

BCEC

Bankwest Curtin Economics Centre

LABOUR MARKET UPDATE

Providing monthly updates and expert insights and analysis around key labour market indicators.

Professor Alan Duncan



The Future of Work?: Precarious work in Australia is on the rise

Australia has seen a rise in precarious work, from a combination of rising job insecurity, more casualisation and a loss of control and work-life balance. And while precarious work remains more prevalent for women than men, the gap is closing according to a new composite index published in BCEC's recent *Future of Work in Australia* report and added as a special feature in this update.

Precarious work is more prevalent in the retail, agriculture, and hospitality sectors. Yet the mining sector, once the most secure of industries, showed the greatest rate of increase since the start of the decade. So what has driven the increase in precarious work, and the narrowing of the gap between men and women? The key uncertainties among labourers, sales workers and community and personal care workers are about job security and poorer working conditions. Among managers, the sense of precariousness is driven more by long or uncertain hours, the loss of control over hours and a poorer work-life balance with work pressures encroaching more and more into family life.

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Associate Professor Rebecca Cassells



The dust is yet to settle for WA's labour market

The volatility and fragility of the WA labour market shows once again in these latest ABS figures. WA's unemployment rate is now the largest across all states and territories, rising to 6.4% in April 2018 (up 0.6ppt over the year). This translates to around 10,800 more unemployed compared to a year ago. One of the most eye catching contrasts is between part-time work in WA, up 8.4% over the year to April 2018. Full-time employment on the other hand has contracted over the same period, down 1.1% over the year.

But what's the story behind the headlines for WA? More women are actively seeking work in the West, with labour force participation rising by 2% over the year. However, the growth in women's employment is coming exclusively from an increase in part-time work, up 10.6% since April 2017- three times the rate for men. There were fewer full-time jobs for both women and men, and average monthly hours continue to fall.

These latest data show that the dust is yet to settle on WA's tenuous transition to a new labour market steady state.

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Dr Yashar Tarverdi



The East is working more, while the West is working less

There is something of an East-West story in the latest ABS labour force data, with stronger improvements in a number of labour market outcomes in many of the Eastern states and territories over the last twelve months. Unemployment in Victoria fell by 0.8ppt to 5.3% (equivalent to 23,300 fewer people). This moves Victoria below the Australian average of 5.5% and behind only NSW (at 4.9%) and the two territories.

Female full-time employment increased by more than 5% over the year to April 2018 in NSW, Queensland and Tasmania, and by nearly 5% in South Australia. Male employment has grown in the two most populous states of NSW and Victoria, albeit at a smaller rate of by 2.8% and 1.7%, and in Queensland by 3.3%. Average monthly hours are on the rise in the East too, up 1.5% to 139.4 in Victoria with underemployment among women down 1.5ppt to 10.9%. But WA and SA have both seen average monthly hours fall.

The East does seem to be working more, the West somewhat less.

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Table 1: Employment changes - states and territories

With 2.9% annual growth, the number of employed people in Australia reached just above 12.5 million in Apr 2018. In the month from Mar 2018, national employment grew by 13,800 people, with 7,900 of these workers entering part-time employment.

Across the states and territories, Tas and ACT are the only regions to record a decrease in employment from Mar 2018. Since Apr 2017, NSW has recorded the highest employment growth (3.8%), followed by Qld (3.5%), and the ACT (2.7%). The NT was the only region to record negative (-2.0%) year-to-date employment growth.

Across most states and territories, annual growth in full-time employment has been higher than or on par with part-time employment growth.

Over the last 12 months, full-time employment growth was strongest in the ACT (+5.4%), followed by Qld (+4.3%) and NSW (+3.8%). WA continues to lag behind when it comes to full-time employment growth, down by 1.1% on year-to-date measures, whereas part-time work has recorded growth of 8.4% across the same period.

