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*Emerging Issues Community Sector
Leaders Forum*



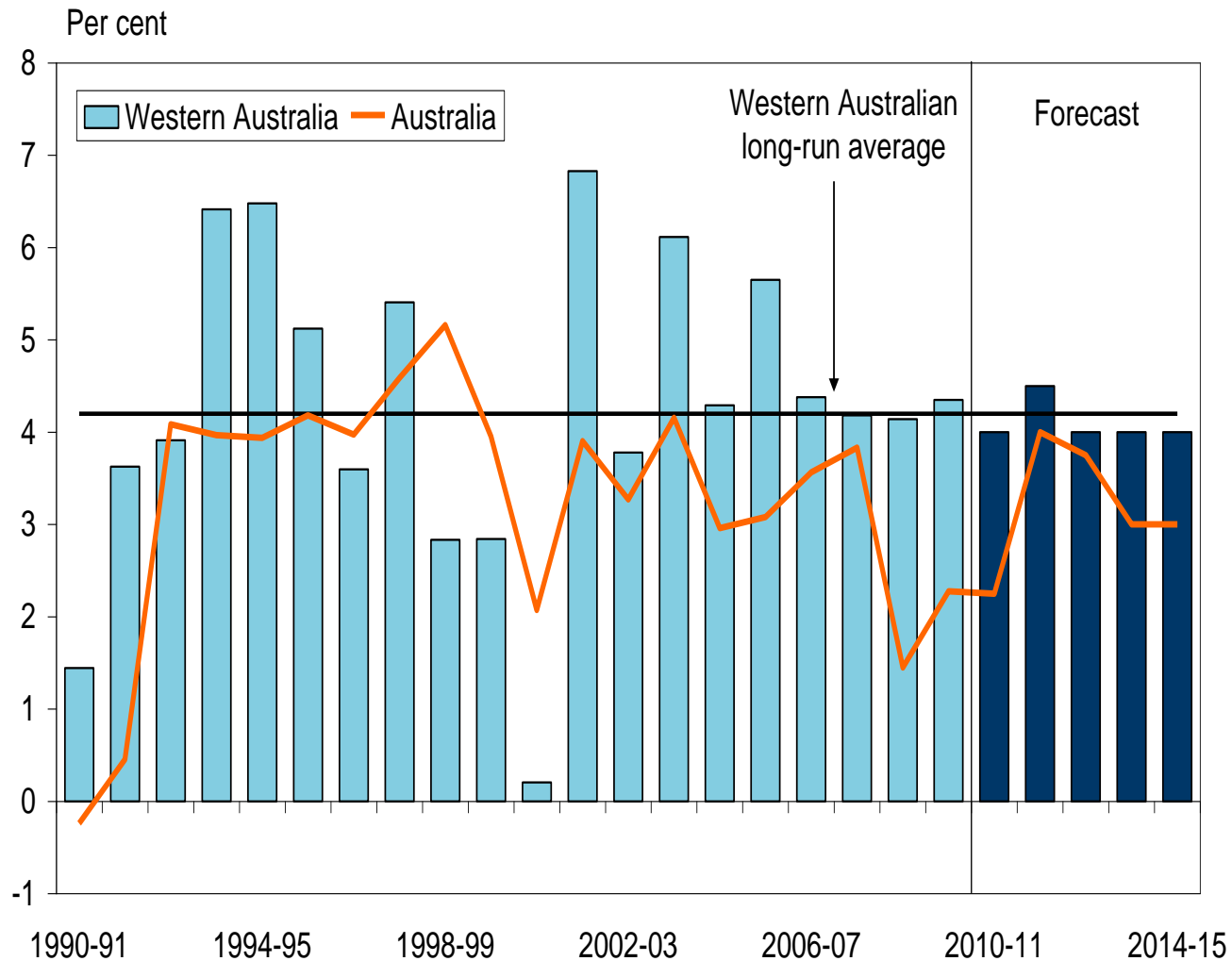
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Plan

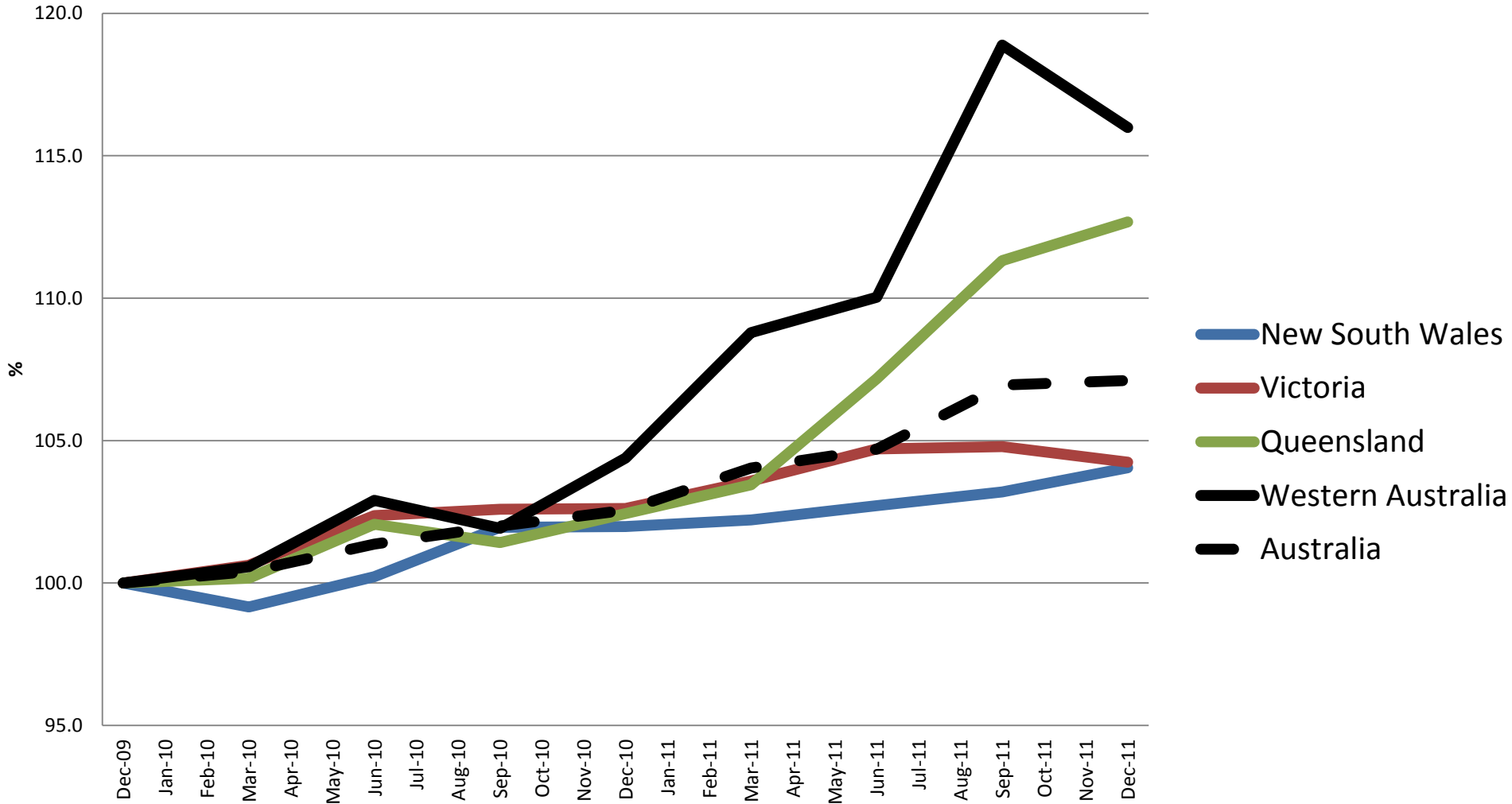
- Overview of recent trends in
 - WA Economy
 - Population Growth
 - Labour Market
 - Wages
- Discussion
 - Inequality
 - Insecure Work



