

## Questions taken on notice by RCSA at the Senate Select Committee on Job Security hearing on 27 July 2021.

The responses and information below address the questions on notice identified by the Senate Select Committee on Job Security following RCSA's appearance at the public hearing on 27 July.

For the Senators' reference I have attached a slideshow summary of a presentation by Mark Wooden examining HILDA data in relation to casual employment and security. I have also attached a paper by Jeff Borland from 2017 which provides similar relevant insights. Both of these sources provide data cited by Charles in relation to the stability of casual and on-hire employment as a proportion of the workforce. The data provided – outlined in this document and attached to this email - addresses both questions identified below:

- 1) Senator Canavan: regarding HILDA and ABS data on casual and on-hire employment as a proportion of the overall workforce.
- 2) Senator Small: We've also heard evidence that despite the fact that the overall aggregate level of casual employment hasn't changed—the best way I can probably phrase this is that—people feel insecure in their employment and are desirous of more secure or more permanent forms of work. There are lots of statistics, like we were talking about with the very low rates of casual conversion et cetera to support that. I'm asking for any insight you might have on an alternative view that doesn't support that idea that people are desirous of increasing permanency and are desirous of increasing flexibility perhaps?

Jeff Borland in his Labour Market snapshot #39 from July 2017 explores data from the ABS quarterly Labour Force Survey, merged with the former ABS Labour Mobility Survey (which ceased in 2013) to conclude that:

- Since the early 1980s, there has been an increase in the proportion of the workforce in long duration jobs (10 years or more) and a decrease in the proportion of workers in jobs of less than 12 months.
- Workers themselves are feeling more 'secure' in their employment, with the proportion of workers worried about the 'security' of their jobs decreasing over the past 15 years

A copy of this paper is attached to this email (as a separate document). A link to Borland's snapshot online is available [here](#)

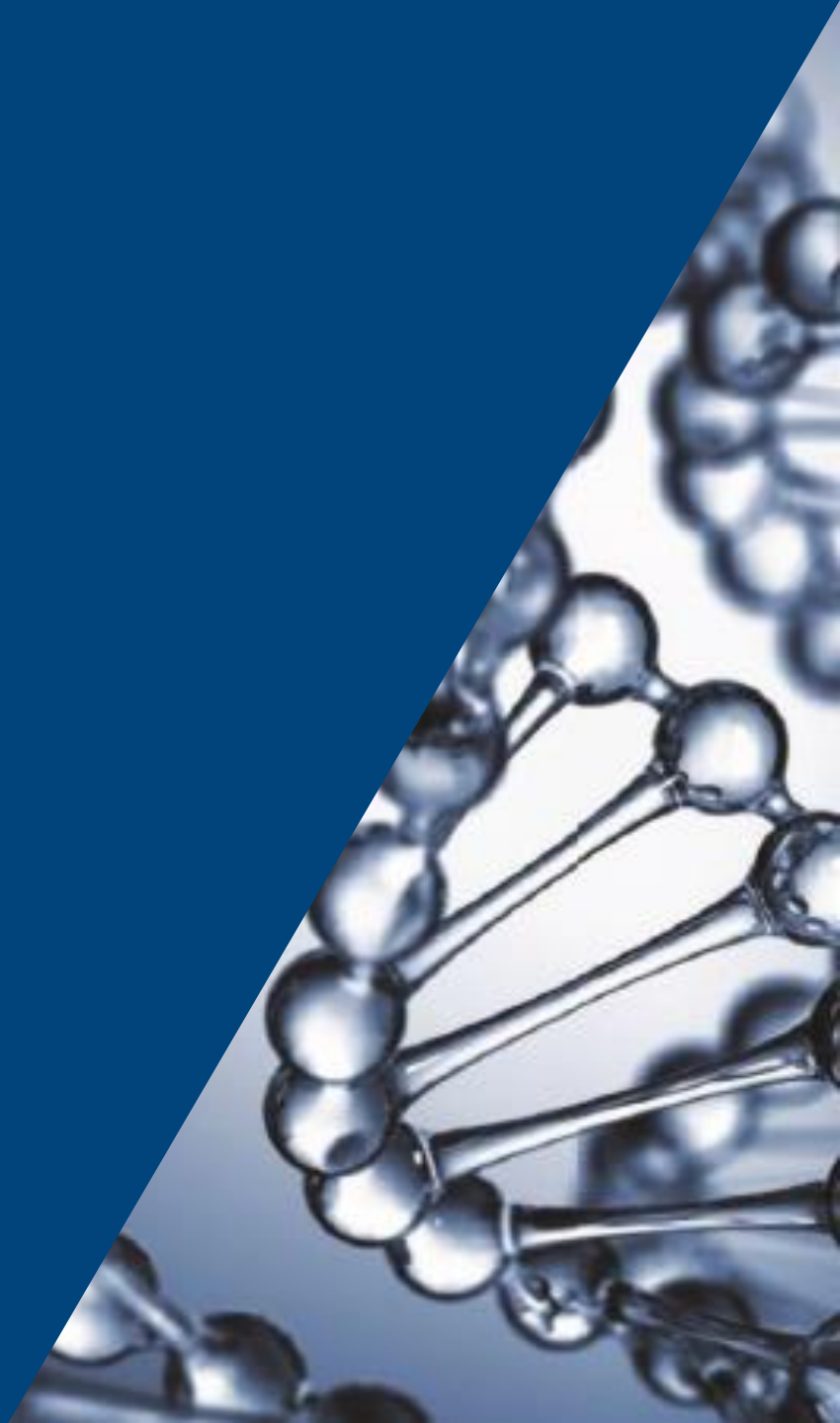
Attached to this email (as a separate document) is a set of slides used in a presentation by Mark Wooden the Melbourne Institute Virtual Colloquium in October last year. The presentation uses record data from the Household, Income and Labour Dynamics in Australia (HILDA) survey. It demonstrates that:

- Casual employment, as a proportion of the workforce, has not changed over the past 20 years.
- In fact, the proportion of people working in labour hire and independent contracting between 2001 and 2017 has actually declined
- Job satisfaction scores for casual workers are higher than those for permanent workers.

# Insecure Work

Mark Wooden

*Melbourne Institute Virtual Colloquium*  
*6 October 2020*



# Acknowledgements

## DATA

This presentation uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey.

