

The Dimensions of Insecure Work: A Factbook

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Summary

- This factbook reviews eleven different dimensions of job security in Australia, and documents a clear and multi-faceted deterioration in the overall stability of work in the period from 2012 (the peak of the resources investment boom) to the present.
- No single statistical indicator completely captures the full extent of changes in job security, and many dimensions of insecure work are not adequately described in current sources (such as irregular hours, multiple job holding, labour hire, gig work, and more).
- Nevertheless, across the range of available indicators considered, a consistent trend toward greater insecurity is clearly visible.
- Key ways in which work is becoming less secure in Australia include:
 - Part-time work has grown, and many part-time workers are underemployed and work very short or irregular hours.
 - Casual employment has also grown, especially quickly for men.
 - Marginal self-employment is growing, particularly among part-time, unincorporated, solo entrepreneurs.
 - Earnings for workers in insecure jobs are low, and have declined in real terms.
 - Fewer workers are protected by enterprise agreements (especially in the private sector), while reliance on modern awards for minimum wages and conditions has expanded.
 - Temporary foreign migrants make up a larger share of the total potential labour force, and face especially insecure and exploitive conditions.
 - Young workers experience labour market insecurity most directly and forcefully.
- Some of those indicators have been steadily declining for decades, while others show a more cyclical medium-run deterioration. But combined, they indicate a significant decline in overall job security.
- The traditional employment relationship, based on permanent, full-time work with normal entitlements (such as paid leave and superannuation), has been chipped away on many sides. Today, for the first time in recorded statistics, less than half of employed Australians work in a permanent full-time paid job with leave entitlements.

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Introduction

Australia's labour market has become a more challenging place in recent years, for two main reasons: the *quantity* of work available is inadequate relative to the number of people who need jobs, and the *quality* of work (even for those who find and keep a job) has been deteriorating.

The inadequate quantity of work is evident by many measures. Official job-creation statistics seemed strong in 2017, but in essence only kept up with population growth and labour force participation. So the official unemployment rate remains elevated (5.6 per cent in most recent data), and has increased in recent months even as global economic growth picks up (and the unemployment rate in other countries with lower joblessness, like the U.S., Japan, and Germany, continues to fall). More important, the official unemployment rate is just the tip of the iceberg of this quantity problem: other "hidden" pools of unutilised and underutilised labour indicate that the true quantity problem is much worse. This includes underemployment (workers employed for a few hours per week, but who want and need more hours), discouraged workers (who have given up looking, and hence disappear from official unemployment statistics), and a large group of close to one million workers which the Australian Bureau of Statistics calls "marginally attached" (people who say they would work if jobs were available).¹ Including these pools of "hidden unemployment," true underutilisation in Australia's labour market exceeds 15 per cent: three times the official unemployment rate.²

The problem of the declining quality of work is related to the inadequate quantity of work for obvious reasons: when employers realise there are many more workers seeking work than jobs available, they reduce the wages, entitlements, and conditions of employment (thus improving their own profit margins) accordingly, yet still attract and retain enough workers to run their businesses. This helps to explain the unprecedented slowdown in wage growth in Australia's labour market. Since 2012, annual wage increases have decelerated to the slowest pace in decades. Depending on which measure of wage increases is chosen, wages are presently growing between 0.5 and 2.0 per cent per year.³ For many workers, this lags well behind the rate of consumer price inflation (and hence producing a decline in the real purchasing power of their wages).

¹ ABS Catalogue 6226.0, Table 8.1.

² Jim Stanford, "Australia's Unemployment Rate Isn't What It Seems," *New Matilda*, 10 August 2016, <https://newmatilda.com/2016/08/10/australias-unemployment-rate-isnt-what-it-seems/>.

³ The most commonly-reported measure of wage inflation is the Wage-Price Index (WPI), which estimates the increase in wages for a fixed "bundle" of representative jobs, and suggests wages are growing at around 2 per cent per year (ABS Catalogue 6345.0). However, because it controls for the composition and quality of different jobs, the WPI overstates wage growth at a time when average job quality (measured by wages, hours of work, and other indicators) is deteriorating. Broader measures of wage inflation (such as average weekly earnings, or average labour compensation per hour or per worker from the national income accounts) indicate that wage growth is slower than indicated by the WPI.

In addition to weak wage increases, however, there are many other indications of the deterioration in job quality. In particular, the phenomenon of insecure work, where workers are hired under terms which impose great uncertainty in the hours, pay, and tenure of employment, has become ubiquitous in Australia's labour market. In previous decades, most jobs were permanent, paid positions, where a worker could count on both continued, steady employment and the income that came with it. Of course, few workers enjoyed a "job for life": employment could always be jeopardized due to downturns in business, poor personal performance, or other problems. But in the absence of macroeconomic difficulties or individual performance issues, most workers could count on their jobs continuing indefinitely. That facilitated long-term family decisions regarding home ownership, major consumer purchases, childrens' higher education, and other aspects of quality, stable, inclusive prosperity.

This ideal of steady, permanent employment was never universal: many groups of workers (including women, new immigrants, and young people) always experienced tremendous uncertainty and flux in their work lives. But in recent years, a growing share of jobs in Australia's economy has deviated from that traditional employment relationship. And those deviations are experienced in many different directions: including part-time work, temporary and casual jobs, irregular hours, independent contractors and marginal forms of self-employment, and now "gig" jobs working for digital platforms. No single statistical indicator can capture all of these dimensions of the growth of insecure work. But together, these multi-faceted changes in the quality and stability of work are chipping away at the ability of working people in Australia to reliably support themselves and their families – and to achieve their share of national prosperity.

Many Australians worry about the insecurity of work, the declining opportunities for permanent, stable employment, and in particular what it means for the next generation of Australian workers – many of whom may never find a permanent, regular job.⁴ Proposals to improve the stability of employment, and to protect workers from some of the worst manifestations of insecure work (for example, by giving long-time casual workers an option to shift to permanent status with paid entitlements), are an important part of the new campaign by the trade union movement to "Change the Rules" of Australia's labour laws.⁵

However, some defenders of the status quo in Australia's labour market continue to deny any problem with the quality or security of modern work. Craig Laundy, Australia's Minister for Small and Family Business, the Workplace and Deregulation, has argued that the employment system "is working exactly as it was designed to function," that "casual work is a completely appropriate way for many businesses and many employees to conduct their relationship," and that insecure work has not become more common. "The rate of insecure

⁴ For example, see the polling results reported in *Household Financial Comfort Report* (Melbourne: ME Bank, 2018), <https://www.mebank.com.au/news/household-financial-comfort-report/>.

