



AUSTRALIA AT WORK

# Australia at Work : In a Changing World

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## Executive Summary

The Australian labour market is experiencing a period of substantial change, within both the economic and industrial relations environments. This third annual *Australia at Work* report provides a first look at how these changes are impacting on working life. The report distinguishes between changes that have occurred in the last year, during the economic downturn, and the ongoing dynamics of the Australian labour market. The purpose of this report is to provide a first descriptive take of the most recent data in order to generate debate about how Australian working life is evolving both in the short and longer term.

*Australia at Work* is a longitudinal survey tracking the experiences of the March 2006 labour force. This report documents the findings of a total of  $n=6,801$  respondents in 2009, as well as the experiences of  $n=6,333$  ongoing respondents from 2006 to 2009. The objectives of the survey are to examine workers' lived experiences of the labour contract, and changes in Australian working life. The guiding concepts for the research are the evolution of the labour contract and 'Transitional Labour Markets' (TLMs). The first focuses on employees' perceptions of the labour contract, including both formal and informal arrangements. The second is concerned with examining work within a broader life course framework, in particular, transitions between work and education, family formation and retirement.

The event that arguably had the most impact on the Australian economy and labour market in 2008 was the Global Financial Crisis (GFC) in October. While expectations that the Australian economy would go into a technical recession were unmet, the impact was felt through a rise in unemployment and reports of further reductions in working hours. However, this report finds that only small sections of the workforce have endured negative impacts from the economic downturn. Around 8 per cent of all respondents report losing a job in the last year, and around two-fifths of these people are now in a job. While the levels of job insecurity remain very low among Australian employees, there has been an increase between 2008 and 2009, from 7 to 12 per cent. Insecurity is higher among private sector employees, at 14 per cent in 2009.

There have been some positive changes that have resulted from the economic downturn. While reports of increased living costs peaked in the first half of 2008, the GFC saw Australian interest rates plummet, petrol prices return to previous levels and the Government distribute a series of stimulatory cash hand-outs. The ease on costs of living is reflected in respondents' reports of living standards. The proportion of people finding it 'very difficult' or 'difficult' to get by on their current household income has dropped from 20 per cent in 2008 to 16 per cent in 2009. Correspondingly, those 'living comfortably' or 'doing really well' has increased from 41 to 45 per cent in the same period.

The economic downturn has not had a widespread impact on Australians' participation in the labour market, however, the transitions in and out of work continue. These transitions are more common for women. The majority (82 per cent) of men aged 25 to 44 years have experienced continual employment over the last four years, compared to only 67 per cent of women of the same age. This is likely to be the result of women taking on primary care responsibility within the household. The level of women's attachment to the labour market is also affected. Of women who have had continual employment, only 35 per cent have reported continual full-time employment for this period. This has serious implications for women's financial security and their eventual retirement incomes.

While unemployment has not been an overwhelming feature of the economic downturn, particularly in comparison with other developed countries, much has been said about the fall in total hours worked. Our data does not provide evidence to support the contention that job losses have been mitigated by de facto work-sharing. The most significant shifts in earnings, hours and non-standard work have been experienced by workers who change jobs.

Paid leave entitlements are a mechanism by which workers can be supported during breaks in employment and jobs with paid leave entitlements typically provide greater job security through ongoing employment. However, ABS data shows that the biggest growth in employment in the last 15 years has come from the creation of casual jobs. Examination of the employment trajectories of employees in 2007 shows that the bulk of employees who were entitled to paid leave in their job in 2007, still have the same entitlement in 2009. However, the outcomes for those without paid leave are more uncertain. More than one-third (37 per cent) have continually remained without paid leave entitlements; one in five gained paid leave entitlements in 2008 and have kept them in 2009, and another one in six are no longer in the workforce in 2009. Thus, employees with no paid leave entitlements have an unstable and uncertain experience of employment and entitlements over time.

Employees are less likely to be entitled to paid leave if they started a new job in the last year, compared to those who remain with the same employer. These employees who started a new job without paid leave entitlements were also more likely to experience a reduction in their working hours. Despite the 'cooling' of the labour market, many employees reported an increase in their nominal salary from 2008 to 2009. However, two-fifths of employees not entitled to paid leave and who changed employers in the last year reported a reduction in earnings.

Employees' reports of the formal instrument that governs their pay and conditions remain relatively unchanged over the survey period and continue to contradict employers' accounts reported by the ABS. Collective bargaining at the enterprise level is at the heart of the Government's new Fair Work laws. In light of this, it is concerning that only 22 per cent of employees report a collective agreement

determines their pay and conditions. Instead, employees put a greater emphasis on the role of awards.

Casual employees are much less likely than permanent employees to feel they have the opportunity to negotiate their pay and are much more likely to report reliance on awards for the determination of their pay and conditions. This presents a major challenge for the Fair Work Act in enabling these employees access to collective bargaining. The low-paid bargaining stream for multi-employer bargaining has the potential to do this. If this isn't achieved, the role of the NES and Minimum Wage Panel in maintaining an adequate safety net will be extremely important.

While employees' reports of the formal instrument government their employment conditions are unreliable, their perceptions of the more informal bargaining arrangements are insightful. Only 40 per cent of employees report negotiating their pay and conditions at the commencement of their employment, which implies that many employees are accepting jobs on a 'take it or leave it' basis.

The presence of unions in the workplace, public sector employment and the absence of voice among workers influence joining a union. This means that the prospects for private sector unionisation are likely to hinge on a combination of recognisable workplace presence and effective channelling of worker frustrations. Unrepresented workers, as measured in our study, were three times more likely to have joined a union in 2009 as satisfied non-members. Rises and falls in this measure of union preference may be useful in predicting trends in membership growth so the labour movement might benefit from regularly surveying workers about their preferences.

In addition, we gained new insights into perceptions of manager opposition to unions. The core private sector workforce – working in larger workplaces in full-time jobs – is more likely to believe their managers oppose unions. We also see the strongest industry-level perceptions of union opposition in key blue collar industries like mining and construction, where density has declined significantly. We speculate that these perceptions are widespread enough among workers in some industries (such as mining) to influence membership choice, and thus implicate management strategy as a factor in membership decline.

Based on our key findings, three over-arching analytical implications were developed. First, when considering labour market transitions those involving movement within the labour market (i.e. moving jobs) are just as, if not more significant, than those outside the labour market (i.e. entering or leaving the labour market). Secondly, we hold that when considering the labour contract the reality of bargaining often has little or no association with the formal instrument defining enforceable rights. Finally, we contend that understanding the development of the labour contract requires more consideration of the impact of job change and commencement.

Associated with these analytical recommendations are four policy implications. Firstly, no matter how subdued the downturn, the long-term trend in labour market fragmentation continues. The debate must move from structural versus cyclical change to the question of how cyclical fluctuations affect longer term structural trends. Second, given that we are confronting jobless growth, there is a need to actively promote work-sharing in the Australian economy. Policy needs to facilitate different ways of distributing hours, developing the workforce and redistributing the gains from growth.

This report has provided evidence that fair recruitment rights are vital to ensuring fairer labour standards. The point at which workers commence a new job is critical for understanding what changes are occurring in the labour market and how this is happening. Attention should focus on issues such as bargaining rights of individuals; and how probation is defined and handled. This is not only an area for policy-makers: it also presents an opportunity for the union movement. Involvement at the commencement of the employment relationship could prove to be an effective recruitment strategy.

Finally, we argue that enforceable rights are essential not only within jobs but also as workers move between jobs. Many workers will never lose their casual status and miss out on many of the labour standards, as these largely apply to permanent employees. The policy issues to consider are when entitlements accrue, whether entitlements should be portable across jobs and, consequently, who should be responsible for managing these entitlements (e.g. the employer or an industry fund).

While we are working in a changing world it is becoming increasingly clear that many of the key problems afflicting the labour market before the downturn continue. Our data have highlighted the importance of engaging more creatively with the challenges of a dynamic labour market. Future *Australia at Work* research will examine developments to see if Australia overcomes these challenges or merely reproduces the problems of the past.

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# 1. Introduction to *Australia at Work: The Third Wave*

The *Australia at Work* study is tracking the experiences of thousands of workers over five years to understand the dynamics of Australian working life. The aim of the *Australia at Work* project is to contribute up-to-date evidence-based research to a rapidly changing industrial relations policy environment. One of the major strengths of the study is that it is longitudinal; allowing us to build on the insights derived from other data sources on the Australian labour market. This third annual report provides a timely analysis of the impact of the Global Financial Crisis (GFC) on the lives of Australian workers. It also builds on the previous two annual reports: *The Benchmark Report* and *Working Lives: Statistics and Stories*. With three waves of data to analyse, this report exploits the longitudinal aspect of this research, providing an examination of changes in working life and the continuity or discontinuity of workers' experiences.

The third wave of data was collected during February to June 2009. The GFC had erupted in October 2008 and while Australia is the only OECD country to have not experienced a technical recession, the unemployment rate has risen and a reduction in working hours has been documented.

While full details and implications of this are yet to be determined, the essential facts are generally agreed. Global financial flows froze following the collapse of the large US investment bank, Lehmann Brothers, in September 2008. This event was widely accepted as being symptomatic of major vulnerabilities in financial institutions, primarily as a result of their exposure to bad debts. The closely integrated nature of world capital markets meant the crisis in the US quickly became global.

Fearing that the closure of further leading financial institutions would trigger a collapse of the world financial system, governments around the world took unprecedented action. These measures were aimed at stabilizing or restoring liquidity levels, boosting industrial production and international trade and helping to mitigate rising unemployment. The timing and degree of intervention varied country to country. Generally, however, it involved government guarantees for banks (sometimes involving nationalisation or partial nationalisation, as was the case in the US and the UK) and direct stimulatory measures by governments. These initially provided direct payments to consumers and, in the longer term, allocations for large scale government expenditure, primarily for public works. It is estimated that these interventions will be equivalent to 18 per cent of global GDP in 2010 and 2011 (Rudd 2009). Table 1.1 provides a summary of the growth forecasts that were widely reported during the survey period that both reflected and helped shape the climate at the time. While zero growth was predicted for 2009, negative growth was the dominant prediction for most economies, with India and China being major exceptions.

Australia is widely recognized as having devised one of the fastest and largest (per capita) intervention packages. Of immediate relevance to this study, most Australian workers received a one-off payment from the government of up to \$900 to help maintain aggregate demand in the first half of 2009 (Swan & Tanner 2009). At the time of writing, Australia was also considered to be having 'a good global financial crisis' (People 2009). While growth has

fallen to zero, it is expected that it will now recover faster than originally anticipated. As a result, the federal budget deficit was about 20 per cent smaller than predicted (Crowe 2009).

**Table 1.1: International GDP Growth Forecasts, May 2009<sup>(a)</sup>**

	Actual	Forecasts		
	2008	2009	2010	2011
World	3.2	-1 ½	2 ¼	3 ½
Euro area	0.7	-4	0	1 ¼
Newly Industrialised Economies <sup>(b)</sup>	1.6	-4 ¾	2 ¾	3 ¼
ASEAN-5 <sup>(c)</sup>	4.6	-1 ¼	2 ½	3 ¾
Australian's major trading partners	2.7	-2	2 ½	3 ¼
United States	1.1	-3	¼	1 ¾
Japan	-0.7	-6	½	¾
China <sup>(d)</sup>	9.0	6 ¼	8	8 ½
India <sup>(d)</sup>	7.4	4	4 ¾	5 ¾
<b>Australia</b>	<b>3.6</b>	<b>0</b>	<b>-½</b>	<b>2 ¼</b>

(a) World, Euro area and advanced economies growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners, NIEs and ASEAN-5 are calculated using export trade weights.

(b) Includes Hong Kong, South Korea, Singapore and Taiwan.

(c) The Association of Southeast Asian Nations group of five comprises Indonesia, Malaysia, The Philippines, Thailand and Vietnam.

(d) Production-based measures of GDP.

Source: Swan and Tanner 2009, *Budget Paper No 1*.

Australia's performance is only favourable in a comparative international context. In terms of the last decade, the recent labour market developments in Australia have been worrying. In May 2009, the unemployment rate was 5.7 per cent, up by a third in just 12 months. The major changes that have occurred during the last year are summarised by ABS data provided in Table 1.2 (ABS 2009a, ABS 2009b). While the situation has, in aggregate, been deteriorating, we are not witnessing a general 'crisis' in the labour market. Indeed, the situation is better characterised as inconsistent rather than uniformly 'bad'. For example, while unemployment rose, so too did the absolute number of employed persons in the economy – up by 35,000 in the year to May 2009. However, while total employment has increased, there have been significant falls in employed persons among full-time males (down by just under 80,000). There have also been dramatic differences by industry. Large reductions in employment numbers have been experienced in sectors such as manufacturing (down 77,000); retail trade (down 17,000); and financial and insurance services (down 16,000). On the other hand, there have been increases in numbers of employed persons in public administration and safety (up 65,000) and health care and social assistance (up 81,000). Most intriguing of all have been trends in hours and employment. We can see that while the number of employed persons marginally increased, aggregate monthly hours fell 2.8 per cent – the equivalent of roughly 270,000 effective full-time jobs, Table 1.2. Not surprisingly, under-employment (i.e. part-time employees who want more hours of work) has increased from 6.0 per cent to now account for 7.6 per cent of the workforce.

**Table 1.2: Key ABS Labour Market Indicators, Australia, mid-2008 and mid-2009**

	2008 N ('000s)	2009 N ('000s)	Change N ('000s)
Labour force	11,230.0	11,444.3	+214.0
Unemployment	472.8	651.2	+178.4
Under-employment	656.0	866.7	+210.7
Aggregate actual hours (monthly)	1,560.9 million	1,516.8 million	-44.1 million
Employment	10,757.2	10,793.1	+35.9
<i>Full-time</i>			
Male	4,993.5	4,914.3	-79.2
Female	2,709.7	2,728.8	+19.1
<i>Part-time</i>			
Male	896.9	937.7	+40.8
Female	2,157.1	2,212.3	+55.2
<i>Indicative industries</i>			
Manufacturing	1,070.0	993.0	-77.0
Professional, Scientific & Technical Services	1,200.0	1,182.0	-18.0
Retail Trade	1,227.0	1,210.0	-17.0
Financial & Insurance Services	407.0	391.0	-16.0
Public Administration & Safety	628.0	693.0	+65.0
Health Care & Social Assistance	1,109.0	1,190.0	+81.0

Source: ABS (2009a), ABS (2009b)

Notes: All figures are for May except aggregate actual monthly hours which are for July. All units are '000, except for aggregate monthly hours which are millions)

Illuminating as the ABS material is, it raises many questions:

- How are these changes in the labour market affecting people's expectations about losing their jobs and their prospects for re-employment?
- Of those losing jobs, how many remain unemployed and how many find new work?
- How are these changes affecting perceived living standards?
- What is happening to those people in 'non-standard' employment compared to those in 'standard' employment?
- When workers take on new jobs, how do these compare in terms of job quality – especially earnings, hours and leave entitlements – to those of workers who have remained in the same job?
- What is behind the divergent trends in hours and employment?

*Australia at Work* can make a useful contribution to answering these and other questions. But first, it is important to return to the original concepts guiding the research: the labour contract and labour market transitions. In particular, how are changes in the labour contract linked, if at all, to transitions in working life? From the outset we have gathered information on how the labour contract is experienced by working Australians. As noted in our previous reports, we take an expansive view of the labour contract. It includes formal and informal arrangements, as well as individual and collective processes associated with defining enforceable rights and obligations at work. The categories informing our analysis of working

life are derived from the ‘Transitional Labour Markets’ (TLM) literature. At the core of this approach is a concern with understanding how the flows of labour connect with those of education, family formation and job attainment. This framework allows for an empirically sensitive analysis of life courses and avoids the traditional assumptions of the breadwinner model (van Wanrooy et al. 2007:12-14; van Wanrooy et al. 2008:3-5).

In preparing this report, we remain faithful to addressing the original research questions of the study. However, in view of the GFC, we have augmented the questions thus:

- How have changes in the labour market occurred, how *pervasive* have they been and what *impact* (objectively and subjectively) have they had on Australians working or seeking work in March 2006?
- How useful are the categories of this project – that is, the notion of the ‘labour contract’ and ‘labour market transitions’ – for making sense of the changes currently underway?

Based on findings from the two previous waves of the study, recent ABS data, and the questions raised above, the hypotheses we explore in this report are:

- Labour market adjustments to the downturn have primarily involved shifts in hours, especially among employees engaged on a non-standard basis.
- Transitions within the labour market, rather than different stages of the life course, are the social space where government policy and employer decisions have most *immediate* impact on working life.

The structure of the report progressively tests these two hypotheses. Chapter 2 begins with an overview of working life in the downturn and pays particular attention to job losses. Workers who lost a job in the last year are tracked to see what their labour market status is in 2009. The final part of the chapter reports on employee perceptions around job insecurity and ‘indispensability’ and whether these factors are good predictors of job loss. The question of whether the global economic downturn has led to more financial pressure on individuals and households is then explored in the last part of this chapter.

In Chapter 3, transitions in and out of the labour market among the participants in our sample are analysed for the period 2006 to 2009. Despite not having experienced a technical recession, the unemployment rate in Australia has risen and the ABS has reported a reduction in working hours. Commentators and members of the Government believe this represents a form of de-facto work-sharing, whereby full timers ration their hours to save jobs (AAP 2009; Saulwick and Coorey 2009; Toomey 2009), while Bradbury (2009) argues it is the result of the flows between part-time and full-time employment slowing down. We explore this in the second part of this chapter by looking at changes in working hours and the different ways of measuring this. Then, workers’ subjective experiences of working time are discussed, in order to understand the extent to which individuals feel satisfied with, and in control of, the hours they work.

The issue of ‘non-standard’ employment is analysed in Chapter 4. First, a brief overview of the background to ‘non-standard’ employment in Australia is given. We then look at the proportion of employees in jobs with paid leave entitlements across the three waves of the

study. The trajectories of employees with and without paid leave entitlements in their main job in 2007 is tracked to see where they end up in 2008 and in 2009. The final part of the chapter looks at the persistence or absence of paid leave entitlements.

One of the key findings of *The Benchmark Report* was that although the impact of the Work Choices legislation in its first year of operation was relatively limited, it was particularly pronounced among workers who had changed jobs or entered the workforce (see Chapter 3 in van Wanrooy et al. 2007). We hypothesise that the impact of the GFC is likely to follow a similar pattern whereby the opportunity for a major change occurs when a person changes jobs or commences a new one. With this in mind, Chapter 5 explores whether those who change jobs or re-enter the workforce have a disproportionate amount of change in their rights to paid leave entitlements, pay and working hours.

One of the aims of the *Australia at Work* study is to analyse the effects of labour law and the labour contract on working life. The core elements of the Government's *Fair Work Act 2009* were not yet implemented when the third wave of data was collected. However, the study provides evidence on working life under the Work Choices era, as well as benchmark data for future analysis and assessments of the *Fair Work Act*. In this context, an analysis of bargaining, negotiation in the workplace and employees' attitudes to management is undertaken in Chapter 6. This includes a review of the industrial instruments that govern the opportunities employees have to negotiate with their employer, particularly at the commencement of the employment relationship.

In the last year the ABS has reported stabilising union density levels in Australia. In Chapter 7, changes in union membership and density in Australia are reviewed by industry, identifying areas of growth and decline. The trend in unrepresented workers is also analysed along with the impact of job change on union membership. Taking a cue from an American finding, a new question around perceptions of manager opposition to unions was added into Wave 3 of the *Australia at Work* study. We examine the factors likely to shape workers' perceptions of manager opposition to unions.

Chapter 8 sets out the main findings from the report and identifies a set of associated policy recommendations. Research areas for consideration in future waves of the study are also suggested.

## **Methodology**

*Australia at Work* is a longitudinal telephone survey that tracks people who were in the labour force in March 2006. The first wave was conducted in 2007, and two subsequent waves of the study have been completed in 2008 and 2009. In Wave 1 of the survey  $n=8,341$  interviews were completed and  $n=7,086$  interviews were completed in Wave 2. This report focuses on the third wave of data collection that occurred from February to June 2009.

There are both advantages and disadvantages to taking a longitudinal approach to data collection. A major benefit of longitudinal data is that it enables changes in individual circumstances to be determined and analysed, facilitating a greater understanding of the dynamics in the labour market. However, a shortcoming of this approach is that the population being studied is limited to the original sample group; in this case, 2006 labour force participants. This means the data is not representative of new entrants to the workforce.

The other major limitation of a longitudinal sample is that it ages. The initial population sample was 16 to 58 year olds, so that by the fifth and final wave the age range would be 21 to 63 year olds. This not only restricts the group of workers we have information for, but it also limits the *type* of workers we can talk about. That is, this group of workers are less likely to be in low-qualified and low-paid jobs. For this reason,  $n=300$  young people aged 16 to 24 years were recruited to the study this year. This also means that a small section of the sample is not limited to 2006 labour force participants. However, the sample continues to exclude people above the age of 24 who had yet to enter or had taken a break from the workforce in 2006, such as carers or people with poor health.

The Wave 3 pilot study of  $n=17$  was conducted in February 2009. The main fieldwork elicited a total of  $n=6,801$  interviews, including  $n=300$  new participants. Existing participants who were not interviewed last year were given the option of returning this year: this accounted for  $n=168$  participants, leaving  $n=6,333$  respondents who have participated in all three waves of the study.

The overall attrition rate is 22.1 per cent (i.e.  $n=8,341$  to  $n=6,501$ ) and the continuous attrition rate from Wave 2 to Wave 3 is 10.6 per cent (i.e.  $n=7,086$  to  $n=6,333$ ). Attrition rates varied across different age groups. For more details on attrition refer to the Technical Report in Appendix A.

The *Australia at Work* sample is weighted, using population estimates from the ABS *Labour Force Survey*, according to age, sex, location, labour force status and union membership. Due to the new recruits to the sample, we are unable to weight the 2009 data back to the 2006 labour force. Therefore we use cross-sectional weights that relate to the specific year the data is reporting on. Weights have been developed for all four years there are data (2006 to 2009). Longitudinal weights have also been used to enable comparisons between waves. For more details on the weights see Appendix A. This year all of the weightings were re-calculated to include owner-managers of incorporated entities (OMIEs) in the self-employed category. This brings the *Australia at Work* data in line with the ABS data, where the self-employed account for around 17 per cent of all employed persons, compared to previous estimates of around 10 per cent. There are three important groupings used throughout this report:

- Employment status:
  - Employees; and
  - Self-employed – including owner-managers of incorporated entities and contractors.
- Form of employment – relies on the employee's self-identified status. Where the employee is unsure, their report of paid annual and sick leave are relied upon. If their reports of paid leave contradict their self-identified status, the default is to paid leave. For example, if a person self-identified as permanent but does not receive any paid leave they will be defined as casual.
  - Permanent – employed on an ongoing basis, entitled to paid annual and sick leave.
  - Fixed-term contract – employed for a specific period or task, and generally not entitled to paid annual or sick leave.

- Casual – not entitled to paid annual or sick leave and not employed for a specific period or task.
- Paid leave entitlements – is an alternative to form of employment. This is used in cases where a dichotomous variable indicating the level of ‘precariousness’ is required. Where the employee reports one type of paid leave and not the other, the default is to the self-identified form of employment.
  - Paid leave entitlements – receives paid annual and sick leave.
  - No paid leave entitlements – does not receive paid leave.

The Wave 2 survey instrument was modified slightly to create the Wave 3 survey instrument. Most questions remained the same to enable accurate longitudinal comparisons however a few minor edits were made. This included the addition and removal of some questions. The most significant changes were:

- Simplification of the questions concerning formal legal instrument determining pay and conditions of respondents; and
- Two additional questions about the degree to which respondents had the opportunity to negotiate wages and conditions at the commencement of and during the operation of their current contract of employment.

The total Wave 3 sample of  $n=6,801$  and the continuing sample of  $n=6,333$  enables disaggregation of these data to examine subgroups or detailed variables while still producing representative and reliable data. The sample size of the analysis groups have been provided in most tables of the report. Data have not been reported in the text where there is insufficient sample size. Where the cell size is  $n < 20$ , the data is noted with an asterisk (\*). This is in keeping with ABS conventions, where data with relative standard errors greater than 25 per cent are not considered statistically reliable.<sup>1</sup>

In 2008, a qualitative component to the *Australia at Work* study was introduced. This involved 50 in-depth telephone interviews with consenting participants who had completed the first wave of the *Australia at Work* survey. All interviews were conducted during 2008 by Dr Sean Scalmer from the University of Melbourne and Dr Shaun Wilson from Macquarie University. The findings from these interviews have been included in this report where they elucidate the statistical findings. For further details on the qualitative research component, see van Wanrooy et al. (2008:7-8,125-127).

The *Australia at Work* research is conducted by researchers at the Workplace Research Centre (WRC) at The University of Sydney. The research team is advised by the *Australia at Work* Advisory Board, consisting of five labour market and industrial relations academics from around Australia. The Advisory Board provides input on research design issues, analysis and reporting. A copy of the draft report was circulated to Advisory Board members to provide feedback prior to finalisation. Extensive comments were provided by Advisory Board members. The Advisory Board members can in no way be assumed to necessarily support or endorse the analysis contained in this report.

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<sup>1</sup> The use of cell sizes of less than 20 is a proxy for relative standard errors greater than 25 per cent.

## 2. Working Life in the Downturn: Job losses, job security and living standards

We noted in the Introduction that the Australian labour market has been unsettled, rather than expressly plunged into crisis, in the immediate aftermath of the GFC. Undeniably, pockets of instability have emerged, but in some areas the employment situation remains largely unaffected or has even improved. The range of survey variables employed in *Australia at Work* and the longitudinal nature of our data enable us to complement existing research and statistics in this area. In this chapter, we use our findings to examine the topical issues of job losses, job security and living standards. We provide analysis of where and how job losses are occurring. This is followed by an analysis of job security and indispensability among private and public sector employees. The last section of this chapter then goes on to consider whether shifts in the economic climate have led to changes in financial pressures and living standards at the household level. The findings serve to highlight what will become one of the key messages of the report, namely that change is being felt most strongly at points of transition in the labour market, and that the GFC has so far failed to send out shockwaves across the workforce as a whole.

### Job losses

The most recent data release from the biennial ABS Labour Mobility Survey, in February 2008, showed that just over 600,000 jobs were involuntarily ceased in the preceding year. Of these cases, 200,000 were due to retrenchment or the employer going out of business.<sup>2</sup> It may be that the picture will be very different by the time the next Labour Mobility Survey is published in 2010. As a foretaste, in the current *Australia at Work* sample just over eight per cent of respondents (excluding those who were continuously unemployed or not in the labour market between the Wave 2 and Wave 3 surveys) report having lost a job between 2008 and 2009, equating to a population estimate of over one million. Whilst both conceptual and sampling considerations preclude a direct benchmarking of our job loss data against that of the ABS on involuntary job cessation,<sup>3</sup> our figures of themselves provide an interesting snapshot of movements out of employment in a time of economic instability.

Questions relating to job loss were new to the 2009 *Australia at Work* survey, and, as implied, were introduced to explore the impacts of the unfolding GFC on the workforce. All respondents who had *not* been in continuous employment since the previous survey (or who were new entrants to the sample, or who had participated in 2007 but not 2008) were asked whether they had lost a job within the last year.<sup>4</sup> Those who answered 'yes' were further asked to specify whether, in their understanding, they had been made redundant (job no longer existed for economic reasons or due to restructuring) or unfairly dismissed. We

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<sup>2</sup> The other ABS categories relating to involuntary job cessation are 'Job was temporary or seasonal' and 'Own ill health or injury'.

<sup>3</sup> See footnotes above and below for differing definitions of job cessation (ABS) and job loss (*Australia at Work*). Sampling discrepancies include the under-representation of new workforce entrants in the *Australia at Work* sample.

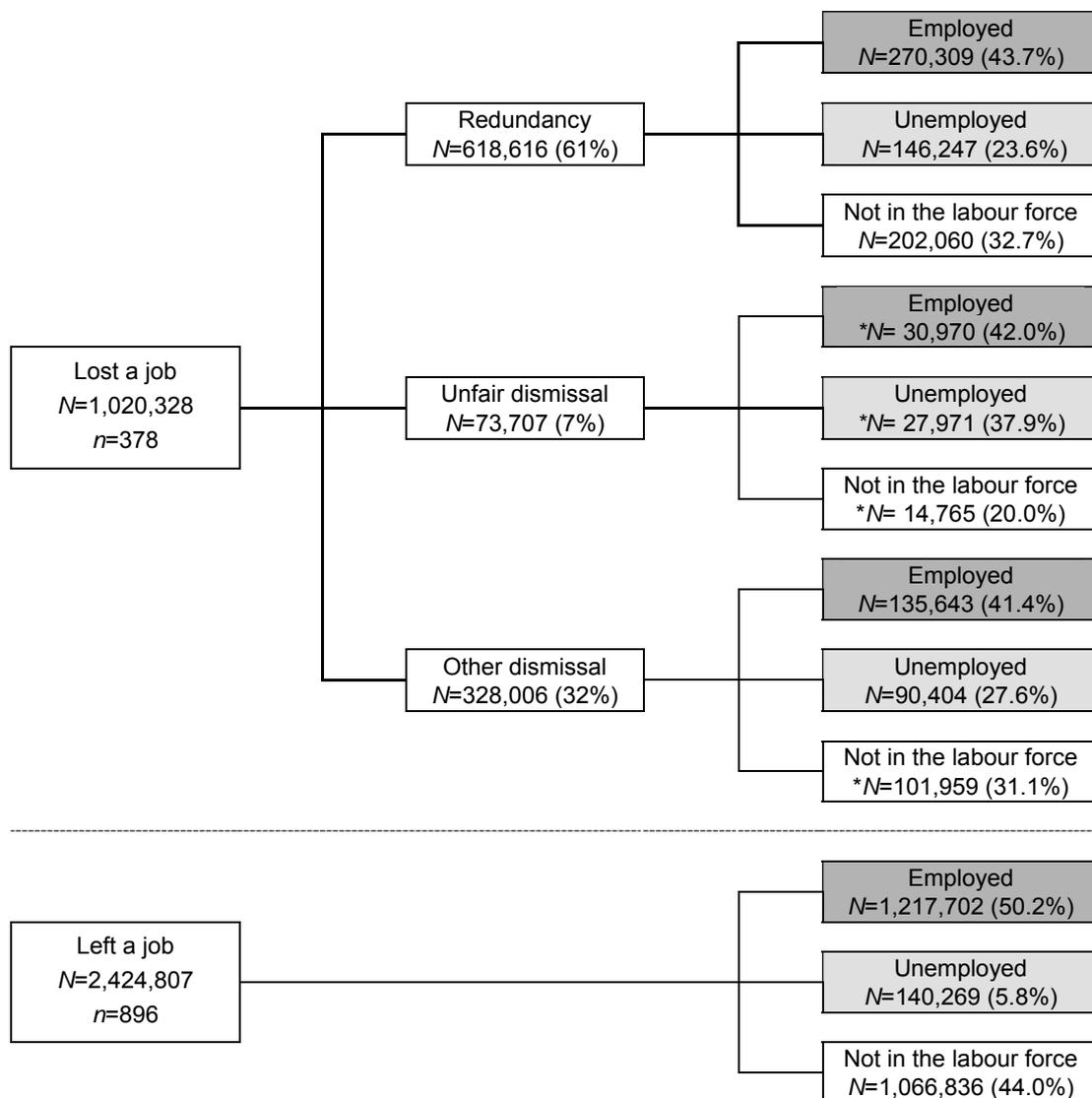
<sup>4</sup> The *Australia at Work* survey definition of 'job loss' covers retrenchment, redundancy, employer going out of business, dismissal, non-availability of work, organisational restructuring and economic reasons.

reiterate that these are subjective perceptions with no legal verification in the context of our study. Job losses that respondents could not attribute either to redundancy or unfair dismissal were classed as 'other dismissal'.

Figure 2.1 presents a schematic overview of the nature of job losses that occurred within the *Australia at Work* sample between 2008 and 2009, as well as the 2009 labour force destinations of those who lost a job within the preceding year. Comparison data are provided for those who by implication left a job voluntarily, that is:

- those who report being in a different job or business in 2009 to 2008, but do not report a job loss;
- those who report being in a job in 2008 and not in 2009, but do not report a job loss.

**Figure 2.1 Job cessation and current employment status, 2009**



\* Estimate is not reliable n<20

Note: In order to derive mutually exclusive job loss categories and in view of the subjective nature of 'unfair dismissal' reports in this survey, respondents who reported both a redundancy and an unfair dismissal are classified under the former category only.

Population: All respondents with employment experience between 2008 and 2009

Weight: Cross-sectional 09

Source: Australia at Work W3

As indicated in Figure 2.1, three-fifths of those who lost a job report having been made redundant, while just seven per cent believe that they were unfairly dismissed. The remaining one-third (32 per cent) of those who experienced a job loss do not attribute it to either of these means.

In total, a little under half (43 per cent) of those who lost a job within the last year are employed again by the time of the 2009 survey. On the other hand, approximately one-quarter (26 per cent) remain unemployed and are looking for work. The majority give as the reason for their inability to find work: '*There aren't enough jobs available*'. Finally, just under one-third (31 per cent) of those who lost a job are no longer in the labour force. Respondents falling into this category are, on average, a little older (mean age 39 years) than those who are either re-employed or unemployed following a job loss (mean age 35 years in both cases), and it may be that, for some, age has played a part in their decision not to undertake or seek further employment. However, there may also be a degree of disillusionment among those who have lost their jobs with regard to the likelihood of finding replacement work.

In contrast, the large majority of those who left a job voluntarily within the last year are either re-employed at the time of the 2009 survey (50 per cent) or have exited the labour force (44 per cent). This is to be expected, especially during a time of recession, when to relinquish a job without having another to go to (unless a specific choice has been made not to seek further employment – for example, to take time off for caring responsibilities) might be viewed as particularly risky.

As respondent numbers are relatively small within the 'job-loss' subset, the analyses that follow have been conducted and are discussed at the whole-group level – that is, to include all who lost a job between 2008 and 2009, regardless of specific circumstance. However, due to its particular topical interest, a subsidiary analysis consisting purely of those who were made redundant is also included.

Table 2.1 summarises the distribution of job losses by age and sex (in 2008).<sup>5</sup> For benchmarking purposes, age and sex data for all 2008 respondents with employment experience between 2008 and 2009 are also provided.

Overall, males account for 59 per cent of reported job losses, and adding in the age dimension reveals a concentration of job losses among younger men. Males aged 16 to 24 appear particularly vulnerable: despite making up just nine per cent of the overall workforce, one-fifth (20 per cent) of job losses fall within this group. Males in the 25 to 44 age band are notably over-represented in the redundancy figures (29 per cent, as compared to a 23 per cent share of the workforce profile), but not so in terms of job losses as a whole.

Women of all ages thus appear to be more insulated against losing their jobs than are men. Females aged 16 to 24 are the only group in which the proportion of job losses (15 per cent) exceeds workforce representation (nine per cent). Our data suggest that the 'safest' group is that consisting of prime age women (25 to 44 years), where there is a six percentage point

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<sup>5</sup> This table necessarily excludes those who reported a job loss in 2009 but who were new to the survey this year or who did not provide data in 2008 ( $n=54$ ).

differential between the share of job losses (17 per cent) and representation in the workforce (23 per cent).

**Table 2.1 Job losses 2009 by age and sex in 2008, per cent**

	Lost job			Made redundant			All respondents
	<i>n</i>	%	<i>N</i>	<i>n</i>	%	<i>N</i>	%
Male, 16-24 yrs	46	19.9	152,660	32	15.3	60,999	9.4
Female, 16-24 yrs	28	14.7	112,332	21	9.9	39,719	9.1
Male, 25-44 yrs	93	24.6	188,711	65	29.0	115,722	23.4
Female, 25-44 yrs	44	16.8	128,368	28	17.0	67,910	23.5
Male, 45+ yrs	63	14.4	110,247	49	16.5	65,909	17.2
Female, 45+ yrs	50	9.6	73,745	36	12.3	49,313	17.4
Total	324	100.0	766,063	231	100.0	399,572	100.0

Note: Age is in 2008

Population: All respondents reporting a job loss in 2009

Weight: Longitudinal 0809

Source: Australia at Work W2 & W3

Having established the basic demographic characteristics of our job-loss group, Table 2.2 provides a retrospective profile, using 2008 data, of individuals who went on to lose a job between 2008 and 2009,<sup>6</sup> and thus highlights areas of the labour market with potential susceptibility to job losses.<sup>7</sup>

Our data illustrate the relatively precarious position of those who were out of work at the time of the 2008 survey; one-quarter (25 per cent) of respondents who were unemployed in 2008 subsequently lost a job that they acquired during the year that followed. Also of note in Table 2.2 is the evidence of organisations shedding casual workers, who are often regarded as the most vulnerable employee group in times of economic instability. Eleven per cent of those employed on a casual basis in 2008 lost at least one job between 2008 and 2009. The issues of precarious employment and job security are explored in further later in this chapter.

Across occupations, it is machinery operators and drivers who have been hardest hit, with 11 per cent of workers losing their jobs, followed by sales workers (eight per cent) and technicians and trades workers (seven per cent). As elaborated by the Labour Economics Office (2009), demand for blue-collar jobs (in this instance, machinery operating and driving and technicians and trades) is to a large extent determined by activity in the manufacturing and construction industries, both of which have suffered in the recession.<sup>8</sup> Accordingly, our data also show an inverse relationship between job loss rates and occupational skill level. The high rate of job losses among sales workers may be accounted for by the fact that there are

<sup>6</sup> With the exception of the variable 'Employment status', this table necessarily excludes those who reported a job loss in 2009 but who were new to the survey this year or who did not provide data in 2008 (*n*=54).

