

Work and Life in a Pandemic:

*An Update on Hours of Work and
Unpaid Overtime Under COVID-19*

By Dan Nahum

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**The Centre for Future Work at the Australia
Institute**

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Introduction and Summary

2020 marks the twelfth annual *Go Home on Time Day* (GHOTD), an initiative of the Centre for Future Work at the Australia Institute that shines a spotlight on overwork among Australians, including excessive overtime that is often unpaid.

It has been an extraordinary and difficult year, to say the least. Many workers are doing at least some of their work from home, and the standard scenario of ‘staying late at the office’ around which we have often shaped our analysis in the past applies to fewer workers than usual. But that is not to say that workers aren’t doing work for free—in fact, the estimated incidence of ‘time theft’, or unpaid overtime, has gone up compared with 2019. Additionally, in many cases people’s responsibilities in their home lives have increased in response to the health and social crisis, accentuating the double burden faced by workers (and especially by women workers).

Since 2009, the Centre for Future Work and the Australia Institute have commissioned an annual survey to investigate overwork, unpaid overtime, and other instances of ‘time theft’ in Australia. This year’s poll of 1601 Australians was conducted between 23 and 27 July, with a sample that was nationally representative according to gender, age and state or territory. Of the 1601 respondents, 945 (or 59%) were currently in paid work.

This year, in addition to our usual survey questions about unpaid hours of work, we paid particular attention to the impact that the COVID-19 pandemic has had on people’s working patterns. These included the extent to which they were working from home, and whether they were being supported to do so by their employers.

Employed respondents were also asked several questions regarding their hours of work, and whether they wanted more work or less. This report summarises the results of that polling, and places it in the context of national labour force trends:

- On average, workers reported they had worked **5.3 hours of unpaid work in the last seven days**. This was an increase from 4.6 in 2019.
- This time theft equates to **273 hours per year, or over seven standard 38-hour work weeks** per worker.
- At the economy-wide level, this equates to **almost \$100 billion dollars of lost income per year**. In an environment of depressed household demand and

purchasing power, this has extraordinarily damaging consequences throughout the economy—including throughout the business sector.

- Even though total work hours have fallen, and much work has shifted to home, demands for unpaid overtime remain strong.
- 44% of part-time employees and 53% of casual employees reported that they wanted more (paid) hours.
- One in five (21%) workers indicated that their employers' expectations of their availability had increased during the COVID-19 crisis.
- **70% of people working at home are doing some of it outside of normal working hours.**
- 28% of workers said their family and/or caring responsibilities had increased as a result of COVID-19.
- Amongst workers who reported additional COVID-19-related caring responsibilities, 27% of men had not received time allowances from their employer to do so. **But almost half (45%) of women had not.** This is evidence of an increasing double burden for women.
- Men were more likely to get flexibility to discharge increased caring responsibilities from their employer and retain the same pay (57%), compared to women (39%).
- High-income earners have been relatively insulated from the impacts of the crisis on hours and incomes: a larger proportion reported doing at least some work from home, and of those who worked from home, they reported being able to undertake a larger *proportion* of their work from home.
- In contrast, lower-income workers and those in precarious jobs have been affected especially badly by the health and employment crisis, with limited ability to pivot towards home-based work.
- Of workers who reporting working from home, **one-third (33%) indicated they will work from home more post-pandemic than they did before.**

These results are consistent with previous research on the opportunities and risks of working from home published by the Centre for Future Work (Pennington & Stanford, 2020), which highlighted:

- the blurring of lines between work and home lives, especially in the context of additional family and caring responsibilities imposed by the COVID-19 pandemic
- the incompleteness of our approach to work health and safety rules when work is conducted in the home, notwithstanding clear legislative requirements identifying the employer’s duty of care regardless of work site
- the further bifurcation of the workforce into ‘haves’ and ‘have-nots’—white-collar workers, already insulated from some aspects of the pandemic by higher incomes and less precarious working conditions, are also most able to shift to home-based work on account of the nature of their roles
- the shifting of normal workplace costs (like rent, furniture, and utilities) to employees working at home.

Overall, the shift towards home work has not resulted in fewer unpaid hours of work—in fact, the opposite has occurred. Without adequate enforcement of workplace protections (including limits on hours, overtime premiums, and workplace health and safety standards), home work may not represent a step toward a better work-life humane balance for workers. Instead, the post-COVID rise in home work may constitute a further incursion of work into people’s personal time, and a further undercutting of Australia’s minimum standards around employment (including hours, overtime, and penalty rates).

Moreover, the COVID-19 crisis represents an inflection point in Australian working and management culture. As we recover from the acute impacts of COVID-19, it will be important to monitor the extent to which Australian workers continue to work from home, partially or wholly. Our hope is that Australia’s industrial relations system will evolve and improve to better protect those workers who work from home, as well as those who do not.

This research paper commences by describing the hours worked and employment status (full-time, part-time, casual, self-employed, or not employed) of survey respondents. It then considers the polarisation of working hours among workers—highlighting the incongruity of many workers reporting too few paid hours, while other workers simultaneously report working more than they wish. The paper then considers the incidence of unpaid overtime in the Australian economy, and the cumulative economic cost of this ‘time theft’ to the broader economy. In addition, this year we report findings on the working impacts of COVID-19, and effects of working from home on our survey respondents. We conclude with proposals for policy directions to better protect the rights of workers in the post-COVID labour market.

Hours of Work

Table 1 summarises the employment status and normal hours of work reported by respondents to the survey. 59% of respondents were employed. This figure is consistent with the average employment rate reported by the ABS in its monthly labour force survey.¹

Of those employed, 60.7% worked in standard full-time positions, while the remainder worked in part-time (22.9%), casual (10.6%) or self-employed (5.8%) positions. In our sample, therefore, almost two in five employed Australians reported experiencing one or more of these dimensions of non-standard or insecure employment—close to the overall labour market average.²

Table 1. Employment Status of Sample

Of all respondents:				
	Employed		Not Employed	
Employment Status	59%		41%	
Of employed respondents:				
	Full-Time	Part-Time	Casual	Self-Employed
Percent of Employed	60.7%	22.9%	10.6%	5.8%
Average Hours/Week	38.7	21.3	15.9	27.9

Source: Survey results as described in text.

On average, survey respondents in paid work worked 31.7 hours a week (34.2 hours among men, and 28.7 for women).

Full-time workers in the sample reported working an average of just under 39 hours per week. Regular part-time workers worked an average of 21.3 hours per week, compared to 15.9 hours per week for casual workers and 27.9 hours per week for the self-employed.

Unsurprisingly given the COVID-19 crisis, aggregate labour market data indicates a decrease in average working hours over the past year (ABS, 2020), as many full-time jobs have been replaced with part time roles. This accentuates a longer-term decline in

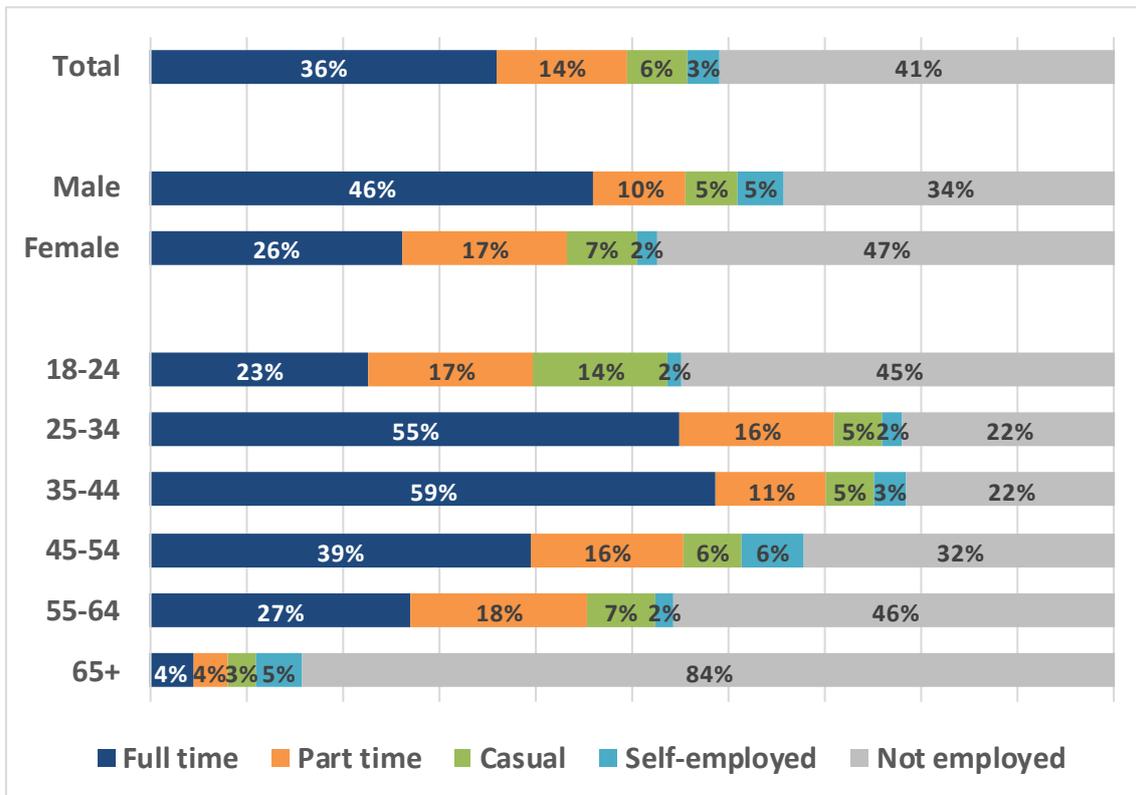
¹ The employment to population ratio was 59.8% in July 2020; see ABS (2020).

² Carney and Stanford (2018) report that in 2017 slightly over half of all employed Australians experienced part-time, casual, or self-employment.

average working hours, driven primarily by continued growth in part-time work and growing underemployment (especially severe for workers in precarious jobs).