⁵ Australian Council of Trade Unions, "Sally McManus, Secretary ACTU, Press Club Speech, Change the Rules for More Secure Jobs and Fair Pay", 21 March 2018, <https://www.actu.org.au/media/1033746/180320-national-press-club-speech-sally-mcmanus-march-21-2018.pdf>.

work in this country is ... completely where it was 20 years ago,” Mr. Laundry has argued.⁶ He even claimed that the union movement’s campaign for more secure jobs is “based completely on lies.”⁷ Business advocates make similar claims, arguing that casual work, labour-hire positions, and other forms of insecure work are no more common, or even less common, than in previous years,⁸ and that the best way to improve the conditions and compensation of work is to reduce taxes on businesses rather than strengthen labour regulations.⁹ Regarding the preponderance of so-called “gig” jobs in digital platforms (such as Uber and Deliveroo), Mr. Laundry suggested that “the amount they make is as completely as it should be, a relationship between them and their clients” (rather than being subject to minimum wage laws or other government regulations);¹⁰ he also claimed that workers in the gig economy (like Uber drivers) actually earn high incomes (citing an Uber driver with purported income of \$100,000 per year).¹¹

The claim that work is as stable and secure as it ever was will strike most Australians as far-fetched, running counter to the lived experience of many Australians (especially young workers) who struggle to find and keep regular, stable employment. This factbook will review and summarise eleven empirical indicators attesting to the growth of non-standard employment, and the various dimensions of insecure work. No single indicator fully portrays this broad shift in the nature of employment relationships, away from permanent and relatively secure paid employment, and towards a labour market in which work has become more contingent and unreliable. But taken together they confirm that the traditional expectation that a “job” should be a largely permanent and predictable relationship, offering workers the chance to earn a stable and adequate income, is being eroded on many sides.¹²

⁶ Quotes from interview with Fran Kelly, RN Breakfast, ABC Radio, 21 March 2018, <http://www.abc.net.au/radionational/programs/breakfast/craig-laundry/9570068>.

⁷ Jessica Irvine, “Who’s Telling the Truth About Casual Workers in Australia,” *Sydney Morning Herald*, 21 March 2018, <https://www.smh.com.au/politics/federal/who-s-telling-the-truth-about-casual-workers-in-australia-20180321-p4z5ig.html>; Steve Price, “Federal MP Slams Dishonest Union Advertising Campaign,” 2GB Radio, 13 March 2018, <https://www.2gb.com/federal-mp-slams-dishonest-union-advertising-campaign/>.

⁸ Adam Gartrell, “Employers Accuse ACTU Boss of Peddling Lies to Boost Union Membership,” *Sydney Morning Herald*, 21 March 2018, <https://www.smh.com.au/politics/federal/employers-accuse-actu-boss-of-peddling-lies-to-boost-union-membership-20180321-p4z5h1.html>.

⁹ Editors, “Sally McManus Speech a Throwback to the Unions’ Racist Protectionist Past,” *Australian Financial Review*, 21 March 2018, <http://www.afr.com/opinion/editorials/sally-mcmanus-speech-a-throwback-to-the-unions-racist-protectionist-past-20180321-h0xrqw>.

¹⁰ Quotes from interview with Fran Kelly, RN Breakfast, ABC Radio, 21 March 2018, <http://www.abc.net.au/radionational/programs/breakfast/craig-laundry/9570068>.

¹¹ Andrew Tillett, “Uber Drivers Can Earn ‘\$100k’, Craig Laundry Claims as he Hits Back at Union Push,” *Australian Financial Review*, 21 March 2018, <http://www.afr.com/news/uber-drivers-can-earn-100k-craig-laundry-claims-as-he-hits-back-at-union-push-20180321-h0xrb4#ixzz5BSK9DQY0>. A recent report from the Centre for Future Work simulated the average net hourly incomes of Uber-X drivers (after paying Uber fees, taxes, and vehicle operating costs) in 6 Australian capital cities at \$12.62 per hour; at that rate, a driver would have to work over 18 hours per day, every day of the year, to earn \$100,000; see Jim Stanford, “Subsidising Billionaires: Simulating the Net Incomes of UberX Drivers in Australia”, Centre for Future Work, March 2018, https://www.futurework.org.au/innovation_or_exploitation_simulating_net_hourly_incomes_of_uberx_drivers.

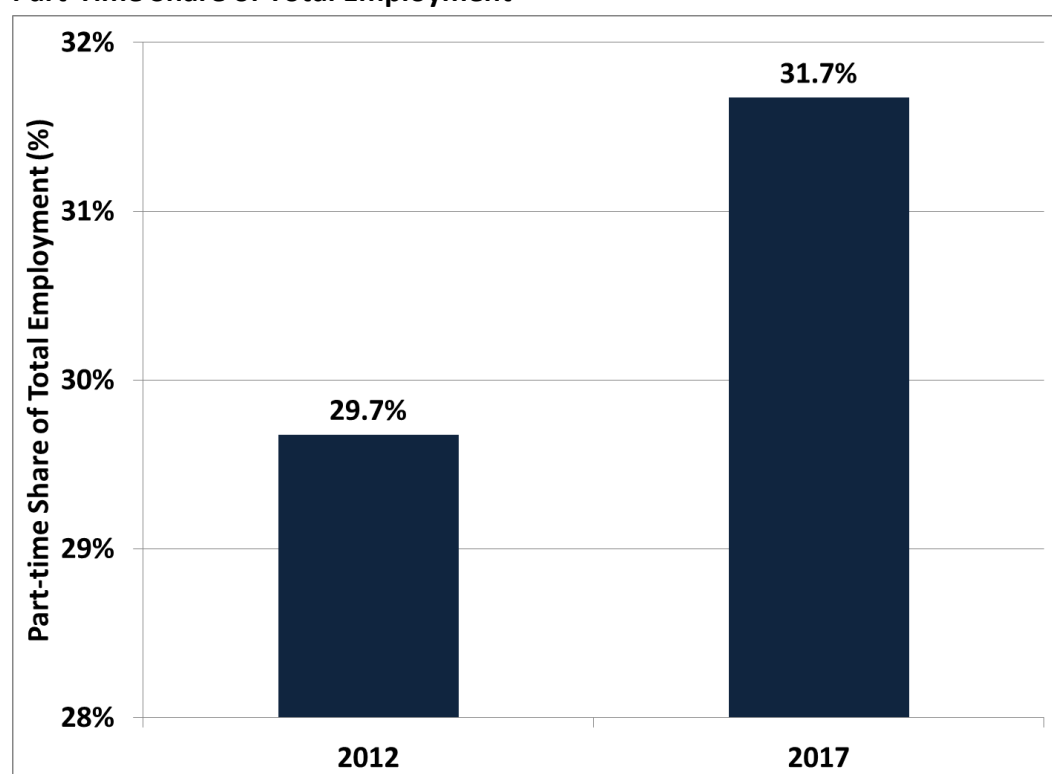
¹² The phenomenon of insecure or precarious work has been documented and analysed in many academic studies and public reports. See, for example, I. Campbell and R. Price, “Precarious work and precarious workers: towards an improved conceptualization,” *Economic and Labour Relations Review* 27(3), 2016, pp.314–332; H. Gottfried, “Insecure employment: diversity and change,” in A. Wilkinson, G. Wood and R. Deeg (eds), *The*

For most of the indicators presented here, we report the evolution of job insecurity over the past five years, comparing full-year average values from 2012 to 2017. (In one case, 2016 data is the most recent available, so the comparison is made over four years.) Some indicators of insecure work exhibit a cyclical pattern reflecting the overall state of the labour market. For example, part-time work and self-employment jobs can become less common when overall labour demand conditions are strong, and it becomes easier for workers to hold out for full-time paid positions. At the same time, however, longer-run structural trends are also evident. In Australia's case, those structural trends were partially masked by the very strong labour market conditions that (temporarily) persisted during the resources boom of 2002-12. Since that boom has petered out, however, the labour market has weakened considerably in the wake of the downturn in resource investment that began in 2012, and the subsequent contractions in commodity prices and mining employment. Since 2012, weak cyclical conditions are accentuating the longer-run trend toward insecure work – since workers, facing job shortages, are more willing to accept non-standard positions with less appealing compensation and predictability. Our five-year comparisons, therefore, are capturing the dual combination of weak cyclical conditions and ongoing longer-term structural trends. For both of these reasons, the problem of insecure work has become noticeably worse since 2012.

