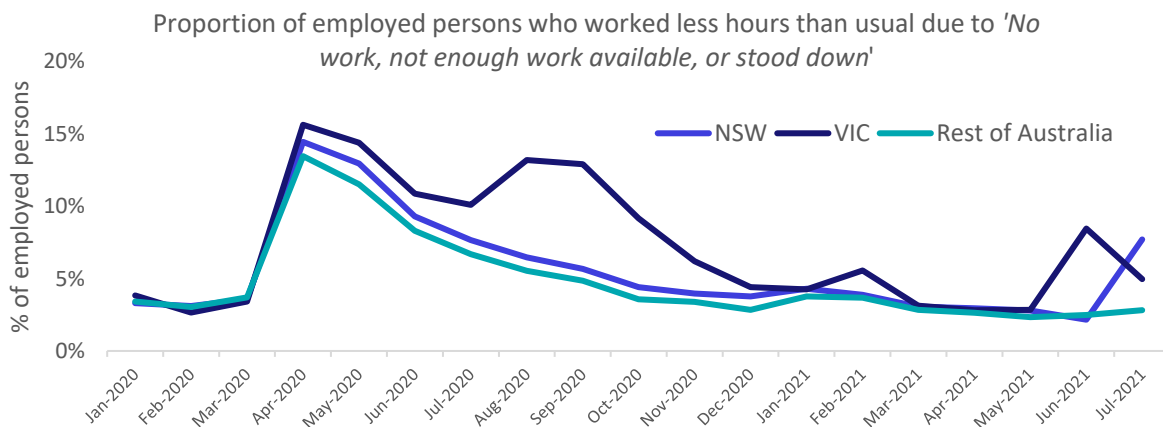


Results from the ABS Labour Force Survey (LFS) in recent months show that many employed people have had their hours reduced or have been stood down (i.e. staff who remain employed but are currently not working any hours) as a result of the ongoing lockdowns across Australia. This spotlight provides further insight into this issue by using data from the REOS survey¹ to investigate the extent to which businesses are having to reduce staff hours or stand them down.

ABS data on employed persons stood down or working less hours than usual

Not surprisingly given the recent outbreaks of COVID-19 cases in both states, ABS LFS data show that New South Wales and Victoria have recorded a significant increase in the in the proportion of employed people who worked less than their usual hours due to 'No work, not enough work available, or stood down' in recent months.

- It is worth noting that the decline in those employed working less than usual hours due to 'No work, not enough work available or stood down' recorded in July 2021 in Victoria reflects that the July LFS reference period occurred at a time when the state had recently eased restrictions, before re-entering lockdown on 16 July 2021.



Source: ABS, Labour Force, Australia, July 2021

The LFS data also show that during lockdowns, a large number of people work less than their usual hours for 'other reasons'²



Source: ABS, Labour Force, Australia, July 2021

¹ Please note that the REOS results may not reflect the full impact that the current outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers that have closed down and response rates can vary significantly by industry in areas under lockdown restrictions.

² Note the ABS has advised that people reporting other reasons for working less hours increases significantly in lockdowns, indicating that some respondents feel that the longstanding categories do not fully capture the complexity of the restrictions and/or that it is difficult for them to attribute the reasons to a single category.