<sup>7</sup> It should be noted that this table does not identify those respondents, if any, whose employment characteristics changed between the time of the 2008 survey and the point at which a subsequent job loss occurred. In other words, it may be that the job a respondent held at the time of the 2008 survey was not the same job that they later lost. However, it is unlikely that such isolated individual changes of circumstance would impact the overall shape of the data as presented.

<sup>8</sup> Within our sample, cell sizes are too small to report the spread of job losses by industry with any degree of statistical certainty; nevertheless the raw figures lend support to the national picture in which manufacturing is bearing the heaviest burden of recent unemployment.

proportionally more casual employees (43 per cent) in this occupational group than in any other. In contrast, relatively speaking, professional employees and those in the public sector look to be in the safest position with regard to job security.

**Table 2.2 Job losses 2009 by employment characteristics in 2008, per cent**

	Lost job		Made redundant	
	%	<i>n</i>	%	<i>n</i>
<i>Employment status</i>				
Employed	5.3	276	3.3	179
Unemployed	25.0	34	15.7	21
Not in the labour force	*12.6	14	*1.8	2
<i>Usual hours in main job</i>				
Less than 35	5.9	95	3.3	55
35 or more	4.9	176	3.2	121
<i>Form of employment</i>				
Permanent	4.3	146	3.1	109
Fixed-term contract	8.2	22	*5.8	16
Casual	10.7	81	4.9	39
Self-employed	1.5	27	*1.6	15
<i>Occupation</i>				
Managers	5.1	42	2.9	25
Professionals	2.0	30	1.3	21
Technicians and Trades	7.4	51	6.0	40
Community and Personal Services	*4.6	19	*2.3	9
Clerical and Administrative	5.9	50	3.7	33
Sales	7.7	32	4.8	20
Machinery Operators and Drivers	11.3	27	*5.0	14
Labourers	6.6	25	*3.9	17
<i>Sector</i>				
Private	6.5	238	4.1	154
Public	1.8	25	*1.0	17
Not for profit	*3.4	11	*2.1	7
<i>Skill level</i>				
Level 1	3.0	64	1.7	40
Level 2	5.0	29	4.1	21
Level 3	6.5	45	5.0	35
Level 4	7.2	85	3.9	52
Level 5	7.9	53	4.4	31
<i>Location</i>				
Metropolitan	7.0	221	3.4	136
Regional	5.9	103	3.7	66

\* Estimate is not reliable *n*<20

Population: All respondents with employment experience between 2008 and 2009

Weight: Longitudinal 0809

Source: Australia at Work W2 & W3

## Insecurity at work

The next section of this chapter turns to employee attitudes around insecurity at work. We look at those workers who believe they are most at risk of job loss as well as those who believe that their employer could easily replace them. In the study, feelings of job security are gauged by responses to the statement ‘There is a good chance I will lose my job or be retrenched within the next 12 months’ while feelings of dispensability are gauged by responses to the statement ‘If I left this job it would be difficult for my employer to replace me.’ In previous waves of the study we have used the latter question as a proxy for employee perceptions about labour market security, i.e. the perception of their skill set in the broader labour market. We have since decided that rather than being an indicator for how confident an employee is about getting another job, it is more appropriately a measure of how *dispensable* an employee feels in their current job. While labour market security and dispensability may be related, it is possible that an employee may feel easily replaceable at the same time as thinking it would be easy to find another job. The opposite may just as likely be so, where an employee may feel indispensable in their current job yet not so confident about their ability to find a new one.

In addition to the attitudinal questions asked in the survey, in 2008, participants interviewed in the qualitative component of the study were asked, among other things, about what insecurity at work means to them. Six dimensions to insecurity emerged from the qualitative interviews: self doubt about performance/knowledge, fear of competition, no-one being indispensable, no job being available for life, ageing and the interplay between technology and insecurity. The findings from the qualitative interviews add weight to our decision to move away from the notion of labour market insecurity to that of indispensability.

From Table 2.3 we can see that the proportion of employees in our study who feel dispensable is considerably higher than the proportion of employees who feel insecure in their current job.

**Table 2.3 Employees’ attitudes around job security and indispensability by sector, 2007 to 2009, per cent**

	Private sector		Public sector		Total	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<i>Agree: ‘There’s a good chance I will lose my job or be retrenched within the next 12 months’</i>						
2007	9.8	404	7.9	148	9.2	596
2008	8.7	299	7.6	131	8.6	479
2009	13.5	411	7.0	118	11.6	576
<i>Disagree: ‘If I left this job my employer would find it difficult to replace me’</i>						
2007	46.1	1,885	53.9	1,024	48.0	3,147
2008	43.2	1,461	53.0	922	45.8	2,607
2009	48.8	1,484	57.6	947	50.9	2,670

\* Estimate is not reliable *n*<20

Note: The Not for profit sector is included in Total.

Population: Employees only

Weight: Cross-sectional 06, 07, 08 & 09

Source: Australia at Work W1 to W3

That is, while just over one in ten (12 per cent) of employees in 2009 agreed or strongly agreed with the job security statement ‘There is a good chance I will lose my job or be

retrenched within the next 12 months' more than half (51 per cent) of all employees in 2009 either disagreed or strongly disagreed with the dispensability statement 'If I left this job my employer would find it difficult to replace me'. We can also see that the level of employees who either agreed or strongly agreed with the statement 'There is a good chance I will lose my job or be retrenched within the next 12 months' increased from 9 to 12 per cent from 2007 to 2009. It is the small degree of change between 2008 and 2009 that is most surprising here. Once again we must conclude that the GFC has not sent out shockwaves across the workforce as a whole.

Among private sector employees, we find that 14 per cent of them either strongly agree or agree with the statement around job security, up 5 per cent from 2008. This equates to almost 730,000 private sector employees reporting feeling insecure about their job in 2009. While sentiment around job security worsened in the private sector in 2009, the level of public sector employees who report feeling insecure in their job decreased slightly from 2008 to 2009, to 7 per cent. Nevertheless, this represents almost 150,000 public sector employees in 2009 who think that they are likely to be retrenched from their job within the next 12 months. In contrast, while there has been an increase in the level of employees feeling dispensable from 2007 to 2009, public sector employees are more likely to feel replaceable than those in the private sector, Table 2.3. For example, in 2009, almost three fifths (58 per cent) of all public sector employees feel dispensable compared to just under half (49 per cent) of private sector employees expressing the same sentiments.

Martin and Pixley drew a useful distinction between job security and marketability, contending that feelings of job security do not necessarily translate into confidence about marketability. They also found support for an apparent trade-off between job security and marketability (in Wilson, et al, 2005:48-51). From Table 2.3 we may conclude that it may also be useful to distinguish between feelings around job security and those of dispensability, particularly when comparing the attitudes of public and private sector employees. Our results suggest that there may be a trade-off between perceptions about job security and dispensability. For public sector employees, this is characterised by high levels of positive feelings about job security being off-set by feelings of being easily replaced. The reverse is found among employees in the private sector, where low levels of job security seem to be off-set by more positive views about how easily their employer could replace them.

What factors other than sector of employment related to employee perceptions around job security and dispensability?

Appendix Tables B.1 and B.2 set out levels of agreement with statements around job security and dispensability among private, public sector and all employees across the three waves of the study. Some notable differences exist according to the employment status, form of employment and union membership across sectors.

From Appendix Table B.1 it seems that for private sector employees, there is little difference in feelings about job security between part-time and full-time employees from 2007 to 2009. From the same table we can see that it is among private sector employees on fixed term contracts though, that we see the largest proportional increase in employees either agreeing or strongly agreeing with the statement about job security, up from 20 to 31 per cent from 2007 to 2009. We can also see that both unionised and non-unionised employees in the

private sector report higher levels of job insecurity than their counterparts in the public sector. For example, in 2009 the level of job insecurity among union members in the private sector is more than double (at 14 per cent) what it was among union members in the public sector (at 6 per cent).

Turning to employee perceptions about how easily their employer could replace them, we find that part-time employees feel that they could be more easily replaced than full-time employees, regardless of the sector of employment. There is also growing feelings of dispensability evident among full-time public sector employees, with the level of disagreement with the statement around ease of replacement at 56 per cent in 2009, compared to 44 per cent among full-time employees in the private sector. It is non-union members in the private sector that seem to have the most confidence in their indispensability, despite the level increasing of disagreement with the statement around dispensability increasing slightly from 45 to 47 per cent from 2007 to 2009, Appendix Table B.2.

It is not surprising that casual employees feel more dispensable than permanent and fixed term contract employees. We find that over two thirds (68 per cent) of casual employees in the public sector and three fifths (60 per cent) feeling they could be easily replaced by their employer in 2009. For one worker interviewed as part of the qualitative component of the study, insecurity is linked to both his casual status and the ongoing instability in his workplace:

*“Um ... not knowing, um, how long your job’s going to last, I suppose ..... Oh, I go through stages, because like, because I’m on the casual bank, it’s when I get booked for shifts. At the moment, I’m booked through to the end of June. After that, like, I’ve got nothing. So, when I don’t have shifts I feel insecure because I know, like I don’t have money coming in, when I get booked out, then I get secure again, like, for the next few months (Male, 41 years).*

While Martin and Pixley (in Wilson, et al, 2005:48) found that men were generally a little less confident about their job security and marketability, there was no noticeable overall difference in levels of job security or dispensability between males and females in the *Australia at Work* study. Martin and Pixley did, however, find that age was among the factors that are important in shaping employee perceptions around job security and marketability. Relevantly, the relationship between age, skill and employee responses to job security and dispensability is explored in Table 2.4. For the benefit of simplified analysis, we have distinguished between high and low skilled workers.<sup>9</sup>

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<sup>9</sup> Consistent with previous waves of the study, high skilled workers have been defined as those employed in the top three skill levels and low skilled workers are employed in the remaining bottom two levels. This distinction was made due to the obvious difference in outcomes and experiences for these two clusters. These two groups are aligned to competencies equivalent to education qualification levels. The low skill group is indicative of Year 12 while the high skill group reflects above Year 12 skills.

**Table 2.4 Dispensability and job security by age and skill level, 2009, per cent**

Tenure	High skill		Low skill		Total	
	%	n	%	n	%	n
<i>Disagree: 'If I left this job my employer would find it difficult to replace me'</i>						
16 to 19 years	39.6	25	27.7	58	30.6	83
20 to 24 years	42.5	97	35.7	103	38.8	200
25 to 34 years	40.9	213	37.7	98	39.8	311
35 to 44 years	43.1	427	28.9	125	38.9	552
45 to 54 years	42.7	405	28.5	148	37.4	553
55+ years	35.0	139	35.0	78	35.0	217
Total	41.7	1,306	31.8	610	37.8	1,916
<i>Agree: 'There's a good chance I will lose my job or be retrenched within the next 12 months'</i>						
16 to 19 years	*10.7	*6	*6.5	*14	7.5	20
20 to 24 years	8.4	22	11.5	33	10.1	55
25 to 34 years	8.9	43	13.5	35	10.5	78
35 to 44 years	12.0	108	13.7	62	12.5	170
45 to 54 years	10.8	103	15.9	78	12.7	181
55+ years	10.3	36	17.8	36	13.1	72
Total	10.6	318	13.2	258	11.6	576

\* Estimate is not reliable n<20  
 Population: Employees only  
 Weight: Cross-sectional 09  
 Source: Australia at Work W1 to W3

From Table 2.4 we find that among high skilled employees, feelings of job security and dispensability do not vary by age. However, among low skilled employees, we find that higher levels of older workers feel insecure in their job than their younger colleagues, where almost one in five (18 per cent) of low skilled employees aged 55 years or older feel like there is a good chance that they will lose their job within the next 12 months. However, when controlling for skill, a linear relationship is not found between age and feelings of dispensability. Consistent with these findings, age and the introduction of new technology were mentioned by one woman in the qualitative interviews as factors that shape her perceptions around security at work:

*.. insecurity comes when you, um see the technology coming in and you're really not quite sure what ... where's that going to place you in the workforce. Um, age I guess is another thing that makes you feel insecure, because, um, as you get older you probably don't work quite as fast (Female, 53 years).*

From Table 2.5 we can see while there appears to be a link between job tenure and job security, this same link is not apparent between job tenure and dispensability. We find that positive views around job security are lowest among employees who have been in the current job for one year or less. It is among those private sector employees with more than 10 years service that we see that highest proportional increase in job insecurity, up from 9 per cent in 2007 and 2008 to 16 per cent in 2009. In contrast, the level of job insecurity among public sector employees with more than 10 years service remains low (at 4 per cent in 2009). That is, private sector employees with more than ten years service are four times more likely to feel insecure in their jobs than employees in the public sector with similar tenure.

**Table 2.5 Dispensability and job security by tenure and sector, 2009, per cent**

Tenure	Private sector		Public sector		Total	
	%	n	%	n	%	n
<i>Disagree: 'If I left this job my employer would find it difficult to replace me'</i>						
One year or less	52.8	612	62.7	225	54.0	915
Two to four years	44.5	287	47.9	125	45.3	457
Five to ten years	45.3	320	57.6	235	49.1	623
More than 10 years	48.4	265	58.5	361	52.5	674
Total	48.8	1,484	57.6	946	50.9	2,669
<i>Agree: 'There's a good chance I will lose my job or be retrenched within the next 12 months'</i>						
One year or less	14.9	180	11.0	45	14.1	245
Two to four years	11.6	75	7.2	19	10.9	108
Five to ten years	11.0	72	7.0	29	9.4	109
More than 10 years	16.0	84	3.6	25	10.0	114
Total	13.5	411	7.0	118	11.6	576

\* Estimate is not reliable n<20

Note: The Not for profit sector is included in Total

Population: Employees only

Weight: Cross-sectional 09

Source: Australia at Work W1 to W3

### Do feelings of insecurity predict job loss or change?

Employees attitudes toward their job security and dispensability were examined in relation to whether they were no longer in a job or in a different job the following year to determine whether employees' feelings of insecurity can provide a good indicator of such change. The findings showed that while job security provides some clue, dispensability is a weak indicator of impending change. The findings regarding dispensability were very similar for the periods 2007 to 2008 and 2008 to 2009. Of those who were no longer employed in 2009, 21 per cent felt dispensable in the previous year, compared to 16 per cent of those who had changed jobs, and only 6 per cent who remained in the same job.

Attitudes towards job security provide a better indication of whether an employee subsequently lost a job. Nearly one-third (31 per cent) of employees who felt insecure in their job in 2008, were subsequently made redundant in the following year. This is compared to only 8 per cent who did not report a redundancy. Fear about job loss because of the possible introduction of casuals in the workplace was mentioned by one factory worker when interviewed as part of the qualitative component of the study:

*Ah, job security, um, our company has always been pushing for extra casual workers into the factor. Things like that – we prefer permanent workers here ... (Male, 54 years).*

### Living standards

As already mentioned in the introduction, the global economic downturn has led to a rise in unemployment in Australia. This, along with a decrease in the participation rate, has led to more financial pressure on individuals and households (ABS 2009c). But within the labour market there have been reports of a reduction in hours worked last week. We can assume this, too, has translated into lower incomes and a poorer standard of living. But the labour market is only part of the story. In an economic downturn interest rates decrease which eases the burden on many households who have mortgages to pay. Also, prior to the economic

downturn petrol prices were at an all time high and grocery prices were increasing. This upward pressure has lifted somewhat. So, with all this happening it is hard to know what the net impact on households has been. And exactly what changes have resulted from the economic downturn. In assessing this we need to examine the usual level of change that usually occurs and whether there has been an inordinate level of change in the last year. This section examines respondent's reports of their perceived standard of living as well as changes in hours and pay that have occurred over the last several years.

Table 2.6 displays the change in usual and paid hours, and in workers' nominal yearly salary in their main job, that has occurred between 2007 to 2008 and 2008 to 2009.<sup>10</sup> From this we can get some indication of the degree of change that occurs in a relatively healthy economic environment and compare it to what has happened in the last year. We examine the change that occurs for those who have remained with the same employer, and those who have changed employers.

**Table 2.6 Changes in hours and pay, 2007–08 & 2008-09, per cent**

	Same employer		Different employer	
	2007-08	2008-09	2007-08	2008-09
<i>Usual hours</i>	(n=5,137)	(n=4,706)	(n=1,195)	(n=850)
Increase of >2 hours	28.7	26.1	46.4	41.3
No change of more than 2 hours	45.1	47.0	22.1	24.5
Decrease of >2 hours	26.2	26.9	31.4	34.2
<i>Paid hours *</i>	(n=4,214)	(n=3859)	(n=915)	(n=655)
Increase of >2 hours	19.9	17.7	43.2	37.9
No change of more than 2 hours	59.8	63.6	33.8	33.1
Decrease of >2 hours	20.2	18.7	23.0	29.0
<i>Yearly salary in main job</i>	(n=4,364) <sup>1</sup>	(n=4,179) <sup>2</sup>	(n=985) <sup>3</sup>	(n=755) <sup>4</sup>
Increase	66.9	61.0	70.3	61.4
No change	8.9	10.7	3.0	3.7
Decrease	24.2	28.3	26.7	34.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Don't know: 1. n=355; 2. n=100; 3. n=396; 4. n=86.

\* Employees only

Population: All employed persons in applicable years

Weight: Longitudinal 07-08; Longitudinal 08-09

Source: Australia at Work W1 to W3

As would be expected, those who change jobs are much more likely to experience change in their hours and pay. Interestingly, there is slightly more stability in the period 2008-09 for those who remained with the same employer. Examining changes in usual hours of work among workers who did not change employers, we can see that the level and type of change is quite stable, with the proportion of those who had an increase is down a little this year (from 29 per cent in 2008 to 26 per cent in 2009). When workers change jobs it is common for them to experience an increase in usual hours, however, this was less so this year. Almost half (46 per cent) of workers who changed jobs had an increase in hours in 2008 compared to 41 per cent in 2009.

<sup>10</sup> Respondents are asked for an approximation of their yearly salary. In the case of casuals, they are asked for an approximation taking into account periods within the year that aren't paid.

The number of hours paid for is more likely to remain stable between years. This would be because hours of paid work are often written into an employment contract and difficult to change, unless an employee is casual or is paid for overtime. Among employees who were in the same job, 60 per cent had no change in their paid hours of work in 2008, compared to 64 per cent to 2009. Among employees who changed jobs, their paid hours were more likely to have decreased in 2009 (29 per cent compared to 23 per cent in 2008). Thus, it appears that the change in paid hours is occurring among those who are changing jobs.

Increases in pay are common among workers but it is important to remember that this refers to nominal wages and not real wages. The proportion of workers who had an increase in their pay in the last year was down among both those who remained with the same employer (from 67 per cent in 2008 to 61 per cent in 2009) and those who changed (from 70 to 61 per cent). Those who changed employer were more likely to report a decrease in their pay in the last year (35 per cent in 2009 compared to 27 per cent in 2008). Overall, there has not been a dramatic shift in usual and paid hours, with those remaining with the same employer experiencing more stability and those changing jobs reporting some decreases in their hours and pay. Further analysis around changes in working hours and pay is undertaken in Chapter 5, where the distinction is drawn between employees with and without paid leave entitlements.

There are signs of improvement in self-reported living standards in 2009, following somewhat of a dip in the previous survey. The overall proportion of those finding it 'very difficult' or 'difficult' to get by stood at 17 per cent in 2007 and grew to 20 per cent in 2008, but has dropped back to 16 per cent in the current year. A corresponding pattern is evident with regard to the proportion of those who consider themselves to be 'living comfortably' or 'doing really well': 44 per cent in 2007, declining to 41 per cent in 2008, then back up to 45 per cent in 2009.

Respondents who are currently employed unsurprisingly maintain a higher self-reported standard of living than those who are unemployed. As a group, employed people are also managing a little better on their household income in 2009 than they were in 2008: 48 per cent report 'living comfortably' or 'doing really well', compared to 43 per cent in the previous survey. Furthermore, the proportion of employed people who state that they are finding it 'very difficult' or 'difficult' to get by has fallen by five percentage points to 12 per cent. The picture in 2009 is thus comparable to that in 2007, when 47 per cent of employed respondents gave a positive assessment of their living standards and 14 per cent a negative view.

Between 2007 and 2008 there was a sharp increase in the proportion of unemployed people finding it 'very difficult' and 'difficult' to get by – from 36 per cent to 44 per cent – but in 2009 this figure remains stable at 42 per cent. Meanwhile, the proportion of this group reporting to be 'living comfortably' or 'doing really well' has fallen from a steady 24 per cent in the first two years of the survey to 17 per cent in the current wave. Overall, there has been an increased convergence around the mid-way response category of 'coping' among the unemployed.

Living standards as reported by respondents who are not currently in the labour force emerge as significantly higher than for unemployed people but significantly lower than for the

employed population. In 2009, approximately one-quarter (24 per cent) of non-labour force participants state that they are finding it ‘very difficult’ or ‘difficult’ to get by on their household income, while 37 per cent indicate that they are ‘living comfortably’ or ‘doing really well’. In a reflection of the general trends noted above, these findings represent an improvement in living standards since 2008, when the corresponding figures were 29 per cent and 32 per cent respectively.

The finding that respondents have a slightly more favourable view of their living standards in 2009, compared to 2008, highlights the importance of broader contextual factors, outside of the labour market. The economic contexts of 2008 and 2009 are quite different pictures. In 2008 the cost of living pressures were well-documented<sup>11</sup>; while in 2009 the dire economic climate also had some positive consequences such as the cutting of interest rates, generous stimulatory cash hand-outs from the Government, and lower petrol prices. Further, with the ‘bad news’ being constantly reported in the media, it may have led some respondents to consider their situation in a more positive light, if it had remained unchanged. To understand the slightly more favourable perceived standard of living it is useful to examine the any changes that have occurred for individuals, and whether their employment situation has changed. Table 2.7 examines the change in living standards reported by respondents along with the change in their employment status.

**Table 2.7 Change in living standards by change in employment, 2007–2009, per cent**

	Improved	No change	Worsened	Total
<i>2007 to 2008</i>				
Employed both years ( <i>n</i> =6,331)	20.0	53.4	26.6	100.0
Gained employment ( <i>n</i> =254)	27.3	50.0	22.7	100.0
No longer employed ( <i>n</i> =296)	20.6	42.6	36.8	100.0
Not employed in either year ( <i>n</i> =163)	15.8	49.8	34.4	100.0
Total ( <i>n</i> =7,044)	20.6	52.2	27.2	100.0
<i>2008 to 2009</i>				
Employed both years ( <i>n</i> =5,583)	26.8	54.1	19.1	100.0
Gained employment ( <i>n</i> =157)	35.2	49.2	15.6	100.0
No longer employed ( <i>n</i> =340)	16.6	47.1	36.3	100.0
Not employed in either year ( <i>n</i> =233)	21.6	50.4	28.0	100.0
Total ( <i>n</i> =6,313)	26.2	52.8	21.0	100.0

Missing *n*=42 in 07-08; *n*=20 in 08-09  
 Population: Respondents in consecutive waves  
 Weight: Longitudinal 0708; Longitudinal 0809  
 Source: Australia at Work W1 to W3

Overall, there has been an increase in people who have reported more favourable living standards in 2009 compared to 2008. In 2008, 21 per cent of respondents reported a higher standard of living than in the previous year, compared to 26 per cent in 2009. While the proportion of respondents who reported no change in living standards was similar, at just over half in both years. Unsurprisingly, there is some relationship between someone’s employment status between waves and their reported living standards. However, the relationship is not overtly direct due to the living standard question referring to all household

<sup>11</sup> Many articles appeared in the media about the rising cost of living around the time of the 2008-09 Federal Budget. See for example, Christiansen (2008), Massola (2008) and Carswell (2008).

income and not the individual's. Thus, even though a person may have left a job one year, they may be living in a household with sufficient financial resources.

Table 2.7 shows that people who were employed in both reference years were just as likely to report no change to their living standards in 2008 and 2009. However, more people in this group reported an improvement in living standards, while fewer reported that their living standards had worsened. This emphasises how great the contextual influences can be on peoples' living standards, particularly for those who experience relatively steady employment.<sup>12</sup>

In both time periods (2007-08 and 2008-09), the group most likely to report an improvement in living standards is those who gained employment, Table 2.7. In 2008, 27 per cent of this group reported a higher standard of living and in 2009 it was 35 per cent. Not unexpectedly, the group most likely to report a worsening in living standards comprises those who lost a job or were not employed in either of the reference years. In 2009, 36 per cent of people who were no longer employed reported a lower standard of living compared to 2008. Among those who were not employed in either year, there was a higher proportion who reported a higher standard of living in 2009 (22 per cent) compared to 2008 (16 per cent), indicating that the economic context still has an impact on those who are outside of the labour market.

Australia has witnessed a soar in consumer debt over the past 30 years, with the RBA (2009) reporting that the average ratio of household debt to disposable income in June 2009 stood at 156 per cent. Nevertheless, as we have noted, the current financial climate will not necessarily have had the effect of increasing individual or household debt burdens. Instead, falling interest rates may have contributed to people's ability to service debt. Within our survey sample, 88 per cent of respondents report having some form of regular debt obligation, such as credit cards payments and mortgage instalments. This is very close to the corresponding figure in 2008 of 85 per cent. However, over two-thirds (69 per cent) of those with debt obligations state that they are 'always' able to meet these on time. For the majority of these individuals (52 per cent of all respondents), this was also the case last year, but for a small proportion (16 per cent of all respondents) the ability to repay all their debts has only come within the last year. Twelve per cent of respondents report being unable to make timely debt repayments in both years, while just nine per cent have switched from being able to pay their debts in 2008 to being unable to do so in 2009.

After examining the issues of job losses, job security and living standards we find that for many people in the Australia at Work study, their situation has either remained fairly similar or improved slightly since they were interviewed in 2008. However when we look beneath the headline data a more complex picture emerges. While the overall level of participants in the study who reported having lost a job in the past year was only eight per cent, we were able to identify some groups in our sample that were more susceptible to job loss. We found that around one-quarter of those who lost a job in the past year remain unemployed and are looking for work. We also found that males, particularly younger males, were more

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<sup>12</sup> It must be remembered that while the respondent reports being employed at both times of the interview, they may not have been continuously employed over this period. In 2009, 7.6 per cent of respondents report experiencing unemployment during the past year while 4.7 per cent of respondents reported being unemployed at the time of the wave 3 interview.

susceptible to job loss than their female counterparts. We did not find any dramatic shifts in usual and paid hours. Although there was a disproportionate degree of change in the working hours and pay of those people who changed jobs compared to those who remained with the same employer. This issue is explored in greater detail in Chapter 5.

One of the more surprising of our findings was that there was only a slight increase in the proportion of employees in our study who reported feeling insecure in their job, up only 3 per cent from 2008 to 2009. We also found signs of improvement in self-reported living standards and no dramatic shift in the proportion of employees reporting difficulty in meeting debt obligations. This highlights the importance of broader contextual factors on pay, job security and living standards. Not expectedly though, we found that many of the people who were unemployed when interviewed in both 2008 and 2009 are finding it difficult to cope. In conclusion, our findings in this chapter support the hypothesis that despite the global economic downturn, for many their working life has remained largely unchanged.

### 3. Labour Market Transitions and Working Hours

One of the two primary objectives of the *Australia at Work* research is to explore the changing nature of working life. This exploration is guided by the ‘Transitional Labour Market’ (TLM) framework (Schmid and Gazier 2002) that identifies four key transitions involving paid employment:

- education/training and employment;
- private family-based activity and paid employment;
- unemployment and employment; and
- work into retirement or between periodic incapacity for work and employment.

This framework acknowledges that it is uncommon for people to experience one standard and singular transition from school to work and then into retirement. Throughout the life course a person may make several of, if not all, the transitions specified by the framework. These transitions can either be made smoother or more difficult by the employment opportunities that are available, a person’s human capital, and the conditions of employment.

While the previous chapter explored the impact of the economic downturn on the loss of jobs and, in some cases, the subsequent exiting of the labour market, this chapter will take a longer term look at the transitions in and out of the labour market that go beyond the current economic climate. We will then step inside to the labour market to explore why people make transitions within it – resulting in job change. While the loss of a job is one very good reason for obtaining a new job, there are other reasons why a person may do so. This chapter provides a starting point for exploring this issue further using *Australia at Work*. In fact, job loss and unemployment have not featured as heavily in Australia as in other countries that have and are continuing to experience bona fide recessions. One popular, if hasty, explanation has been that instead of laying off workers, employers have chosen to reallocate working hours such that full-time workers have had their hours downgraded to part-time. The chapter goes on to examine this hypothesis and the distribution of working hours and working time preferences in the last year.

#### **Labour market transitions**

Over the three waves of data covering 2006 to 2009 we are able to track what a respondent was doing at the time of the survey for 2007 to 2009 and in March 2006. Thus, this chapter reports the number of times a respondent reported a specific state (such as being employed or living with a partner) at these four time points. We will refer to this as the ‘number of waves’ (out of a possible four) that a respondent reported the respective activity.

It needs to be remembered that the base population is people who were in the labour force, either working or looking for work, in March 2006; so the number of respondents who did not report being employed at the time of the survey is minimal. Overall, 72 per cent of men and 61 per cent of women have reported having a paid job over the last four waves, Table 3.2. Women are more likely to have been employed for two or three out of the four waves (32 per cent) than are men (23 per cent).

Table 3.1 shows that almost half of young males and females have been employed at all times for which they were surveyed, but that they are more likely than the older workers to have

not been employed across the four years. The transitions women make in and out of the labour force is also clear in this table. Around one-third of prime-age (25 to 44 years) and older (over 44 years) women have had discontinuous employment – that is, they have not been employed in at least one year that they were surveyed. These interruptions are likely to be due to caring responsibilities.

**Table 3.1 Number of waves employed by age and sex, 2006–2009, per cent**

	0	1	2	3	4	Total
Male, 16-24 yrs ( <i>n</i> =466)	*3.1	*4.9	15.4	27.2	49.4	100.0
Female, 16-24 yrs ( <i>n</i> =448)	*1.5	12.1	13.1	25.1	48.1	100.0
Male, 25-44 yrs ( <i>n</i> =1,717)	*1.8	*2.1	4.9	8.9	82.3	100.0
Female, 25-44 yrs ( <i>n</i> =1,524)	*1.2	*2.8	9.4	20.1	66.5	100.0
Male, 45+ yrs ( <i>n</i> =1,162)	*2.8	*1.7	6.8	14.5	74.2	100.0
Female, 45+ yrs ( <i>n</i> =1,1010)	*1.8	*4.5	16.0	15.6	62.0	100.0
Total ( <i>n</i> =6,327)	1.9	4.1	10.0	17.5	66.4	100.0

\* Estimate is not reliable *n*<20

Note: Age is in 2006, *n*=6 refused age

Population: Respondents in all waves

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

**Table 3.2 Number of waves reported living with a partner by waves employed, 2006–2009, per cent**

Number of waves with a partner	Number of waves employed				Total
	0-1	2	3	4	
<i>Men</i>	( <i>n</i> =69)	( <i>n</i> =125)	( <i>n</i> =296)	( <i>n</i> =2,855)	( <i>n</i> =3,345)
0	3.2	4.7	8.1	18.0	34.1
1	*0.1	*0.3	*0.6	2.9	3.9
2	*0.5	*0.4	*0.5	2.6	4.1
3	*0.0	*0.2	*0.4	3.1	3.7
4	1.2	2.3	5.2	45.4	54.1
Total	5.1	8.0	14.9	72.0	100.0
<i>Women</i>	( <i>n</i> =80)	( <i>n</i> =132)	( <i>n</i> =329)	( <i>n</i> =2,447)	( <i>n</i> =2,988)
0	2.8	3.6	7.1	16.2	29.8
1	*0.3	*0.6	*0.6	2.9	4.4
2	*0.4	*1.1	*0.3	2.9	4.7
3	*0.1	*0.4	*0.9	2.1	3.6
4	3.4	6.5	11.3	36.4	57.5
Total	7.1	12.2	20.2	60.6	100.0

\* Estimate is not reliable *n*<20

Population: Respondents in all waves

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

The transition from work to private family-based activity is one of the more notable transitions for workers. The presence and age of children was not captured for 2006. However, we do have information on marriage and de facto relationships for all years. This can act as a good proxy for family responsibilities. Table 3.2 shows the number of times a respondent has been employed and living with a partner for the period 2006 to 2009. While

men in this sample of 2006 labour force participants are slightly more likely than women to be single for all four years, they have shared similar experiences in and out of employment.

It is men and women who have been partnered for the last four waves whose employment patterns diverge most. While 36 per cent of all women have reported living with a partner and having a job in each of the four waves, the figure for men is 45 per cent. Women who have been partnered in all survey years are more likely to have intermittent employment. One in five women (21 per cent) have been continually partnered but not continually employed over the period, compared to nine per cent of men. This can be attributed to many women having primary care responsibilities and/or reliance on a male breadwinner for financial support.

While 61 per cent of women have been engaged in employment in each of the years surveyed, we know from previous analysis that this more likely to be on a part-time basis.<sup>13</sup> This trend is particularly noticeable when examining a four-year period. More than half (56 per cent) of men have been working 35 hours or more per week in their main job for the last four survey waves, compared to only 22 per cent of women.<sup>14</sup> Two in five women (42 per cent) have not reported working full-time hours in the last four waves, compared to only 14 per cent of men. Table 3.3 shows the number of waves people have been employed and reported working full-time hours in their main job. The shaded cells indicate where a person has worked full-time hours in each year they have had a job. As we would expect, this is more common among men than women. Of those who have had jobs in each of the last four time points, 76 per cent of men and only 35 per cent of women reported full-time hours.

The top row of data for both men and women in Table 3.3 indicates the proportion of people who have not been employed full-time in their main job. This increases the more times a respondent has not been employed. But this is particularly so for men, of whom only seven per cent who have had a job in all four time points have never worked full-time hours, compared to 64 per cent who have only had one job. The contrast between men and women is stark. One-third of women who have been employed in all four waves have not reported full-time hours.

In terms of Australian working life, a significant policy question is: are Australians supported to make various life course transitions? Enabling smooth transitions between study and employment, and employment and caring, will assist Australians to make the most effective contribution to their families, the economy and society more broadly. There are a whole raft of 'solutions' that have been put forward to assist with particular transitions, such as paid parental leave and support for life-long learning. Ongoing employment with paid leave entitlements that supports people's caring responsibilities or participation in education is certainly helpful to many people. An employee who does not have the certainty of income while taking leave for leisure, due to sickness, or for the care of another is in an insecure and uncertain position regarding their work and life. This issue is taken up in greater detail in Chapter 4 where we examine the 'persistence' of paid leave entitlements as part of a person's

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<sup>13</sup> See Table 2.9 on page 19 of *Working Lives: Statistics and Stories* (van Wanrooy et al. 2008).

<sup>14</sup> While total usual hours, as opposed to usual hours in the main job, would be the best indicator of attachment to the labour force, Australia at Work did not collect total usual hours for 2006. This potentially affects around 9 per cent of respondents who have multiple jobs in any given year.

employment journey. We now turn to how transitions are made into and within the labour market that is, the acquisition of a new job.

**Table 3.3 Number of waves working 35+ hours in main job, 2006–2009, per cent**

Waves working 35+ hours in main job	Waves employed				Total
	1	2	3	4	
<i>Men</i>	(n=37)	(n=123)	(n=292)	(n=2,795)	(n=3,247)
0	64.1	42.0	25.8	6.9	14.3
1	*35.9	21.6	11.5	4.6	8.0
2		36.4	14.0	5.2	8.9
3			48.7	7.3	12.8
4				76.0	55.9
Total	100.0	100.0	100.0	100.0	100.0
<i>Women</i>	(n=61)	(n=130)	(n=318)	(n=2,392)	(n=2,901)
0	73.8	57.8	51.3	33.4	42.4
1	*26.2	18.5	18.1	10.3	13.8
2		23.7	12.8	10.9	12.3
3			17.8	10.1	9.8
4				35.3	21.8
Total	100.0	100.0	100.0	100.0	100.0

\* Estimate is not reliable n<20

Population: Respondents employed in at least one wave

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

### Obtaining a new job

A ‘job for life’ is no longer accepted as a desired or viable approach to employment. It is arguable as to whether such a thing has ever existed. However, in the qualitative interviews workers did comment on the disappearance of the ‘job for life’ and the greater uncertainty they felt regarding their employment:

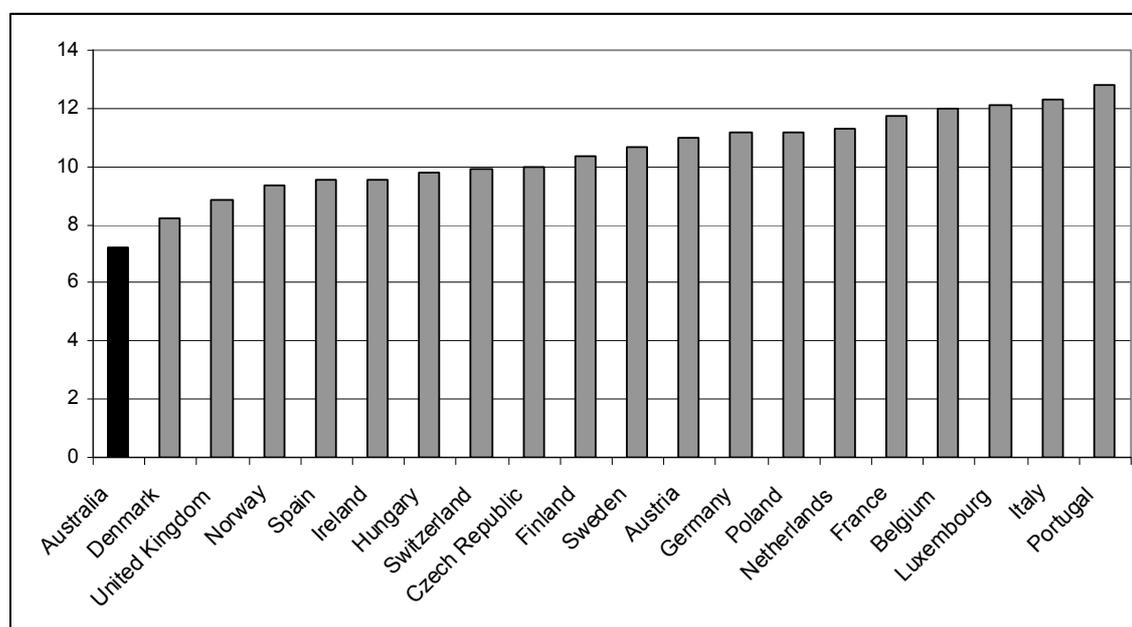
*...Like you don't have a job for life. Or a right to a job for life, y'know, if they feel that you're not needed...Oh I think that's the way of the modern world. .... Got to accept it and move on (Male, 54 years).*

Notwithstanding, there are benefits, both to employers and employees, of longer job tenure; such as organisations maintaining ‘corporate memory’ and the security of stable, long-term employment enabling employees to lead fulfilling lives outside of work. Over the last two decades there have been modest decreases in job tenure noted, particularly among men, whereas women’s job tenure has been trending upwards (Mumford & Smith 2004). Figure 3.1 displays the average job tenure across European Union (EU) countries.<sup>15</sup> There are no data available for Australia, so the data inserted in Figure 3.1 has been obtained from Wave 1 of *Australia at Work*. While the comparison may not be watertight due to the different sources being used, it can be concluded that Australia has one of the shortest job tenures compared to EU countries, at an average of seven years. The next shortest is in Denmark at just over eight years. Denmark has a system of ‘flexicurity’ in which the Government provides financial support to people who are transitioning between jobs and education. This system supports

<sup>15</sup> The data was taken from OECD data, however, only data for EU countries is available.

and promotes flexibility and mobility in the labour market. The longest tenure is among the Portuguese at almost 13 years.