Oxford Handbook of Employment Relations (Oxford: Oxford University Press, 2014); Independent Inquiry into Insecure Work, *Lives on Hold: Unlocking the Potential of Australia's Workforce* (Melbourne: Australian Council of Trade Unions, 2012), https://www.actu.org.au/media/349417/lives_on_hold.pdf; A.L.Kalleberg, "Precarious work, insecure workers: employment relations in transition," *American Sociological Review* 74(1), 2009, pp.1–22 ; and W. Lewchuk et al., *It's More Than Poverty: Employment Precarity and Household Well-Being* (Toronto: United Way, 2013), <http://www.unitedwaytyr.com/document.doc?id=91>.

Indicator #1: Part-Time Employment

Part-Time Share of Total Employment



Source: Centre for Future Work calculations from ABS Catalogue 6202.0, Table 1.

One of the biggest changes in employment patterns in recent decades has been the expansion of part-time work. The share of part-time jobs in total employment grew by 2 full percentage points between 2012 and 2017, reaching almost one-third (31.7 per cent) of all jobs. The 2017 part-time employment share was the highest in Australia's history; and while the part-time employment rate fell somewhat later in the year, it has been growing again in 2018. Between 2012 and 2017, 57 per cent of all net new jobs in Australia were part-time. The share of part-time jobs in Australia's labour market is now third highest of any industrialised country¹³ (behind only Netherlands and Switzerland – countries which offer much stronger labour protections for part-time workers).

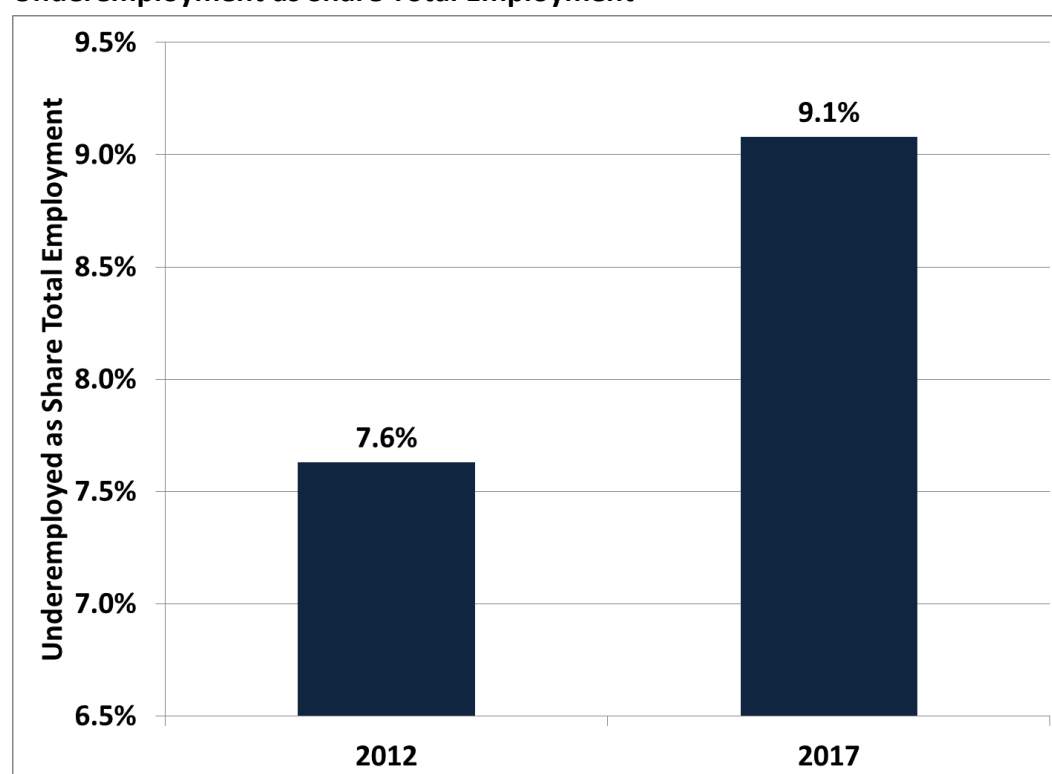
The incidence of part-time work is much higher for women: almost half of women workers are in part-time positions, versus just under one-fifth for men. However, part-time work has grown more than twice as fast among men as women in the last five years.

Part-time work can be decent work if it is accompanied by regular hours, decent pay, and normal entitlements to paid leave and other employment benefits. Unfortunately this is not the case for part-time workers in Australia. For many workers, part-time hours are insufficient to pay their bills: many part-time workers would like to work more hours (discussed below), and most part-time workers are employed as casual workers.

¹³ From OECD Labour Market Statistics, <https://data.oecd.org/emp/part-time-employment-rate.htm>.

Indicator #2: Underemployment

Underemployment as Share Total Employment



Centre for Future Work calculations from ABS Catalogue 6291.0.55.003, Table 19.

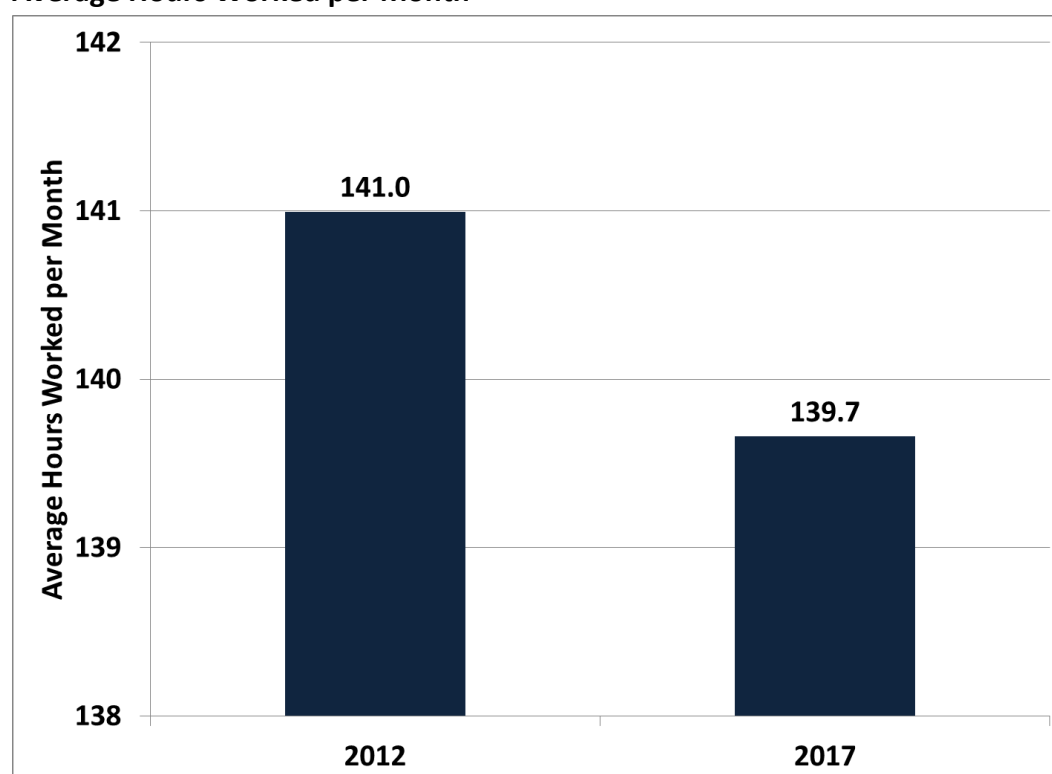
For many Australians, having a job is no guarantee that they will receive enough hours of work to meet their income requirements. The Australian Bureau of Statistics measures underemployment among individuals who report wanting to work additional hours.¹⁴ The underemployment ratio (underemployed workers as share of total employment) has jumped by 1.5 percentage points over the last five years. This reflects the compulsion facing workers in a weak labour market to accept less desirable jobs, in order to earn at least some money while awaiting better opportunities. Over 9 per cent of all employed workers in 2017 preferred to work more hours – the highest underemployment ratio ever.

