

# Characteristics and use of casual employees in Australia

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## Executive summary

There were just under 2.5 million casual employees (those without access to leave entitlements) in Australia in August 2016 and around 7.4 million permanent employees (those with access to leave entitlements).

The use of casual employees in Australia grew most strongly from the early 1980s to the mid-1990s. During this time the casual share of all employees increased from around 13 per cent to 24 per cent.

The rate of growth in employees with and without leave entitlements in the past two decades has been more balanced with the casual employee share of total employees increasing marginally from 24 per cent in 1996 to 25 per cent in 2016.

A significant feature of the labour market in the past two decades has been the strong growth in permanent part-time employment for both men and women, and strong growth in casual part-time employment for men.

Young workers aged 15 to 24 years are much more likely to be contracted on a casual basis compared with people aged 25 to 64 years.

Some industries such as hospitality and retail trade have very high concentrations of casual workers while others such as the finance sector have much lower rates.

The occupation groups that recorded the highest prevalence of casual employees were hospitality workers (79 per cent of all workers) and food preparation assistants (75 per cent).

Casual employment is not necessarily temporary employment. Around 81 per cent of casual employees in August 2016 expected to be with their current employer in 12 months compared with around 93 per cent of permanent employees.

Casual workers are much more likely to face irregular and insufficient hours of work and fluctuations in earnings, with around 53 per cent experiencing variable earnings from one pay period to another in August 2016, compared with only 15 per cent of permanent employees. Just under a third (31 per cent) of casual workers preferred more hours of work per week compared with 10 per cent of permanent employees.

Smaller firms are more likely to hire casual workers than larger firms.

Casual workers are much less likely than permanent employees to have access to on-the-job training.

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## Introduction

Casual workers are defined as employees without access to leave entitlements. Under awards and enterprise agreements, casual workers are paid a loading on top of their hourly wage rate—usually set at 25 per cent—to provide financial compensation for the lack of access to leave entitlements such as annual leave, sick pay and carer’s leave. Arrangements associated with casual employment contracts may suit particular workers such as students and parents with caring responsibilities who are seeking higher remuneration for the small number of hours they are available for work. However, some casual workers—particularly those seeking regular hours of work—may prefer more certainty about their weekly hours of work and more predictable earnings than their current circumstances provides.

For many workers, experience with casual employment is a relatively temporary state that provides income in the short term before transitioning to more stable ongoing or permanent employment. For others, casual employment can be a more persistent state. Researchers at the Melbourne Institute examined data from a number of waves of the Household Income and Labour Dynamics in Australia (HILDA) survey and found that between 28 and 32 per cent of casual employees had found non-casual employment within a year and between 46 and 49 per cent of casual employees had found a non-casual job within four years. It is unclear what proportion of workers still engaged in casual work after four years were satisfied with their employment arrangements and what proportion were unsatisfied but unable to find alternative forms of work.<sup>1</sup>

There has been some discussion and concern expressed by some organisations about the growth of casual employment in Australia over the past few decades with suggestions it is an insecure, precarious and a non-preferred form of employment.

Among the reasons offered for casual employment being inferior include:

- it provides irregular hours from week to week which leads to variable and unpredictable earnings
- it is much more insecure relative to permanent employment.

Different data sources shed light on whether these concerns are justified. The data confirms casual workers are much more likely to experience variable hours and earnings than other workers and many would prefer more hours of work per week. This may impact upon their ability to pay bills including weekly rent and other housing costs and may limit their capacity to secure a mortgage for a house or an apartment. Financial institutions want to avoid risk when lending and require evidence from casual workers they have been in their position for a number of months and expect to have reliable ongoing employment in the foreseeable future.

The evidence for casual work contributing to greater job insecurity is less convincing. The ACTU reported that over half of casual employees were “permanent casuals” who have a history of long-term, ongoing and regular employment.<sup>2</sup> This analysis sheds further light on whether preferences of casual workers are being met.

## Growth in casual employment

There have been a number of drivers of growth in casual employment over the past three decades including:

- demand factors such as employer preferences for a more flexible workforce that can be adjusted quickly in response to change in operational needs
- supply factors including the greater labour force participation of women who may require part-time work to supplement household income and students who desire part-time work to assist them with their costs of living while undertaking study
- strong growth in employment in service industries that are more likely to use casual workers such as hospitality, retail trade and health care and social assistance. There is also evidence of greater use of casual employment among industries that traditionally did not use this form of labour (such as the male dominated industries of manufacturing, construction and mining).

A possible reason for stronger growth in casual employees in the 1990s was employers sought to hire employees who could be shed quickly in preference to hiring permanent employees in the tentative economic recovery following the recession of the early 1990s. However, there is also evidence of a growing shift towards the use of

<sup>1</sup> Buddelmeyer, H., Wooden, M. and Ghantous, S., *Transitions from Casual Employment in Australia*, Project 09/05 (December 2006)

<sup>2</sup> ACTU, *Lives on Hold: Unlocking the potential of Australia’s workforce* (2012)

casual labour prior to the recession in the mid to late 1980s which was more likely to have been driven by the de-regulation of the labour market and opening up of the Australian economy to international competition.