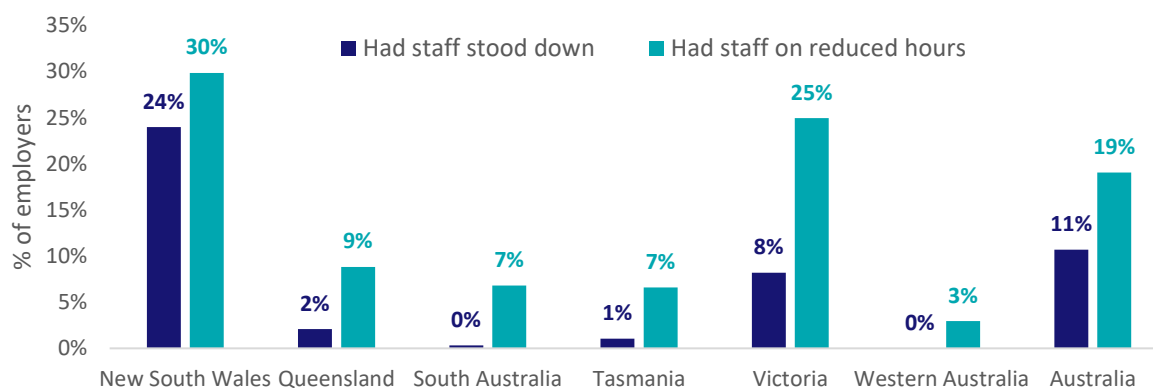
REOS results on employers who have staff stood down or on reduced staff hours

Employers had been asked about their staffing situation (whether they had staff stood down, on reduced hours, or working from home) since April 2020.³ The question continued to be asked until May 2021, at which time it was ceased due to the strong improvement in labour market conditions across Australia that had occurred in the second half of 2020 and early 2021. However, recent COVID-19 outbreaks and subsequent lockdowns in various parts of Australia resulted in the reintroduction of these questions on 9 August 2021.⁴

In August 2021, 11% of employers had staff stood down, and 19% had staff on reduced hours. New South Wales had the highest proportion of employers that had staff stood down (24%) and on reduced hours (30%). Victoria also had a high proportion of employers with staff on reduced hours (25%), and while the proportion with staff stood down (8%) was substantially lower than New South Wales, it was higher than all the other states.

Employers with staff stood down or on reduced hours - by state⁵

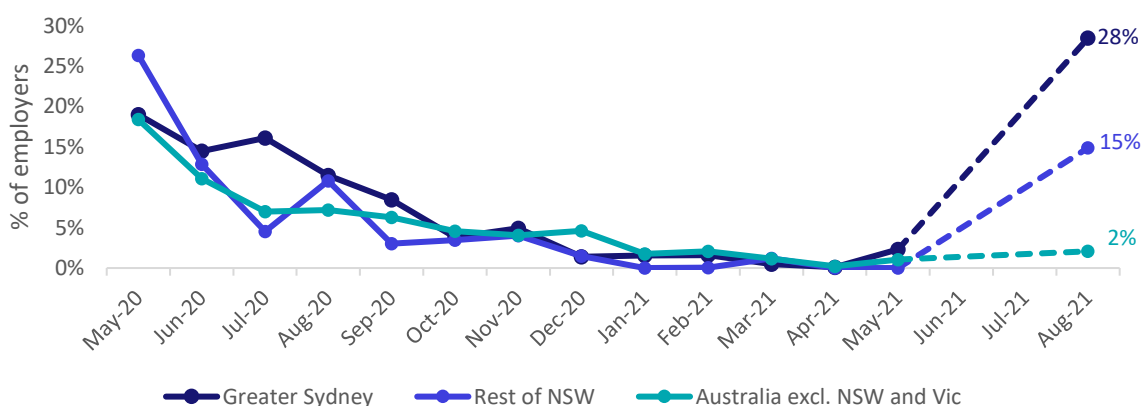
Proportion of all employers, 9 August to 27 August 2021



Within New South Wales, a much higher proportion of employers had staff stood down in Greater Sydney compared with the Rest of New South Wales. Indeed, the proportion of employers who had staff stood down in Greater Sydney in August 2021 stood at 28%, the highest proportion recorded since the series began in May 2020.⁶ By comparison, 15% of employers in the Rest of New South Wales reported having staff stood down, the highest proportion since the 26% recorded in May 2020.