The problem of underemployment is closely tied to the growth of part-time work. 27 per cent of part-time workers would prefer to work more hours – and one-third of male part-time workers want more hours. This confirms that the growth of part-time work has been driven largely by a lack of full-time opportunities, rather than by a preference by workers for part-time schedules.

¹⁴ This measure does not consider the problem of workers whose jobs do not fully utilise their skills and capacities, which is another dimension of “underemployment.”

Indicator #3: Falling Hours of Work

Average Hours Worked per Month



Source: Centre for Future Work calculations from ABS Catalogue 6202.0, Tables 1 and 19.

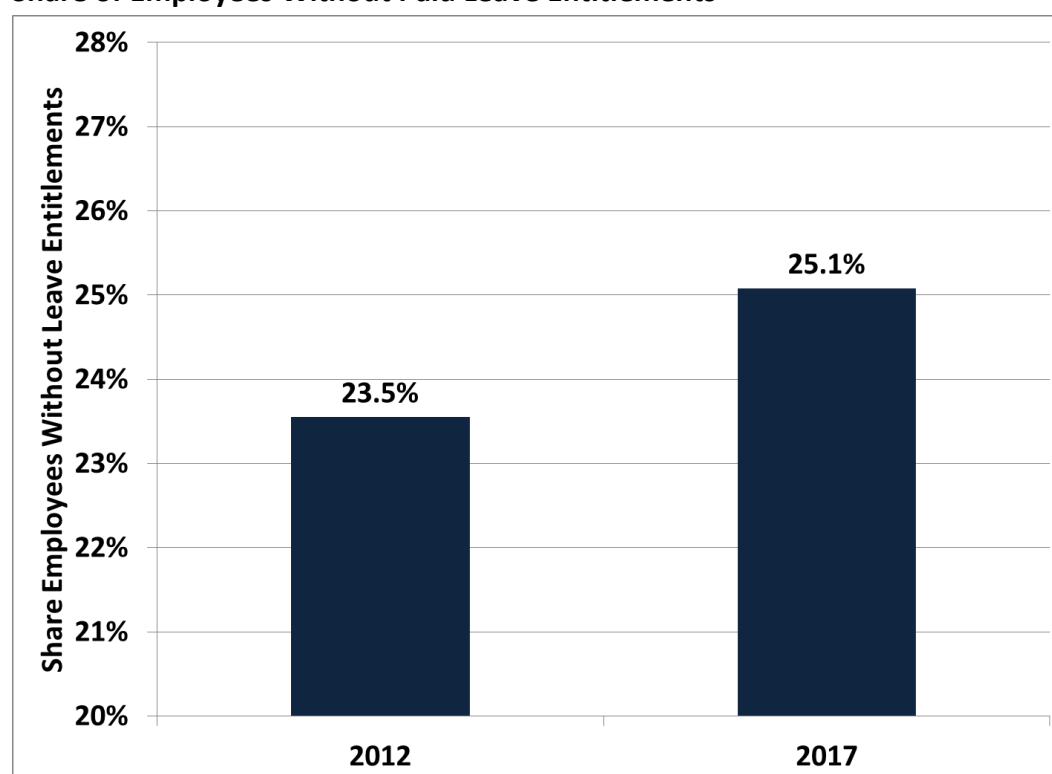
A consequence of the growth of part-time work and underemployment is a decline in the average hours worked by employed Australians. Hours worked per employed Australian fell by more than one hour per month over the past five years, to 139.7 hours per month in 2017. The inadequate hours of work received by many Australians compounds the problem of low and stagnant wages paid in many jobs, creating a two-pronged crisis in incomes. Of course, if accompanied by rising wages and improved job security, then shorter average working hours could be a positive development (allowing workers better opportunity to balance work and home life). But in the current context of stagnant wages and growing precarity, this trend is an indicator of underlying weakness in labour markets – not a sign of forward progress.¹⁵

Another dimension of inadequate hours is the significant number of Australian workers who work very short hours: on average almost 700,000 Australian workers worked less than 10 hours per week in 2017, and another 1.1 million worked between 10 and 19 hours per week. The incidence of very short hours of work has grown notably among men in recent years (in line with growing male part-time work and underemployment).

¹⁵ The ironic coexistence of large numbers of Australians who don't get enough hours of work, with a proportion who would prefer to work less hours, is discussed further in Tom Swann and Jim Stanford, "Excessive Hours and Unpaid Overtime: An Update," Centre for Future Work, November 2016, https://www.futurework.org.au/go_home_on_time_wednesday_23_november.

Indicator #4: Incidence of Casual Work

Share of Employees Without Paid Leave Entitlements



Source: Centre for Future Work calculations from ABS Catalogue 6333.0, Table 2.3.

Lack of entitlement to paid leave (such as sick leave and annual leave) is commonly interpreted as a proxy for casual or temporary employment; employees who don't receive paid leave are supposed to receive casual-loaded wage rates as compensation.¹⁶ By this measure, over one in four paid employees (excluding self-employed workers) now works in a casual job, and this share increased 1.6 percentage points since 2012. The growth of casual work is driven by two simultaneous trends: the growing incidence of part-time work (most part-time jobs are casual), and the casualization of full-time work (12 per cent of full-time positions are now casual). As with part-time employment, the incidence of casual work is higher among women (27 per cent in 2017), but it is growing twice as fast among men. Australia has the highest incidence of temporary work of any OECD country.¹⁷