	Employed Persons ('000)	Change from:				Change from Mar-2018 ('000)		Change (%) from Apr-2017	
	Apr 2018	Mar-2018 ('000)	Rank	Apr-2017(%)	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	12,505.2	▲ +13.8	---	▲ +2.9%	---	+5.9	+7.9	▲ +3.1%	▲ +2.6%
NSW	3,982.0	▲ +9.4	1	▲ +3.8%	1	+3.8	+5.6	▲ +3.8%	▲ +3.9%
VIC	3,252.5	▲ +2.1	2	▲ +2.1%	5	+2.3	-0.2	▲ +2.7%	▲ +0.8%
QLD	2,473.5	▲ +0.9	5	▲ +3.5%	2	-1.1	+2.1	▲ +4.3%	▲ +1.8%
SA	840.7	▲ +1.3	4	▲ +2.3%	4	+0.9	+0.5	▲ +2.8%	▲ +1.4%
WA	1,341.0	▲ +1.4	3	▲ +1.9%	6	-0.6	+2.0	▼ -1.1%	▲ +8.4%
TAS	246.2	▼ -0.1	7	▲ +1.2%	7	+0.5	-0.6	▲ +0.6%	▲ +2.2%
NT	136.7	▲ +0.3	6	▼ -2.0%	8	+0.6	-0.3	▼ -0.9%	▼ -5.7%
ACT	226.8	▼ -0.8	8	▲ +2.7%	3	-0.7	-0.1	▲ +5.4%	▼ -4.2%

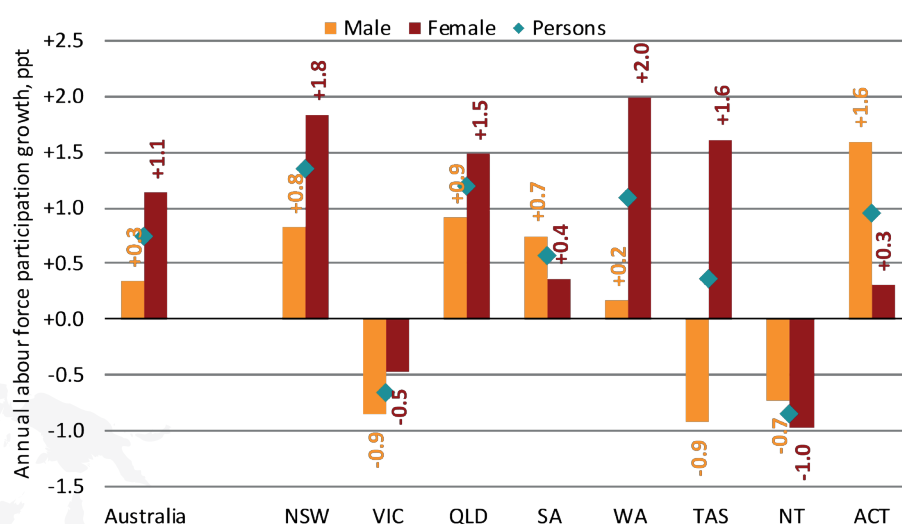
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Notes: Trend values are used. Numbers may not sum to totals due to rounding.

Figure 1: Year-to-date growth in labour force participation rates – states and territories

In the year since Apr 2017, the national labour force participation rate (LFPR) has increased by 0.7 ppts, with growth much stronger for women than men. This pattern continues across most states and territories, with female labour force participation growth more than double that of men's in NSW, and ten times that of male participation (+2ppt compared to +0.2ppt) in WA.

Most states and territories with the exception of the NT and Vic have seen participation rates increase over the last 12 months. The NT's overall LFPR decreased by 0.9 ppt, and in Victoria the reduction was 0.7ppt. Both male and female LFPR fell in Vic and NT, yet the reduction in male participation in Vic was greater than female's, while the opposite is true for the NT. Across all states and territories, WA recorded the highest growth in female LFPR, a 2.0ppt increase. Second highest was NSW (+1.8ppt), followed by Tas (+1.6ppt). The ACT saw the highest increase in LFPR among men (+1.6ppt) and was the only region where participation increased more strongly for men than women.



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Notes: Trend values are used. Figures show growth from April 2017 to April 2018.

