Measurement, Prevalence and the Socio-demographic Structure of

**Non-standard Employment: The Australian Case** 

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Abstract

This paper provides an overview of the nature, measurement, prevalence, and sociodemographic structure of non-standard employment in Australia. Using the most recent data from the Household, Income and Labour Dynamics in Australia Survey (2001-2015), the paper shows the heterogeneity of non-standard employment, both with regard to job characteristics and the socio-demographic structure of the respective workers. Yet, despite the variability across employment types, the results suggest that Australian non-standard employment is primarily the realm of workers with reduced labour market chances and of those seeking to combine gainful employment with non-work commitments. Furthermore, the analysis shows a relatively high degree of permeability between the different employment types, with casual employment primarily functioning as entry port into employment, and fixed-term contracts and temporary agency work serving as bridges into standard employment.

Introduction

The principal aim of this paper is to provide insights into the nature, measurement, prevalence, and socio-demographic structure of non-standard employment in Australia, where a 'standard job' is defined as one where the worker is paid a wage or salary and is employed full-time on a permanent (or ongoing) basis.

At least three reasons render the Australian labour market a particularly interesting case. First, the incidence of non-standard employment is very high; according to the OECD (2015: 140), only two OECD countries - the Netherlands and the Czech Republic - have a higher non-standard employment share. Second, the Australian labour market is relatively unique in both relying heavily on casual employment, and in subjecting casual employment to a relatively high degree of regulation. Third, OECD data suggest that Australia also has a relatively high share of involuntary part-time employment (OECD 2017).

This paper discusses issues regarding the definition and measurement of non-standard employment in Australia. Which types of employment arrangements make up the bundle of non-standard employment in Australia? What are their key features and how are they usually measured in official

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statistics and surveys? How does Australia align with other countries in these respects? And what characterises workers in the different employment types? After establishing how non-standard employment is to be defined and measured, the paper provides empirical evidence on: (i) the prevalence of, and recent trends in, the overall share of non-standard employment, as well as the incidence of different types of non-standard employment; (ii) the job characteristics of non-standard employment types; and (iii) the characteristics of workers within each non-standard employment type. Finally, we utilise the longitudinal nature of the key data source to examine transitions in and out of different employment arrangements over time, thus providing evidence on whether non-standard employment in Australia is a long-lasting or transitory experience.

### Forms and measurement of non-standard employment in Australia

Non-standard employment, or what has been referred to elsewhere as "atypical work" (e.g., Addison and Surfield 2009; Córdova 1986; Grip, Hoevenberg, and Willems 1997), "alternative work arrangements" (e.g., Farber 1999; Polivka 1996), "precarious employment" (e.g., Rodgers 1989; Treu 1992) or "flexible employment / contracts" (e.g., Green and Heywood 2011; Guest 2004; Houseman and Polivka 2000), is usually defined as any job that "differs from full-time, permanent, wage and salary employment" (Polivka and Nardone 1989: 10). This covers a very broad and disparate array of employment arrangements, including self-employment, part-time work, and any job where there is no commitment on the part of the employer to a long-term relationship (e.g., fixed-term contracts, casual employment, and temporary agency work).

In Australia, as in most (if not all) other advanced industrial nations, the identification and measurement of employment begins with the labour force framework developed by the International Labour Organization (ILO). This framework, for example, underpins the measurement of the labour force and its components in all of the surveys conducted by the Australian Bureau of Statistics (ABS). In this framework, paid employment is based on the economic activity undertaken by individuals during a one-week reference period, with the basic prerequisite being just one hour of paid work.<sup>1</sup>

It is then conventional to distinguish between different types of job holders based on the relationship between the worker and the enterprise they work for; that is, between employees and

<sup>&</sup>lt;sup>1</sup> Persons who did not work during the reference week because they were temporarily absent (e.g., on leave) would be classified as employed. Very differently, persons who work without pay but in a family business or farm are also treated as employed.

the self-employed. For consistency with national accounts data, however, and again following ILO concepts, the ABS only treats owners of unincorporated businesses as self-employed; owners of incorporated businesses are treated as employees of their own business. While the legal status of a business has implications for who is held responsible in the event of insolvency, it has no bearing on the employment relationship – the owner of a firm is fundamentally different to other persons employed in that firm, not least because of the power the owner has over hiring and firing decisions and the allocation of tasks among workers. In this analysis, therefore, we treat all owner managers, regardless of the legal status of their businesses, as self-employed. There is a third category of employed persons – contributing family workers – who do not fit neatly into either the employee or self-employed groups. Workers in this category clearly fit the definition of non-standard employment, but are relatively few in number.<sup>2</sup>

Within the employee group we next categorise workers into different groups according to the nature of their employment contract. In Australia these take three main forms: (i) fixed-term contracts; (ii) casual employment; and (iii) permanent or ongoing contracts.<sup>3</sup>

Fixed-term contracts are relatively straightforward to identify and cover all employment contracts that specify a specific date or event when employment will be terminated. In Australia, fixed-term contracts generally come with the same entitlements as permanent contracts (e.g., with respect to paid leave and paid holidays). Furthermore, fixed-term contracts can usually not be terminated before the stated expiry date.<sup>4</sup>

Far less straightforward is the identification of casual employment. While a dictionary definition would suggest that casual employees are hired for very short periods, with each engagement of work constituting a separate contract of employment (and indeed this is the definition most consistent with common law; Brooks 1985), the reality is that many casual employees work regular hours (see section on job characteristics) over very long periods (Wooden and Warren 2003). Ultimately, the key defining feature of casual employment is the absence of any advance commitment on the part of the employer to both the continuity of employment and the number of days or hours to be worked (Creighton and Stewart 2010: 198). Thus it might appear difficult to

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<sup>&</sup>lt;sup>2</sup> Less than 0.3% of the employed workforce in Australia are contributing family workers (see ABS, *Labour Force, Australia, Detailed - Electronic Delivery, Mar 2017* (ABS cat. no. 6291.0.55.001), Spreadsheet Table 08).

<sup>&</sup>lt;sup>3</sup> There is a fourth group of employees that does not fit neatly into these three categories – e.g., persons remunerated on a commission basis.

<sup>&</sup>lt;sup>4</sup> After passing the minimum employment period of 6 months (or 12 months in small businesses), fixed-term contract workers have a general expectation of being employed until the accomplishment of the task or the date stated in the contract. However, early termination for reasons such as misconduct, breach of contract or poor performance is possible if the contract includes a respective clause.

distinguish between casual employees and permanent (or ongoing) employees given both essentially have open-ended employment contracts and only rarely are employment contracts truly permanent. Casual employment in Australia, however, is the subject of extensive regulation. It is specifically provided for in industry awards, which regulate most employer-employee relationships in Australia. A feature of these awards is that casual employees are specifically singled out as not having any legal entitlement to many forms of paid leave (notably annual leave and sick leave), paid public holidays, minimum periods of notice of termination, or severance pay. At the same time, a long-standing feature of award regulation is the requirement of the payment of a substantial hourly wage premium to casual workers, which helps to at least partly compensate for the loss of other benefits (notably paid leave entitlements). Thus while there is no clear unambiguous definition of casual employment that is applied in awards, most casual employees in Australia should be able to recognise that they are employed on a casual basis. In this analysis we thus mainly rely on self-reported data to identify casual employees.