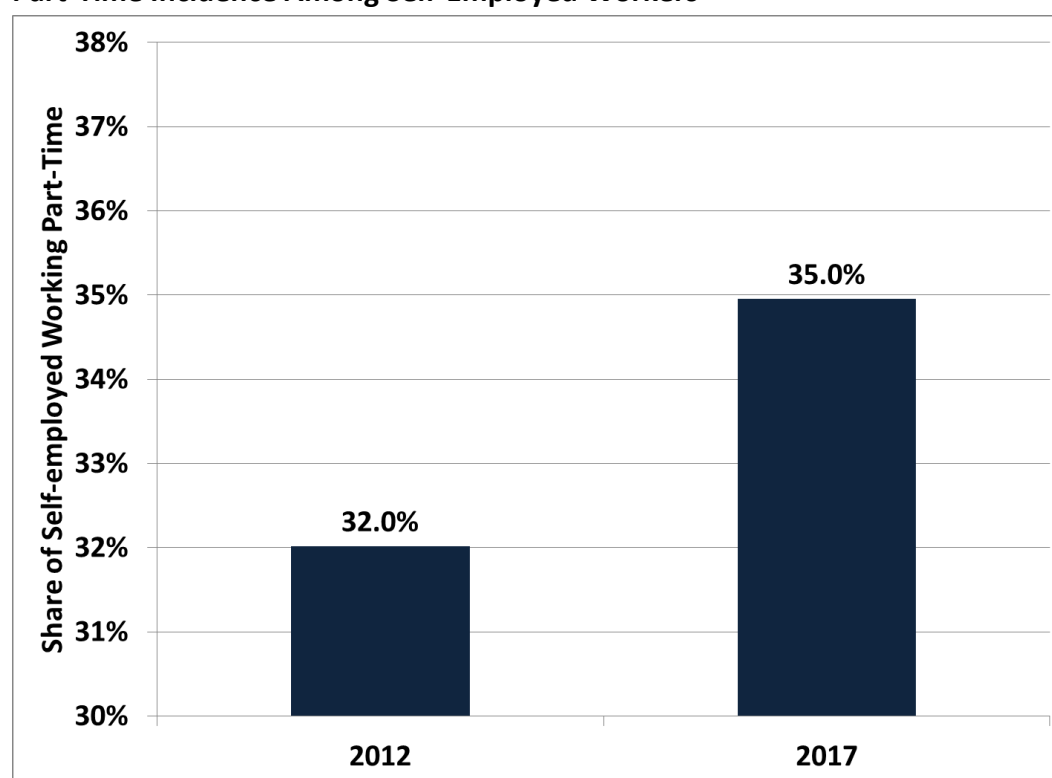
The proportion of paid employees in casual jobs reflects both cyclical fluctuations (depending on labour market tightness) and a long-run upward trend; casualisation is much higher than in the early 1990s, and close to the all-time record set in the early 2000s. Moreover, this proxy measure of "casual" work understates the extent of casual-like work arrangements. For example, the now-common use of irregular working hours for permanent part-time workers allows employers to avoid committing to regular shifts, but without paying casual loading benefits.

¹⁶ As with many other legal minimum entitlements, the enforcement of casual loading requirements is weak, and non-compliance is common.

¹⁷ From *In It Together: Why Less Inequality Benefits All* (Paris: OECD, 2015), Figure 4.1.

Indicator #5: Marginal Self-Employment

Part-Time Incidence Among Self-Employed Workers



Source: Centre for Future Work calculations from ABS Catalogue 6333.0, Table 10.1.

Self-employment has increased rapidly in recent years, accounting for 2.1 million Australians in 2017 – or over 18 per cent of total employment. Some celebrate self-employment as evidence of self-reliance, in many cases it represents desperate efforts by workers to support themselves in the absence of regular employment – or, worse yet, the artificial “creation” of nominally self-employed positions by businesses trying to evade traditional costs and responsibilities of being an employer. For example, under “sham contracting” arrangements, firms pay workers as if they were independent businesses (a common practice in several sectors, including cleaning, transportation and construction). Digital platform businesses have also been structured to avoid being considered “employers.”

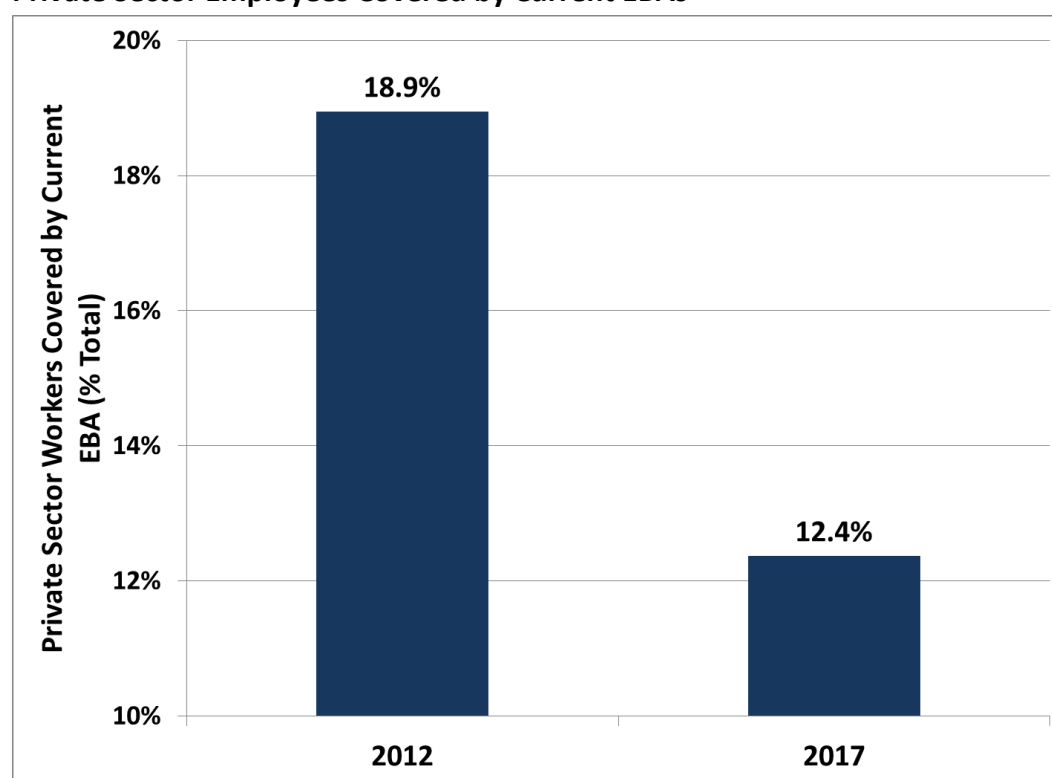
The insecure nature of most self-employment is evident on a number of grounds. Almost two-thirds of self-employed workers are not incorporated, and almost 60 per cent have no employees (meaning their access to time off work or continuing income in case of illness is minimal).¹⁸ And the proportion of self-employed individuals working part-time has grown markedly in recent years, reaching 35 per cent in 2017. Earnings for many self-employed Australians are low and unstable: for example, median earnings for part-time self-employed individuals with no employees were 60 per cent lower than for full-time paid employees.¹⁹

¹⁸ Centre for Future Work calculations from ABS Catalogue 6291.0.55.003, Data Cube EQ04.

¹⁹ Centre for Future Work calculations from ABS Catalogue 6333.0, Table 7.1; includes incorporated self-employed only.

Indicator #6: Coverage by an Enterprise Agreement

Private Sector Employees Covered by Current EBAs



Source: Centre for Future Work calculations from Dept. of Jobs and Small Business, "Trends in Federal Enterprise Bargaining," and ABS Catalogues 6202.0 and 6291.0.55.003.

