

# RESEARCH NOTE

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## Casual employment: trends and characteristics

Casual workers form an important part of the Australian labour market. In 2003, over a quarter (28 per cent) of all wage and salary earners were employed on a casual basis, and in the period since 1988 more than half (54 per cent) of all new jobs created have gone to casual workers.

Casual employment has historically been associated with young people and females. Casual workers today, however, are drawn from a wide cross section of the Australian population. The purpose of this Research Note is to look at recent growth in casual employment and to see how the

characteristics of casual workers compare with those of ongoing employees.

The Research Note also looks at the similarity, across a number of variables, between the incidence of casual employment and the unemployment rate. This analysis lends weight to the argument that casual employment is not a preferred option for many workers, but rather an alternative to unemployment when no ongoing jobs are available.<sup>1</sup>

### Definitions

There is no standard definition of casual employment. The Australian Bureau of Statistics

(ABS) has tended to define a casual employee as someone who is not entitled to either paid holiday leave or paid sick leave (such workers often receive a 15-25 per cent loading in lieu). A more common perception is that a casual employee is someone in a job that is 'short-term, irregular and uncertain'.<sup>2</sup>

In recent years, the ABS has collected information on a category of worker it describes as 'self-identified casual'. These are employees (excluding owner managers of incorporated enterprises) who are still mainly defined in terms of their leave entitlements, but who also identify themselves as casual.

**Table 1. Casual Employees**

Aug	F/T casual		P/T Casual		Male casual		Female casual		Total casual <sup>(a)</sup>	
	'000	% all F/T employees	'000	% all P/T employees	'000	% all male employees	'000	% all female employees	'000	% all employees
1988	284.1	5.8	771.8	68.3	415.7	11.7	737.3	28.8	1153.0	18.9
1989	323.6	6.3	887.0	68.5	489.8	13.1	808.2	29.3	1298.0	20.0
1990	314.3	6.1	926.2	68.3	476.1	12.7	795.7	28.2	1271.8	19.4
1991	336.2	6.8	943.8	67.5	479.0	13.5	801.0	29.0	1280.0	20.3
1992	353.5	7.4	1061.5	67.7	550.4	15.6	864.6	30.9	1415.0	22.3
1993	404.7	8.4	1030.4	67.2	578.0	16.4	857.1	30.6	1435.1	22.7
1994	441.3	9.1	1107.8	67.0	655.1	18.1	894.0	30.8	1549.1	23.7
1995	482.7	9.5	1170.6	65.8	698.1	18.5	955.2	30.8	1653.3	24.0
1996	559.1	10.8	1282.2	67.5	828.9	21.2	1012.3	32.0	1841.2	26.1
1997	538.5	10.7	1257.0	65.6	801.5	20.9	994.0	31.7	1795.5	25.8
1998	617.5	11.8	1328.6	65.4	894.1	22.6	1052.0	32.0	1946.1	26.9
1999	576.6	11.1	1355.1	64.6	877.9	22.0	1053.7	31.8	1931.6	26.4
2000	647.3	11.9	1450.0	64.6	954.0	23.0	1143.3	32.3	2097.3	27.3
2001	630.8	11.6	1486.7	64.2	988.7	23.6	1128.9	31.5	2117.6	27.2
2002	734.7	13.2	1425.5	60.4	1004.3	23.5	1156.0	31.6	2160.3	27.3
2003	785.5	13.8	1454.3	60.4	1043.7	24.0	1196.2	31.9	2239.9	27.6

(a) For years 1988 to 1990, total includes persons whose full-time/part-time status could not be determined.

Source: ABS, *Employee Earnings, Benefits and Trade Union Membership* (Cat. No. 6310.0)

In this Research Note, the term casual refers mainly to ‘self-identified casual’ while any other employee is described as ongoing. The exception to this is in the section headed ‘Trends’ where a casual employee is defined as someone not entitled to either paid holiday leave or paid sick leave. The reason for using this definition is that it is the only one that provides data over a reasonable time period.

## Trends

Casualisation of the Australian workforce has proceeded at a rapid pace, rising from 19 per cent of all wage and salary earners in 1988 to 26 per cent in 1996. Subsequent increases have been more modest, with 28 per cent of all wage and salary earners in a casual job by 2003 (see Table 1).

Table 1 also shows that while there are more female casuals than male casuals, the growth in male casual employment (albeit off a low base) has greatly exceeded that of female casual employment. In the 15 years to 2003, male casual employment grew by 151 per cent compared

**Table 2. Distribution of casual and ongoing employees by age, June 2000**

Age in years	Casual Employees		Ongoing Employees	
	Number ('000)	% of all casual	Number ('000)	% of all ongoing
15-19	378.0	23.7	219.8	3.7
20-24	275.9	17.3	639.9	10.8
25-34	339.3	21.3	1554.7	26.3
35-44	282.7	17.7	1601.8	27.1
45-54	225.9	14.2	1375.9	23.3
55-69	94.6	5.9	515.4	8.7
Total	1596.4	100.0	5907.5	100.0

Source: ABS, *Employment Arrangements and Superannuation* (6361.0)

with an increase of 62 per cent in female casual employment. Today there are about an equal number of males as there are females in casual work. The incidence of casual employment, however, is still higher among females than males—32 per cent of all female employees compared with 24 per cent of male employees are in casual jobs.