The HILDA Survey Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute).

## FUNDING

Informed by research undertaken as part of an ARC Discovery project (“Working at the Margin: The Consequences of Non-standard Employment”).

## COLLABORATORS

Inga Laß (Post-doctoral Fellow); Markus Hahn (Research Officer); Duncan McVicar (Visiting Scholar, Queens); Irma Mooi-Reci (Faculty of Arts); Hielke Buddelmeyer (former Senior Research Fellow)

# Motivation

- Insecure forms of work seen as a problem for workers.
- Widely believed to be on the rise.
- But does evidence support the rhetoric?



# What sort of jobs are we talking about?

## Casual employees

In theory:

- No commitment to continuity of employment
- No commitment to number of hours / days worked.

## Fixed-term contract employees

- Tenure is limited

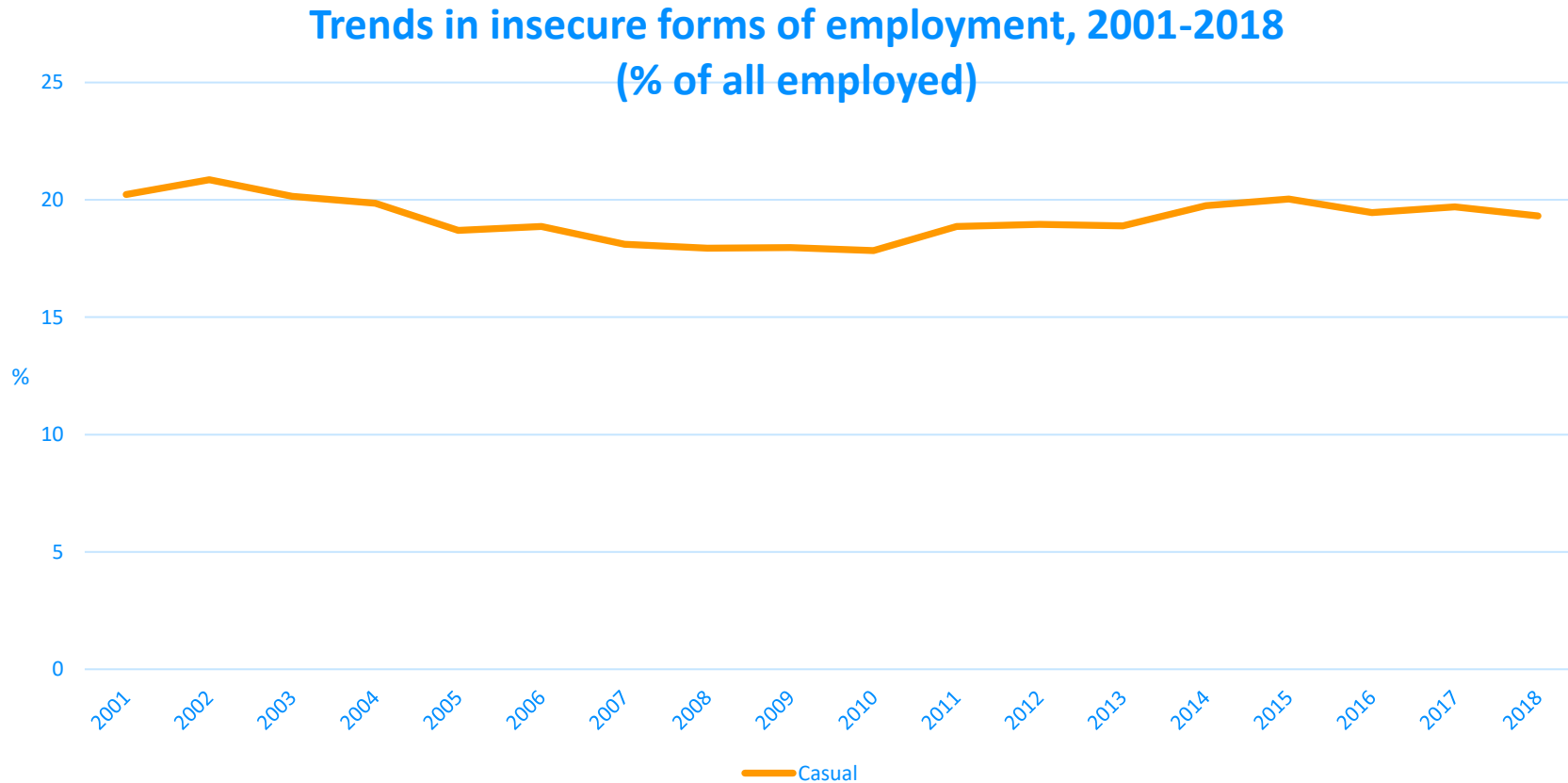
## Self-employed

- Income insecurity

# Little change in last two decades

Source: HILDA Survey Release 18.