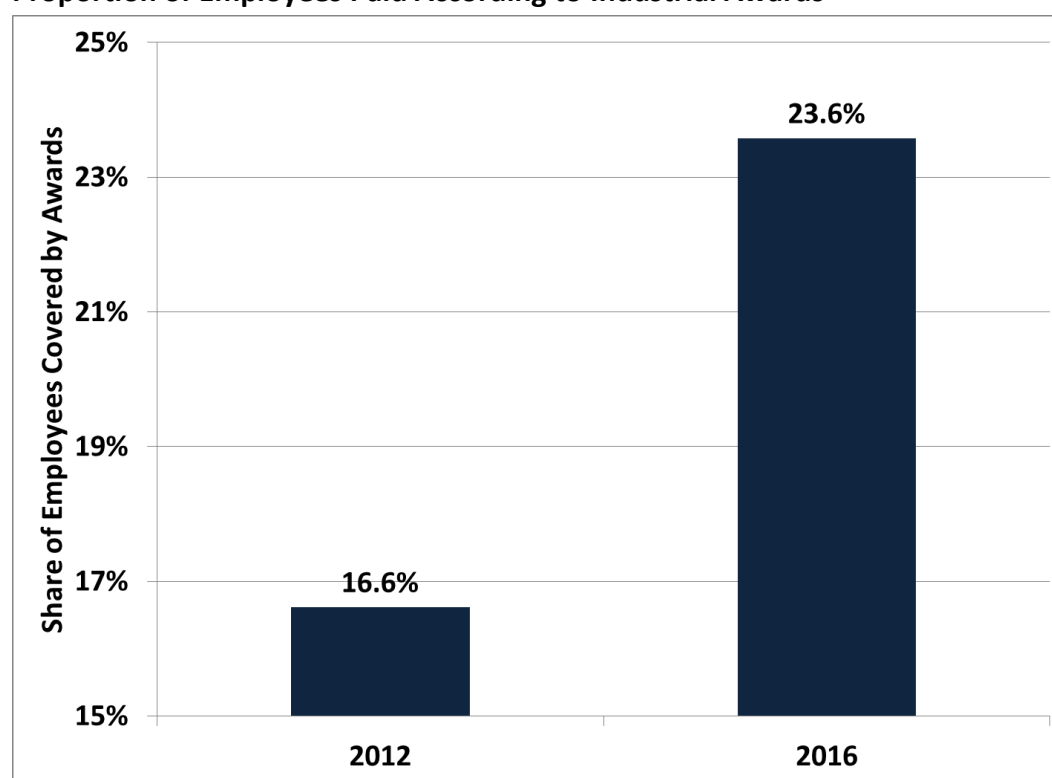
One important instrument providing some protection and stability in work is coverage by an enterprise agreement. Enterprise bargaining agreements (EBAs) set out wages and entitlements, and specify processes for representation and dispute settlement. However, the proportion of Australian workers covered by an EBA has declined significantly in recent years: in fact, this is one of the most dramatic indicators of the growing precarity of modern work. The decline in EBA coverage has been concentrated in private sector workplaces; many employers have terminated EBAs, or failed to renew them,²⁰ and unions have been unable to defend EBA coverage and genuine collective bargaining.

In just five years, the number of private sector workers covered by a current EBA has plunged 30 per cent: from 1.86 million in 2012 (19 per cent of all private sector employment) to 1.31 million in 2017 (just 12 per cent of private sector employment). EBA coverage in the public sector has also declined, but more gradually, in the face of stonewalling and wage freezes imposed by some governments (including the Commonwealth), and the outsourcing of many public sector jobs. The erosion of EBAs has contributed to an increase in the share of workers whose wages and conditions are now determined by the minimum conditions of modern awards (discussed further below).

²⁰ In most cases a non-renewed EBA will not provide for wage increases, although some other provisions of the agreement may remain in effect.

Indicator #7: Minimum Award Coverage

Proportion of Employees Paid According to Industrial Awards



Source: Centre for Future Work calculations from ABS Catalogue 6306.0, Table 7 (2012) and Table 1 (2016). Excludes owner-managers.

After successive reforms of the 1990s and 2000s, Australia's modern awards system was reoriented to provide a minimal "safety net" level of wages and working conditions for workers on an industry-wide basis. The intent was to assist workers who were not covered by enterprise agreements, or were not able to negotiate good individual contracts.

In recent years, a growing share of employees are falling back on the "backstop" of the modern awards for determination of their wages and working conditions. This reflects several trends, including: the dramatic erosion of EBA coverage in the private sector (discussed above); restrictions on free collective bargaining for public sector workers in many states (with the effect that many public sector workers' wages are now decreed directly by tribunal awards); and the generally weak bargaining position of workers in many sectors, who are no longer able to negotiate wages and conditions superior to the minimum award standards. The proportion of employees (excluding owner-managers of small businesses) whose wages are determined by a modern award increased by 7 full percentage points from 16.6 per cent in 2012 to 23.6 per cent in 2016 (most recent data available). ABS data regarding award coverage is only published every second year (and hence 2017 data is not available). However, the incidence of award coverage has almost certainly increased further, due especially to the rapid erosion of EBA coverage in the private sector.

Indicator #8: Earnings in Insecure Jobs

Table 1 Median Earnings by Job Category (and Change from 2012 to 2017)		
Job Category	Median Weekly Earnings 2017	Change in Real Median Weekly Earnings 2012-17
Full-time permanent	\$1300	+3.3%
Full-time casual	\$1000	+0.3%
Part-time permanent	\$693	+5.6%
Part-time casual	\$352	-5.4%
Self-employed: with employees	\$1299	+3.2%
Self-employed: no employees	\$1054	+4.7%
Self-employed: part-time, no employees	\$528	-26.5%
<i>Source: Centre for Future Work from Australian Bureau of Statistics, Catalogue 6333.0, Table 7.1. Includes incorporated self-employed only. Real earnings deflated by CPI.</i>		

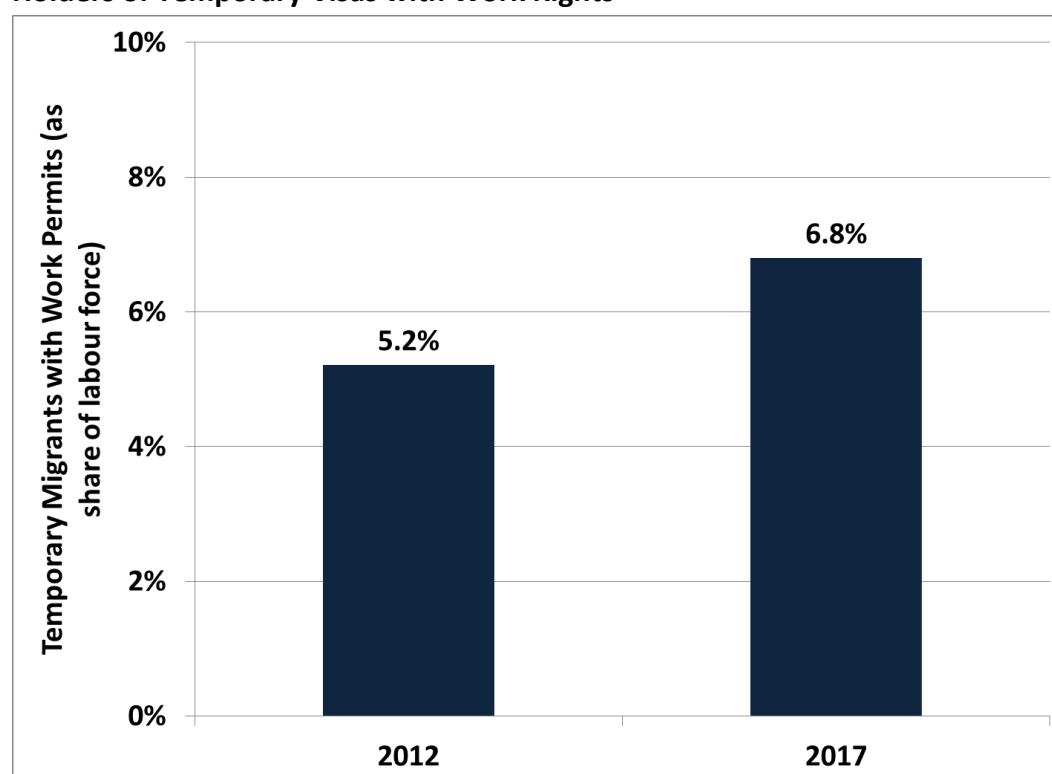
Workers in insecure jobs face greater challenges to negotiate decent wages and conditions. The irregularity of work introduces an inherent degree of instability in earnings (since many workers do not have predictable schedules). This is exacerbated by the inability of workers in insecure jobs to win wage increases over time: since they are considered easily “replaceable” by their employers, and are unlikely to be covered by enterprise agreements or other protections, their bargaining position to demand higher wages is weak.