Economic Growth



State Final Demand, Seasonally Adjusted, Dec-09 to Dec-11 (Indexed to Dec 2009)



Source: ABS 13500DO009_201204 Australian Economic Indicators, April 2012

Economic Growth

	QLD	WA	Australia
Sep 2010-11	9.8%	16.6%	4.9%
Dec 2010-11	10.0%	11.1%	4.4%

Curtin Business School - CCI Survey of Consumer Confidence.



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Consumer caution set to persist in 2012.

Survey Sample: 404 adults

WA Economic Conditions

3 Month and 12 Month Expected, Index, 100 = "Neutral"



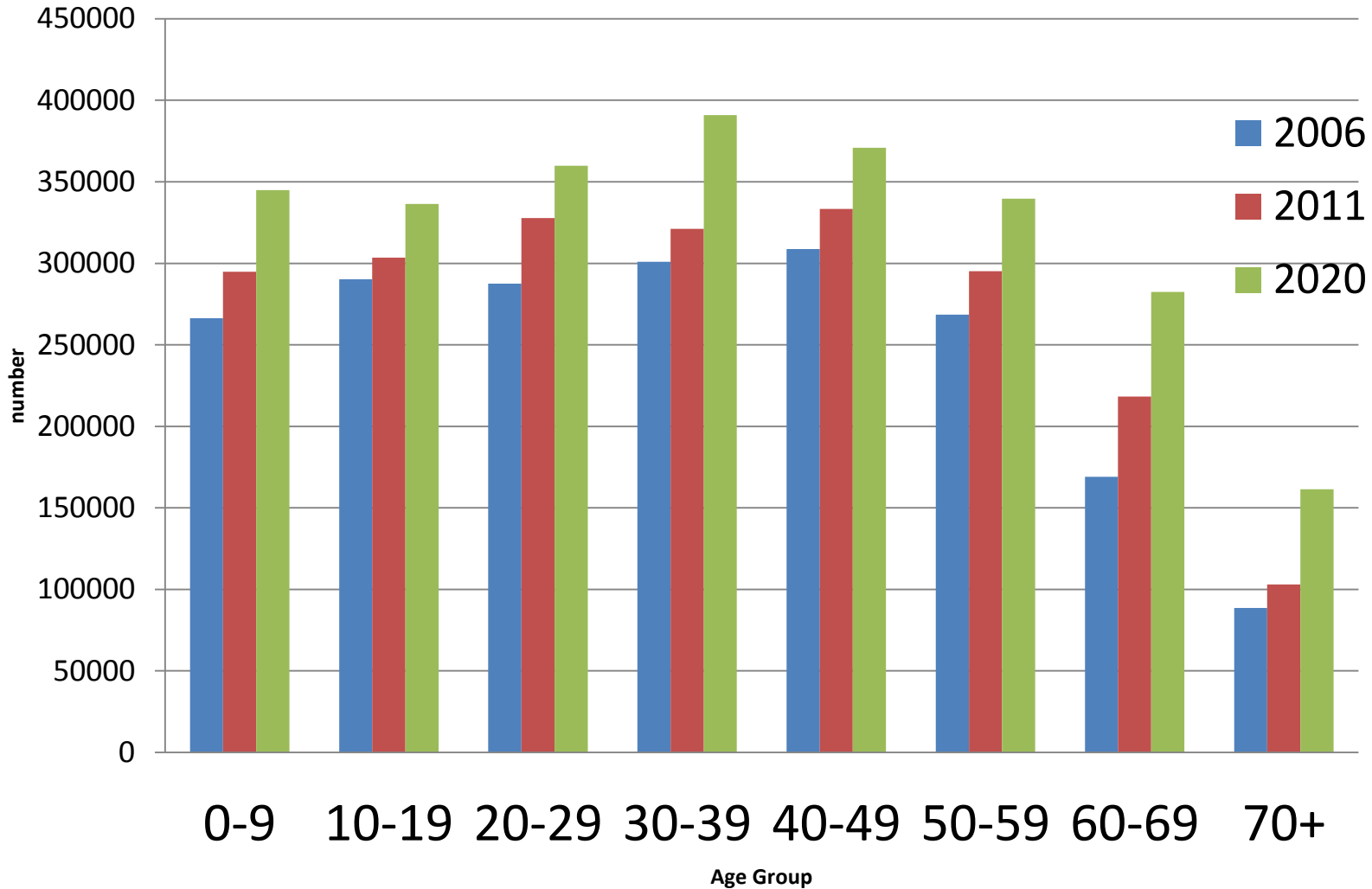
- 22% respondents expect economic conditions to improve in next 3 months (down from 34% same time last year).
- 12 month expectation at a new record low.
- Older respondents more likely to expect deterioration.
- Consumer sentiment low as respondents build financial Situation.