It is difficult to put a long time series of data together for casual employees due to definitional differences used for different statistical collections by the Australian Bureau of Statistics (ABS). However, it is evident that the most rapid growth in the use of casual employees in Australia occurred from the early 1980s to the mid-1990s. ABS employee estimates from the early 1980s to the early 1990s are complicated by the inclusion of owner managers of incorporated enterprises in the estimates of employees without leave entitlements. Owners of enterprises often pay themselves a wage as an employee of the company but do not take sick or annual leave. As a consequence they were included in estimates of employees without leave entitlements. Their inclusion inflates the estimates for workers we would be considered as casual employees under a stricter definition.

#### 1982 to 1992

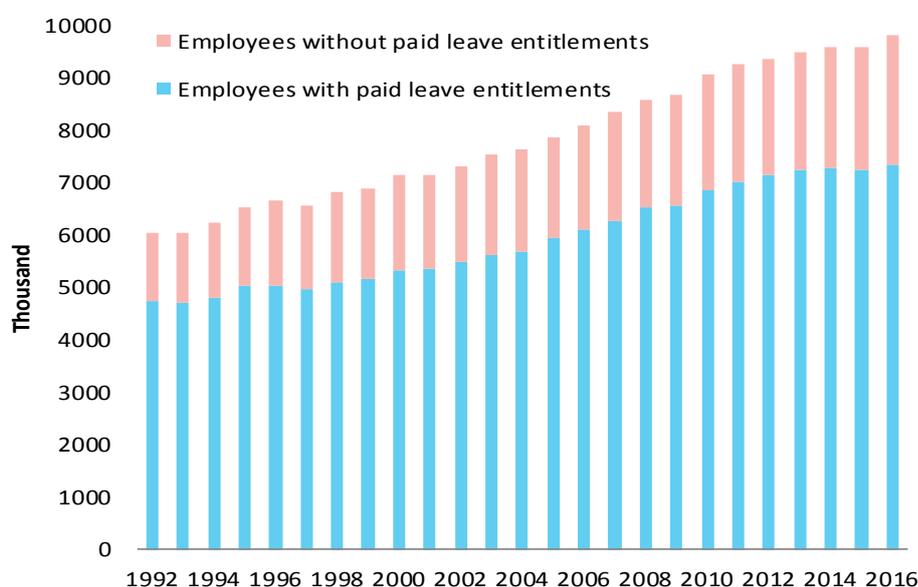
ABS data from a number of sources shows employees without leave entitlements in Australia (including owner managers) grew by 610,000 or 89 per cent from May 1982 to August 1989 while employees with leave entitlements grew by 706,000 or 16 per cent.<sup>3</sup> In 1982 employees without leave entitlements accounted for 13 per cent of all employees.

Between August 1989 and August 1992, the number of employees with leave entitlements fell by 280,000 or 5 per cent, mainly due to labour shedding after the recession, while the number of employees without leave entitlements (including owner managers) increased by 117,000 or 9 per cent. This data provides evidence of substitution of casual employees for permanent employees during this period. By 1992, casual employees accounted for 22 per cent of all employees.<sup>4</sup>

#### 1992 onwards

The ABS has also released a data series from 1992 for employees with and without leave entitlements excluding owner managers which could be regarded as a better measure of 'true' casual employees. This data shows more balanced growth in employees with and without leave entitlements in the past two decades. Employees without leave entitlements grew by 834,000 or 51 per cent between 1996 and 2016 while employees with leave entitlements grew by 2,318,000 or 46 per cent.

**Figure 1: employees with and without leave entitlements (excluding owner managers), 1992 to 2016**



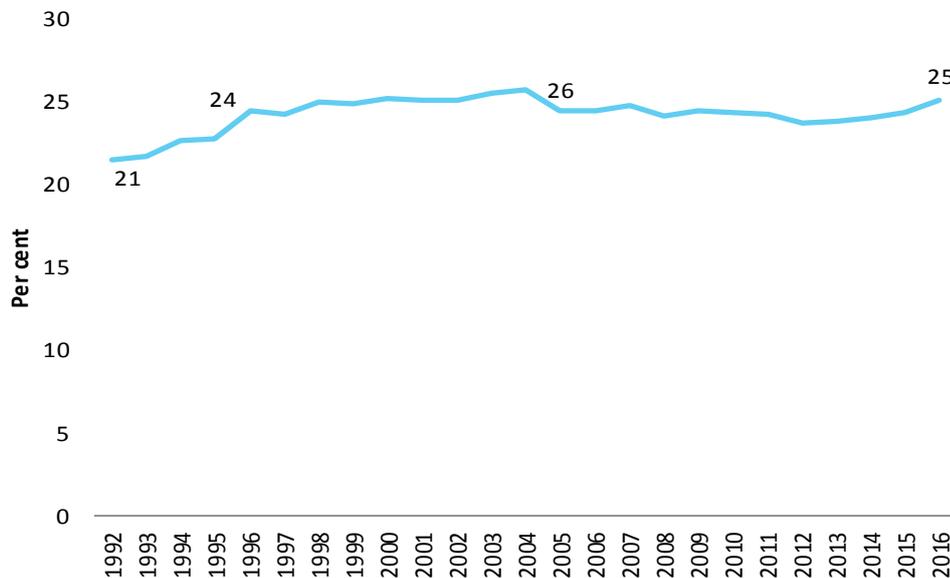
Source: ABS, *Australian Labour Market Statistics*, cat. no. 6105.0 (estimates for 1992 to 2004); ABS, *Characteristics of Employment*, cat. no. 6333.0, (estimates for 2005 to 2016)