Figure 1 describes employment status by gender and age for the whole sample (including those who reported not being in employment). Women were far more likely to work in part-time or casual roles (24% of all respondents) than men (15%). Those aged 18-24 were the most likely to be in part-time or casual work (31%), compared to 20% overall. There was a significant increase from 2019 amongst those aged 18-24 who reported not being in work at all (from 27% to 45%).

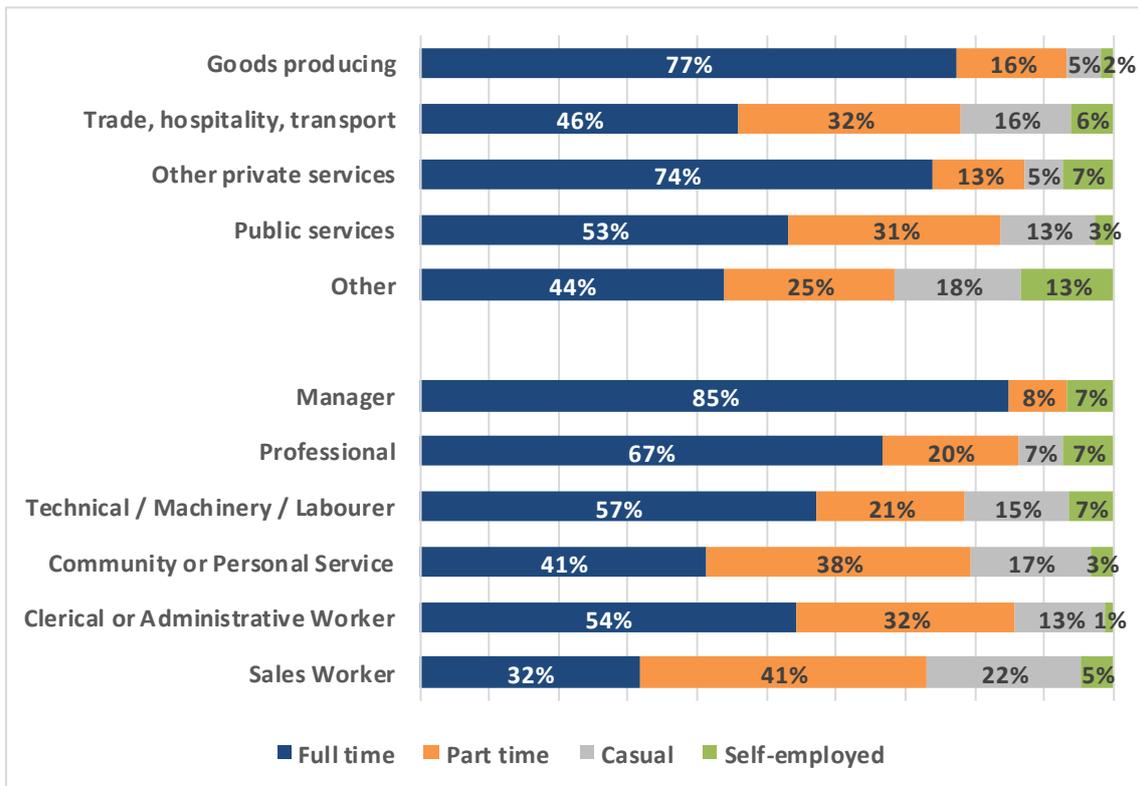
Figure 1. Employment Status by Gender and Age Cohort, percentage of all respondents



Source: Survey results as described in text.

Figure 2 illustrates the breakdown of employment status by industry. There are stark differences in employment status between different sectors of the Australian economy, bearing out the continuing polarisation of working conditions across the labour force.

Figure 2. Employment Status by Industry and Occupation, percentage of employed persons



Source: Survey results as described in text.

Goods-producing industries (including mining, manufacturing, utilities, construction and agriculture) were the most likely to employ full-time workers (77% of total employment). In contrast, fewer than half of workers in trade, hospitality and transport were in full-time work (46%), less than the proportion (48%) in casual or part-time work. Public services, like health, education and administration, were more likely to be in full-time work (53%).³

Figure 2 also illustrates the incidence of full-time work across different occupations. Managers and professional staff were most likely to be in full-time work (85% and 67% respectively), but less than half of sales workers (32%) and community and professional service workers (41%) had full-time jobs. Most sales workers (63%) and community and professional service workers (55%) were employed in casual or part-time positions.

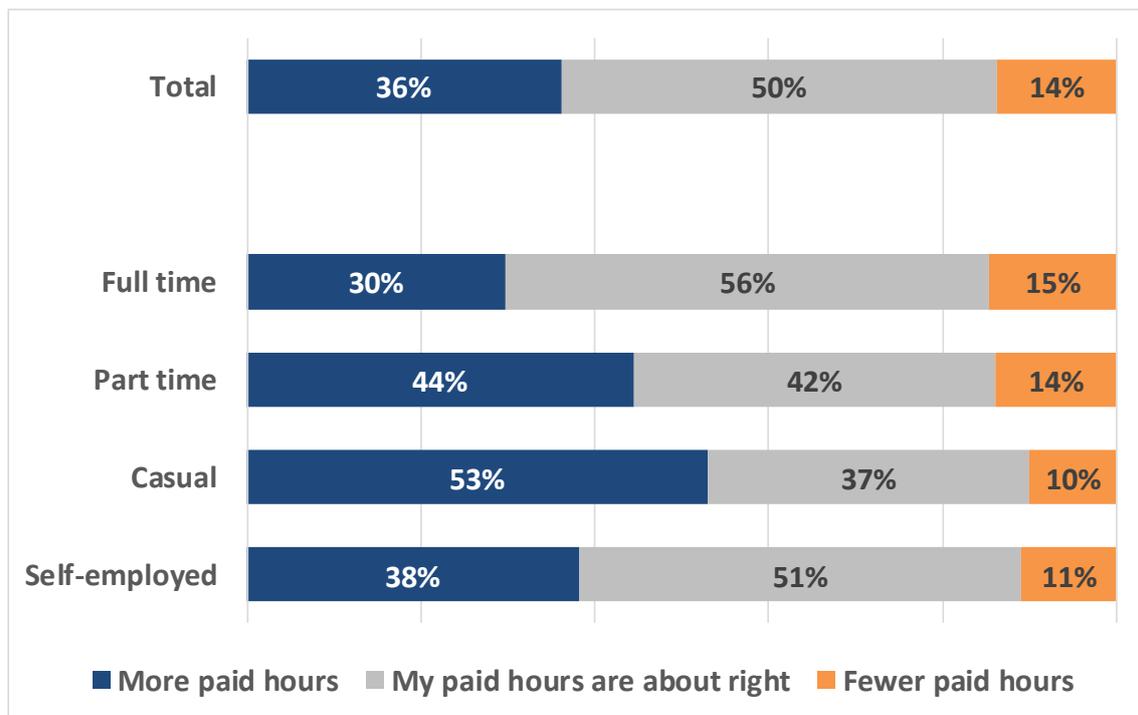
³ Our survey data also includes a significant proportion of responses which indicated they worked in a catch-all “Other” category, other than the first four industry groupings. Most of these respondents likely did not know how to precisely categorise the industry where they work.

Polarisation of Working Hours

Half (50%) of all employed workers in our survey indicated that their hours of work were ‘about right’. About one-sixth of employed workers preferred to work fewer paid hours (14%), while over one-third wanted more paid hours (36%).

As in our previous surveys, there were major variations in attitudes toward working hours depending on current working hours and employment status, as illustrated in Figure 3. It is especially notable that the proportion of self-employed workers who wanted more paid hours leaped from 27% in 2019 to 38% in 2020—indicative of the broader economic slowdown caused by the COVID-19 pandemic.

Figure 3. Hours of Paid Work Preferences, by Work Type



Source: Survey results as described in text.

People in full-time and part-time work were more likely to say they preferred to work fewer paid hours (15% and 14%, respectively) compared to casual (10%) and self-employed (11%).

On the other hand, almost half of part-time workers (44%) and more than half of those in casual jobs (53%) wanted more paid hours. 30% of full-time workers wanted more

paid hours, and 38% of self-employed workers indicated they would like to work more hours.

These results reaffirm a continuing polarisation of working hours in Australia's labour market. Many workers (especially those in part-time and casual positions) want more hours of work, while some workers (especially those in permanent roles) want less. The growing problem of underemployment, experienced particularly by those in casual and part-time work, is another indication of this polarisation in hours. Given the events of 2020, it is unsurprising that there has been an increase in the number of workers who report that they would like to work more hours compared with the same period last year.⁴ Already facing chronic insecurity in hours of work and hence incomes—exacerbated by the increased precarity of the post-COVID-19 labour market, and low wages in most part-time and casual jobs—these workers indicate a strong preference for more paid work.