Average Annual Population Growth Rates, Australia & WA 2001-2011 (%)

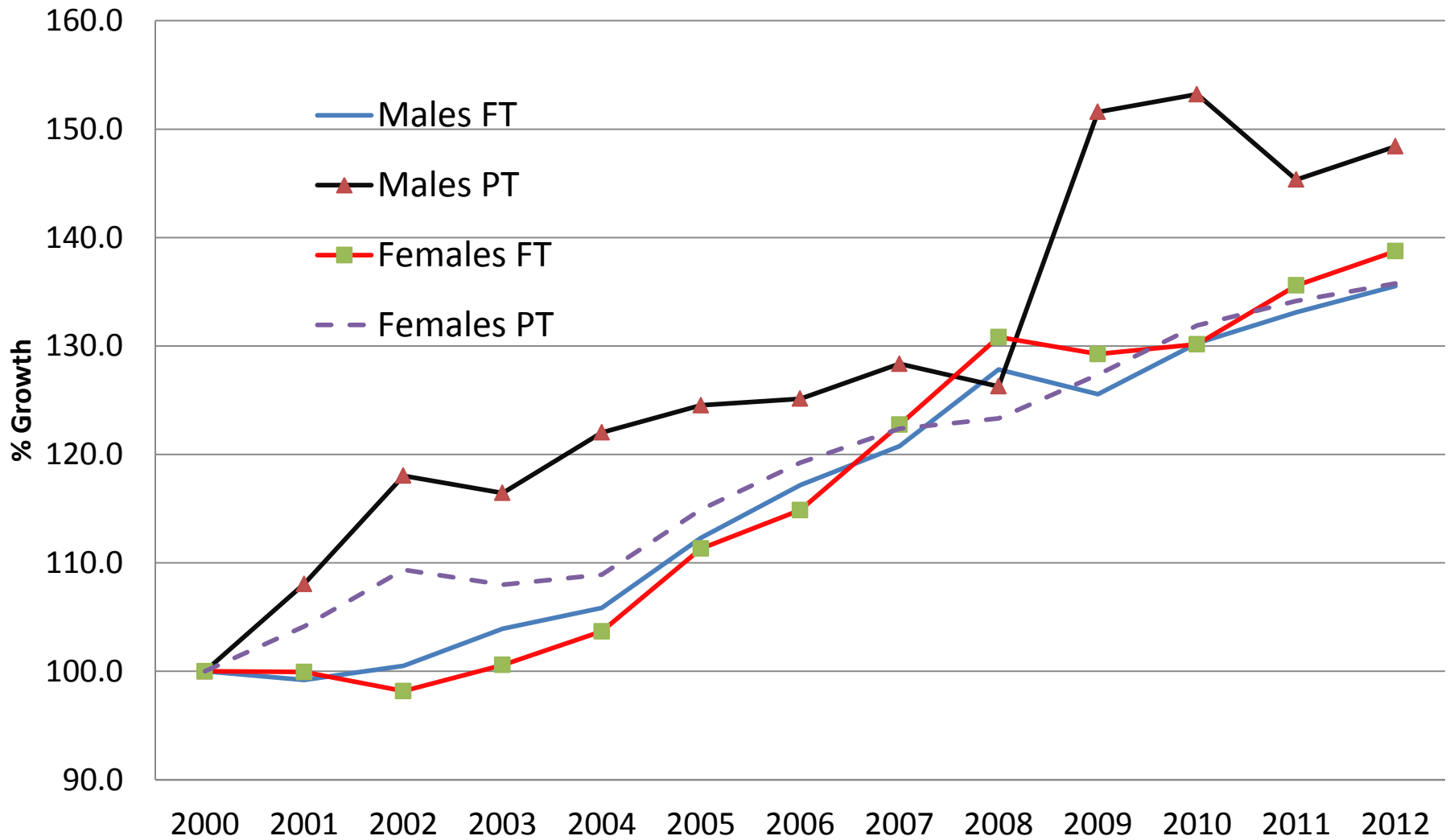


Source: 3101.0 Australian Demographic Statistics, Table 4