<sup>3</sup> Dawkins, P. and Norris, K., Casual employment in Australia, *Australian Bulletin of Labour* (Vol. 16, Issue 2, pp. 156–173) using data from ABS, *Alternative Working Arrangements*, cat. no. 6341.0 and ABS, *Employment Benefits*, cat. no. 6334.0

<sup>4</sup> ABS, *Employee Earnings, Benefits and Trade Union Membership*, cat. no. 63010.0, various issues

After a relatively steep rise from 1992 to 1996, the casual employee share of both employees and employment has been relatively stable since—increasing slightly from 24 per cent in 1996 to 25 per cent in 2016.

**Figure 2: casual employee share of all employees (excluding owner managers), 1992 to 2016**

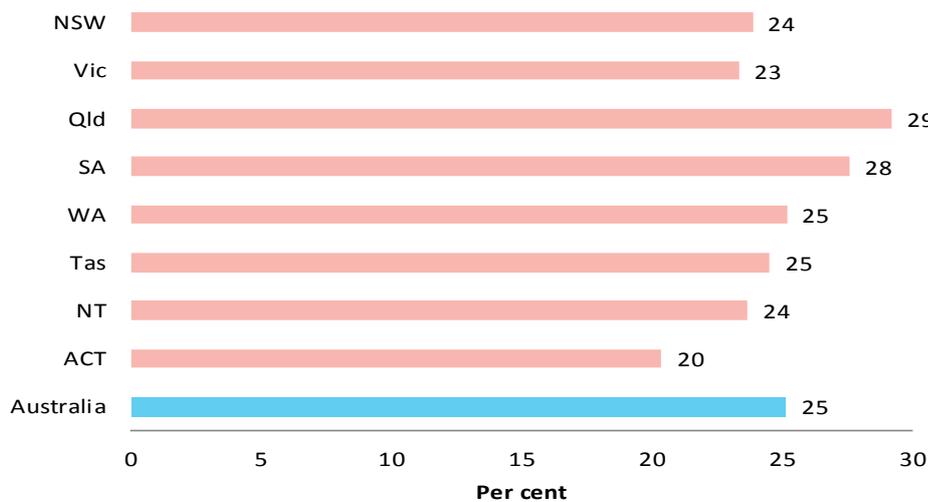


Source: ABS, *Australian Labour Market Statistics*, cat. no. 6105.0 (estimates for 1992 to 2004); ABS, *Characteristics of Employment*, cat. no. 6333.0, (estimates for 2005 to 2016)

*Prevalence of casual employees by state and territory*

Queensland and South Australia have the highest rates of prevalence of casual employees (or casual shares of all employees). The use of casual employment in each jurisdiction is influenced by differences in their industry and occupational mix of employment. Queensland has much higher casual employee shares than the national average in industries such as Construction (39 per cent), Transport (30 per cent), and Administrative and support services (40 per cent). South Australia and Tasmania have larger shares of their workforce employed in industries which are more likely to hire casual workers such as Retail, Administrative and support services and Health care and social assistance.

**Figure 3: casual share of total employees for each state and territory, August 2017**



Source: ABS, *Labour Force Survey*, cat. no. 6202.0

In contrast, the ACT has a much higher share of its workforce in Public administration and safety which is less likely to hire casual workers.<sup>5</sup> The following table shows Queensland and South Australia have historically had much higher rates of use of casual employees than other states and territories.

**Table 1: trends in casual share of total employees by state and territory, various years**

Casual share of total employees (%)	1992	2000	2010	2017
New South Wales	20.1	22.9	24.5	23.8
Victoria	18.6	23.4	22.8	23.3
Queensland	26.8	30.2	26.0	29.2
South Australia	26.2	29.3	29.0	27.6
Western Australia	19.5	26.0	22.1	25.1
Tasmania	25.2	26.3	25.8	24.5
Northern Territory	21.7	23.6	20.7	23.7
Australian Capital Territory	20.8	22.1	19.4	20.4
AUSTRALIA	21.5	25.2	24.3	25.1