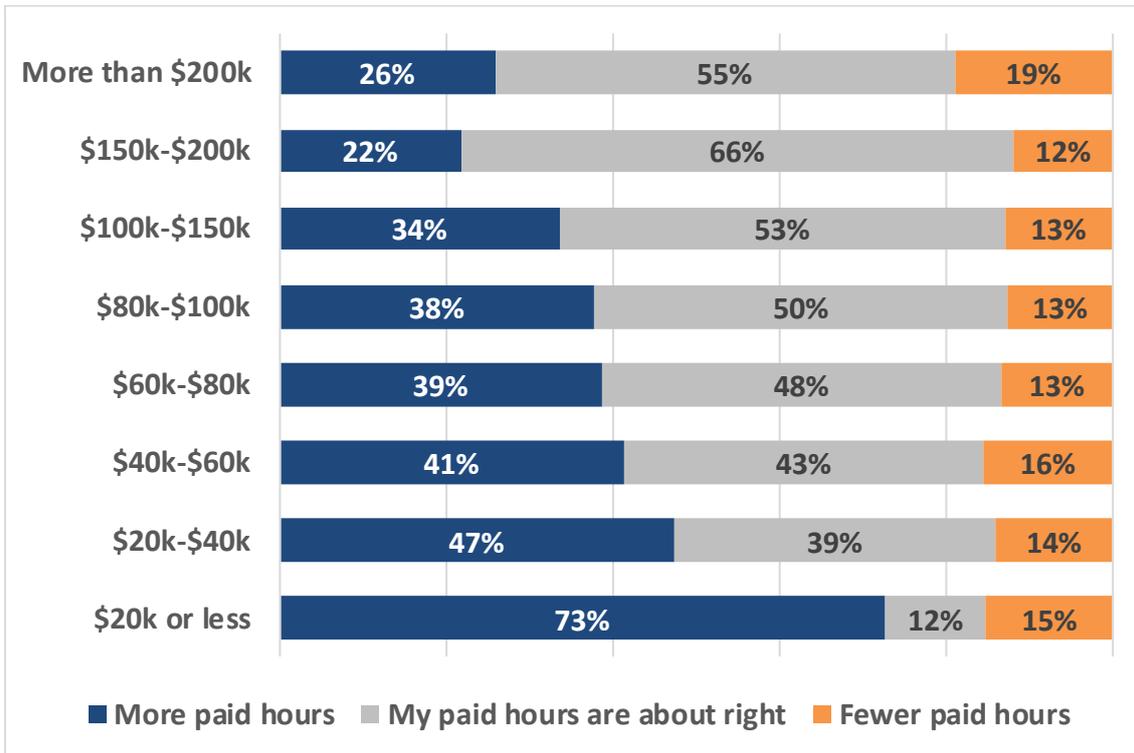
These findings are supported by an almost monotonic negative relationship between income level and desire for more paid hours, as shown in Figure 4. These results belie the claims of business lobbyists and others who claim that so-called 'flexible' labour markets give workers the 'freedom' to work as much or as little as they wish. In fact, significant proportions of low-income workers are seeking more paid hours—almost three-quarters (73%) in the lowest income category (\$20,000 per year or less). Below the \$80,000-\$100,000 category, less than half of workers report that the number of hours they work is 'about right'.

It is notable that our survey results show far higher rates of underemployment than the officially recorded measures published by the ABS. Our figure of 36% is more than three times the 11% underemployment rate recorded by the ABS for the same time period (ABS, 2020, table 22). This suggests that the official measure is highly conservative in the way it records underemployment.⁵

⁴ Official ABS figures confirm the rise in underemployment since COVID-19. In July 2020, the ABS reported that around 11% of employed workers would prefer more hours of work, higher than the 9% rate recorded the previous July (ABS 2020, Table 22). The official measure of underemployment is more than twice as high (around 20%) for young workers (aged 15-24).

⁵ The spread between our figures and the ABS data is especially wide for young workers. As discussed below, 62% of workers aged 18-24 in our survey indicated they would like more paid hours – three times higher than the official underemployment rate for young workers (15-24) reported by the ABS.

Figure 4. Preferences for More or Less Hours of Paid Work by Annual Income

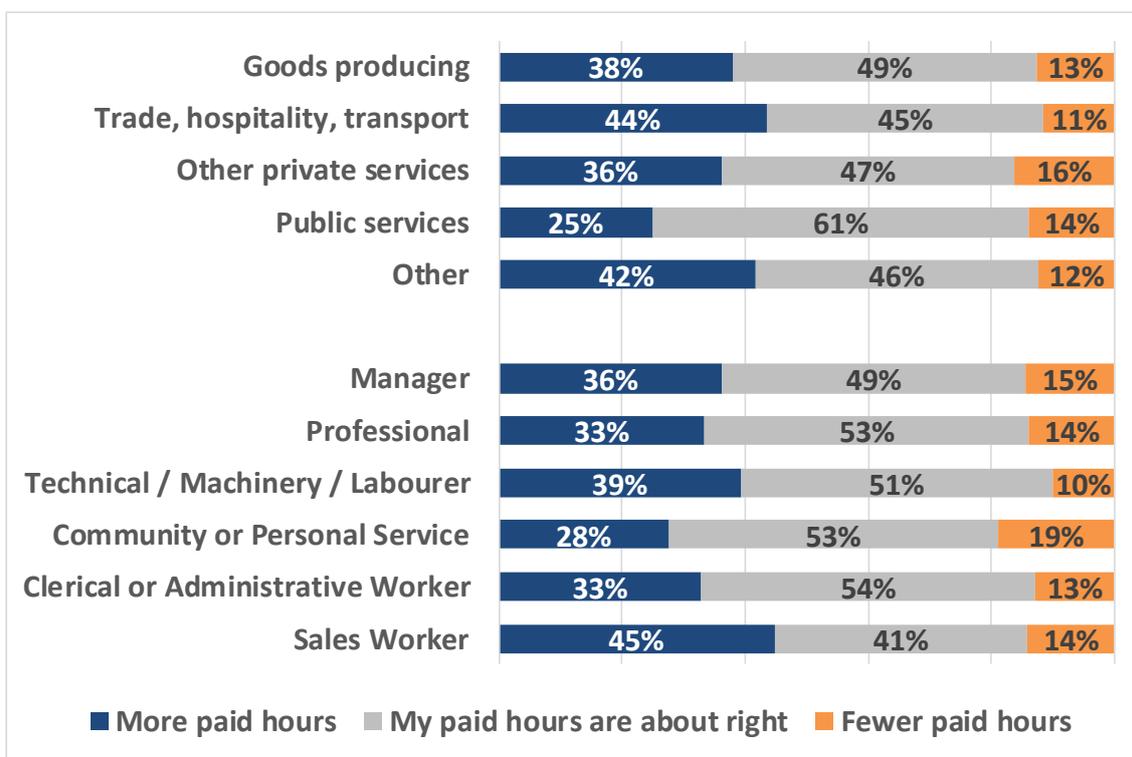


Source: Survey results as described in text.

There are also substantial differences in attitudes toward working hours across industry and occupation groupings (illustrated in Figure 5). Workers in trade, hospitality and transport (44%) and goods-producing industries (38%) were most likely to want more hours, while those in public services (education, health and public administration) were least likely (25%). This may partly reflect the relative certainty of public sector incomes in times of economic crisis.

In terms of occupational attitudes, sales workers were most likely to want more work (45%), followed by technicians, machine operators and labourers (39%). The heavy incidence of part-time and casual work in these occupations helps to explain their preference for more hours. Community or personal service workers were most likely to want fewer hours (19%)—an unsurprising finding in a year where the whole of society has been especially reliant on them.

Figure 5. Preferences for More or Less Hours of Paid Work by Industry and Occupational Category



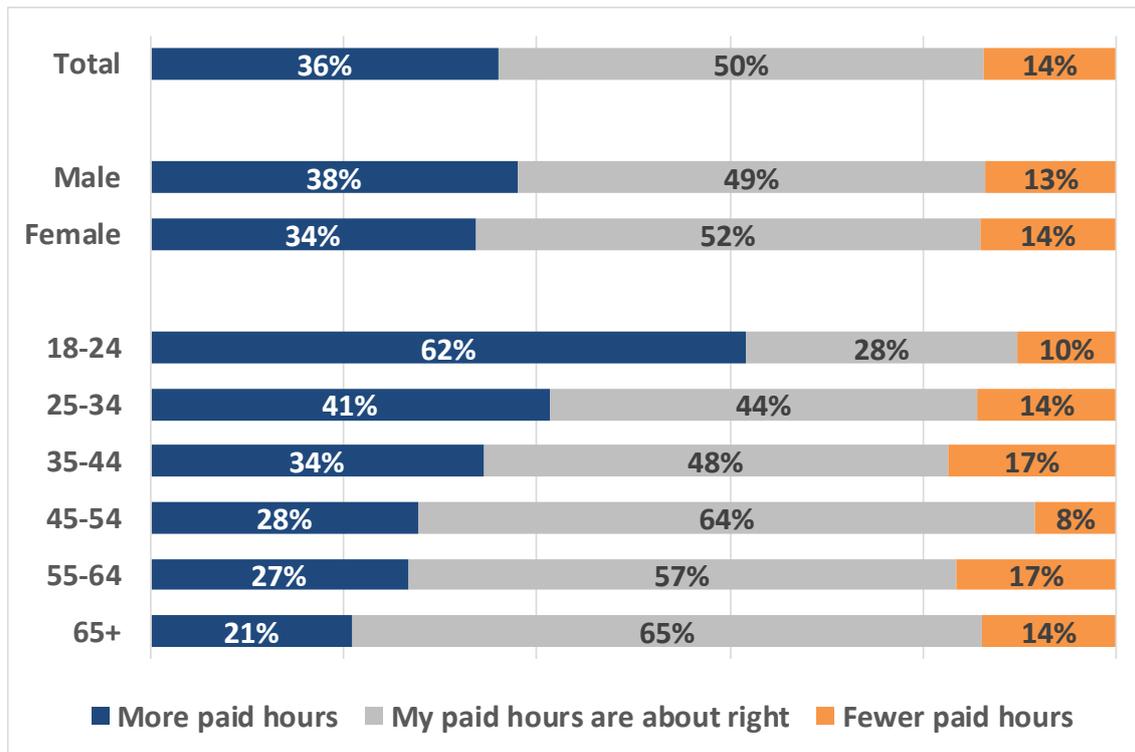
Source: Survey results as described in text.

Men are somewhat more likely to want more paid hours than women: 38% for men, versus 34% for women (see Figure 6). This is somewhat counterintuitive, given that men are more likely to be in full-time work, and (as noted above) full-time workers are more likely to be satisfied with their current hours. To some degree the higher incidence of part-time work among women reflects their preferences for shorter working hours—largely because of the difficulties of balancing paid work and caring responsibilities (given Australia’s inadequate early child education and other family-supporting services). Nevertheless, over one-third of employed women would prefer to work more hours, and that interest would certainly be stronger if proper supports for work-life balance were implemented in Australia.

Younger workers are much more likely to want more paid hours. More than three-fifths (62%) of workers under 24 would prefer more hours; our survey thus indicates that the underemployment problem among young workers is three times worse than implied by official ABS measures. The desire for more hours then declines monotonically with age; less than 30% of workers over 45 would prefer more hours. Since younger people are much more likely to be in casual and part-time work, their desire for more hours is not surprising.

Workers between 35 and 44 years old, and 55 and 64 years old, were most likely to prefer fewer hours (17%—representing a significant drop from 24% among workers aged 35-44 years old last year). Figure 6 illustrates the breakdown by gender and age cohorts.