An alternative, and longer-standing approach, is to infer casual employment status from survey data on the receipt of paid annual and sick leave entitlements, with employees reporting receiving neither paid annual leave nor paid sick leave entitlements being classified as casual workers. Use of this approach was first suggested in an ABS publication (Australian Bureau of Statistics 1989), and was central to the pioneering work of Dawkins and Norris (1990). While we would argue that use of this measure was driven by the absence of any alternative data source providing a more direct measure, it has subsequently been argued that this indirect type of measure is preferred, largely because it is based on more objective criteria (Campbell and Burgess 2001). However, and as argued in Wooden and Warren (2004: 281), survey data on access to leave entitlements is also subject to reporting error. In particular, some respondents may confuse use of entitlements with access to entitlements.

A third approach, and arguably the gold standard approach, to classifying employees by contract type would be employer-provided data. The ABS, for example, conducts an employer-based Survey of Employee Earnings and Hours on a biennial basis, and in recent years has begun collecting data on whether the employees sampled at each selected business are employed on either a permanent /

<sup>&</sup>lt;sup>5</sup> Awards determine minimum pay rates and employment conditions, and are binding for all employers covered by that award – usually all employers within a specific industry group.

<sup>&</sup>lt;sup>6</sup> With the exception of severance pay, minimum standards for all of these employment conditions are also subject to legislated National Employment Standards (NES), and in all cases casual employment is singled out as an exception where the NES do not apply.

<sup>&</sup>lt;sup>7</sup> From July 2014 this premium became a standard 25% in all awards. Prior to that date there was considerable variation across awards, but with 20% widely recognised as the norm (Watson 2005).

fixed-term or casual basis. Unfortunately, this data set is not very rich with only a handful of other employee characteristics collected (sex, age, occupation, earnings and hours), fixed-term contract workers cannot be distinguished from permanent employees, some sectors of the workforce are excluded (notably agriculture, forestry and fishing industries), and data on employee type are only available since 2012.

Employees could also be classified according to whether or not they are employed through an intermediary or agency. Such workers are generally thought of as having a non-standard employment relationship since the employing organisation is not the organisation for which the labour services are performed. Given such positions are often the result of a short-term need to meet some temporary peak in demand or to cover absences of regular employees, many agency workers will be employed on a fixed-term or casual basis. Nevertheless, there is a minority of agency workers (e.g., those with highly valuable but specialised skills) who are employed on an ongoing contract with the agency. We also treat these workers as being in non-standard jobs due to the peculiar, tripartite nature of the employer-employee relationship.

The final dimension we use to identify non-standard employees is usual hours of work. That is, among employees working on a permanent or ongoing basis we distinguish between full-time and part-time workers. There is, however, no internationally accepted uniform definition of part-time work. Definitions used by official national statistics agencies, for example, vary in terms of the weekly hours threshold (30 or 35 hours), whether usual or actual hours are used (or a combination of both), and whether the hours cover all jobs or just the main job (Bastelaer, Lemaître, and Marianna 1997). In Australia, for example, the ABS in its monthly Labour Force Survey defines parttime workers as employed persons "who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work in the reference week" (e.g., ABS 2017: 40). The reference to hours worked in all jobs, however, is problematic for identifying workers in standard and non-standard employment. Most obviously, there are persons holding multiple parttime jobs who will be classified as full-time workers, and hence as being in standard employment, when none of the jobs they hold meet the full-time criterion. Further, use of a 35-hour threshold is arguably problematic for distinguishing between standard and non-standard jobs given that the standard full-time work week norm in Australia, as specified in awards, is not much greater than this - 38 hours. Indeed, in the National Employment Standards<sup>8</sup>, a 38-hour week is defined as the

<sup>&</sup>lt;sup>8</sup> The National Employment Standards comprise ten minimum terms and conditions of employment in areas such as working hours, paid leave and termination. These standards apply to all workers in Australia, regardless of provisions in awards and enterprise agreements.

maximum weekly hours worked for a full-time employee.<sup>9</sup> We thus follow the preferred definition of the OECD, and define a part-time worker as any employed person who usually works less than 30 hours per week in their main job.<sup>10</sup>

The classification system described above is summarised in Figure 1. Workers in standard employment are simply those in the box in the bottom left corner of this diagram – full-time permanent employees. All other employees and workers have non-standard jobs.

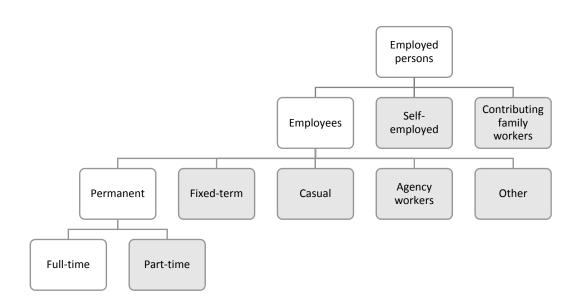


Figure 1: Classification of employment types

#### Method

Data for the following analyses are taken from the Household, Income and Labour Dynamics in Australia (HILDA) Survey, a panel study that follows members of a nationally representative sample of Australian households initially selected in 2001. Data are collected via interviews conducted on an annual basis on topics such as employment, living arrangements, and household income and finances. Currently the responding sample comprises around 17,000 persons.<sup>11</sup> The analysis is based

<sup>&</sup>lt;sup>9</sup> This maximum is notional in that employers are permitted to request workers to work additional hours beyond this provided such requests are "reasonable". And indeed, the proportion of the Australian workforce who usually work more than 38 hours per week is very high.

<sup>&</sup>lt;sup>10</sup> And where hours are reported as varying from week to week, the weekly hours threshold is based on the weekly average.

<sup>&</sup>lt;sup>11</sup> For more details about the HILDA Survey, see Watson and Wooden (2012).

on the first fifteen waves of data (2001 to 2015) and, reflecting the composition of the sample interviewed, uses a sample of persons aged 15 years or older. In order to provide a full picture of Australian labour market dynamics, including the employment behaviour of older workers, we do not impose an upper age limit on our sample.

In a first step, we provide descriptive information on the changing prevalence of different employment arrangements in Australia since the turn of the millennium. In a second and third step, we describe and compare the job characteristics of the different employment types and the sociodemographic characteristics of the respective workers. In a final step, we look at labour market dynamics by analysing the extent of transitions into and out of employment types.

As explained in the previous section, six different employment types are at the core of our analysis: standard employment, permanent part-time work, casual work, fixed-term contracts, temporary agency work, and self-employment. We define standard employment as full-time employment on a permanent contract without the involvement of a temporary employment agency. In this context, and in line with the OECD's preferred specification, we define full-time employment as 30 or more usual weekly working hours in the main job. 12 The permanency of the contract is derived from a question asking respondents to choose from three different types of employment contracts: fixedterm, casual or permanent. As a fourth option, respondents can also state that they are employed on "other" types of contract, with these cases assigned to a separate employment category "other" (unless the respondents reported to work for a temporary employment agency, in which case they are counted as agency workers). A separate question measures whether the respondents are employed through a labour-hire firm or temporary employment agency. Due to the relatively low number of temporary agency workers, we group all agency workers into one category, regardless of their type of contract or working hours. We create another category for self-employment, which comprises own account workers and the self-employed. Unpaid family workers, in contrast, are assigned to the "other" employment category.

In some analyses (e.g., of labour market transitions), we also include other labour market states (i.e., unemployment and being out of the labour force/economic inactivity). These labour force states are based on the concepts recommended by the International Labour Organization. Within the group of persons out of the labour force, we differentiate between persons who are retired and those who are economically inactive for other reasons.

<sup>&</sup>lt;sup>12</sup> As we distinguish between standard workers and permanent part-time workers, we have to discard observations from permanent workers with missing information on usual working hours in the main job (58 cases).