Source: ABS, *Australian Labour Markets*, cat. 6105.0, Table 2

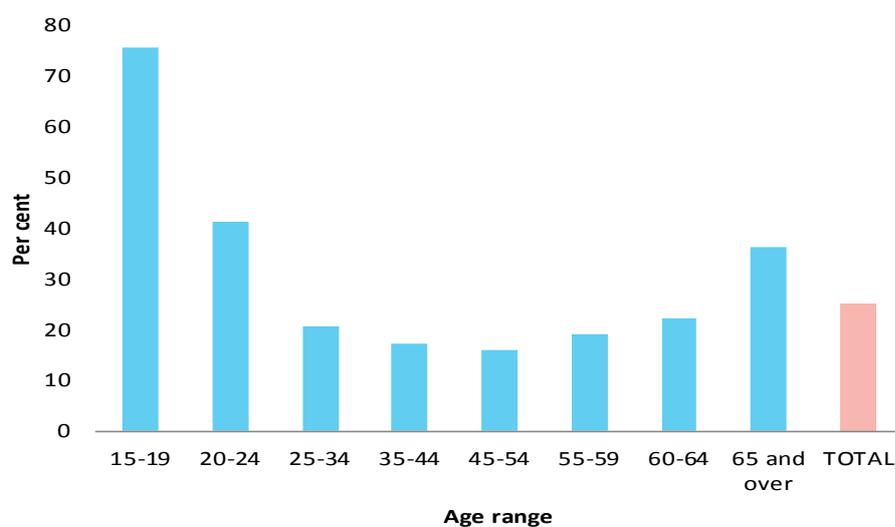
## Characteristics of casual employees

The following section sheds light on the characteristics of casual employees by age, gender, relationship in households, industry and occupation, the size of firms in which they work and how they are paid.

### Age

Prevalence of casual employees is much higher for people in younger age groups. Around 76 per cent of employees aged 15 to 19 years and 41 per cent of employees aged 20 to 24 years were casual employees in 2016—well above the all age average of 25 per cent. Prevalence of casual employees is much lower than the average for those aged 35 to 44 years and 45 to 54 years (at 17 per cent and 16 per cent respectively) but higher for those aged 65 years and over (36 per cent). People in the oldest age group may be more likely to be seeking casual employment to supplement their retirement income.

**Figure 4: casual share of total employees by age, August 2016**



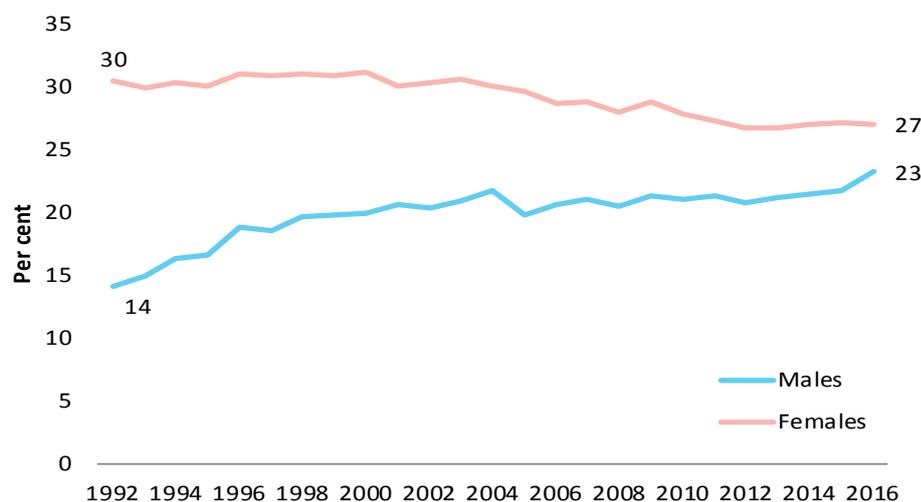
Source: ABS, *Characteristics of Employment*, cat. no. 6333.0, using TableBuilder

<sup>5</sup> ABS, *Characteristics of Employment*, cat. no. 6333.0, August 2016

## Gender

In the early 1990s casual workers tended to be characterised as either young people or women with caring responsibilities. However, it is evident that men are much more likely to be casual workers today than they were two decades ago. Around 23 per cent of male employees were employed on a casual basis in 2016 compared with 14 per cent in 1992. In contrast, casual employee prevalence among female employees has gradually fallen from 30 per cent to 27 per cent over this period. The male share of all casual employees has increased from 36 per cent in 1992 to 47 per cent in 2016.

**Figure 5: casual share of total male and female employees, 1992 to 2016**



Source: ABS, *Australian Labour Market Statistics*, cat. no. 6105.0 (estimates for 1992 to 2004); ABS, *Characteristics of Employment*, cat. no. 6333.0, (estimates for 2005 to 2016)

The following table shows trends in growth in male and female permanent and casual full-time and part-time employees in the twenty years to 2016 and composition of employees in 1996 and 2016.