Figure 6. Hours of Paid Work Preferences by Gender and Age



Source: Survey results as described in text.

In summary, younger people and those in casual and part-time work express a strong preference for more hours of paid work. A significant proportion of those in full-time and part-time employment reported a desire for shorter working hours.

There is a persistent irony in the fact that many Australians would prefer to work fewer paid hours, while many others would prefer to work more paid hours. It would obviously be beneficial to shift working hours from those with too many hours, to those with too few. But this polarisation of working hours reflects the dichotomy in employer strategies between utilising a precarious, ‘just-in-time’ workforce for many jobs (shifting the risk of fluctuations in demand onto the shoulders of part-time, casual, and contingent labour), while demanding very long hours (including large amounts of unpaid overtime) from a separate group of core, largely full-time workers, who in the context of a depressed labour market do not feel confident to leave a secure job in favour of better work-life balance.

This incongruous and unhappy situation continues to demand a variety of a legislative and regulatory responses. This need has been heightened by the extent to which full-time jobs are being replaced with part-time roles in the post-COVID economy. Limits must be placed on the ability of employers to mobilise a contingent workforce into jobs with inadequate and uncertain hours. Casual work should be used only as a supplementary workforce to help smooth out seasonal or cyclical fluctuations in business—not as a regular, permanent staffing system. Workers need more stability in rosters and work schedules, advance notice for regular rosters, and compensation when schedules are changed. These measures would limit employers' current preference for using workers on a hyper-flexible just-in-time basis, which shifts risk from employers to workers, and generates disruption and poverty among those precariously employed.

At the other end of the labour market, full-time workers also need support to attain a better balance of work and life responsibilities. This includes limits on overtime, increased formal and enforceable ability to turn down overtime, and better access to leave (including annual, long-service, educational and family leaves).⁶

COVID-19 underlines the case in favour of shorter standard working hours. This would help strengthen employment opportunities (including for currently underutilised workers), increase worker engagement, and support a better balance between work and domestic life which, as discussed below, is absolutely required.

⁶ Our 2016 *Go Home on Time Day* report featured an in-depth examination of threats to paid holidays in Australia. It found that a significant and growing share of workers in Australia do not have effective access to regular paid annual holidays. Close to one-third of workers do not have access to paid leave, and more than another third did not use all the leave they were entitled to (Henderson, 2016).

Unpaid Overtime

Survey respondents were asked about the number of hours they worked unpaid for their employer in the past seven days. This could include arriving at work early, staying late, working through breaks (such as tea or lunch breaks), working from home in the evenings and on weekends, taking calls or e-mails out of working hours, and other forms of unpaid labour.

On average, people reported they had worked 5.25 hours of unpaid work in the last seven days. This was an increase from 4.62 in 2019.

There are significant differences in the incidence of unpaid overtime across different forms of employment. Unpaid overtime is more severe for full-time workers, who reported an average of 6.21 hours per week. Self-employed workers also reported heavy unpaid overtime: 4.25 hours per week.⁷ But even among part-time and casual workers, who are anxious to attain more *paid* work (as reported above), unpaid overtime is endemic: 4.16 hours per week for part-time workers, and 2.71 hours per week for casual workers. Across all employment types other than self-employed,⁸ there was an increase in unpaid overtime between 2019 and 2020.

Table 2. Unpaid Overtime by Employment Status

	Full-Time	Part-Time	Casual	Self- Employed	Total
Unpaid Overtime per Week 2020	6.21	4.16	2.71	4.25	5.25
Share of Paid Hours Worked	16.0%	19.5%	17.0%	15.3%	16.6%

Significant amounts of unpaid overtime are thus incurred across all major employment categories (see Table 2). At the macroeconomic level, this unpaid overtime removes purchasing power from the economy, relative to what workers—who are also consumers—would be able to wield if they were fully remunerated. This is especially concerning during a period of decreased household confidence, and resulting negative pressure on businesses, wages and employment; it only reinforces downward pressure

⁷ The concept of “unpaid overtime” is somewhat imprecise for self-employed workers, who in addition to any formal wage or salary payment from their businesses are also compensated through the business’s profits.

⁸ We surmise that self-employed workers have taken advantage the discretion to wind back their hours in response to decreased economic activity.

on purchasing power, spending, and employment. One important priority for governments at all levels, who employ a substantial proportion of the workforce, is to ensure their own workers are compensated for all time worked—as well as implementing policy measures to reduce the incidence of unpaid overtime and ‘time theft’ in private sector workplaces.

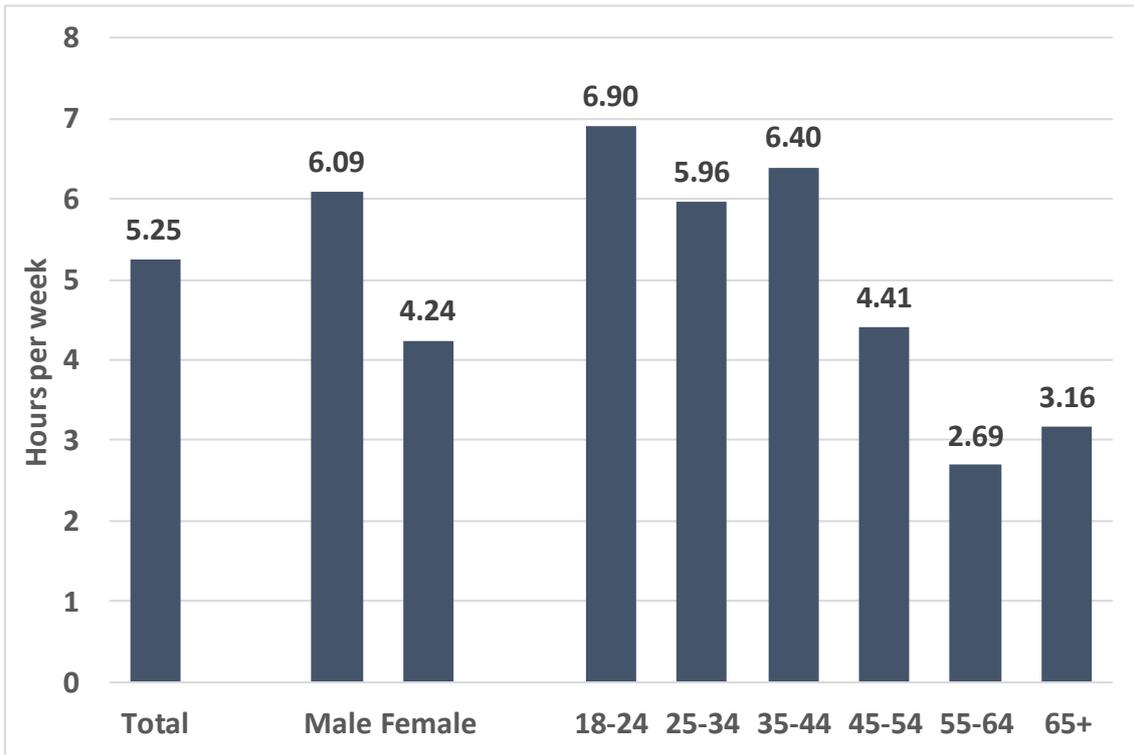
On an annualised basis (assuming a constant rate of unpaid overtime throughout the year), this translates into an annual average of 273 hours of unpaid overtime per year per worker across all forms of employment. Based on a standard 38-hour workweek, this is equivalent to more than seven weeks of unpaid work per worker per year.

Extrapolated across Australia’s workforce, this implies total unpaid overtime worked of some 2.9 billion hours per year.

Figure 7 illustrates average unpaid overtime per week by gender and age cohort. Men reported an average of 6.09 hours of unpaid overtime per week, compared to 4.24 hours for women.⁹ It is concerning that those aged 18-24 (6.90 hours) performed the most unpaid overtime. The vulnerability of this group of workers has been heightened by the weak labour market conditions associated with COVID-19. Recall that these are also the workers who most want more hours of (paid) work. Young workers are in the most insecure jobs, and especially in the present labour market may feel particular pressure to impress the boss—or to feel too insecure in their employment to say no to the boss. They are also concentrated in casualised industries rife with time theft, such as hospitality and retail: where it is commonplace, for example, for workers to be required to set up or close up stores and restaurants without pay. Young people also face demands to perform ‘training hours’ without pay.

⁹ Of course, these figures do not include hours of unpaid caring and household work, a disproportionate share of which is performed by women.

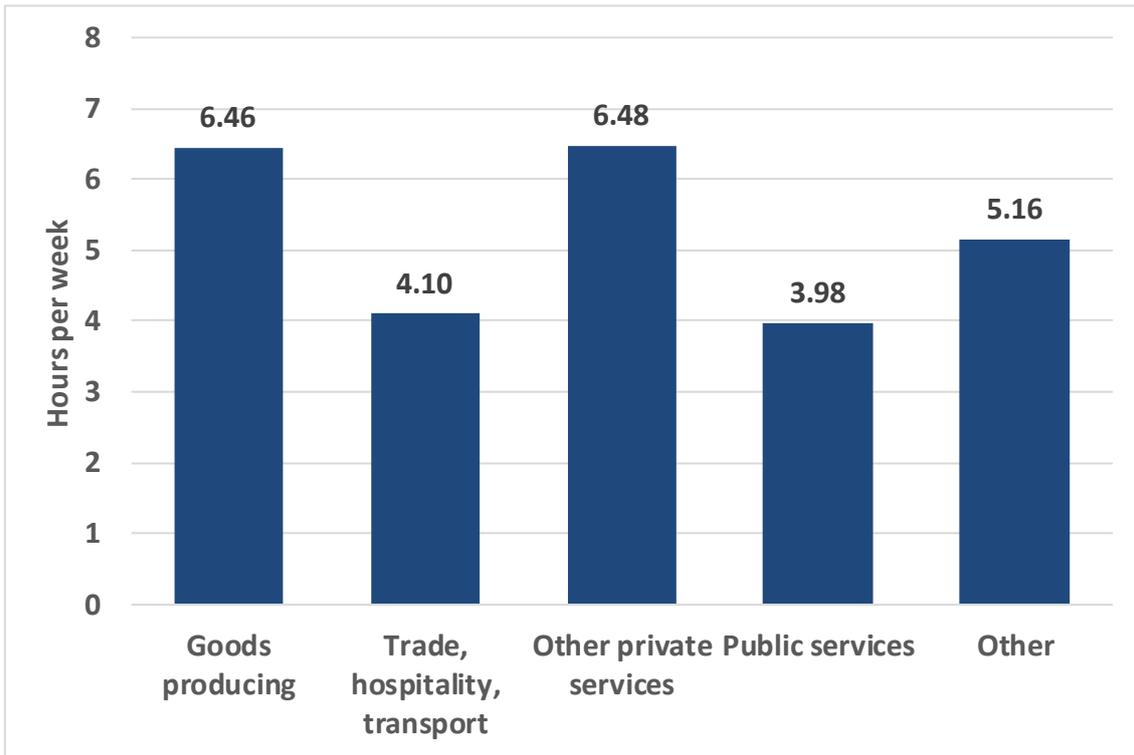
Figure 7. Unpaid Overtime by Gender and Age



Source: Survey results as described in text.