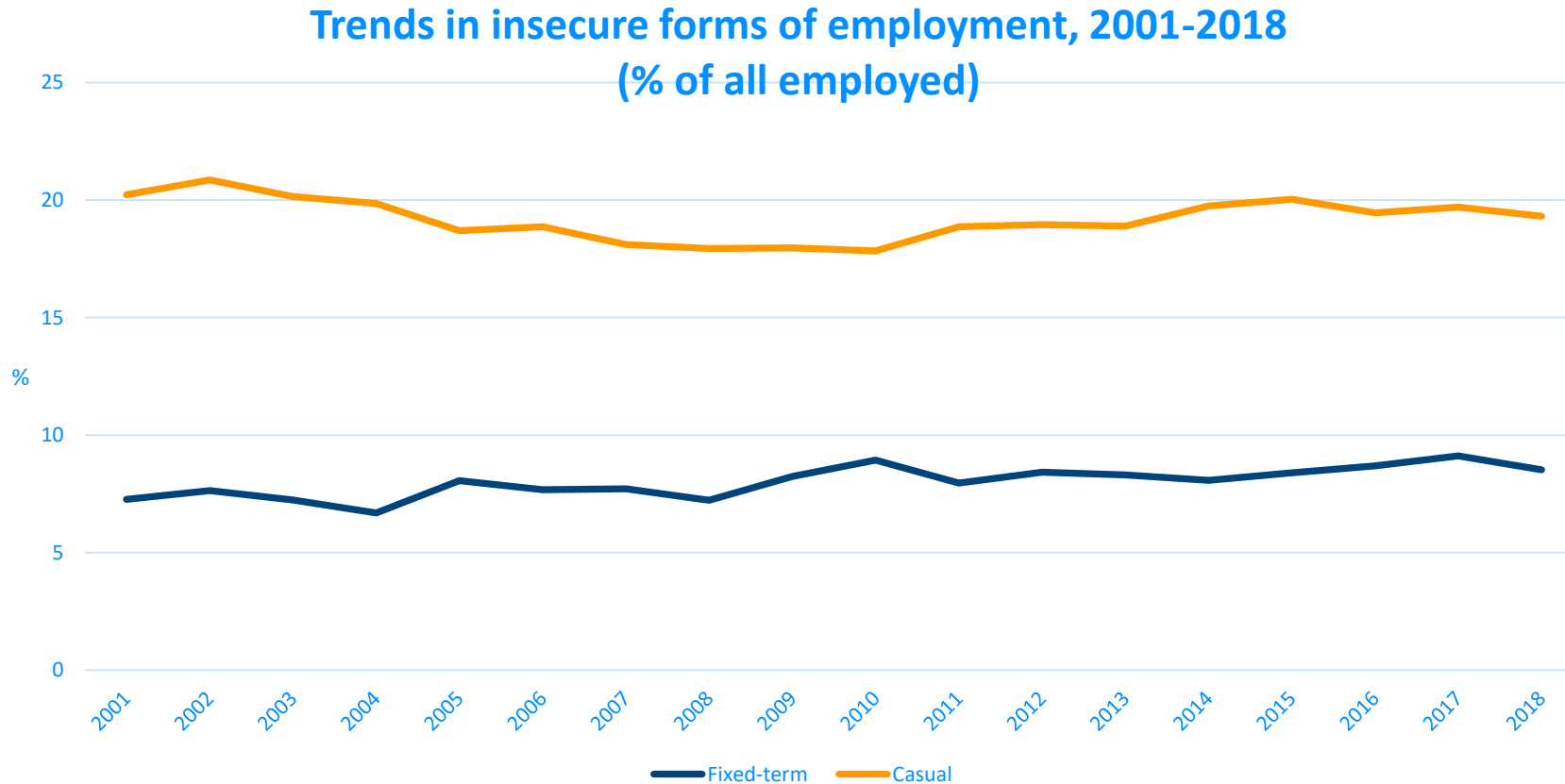
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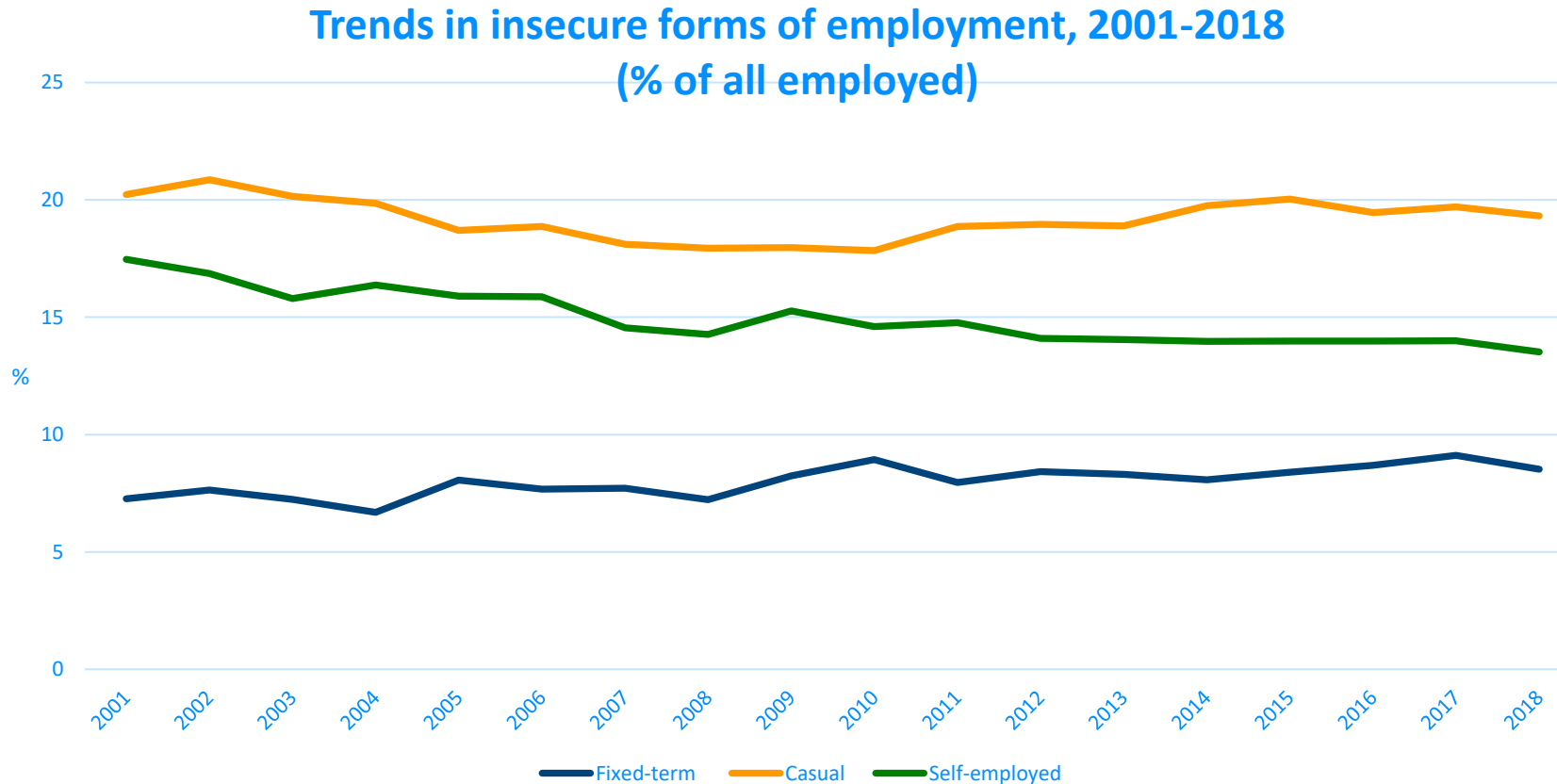


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Source: HILDA Survey Release 18.

