The Australian Labour Market Research Workshop December 2025
Abstracts and Authors

Day 1 Session 1

HEARIA: Forming a new measure of higher education accessibility in Australia

Vince Gingoyon, Varun Mehta, and Ian Li, Curtin University

Abstract

Geographic remoteness in Australia is quantified by the ARIA+ index. This index aggregates road distances from populated localities to urban centres of various population sizes to measure the relative accessibility to services and then uses the composite value to classify areas into one of five remoteness areas. The application of this discrete area classification to quantify higher education access has been the norm in higher education equity policies since their establishment; however, it has led to a mischaracterisation of geographical disadvantage and poor intervention design.

We propose a new measure, the HEARIA, which applies the concept of the ARIA+ to the higher education environment by using road distances to higher education institutions. We show that the HEARIA, and our subsequent classification, better captures geographical disadvantage in higher education than the current ARIA+ based classification, allowing for more accurately targeted policy. We also discuss the implications that HEARIA adoption may have on current and future higher education policy.

Day 1 Session 2

The Australian Beveridge Curve 1979-2025: Empirical effects of active labour market programs and implications for full employment

Lachlan Kerwood-McCall, The Australian National University

Abstract

This paper examines the effect of active labour market programs (ALMPs) on the Beveridge curve using OECD public spending data from 1985 to 2023, and Beveridge curve data from 1979 to 2025. The paper addresses three questions: 1. How has the Beveridge curve shifted since COVID-19? 2. Do ALMPs improve job-matching efficiency, and if so, which ones? 3. What implications can be drawn for the measurement and delivery of full employment, in light of the Australian Government's 'sustained and inclusive full employment' objective in the 2023 *Employment White Paper*?

The paper finds, contrary to public commentary, the labour market is almost as efficient as it was prior to COVID-19 by some measures, and by others *more* efficient. The Beveridge curve has moved back inwards with a tighter labour market, although it has steepened significantly. After controlling for endogeneity and interactions with the long-term unemployment ratio, only three categories of ALMP are shown to have shifted the Beveridge curve inward (i.e. boosted job-matching efficiency) over time: start-up incentives, training, and direct job creation. This suggests greater government investment in these types of ALMPs would deliver greater labour market efficiency. Furthermore, government direct job creation not only shifts the Beveridge curve inwards (reducing structural underutilisation - 'inclusive full employment') but also moves the economy along the curve towards Beveridgean full employment (reducing cyclical underutilisation - 'sustained full employment').

Day 1 Session 2

Flawed Oversight: Teachers don't catch AI is grading mistakes when AI is harsh
Sofoklis Goulas, Brookings Institute, Rigissa Megalokonomou, Monash University and Panagiotis Sotirakopoulos, Curtin University

Abstract
Using a randomised experiment, we test how educators revise grades labelled as AI- or human-generated. Every teacher saw the same student work and an erroneous 5/10 mark; we varied (i) whether the correct answers caused the score to be harsh or lenient and (ii) the stated source of the mark. The outcome, the grading fairness gap, is the distance between teachers' revised marks and the objective grade.

Under a harsh recommendation, the gap was 22 per cent larger with an AI label; in the lenient case, the fairness gap under AI and human labels was statistically indistinguishable. Mediation analysis shows that, in the harsh case, higher attributions of ability and responsibility to the algorithm transmit no less than half of the effect, whereas weaker attributions in the lenient case trigger stricter corrections. Thus, acceptance of algorithmic advice hinges on error direction and inferred credibility, rather than on artificial intelligence alone.

Day 1 Session 3

Exploring declining job mobility in Australia: The role of demographic changes
Christopher Carter and Peter Siminski, University of Technology Sydney

Abstract
The rate at which Australian workers change jobs has fallen by almost 50 per cen over the last half century. Since job mobility is directly tied to wage growth and productivity, there is significant value in further understanding what is driving this decline. This paper examines the role of shifting worker demographics including age, sex, education, occupation, industry and job satisfaction in explaining declining job mobility. To do this, we propose a new approach to statistical decomposition, which extends existing decomposition methods. We verify that our approach can yield estimates with lower variance. Our main finding is that the ageing of the Australian workforce can explain one quarter of the decline in job mobility from the 1970's to 2019. This is a lower bound, and the true effect may be much larger.

Day 1 Session 3

Work from home and disability employment: Evidence from HILDA
Ruishen Xie, University of Melbourne

Abstract
The COVID-19 pandemic triggered an unprecedented shift toward work from home (WFH) arrangements. Over the same period, disability employment in Australia increased markedly. This paper investigates whether the rise in the ability to WFH contributes to the increase in employment for people with a disability, using panel data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey from 2018 to 2023.