Table 2: Unemployment changes – states and territories

As of April 2018, the Australian unemployment (u/e) rate sits at 5.5% on trend figures (5.6% seasonally adjusted), with no change from Mar 2018. Nationally, the total number of unemployed reached 733,300 in Apr 2018, 1,400 more than in Mar 2018. However, comparing the latest figures to twelve months earlier, there is a reduction of 4,800 total unemployed people in Australia. Unemployment rates in NSW, Tas, NT, and ACT showed no change since Mar 2018, whereas the unemployment rate in Qld and WA have gone up by 0.1 ppt, and dropped by 0.1 ppt in Vic and SA. WA currently has the highest u/e rate (6.4%) and the ACT the lowest (4.0%).

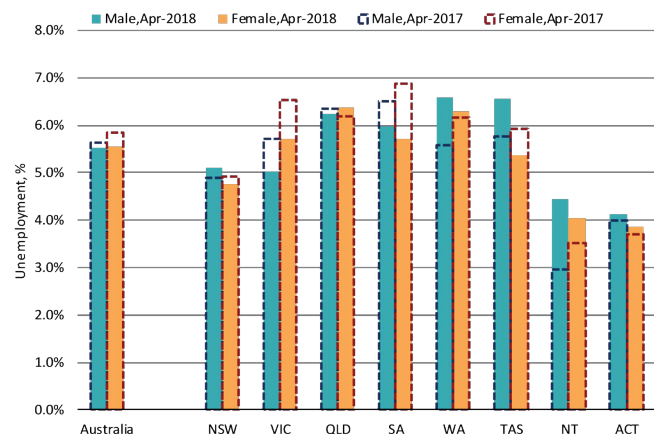
Since Apr 2017, Vic has recorded the largest decrease in the total number of unemployed, a significant reduction of 23,300 people. In the same period, there has been an increase of 10,800 unemployed persons in WA.

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)		Change ('000) from:	
	Apr 2018	Rank	Mar-2018	Apr-2017	Apr-2018	Rank	Mar-2018	Apr-2017
Australia	5.5%	1	0.0	▼ -0.2	733.3	1	▲ +1.4	▼ -4.8
NSW	4.9%	3	0.0	▲ +0.0	206.7	2	▲ +1.5	▲ +9.0
VIC	5.3%	4	▼ -0.1	▼ -0.8	183.5	3	▼ -2.3	▼ -23.3
QLD	6.3%	7	▲ +0.1	▲ +0.0	166.2	4	▲ +1.7	▲ +6.4
SA	5.9%	5	▼ -0.1	▼ -0.8	52.3	5	▼ -0.5	▼ -6.4
WA	6.4%	8	▲ +0.1	▲ +0.6	92.4	6	▲ +2.2	▲ +10.8
TAS	6.0%	6	0.0	▲ +0.1	15.6	7	0.0	▲ +0.5
NT	4.3%	2	0.0	▲ +1.0	6.2	8	0.0	▲ +1.4
ACT	4.0%	1	0.0	▲ +0.1	9.4	9	▼ -0.1	▲ +0.6

Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Notes: Trend values are used.

Figure 2: Unemployment rate by gender – states and territories



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Trend values are used.

Nationally, the female u/e rate currently sits at 5.6% - a fraction higher than males (5.5%). The u/e rate for both genders has reduced over the last 12 months, but more so for women than men. Vic and SA recorded a substantial reduction in the u/e rate for both genders, while the NT, ACT and WA saw an increase in the u/e rate for both men and women. The male u/e rate in WA and the NT has increased markedly, by 1.01ppts and 1.48ppts respectively.

Tas and NSW have also seen an increase in the male u/e rate, whereas female u/e rates have fallen in these regions. The opposite is true for Qld, with a fall of 0.1ppts in the male u/e rate but an increase among women (up 1.2ppts). Across the states and territories, WA has the highest unemployment rate among men (6.6%), and Qld has the highest among women (6.4%).

