSA's new experimental search and matching model shows that labour market efficiency is broadly consistent across most occupational groups (with only slight variations), except for managers and sales workers, which exhibit matching efficiency below the national average. It appears that in the large occupational labour markets, such as community and personal services, job matching efficiency is higher, perhaps due to the high density of both firms and job seekers in such markets. The investigation of the drivers of efficiency indicates the importance of mobilising NILF in labour markets, targeting skilled migration programs in the area of skills shortages, and widening the Award coverage. Our findings also point to the importance of improved connectivity between urban and regional/rural centres to attract potential employers and employees to create jobs and expedite job matching in regional locations.

## Day 2 Session 2

### **Modelling Australian public service careers**

*Robert Breunig, David Hansell and Nu Nu Win, ANU*

#### **Abstract**

We exploit a novel dataset containing personnel records for all Australian Public Service employees from 2001 to 2020 to investigate whether being part of an equal employment opportunity (EEO) group (women, non-English speaking background (NESB) and disability) affects promotion and separation after controlling for a range of factors. We find that belonging to any EEO group is associated with a lower likelihood of promotion across junior ranks. At more senior ranks, women have better promotion prospects than similar men. NESB staff have increasingly lower promotion prospects at higher ranks despite NESB staff being less likely to separate from the public service. We can rule out explanations related to job type and the difference can only be partially explained by language proficiency or cultural assimilation. It may be that "looking foreign" carries a penalty in the Australian Public Service.

## Day 2 Session 3

### **The impact of international student visas on the labour market outcomes of young Australians**

*Kathleen Webb, University of Melbourne*

#### **Abstract**

While international students have become a significant contributor to Australia's education sector, there has been limited economic research examining the impact of international students on the labour market. This paper examines the causal impact of international students on the labour market outcomes of young Australians (categorised by study status) using a variety of analysis methods. First, using differences in the supply of international students across geographic labour markets and over time, I find evidence that increases in international student enrolments have negatively affected the employment probabilities and weekly working hours of young Australians. Secondly, undertaking a difference-in-difference estimation, I test the effect of a 2008 policy change which removed barriers for international student participation in the labour market. The results indicate statistically significant negative effects on the employment prospects of young Australians engaged in full-time study.

## Day 2 Session 4

### **Workforce consequences of a national mental healthcare scheme**

*Nicole Black, Anthony Harris, David W. Johnston, and Trong-Anh Trinh, Monash University*

#### **Abstract**

Health policies around the world aim to improve patient outcomes, but their effects on healthcare providers are often overlooked, particularly in the realm of mental health. This study investigates the supply-side effects of the Better Access Initiative (BAI), a major mental health policy intervention launched in Australia in 2006. Using data from the Australian Census, we first demonstrate that the initiative increases the supply of psychologists. We then analyse tax administrative data from the Australian Taxation Office's Longitudinal Information Files (ALife), applying a difference-in-differences model to reveal that the BAI leads to an approximately 17.4 per cent increase in psychologists' income. Additional estimates suggest that psychologists capture around 28 per cent of the initiative's benefits. Finally, our analysis shows that the initiative results in a higher likelihood of psychologists practicing in rural areas. These findings underscore the importance of accounting for supply-side implications when designing and evaluating mental health policies, offering crucial insights applicable to a broader range of healthcare initiatives.