#### Trends in Non-standard Employment in Australia

This section provides an overview of the changing prevalence of different employment arrangements in Australia since the turn of the millennium. Based on weighted data from the HILDA Survey, only around 48% of Australian workers were in a standard employment relationship in 2015 (see also Figure 1 below). Almost one in five workers (19%) was in casual employment, rendering this the most prevalent form of non-standard employment. The second most prevalent form was self-employment, with 14% of the workforce, followed by permanent part-time work (9%)<sup>13</sup>, fixed-term contract employment (8%), and temporary agency work (2%). Only 0.6% of workers have another type of employment arrangement.

As mentioned, there are different ways of identifying casual contracts, which raises the question of how sensitive the share of casual employment is to the measure and data source used. In this context, Table 1 compares the prevalence of casual employment as a share of employees (i.e., excluding the self-employed) according to the HILDA Survey and two ABS surveys. We can see that the estimated share of casual employment does vary with both the measure used and the specific survey. According to the HILDA Survey, the share of self-classified casual employees was 23% in 2015, whereas the share of casuals when defined as workers without access to paid leave is considerably higher (26%). The figures from the ABS Household Survey lie between the two HILDA Survey figures, but the overall pattern – that there are more workers without access to paid leave than there are workers who identify as casuals – is reflected here as well. The ABS employer survey reports the lowest share of casuals (22% in 2014), which is surprising considering the share relates to all jobs instead of just the main job (with casual jobs expected to be very prevalent among second jobs). One explanation for this discrepancy might be the exclusion of the agricultural sector, in which many casuals are employed, from this survey.

Figure 1 shows how the share of non-standard employment and its composition by employment type has evolved since the beginning of the millennium, again based on weighted data from the HILDA Survey (release 15). In contrast to many other industrialised countries, the overall share of non-standard employment has remained rather stable during the past fifteen years in Australia, hovering around 47 to 51%. The same is true for the share of most individual forms of non-standard employment. Only the share of permanent part-time work has been increasing over this period (from less than 6% in 2001 to 9% in 2015). The share of self-employment, in contrast, has decreased (from 18% in 2001 to 14% in 2015).

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<sup>&</sup>lt;sup>13</sup> Using 35 instead of 30 weekly working hours as the threshold for full-time work results in a considerably larger percentage of permanent part-time workers (13%) and a smaller percentage of standard workers (44%).

Table 1: Estimates of casual employees as a proportion of all employees (excluding owner managers)

	HILDA Survey		ABS household survey		ABS employer survey
Casual share (%) 2014	26.2	23.1	24.1		21.6
Casual share (%) 2015	26.6	23.1	24.3		
Casual share (%) 2016			25.1 23.5	7	22.6
Definition	No entitlements to paid sick leave or paid annual leave; Don't know responses treated as no.	Self- classi- fied	No entitlements to paid Self- sick leave or paid annual classi- leave; Don't know fied responses treated as no.	f- SSi-	Employer classified
Respondent	Employee		Any responsible adult		Employer
Coverage	Main job		Main job		All jobs
Timing	Mainly August-December		August		Мау
Notable exclusions					Agriculture, forestry and fishing Permanent defence forces
					Private households employing staff
Source	HILDA Survey Release 15, confidentialised unit record data file.	data	ABS, Characteristics of Employment, Australia (ABS cat. no. 6330.0).	ent,	ABS, Employee Earnings and Hours, Australia, May 2014 (ABS cat. no. 6306.0). 63060D0001_201405: Table 3.

The stability over the past fifteen years contrasts noticeably with previous decades, which saw a marked change in the nature of employment relationships. According to Wooden (2002: 57), standard employment declined from more than three quarters of the workforce in 1971 to two thirds in 1984 and slightly more than half in 2000.<sup>14</sup>

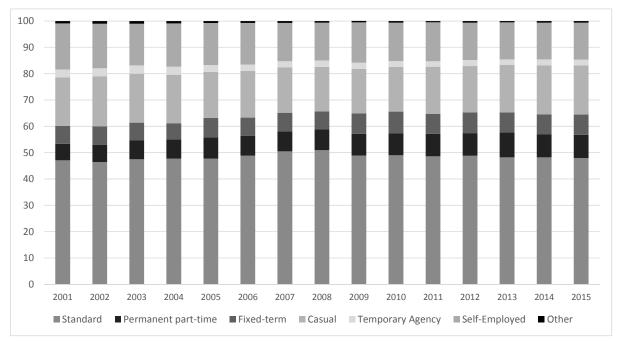


Figure 1: Trends in employment arrangements (2001-2015)

Source: HILDA Survey release 15.

Notes: n=137,033. Data weighted using responding person weights. Employment types as described in methods section.

## Job-related Characteristics of Non-standard Employment

Table 2 compares the job characteristics of standard employment with different forms of non-standard employment. It is based on weighted data from 2015, the most recent wave of the HILDA Survey for which data are publicly available.

Standard workers have the highest mean working hours. This is to be expected given that, by definition, they are full-time workers. Among them, the share of involuntary full-time working is relatively low, with only 5% expressing preferences for part-time working hours. Standard workers are particularly likely to work regular daytime schedules. They also have the highest average weekly

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<sup>&</sup>lt;sup>14</sup> The figures reported in Wooden (2002) are based on ABS data, and so are not strictly comparable with the data reported in this paper given the ABS uses a threshold of 35 hours in all jobs to identify full-time work. The figures also do not separate out temporary agency workers, so that (the extremely small number of) permanent full-time temporary agency workers will be classified as standard workers here.

wage, but as a result of their long working hours only the third highest hourly wage (after the self-employed and temporary agency workers). Their high wage allows most standard workers to have just one job, with only 4% of standard workers being multiple job holders. The vast majority of standard workers have access to paid sick and holiday leave. This was expected on the grounds that permanent (and fixed-term contracts) should always come with these benefits in Australia. The fact that some permanent (and fixed-term) workers report not having access to paid leave suggests that some workers might not be aware of their entitlements and might confuse the fact that they have not taken paid leave with not being entitled to it. Standard workers are overrepresented in the high-skilled occupations, particularly among the professionals, and have the longest mean tenure with their current employer among the categories of employees.

Turning to fixed-term contract workers, we see that more than three quarters work full-time, and most of them (95%) wish to do so. In contrast, among those working part-time, more than a quarter wish to work full-time. Some of these achieve this aim by means of a second job, with the share of multiple job holders being relatively large (10%). <sup>15</sup> While the work schedule and wages of fixed-term contract workers are similar to standard workers, a much larger proportion of fixed-term contract workers report having no access to paid leave. While this may again reflect reporting errors, it may also be a function of Australia's complicated industrial relations system, which actually enables workers to be employed on a casual basis for a fixed-term. Such workers may not be casual in the sense that their employment is easily severed, but may nevertheless be employed on a casual basis in the sense that they do not have any access to leave and holiday entitlements. Fixed-term contract workers are highly concentrated among the high-skilled, with 40% of them working as professionals. As a result, they receive the highest average hourly wage (A\$37). Tenure with the current employer is shorter for fixed-term contract workers, with 29% having worked for their employer for less than one year. This reflects the lower age of fixed-term contract workers (see next section) and suggests that fixed-term contracts are often entry-level positions, which are later converted to permanent contracts by the employer.