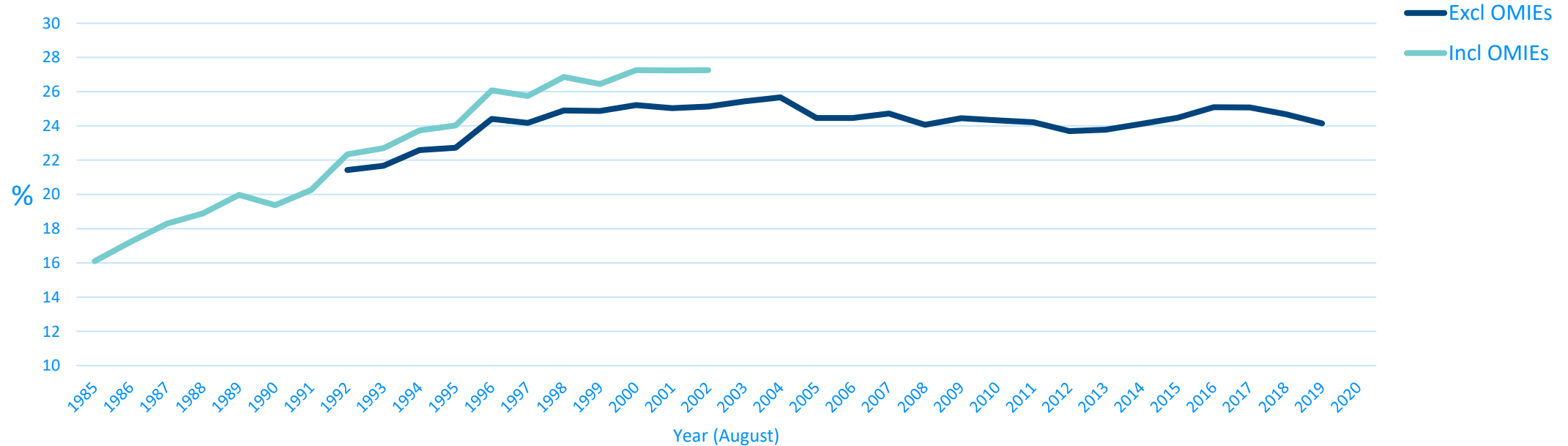
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Source: HILDA Survey Release 18.

# Casual share rose in 1980s / 1990s

## % of employees without leave entitlements, Australia 1984 to 2020

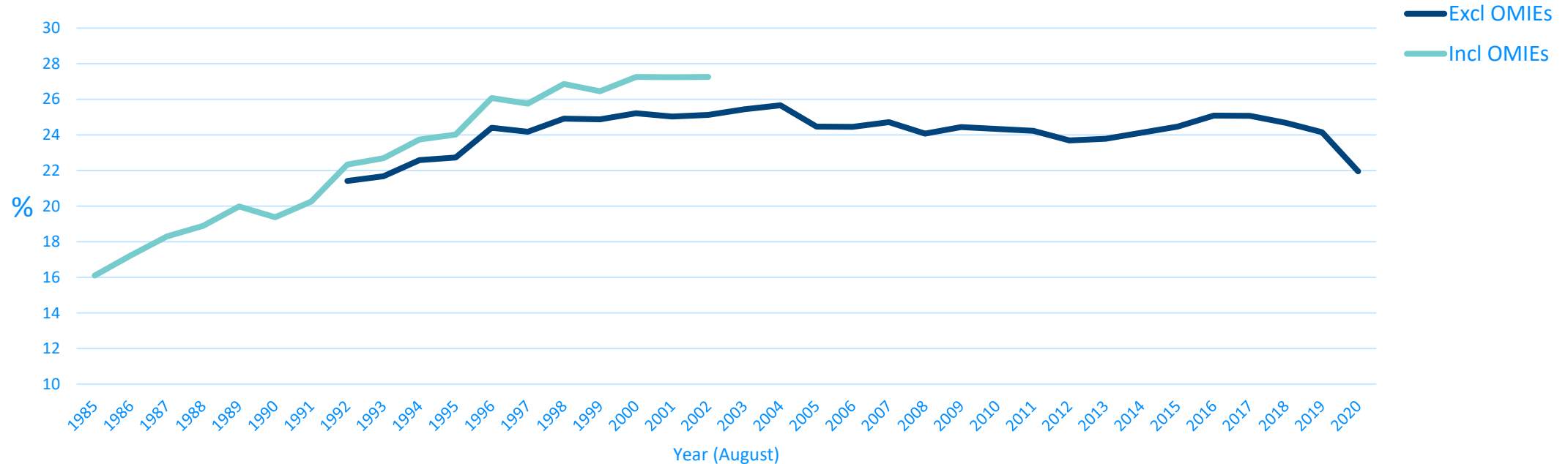


Sources: Australia Bureau of Statistics – *Labour Force, Australia, Detailed, Quarterly* (ABS cat. no. 6291.0.55.003); *Characteristics of Employment, Australia* (ABS cat. no. 6333.0); *Employee Earnings, Benefits and Trade Union Membership, Australia* (ABS cat. no. 6310.0); *Australian Labour Market Statistics, October 2004* (ABS cat. no. 6105.0); *Trade Union Members, Australia, August 1996* (ABS cat. no. 6325.0); *Weekly Earnings of Employees (Distribution), Australia* (ABS cat. no. 6310.0); *Employment Benefits, Australia* (ABS cat. no. 6334.0). Dawkins and Norris (1990).

Note: Figure for 2020 is for May.

# Casual share rose in 1980s / 1990s (but look at 2020)

% of employees without leave entitlements, Australia 1984 to 2020



Sources: Australia Bureau of Statistics – *Labour Force, Australia, Detailed, Quarterly* (ABS cat. no. 6291.0.55.003); *Characteristics of Employment, Australia* (ABS cat. no. 6333.0); *Employee Earnings, Benefits and Trade Union Membership, Australia* (ABS cat. no. 6310.0); *Australian Labour Market Statistics, October 2004* (ABS cat. no. 6105.0); *Trade Union Members, Australia, August 1996* (ABS cat. no. 6325.0); *Weekly Earnings of Employees (Distribution), Australia* (ABS cat. no. 6310.0); *Employment Benefits, Australia* (ABS cat. no. 6334.0). Dawkins and Norris (1990).