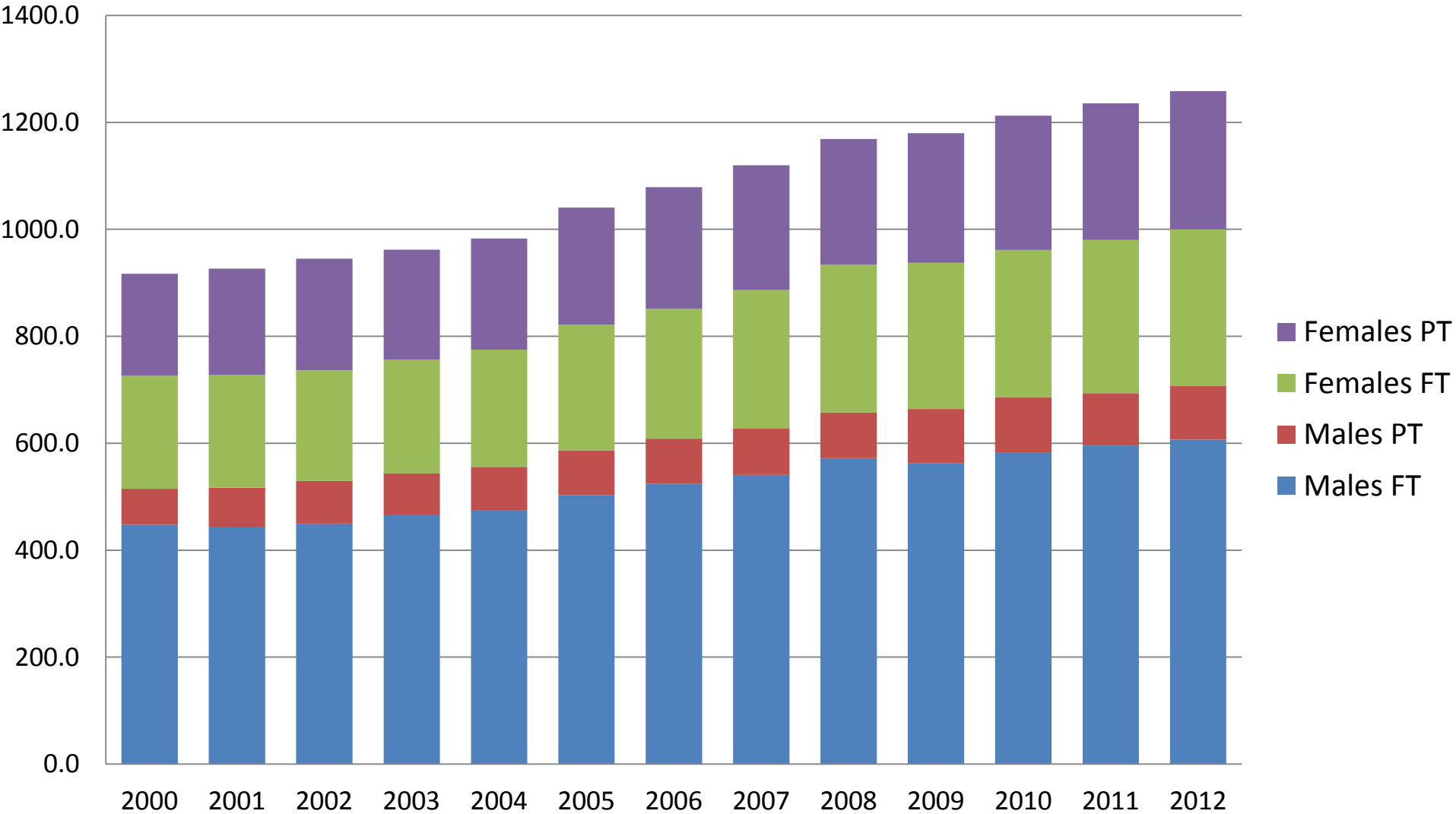
WA Population By Age, 2006, 2011 & 2020



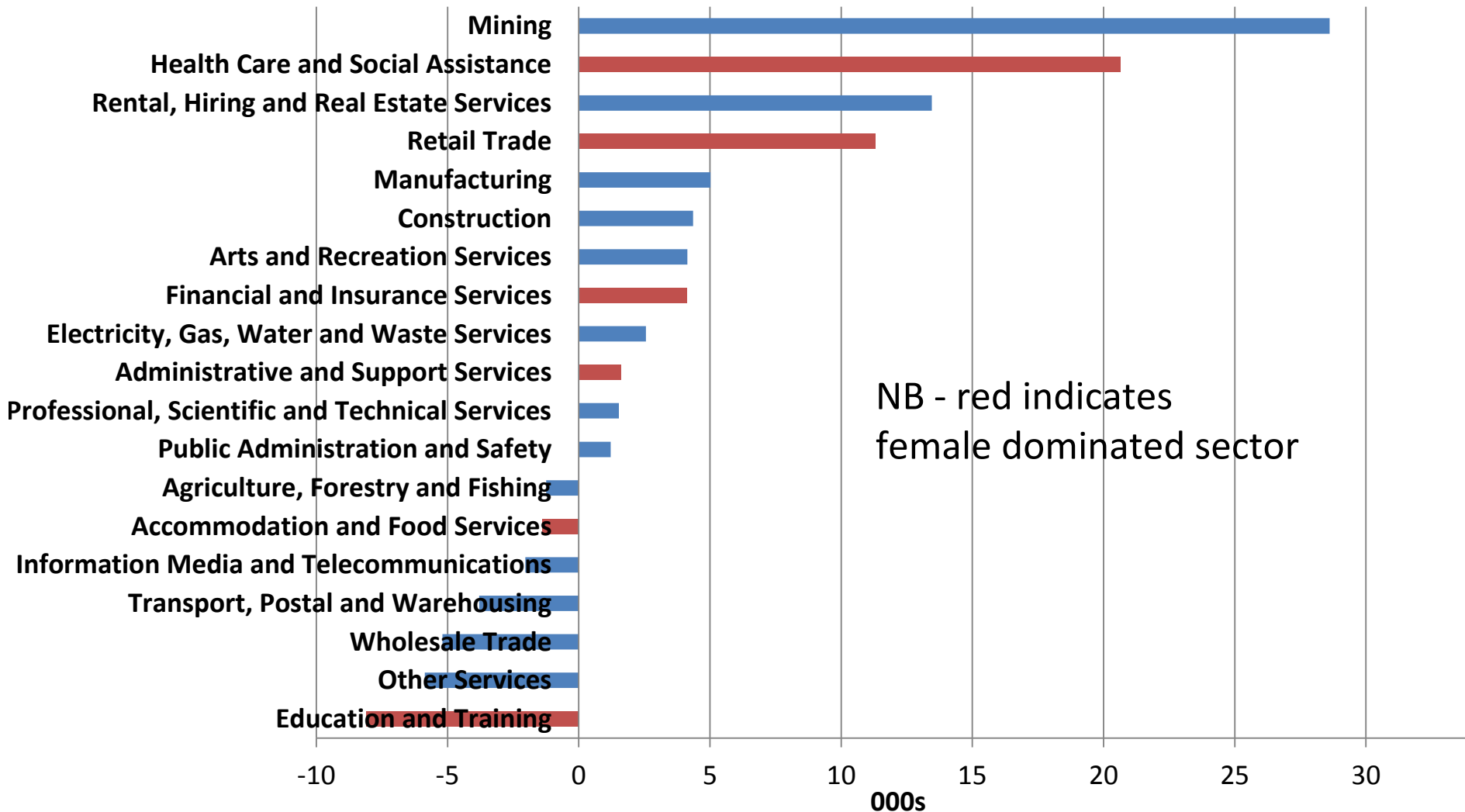
Employment Growth By Sex and Employed Status, 2000 to 2012