The correlation between insecure work and poor compensation is clear in Table 1. It reports median earnings in 2017 for several categories of workers: full-time paid employees, part-time paid employees, and owner-managers of incorporated small businesses.²¹ Earnings for employees are reported separately for permanent and casual workers; earnings for small-business owners are reported separately based on whether they have employees or not, and (for the latter group) whether they work part-time. Full-time permanent paid employees and owner-managers of incorporated businesses with employees earn the highest median weekly incomes: \$1300 per week. And real median earnings for these two categories grew 3 per cent over the last five years. Casual employees earn less, and their wages have not grown: full-time casual employees experienced stagnant real wages over the last five years, while real earnings for part-time casual employees declined by over 5 per cent. Part-time owner-managers with no employees (a group which captures many marginal contractors and “gig” workers) saw the most dramatic decline in real earnings: down over 25 per cent in five years. This attests to the highly precarious work and incomes of many marginal small business operators.

²¹ There is no data on median incomes for owner-managers of unincorporated small businesses, whose earnings are even lower than for owner-managers of incorporated businesses.

Indicator #9: Temporary Migrant Workers

Holders of Temporary Visas with Work Rights



Source: Compiled from Home Affairs, Government of Australia, Subclass 457 Quarterly Pivot Tables, Student Visa and Temporary Graduate Visa Program Bi-Annual Report, and Working Holiday Maker Visa Program Report. Does not include New Zealand citizens on SCV 444 visas.

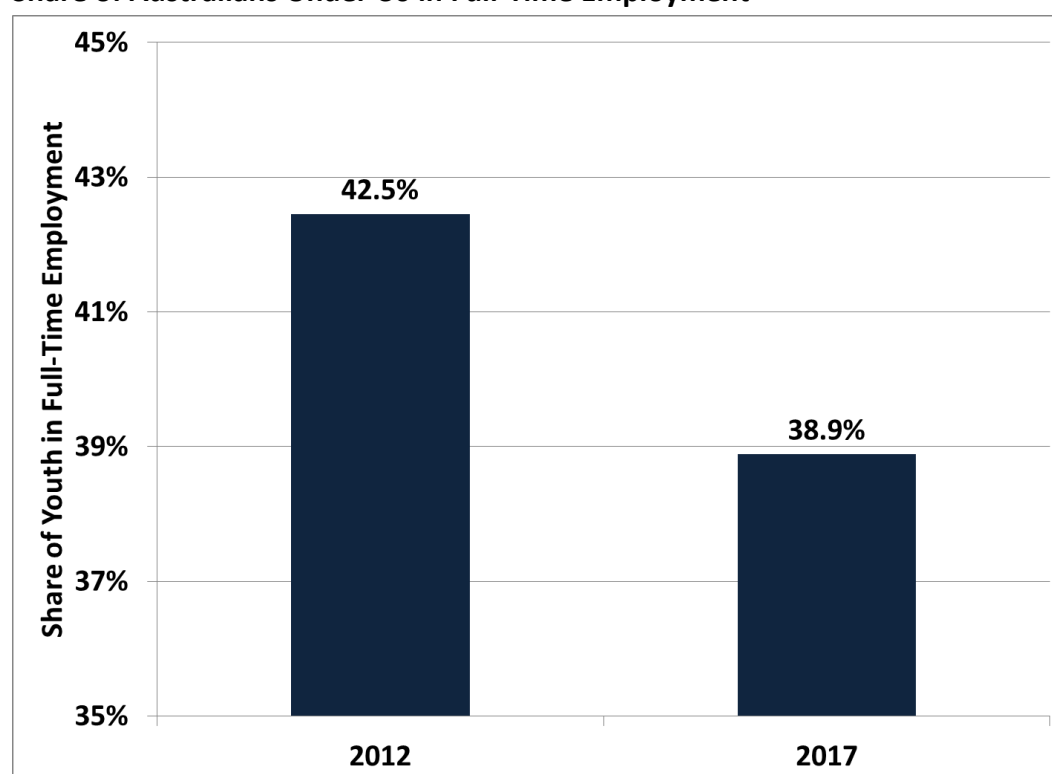
Recent media and regulatory inquiries have exposed widespread disregard for minimum wage laws and other basic labour standards among temporary migrant workers in Australia. Their lack of permanent status in Australia, accentuated in many cases by lack of information (or misinformation) regarding their basic legal rights, makes temporary visa workers particularly vulnerable to exploitation and insecurity. Counting foreign students, working holiday makers, and temporary migrant workers under 457 visas (now called “Temporary Skill Shortage” visas), there were close to 900,000 temporary migrants with work privileges in Australia in 2017. That represented an increase of 40 per cent in the previous five years – led by an 80 per cent increase in foreign students. These three categories of temporary migrant alone²² represent a potential pool of labour equal to 7 per cent of Australia’s labour force.

Immigration can make a very positive contribution to Australia’s economic and social development, if supported with education, settlement assistance, and legal protections. Temporary migrant labour, in contrast, is highly vulnerable to insecurity, isolation, and exploitation. The growing use of this form of labour by employers has clearly contributed to the generalised problem of insecure work in Australia.

²² We have not included temporary migrants from New Zealand under SCV 444 visas in this analysis.

Indicator #10: Insecure Jobs and Young Workers

Share of Australians Under-30 in Full-Time Employment



Source: Centre for Future Work calculations from ABS Catalogue 6291.0.55.001, Table 1.

The erosion of the standard employment relationship has been experienced most directly, and most painfully, by young workers. They confront the prevalence of insecure work head-on, unprotected by the traditional arrangements that carry over in many long-standing jobs. Few young people can attain permanent, full-time, decently paid work. 55 per cent of employees under age 25 are in casual jobs.²³ Almost 40 per cent are paid according to the minimum terms of a modern award.²⁴ Average earnings for workers under 25 are just \$561 per week – less than half the average for the overall labour market.²⁵

Young workers face prolonged difficulties landing decent, steady work, even well into young adulthood. For example, among workers under 30 in 2017, just 38.9 per cent held full-time employment of any kind (including casual work and contractor positions), down about 4 percentage points from 2012. In sum, young workers confront the worst features of the precarious labour market, despite higher educational attainment than any previous cohort of Australians. Indeed, almost 50 per cent of workers aged 25-34 have completed tertiary education, one of the highest post-secondary education rates in the world,²⁶ but the prevalence of insecure work prevents most from applying their skills to the fullest.

²³ Centre for Future Work calculations from ABS Catalogue 6333.0, Table 8.3.