**Figure 3.1 Average job tenure: Australia compared to EU countries, 2007, years**



Population: All employed persons

Source: OECD, data extracted on 25 Sep 2009 00:20 UTC (GMT) from OECD.Stat; Australia at Work W1

The reason for the relatively short job tenure in Australia is hard to pin down. There are a whole range of reasons why people change jobs. Essentially it comes down to the employee either losing a job or deciding to leave. In terms of an employee deciding to leave, the critical determinant will be whether they think they can get a better job elsewhere; and their concept of 'better' might relate to, among other things: job security, pay, relations with colleagues, working arrangements, geographical location, use of skills, and development opportunities. Many of these things can be addressed in the employee's current job if they have a 'voice' to bring attention to the issue and have it addressed. Freeman and Medoff's (1984) 'exit-voice' asserts that employees who do not have a 'voice' in having their complaints redressed, either by themselves or someone else, end up leaving the workplace altogether.

The ability to find a job with better pay can often be influenced by external factors such as wage structures in the labour market. If wages are relatively consistent across workplaces, there are likely to be high levels of mobility as the opportunity cost in changing jobs is lower. However, if there are particular employers who pay more for the same position this is likely to reduce job mobility. In Australia, the presence of award wages has had the effect of flattening wages in certain sectors and this may explain, to some extent, the shorter job tenure in Australia.<sup>16</sup>

High levels of job mobility can exclude employees from certain entitlements, such as long service leave, and can have varying effects on career progression. Some employees who are continually changing jobs may find it difficult to establish themselves in a workplace and climb up the career ladder, while others will change jobs in order to be promoted. On the

<sup>16</sup> Thanks to Advisory Board member, Professor Mark Wooden for his specific input here.

other hand, Peetz (2005) has found that older workers with long job tenure who lose their jobs are at greater risk of not finding another one or end up down-shifting to part-time employment.

Table 3.4 shows the number of times a person reported a new job in each wave of the survey, by their age and sex. A new job includes having a different employer to the previous year and gaining employment after not being employed in the previous year. It does not include promotions or a change of position within the same organisation. A new job is only counted once per year, with the periods covering 2006 to 2007, 2007 to 2008 and 2008 to 2009. Therefore, if a person changed jobs twice or more within a year this is not counted. This variable gives a broad indication of the change that occurs on an annualised basis. A very small minority of workers had a different job at all three periods.

**Table 3.4 Job attainment<sup>a</sup> by age and sex, 2006-2009, per cent**

	Same job	1 new job	2 or 3 new jobs	Total
Male, 16-24 yrs (n=327)	28.4	39.9	31.7	100.0
Female, 16-24 yrs (n=295)	18.4	54.3	27.3	100.0
Male, 25-44 yrs (n=1,480)	55.3	33.1	11.7	100.0
Female, 25-44 yrs (n=1,295)	57.8	30.1	12.1	100.0
Male, 45+ yrs (n=1,490)	71.5	20.6	8.0	100.0
Female, 45+ yrs (n=1,344)	71.0	23.8	5.2	100.0
Total (n=6,231)	55.2	31.3	13.5	100.0

<sup>a</sup> Includes people who gained a job after not being employed in the previous year. This is measured on an annual basis and does not count multiple job changes within one year.

Note: Age is in 2009.

Population: Employed in at least one year.

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

More than half (55 per cent) of workers who reported having a paid job at least once from 2007 to 2009, had remained with the same employer for this period. Almost one-third (31 per cent) had reported a new job once; and 14 per cent of workers were relatively mobile, reporting a new job in either two or all three waves of the survey. Young workers experience more change, with only 28 per cent of young males and 18 per cent of young females reporting the same job over the period. Older workers (aged 45 or more years) are much more stable in their jobs, with just over 70 per cent of older men and women remaining in the same job. The hesitancy of older workers to change jobs was expressed by one woman, in the qualitative interviews, who felt that she had diminished employment prospects as she got older:

*I'm going to be 49 this year and I live in a regional town ... for me to move out of what I do, earn the same amount of money or better, um ... I just don't know of anyone in my age bracket who's successfully moved out of our work and gained that type of employment. And I know the people that I work with who are older than me will say the same thing: that's the reason we stick it out because, who would else take us on? And I know I have good skills (Female, 48 years).*

Job change is higher among employees, whereas the self-employed are much more stable. Among people who had been employees from 2007 to 2009, 40 per cent had started at least one new job in this period. Among those who were self-employed for the entire period, only 18 per cent had reported a new job. This is probably due to the fact that it is much easier for

employees to change jobs than it is for the self-employed to change businesses. However, small start-out businesses also have a relatively high failure rate. Among workers who had obtained a new job two or three times, 19 per cent had been self-employed for some of the three years, compared to 6 per cent of all workers. This indicates that workers who report higher levels of job change are more likely to dabble in self-employment.

There are a multitude of reasons why people start a new job. Theoretical models of job mobility focus on the supply and demand reasons for changing a job (see for example, Mumford & Smith, 2003). The supply side focuses on the worker's reasons for changing a job and includes personal motivations such as the chance to move up the career ladder or the opportunity to learn new skills, and life course influences such as fitting work around caring responsibilities. The demand side includes reasons surrounding the workplace and employment, such as losing a job through redundancy or dismissal. Rather than focusing on job mobility, which would rely on a complete picture of job changes (not just on an annual basis), this section focuses on job obtainment to attempt to understand the reasons for commencing a new job. In doing so, we have developed four scenarios to encapsulate the main reasons for changing employers. These are:

1. **Lost a job** – a person may start a new job because they have previously lost a job and still have a preference to be employed.
2. **Precarious employment** – a person in precarious employment may be more likely to change jobs either involuntarily or voluntarily. That is, they may be more likely to lose their precarious job or they may chose to leave it as their current job does not provide the security or certainty they require.
3. **Career development** – the case where a person changes employer to obtain a promotion, develop their skills or receive a higher income.
4. **Work-life transitions** – in making a labour market transition a person may either need to temporarily leave the labour market or move to a job that is a more appropriate fit with their non-work commitments.

This section provides an initial exploration of these four scenarios. As previously explained in Chapter 2, we have not explored job loss in all waves of the survey. Thus, we can only report on respondents' relayed experiences of job loss in the last year, between 2008 and 2009. Of those employees who were employed at the time of the 2009 and 2008 surveys but with different employers, only 20 per cent report a job loss – indicating that for the majority of people who change jobs, job loss is not the driving factor. Job loss was slightly more common among those were no longer employed this year (25 per cent) and less common among those who gained a job this year after not reporting employment in the previous year (15 per cent).

Casual employment is common among young workers, at 41 per cent, and the level of casual employment does not differ greatly across the different levels of job change among young people. There is a more defined relationship between form of employment and job mobility among workers aged 25 years and over.<sup>17</sup> Workers who have had stable jobs over the three years are more likely to be in permanent positions (69 per cent) or self-employed (21 per cent). Whereas workers who have changed jobs at least once in the same period are more

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<sup>17</sup> The same data were produced for form of employment in 2008 and the results were similar, although the workers aged below 25 years of age showed more variability.

likely to be employed on fixed term contracts or casually in 2009. One-fifth of workers who changed jobs frequently are employed on a casual basis in 2009, compared to 9 per cent of all workers in this age group.

Table 3.5 shows the degree of job change across paid leave entitlements reported in each of the survey time points, from 2006 to 2009.<sup>18</sup> Again, the results differ for those above and below 25 years of age, due to the varying frequency and reasons for job change across these groups. For young people, no paid leave entitlements are relatively common among those who have never changed jobs (52 per cent). Here, job tenure could be relatively short (i.e. only been in the job for a year) or they have stayed in the job with no paid leave due to the capacity to fit the hours around their other commitments (most commonly, study). Among the stable young workers, it is also more common to have jobs with paid leave entitlements (24 per cent).

**Table 3.5 Job attainment by proportion of employees' jobs with paid leave entitlements, 2006 to 2009, per cent**

<b>Proportion of employee jobs with paid leave, 2006 and 2009</b>	<b>Same job</b>	<b>1 new job</b>	<b>2 or 3 new jobs</b>	<b>Total</b>
<i>Aged below 25 years</i>	(n=132)	(n=279)	(n=203)	(n=614)
Not entitled to paid leave	51.7	42.4	37.5	43.1
Some jobs with paid leave (1/4 - 1/3)	*4.1	12.6	21.4	13.3
Half of jobs with paid leave (1/2 or 2/4)	*5.5	13.3	18.3	13.0
Most jobs with paid leave (2/3 - 3/4)	*7.0	13.5	17.0	13.0
All jobs (<4) with paid leave - discontinuous	*7.4	9.3	*2.2	6.7
All four jobs with paid leave	24.3	8.9	*3.6	10.8
Total	100.0	100.0	100.0	100.0
<i>Aged 25+ years</i>	(n=2,990)	(n=1,298)	(n=514)	(n=4,802)
Not entitled to paid leave	10.7	17.5	16.0	13.3
Some jobs with paid leave (1/4 - 1/3)	1.8	4.1	9.6	3.4
Half of jobs with paid leave (1/2 or 2/4)	1.5	8.0	12.0	4.7
Most jobs with paid leave (2/3 - 3/4)	3.4	10.0	17.6	7.0
All jobs (<4) with paid leave - discontinuous	15.2	27.2	18.4	19.1
All four jobs with paid leave	67.3	33.3	26.3	52.5
Total	100.0	100.0	100.0	100.0

\* Estimate is not reliable n<20

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Respondents employed in at least one year

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

A common finding among workers in both age groups is that those who have more intermittent experiences with paid leave are also more likely to have changed jobs more frequently. Of those who have reported different jobs two or three times, 57 per cent (among the young) and 39 per cent (among the older) have reported paid leave intermittently (compared to 39 per cent of all young workers and 15 per cent of all older workers).

<sup>18</sup> Please refer to Chapter 4 and the section: 'The persistence of paid leave over time' for an explanation of the derivation of this variable.

Continual reports of employment with paid leave is more common among workers aged 25 and over (53 per cent), but particularly so among those who have remained in the same job (67 per cent). The likelihood of continual entitlement to paid leave is reduced the more mobile a person is. Only one-third of people who have changed jobs once always reported paid leave, and only 26 per cent of those who reported a different job more than once.

Identifying 'career development' as a motive for job change is difficult to do unless the respondent is specifically asked. Career development can occur both within an organisation by means of a promotion or by moving to a different organisation. For example, one way of monitoring career development could be by monitoring real wage increases (which may indicate an increase in responsibility or recognition of performance). However, regular pay increases may be a good reason for staying with the same employer or it may give the employee confidence to seek opportunities beyond it. Likewise education can provide some indication of a desire for career development. But as Mumford and Smith (2003) point out, education can affect mobility in opposing directions: those with poor education may occupy poor quality, short tenured jobs more frequently; while those with higher education are mobile because they have more job opportunities. In 2009, workers who had remained in the same job or who had changed jobs only once were more likely to have a degree qualification (both 36 per cent) compared to those who reported a different job in multiple surveys (30 per cent). If we only examine people aged 25 years and above, we find that those with degrees are more likely to report one new job (42 per cent) rather than multiple new jobs (35 per cent) or remaining in the same job (38 per cent). This seems intuitive: in order to achieve career progression an occasional job change is likely to be beneficial rather than relatively frequent change.

It is possible that workplace size could impact on the degree of career development opportunities as well as security of employment. An employee in a large workplace may perceive there to be more opportunities to move 'upwards' as well as gain a variety of different skills and experiences. And in a large workplace there may be more employees to 'absorb' any changes or downturn in activity. Table 3.6 shows the number of times an employee reported working in a workplace with more than 100 employees, in 2007 to 2009, by the number of times they reported a different job over the same period. An employee who reported working in a large workplace in each survey wave was more likely to remain in the same job: 18 per cent compared to eight per cent of those who reported one different job and four per cent who reported a different job multiple times over the period.

Various work-life transitions are likely to impact on job change in different ways. Young people who are undertaking study often move in and out of employment and different jobs, attempting to support themselves financially while their studies remain their first priority. Additionally, it is common for them to obtain a new job once they have completed their studies. So in these cases, a high degree of job change is expected. In 2009, people aged below 25 years and who had a degree were more likely to report multiple job changes over the survey waves: 35 per cent compared to 28 per cent of their counterparts without degrees.

**Table 3.6 Job attainment by employment in large workplaces, 2006 to 2009, per cent**

Number of waves employed in workplace with 100+ employees	Same job (n=3,812)	1 new job (n=1,694)	2 or 3 new jobs (n=730)	Total (n=6,236)
0	65.0	66.6	64.2	65.4
1	8.4	14.0	23.0	12.1
2	8.7	11.8	8.9	9.7
3	17.9	7.6	3.9	12.8
Total	100.0	100.0	100.0	100.0

\* Estimate is not reliable n<20

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Respondents employed in at least one year

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

Another important transition is starting a family and caring for children. Table 3.7 displays men and women's reports of different jobs across the waves of data collection by stage in the life course that is, their age and whether or not they have children. It has previously been established that young men and women report the most change in employment. Reports of obtaining a new job differ among prime-age men and women with and without children. Prime-age workers who have children in the household are much more likely to remain with the same employer over the survey period. This is particularly so for women, for whom 65 per cent remained in the same job, compared to 45 per cent of women in this age group who don't have children. Among their male counterparts, 60 per cent of those with children were stable compared to 48 per cent without children.

There are greater levels of stability among older workers more generally, and the presence of children has little impact. It is likely that among this age group that their children are likely to be older, and those with children are just as, if not more, stable as those without.

Further examination was undertaken of the age of the youngest child with mixed results. Men with young children (aged under five years) were the least stable workers, along with their childless counterparts (40 per cent of each group had changed jobs); while women with children of the same age were the most stable (only 30 per cent had changed jobs). The most mobile group among women were those who had children aged 5 to 9 years, with 43 per cent changing jobs at least once from 2007.

*Australia at Work* provides a good opportunity to examine people's movements in and out of the labour market, as well as the transitions within the labour market. This section has provided a starting point in describing some of the relationships between reporting a different job over the survey waves and a variety of work and life course factors. An important area of further research will be longitudinal modelling of job obtainment and some of the factors that lead to this event. Identifying the 'push' and 'pull' factors of job change will be crucial to this analysis. While job loss hasn't been a relatively strong feature of the economic downturn in Australia, considerable attention has been paid to the issue of lost working hours.

**Table 3.7 Job attainment by age, sex and presence of children under 16 years in the household in 2009, per cent**

Age, sex and presence of children in the household, 2009	Same job	1 new job	2 or 3 new jobs	Total
<i>Men, 16-24 years</i>				
No children (n=321)	28.8	40.3	30.8	100.0
Children (n=6)	*	*	*	*
<i>Women, 16-24 years</i>				
No children (n=283)	17.7	53.6	28.8	100.0
Children (n=12)	*	*	*	*
<i>Men, 25-44 years</i>				
No children (n=578)	48.2	38.7	13.1	100.0
Children (n=901)	60.4	28.9	10.6	100.0
<i>Women, 25-44 years</i>				
No children (n=459)	44.7	36.9	18.4	100.0
Children (n=835)	64.5	26.6	8.8	100.0
<i>Men, 45+ years</i>				
No children (n=976)	70.5	21.4	8.2	100.0
Children (n=512)	73.6	18.8	7.6	100.0
<i>Women, 45+ years</i>				
No children (n=983)	72.6	22.1	5.3	100.0
Children (n=361)	66.2	28.6	5.2	100.0

\* Estimate is not reliable

Population: Respondents employed in at least one year

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

### Working hours in the downturn

It has been widely noted that so far during the current recession, falls in working hours have far exceeded falls in employment *per se*. Between June 2008 and July 2009, aggregate monthly hours worked decreased by 2.3 per cent (or 35.2 million hours), while employment peaked in November 2008 and then only decreased by 0.3 per cent to July 2009 (ABS 2009d). Leading politicians and analysts alike interpreted this to mean that employers were retaining their employees by transforming full-time jobs into part-time ones (AAP 2009; Gillard 2009 and Janda 2009). In other words, according to this analysis, unemployment was (and is being) held at bay by a flexible approach to working time.

However, the picture is unlikely to be that simple. In examining the ABS data on monthly flows between full-time and part-time work, Bradbury (2009) concludes that there is no evidence that flows from full-time to part-time employment have increased in the last year. Instead, he attributes the drop in hours to a *reduction in flows from part-time to full-time work* since December 2007, as well as an increasing tendency for new or re-entrants to the labour market to take on part-time, rather than full-time, positions.

While the *Australia at Work* data do not capture flows in the same way as the ABS, we can longitudinally analyse respondents' self-reports of their working hours to build a picture of

the shifts between part-time and full-time work on an annual basis, Table 3.8.<sup>19</sup> It should be noted that the change data for the period 2006 to 2007 are derived subjectively for those who were in the same job in both years and retrospectively for those who changed job, whereas in the following periods they are objective.<sup>20</sup> There is likely to be some degree of defaulting to a 'no change' response for subjective judgements of working hours, which would explain the comparatively lower flow levels in the 2006 to 2007 period.

The data show that there is consistently a slight degree of flow, in both directions, between part-time and full-time work. In 2008, 13 per cent of all workers had moved between one classification and the other during the preceding year, while 12 per cent did so from 2008 to 2009. The flow from part-time to full-time work peaked in the economic 'boom' of 2008, at eight per cent of workers who were employed in both years, before dropping back to six per cent in 2009; and there has been a small incremental growth in the proportion of workers moving from full-time to part-time employment. Overall, these shifts are not overwhelming. However, a more interesting story emerges when we examine just those respondents who *changed employer* over this time frame.

A common theme in this report is that while there have been few dramatic changes in the workforce at an aggregate level, there has been more notable activity in the data for those who started a new job in the last year. This is evident in Table 3.8. For respondents who underwent a change of employer, there is a drop in the proportion moving from part-time to full-time work in the 2008–09 period (15 per cent), relative to the 2007–08 period (19 per cent). Meanwhile the proportion of this group switching from full-time to part-time employment has increased marginally, from eight per cent in 2008 to 10 per cent in 2009. On the other hand, there is very little change to speak of across all waves of the study for respondents who have remained with the same employer. As previously mentioned, the ostensibly lower flows between 2006 and 2007 are most likely products of the subjective reporting methods employed in relation to this period; and it is likely that the four per cent of people who change to part-time work in each of the two latter periods, do so due to other non-work reasons, such as caring responsibilities.

It is clear, therefore, that any strategy of modifying existing full-time jobs to part-time is not a common one, and definitely not specific to the downturn. Where shifts to part-time work *are* occurring, these are much more likely to be at the point of job transition than within a continuous position of employment. Moreover, our data show that overall flows from full-time to part-time work have been only very modest. What else could explain the drop in hours? The next logical step is to examine how working hours data are collected, and there are primarily two ways in which this is done.

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<sup>19</sup> These figures are not directly comparable to ABS figures as they are on a yearly, rather than monthly, basis and only concern those who have been employed in both reference years, rather than as a percentage of all employed.

<sup>20</sup> That is, in 2007 respondents in the same job as 2006 were asked if their hours had increased or decreased since the previous year, while those in a different job were asked how many hours they had usually worked in 2006. In 2008 and 2009 data on usual hours worked were compared to the previous year's data.

**Table 3.8 Change in usual hours in main job by change in employer, 2006 to 2009, per cent**

Change in hours	2006-07	2007-08	2008-09
		<i>Same employer</i>	
	(n=6,302)	(n=5,119)	(n=4,690)
Part-time both years	28.7	24.6	23.8
Full-time both years	67.2	66.9	67.3
Full-time to Part-time	2.0	4.0	4.4
Part-time to Full-time	2.0	4.5	4.5
		<i>Different employer</i>	
	(n=1,116)	(n=1,188)	(n=846)
Part-time both years	25.2	25.9	24.4
Full-time both years	49.0	46.5	50.2
Full-time to Part-time	9.7	8.3	10.4
Part-time to Full-time	16.2	19.3	15.0
		<i>All – employed in both years</i>	
	(n=7,418)	(n=6,307)	(n=5,536)
Part-time both years	28.2	24.9	23.9
Full-time both years	64.3	62.7	64.3
Full-time to Part-time	3.2	4.9	5.5
Part-time to Full-time	4.3	7.6	6.3
Total	100.0	100.0	100.0

Note: Part-time is less than 35 usual hours in main job. Full-time is 35 usual hours or more in main job.

Population: Respondents employed in both reference years

Weight: Longitudinal 0607; 0708; 0809

Source: Australia at Work W1 to W3

The widely discussed monthly falls in working hours, as reported by the ABS, refer to *actual* hours: that is, the hours the respondent reports having worked in the week prior to the survey. Under this method, if a respondent was on leave in the reference week they are recorded as working zero hours. A disproportionate number of leave-takers in the sample could therefore skew the working hours data, producing a figure that is under-representative of usual working hour practices. This is an important consideration because it is well known that Australians accumulate large amounts of untaken leave each year, and that one of the first measures being implemented by employers during the economic downturn is to oblige staff to take remaining annual leave owed to them. Tourism Australia (2009) reported earlier this year that Australians had accumulated \$33 billion worth of wages in untaken leave. More recently the chief executive of the Australian Chamber of Commerce and Industry, Peter Anderson, urged managers and professionals to ignore the threat of redundancy and to reduce their stockpile of leave (Hannan 2009). It is therefore possible that the reduction in actual monthly hours reflects a temporary reduction in working time rather than a long-term trend.

A second measure used by the ABS is *usual* hours, which gives a better indication of a respondent's 'standard' working hour practices. Table 3.9 displays ABS reports of the distribution of both actual and usual hours from 2006 to 2009 (data collected in May of each year). While only a very marginal percentage of the workforce consistently works zero hours on a usual basis, the proportion of those who worked zero hours in the reference week in May 2009 is around six per cent – and this proportion has been steadily increasing over the last four years. Also notable is the small growth in the proportion of people working part-time hours in the reference week, from 34.5 per cent in 2007 to 36.4 per cent in 2009, against

a slightly more stable pattern of 'usual' part-time hours. Together, these findings lend support to the notion of temporary hours reductions occasioned by leave-taking.

**Table 3.9 ABS actual and usual hours worked, 2006–2009, per cent**

	Actual hours				Usual hours			
	2006	2007	2008	2009	2006	2007	2008	2009
No hours worked	4.6	4.9	5.1	5.5	0.2	0.2	0.2	0.2
Part-time hours worked	35.3	34.5	35.1	36.4	30.1	29.5	29.7	30.7
Full-time hours worked	60.1	60.6	59.8	58.1	69.7	70.3	70.0	69.1
35 to 40	29.9	30.7	29.6	30.7	41.2	41.9	41.3	42.7
41 to 49	12.7	12.7	12.9	11.9	11.0	11.2	11.4	10.3
50 plus	17.6	17.2	17.3	15.6	17.6	17.1	17.4	16.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 'Part-time' equates to 1-34 hours per week, 'full-time' equates to 35 hours or more  
Source: ABS (2009e)

We can explore this issue further because the ABS does in fact collect data on why, if applicable, full-time workers did not work 35 hours or more in the survey reference week. Of the 1.3 million people in this situation in May 2009, 800,000, or around 60 per cent, were on leave (ABS 2009b). Unfortunately, there are no corresponding data on leave-taking available for earlier years, but Table 3.10 does provide a higher-level summary of the reasons behind reduced actual hours during the period 2006 to 2009. These are divided into 'non-economic' factors such as leave, illness, starting a job or standard shift work arrangements, and 'economic' factors such as being stood down, on short-time or insufficient work.

**Table 3.10 ABS: Full-time workers who worked less than 35 hours: Original, September 2006-2008<sup>(a)</sup> and May 2009<sup>(b)</sup>**

	Sep-06		Sep-07		Sep-08		May-09	
	%	'000	%	'000	%	'000	%	'000
Worked >35 hours in the reference week	14.3	1,056.2	17.9	1,350.1	14.2	1,099.3	17.5	1,327.1
Non-economic reasons	13.5	995.6	10.4	1,303.9	13.5	1,048.0	16.2	1,233.1
Economic reasons	0.8	60.6	0.5	46.2	0.7	51.3	1.2	93.9
Full-time workers		7,386.8		7,554.4		7,740.1		7,590.1

Source: (a) ABS (2009f) (b) ABS (2009g)

We note in Table 3.10 that the proportion of full-time workers reporting fewer than 35 'actual' hours has increased by 3.3 percentage points from September 2008 to May 2009; however, these fluctuations appear typical of the last four years. The breakdown into economic and non-economic reasons for the hours reductions is more instructive. Between September 2008 and May 2009 the proportion of full-timers working below 35 hours in the reference week for *non-economic* reasons (such as leave-taking) peaked at 16 per cent; a growth of almost three percentage points, or 200,000 people, within the preceding nine-month period. Likewise, after a relatively stable three years, the proportion who worked reduced hours for *economic* reasons saw an 83 per cent increase within the same time frame: from around 50,000 in September 2008 to almost 94,000 in May 2009.

Thus, both intensified leave-taking and the issue of full-time workers being ‘forced’ into part-time hours may go some way to accounting for overall reductions in working hours, if both on a relatively small scale. What is clear is that not all reductions in hours are undertaken voluntarily. In fact, the ABS reports that the rate of labour underutilisation – which combines people who are unemployed with those that are underemployed – experienced a sharp increase from May 2008 to February 2009, growing 1.9 percentage points to 11.9 per cent, before continuing its climb to a rate of 13.9 per cent in August 2009 (ABS 2009g). It is important, therefore, to consider not only the number of hours worked by Australians, but also whether these hours match individual working time preferences: an issue addressed in some detail by the *Australia at Work* survey.

### Working hours preferences

As a prelude to this section, we present a summary of the *Australia at Work* data on working hours. Table 3.11 displays the average usual hours worked per week by employees and self-employed people in their main job, with a further subdivision into ‘part-time equivalent’ and ‘full-time equivalent’ workers,<sup>21</sup> while Table 3.12 indicates the spread of working hour patterns across the workforce.

**Table 3.11 Average usual hours worked in main job by employment status, 2006–2009**

	2006		2007		2008		2009	
<i>Employees</i>		<i>n</i>		<i>n</i>		<i>n</i>		<i>n</i>
<35 hours	19.0	2,143	19.0	2,131	19.9	1,708	19.7	1,567
≥35 hours	44.6	4,284	44.4	4,314	44.5	3,808	44.1	3,536
<i>Self-employed</i>								
<35 hours	20.0	348	20.5	363	20.0	287	21.3	294
≥35 hours	53.0	975	52.9	962	51.4	783	51.5	710
<i>All employed persons</i>								
<35 hours	19.2	2,491	19.2	2,494	19.9	1,995	20.0	1,861
≥35 hours	46.2	5,259	45.9	5,276	45.7	4,591	45.5	4,246

Population: Employed persons  
 Weight: Cross-sectional 06, 07, 08, 09  
 Source: Australia at Work W1-W3

At a summary level – that is, regarding proportions of the workforce working part-time and full-time hours (Table 3.12) – *Australia at Work* yields similar figures to those generated by the ABS. Where the *Australia at Work* sample differs notably is in its inflated proportions of respondents working long (41 or more) full-time hours. This is likely in part to be due to sampling limitations in our study, particularly under-representation of casual and part-time workers. However, it is also probable that the ABS data on usual hours have been skewed downwards due to the partial reliance on proxy interviews for data collection.<sup>22</sup> Respondents

<sup>21</sup> In exploring working hour preferences, we have used a ‘part-time/full-time equivalent’ variable based on usual hours worked per week (under or over 35). This is in order to incorporate self-employed people, who, because they are not under contract, are not classified as part-time or full-time *per se* in the survey data.

<sup>22</sup> The LFS uses the Any Responsible Adult (ARA) methodology, where information is obtained on behalf of all the persons in a selected household who are in scope of the survey from any responsible adult. See Wooden *et al.* (2007) for a working example of the methodological limitations of ARA.

providing working hours data on behalf of another member of their household are less likely to be able to answer this question precisely and may default to the ‘social norm’ of 35 to 40 hours. On the other hand, when self-reports are used, as in *Australia at Work*, there can be a tendency for respondents to overestimate the number of hours they work (*e.g.* Clarkberg and Moen, 2001).

**Table 3.12 Usual hours worked in all jobs, 2006–2009, per cent**

	2006		2007		2008		2009	
	%	N	%	N	%	N	%	N
1-15 hours	11.4	1,061,241	10.9	1,061,241	9.0	888,335	8.9	884,669
16-34 hours	20.7	1,941,722	20.0	1,941,722	20.5	2,026,988	19.8	1,966,329
35-40 hours	31.0	2,964,735	30.5	2,964,735	30.3	3,000,599	31.3	3,103,799
41-49 hours	14.9	1,468,441	15.1	1,468,441	16.4	1,624,959	16.3	1,612,014
50+ hours	21.9	2,240,015	23.0	2,240,015	23.2	2,296,984	23.0	2,283,889
Total	100.0	9,721,303	100.0	9,721,303	100.0	9,891,486	100.0	9,909,775

Refused / missing  $n=34$  (2007),  $n=2$  (2008)

Population: All employed respondents

Weight: Cross-sectional 06, 07, 08, 09

Source: Australia at Work W1-W3

In 2009, as in previous years, the aggregated average of 38 hours per week conceals a pervasive long-hours culture among full-time equivalents, who continue to work an average of 46 hours on a weekly basis, Table 3.11. Indeed, Table 3.12 shows that in 2009 almost one-quarter (23 per cent) of all respondents report a ‘usual hours’ total of 50 or more, and that this has been unchanged for the last two years. However, we see in Table 3.11 that the average full-time working week has shortened by 0.7 of an hour since 2006. This finding highlights a further, and subtle, point of explanation for the ‘reduced hours’ phenomenon – that full-time workers may simply be cutting back their (already long) working hours, creating an overall ‘reduced hours’ effect whilst individually remaining firmly within a ‘full-time’ classification – and quite possibly without even shifting working hour sub-categories, as per those shown in Table 3.12.

Table 3.13 indicates the proportions of part-time and full-time employed and self-employed respondents who report that they would prefer to work either fewer or more hours than they currently are. It is evident from the bottom data line of the table that overall, working hour preferences have not undergone any vast shifts across the three waves of the survey. There has been a marginal year on year increase in the preference for fewer hours of work and some minor fluctuation in the preference for more hours: patterns that are similar for both employees and the self-employed. To some extent we may be witnessing sample ageing effects here, particularly in relation to the ‘fewer hours’ preference. Younger workers transitioning from part-time to full-time employment (where the desire for fewer hours is much more prevalent), together with an accumulation of older participants looking to downscale their hours in the run-up to retirement, may have contributed to this trend: and indeed, overall, the desire to work fewer hours increases with age among both full-time and part-time workers.

**Table 3.13 Working hour preferences by usual total hours, 2007–2009, per cent**

	Want fewer hours						Want more hours					
	2007		2008		2009		2007		2008		2009	
	%	n	%	n	%	n	%	n	%	n	%	n
<i>Employees</i>												
<35 hours	4.2	100	4.9	95	5.6	92	21.1	436	19.2	322	22.2	336
≥35 hours	26.6	1166	28.3	1135	28.3	1025	3.0	126	2.3	88	2.7	84
Total	19.0	1266	20.8	1230	21.2	1117	9.2	562	7.7	410	8.8	420
<i>Self-employed</i>												
<35 hours	9.0	34	8.7	23	11.3	35	18.1	67	19.0	53	22.7	69
≥35 hours	43.0	412	44.4	341	48.2	346	2.8	28	*1.9	18	*2.1	16
Total	33.9	446	34.4	364	37.3	381	6.9	95	6.6	71	8.2	85
<i>All</i>												
<35 hours	4.9	134	5.5	118	6.5	127	20.7	503	19.2	375	22.3	405
≥35 hours	29.7	1578	31.2	1476	31.8	1371	2.9	154	2.2	106	2.6	100
Total	21.5	1712	23.1	1594	23.9	1498	8.8	657	7.6	481	8.7	505

\* Estimate is not reliable n<20

Refused / missing n=8 (2007), n=7 (2008), n=1 (2009)

Population: All employed persons in all waves

Weight: Cross-sectional 07, 08, 09

Source: Australia at Work W1, W2, W3

Meanwhile, the proportion of respondents who want to work more hours is seen to ‘dip’ somewhat in the boom of 2008, before increasing again in the downturn of 2009. Among part-time workers, there is a three percentage point growth between 2008 and 2009 in the number of people expressing this preference. The pattern is most pronounced among younger respondents (16 to 24), where there is a predominance of part-time work, and the variations are similar across both the self-employed and employees.

What is particularly noteworthy is that once again, a striking contrast emerges between respondents who remained with the same employer from 2008 to 2009, and those who changed jobs. We noted earlier in the chapter that those who made a job transition within the last year were less likely to move from part-time to full-time work, and a little more likely to move from full-time to part-time, than in previous years. And when we examine data on hours preferences for the job-change group, we find them to be twice as likely (14 per cent) to express a desire for more hours of work as those whose employment situation did not change (seven per cent).

The remainder of the discussion is not directly concerned with the issue of reduced working hours, but provides some further general commentary on working time preferences as evidenced in the *Australia at Work* data.

When the preferences data are disaggregated by employment type (Table 3.13), we note an increasing polarisation of attitudes among the self-employed, with a growing sense of under-utilisation among part-time equivalents on the one hand, and of over-work among full-time equivalents on the other. In 2009, 23 per cent of part-time, self-employed workers express a preference for more hours of work, compared to 18 per cent in 2007; while 48 per cent of those in full-time self-employment in 2009 would like fewer hours of work – up from 43 per cent in 2007. The marked preference for shorter hours among the full-time self-employed is

not surprising in view of the fact that in 2009 this group is working, on average, around an hour and a half more every day (52 hours per week) relative to full-time employees (44 hours), although they have shown a small overall decline in usual hours since 2006. Accordingly, full-time employees are less likely to express a preference for fewer working hours (28 per cent).

Notwithstanding their long working hours, there may be a payoff for self-employed people in the sense of control that they maintain over their hours. Indeed, in some cases this may have provided the original impetus to choose self-employment over working for an employer. Self-employed respondents are much more likely to agree that they have control over *when* they work their hours (80 per cent) than are employees (53 per cent), as well as over the *number* of hours they work (71 per cent, compared to 48 per cent of employees). In both cases, these contrasts are most pronounced within the subgroup of full-time equivalent workers.

It remains that two-thirds (67 per cent) of the workforce are happy with their current working hours, including 62 per cent of those whose hours have increased since 2008, and 64 per cent of those whose hours have decreased. Furthermore, any such changes that have occurred apparently have little or no impact on respondents' sense of control over their working hours: equal proportions of those with increased hours (53 per cent) and decreased hours (54 per cent) agree or strongly agree that they have control over the number of hours they work (compared to 52 per cent of all workers). Likewise, regardless of any recent changes to their working hours, approximately 40 per cent of respondents report a lack of control over these hours.

A related survey measure pertaining to workload and work intensification is the variable '*More and more is expected of me for the same amount of pay*'. Responses to this item have remained largely stable over the course of the survey. In 2009, 43 per cent of part-time workers and 56 per cent of full-time workers agree or strongly agree that their workload is increasing disproportionate to their pay. There are some differences by sector: 61 per cent of public sector employees agree with the above statement, in contrast to 49 per cent of respondents from the private sector and 51 per cent of those working in not for profit organisations. We note that employees in the not for profit sector have become gradually less likely to agree that more and more is expected of them for the same amount of pay: 58 per cent gave this response in 2007, followed by 55 per cent in 2008 and 51 per cent in 2009.

Respondents' perceptions of what is expected of them at work vis-à-vis what they are paid may also be related to aspects of their labour contract and in particular the way in which their pay is decided. Factors relating to personal control and influence over pay would appear to be key. Workers whose pay was set on a collective basis are more likely to agree (56 per cent) that more and more is expected of them than those whose pay was set for them individually (50 per cent). Likewise, those who feel they have no opportunity to negotiate their pay with their employer are more likely to agree with this survey item (61 per cent) than those who do report having this opportunity (45 per cent). The issue of whether or not individuals have *actually* negotiated their pay with their employer has a less striking, yet still significant, bearing on perceptions of workload and remuneration: 48 per cent of those who have entered into pay negotiations with their employer agree with the statement that more and more is expected of them, compared to 43 per cent of those who have not negotiated. In

all cases, non-managerial employees tend to agree with the statement more strongly than managers.

