INSECURE WORK: WHAT ARE THE FACTS?
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The 'casualisation' the workforce is proceeding apace, to the point where twenty two per cent of jobs are now casual. Little wonder there's so much concern about job security. That is what they say all right. And they have said it so often many of us have come to believe it. The trouble is what they say doesn't fit the facts. Ross Gittins, 'More casual jobs: saying is believing', The Age, Wednesday 2 August, 2000 On the face of it, the Howe exercise is an inquiry in search of a problem. In particular, the propositions that the incidence of insecure work has increased or that the divide between the core and periphery in the labour market has grown - there has always been some divide between the skilled and unskilled - are simply not borne out by the facts. Judith Sloan, 'Nothing casual about our diverse workforce', The Australian, Saturday April 21 2012 My paper will address this issue posed by Ross Gittins a decade ago and last year by Judith Sloan; what are the facts? Few will question the fact that the Australian economy today is a very different economy than that which existed in Australia thirty years ago. Successive governments have sought to encourage greater international economic integration, to reduce trade barriers and to encourage a much greater export orientation; not only in traditional primary products and manufactured goods but also in services such as health and education. This period has also seen very significant changes in computing power and communications technology, contributing to the pace of change including in managerial organisation in both the public service and private industry. It would be surprising if together these changes did not impact on the nature and distribution of work. The Independent Inquiry into Insecure Work uncovered significant concerns about some of the impacts of these changes on workers and their families. In this paper I will test our findings against the available evidence. Our Inquiry found that, while the trends cited above have undoubtedly improved living standards in Australia, the same period have also given rise to the unprecedented growth of insecure work. This has occurred for a number of reasons, but the key driver has been the emergence of a business model across both the private and the public sectors that shifts the risks associated with work from the employer to the employee, and minimises labour costs at the expense of job quality. INSECURE WORK: THE FACTS The Independent Inquiry into Insecure Work in Australia defined 'insecure work' as poor quality work that provides workers with little economic security and little control over their working lives. The characteristics of these jobs can include unpredictable and fluctuating pay; inferior rights and entitlements; limited or no access to paid leave; irregular and unpredictable working hours; a lack of security and/or uncertainty over the length of the job; and a lack of any say at work over wages, conditions and work organisation. These challenges are most often associated with non-permanent forms of employment like casual work, fixed-term contracts, independent contracting and labour hire. For many workers, these jobs mean being unable to: 'Plan ahead or make time to be with your family;' 'Secure a car loan or a home loan;' or 'Speak out at work about issues like health and safety.' While it can be difficult to precisely quantify the extent of insecure work in Australia, Australian Bureau of Statistics data provides an understanding of the scale of the problem. Almost one quarter of all employees in Australia (23.9% or 2.2 million workers), and one fifth of the total workforce, are engaged in casual employment. The proportion of Australian employees engaged in casual work has grown significantly over the past decades: from 15.8% in 1984 to around 27.7% in 2004, before declining slightly and remaining relatively stable at around a quarter of all employees since then. Over half of all casual employees are 'permanent casuals' in that they have long-term, ongoing and regular employment but, by virtue of being a casual, have none of the basic entitlements associated with ongoing employment. Over half of all casuals have been employed in their current job for over a year and over 15% of casuals have been in their job for more than 5 years. ABS data shows that more than half of all casual employees would prefer ongoing work. Fixed-term employment accounts for just over 4% of all employees, but it is heavily concentrated in just a few sectors: education, public administration & safety, and health care and social assistance. Over one million workers in Australia (9% of the workforce) are independent contractors. Many contractors, though independent by law, are in reality economically dependent on a single client. The number of dependent contractors in the workforce is difficult to estimate. From ABS statistics, however, we know that around 40% of all contractors (406,200 workers) are dependent contractors in that they have no authority over their own work. A significant number of contractors are engaged in sham contracting arrangements, whereby an employment relationship is misrepresented or disguised as a contracting one.

Accurate and recent data on the extent of labour hire arrangements in Australia is not readily available. ABS data indicates that, in 2011, around 605,400 or 5% of Australian workers obtained their jobs through labour hire firms/employment agencies, but less than a quarter of these (141,700 workers) were paid directly by the labour hire firm. The ABS, however, is likely to under-estimate the number of labour hire workers. While estimates vary, labour hire workers constitute between 2 and 4% of all workers in Australia, and are concentrated in manufacturing, property and business services and health and community services. Evidence suggests the use of labour hire has increased significantly in the past decades, with the Productivity Commission estimating in 2005 that the number of labour hire workers in Australia had increased from 33,000 in 1990 to 190,000 in 2002 - a rate of growth of 15.7 % a year. Workers also experience insecure work in the form of working time insecurity. For many workers, this takes the form of too few or irregular hours of work. There are over 850 000 workers in Australia working part-time hours who would like to work more. Working time insecurity in the form of irregular or fragmented hours is common in industries and sectors such as...
retail, hospitality and health services, where employers have sought to enhance flexibility and reduce costs by reducing or removing restrictions on working time arrangements: widening the span of ordinary hours, averaging working hours, removing or reducing penalty payments for extended or unsociable hours, and reducing minimum periods of engagement. Lack of predictability of scheduling (on a daily and weekly basis) has further eroded job quality. These types of insecurities are particularly experienced by casual workers and, in some sectors, increasingly also by part-time employees. ABS data also shows that 37% of all employees working part-time hours have no guaranteed minimum number of hours of work and that many casual workers face insecurity in the form of too few hours, with 29% of all casuals wanting to work more hours than they currently work. Casuals also experience significant variability in working hours, with 35% of casual workers in jobs where hours varied weekly.