There are also more part-time casuals than full-time casuals, but that difference has been narrowing over time. In the 15 years to 2003, the number of full-time casuals grew by 176 per cent compared with an increase of 88 per cent in part-time casuals (Table 1).

## Age

Casual employees are

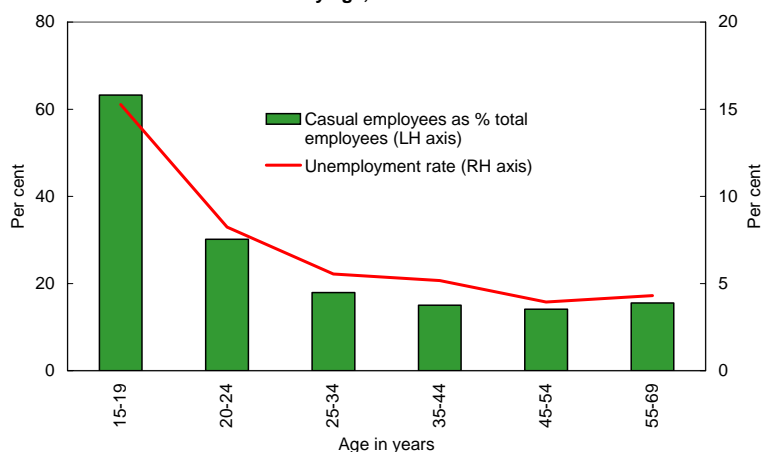
significantly younger than ongoing employees, with 41 per cent of all casuals aged less than 25 years, compared with just 15 per cent of those who are ongoing. Many young casuals are probably students and while the incidence of casual employment generally declines with age, over a fifth of all casuals are still to be found in the 25-34 year age group (Table 2).

Chart 1 compares the incidence of casual employment with the unemployment rate for each age group. It shows that variations in the incidence of casual employment by age are associated with almost exactly corresponding variations in the unemployment rate. A similar observation can be made with respect to some other variables such as educational attainment and state of residence (see below). The association between unemployment and casual employment suggests that casual employment (with the exception of students) is probably an involuntary work arrangement for many workers.

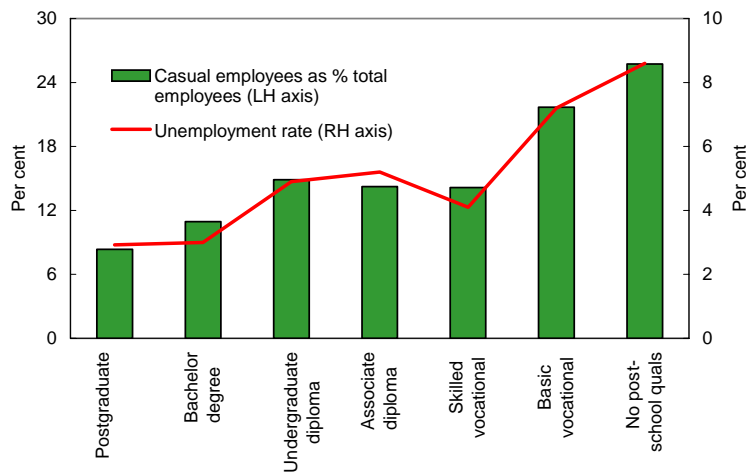
## Educational attainment

Casual employees are less well educated than ongoing employees, a factor which can

**Chart 1. Casual employment and the unemployment rate by age, June 2000**



**Chart 2. Casual employment and the unemployment rate by education attainment, June 2000**



be partly attributed to their younger age profile. Excluding those still in education, 40 per cent of casuals have a post-school qualification and only 11 per cent have a bachelor degree or higher. The corresponding figures for ongoing employees are 59 per cent and 24 per cent respectively.

Chart 2 is another example of the close association between the incidence of casual employment and the unemployment rate—this time with respect to educational attainment. It shows that variations in the incidence of casual employment by level of educational attainment are closely mirrored by the unemployment rate.

### State of residence

States with the highest incidence of casual employment are Tasmania, Queensland and South Australia—each with well over a quarter of all their employees working on a casual basis. These states are also the three states with the highest unemployment rates (Chart 3). It would appear therefore, that just as unemployment reflects a lack

of jobs, casual employment reflects a lack of ongoing jobs more than it reflects a preference for casual work.

### Occupation and industry

Most casual workers are concentrated in just a few occupations, and these tend to be relatively low skilled.