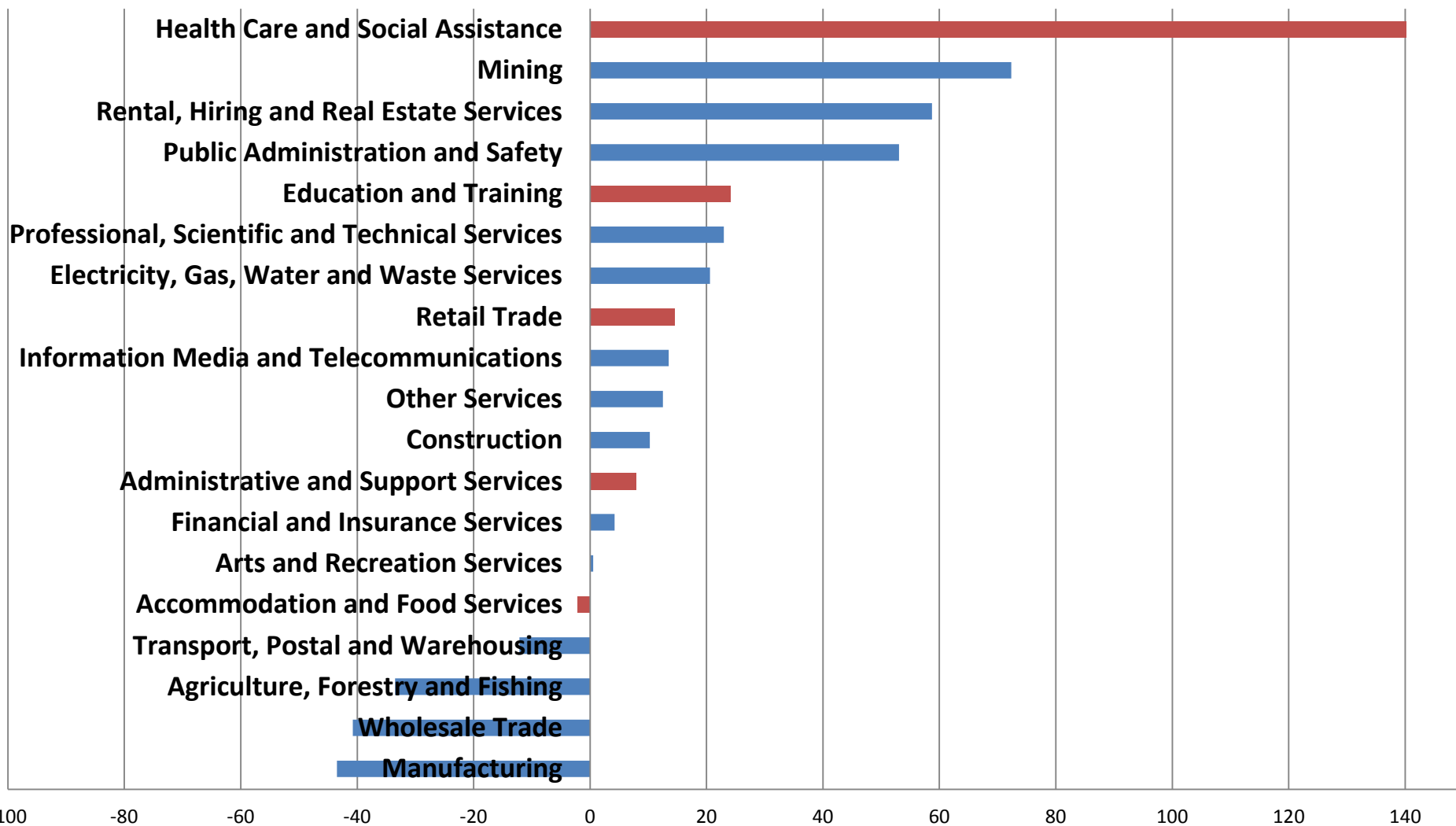
Total Employment WA, 2000 to 2012 (000s)



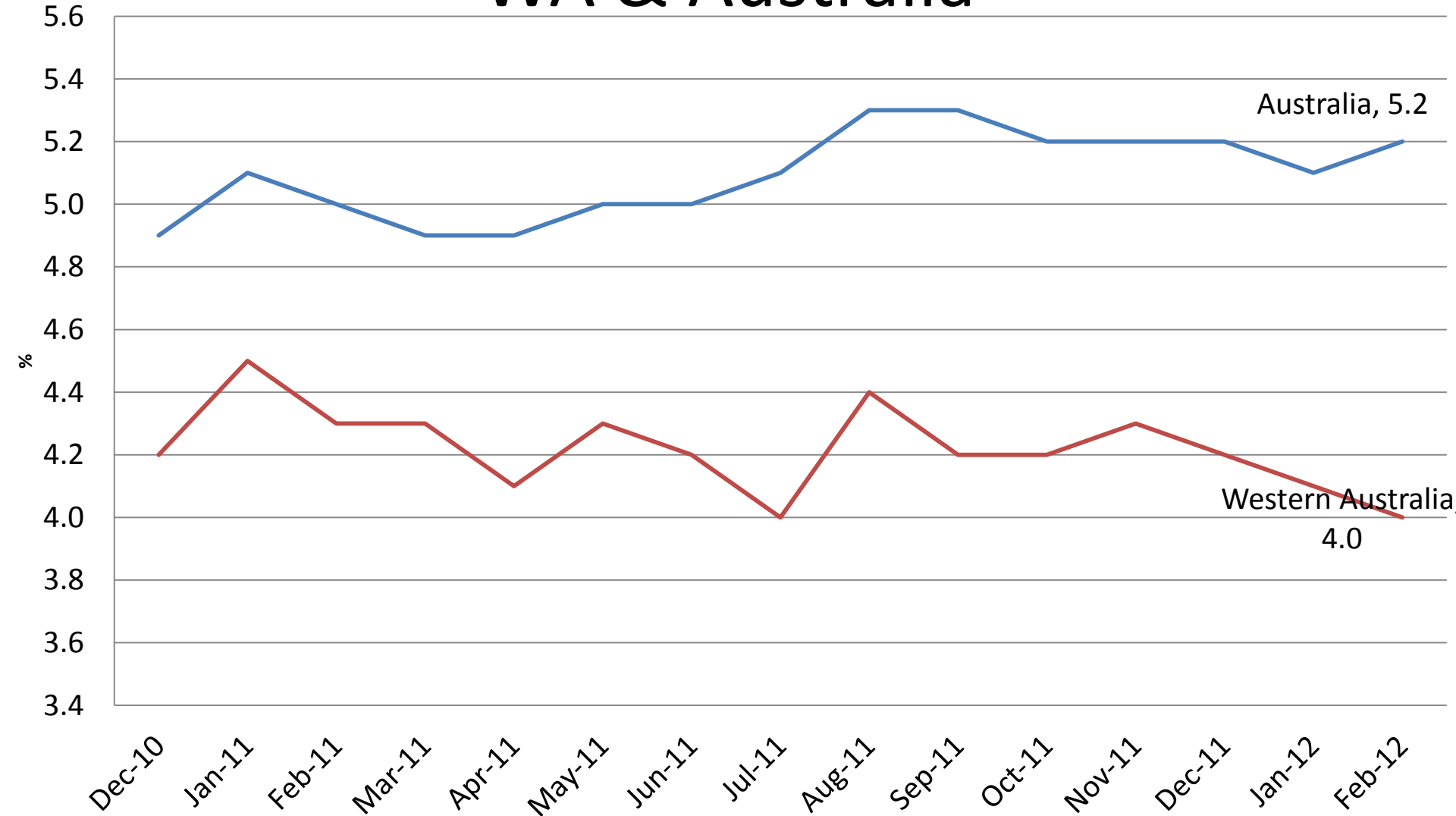
Net Employment Growth By Sector, WA, 000s, Feb-2010 to Feb-2012