# Do insecure forms of work = bad jobs?

- Job satisfaction (Buddelmeyer et al Ind Rel 2015)
- Work-related training (McVicar et al BJIR 2016)
- Health outcomes (Hahn et al OEM 2020)
- Wage outcomes (Laß & Wooden BJIR 2019, AuER 2020; Mooi-Reci & Wooden Hum Rel 2017)
- Work-life balance (Laß & Wooden JFR 2020)
- Household incomes (Laß & Wooden SIR 2020)

# Insecure forms of work and job satisfaction

## Mean overall job satisfaction scores (0-10) scale, by employment type, 2018

	Permanent	Casual	Fixed-term	Self-employed	All employed
<i>Men</i>					
Total	7.58	7.65	7.56	7.87	7.63
Excl FT students	7.58	7.65	7.44	7.87	7.62
Prime-age (25-54 yrs)	7.53	7.73	7.19	7.84	7.57
<i>Women</i>					
Total	7.66	7.77	7.76	8.18	7.74
Excl FT students	7.67	7.77	7.65	8.16	7.73
Prime-age (25-54 yrs)	7.63	7.69	7.58	8.08	7.67

Source: HILDA Survey Release 18.

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# Are workers in insecure jobs less healthy?

## Coefficients from dynamic correlated random effects models (Outcomes are the SF36 subscales)

MEN	Casual	Fixed-term	Self-employed
Physical Functioning	0.55	-0.36	-0.03
Role-Physical	1.15*	0.68	-0.28
Bodily Pain	0.37	-0.14	-0.43
General Health	0.44	0.00	-0.04
Vitality	0.53	-0.02	0.51
Social Functioning	1.00*	0.25	0.18
Role-Emotional	1.81*	0.47	-0.93
Mental Health	0.38	0.02	-0.16

Source: Hahn M, McVicar D, Wooden M (forthcoming). *Occupational & Environmental Medicine* (using data from HILDA Survey R18).

# Are workers in insecure jobs less healthy?

## Coefficients from dynamic correlated random effects models (Outcomes are the SF36 subscales)

WOMEN	Casual	Fixed-term	Self-employed
Physical Functioning	0.27	0.19	0.32
Role-Physical	1.79*	1.75*	0.78
Bodily Pain	0.90*	0.43	0.60
General Health	0.41	0.07	0.46
Vitality	0.65*	0.48	0.48
Social Functioning	0.58	0.83*	0.71
Role-Emotional	1.24*	1.20*	0.46
Mental Health	-0.04	0.17	-0.06

Source: Hahn M, McVicar D, Wooden M (forthcoming). *Occupational & Environmental Medicine* (using data from HILDA Survey R18).

# Should casual employment be prohibited?

- Would former casuals be:
  - more satisfied with their jobs?
  - less likely to be underpaid?
  - more likely to access promotions and career trajectories?
  - less likely to lose their jobs in a recession?
- A reduction in employment rates?
- Right to request conversion to permanent

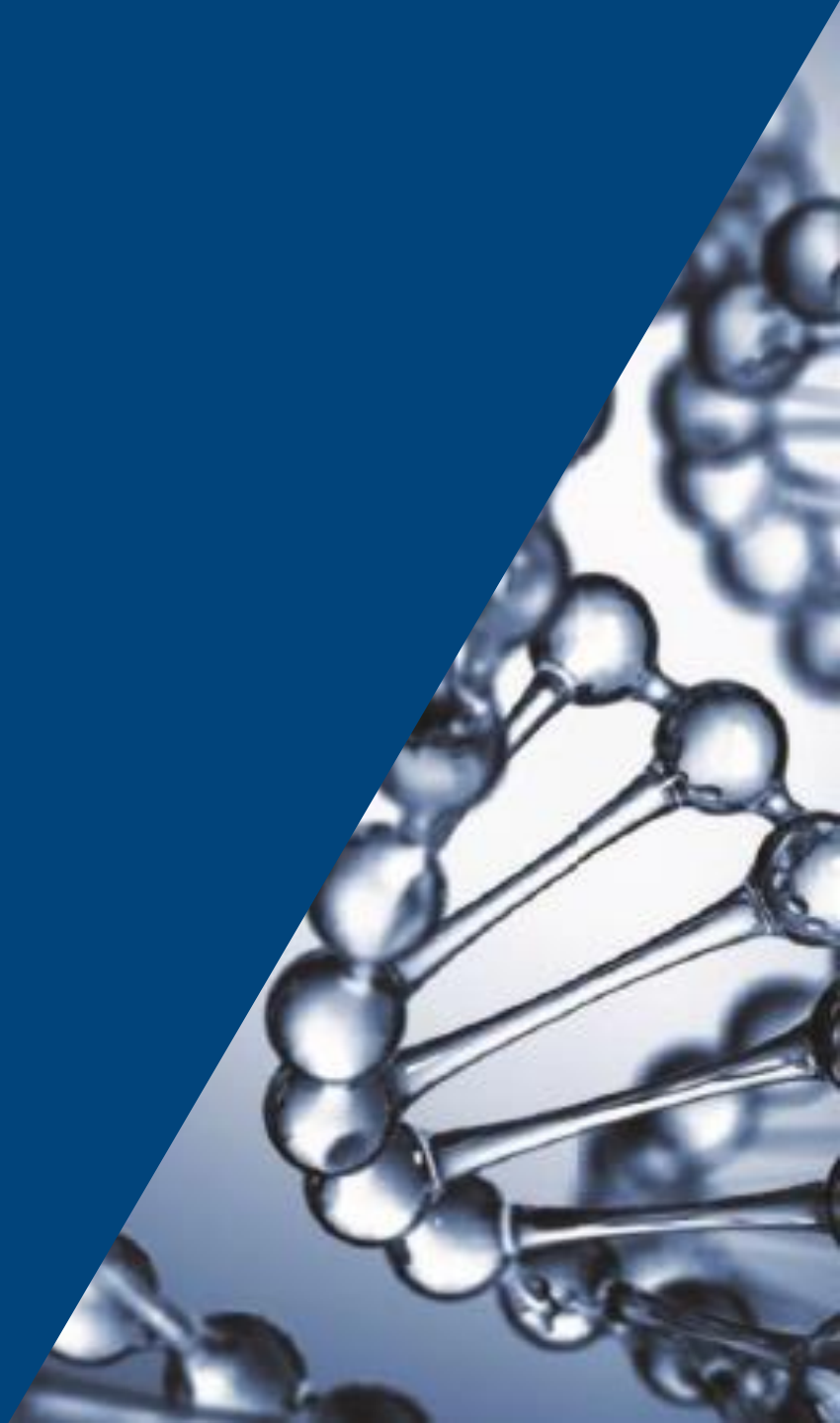
# What about contractors and gig workers?

