

RETRENCHMENT AND REDUNDANCY

This report is based on the Australian Bureau of Statistics (ABS) publication *Retrenchment and Redundancy* (Catalogue No. 6266.0). It presents information on the labour force status and other characteristics of persons aged 18-64 years who have been retrenched or made redundant in the three years prior to July 2001. Information is provided on the jobs from which people were retrenched or made redundant, the people affected by retrenchment and redundancy, and their subsequent labour force outcomes. No distinction is made between the terms 'retrenched' and 'made redundant'.

The statistics used were compiled from data collected in the Retrenchment and Redundancy Survey that was conducted throughout Australia in July 2001 as a supplement to the Australian Bureau of Statistics (ABS) Labour Force Survey (LFS).

All data are for Western Australian (WA) unless otherwise stated.

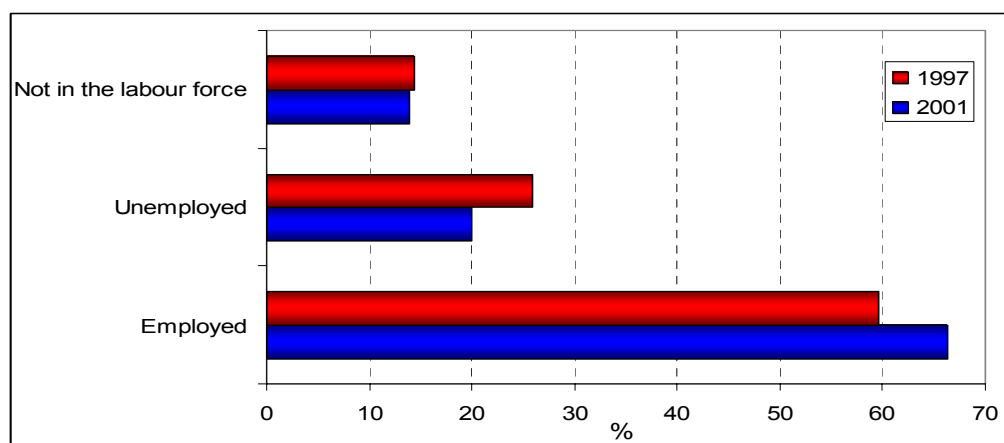
OVERVIEW

In July 2001, the number of persons aged 18-64 who had held a job in the previous three years was 1,018,000. Of these 58,700 (5.8%) had been retrenched in the three years prior to July 2001. This compares with 7.3 per cent in the previous survey which covered the three years prior to July 1997. Nationally the proportion of people who had been retrenched in the three years prior to July 2001 was 6.0 per cent.

Of those persons retrenched in the three years prior to July 2001, 38,900 (66.3%) were employed at July 2001. This compares with 41,000 (59.6%) who were employed at July 1997 after having been retrenched at some time in the three years prior to that date. Nationally the proportion of persons who were employed after being retrenched in the three years prior to July 2001 was 67.2 per cent.

Of those persons retrenched in the three years prior to July 2001, 11,700 (19.9%) were unemployed at July 2001. This compares with 17,800 (25.9%) who were employed at July 1997 after having been retrenched at some time in the three years prior to that date. Nationally the proportion of persons who were employed after being retrenched in the three years prior to July 2001 was 16.6 per cent.

Persons Retrenched or Made Redundant in the Previous Three Years, by labour force status



Source: ABS *Retrenchment and Redundancy* (Catalogue No. 6266.0) Unpublished State data

Of those persons who had been retrenched in the three years prior to July 2001, 86.4 per cent had been retrenched once, 10.4 per cent had been retrenched twice and 3.2 per cent had been retrenched three times or more.

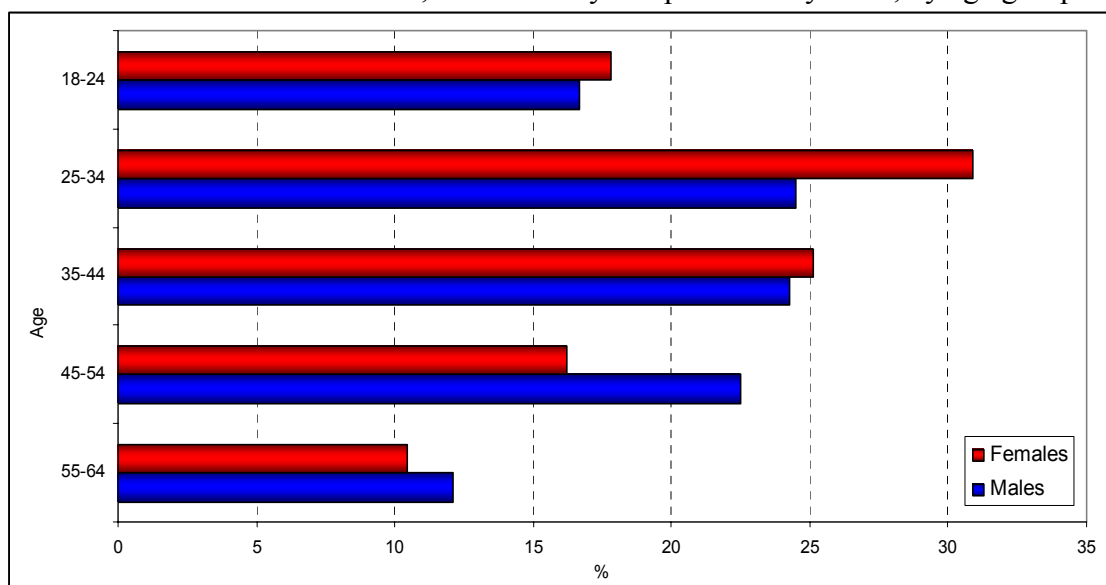
Over a quarter (28.1%) of persons retrenched in the three years prior to July 2001 had been employed in the job from which they were retrenched for less than 12 months, 28.6 per cent between one and under three years, 24.5 per cent between three years and under five years, 12.9 per cent between 10 and under 20 years and 5.8 per cent for 20 years or over.