<sup>&</sup>lt;sup>15</sup> Note, however, that the inclusion of all jobs instead of just the main job in the calculation does not considerably decrease the share of involuntary part-time work. Among those working part-time in all jobs, 22% of fixed-term contract workers, 25% of casuals, 29% of permanent workers, 47% of temporary agency workers and 17% of the self-employed would like to work full-time hours, resulting in an overall share of 22% of involuntary part-time workers.

Table 2: Job-related characteristics of non-standard employment in % (2015)

	STD	FIX	CAS	PPT	TA	SE	Total
Usual working hours (main job)							
Full-time	100.0	78.7	26.6	0.0	76.3	73.8	71.5
Voluntary	94.6	95.0	93.8	n.a.	95.8	93.3	94.4
Involuntary <sup>a</sup>	5.4	5.0	6.2	n.a.	(4.2)	6.7	5.6
Part-time	0.0	21.4	73.4	100.0	23.7	26.2	28.5
Voluntary	n.a.	73.2	72.2	74.6	48.1	78.6	73.4
Involuntary	n.a.	26.8	27.8	25.4	52.0	21.5	26.6
Mean hours worked	42.3	37.5	20.7	19.8	35.9	38.1	35.2
Current work schedule							
Regular daytime	81.6	82.4	60.4	69.9	79.4	68.2	74.7
Regular evening/night	3.0	2.7	12.1	11.2	(1.9)	1.5	5.1
Other schedules <sup>b</sup>	15.4	15.0	27.5	19.0	18.7	30.4	20.2
Multiple jobs	4.4	9.5	12.4	14.9	9.1	8.4	7.9
Wages							
Mean weekly wage (A\$) <sup>c</sup>	1498	1357	510	601	1368	1408	1191
Mean hourly wage (A\$) c	35.2	36.9	24.8	30.4	36.3	41.8	33.2
Entitled to paid holiday/sick leave	97.8	87.3	4.6	90.0	19.3	n.a.	73.6 <sup>d</sup>
Occupation							
Managers	15.7	10.5	2.0	4.0	(4.6)	29.0	13.3
Professionals	27.2	40.3	9.1	24.8	21.6	22.6	23.8
Technicians and trades	13.8	10.6	6.3	4.8	14.8	21.2	12.4
Community and person. serv.	8.8	11.0	25.9	20.4	11.1	5.0	12.7
Clerical and administrative	15.9	13.0	8.4	17.5	16.0	7.2	13.2
Sales workers	5.4	8.5	21.1	15.0	(2.2)	2.5	8.9
Machinery operators	7.8	2.9	8.0	(1.7)	12.4	4.0	6.5
Labourers	5.5	3.2	19.3	11.7	17.5	8.7	9.2
Tenure with employer							
< 1 year	13.7	28.7	40.4	13.2	58.7	11.3	20.5
1 year	7.7	9.5	14.0	7.2	13.8	6.7	9.0
2-4 years	25.3	28.5	28.6	27.2	14.6	17.2	25.0
5-9 years	24.5	18.5	10.6	23.9	8.5	18.1	20.1
10-14 years	12.3	7.2	3.4	12.4	(2.8)	13.8	10.2
15-19 years	6.2	3.2	1.4	8.3	(0.8)	10.7	5.8
20 years or more	10.4	4.5	1.7	7.8	(0.7)	22.4	9.5
Mean tenure (years)	7.8	4.9	2.8	7.3	1.9	11.7	6.8
n (unweighted)	5,342	839	2,003	981	214	1,574	10,953

Notes: STD: Standard employment; FIX: Fixed-term contract employment; CAS: Casual employment; PPT: Permanent part-time employment; TA: Temporary agency work; SE: Self-employment. Data weighted using responding person weights. Values in brackets are estimates based on fewer than 20 cases.

<sup>&</sup>lt;sup>a</sup> Involuntary full-time (part-time) work defined as full-time (part-time) workers wanting to work part-time (full-time). While the current working hours relate to the main job, the working-hours preferences relate to total working hours.

<sup>&</sup>lt;sup>b</sup> Other schedules comprise rotating shifts, split shifts, on call, irregular schedules and other schedules.

<sup>&</sup>lt;sup>c</sup> Calculation only includes workers with positive, non-zero values on wages. Note that many self-employed receive business income instead of wages or salaries or a combination of both.

 $<sup>^{\</sup>rm d}$  Denominator excludes self-employed.

The job characteristics of casual workers contrast starkly with those of standard workers. The vast majority of casuals work part-time, and among this group we see the largest share of involuntary part-time workers (28%). A sizeable minority of casuals (12%) obtain more hours by means of another job. Casuals are also the least likely to work on a regular daytime schedule, suggesting these workers are often used by employers to cover demands for labour at marginal times (evening/night) as well as meeting more irregular demands. Despite being entitled to a pay loading, as described above, casual employees not only have the lowest average weekly wage but also the lowest average hourly wage. In large part this is a consequence of the low skill level of both the casual workers (see next section) and the casual jobs: Casual employees are considerably overrepresented among sales workers and labourers, where more than 40% of all casuals are concentrated. As was expected, casual workers also differ from the other groups in terms of entitlements to paid holiday and paid sick leave, with 95% of casual workers reporting not having access to paid leave. In line with the short-term nature of most casual contracts, casual employees have particularly short average job tenures (2.8 years). In fact, 40% have worked for their employer for less than a year. Nevertheless, a sizeable share of casuals (17%) report working for their current employer for five years or more. Such evidence is consistent with arguments that a casual contract does not necessarily preclude a long-term employment relationship.

Permanent part-time employees work part-time hours by definition, resulting in the lowest average weekly working hours of all groups considered here (20 hours). However, involuntary part-time work is relatively prevalent among this group, with a quarter of permanent part-time workers wishing to work full-time hours. This results in permanent part-time workers having the highest share of multiple job holding (15%). Even though mean working hours are lower for permanent part-time workers than for casuals, both the weekly and the hourly wage are higher, suggesting that permanent part-time workers are both more highly qualified and take up more skilled jobs than casuals. Indeed, professionals make up one quarter of the permanent part-time workforce. This type of employment is also very prevalent among community and personal services workers as well as clerical and administrative workers. Like casual employees, permanent part-time workers are relatively more likely to be working shifts at the margin (evening/night) and more irregular work schedules. Nevertheless, they are still more likely than casuals to be working a regular daytime shift. Tenure with the current employer is relatively long and similar to that of standard workers, suggesting that permanent contracts in general are primarily a feature of long-serving employees.

Temporary agency workers mainly work full-time, with the vast majority also wishing to do so. Yet, among the part-time workers, more than half wish to work full-time. Agency workers relatively often have regular daytime schedules, but many are also on other, more irregular or unusual schedules.

The weekly as well as hourly wages of temporary agency workers are relatively high, even though agency workers are not particularly overrepresented among high-skilled occupations. Indeed, a relatively large share of agency workers works as labourers. While wages are relatively high, a considerable proportion of agency workers (19%) do not have access to paid holiday or sick leave. This reflects the fact that many agency workers are employed on casual contracts. <sup>16</sup> Agency workers have the shortest tenure of all groups, with 59% having worked for their employer for less than one year. <sup>17</sup>

Among the *self-employed*, who are mainly working full-time, we find the second highest mean working hours and the largest share of involuntary full-time workers. Yet, there is also a relatively large share of involuntary part-time workers (22%). Self-employed workers most frequently work on other schedules than regular daytime, evening or night schedules. The self-employed have the highest average hourly wage, although it has to be noted that this only refers to the self-employed who receive a wage at all (as opposed to the majority of the self-employed who receive business income only). The high wage matches the fact that most self-employed are found in the most skilled occupational groups of managers, professionals, and technicians and trades workers. Most of the self-employed run long-established businesses, with the reported mean job tenure being almost 12 years, and with only 11% having started their businesses within the past year.

