

Future of Work

Casual and Insecure Forms Of Employment

Background Paper

ACTU CONGRESS 2003

Quick Fact:

Casual employment as a proportion of the total workforce has doubled in the past two decades - from 13% in 1982 to 27.3% in 2000. The great bulk of jobs created in the 1990s were part-time and casual.

CONGRESS 2000

1. Congress 2000 resolved to pursue the following improved entitlements for casual and other insecure workers through award variations and bargaining:
 - For casual and part-time workers:
 - A maximum engagement period for casuals and a right to convert to permanent employment;
 - Access to leave entitlements;
 - Minimum and maximum hours of work for casual and part-time workers; and
 - Improved loadings.
 - For contractors and labour hire workers:
 - A right to receive the same pay and conditions as directly employed workers at the enterprise;
 - Full enforcement of all legal obligations relating to contracting out and transmission of business; and
 - Legislative change protecting the employment conditions and job security of contractors and labour hire workers (as set out in the Industrial Relations Legislation Policy).

DEVELOPMENTS SINCE CONGRESS 2000

2. Since Congress 2000, the following developments have occurred:

- A number of unions have won an award right for casuals to convert to permanent employment after a specified period of employment, subject to various conditions. The qualifying periods vary and include six months in the *Metal Industry Award*, three months in the *Graphic Arts Award* and 12 months in the *Hotels Award*.
- The ACTU achieved unpaid parental leave for regular casuals with 12 months employment.
- The ACTU's Redundancy Case is being run. It includes a claim for redundancy pay for regular casuals with 12 months employment.
- The AMWU achieved a three hour minimum engagement for part-timers and a four hour minimum engagement for casuals in the *Metal Industry Award*, and an increase in the casual loading from 20% to 25%.
- Employers in some industries have indicated that they are prepared to challenge existing provisions for limits on the duration of casual employment and automatic conversion after a specified period.
- The Government has introduced a Bill providing for a new round of award simplification, including a prohibition on limitations on the extent of casual employment.
- The application of transmission of business provisions is an issue which continues to be considered by the courts.
- The NSW Labor Council announced in April 2003 that it would launch a test case to establish award wages and conditions for workers employed by labour hire companies. This followed the failure of the NSW Government to implement the recommendations of the Labour Hire Task Force headed by Jennie George.

ISSUES FOR POLICY AT CONGRESS 2003

3. Casual employment as a proportion of the total workforce has doubled in the past two decades – from 13% in 1982 to 27.3% in 2000. The great bulk of jobs created in the 1990s were part-time and casual.

4. Alongside this remarkable growth has been a marked shift in the composition and structure of casual employment. Major changes in casual employment include:
 - A huge leap in male casual employment; 9.1% of male employees were casuals in 1984, rising to 23.6% in 2001, an increase of 159%.
 - An increase in female casual employment from 26.1% of the female workforce in 1982 to 31.5% in 2001; an increase of 20.6% which is linked to the rise in female workforce participation and in the incidence of part-time work.
 - An increase in full time casual employment from 4.5% of all casual employees in 1982 to 11.9% in 2000, mainly accounted for by the increase in male casual employment.
 - The extension of casual employment to industries where this has not traditionally been a feature, such as manufacturing, largely through the use of labour hire companies. ANTA research estimates that labour hire workers account for 19% of manufacturing industry workers, with 97% of these employed as casuals.
 - The long duration of casual employment, with 58.5% of casuals having more than 12 months' service with their employer, 20.8% having more than five years and 9.8% having more than 10 years.
 - Employer-driven casualisation at the same time as most casuals wanting predictable patterns of work.
5. The growth of "dependent" contractors and labour hire employees is another feature of the current labour market. These modes of employment have spread beyond the building and transport industries, into manufacturing and some service industries, such as call centres and hospitals.
6. The use of labour hire employment is growing rapidly, particularly in large workplaces. Between 1990 and 1995 (the date of the last AWIRS survey) the proportion of workplaces using agency workers increased by 50%. More than half of enterprises with 500 or more employees used agency workers.
7. Fewer than 3% of casual employees have access to any form of paid leave.
8. More than 62% of casuals have variable monthly earnings, compared to 12% of those in other employment.

9. Casuals tend to work fewer hours than other employees: male casuals average 29.1 hours per week compared to 39.2 for others, while female casuals average 18.4 hours compared to 32.7 for others.
10. Around 10% of casuals have more than one job.
11. According to a 1999 ABS survey, 33% of casual part-timers wanted to work more hours, compared to 19% of permanent part-timers. These proportions increased from 20% of casual part-timers and 11% of permanent part-timers in 1988.
12. The 2002 ACTU National Survey of Workplace Issues found that almost half of all casuals wanted to work on a full-time or part-time basis.
13. Union membership is significantly lower amongst casual employees. 9.4% of casuals are members of unions while 30.1% of other employees are union members. In 2001 unionisation of casuals rose slightly, with a corresponding drop in the unionised proportion of other employees.
14. Casual workers are more likely to be reliant on the award system for their wages and conditions of employment, rather than on bargaining and collective agreements. In particular, they are most likely to gain from increases in award rates of pay, and to be affected by the Government's renewed attack on the award system.

Although there have been significant increases in award and agreement entitlements of full-time and part-time employees in the past 30 years including:

- extended notice,
- redundancy pay,
- education and training leave,
- paid parental leave,
- increased sick leave,
- carer's leave,
- additional annual leave, and
- annual leave loading;

casual loadings have generally not increased, and in some cases have been reduced by arbitration.

15. Labour hire workers are generally either casual employees or contractors, rather than employees. In either case, very few receive leave or other normal employee entitlements. Their legal status is often uncertain, and employers' avoidance of legal obligations such as superannuation is common.
16. Precarious employment has been associated with deteriorating safety conditions and poor skill formation.
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