This chapter has explored a variety of issues surrounding movements within, as well as into and out of, the Australian labour market. As contextual background, we have highlighted the particular significance of the second strand of Schmid and Gazier's (2002) TLM model, that of private family-based activity, in determining transitions from employment to non-employment and vice versa. Relating to this, and in view of the propensity of women to undertake part-time work for extended periods, we have also questioned the extent to which Australia has a supportive policy context for working life transitions, and leave the issue open for further debate. Furthermore, recognising that Australia has a comparatively mobile workforce, with short average job tenure relative to EU countries, we have formulated a fourfold typology of job-change scenarios and, using our data, begun to fit evidence around this relating to various work and life course factors.

In the second part of the chapter we have probed further into current workforce data to look at the issue of working hours, which have been widely reported to have fallen during the recent economic downturn. Our analyses bring us to the conclusion that there is no one simple explanation for this situation. Rather, it would appear that a number of factors have subtly contributed to the drop in hours, including abnormal patterns of leave-taking; an elevated likelihood of job changers or new labour market entrants undertaking part-time, rather than full-time, work; and current full-time workers being obliged to downscale their hours – though not necessarily to the extent of becoming 'part-time'. *Australia at Work's* body of attitudinal data relating to working hour preferences has helped to illustrate where and how involuntary changes to working hours are occurring.

## 4. Forms of Employment: Trajectories and Persistence

Chapter 2 explored the impact of the economic downturn on working life by assessing job losses and job security. Another key focus of this year's report is to explore the issue of job quality – in particular, precarious work; rather than solely focussing on the quantity of jobs. A useful starting point is the composition of employees in the *Australia at Work* study who are in 'standard' and 'non-standard' forms of employment. The first part of this chapter provides a brief overview of the background to 'non-standard' forms of employment in Australia and current ABS data in this area. We then move on to look at the composition of the Australia at Work sample according to form of employment, that is, by looking at whether they are in jobs with or without paid leave entitlements. We recognise that the notion of job quality is not straightforward. Entitlement to paid leave is but one indicator of job quality and is closely tied up with working hours. In particular, we know that some people choose to work in 'casual' jobs in order to have greater control over the number of hours they work. This being so, we track the trajectories of groups of workers based on the persistence and absence of paid leave entitlements.

### 'Non-standard' employment in Australia

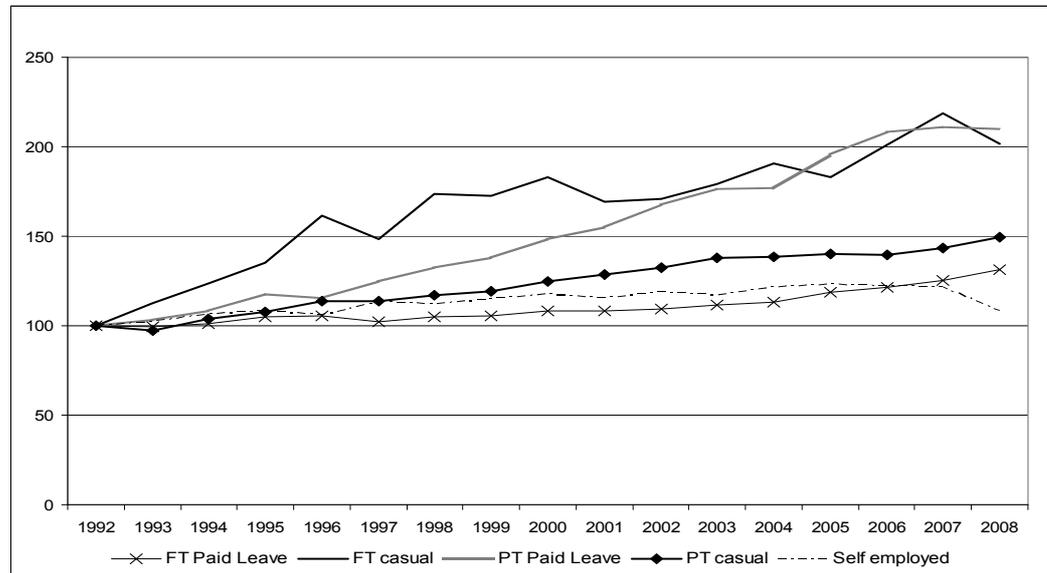
For the past three decades labour market flexibility has been one of the key issues of interest to employers, unions, researchers and policy makers. The rise of 'non-standard' employment in particular has attracted great attention. Watson (1999) distinguishes between two key dimensions of employment situations - the time dimension (i.e. full-time or part-time hours) and the nature of the employment relationship (i.e. ongoing or temporary work). 'Standard employment' is typically defined as workers engaged on contracts of service (i.e. employees and not the self-employed) who have 'ongoing' jobs and who work 'full-time' weekly working hours. Such workers are assumed to acquire enforceable rights as a result of having this status. The most robust statistical indicator of 'standard' employment is access to paid leave. Non-standard or casual work – it is commonly assumed – is characterised by employment by the hour and no ongoing association with the employer.<sup>23</sup> The official rationale for the casual loading on the hourly rate is that it is paid in lieu of leave entitlements. That is, it is assumed paid leave entitlements will never accrue to casuals because they lack continuing engagement with the workplace. The self employed do not have any one obliged to provide paid leave entitlement to them. The analysis in this and the next chapter primarily deals with employees. The situation of the self-employed was explored in greater detail in last year's annual report (see Chapter 7 in van Wanrooy, et al 2008).

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<sup>23</sup> Buchanan (2004) points out that in Australian labour law there is no fixed meaning for the expressions 'casual employee' and 'casual work', saying that the common understanding of the term typically involves notions of itinerant or relief work – that is short term or itinerant jobs. In a similar discussion, Wooden and Warren (2004) also discuss the definitional problems with identifying casual employees. They suggest however that common law is largely irrelevant, as conditions are typically set down in awards and agreements. They neglect to note two things (a) that in awards casuals are defined as "any one employed as such" – a totally circular definition and (b) the common law is in fact clearer as it often attaches mere rights to employees who are employed on a continuing basis.

In recent years nearly all the net growth in employment has been ‘non-standard’ in nature. As Figure 4.1 shows, since 1992 the number of full-time employees with leave entitlements has increased by less than 10 per cent. The majority of real growth has been in either part-time employees with leave entitlements, the self-employed or employees without leave entitlements, especially those working full-time.

**Figure 4.1 Growth in Non-standard employment, 1992 to 2008, Indexed to 1992**



Source: ABS (2009h)

Does the growth in ‘non-standard’ employment reflect a decline in the duration for which employees stay in their jobs? Table 4.1 summarises the proportion of the employed population who have been in their job for less than a year and those who have been in their job for 10 years or more. On the basis of these indicators it is clear that the proportion of workers with an ongoing association with their employer has changed little, and if anything those workers with long durations has increased.

**Table 4.1 Distribution of duration of current job by gender, 1975 – 2008**

	Males		Females	
	<1 year	>10 yrs	<1 year	>10 yrs
December 1975	20.9	25.2	27.3	10.8
December 1979	20.5	25.5	25.3	12.3
February 1988	24.3	29.0	28.5	15.8
February 1998	20.8	27.5	23.1	20.0
February 2008	21.0	26.5	23.4	21.5

Population: All employed persons

Sources: Wooden (1998); Borland (2000); ABS (2008a) and ABS (1998)

The existence of this paradox highlights that there is more to the rise of ‘non-standard’ employment than meets the eye. It is necessary to consider the changing connection between workplace practices on the one hand, and the legal formalities associated with them on the other (Buchanan 2004). In doing so, problems arise with the traditional assumption that ongoing regular hours of work lead to ‘permanency’ and the right to entitlements such as paid sick leave and annual leave. A significant number of ‘casuals’ have features commonly

associated with 'permanent' employment, resulting in the classic Australian oxymoron of the 'permanent casual' or 'long-term casual' (Buchanan 2004).

Another issue in debate is whether the growth in 'non-standard' employment has been driven by employee or employer preferences. Some have argued that workers' preferences have driven the growth in 'non-standard' employment. Researchers in this school contend that non-standard employment arrangements have both good and bad features. They assert the key matter is workers' preferences for higher hourly rates and the lower level of commitment implied by engaging with their employer on either a 'casual' or 'self-employed' basis (for example, Wooden & Warren 2004).

Others have argued that the development of 'non-standard' employment has more to do with employer preference (for example, Gonos 1997; Watson et al. 2003; Pocock 2003; Pocock et al. 2004; Buchanan 2004). Drawing on the ideas of Gonos (1997:106), an increasing numbers of managers prefer to a form of employment 'without obligation'. Pocock (2003) has made the important observation that the two forces are often linked. Workers desiring shorter hours over which they have greater control have few choices available to them; for many it is either casual employment or no work at all. The only way they can achieve this is by taking on jobs that employers designate as 'casual'. Hence, while the presence or absence of leave entitlements is a neat statistical indicator of 'non-standard' employment it should not be regarded as implying the labour is 'flexible' in the sense of being intermittent in its deployment. Causality could run the other way – employers seeking to reduce the obligations to their workers can do so by only offering jobs on a 'casual' basis.

Another important question to consider is whether 'non-standard' jobs are inferior in terms of job quality. Wooden and Warren (2004) used self-reported job satisfaction as an indicator of job quality and found that workers do not necessarily see non-standard work as undesirable. Watson (2005), critical of this research, argued that casual jobs need to be assessed according to whether they are inferior jobs or not, rather than by how satisfied their incumbents may be. He found that from the point of view of earnings casual jobs, particularly those with part-time hours, appear to be inferior. Other critics cite limited control and discretion, reduced access to training and development opportunities, lack of employee voice in the workplace and adverse occupational health and safety outcomes as other problems associated with casual work (Burgess & Campbell 1998; Campbell & Brosnan 1999; Campbell & Burgess 2001; Pocock 2003; Watson et al. 2003; Quinlan, Mayhew & Bohle 2001, Pocock, et al 2004; Buchanan 2004).

### **How many employees have paid leave entitlements?**

According to the most recent ABS survey on forms of employment three-quarters (76 per cent) of employees receive paid leave, Table 4.2. The aggregate data for the three years to August 2008 shows stability in the proportion of employees with paid leave entitlements in their main job. However, when we disaggregate the data there are considerable differences in the proportions of full-time and part-time employees with paid leave entitlements. While the proportion of full-time employees with paid leave entitlements in their main job was relatively stable from 2006 to 2008 (88 to 90 per cent), the story is different for part-time employees. The proportion of part-time employees with paid-leave entitlements decreased from 47 to 42 per cent across the same period. There was a 6 percentage point decrease in the proportion of male part-time employees and a 5 percentage point decrease in the proportion

of female part-time employees with paid leave entitlements (down from 32 to 26 per cent and 53 to 48 per cent, respectively).

**Table 4.2 ABS data on employees<sup>(a)</sup> with paid leave entitlements<sup>(b)</sup> in main job by sex, Australia, 2006 to 2008, per cent**

	August 2006	August 2007	August 2008
<i>Male</i>			
Full-time	86.5	88.2	89.3
Part-time	31.8	28.9	25.6
Total	78.3	79.0	79.9
<i>Female</i>			
Full-time	89.5	90.4	91.3
Part-time	52.8	48.7	48.2
Total	72.5	71.3	71.6
<i>All employees</i>			
Full-time	87.6	89.0	90.1
Part-time	47.2	43.4	42.3
Total	75.6	75.3	75.9

(a) Excludes owner managers of incorporated entities (OMIEs)

(b) Includes people who are entitled to at least one type of paid leave i.e. paid holiday leave, paid sick leave, paid long service leave and paid maternity/paternity leave.

Source: ABS (2007), ABS (2008b) and ABS (2009i)

August 6310.0 August 2006, August 2007 and August 2008

The ABS data also show that the proportion of employees with paid leave entitlements varies considerably by age group. It is highest among those who are of prime working age (i.e. 25 to 54 years of age). For example, in August 2008: one-third (34 per cent) of employees aged 15 to 19 years; 65 per cent of employees aged 20 to 24 years; and 84 per cent of employees aged 45 to 54 years were working in jobs with paid leave entitlements (ABS, 2009i).

As shown in Figure 4.1, the majority of recent employment growth has been in permanent part-time and casual jobs (both full-time and part-time). Given that one in ten of all full-time employees and more than half of all part-time employees work in jobs with no paid leave entitlements, the debate around ‘non-standard’ forms of employment and job quality is of ongoing relevance. So what can the Australia at Work sample add to our understanding about the dynamics of change in forms of employment?

The most recent ABS data on forms of employment is from August 2008, i.e. before the onset of the Global Financial Crisis. *Australia at Work* provides more recent data for 2009. This allows us to present preliminary findings on whether the economic downturn has contributed to change in the forms of employment in our sample. In order to compare our data with that of the ABS, we have differentiated between employees with and without access to paid leave in their main job.<sup>24</sup> Given the major ambiguities surrounding the

<sup>24</sup> In determining who is entitled to paid leave entitlements in our sample we relied on three questions regarding: 1) paid sick leave; 2) paid annual leave; and 3) self-identified employment status. Where an employee has consistent answers to both types of paid leave they are coded to either ‘no leave entitlements’ or ‘paid leave entitlements’. In the cases of inconsistent responses (i.e. entitled to one but not the other) self-reported employment status determines which group they are allocated to; so that

definition of paid leave for the self-employed, they have been excluded from the analysis. Employees with paid leave entitlements are over-represented in *Australia at Work*, primarily in 2008 and 2009, Tables 4.3 and 4.2. If we examine the base year of 2007,<sup>25</sup> we find that *Australia at Work* estimates of the proportion of employees with paid leave are similar to the ABS. There is an over-representation of full-time employees with paid leave entitlements. The biggest discrepancies arise in 2008 and 2009, where the proportion of employees with paid leave increases noticeably (from 75 per cent to 79 per cent), particularly among part-time employees (from 44 per cent to 50 per cent), Table 4.3. These trends are not found in the ABS data. This inconsistency in the data may be a result of the longitudinal nature of the study and the failure to capture new entrants into the labour market. New entrants to the labour market may be more likely to enter through obtaining a casual job. However, the proportions of employees with paid leave did not increase at a similar rate between 2008 and 2009. The proportion of employees with paid leave increased by 2 percentage points among women and remained stable for men.

**Table 4.3 Employees with paid leave entitlements in main job, 2006 to 2009, per cent**

	2006		2007		2008		2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<i>Male</i>								
Full-time	90.4	2,515	90.7	2,546	93.2	2,273	93.6	2,092
Part-time	26.2	151	27.8	157	32.4	136	31.9	131
Total	79.1	2,673	79.8	2,703	83.9	2,409	83.9	2,224
<i>Female</i>								
Full-time	90.4	1,424	91.8	1,463	92.5	1,318	94.5	1,268
Part-time	47.6	836	49.9	863	55.4	803	56.2	735
Total	68.0	2,266	70.2	2,326	74.0	2,121	76.0	2,003
<i>All employees</i>								
Full-time	90.4	3,939	91.1	4,009	93.0	3,591	93.9	3,360
Part-time	42.0	987	44.0	1,020	49.7	939	49.9	866
Total	73.7	4,926	75.2	5,029	79.1	4,530	80.1	4,226

Note: Excludes *n*=5 in 2006, *n*=5 in 2007 *n*=9 in 2008 and *n*=4 in 2009 where leave entitlement status is missing  
Population: Employees only  
Weight: Cross-sectional 06 to 09  
Source: Australia at Work W1 to W3

Another explanation for the discrepancy is likely to be the ageing of the sample. As respondents get older they may move into jobs with paid leave entitlements, especially younger respondents who may have been initially working in a casual job while studying and then moved to a full-time permanent job. Examining the proportion of employees who were above and below 25 years of age in 2007 with paid leave entitlements shows this to be the case. The proportion of younger employees with paid leave increased from 48 per cent in 2007 to 64 per cent in 2009. However, controlling for age still has not negated the increase in

self-identified casuals are allocated to 'no leave entitlements' group and self-identified permanent employees are allocated to 'paid leave entitlements'. In the former case this equated to *n*=73 cases in 2007. For those who identify as being on fixed term contracts and only report one type of leave, we have erred on the side of caution and coded them as 'paid leave entitlements'. In 2007 these cases amounted to *n*=19.

<sup>25</sup> The first wave of data was collected in 2007. 2006 data was collected retrospectively.

older employees with paid leave entitlements – which rose from 83 per cent in 2007 to 87 per cent in 2009. Again, the increase is greater among part-time employees.

### The ‘persistence’ of paid leave entitlements over time

While the longitudinal nature of the data results in discrepancies in the representativeness of the data; strength lies in the ability to examine individual employees’ change in paid leave entitlements. This is examined further in Chapter 5 by tracking the gain or loss of paid leave entitlements between years. It is here where we will examine the changes that have occurred between 2007-08 and 2008-09 and speculate on the impact of the economic downturn in the latter period.

Table 4.4 uses the longitudinal data to detail the extent to which workers have reported being an employee and entitled to paid leave over each of the last four waves. The table includes all people who have been an employee at least once during the last four waves<sup>26</sup> and shows the proportion of these jobs that they were entitled to paid leave. Employees who have been employed each year in a permanent job (entitling them to paid leave) over the period accounts for 42 per cent of people in this group. One in six (17 per cent) people have moved in and out of jobs but when they have been an employee they have been entitled to paid leave. In total, 59 per cent of people have been entitled to paid leave all the times they have reported being an employee over the four waves, equating to approximately 6.7 million people.

**Table 4.4 Proportion of employees’ jobs with paid leave entitlements over 4 waves, 2006 to 2009**

	Population estimate	%	<i>n</i>
No jobs with paid leave entitlements	2,374,780	20.8	716
Some jobs with paid leave (1/4 -1/3)	619,127	5.4	251
Half jobs with paid leave (1/2 or 2/4)	724,320	6.4	295
Most jobs with paid leave (2/3 - 3/4)	928,303	8.1	428
All jobs (<4) with paid leave (discontinuous)	1,921,392	16.9	621
All four jobs with paid leave	4,830,519	42.4	3,150
Total	11,398,441	100.0	5,461

Notes: ‘Jobs’ does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. ‘Discontinuous’ implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Employees in any one wave

Weight: Longitudinal 09

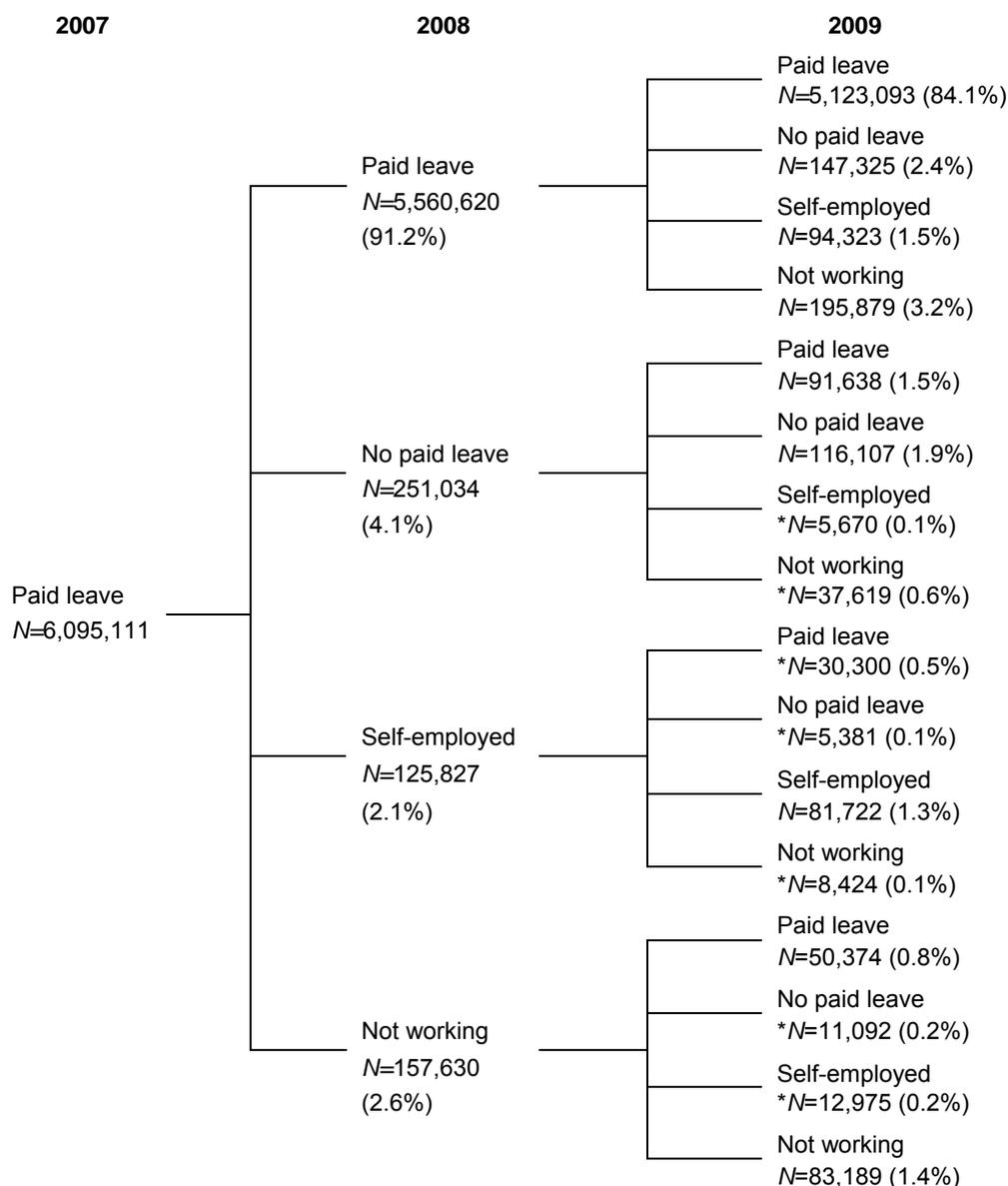
Source: Australia at Work W1 to W3

On the other hand, one in five people who have been an employee at least once in the last four waves have not had paid leave entitlements. Of this 21 per cent, 6 per cent have been an employee in all four survey waves and another 6 per cent have been an employee for three out of the four survey waves; equating to 1.3 million people who have had sustained or regular bouts of precarious employment in the last four waves. A further 20 per cent of people who have been an employee in the last four waves have had jobs both with and without paid leave entitlements.

<sup>26</sup> The data is weighted for the people who are not in the labour force between 2007 and 2009. It is important to remember that the sample is those who were in the labour force in March 2006, therefore the weights for ‘not in the labour force’ are somewhat larger.

A common argument is that ‘any job is better than no job at all’ and that poor quality jobs (involving low-pay and a lack of entitlements) can often act as a ‘stepping stone’ into a better quality job. Therefore, it is useful to look not only at the frequency but also the sequence of jobs with paid leave entitlements. Figures 4.2a and Figures 4.2b show the trajectories of employees in 2007 in jobs with and without paid leave are very different.

**Figure 4.2a Trajectories of employees with paid leave entitlements in 2007**

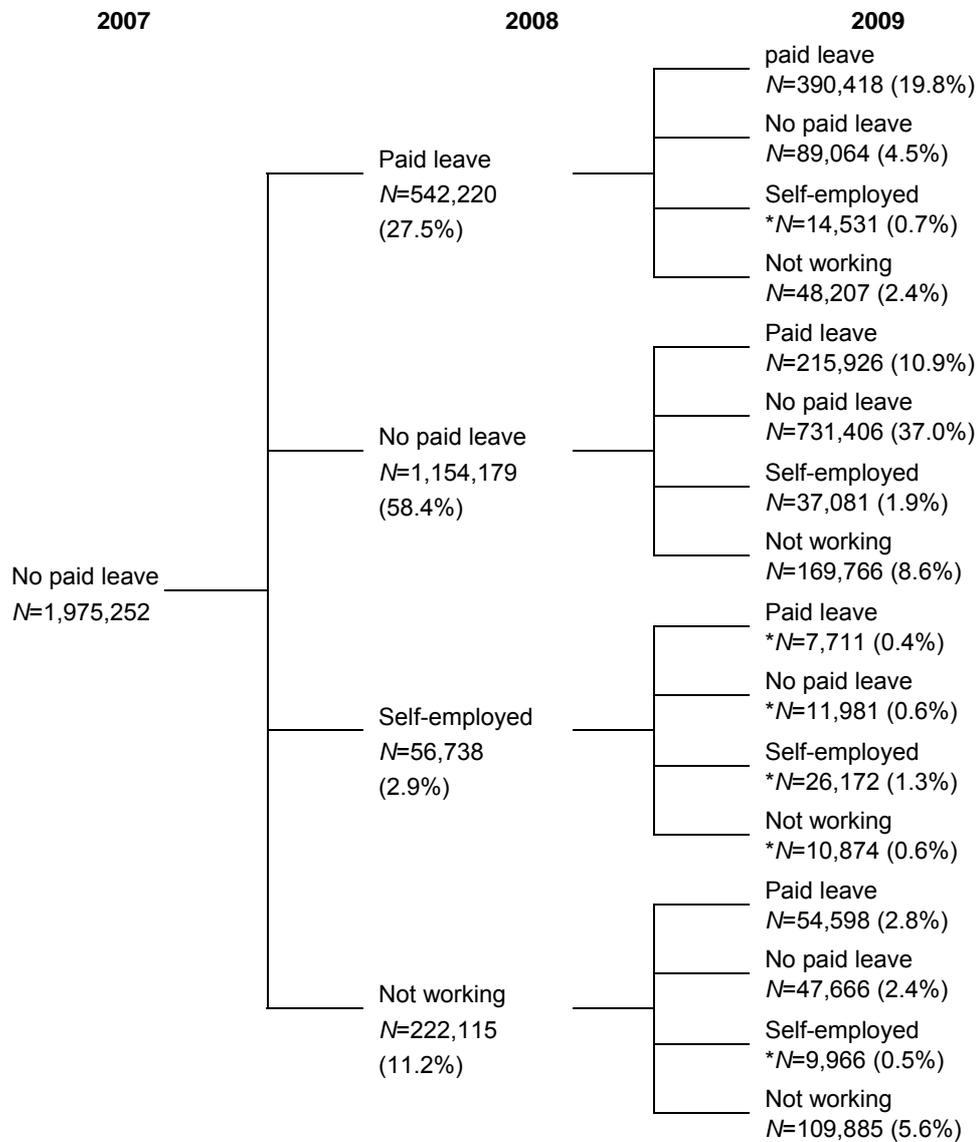


Population: Employees with paid leave entitlements in 2007  
 Weight: Longitudinal 07-09  
 Source: Australia at Work W1 to W3

The most common trajectory for employees with paid leave entitlements in 2007 is to still be employed in 2009 with paid leave (84 per cent overall). The outcomes for those without paid leave in 2007 are more mixed. Of those who were not entitled to paid leave in 2007, more than one-third (37 per cent) have consistently remained without paid leave entitlements; one in five gained paid leave entitlements in 2008 and have kept them in 2009, and another one in six are no longer in the workforce in 2009 (after slightly different paths). So while

precarious employment may, in some cases, be a stepping stone into the workforce, in other cases, it can be an exit door out of it. This was confirmed in Chapter 2 where it was found that casual employees were more likely to report having lost a job in the last year.

**Figure 4.2b Trajectories of employees with no paid leave entitlements in 2007**



Population: Employees without paid leave entitlements in 2007  
 Weight: Longitudinal 09  
 Source: Australia at Work W1 to W3

Figure 4.2b shows that employees with no paid leave (in 2007) have more than a one-in-four chance of gaining paid leave entitlements in the following year. However, in the third year they also have a greater chance of losing them again. This is compared to the 88 per cent who hold onto their paid leave entitlements from 2007 to 2009, and only 3 per cent who lose them in 2009. Overall, a total of 34 per cent of employees without paid leave entitlements in 2007 have them in 2009. What can be gathered from these figures is that employees with no paid leave entitlements have an unstable and uncertain experience of employment and entitlements over time.

Table 4.5 explores the age and sex of people with different experiences of paid leave over the last four waves of data collection. Young workers, aged 16 to 24, account for almost half (47 per cent) of the people who have not reported paid leave entitlements in the last four waves. But overall, it is very much women who dominate this group, at 62 per cent. One in five employees who have not reported paid leave in the last four waves are women aged 25 to 44, and 17 per cent are women aged 45 and over. Young workers are also over-represented in the groups where jobs without paid leave outnumber or are equal to the times they've had jobs with paid leave. For example, 26 per cent of young men and 27 per cent of young women have had only reported paid leave once out of three or four times they've reported being an employee. This is also the case for 22 per cent of prime-age females. Young men are slightly more likely to have had jobs with paid leave in the last four waves compared to their female counterparts.

**Table 4.5 Proportion of employees' jobs with paid leave by age and sex, 2006–2009, per cent**

Proportion of jobs with paid leave	16-24		25-44		45+		Total
	Male	Female	Male	Female	Male	Female	
Not entitled to paid leave ( <i>n</i> =715)	22.5	24.6	8.4	19.6	7.5	17.4	100.0
Some jobs with paid leave ( <i>n</i> =251)	25.5	27.3	11.0	22.2	5.7	8.2	100.0
Half of jobs with paid leave ( <i>n</i> =295)	18.9	25.3	15.3	22.8	7.4	10.3	100.0
Most jobs with paid leave ( <i>n</i> =427)	21.2	13.4	19.8	27.2	9.5	8.9	100.0
All jobs (<4) with paid leave - discontinuous ( <i>n</i> =620)	5.0	4.7	24.1	26.6	18.1	21.6	100.0
All four jobs with paid leave ( <i>n</i> =3,149)	3.1	2.5	32.5	24.4	20.0	17.6	100.0
Total ( <i>n</i> =5,457)	11.2	11.2	22.7	23.8	14.6	16.6	100.0

*n*=4 missing

\* Estimate not reliable *n* <20

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Employees in any one wave

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

Men dominate the group who have consistently reported paid leave entitlements, with those aged 25 and above accounting for 53 per cent of this group (compared to 37 per cent overall). Women are more likely to take breaks from the workforce, primarily due to caring responsibilities and it is prime-age women who are more likely to have had breaks from employment but are still entitled to paid leave when they are working. Women aged 25 and over make up 48 per cent of this group.

The greater the proportion of jobs without paid leave entitlements, the greater the likelihood a person has been unemployed in the last four years. That is, those with more experience in precarious work are more likely to have been unemployed. One-third (35 per cent) of employees who reported no experience of paid leave entitlements in the last four waves have been unemployed at least once in the four years of the study. Whereas only 16 per cent of those who have had paid leave entitlements in the majority of their jobs in the last four waves have experienced unemployment. The exception is employees who have always had paid leave in their jobs but discontinuous employment, 30 per cent have experienced unemployment. This group were also the most likely to report being made redundant in the last year, at 10 per cent compared to 5 per cent overall.

The shift between education and work is one of the four major transitions highlighted in the TLM framework. There is a clear relationship between the number of survey waves a respondent has reported full-time study and the proportion of jobs with paid leave entitlements. The majority (95 per cent) of employees who have had paid leave entitlements in all four waves have not been studying full-time across the entire period. This is compared to 50 per cent of those who have never had a job with paid leave entitlements; and 20 per cent of this group have been in full-time study in all four time points. This indicates that employees have different reasons for being in work and therefore have different priorities when it comes to the conditions of work.

In last year's report, *Working Lives: Statistics and Stories*, analysis of different forms of employment showed that those in more precarious employment were more likely to report control over their hours. Therefore, these employees may value control over hours more than security of employment or paid leave. The findings are no different when we examine the issue longitudinally.

Table 4.6 shows the levels of perceived job insecurity from 2007 to 2009 among people with different paid leave and employment histories over the last four waves. In 2007 and 2008, employees who continually reported paid leave entitlements have much lower levels of job insecurity, around half of that of other groups.

**Table 4.6 Agree: 'There's a good chance I will lose my job or be retrenched within the next 12 months' by proportion of employees' jobs with paid leave, 2006–2009, per cent**

Proportion of jobs with paid leave, between 2006 and 2009	2007		2008		2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
Not entitled to paid leave	11.4	66	12.6	77	15.5	75
Some jobs with paid leave (1/4 - 1/3)	14.8	36	13.0	32	13.9	34
Half of jobs with paid leave (1/2 or 2/4)	12.1	32	12.3	34	11.4	30
Most jobs with paid leave (2/3 - 3/4)	10.0	42	12.9	56	15.3	60
All jobs (<4) with paid leave - discontinuous	13.6	56	11.2	45	9.5	30
All four jobs with paid leave	6.0	194	5.6	184	10.5	313
Total	8.5	426	8.4	428	11.8	542

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Employees in each of the reference years

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

From Table 4.6 we can also see that in 2009, the dispersion of job insecurity lessened, most likely as a result of the general insecurity in the economy more broadly. However, employees with paid leave entitlements in all their jobs are still slightly less likely to be insecure than those with a patchy paid leave history. The groups to display higher levels of job insecurity are those who have not reported paid leave entitlements in the last four waves and those who have only reported one: 16 per cent and 14 per cent, respectively, felt that in 2009 there was a good chance they could lose their job in the next year.

More noticeable are the feelings of being dispensable among those employees who have rarely or not reported paid leave entitlements, Table 4.7. More than half of employees who

have not reported paid leave entitlements in the last four waves have continually reported feeling replaceable in their job. In 2009, 58 per cent of these employees disagreed that their employer would have trouble replacing them (compared to 50 per cent overall).

**Table 4.7 Disagree: 'If I left this job it would be difficult for my employer to replace me' by proportion of employees' jobs with paid leave, 2006–2009, per cent**

Proportion of jobs with paid leave, between 2006 and 2009	2007		2008		2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
Not entitled to paid leave	56.7	323	54.3	301	57.5	264
Some jobs with paid leave (1/4 -1/3)	60.6	146	44.4	106	53.4	120
Half of jobs with paid leave (1/2 or 2/4)	58.4	147	52.1	138	50.2	136
Most jobs with paid leave (2/3 - 3/4)	46.3	193	43.2	184	50.5	202
All jobs (<4) with paid leave - discontinuous	40.9	158	45.8	179	46.2	137
All four jobs with paid leave	45.4	1464	43.3	1428	48.5	1605
Total	48.1	2431	45.5	2336	50.1	2464

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Employees in each of the reference years

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

The combination of no paid leave and perceived job insecurity puts these workers in a very vulnerable position. In fact, of those who were employees in 2009, only 25 per cent said that they negotiated their pay at the commencement of their employment (compared to 40 per cent of all employees). Indicating that these employees are most likely offered jobs on a 'take it or leave it' basis. So are there any advantages of taking such employment? Table 4.8 displays the degree of control these employees have over their hours.

**Table 4.8 Agree: 'I have control over ...' by proportion of employee jobs with paid leave, 2006–2009, per cent**

Proportion of jobs with paid leave, between 2006 and 2009	The number of hours I work				When I work my hours			
	2008		2009		2008		2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
Not entitled to paid leave	67.0	366	62.8	296	71.9	397	71.9	335
Some jobs with paid leave (1/4 -1/3)	58.6	133	47.9	110	61.9	141	59.1	130
Half of jobs with paid leave (1/2 or 2/4)	55.8	139	52.1	128	60.8	150	54.8	135
Most jobs with paid leave (2/3 - 3/4)	43.6	175	38.2	157	49.4	187	43.1	165
All jobs (<4) with paid leave - discontinuous	44.2	179	45.0	122	50.8	197	55.3	146
All four jobs with paid leave	51.3	1561	46.2	1435	52.4	1571	49.7	1489
Total	52.7	2553	47.9	2248	55.5	2643	53.1	2400

Notes: 'Jobs' does not imply discrete jobs but the number of times a person reported being an employee at the four waves of data collection. 'Discontinuous' implies that the person has not been employed in all 4 years of the survey but has been in a job with paid leave entitlements each time they were employed.

Population: Employees in each of the reference years

Weight: Longitudinal 09

Source: Australia at Work W1 to W3

From Table 4.8 we can see that employees who reported limited or no experience with paid leave, over the last four waves, are more likely to report control over the number of hours they work and when they work these hours. While the attitudes in 2008 and 2009 might not be referring particularly to the job with paid leave for those with intermittent experience, the

data shows that around half of employees who more frequently reported paid leave entitlements over the last four waves do not feel they have control over their hours. In 2009, 63 per cent of employees who have not reported paid leave over the last four waves agree that they have control over the number of hours they work, and 72 per cent report control over when they work their hours; compared to 53 and 56 per cent overall. While the proportion of respondents who report control over when they work their hours has remained relatively consistent, those reporting control over the number of hours has dropped by 5 per cent overall. This drop has been fairly consistent across all the paid leave groups, except for those who report paid leave but discontinuous employment and employees who have only reported one job out of three or four with paid leave – they are much less likely to report control in 2009.

### **Summary and conclusion**

As noted earlier those persistently without paid leave are overwhelming young and female. They are also more likely to be part-timers, change employer and be lower skilled. But it is important to note that those who have persistently never had paid leave do not all share these characteristics. Many are also male, mature, work full-time and stay with the same employer. Indeed, as we shall see in the next chapter, the age and gender stereotypes associated with forms of employment are changing – especially in the most recent times.