### Socio-demographic Structure of Non-standard Workers

We now move on to look at the structural composition of workers in different employment arrangements. In this context, Table 3 provides an overview of the different characteristics of workers in each of the six employment types, again using weighted data from the 2015 round of the HILDA Survey.

Looking at *standard employment*, we see that workers in this employment type are more likely to be male and middle-aged. Almost all of them (98%) have already left full-time studies, and the vast majority (96%) have not experienced a period of unemployment within the past year. The average standard worker also appears to be relatively healthy, with only 5% having a work-impacting health

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 $<sup>^{16}</sup>$  In 2015, 49% of temporary agency workers in HILDA were on casual contracts, compared with 31% on fixed-term and 19% on permanent contracts.

<sup>&</sup>lt;sup>17</sup> A complication arises from the tripartite relationship between temporary employment agency, host company and agency worker. Tenure with the current employer is obtained in the HILDA Survey by asking the following question: "And how long have you worked for your current employer?" Some agency workers might have given the time they have worked for the host company instead of the temporary employment agency (their actual employer), resulting in an understatement of tenure for temporary agency workers.

condition, compared to a workforce average of 8%. Standard workers more often than average live together with a partner and children (43%), and this share is particularly large among male standard workers (48% for men compared to 36% for women). This together with the particularly long working hours of standard workers (see previous section) suggests that standard employment is often found in the context of a gendered division of labour, where men, as breadwinners, focus on full-time employment and their partners shoulder more of the responsibility for housework and childcare.

Women are overrepresented among *fixed-term contract workers*, with 52% being female, compared to 47% of the general workforce. This type of workers are also younger on average than standard workers, with 30% of them concentrated in the 25- to 34-year age group, suggesting that fixed-term contracts are often entry ports into employment, after which workers move on to a permanent contract with the same or a different employer. Workers in this employment type are often highly educated, which matches the fact that many of them work as professionals (see section above). The high-skill profile of fixed-term contract jobs might also explain the relatively high prevalence of persons born in non-main English-speaking countries in this form of employment: As a result of Australia's focus on skilled migration, this group of migrants is generally more highly qualified than both Australian-born workers and migrants from main English-speaking countries. Fixed-term contract workers are furthermore overrepresented among those living in single-person households and underrepresented among couples with children, reflecting their lower age.

With regard to *casual employment*, the most striking difference with standard employment and all other employment types is the workers' relatively young age, with almost half of all casual employees (47%) being younger than 25 years. Accordingly, they are also more likely to have a low level of completed education, with one third of them still studying full-time. Casual jobs are, therefore, often used to wrap gainful employment around students' timetables. Casual workers have a relatively high female share of 57%, which reflects the high prevalence of casual employment in female-dominated occupations, especially community and personal service workers and sales workers (see also previous sections) as well as the fact that women are generally more likely than men to be working and studying full-time simultaneously. As a consequence of their young age, educational participation and low income, casuals are particularly likely to live with their parents (43%) or in other arrangements (12%). Casuals are slightly more likely than other employees to be

<sup>&</sup>lt;sup>18</sup> This is partly due to special immigration regulations for workers from main English-Speaking countries. For example, New Zealanders, who are the second largest group of main English-Speaking migrants, have the right to work and live in Australia without the need to apply for a visa, resulting in a relatively low average educational level of New Zealand-born migrants.

found outside the Major Cities (where they primarily work in agriculture, food services, construction and transport). They furthermore have the highest share of non-indigenous Australian-born workers (75%), which at least partly reflects the fact that, first, Australian-born workers are overrepresented among the youngest age group where a large share of casuals are found and, second, that casual work is overwhelmingly part-time (see previous section) and part-time working hours are generally less common among the overseas-born groups. Casual employees are also relatively likely to have a work-limiting health condition, and many have experienced unemployment within the past year. A considerable share (7%) have even spent more than half of the time unemployed in the past year. These results suggest that casual jobs are often filled by workers with limited labour market chances.

Among the *permanent part-time workers*, we see the lowest share of men of all employment types considered (22%). In terms of living arrangements, this group of workers are very likely to live with their partner and children (49%) and the least likely to live by themselves. These results reflect the fact that part-time work is often utilised (by women) to reconcile work and family commitments. Permanent part-time workers are also relatively likely to pursue full-time studies, albeit the share is well below that of casuals. Work-impacting health conditions are relatively frequent among permanent part-time workers, most likely preventing some of them from working full-time hours.

Like standard workers, most *temporary agency workers* are male, which can be attributed to their high prevalence in male-dominated industries such as Manufacturing and Construction. Agency workers are furthermore clustered in the medium age range between 20 and 44 years. Overall, the workers' characteristics suggest a concentration of workers with reduced labour market chances and/or reduced availability for the labour market in this employment type: Despite a relatively high educational level (25% have a bachelor's or honours degree and 9% a postgraduate qualification), a particularly large share of agency workers (32%) has a recent history of unemployment, though usually short-lived. Agency workers are also more likely to be of indigenous origin (3%) or born in a non-main English-speaking country (38%). Furthermore, they more often have a work-limiting health condition than standard workers. Agency workers often live without a partner; indeed, they have the highest share of single parents (10%) and of those living in other arrangements (19%). Both the health conditions and the single parenting suggest limited time availability and/or a higher need of flexible schedules. Unlike all the other forms of non-standard employment, temporary agency workers are more likely to be found in the Major Cities (83%), possibly because most temporary employment agencies are located in urban areas.

Table 3: Socio-demographic characteristics of non-standard workers (2015)