Figure 3: Yearly growth in full-time and part-time employment Rate by gender



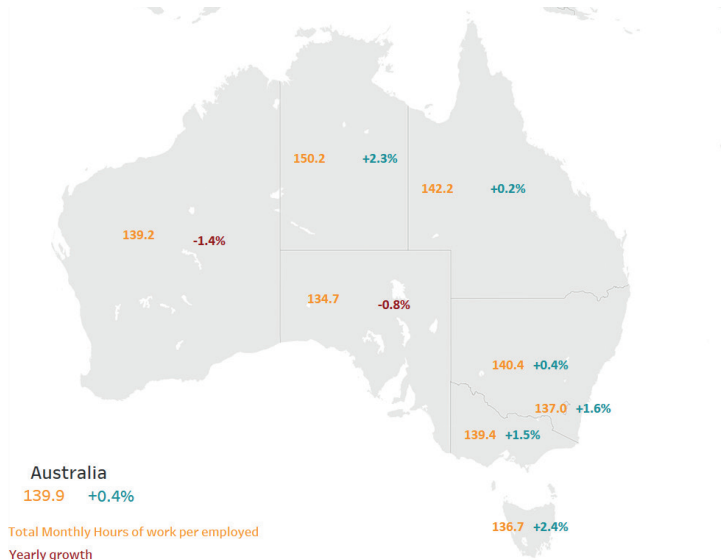
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Trend values are used. Figures show growth from April 2017 to April 2018.

Part-time and full-time employment grew nationally over the last 12 months, both overall and for both genders. Full-time employment among women has grown at more than double the pace than for men, rising 4.7% compared to 2.2% over the year. This pattern is repeated for most states and territories, with the ACT and WA the only two exceptions.

WA and Tasmania are the only two states that saw male full-time employment rates fall in the year to April 2018. For WA, full-time employment growth also fell for women, whereas in Tasmania, growth in female full-time employment ranked the highest across all states and territories, up 7.4% compared to a year ago. The ACT has seen strong growth in both female and male full-time employment.

WA has seen a big increase among women working part-time (up 10.6% over the year to April 2018), while male part-time employment in the ACT fell the most, down 7.9%.

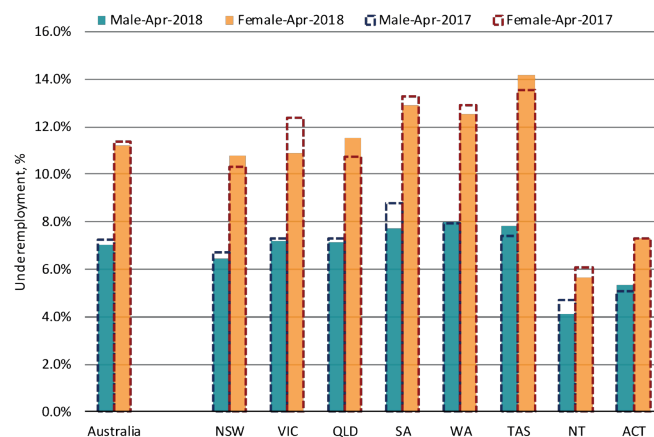
Figure 4: Total hours worked per employed person – states and territories



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Figure shows average monthly hours worked per employee, along with the associated percentage change in monthly hours between April 2017 and April 2018. For states and territories, values are smoothed using 13-month rolling average. Percentages are rounded.

With a 0.4% increase from Apr 2017, the total number of hours worked per employee was around 140 in April 2018. Workers in Tas have the lowest average number of hours worked per employee across all states and territories (136.7 hours), while the highest is in the NT (150.2 hours). Employees in Tas worked 2.4% more hours than in Apr 2017, the highest growth across the nation. On the other hand, WA recorded a significant reduction in the number of hours worked per employee - a 1.4% drop. This is a significant decrease and is the highest reduction across all regions in the year to April 2018.

Figure 5: Underemployment ratio by gender – states and territories



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0
Notes: Values are smoothed using 13-month rolling average. Underemployment ratio is the number of persons that worked part-time hours and wanted to work more hours as a proportion of the no. employed.

Nationally, underemployment is slightly lower than in Apr 2017 for both men and women. Consistent with previous periods, female underemployment remains much higher than males, 11.2% and 7.0% respectively. In the territories, the gap between female and male underemployment is narrowing, while in many states the trend is diverging.

Female underemployment in Tas, Qld and NSW has gone up, but their relative male figures show different patterns. In Tas, male underemployment has increased, but in NSW and Qld it has fallen. Tas is the only state with an increase in both gender's underemployment and Vic, SA and the NT are the regions with a reduction for both genders. Vic has had the highest decrease in female underemployment (down by 1.5ppt), and SA reports the highest reduction in male underemployment (a fall of 1.1ppt).