- Report of Vic Govt Inquiry into On-demand Work
  - Codify work status within Fair Work Act
  - Will this resolve uncertainty?
  - Will it make workers better off?
- Gig work still a marginal issue (McDonald et al 2019)
  - 7.1% of Australians did some digital platform work in 12-month period
  - For 2.6% (of the 7.1%) it is a FT job.

# Insecure Work

Mark Wooden

*Melbourne Institute Virtual Colloquium*  
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# Extra Slides



# Do casuals really earn a wage premium?

## Estimated wage differentials (%)

Sex	Employment type	OLS (at mean)	UQR (percentile)						
			5 <sup>th</sup>	10 <sup>th</sup>	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>	95 <sup>th</sup>
Men	Fixed-term	+1.3*	-4.0*	+0.5	+0.6	+0.2	+2.8**	+4.7**	+6.2*
	Casual	+4.7**	-1.7	+1.0	+4.7**	+3.4**	+5.8**	+9.6**	+10.4**
Women	Fixed-term	+0.6	+0.0	+2.6**	+1.5*	+1.4*	-1.5	+0.6	+4.1*
	Casual	+5.1**	-10.8**	-1.7	+3.1**	+4.9**	+7.9**	+13.0**	+20.1**

Notes: \*\* and \* denote statistical significance at 0.01 and 0.05 levels, respectively.

1. Differentials derived from  $100 \cdot (\exp(b) - 1)$ .

2. Reference category is permanent employment.

3. All models include extensive list of controls plus individual-specific fixed effects.

4. Models estimated with bootstrapped SEs or, in case of UQR models, with clustered-bootstrapped SEs.

Data: HILDA Survey data release 15 (2001 to 2015).

Source: Laß I & Wooden M. 2019. The structure of the wage gap for temporary workers: evidence from Australian panel data. *British Journal of Industrial Relations* 57(3), September, 453-478.

**Labour market snapshot #39**  
**July 2017**

Jeff Borland  
Department of Economics  
University of Melbourne

**Job insecurity in Australia – No rising story**

**Key points**

- Available evidence does not support claims of increased job insecurity in the Australian labour market.
- Analysis of the distribution job tenure from the early 1980s to the present reveals an increase in the proportion of workers in long duration jobs (10 years or more) and decrease in the proportion of workers in short duration jobs (Less than 12 months).
- The proportion of employed persons in Australia working for labour hire firms has decreased slightly since the early 2000s. Hence, an increase in job insecurity has not occurred via growth in temporary employment.
- It appears that workers in Australia understand that job security has not declined. Over the past 15 years there has been a slight fall in the proportion of workers who expect that they will separate from their current job in the next 12 months. The proportion of workers who expect to lose their job due to business closure/downsizing or a seasonal or temporary job finishing has also declined slightly.

*Introduction*

New data series derived from the Labour Force Survey – just released by the ABS – give me the opportunity to get onto one of my favourite hobby-horses: The misleading commentary on growing job churning and insecurity in Australia.

The new data series are from the Detailed Quarterly release of the Labour Force Survey (catalogue no.6291.0.55.003):

- Employed persons by Number of months with current employer or in own business (EQ2); and
- Employed persons by Expectations of future employment (Table 17).

Both series are available from May 2001 onwards.

The first series on duration of employment can be used to create a continuous measure of job tenure from 1982 to 2016 by merging with data from the Labour Mobility Survey (catalogue no.6209.0) which ceased in 2013. The method of merging the data series is described in an Appendix. The second series can be used to create a measure of perceptions of job security from 2001 onwards.

In this Snapshot I begin by describing patterns of job tenure in Australia from 1982 to 2016. Job tenure is relevant to understanding about job churning and insecurity since they are essentially one and the same thing. A higher rate of job churning and insecurity, workers moving through more jobs in their working careers, would imply that average job



tenure is decreasing over time. In fact, job tenure has shifted in the opposite direction – with more workers being in long duration jobs, and fewer in short duration jobs.

In the remainder of the Snapshot I investigate two other potential aspects of job insecurity.

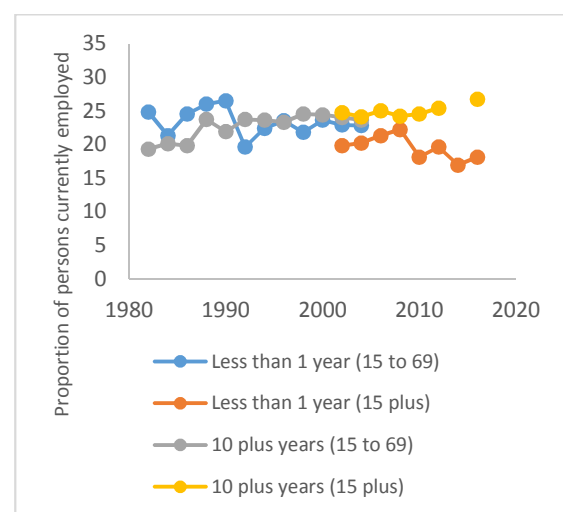
One aspect is the role of labour hire firms. Workers who are employed long-term by a labour hire firm might respond to an ABS survey by saying that they have a long duration job, yet they are likely to work in a large number of different jobs during that time. Hence, a rise in the proportion of workers at labour hire firms may disguise an increase in job insecurity. This potential aspect of insecurity is examined using data from the HILDA survey on the proportion of workers employed by a ‘Temporary agency’. (I am grateful to Mark Wooden and Inga Lass for supplying these data to me. The data are taken from Lass, Inga and Mark Wooden, 2017, ‘Measurement, prevalence and the socio-demographic structure of non-standard employment: The Australian case’, mimeo).