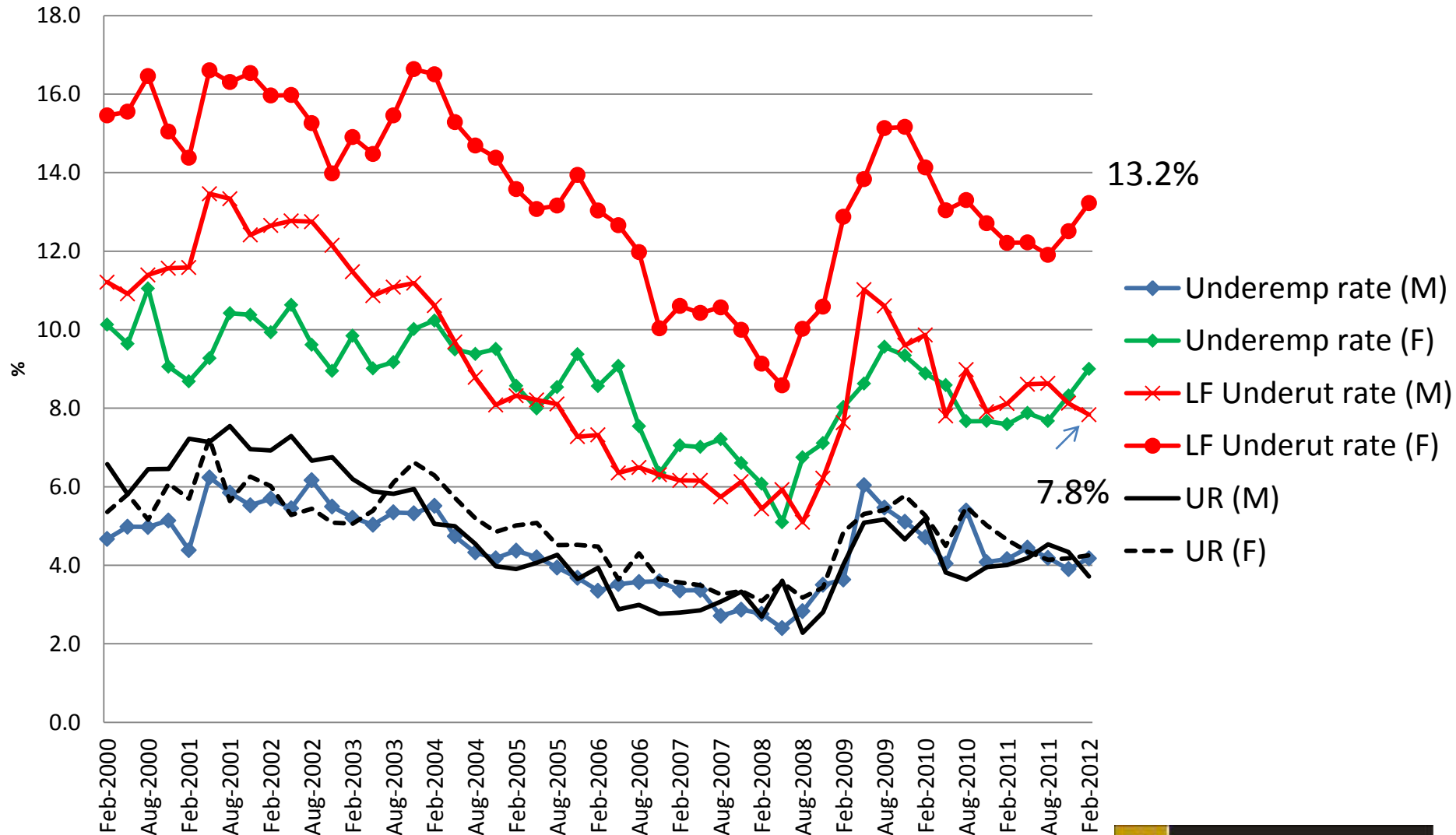
Net Employment Growth By Sector, Australia, 000s, Feb-2010 to Feb-2012



Unemployment Rate (%), Persons, WA & Australia



WA Unemployment Rate, Underemployment Rate and Labour Force Underutilisation Rate