FEATURE: PRECARIOUS WORK IN AUSTRALIA

THE CONVERSATION

BCEC IN THE CONVERSATION

Read in the Conversation

Precarious employment is rising rapidly among men: new research

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Precarious employment is increasing over time, and it still remains higher for women than men in Australia. But over the last nine years it has increased far more rapidly among men.

This is despite greater workforce participation and lower unemployment rates in Australia's labour market. The quality of jobs in Australia has been declining.

In a new Bankwest Curtin Economics Centre report, we develop a composite index of precarious employment using data from the Household Income and Labour Dynamics in Australia (HILDA) survey.

The HILDA survey captures job attributes, labour force circumstances and other information about a large and representative sample of Australian

workers. The index is based on 12 component indicators that capture different dimensions of precarious employment.

These include measures related to job insecurity like workers' own views of their future employment prospects, the chance of losing their jobs, and their overall sense of job security.

We also looked at irregular hours, working fewer or more hours than desired, and a loss of work-life balance to capture the degree of control over working hours. For employment protections and other working conditions, the index uses measures related to leave entitlements including sick, family and compassionate leave.

The calculated index is centred on the average measure of precarity across all

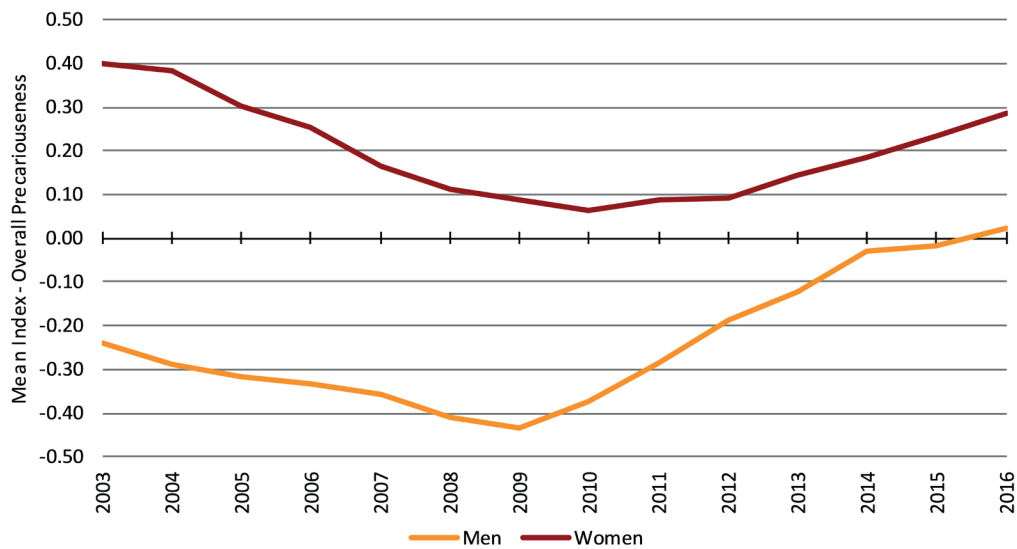
occupations and industries. Negative numbers mean lower employment precarity than the average and positives convey greater precarity. The larger the value, the more precarious the work, relative to the all-industry average.

The index shows the overall state of the economy has had a significant impact on the level of precarious employment in the labour market.

It shows levels rising for both men and women since the global financial crisis.

However, for men, precariousness is now above 2003 levels, which suggests precarious work is being driven by more than just economic conditions. And while men are still below the levels of women, the two are beginning to converge.

Overall precariousness index for men and women, 2003 to 2016



A major source of this trend is an increase in the self-reported probability of losing one's job and accompanying dissatisfaction with job security.

Despite relatively stable and low levels of unemployment, workers are increasingly concerned that their jobs are at risk. The same holds true for satisfaction with job prospects, which dropped significantly since the global financial crisis and has yet to recover.

As expected, higher skilled occupations

such as professionals and managers have more stable employment, while labourers and machinery operators and drivers are in the most precarious job circumstances.