**Table 2: growth in employee types for men and women, August 1996 to August 2016**

	1996	2016	Change—1996 to 2016		Share of all male and female employees (%)	
	'000	'000	'000	%	1996	2016
<b>Male</b>						
Permanent full-time	2853.3	3553.1	699.8	25	79	71
Permanent part-time	74.7	300.4	225.7	302	2	6
Casual full-time	339.7	503	163.3	48	9	10
Casual part-time	337.7	663.4	325.7	96	9	13
<b>TOTAL</b>	<b>3605.4</b>	<b>5019.9</b>	<b>1414.5</b>	<b>39</b>	<b>100</b>	<b>100</b>
<b>Female</b>						
Permanent full-time	1614.9	2300.2	685.3	42	53	49
Permanent part-time	492.7	1196.7	704	143	16	25
Casual full-time	177.1	231.9	54.8	31	6	5
Casual part-time	772.2	1059	286.8	37	25	22
<b>TOTAL</b>	<b>3056.9</b>	<b>4787.8</b>	<b>1730.9</b>	<b>57</b>	<b>100</b>	<b>100</b>

Source: ABS, *Australian Labour Market Statistics*, cat. no. 6105.0 (estimates for 1992 to 2004); ABS, *Characteristics of Employment*, cat. no. 6333.0, (estimates for 2005 to 2016)

For both men and women there has been a surge in permanent part-time employment in the past twenty years—more than quadrupling for men and more than doubling for women. Casual part-time employment also grew strongly for men—up by 326,000 or 96 per cent.

The permanent full-time share of total employees for men fell from 79 per cent in 1996 to 71 per cent in 2016, while the permanent part-time share of total employees for women increased from 16 per cent to 25 per cent.

#### *Household characteristics*

A relatively large proportion of casual workers are young people who are either students dependent on their parents or non-dependent children. Women and men with parental responsibilities also accounted for a significant share of casual workers. ABS data for August 2016 shows:

- just under a third of casual workers were either dependent students or non-dependent children
- a further 27 per cent of casual workers were women in partnered relationships or lone parents
- men in partnered relationships or lone parents accounted for 19 per cent of all casual workers.

**Table 3: household characteristics of employees with and without leave entitlements, August 2016**

Relationship in household	Gender	Access to leave entitlements		Total
		With paid leave entitlements	Without paid leave entitlements	
Husband, wife or partner	Male	36	19	32
	Female	31	23	29
Lone parent	Male	1	1	1
	Female	4	4	4
Dependent student	Male	1	8	2
	Female	1	11	3
Non-dependent child	Male	6	8	6
	Female	4	6	4
Other family person	Male	1	2	1
	Female	1	1	1
Non-family member or person living alone	Male	8	8	8
	Female	7	7	7
Relationship not determined	Male	1	1	1
	Female	0	1	1
	TOTAL	100	100	100

Source: ABS, *Characteristics of Employment*, cat. no. 6333.0, using TableBuilder

#### *Industry*

Some industries use casual employees more than others. For example, just under two-thirds of employees in the hospitality industry (or Accommodation and food services) were casual employees in 2016. Other big users of casual employees were Agriculture, forestry and fishing (43 per cent of all employees), Arts and recreations services (42 per cent), Retail trade (36 per cent) and Administrative and support services (34 per cent).

Employers in industries such as retail and hospitality tend to use casual part-time employees to service peaks in customer demand. Demand for casual labour among agricultural enterprises tends to be driven by seasonal factors such as harvesting and picking. Employees working in retail and hospitality need to be flexible in the hours and shifts they work but these circumstances may suit groups such as students who are seeking a small number of hours per week.

Only seven per cent of employees in the Financial and insurance services sector were employed on a casual basis. Other industries to record relatively small casual shares of total employment included Electricity, gas, water and waste services (9 per cent) and Public administration and safety (10 per cent).

**Table 4: casual employee share of all employees by industry, August 2016**

Industry	Casual share of total employees in each industry(%)	Industry share of total casual employees (%)
Agriculture, forestry and fishing	43	2
Mining	16	1
Manufacturing	19	6
Electricity, gas, water and waste services	9	0
Construction	25	7
Wholesale trade	16	2
Retail trade	36	15
Accommodation and food services	65	20
Transport, postal and warehousing	27	5
Information, media and telecommunications	19	1
Financial and insurance services	7	1
Rental, hiring and real estate services	21	1
Professional, scientific and technical services	14	4
Administrative and support services	34	4
Public administration and safety	10	3
Education and training	18	7
Health care and social assistance	21	12
Arts and recreation services	42	3
Other services	26	4
TOTAL	25	100

Source: ABS, *Characteristics of Employment*, cat. no. 6333.0, using TableBuilder

Accommodation and food services (or hospitality) accounted for 20 per cent of all casual workers employed in Australia in 2016 while the retail sector accounted for 15 per cent. Other industries to contribute larger shares of total casual employment included Health care and social assistance (12 per cent), Education and training and Construction (both 7 per cent) and Manufacturing (6 per cent).

