



## WORKING LIVES: Statistics and Stories

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## Executive Summary

The aim of the *Australia at Work* project is to contribute up-to-date evidence-based research to a rapidly changing industrial relations policy environment. *Australia at Work* tracks 8,000 workers over five years to understand the dynamics of Australian working life. This report builds on *Australia at Work: The Benchmark Report* and provides a holistic picture of working life in order to understand how policy can best engage with it.

The second wave of data was collected prior to two important developments: the global financial crisis that erupted in October 2008 and the introduction of the Government's *Forward with Fairness* industrial relations legislation. The comprehensive picture provided here reveals the positive and negative elements of contemporary working life. On the up side, most workers remain happy about their work and relations with their managers. On the down side, there is a growing number of workers finding it difficult to get by or just coping on their household income, and high numbers continue to report 'work overload' and extended hours of work.

### The labour contract and workplace bargaining

While controversy reigns over matters such as awards and employment agreements, little attention has been devoted to how employees understand these instruments. Tracking employees over time reveals that, while broad concepts of 'collective' and 'individual' bargaining are easily identified, there is a great deal of uncertainty among employees about the legal definitions of the labour contract.

A higher than expected proportion of employees believes their pay and conditions are determined by the award system. By contrast, awareness of collective bargaining remains limited. Further, collective bargaining is only practised widely in certain segments of the workforce, namely the public sector. This needs to be taken into consideration when designing an industrial relations system which has collective bargaining at its core.

There are differences in the way men and women bargain in the workplace: 57 per cent of men feel they have the opportunity to negotiate their pay directly with their employer compared to only 44 per cent of women. This may be a reflection of relative bargaining power, as men occupy 70 per cent of managerial jobs.

In the last year, there was no significant movement in the numbers of employees on Australian Workplace Agreements (AWAs). These individual agreements account for 6 per cent of employees.

A new feature of the *Forward with Fairness* legislation is that awards will no longer apply to employees earning \$100,000 per annum and above. Of employees with earnings in this range, 28 per cent believe that an award plays a role in their pay and conditions and 18 per cent report that an award has a direct influence. Crucially, for these workers, awards govern more than just pay, notably, they set working time arrangements. Among employees earning more than \$100,000 those currently on awards are more likely to be

working rostered hours (28 per cent) and less likely to be working very long and unpaid hours. Thus, it appears award workers on higher incomes benefit from working time regulation contained in awards, which will no longer be available to them after 2010.

### **Standard and non-standard work**

The dichotomy between standard and non-standard work oversimplifies the experiences of employees. People in permanent, fixed-term contract, and casual employment all face trade-offs, particularly between control over working hours and job security. Permanent employees in high-skilled and full-time work experience high labour market security but the trade-off is often long hours of work. While short-term casuals and fixed-term contract employees face job insecurity they are more likely to report control over when they work.

The self-employed generally experience high salaries and greater job tenure. Paradoxically, many people enter self-employment in order to gain some control over their work but it is this group who are working the longest hours. Full-time self-employed are working an average of 52 hours per week and 43 per cent would like to reduce their hours of work.

The self-employed who rely on one client for the majority of their contract work often have more in common with employees than other self-employed people.

### **Unions at work**

The steady decline in union membership in Australia is not a reflection of negative attitudes towards unions. This fall is more likely to be a result of unfavourable industrial and legislative change as well as greater resistance to unions among some employers. In fact, Australians' attitudes to unions are comparable to countries with high union density such as Sweden. Still, the majority (65 per cent) of employees report being 'satisfied' non-members. In-depth interviews revealed several reasons for this: low levels of union representation in the workplace; the financial cost of membership; management opposition to unions; negative views about, or poor experiences with, unions; and a perception that unions are for vulnerable workers. However, on this last point, the facts suggest otherwise: unionised employees report higher earnings and more skills than their non-union counterparts across the labour market.

In this report, we take a closer look at unrepresented workers - those non-union workers who would prefer to join. Unrepresented workers account for 10 per cent of employees, suggesting a potential union membership rate closer to 30 per cent. Compared with satisfied non-members, unrepresented workers tend to be younger, better off, more likely to come from a non-English speaking background, and seek either *voice* or *protection* from labour market insecurities or both. They also are more likely to be employed in workplaces with no union presence, with lower trust in management and express fewer opportunities to negotiate wages and conditions and diminished control over working hours.

### Working hours and workload

Long hours of work remain a stubborn feature of Australian working life. The Federal Government has not provided protection against long hours of work in their legislated 10 labour standards. Full-time employees are working an average of 44 hours per week and 29 per cent would like to reduce their hours. Further, one in five part-time workers are underemployed.

The most common household composition in Australia is one full-time and one part-time worker, generally with the female taking part-time work to enable primary care responsibilities. This gendered division of labour is reinforced by the extended hours present in many full-time jobs. Among workers with children, men tend to work longer full-time hours and women work part-time hours. Couples in dual-earner households work an average combined total of 81 hours for those without children and around 75 hours for those with children under 16 years of age in the household.

### Living standards: earning and spending

Since 2007, there has been an increase in the proportion of workers who say they are finding it difficult to get by or who are just coping on their total household income (52 per cent in 2007 versus 56 per cent in 2008). Single parents and households with children and only one parent in work are most likely to find it difficult to cope on their income.

Many households rely on debt such as mortgages and credit cards to maintain their standard of living: one in five workers report being unable to pay debts on time. There is some evidence of a 'work-spend' cycle. Workers falling behind in their debts also report less control over working hours and large amounts of unpaid overtime.

### Implications for policy

This report has identified some significant challenges for industrial relations and social policy. These primarily concern:

- *The role of awards:* Awards remain centrally important for most employees. This includes many earning in excess of \$100,000 p.a. Given the limited reach of formal agreements it is imperative awards are reviewed frequently and not just every four years as is currently proposed.
- *Hours of work:* Both the length and intensity of working hours continue to be major problems for large segments of the workforce. As it currently stands our system of labour standards does not have the capacity to deal effectively with these issues.
- *The scope and reach of labour standards:* As the labour market evolves, so should our system of labour law. Setting arbitrary limits as to *what* and *who* is 'in' and 'out' of the system of labour standards will merely allow employers to shape the nature of working life in ways that suit them and not necessarily in the interest of those working for them.
- *Living standards:* now more than ever it is important that the broader policy mix supports decent wages and hours of work to improve living standards. This will be especially important to help people navigating life course transitions involving work, learning, family formation and retirement.

## Acknowledgements

*Australia at Work* would not be possible without the help of the more than 7,000 participants. We are extremely grateful to all participants who have taken part in the interviews and continued to keep us up to date with their contact details.

Our first thanks go to Surveytalk, and in particular the interviewers, who have undertaken the large logistical task of tracking down and interviewing the participants for two years in a row.

The *Australia at Work* Advisory board consisting of Dr Iain Campbell, Professors Barbara Pocock, David Peetz, Mark Wooden, and Alison Preston continues to make an invaluable contribution to the design, analysis and reporting of *Australia at Work*. We are also grateful for the support they have shown the research team.

Unions NSW have made a significant financial contribution to *Australia at Work* but they have continued to remain outside the research process. We appreciate their trust in the research team and the openness they have shown to all of the research findings. We would also like to thank the other contributing unions for their support: Mining and Energy Division of the Construction, Forestry, Mining and Energy Union (CFMEU), ACT Branch of the Construction Division of the CFMEU, Police Federation of Australia, Victorian Branch of the Australian Nursing Federation, Queensland Nurses Union, NSW Nurses Association, and Shop Distributive and Allied Employees Association.

Additional funding for undertaking extra interviews was provided by the industrial relations Departments of the Northern Territory, the Australian Capital Territory and South Australia and the Department of State Development in Tasmania. This allows us to produce reliable data across all States and Territories.

The release of *The Benchmark Report* generated an unexpected response last year. We are particularly grateful for the response from the general public and academic community who showed their support for the study and the research team.

We would like to thank everyone at the Workplace Research Centre (including Sarah Oxenbridge) for their friendship and support. In particular, Damian Oliver and Angus McDonald for their assistance with the occupation and industry coding; and Gillian Considine for her help with the weighting and all things technical.

We believe that the qualitative interviews are a great addition to *Australia at Work* this year. We would like to thank research assistants, Rob McArthur, Adam Stebbing and Emily Morandini, who assisted with the qualitative interviews for Sean Scalmer and Shaun Wilson.

## 1. Introduction to Australia at Work: The Second Wave

This is the second report of key research findings arising from the *Australia at Work* research project. This research is a large scale longitudinal study that tracks the experiences of working Australian over five years. The initial fieldwork commenced in March 2007 with telephone interviews involving 8,341 people. The findings of the first wave of the project were released in October last year in *Australia at Work: The Benchmark Report* (van Wanrooy et al. 2007). The second wave of fieldwork occurred between March and July 2008. *Australia at Work* provides a rich source of information that not only sheds light on the labour contract in contemporary Australia but illuminates the dynamics of working conditions and their interaction with life course events. *Australia at Work* is a valuable source of quantitative information about working life. However, statistics can only tell you so much. In order to understand in greater depth the stories underlying these data almost 50 in-depth qualitative interviews were undertaken with *Australia at Work* participants. This report builds on the first and contains the initial findings from the in-depth interviews. In addition to up-dating the key findings summarised in *The Benchmark Report*, new analysis of working life, such as how the household impacts on decisions about work, is presented in this report.

### The current environment

In the 12 months since the first report there have been major political and economic developments. Over the course of the year both the world and Australian economies have experienced a slow down in growth. Deep structural problems associated with private levels of debt in the USA and elsewhere became increasingly evident as the year unfolded. These reached crisis levels and by October the USA's Federal government had allocated \$700 billion (or roughly 5 per cent of the country's GDP) to bailout Wall St and make some contribution to restoring solvency, liquidity and confidence in the country's financial system. Australia is not immune to these global trends. Prime Minister Rudd observed at this time that Australians are living through "the economic equivalent of a rolling national security crisis" (Coorey 2008). There is no doubt that we are currently living in economically uncertain times which will undoubtedly impact on the Australian labour market and people's experiences at work.

Another uncertainty is exactly what Australia's industrial relations system will look like in 2010 when the proposed *Forward with Fairness* legislation is set to be implemented. Up until the advent of *Work Choices* in 2005, the industrial relations system in Australia had remained relatively stable for a century. *Work Choices* brought the topic of industrial relations to the top of the political agenda and to the general public's attention. On 24 November 2007 the Rudd ALP Government was elected, ending 11 years of Coalition government. It was widely recognised that one of the critical factors in the outgoing Government's defeat was the unpopularity of its labour law changes, commonly referred to as *Work Choices*. What remained unclear at the time of writing was just how far the Rudd

government would go in using its mandate and this new policy space to revise Australia's labour law.

It is important, as we head into this potentially new industrial relations arena, that we take stock and examine the current state of Australian working life. While *The Benchmark Report*, among other things, considered the impacts of *Work Choices*, this report looks forward, providing some vital information of the current state of Australian working life. Our aim is to highlight issues concerning work in order for policy-makers to engage with them. This report provides the most recent data on the state of working life from the perspective of Australian workers.

The Rudd Government has initiated or implemented substantial changes to the industrial system including abolishing Australian Workplace Agreements (AWAs), 'modernising' awards, establishing a minimum set of standards and restoring some basic unfair dismissal rights for all workers. However, key continuities in Australian labour law appear to have been inherited from the outgoing Coalition Government, and they are likely to be subjected to only relatively minor renovations. These include:

- limiting the reach of awards in terms of the content and the employees that are covered by them (but not to quite the same degree as originally outlined in *Work Choices*);
- limiting rights of unions to take industrial action (but once again giving unions slightly more support than originally contained in *Work Choices*); and
- limiting the capacity of industrial tribunals to act independently in settling disputes and labour standards (although the new central authority, Fair Work Australia, will regulate minimum wages and these will be contained in awards).

Most importantly, the central principle of the new labour law is further entrenchment of 'the enterprise' as the site where the determination of innovation in labour standards will be settled. The capacity for industrial action to be taken on a multi-employer basis, either by collective bargaining or arbitration, is all but prohibited. Given the continuing limitations noted above, the new legislation will be relying on 'good faith bargaining' principles to prevent enterprise level management from exploiting their power to define the scope of negotiations and to determine working conditions unilaterally. If this fails, all employees will fall back on to the 'modernised' awards and the new 10 National Employment Standards established earlier this year (DEEWR 2008). As noted above, at the time of writing the full details of the new *Forward with Fairness* legislation are yet to be unveiled. It is still possible that the Federal Government could make greater use of the policy and political space open to it.

How does this uncertain environment shape the methods and approach of *Australia at Work*? This report has also been prepared at a time of increasing analytical openness in the social sciences. Writing at the turn of the century Gosta Esping-Anderson (2000) argued that

the upheavals in the world economy and allied social transformations have been so profound that great care needs to be exercised in building on the theoretical legacies of the past. He notes that influential thinkers like Marx, Durkheim and Weber devised their categories in grappling with the momentous transformations associated with the nineteenth century. In light of this he has argued that priority should be given to original, creative and large scale exercises in data collection and analysis. It is only with such material that an appropriate conceptualisation of the current situation can be obtained. No analysis can be theory-free, but we must be especially careful today to ensure concepts facilitate, rather than drive, analysis. In this sense our guiding concern has been to maintain fidelity to reality by following an epistemology of 'conceptual minimalism and empirical resourcefulness' (Froud et al. 1997). It has been within these policy and intellectual frameworks that this study has been undertaken.