One of the most distinctive features of the Australian labour market has been the high and growing level of non-standard employment over the last three decades. This chapter has provided additional insights into this phenomenon. The cross-sectional material by the ABS reports that around three out of four employees have paid leave entitlements. When looked at longitudinally, we can see this understates the reach of casualisation in the working lives of our sample. After looking at the four waves of our data, only 42 per cent were employed continuously in jobs with such entitlements. A further 17 per cent held such jobs, but not continuously. On the other hand, one-in-five only ever held jobs without leave entitlements and an equal proportion moved between leave and ‘leave-less’ employment. As shown in our flow diagram, jobs without paid leave entitlements in Australia are just as likely to play the role of conveyor belt out of the labour market as they are to be an escalator up to better and brighter jobs. Unsurprisingly, reports of job security varied by form of employment track.

In this chapter we have tracked the trajectories of groups of workers based on the persistence and absence of paid leave entitlements. In many ways then, the data in this chapter indicates that trajectories of workers’ forms of employment are not helpfully characterised as equally available pathways between which they freely chose. They are more accurately characterised as ruts into which many get stuck. These ruts are not, however, rigid or similar in nature. Among those in persistently “leave-less” employment it often involves revolving between work and non-employment. Among those with leave entitlements there are regular changes in hours and earnings. In the next chapter we explore both how the different trajectories evolve over time and how workers within them change hours and earnings in response to changing circumstances.

## 5. Changing flows and forms of employment

Like any social phenomenon, the labour market evolves over time. In the previous chapter we outlined how particular conditions of employment (i.e. either the presence or absence of paid leave) persisted across waves of the study and the movement between jobs. But more importantly it highlighted the level of change and adaptation that occurs for many workers. In this chapter we explore how the form of employment has changed for individual employees over the last two years. We do this by examining the experiences of the same employees as they navigated first the peak of the cycle (2007 to 2008) and then the initial phase of the GFC-induced downturn (2008 to 2009).

We know from Chapter 1 there have been intriguingly divergent trends in unemployment, employment and hours of work. Between this wave of the survey and the last, unemployment rose to 5.8 per cent, the highest level since 2002. The number of employed persons rose marginally by 35,900, and aggregate hours of work fell by 2.8 per cent – the equivalent of 270,000 effective full-time jobs. That chapter also revealed that behind these aggregate trends other changes have been underway. Some industries such as manufacturing have lost tens of thousands of jobs, with others like Health Care and Social Assistance have grown commensurately. While many males have lost full-time work, on the whole, women gained full-time jobs and there are more part-time workers of both sexes.

How are these distinct developments connected? As mentioned in Chapter 2, it has been speculated that the relations between these data are indicative of rising levels of de facto work-sharing (see for example, Gillard 2009, Davis 2009, Wragg 2009 and The West Australian 2009). That is, those in employment are assumed to be cutting their hours to share the available work more broadly. An allied assertion from commentator Gerard Henderson and finance industry analysts including those from CommSec and Macquarie Bank has been that increased labour market flexibility – such as increased levels of casualisation – has allowed employers to vary the hours of their employees more directly (see for example, Davis 2009 and Henderson 2009).

Analyses of the 1990s downturn point to a less flattering story. For example, after examining labour flows in the early 1990s, Campbell and Webber (1996) noted one of the key dynamics in that recession was employers' greater use of casual modes of engaging labour. The recession and recovery were critical to entrenching a longer term structural change involving increased reliance on non-standard forms of employment. The longitudinal nature of our data allows us to explore these issues with greater sensitivity than has previously been possible. In this chapter we explore three questions regarding forms of employment<sup>27</sup>:

- 1) How has the proportion of workers engaged on the basis of different forms of employment changed either side of the peak in the trade cycle?
- 2) How have hours and earnings changed for people in different forms of employment?
- 3) How have the characteristics of those in different forms of employment and continuity of employment experiences changed as conditions have changed?

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<sup>27</sup> Here, paid leave entitlements are used to indicate forms of employment. Whereby, paid leave entitlements proxy permanent employment and no paid leave entitlements proxy casual employment.

## Lost leave entitlements and workers who change employers

We begin our analysis by examining the changes in employees' reports of paid leave entitlements across the different survey waves. These findings are summarised in Table 5.1. This table reports on the proportion of employees who keep, gain or lose access to paid leave entitlements between survey periods. It provides an account of year-on-year change for the each of the two-year periods of 2006 to 07, 2007 to 08 and 2008 to 09. Only respondents who were an employee in the latter year are included in the analysis.<sup>28</sup> Employees were grouped into one of six categories:

- with paid leave entitlements in both years;
- with no paid leave entitlements in both years;
- those who reported paid leave entitlements in the latter year after not reporting them in the previous year (i.e. 'gained' entitlements);
- those who no longer had paid leave entitlements after reporting them in the previous year (i.e. 'lost' entitlements);
- those who became an employee (after either not working or self-employment in the previous year) and were entitled to paid leave (i.e. 'moved to paid leave'); and
- those who became an employee (after either not working or self-employment in the previous year) and were not entitled to paid leave (i.e. 'moved to no paid leave').

**Table 5.1 Change in employees' paid leave entitlements in main job, 2006 to 2009, per cent**

	2006 to 2007		2007 to 2008		2008 to 2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<i>Paid leave in latter year</i>						
Paid leave both years	68.5	4,544	60.2	3,997	69.9	3,731
Gained paid leave	5.5	323	6.1	323	4.3	184
Moved to paid leave <sup>(a)</sup>	2.2	161	8.8	210	6.4	121
Sub-total (had paid leave)	76.2	5,028	75.1	4,530	80.6	4,036
<i>No paid leave in latter year</i>						
No paid leave both years	18.5	1,062	12.7	708	12.0	524
Lost paid leave	2.8	172	2.8	159	3.2	142
Moved to no paid leave <sup>(a)</sup>	2.5	205	9.4	146	4.2	71
Sub-total (no paid leave)	23.8	1,439	24.9	1,013	19.4	737
<b>Total</b>	<b>100.0</b>	<b>6,467</b>	<b>100.0</b>	<b>5,543</b>	<b>100.0</b>	<b>4,773</b>

(a) 'Moved' implies the respondent was not an employee in the previous year and moved into a job as an employee. Population: Employee in the latter reference year. Weights: Longitudinal 0607; 0708; 0809 Source: Australia at Work W1 to W3

As noted previously, in a longitudinal study the sample matures over time. The data report on people who were either working or looking for work in March 2006. Not surprisingly, as people get older they are more likely to move into jobs with paid leave. Table 5.1 shows that employees who reported paid leave in the following year of the survey steadily increased over

<sup>28</sup> Excludes people who moved from being an employee in one year to self-employed in the next. Thereby, under-reporting the proportion of workers who lost paid leave. The proportion of people in the sample who report being an employee in one year and self-employed in the following, was stable (at around 2 per cent) for 2006-07, 2007-08 and 2008-09.

time from 76 per cent to 81 per cent. In the period 2007 to 2008, the proportion of employees reporting paid leave in consecutive surveys dipped to 60 per cent, and this appears to be a result of more change between jobs with and without paid leave. There was an increase in those who entered into a job with paid leave (15 per cent in total) and people who entered into a job without paid leave after not working or being self-employed (9 per cent). The next table further examines job change over the survey period.

Table 5.1 provides some clues as to the impact of the downturn, in terms of respondents reporting they entered to a job with paid leave. The proportion of employees who reported paid leave in one year, after not doing so in the previous year, peaked just as the economy did between 2007 and 2008 (at a total of 15 per cent of employees), and falling back to 11 per cent in the most recent wave. Table 5.1 implies that the proportion of workers retaining, gaining and losing leave entitlements changes considerably from the year to year. It is important to examine whether this is arising from employers changing entitlements for continuing employees or whether it occurs for those who change jobs or re-enter paid employment. Before examining this issue in detail is helpful to understand how many people stay in the same job from year to year and how may enter a new employment relationship. Table 5.2 summarises the nature of job continuity and change between the survey waves.

**Table 5.2 Change in employer or employment situation, 2006 to 2009, per cent**

	2006 to 2007		2007 to 2008		2008 to 2009	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
Same employer or business	78.2	6,390	63.8	5,162	69.7	4,739
Different employer or business	14.8	1,127	16.9	1,205	14.7	860
Gained employment in the latter year	2.8	288	15.2	257	9.7	158
No longer employed in the latter year	4.3	323	4.2	299	5.9	342
Total	100.0	8,128	100.0	6,923	100.0	6,099

Population: Employed in one of the reference years  
 Weight: Longitudinal 06, 07, 08 & 09  
 Source: Australia at Work W1 to W3

As it is well known, movement between employers, as well as into and out of employment, is closely associated with the business cycle. Within our survey population, as the economy peaked the proportion of the workforce remaining with their same employer fell from 78 to 64 per cent. As it slowed, the proportion remaining stable increased up to 70 per cent. People who gained employment in the survey period fell from 15 to 10 per cent. This is typical of a slow down. Not only do more people lose work, fewer change jobs than was previously the case.

To get more insight into how the downturn is affecting employees' entitlements to paid leave it is useful examine how, if at all, this changes as workers change jobs. Authors such as Campbell and Webber (1996) have noted that it is at the point of recruitment that employers have most capacity to dramatically change employment forms. Table 5.3 summarises the data on how change in entitlements to paid leave differs between three distinct groups of workers, described in Table 5.2:

- Those who remain with the same employer between survey waves;
- Those who report a different employer between survey waves; and
- Those who were not employed in the previous wave but are now an employee.

**Table 5.3 Change in paid leave entitlements in main job by change in employer, 2006 to 2009, per cent**

	2006 to 2007		2007 to 2008		2008 to 2009	
	%	n	%	n	%	n
<b>Same Employer</b>						
<i>Paid leave in latter year</i>						
Paid leave both years	77.3	4,160	80.5	3,541	83.8	3,379
Gained paid leave	3.1	152	3.4	128	2.6	88
Sub-total (had paid leave)	80.4	4,312	83.9	3,669	86.4	3,467
<i>No paid leave in latter year</i>						
No paid leave both years	18.4	866	14.6	544	12.3	411
Lost paid leave	1.1	55	1.5	57	1.3	47
Sub-total (no paid leave)	19.5	921	16.1	601	13.6	458
Total	100.0	5,233	100.0	4,270	100.0	3,925
<b>Different Employer</b>						
<i>Paid leave in latter year</i>						
Paid leave both years	39.7	396	42.5	466	45.7	359
Gained paid leave	18.3	171	20.8	195	14.7	96
Moved to paid leave <sup>(a)</sup>	5.4	61	7.1	83	5.9	42
Sub-total (had paid leave)	63.4	232	70.4	278	66.3	138
<i>No paid leave in latter year</i>						
No paid leave both years	22.5	205	17.2	165	17.3	114
Lost paid leave	12.0	117	9.7	102	13.6	95
Moved to no paid leave <sup>(a)</sup>	2.2	26	2.6	36	2.8	24
Sub-total (no paid leave)	36.7	143	29.5	138	33.7	119
Total	100.0	976	100.0	1,047	100.0	730
<b>Gained Employment</b>						
Moved to paid leave <sup>(a)</sup>	34.8	88	45.1	117	58.8	72
Moved to no paid leave <sup>(a)</sup>	65.2	170	54.9	209	41.2	46
Total	100.0	258	100.0	226	100.0	118

(a) 'Moved' implies the respondent was not an employee in the previous year and moved into a job as an employee.  
Population: Employees in the latter reference year.  
Weight: Longitudinal 0607, 0708, 0809  
Source: Australia at Work W1 to W3

The table highlights the very different outcomes in terms of paid leave entitlements for employees depending on whether they remain with employers or were engaged by a new one. A greater proportion of employees who remain with the same employer report paid leave entitlements in both reference years – at 84 per cent in the last survey wave. However, 'conversion' into paid leave entitlements is quite low at around 3 per cent.

The situation for those who change jobs and join a new employer is quite different. This is the group dealt with in the middle rows of Table 5.2. What is most striking about this group is that significantly fewer employees got up-graded to paid leave status in the most recent survey period: only 14 per cent compared to over one in five (21 per cent) between the previous two waves. Correspondingly, a larger proportion reported losing leave as they changed employer: 14 per cent in the most recent wave compared to 10 per cent previously. Indeed, in aggregate among employees who changed employer in the most recent wave the

total proportion reporting they did not get paid leave was 34 per cent, an increase from 30 per cent of the previous wave.

The bottom rows report on those who had not previously been employed and became employees in the year of the survey. This group is comprised of two very distinct sub-groups: those who had previously been unemployed or out of the labour force altogether and those who had taken extended leave. The former are likely to have limited capacity to gain paid leave initially, the latter are, by definition likely to return to a position with paid leave entitlements. As the economy prospered between 2007 and 2008 strong economic growth increased both the demand for labour and job quality as measured by access to leave entitlements. This explains the shift to higher levels of paid leave in this period. As the economy cooled between 2008 and 2009 Table 5.2 showed the proportion of people moving from unemployed and non-employed to employed status fell from 14 to 8 per cent. This means that the proportion of those ‘moving to a new job with paid leave’ in this group rose dramatically. This is because it is now made up of a much higher proportion of those on leave returning to work. As noted, this is a sub-group that, by definition, is most likely to have access to paid entitlements.

The data reported in Table 5.3 highlights the importance of paying particular attention to separating out what has been happening to those who change employer from those who have continuous engagement between waves of the survey and those becoming employees where previously they had not job. For the remainder of this chapter we report separately on employees by whether they have paid leave or not and we cross reference this with whether they remained with or changed employers between different waves of the survey. Organising the data according to these categories sheds important new light on how different groups of employees are experiencing the downturn. We are especially interested in how variables most central to labour market adjustment – hours and earnings – have changed for these different groups of employees.

### Changes in hours and earnings: Where labour adjustment is occurring

The key findings about how hours have changed either side of the cyclical peak are summarised in Table 5.4. It reports on the proportion of employees with and without paid leave entitlements in the last reference year and whether they have experienced change in their hours of work between two survey waves.

**Table 5.4 Change in usual hours in main job by paid leave entitlements in the latter year, 2007–08 & 2008-09, per cent**

	Same employer				Different employer			
	<i>Paid leave</i>		<i>No paid leave</i>		<i>Paid leave</i>		<i>No paid leave</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
	<i>n=3,660</i>	<i>n=3,449</i>	<i>n=592</i>	<i>n=449</i>	<i>n=741</i>	<i>n=495</i>	<i>n=294</i>	<i>n=228</i>
Increase >2 hrs	36.0	23.1	42.4	27.1	53.8	43.4	49.0	35.3
No change	32.3	52.8	20.5	43.5	13.1	28.8	9.0	18.5
Decrease of >2 hrs	31.7	24.1	37.1	29.4	33.1	27.8	42.0	46.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Population: Employees with known form of employment in latter year.  
 Weight: Longitudinal 08; Longitudinal 09  
 Source: Australia at Work W1 to W3

One of the most striking developments summarised in Table 5.4 is the relative ‘cooling’ of the labour market. As noted earlier, it is well known that levels job change fall in downturns. Not only do fewer people change jobs, but across the board fewer people change their hours. In the case of employees with paid leave who remained with the same employer the proportion reporting unchanged hours increased from 32 per cent in 2008 to 53 per cent in 2009. Among those with no leave and who changed jobs, the proportion of those with unchanged hours rises from just under one in ten (9 per cent) to around one in five (19 per cent).

And while significant attention has been devoted to the fall in aggregate hours worked, around one quarter of those with same employer increased their hours, as did well over a third of those who changed employer. The most intriguing finding in our study concerns the proportions reporting falls in hours. Clearly the fall in aggregate hours has not come from employees remaining with same employer nor has it come from those who changed to a job with paid leave. In all of these cases the proportion reporting fewer hours fell, roughly, from around a third to around a quarter. The only deviation from this trend was among those changing employer and ending up in a job without paid leave. The proportion of this group reporting fewer hours rose from 42 to 46 per cent from 2008 to 2009. On the basis of these data neither the ‘work-sharing’ nor the ‘more flexible labour’ story have much support. Instead, among workers who were either in, or looking for, work in 2006, the fall in hours appears to have come from fewer employees increasing their hours compared to previous years and a fall in hours among employees without paid leave entitlements.

The situation concerning annual earnings is a little different. The relevant data are summarised in Table 5.5. In contrast to the situation on hours, there is far less evidence of labour market ‘cooling’. The proportion of employees reporting no change in annual earnings increased a little or not at all; and this is small in scale and comes from a low base. For example, in the case of those who remained in the same job with no paid leave entitlements the proportion reporting ‘no change’ rose from 7 to 10 per cent. Despite the economic downturn prior to the survey period, over half of those without leave and around two-thirds of those with paid leave reported their annual nominal salary had increased from 2008 to 2009. The proportion reporting increases was, however, down from 2008 levels and this was off-set by the increase in the proportion of employees reporting a fall in their annual earnings.

**Table 5.5 Change in yearly salary in main job by paid leave entitlements in the latter year and change in employer, 2007–08 & 2008-09, per cent**

	Same employer				Different employer			
	<i>Paid leave</i>		<i>No paid leave</i>		<i>Paid leave</i>		<i>No paid leave</i>	
	2008 <i>n</i> = 3,203	2009 <i>n</i> = 3,127	2008 <i>n</i> =505	2009 <i>n</i> =391	2008 <i>n</i> =624	2009 <i>n</i> =448	2008 <i>n</i> =247	2009 <i>n</i> =199
Increase	71.4	65.6	57.4	53.9	75.9	66.5	63.5	52.7
No change	8.6	10.3	7.3	9.7	2.8	4.1	2.6	4.8
Decrease	19.9	24.1	35.3	36.4	21.3	29.4	33.9	42.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Population: Employees with known form of employment in latter year.  
 Weight: Longitudinal 08; Longitudinal 09  
 Source: Australia at Work W1 to W3

Greater proportions of employees without paid leave are more likely to report a lower income than the previous year – 36 per cent of those with the same employer and 43 per cent with a different employer. However, employees who appear to be affected by the economic downturn, again, appear to be employees with a different employer, as the proportion of this group who reported lower earnings increased in the last survey period. The proportion of employees who changed employer, had paid leave in the latter year and reported fewer earnings increased from 21 per cent to 29 per cent. And their counterparts without paid leave who reported fewer earnings rose from 34 in 2008 to 43 per cent in 2009.

### Who are the shock absorbers?

It is clear that on the question of adjustment in hours those bearing the greatest burden are those starting with new employers in jobs that do not provide paid leave. When considering ‘downward’ adjustment in earnings, this group is joined by those without leave who continue with the same employer. How, if at all, has the composition of those who lost leave entitlements between the most recent and previous waves of the survey changed? The findings are summarised in Table 5.6.

**Table 5.6 Employees who are no longer entitled to paid leave compared to previous year, 2006 to 2009, per cent**

	2006 to 2007			2007 to 2008			2008 to 2009		
	'Lost'		All	'Lost'		All	'Lost'		All
	%	<i>n</i>		%	<i>n</i>		%	<i>n</i>	
Sex									
Male	47.1	83	51.3	39.2	59	50.8	54.5	75	50.9
Female	52.9	89	48.7	60.8	103	49.2	45.5	68	49.1
Age group									
Below 25 yrs of age	25.9	42	20.1	36.2	50	15.8	31.1	35	12.0
25 yrs and above	74.1	130	79.6	63.8	112	84.1	68.9	107	87.9

Note: 'All' refers to all employees entitled to paid leave in the latter year.

Population: Employees who reported losing paid leave entitlements since being interviewed in the former year

Weight: Longitudinal 06-07, 07-08 & 08-09

Source: Australia at Work W1 to W3

It is well known that casual workers are typically female, young, part-time and low-skilled. What is interesting to note, however, is that the composition of the group of workers who are no longer entitled to paid leave has changed over the survey period. Between the two most recent survey waves, two key shifts have occurred. Firstly, the proportion of males who lost paid leave entitlements has increased from 39 to 55 per cent. In addition, the proportion of employees who are aged over 25 who have lost paid leave has also increased, up from 64 to 69 per cent.

Like the chapter before it, this Chapter has given us new insights into how the nature of working life is evolving by drawing on the longitudinal nature of our data. We opened by confirming the well established truism: levels of job changing are drop during a downturn. But among those who are changing employers, there is a disproportionate growth in the proportion of employees without paid leave entitlements. This provides a window on the future. After the last two recessions non-standard employment grew significantly. We appear to be on track for repeating this trajectory out of the latest downturn.

More significant is what has not been happening in our sample. For most categories of worker, hours are not falling, nor are they rising. Clearly many are ‘battening down’ their hours and their job changes. The only groups who have experienced a noticeable reduction in hours are those moving to jobs without paid leave. These are arguably the most vulnerable employees in the workforce. The earnings story is similar. The majority of workers – indeed as many as 71 per cent of continuing employees with paid leave – report increased annual earnings. The largest proportional growth in the employees not reporting a rise in annual earnings occurred among those who changed employer. Indeed, among those without paid leave who changed employer, a little over two in five report reduced earnings – up from a third in the previous wave.

So how do findings help make sense of the divergent trends in employment and hours noted earlier? Among our survey population the fall in aggregate hours appears to be arising from a reduced number of workers increasing their hours and a growing number of ‘leave-less job changes’ working fewer hours. Clearly it is those without paid leave, especially when they change jobs, who are the prime bearers of labour adjustment. The visions of ‘time-poor’, extended hours workers sharing their work and ongoing, flexible labour adjusting hours spontaneously to a downturn make for good news copy. These narratives, however, do not account for reality. For most workers in our study, the past year has not involved ‘crisis’ or even a personal ‘downturn’ – at worst for most it has been a personal ‘slowdown’. Those actually taking the shock of ‘crisis’ and encountering serious drops in hours and earnings are those least able to afford it. This is indicative of the inequality and fragmentation that has been a growing feature of our labour market for the last thirty years. We take these issues up in our concluding Chapter.

## 6. Bargaining

The original impetus for the *Australia at Work* study came from the momentous changes that were being made to Australian labour law through the *Work Choices* legislation implemented in 2006. Since then, there has been a change of government and one of the new Government's key election promises was to repeal these changes. The third wave of *Australia at Work* was conducted in the first half of 2009, prior to any major components of the new laws being implemented. Prior to data collection the Fair Work Transitions Act was implemented which effectively ceased the creation of new Australian Workplace Agreements (AWAs). The implementation of the new Fair Work Act will occur in two stages, with the first (including the establishment of the tribunal, Fair Work Australia) having occurred 1 July 2009 (only days after fieldwork had completed), and the remainder of the changes come into effect 1 January 2010 (including the NES and transition to modern awards).

This chapter examines the state of bargaining and relations at the workplace at the end of the *Work Choices* era. First, we determine whether there has been any notable change in employee reports of their industrial instrument in 2009 compared to previous years, before the notion of 'take it or leave it' jobs is explored. That is, employees who reports that there was no negotiation of their pay and conditions at the commencement of their employment. Employee attitudes to management around workplace issues such as fairness, trust and consultation are then examined. We finish this chapter by outlining the key aspects of the new Fair Work Act and the implications of our findings for its future implementation.

### **Industrial arrangements: Employees' reports of agreements**

The *Australia at Work* survey asks employees a number of questions covering how their pay and conditions are set and the type of bargaining that occurs at their workplace. In the first two waves of the survey, employees were asked a suite of questions in order to determine the type of industrial instrument that sets their pay and conditions. From two collections of data from the same group of people, it was clear that there was a large degree of ambiguity among respondents. The second annual report showed that around one-third of respondents changed the type of instrument they reported even though they were still in the same job.<sup>29</sup> In Wave 3 of the survey a new approach was taken. In an attempt to minimise the ambiguity the suite of questions was reduced to one main question, preceded by a preamble explaining the main instruments for determining pay and conditions. The question is as follows:

*I'm going to read you some information and then ask you how your pay and conditions are set. There are basically four ways this can be done. First, there are awards that apply to occupations or industries. These can be basic award or over-award conditions. Second, a collective agreement can be made between a group of employees, the employer and sometimes a union. Third, Australian Workplace Agreements, also known as AWAs. Finally, where none of these exist, an employee may have another type of individual contract.*

*How are your pay and conditions set?*

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<sup>29</sup> See Table 3.5 in van Wanrooy et al. (2008).

The results of the new approach are set out in Table 6.1. Despite the change to the questionnaire, there have not been any notable changes in the overall incidence of employee reports of their instrument this year (see Appendix Table B.3 for the results for 2006 to 2008). Two-fifths (42 per cent) of employees report a reliance on the award system for determining their pay and conditions, with 29 per cent reporting that they are wholly reliant on the award (equating to 2.4 million employees) and a further 12 per cent reporting over-award conditions (another 1 million employees). Around one in five employees (22 per cent) report having a collective agreement in place. The vast majority of employees reporting a collective agreement say it is with a union, with only 3 per cent of all employees reporting a collective agreement made with a group of employees and without a union.

**Table 6.1 Self-reported Agreement type, 2009, per cent**

	Population estimate	Per cent	n
Award only	2,408,718	29.3	1,575
Over-Award	1,018,743	12.4	580
Collective agreement with a union	1,461,175	17.8	1,195
Collective agreement without a union	251,894	3.1	156
Collective agreement (union involvement not known)	60,012	0.7	31
Individual contract	1,828,596	22.3	922
AWAs	472,268	5.8	289
Other	*19,895	*0.2	11
No agreement	41,232	0.5	26
Don't know	637,797	7.8	340
ITEA	*6,154	*0.1	4
Total	8,206,484	100.0	5,129

\* Estimate is not reliable n<20

Note: n=3 refused in 2009. Other includes industry or multi-employer agreement, employer Greenfield agreements and other arrangements such as stipends.

Population: Employees only

Source: Australia at Work W3

Weight: Cross-sectional 2009

Table 6.1 shows that 28 per cent of employees report individual arrangements, the majority of which are common law contracts (22 per cent). Individual contracts are over-represented among men aged 25 to 44 years, at 35 per cent. The proportion of employees in the study who say they have an AWA remains steady at around 6 per cent. This appears to be an over-estimation as ABS employer-reported data in May 2008 found only 2.2 per cent of employees were on AWAs. Further, as no new AWAs could be made after 27 March 2008 and because AWA coverage seems to be positively associated with labour turnover, we would have expected to see a decrease in AWA coverage from 2008 to 2009, i.e. a 'decay' factor. Surprisingly, this was not evident. One possible explanation for this over-estimation is that the term 'Australian Workplace Agreement' seems to mean more to some people than just the statutory individual agreements (Peetz 2007).

Despite respondents being given more information this year about the main types of industrial instruments; a lack of knowledge remains evident. Table 6.1 shows that around 8 per cent of employees do not know how their pay and conditions are set. This is consistent across each wave of the study (Appendix Table B.3). However, the question change does appear to have impacted on the 'don't know' and 'no agreement' responses. While the

proportion of employees who say they have 'no agreement' has dropped from around 5 per cent in other years to 0.5 per cent this year. The proportion of employees who report not knowing has increased slightly this year, from 5 to 8 per cent. This is more than likely due to the way the question has been framed this year. Over the entire survey period we have observed a steady decline in respondents who give these two responses from a total of 11 per cent in the first wave to 8 per cent this wave. This can be attributed to an education effect of participants who remain in the survey over time and attrition of respondents who may not be engaged with the survey topic. Both young male and female employees are less able to report how their pay and conditions are determined. In 2009, one in four females (26 per cent) and one in five of males (19 per cent), aged 16 to 24 years, did not know what type of agreement governed their employment.

In comparison, the ABS collects data about the main method for setting pay only, from managers and employers at the workplace. The proportion of employees who report sole reliance on the award for pay-setting is substantially higher than the equivalent ABS figure of 17 per cent (van Wanrooy et al. 2009:37). However, the ABS data excludes those on over-award arrangements in this figure, and instead assigns them to the individual contract category (ABS 2009j).<sup>30</sup> It is possible that some employees who report basic award conditions do not realise they are benefiting from over-award arrangements. Subsequently, the ABS 'individual contract' category accounts for 38 per cent of all employees. However, there is still large discrepancies between the two datasets, with employers reporting 41 per cent of employees are covered by collective agreements.

If we look at DEEWR's reports of current federal agreements, they show that in March 2009 approximately 1.7 million employees are covered by current agreements. This equates to 19 per cent of all employees (DEEWR 2009a and van Wanrooy et al. 2009:39). Importantly, the DEEWR figures only report on current agreements, not agreements that remain in operation past their nominal expiry date. So this suggests that many employees are on expired collective agreements. This could help explain the low level of reporting of collective agreements as employees on expired agreements may not have been employed at the time the agreement was negotiated or might not recall the negotiations. Given the good faith bargaining provisions in the new Act, requiring employers to enter into collective agreement negotiations at the request of employees, it will be interesting to track how many of the expired collective agreements are re-negotiated in the new legislative environment.

Further to the question regarding instrument employees are asked whether an award plays a role in setting their pay and conditions. There continues to be a high proportion of employees who perceive there to be a role for the award. In 2009, three-fifths (60 per cent) of all employees said an award plays a role in setting their pay and conditions. More than one in five (23 per cent) of employees on collective agreements do not believe that an award plays a role, despite the fact that most collective agreements are underpinned by an award. Further, almost one-half (46 per cent) of employees engaged under an AWA either do not think or do not know that an award plays a role in determining their employment arrangements. These findings suggest that a large proportion of employees who think they are on an AWA are

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<sup>30</sup> The Wave 2 report *Working Lives: Statistics and Stories* attempts to reconcile employee reports of instrument type with data collected by the Australian Bureau of Statistics (ABS) (van Wanrooy, et al, 2008:21-22).

unaware of the safety net process of assessing their agreement against the pay and conditions in the relevant award.

Recognising that employee reports on agreement type may not always be accurate, it is still useful to look at the factors that are associated with the type of agreement an employee reports. From this information we have an indication of the recognition of different instruments across workplaces. Employees in large workplaces are more likely to report a collective agreement. The proportion of employees who report a collective agreement is 15 per cent in small workplaces with less than 20 employees, and 48 per cent among employees in workplaces with more than 100 employees. In contrast, employees in small workplaces tend to report reliance on the individual contracts and awards. Two-fifths of employees covered by individual contracts are found in workplaces with less than 20 employees.

Employees in workplaces with a union presence are also more likely to report collective agreements. Three-quarters (76 per cent) of employees who report a collective agreement also report that a union is present in their workplace, compared to 42 per cent of all employees who report a union presence. Collective bargaining is also more likely to be reported in the public sector. One-quarter of all employees work in the public sector, and half of this group report a collective agreement. In contrast, 9 out of every 10 employees who report individual contracts work in the private sector, despite only two-thirds of employees working in this sector.

Employees in particular States and Territories are more likely to report certain types of agreements, Table 6.2. For example, the highest reliance on awards is found among employees in NSW (46 per cent), Queensland (44 per cent) and Tasmania (44 per cent). Half (51 per cent) of ACT employees report a collective agreement; this is likely to be due to a high concentration of public sector employment in this location. Employees in WA are more likely to report AWAs (10 per cent). This reflects varying employer and government strategies in WA.

**Table 6.2 Self-reported agreement type by State or territory, 2009, per cent**

	NSW n=1,613	VIC n=1,173	QLD n=866	SA n=457	WA n=476	NT n=144	TAS N=177	ACT n=233	Total n=5,129
Award based	45.8	39.7	43.7	39.1	35.8	36.4	43.5	23.9	41.7
Collective agreement	17.6	24.9	22.8	22.6	16.5	31.3	23.1	50.7	21.6
Individual contract	23.8	22.9	19.8	21.8	25.5	13.0	16.1	12.8	22.3
AWA	5.6	5.1	4.1	5.0	10.1	*6.5	*11.9	*6.0	5.8
Other / No agreement	*0.7	*0.3	*0.7	*1.4	*1.3	*1.7	*0.7	*1.2	*0.8
Don't know	6.4	7.1	9.0	9.8	10.7	*10.3	*4.7	*5.4	7.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* Estimate is not reliable n<20

Note: Excludes n= 3 refused location

Population: Employees only

Source: Australia at Work W3

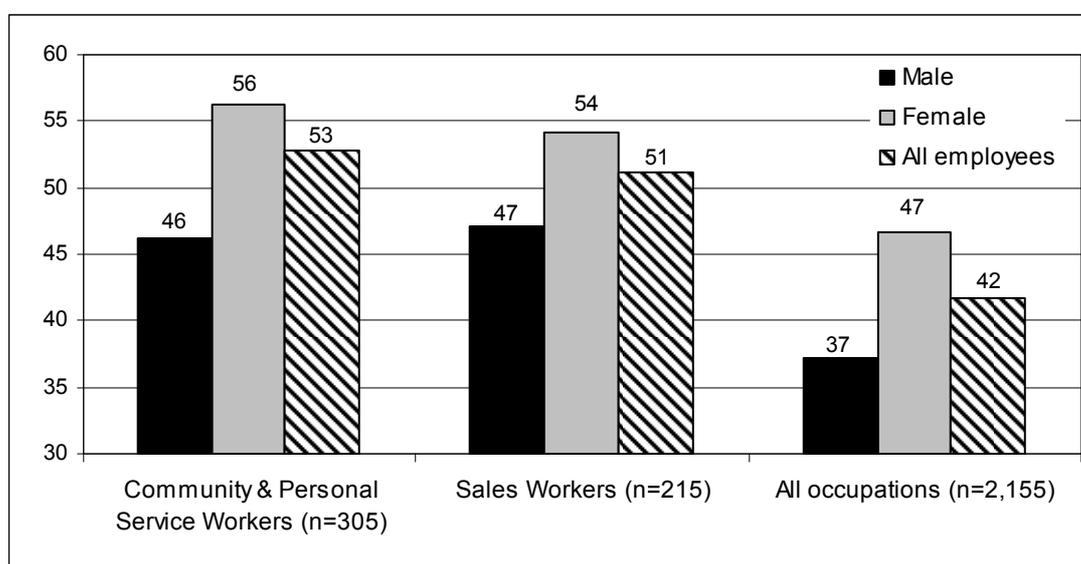
Weight: Cross-sectional 2009

Around half of employees in all major occupations, other than managers and professionals, report award-based arrangements. The highest incidence of collective agreements are reported by machinery operators and drivers (30 per cent) and professionals (27 per cent).

While, almost half (45 per cent) of managers and one-quarter (27 per cent) of professionals cite individual common law contracts as determining their pay and conditions.

In a report commissioned by the NSW Office of Industrial Relations, which draws upon data from Wave 2 of the *Australia at Work* study, it was found that women, regardless of their position in the labour market, are less likely to report bargaining of their pay and conditions, either by themselves or by a third party on their behalf (van Wanrooy et al. 2009). The same report found that collective bargaining is less likely to be reported by low-paid, low-skilled employees and those with a weaker attachment to the labour force, such as part-time workers and casuals (van Wanrooy et al. 2009). Consistent with these findings, almost three-fifths (57 per cent) of employees who report award-based arrangements in Wave 3 are female, and 59 per cent are engaged on a casual basis.

**Figure 6.1 Occupations with employees more likely to report award-based arrangements, 2009, per cent**



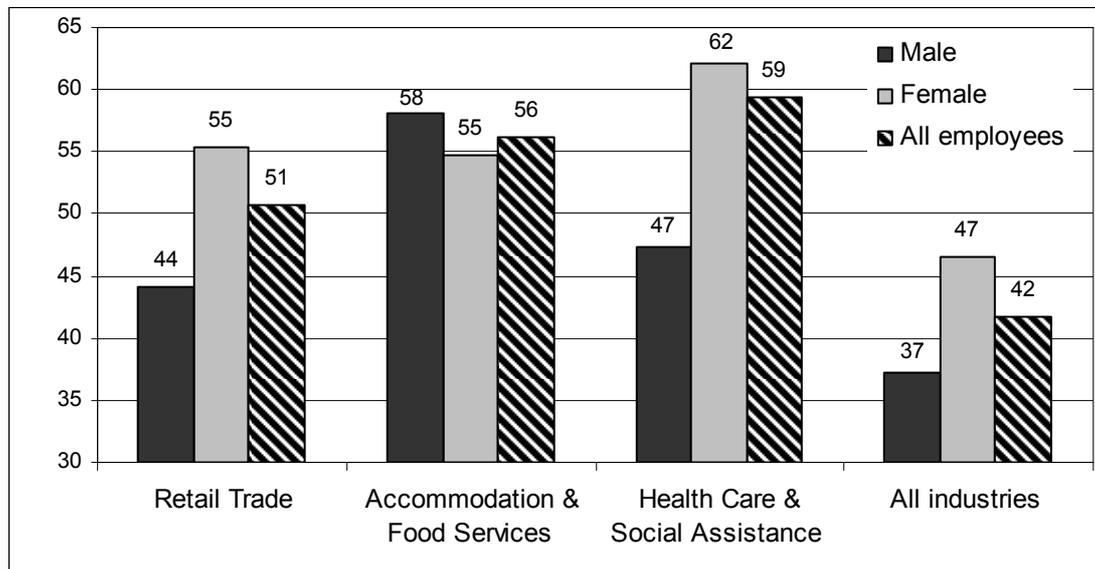
Population: Employees only  
 Source: Australia at Work W3  
 Weight: Cross-sectional 2009

Two of the female-dominated occupations of community & personal service workers (53 per cent) and sales workers (51 per cent) have the highest levels of employees reporting award-based arrangements (compared to 42 per cent overall), Figure 6.1. The level of award reliance among female community & personal service workers is higher than among their male counterparts, (56 and 46 per cent, respectively). ABS data confirms that award coverage is highest for these two major occupation groups (ABS 2009j). Both of these occupation groups are characterised by high levels of casual employment. For example, while casual employees make up 15 per cent of all employees in the study, they account for 23 per cent of community & personal service employees and 22 per cent of sales employees.

Analysis of award reliance by industry shows the proportion of employees who report either award or over-award conditions is considerably higher in the industries of: Retail Trade (51 per cent), Accommodation & Food Services (59 per cent) and Health Care & Social Assistance (59 per cent), Figure 6.2. The incidence of award reliance among women in these industries is even higher. In Health Care & Social Assistance, 62 per cent of female employees report

award-based arrangements, while it is 55 per cent of female employees in both Retail Trade and Accommodation and Food Services.