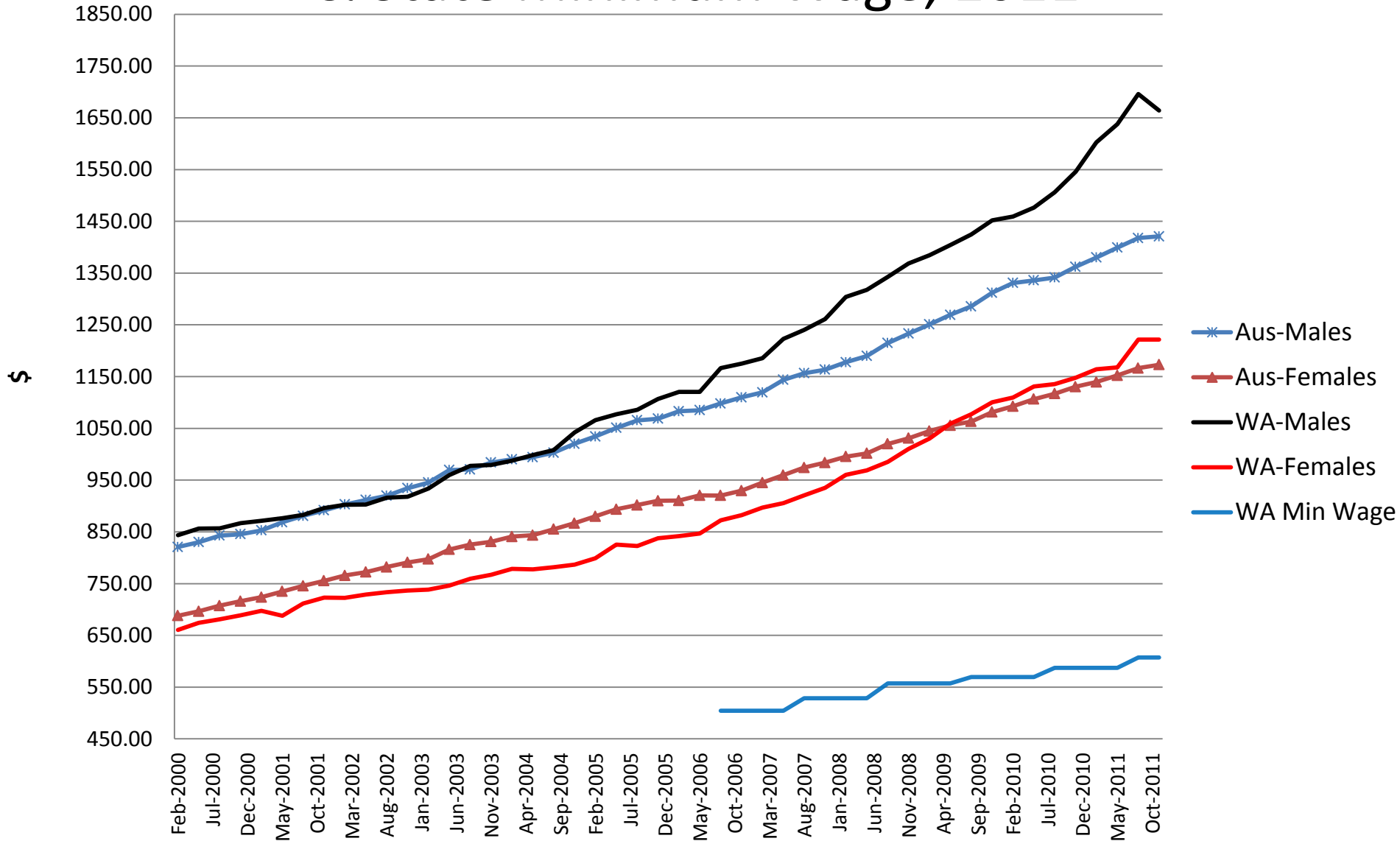
Extended Labour Force

Underutilisation Rate (%), August 2010

- Labour Force Underutilisation Rate (LFUR) = Unemployment rate + Underemployment rate
- Extended Labour Force Underutilisation Rate = LFUR + Hidden Unemployed (discouraged workers) (those available to work, want to work but given up job search)

	WA Males		Aust Males	WA Females		Aust Females
	LFUR	Extended LFUR	Extended LFUR	LFUR	Extended LFUR	Extended LFUR
August 2010	9.2	10.0	11.3	12.8	14.1	15.6

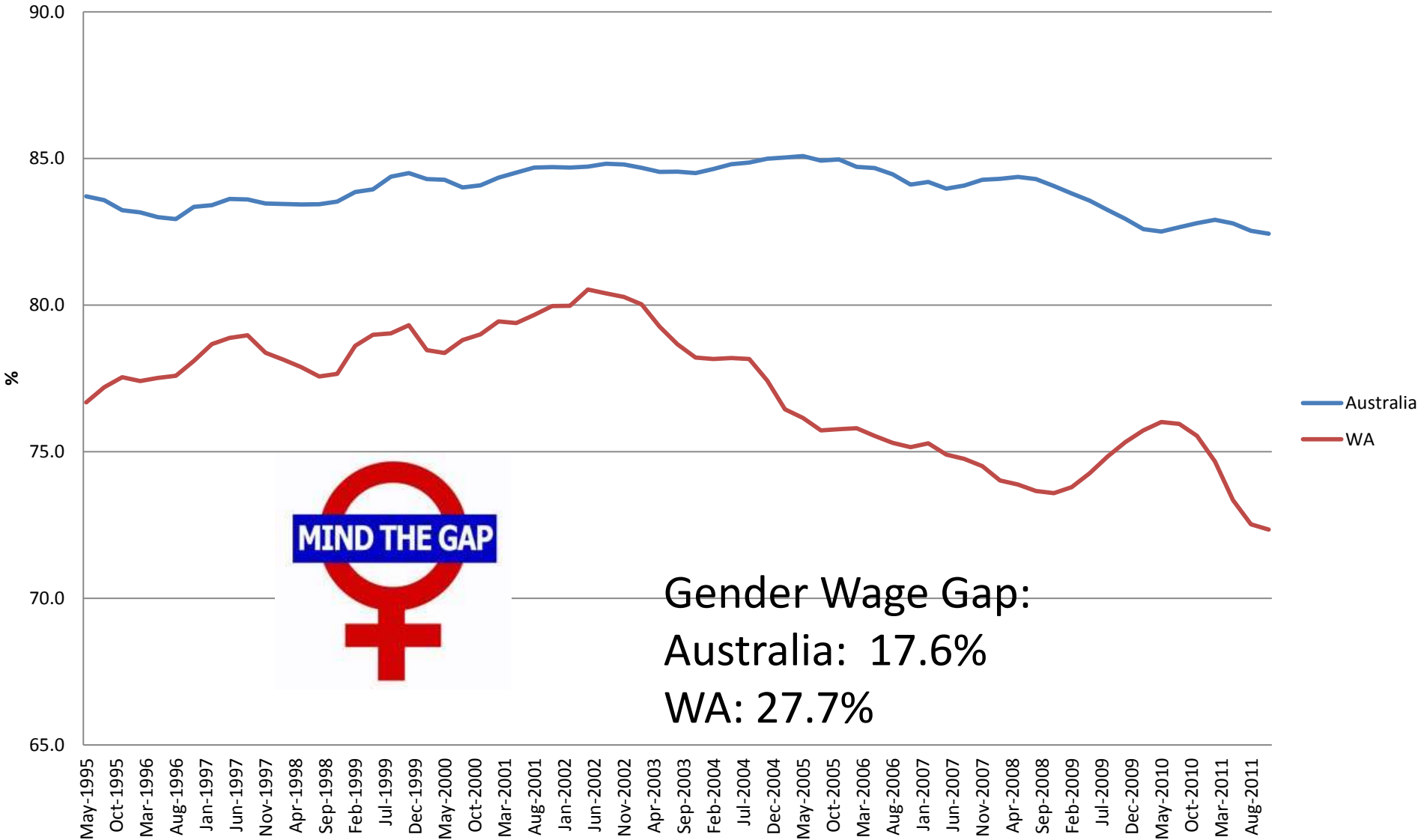
Average Weekly Ordinary Time Earnings (AWOTE), Adults Employed Full-Time; & State Minimum Wage, 2011



	WA Weekly Min Wage	% increase previous year	AWOTE – Adults – W.A. % change	AWOTE – Adults – Australia % change
2006	\$504.40	4.1%	3.4%	3.2%
2007	\$528.40	4.8%	8.7%	5.0%
2008	\$557.40	5.5%	7.5%	4.0%
2009	\$569.70	2.2%	7.0%	6.1%
2010	\$587.20	3.1%	6.0%	5.2%
2011	\$607.10	2.75%	8.1%	4.4%

NB: State wage adjustments apply from 1 July each year; AWOTE % change calculated for year to May using seasonally adjusted data from 6302.