### **Guiding concepts: the labour contract and working life transitions**

The project is informed by two simple but very important abstractions: the evolution of the labour contract and working life conceived as a series of socially structured but individually contingent transitions.

The labour contract in Australia has been undergoing change for several years, and this is likely to continue. *Australia at Work* was undertaken to examine this change from the employees' perspective: to observe the nature of the labour contract and to examine the impacts on working conditions and working life. In examining how working life is changing particular attention will be paid to understanding how the deep, formal structures of the labour contract are contributing to as well as reflecting changes in the evolution of working life – defined primarily in terms of changing transitions over the life course.

Within a market society, economic life is organised on the basis that goods and services are traded as commodities on the basis of a contract (see for example Smith 1776; Marx 1867). However, it has long been recognised that the contract for labour is quite different to that involving the sale of other goods and services (Polanyi 1957). The form labour has taken as a commodity has never been fixed (Biernacki 1995) and it is an inherently controversial topic. A key part of the problem has been while labour is treated as something amenable to purchase, what is in fact obtained by an employer is a worker's capacity to perform. It is very difficult to anticipate in a contract all the possible issues that need to be dealt with in ensuring that such potential is realised. Over time the labour contract has evolved to fill this gap or uncertainty affecting the employer. Historically the matter was dealt through concepts of 'master' and 'servant'. These notions were read into the employment contracts in the nineteenth century and into the twentieth in places like England and the USA as well as Australia (Deakin & Wilkinson 2005; Oren 1990; Howe & Mitchell 1999). This gave employers considerable power in the workplace and obliged employees to accept their authority on most issues concerning work (Fox 1974, pp.183-189). With the rise of collective bargaining and other institutions such as arbitration, the influence of master and servant notions receded and the nature of the labour contract evolved further (Webb & Webb 1902;

Commons 1957). The way the relations between the two parties are specified in the labour contract is constantly evolving.

In more recent times there has been renewed interest in the complex forces involved in shaping the precise form and nature of the labour contract – especially the role of taxation, income support and worker compensation arrangements (Deakin & Wilkinson 2005). While previous literature provides powerful insights into the evolution of the commodity form of labour, it is primarily based on material about work gathered from and concerning employers, legal and governmental authorities.

Remarkably little attention has been paid to workers' understandings of the contract of employment. While these understandings are not 'the final word' of workers contract of employment, they are an important and to date neglected dimension in our analysis of the evolving nature of labour as a commodity. Our exploration of this matter is pursued most thoroughly in the chapters dealing with industrial instruments (Chapter 3) and forms of employment (Chapter 6).

There is more to working life than the evolving commodity form of labour. In making sense of the broader range of relevant experiences and arrangements we have been guided by the simple, but powerful framework of labour market transition devised by Gunther Schmid and colleagues (Schmid & Gazier 2002). These researchers have identified the need to adopt a life course framework for making sense of contemporary labour markets. In Australia, for example, Deborah Mitchell (1998) outlined over a decade ago the need to move beyond notions of breadwinning when analysing social policies in particular. What is particularly helpful about Schmid et al.'s notion of 'transitional labour markets' (TLMs) is that it offers a framework that can help guide both data collection and analysis. They argued that in moving beyond linear visions of life courses and methodological individualist notions of unique choice it is helpful to examine four core transitions. These labour market flows involve moving between:

- education/training and employment;
- private family based activity (usually unpaid) and paid employment;
- unemployment and employment; and
- work into retirement or between periodic incapacity for work (due to illness or disability) and employment.

People rarely have 'standard' linear trajectories through working life. Equally they rarely have unique experiences. Instead, tracking people's patterns through these transitions helps get a better understanding of how work and the connection between it and other aspects of life changes for both individuals and groups of people.

*Australia at Work* explores these various transitions for labour market participants by asking about various activities beyond work such as the presence of children in the

household, other caring responsibilities and study. The research will also track respondents as they retire from the workforce. This second report pays attention to the other activities beyond the labour market that occupy people.

## Objectives of the report

The impetus for *Australia at Work* was to understand how *Work Choices* affected workers' lives. But this project is more than a policy evaluation exercise. While *Work Choices* was an extraordinary initiative at so many levels, it is important to keep it in perspective. The Australian labour market has been changing for decades. The steady elevation of the enterprise to the centre of the system for setting labour standards has been actively promoted by policy for twenty years. Changes in the youth labour market have been underway for at least thirty. Most importantly, the changing role of women has been arguably the most significant social development over the last half century. This affects not just the workplace but also the way we care for the young, the old and the infirm. Our interest in understanding the impact of changing labour law has always been informed by the need to place it in the context of these wider changes. Indeed, one of the hypotheses of interest to the study is while labour regulation is significant it has not been the sole driver of change in Australian working life.

The research questions underpinning the *Australia at Work* project are:

1. How, if at all, has the lived reality of the labour contract for Australian workers changed since March 2006?
2. How, if at all, has Australian working life changed since March 2006?

This report is structured to answer both these questions. Chapter 2 provides an outline of the characteristics and movements of the labour force. Chapter 3 is dedicated to answering the first research question by exploring employees' responses on the labour contract as well as bargaining and relations at the workplace. While union density is low, unions have played a major role in the current debate about labour law and how bargaining in the workplace should occur. Chapter 4 examines Australian's attitudes to union and the issues regarding union representation. To examine the current state of Australians' working lives, as well as any changes that may have occurred, the following chapters explore some of the more topical aspects of working life. Australia continues to experience some of the longest full-time working hours in the OECD (van Wanrooy et al. 2008). Underlying the long hours is the issue of work intensification. Chapter 5 explores working hours and workload. Chapter 6 examines the various forms of employment and how this can dictate the degree of control over various conditions of work. In an attempt to obtain more control over work, some people opt to become self-employed. *Australia at Work* is a survey of the entire workforce; however, on most occasions only the results from employees are reported. But the self-employed are an important component of the workforce and business community. Their working lives are explored in Chapter 7. Finally, the rising cost of living is generating concern among the public and a headache for the Government. While employees expect their wages to keep up with the costs of living, business interests are concerned about the

inflationary impacts. The entanglement of work, consumption patterns and debt has been observed by many (see for example Schor 1992, 1998; Frank 1999; Hamilton 2002). Chapter 8 examines employees' earnings from work, their perceived living standards and household debt. A conclusion of the research findings for wave 2 is provided in Chapter 9 along with implications for policy.

This report can be absorbed independently of *The Benchmark Report*; however, some value could be obtained in reading them in conjunction. Some of the actual figures have changed but the overall findings and their implications have not.<sup>1</sup>

## Australia at Work wave 2 methodology

The *Australia at Work* research is conducted by researchers at the Workplace Research Centre (WRC) at The University of Sydney. The research team is advised by the *Australia at Work* Advisory Board consisting of five labour market and industrial relations academics from around Australia. The Advisory Board provides input on research design issues, analysis and reporting. A copy of the draft report was circulated to all members of the board to provide feedback.

The survey fieldwork was conducted by telephone with participants who were interviewed in the previous year. The fieldwork has been conducted by Surveytalk, a market and social research company based in Sydney. A wave 2 pilot study of  $n=25$  was conducted in February 2008. The fieldwork period was from March to July 2008 and the average interview time was 17 minutes. Respondents were called in the order of completed interviews in the previous year so that a similar timeframe was applied to all interviews.

In the first survey wave  $n=8,341$  interviews were completed. Of those  $n=100$  requested that they be removed from the study in 2008. Out of the available sample,  $n=7,086$  interviews were completed in wave 2, resulting in a final attrition rate of 15.0 per cent. Attrition rates varied across the different age groups. For more details on attrition refer to Appendix A.

The wave 1 survey instrument was modified to create the wave 2 survey instrument. In the first wave retrospective questions were used to obtain information about respondents' employment situation in 2006. These questions were removed from the second survey. A few minor edits were also made, including the addition and removal of some questions. Most questions remained the same to enable accurate longitudinal comparisons.

The *Australia at Work* sample is weighted, using population estimates from the ABS Labour Force Data, according to age, gender, location, labour force status and union membership. Weights have been developed for all three years that there are data (2006 to 2008).

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<sup>1</sup> The approach to weighting has altered since the first report, where data was weighted according to 2006 labour force population estimates. In this report, data is weighted according to the labour force estimates of each relevant year (i.e. 2006, 2007 and 2008).

Longitudinal weights have been used to enable comparisons between waves 1 and 2, accounting for attrition in wave 2. For more details on weighting see Appendix A.

Like all research, there are some methodological limitations that need to be noted. *Australia at Work* is a study of the labour force as at March 2006. The scope excludes individuals who have subsequently joined the labour force such as new labour market entrants or those who have taken an extended break from the workforce such as carers or people with poor health.

An important consideration when analysing longitudinal data is the ageing of the sample. The original sample obtained last year was aged 16 to 58 years. Consequently the findings for 2008 relate to a population aged 17 to 59 years. This will have an impact on the cross-sectional findings across 2006 to 2008 regarding types of work and working conditions. Where any differences are noted, age has been controlled for.

The sample size of 7,086 enables disaggregation of these data to examine subgroups or detailed phenomena while still producing representative and reliable data. The sample size of the analysis groups have been provided in all tables. Data have not been reported in the text where there is insufficient sample size. Where a cell size is  $n < 20$ , the data is noted with an asterisk (\*), this is in keeping with ABS conventions, where data with relative standard errors greater than 25 per cent are not considered statistically reliable<sup>2</sup>. Therefore, data in this report are intended to be representative of the 2008 labour force, and all findings may be assumed to be statistically significant.

The qualitative research component of *Australia at Work* involved 50 telephone interviews with consenting participants who had completed the first wave of the *Australia at Work* survey. All interviews were conducted during 2008. In consultation with the Principal Investigators and the Advisory Board, the qualitative research team focused their interviews among two sub-groups. The first was workers on different types of labour contracts – awards, individual contracts (including AWAs), and enterprise agreements. The second group involved union and non-union workers employed in companies with less than 20 employees (i.e. small businesses). The main themes covered in the interviews were: work histories, the labour contract, working life transitions, hopes for work and unions in small businesses. The interview guide is in Appendix D.

The research was led by Dr Sean Scalmer from the University of Melbourne and Dr Shaun Wilson from Macquarie University. Research assistants Rob McArthur and Adam Stebbing conducted and transcribed a number of the interviews. Emily Morandini also transcribed interviews in Sydney. The qualitative project has received financial support and advice from the *Australia at Work* team at the Workplace Research Centre, but additional funds

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<sup>2</sup> The use of cell sizes of less than 20 is a proxy for relative standard errors greater than 25 per cent.

for the project were obtained from Macquarie University. The project received additional ethics clearance from both Melbourne and Macquarie Universities.

The qualitative component of the *Australia at Work* project brings a number of advantages to the mainly survey-based research strategy, offering a second level of validation of research findings, while adding context and depth to major survey findings. Typically, the use of two distinct social science methods to gain further insight into research questions is called triangulation. In this case, the combination of survey and qualitative research strands has entailed several activities. First, the research team has directed the qualitative research to provide further depth (narratives and stories) from participants on topics and questions emerging from the first survey. Second, exploratory findings and novel insights from interviews have fed back into the research agenda of the overall project, offering suggestions for future survey questions and further interview topics.

For further details on the methodology please refer to Appendix A and to download a copy of the wave 2 questionnaire please go to the Australia at Work website:

[www.australiaatwork.org.au](http://www.australiaatwork.org.au).

## 2. The Changing Labour Force, 2006 to 2008

The *Australia at Work* fieldwork commenced when the most dramatic changes in industrial law in 100 years were being implemented. The research is primarily interested in understanding how the labour contract and key transitions involving the labour force have changed during this time. This research, therefore, cannot provide a complete and representative picture of people who were not in the labour force at this time. However, there are now respondents in the sample who were in the labour force in 2006 and then left it in either 2007 or 2008. Table 2.1 shows that in 2007 of all people aged 16 to 58, 21 per cent were not participating in the labour force. However, the sample includes only 190 people who represent this group. This is not representative of this group because these people were previously in the labour force, and there are many people who remain out of the labour force entirely or for sustained periods. Similarly this research does not include new entrants in to the labour force subsequent to 2006.

**Table 2.1 Labour force participation and employment status, 2006, 2007 & 2008, per cent**

	2006			2007			2008		
	<i>n</i>	<i>N</i>	%	<i>n</i>	<i>N</i>	%	<i>n</i>	<i>N</i>	%
Not in the labour force	-	-	-	190	2,602,423	20.5	273	2,431,658	19.4
In the labour force	8341	10,020,112	100.0	8151	10,077,568	79.5	6813	10,120,323	80.6
Unemployed	499	476,032	4.8	346	430,598	4.3	189	398,647	3.9
Employed	7842	9,544,080	95.2	7805	9,646,970	95.7	6624	9,721,676	96.1
<i>Employee</i>	6493	8,524,648	89.3	6468	8,622,146	89.4	5541	8,721,012	89.7
<i>Self-employed</i>	1349	1,019,432	10.7	1337	1,024,824	10.6	1083	1,000,664	10.3
Total	8341	10,020,111	100.0	8341	12,679,991	100.0	7086	12,551,980	100.0

Population: All respondents

Weight: Cross-sectional 06; Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

The research includes both those workers who have an employer and those who are self-employed, as it is recognised that many workers can easily move between these two forms of employment and the lines are often blurred between independent and dependent contractor status. This is discussed in more detail in Chapter 6. Table 2.1 shows that we have more than 1,000 self-employed people in the study for all years, representing more than 1 million people. However, the group that receives the most attention in this study are employees, who are the most affected by changes in industrial relations policy. In 2008 there are 5,541 employees representing almost 9 million workers. Employees make up the majority of the Australian workforce, almost 90 per cent in each of the years from 2006 to 2008. The self-employed are defined as those who work in their own business or are employed on a contract basis.<sup>3</sup>

<sup>3</sup> Considerable complications surround how statistical data are collected on the self-employed. In this chapter we follow ABS labour force survey conventions which estimates the self-employed at about 10 per cent of the labour force. It is important to note that the ABS also reports data on the self-employed in the *Forms of Employment* publication. In this the self-employed are reported to comprise about 18 per cent of the employed workforce. For more details about these different estimates and the conventions we have adopted see Appendices A and C.