Men59.747.542.422.454.1Age group15-19 years1.73.723.25.2(5.5)20-24 years6.113.123.610.314.025-34 years26.129.820.120.222.135-44 years24.721.910.723.726.645-54 years24.318.010.420.717.555-64 years15.611.78.814.713.465 and years1.6(1.8)3.25.2(1.0)Mean age41.337.831.741.038.1Highest educational levelPostgraduate8.214.24.27.79.4Grad diploma, gradcertificate7.48.62.08.6(5.1)Bachelor or honours20.721.611.519.324.6	68.8 (0.3) 2.1 14.5 22.8 28.6 21.2 10.6 48.0 8.1 6.8 17.4 10.4	53.4 6.07 9.88 22.99 21.54 21.36 14.69 3.47 40.1 7.9 6.5 18.5
15-19 years1.73.723.25.2(5.5)20-24 years6.113.123.610.314.025-34 years26.129.820.120.222.135-44 years24.721.910.723.726.645-54 years24.318.010.420.717.555-64 years15.611.78.814.713.465 and years1.6(1.8)3.25.2(1.0)Mean age41.337.831.741.038.1Highest educational levelPostgraduate8.214.24.27.79.4Grad diploma, gradcertificate7.48.62.08.6(5.1)Bachelor or honours20.721.611.519.324.6	2.1 14.5 22.8 28.6 21.2 10.6 48.0 8.1 6.8 17.4	9.88 22.99 21.54 21.36 14.69 3.47 40.1 7.9
20-24 years 6.1 13.1 23.6 10.3 14.0   25-34 years 26.1 29.8 20.1 20.2 22.1   35-44 years 24.7 21.9 10.7 23.7 26.6   45-54 years 24.3 18.0 10.4 20.7 17.5   55-64 years 15.6 11.7 8.8 14.7 13.4   65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad   certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	2.1 14.5 22.8 28.6 21.2 10.6 48.0 8.1 6.8 17.4	9.88 22.99 21.54 21.36 14.69 3.47 40.1 7.9
25-34 years 26.1 29.8 20.1 20.2 22.1   35-44 years 24.7 21.9 10.7 23.7 26.6   45-54 years 24.3 18.0 10.4 20.7 17.5   55-64 years 15.6 11.7 8.8 14.7 13.4   65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad   certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	14.5 22.8 28.6 21.2 10.6 48.0 8.1 6.8 17.4	22.99 21.54 21.36 14.69 3.47 40.1 7.9
35-44 years 24.7 21.9 10.7 23.7 26.6   45-54 years 24.3 18.0 10.4 20.7 17.5   55-64 years 15.6 11.7 8.8 14.7 13.4   65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad Grad diploma, grad 20.7 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	22.8 28.6 21.2 10.6 48.0 8.1 6.8 17.4	21.54 21.36 14.69 3.47 40.1 7.9
45-54 years 24.3 18.0 10.4 20.7 17.5   55-64 years 15.6 11.7 8.8 14.7 13.4   65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	28.6 21.2 10.6 48.0 8.1 6.8 17.4	21.36 14.69 3.47 40.1 7.9
55-64 years 15.6 11.7 8.8 14.7 13.4   65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	21.2 10.6 48.0 8.1 6.8 17.4	14.69 3.47 40.1 7.9 6.5
65 and years 1.6 (1.8) 3.2 5.2 (1.0)   Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	10.6 48.0 8.1 6.8 17.4	3.47 40.1 7.9 6.5
Mean age 41.3 37.8 31.7 41.0 38.1   Highest educational level Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	48.0 8.1 6.8 17.4	40.1 7.9 6.5
Highest educational level   Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	8.1 6.8 17.4	7.9 6.5
Postgraduate 8.2 14.2 4.2 7.7 9.4   Grad diploma, grad certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	6.8 17.4	6.5
Grad diploma, grad   certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	6.8 17.4	6.5
certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	17.4	
certificate 7.4 8.6 2.0 8.6 (5.1)   Bachelor or honours 20.7 21.6 11.5 19.3 24.6	17.4	
Bachelor or honours 20.7 21.6 11.5 19.3 24.6		10 F
	10.4	10.5
Adv diploma, diploma 11.5 8.7 9.1 9.9 (7.6)		10.4
Cert III or IV 24.8 18.5 17.1 19.1 27.1	30.1	23.2
Year 12 14.0 18.5 27.2 17.5 12.9	11.5	16.7
Year 11 and below 13.3 9.9 28.9 18.0 13.4	15.7	16.7
<b>Full-time students</b> 1.5 8.3 33.2 12.0 8.5	1.5	9.1
Unemployed last year		
Not unemployed 95.8 90.7 76.7 93.4 68.4	97.5	91.2
Six months or less 3.7 7.9 16.4 4.9 27.4	2.0	6.8
More than six months 0.6 (1.4) 6.9 (1.7) (4.2)	(0.5)	2.0
Area of Residence (%) <sup>a</sup>	(0.5)	2.0
Major cities 76.9 76.1 72.0 72.3 83.4	70.4	74.7
Inner regional 15.4 16.3 18.2 19.2 9.8	18.1	16.6
Outer regional / (Very)	10.1	20.0
Remote 7.7 7.6 9.9 8.5 (6.9)	11.5	8.7
Origin 7.7 7.0 3.5 0.5 (0.5)	11.5	0.7
Australia - Indigenous 1.9 (1.6) 2.5 2.8 (3.0)	(0.8)	1.9
Australia - Non-indigenous 69.1 66.0 75.1 72.6 48.4	67.2	69.6
Main English-speaking	07.2	05.0
countries <sup>b</sup> 11.8 10.9 6.0 8.3 10.2	12.7	10.5
Other countries 17.2 21.5 16.4 16.4 38.4	19.3	18.1
Work-impacting health	15.5	10.1
<b>condition</b> 5.1 6.1 10.1 12.0 11.3	11.8	7.8
Living arrangement	11.0	7.0
Single 11.0 13.6 7.1 5.1 10.2	10.8	9.9
	3.5	
Single parent   5.5   5.5   3.3   6.0   9.5     Child in parents'   11.1   17.6   42.8   15.3   14.6	5.3	4.9 17.2
household 11.1 17.6 42.8 15.3 14.6	5.3	17.2
	25.0	20.1
Couple with children <sup>c</sup> 21.6 19.9 14.4 16.2 17.0	25.9	20.1
Couple with children <sup>c</sup> 43.4 34.8 20.8 48.3 30.0 Other arrangements <sup>d</sup> 7.5 8.6 11.6 0.0 18.6	50.0	39.6
Other arrangements <sup>d</sup> 7.5 8.6 11.6 9.0 18.6	4.4	8.3
n (unweighted) 5,342 839 2,003 981 214	1,574	10,953

Notes: STD: Standard employment; FIX: Fixed-term contract employment; CAS: Casual employment; PPT: Permanent part-time employment; TA: Temporary agency work; SE: Self-employment. Data weighted using cross-sectional responding person weights. Values in brackets are estimates based on fewer than 20 cases.

Finally, the *self-employed* differ in many respects from standard workers and all other types of employees. Like standard workers, the majority is male; yet the gender bias is much more pronounced among the self-employed (69%). Self-employed workers are concentrated in the higher age groups, starting from 35 years on, resulting in the highest average age among all employment types (48 years). In terms of educational level, self-employed workers often have a trade qualification in the form of certificate III or IV (30%), which matches the relatively high prevalence of self-employed workers in technicians and trades occupations. The vast majority of self-employed workers have no recent unemployment history (98%), which matches the fact that many have run their businesses for many years (see previous section). They are particularly likely to live outside the Major Cities, where many of them work as farmers. Among the self-employed, we also find a high share of workers with a work-limiting health condition (12%). Compared to all other employment types, self-employed workers most often live in partnerships with (50%) or without children (26%). These results suggest that self-employment provides workers with more autonomy over their work schedule than wage and salary work, rendering it easier to reconcile employment with family responsibilities or health restrictions.

The question that arises from these bivariate, descriptive results is whether the relationships between socio-demographic characteristics and employment type also hold when we account for correlations between the different factors, such as age and study status. In order to investigate this, we run a cross-sectional multinomial logistic regression based on the pooled sample of all waves of the HILDA Survey, which analyses the effects of the socio-demographic factors on the likelihood of being found in a certain employment type compared to standard employment. From the results in Table 8 in the appendix it can be seen that most results also hold in this multivariate framework. For example, with the exception of self-employment, all non-standard workers are more likely than standard workers to be female and in the youngest age group. Contrary to the bivariate results, however, all types of non-standard workers are now found to also be significantly more likely to be 65 years and older compared to standard workers. While fixed-term contract workers are significantly more likely to have a postgraduate qualification, the opposite is true for all other types

<sup>&</sup>lt;sup>a</sup> Area of residence is based on the 2011 Australian Statistical Geography Standard (ASGS) Remoteness Structure. Major Cities comprise Sydney, Melbourne, Brisbane, Perth, Adelaide, Newcastle, Wollongong, Geelong, the central coast area of New South Wales as well as the Gold Coast and Sunshine Coast areas in Queensland.

<sup>&</sup>lt;sup>b</sup> The main English-speaking countries comprise Canada, Ireland, New Zealand, South Africa, UK and USA.

