Full-time work no longer considered the norm in Australia

October 6 2010

Casual, part-time and contract work is gradually overtaking permanent full time employment as the standard type of job for the majority of working Australians, according to a major report by the Workplace Research Centre in the Faculty of Economics and Business.

The report, *Shifting Risk - Work and Working Life in Australia* by Mike Rafferty and Serena Yu, was commissioned by the Australian Council of Trade Unions (ACTU) and identifies a series of major transformations.

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

The report identified a substantial shift showing financial risk being transferred from businesses and governments to the individual, where many workers actually experience concepts like "reform", "productivity" and "flexibility" as "insecurity", specifically as temporary work and/or volatile income.

This massive transfer of risk is affecting every dimension of people's lives — as workers, consumers, investors and creditors.

The shift in risk is being amplified by the flexibility demanded of workers in terms of degraded jobs, overwork as well as underemployment, and diminished access to collective bargaining.

Key findings include:

• Growing inequality in Australia. Despite strong increases in the productivity of Australian workers since the 1980s, returns to labour as measured by real wages growth, has lagged significantly. Conversely, the returns to capital have grown markedly and profit share is at record levels.

• Casual, contract and precarious employment is now the norm. The increase in precarious jobs and in particular the rise in the casual work force to two million Australians is proof of what is happening in Australian workplaces today. Growth in non-standard forms of employment is outstripping standard full-time employment, defined as a working week in excess of 35 hours attracting paid leave benefits. The greatest growth has been in full-time casual and part-time jobs.

• Massive increase in financial risk among working families. The period of excessive credit and leverage preceding the GFC saw working families take on more and more debt. While household indebtedness has eased since the GFC, it is still at levels above 150 percent and the likelihood of interest rate rises in the near future poses further risks for families.

• Growing fixed costs are adding to financial pressure. As a proportion of the family's budget, spending on non-food fixed costs has risen from 37 percent to 42 percent, driven by increases in housing, health, and education expenses — the traditional domain of governments. This rise in fixed costs means many families are now more sensitive to shocks from rises in price or the loss of wages.

• High household debt makes the economy vulnerable. As the sub-prime experience in the US showed, a highly leverage economy cannot cope when the system comes under stress. The GFC was precipitated by extreme and irresponsible risks caused by seemingly inexorable rises in asset values and accessibility to credit.

Provided by University of Sydney