The second aspect is about perceptions of job insecurity. Workers may have jobs that ultimately last for the same duration as in previous decades, but if they are employed on a series of contracts or a casual basis, they may nevertheless feel less secure about their employment. This potential aspect of insecurity is examined by using the new ABS data on expectations of future employment.

## Job tenure

Charts 1 to 3 present information on the distribution of job tenure in Australia from 1982 to 2016. With the merged series it is possible to obtain consistent measures of the proportions of persons who are currently employed who have been in their jobs for less than 12 months and in their jobs for 10 years and more.

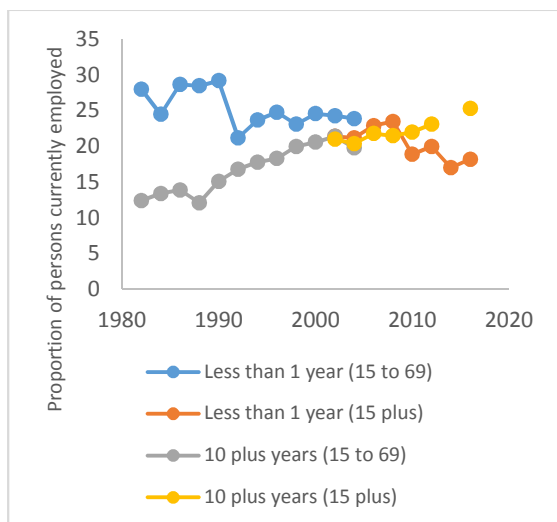
Chart 1 shows that the proportion of persons who have been in their jobs for 10 years or more has increased steadily since the early 1980s. At the same time the proportion in their jobs for less than 12 months has decreased. Hence, contrary to what is often claimed, there is no evidence that job churning and insecurity in Australia is increasing. Note as well that the changes being described here are for a 35-year period, and hence will reveal underlying or structural influences – and are not simply a manifestation of short-run cyclical influences.



**Chart 1: Job tenure of currently employed, Persons, Australia, 1982 to 2016 (February)**

Charts 2 and 3 show the measures of job tenure for females and males who are currently employed.

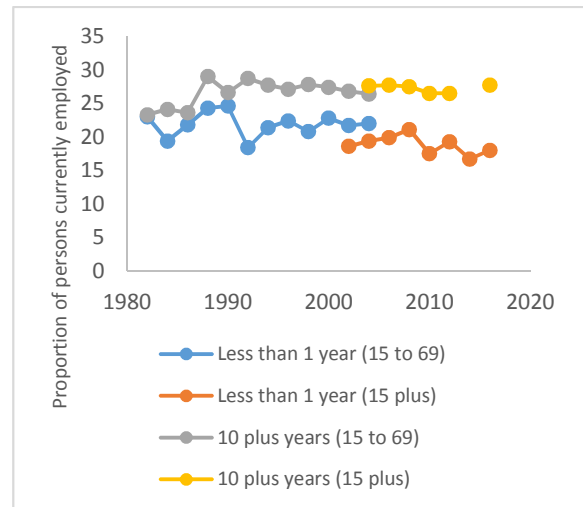
For females there has been a substantial rise in the proportion who have been in their jobs for 10 years or more, from 12.4 to 25.3 percent. There has also been a quite large decrease in the proportion in their jobs for less than 12 months. It appears that an important aspect of the increase in female workforce participation since the 1980s has been a shift towards working in each job for a longer amount of time, including growing proportion who are in very long duration jobs.



**Chart 2: Job tenure of currently employed, Females, Australia, 1982 to 2016 (February)**

The proportion of males in their jobs for 10 years or more has remained relatively steady since the early 1990s. At the same time, there has been a decrease in the proportion in their jobs for less than 12 months. Hence, there is some limited evidence of an increase in job tenure for males, and certainly no evidence to

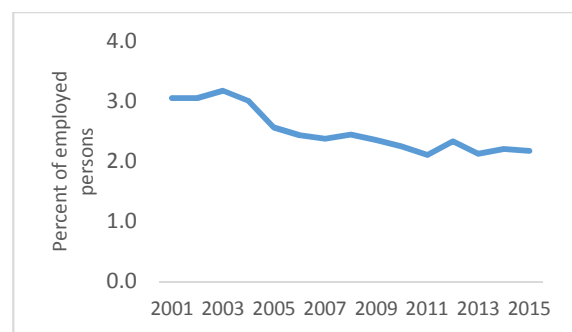
support claims of greater job churning and insecurity.



**Chart 3: Job tenure of currently employed, Males, Australia, 1982 to 2016 (February)**

#### *Employment at labour hire firms*

Chart 4 shows the proportion of employed persons in Australia working for a 'Temporary agency' from 2001 to 2015. Over this period the proportion has fairly consistently trended down slightly, from 3.1 per cent in 2001 to 2.2 percent in 2015. Hence, it does not seem that there has been a 'disguised' increase in job insecurity, via growth in employment at labour hire firms.

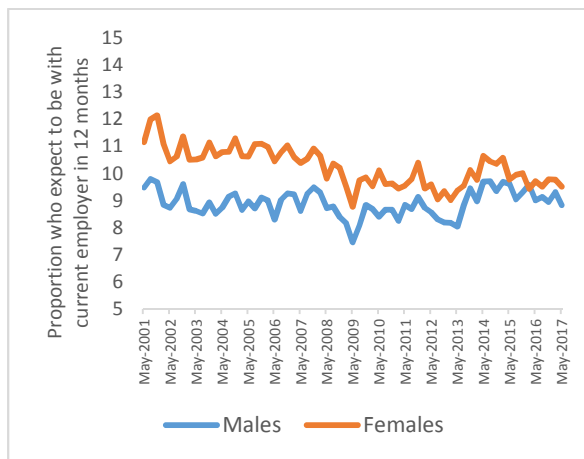


**Chart 4: Proportion of employed persons working for a 'Temporary agency' business, Australia, 2001 to 2015**

## Perceptions of job security

The new ABS measure of perceptions of job security is a question to currently employed persons on whether they expect to be with their current employer or business in the next 12 months.