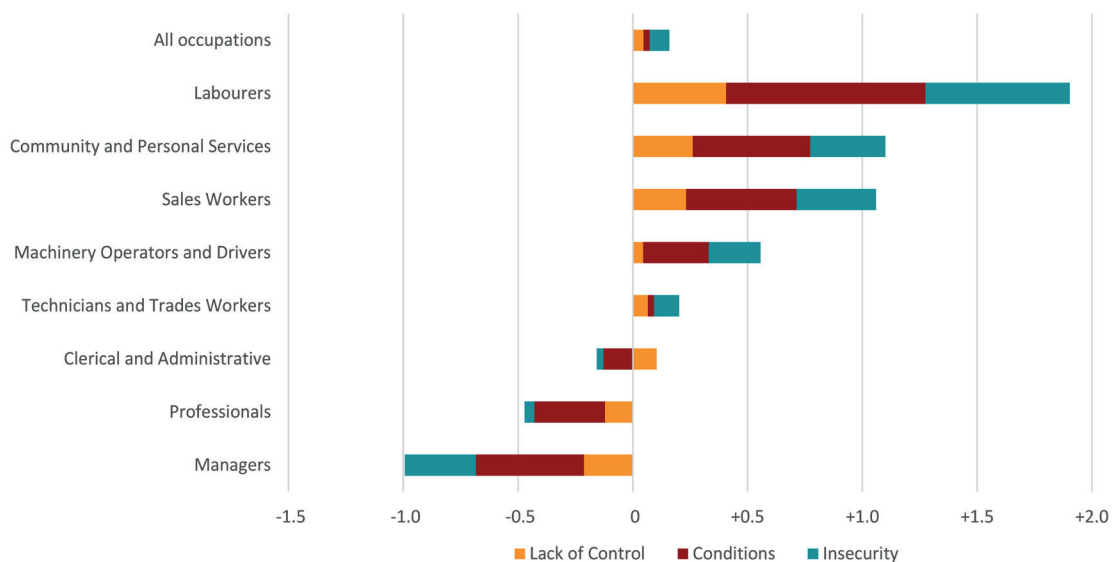
Job insecurity has increased most among clerical and administrative workers and labourers, while for managers the key drivers are the loss of control over working hours and a reduction in work-life balance.

Working for government, a bank or

insurance company appears to still be a relatively "safe" option. Industries with the lowest levels of precarious employment are public administration, financial and insurance services, and utilities.

By contrast, accommodation and food, agriculture, forestry and fishing, and arts and recreation services are much more precarious for their employees. Mining and to a lesser extent education have become more precarious in recent years.

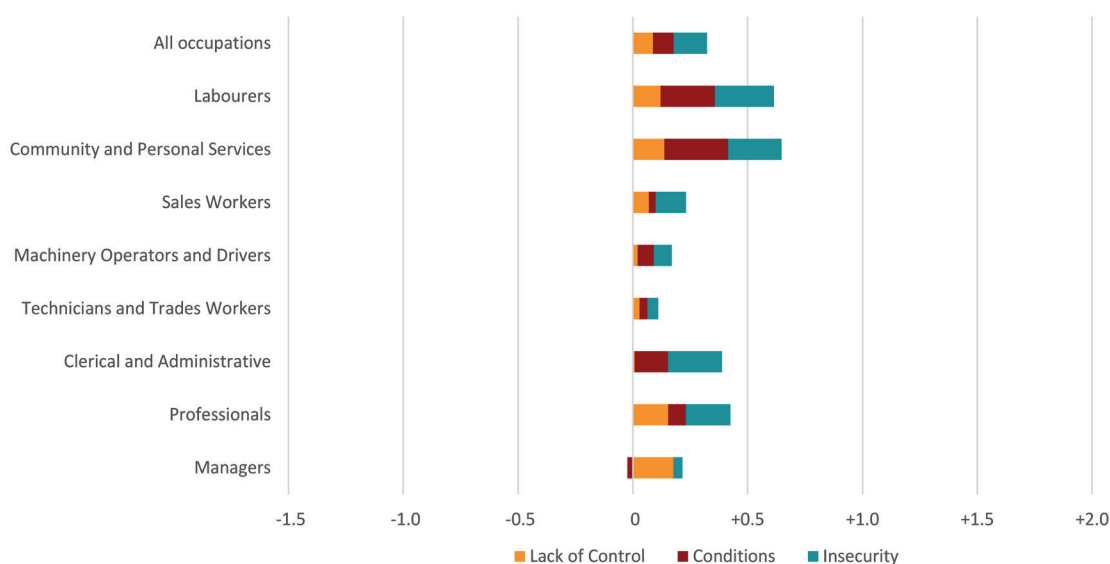
Overall precariousness, 2015-16



Source: Bankwest Curtin Economics Centre |Authors' calculations from HILDA



Change 2008-09 to 2015-16



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA

Precarious work more prevalent in some industries

There are several factors affecting the likelihood of a worker facing more or less precarious work, including the nature of the industry they are working in.