#### *Occupation*

Some occupations have much higher shares of casual employees than others. The occupation groups with the highest casual shares are Hospitality workers (79 per cent of all employees) and Food preparation assistants (75 per cent). Other occupations with high concentrations of casual workers include Labourers (58 per cent), Sales support workers (56 per cent), Sports and personal service workers and Farm, forestry and garden workers (both 55 per cent). Managerial or professional occupations have the lowest casual shares.

**Table 5: casual employee share of all employees by occupation, August 2016**

Occupation group	Casual share of total employees in each occupation (%)
Hospitality workers	79
Food preparation assistants	75
Labourers nfd	58
Sales support workers	56
Sports and personal service workers	55
Farm, forestry and garden workers	55
Sales assistants and salespersons	48
Other labourers	48
Cleaners and laundry workers	45
Construction and mining labourers	45
Clerical and office support workers	36
Road and rail drivers	35
Factory process workers	33
Carers and aides	32
Food trades workers	31
Storepersons	30
Construction trades workers	29
Skilled animal and horticultural workers	29
Mobile plant operators	28
Inquiry clerks and receptionists	27
Farmers and farm managers	27
Other technicians and trades workers	27
Technicians and trades workers nfd	25
TOTAL	25

Source: ABS, *Characteristics of Employment*, cat. no. 6333.0, using TableBuilder

Note: nfd is not further defined. Occupation were only included in the table if their casual prevalence was higher than the average for all occupations of 25 per cent.

#### *Access to training*

HILDA data shows 22 per cent of casual employees in 2015 had engaged in work-related training in the previous 12 months. This compares with 38 per cent of permanent employees.

#### *Firm size*

The HILDA survey sheds light on the types of employees hired by small, medium and larger enterprises. It should be noted that the firm size range definitions used in the HILDA survey differ from those used by the ABS. The definition of small business is the same for both (firms employing between 1 and 19 employees) but HILDA uses 20 to 99 employees for medium sized firms and 100 employees or more for larger firms. In contrast, the ABS

defines a medium sized business as one employing between 20 and 199 employees and a large business is defined as one employing 200 employees plus.<sup>6</sup>

HILDA data shows casual workers are more likely to be hired by smaller firms (employing up to 19 people) than they are by larger firms (employing 100 people or more).

- Around 51 per cent of all casual employees worked in smaller firms in 2015. This share is much higher than the small business share of all employees (34 per cent in 2015).
- In contrast only 18 per cent of casuals are found in larger firms, which is much lower than the larger firm share of total employment (34 per cent in 2015).

A third of all people employed by smaller firms were casual employees which is higher than the average for all employed people of 22 per cent in 2015. In contrast, 21 per cent of people employed by medium sized firms (employing 20 to 99 people) were casuals, while the casual share of all employees for larger firms was much smaller at only 12 per cent.

Over three-quarters of employees in larger firms were permanent employees compared with around 60 per cent of employees of smaller firms. This finding suggests that small firms require workers who are more flexible in terms of the number of hours and shifts they work whereas larger firms appear to want a more stable workforce.

The HILDA survey also uses a slightly different definition of employees by including those on fixed-term contracts as a separate category to casual and permanent employees. HILDA data shows employees on fixed-term contracts accounted for 10 per cent of all employees in 2015. By comparison ABS data show around five per cent of all employees had a set completion date in 2015.

**Table 6: distribution of employee types by contract type by firm size, 2015**

<b>Distribution of all employees on particular contract types among small, medium and larger sized firms</b>				
<b>Firm size (number of employees)</b>	<b>Fixed-term contract (%)</b>	<b>Casual employees (%)</b>	<b>Permanent employees (%)</b>	<b>Total employees (%)</b>
1 to 19	25.4	51.4	30.1	34.3
20 to 99	31.5	30.7	31.9	31.6
100 plus	43.1	17.9	38.0	34.1
TOTAL	100.0	100.0	100.0	100.0
<b>Composition of employees working in small, medium and larger sized firms by contract type</b>				
<b>Firm size (number of employees)</b>	<b>Fixed-term contract (%)</b>	<b>Casual employees (%)</b>	<b>Permanent employees (%)</b>	<b>Total employees (%)</b>
1 to 19	7.1	33.0	59.9	100.0
20 to 99	9.6	21.4	69.0	100.0
100 plus	12.1	11.6	76.3	100.0
TOTAL	9.6	22.1	68.4	100.0

Source: *Household Income and Labour Dynamics in Australia (HILDA)*, 2015

Note: Table only includes responses from employees who knew how their pay was set.

#### *Method of setting pay*

HILDA data shows there are some differences in how different types of employees have their pay set. Casual employees are more likely to be on an award or Australian Fair Pay and Conditions Standard (APCS)<sup>7</sup> rather than

<sup>6</sup> ABS, *Australian Industry, 2015-16*, cat. no. 8155.0

<sup>7</sup> The APCS is a legislated set of key minimum entitlements of employment for employees in the national workplace relations system introduced by the *Workplace Relations Amendment (Work Choices) Act 2005*. The Australian Fair Pay and Conditions Standard (except for wages) ceased to apply on 31 December 2009.

being covered by a collective or individual agreement. Approximately 47 per cent of casual employees in 2015 were on an award compared with 19 per cent of permanent employees and 20 per cent of employees on fixed term contracts. Only 17 per cent of casual employees were covered by collective agreements and 28 per cent had an individual agreement or contract with their employer. Around 6 per cent of casual employees did not know under what arrangements their pay was set.