Figure 8 reports the average amount of unpaid work by industry grouping. Workers in goods-producing industries (agriculture, mining, manufacturing, utilities and construction) report an average of 6.5 hours per week. Workers in trade, hospitality and transport worked an average of 4.1 hours unpaid overtime per week, and workers in other private services worked an average of 6.5 hours per week (up more than two hours per week from 2019). Public services workers (in education, healthcare, social assistance, and public administration) worked an average of four hours of unpaid overtime per week.

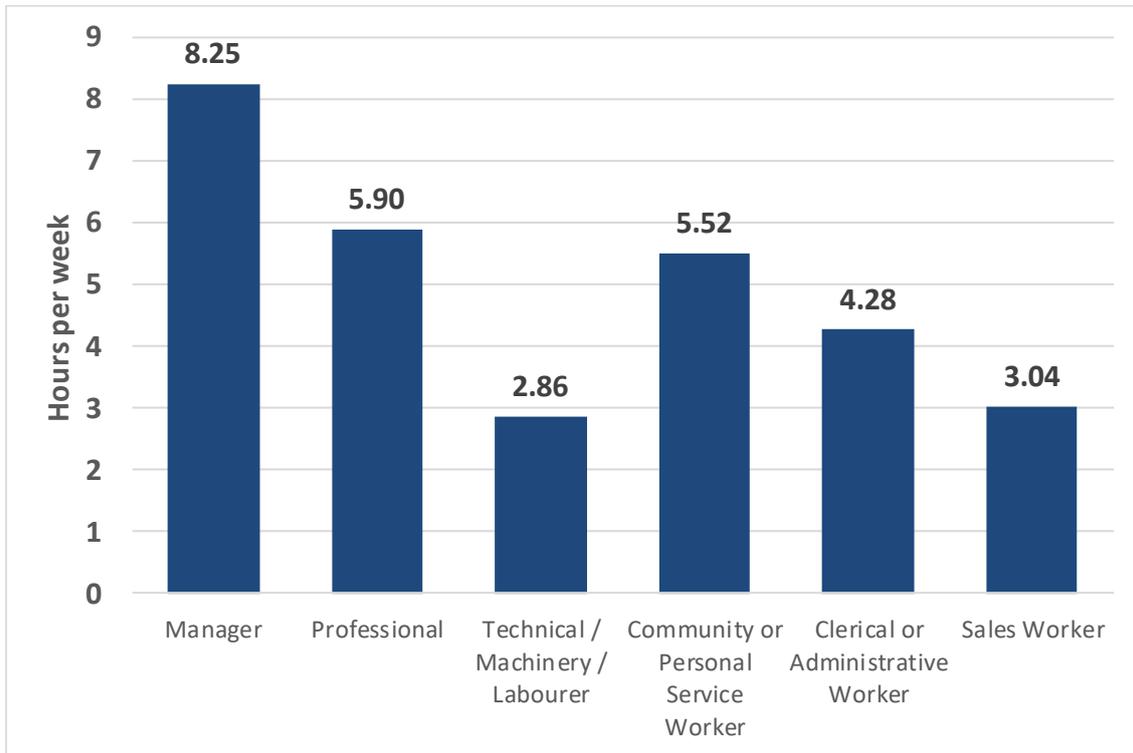
Figure 8. Unpaid Overtime by Industry



Source: Survey results as described in text.

Figure 9 breaks down average unpaid overtime by occupational category. Managers (8.3) and professionals (5.9) report the highest levels of unpaid overtime. Technical and machinery workers and labourers experienced the least unpaid overtime (2.9 hours). This latter result represents a substantial decline from last year's result (4.9 hours) and may relate to a loss of overall hours or increased furloughing during the survey period. Note that for many technical or machinery workers and labourers, work must typically be performed on-site, meaning that home-based work is difficult or impossible. This has reduced the amount of total work (including unpaid overtime) performed in these industries.

Figure 9. Unpaid Overtime by Occupational Category



Source: Survey results as described in text.

Other research has confirmed that unpaid overtime is a widespread and growing problem in Australia. For example, a recent survey of casual academics at a prominent Australian university showed they were performing, on average, a full day of unpaid work a week. The National Tertiary Education Union describes this problem as endemic to the higher education sector (Zhou, 2020). This confirms that wherever there are more candidates than jobs—often the case in academia, but especially so with university revenue collapsing as a result of the COVID-19 travel restrictions—workers do whatever they perceive as necessary to maintain their employment and complete their work. Thus widespread employment insecurity facilitates widespread time theft. This situation will persist as long as Australia’s workplace protections remain inadequate to guarantee that people are paid for all the hours they work.

The Costs of Time Theft

The COVID-19 crisis has exacerbated the contradictory combination of overwork for many workers, inadequate paid hours for other workers, and demands for unpaid overtime imposed on all types of workers. The frequent incidence of unpaid overtime described above means that Australian workers are losing substantial amounts of income. And in a time of economic crisis, when consumer confidence and purchasing power has collapsed, causing a shortfall of overall aggregate demand in the economy, it is more important than ever that workers are fully compensated for their labour. Even before the COVID-19 crisis, workers' share of national income had fallen to record lows (Stanford, 2017), with wage growth decelerating to the slowest sustained pace in Australia's postwar economic history. This growing maldistribution of national income is made worse when workers are not paid for billions of hours of their work.

Time theft (through endemic unpaid overtime) also compounds the more general experience of time pressure and the struggle to balance work and non-work lives experienced by many Australian households.¹⁰

Table 3 quantifies the aggregate value of unpaid overtime in the overall labour market Australia, by estimating the income that would have been received by workers if this unpaid labour had in fact been compensated. Recall that our survey results indicate that employed workers perform an average of 5.25 hours of unpaid overtime per week (across all classes of employment). This varied from an average of 6.21 hours for full-time workers, to 4.15 hours for part-time employees, and 2.71 for casual workers.

Published ABS data reports the total number of Australian employees working in each of those main categories of waged employment.¹¹ This allows us to estimate the aggregate amount of unpaid overtime worked by Australians last year: some 2.9 billion hours in total, across all categories of employment.

The ABS also reports median hourly earnings for each category of worker. Therefore, we can calculate an estimate of the aggregate income lost to workers by the failure of employers to pay for unpaid overtime worked. This calculation assumes that overtime hours would have been paid at the same rate as average median earnings;¹² for part-

¹⁰ See, for example, Wade (2018).

¹¹ We exclude self-employed workers from our calculation of the value of unpaid overtime and 'time theft', given the dual nature of self-employed workers' relationship to their own businesses.

¹² In practice, most overtime work should incur a higher hourly rate, so this assumption is very conservative.

time and casual workers we also include a 9.5% margin reflecting the minimum superannuation contributions which should accrue to workers for this time.¹³ As indicated in Table 3, this suggests that **unpaid overtime represents a collective loss of some \$98.6 billion in foregone income for Australian workers in 2020.**

To put this figure in perspective, \$98.6 billion is equivalent to 15% of projected expenditure (\$670 billion) in the Federal Budget for the financial year 2020-21. It exceeds the Commonwealth’s projected 2020-21 expenditure on healthcare (\$93.8 billion) and is around three times the budget for the JobSeeker unemployment assistance, which was significantly expanded in the face of the COVID-19 economic crisis.¹⁴

Table 3. Aggregate Value of Unpaid Overtime, 2019

Job Status	Number Employed (million)	Median Wage (\$/hr)	Avg. Unpaid Overtime (hrs/wk)	Total Value (\$billion/yr) ¹
Permanent Workers				
<i>Full-Time</i>	6.391	\$36.80	6.21	\$76.0
<i>Part-Time</i>	1.690	\$31.30	4.15	\$12.5
Casual Workers				
<i>Full-Time</i>	.785	\$28.60	2.71	\$3.2
<i>Part-Time</i>	1.817	\$25.00	2.71	\$7.0
Total	10.683	\$32.50	5.25	\$98.6

Source: Authors’ calculations from survey results, ABS (2020) and ABS (2019), Table 1c.2.

Note: Includes superannuation contributions for permanent and casual part-time workers.

At a time of unprecedented labour market precarity and decreased working hours, consequent weak consumer confidence and purchasing power, and business failure (resulting in more layoffs, and yet more downward pressure on purchasing power), it is more important than ever that workers are fully compensated for their work. This is critical for the distressed business sector and the broader economic recovery, as well as for individual workers themselves.

¹³ We do not include superannuation costs for full-time workers, since superannuation contributions are not legally required for genuine overtime income.

¹⁴ See Budget Papers No. 1 and No. 6, Commonwealth Budget, 2020-21.

The Impacts of COVID-19

The COVID-19 crisis has exacerbated labour force trends that were already present before the pandemic: including the struggle to balance work and home lives, and the contradictory bifurcation of workers between those who struggle to find enough hours to make ends meet, and those who report working too many hours.