AGE

Over half (51.1%) of those persons retrenched in the three years prior to July 2001 were aged between 25-44 years, with 26.6 per cent aged between 25-34 years and 24.5 per cent between 35-44 years.

Just under one-quarter (24.5%) of males retrenched in the three years prior to July 2001 were aged between 25-34 years while a further 24.2 per cent were aged between 35-44 years. Over thirty per cent of females retrenched were aged between 25-34 years and 25.1 per cent were aged between 35-44 years.

Persons Retrenched or Made Redundant, in the three years prior to July 2001, by age group



Source: ABS *Retrenchment and Redundancy* (Catalogue No. 6266.0) Unpublished State data

INDUSTRY

The largest number of employees were retrenched from jobs in the following industries:

- Construction – 8,600 (15.6%);
- Manufacturing – 8,200 (14.0%); and
- Mining – 6,000 (10.2%)

Nationally the largest number of employees were retrenched from Manufacturing (20%), Property and business services (12%) and Construction (11%).

There is a relatively high share of retrenchments in the traditionally male-oriented industries such as Construction and Manufacturing.

The industries which recorded the highest proportion of retrenchments, relative to the number of employees at May 2001, were Mining (17.7%), Communication Services (14.6%) and Construction (11.0%).

Persons Aged 18-64 Years, by industry

	Retrenched employees (a)	Employees aged 18-64, May 2001 (b)	Retrenched employees as a proportion of total employed
Agriculture, forestry and fishing	1.3	43.7	3.0
Mining	6.0	33.9	17.7
Manufacturing	8.2	95.9	8.5
Electricity, gas and water supply	0.9	8.4	10.8
Construction	8.6	78.1	11.0
Wholesale trade	3.6	44.4	8.1
Retail trade	6.1	133.3	4.6
Accommodation, cafes and restaurants	3.5	52.3	6.7
Transport and storage	4.0	41.7	9.6
Communication services	2.4	16.4	14.6
Finance and insurance	2.6	24.4	10.6
Property and business services	3.9	110.1	3.5
Government administration and defence	2.3	34.6	6.7
Education	0.6	63.7	0.9
Health and community services	2.0	98.2	2.0
Cultural and recreational services	1.5	17.3	8.7
Personal and other services	1.2	34.0	3.5
Total	58.7	930.3	

(a) Industry of job from which retrenched or made redundant in the three years prior to July 2001

(b) Industry data for employees aged 18-64 years are from Labour Force Australia, May 2001

OCCUPATION

The largest number of employees were retrenched from jobs in the following occupations:

- Tradespersons and related workers – 9,300 (15.8%);
- Intermediate production and transport workers – 8,800 (15.0%); and
- Intermediate clerical sales and service workers – 8,300 (14.1%)

For males the most common occupations affected were Tradespersons and related workers (22.5% of all retrenched males) and Intermediate production and transport workers (21.7%). In contrast, for females the most commonly affected occupations were Intermediate clerical sales and service workers (29.8% of all retrenched females) and Associate Professionals (19.4%).

The occupations which recorded the highest proportions of retrenchments relative to the number of employees at May 2001 were Intermediate production and transport workers (10.5%), Labourers and related workers (8.4%) and Associate professionals and Advanced clerical and service workers (7.2% each).

Persons Aged 18-64 Years, by occupation

	Retrenched employees (a)	Employees aged 18-64, May 2001 (b)	Retrenched employees as a proportion of total employed
Managers and administrators	2.2	56.0	3.9
Professionals	6.8	163.7	4.2
Associate professionals	7.8	108.2	7.2
Tradespersons and related workers	9.3	135.3	6.9
Advanced clerical and service workers	3.1	43.3	7.2
Intermediate clerical, sales and service workers	8.3	161.6	5.1
Intermediate production and transport workers	8.8	83.6	10.5
Elementary clerical, sales and service workers	5.9	98.6	6.0
Labourers and related workers	6.7	80.0	8.4
Total	58.7	930.3	

(a) Occupation of job from which retrenched or made redundant in the three years prior to July 2001

(b) Occupation data for employees aged 18-64 years are from Labour Force Australia, May 2001

REASON FOR RETRENCHMENT

In July 2001, 43.6 per cent of persons retrenched in the previous three years indicated that the main reason for retrenchment was 'not enough work/job cuts'. Other commonly reported reasons included 'business closed' (16.5%) and 'change of management' (7.0%). In June 1997, 44.2 per cent of persons retrenched in the previous three years indicated that the main reason for retrenchment was 'not enough work/job cuts' and that the 'business closed' (13.9%).

Over three-quarters (78.0%) of those retrenched in the three years prior to July 2001 were given prior notice of less than five weeks, with 16,800 (28.6%) given notice of less than one day.

EMPLOYMENT ASSISTANCE

For persons retrenched in the three years prior to July 2001, the most common agencies contacted for employment assistance were employers (33,500), employment agencies (26,500) and Centrelink (25,800).

The most common types of assistance provided by those agencies included 'provided with a job placement' (17,400), 'referral to a Centrelink touchscreen' (14,200) and 'referral to a interview for a job' (13,500).

Note that those persons who contacted agencies for employment assistance can be included in more than one category. Similarly, more than one type of assistance could have been provided.