A unique advantage of the *Australia at Work* study is that it enables the examination of flows in and out of the labour market as well as within the labour market. Figure 2.1 illustrates the basic employment flows that have occurred from 2006 to 2008. By far, the most common outcome for people who were in the labour force in 2006 is to be still employed at the subsequent two points of data collection – this represents 87 per cent of 2006 labour force participants. More than half of the people looking for work in 2006 had found a job in 2007, and most of these people were still in employment in 2008. There are another 16 different types of flows that could occur over the period. While the size of these specific groups are too small to comment on it is possible to examine broader groups, for example, people who were employed in 2006 and 2008 but had a break in 2007 – this accounts for 2.8 per cent of all 2006 labour force participants ( $n=171$ ). Figure 2.1 illustrates employment at just one point in time. However, information is collected on periods of employment experienced throughout the previous year. Of those people who changed employers or businesses around one-quarter had been actively looking for work at some point in the last year.

*Australia at Work* data are weighted by sex, age, location and union membership.<sup>4</sup> Therefore, it is important to determine whether the weighted data accurately reflects the Australian labour force in terms of occupation and industry composition. For the most part occupational distribution in *Australia at Work* is similar to that reported by the ABS, Table 2.2. However, similar to the first wave, *Australia at Work* has over-sampled professionals, with a proportional estimate of 26 per cent, compared to the ABS estimate of 21 per cent. Labourers have been underestimated: *Australia at Work* has 7 per cent of the labour force working as labourers, compared to the ABS estimate of 11 per cent.

**Table 2.2 Employed persons by occupation, 2008**

Occupation	Australia at Work		ABS
	<i>N</i>	%	%
Managers	1,437,819	14.8	12.2
Professionals	2,491,197	25.6	20.9
Technicians & trades workers	1,287,739	13.2	15.6
Community & personal service workers	834,432	8.6	8.8
Clerical & administrative workers	1,650,373	17.0	15.4
Sales workers	823,130	8.5	9.6
Machinery operators and drivers	523,007	5.4	6.7
Labourers	673,265	6.9	10.7
Unclassifiable	*713	*0.0	-
Total	9,720,962	100.0	100.0

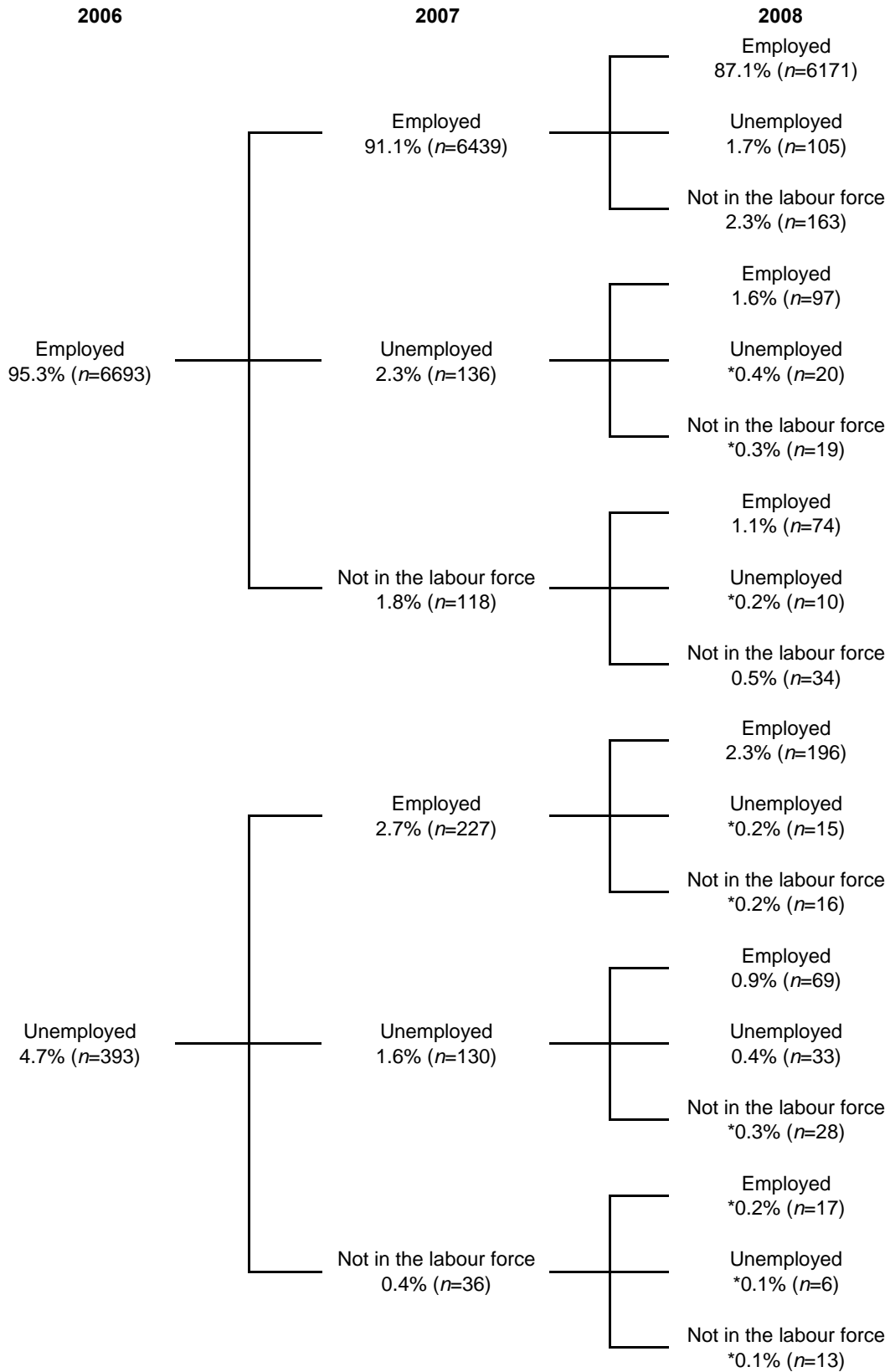
\* Estimate not reliable

Population: All employed persons

Sources: ABS *Labour Force Survey* August 2008; *Australia at Work W2*

<sup>4</sup> For more details please refer to Appendix A.

**Figure 2.1 Labour market status, 2006–2008**



\* Estimate not reliable  
 Population: All respondents 2008  
 Weight: Longitudinal 06-08  
 Source: Australia at Work W1 & W2

Table 2.3 provides a comparison of *Australia at Work* estimates of workers by industry in comparison to ABS August quarter Labour Force estimates. While *Australia at Work* is generally representative of the industry composition of the work force, there are small discrepancies in some industries. Where proportions are only a few percentage points either side this does not present an issue. However, there are some cases ABS and *Australia at Work* estimates have a larger difference. While ABS data estimate that 9 per cent of labour force works in construction, *Australia at Work* estimates this proportion to be only 5 per cent. *Australia at Work* also has a larger proportional estimate of the employed working in education and training (11 per cent compared to 8 per cent).

**Table 2.3 Employed persons by industry (ANZSIC06), 2008**

Industry	Australia at Work		ABS
	N	%	%
Agriculture, Forestry & Fishing	256,618	2.6	2.6
Mining	158,654	1.6	1.7
Manufacturing	1,024,826	10.5	9.8
Electricity, Gas, Water & Waste Services	157,472	1.6	1.1
Construction	489,831	5.0	9.3
Wholesale Trade	302,749	3.1	3.9
Retail Trade	900,406	9.3	11.4
Accommodation and Food Services	404,175	4.2	6.9
Transport, Postal & Warehousing	432,507	4.4	5.2
Information, Media & Telecommunications	307,383	3.2	2.1
Finance & Insurance Services	416,768	4.3	4.0
Rental, Hiring & Real Estate Services	156,262	1.6	1.8
Professional, Scientific & Technical Services	879,148	9.0	7.1
Administrative & Support Services	271,402	2.8	3.2
Public Administration & Safety	838,772	8.6	6.2
Education & Training	1,068,606	11.0	7.6
Health Care & Social Assistance	1,151,805	11.9	10.2
Arts & Recreation Services	167,911	1.7	1.8
Other Services	300,922	3.1	4.2
Unclassifiable	33,546	0.3	-
Total	9,719,762	100.0	100.0

Population: All employed persons

Sources: ABS *Labour Force Survey* August 2008; *Australia at Work W2*

The primary purpose of this research is to examine employment and working life more broadly. Table 2.4 displays some basic demographic and employment characteristics of employees and the self-employed in 2008. More than half (55 per cent) of the workforce is male. Men are more likely to be self-employed, comprising 65 per cent of this group. The self-employed also tend to be older with 70 per cent of this group aged 35 to 54 years. Around one in six employees are aged 17 to 24 years. It is common for a member of the workforce to be living with a partner, and for the partner to also be in paid employment. More than half (56 per cent) of the workforce are in dual-earner couples, and 30 per cent are dual-earners with children under the age of 16 present in the household.

**Table 2.4 Demographic and employment characteristics by employment status, 2008**

	Employees (n=5541)		Self-employed <sup>#</sup> (n=1083)		Total (n=6624)	
	%	N	%	N	%	N
<i>Sex</i>						
Male	53.2	4,641,549	65.2	652,691	54.5	5,294,240
Female	46.8	4,079,463	34.8	347,973	45.5	4,427,436
<i>Age</i>						
17-20	7.3	639,023	0.9	8,791	6.7	647,814
21-24	9.2	805,399	2.3	23,030	8.5	828,429
25-34	17.3	1,507,550	11.0	109,945	16.6	1,617,495
35-44	30.3	2,646,694	34.4	344,591	30.8	2,991,285
45-54	26.3	2,296,106	35.4	353,783	27.3	2,649,889
55-59	9.4	818,569	16.0	159,775	10.1	978,344
Refused	*0.1	*7,671	*0.1	*749	*0.1	*8,420
<i>Household status</i>						
Single worker no children	30.2	2,634,095	17.1	170,970	28.9	2,805,065
Single working parent <sup>^</sup>	4.4	385,654	3.4	33,834	4.3	419,488
Breadwinner no children	3.8	329,678	3.8	38,215	3.8	367,893
Breadwinner with children <sup>^</sup>	6.8	588,950	6.9	68,936	6.8	657,886
Dual-earner no children	25.4	2,217,966	27.7	277,615	25.7	2,495,581
Dual-earner with children <sup>^</sup>	29.1	2,535,963	40.8	407,772	30.3	2,943,735
Refused	*0.3	*28,707	*0.3	*3,323	*0.3	*32,030
<i>Occupation</i>						
Managers	13.3	1,163,281	27.4	274,538	14.8	1,437,819
Professionals	25.6	2,231,665	25.9	259,531	25.6	2,491,196
Technicians & trades workers	12.5	1,088,749	19.9	198,990	13.2	1,287,739
Community & personal service	9.2	806,231	2.8	28,200	8.6	834,431
Clerical & administrative workers	17.9	1,560,462	9.0	89,912	17.0	1,650,374
Sales workers	9.1	796,664	2.6	26,466	8.5	823,130
Machinery operators and drivers	5.4	474,524	4.8	48,484	5.4	523,008
Labourers	6.9	599,436	7.4	73,830	6.9	673,266
Unclassifiable	-	-	*0.1	*713	*0.0	*713
<i>Skill level</i>						
Level 1	36.6	3,189,416	48.1	481,618	37.8	3,671,034
Level 2	12.0	1,045,155	11.6	115,833	11.9	1,160,988
Level 3	12.3	1,071,091	20.4	204,286	13.1	1,275,377
Level 4	25.1	2,185,771	12.1	121,120	23.7	2,306,891
Level 5	14.1	1,229,578	7.7	77,094	13.4	1,306,672
Unclassifiable	-	-	*0.1	*713	*0.0	*713
<i>Workplace size</i>						
Under 20 employees	32.7	2,853,550	95.8	958,613	39.2	3,812,163
20-100	33.4	2,909,356	3.1	31,468	30.3	2,940,824
More than 100	32.6	2,841,238	0.9	9,102	29.3	2,850,340
Don't know/refused	*1.3	*116,867	*0.1	*1,480	*1.2	*118,347
Total	100.0	8,721,012	100.0	1,000,664	100.0	9,721,676

\* Estimate not reliable    #Includes contractors    ^ Children under 16 years present in the household  
Population: All employed persons    Weight: Cross-sectional 08    Source: Australia at Work W2

Two-fifths (41 per cent) of workers have children present in the household. However, children are not the only caring responsibility that workers may have, and this is discussed later on in this chapter. 'Breadwinners' (where only one person in the couple is in paid employment) are relatively uncommon these days. Only one in ten workers is in this situation. In the current political environment emphasis has been given to 'working families'; however, single people with no children make up 30 per cent of the workforce and account for more than 2.5 million workers.