Some industry sectors, such as manufacturing, construction or mining, have a greater exposure to economic downturns or upturns, and global market forces.

Workers in the mining industry used to be among the most secure, with their sense of optimism supported by strong demand for labour during the heart of the resources boom.

But our index confirms times have changed for the sector.

Precarious work has increased in mining at a greater rate than in any other sector, driven mainly by workers' sense of job insecurity as the sector shifts to a less labour intensive production phase, and the volatility of global resource prices.

We found employment in other sectors, in hospitality, arts and recreation, or agriculture for example, to be intrinsically more precarious by nature. These industries had irregular or uncertain hours, casual contracts, or relatively low pay.

The expanding role of technology and automation in production is another potential factor driving the growing sense of insecurity in employment, especially among lower-skilled men.

This highlights the need to ensure workers can access retraining and education opportunities that smooth their transition to new, higher skilled jobs, or into other forms of employment.

There is a shared responsibility on governments, employers, and education and training organisations to ensure that no-one is left behind.

Precariousness by industry and occupation

	Managers	Professionals	Technicians and Trades	Community and Personal Care	Clerical and Administrative	Sales Workers	Machinery Operators	Labourers	All occupations
Accommodation and Food Services	0.15		1.25	3.73	1.13	3.67		4.22	2.70
Agriculture, Forestry and Fishing	-0.27		3.42				2.36	3.58	2.28
Arts and Recreation Services	-1.43	0.75	1.31	3.13	1.37			1.53	1.45
Administrative and Support Services	-0.08	-0.70	2.43	1.91	0.67	1.30		2.41	1.32
Retail Trade	-1.21	0.40	1.07		0.01	1.27	2.00	0.84	0.72
Construction	-1.21	-0.09	0.31		0.65		0.98	2.08	0.53
Other Services	-0.68	-0.95	-0.34	3.74	0.16			1.49	0.46
Rental, Hiring and Real Estate	-0.91	-0.59			0.78	0.31			0.40
Transport, Postal and Warehousing	-1.09	-0.22	0.77	-0.45	-0.25	-0.83	0.32	1.80	0.05
Manufacturing	-1.33	-0.60	0.03		-0.01	1.21	0.38	1.00	0.03
Information Media and Telecommunications	-0.92	0.36	0.34		-0.25				-0.04
Mining	-0.46	-0.33	-0.02		0.24		-0.04		-0.05
Education and Training	-0.96	-0.33	0.45	1.60	0.25			-0.25	-0.07
Professional, Scientific and Technical	-1.07	-0.22	0.40		0.74				-0.11
Health Care and Social Assistance	-1.25	-0.84	-0.54	0.60	-0.29			0.73	-0.20
Wholesale Trade	-1.21	-0.68	-0.12		-0.58	-0.70	0.65	2.44	-0.36
Electricity, Gas, Water and Waste Services	-0.85	-0.55	-0.93		0.09		0.03		-0.41
Financial and Insurance Services	-0.85	-0.61			-0.66	-1.32			-0.66
Public Administration and Safety	-1.14	-0.80	-0.88	-1.02	-0.41			4.03	-0.73
All industries	-0.99	-0.47	0.20	1.10	-0.05	1.06	0.56	1.90	0.16

Note: The index is centred on the overall industry average (as represented by zero). Negative numbers correspond to lower employment precarity than the average, positives convey greater precarity.

This article first appeared in [The Conversation](#) on April 13, 2018.

For more information on our research into precarious employment in Australia, download a copy of our Focus on the States report '[Future of Work in Australia: Preparing for tomorrow's world.](#)'



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