13% of working respondents' hours have increased as a result of COVID-19, 32% have decreased, and for 52% there has been no change. The increase was particularly pronounced at the top of the income distribution: more than a quarter (28%) of workers earning more than \$200,000 a year reported that their work hours had increased as a result of COVID-19. Conversely, decreased hours were felt particularly at the bottom of the income distribution: over half (55%) of workers in the under \$20,000 income category experienced a loss of hours. This is concerning because it suggests that those with the fewest economic resources to fall back on have been hardest hit by the economy-wide decrease in paid hours.

Note also that the above results only refer to paid hours, and do not account for the increase in unpaid overtime discussed above. Nor do they account for increases in family and caring responsibilities.

While most workers reported that their level of family and caring responsibilities had not changed as a result of COVID (54%), a significant share (28%) of workers said their family and/or caring responsibilities had increased as a result of COVID-19. These results did not vary greatly across income levels. Seven times as many workers report that their caring responsibilities increased as decreased.

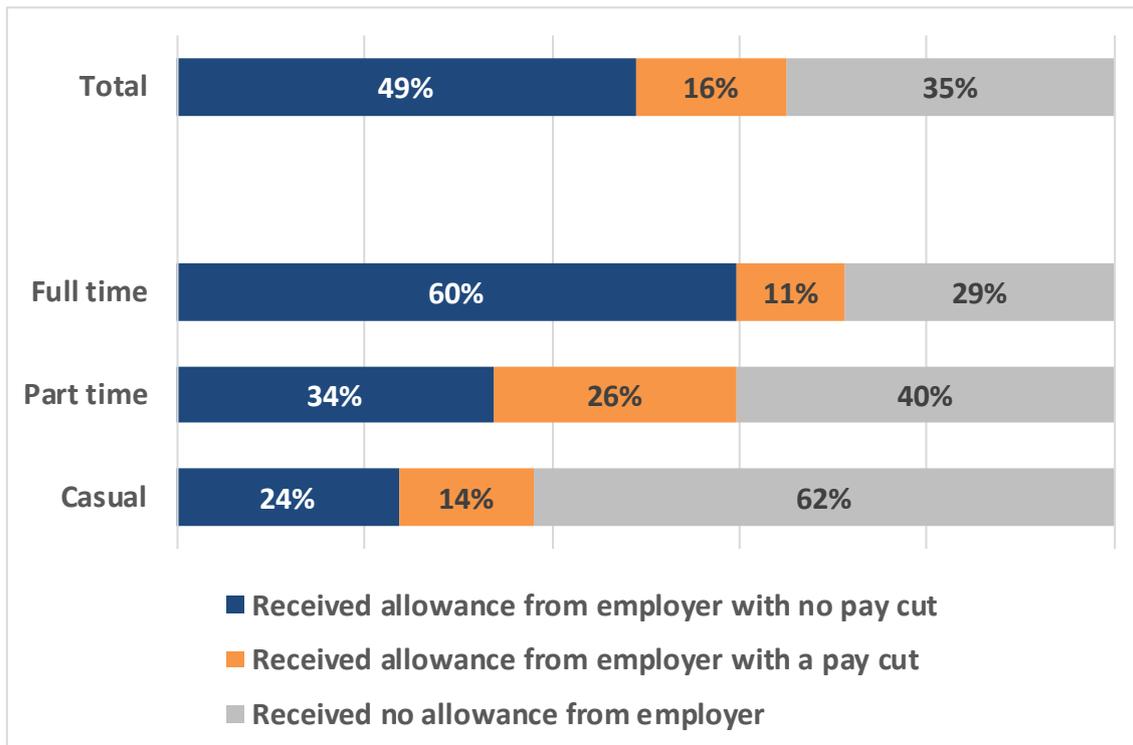
While in our survey results men were more likely to say their caring responsibilities increased more than women (30%, as compared to 25% for women), we note that this change occurred relative to a lower baseline. Craig and Churchill (2020) show that men spent less time on child care and domestic responsibilities during COVID-19 than women. While men reported a greater *increase* in unpaid child care hours than women, women started from a much higher level in pre-crisis. In short, women are still doing most of the child care.

Our survey asked whether, for those workers with additional caring responsibilities, their employers had made time allowances to account for these responsibilities. We specifically asked about flexibility in working arrangements, and do not interpret these results to mean that employers were specifically paying workers for time required to discharge caring responsibilities.

Just under half of all workers (49%) with increased caring responsibilities reported that their employers had made allowances for those duties without cutting their pay. Another 16% of workers with increased caring responsibilities received allowances from their employers to fulfil those duties, but had their pay cut as a result. Over a third (35%) with increased caring responsibilities under COVID-19 received no time allowances from their employers to help meet those duties. These Australian workers, therefore, have had to fully confront the double burden of paid work and unpaid caring labour, without support or flexibility from their employers.

Employers' flexibility in helping their workers manage increased caring responsibilities under COVID-19 varied greatly, depending on the employment status of the workers involved. Fully six in ten (60%) of full-time workers whose caring responsibilities had increased as a result of COVID-19 received time allowances from their employers to account for these responsibilities, with no loss in pay (see Figure 10). This is almost twice as many as in the part-time category, and more than twice as many as in the casual category. Concerningly, over three-fifths (62%) of casual employees reported that their employers had *not* made any allowances, paid or unpaid, for increased caring responsibilities. This forces workers in these jobs to choose between reduced or no employment and fulfilling their family responsibilities (or, at a minimum, more acute stress levels). Under the circumstances of a health and social crisis such as the COVID-19 pandemic, this absence of protections is alarming.

Figure 10. Workers Who Experienced Additional Caring Responsibilities, by Employment Type



Source: Survey results as described in text.

For permanent full-time workers, it seems that the nature of more secure, better paid, and more autonomous work allowed them a greater flexibility to adapt their schedules around caring responsibilities without incurring a loss of working hours or pay. But this flexibility did not come ‘free’: as discussed below, full-time workers were also most likely to be performing paid work at home outside of normal working hours. In other words, workers may have been allowed to use some of the ‘working day’ to discharge family responsibilities, on the understanding that they would ‘make it up’ to their employer from leisure or family time.

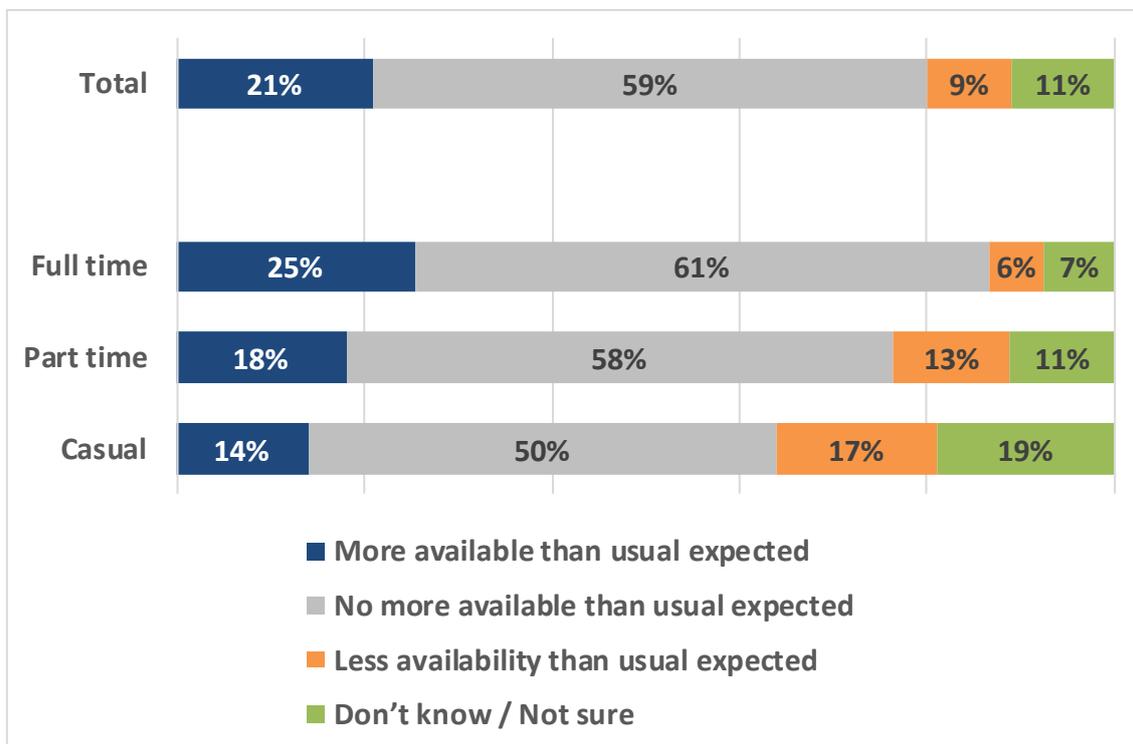
16% of respondents whose employers made time allowances for them reported having lost pay if they were permitted to accommodate caring responsibilities. Notably, this was not the case at the upper end of the income distribution – from the \$100,000 per year category upwards, the majority of workers whose employers had made time allowances did not report any decrease in pay. This was one respect in which higher-income earners appeared to be more insulated from the social effects of the COVID-19 crisis.

Additionally, there is a particularly worrying gender equity aspect to the responses to this question as well. Among employees who experienced additional caring

responsibilities during the pandemic, 27% of men did not receive time allowances from their employer to do so. But almost half (45%) of women had not—evidence of an increasing double burden for women. Men were more likely to get flexibility from their employer and retain the same pay (57% of men with increased caring responsibilities), compared to women (39%).

Separately, and significantly, one in five (21%) of workers indicated that their employers’ expectations of their availability for work had increased during the COVID-19 crisis—more than twice as many as reported that their expectations of availability had decreased (9%). This was particularly the case at the top and bottom of the income scales: three in ten workers earning under \$20,000 per year and over \$200,000 per year reported increased expectations of availability (30% and 31%, respectively). Similarly, full-time workers indicated that they were most likely to face increased employer expectations of availability (25%), compared with other employment types (see Figure 11). These additional employer expectations only add to the burden of additional caring responsibilities resulting from the COVID-19 crisis discussed above.

