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Loss of permanent full time jobs is putting families at greater financial risk: new report

Casual, part time and contract work is gradually overtaking permanent full time employment as the standard type of job for the majority of working Australians, says the ACTU.

The massive rise in precarious forms of employment is exposing working families to greater financial risk and is part of a push by businesses to drive down costs and regain profits lost during the global financial crisis.

The ACTU is today releasing a major new report into work and working life in Australia before and after the global financial crisis.

The report, "Shifting Risk – Work and Working Life in Australia", by Mike Rafferty and Serena Yu at Sydney University's Workplace Research Centre identifies a series of major transformations, including:

- **Growing inequality in Australia.** Despite strong increases in the productivity of Australian workers since the 1980s, returns to labour as measured by real wages growth, has lagged significantly. Conversely, the returns to capital have grown markedly and profit share is at record levels.
- **Casual, contract and precarious employment is now the norm.** The increase in precarious jobs and in particular the rise in the casual work force to 2 million Australians is proof of what is happening in Australian workplaces today. Growth in non standard forms of employment is outstripping standard full time employment, defined as a working week in excess of 35 hours attracting paid leave benefits. The greatest growth has been in full time casual and part time jobs.
- **Massive increase in financial risk among working families.** The period of excessive credit and leverage preceding the GFC saw working families take on more and more debt. While household indebtedness has eased since the GFC, it is still at levels above 150% and the likelihood of interest rate rises in the near future poses further risks for families.
- **Growing fixed costs are adding to financial pressure.** As a proportion of the family's budget, spending on non-food fixed costs has risen from 37% to 42%, driven by increases in housing, health, and education expenses – the traditional domain of governments. This rise in fixed costs means many families are now more sensitive to shocks from rises in price or the loss of wages.
- **High household debt makes the economy vulnerable.** As the sub-prime experience in the US showed, a highly leverage economy cannot cope when the system comes under stress. The GFC was precipitated by extreme and irresponsible risks caused by seemingly inexorable rises in asset values and accessibility to credit.

ACTU President Ged Kearney said: "This major new report is a wake up call for Australia. As a nation we survived the global financial crisis better than most but that doesn't mean it should be business as usual for the big corporations.

"Australians are among the hardest workers in the world. We work long hours and we are highly productive but wages are not keeping pace with company profits and families are exposed to high levels of debt and greater financial risk.

"Families deserve more secure jobs and less financial pressure. This will also deliver greater stability to our economy, making it less prone to shocks that could cause another financial crisis.

"It is time for businesses and government and unions to work together on these major challenges," said Ms Kearney.

Ms Kearney will deliver an address to the National Press Club, Canberra – Wednesday, 6 October .

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