The majority (96 per cent) of the self-employed are small business people or sub-contractors, Table 2.4. The experiences of the self-employed (including contractors) are explored in more depth in Chapter 7. Among employees, roughly one-third are employed each in workplaces with under 20, 20 to 100 and more than 100 employees. This report will examine how workplace size can impact on employees' experiences at work.

Figure 2.1 showed that while the bulk of the 2006 labour force remained employed in all three years of the study, transitions within the labour market do occur. Table 2.5 goes a step further to examine the amount of change that has occurred in the last year for the 2008 workforce. Overall, one-quarter of all workers have changed their job or employment situation in the last year, with 20 per cent changing employers or businesses, and a further 4 per cent not engaged in employment in the previous year. Change is less common among the self-employed in 2008, with 15 per cent changing jobs or businesses. Throughout the report those who are not with the same employer will be compared to those who are, to examine whether working conditions are more likely to vary among those who have changed employers. Last year, it was concluded in *The Benchmark Report* that those who changed employers provided a good indication of future trends in working conditions and agreement-making.

**Table 2.5 Changes in employment 2007–2008 by self-employment status 2008**

	Employees 08 (n=5541)		Self-employed 08 (n=1083)		Total 08 (n=6624)	
	%	N	%	N	%	N
Same employer or business (including promotion)	74.5	6,495,928	82.9	829,086	75.3	7,325,014
Different employer or business	20.9	1,822,416	14.6	145,897	20.2	1,968,313
Employed in 2008 not 2007	4.6	402,668	2.6	25,681	4.4	428,349
Total	100.0	8,721,012	100.0	1,000,664	100.0	9,721,676

Population: Employed persons 2008

Weight: Cross-sectional 08

Source: Australia at Work W1 & W2

Certain groups of workers were more likely to change their employer or gain a new job in the last year, Table 2.6. Young employees under the age of 25 are much more mobile in the labour market. Around half are not in the same job they were last year, with one in ten not being employed last year. One-third of young males and 41 per cent of young females have changed their job in the last year. Older employees aged 45 and above were more likely to

be with the same employer as last year. Employees not engaged in study are more likely to experience stable employment, Table 2.6. Full-time students (who also tend to be younger) experience the most upheaval in the labour market, with 12 per cent not having a job in the previous year and 32 per cent changing jobs. More than one-fifth (24 per cent) of part-time students have changed employers in the last year.

**Table 2.6 Employees' characteristics by change in job, 2008, per cent**

	Same employer	Different employer	Not employed in 2007	Total
<i>Sex by age</i>				
Male aged 17-24 (n=390)	55.7	33.3	11.0	100.0
Male aged 25-44 (n=1355)	75.9	21.0	3.1	100.0
Male aged 45+ (n=1037)	81.7	15.1	3.2	100.0
Female aged 17-24 (n=392)	47.5	41.1	11.4	100.0
Female aged 25-44 (n=1297)	75.7	20.2	4.1	100.0
Female aged 45+ (n=1065)	84.9	12.5	2.6	100.0
<i>Currently studying</i>				
Part-time (n=619)	71.8	23.9	4.3	100.0
Full-time (n=356)	56.0	31.8	12.2	100.0
Not studying (n=4563)	76.4	19.6	4.0	100.0
<i>Form of Employment</i>				
Permanent (n=4248)	79.6	17.5	2.9	100.0
Fixed-term contract (n=358)	57.5	34.1	8.4	100.0
Casual (n=931)	59.2	30.4	10.4	100.0
<i>Skill level</i>				
Skill level 1 (n=2175)	81.5	16.0	2.5	100.0
Skill level 2 (n=646)	74.9	21.8	*3.3	100.0
Skill level 3 (n=661)	75.6	21.0	3.4	100.0
Skill level 4 (n=1317)	68.5	26.4	5.2	100.0
Skill level 5 (n=742)	65.7	22.9	11.4	100.0
Total (n=5541)	74.5	20.9	4.6	100.0

\* Estimate not reliable

Population: Employees in 2008

Weight: Cross-sectional 08

Source: Australia at Work W1 & W2

People who are employed on a permanent basis are more likely to have remained with the same employer in the last year (80 per cent). Employees with a fixed-term contract or employed casually are equally mobile, with two in five changing their employment situation in the last year. One-third (34 per cent) of employees on fixed-term contracts and 30 per cent of casual employees changed jobs. Employees engaged at the lowest two skill levels are the most mobile, and employees at the lowest skill level are more likely to not have been employed last year (11 per cent). Employees in the highest skill level are the most stable, with 82 per cent remaining with the same employer.

Of the majority of workers who remained with the same employer or same business, change is still possible with some reporting a promotion or change of position. Table 2.7 displays

the results for changes in occupation. As expected, workers who are with a different employer or have a different business are much more likely to have changed the type of work they are engaged in. Three-quarters (77 per cent) of employees with a different employer have changed their occupation, compared to only 5 per cent of employees who have remained with the same employer. This does not indicate all the employees who may have received a promotion while remaining with the same employer, as only a very substantial change in responsibility would register within the ANZSCO coding frame. The question is whether this change in job resulted in a substantive change in skill level. The answer is yes, in most cases. Half of employees who changed employer have also changed the skill level at which they are employed, with 21 per cent decreasing in skill level and 29 per cent increasing.

**Table 2.7 Changes in employment 2007–2008 by change in employer or business, 2008, per cent**

	Employees 08			Self-employed 08		
	Same (n=4271)	Different (n=1045)	Total (n=5316)	Same (n=890)	Different (n=160)	Total (n=1050)
<i>Change in occupation</i> ^						
No change	94.7	22.9	78.9	99.4	25.7	88.4
Change	5.3	77.1	21.1	*0.6	74.3	11.6
<i>Change in skill level</i>						
Increase in skill level	2.1	27.8	7.7	*0.4	24.9	4.1
Same skill level	97.0	51.2	87.0	99.6	50.3	92.2
Decrease in skill level	0.9	21.0	5.3	-	24.8	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

^ Refers to change in 4-digit ANZSCO

\* Estimate not reliable

Population: Employed persons in 2007 and 2008

Weight: Cross-sectional 08

Source: Australia at Work W1 & W2

As with *The Benchmark Report*, this report uses the skill levels outlined in the Australian New Zealand Standard Classification of Occupations (ANZSCO). The conceptual model for ANZSCO is based on the level and specialisation of skill expected to perform tasks in a particular occupation (ABS 2005). These are grouped into five hierarchical skill levels. Skill level 1 is the highest and tasks expected to be performed at this level are commensurate with a bachelor degree or higher, or five years of relevant experience. Skill level 5 is the lowest and associated tasks are commensurate with secondary education and/or a short period of on-the-job training; and in some cases no training or formal qualification is required.

There are areas for possible contention with the skill classification of some occupations; for example, child carers are classified as skill level 4 which corresponds with a Certificate II or III. However, the real contention here is with the accreditation processes and the undervaluation of feminised work. ANZSCO skill levels provide a useful category of analysis

as they corresponds with pay levels and the perceived value of the job, and subsequently, bargaining power. For some analysis the five skill levels have been grouped into: 'high qualified' and 'low qualified', where skill levels 1 to 3 constitute the 'high qualified' group. This was done according to consistent findings that showed employees in these two groups had a range of employment characteristics in common.

### **Transitional labour markets**

One in twenty employees reported not being at work in the last week when they were surveyed. Most of the cases can be attributed to taking leave, the most common being annual leave, and very small proportions on sick and maternity leave. There were also a small minority of employees who said they had not been rostered on in the last week. Of those who were not in the labour force (i.e. not looking for work), one if five said the main reason was because they were studying and 17 per cent said they preferred to be home with their children.

To understand the transitions and obligations outside of work beyond that of children and study, extra questions were added to the 2008 survey regarding caring. Respondents were asked if they provided care on an ongoing basis to anyone who has a long-term health condition or a disability or is elderly. A total of 12 per cent of respondents report caring responsibilities and more than half of these people are the primary carer. This represents roughly 800,000 carers in this population. Over a third (37 per cent) of primary carers are not participating in the labour force (compared to 19 per cent overall) and primary carers are more likely to be women (66 per cent); while men are slightly more likely to take on secondary caring responsibilities (53 per cent).

Having an indicator of care means it is possible to capture an important dimension of people's transitional labour market (TLM) status. In the introduction we noted that TLMs provide a framework for capturing and analysing information on how people's life courses intersect with other aspects of life. As noted by Schmid and his colleagues (2002) TLMs are labour market flows that involve moving between:

- education/training and employment;
- private family based activity (usually unpaid) and paid employment;
- unemployment and employment; and
- work into retirement or between period incapacity for work (due to illness or disability) and employment.

Capturing information on such flows allows our analysis to move beyond notions of 'breadwinning/caring' on the one hand and 'individual choice' when making sense of the complex reality of modern working life (Watson et al. 2003). Trends in the transition between employment and unemployment were summarised in Figure 2.1. As yet we have only limited data on people's movements between work and retirement and back. We can, however, provide good information on transitions involving care and education.

Table 2.8 illustrates responsibilities other than paid work that people manage along with their participation in the labour market. Studying encompasses both full-time and part-time study and 13 per cent of all respondents report they are studying. Over a third of those studying in this sample are young people in full-time education. The definition of caring in this table is broad and includes those people with children under the age of 16 years in their household as well as those who undertake other caring responsibilities, though not limited to the primary carer. According to this definition, 42 per cent of all respondents have some type of 'care' responsibilities. Only one in twenty respondents report study and care. The definition of care denotes the presence of caring responsibilities but does not indicate primary carer status. This becomes evident when we consider men's and women's participation in the labour market. Caring does not appear to have an impact on men's rate of employment, whereas for women it has a large impact. Around 85 per cent of men are employed regardless of their caring responsibilities. Women are more likely to be employed if they do not have any study or caring obligations, with 80 per cent in paid work (compared to 71 per cent overall). Only 65 per cent of women who have caring responsibilities are in paid work.

**Table 2.8 Activities other than paid work by labour force participation and sex, 2008, per cent**

	Employed	Unemployed	Not in the labour force	Total
<i>Men</i>				
Not studying & not caring ( <i>n</i> =1570)	85.0	3.9	11.0	100.0
Caring / Children ( <i>n</i> =1622)	88.7	1.9	9.4	100.0
Studying ( <i>n</i> =358)	67.9	*5.3	26.8	100.0
Studying and Caring / Children ( <i>n</i> =171)	82.1	2.4	15.5	100.0
Total ( <i>n</i> =3733) ^	84.2	3.2	12.6	100.0
<i>Women</i>				
Not studying & not caring ( <i>n</i> =1268)	79.8	2.5	17.7	100.0
Caring / Children ( <i>n</i> =1410)	65.3	2.7	32.0	100.0
Studying ( <i>n</i> =432)	68.8	4.9	26.3	100.0
Studying and Caring / Children( <i>n</i> =236)	61.8	*5.2	*33.0	100.0
Total ( <i>n</i> =3353) ^^	70.7	3.1	26.2	100.0

Note: Caring / children is denoted as having children in the household under 16 years or providing the care for someone who is elderly, disabled or ill.

^ The total includes 12 missing cases for activity. ^^ The total includes 7 missing cases for activity.

\* Estimate not reliable

Population: All respondents

Weight: Cross-sectional 08

Source: Australia at Work W2

The activity having the most impact on men's absence from the labour market appears to be education. Only 68 per cent of men who are studying are in paid work. This is comparable to the rate of employment among women who are studying (69 per cent). Thus, from this brief analysis it appears that the labour market transitions for men appear to be somewhat more simplified than those for women. This indicates that women may make more transitions in and out of the labour market depending upon their caring obligations.

Table 2.9 further explores the labour market transitions by examining the responsibilities other than paid work that men and women have and the usual hours they work in all paid jobs. Among men working full-time and part-time hours, there is little difference between the proportion of those who are not studying and not caring (43 and 38 per cent, respectively). Whereas among women there is a significant difference in the level of responsibilities held by those working full-time and part-time hours. Relatively few men who work part-time hours also have caring responsibilities (19 per cent), so this does not appear to be the driver for part-time work among men. The main non-work responsibility among part-time male workers is studying (37 per cent). It must also be noted that only 13 per cent of men work less than 35 hours in all their jobs, which amounts to just over 700,000 men. On the other hand, over 2 million women workers are at work for less than 35 hours per week (48 per cent). Half (48 per cent) of part-time women workers have caring responsibilities, and those studying only make up 16 per cent of this group. The most common responsibility for men working full-time hours is caring (46 per cent). However, it is likely that with their work commitments that the primary form of care they provide is financial support.

**Table 2.9 Activities other than paid work by usual hours worked in all jobs and sex, 2008, per cent**

	Works <35 hours		Works ≥35 hours	
	Men (n=444)	Women (n=1437)	Men (n=3076)	Women (n=1637)
Not studying and not caring	38.1	28.7	42.8	49.7
Caring	19.2	47.5	46.3	33.7
Studying	37.1	16.2	6.2	11.0
Studying and Caring	5.1	7.4	4.4	5.4
Total	100.0	100.0	100.0	100.0

Note: Caring is denoted as having children in the household under 16 years or providing the care for someone who is elderly, disabled or ill.