The identification strategy combines an occupation level regression with an instrumental variable capturing the scope for each occupation to be done from home. I estimate how the within occupation change in disability employment from the pre-pandemic to the post-pandemic period responds to the exogenous component of the increase in working from home among workers without disability in the same occupation. The results indicate that a 1 percentage point rise in work from home contributes to a 1.82 percentage point increase in the symmetrised per cent change in total disability employment. The effect is evident in both total and full-time employment and is robust to alternative definitions of disability and WFH.
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Day 2 Session 1

Skewed sex ratios and the reversal of the educational gender gap
Siyu Ai and Simon Chang, The University of Western Australia

Abstract
This paper examines how demographic shocks - specifically, the rise in male-biased sex ratios at birth - affect the educational attainment of boys and girls and drive the reversal of the gender gap in schooling in China. Using a shift‐share instrumental variable design that interacts historical sex ratios with the diffusion of ultrasound technology, we find that higher male-biased sex ratios substantially slow the educational progress of boys relative to girls, even though education levels for both sexes have risen substantially in recent decades. Thus, the reversal of the gender gap arises not because girls advance faster under skewed sex ratios, but because boys' educational gains are constrained by demographic pressures. Evidence points to three key mechanisms: male dominated classroom environments, shifts in parental attitudes toward sons' human capital investment, and intensified marriage market competition in adulthood. The effects are robust across alternative instruments and measures and are most pronounced in low-income regions, southern provinces, and households with multiple children.

Day 2 Session 1

Tiger parents from tiger economies? Analysing the culture of high-educational aspirations among migrants in Australia
Mike Dockery, Paul Koshy, and Ian W. Li, Curtin University

Abstract
There is growing interest in the role of parental aspirations or expectations for children's educational attainment in shaping children's actual outcomes. This is particularly so in the case of migrant families, for whom investment in education can be a key component of their strategy to meet the challenges of settling in a new country, and a key determinant of successful social and economic integration for second generation migrants. For migrants to Australia grouped by region-of-origin, this paper documents migrant parents' high expectations of their children attending university relative to native-born parents; high rates of participation of their children in higher education; and a remarkable correlation between average parental expectations and actual university attendance rates across regions-of-origin.

Using unique panel data on parents' expectations from the education module included in the Household, Income and Labour Dynamics in Australia Survey, multivariate models confirm that migrant parents' higher expectations can only be partially accounted for by observable characteristics of the families and children. A formal decomposition analysis leaves open the possibility of pronounced culturally grounded values driving differences in expectations, while models of children's progression to university show migrant parents are also more effective in translating their expectations into actual changes in children's behaviours.

Day 2 Session 2

Financial incentives and labour supply decisions for Disability Support Pension recipients in Australia
Nicky Wonder, Kathleen Webb and Tom Harding, Deloitte Access Economics

Abstract
This study seeks to understand the ways in which key settings of the Disability Support Pension (DSP) influence incentives to participate in employment for recipients. In particular, the paper focuses on the relationship between financial settings and disincentives from employment participation commensurate with individual characteristics. It considers decisions at both the extensive margin (i.e. whether to work) and the intensive margin (i.e. how much to work, if working). It achieves this by constructing a Participation Tax Rate (PTR) and Effective Marginal Tax Rate (EMTR) for each DSP recipient (and the broader sample) and measuring the effect on likelihood to work and hours of work, respectively. The study utilises waves 15 to 22 of the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The results indicate that DSP recipients are, on average, likely to increase

employment participation as a result of a reduction in the PTR and EMTR. Such a change may arise as a result of changes in the tapering rate and/or the income free threshold – implying that changes in the calibration of these settings could result in additional hours worked by DSP recipients.

Day 2 Session 3

Floods and labour market outcomes: Evidence from the 2011 Brisbane flood
Weilu Meng, Lana Friesen and Lizi Yu, University of Queensland

Abstract:
This paper examines how flood exposure affects labour market outcomes, exploiting the 2011 Brisbane floods as a quasi-experiment. Using the Household, Income and Labour Dynamics in Australia (HILDA) Survey covering 2005–2015, we find that flood exposure significantly elevates perceived unemployment risk and reduces labour force participation and employment, with workers exiting the labour market rather than transitioning into unemployment. Weekly earnings fall approximately 22 per cent, driven by transitions into zero income status; wages among continuously employed workers remain unaffected.

Distribution regressions reveal three key patterns masked by mean effects: perceived risk shifts from zero toward moderate levels rather than increasing uniformly, working hours polarise with probability mass moving from medium ranges (20-44 hours) toward zero hours and overtime, and income losses concentrate in the lower tail through employment exits rather than wage compression. Impacts vary substantially across groups: youth experience comprehensive deterioration, manufacturing and construction workers face severe employment and wage losses, while knowledge intensive services and remote capable occupations remain largely insulated. These findings reveal heterogeneous labour market disruptions with distributional dynamics and group specific vulnerabilities requiring targeted policy responses.

Day 2 Session 4

It's always sunny in Ontario: The effects of wage disclosure on wages
Katerina Gribbin, Reserve Bank of Australia

Abstract
This paper examines whether wage disclosure policies can mitigate wage gaps. Using Ontario's "sunshine list" policy, which mandates salary disclosure for public employees earning over $100,000, I study the effects of wage disclosure on the gender wage gap and overall distribution of wages. Leveraging a unique administrative dataset that combines Canadian tax and employment records, I employ a difference-in-differences approach comparing Ontario public sector employees with their counterparts in other provinces from 1991 to 2016.

Wage disclosure reduces the gender wage gap by 1.23 percentage points, with stronger effects among higher earners. Above median income workers in 1996 experience wage gains of approximately 5 per cent. Moreover, the policy results in significant wage bunching slightly below the $100,000 threshold and in increased quit rates, especially among women. I propose a model of wage bargaining with asymmetric information, demonstrating how wage disclosure influences workers' perceptions of what they are worth and changes their propensity to conduct on-the-job search and wage bargaining. In the model, wage disclosure will mitigate wage gaps and give rise to wage bunching

Author presenting at the Workshop