Gender Wage Ratio, Australia and WA (AWOTE Women/Men Employed Full-Time)



In \$ Terms, Nov 2011

	Men	Women	Weekly Difference	Annual Difference
Australia	\$1,420.90	\$1,173.00	\$247.90	\$12,890.80
WA	\$1,663.90	\$1,221.30	\$442.60	\$23,015.20

... not to mention superannuation

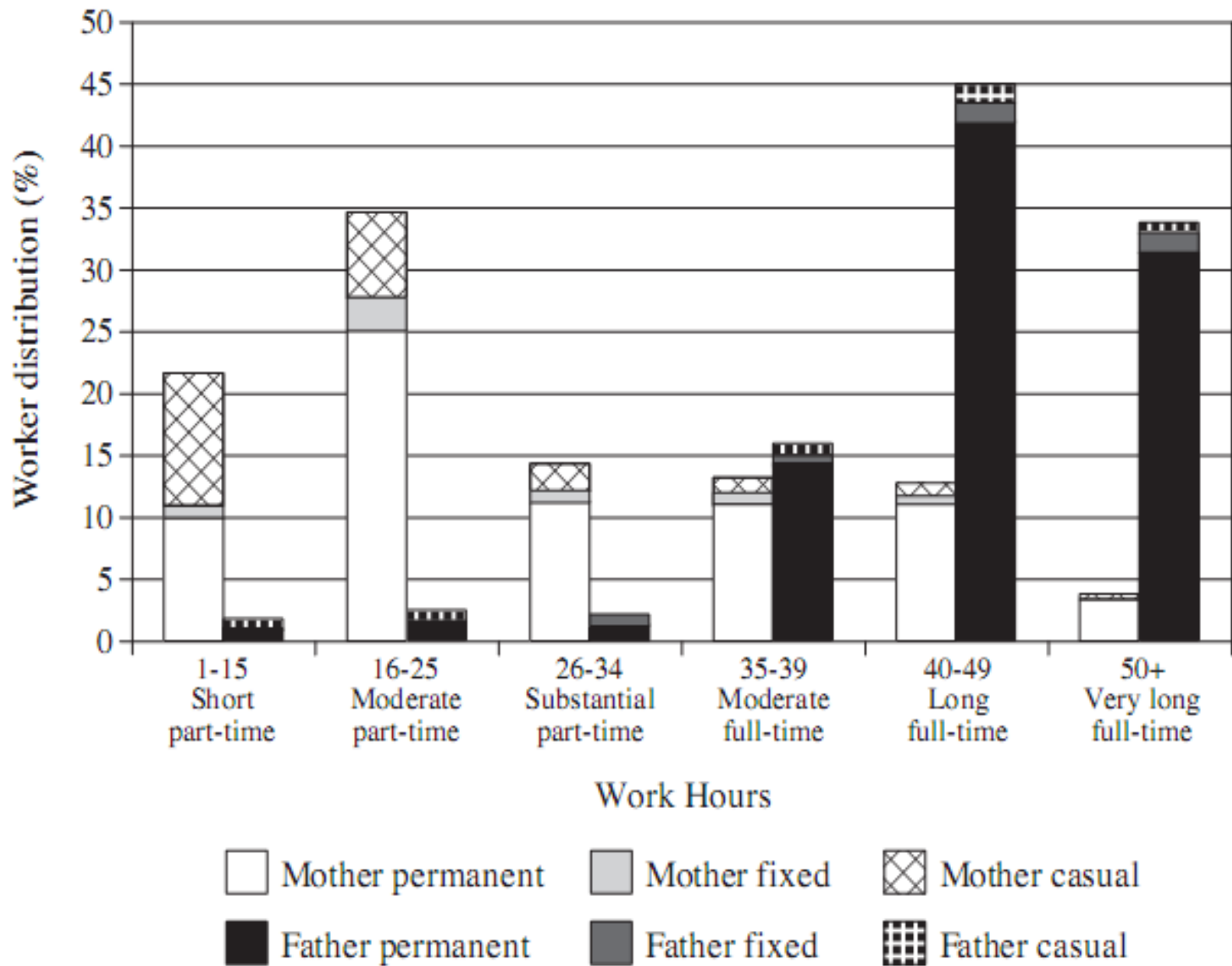
Summary

- WA economic growth very strong – 11.1%.
- Consumer sentiment low (benefits of growth not being shared around).
- Strong employment growth in recent years, particularly men employed part-time.
- Top 3 sectors in WA: mining, health, real estate.
- Bottom 3 sectors in WA: wholesale trade, other services and education and training.
- Contrasts markedly with trends and developments nationally. Top nationally is health care. Education and training also in top 5.
- WA unemployment rate record low but labour force underutilisation rate = **13.2%** for women and **7.8%** for men.
- Wages growth has been particularly strong for men in full-time work and well above national averages.
- WA Minimum wage has not kept pace. At Aug-06 the WA Min Wage/WA Male AWOTE = **43%**; At Nov 2011 = **36%**.
- Gender Wage Gap – largest ever = **27.7%** or \$23,015pa.

Discussion

- Labour market highly gendered and segregated
- Women continue to meet work and family needs through working part-time (often in insecure and low paid jobs).
- Australian Institute for Employment Rights has identified the following 'costs' associated with insecure work:
 - Greater career instability
 - Higher unemployment risks
 - Lower upward mobility
 - Lower levels of remuneration
 - Income stress
 - Lower investment in training and skills development
 - Longer term economic penalties (particularly women)
 - Higher levels of job dissatisfaction
 - Higher propensity for mental health issues
 - Family stress and breakdown.

Figure 1 - Distribution of Mothers' and Fathers' Work Hours by Contract Type



Discussion continued

- ACTU inquiry on insecure work-
 - Rapid growth in non-standard employment in recent years.
 - 60% employees in FT or PT on-going work; Around 24% in casual work; 10% independent contractors.
 - Casual density: retail trade (40%); Accommodation & Food Services (65%).
 - 29% casuals want to work more hours than they currently work.
- Submissions to the inquiry:
 - Focusing on intersection between insecure (casual) work and social security.
 - Penalties for those in receipt of benefits. Uncertainty around payments → breaches, stress etc. (disincentives to work).

Emerging Issues: FWA & Insecure Work

- Employers want more flexibility
 - [AFR 2.4.12] Big banks push for ‘notional’ weekend to promote “...flexible and efficient modern work practices in a way that has proper regard to considerations of productivity and employment costs”.
 - Australian Retailers Association want to cut penalty loadings by 50%.
 - Penalty rates will be battle ground when FWA reviews awards for retail and hospitality sectors later this year.
- Unions & left want:
 - Amend FWA to restrict casual and other forms of precarious employment to a limited period then require they move onto on-going permanent work.
- Prevailing Test: National Interest.

Thank you