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

## Young workers

As the population continues to age, young people will be increasingly relied upon to contribute their labour to the economy. Globalisation, technology and climate change (just to name a few) mean that young people are growing up in and participating in a very different world and labour market to their parents. This report will provide some glimpses into the working lives of young people. The youngest participant in the second wave of this survey is aged 17 years. The requirement for participation in the survey is that the respondent had to be participating in the labour force in March 2006, that is, either employed or looking for work. This means this sample is not necessarily representative of young workers. Of those aged under 21 years at the time of the study, 11 per cent reported looking for work in 2006. By 2008, 23 per cent of respondents aged 17 to 21 years are not in the labour force, with a further 7 per cent looking for work. Of the approximately 850,000

employed young people (aged 21 years and below). Only one-third of young respondents are not engaged in study and the majority (55 per cent) are studying full-time (with the remaining 11 per cent studying on a part-time basis). A very small proportion (3.5 per cent) of all employees are apprentices or trainees, with 2 per cent reporting apprenticeships. Among young employees in the workforce, one in five has an apprenticeship or traineeship. Young workers are just as likely as the remaining workforce to hold multiple jobs (8 and 7 per cent, respectively). Half of young employees are employed on a casual basis. The highest proportion (29 per cent) of young people are employed as sales workers, and therefore, also in the retail industry. A further 17 per cent are employed in hospitality (accommodation and food services).

### 3. Relations at the Workplace

#### The labour contract

The labour contract for most Australian employees is a complex phenomenon. Very few employees have their wages and enforceable rights at work determined by just one instrument. Underpinning all arrangements is the common law – with contracts being either of or for service. This determines whether workers' status is as an employee or self-employed/contractor. For employees the content of their contract is then usually shaped by a combination of the following:

- awards;
- formal agreements: individual and collective, union and non-union; and
- less formal arrangements such over-award and over-agreement entitlements. These may sometimes be codified in company personnel and human resources policies. Sometimes they exist on the basis of custom and practice.

Ascertaining the respective role of each of these different sources of people's labour contract is difficult. *Australia at Work* asks respondents about the primary instrument that sets out their pay and conditions. This information, usually collected from employers, provides insight into how employees see themselves interacting with Australia's complex industrial relations system. The study assumes a low level of knowledge among employees on industrial instruments and has been carefully designed to elicit as much information as possible from respondents. Further, the longitudinal nature of the study may possibly have an impact on participants' responses as they may become more engaged with these issues, and therefore their awareness of their labour contract may increase. This component of the research is still evolving. As insights are gained into employees' knowledge and engagement with their industrial instrument we will be able to develop a framework that is more meaningful to them.

Before examining the results for self-reported instrument type over the three years for which it is measured, how employee reports of instrument type compare with data collected by the Australian Bureau of Statistics (ABS) are discussed, Table 3.1. There are two major ways that data collected by the ABS differs from that of *Australia at Work*. The first is that the ABS collects the information from employers themselves. This relies on employer knowledge of industrial arrangements, which is assumed to provide a more accurate picture than employee reports. The other main difference is the categories used. The ABS categories distinguish between registered and unregistered agreements, and between collective and individual. *Australia at Work*, instead, uses the names of types of agreements commonly used such as 'Australian Workplace Agreement (AWA)' or 'Collective workplace agreement'. One difficulty with the ABS categories is that they do not distinguish between over-award payments and individual contracts based on the common law. Thus, these data do not provide an indication of how many employees are relying on the award system as a basis for their pay and conditions.

Table 3.1 shows that employees have greatly overestimated the role of awards in setting their pay and conditions. One explanation is that many employees are not aware that they are being paid over-award arrangements. However, the overall estimation of unregistered individual arrangements, including over-award payments, is similar to that of the ABS. A more likely explanation is that employees are confusing the different types of collective arrangements - awards and collective workplace agreements - with one another, as registered collective agreements have been greatly underestimated. Thus, although these agreements are being negotiated at the enterprise level, this does not appear to boost the knowledge or awareness of these agreements.

Confusion regarding the precise instrument type is also evident in the more detailed qualitative interviews conducted with approximately 50 Australian workers. A large number of interviewees admitted to being “not entirely sure” about the precise details of their labour contract. Many spoke of these arrangements in detached terms, as if they were somehow outside of the process. “I think they’ve got a contract in place...I’ve never thought about it” conceded one worker; “I’m not sure there, whether it’s an award or...there’s never been an agreement as such”, stated another. One worker displayed views symptomatic of broader patterns:

*I am not quite sure really about the details. Um...I am not quite sure about an enterprise agreement... I know there were some activities around that...I haven’t been involved or benefited basically from that... [Male, 52, Scientist].*

**Table 3.1 Pay instrument ABS & Australia at Work comparison, 06, 07 & 08, per cent**

Method of setting pay (and conditions)	ABS	Australia at Work <sup>^</sup>		
	2006	2006 (n=6479)	2007 (n=5816)	2008 (n=5516)
Award only	20.0	33.4	30.7	29.0
Registered collective agreement	40.1	21.7	21.1	22.9
Unregistered collective agreement	3.2	-	-	-
Registered individual arrangement	3.3	4.7	6.6	5.6
Unregistered individual arrangement <sup>#</sup>	33.4	28.8	30.9	32.2
No agreement	-	4.7	3.3	5.3
Don't know	-	6.6	7.5	5.0
Total	100.0	100.0	100.0	100.0

<sup>#</sup> Includes common law contract and an agreement to receive over-award payments.

<sup>^</sup> Does not include the responses: no agreement, don't know.

Note: The ABS question asks employers about the method of setting the main part of an employee's pay. The Australia at Work questions asks employees how their pay and conditions are set.

Population: Employees only

Weight: Cross-sectional 06; Cross-sectional 07; Cross-sectional 08

Source: ABS 6306.0 May 2006 (reissue); Australia at Work W1 & W2

There have not been any significant changes in employees' reports of their main industrial instrument, Table 3.2. The longitudinal nature of the study may be having an impact on respondents' ability to report their instrument type. The proportion of employees reporting

they don't know their instrument has decreased marginally between the two waves of data collection. But this may also be a result of the ageing of the sample as we know that younger workers are less likely to have knowledge of their instrument type. On the surface, the most notable change is the decrease in employees who report sole reliance on award pay and conditions, from 33 per cent in 2006 to 29 per cent in 2008. However, at the same time the proportion of those who report over-award arrangements has increased slightly.

Overall, the 2008 findings regarding instrument type are reflective of those in 2007, Table 3.2. More than one-third of employees believe that they rely on the award system either for the direct determination of or the basis for their pay and conditions. One in five employees (23 per cent) report having a collective agreement in place. However, comparisons with ABS data suggest that this reflects poor knowledge of these types of agreements. Knowledge of these agreements may be higher when a union is involved as reports of union collective agreements are more than double those of employee collective agreements. Another quarter (27 per cent) of employees report individual arrangements, the bulk of which are based on the common law. The proportion of employees who say they have an AWA in place has decreased from 6.5 per cent to 5.5 per cent, but this does not represent a statistically significant movement. However, with the developments in the policy environment it would be safe to say that AWAs are trending downwards and there does not appear to have been a large scale 'last minute dash' to sign employees onto AWAs.

**Table 3.2 Employees' self-reported industrial arrangement, 2006, 2007 & 2008, per cent**

	2006		2007		2008	
	(n=6492)		(n=6464)		(n=5541)	
	N	%	N	%	N	%
Award only	2,840,218	33.3	2,636,309	30.6	2,516,322	28.9
Over-Award <sup>^</sup>	741,187	8.7	832,185	9.7	894,307	10.3
Individual (common law) contract	1,710,538	20.1	1,821,504	21.1	1,905,181	21.8
Collective agreement with a union	1,219,886	14.3	1,125,449	13.1	1,303,657	14.9
Collective agreement without a union	478,960	5.6	494,424	5.7	520,872	6.0
Collective agreement – union unknown	133,833	1.6	186,171	2.2	153,912	1.8
AWA	400,291	4.7	562,905	6.5	482,895	5.5
Industry or multi employer agreement	*4,744	*0.1	*4,840	*0.1	*8,396	*0.1
Employer Greenfield	-	-	*1,059	*0.0	*1,670	*0.0
Other	*13,013	*0.2	*11,677	*0.1	*24,123	*0.3
No award or agreement	402,085	4.7	282,245	3.3	459,025	5.3
ITEA	-	-	-	-	*431,539	*4.9
Don't know/refused	564,592	6.6	657,255	8.0	444,943	5.1
Total	8,524,939	100.0	8,616,024	100.0	8,721,012	100.0

<sup>^</sup> An employee is recorded as being on an over-award arrangement if they specified this arrangement or if they said they were on an individual contract and an award plays a role in their pay and conditions.

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 06; Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

One in twenty employees said they do not have an agreement in place. In these cases, it is possible that either the employer is using an award rate or has established a contract without communicating this to the employee. Alternatively, some workers reporting no agreement may be employed informally i.e. in cash-in-hand jobs. Casual employees are more likely to say they do not have an agreement in place (9 per cent) compared to permanent employees (4 per cent).

The industrial instrument in place can sometime reflect certain employment and individual characteristics. Table 3.3 illustrates the agreements reported by both male and female employees in high and low skilled jobs, as defined by the ABS (2005). Overall, men and women's reports of instrument type differ significantly, with men more likely to report individual agreements (31 per cent compared to 23 per cent of women) and women reporting collective arrangements, in particular, awards. One-third (34 per cent) of female employees report a reliance on basic award conditions compared to only 25 per cent of male employees, and this is not a manifestation of males employees in high-skilled jobs. Among all employees in high-skilled job, the proportion of women on awards (32 per cent) outweighs the proportion of men on awards (22 per cent). One explanation is the type of jobs these women are employed in. Many women in high-skilled jobs are characteristically in public service occupations such as teaching and nursing where awards conditions predominate. Men tend to dominate the high-end managerial ranks of high-skilled jobs and this is likely to explain their more frequent reports of individual contracts. Men employed in high-skilled positions are more likely to report having an individual common law contract (29 per cent compared to 23 per cent of high-qualified women) and AWAs (6 per cent compared to 2 per cent of high-qualified women).

**Table 3.3 Employees' self-reported industrial arrangement by skill level and sex, 2008, per cent**

	High skill jobs		Low skill jobs		Total	
	Men n=1860	Women n=1622	Men n=922	Women n=1137	Men n=2782	Women n=2759
Award only	22.4	31.9	28.7	33.7	24.6	33.7
Over-Award ^	10.3	11.3	9.5	10.5	10.0	10.5
Individual (common law) contract	28.8	23.2	15.6	19.0	24.3	19.0
Collective agreement with a union	16.0	16.6	15.1	14.1	15.7	14.1
Collective agreement without a union	6.7	4.1	7.8	4.7	7.1	4.7
Collective agreement – union unknown	1.1	2.0	*1.6	2.3	1.3	2.3
AWA	6.3	2.4	8.2	3.9	7.0	3.9
Industry or multi employer agreement	*0.1	*0.2	*0.0	*0.2	*0.0	*0.2
Employer Greenfield	-	-	-	0.0	-	0.0
Other	*0.4	*0.2	*0.1	*0.3	*0.3	*0.3
No award or agreement	4.4	3.0	7.0	5.3	5.3	5.3
ITEA	-	*0.1	-	*0.2	-	*0.1
Don't know/refused	3.5	5.0	6.3	6.9	4.5	5.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

^ An employee is recorded as being on an over-award arrangement if they specified this arrangement or if they said they were on an individual contract and an award plays a role in their pay and conditions.

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Industry trends in agreement-making will also impact on the prevalence of certain agreement types across the states and territories. Table 3.4 shows that employees' reports of agreements vary across the states. Employees in NSW are more likely to report a reliance on the award system (45 per cent of employees). Reports of employee collective agreements are similar across all the states and territories. The difference occurs for reports of union collective agreements. Employees in the ACT, in particular, report high proportions of collective agreements with a union. This is likely to be a reflection of the high proportion of public service employees who are governed by enterprise agreements and have a higher rate of union membership. The Northern Territory, also with a relatively large public sector workforce, also has a high incidence of collective agreements (32 per cent compared to 23 per cent overall). Employees in South Australia are also more likely to report collective workplace agreements.

Individual contracts based on the common law are commonly found in higher paid and high-skilled jobs. NSW and WA have a higher incidence of employees with these types of contracts (25 per cent and 26 per cent, respectively, compared to 22 per cent overall). Employees in Western Australia and Tasmania are more likely to report AWAs (9 per cent and 13 per cent respectively). The AWAs in WA appear to be fairly concentrated in the industries of mining, manufacturing, retail and wholesale trade and IT. However, in Tasmania the AWAs are dispersed across most industries.

**Table 3.4 Self-reported agreement type by state, 2008, per cent**

	Award based	Collective agreement	Individual contract	AWA	Don't know/ Ref	None	Total
NSW (n=1776)	44.7	15.8	24.9	4.7	4.5	5.4	100.0
Vic (n=1256)	35.6	25.6	23.1	4.3	5.6	5.9	100.0
QLD (n=943)	40.8	26.6	17.1	5.5	5.3	4.8	100.0
SA (n=493)	39.0	29.7	16.3	5.7	4.7	*4.6	100.0
WA (n=498)	32.0	21.6	25.9	8.9	5.9	5.7	100.0
Tas (n=196)	36.3	26.2	13.1	13.0	*6.9	*4.6	100.0
NT (n=143)	35.4	32.2	19.6	*7.6	*1.8	*3.4	100.0
ACT (n=236)	25.3	40.8	18.6	8.2	*4.5	*2.6	100.0
Total (n=5541)	39.2	22.9	21.9	5.6	5.1	5.3	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

The results from wave one of *Australia at Work* established that the most change in agreement making occurred when employees changed employers. A change in job appeared to be an opportune time for employers to bring in new agreement-making arrangements. Particularly as the new industrial relations environment provided new and different ways to make employment contacts. Thus, those who changed jobs gave an indication of what future agreement-making trends may look like.