Figure 11. Employers’ Expectations of Availability, by Employment Type, Percentage of Workers



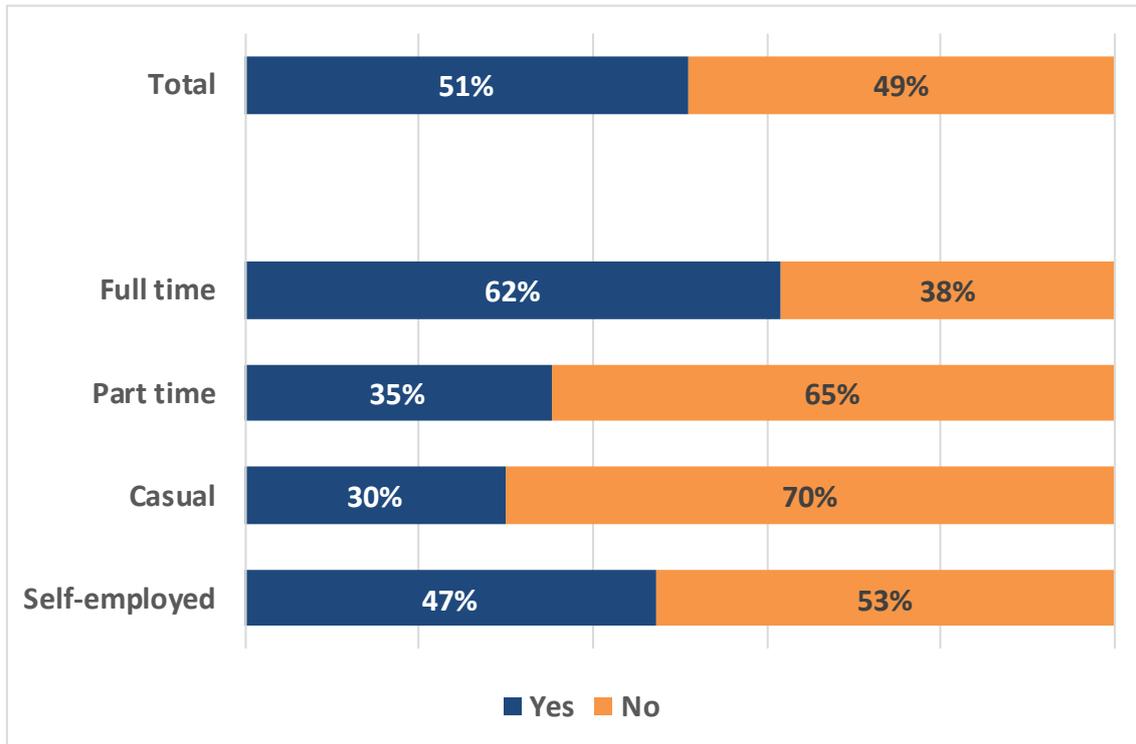
Source: Survey results as described in text.

Working From Home

As the shift to working from home during the COVID-19 pandemic became apparent, Pennington and Stanford (2020) noted a clear bifurcation in the experience of home work. Some workers with more autonomy and independence in their work, and who perform much or all of their work on a computer, have great flexibility to shift the location of work to their homes or other safe places. This largely overlaps with professional and managerial categories of work. (Some lower-paid positions—such as many clerical and administration jobs—could also be performed from home.) On the other hand, many workers in Australia do not have that flexibility: for technical or business reasons, their work must be performed at a formal workplace. These workers therefore faced the difficult choice of either losing their work, or continuing to work away from home despite the increased risk of contagion.

Our July survey provides empirical data confirming that bifurcation. Our results indicate that over half (51%) of employed respondents have chosen, or been requested by their employers, to perform some or all of their work from home as a result of the COVID-19 pandemic (including 55% of men, and 47% of women). All income categories above \$80,000 per annum indicated a higher propensity to work from home the overall average, with a remarkable eight out of ten (78%) workers on more than \$200,000 per year indicating they had done so. As shown in Figure 12, only 30% of casuals had worked from home, as well as 35% of part-time workers—whereas 62% of full-time workers had done so.

Figure 12. Percentage of Employed Doing Home-based Work, by Employment Type



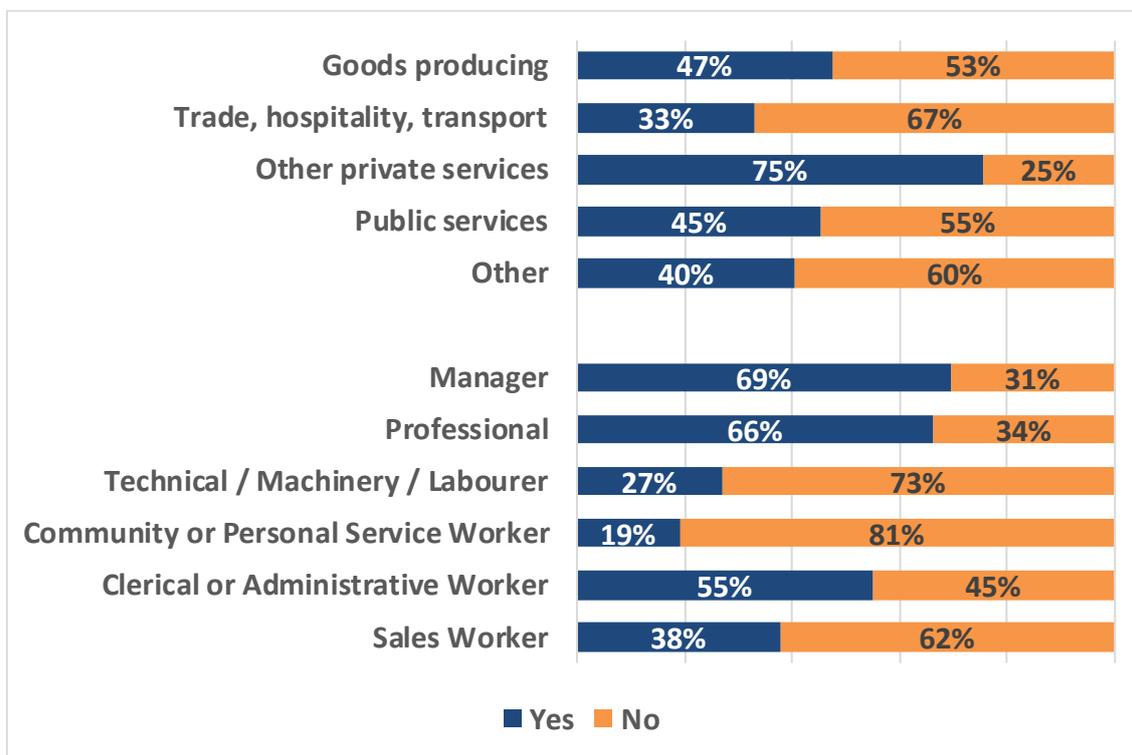
Source: Survey results as described in text.

Figure 13 further considers these results by industry and occupation. White-collar workers were most able to undertake work from home—including in the ‘Other private services’ industry (75%) and the ‘Managers’ and ‘Professionals’ occupations (69% and 66%, respectively). Additionally, over half of clerical and administrative workers worked from home (55%).

It is somewhat surprising that almost half (47%) of workers in goods-producing industries were also able to undertake at least some work from home. This likely reflects the continued work of managerial and professional occupations within those sectors (whereas direct production workers are generally unable to work from home).

We also asked those respondents who had been working from home what share of their work had been done from home. On average, those working from home reported that 47% of their work had been performed in the home.

Figure 13. Workers Doing Home-based Work, by Industry and Occupation



Source: Survey results as described in text.

In broad terms, our survey results showed that occupations and industries that were more able to work from home also enjoyed generally higher annual incomes. In addition, there was also a strong correlation between earnings and the *proportion* of work that home workers reported doing from home. At the top end of the income scale (\$200,000 or more per year), workers who undertook home-based work reported that they undertook 69% of their work from home during the COVID-19 crisis (compared with an overall mean of 47%).

In practice this means that those occupations that were financially better placed to cope with the pandemic were also more insulated from its health and economic effects. This unequal distribution of the costs of the pandemic reinforces longer-term inequality within Australia’s labour market and society.

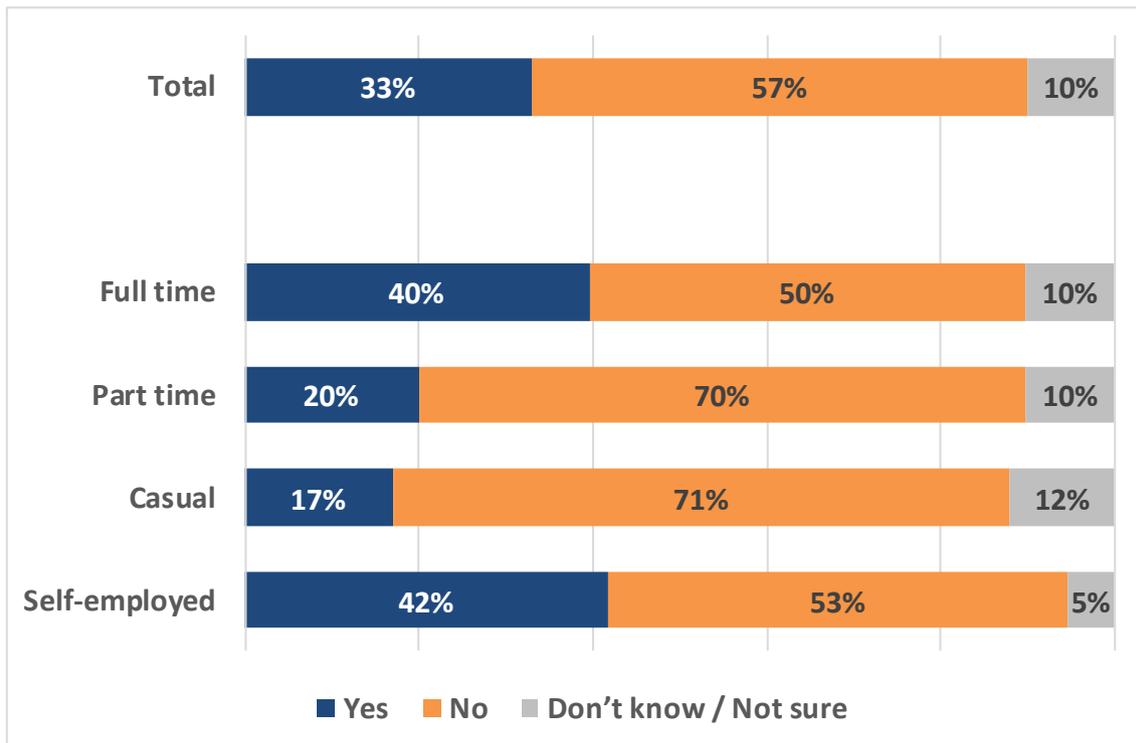
Among respondents who are working at home, 70% are doing some of it outside of normal working hours. More than four-fifths (82%) of workers earning less than \$20,000 per annum reported that they were undertaking work tasks outside of normal work hours. This constitutes strong evidence of work bleeding into personal time, and stress on work/life balance.