Employers with staff stood down – Greater Sydney and Rest of NSW

Proportion of all employers



Over a third (34%) of employers in Greater Sydney had staff on reduced hours in August 2021, similar to the proportion recorded in mid-2020, when employers were able to access the initial JobKeeper

³ A number of changes were made to these questions over time to ensure they were appropriate at the time of asking them. In April 2020 employers were asked whether they had staff stood down/on reduced hours since the onset of the pandemic; in May 2020 employers were asked whether they had staff stood down/on reduced hours in the past month; while from June 2020 employers were asked whether they currently had staff stood down/on reduced hours. Results from April 2020 and May 2020 should therefore be used with caution.

⁴ In the REOS time series charts in this Spotlight, a dotted line connects the May 2021 result to the August 2021 result, to acknowledge the missing data for June and July 2021.

⁵ The Northern Territory and the Australian Capital Territory have not been reported separately due to small sample sizes.

⁶ The question on whether employers had staff stood down was introduced in late April 2020, with insufficient data collected to produce a result for this month. The result for May 2020 therefore marks the beginning of this series.

payment of \$1,500 per eligible employee. In the Rest of New South Wales, the proportion with staff on reduced hours in August 2021 (21%) was higher than for Australia excluding New South Wales and Victoria (8%) but well below the April 2020 figure (34%).

Employers with staff on reduced hours – Greater Sydney and Rest of NSW

Proportion of all employers



In Greater Melbourne, the proportion of employers with staff stood down increased from 0% in May 2021 to 10% in August 2021, but remains below the peak of 24% recorded in September 2020. On the other hand, there has been little change in the proportion of employers in Rest of Victoria that had staff stood down in August 2021 (3%) compared with May 2021 (1%).

Employers with staff stood down – Greater Melbourne and Rest of Victoria

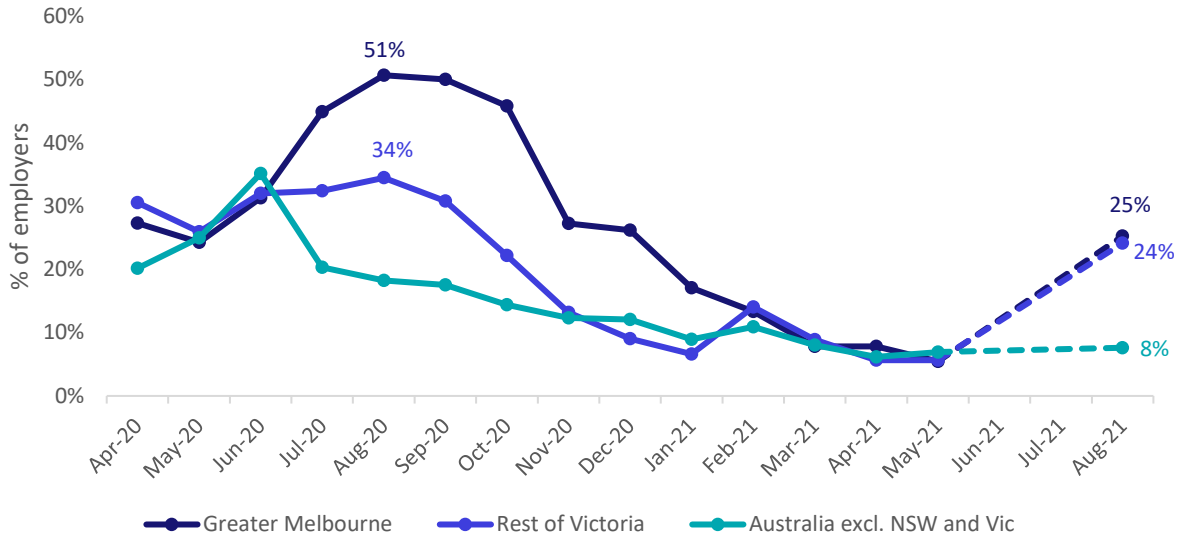
Proportion of all employers



The impact of lockdowns in the Rest of Victoria, however, has been evident in the proportion of employers that have had to reduce staff hours. Indeed, in both Greater Melbourne and Rest of Victoria, the proportion of employers with staff on reduced hours increased significantly in recent months, to stand at 25% and 24%, respectively in August 2021. By comparison, just 8% of employers in Australia excluding New South Wales and Victoria had staff on reduced hours. That said, while both Greater Melbourne and Rest of Victoria have recorded significant increases in the proportion of employers with staff on reduced hours in recent months, it remains well below the peaks recorded in August 2020 (of 51% and 34%, respectively).