When reporting change in self-reported agreement it is difficult to ascertain what is actually a change in the labour contract and what is a change in the knowledge or level of awareness of the respondent. It is expected that some of the results will be affected by a response bias commonly associated with longitudinal surveys. Further, the way change is measured this year differs to last year. In the first wave respondents were asked whether their agreement had changed since 2006. In the second wave respondents were asked again their agreement type and this is compared to their reports from last year. In looking at change in agreement type we have tried to account for most of the change in knowledge by grouping together the broad types of agreements, illustrated in Table 3.5. It is unlikely that many employees who have remained with the same employer will have changed their agreement type in the past year. However, this is possible in some cases such as being promoted to a more managerial position that is no longer covered by the award or enterprise agreement or being moved on to an AWA (which was possible up until 31 March 2008).

Table 3.5 shows the proportion of all employees in both 2007 and 2008 who have stayed with the same employer or changed and whether their reports of the broad type of agreement have changed. We have not included those who could not report their agreement in either year as we know for certain that this would not be a genuine change in agreement. This was higher among those who changed jobs than those who didn't (15 per cent compared to 10 per cent, respectively). The results highlight the potential for

inaccuracy in asking respondents to report on their agreement type each year, as 35 per cent who are in the same job have changed their answer. It is somewhat reassuring that those who change employers are more likely to report a change in agreement (47 per cent). These results highlight the need for further research and development in ascertaining the employees' perspective on the labour contract. It is clear that the legal definitions and descriptions of the labour contract do not make sense to many employees. Confusion is also likely to be enhanced as these simple categories used in Table 3.5 do not account for the multiple arrangements sometimes used, both formally and informally. However, it is still useful to observe employees' knowledge and perceptions of the arrangements in place.

**Table 3.5 Employees' self-reported instrument type by change in job, 2008, per cent**

<b>Self-reported instrument type</b>	<b>Same job (n=4255)</b>	<b>Different job (n=925)</b>	<b>Total (n=5180)</b>
<i>Same agreement type</i>	55.8	38.8	52.4
Award based	25.9	20.2	24.8
Collective	14.4	6.1	12.8
Individual (common law)	12.1	10.3	11.8
AWA	2.4	*1.3	2.2
Other	*0.1	*0.1	*0.1
No agreement	0.9	*0.8	0.9
<i>Changed: Agreement type in 2008</i>	34.5	47.4	37.1
Award based	11.5	13.2	11.9
Collective	10.2	10.1	10.2
Individual (common law)	7.1	13.7	8.4
AWA	2.7	4.9	3.1
Other	*0.2	*0.4	80.2
No agreement	2.8	5.0	3.3
<i>Don't know or refused in either wave</i>	9.6	13.9	10.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Estimate not reliable

Population: Employees in 2007 and 2008

Weight: Cross-sectional 08

Source: Australia at Work W1 & W2

Firstly, among employees who are with the same employer, one-quarter have continued to report award-based arrangements in both years, and 15 per cent have reported collective workplace agreements. Around one-ten employees each changed their report of agreement type to either award arrangements or collective agreements. This is likely to reflect a change in knowledge in most cases. Indeed, the employees who report changing to an award in 2008, had previously reported a collective agreement, and another third had previously reported an individual contract (which can commonly be mistaken for over-award arrangements). Similarly, of those who reported changing to a collective agreement, more than two-thirds had previously reported an award. Thus, the reports of changes in agreement need to be interpreted with some caution.

Now turning to those employees who have changed employer in the last year, only two-fifths of these employees report the same instrument they had in their previous job, with 20 per cent remaining on award arrangements. These employees were also more likely to report a change to individual contracts, both common law (14 per cent) and AWAs (5 per cent). On balance, the reports of AWAs among employees who changed employers and those who hadn't were not significantly different (6 and 5 per cent in total, respectively). Employees who were in a different job were less likely to report knowledge of their instrument, with 14 per cent not knowing. We already know that young employees are more likely to change jobs and less likely to know the type of agreement in place.

### **Earnings limits on industrial instruments: the \$100,000 award ban**

A relatively new concept that the Federal Government has embraced in the proposed *Forward with Fairness* legislation, is a limitation on the application of award conditions based on an earnings threshold. That is, employees earning more than \$100,000 per year will no longer be subject to the award. This is a relatively new concept in that it has not been common for limits to be placed upon applications of industrial law based up on how much an employee is earning. The first prominent instance of this was in 2007 with the Howard Government introduced *The Fairness Test* for employees with AWAs who were earning less than \$75,000 p.a. The introduction of monetary limits has generated concern among some groups, unions especially, as it is recognised that award conditions apply to working conditions other than just earnings.

Awards can either directly determine or indirectly influence an employee's working conditions. We know that 29 per cent of employees believe that the award directly determines their pay and conditions, and for another 11 per cent the award provides the basis for their conditions but they are paid an over-award rate. Awards can also influence the pay and conditions for employees with other types of instruments in place. Overall, 55 per cent of all employees say that an award plays a role in their pay and conditions. Another 8 per cent of employees are uncertain about the role of the award system. Table 3.6 shows that while the majority of those who say an award plays a role in their pay and conditions have the award as their main instrument, one in four have a collective agreement in place. There are also a very small proportion of employees who have an AWA who say an award influences their pay and conditions. AWAs tend to be used for employees for whom the award is applicable but where individual arrangements are desired. Thus, this could be reflection of employees' knowledge that an award applies to them in their job or that some award conditions could be referred to in their individual agreement. Table 3.6 is an important reminder that awards do have a role in influencing other industrial instruments.

Half of employees who say that an award does not have a role in influencing their pay and conditions are on individual common law contracts. A further 18 per cent say they have an enterprise agreement in place. It is up to the relevant parties as to whether the award is referred to in an enterprise agreement.

**Table 3.6 Employees' self-reported instrument type by award role, 2008, per cent**

<b>Self-reported instrument type</b>	<b>Award role (n=3216)</b>	<b>No Award role (n=1914)</b>	<b>Don't know (n=405)</b>	<b>Total (n=5535)</b>
Award based	71.4	-	-	39.2
Collective	25.0	18.2	29.9	22.8
Individual (common law)	-	50.1	40.3	21.9
AWA	3.5	8.2	7.6	5.5
Other	*0.1	*0.5	*1.1	0.4
No agreement	-	13.1	4.8	5.3
Don't know/refused	-	10.0	16.3	5.0
Total	100.0	100.0	100.0	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

We now turn to the issue of placing salary caps on award-applicable employees. Table 3.7 distinguishes between employees earning a yearly salary of \$100,000 or more in their main job and whether they say the award plays a role in their pay and conditions and the main instrument they say sets out their pay and conditions. More than half (58 per cent) of employees who are earning \$100,000 or less each year say that an award plays a role in their pay and conditions. Two in five of these lower income earners directly rely on the award system for their pay and conditions and another 24 per cent have collective enterprise agreements in place. More noteworthy in the current policy climate is that more than one-quarter (28 per cent) of employees earning more than \$100,000 per year say that the award plays a role in their pay and conditions. And 18 per cent report that the award is the main instrument that determines their pay and conditions. It is these employees who will be shut out from the award system under the new industrial relations legislation.

The award system governs more than salaries. It has, in the past, provided conditions and protections for vast aspects of work. Through the Government's Award Modernisation process, awards will be stripped down to the 10 National Employment Standards and 10 award-specific conditions. However, the new modernised awards will continue to regulate more than just earnings. Areas likely to be covered by certain awards could be working hours, shift patterns and penalty rates. Table 3.8 shows the results for some of these other aspects of working conditions for employees earning above and below \$100,000 per year and who say the award has a role in influencing their pay and conditions.

**Table 3.7 Award role and instrument by salary in main job, 2008, per cent**

	\$100,000 or less (n=4734)		More than \$100,000 (n=417)		Total (n=5160)	
	%	N	%	N	%	N
<i>Award plays a role</i>						
Yes	58.1	4,271,834	27.9	203,592	55.4	4,475,426
No	34.0	2,501,207	69.8	508,981	37.2	3,010,188
Don't know	7.9	581,257	*2.3	16,719	7.4	597,976
<i>Self-reported instrument</i>						
Award	41.3	3,040,097	18.4	134,479	39.3	3,174,576
Collective agreement	23.8	1,752,606	16.3	119,202	23.2	1,871,808
Individual (common law)	18.4	1,354,084	54.9	400,129	21.7	1,754,213
AWA	5.5	402,213	6.7	48,854	5.6	451,067
Other	*0.3	22,573	*0.3	2,472	*0.3	25,045
No award or agreement	5.1	378,516	*2.1	15,471	4.8	393,987
Don't know/refused	5.5	404,209	*1.2	8,685	5.1	412,894
Total	100.0	7,354,298	100.0	729,292	100.0	8,083,590

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W1 &amp; W2

The level of regulation influencing working time, such as penalty rates, has gradually whittled away in Australia. The new National Employment Standards have a standard labelled 'Maximum weekly hours', however it does not provide any substantive protections against long hours (van Wanrooy et al. 2008). Awards are the last place where potential for some working time regulation exists. Table 3.8 shows that 28 per cent of employees who will no longer be covered by awards have their hours determined by roster. Regulation of rostering arrangements is important as it regulates the two important safety aspects of working hours: configuration and length. Employees earning higher incomes are more likely to be discontent with their working hours. The dissatisfaction with hours is comparable between those who have their conditions influenced by the award and those who do not. This dissatisfaction is expressed in a desire to work fewer hours, around 40 per cent of employees have this preference. This dissatisfaction can be explained by the large proportion of these employees working very long hours. Of the high earners who will no longer come under award arrangements, 52 per cent are working 50 hours or more per week, and 63 per cent of those who don't have an applicable award are working the same hours. Many of these extra hours are unpaid. Almost two-thirds of the higher earners are working unpaid hours, with 23 per cent of award employees and 30 per cent of non-award employees working more than 10 unpaid hours per week.

**Table 3.8 Employee perspectives and conditions by salary and award role in main job, 2008, per cent**

	\$100,000 or less		More than \$100,000		Total (n=5160)
	Award role (n=2900)	No award (n=1843)	Award role (n=126)	No award (n=291)	
<i>Work rostered hours</i>					
Yes	38.4	28.5	27.5	8.8	32.4
No	61.2	71.3	71.7	90.3	67.2
<i>Hours preference</i>					
Happy with hours	72.7	70.2	57.9	59.3	70.5
Want fewer hours	19.1	21.5	41.0	40.4	22.0
Want more hours	8.1	8.1	*1.1	*0.3	7.4
<i>Usual working hours in main job</i> (n=2888) (n=1837) (n=126) (n=290) (n=5141)					
1-15	9.3	11.8	-	-	9.4
16-34	25.9	18.8	*1.0	*1.8	21.0
35-40	35.5	35.1	22.6	13.5	33.6
41-49	17.7	17.2	24.8	21.4	17.9
50 plus	11.7	17.1	51.6	63.3	18.1
<i>Unpaid hours</i> (n=2882) (n=1825) (n=125) (n=284) (n=5116)					
No unpaid hours	66.6	66.2	40.1	35.0	63.8
1-10	26.8	25.4	37.2	34.6	27.0
More than 10	6.6	8.4	22.6	30.4	9.2
Total	100.0	100.0	100.0	100.0	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W1 &amp; W2

## Relations with managers

*Australia at Work* asks respondents about several aspects of the relationship with their workplace managers: consultation, trust and fairness. Overall, most employees are content with these aspects of workplace management and attitudes have not significantly altered in the last year, Table 3.9. The table distinguishes between employees who are in a managerial occupation and those who are not. Managerial employees often provide more positive reports of managerial behaviour. However, non-managerial employees are generally very positive: 74 per cent say managers consult staff, 70 per cent feel that managers can be trusted and 78 per cent agree that employees are treated fairly.

There are some slight shifts between the proportion of respondents who say 'agree' or 'strongly agree'. For example, the proportion of non-managerial employees who agree that managers consult staff has increased from 51 per cent to 56 per cent, but those who 'strongly agree' has decreased from 20 per cent to 18 per cent. However overall, attitudes toward management appear to be quite stable.