‘Intermediate, clerical, sales and service workers’, ‘elementary, clerical, sales and service workers’ and ‘labourers and related workers’ account for two-thirds of all casual workers. This contrasts with ongoing workers, only 30 per cent of whom are to be found in these low skilled groups.<sup>3</sup>

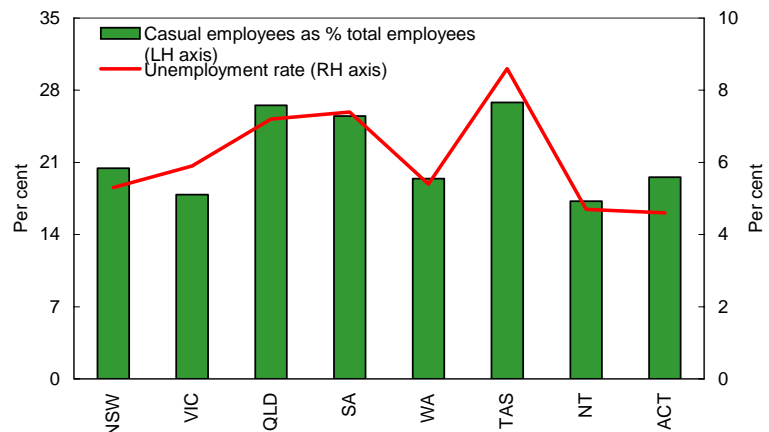
The ‘retail trade’ industry is the main employer of both male and female casuals, accounting for more than a quarter of all casual employees. ‘Accommodation, cafes and restaurants’ and ‘health and community services’ are the next largest employers of female casuals whereas for males ‘manufacturing’ and ‘property and business services’ are the next largest employer groups.<sup>4</sup>

### Other selected characteristics

There are many other differences between casual and ongoing employees which are shown in Table 3. These all tend to emphasise the irregular nature of casual work and its lack of job quality. To summarise, compared with ongoing workers, casual workers:

- have much greater variation in their weekly earnings
- are more likely to have a preference for longer hours
- are more likely to have been in their current job for less than one year and less likely to have

**Chart 3. Casual employment and the unemployment rate by state, June 2000**



- been in their current job for more than 10 years
  - have a greater expectation that they will not be in their current job in 12 months
  - are less likely to be covered by workers compensation
  - are less likely to work a
- are less likely to be a member of a trade union
  - are more likely to work on weekends
  - are less likely to have undergone training in the last 12 months
  - are more likely to have no superannuation coverage

**Table 3. Selected Characteristics of Casual and Ongoing Employees, June 2000<sup>(a)</sup>**

	% of all casual employees	% of all ongoing employees
Weekly earnings vary*	57.5	15.3
Prefers more hours*	36.5	7.8
Duration of current job < 1 year*	45.6	18.5
Duration of current job 10+ years*	4.9	23.5
Expects to leave current job in 12 months	25.9	8.7
Has say in start and finish times	42.1	47.2
Covered by workers compensation	78.3	97.0
Works set number of days each week	41.5	70.0
Had work related illness	5.5	9.0
Member of a trade union	11.6	32.2
Worked on weekends	55.7	48.8
Undertook training in last 12 months	49.5	70.0
Has no superannuation coverage	27.9	3.7
Usually works some hours at home	8.0	23.8
Employed in public service	9.8	26.2

(a) Except for those data items marked with an \* where the reference period is November 2001

Sources: ABS, *Employment Arrangements and Superannuation* (6361.0)  
ABS, *Forms of Employment* (6359.0)

- set number of days each week
  - are less likely to have had a work-related illness (possibly through fear of a reduction in wages or loss of employment)
- are less likely to have worked some hours at home, and
  - are less likely to be employed in the public service.

## Conclusion

Casual workers are younger, less well educated, and are more likely to be in a job with inferior conditions of employment compared with ongoing employees.

The association, across a range of variables, between the incidence of casual employment and the unemployment rate, suggests that casual workers probably have more in common with the unemployed than with ongoing workers. This would tend to support the argument that casual employment (like unemployment) is mainly involuntary in nature and that many casual workers would prefer to be in an ongoing job.

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1. The notion that casual work is largely involuntary in nature is supported by findings in B. Pocock, J. Buchanan and I. Campbell, *Securing Quality Employment: Policy Options for Casual and Part-time Workers in Australia*, Chifley Centre, April 2004. The report notes that 'very few casual workers say in interviews that casual work, in itself, is their preference' (p. 23). The report also notes that 'the preference against unpredictability is confirmed by 2000 ABS survey which shows that while over 43 per cent of self-identified casuals worked "casual and relief patterns" where their days were not set, this was the preference of only 23 per cent while the majority want to work a predictable pattern' (p. 24).
2. J. Chalmers and G. Kalb, *Are Casual Jobs a Freeway to Permanent Employment?*, Working Paper 8/2000, Monash University, July 2000, p. 2.
3. For detailed description of occupations see ABS, *Australian Standard Classification of Occupations*, (Cat. No. 1220.0).
4. For detailed description of industries see ABS, *Australian and New Zealand Standard Industrial Classification*, (Cat. No. 1292.0).