**Figure 6.2 Industries with employees more likely to report award, 2009, per cent**



Population: Employees only  
 Source: Australia at Work W3  
 Weight: Cross-sectional 2009

The three industries featured in Figure 6.2 are characterised by high levels of female employees and casual employment. For example, while those working in Retail Trade comprise 9 per cent of all employees, but account for 19 per cent of casual employees. Similarly, Accommodation & Food Services employees make up 5 per cent of all employees, but 17 per cent of the group of casual employees. Thus, a driving factor of award-reliance among certain occupation and industry groups is likely to be the high level of casual employment in these areas.

Table 6.3 shows the proportion of employees who report being covered by collective agreements is lower among those who were in a different job to last year compared to those who remained in the same job. One-quarter of employees who remained with the same employer reported a collective agreement, compared to 15 per cent of employees who changed employer and 10 per cent of those who were not working in 2008. The incidence of award-based arrangements among those who did not have a job in 2008 is 57 per cent, 16 per cent higher than for all employees.

Employees who have started a new job in the last year are less likely to know how their pay and conditions are set, 11 per cent compared to 6 per cent who have remained in the same job. This could be a result of employees taking some time to find out about the industrial arrangements at their new workplace, or have limited knowledge on the issue overall. When we control for age we find that this lack of knowledge can be attributed to young people below 25 years of age who also tend to change jobs more than older workers. However, the relationship of award reliance among employees who have recently changed jobs still stands. Similar to findings around award reliance by occupation and industry, we find that casual employment is considerably higher among those who changed jobs (31 per cent) and among

those who were in a job in 2009 but not in 2008 (38 per cent), compared to those who remained in the same job (12 per cent).

**Table 6.3 Self-reported agreement type by change in employer, 2008-2009, per cent**

	Same employer (n=3,922)	Different employer (n=730)	Not employed in the previous year (n=118)	Total (n=4,770)
Award-based	40.5	42.3	56.5	41.3
Collective agreement	24.6	15.3	9.5	22.5
Individual contract	22.3	26.1	19.7	22.9
AWA	6.2	4.6	3.8	5.8
Other /No agreement	*0.9	*0.6	-	*0.8
Don't know	5.5	11.0	10.5	6.6
Total	100.0	100.0	100.0	100.0

\* Estimate is not reliable n<20  
n=3 refused  
Population: Employees only  
Source: Australia at Work W3  
Weight: Longitudinal 08-09

### **Negotiation: opportunities and actual practice**

As mentioned in Chapter 1, the notion of the labour contract is far broader than merely the formal instrument governing the employment relationship. While an employee may be unsure about the type of agreement they are covered by, they can tell us about their perceptions of any bargaining that takes place and their involvement. This section focuses on employee reports of negotiation in the workplace.

In previous years, respondents have been asked whether they feel they have the opportunity to negotiate their pay with their employer. This data item has been used to examine whether certain industrial arrangements facilitate opportunities to negotiate. This year, two data items were added to expand our understanding of employer-employee negotiation. In an attempt to understand the initial bargaining relationship, the first question asks the respondent whether they negotiated their pay and conditions at the commencement of their employment. This will provide some indication of whether the employment relationship begun on a 'take it or leave it' basis. The second follows on from the question about opportunity to negotiate pay and asks respondents, who feel they have the opportunity, whether they have used it in the last year to actually participate in negotiations with their employer. So not only are we measuring opportunity but also actual practice.

Two-fifths (59 per cent) of all employees said that there was no negotiation of their pay and conditions when they commenced their job, Table 6.4. This represents 4.8 million employees in the Australian workforce who did not negotiate with their employer when they started their current job. Using tenure, we were able to calculate the age of the employee when they first commenced with their employer. Young workers were less likely to negotiate with their employers when they started their job. For example, 73 per cent of workers who were younger than 18 years, and 71 per cent of employees aged 18 to 24 years, when they started their current job said that they did not negotiate their pay and conditions with their employer. Half (49 per cent) of workers aged 45 and above when hired reported negotiating with their employer at this point.

**Table 6.4 Negotiation at commencement of job by age at commencement, 2009, per cent**

Age at commencement	Negotiated	Did not negotiate	Don't know	Total
Less than 18 years (n=324)	25.9	72.5	*1.6	100.0
18 to 24 years (n=1198)	27.9	71.1	*1.0	100.0
25 to 44 years (n=2674)	45.9	53.4	*0.8	100.0
45 years or older (n=925)	49.1	50.9	*0.0	100.0
Total (n=5,121)	40.2	59.1	*0.8	100.0

\* Estimate is not reliable n<20  
Population: Employees only  
Source: Australia at Work W3  
Weight: Cross-sectional 2009

As well as the apparent relationship between the age of an employee and whether they negotiated with their employer when they started their job, there is also a link with the skill level at which they are employed (although this does not necessarily reflect the skill level they were employed at). Almost half (47 per cent) of employees at the highest skill level said they had negotiated with their employer when they were employed. In contrast, employees employed in the bottom two skill levels were less likely to have negotiated with their employer when recruited, at 35 and 27 per cent of ANZSCO skill levels 5 and 4, respectively.

Union members are less likely than non-union members to report negotiating with their employer when recruited. While under half (45 per cent) of employees who are not currently a member of a union say they negotiated their pay and conditions when they started their current job, as few as one in five (21 per cent) of union members reported doing so. This can be explained by the fact that unions are likely to collectively negotiate on behalf of their members. This is supported by the data in Table 6.5, where employees who report collective arrangements such as an award or a collective agreement are less likely to negotiate at commencement than employees reporting individual contracts (i.e. common law contracts and AWAs).

**Table 6.5 Negotiation at commencement of job by employee self-report of agreement type, 2009, per cent**

	Negotiated	Did not negotiate	Don't know	Total
Award based (n=2,155)	33.4	66.0	*0.6	100.0
Collective agreement (n=1,384)	23.5	75.8	*0.6	100.0
Individual contract (n= 922)	73.9	25.0	*1.0	100.0
AWA (n=289)	37.3	61.1	*1.6	100.0
Other / No agreement (n=39)	*43.6	56.4	-	100.0
Don't know (n=92)	27.9	71.2	*0.8	100.0
Total (n=5,129)	40.2	59.0	0.8	100.0

\* Estimate is not reliable n<20  
Population: Employees only  
Source: Australia at Work W3  
Weight: Cross-sectional 2009

A linear relationship was found between skill level and negotiation at commencement for employees who report being on individualised employment arrangements (i.e. common law contracts and AWAs). That is, among employees on individual arrangements, the low-skilled are less likely than the high skilled to report having negotiated at the commencement of their employment. For example, while four-fifths (80 per cent) of employees at the highest skill

level (i.e. ANZSCO skill level 1) report having negotiated at the commencement of their employment; less than half (47 per cent) of employees at the lowest skill level (i.e. ANZSCO skill level 5) do so. The same linear relationship was not found for employees who report collective employment arrangements.

As already foreshadowed, the absence of negotiation between an employee and employer at the commencement of a job could be due to a number of reasons. These include: pay and conditions are collectively bargained by a union, the new employee was satisfied with the initial offer, or the new employee did not feel like they had the opportunity or ability to bargain with their employer. Over half of all employees (53 per cent) do not believe the opportunity currently exists for them to negotiate their pay with their employer, Table 6.6.

**Table 6.6 Negotiation at commencement by opportunity to negotiate, 2009, per cent**

Negotiation at commencement of job	Opportunity to negotiate pay			Total
	Yes	No	Don't know	
Negotiated (n=1,894)	71.0	27.5	1.4	100.0
Did not negotiate (n=3,201)	28.1	70.3	1.6	100.0
Don't know (n=34)	*42.4	*43.3	*14.3	100.0
Total (n=5,129)	45.5	52.9	1.6	100.0

\* Estimate is not reliable n<20  
 Population: Employees only  
 Source: Australia at Work W3  
 Weight: Cross-sectional 2009

The incidence of negotiation at the commencement of the employment relationship does not necessarily determine whether there is an opportunity to negotiate pay, during it; but there is a strong relationship, Table 6.6. The majority (70 per cent) of employees who did not negotiate their pay and conditions when they started their job, continued to be shut out of negotiation opportunities. Whereas, 71 per cent of employees who did negotiate at commencement do feel they have the opportunity to negotiate their pay with their employer now. The intriguing aspect of Table 6.6 is the 28 per cent of people who did negotiate their pay and conditions at commencement but now feel they can't approach their employer about their pay.

The opportunity to negotiate indicates whether an employee feels that their employer's door is open and they can discuss their conditions of employment. However, it does not tell us whether actual negotiation has taken place. Employees who said they had the opportunity to negotiate with their employer were asked whether they had actually done so in the last year.<sup>31</sup> Two-fifths (40 per cent) of those who feel they had the opportunity had actually went on to use it to negotiate their pay in the last year.

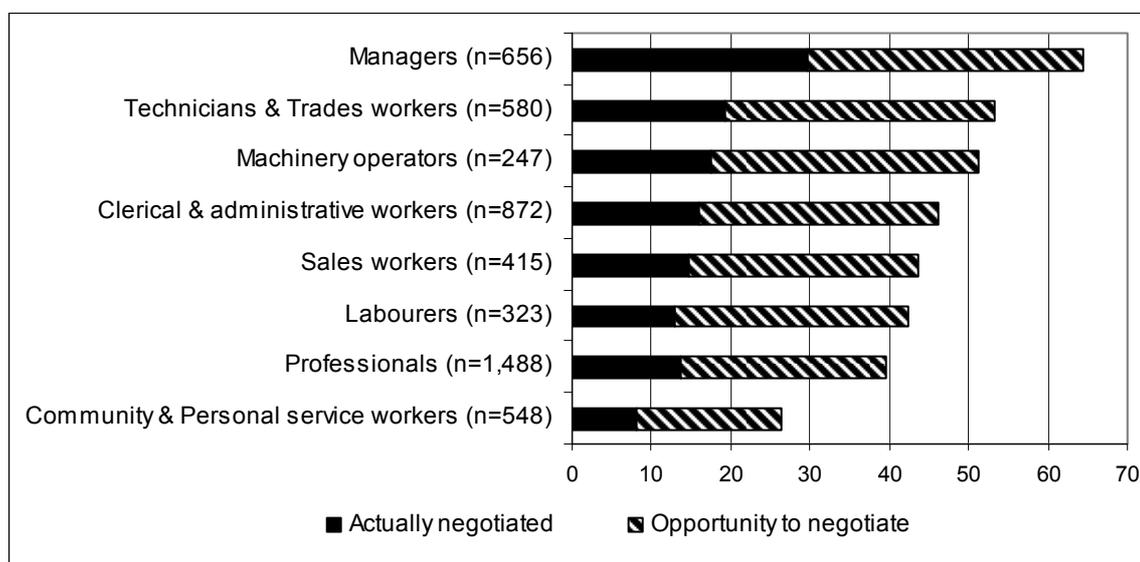
A higher proportion of men (52 per cent) compared to women (38 per cent) feel they have the opportunity to negotiate pay with their employer; and 20 per cent of male employees and 13 per cent of female employees report having actually negotiated with their employer. The major barrier for women appears to lie in the opportunity rather than the negotiation process

<sup>31</sup> If an employee had been in the job less than a year, they were asked about negotiation of pay since they had started their job.

itself, as among those employees report feeling that they have the opportunity to negotiate their pay, two-fifths of both women (39 per cent) and men (41 per cent) report actually having done so. This could be largely explained by the high incidence of casual employment among women. Casual employees tend to have less bargaining power and are less inclined to be involved in either individual or collective negotiation.

Managers are more likely to have opportunities to negotiate their pay with their employer and are more likely to have done so within the last year, than any of the other occupational groups Figure 6.3. Almost two-thirds (64 per cent) of managers said they had the opportunity to negotiate their pay, and 30 per cent had done so in the last year. It is possible that the economic climate of the last year has made employees more hesitant about seeking a pay rise from their employer. But this is only something we can gauge from further collections of data in following waves. Community and personal service workers are the least likely to negotiate: 26 per cent feel they have the opportunity and only 8 per cent have actually done so in the last year.

**Figure 6.3 Negotiation opportunity and actual negotiation by occupation, 2009, per cent**



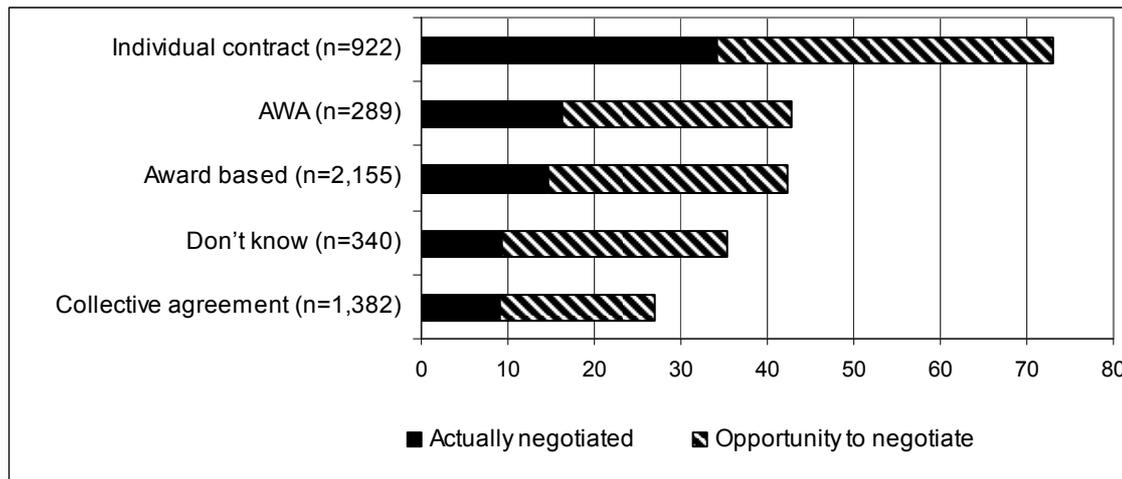
Population: Employees only  
 Source: Australia at Work W3  
 Weight: Cross-sectional 2009

Employees in more precarious forms of employment, that is those on fixed term contracts and casuals, are much less likely than permanent employees to feel like they have the opportunity to negotiate their pay. They are also less likely to have actually negotiated with their employer. While close to half (48 per cent) of permanent employees feel like they have the opportunity to negotiate their pay with their employer, only 38 per cent of casuals feel they have the same opportunity. And only 11 per cent of all casual employees have actually negotiated their pay with their employer in the last year, compared to 18 per cent of permanent employees.

Figure 6.4 shows that almost three quarters (73 per cent) of employees who report an individual common law contract say they have the opportunity to negotiate with their employer, and 34 per cent actually negotiated with their employer. Similarly, while less than

half (43 per cent) of employees who report being on an AWA feel like they have the opportunity to negotiate, only 38 per cent of them actually did so. This equates to just over 16 per cent of employees who report being on an AWA who report actually negotiating with their employer in the last year. Interestingly, unlike the findings around negotiation at commencement, there was no linear relationship between skill level and either negotiation opportunity or actual negotiation for employees on individual contracts or AWAs.

**Figure 6.4 Negotiation opportunity and actual negotiation by self-reported agreement type, 2009, per cent**



Population: Employees only  
 Source: Australia at Work W3  
 Weight: Cross-sectional 2009

In summary, there are more employees who accept their given pay and conditions at commencement of their employment, than those who participate in negotiation. Further into the employment relationship, there remain a high proportion of employees who do not feel they have the opportunity to negotiate with their employer about pay. And less than half of those who have the opportunity actually used it in the last year. This low level of negotiation may be connected to the relationship employees have with their managers: this could be because they feel their managers are not approachable, there is no organisational capacity for negotiation or that they feel they are being treated fairly and therefore see no reason to engage in further negotiation. The following section looks at employee attitudes towards management in the workplace.

### Employees' attitudes towards managers

All employees are asked about three aspects of their relationship with their workplace managers: consultation, trust and fairness. These attitudes are gauged by 'disagree' or 'agree' responses to the following statements:

- 'Managers at my workplace consult employees about issues affecting staff'
- 'Managers at my workplace can be trusted to tell things the way they are'; and
- 'I feel that employees are treated fairly in my workplace'.

As has been the case in previous years of the study, the vast majority of employees hold positive views about these aspects of workplace management, Table 6.7. Also consistent with other years is that managers hold more positive views than non-managerial employees. In

terms of noticeable change over time, employees are more likely to report feeling consulted in 2009 (76 per cent overall) compared to 2007 (72 per cent). Most of the increase can be attributed to the proportion of non-managerial employees feeling consulted increasing by 4 percentage points from 2007 to 2009. Further, the level of employee trust in management among managerial employees has decreased from 80 per cent in 2007 to 74 per cent in 2009. Despite this decline, in 2009 there remains a higher level of trust among managerial employees than non-managerial employees (71 per cent). The area of most satisfaction among employees is on the issue of treatment of employees: 80 per cent of employees feel that their workplace managers treat employees fairly. This has remained consistent over the three years of the study.

**Table 6.7 Employee attitudes to management, 2007-09, per cent**

	Feel consulted		Trust manager		Fair treatment of employees	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<i>Managerial</i>						
2007	79.6	641	80.3	641	85.9	686
2008	80.1	553	75.1	519	86.6	597
2009	82.7	537	74.0	491	85.4	562
<i>Non-managerial</i>						
2007	71.0	3,976	71.0	3,907	78.4	4,352
2008	74.2	3,524	70.3	3,278	78.6	3,726
2009	75.4	3,291	70.7	3,053	79.4	3,501
<i>All employees</i>						
2007	72.1	4,617	72.2	4,548	79.4	5,038
2008	74.9	4,077	70.9	3,797	79.6	4,323
2009	76.4	3,828	71.2	3,544	80.2	4,063

Note: Responses of agreed and strongly agreed with the statements were combined.  
 Population: Employees only  
 Source: Australia at Work W1-W3  
 Weight: Cross-sectional 2007-09

The remaining analysis focuses on non-managerial employees only, excluding the ANZSCO category of 'manager'. Appendix Table B.4 sets out the agreement levels for the three attitudinal statements regarding workplace managers by sex, age, workplace size, form of employment, sector, type of agreement, union membership and union presence in the workplace, from 2007 to 2009. We find that more positive views about management are held by non-managerial employees who are young, with shorter job tenure, in casual employment and small workplaces. There is no notable difference in employee attitudes across the private, public or not-for-profit sectors.

Table 6.8 further explores the relationship between employee attitudes towards management, job tenure and union membership in 2009. Regardless of job tenure, union members are less likely to feel consulted, trust managers or feel employees are treated fairly. However, this difference is more pronounced among employees with longer job tenure. For example, among employees with more than 10 years of service, there is a 13 percentage point difference between the proportion of unionised employees (63 per cent) and non-unionised employees (76 per cent) who say that managers at their workplace consult about issues affecting staff. Whereas, 74 per cent of union members who have been in the job less than a year trust managers compared to 79 per cent of their non-union counterparts.

**Table 6.8 Non-managerial employees' attitudes to managers by job tenure and union membership, 2009, per cent**

Agree with the following...	One year or less		2 to 4 years		5 to 10 years		More than 10 years		Total	
	%	n	%	n	%	n	%	n	%	n
<i>Managers at my workplace consult employees about issues affecting staff</i>										
Not a union member	78.6	980	78.3	486	74.5	487	76.1	341	77.3	2,294
Union member	73.7	191	73.0	168	66.8	251	63.3	386	67.9	996
Total	78.0	1,171	77.5	654	72.7	738	70.8	727	75.4	3,290
<i>Managers at my workplace can be trusted to tell things the way they are</i>										
Not a union member	77.7	180	73.6	142	71.1	211	68.3	308	74.2	841
Union member	68.3	976	60.9	461	55.7	465	50.4	309	57.2	2,211
Total	76.7	1,156	71.6	603	67.5	676	60.9	617	70.7	3,052
<i>I feel that employees are treated fairly at my workplace</i>										
Not a union member	81.6	1,032	80.9	502	80.2	525	82.3	373	81.3	2,432
Union member	75.8	200	77.2	179	69.3	267	69.0	422	71.8	1,068
Total	81.0	1,232	80.3	681	77.6	792	76.8	795	79.4	3,500

Note: Responses of agreed and strongly agreed with the statements were combined.  
Population: Non-managerial employees only  
Source: Australia at Work W3  
Weight: Cross-sectional 2009

The proportion of union members with favourable attitudes towards management decreases as job tenure lengthens. Employee feelings about consultation and fair treatment remained similar across all tenure groups among non-union members; but the levels of trust deteriorated among these employees, the longer they have been in the job. Nevertheless, the lowest level of trust in managers was found among union members with job tenure of more than 10 years (50 per cent); it being considerably lower than among both union members with less tenure and non-union members with similar job tenure. These findings are consistent with Freeman and Medoff's (1994) theory of exit-voice at work, whereby employees who have more experience with management become more cynical, particularly regarding trust. If jaded employees are non-unionists, and it is possible and worthwhile to join a union, they are likely to do so. If they are unable or do not want to join a union, they are likely to leave the organisation and get another job.

Earlier in this chapter, the notion of a 'take it or leave it' job offer was considered. Table 6.9 shows employee attitudes to management vary considerably between those employees who feel they have the opportunity to negotiate their pay with their employer and those who do not. What we find is that employees who report the opportunity to negotiate have more positive views about management. Four-fifths (80 per cent) of employees who report an the opportunity to negotiate feel that managers can be trusted to tell things the way they are, compared to 63 per cent of those who don't report the same opportunity.

Employees who report that they conduct their own negotiations with their employer and those who report that a group of employees negotiate with their employer, hold more positive attitudes towards managers than those employees who report that either a union or no-one negotiates on their behalf, Table 6.9. Four-fifths (80 per cent) of employees who report that a group of employees negotiates on their behalf feel they are consulted by

managers, compared to only 68 per cent of employees who report that either a union or no-one negotiates for them.

**Table 6.9 Non-managerial employees' attitudes to management by opportunity to negotiate and negotiation behalf, 2009, per cent**

	Feel consulted		Trust managers		Fair treatment of employees	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<i>Opportunity to negotiate pay</i>						
Yes	83.9	1,425	80.4	1,354	87.4	1,491
No	69.2	1,819	63.4	1,652	73.3	1,955
<i>Negotiation behalf</i>						
No-one	68.1	185	63.7	174	78.2	216
Myself	78.8	1,031	75.9	993	83.1	1,086
A group of employees	80.1	130	75.0	124	86.5	145
Union	68.4	1,022	60.7	897	74.6	1,131
A group of employees and a union	74.6	120	55.0	86	74.6	118
Don't know	75.7	311	74.9	309	80.7	331
My manager or supervisor	81.2	397	78.6	385	78.1	383
<i>Total</i>	75.4	3,291	70.7	3,053	79.4	3,501

*Note:* Respondents who answered other or an employment agency have not been listed separately but are included in the totals

Population: Non-managerial employees only

Source: Australia at Work W3

Weight: Cross-sectional 2009

Further, while dispensability does not appear to be linked to attitudes toward management, employee perceptions about job security appear to be related. While 79 per cent of all employees either agreed or strongly agreed that employees are treated fairly at the workplace, the level of agreement among employees who felt insecure about having a job in the next 12 months was much lower at 66 per cent.

### The Fair Work Act

After a lengthy transitional period, the Rudd Government's Fair Work Act 2009 (hereafter FW Act) came into effect on 1 July 2009, with most of the reforms to be implemented at the beginning of 2010. Consistent with commitments made under the *Forward with Fairness* election promise AWAs are no longer permitted and the safety net has been strengthened. The five Australian Fair Pay & Conditions Standards (AFPC&S) have been replaced by the 10 National Employment Standards (NES) and from 1 January 2010, the NES and the relevant Modern Award will form the basis for the new no disadvantage test - the 'Better Off Overall Test' (or 'BOOT' as it has colloquially become known). The new federal institution of Fair Work Australia (FWA) has assumed responsibility for setting minimum wages for employees in the national system and must convene a Minimum Wage Panel to conduct an annual wage review. In performing their duties, the Panel must, among other principles, take into account the relative living standards and the needs of the low paid (FWA 2009).

Collective bargaining is intended to play a central role in the new workplace relations system. Good faith bargaining provisions have been introduced, where employers must recognise an employee's choice in bargaining agents, bargain with all bargaining representatives and disclose information relevant to any negotiations in a timely manner. FWA can make

bargaining orders if there has been a breach of good faith bargaining provisions or if they deem efficiency or fairness has been comprised.

While AWAs are no longer a feature of the new system, all Modern Awards and new collective agreements must include Individual Flexibility Arrangements (IFAs), which provides employers with a mechanism to individualise terms and conditions of work specified in the award or collective agreement. Unlike AWAs, individual agreements made under this clause will not be registered with, or monitored by, a central body. However, the agreement can be terminated at the written request of an employee. This is a must watch area for future waves of the study.

The FW Act also includes provisions for multi-employer agreements to be made with 'low-paid' employees and their employers, under the facilitated low-paid bargaining stream. These agreements are intended to assist low-paid workers who have not historically had access to the benefits of collective bargaining and who face substantial difficulty in bargaining at the enterprise level. While low-paid sectors are not specifically defined in the FW Act, the government has mentioned child care, community services, security and cleaning as among those sectors that may be able to utilise this new bargaining stream (DEEWR 2009b).

So what can we gather from employees' reports of how their pay and conditions are set, that will help inform likely developments under the FW Act? We know collective bargaining has traditionally been the realm of the public sector, and large unionised private sector workplaces. In contrast, occupations and industries with predominately young and female employees, and that rely on part-time, casual and low-paid employment; continue to depend upon the award system. A major challenge for the FW Act will be enabling employees in occupations and industries with high award reliance access to bargaining through the low-paid bargaining stream. If this isn't achieved, the role of the NES and Minimum Wage Panel in maintaining an adequate safety net will be extremely important.

While some employer groups have voiced concerns about the good faith bargaining provisions enshrined in the FW Act (Workplace Express 2008), it seems unlikely that collective bargaining will spread into new sections of the workforce because to date it has predominantly been union-led and union density remains at historically low levels. For small employers, they are likely to continue to either rely on the award system (and the NES) or common law contracts.

This chapter has shown that many employees are removed from bargaining and negotiation processes in their workplace. Three out of five employees do not negotiate their conditions of employment at the start of the employment relationship. There is an apparent mismatch between the positive attitudes employees hold about their managers and the extent to which employees actually involved in negotiation with their employer. Our findings confirm it is the historically disadvantaged workers such as the low-skilled, low-paid and those with marginal attachment to the workforce who are less likely to negotiate with their employers and who have been particularly difficult for unions to organise. The introduction of the low-paid bargaining stream provides some hope of participation in bargaining for these workers. However, the challenge for the new FW Act is to make collective bargaining at the enterprise level widespread, when it has to date relied union initiation and only thrived in large and well-resourced workplaces.

## 7. Unions

As found in the previous Chapter, the presence of collective bargaining and a union in the workplace often go hand in hand. In this Chapter a brief overview is provided of union density in Australia compared to trends in other English-speaking democracies. We then examine who joined a union in 2009, followed by employees' perceptions of manager opposition to unions.

### Global recession and union membership trends in English-speaking democracies

The current worldwide recession, prompted by a major financial crisis, is having a major impact on workers across the globe. Unemployment rates have risen sharply across the OECD and in developing countries, and the social consequences of these job losses will be felt long after economies begin official recoveries. Unionised workforces, depending on their position in the overall economy, are either slightly shielded from the immediate impact of the downturn (particularly in the public, health and education sectors) or more exposed to it, dependent on fluctuations in domestic demand and trade (for example, in construction, mining, and transport). Whatever the circumstances, it is a matter of real interest to see how workers in Australia and elsewhere respond to a return to higher employment insecurity. In the 2008 *Australia at Work* report, we pointed to difficulties for unions in recruiting members in uncertain times: while some workers join unions to gain a voice, harnessing secure labour market status as effective power, others are motivated to join unions at a time when they experience heightened insecurity. But, in these situations, the insecurity of employment that spurs people to join unions also militates against the income and job stability needed for durable union membership. We speculate that this combination of factors may be producing a growing class of unrepresented workers (non-members who prefer union membership), estimated at around one in ten workers.

While labour market insecurities continue to present obvious challenges for unions, the past few years have seen increasing signs of a shift away from the 'decline pattern' apparent for many union movements, including those of the rich English-speaking democracies, Table 7.1.

**Table 7.1 Union density across English-speaking democracies since 1999, per cent**

	1999	2007	Change	Trend
Australia	25	19	-6	Decline
Canada	30	29	0	Stable
New Zealand	22	22	0	Stable
United Kingdom	30	28	-2	Slight decline
United States	13	12	-1	Stable

Note: Data as percentage of wage and salary earners. New Zealand data for 2007 from 2006.

Source: OECD (2009) OECD Stat. Extracts, 'Trade Union Density' at:

[http://stats.oecd.org/Index.aspx?DataSetCode=UN\\_DEN#](http://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN#) (Accessed 11 November 2009).

Taking stock of trends is salutary. Since the implementation of the *Employment Relations Act 2000*, New Zealand unions have grown moderately through the 2000s, holding density levels in the low 20 per cent range, up from dramatic lows recorded in the late 1990s (see Feinberg-Danieli & Lafferty 2007:31). In the United States, 2008 brought substantial union growth for the second year in a row. This time, new membership totalled 428,000 – enough to increase union density from 12.1 to 12.4 per cent, the largest gain in 25 years (see Greenhouse 2009).

North of the American border, Canadian union membership has held remarkably steady since 1998, falling less than a percentage point, partly because of the continuation of historically strong union presence in Canada's public sector with density above 70 per cent (see Statistics Canada 2009: 28). In the United Kingdom, union density has rivalled Canada's for the most of past ten years, and has been higher than the other three Anglo-democracies. But UK union density has dropped, depending on the measure, slightly more than Canada's, and that trend appears to be continuing (most recently, see Barratt 2009: 9 but also see OECD 2009).

### Trends in union density in Australia: Industry-level changes 2006-2008

Australian unions lost density throughout the 1990s and 2000s – and more sharply than the other Anglo-democracies. Australia has fallen into fourth place, still well ahead of the United States, but distinctly lower than New Zealand, Canada, and the United Kingdom. No doubt, Australia's high job turnover – giving Australians the shortest tenure of employment relative to EU countries (refer to Chapter 3) – contributes to the job instability that frustrates unbroken union contact among employees. But in the most recent period, there have been a few signs of a slowdown in overall density losses in Australia, and prospects for union gains. In 2008, membership grew enough to hold density steady at 19 per cent (ABS 2009k).

**Table 7.2 Changes in union membership and density by industry, 2006-2008**

	Total membership in 2008	Change since 2006	Density in 2008*	Change in density since 2006
Education and training	321,100	53,900	40.3	1.5
Transport, postal and warehousing	149,800	10,900	31.4	-1.1
Administrative and support services	25,300	5,700	9.3	2.3
Arts and recreation services	18,300	3,400	12.0	0.7
Professional, scientific & technical services	23,400	400	3.6	-0.1
Health care and social assistance	268,700	-100	26.9	-0.6
Mining	26,500	-900	16.0	-6.5
Finance and insurance services	43,800	-3,800	11.5	-1.9
Electricity, gas, water and waste services	112,500	-4,800	31.7	-7.5
Manufacturing	209,000	-6,300	21.3	-1.8
Accommodation and food services	35,000	-8,300	5.5	-1.9
Public administration and safety	221,500	-9,800	34.4	-3.6
Wholesale trade	20,900	-10,800	5.4	-2.9
Information, media & telecommunications	27,500	-12,200	13.6	-3.5
Construction	118,300	-13,900	17.5	-4.5
Retail trade	162,100	-35,100	15.1	-3.6
Total	1,753,000	-33,100	18.9	-1.4

\* Density as percentage of employees

Notes: Data for Agriculture, forestry and fishing and Rental, hiring and real estate services excluded because of standard error warnings on ABS estimates. Table data ranked by growth in membership.

Source: ABS (2009k) and ABS (2007)

So where has membership change become apparent? Because the *Australia at Work* study uses union membership as a 'control weight' for samples so that they are representative enough to make generalisations about the workforce, our data do not provide estimates of year-on-year shifts in union density. However, the ABS does this regularly, and these results are reported by industry in Table 7.2 for the years 2006 and 2008. From this data, we get a picture of recent changes to membership and density by industry.

The table ranks union growth by industry membership, not density. Strong growth has been recorded in education and training in particular (gains of 53,900) as well in transport, postal and warehousing (10,900) and in administrative and support services (5,700). Education and training has the largest union membership and the highest union density (at 40 per cent). Other important, unionised industries have all registered declines: particularly notable are substantial membership falls in public administration and safety (loss of 9,800) and in the private sector – in construction (13,900) and retail trade (35,100). Of the 16 industry groups reported in Table 7.2, five now record union density below ten per cent, effectively leaving them without a union membership base.

### Who joined unions in 2009?

*Australia at Work* helps fill in the picture about changes to union membership by looking more closely at factors that prompt workers to join unions, something hard to extract from ABS data alone. We can build a preliminary profile of ‘recent joiners’ – in 2009 – with binary logistic regression techniques. Recent joiners are new members who joined in 2009 who were not members in 2008.

We stress a few qualifications before discussing the model and results. First, by new members, we mean recent joiners who may or may not have been members of a union in an earlier period. Recent joiners, in other words, will include both *never* members who have joined for the first time, and *lapsed* members returning to membership (on this distinction, see Bryson & Gomez 2005). Second, we include only *employees* in 2009 in the analysis. Third, our model for analysis includes factors (as independent variables) that impact on the joining decision, including a couple of factors that model *change* between 2008 and 2009 that appeared to be important. Later modelling, with the help of longitudinal data techniques, will open up possibilities of modelling change with greater technical specificity and across more areas. For now, we highlight ‘change’ factors likely to be relevant for future analysis.

The dependent variable of our model is binary, capturing two distinct groups: workers who *joined* unions in 2009 and those who did not. Those already in unions were excluded from the model altogether. Independent variables include demographic factors, workplace (size) and industry characteristics (working in health and education), and a range of attitudinal responses (job insecurity, workplace fairness etc). Variables are described in Appendix Table B.5. In addition to these, we include *changes* registered in 2009 (particularly, joining a large workplace, ‘unrepresented worker’ status in 2008) to see if these influence joining.

Table 7.3 summarises the results of this model (the full model is available in Appendix Table B.6). Those factors at  $p < 0.05$  that increase the probability of joining a union in 2009 include: having high school only qualifications; *joining* a larger workplace (over 100 employees); having a union present at work; registering no opportunity to negotiate over pay and conditions; seeing the workplace as unfair for employees; and, being an ‘unrepresented worker’ in the previous year. Not surprisingly, being close to retirement age reduces the probability of joining sharply. Public sector employment was near-significant at  $p = 0.05$  ( $p = 0.059$ ). Some factors were not significant. Industry effects – here we modelled the possible impact of working in the health and education sectors as a factor in joining – were not clearly significant (but may indeed emerge as a second-order influence in a model with a larger sample).

**Table 7.3 Factors explaining new union membership in 2009**

Increasing probability of joining at $p < 0.05$	Decreasing probability of joining at $p < 0.05$
Having high school only qualifications	Being close to retirement age (55 yrs +)
Joining a larger workplace (100+ employees)	
Having a union present at workplace	
Having no opportunity to negotiate pay	
Seeing workplace as unfair for employees	
Being an unrepresented worker in 2008	

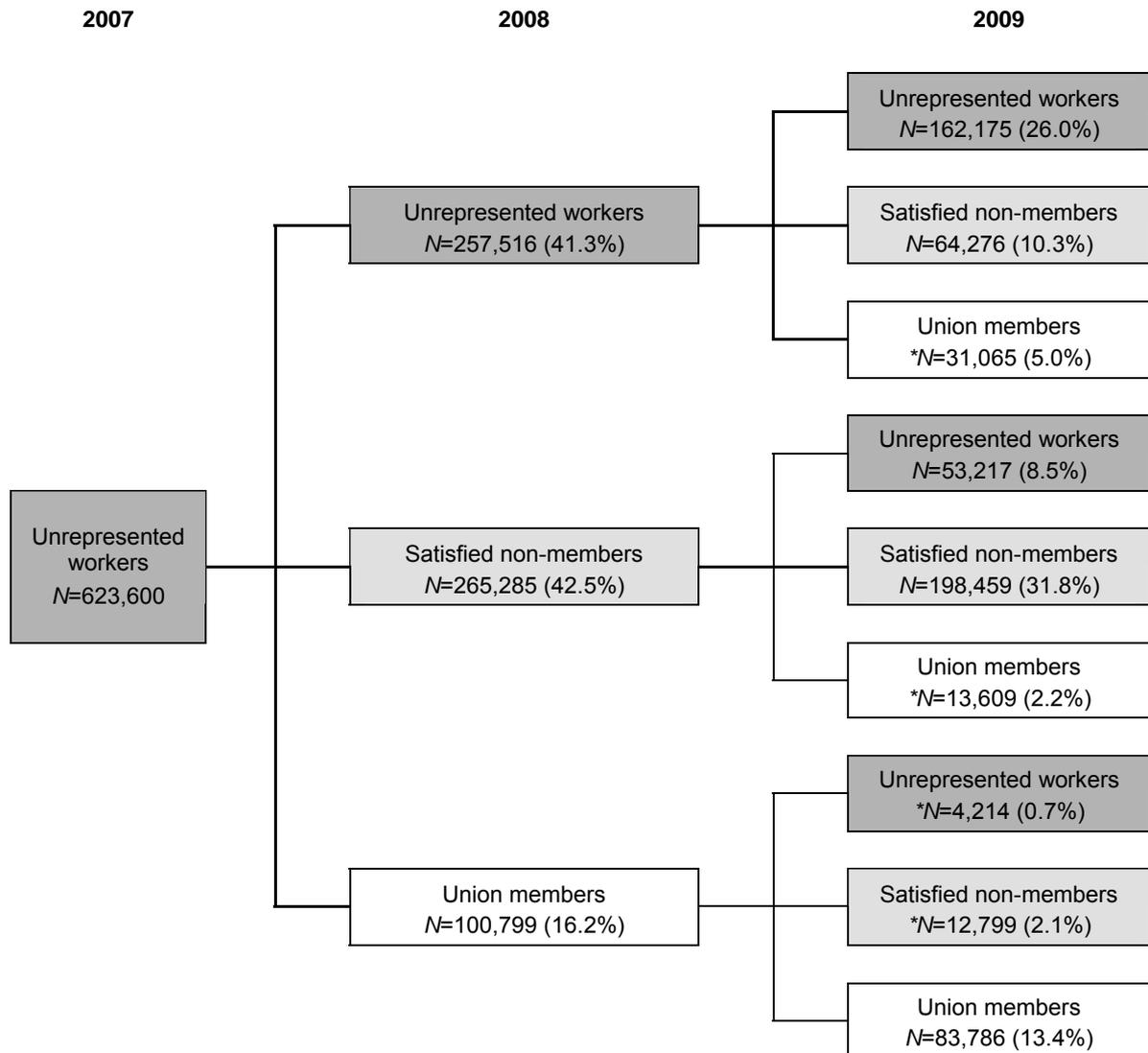
Population: Employees in 2008 and 2009  
 Source: Australia at Work W2 & W3

Most factors encouraging membership are not surprising; they divide between *supportive institutional factors* (continuous union presence and, perhaps, public sector employment) and *efforts to gain a voice* (reports of no negotiation opportunities or seeing the workplace as unfair). But one finding is worth further comment. In the 2008 report, *Working Lives: Statistics and Stories*, we looked closely at the profile of unrepresented workers – that is, non-union members (slightly less than one in ten in the 2009 sample) who say that would prefer to be members.