**Table 3.9 Employees' attitudes toward management, 2007 & 2008, per cent**

	2007		2008	
	Non-managerial (n=5628)	Managerial (n=836)	Non-managerial (n=4878)	Managerial (n=720)
<i>Managers at my workplace consult employees about issues affecting staff</i>				
Strongly agree	19.5	26.9	18.3	25.2
Agree	51.2	51.9	55.5	54.4
Neither agree nor disagree	6.6	6.6	7.0	7.0
Disagree	15.7	10.1	14.0	9.4
Strongly disagree	5.5	4.3	4.3	3.0
Can't choose	1.5	*0.2	0.9	*0.9
<i>Managers can be trusted to tell things the way they are</i>				
Strongly agree	18.2	24.1	17.0	18.7
Agree	52.2	55.5	52.6	56.3
Neither agree nor disagree	7.9	7.1	9.5	8.4
Disagree	15.0	8.8	15.3	13.1
Strongly disagree	5.8	4.3	5.0	3.3
Can't choose	0.9	0.2	*0.6	*0.2
<i>I feel employees are treated fairly at my workplace</i>				
Strongly agree	19.7	29.4	17.9	25.9
Agree	58.3	56.3	60.5	60.7
Neither agree nor disagree	7.3	5.3	8.3	6.1
Disagree	11.1	6.7	10.4	6.3
Strongly disagree	3.2	2.2	2.5	0.8
Can't choose	0.4		0.3	*0.1
Total	100.0	100.0	100.0	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W2

It is important to appreciate that outward stability in such summary, comparative statistics can be misleading to the extent they mask movements in employees' sentiment about management. Shifts in sentiment can be explored by reporting on how many workers changed their views about management over the past year and how many remained unchanged. Table 3.10 summarises the survey findings on this matter. To help understand how employees' changes in sentiment are linked to turnover, the results for those who remained with the same employer are separated out from those who changed employer. This breakdown reveals that on the whole individuals' attitudes toward management remained unchanged over the last 12 months. On the issue of managers' consultative practices 69 per cent of employees' attitudes remained the same. The proportions were even higher on the issues of trust and fair treatment, with 70 and 76 per cent respectively reporting unchanged attitudes on these matters.

**Table 3.10 Non-managerial employees' changes in attitudes toward management by change in employer, 2007–2008, per cent**

<b>Change in attitude in 2008</b>	<b>Same employer (n=4247)</b>	<b>Different employer (n=925)</b>	<b>Total (n=5172)</b>
<i>Managers at my workplace consult about issues affecting staff</i>			
Same	<b>70.2</b>	<b>61.5</b>	<b>68.5</b>
Agree	60.9	56.1	59.9
Disagree	8.3	5.0	7.6
Neither / can't choose	1.0	*0.4	0.9
Changed	<b>29.8</b>	<b>38.5</b>	<b>31.5</b>
Changed to agree	12.8	22.5	14.7
Changed to disagree	10.4	7.8	9.9
Changed to neither / can't choose	6.6	8.2	6.9
<i>Managers can be trusted to tell things the way they are</i>			
Same	<b>72.0</b>	<b>63.0</b>	<b>70.2</b>
Agree	59.3	55.4	58.5
Disagree	10.7	6.9	10.0
Neither / can't choose	2.0	*0.7	1.7
Changed	<b>28.0</b>	<b>37.0</b>	<b>29.8</b>
Changed to agree	8.6	22.6	11.4
Changed to disagree	10.9	7.5	10.2
Changed to neither / can't choose	8.5	6.8	8.1
<i>Employees are treated fairly at my workplace</i>			
Same	<b>78.3</b>	<b>66.8</b>	<b>76.0</b>
Agree	70.7	62.9	69.1
Disagree	6.0	3.0	5.4
Neither / can't choose	1.6	*0.9	1.5
Changed	<b>21.7</b>	<b>33.2</b>	<b>24.0</b>
Changed to agree	7.3	21.5	10.1
Changed to disagree	7.5	5.0	7.0
Changed to neither / can't choose	6.9	6.8	6.9
Total	100.0	100.0	100.0

\* Estimate not reliable

Population: Non-managerial employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Among employees who did change attitude, the direction of the change depended on whether the employee had changed employers or not. Where they remained with the same employer roughly equal proportions changed to agree and changed to disagree with the propositions that management consulted, could be trusted or treated workers fairly. Those who changed employer and who had a change in attitude overwhelmingly reported more positive experiences with management. The issue of management consultation provides a good example. One-third (32 per cent) reported a change in attitude on this matter. This proportion was, however, higher among those with a different employer: 39 per cent of who reported a change; where 23 per cent changed to agree and only 8 per cent changed to disagree.

What are we to make of these findings? Typically, it is younger people who tend to have more positive feelings towards their managers, but Table 3.10 shows that a change in employer is also associated with a positive affect. Among employees who changed employers in the previous year, one in five had changed to a positive feeling toward management, across the three measures of trust, consultation and fair treatment. Therefore, knowing that young people are more mobile, it may not be their age that is influencing their positive attitudes but rather the length of time they spend in one job. Indeed, *The Benchmark Report* accounted that employees who had been in their job for 5 years or more were less likely to have positive attitudes toward management.

The generally positive portrait of workplace relations is broadly reflected in the qualitative component of *Australia at Work*. Usually management means immediate superiors. In small and family businesses especially, workers have strong interpersonal connections with their superiors that shape day-to-day working relationships. It was not uncommon for workers to describe managers and small business owners in familiar terms: relationships are warm and frank; there is a mutual respect (even if workers acknowledge their subordinate position); and workers recognise the difficulties of running a business and managing in general. There was special praise for management that was “approachable”; communicated their expectations “clearly”; who recognised “prior learning” and worker capacities; and were “supportive” in moments of personal or emotional upheaval. Indeed, personal sympathy and understanding were especially valued traits.

Conversely, employees disliked management that lacked respect, sensitivity, or a willingness to consult with the workforce. A number of interviewees confessed to being wounded by bosses and supervisors who addressed them disrespectfully – speaking in “terrible tones” or “intimidatingly”, conducting “little bitch-sessions with somebody about someone else”, and “coming down on everyone like a tonne of the proverbial”, almost without warning.

This behaviour was more than a matter of personal rudeness. Unsympathetic managers sometimes attempted to make workers “feel bad” if they took time off for sickness or personal bereavement, or even “didn’t believe me” in these situations. They left workers with a feeling “of not being consulted, and not being valued”, and showed a “lack of understanding” toward their employees. In short, they were “big bloody bullies”. Where did these attitudes come from? While the personal qualities of individual managers were often decisive, some interviewees also identified the rise of new management strategies over recent decades. These were usually older participants in the research, and they bemoaned the rise of “professional managers” obsessed with “management techniques”. As one respondent put it: “Y’know: ‘world’s best practice’ and all that sort of bullshit” [Male, 45-54, Printer]. This kind of contemporary management was identified overwhelmingly with a drive for “unnecessary change”, and a tendency to always be “looking at finances”. Employees complained that this approach frequently involved “harebrained ideas” that “make life more difficult for the staff” [Male, 41, Ward clerk].

And all of this was thought to be a departure from now distant “apprenticeship” days. As one supermarket employee opined:

*You'd work for a company for thirty years and they really appreciated the fact how hard you'd worked ... Whereas now, I just feel that you are just one of the people that work there, and should you leave you can be replaced by ten other people, um, who can do exactly the same job as you can. I mean I believe that I have to be loyal to my company that I work for but I don't know how loyal they'd be to me if they didn't want me... [Female, 55, Supermarket employee].*

A male IT worker agreed:

*Certainly I don't think employees are regarded as being worthwhile unless there's some reason for them to be there whereas, when I first started work I think they generally tended to try and help you out as much as possible, even keep you on a bit longer than they would today [Male, 54, IT worker].*

Of course, unhappiness with management was closely tied to the conditions of the labour contract. Table 3.11 shows that in some cases attitudes toward management vary across non-managerial employees with different types of industrial instruments in place. It is perhaps not surprising that employees that do not know or do not think they have an agreement that sets out their pay and conditions are less likely to agree that management consult employees about issues affecting them. Two-thirds (68 per cent) of employees with no agreement or no knowledge of one agree that management consult compared to 74 per cent of all non-managerial employees.

Non-managerial employees who say they have a collective enterprise agreement or an AWA are also more likely to express distrust for their managers. More than one in four of employees with these instruments disagree that ‘managers can be trusted to tell things the way they are’. This could be a result of the experiences they have in bargaining with their managers at either the workplace or individual level, or of some other aspect of their relationship with management. It is also these groups of employees who are either unsure or do not feel that employees are treated fairly at the workplace. Only 74 per cent of collective agreement employees and 73 per cent of AWA employees agree that employees are treated fairly at their workplace, compared to 78 per cent of all non-managerial employees. However, the formal instrument that sets out an employees’ pay and conditions does not always reflect the type of negotiation that is occurring on a more informal level. The next section examines the level of negotiation that is occurring between employees and employers a little further.

**Table 3.11 Non-managerial employees' attitudes toward management by self-reported instrument type, 2008, per cent**

<b>Instrument type</b>	<i>Agree</i>	<i>Neither/ Can't choose</i>	<i>Disagree</i>	<i>Total</i>
<b>Managers consult employees about issues affecting staff</b>				
Award based (n=2025)	75.8	6.4	17.8	100.0
Collective agreement (n=1301)	71.6	8.7	19.7	100.0
Individual contract (n=790)	74.9	9.0	16.1	100.0
AWA (n=240)	75.7	*5.9	18.4	100.0
No agreement or award (n=225)	67.7	10.4	21.9	100.0
Don't know / refused (n=229)	67.9	10.6	21.5	100.0
<b>Managers can be trusted to tell things the way they are</b>				
Award based (n=2025)	71.8	9.5	18.7	100.0
Collective agreement (n=1301)	60.7	12.6	26.7	100.0
Individual contract (n=790)	72.7	11.2	16.1	100.0
AWA (n=240)	66.2	*8.3	25.5	100.0
No agreement or award (n=225)	78.1	*4.0	17.9	100.0
Don't know / refused (n=229)	73.6	*7.9	18.5	100.0
<b>I feel employees are treated fairly at my workplace</b>				
Award based (n=2025)	79.0	8.5	12.4	100.0
Collective agreement (n=1301)	74.1	10.3	15.7	100.0
Individual contract (n=790)	81.8	8.3	10.0	100.0
AWA (n=240)	72.8	11.4	15.8	100.0
No agreement or award (n=225)	83.9	4.0	12.1	100.0
Don't know / refused (n=229)	80.6	*5.2	14.2	100.0

\* Estimate not reliable

Population: Non-managerial employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

### Nature of bargaining and capacity to negotiate: Are enterprise agreements for everyone?

The size of a workplace will undoubtedly influence a manager's capacity to develop a close working relationship with their employees. Communication and negotiation is likely to be more effective and easier with a small group of people. This is evident in the results for attitudes towards management relations across workplace size. Non-managerial employees in workplaces with less than 20 employees are more likely to strongly agree that they are consulted about issues affecting staff (22 per cent compared to 17 per cent in workplaces with 20 to 100 employees and 16 per cent in workplaces with more than 100 employees). Similarly, 79 per cent of non-managerial employees in small workplaces trust their managers to 'tell things the way they are' compared to 68 per cent of employees in medium workplaces and only 53 per cent in larger workplaces. Employees in smaller workplaces are also more likely to feel that they are treated fairly by their managers (82 per cent compared to 76 per cent of employees in large workplaces).

The centrepiece of the Rudd Government's new industrial relations policy is collective bargaining. This reflects the labour movement's traditional emphasis on collective organisation. It also chimes with widespread hostility towards the Howard Government's *Work Choices* legislation, and especially to its emphasis on individual negotiations between employers and employees.

Qualitative interviews confirmed a quite generalised nervousness around individual bargaining. Many workers confessed to being "a bit nervous" at the prospect of negotiating a wage – "y'know, you don't want to put them off by asking for more" [Female, 23, Personal assistant]. Others thought it "intimidating", or conceded that "it scares me". These feelings were especially evident among less skilled workers – self-confessed "everyday" people, who "wouldn't really know what to say" when confronted by "the hierarchy" of a workplace [Female, 55, Checkout operator]. One employee puts a common view most directly:

*I guess I'd be a bit nervous negotiating my own contract. I guess you've got to be confident enough to actually do it...I'd think whether I'd be under-selling myself, or whether they'd be trying to short-change me, yeah. You've got to be confident enough to actually do it [Male, 37, Fitter].*

Clearly, protection for the vulnerable and intimidated would be greatly welcomed by many workers. But what form should these protections take? The Rudd Government's strong focus on enterprise bargaining assumes that every workplace is interested in and equipped to bargain collectively. Collective enterprise bargaining is by no means widespread or widely recognised. As mentioned earlier, only one in five employees say that an enterprise agreement determines their pay and conditions. In *Forward with Fairness* the Government has promised funding for employer organisations to assist their members with collective enterprise bargaining; recognising that many workplaces have yet to venture into collective bargaining. Many employers in small workplaces have traditionally relied on the award system to establish the conditions of employment and may be reluctant to establish their own agreement-making processes. Inclination towards collective bargaining also differs across sectors. The public sector is highly unionised and has traditionally bargained on a collective basis. We have already discovered that women are more likely to report relying on the award system for their pay and conditions. Table 3.12 illustrates particular aspects of the bargaining environment by sector and gender. The bargaining situation differs across the public and other sectors (i.e. private, non-government organisations and it includes those who don't know), and for men and women. Individual negotiations are more likely to occur in private sector workplaces. Also, men are more likely to participate in individual negotiations, while women tend to rely on collective arrangements.

Union presence is much higher in the public sector, Table 3.12. Around three-quarters of public sector employees report union presence in their workplaces, compared to just over one-quarter of employees in other sectors. Overall, female employees are slightly more likely to report union presence in their workplaces and this is partly due to more women

being employed in the public sector, 30 per cent of women say they have a public sector employer compared to 22 per cent of men.