Chart 5 shows the proportions of currently employed females and males who do not expect to be working with their current employer in 12 months – on a quarterly basis from May 2001 to May 2017. For females the proportion has decreased fairly steadily – from 11.2 to 9.5 per cent. For males the proportion has been relatively stable at about 9 percent. Hence, there is no evidence of increasing perceptions of job insecurity in Australia in the past decade and a half.

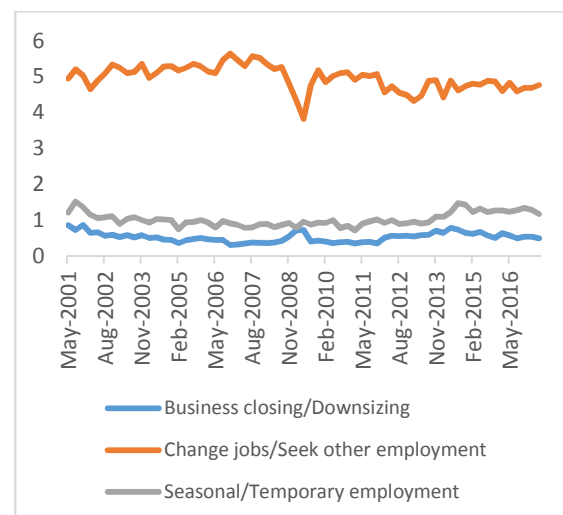


**Chart 5: Proportion of employed persons who do not expect to be with current employer or business in 12 months, By gender, Australia, 2001/2 to 2017/2**

Of course, workers' answers to the question on expectations of remaining with their current employer will reflect their beliefs regarding both the likelihood of losing their job involuntarily and leaving their job voluntarily. Hence, it is possible

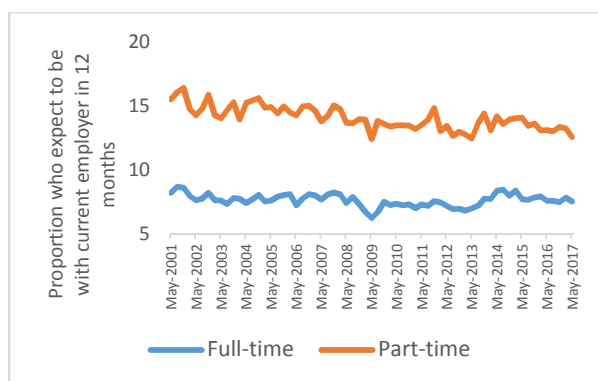
that there has been an increase in the proportion of workers who believe they will lose their jobs, offset by a fall in the proportion of workers who plan to leave their jobs voluntarily.

To provide some perspective on this issue, Chart 6 shows proportions of workers who expect not to be with their current employer in 12 months, disaggregated by reason. It does seem that there has been a slight fall in the proportion of workers who expect to leave their current employer to seek other employment – from 4.9 percent in 2001-02 to 4.7 percent in 2016-17. But this has not been accompanied by a rise in the proportion of workers who expect to lose their jobs in the next 12 months. Together, the proportion of workers who expected to not remain with their current employer due to business to closure/downsizing or to a seasonal or temporary contract finishing was 2.0 percent in 2001-02 and 1.8 percent in 2016-17.



**Chart 6: Proportion of employed persons who do not expect to be with current employer or business in 12 months, By reason, Australia, 2001/2 to 2017/2**

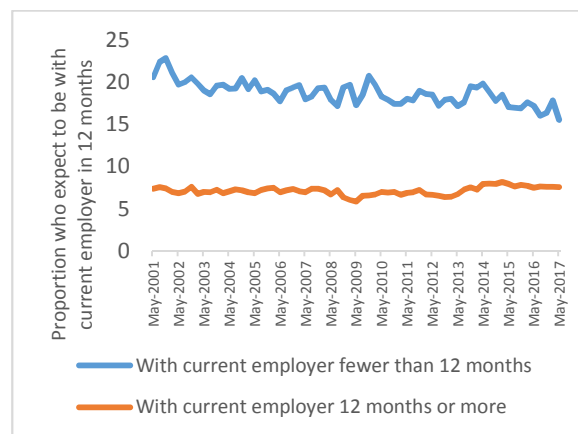
Chart 7 shows the measure of expected job security for full-time and part-time workers. Part-time workers are much more likely to believe that they will not remain with their currently employer in 12 months than full-time workers. Since 2001 the proportion of full-time workers who believe they will not be with their current employer has been stable at about 7.5 percent; and the rate for part-time workers has decreased from 15.5 to 12.6 percent.



**Chart 7: Proportion of employed persons who do not expect to be with current employer or business in 12 months, By hours of work, Australia, 2001/2 to 2017/2**

Chart 8 shows the measure of expected job security for workers who have been in their current job for fewer than 12 months or at least 12 months. There is an even larger gap in expectations between these categories of workers, with workers who have been in their job for short durations being much less secure about their future with their current employer than workers in longer duration jobs. Since 2001 the proportion of workers who have been in their current job for at least 12 months who believe they will not be with that employer in 12 months has been

stable at about 7.5 percent; and the rate for workers in their job for less than 12 months has decreased from 20.6 to 15.5 percent.



**Chart 8: Proportion of employed persons who do not expect to be with current employer or business in 12 months, By duration of current job, Australia, 2001/2 to 2017/2**

### **Appendix: ABS data on job tenure**

Data on job tenure with current employer/business for workers who are currently employed were originally available from the ABS publication Labour Mobility (catalogue no.6209.0). From 1982 to 2013, generally on a biennial basis, data are available for workers who were employed in February. Data for 1982 to 2004 were reported for workers aged 15 to 69 years, and from 2002 to 2013 for workers aged 15 years and over. Separate series are reported in this Snapshot for these different age classifications.

More recently, the ABS has commenced reporting data on job tenure as part of the Labour Force Survey (Labour Force, Australia, Detailed, Quarterly, EQ02; catalogue no.6291.0.55.003). These data provide a measure of the proportion of workers with a job duration of less than 12 months for February from 2002; and a measure of the proportion of workers with a job duration of 10 years or more for February in 2016. A comparison of the measure of the proportion of workers with a job duration of less than 12 months between the older Labour Mobility data source and the new LFS data source show that they are almost identical. Hence, in this Snapshot the two series are merged.