One possible criticism of this measure is that these employees are merely expressing a preference for joining, and not a firm intention to join. The disjuncture between preferences and action may take a number paths – respondents may have responded to this question in a ‘socially desirable’ way or expressed a genuine preference but one that either does not correspond to a strong motivation to join or does not accord with background conditions that encourage actual joining. Results of our model, however, confirm that our measure of unrepresented worker preferences may have some predictive capacity – unrepresented workers in 2008 were over *three times as likely* to join as other workers. We speculate that a rise in a measure of unrepresented workers could become a handy predictor of future membership trends.

A further way of illustrating the predictive capacity of the survey item on unrepresented workers is presented in Figure 7.1. Around 16 per cent of unrepresented workers in 2007 joined a union in 2008, much higher than the three per cent of satisfied non-members who followed the same path. A further 12 per cent of those who stayed unrepresented workers in 2008 joined unions in 2009. Some members appear to drop out in 2009 after joining in 2008 (some 13 per cent) and others move between categories across the three years. But, aggregating the various paths over three years, we find some 21 per cent of unrepresented workers in 2007 were union members in 2009.

**Figure 7.1 Union membership trajectories of unrepresented workers, 2007–2009**



\* Estimate is not reliable n<20  
 Population: Employees in all three waves  
 Source: Australia at Work W1-W3

**New data for 2009: employee perceptions of manager opposition to unions**

Following in the footsteps of Freeman and Rogers’ 1999 book *What Workers Want*, which studied factors leading workers to non-membership, the third *Australia at Work* questionnaire modified a scale item used by these two authors in their survey:

*As far as I can tell, managers at my workplace oppose unions.*  
 [Five point Agree-Disagree Scale with ‘Can’t choose’]

We find that around one in five (22 per cent) workers agreed with the statement, with most disagreeing, but a large number gave a ‘Don’t Know’ response (16 per cent). By industry, agreement ranges from a high of 46 per cent in the mining industry to a low of ten per cent in education and training (see Table 7.4). What appears to be clear is that employees in *major private sector* industries – mining, manufacturing, transport and telecommunications – are more likely to agree that managers are opposed to unions. Perceived opposition is much lower

in large industries where the public sector is dominant – education, public administration and health.

**Table 7.4 Perceived manager opposition to unions by industry, 2009, per cent**

	Agree or strongly agree	Neither	Disagree or strongly disagree	Can't choose	Union density 2008
Mining	46	14	33	7	16.0
Manufacturing	35	15	36	14	21.3
Wholesale trade	34	16	35	15	5.4
Transport, postal and warehousing	31	18	38	12	31.4
Agriculture, forestry and fishing	31	16	34	18	n/a
Information, media and telecomm.	29	25	31	15	13.6
Construction	29	17	41	14	17.5
Rental, hiring and real estate services	24	17	31	28	n/a
Electricity, gas, water and waste services	23	19	46	12	31.7
Finance and insurance services	21	31	33	15	11.5
Professional, scientific & technical services	20	29	31	20	3.6
Accommodation and food services	20	24	30	27	5.5
Retail trade	20	23	40	17	15.1
Health care and social assistance	19	17	48	15	26.9
Administrative and support services	14	22	33	31	9.3
Arts and recreation services	14	23	43	20	12.0
Public administration and safety	13	17	61	9	34.4
Education and training	10	16	64	10	40.3
Total	22	19	43	16	–

Population: Employees in 2009  
 Weight: Longitudinal 08-09  
 Source: Australia at Work W2 & W3; ABS (2009k)

What are the characteristics of employees more likely to agree that their managers oppose unions? We again turn to binary logistic regression, developing a model which includes independent variables expected to shape employee perceptions of managers: basic demographics, workplace characteristics, industry, union membership and presence, and employee perceptions of the workplace. Details of this model are available in Appendix Table B.7, but a summary of significant factors is reported in Table 7.5.

First, we consider factors that increase perceptions of manager opposition to unions. Men are significantly more likely than women to see managers as opposed. Workers in full-time jobs, in the private sector and in larger workplaces are all more likely to perceive union opposition among their managers. Taken as a group, these workers occupy a core workforce; they hold full-time, private sector roles in medium and large companies where unions are most likely to find private sector footholds, and in turn, most likely to encounter manager resistance. Unsurprisingly, employees who are insecure, untrusting of managers or who see them as unfair are all more likely to view their superiors as anti-union. And, union *members* are more likely to see managers as opposed to unions.

We separately tested the effect of employment contract, particularly whether or not employees were on Australian Workplace Agreements (AWAs). Crucially, AWA-employed

workers emerge as significantly more likely to perceive managers as anti-union compared to workers employed on other contracts or on employment arrangements.

**Table 7.5 Factors influencing perceptions of manager opposition to unions, 2009**

<b>Increasing perceptions of manager opposition to unions at p&lt;0.05</b>	<b>Decreasing perceptions of manager opposition to unions at p&lt;0.05</b>
Male	Working in high skilled work
Full time employment	Working in a workplace with union presence
Private sector employment	Working in the public sector
Union membership	
Job insecurity	
Low control over working hours	
Low trust in managers/ perceptions of workplace unfairness	
Employed on AWA	

Population: Employees only  
Source: Australia at Work W3

Industry-level differences in employee perceptions of managers are particularly important. Workers employed in the public sector are significantly less likely than workers employed in other industry groups (blue collar, basic services, professional services, and health and education)<sup>32</sup> to agree that managers oppose unions. There could be an obvious reason for this – public sector managers are less likely to play a role in mediating employment contracts and employment rule/change enforcement than private sector managers. Workers in blue collar industries hold perceptions most distinct from public sector workers. We further modelled individual industry effects but, for space reasons, do not report them here. They show workers in several blue collar industries, particularly mining, express the strongest perceptions of manager hostility to unions.

Readers might assume that this finding has something to do with traditionally strong union membership and presence in these industries. Certainly, this may have some direct and background influence. But union membership, and even perhaps presence, has declined in some of these industries in recent years – many workers in these industries are ex-unionists or non-union members (as is evident from Table 7.4). Moreover, our model controls for the impact of union membership on attitudes about managers. Results suggest that industry shapes attitudes about managers separately from the effects attributable to union membership.

Some factors work in the other direction, clearly reducing perceptions of manager opposition. Workers in high skill jobs, the public sector, and workers who are in workplaces with a union presence are all less likely to see managers as hostile to unions. Perhaps these results say something about ‘softer’ management strategies that are in place with higher skilled workforces or about the protective structures of the public sector or effective workplace unionism. Indeed, some workplace cultures tolerate or even promote unions, when union activity is closely interlinked with a skilled workforce or when unions have a strong workplace or bargaining presence. Interestingly, while union membership itself *increases*

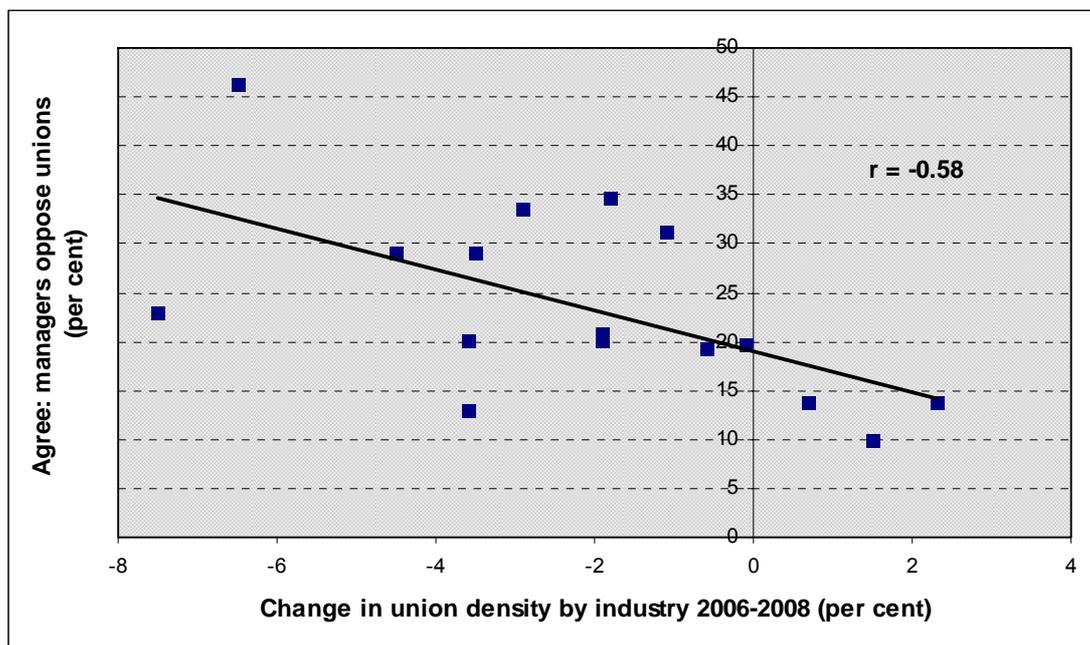
<sup>32</sup> For definitions of industry groups, see Appendix Table B.6.

perceptions of manager hostility, union presence has the *opposite* effect. One interpretation of this finding is that non-union members in unionised workplaces register the benefit of the managerial response to union presence in their experience of a more conciliatory and union-tolerant workplace.

### Perceptions of anti-union management and density decline: are there ‘industry effects’?

Figure 7.2 charts industry-level perceptions of manager opposition to unions against recent declines in union density (2006-2008) for the same industry (as reported in Table 7.2). We include all industries reported in Table 7.4 (excluding rental/real estate and agricultural industries because ABS union density data are statistically unreliable in both cases). We find a moderate *negative* association between perceptions of anti-union managers in individual industries and the corresponding percentage change in union density in that industry (Pearson  $r = -0.58$ ). Perceptions of union decline are strongest in a few blue collar industries experiencing larger than average declines in density (such as construction and mining). But there are exceptions – large declines in public sector union density were not met with strong perceptions of anti-union managers. By contrast, industries with growing unions (either in total membership or density terms) in areas like healthcare and social assistance, and education and training, all report much lower perceptions of union opposition.

**Figure 7.2 Industry-level union decline associated with perceptions of manager to unions, 2009**



Note: Two industries are excluded from Figure 7.2 because ABS data on union membership density had high sampling errors (the rental/real estate and agricultural industries).

Population: Employees in 2009

Weight: Longitudinal 08-09

Source: Australia at Work W2 & W3; ABS (2009k).

What do these findings suggest? They offer evidence that union membership losses in some industries may be (in part) driven by stronger union resistance among employers, resistance strong enough for employees to register widely. This need not amount to specific, direct efforts at de-unionisation: it could simply be that workers in these industries now attach

greater risk to union membership, deterring new joiners and weakening union commitment among members. Peetz (1998; 2006) reports that employers (especially in mining but also in construction) have run aggressive anti-union campaigns, including the strategic use of AWAs. He points to employer antagonism towards unions as a factor in union membership losses.

### **Conclusions and implications for unions**

Our findings fall into three broad categories:

- 1) *Factors influencing joining a union.* A simple model examining union joiners in 2009 highlights several factors in the decision to join: the *presence of unions* in the workplace, (probably) public sector employment, and various indicators of the *absence of voice* among workers. These findings that confirm evidence presented in the 2008 *Australia at Work* report, which dealt with the characteristics and circumstances of unrepresented workers in some detail. If model results can be converted into 'real world' implications, then the prospects for private sector unionisation, it would seem, hinge on a combination of recognisable workplace presence and effectively channelling worker frustrations anchored in insecurities and lack of say.
- 2) *'Unrepresented workers' go on to join unions.* Our research suggests that a measure of *unrepresented workers* has predictive capacity – workers who expressed a preference for joining a union in 2008 were *three times as likely* to have joined in 2009 as satisfied non-members. We speculate that rises and falls in this measure of preferences for union membership may be useful in predicting trends in union growth.
- 3) *New insights into perceptions of manager opposition to unions.* The core private sector workforce – working in larger workplaces in full time jobs – is more likely to believe their managers oppose unions. This may reflect obvious union opportunities in larger, private organisations, which employers and managers attempt to counter. We also see the strongest industry-level perceptions of union opposition in key blue collar industries like mining and construction where union density has declined significantly. We speculate that these perceptions are widespread enough among workers in some industries (such as mining) to influence membership choice, and thus implicate management strategy as a factor in membership decline.

## 8. Conclusion: Shedding light on the ambiguities of working life

This report has been produced during a period of substantial change, both within the economic and industrial relations environments. A key feature of this change is the co-existence of seemingly confusing, if not contradictory, trends in working life. In the last 12 months we witnessed talk of upheavals in the economy, but the downturn in employment has been smaller than expected. While unemployment is up by around 180,000, the total number of Australians in jobs has been stable. And while full-time jobs for men have declined, the number of part-time jobs – for men and women – has increased. Arguably, the most striking development has been the changes in hours worked. While the level of employment has stagnated, total actual hours worked has fallen by 2.8 per cent – the equivalent of 270,000 full time jobs. These developments have prompted many to argue that we are living through a relatively mild downturn with the impact on jobs mitigated by de facto work-sharing.

Our data shed a new light on these changing times. The material reported here provides evidence that the deep-seated dynamics at work in the Australian labour market remain firmly in place. Prime among these has been the fragmentation of hours of work, forms of employment and wages. Instead of characterizing the current situation as one of ‘mild downturn’, it is more accurately conceived as a period involving intensification of deeper structural changes evident before the Global Financial Crisis. Indeed, it is not helpful to define matters in terms of either ‘structural’ or ‘cyclical’ change. The trajectory of labour market evolution in Australia changed dramatically after the downturn in the early 1980s; it was then accelerated and entrenched after the recession of the early 1990s. All indicators suggest that we are currently consolidating, if not accelerating, fundamental shifts in Australian work and working life that have been underway since the early 1980s.

The significance of this report can be summarized into four key findings. These provide the basis for our primary analytical conclusion: the need to refine the main concepts relied upon in the conception of this project, that is, those concerning labour market transitions and the labour contract. These empirical and analytical conclusions raise very important challenges for policy.

Our key findings concern the growing fragmentation in the Australian labour market. Fragmentation is not necessarily ‘good’ or ‘bad’ (Watson et al. 2003; Buchanan et al. 2006). Where older systems may have been cohesive and coherent (for example, the classical male breadwinner model of employment); this cohesion was often based on systematic discrimination against groups such as women and non-Anglo workers. On the other hand, the market-based approach to work and working life neglects problems of social cohesion and thereby does nothing to mitigate the inherent tendency of markets to deepen inequality. In this sense, fragmentation has the potential to have significant social costs (Marmot 2004 and Wilkinson & Pickett 2009).

**Key finding 1:** *Despite deterioration in the wider economic environment, not all workers report negative working life experiences.*

Our study found considerable evidence of workers not being affected by the downturn. Over 60 per cent of workers experienced a nominal increase in their yearly salary. On key

subjective indicators there were also improvements. This was most apparent on the question of perceived living standards. Whereas last year 27 per cent reported a lower standard of living than in the previous year, this year only 21 per cent did so. In addition, more workers reported that their managers share information by consulting with them around issues impacting on the workplace. These developments indicate that in more difficult times employees may adjust their expectations and some managers at least make a greater effort to keep their workers informed about what is happening in the workplace.

As noted, the ABS data on the labour market over the last year (Table 2.1) have revealed that women's position, in terms of numbers employed, has continued to improve. This does not mean that gender equality has finally prevailed in Australian workplaces. It is strong evidence, however, of the downturn accelerating deeper structural changes, such as the increasing employment of women.

**Key finding 2:** *While there has been no widespread 'crisis' in the labour market, deep-seated problems remain.*

The most obvious problem is rising levels of unemployment. However, as noted in Chapter 5, Australians should not be neatly divided between either unemployed or employed. While the aggregate unemployment rate rose by around 2 per cent, our study found that 7.6 per cent of all respondents reported losing a job in the last year. The data on working time preferences also revealed that long standing problems of undesired part-time and extended hours of work persist. It still remains that more than one in four full-time employees want to reduce their hours of work; while one in five part-time employees want more hours. And while the problem of underemployment increased for the self-employed, the number of them working very long hours against their desires also rose. Clearly, the emergence of excess labour in the economy has not eased reported levels of work intensification. Around one in two workers continue to report that more and more is expected of them for the same pay.

Finally, perceptions of employment security deteriorated slightly. The proportion of workers feeling that it was likely they would lose their job increased slightly (on average up from 7 to 12 per cent). Those who felt they were dispensable also rose slightly: employees reporting they could be easily replaced if they left their job increased from 48 to 51 per cent. Once again the key issue is not so much the change but the absolute proportion of employees who feel dispensable: either side of the cyclical peak around half the workforce feels they can be easily replaced.

**Key finding 3:** *After more than two decades of active promotion of bargaining in Australian industrial relations policy, low employee understanding of, and involvement in, workplace bargaining remains.*

The chapter on bargaining revealed that a minority of workers are actively involved in setting their wages and employment conditions at the start of their employment. The findings show that for some the employment relationship evolves to the point where the employee does feel there is an opportunity to negotiate pay after this initial stage. But importantly this finding implies a greater level of employer power at the commencement of the employment relationship.

Employees' knowledge of the formal instrument governing the employment relationship continue to contradict employer reports from the ABS, with employees placing a greater emphasis on awards rather than collective bargaining. This is particularly worrying in light of the fact that collective bargaining at the enterprise level is at the heart of the new Fair Work laws, to be fully implemented by next year. Currently only 23 per cent of employees understand that their pay and conditions are determined by collective agreement. Union presence at the workplace is strongly related to employees' recognition of collective bargaining. Therefore, there is the potential for unions to play a strong role in the take-up of collective bargaining.

The chapter on unions identified some of the factors that contribute to joining a union, and thereby becoming more involved in workplace bargaining. Union presence in the workplace, obtaining employment in the public sector, persistent reports of a lack of opportunity to negotiation and a previously stated desire to join a union were all factors that contributed to an employee joining a union. In contrast, union resistance among employers was found to inhibit union membership. This is particularly strong among industries that have experienced declining union density.

**Key finding 4:** *The most significant shifts in earnings, hours and non-standard work have been experienced by workers who change jobs.*

Throughout this report we have found very strong evidence to indicate that for workers who have remained in the same job, little has changed in the past 12 months. This has been particularly apparent in hours of work. Among this group around 4 per cent moved from full time to part-time work – in all three years of the survey. It is likely that this occurs to meet demands outside of work. There is no evidence of a new culture of 'work-sharing' in the labour market, as commonly speculated. The situation among workers who changed employers is very different. Among these workers, a greater proportion reported:

- falling paid hours of work – 29 per cent of employees with a different employer compared to 19 per cent of those with the same employer;
- a decrease in yearly salary – 35 per cent of employees with a different employer compared to 28 per cent of those with the same employer; and
- no paid leave entitlements – 67 per cent of employees with a different employer and 87 per cent among those with the same employer.

In a nutshell, while much of the workforce has been relatively unaffected by the global financial crisis so far, this is much less the case among those who have changed employer.

### **Implications for analysis**

As noted in Chapter 1, this project was originally commissioned to examine the impact of changes in labour law on Australian working life. The conception of the research was based on examining these developments in light of the changing nature of transitions over the life course and the ongoing evolution of the labour contract. The findings from this year's research highlight the need to augment our guiding categories.

**Analytical implication 1:** *When considering labour market transitions those involving movement within the labour market (i.e. moving jobs) are just as, if not more significant, than those outside the labour market (i.e. entering or leaving the labour market).*

The Transitional Labour Market (TLM) model provides a powerful means for breaking with the traditional notions of breadwinning, on the one hand, and the vision of free contracting agents on the other. The findings in this report, however, remind us of the importance of more elementary transitions – those involving the movement of workers between jobs. Interest in flows in recent decades has primarily focused on movements between basic labour market states: e.g. unemployment to employment, full-time to part-time work, from employment to not in the labour force (Applebaum et al 2002, Faher & Heath 1992, Foster & Gregory 1984, Gray et al 2005, ILO 1999 and Ross & Whitfield 2009). Our findings highlight the significance of a more common flow: that of between jobs. The central importance of movements of this nature was identified by an earlier generation of labour market researchers: the ‘neo-classical realists’ of the 1950s and 1960s (Kerr 1988:22-29; Kaufman 1988:150-159; Freeman 1988:214-219). Our findings about the significance of job change as the site where change has been most pronounced make intuitive sense. Employers will be reluctant to renege on agreements – formal or implicit – with their current workforce. As a result, change is likely to be most pronounced at the point of new contract formation. This is particularly worrying in light of the fact that the majority of employees do not report negotiating their pay and conditions at this point.

**Analytical implication 2:** *When considering the labour contract the reality of bargaining often has little or no association with the formal instrument defining enforceable rights.*

The contract of employment in Australia, as a matter of law, is very complex. At its foundation are common law notions of contracts of, and for, service. This provides the setting for the operation of legislative rights and delegated authorities like modern awards with agreements – collective and individual (e.g. IFAs) – building on these foundations. As reported in previous years, employees’ accounts of the arrangements governing their rights and obligations at work are different to those provided by employers. This is to be expected. A significant finding from our study is the weak association between the formal instrument and actual negotiation practices underlying their operation. For example, some workers on individual instruments report collective pay-setting while others with collective agreements report individual arrangements. This poses real challenges for this research, as well as for policy-makers, in analysing ‘bargaining’.

Over the course of the research we have continued to develop and refine the instrument we use to capture employees’ accounts of bargaining. We have begun to explore these issues by measuring: (i) whether bargaining occurs at the commencement of the employment relationship; and (ii) the difference between whether workers have the opportunity to negotiate and if they actually use this opportunity to do so. Our exploration of these matters is, however, only at the early of stages of analysis.

A matter that is worthy of special attention is the operation of and relevance of ‘a group of employees’ in shaping the employment contract. Chapter 6 showed that workers who had a group of employees negotiate on their behalf reported more positive attitudes toward managers than people who negotiated on other bases. Chapter 7 on unions revealed that the level of union membership at the workplace (i.e. a tacit notion of critical mass) was a key

factor associated with the propensity for a worker to be a union member. As we move forward in understanding the labour contract, there appear to be major benefits in focusing more on the realities of how people bargain. In this regard, attention should focus on the classic industrial relations issues of ‘work group’ bargaining. Once again – it should be noted that these matters were explored with much creativity and insights by an earlier generation of labour market and industrial relations researchers (Flanders 1965; Fox 1974). However, the issues these scholars confronted were different to ours. They were primarily concerned with the operation of informal custom and practice as shaped by a workplace manager and local union representative bargaining. While unions remain important in many workplaces – in many more they are absent. Because of this, more attention needs to be devoted to employer custom and practice, especially modern cultures of the management prerogative. What are they? How have they evolved? To what extent and under what conditions, can employees reduce these prerogatives?

**Analytical implication 3:** *Understanding the development of the labour contract requires more consideration of the impact of job change and commencement.*

Focusing attention on the more elementary notions of labour market transitions and the labour contract provide some powerful leads for unpacking the transmission mechanisms involved in changes in work. It is clear from our findings that frequent job change creates the space for the labour contract to be altered.

The case of casual employment is one that appears to be potentially a very useful subject in this regard. In Australia, the debate on this matter has been extensive and we are able to contribute to the debate. On the basis of our findings so far, we would suggest the following argument deserves closer scrutiny. It is well known that casual employment in Australia comprises more than just itinerant workers. Employees, often with care or study obligations, accept the more precarious conditions of casual employment to enable greater control over hours of work.

Our data provides some useful leads for deepening our understanding of this complex and controversial dimension of Australian working life. In particular it highlights the importance of returning to issues raised over a decade ago by Campbell and Webber (1997). Is casual work better comprehended as not so much as a stock of jobs; but instead as the way particular flows of workers are organised? Is it for this reason that growth in casualisation has been strongest in the expanding youth and female labour markets? As female job tenure has increased, growth in ‘casualisation’ among women has steadied. In this way, changing flows create the space where core features of the employment contract can be dramatically recast. Thus, where there is high job churn employers have the increased opportunity to deem the engagement ‘casual’ even though the work itself may be ongoing.

### **Policy implications**

Data and analysis cannot solve policy problems. They can, however, help identify key issues that need to be addressed. From this report we believe the following are crucial:

(a) *Getting the questions right: how do cyclical fluctuations affect longer term structural trends?*

Much policy debate today is preoccupied with the question: how deep is the current downturn? Such a question neglects the key challenge identified by this report: how entrenched are deep-seated, long term problems of labour market fragmentation – especially as people change jobs? This report has provided evidence that the issues of fragmentation in hours and job quality are getting worse, especially among those who changed employer. No matter how subdued the downturn, these matters only continue to become more pressing.

*(b) Confronting jobless growth: Is work-sharing underway or do we need to actively promote it in the Australian economy?*

One of the most distinctive features of the last two major downturns has been the phenomenon of jobless growth. This is the situation whereby GDP increases but unemployment and underemployment persist for many years – six years in the case of the last two recessions. The ABS data on the difference between the hours and employment effects of the downturn have generated much interest in this context. A number of commentators – including the Deputy Prime Minister – have said that this is symptomatic of tacit work-sharing. It is important that we disabuse ourselves of this comforting, but erroneous thought. While there is considerable interest and goodwill in the community about work-sharing; it remains a discursive rather than a substantive reality in the Australian labour market today. If we are to confront the problem of jobless growth we will need a very different policy regime to the one currently in place. Central to this will be different ways of distributing hours, developing the workforce and redistributing the gains from growth.

*(c) Fair recruitment rights: the key to ensuring fairer labour standards.*

As noted throughout this report, the point at which workers commence a new job is critical for understanding what changes are occurring in the labour market and how this is happening. After the unemployed, those who have commenced a new job have been the first to bear the brunt of the economic downturn, and in earlier reports we saw that they were the first to experience the impact industrial relations policy changes. One of the points of highest vulnerability for workers is at the point of recruitment – especially in times of uncertainty.

Traditionally in labour market and industrial relations policy most attention has been devoted to what happens once people have a job (e.g. agreement-making) and when they lose their job (e.g. unfair dismissal and redundancy). Our research shows that it is critical that we now devote attention to people's rights when they take up a job, that is, fair recruitment rights. Attention should focus on issues such as bargaining rights of individuals; and how probation is defined and handled. This is not only an area for policymakers: it also presents an opportunity for the union movement. Involvement at the commencement of the employment relationship could prove to be an effective recruitment strategy.

*(d) Enforceable rights are essential not only within jobs but also as workers move between jobs.*

This report has shown that the change between jobs is an important, but often overlooked, issue in the Australian labour market. While our findings show that changing jobs is voluntary for some workers and may help with career advancement or coping with the demands of work and life, for others it is the result of precarious and insecure employment. As matters currently stand in Australia, many workers commence work as casuals, assuming this will be the way to achieve standard employment. Many, however, never lose their casual status and miss out on many of the labour standards, as these largely apply to permanent

employees. As Chapter 4 showed, there is major path dependence based on the employment conditions experienced on their labour market journey. If people obtain a job with paid leave entitlements they usually stay in jobs with leave entitlements. For those without paid leave entitlements their trajectory is a lot more uncertain. One in six employees who were in employment without paid leave entitlements were not working two years later. And if the person stayed in work, only one-third eventually achieved leave entitlement status after two years.

Is it time for governments and unions concerned with labour standards to think about rights in terms of flow and mobility and not for a 'stock' of workers? Approaching the issue of labour standards in terms of flows opens up important new questions about how rights and obligations are defined. Over recent decades changed flows have primarily been associated with reduced labour standards – such as those linked to casual work. Is it time to rethink about how flows could become a coherent reference point for defining labour standards? The policy issues to consider are when entitlements accrue, whether entitlements should be portable across jobs and, consequently, who should be responsible for managing these entitlements (e.g. the employer or an industry fund).

While we are working in an uncertain world it is becoming increasingly clear that many of the key problems afflicting the labour market before the downturn continue. The challenge is not simply to get back to where we were – the challenge is to do better. Early indicators are we have not even begun to confront this challenge. Stabilising a potentially catastrophic situation has been a real policy achievement. Moving forward will require fresh thinking. Our data have highlighted the importance of engaging more creatively with the challenges of a dynamic labour market. It will be interesting to examine data in future years to see if Australia overcomes these challenges or merely reproduces the problems of the past.

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## Appendix A Technical Report

This section details the methodology used for Wave 3 of the *Australia at Work* survey. Details of the methodologies employed in the first two waves of the study are provided in the technical appendices of the respective annual reports. This section provides a brief description of the original sample and then provides detailed discussion of the sample maintenance strategy, survey design, response rates, attrition and weighting of the data.

### Sample design

The scope of the survey in Wave 1 (2007) included all people aged between 16 and 58 who were in the labour force in March 2006, (that is, they were either employed or looking for work at this time). The survey was sampled according to proportional quotas for age by sex, and location. Age data was originally missing for  $n=49$  respondents. Of these,  $n=32$  continued on to Wave 2 and date of birth was gathered for  $n=25$ , with only the remaining  $n=24$  respondents for which an imputed age is used for weighting purposes. Age was imputed from regression modelling using other data including education, marital status, number of children, and age of youngest child. The sample achieved in 2007 is displayed in Appendix Table A.1 by the characteristics used for weighting (including the imputed age).

**Appendix Table A.1 Wave 1 sample counts by age, sex and location, 2007**

	Males			Female			Total
	16–24	25–44	45–58	16–24	25–44	45–58	
Sydney	102	362	349	111	498	297	1,719
Balance of NSW	67	180	211	69	237	232	996
Melbourne	82	371	244	124	276	120	1,217
Balance of Vic	56	150	112	52	126	174	670
Brisbane	70	217	121	79	147	69	703
Balance of QLD	70	261	101	70	134	101	737
Adelaide	51	114	113	43	113	52	486
Balance of SA	22	55	41	20	60	57	255
Perth	68	185	75	62	84	69	543
Balance of WA	29	73	36	30	49	33	250
Hobart	11	36	18	10	23	21	119
Balance of Tas	15	45	22	14	28	30	154
NT	25	53	36	25	45	29	213
ACT	24	125	38	20	41	31	279
<b>Total</b>	<b>692</b>	<b>2,227</b>	<b>1,517</b>	<b>729</b>	<b>1,861</b>	<b>1,315</b>	<b>8,341</b>

Population: All respondents  
Source: Australia at Work W1

The sampling method, and use of retrospective questions in the survey, made it possible to analyse the experiences of those who were 15 year olds in 2006. However, in 2008 it meant that data analysis was limited to the labour market experiences of 17 year olds. A further consequence of the chosen scope is that the survey is not representative of new labour force entrants, either those entering the labour market for the first time, or those who are re-entering after taking extended breaks (for example full-time carers, or those who have been ill). To address the issue of an aging sample and to improve representativeness, an additional 300 participants were recruited to the study this year. The new respondents were aged 16 to

24 and had to be in the labour force at the time of the survey. The respondents were again randomly sampled through random-digit dialling. The outcomes from the 'top-up' calls and recruitment are detailed in Appendix Table A.2. A large number of calls were made to locate young people participating in the workforce; and within this group, a response rate of 29 per cent was achieved. An incentive was established for the 'top-up' component to assist with recruitment to the survey. The incentive consisted of a 'lucky draw' of eight iPods. The winners were randomly selected and notified in July 2009.

**Appendix Table A.2 Fieldwork outcomes for 'top-up' sample, 2009**

	<i>N</i>	Response rate
Refused – no further information	7,060	
Dead number	2,810	
No answer	35,022	
Out of scope	22,593	
<i>Total calls made</i>	67,845	
<i>In scope</i>		
Refused interview	754	71.5
Completed interview	300	28.5
<i>Total in scope</i>	1,054	100.0

Source: Surveytalk, 2009

Minimum quotas were used across age (by single year), sex and location. Disproportionately higher quotas were set for the ages 16 to 19 years, due to the absence or low proportion of respondents of these ages expected from the original sample in Wave. The characteristics of the 'top-up' sample are displayed in Appendix Table A.3. There is no age data missing for these new cases.

**Appendix Table A.3 'Top-up' sample counts by age, sex and location, 2009**

	Males			Female			Total
	16–19	20–24	Total	16–19	20–24	Total	
Sydney	13	18	31	13	8	21	52
Balance of NSW	14	6	20	10	6	16	36
Melbourne	11	7	18	12	15	27	45
Balance of Vic	5	2	7	11	6	17	24
Brisbane	4	5	9	8	4	12	21
Balance of QLD	10	8	18	6	9	15	33
Adelaide	8	5	13	3	4	7	20
Balance of SA	0	1	1	2	0	2	3
Perth	5	3	8	12	6	18	26
Balance of WA	0	5	5	0	2	2	7
Hobart	0	1	1	1	3	4	5
Balance of Tas	1	0	1	2	2	4	5
NT	3	1	4	6	1	7	11
ACT	5	1	6	3	3	6	12
<b>Total</b>	<b>79</b>	<b>63</b>	<b>142</b>	<b>89</b>	<b>69</b>	<b>158</b>	<b>300</b>

Population: 'Top-up' respondents  
Source: Australia at Work W3

Maintenance of the original sample has been a high priority of the research team. Therefore, in Wave 2, respondents who declined to be interviewed were given the choice of dropping out of the study altogether or the option of participating the following year. As a result, there are  $n=168$  respondents for whom we do not have data for Wave 2. Overall, there are three main categories of respondents, which we have labelled:

- Ongoing – participated in all three waves ( $n=6333$ );
- Skipped – participated in Waves 1 and 3 ( $n=168$ ); and
- Top-up – young respondents who were recruited to the survey in Wave 3 ( $n=300$ ).

These categories are used in the following sections when describing attrition rates and strategies for weighting the data on a longitudinal basis. A final sample count for wave 3 is provided in the following sections.

### **Sample maintenance**

One key to the success of a longitudinal study is the maintenance of the sample. Several measures have been undertaken to ensure *Australia at Work* respondents are able to be contacted and that they are engaged so that they agree to remain in the study. The sample maintenance strategy includes the following:

- Maintenance of toll-free hotlines. Both the researchers at The University of Sydney and Surveytalk have a toll-free number provided to respondents for queries or to change their contact details.
- Australia at Work website ([www.australiaatwork.org.au](http://www.australiaatwork.org.au)) provides information on the study for the general public as well as participants. There is a page detailing information specific to participants and they can log on with a username and password to update their contact details.
- Annual newsletter and token sent out at the end of each year. The newsletter updates participants on the progress of the study, details findings from the annual report and includes information about how to contact the researchers if they change their contact details. Included in the mail out with the newsletter was a change of address card with a reply paid envelope, and post-it notes with the Australia at Work logo, website address and toll-free hotline number.
- Keep in touch calls are conducted by Surveytalk outside the fieldwork period to ensure that participant's contact details are kept up to date. Participants are rung approximately once outside the fieldwork period.

### **Survey instrument**

Small modifications have been made each year to the initial wave 1 survey instrument. In Wave 3, a few questions were removed and some different questions were added. Questions that were added included those regarding:

- Job loss, redundancy and unfair dismissal.
- Attitudinal question regarding manager's opposition to unions.
- Negotiation of pay and conditions at commencement.
- Whether pay was actually negotiated in the last year – in previous years we have relied only on reports of opportunity to negotiate.

Chapter 6 has specified the changes that were made to the question regarding industrial instrument, involving the replacement of the suite of questions with a preamble and one question. The questions about pay setting and the role of an award were retained.

Other changes that were made include:

- Location – the state (capital city or balance) where a person works (if employed) is now collected rather than relying on residential postcode.
- Enterprise size was adjusted from above or below 100 employees to above or below 15 employees to reflect the proposed change to the threshold for unfair dismissal laws.
- Self-employed respondents were asked the existing selection of the attitudinal questions (that is, those that did not refer to the ‘manager at the workplace’) which previously had only been asked of employees.

The new and altered questions, in particular, those regarding industrial instrument were tested in  $n=8$  cognitive interviews.

Questions that were removed were those regarding:

- Roster period;
- Receipt of penalty rates; and
- Overtime compensation.