Another issue raised by the rise in home work during the pandemic is the availability of an appropriate and safe place from which to perform home work duties. 77% of those working at home indicated that they had an appropriate and safe workspace at home. But 14% of home workers indicated that their home workspace was not appropriate and/or not safe; the remaining 8% didn't know or were not sure. Under the *Commonwealth Work Health and Safety Act 2011* (and equivalent state legislation), the employer has a duty of care to protect the health and safety of their employees regardless of the location of employment. It is thus very important—for the employer's sake, not just the worker's—that the significant share of home workers who were not able to confirm that their workspace was secure are informed and supported in improving their physical arrangements.

In sum, over half of workers reported doing some or all of their work from home. Those working from home are disproportionately concentrated in white-collar, more secure, highly remunerated professions. This illuminates another way in which the COVID-19 pandemic has exacerbated existing faultlines in the Australian labour market—and society.

All of the above findings are made more consequential by the fact that one-third (33%) of all workers who reporting working from home indicated they will likely work from home more post-pandemic than they did before. Over half (51%) of all workers in the 'Other private services' industry category indicated they would do so, along with 57% of those earning more than \$200,000 a year. Figure 14 shows that four in ten full-time and self-employed workers expect to work from home more following the pandemic (40% and 42%, respectively). Meanwhile, the bifurcation of workers according to their relative autonomy is reinforced by the fact that a much smaller proportion of part-time and casual workers expect to work more from home after COVID-19 (20% and 17%, respectively).

Figure 14. Workers Doing Home-based Work, Who Expect That They Will Continue to Work From Home More Following COVID-19



Source: Survey results as described in text.

Clearly, COVID-19 has accelerated an inflection point in Australian management and workplace culture. The Australian Council of Trade Unions (2020) recently released results of a large survey of members showing that 81% of workers would like to work from home, if they were provided with sufficient support to do so. 47% of respondents said they were more productive in doing so. However, 40% are working longer hours and 60% said they were spending more time on caring responsibilities.

These results further strengthen the case for a system of protections that adequately address home work—while simultaneously giving consideration to the needs of workers who are less able to pivot towards home-based work. These include supporting staff financially to set up home workspaces; ensuring healthy and safe working conditions at home, including ergonomic standards and protection from domestic violence; a clear separation between workers’ home and work lives, including the right to standard and predictable working hours, and the right to overtime (and to refuse overtime); freedom from electronic monitoring and

surveillance by employers in workers' residences; and rights to furlough for workers undertaking caring responsibilities.¹⁵

At this stage, however, the response of labour market regulators to these emerging challenges is concerning. Instead of strengthening protections, the Fair Work Commission has responded to the pandemic with a new award flexibility schedule that allows for changes in the span of hours when work is undertaken from home. Workers will be able to work in the early morning or late evening without employers having to pay penalty rates or overtime 'if they desire' (Hannan, 2020). The schedule also provides for a compressed working week in which employees work the same hours over fewer days.

These changes, advanced in the name of 'flexibility', fail to recognise the power imbalance between workers and employers, which has been accentuated by COVID-19. In the current depressed labour market environment, it would take a brave worker indeed to push back against a change of schedule 'suggested' to them by their employer. This represents a further undermining of the system of minimum standards, including standard hours and overtime provisions.

¹⁵ These policy responses are further considered in Pennington and Stanford (2020).

Conclusion

This twelfth annual *Go Home On Time Day* report has demonstrated that, despite many workers performing some or all of their work from home in the face of the COVID-19 health crisis, the problem of unpaid overtime among workers has not just persisted but worsened. This effect is amplified by the fact that the caring and domestic responsibilities of many households have increased in 2020, with that burden falling especially on women. Additionally, the polarisation of working hours—the mismatch of too many hours for some workers, and too few (paid) hours for others—remains a persistent and disappointing feature of the Australian labour market.

On average, employed Australians work 5.25 hours of unpaid overtime for their employers each week, up from 4.62 in 2019. This equates to 273 hours per year, or a staggering 2.9 billion hours of stolen time in cumulative terms. This has damaging effects for individuals, adding to their stress, disengagement, and social alienation. And the macroeconomic significance of unpaid overtime is especially concerning this year: at a time when consumer confidence and household purchasing power have been enormously damaged, this ‘time theft’ is taking almost \$100 billion per year out of the pockets of workers—who are, after all, consumers as well. Therefore, the business community also has a stake in ensuring that incomes are properly paid and are able to circulate through the economy to the fullest extent possible.

Australia needs a stronger system of workplace protections and collective bargaining to ensure that workers have greater effective ability to choose their preferred hours of work—in contrast to the current, irrational situation whereby many workers can’t find enough hours of work, while some have too many. A healthier pattern of working hours would also respect that workers have important needs to attend to beyond the workplace, especially in a time of social upheaval and uncertainty. This requires the conversion of precarious jobs into secure jobs, and providing more hours of paid work to underemployed workers. Meanwhile, to end the epidemic of ‘time theft’ and unpaid overtime, regulators must enforce existing rules regarding maximum hours of work on a more consistent basis, and provide workers with more choice to refuse overtime and work shorter hours. A strong macroeconomic commitment to creating more work and eliminating mass unemployment would also help to empower individual workers to reject unfair practices, and achieve working hours that better reflect their preferences.

For those workers who can work from home, employers and regulators must take steps to ensure that home-based duties are safe and appropriate, and that workers are provided with generous personal and logistical support to do their jobs. Employers will

need to be enlightened and supportive in their approach to home work arrangements, including respecting the privacy and dignity of workers.

And finally, making progress on all of these issues will require that workers are able to organise and wield their collective power—in their workplaces and in the political arena—to insist that their needs and rights are respected.

Appendix A - Survey Questions

Q: Are you currently in paid work?

Yes, full time
Yes, part time
Yes, casual
Yes, self-employed
No

Q: How many hours a week do you generally work (e.g. the number of paid hours of employment)?

Open answer: ___ hours

Q: Would you like to work....?

More paid hours
Fewer paid hours
My paid hours are about right

Q: Unpaid work may include things like arriving early, staying late, working through lunch or breaks, working at home, and so on. How many unpaid hours of work did you perform for your employer in the last seven days (i.e. unpaid overtime)?

Open answer: ___ hours

Q: What best describes the industry you work in?

Agriculture, Forestry and Fishing
Mining
Manufacturing
Electricity, Gas, Water and Waste Services
Construction
Wholesale Trade
Retail Trade
Accommodation and Food Services
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Rental, Hiring and Real Estate Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety

Education and Training
Health Care and Social Assistance
Arts and Recreation Services
Other Services
Don't know / not sure

Q: Which of the following best describes the kind of work you do?

Manager
Professional
Technician or Trades Worker
Community or Personal Service Worker
Clerical or Administrative Worker
Sales Worker
Machinery Operator and Driver
Labourer
Don't know / not sure

Q: Have your family/caring responsibilities increased or decreased as a result of COVID-19?

Increased
Stayed the same
Decreased
I don't have family/caring responsibilities
Don't know/Not sure

Q: Has your employer made time allowances to account for this extra caring responsibility?

Yes, and my pay has stayed the same
Yes, but my pay has been reduced as a result
No

Q: Have your work hours changed because of the COVID-19 crisis?

Increased
Decreased
No change
I did not have regular hours before COVID-19

Q: During the COVID-19 crisis, many workers have chosen, or been requested by their employers to do what would normally be office-based work from home. Have you worked at home as a result of the COVID-19 crisis?

Yes
No

Q: As a result of working from home due to COVID-19, have you performed work tasks during what would usually be non-work hours?

Yes

No

Q: Have your employer's expectations regarding your availability changed during the COVID-19 crisis?

More available than usual expected

No more available than usual expected

Less availability than usual expected

Don't know / Not sure

Q: What percentage of your work has been undertaken from home during the COVID-19 crisis?

[Select percentage]

Q: After the COVID-19 crisis is over, do you expect that you will work from home more often than you did before the pandemic?

Yes

No

Don't know / Not sure

Q: To work peacefully and productively, home workspaces have to be reasonably ergonomic and free from distraction. Do you have access to an appropriate and safe place in your home where you can do remote work?

Appropriate and safe, but not a dedicated workspace

Appropriate, safe, and dedicated

Not appropriate and/or not safe

Don't know / Not sure

Appendix B - Sample Distribution

	N=	% sample
Total Employed:	945	59%
Male	519	55%
Female	425	45%
Age:		
18-24 years	107	11%
25-34 years	230	24%
35-44 years	235	25%
45-54 years	191	20%
55-64 years	139	15%
65 years or older	43	5%
Employment Status:		
Yes, full time	574	61%
Yes, part time	216	23%
Yes, casual	100	11%
Yes, self employed	55	6%
Occupation		
Manager	193	20%
Professional	260	28%
Technician or Trades / Machine / Labourer	168	18%
Community or Personal Service Worker	58	6%
Clerical or Administrative Worker	155	16%
Sales Worker	85	9%
Industry		
Goods producing (agriculture, mining, construction, manufacturing, utilities)	150	16%
Trade, Hospitality, Transport	209	22%
Other Private Services (professional, IT, financial, rental, administration, arts)	281	29%
Public services (health, education, admin and safety)	216	23%
Other	89	9%

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