<sup>&</sup>lt;sup>c</sup> All own children in the household are included, regardless of age or economic dependency.

<sup>&</sup>lt;sup>d</sup> Other arrangements comprise multi-group households, multigenerational households, and persons living with distant relatives (i.e., not their partner, parents or children).

of non-standard employment. Moreover, all types of non-standard workers are more likely to be full-time students, to have had a recent unemployment experience (except for short-term unemployment among the self-employed) and to have a work-impacting health condition. In contrast, the living arrangements of non-standard workers are diverse, with little difference in living arrangements for fixed-term contract workers compared to standard workers, but a significantly reduced likelihood of any arrangement other than couple family with children for permanent part-time workers and the self-employed.

### Transitions into and out of Non-standard Employment

The final question investigated in this paper is whether non-standard employment is a transitory or long-lasting experience for most workers. This analysis is based on all respondents who are observed at least twice (either in two consecutive waves or in two waves five years apart) in the HILDA Survey and cases are thus weighted using longitudinal weights. Note that we can only observe changes in employment status from one interview to the next and are not able to capture repeated changes in employment status between waves – this sort of between-wave employment data is not collected in the HILDA Survey.

Table 4 shows the yearly transition rates between different labour market states and employment types, averaged across the observation period. Focussing first on the transition *into* non-standard employment, we see that casual employment in particular appears to work as an entry port into the labour market: 22% of those who are unemployed in one year and 12% of those who are not in the labour force are found in casual employment in the next year. In contrast, the chances of transitioning from unemployment or economic inactivity into any other employment type are much lower, amounting for example to 12% and 4% respectively for the transition into standard employment. Fixed-term contracts, which play an important role for labour market entrants in many European countries, only play a minor role in this respect in Australia: Only 4% of the unemployed and 2% of those outside the labour force have obtained a fixed-term position the year after.

Focusing now on the rate of transition *out* of an employment type, the table shows that standard employment and self-employment have a particularly high persistence across time, with more than 80% of workers found in these employment types in one year still being in the same state in the next year. Permanent part-time work also has a relatively high persistence, with more than half of these workers still found in permanent part-time employment the year after. However, a substantial share (16%) also increase their working hours and thus change into standard employment. Similarly, more

than half of the casual employees (55%) are still in casual employment the year after, while 13% have changed into standard employment. Yet, a considerable share (12%) of casual employees has left the labour force altogether, and the share transitioning into unemployment is three times as large as that of standard workers (4.2 vs. 1.4%). Among fixed-term contract workers and temporary agency workers, persistence is much lower, with only around a third of these types of workers still found with the same employment contract type the year after. Fixed-term contract workers have a particularly high chance of changing into permanent employment, be it in the form of standard employment (39%) or permanent part-time work (6%). Also among the agency workers, the share of those obtaining a permanent contract is relatively large, with 31% changing into standard employment and 4% into permanent part-time. Both fixed-term contracts and temporary agency work therefore seem to function as stepping stones into permanent employment for many workers in Australia, while this is much less the case for casual employment. On the downside, temporary agency workers also have the highest unemployment risk of all employment types considered (3.3 times as large as that of standard workers), and also the unemployment risk of fixed-term contract workers is slightly elevated compared to standard workers (1.6 times). Nevertheless, the incidence of "positive" labour market transitions into permanent employment by far exceeds the incidence of "negative" labour market transitions into unemployment or economic inactivity.

Table 4: Averaged year-to-year labour market transitions (%)

			Lal	bour mark	et status	, wave t+	1		
Labour market status, wave t	STD	FIX	CAS	PPT	TA	SE	UNE	NILF	RET
STD	82.3	5.1	2.8	2.2	1.2	2.0	1.4	2.2	0.8
FIX	39.4	36.7	6.1	5.7	1.8	3.3	2.2	3.7	1.0
CAS	13.0	4.8	55.0	6.3	2.2	3.0	4.2	9.8	1.7
PPT	15.6	5.2	10.9	55.8	1.1	2.3	1.3	6.0	1.8
TA	31.3	7.4	14.1	4.0	29.4	3.1	4.6	4.8	1.3
SE	4.7	1.6	3.3	1.1	0.4	81.8	0.9	3.7	2.6
UNE	11.7	4.0	22.1	3.3	3.2	2.5	26.2	24.6	2.3
NILF	4.3	1.8	12.1	3.2	1.1	3.0	9.2	59.1	6.2
RET	0.1	0.1	0.7	0.1	0.0	0.6	0.3	1.9	96.4

Notes: STD: Standard employment; FIX: Fixed-term contract employment; CAS: Casual employment; PPT: Permanent part-time employment; TA: Temporary agency work; SE: Self-employment; UNE: Unemployed; NILF: Not in labour force (but not retired); RET: Retired. n=179,817. Data weighted using responding person longitudinal weights for a balanced panel from t to t+1. Row percentages shown.

The five-year labour market transition rates, presented in Table 5, indicate a larger degree of labour market mobility over the longer period. Standard and self-employment are still the most stable employment types, with 68% and 64% respectively still (or again) found in the same form of employment five years after. More than half of fixed-term contract workers have transitioned to permanent employment, primarily into full-time (47%) but also to a considerable degree into part-time work (7%). A similar share of casuals has moved into permanent part-time work, but the share moving into standard employment is much lower than among the fixed-term workers (32%). Among the temporary agency workers, five-year transition rates to standard employment and permanent part-time employment are only slightly lower than for the fixed-term contract workers. Only a small minority of agency workers (9%) is still in this type of employment five years later. Among the permanent part-time workers, the share of those who stay in this type of employment is relatively high (33%), but a considerable share (28%) also moves into standard employment.

Table 5: Averaged five-year labour market transitions (%)

			Lal	bour mark	et status,	, wave t	-5		
Labour market status, wave t	STD	FIX	CAS	PPT	TA	SE	UNE	NILF	RET
STD	68.4	5.2	4.6	4.2	1.3	5.2	1.8	4.6	4.6
FIX	46.7	18.7	6.5	7.1	1.6	7.3	2.1	5.6	4.5
CAS	32.0	7.2	26.3	7.5	1.8	5.1	4.1	9.6	6.5
PPT	28.1	6.3	10.3	32.8	1.1	3.8	1.5	7.4	8.6
TA	43.9	7.0	11.7	6.1	9.4	5.0	3.2	8.3	5.3
SE	10.5	2.4	4.6	2.2	0.5	64.1	1.4	4.6	9.6
UNE	24.0	4.1	17.3	6.5	2.8	4.1	13.6	20.3	7.4
NILF	14.7	4.6	15.7	5.9	1.8	4.9	6.5	32.8	13.2
RET	0.2	0.1	0.8	0.2	0.0	0.7	0.2	1.5	96.4

Notes: STD: Standard employment; FIX: Fixed-term contract employment; CAS: Casual employment; PPT: Permanent part-time employment; TA: Temporary agency work; SE: Self-employment; UNE: Unemployed; NILF: Not in the labour force (but not retired); RET: Retired. n=100,973.Data weighted using responding person longitudinal weights for paired waves t and t+5. Row percentages shown.