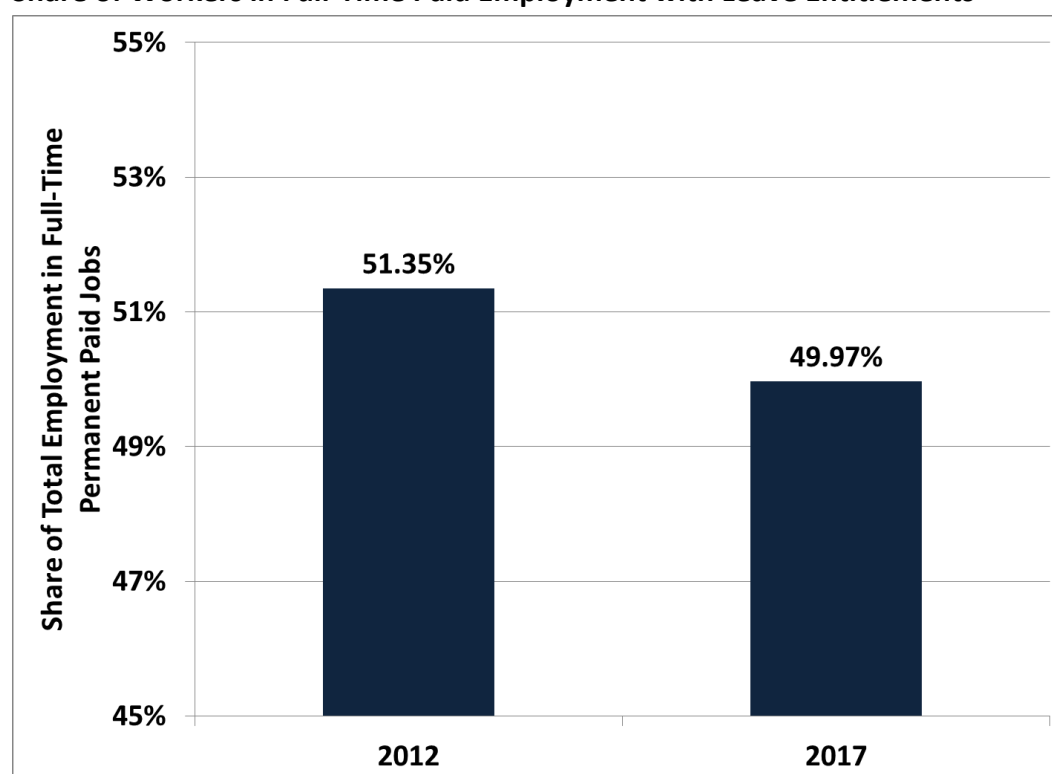
²⁴ Centre for Future Work calculations from ABS Catalogue 6306.0, Data Cube 9, Table 1.

²⁵ Centre for Future Work calculations from ABS Catalogue 6306.0, Data Cube 10, Table 1.

²⁶ OECD, "Population With Tertiary Education," 2016, <https://data.oecd.org/eduatt/population-with-tertiary-education.htm>.

Indicator #11: Decline of the Standard Employment Relationship

Share of Workers in Full-Time Paid Employment with Leave Entitlements



Source: Centre for Future Work calculations from ABS Catalogues 6291.0.55.003, EQ04 (2017), and 6333.0 Tables 2.3 and 9.1 (2012).

The security of work has been “chipped away” on many sides by several distinct but reinforcing trends in Australia’s labour market. Together, these trends have caused a multi-dimensional erosion in the quality and stability of employment. No single statistic can capture all of these effects (Table 2 summarises the change in all the indicators reviewed in this report). But their combined impact is visible in the shrinking proportion of workers who are employed within a traditional “standard” employment relationship: namely, a permanent paid job with normal entitlements (to paid leave, superannuation, and other standard employment-related benefits).

The standard employment relationship has been eroded on several sides: by the rising share of casual jobs, growing part-time work, growing self-employment (often very marginal), and more. In 2017 the share of total employment accounted for by full-time paid jobs with normal leave entitlements fell to just below 50 per cent, for the first time: down from 51.35 per cent in 2012. In other words, half of employed Australians now confront one or more of these key dimensions of insecurity in their work. At the same time, the intensity of insecurity faced by workers within non-standard situations has also become worse (such as the growing preponderance of part-time self-employment, marked by very low and unstable incomes). Hence even this composite indicator does not fully capture the multi-faceted rise in job insecurity in Australia’s labour market.

Table 2
Summary: Indicators of Job Insecurity

Indicator	2012	2017
Part-Time Share of Total Employment	29.7%	31.7%
Underemployment as Share of Total Employment	7.6%	9.1%
Average Hours Worked per Month	141.0	139.7
Employees Without Paid Leave Entitlements ("Casual")	23.5%	25.1%
Part-Time Incidence Among Self-Employed Workers	32.0%	35.0%
Private Sector Employees Covered by Current EBAs (% Total)	18.9%	12.4%
Proportion of Employees Under Industrial Awards	16.6%	23.6% ¹
Real Earnings for Part-Time Self-Employed with No Employees (\$2017)	\$719	\$528 (-26.5%)
Temporary Migrants with Work Rights as Share Labour Force	5.2%	6.8%
Share of Australians Under-30 in Full-Time Employment	42.5%	38.9%
Share of All Employed in Paid Full-Time Employment with Leave Entitlements	51.35%	49.97%
Source: Centre for Future Work calculations from ABS data as described above.		
1. 2016 data.		

Conclusion: The Many Dimensions of Insecure Work

There are many characteristics that together define decent work: reasonable job security and stability; safe and pleasant working conditions; compensation that is sufficient to meet the requirements of a healthy, full life (a “living wage”); the capacity to balance work and family responsibilities; and more. In the generally grim labour market conditions that have characterised Australia since the end of the resources boom, conditions in each of these areas have been deteriorating for millions of workers. As a result, the world of work has become less secure and more challenging for Australians.

This factbook has catalogued several dimensions of this growing insecurity. No single indicator tells the complete story of the multi-dimensional erosion in job quality and stability. But they have all been moving in the same direction: painting a consistent picture of a labour market dominated by insecure and unreliable employment patterns, in which the ability of working people to find and keep reliable work is increasingly in question:

- Part-time work has grown, and many part-time workers are underemployed and work very short or irregular hours.
- Casual employment has also grown, especially quickly for men.
- Self-employment is more common, especially part-time, unincorporated, solo entrepreneurs.
- Earnings for workers in insecure jobs are low, and have declined in real terms.
- Fewer workers are protected by enterprise agreements (especially in the private sector), while reliance on modern awards for minimum wages and conditions has expanded.
- Temporary foreign migrants make up a larger share of the total potential labour force, and face especially insecure and exploitive conditions.
- Young workers have faced the effects of labour market insecurity most forcefully.

Today, for the first time in recorded statistics, more than half of employed Australians experience one or more of these dimensions of insecure work: including part-time, casual, or self-employment. And there are still other dimensions of work insecurity that are harder to document because of a lack of adequate statistical detail: including irregular working hours and zero-hours positions, the role of labour hire agencies, and the challenges facing multiple job-holders. So if anything, the description of insecure work in this factbook likely understates the true extent of the problem.

Public discussion and debate over how best to address the challenges of insecure work should continue. An effective solution will require measures that expand the *quantity* of work available (empowering workers to demand better conditions, instead of being compelled to accept any work available), and regulatory standards and protections to improve the *quality* and security of work. But there should be no debate that work has indeed become more insecure in Australia.