The instrument was also modified to accommodate the new ‘top-up’ respondents. Original questions regarding sex, date of birth, language spoken at home and job tenure were added back into the survey (but only asked of new respondents). No retrospective questions were used for this group, so only data from 2009 onwards will be collected.

### **Fieldwork**

The Sydney-based fieldwork company, Surveytalk, has been commissioned by the Workplace Research Centre to carry out the data collection of *Australia at Work* for the duration of the five year study. Interviewers were trained in survey administration by Surveytalk and given more detailed training by researchers from the *Australia at Work* team in the technical content of the survey. The duration of this training was approximately 2.5 hours and involved background to the study and a run-through of the entire instrument.

The survey instrument is piloted on the same group of respondents each year. These respondents are not aware that they are part of the pilot group, and are treated the same as the ‘main’ sample. The original pilot group was  $n=52$ , in Wave 2  $n=25$  interviews were achieved and in Wave 3 it was  $n=17$ . The pilot was conducted in February 2009.

The ‘main’ Wave 3 interviews were conducted between late February and June 2009, using Computer-Assisted Telephone Interviewing (CATI). The average length of the interview for original respondents was 13.8 minutes. Recruitment and interviewing for the ‘top-up’ sample commenced in April 2009 and was completed early July 2009. The average length of the interview for new respondents was 19 minutes.

In Wave 3 there was a total sample of  $n=7,423$  respondents to contact for an interview. This is larger than the final Wave 2 sample size  $n=7,086$  due to the respondents who were not

interviewed but remained in the study because they had not yet refused to participate. Respondents who declined to be contacted at the end of the Wave 2 interview were removed from the sample. Appendix Table A.4 displays the fieldwork outcomes for this sample.

**Appendix Table A.4 Fieldwork outcomes for original sample, Wave 3**

	<i>n</i>	per cent
<b>Completed interview</b>	6,501	87.6
<b>Total refused</b>	351	4.7
Refused to complete interview	199	2.7
Away for the duration of the survey	102	1.4
Deceased	3	0.0
No contact	8	0.1
<b>No outcome</b>	571	7.7
No answer / Answering machine	5	0.1
Fax / Modem	13	0.2
Soft appointment	366	4.9
No longer at the number	187	2.5
<b>Total</b>	7,423	100.0

Source: Surveytalk, 2009

**Appendix Table A.5 Wave 3 total sample count by age, sex and location, 2009**

	Males			Female			Total
	16–24	25–44	45–58	16–24	25–44	45–58	
Sydney	78	221	313	73	303	288	1,276
Balance of NSW	62	144	213	39	180	262	900
Melbourne	66	255	245	93	187	139	985
Balance of Vic	33	107	117	37	103	169	566
Brisbane	39	123	107	50	93	60	472
Balance of QLD	56	208	141	40	127	124	696
Adelaide	38	78	93	32	86	61	388
Balance of SA	8	48	48	9	42	61	216
Perth	50	122	78	45	63	65	423
Balance of WA	18	50	45	11	41	48	213
Hobart	6	18	21	8	15	24	92
Balance of Tas	10	41	27	14	24	30	146
NT	14	38	36	16	33	29	166
ACT	20	94	49	17	48	34	262
<b>Total</b>	498	1,547	1,533	484	1,345	1,394	6,801

Population: All respondents

Source: Australia at Work W3

The total sample count across location, age and sex for all Wave 3 respondents (including the ongoing, skipped and top-up) is provided in Appendix Table A.5. Age is missing for  $n=6$  respondents for which an imputed age is used (mentioned previously) only for the purpose of weighting. The sample counts used in weighting (discussed in the following sections) are displayed in this table.

## Attrition

As mentioned previously, in terms of the original sample there are two groups of respondents: the 'ongoing' – who participated in all three waves, and the 'skipped' – who did not complete an interview in Wave 2. Appendix Table A.6 provides the attrition rates for the ongoing sample, which was 11 per cent from Wave 2 to Wave 3, and 24 per cent from the original sample. If we include all respondents from the original Wave 1 sample, total attrition comes to 22 per cent. In the original research design we specified the original sample size of n=8,000, based on expected incremental attrition rates of 20 per cent in Wave 2 and a further 15 per cent in Wave 3. If these predictions had been correct, the total attrition rate at this stage would be 32 per cent.

**Appendix Table A.6 Sample sizes and attrition rates, Wave 1 to Wave 3**

	Wave 1	Wave 2	Wave 3	
			<i>On-going</i>	<i>Total original</i>
Sample size ( <i>n</i> )	8,341	7,086	6,333	6,501
Incremental attrition (%)	-	15.0	10.6	
Total attrition (%)	-	15.0	24.1	22.1

Population: All respondents  
Source: Australia at Work W2

Appendix Tables A.7 and A.8 provide details of the characteristics of the respondents who did not participate in the Wave 3 survey, that is, the total attrition. For comparison, the table also provides the sample counts for the original 2007 sample, the total 2009 sample and the 2009 ongoing sample that is used for longitudinal analysis across 2006 to 2009.

Appendix Table A.7 shows that the overall attrition rate of 22 per cent has been unevenly spread across particular demographic characteristics. Common to most longitudinal surveys, high proportions of young and single people and those with a lower level of education are no longer participating. Respondents who were aged 16 to 19 years when they were first recruited to the survey have had the highest attrition at 40 per cent, followed by 20 to 24 years olds (36 per cent) and 25 to 34 year olds (28 per cent). The top-ups have gone some way to rectify the imbalance of older respondents in the survey.

The total wave 3 sample in Appendix Table A.7 shows the impact of aging on the distribution of age. While attrition of younger respondents means that the proportion of respondents who were aged 55 years and older has increased by one per cent in the ongoing sample, the proportion of respondents at this age in 2009 is now 13 per cent (compared to the original 8 per cent).

**Appendix Table A.7 Attrition rate and sample by Wave 1 demographic characteristics**

	Attrition rate	Original 2007 sample		Ongoing 2009 sample		Total W3 sample <sup>^</sup>	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
<i>Sex</i>							
Male	22.5	4,436	53.2	3,345	52.8	3,578	52.6
Female	21.5	3,905	46.8	2,988	47.2	3,223	47.4
<i>Age</i>							
16 - 19	40.0	592	7.1	331	5.2	330	4.9
20 - 24	35.9	829	9.9	501	7.9	652	9.6
25 - 34	27.6	1,453	17.4	1,023	16.2	969	14.2
35 - 44	18.1	2,612	31.3	2,091	33.0	1,919	28.2
45 - 54	14.5	2,186	26.2	1,832	28.9	2,041	30.0
55+	14.0	641	7.7	549	8.7	884	13.0
Refused	78.6	28	0.3	6	0.1	6	0.1
<i>Marital status</i>							
Married	16.5	4,539	54.4	3,723	58.8	3,782	55.6
De facto relationship	26.7	879	10.5	629	9.9	776	11.4
In relationship, not living with them	32.0	513	6.2	332	5.2	443	6.5
Single	28.4	2,377	28.5	1,632	25.8	1,799	26.5
Refused	48.5	33	0.4	17	0.3	1	0.0
<i>Highest education</i>							
Did not go to school	40.0	5	0.1	3	0.0	3	0.0
Year 11 or below	28.6	1,650	19.8	1,147	18.1	1,217	17.9
High school	28.3	1,540	18.5	1,068	16.9	1,204	17.7
Diploma or certificate	19.2	1,733	20.8	1,366	21.6	1,582	23.3
Trade qualification	17.1	590	7.1	480	7.6	441	6.5
Degree or higher	17.4	2,810	33.7	2,264	35.7	2,348	34.5
Refused	61.5	13	0.2	5	0.1	6	0.1
<i>Location</i>							
Sydney	23.4	1,719	20.6	1,286	20.3	1,276	18.8
NSW balance	21.2	996	11.9	769	12.1	900	13.2
Melbourne	22.7	1,217	14.6	911	14.4	985	14.5
Victoria balance	19.6	670	8.0	525	8.3	566	8.3
Brisbane	23.0	703	8.4	532	8.4	472	6.9
QLD balance	23.9	737	8.8	554	8.7	696	10.2
Adelaide	19.5	486	5.8	382	6.0	388	5.7
SA balance	23.1	255	3.1	188	3.0	216	3.2
Perth	21.0	543	6.5	408	6.4	423	6.2
WA balance	30.0	250	3.0	165	2.6	213	3.1
Hobart	14.3	119	1.4	101	1.6	92	1.4
Tasmania balance	18.2	154	1.8	122	1.9	146	2.1
NT	24.4	213	2.6	155	2.4	166	2.4
ACT	15.1	279	3.3	235	3.7	262	3.9
Total	22.1	8,341	100.0	6,333	100.0	6,801	100.0

<sup>^</sup> Using Wave 3 demographic characteristics  
Source: Australia at Work W1-W3

Almost one-third (32 per cent) of respondents who were in a relationship but not living with their partner in the first wave of the survey did not participate in Wave 3. Attrition rates were also high among single respondents (28 per cent) and those in de facto relationships (27 per cent). However, due to the overall size of single respondents, they are the group that who experienced a noticeable decline in the ongoing sample, representing 26 per cent of the ongoing sample, compared to 29 per cent originally. Respondents who were married in 2007 now represent 59 per cent of the ongoing sample compared to 54 per cent initially. However, it does not necessarily mean they are still married, as married people make up 56 per cent of the total sample in Wave 3.

Respondents whose highest level of education in 2007 was high school or below were more likely to drop out of the survey. This is related to the high attrition rates of young respondents who may not have completed their education. While women tend to be more likely to respond to a survey initially, the level of attrition does not differ significantly between men (23 per cent) and women (22 per cent). This marginal difference has led to a slight increase in the proportion of women who have ongoing participation in the survey. Attrition was fairly consistent across the different locations, except there was a much higher drop-out rate among Western Australian respondents in the non-metropolitan area (30 per cent).

Appendix Table A.8 shows attrition by particular employment characteristics of respondents in 2007. Respondents were more likely to have left the survey if, in 2007, they were unemployed or not in the labour force, on a fixed-term contract, in the private sector, or were not a union member. However, this has not dramatically altered the sample characteristics on a proportional basis.

Around one-third of respondents who were unemployed (35 per cent) or not in the labour force (33 per cent) in 2007 have left the survey. There is a difficulty in engaging respondents who do not work in a longitudinal survey that is essentially about employment. The total proportions of these groups in the Wave 3 sample has increased, this is in part due to people who were originally employed in March 2006 subsequently leaving their jobs over the period.

Respondents who were originally engaged in employment on a fixed term contract in 2007 were more likely to drop out of the survey (27 per cent). This has led to an increase in respondents employed on a permanent basis making up a greater proportion of the ongoing and total Wave 3 samples.

Respondents who were originally employed in the public and not for profit sectors have been more likely to remain in the survey, while 24 per cent from the private sector have dropped out, Appendix Table A.8. There was an over-representation of 2007 union members in the original survey sample and this over-representation has continued and increased somewhat with non-union members being more likely to drop out. Unions members accounted for 30 per cent of the employee sample in Wave 1 and now account for 32 per cent of the ongoing sample and 31 per cent of the total Wave 3 sample.

**Appendix Table A.8 Attrition rate and sample by Wave 1 employment characteristics**

	Attrition rate	Original 2007 sample		Ongoing 2009 sample		Total W3 sample <sup>^</sup>	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
<i>Labour force status</i>							
Employed	21.2	7,805	93.6	5,992	94.6	6,149	90.4
Unemployed	35.0	346	4.1	219	3.5	268	3.9
Not in the labour force	33.2	190	2.3	122	1.9	384	5.6
Total	22.1	8,341	100.0	6,333	100.0	6,801	100.0
<i>Form of employment</i>							
Permanent	19.5	4,734	60.7	3,718	62.0	3,960	64.4
Casual	19.8	399	5.1	310	5.2	323	5.3
Fixed term contract	26.8	1,331	17.1	943	15.7	845	13.7
Don't know	0.0	4	0.1	4	0.1	4	0.1
Self-employed	22.1	1,337	17.1	1,017	17.0	1,017	16.5
Total	21.2	7,805	100.0	5,992	100.0	6,149	100.0
<i>Usual working hours</i>							
Less than 35	20.5	2,494	32.0	1,939	32.4	1,861	30.3
35 or more	21.5	5,276	67.6	4,030	67.3	4,246	69.1
Missing	31.4	35	0.4	23	0.4	42	0.7
Total	21.2	7,805	100.0	5,992	100.0	6,149	100.0
<i>Sector</i>							
Private	23.9	5,350	68.5	3,963	66.1	4,012	65.2
Public	15.2	1,917	24.6	1,589	26.5	1,648	26.8
Not for profit	15.4	469	6.0	392	6.5	448	7.3
Don't know	23.9	67	0.9	46	0.8	41	0.7
Refused	0.0	2	0.0	2	0.0	0	0.0
Total	21.2	7,805	100.0	5,992	100.0	6,149	100.0
<i>Union membership *</i>							
Union member	16.0	1,933	29.9	1,585	31.9	1,597	31.1
Not a union member	23.2	4,535	70.1	3,390	68.1	3,535	68.9
Total	21.0	6,468	100.0	4,975	100.0	5,132	100.0

<sup>^</sup> Using Wave 3 demographic characteristics

\* Employees only

Source: Australia at Work W1-W3

## Weighting

The Australia at Work data is weighted on a cross-sectional basis according to the relevant year's population estimates for age groups, gender, location (capital city/state balance), employment status and union membership, using ABS Labour Force survey data. The weights are based on the ABS Labour Force estimates for May each year, as it falls in the middle of the *Australia at Work* enumeration. Employed persons have been grouped into employees and self-employed. The self-employed include: employers, owner-managers of incorporated entities (OMIEs), own account workers and contributing family workers. As mentioned in the methodology section in Chapter 1 including OMIEs is a departure from the previous year's weighting strategy. The 2009 weights for employed respondents are displayed in Table A.9.

**Appendix Table A.9 Population weights for employed persons in 2009**

Males	Union member			Not a union member			Self-employed		
	16-24	25-44	45-58	16-24	16-24	25-44	45-58	25-44	45-58
Sydney	5504.028	1427.381	860.526	3209.506	3375.353	1563.561	2053.850	2518.800	1344.608
NSW balance	2515.927	1201.264	804.730	1941.941	2208.847	1629.620	5301.670	2630.256	1497.117
Melbourne	2255.743	1489.878	750.919	3244.414	2514.652	1859.581	968.133	2437.417	1494.361
Victoria balance	1835.873	1274.898	856.967	1916.213	1601.008	1478.089	-	1045.055	1569.436
Brisbane	3918.697	1448.278	802.066	3303.247	2334.567	1867.876	764.840	2304.288	1614.645
QLD balance	1217.613	716.595	794.013	2222.091	1791.980	1905.924	3163.210	1404.163	1855.369
Adelaide	1199.779	1325.782	845.734	1896.758	1988.181	1035.861	562.170	1718.259	1811.611
SA balance	-	592.319	797.545	2398.400	1096.377	1152.584	150.425	983.663	1221.388
Perth	2200.592	1413.804	1393.122	1541.256	2090.405	2084.822	-	1781.980	1921.792
WA balance	421.858	1109.059	749.671	1699.483	1593.132	1914.437	732.440	1053.625	1578.636
Hobart	865.287	803.754	386.560	2288.558	1316.489	1196.429	-	1595.815	1728.987
Tasmania balance	361.494	528.976	873.360	1395.335	1076.233	1218.935	-	597.944	916.626
NT	-	465.622	258.541	514.230	832.194	557.931	-	1716.177	2346.160
ACT	1902.229	414.133	295.210	906.639	524.934	776.760	-	645.461	1209.542
<b>Females</b>									
Sydney	1613.390	1082.918	793.042	3027.392	1997.438	1272.889	1485.260	2008.564	1264.122
NSW balance	4489.169	1079.410	565.709	2269.354	1469.155	1002.216	2020.560	1187.522	1412.380
Melbourne	1392.390	1124.280	1568.052	1986.392	2949.310	2268.725	-	2756.700	3461.140
Victoria balance	1418.442	689.647	419.448	1810.094	1873.608	774.518	892.785	1242.521	1175.610
Brisbane	541.074	1266.555	2114.934	2824.676	3246.346	2531.766	525.780	2978.552	1988.353
QLD balance	1798.349	1240.091	835.696	2843.879	2090.661	1653.281	1597.050	2037.883	3315.023
Adelaide	1081.998	888.284	1080.920	1969.694	1709.245	1843.016	869.520	1524.119	2258.268
SA balance	295.346	789.652	368.090	1970.879	977.334	676.936	-	946.412	1175.031
Perth	1638.881	1767.370	861.392	1695.634	3356.354	2644.566	824.740	2602.124	3440.112
WA balance	415.787	546.781	576.642	2446.457	1928.487	974.766	-	3117.135	1206.733
Hobart	294.763	1780.338	447.399	1417.709	1983.962	1227.963	-	494.680	949.287
Tasmania balance	575.532	565.316	915.924	1123.589	1334.006	913.821	102.190	910.667	1430.280
NT	787.637	489.404	356.908	583.561	810.261	715.035	187.830	2305.100	2924.000
ACT	478.302	522.587	461.276	1271.518	1167.589	1236.698	-	1022.130	426.532

Table A.10 displays the 2009 weights for respondents who are not working. Due to the relatively small number of respondents who are unemployed or not in the labour force, location is reduced to two categories: metropolitan and regional.

**Appendix Table A.10 Population weights for persons not employed in 2009**

Males	Unemployed			Not in the labour force		
	16-24	25-44	45-58	16-24	16-24	25-44
Metro*	2365.079	4324.691	1833.806	12219.380	5950.313	8069.479
Regional	2838.569	1781.260	1034.752	4709.791	6695.999	4420.741
Females						
Metro*	2661.586	5835.367	2863.053	8837.617	8923.370	10534.972
Regional	1555.116	3525.028	952.515	10910.278	5696.890	5147.665

\* Includes ACT, does not include Darwin

Source: Australia at Work W3

Due to a sample bias towards union members, employees are weighted by trade union membership, using the ABS *Employee Earnings, Benefits and Trade Union Membership* survey. Data for 2006 to 2008 is weighted against the relevant August EEBTUM trade union membership numbers. Due to the unavailability of 2009 data at the time of writing and analysis, 2009 *Australia at Work* data is weighted against the August 2008 trade union membership numbers. This is done by taking the 2008 union/non-union member ratios for employees and applying them to the 2009 employee population estimates to derive estimates for the number of union and non-union members. Data collected in 2009 will be re-weighted according to the August 2009 EEBTUM data in subsequent years.

The issue of zero sample size in some cells was not just limited to the respondents who were not working. There were a few cells, among employed respondents, where this was the case. Therefore, the aggregated weighted population of the *Australia at Work* sample does not sum to the aggregated ABS population. For example, the *Australia at Work* sample for 2009 includes no male union members aged 15 to 24 years in the Northern Territory, but the ABS estimates that there are 970. The aggregated ABS figures are compared to the aggregate weighted *Australia at Work* figures in Table A.11.

**Appendix Table A.11 ABS population estimates and *Australia at Work* weighted population estimates, 2008**

	ABS May	Australia at Work	Difference N	Difference %
2006 <sup>^</sup>	9,932,756	9,916,426	16,330	0.2
2007	12,768,535	12,764,368	4,167	0.0
2008	12,877,661	12,873,629	4,032	0.0
2009	13,407,348	13,390,374	16,975	0.1

<sup>^</sup> Includes only those in the Labour Force

Source: Australia at Work W2; ABS *Labour Force Survey* [unpublished data].

The cross-sectional weights weight who ever is in the survey at the time to the current labour force population. Longitudinal weights have been developed so that the ongoing sample is representative of a particular population. For example, the 2009 cross-sectional weight cannot be used for longitudinal analysis because all those in the 2009 sample were not present in all waves of the survey, that is, the 'top-ups' and the respondents who

skipped in 2008. There are primarily two types of longitudinal weights that have been used:

- Longitudinal between two years (i.e. Longitudinal 06-07, 07-08, 08-09) – weights the ongoing sample in both years to the first reference year population data. For example, Longitudinal 08-09 weights the ongoing sample to be representative of the 2008 labour force.
- Longitudinal 2009 – weights the ongoing sample to 2009 labour force population data. This enables representative information for 2009 for the ongoing sample (n=6333).

## Appendix B: Extra Tables

**Appendix Table B.1 Agree: 'There's a good chance I will lose my job or be retrenched within the next 12 months' by work characteristics & sector, 2007 to 2009, per cent**

	Private sector		Public sector		Total	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<b>Employment Status</b>						
Part-time						
2007	9.9	130	10.2	55	9.7	201
2008	10.1	106	9.3	47	10.0	175
2009	12.3	110	10.5	52	11.3	178
Full-time						
2007	9.7	273	6.9	93	9.0	394
2008	8.7	193	6.9	84	7.9	304
2009	14.0	300	5.7	66	11.7	397
<b>Form of Employment</b>						
Permanent						
2007	7.8	237	4.8	76	7.0	340
2008	7.1	180	4.0	58	6.3	265
2009	12.4	285	3.6	53	9.7	367
Fixed term contract						
2007	20.3	25	21.5	50	20.7	85
2008	*14.5	*17	24.5	51	21.1	81
2009	30.9	27	21.8	40	24.5	75
Casual						
2007	13.4	142	15.3	22	13.2	171
2008	12.9	102	17.5	22	13.4	133
2009	14.7	99	15.3	24	14.9	133
<b>Union membership</b>						
Not a union member						
2007	9.5	308	8.7	82	9.3	423
2008	8.6	233	8.5	74	8.8	344
2009	13.5	335	7.9	67	12.3	443
Union member						
2007	12.1	96	6.5	66	9.0	173
2008	9.6	66	6.1	57	7.7	135
2009	13.6	76	5.6	51	8.4	133
<b>Total</b>						
2007	9.8	404	7.9	148	9.2	596
2008	8.7	299	7.6	131	8.6	479
2009	13.5	411	7.0	118	11.6	576

\* Estimate is not reliable n<20

Note: The Not for profit sector is included in All employees category.

Population: Employees only

Weight: Cross-sectional 06, 07, 08 & 09

Source: Australia at Work W1 to W3

**Appendix Table B.2 Disagree: 'If I left this job my employer would find it difficult to replace me' by work characteristics & sector, 2007 to 2009, per cent**

	Private sector		Public sector		Total	
	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>
<b>Employment Status</b>						
Part-time						
2007	56.1	761	59.0	319	56.1	1,193
2008	52.0	545	56.6	266	52.7	915
2009	59.9	547	61.9	259	58.9	904
Full-time						
2007	41.0	1,124	51.7	705	43.8	1,954
2008	39.1	916	51.5	656	42.5	1,692
2009	43.7	936	55.8	686	47.1	1,763
<b>Form of Employment</b>						
Permanent						
2007	42.4	1,226	53.3	814	45.3	2,201
2008	40.3	1,020	52.9	758	44.1	1,948
2009	45.0	1,050	56.7	769	48.4	2,005
Fixed term contract						
2007	41.0	52	48.4	101	45.4	182
2008	38.3	41	47.8	93	44.0	161
2009	50.3	45	55.7	100	51.2	163
Casual						
2007	55.7	607	65.5	109	56.8	764
2008	52.6	400	61.8	71	53.1	498
2009	60.3	389	68.0	78	60.6	501
<b>Union membership</b>						
Not a union member						
2007	45.0	1,446	37.9	485	43.7	2,091
2008	46.7	1,119	33.7	433	44.1	1,707
2009	40.6	1,148	31.9	422	39.2	1,728
Union member						
2007	36.5	439	34.3	539	35.7	1,056
2008	37.7	342	36.8	489	37.5	900
2009	32.1	336	30.8	525	31.9	942
<b>Total</b>						
2007	46.1	1,885	53.9	1,024	48.0	3,147
2008	43.2	1,461	53.0	922	45.8	2,607
2009	48.8	1,484	57.6	947	50.9	2,670

Note: The Not for profit sector is included in All employees category.

Population: Employees only

Weight: Cross-sectional 06, 07, 08 & 09

Source: Australia at Work W1 to W3

**Appendix Table B.3 Self-reported agreement type, 2006 to 2008, per cent**

	Population estimate	Per cent	n
<b>2006</b>			
Award only	2,585,943	33.4	2,246
Over-Award	676,979	8.8	543
Collective agreement with a union	1,103,878	14.2	1,108
Collective agreement without a union	431,619	5.6	339
Collective agreement (union not known)	118,594	1.5	102
AWA	362,406	4.7	304
Individual contract	1,567,985	20.2	1,151
Other	*16,235	*0.3	*14
Don't know	519,367	6.7	395
No agreement	368,396	4.7	277
Total	7,751,402	100.0	6,479
<b>2007</b>			
Award based	2,474,534	30.6	2,090
Over-Award	778,562	9.6	593
Collective agreement with a union	1,035,084	12.8	1,065
Collective agreement without a union	456,903	5.7	341
Collective agreement (union not known)	177,061	2.2	140
AWA	533,309	6.6	406
Individual contract	1,709,822	21.2	1,177
Other	*15,993	*0.2	*14
Don't know	621,198	7.7	446
No agreement	261,851	3.2	185
Total	8,064,317	100.0	6,457
<b>2008</b>			
Award only	2,378,224	29.0	1,707
Over-Award	831,008	10.1	510
Collective agreement with a union	1,201,610	14.6	1,064
Collective agreement without a union	484,209	5.9	288
Collective agreement (union not known)	146,502	1.8	98
AWA	457,794	5.6	285
Individual contract	1,796,928	21.9	1,047
Other	35,647	0.4	25
Don't know	430,832	5.2	257
No agreement	421,117	5.1	245
ITEA	*6,547	*0.1	*3
Total	8,190,418	100.0	5,529

\* Estimate is not reliable n<20

Notes: n= 9 refused/missing in 2006 n= 11 refused in 2007 n= 14 refused in 2008. Other includes industry or multi-employer agreement, employer Greenfield agreements and other arrangements such as stipends. The findings in Wave 3 should not be directly compared to the findings from Waves 1 & 2 as the questions used to determine agreement type in Wave 3 differ to the questions used in Waves 1 & 2.

Population: Employees only

Source: Australia at Work W1-2

Weight: Cross-sectional 2006-08

**Appendix Table B.4 Non-managerial employees' attitudes to management, 2007-09, per cent**

	Agree: 'Managers consult employees about issues affecting staff'			Agree: 'Managers can be trusted to tell things the way they are'			Agree: 'Employees are treated fairly at my workplace'		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
<i>Sex</i>									
Male	69.2	73.8	74.6	68.3	68.4	69.6	77.8	79.5	80.2
Female	72.7	74.5	76.2	73.7	72.2	71.9	78.9	77.7	78.5
<i>Age in years</i>									
16 to 19	77.2	81.9	82.7	82.5	82.9	85.2	83.5	81.2	85.3
20 to 24	77.5	78.8	83.4	78.8	80.2	81.0	81.5	83.5	84.2
25 to 34	72.7	75.1	75.3	69.8	72.3	69.6	77.6	79.7	77.3
35 to 44	69.3	73.8	75.6	68.5	67.9	69.5	77.2	77.4	79.4
45 to 54	66.5	70.1	70.7	66.3	64.3	64.4	76	76.6	76.9
55+	65.4	69.8	67.1	68.2	62.6	63.1	79.3	74.6	75.9
<i>Tenure</i>									
One year or less	77.7	77.8	78.0	76.7	76.9	76.7	81.8	82.0	81.0
2 to 4 years	72.0	75.4	77.5	74.5	71.9	71.6	78.6	80.1	80.3
5 to 10 years	65.3	70.5	72.7	66.1	65.5	67.5	75.3	75.1	77.6
10+ years	65.1	69.1	70.8	61.0	59.7	60.9	76.0	73.5	76.8
<i>Workplace size</i>									
<20 employees	72.0	76.1	77.6	78.9	79	79.2	82.6	82.2	84.2
20 -100 employees	72.0	74.9	78.9	70.6	68.3	70.7	77.4	76.7	78.1
>100 employees	69.7	71.7	70.0	63.6	62.8	62.2	75.1	76.7	75.5
<i>Form of employment</i>									
Permanent	70.5	74.5	74.6	68.6	68.7	68.7	77.2	78	78.5
Fixed term contract	72.5	73.4	78.5	70.2	75.9	68.8	78.1	81.1	79.2
Casual	72.0	73.3	77.5	77.6	74.1	78.1	78.4	79.8	82.2
<i>Sector</i>									
Private	70.2	74.0	75.8	72.4	71.9	72.5	79.0	79.1	80.4
Public	72.4	73.1	73.8	67.3	65.1	65.7	78.0	76.8	76.4
Not for profit	73.6	77.9	77.5	70.9	72.3	71.6	74.5	79.3	79.5
<i>Agreement type</i>									
Award based	72.5	76.1	77.5	71.9	72.2	72.8	79.2	79.2	79.9
Collective agreement	66.1	71.8	70.9	62.9	61.7	60.6	74.5	74.1	73.7
Individual contract	74.8	75.6	75.2	77.6	73.8	74.3	80.2	82.1	83.0
AWA	71.1	75.9	77.6	68.9	67.4	70.7	73.6	72.8	76.9
Don't know	68.5	68.1	75.8	74.0	74.3	79.2	82.5	84.3	83.9
<i>Union membership</i>									
Not a union member	73.1	75.9	77.3	74.4	73.7	74.2	80.6	80.4	81.3
Union member	62.5	67.4	67.9	57.3	56.7	57.2	69.3	71.3	71.8
<i>Union workplace</i>									
Yes	78.5	73.9	74.6	65.1	64.7	64.0	76.8	76.1	76.6
No	64.2	73.1	76.0	73.5	74.1	74.7	77.7	79.8	80.9
<b>Total</b>	<b>71.0</b>	<b>74.2</b>	<b>75.4</b>	<b>71.0</b>	<b>70.3</b>	<b>70.7</b>	<b>78.4</b>	<b>78.6</b>	<b>79.4</b>

Population: Non-managerial employees only  
Source: Australia at Work W1-W3  
Weight: Cross-sectional 2007-09

**Appendix Table B.5 Variable description for models in Appendix Tables B.6 and B.7**

<b>Variable</b>	<b>Variable description</b>
Female	Male coded 0, Female coded 1.
Age	Dummy variables for each of the following age groups: 16-20 yrs; 21-24 yrs; 25-34 yrs; 35-44 yrs; 45-54 yrs [16-24 yrs used in model in Table B.7]
Annual income	Income from main job (dollars per annum)
CALD respondent	Do you speak a language other than English at <i>home</i> ? CALD coded 1 (includes: Italian, Greek, Cantonese, Arabic, Vietnamese, Mandarin, other). English only coded 0.
Post school education	Diploma/certificate, trade qualifications, degree or post-graduate degree coded 1; high school coded 0.
Manager	ANZSCO 1-digit Manager coded 1; Else coded 0.
Public sector	Public sector employer coded 1; Else coded 0
Private sector	Private sector employer coded 1; Else coded 0
Full time	Full-time coded 1 (typically, 35 + hours); Else coded 0.
High skill	ANZSCO skill level 1 and 2 coded 1; Else coded 0.
Joined workplace over 100 employees	Number of employees at worksite in 2009 greater than 100 employees, but not in 2008 coded 1; Else coded 0.
Workplace size (20+)	Number of employees at worksite greater than 19 employees coded 1; Else coded 0.
Union presence in workplace	Union is represented in my worksite coded 1; Else coded 0.
Union member	Reported union membership in 2009
AWA contract	Self-reported instrument type is AWA (Australian Workplace Agreement) coded 1; Else coded 0.
Job insecurity	Strongly agree or agree 'There is a good chance that I will lose my job or be retrenched within the next 12 months' coded 1; Else coded 0.
No opportunities to negotiate pay	'Do you have the opportunity to negotiate your pay directly with your employer?'. 'No' coded 1; 'Yes' coded 0.
Low confidence in job-related health	Strongly disagree or disagree 'I am confident that I'm not going to get injured or sick as a result of my work' coded 1; Else coded 0.
Employees treated unfairly	Strongly disagree or disagree 'I feel that employees are treated fairly at my workplace' coded 1; Else coded 0.
Low control over working hours	Strongly disagree or disagree 'I have control over <i>when</i> I work my hours' coded 1; Else coded 0.
Low trust in managers	Number of employees at worksite greater than 19 employees coded 1; Else coded 0.
Health and education	ANZSIC codes: Health care and social assistance or Education and training industries coded 1. Else coded 0.
Blue collar	ANZSIC codes: Transport, postal and warehousing; Mining; Electricity, gas, water and waste services; Manufacturing; Wholesale trade; Construction all coded 1. Else coded 0.
Basic services	ANZSIC codes: Administrative and support services; Arts and support services; Accommodation and food services; Retail trade all coded 1. Else coded 0.
Professional services	ANZSIC codes: Information, media and telecommunications; Professional, scientific and technical services; Finance and insurance services all coded 1. Else coded 0.
Public administration	ANZSIC code: Public administration and safety coded 1. Else coded 0.
Unrepresented worker	Unrepresented worker in 2008 (response: I do not belong to a union but would prefer to join one) coded 1. Else coded 0.

**Appendix Table B.6: Factors predicting joining a union in 2009, odds ratios**

	OR	Sig.
<b>Demographics</b>		
Female	0.73	
16-24 years (base: 35-44 years)	0.65	
25-34 years	1.29	
45-54 years	1.14	
55 years +	0.33	*
Annual income	1.00	
CALD respondent	1.17	
Post school education (base: high school only)	0.58	**
<b>Job characteristics</b>		
Manager	0.58	
Public sector	1.51	
<i>Joined</i> workplace over 100 employees	3.36	**
Union presence in workplace	2.09	**
<b>Orientations about employment</b>		
Job insecurity	0.54	
No opportunities to negotiate pay	1.59	*
Low confidence in work-related health	1.16	
Employees treated unfairly	1.98	**
<b>Industry</b>		
Health and education (base: all others)	1.48	
<b>Unrepresented worker (in 2008)</b>	3.10	**
-2 log likelihood ratio	893.49	**
Nagelkerke R-square	0.17	
N	2887	

Notes: Dependent variable is: respondents who joined a union in 2009 versus those who remained non-members.

\*p<=0.05; \*\*p<=0.01

Population: Employees in both years only

Source: Australia at Work W3 (W2 details used for variable construction)

**Appendix Table B.7: Factors predicting perceptions of manager opposition to unions, 2009, odds ratios**

	Odds ratios	Sig.
<b>Demographics</b>		
Female	0.74	**
16-20 years (base: 55 years and over)	1.31	
20-24 years	0.77	
25-34 years	1.22	
35-44 years	1.13	
45-54 years	1.24	
Annual income	1.00	
CALD respondent	0.78	
Post school education (base: high school only)	0.88	
<b>Job characteristics</b>		
Full time	1.47	**
High skill (base: skill levels 3-5)	0.76	**
Manager	1.15	
Private sector	1.63	**
AWA contract	1.93	**
Workplace size (20+)	1.08	
Union member	1.29	**
Union presence in workplace	0.70	**
<b>Orientations about employment</b>		
Job insecurity	1.34	**
Low confidence in work-related health	1.12	
Low control over working hours	1.21	*
Low trust in managers	2.29	**
Employees treated unfairly	2.07	**
No opportunities to negotiate	0.97	
<b>Industry (base: public administration)</b>		
Blue collar	2.34	**
Basic services	1.56	*
Professional services	1.72	**
Health and education	1.74	**
-2 log likelihood ratio	4449.63	
Nagelkerke R-square	0.18	
N	4811	

Notes: Dependent variable is strongly agree and agree responses to 'As far as I can tell, managers at my workplace oppose unions' versus all other responses. \*p<=0.05; \*\*p<=0.01

Population: Employees only.  
Source: Australia at Work W3

## A note of thanks

Throughout 2005 the profundity of the impending changes to Australian labour law became increasingly clear. As policy turned into the *Work Choices* legislation in 2006 researchers at our Centre agreed that it is was vital we help document the impact of the changes as they unfolded. A new recruit, Brigid van Wanrooy, was particularly audacious. She argued it was vital that we undertake a large scale, longitudinal study of 8,000 workers over five years to provide an account of how the changes affected workers' lives. We all agreed this was good idea, but would be difficult to fund. Brigid simply argued: the money had to be and would be found.

At her instigation I met with the then Secretary of Unions NSW, John Robertson, and he agreed to contribute a major slice of funding for the project – if other unions and the Australian Research Council agreed. Further support was found from the Mining and Energy Division of the CFMEU, the community investment fund of the Canberra Tradies Club, the Electrical Trades Division of the CEPU, the nurse unions on the eastern sea board, Australian Police Federation of Australia and the Shop Distributive and Allied Employees Association.

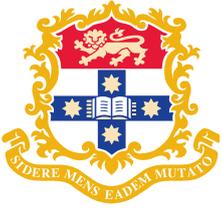
While I drew on long established contacts to help mobilise this and other support, Brigid drove the funding campaign and provided the background information and estimates necessary to make it happen. When most of the funding requested from the ARC funding came through in December 2006 she drove the project as both its ongoing manager and central researcher. In an extraordinarily short period of time she was instrumental in:

- Identifying and selecting the successful market research company to do the field work
- devising the survey questionnaire
- obtaining Ethics Committee clearance
- settling sample design
- training interviewers
- obtaining a remarkably high response and retention rate
- ensuring the survey field was completed so quickly
- cleaning the data
- providing a comprehensive guide to the survey findings within a year of receiving notice of ARC funding
- ensuring similar reports have been produced every year since so that the largest possible audience can share the findings of a remarkable survey much sooner and more broadly than normally occurs in studies of this nature.

Brigid will be leaving us at the end of this month to join the British Workplace Employment Relations Survey team in London. This is a logical advance in her career as a talented working life researcher.

Her efforts at the Centre in general and on the Australia at Work survey in particular will be greatly missed. We wish her well in her new position and thank her for not only achieving so much for us, but also leaving a legacy that will allow the study to flourish in her absence.

John Buchanan  
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