A question closely connected to the chances of transitioning into permanent employment is whether permanency is attained by having a temporary contract converted to a permanent one by one's employer or by changing employers (Table 6).<sup>19</sup> Here, we focus only on those temporary workers

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<sup>&</sup>lt;sup>19</sup> The information on employer changes was primarily taken from a question asking respondents whether they still work for the same employer like last interview. If this information was unavailable, the information on tenure with the current employer was used instead: Each wave, respondents are asked how long they have worked for their current employer. If tenure is longer than the time which has elapsed since the last interview,

who are still in dependent employment the year after as the transition rates to other labour market states have already been presented in Table 4. The table includes only fixed-term contract and casual workers as temporary agency workers by definition have to change employer to receive a permanent (non-agency) job. The table shows that fixed-term contracts offer relatively high chances of receiving a permanent contract: slightly more than half of those on a fixed-term contract in one year and who are still employed in the next year have obtained permanency. Furthermore, 42% have been given a permanent contract by the same employer in the next year, with another 8% obtaining a permanent contract by changing jobs. This high conversion rate suggests that Australian employers often use fixed-term contracts to screen workers for permanent positions.

Table 6: Averaged year-to-year conversion of temporary to permanent contracts

	Gaine	d permanenc	y in t+1	Did no	t gain permane	ency in t+1
	Same employer	Different employer	Total	Same employer	Different employer	Total
Fixed-term	41.9	8.4	51.3	41.8	7.9	49.7
Casual	14.0	9.9	23.9	58.4	17.8	76.2

Notes: n=24,129. Data weighted using responding person longitudinal weights for balanced panel from t to t+1

In contrast, the overall chances of casual workers receiving a permanent contract are much lower, with only around one in four casual workers obtaining permanency each year. The difference with the conversion rates of fixed-term contracts is entirely due to employers converting much less often an existing casual contract into a permanent one (14%). In contrast, the chances of obtaining a permanent job through job change are similar to those of fixed-term contract workers.

A similar question can be asked in terms of working hours; i.e., whether Australian employees are able to change working hours within existing employment relationships or whether they (have to) change jobs in order to adjust their working hours. To answer this question, Table 7 shows the variability in working hours across time by looking at transitions between full-time and part-time status in a worker's main job.

The table confirms the result from Table 4 that most workers keep their status from one year to the next (if they stay in employment). Among those who change, conversions from part-time to full-time are much more likely than the other way around. It furthermore becomes obvious that a reduction

we assume that the worker is still with the same firm as last interview, while we assume a change of employer if the reported tenure is shorter than the time since the last interview.

in working hours is more often achieved with the current employer than by a change of jobs. In contrast, achieving an increase in working hours involves a change of employers as often as it is achieved with the same employer.

Table 7: Average year-to-year conversion from part-time to full-time and vice versa

	Transition t	o part-time/fo	ull-time in t+1	S	imilar hours in	t+1
	Same employer	Different employer	Total	Same employer	Different employer	Total
Full-time Part-time	5.8 7.5	2.5 8.2	8.3 15.7	80.2 71.6	11.6 12.6	91.7 84.3

Note: HILDA release 15, only employees, n= 86,023. Data weighted using responding person longitudinal weights for balanced panel from t to t+1.

### Summary

This paper provided an overview of measurement, trends and characteristics of Australian non-standard employment. Australia stands out in international comparisons both because of its large share of non-standard employment (slightly more than half of the workforce is found in non-standard jobs) and because of the very high prevalence of casual employment within this group. Yet, in contrast to many other countries, the share of non-standard employment in total employment is no longer increasing; indeed the past decade has been marked by a remarkable stability in the shares of the different employment types in the workforce.

The analysis has shown that Australian non-standard employment consists of a distinct range of employment types in terms of both typical job and workers' characteristics. On the one hand, for example, there are fixed-term contract workers, who are much like standard workers in that the majority work regular daytime schedules, earn a relatively high wage and are found in relatively high-skilled occupations. On the other hand, we have casual workers and the self-employed diverging considerably from standard employment, but in different directions. While casuals are particularly young, female, overwhelmingly working part-time, typically have short job tenure and are lowly paid, the self-employed are quite the opposite – mainly male, older full-time workers on high wages who have run their businesses for a long time.

Despite the heterogeneity across employment types, the results overall suggest that Australian non-standard employment is primarily (but not exclusively) the realm of "marginal" labour market groups, such as the very young and very old workers, and those with reduced labour market chances

due to lower educational levels, recent unemployment experience or work-limiting health conditions. Yet, often it is also deliberately chosen by workers seeking to combine gainful employment with non-work commitments such as studies or childcare.

The investigation of labour market transitions has highlighted that casual employment works as the main entry port of unemployed and economically inactive persons into employment in Australia, while fixed-term contract and temporary agency workers have much larger chances of transitioning into permanent employment. Overall, the analyses have shown a considerable degree of permeability between different employment types in the Australian labour market, suggesting that non-standard employment is a transitory experience in the life courses of many workers.

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# **Appendix**

Table 8: Relationship between socio-demographic characteristics and employment type: Results from pooled multinomial logistic regression (odds ratios)

<b>V</b> Iale					SE
viale	0.633***	0.377***	0.118***	0.799***	1.225***
Age					
15-19 years	1.891***	2.999***	1.274**	1.885***	0.191***
20-24 years	1.571***	1.834***	0.865*	1.307***	0.302***
25-34 years	1.133***	1.103**	0.778***	1.063	0.594***
35-44 years (ref.)	1	1	1	1	1
45-54 years	0.981	0.878***	0.939	0.959	1.138***
55-64 years	1.016	1.475***	1.687***	1.017	1.825***
65 years plus	2.453***	8.872***	7.994***	2.433***	9.108***
Educational level					
Postgraduate	2.403***	0.432***	0.628***	0.526***	0.784**
Graduate Diploma / Certificate	1.649***	0.580***	1.051	0.668***	0.583***
Bachelor or Honours	1.417***	0.711***	1.02	0.794**	0.825***
Adv. Diploma or Diploma	1.093	0.837**	0.949	0.677***	0.923
Certificate III or IV (ref.)	1	1	1	1	1
Year 12	1.038	1.228***	1.210***	1.077	0.961
Year 11	0.866***	1.758***	1.263***	1.213**	1.058
Full-time student	3.469***	12.885***	10.178***	3.753***	2.917***
Unemployed last year					
Not unemployed (ref.)	1	1	1	1	1
Six months or less	2.071***	3.830***	1.582***	6.713***	0.709***
More than six months	2.963***	8.662***	2.693***	10.252***	1.301**
Area of Residence					
Major cities (ref.)	1	1	1	1	1
Inner regional	1.259***	1.385***	1.208***	0.777***	1.388***
Outer regional/ (Very) Remote	1.380***	1.511***	1.042	0.916	1.699***
Origin					
Australia – Indigenous	1.348**	1.14	1.2	1.669***	0.495***
Australia – Non-Indigenous (ref.)	1	1	1	1	1
Main English-speaking country	1.111	1.025	0.959	1.217**	1.155*
Other country	0.845***	1.239***	0.987	2.013***	1.228***
Work-limiting health condition	1.270***	2.119***	2.045***	1.592***	1.910***
Living arrangement					
Single	0.977	0.819***	0.316***	1.207**	0.569***
Single parent	0.962	1.093	0.641***	1.292**	0.505***
Child in parents' household	0.94	1.335***	0.636***	1.262**	0.523***
Childless couple	0.936	0.662***	0.365***	0.959	0.720***
Couple with children (ref.)	1	1	1	1	1
Other arrangement	0.979	0.988	0.436***	1.334***	0.570***
<del>-</del>	0.129***	0.246***	0.416***	0.033***	0.312***

Notes: FIX: Fixed-term contract employment; CAS: Casual employment; PPT: Permanent part-time employment; TA: Temporary agency work; SE: Self-employment; HILDA release 15, multinomial logit with cluster-robust standard errors; standard employment is reference category.