HILDA survey responses also show for those people on awards in 2015, 41 per cent were casual employees, 51 per cent were permanent employees and 8 per cent were employees on fixed-term contracts.

**Table 7: method of setting pay for different employee types, 2015**

<b>Composition of employees covered by different methods of setting pay by contract type</b>				
<b>Method of setting pay</b>	<b>Fixed-term contract (%)</b>	<b>Casual employees (%)</b>	<b>Permanent employees (%)</b>	<b>Total employees (%)</b>
Collective Agreement (CA)	10.3	11.6	78.0	100.0
Individual agreement or contract	10.4	17.6	72.0	100.0
Combination of CA and individual agreement	9.0	12.8	78.1	100.0
Award (or APCS) rate	7.5	41.3	51.2	100.0
Other	2.2	43.5	54.3	100.0
Don't know	11.2	52.6	36.2	100.0
TOTAL	9.6	22.6	67.9	100.0
<b>Distribution of all employees on particular contract types by method of setting pay</b>				
<b>Method of setting pay</b>	<b>Fixed-term contract (%)</b>	<b>Casual employees (%)</b>	<b>Permanent employees (%)</b>	<b>Total employees</b>
Collective Agreement (CA)	34.6	16.5	36.8	32.0
Individual agreement or contract	38.2	27.5	37.3	35.2
Combination of CA and individual agreement	4.0	2.4	4.9	4.2
Award (or APCS) rate	20.2	46.9	19.3	25.6
Other	0.1	0.9	0.4	0.5
Don't know	2.9	5.8	1.3	2.5
TOTAL	100.0	100.0	100.0	100.0

Source: *Household Income and Labour Dynamics in Australia* (HILDA), 2015

### ***Employee attitudes on job security, hours, earnings and job satisfaction***

This section examines how employee attitudes vary on elements of job satisfaction including perceptions about job security, earnings, and hours worked.

#### ***Job security***

ABS and HILDA data show casual employment is not necessarily temporary employment. While the contract of a casual employee can be terminated immediately, ABS data shows around 81 per cent of casual employees in August 2016 expected to be with their current employer in 12 months. This compares with around 93 per cent of permanent employees. HILDA data shows similar findings, with just under three-quarters (73 per cent) of casual employees interviewed in 2015 reporting they were working for the same employer in 2014. This compares with 89 per cent of permanent employees.

ABS data shows there was very little difference in the proportion of casual and permanent employees with a set completion date—six per cent compared with five per cent in August 2016. ABS data also shows while just under 42 per cent of casual workers had been with their current employer for 12 months or less a similar proportion had been with their current employer for two years or more. These findings give the impression that casual workers expect to remain with their current employer and the security of their employment is not as precarious as may have been expected.

#### *Working hours and earnings*

Perhaps the major disadvantage of a casual employment contract is the greater likelihood of facing irregular hours of work and fluctuations in earnings. ABS data for August 2016 shows casual employees are:

- much more likely to experience variable earnings from one pay period to another compared with permanent employees—53 per cent and 15 per cent respectively
- much less likely to be given a guaranteed minimum hours per week than permanent employees—42 per cent and 93 per cent respectively
- less likely than permanent employees to usually work the same number of hours per week—61 per cent and 85 per cent respectively
- three times more likely to want more hours per week than permanent employees—31 per cent and 10 per cent respectively.

#### *Job satisfaction*

HILDA data shows casual workers are slightly more satisfied with their pay than permanent employees but less satisfied with their job security and hours worked. Casual workers are more likely to consider they are paid fairly for the tasks they perform in their job but are less likely to be satisfied with their use of skills and abilities. Casual workers have a higher rate of satisfaction with flexibility available in their jobs than other workers.

**Table 8: job satisfaction of casual employees and other workers, 2015**

	<b>Employee type (average rating out of 10)</b>			
<b>Satisfaction with:</b>	<b>Fixed-term contract</b>	<b>Casuals</b>	<b>Permanent employees</b>	<b>Total</b>
Total pay	7.3	7.2	7.1	7.2
Job security	7.2	7.4	8.0	7.8
Current hours worked	7.4	7.0	7.4	7.3
Overall job	7.7	7.0	7.4	7.3
	<b>Employee type (average rating out of 7)</b>			
<b>Opinions about job:</b>	<b>Fixed-term contract</b>	<b>Casuals</b>	<b>Permanent employees</b>	<b>Total</b>
I get paid fairly for the things I do in my job	4.7	5.0	4.6	4.7
I worry about the future of my job	3.5	3.0	3.0	3.1
I have a secure future in my job	4.5	4.3	5.2	4.9
I use my skills and abilities in my job	5.6	4.9	5.5	5.4
My working times can be flexible	3.9	4.4	3.9	4.0

Source: *Household Income and Labour Dynamics in Australia* (HILDA), 2015

Note: Satisfaction with pay, job security and current hours worked are included in the table but overall job satisfaction also takes into consideration flexibility to balance work and non-work commitments and satisfaction with the type of work performed.