Employers with staff on reduced hours – Greater Melbourne and Rest of Victoria

Proportion of all employers



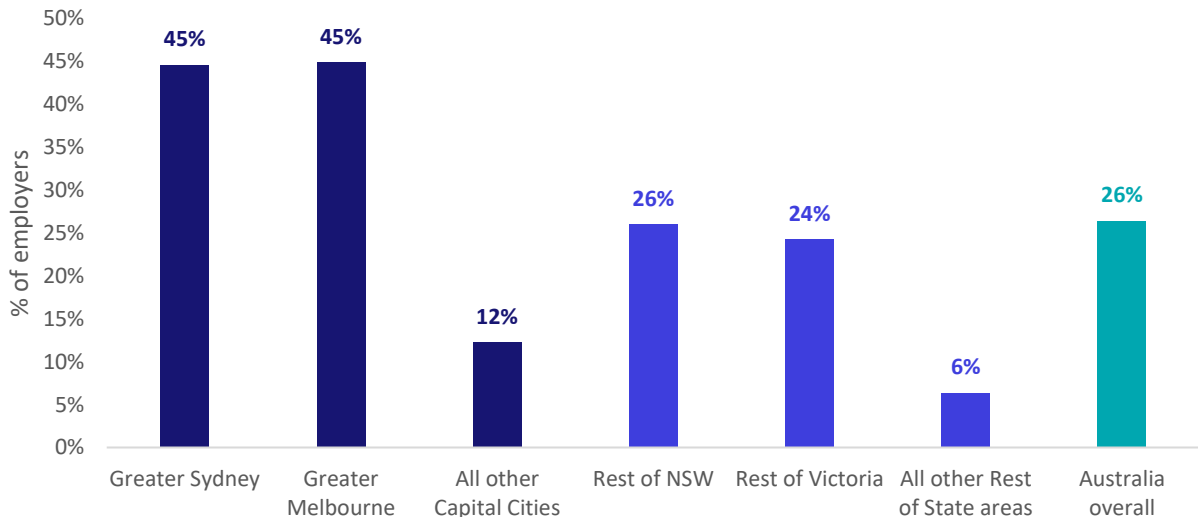
Staff working from home

The REOS has also collected information on staff working from home. In August 2021, just over a quarter (26%) of employers had staff working from home. Notably, this varied considerably by region. Indeed, in Greater Sydney and Greater Melbourne, 45% of employers had staff working from home, well above the 12% recorded in the other Capital Cities. In addition, 26% of staff in Rest of New South Wales and 24% of staff in Rest of Victoria had staff working from home, compared with 6% in the other Rest of State areas.

- The higher incidence of employers with staff working from home in Capital Cities is likely to reflect both the composition of jobs in Capital Cities compared with Rest of State areas, and also the fact that Rest of New South Wales and Rest of Victoria have been in lockdown for a shorter length of time than their Capital City counterparts.

Employers with staff working from home – by region

Proportion of all employers, 9 August to 27 August 2021



Background

Information in this report is based on the *Recruitment Experiences and Outlook Survey* (REOS), which is an ongoing survey of employers across Australia. Approximately 1,200 employers are surveyed each month, with data published on the Labour Market Insights website on a monthly basis. While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with caution. In addition, the survey is targeted towards employers with 5 or more employees, and excludes many government organisations.

For additional information email RecruitmentAnalysis@skillscommission.gov.au.