Another measure of job dissatisfaction is whether workers are looking for alternative employment. HILDA data for 2015 shows casual workers were almost twice as likely as permanent workers to have looked for another job in the previous four weeks—26 per cent and 14 per cent respectively.

Researchers at the Melbourne Institute undertook analysis of a pooled group of respondents to the HILDA survey from 2001 to 2011 and found job satisfaction for male casual employees was slightly lower than male permanent employees. Job satisfaction among female casual and permanent employees was found to be similar. Male casual employees aged 25 to 54 years recorded much lower job satisfaction than female casual employees of the same age. Job satisfaction tends to be similar for all types of employees 55 years and over.<sup>8</sup>

The results of regression analysis showed male casual employees were between five and seven percentage points less likely to report high levels of job satisfaction than permanent employees and between one and three percentage points more likely to report very low levels of job satisfaction.<sup>9</sup>

#### *Preference for more hours of work*

ABS data shows casual employees are just over three times more likely than permanent employees to want more hours of work per week—31 per cent compared with 10 per cent in August 2016. The data shows 36 per cent of casual part-time workers want more hours of work compared with 20 per cent of permanent part-time workers. The data also shows 17 per cent of casual employees working full-time wanted extra hours per work despite already working full-time hours. By comparison only seven per cent of permanent employees working full-time wanted more hours of work.

**Table 9: employee preferences for hours of work, August 2016**

	Employees with leave entitlements			Employees without leave entitlements		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<b>Preferences for hours of work</b>	('000)	('000)	('000)	('000)	('000)	('000)
Want more hours	429.6	291.9	721.5	124.7	628.3	753.0
Don't want more hours	5425.9	1203.8	6629.7	611.9	1096.4	1708.3
Total employees	5855.5	1495.7	7351.2	736.6	1724.7	2461.3
<b>Share of total that want and don't want more hours</b>	%	%	%	%	%	%
Don't want more hours	93	80	90	83	64	69
Want more hours	7	20	10	17	36	31
<b>How many extra hours wanted per week</b>	%	%		%	%	
Want fewer than 10 hours extra per week	4	9	5	9	13	12
Want extra 10–19 hours per week	3	8	4	6	14	12
Want extra 20–29 hours per week	0	2	1	2	7	5
Want 30 hours or more extra per week	0	1	0	0	2	2

Source: ABS, *Characteristics of Employment*, cat. no. 6333.0

<sup>8</sup> Melbourne Institute, *Families Income and Jobs*, Volume 9, pp. 61–64

<sup>9</sup> Buddelmeyer, H., McVicar, D., and Wooden, M., *Non-Standard 'Contingent' Employment and Job Satisfaction: A Panel Data Analysis*

While a large proportion of casual workers were underemployed they are by no means a homogenous group. Some wanted a few additional hours per week while others wanted substantially more. Of those casual workers who wanted more hours of work per week, 39 per cent wanted between one and 10 hours more, 39 per cent wanted between 10 and 19 additional hours per week, 17 per cent wanted an additional 20 to 29 hours and five per cent wanted an additional 30 hours or more.

## Conclusion

The use of casual employees in Australia grew strongly from the early 1980s to the mid-1990s as the Australian economy experienced labour market de-regulation and became more exposed to international competition. The composition of employment growth has been more balanced over the past 20 years with growth in use of casual employees only slightly higher than growth in use of permanent employees. The prevalence of casual employees has remained relatively stable during this period with casual employees consistently accounting for around a quarter of all employees.

ABS and HILDA data confirm that casual employees are slightly more concerned about their job security than permanent employees and employees on fixed term contracts. While the nature of casual work would appear to be less secure and more likely to be terminated than other forms of employment, a substantial proportion expect to be with the same employer in 12 months.

Casual employees appear to be reasonably satisfied with the pay they receive and the flexibility this form of work offers. But they are far less satisfied with the number and regularity of hours of work they receive and the use of skills they have acquired. Variable hours is directly associated with variable pay which can affect the ability to repay debts and service loans. The data shows casual employees are far more likely than permanent employees to want more hours of work per week.

Less is known about the proportion of casual employees who choose voluntarily to remain in this form of work and the proportion who take casual jobs as these are the only types of jobs they can find. Many casual workers transition quickly to other non-casual jobs but others remain in casual work either through necessity or by choice. Some casual workers may choose to remain in casual jobs as they are attracted to the cash loading offered in compensation for lack of entitlement to a number of leave entitlements. This is particularly the case for young people balancing study and work. But others may be seeking more certainty about the hours of work they receive. More research is necessary to establish the characteristics of the group seeking to escape casual work and what barriers prevent them from transitioning to other forms of work.

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