**Table 3.12 Aspects of workplace bargaining by sector and sex, 2008, per cent**

	Public sector		Other sector		Total	
	Men (n=746)	Women (n=987)	Men (n=2032)	Women (n=1767)	Men (n=2778)	Women (n=2754)
<i>Union present at workplace</i>						
Yes	74.2	78.0	28.9	28.0	38.7	43.1
No	20.7	13.8	60.2	57.3	51.6	44.2
Don't know	5.2	8.2	10.9	14.7	9.7	12.8
<i>Pay setting</i>						
Individual	10.8	7.8	47.0	37.7	39.1	28.7
Collective	84.1	87.2	48.1	57.0	55.9	66.1
Both	4.9	4.7	3.7	3.9	4.0	4.1
Don't know	*0.3	*0.3	1.2	1.4	1.0	1.1
<i>Opportunity to negotiate pay with employer</i>						
Yes	32.6	21.4	63.3	53.5	56.6	43.8
No	65.4	76.3	34.9	43.8	41.5	53.6
Don't know	*2.0	2.3	1.8	2.7	1.9	2.5
<i>Self-reported instrument</i>						
Award based	45.3	52.4	31.7	40.8	34.6	44.3
Collective agreement	40.8	34.3	19.5	15.7	24.1	21.3
Individual (common law)	5.6	4.6	29.5	25.3	24.3	19.1
AWA	3.4	2.7	8.0	4.4	7.0	3.9
Other	*1.0	*0.4	*0.1	*0.5	*0.3	0.5
Don't know	*3.5	4.8	4.6	6.0	4.4	5.6
No agreement or award	*0.4	*0.7	6.6	7.3	5.3	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

\* Estimates not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

The higher presence of unions would lead to the expectation of more collective activity in this sector. Indeed, more than 80 per cent of women and men in the public sector say their pay is set across the board for a group of workers, compared to around 48 per cent of men and 57 per cent of women in other sectors. The discrepancy between men and women in these sectors is worth noting. Men are more likely to say they have their pay set individually compared to women (39 per cent of men compared to 29 per cent of women overall). This may be a reflection of a higher proportion of men in managerial jobs where pay tends to be set on an individual basis. Among employees only, men account for 70 per cent of managerial jobs. The level of collective activity in the sectors also has some influence over whether employees feel they have an opportunity to negotiate pay directly with their employer. However, men are more likely to feel they have this opportunity than women, and this is true in both the public and private sectors. One-third of men in the

public sector have the opportunity for individual negotiation compared to 21 per cent of women. In other sectors, 63 per cent of men and 54 per cent of women feel they can negotiate individually with their employer.

Around half of private sector employees report collective pay setting but this could be happening at the enterprise level or through the award system. Table 3.12 shows that in both sectors men are more likely to report collective enterprise agreements while women report award arrangements.

So it is really the balance of collective arrangements: either awards or enterprise agreements that varies across sector. This is obviously a reflection of the greater capacity of larger and public sector workplaces to undertake enterprise bargaining. It is also important to note that one in ten employees in small workplaces say they do not have an agreement or award that sets out their pay and conditions, thus reflecting more informal arrangements used by employers in these workplaces.

### **Young workers and bargaining**

As seen in chapter 2, young people have a different set of labour market experiences to older employees. There is a much higher degree of casual employment: 51 per cent of employees aged 21 and under said they were employed on a casual basis, compared to 15 per cent of those over 21. A smaller proportion of these younger workers report that they are on a collective agreement (12 per cent compared to 24 per cent), while AWAs appear more common (8 per cent compared to 5 per cent). Knowledge among young people about the type of agreement that determines their pay and conditions is very low, 13 per cent say they don't know compared to only 4 per cent of employees over 21 years of age.

Young employees' feelings about the opportunity to negotiate their pay are not matched by the reality of negotiation. Young employees are almost as likely as other employees to say they have the opportunity to negotiate their pay directly with their employer (46 per cent of young employees, compared with 51 per cent of older employees). However, in practice, this opportunity is not as apparent. When asked whether someone negotiated their conditions on behalf of them and/or a group of employees, two thirds of younger employees stated there was no negotiation, compared to two fifths (40 per cent) of all other employees.

## 4. Unions in the Workplace

What do Australian employees think about unions? It is well-known that union membership in Australia has fallen sharply since the 1980s. It has sometimes been argued that this decline reflects shifting attitudes among Australian employees, away from collective responses to work towards individual ones. As the head of the Australian Chamber of Commerce and Industry, Peter Anderson (2004) puts it: “people are more individual than a generation ago, as well as more skilled, more mobile and less ideological.”

How do Australians see unions now? In this chapter, we aim to look more closely. Arguments we present are mainly based upon the second wave of *Australia at Work* survey data, from 2008. But we also combine these survey findings with approximately 50 in-depth qualitative interviews, also conducted during 2008. Looking at both, we seek to identify social factors that shape how workers respond to unions, as well as the broader narratives that ground their judgments. As the qualitative research is in its initial phase, our findings are necessarily tentative. Nonetheless, they provide us with some of the more detailed and human story that lies behind the main survey results.

This chapter proceeds in three sections. The first updates the benchmark report with new data from the second survey on union membership. The second section reports on the narratives that workers provide to explain their own decisions about union membership, their impressions of unions, and their accounts of union decline. We combine these narratives with further survey evidence to help understand perceptions of “union decline” in more depth. The third section uses the 2008 survey results to take a closer look at a group of workers who offer unions the potential for renewal: those workers not currently union members who expressed a preference to join.

### Who are Australia’s union members?

Table 4.1 shows *Australia at Work* data on union members. Because our most recent data is weighted by ABS union membership for 2007, we cannot provide an indication of the latest trends in membership. But we are able to provide reliable indications of basic shifts within membership since 2006. Male union members marginally outnumber female members, and union membership remains concentrated among older workers (over 45 years). Workers with permanent and highly skilled jobs (of the professional and managerial level) are also more likely to belong to unions. This suggests that having a secure, well-paid and skilled job are all factors that promote membership. Often vulnerable workers in low skilled or casual work have a strong interest in unionisation, but, for many reasons, are not well placed to join and participate in unions.

**Table 4.1 Characteristics of union members, 2006, 2007, 2008**

	2006 (n=6494)		2007 (n=6468)		2008 (n=5541)	
	N	%	N	%	N	%
<i>Sex</i>						
Male	999,165	22.2	900,673	19.6	910,458	19.6
Female	783,419	19.5	726,500	18.0	739,109	18.1
<i>Age</i>						
16–24	217,549	12.3	177,695	10.4	142,853	9.9
25–44	814,354	20.0	735,040	17.8	711,073	17.1
45+	744,074	28.1	708,442	26.0	795,641	25.5
<i>Employment status</i>						
Permanent	1,505,343	25.3	1,401,165	22.7	1,426,069	21.2
Casual	190,732	9.0	141,240	7.3	124,473	8.7
Contract	86,509	18.8	84,767	16.2	95,783	17.1
<i>Skill level</i>						
Level 1	738,819	25.6	709,487	23.0	745,235	23.4
Level 2	175,965	19.1	159,025	16.8	162,235	15.5
Level 3	233,827	21.3	212,710	19.7	232,356	21.7
Level 4	394,443	18.7	344,941	16.5	335,141	15.3
Level 5	238,527	15.9	201,009	14.2	174,600	14.2
<i>Total union membership</i>	<i>1,782,584</i>	<i>20.9</i>	<i>1,627,173</i>	<i>18.9</i>	<i>1,649,567</i>	<i>18.9</i>

Population: Employees only

Weight: Cross-sectional 06; Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 &amp; W2

Because *Australia at Work* is a longitudinal study, we are able keep track of who joins and who leaves unions on a year-by-year basis. In the Benchmark report, we reported on the impact of age on shifts in union membership, and which workers join and leave unions across the age distribution. This year we report on the impact of *changing employers* on the decision to join and leave.

Table 4.2 reports on all employees in 2008 by whether they changed their union membership and their employer. The first column reports on those workers who were with the same employer in 2007 and 2008. Of these, 75 per cent remained non-members, 20 per cent continued to be members, 3 per cent joined a union and only 1 per cent left. Among those who changed employer (i.e. those in the second column), 83 per cent remained non-members. This probably reflects the fact that a high proportion of those changing jobs are younger workers. Equal proportions of these employees joined a union and left one in the period between 2007 and 2008. The last column reports on those not employed in 2007. Membership levels among this group are the lowest, at 10 per cent. Clearly, the stable workforce is the union movement's primary source of membership. Overall, the last column in Table 4.2 shows that greater proportions of employees have joined a union than left one. But of course, this does not show the employees who left the union movement as a result of leaving the workforce altogether.

An inspection of these union entry and exit trends between 2007 and 2008 confirms the broader pattern of union growth and decline across industries. Because the frequencies by industry and occupation are small, we do not report these trends here; changes over several years will be more reliable, and may be reported in more detail in future *Australia at Work* reports. Still, industry trends are generally what we would expect, with above average union entry growth in public administration and in health and education services (ABS categories: Public Administration and Safety, Education and Training, Health Care and Social Assistance).

**Table 4.2 Change in union membership by change in employer, 2007–2008, per cent**

	Same employer (n=4258)	Different employer (n=925)	Not employed in 2007 (n=225)	Total (n=5408)
Union member – no change	20.2	6.7	-	14.8
Not a union member – no change	75.4	82.7	90.5	79.0
Union member 2007, not in 2008	1.3	5.0	-	1.7
Union member 2008, not in 2007	3.1	5.6	9.5	4.5
Total	100.0	100.0	100.0	100.0

Population: Employees in 2008

Weight: Longitudinal 07-08

Source: Australia at Work W1 & W2

## Changing role for unions? Survey evidence and stories from the workplace

This section combines survey evidence and the narratives of individual workers to get a clearer picture of how unions are perceived, why people join or do not, and what has changed about the workplace that makes unions more or less relevant. The advantage of combining survey evidence with qualitative research is the more complete picture that emerges about the links between ordinary experience and macro change. But this is a big topic, and one that we will need to revisit in the next few years if we are to understand its many sides. To limit our ambitions to manageable proportions, we confine our report to three areas of analysis: perceptions of the need for union representation at work; the reasons given for non-membership and union decline; and some comparative evidence to place the attitudes of Australian workers to unions in a wider context.

### *Representation in the workplace*

At one level, falling union membership could be understood as declining need for collective representation among workers. Certainly, booming economic conditions over the past decade and a half may have given some workers more bargaining power – opportunities to negotiate better pay and conditions by themselves, or more of a chance to change jobs to find them. Unions, in this story, would appear as unnecessary to the maximisation of individual economic prosperity.

There are traces of these experiences in our qualitative interviews. Echoing the noted analysis of Ulrich Beck (1992), a number of respondents to our research emphasised the importance of *individual* rather than *collective* experiences of work. Employees were often keen to affirm the importance of their own efforts in economic achievement. At times, this was evident in outright claims for individual recognition:

*I want to get the best pay for what I do, I want to be recognised for what I do.*

[Female, 47, Call centre team manager]

This culture was also expressed in occasional preferences for individual bargaining: “I’m also a very independent person...I’d rather just work it out myself, personally” [Female, 46, Fitness instructor], and in references to the importance of an individual’s “backbone” or strength in wage negotiations:

*I think it’s down to an individual person with a backbone then ... people either do things very easy to do over people ... ah, I’ve seen that many a-time, but if you’ve got a bit of a backbone and stand up for yourself, yeah they’re [management] pretty much down the line.* [Male, 37, Boat builder]

However, these analyses should not be pushed too far. Strong recognition of individual achievement does not necessarily imply a preference for individual bargaining. And focus on individual effort and capacity was not the exclusive or even the dominant theme in most interviews. On the contrary, and as noted in Chapter 3, many could see problems that arise when an individual employee confronts an empowered management. Interviews overflowed with expressions of fear or anxiety regarding individual wage negotiations. Some workers described the experience as “daunting” or “intimidating”. And unskilled workers (“I’m just a run of the mill, everyday sort of person”) were especially anxious at the prospect of “going up against” their “bosses” or the “hierarchy” [Female, 23, Secretary]. Respondent views appeared to endorse David Peetz’s claim that workers do not see individual bargaining as an inevitability “arising from changes in society or technology” (2006, p. 187).

These views are supported by wider quantitative surveys concerning attitudes to unionism. When the Australian Survey of Social Attitudes (AuSSA) asked respondents in 2005 and 2007 whether unions should have less say in the setting of wages and conditions, less than one third agreed. Quite a few more disagreed with this statement – 52 per cent in 2005 and 43 per cent in 2007, with around a quarter of respondents undecided, Table 4.3.

Clearly, non-membership cannot be explained merely as a reflex of anti-union attitudes among atomised, rational individuals. This is a finding already familiar from wider studies of contemporary unionism. These confirm that the decision to join a union is not simply an individual decision, reached in social isolation. On the contrary, this decision is influenced by a wide number of contextual factors, including: the economic and social climate; the institutions of the labour market; the interests of employers; and the organisational

capacity of unions themselves (see Tilly and Tilly 1998; Franzosi 1995; Peetz 1998; Western 1999). But what, then, explains non-membership? We take up this issue in the next section.

**Table 4.3 Unions should have less say in the setting of wages and conditions, 2005, 2007, per cent**

	2005 (n=1950)	2007 (n=2677)	Change in percentage points
Strongly agree	7	9	+2
Agree	17	20	+3
Neither	24	29	+5
Disagree	37	29	-8
Strongly disagree	15	13	-2
Total	100	100	

Source: Australian Survey of Social Attitudes

*Accounting for non-membership: what workers say about union decline*

In qualitative interviews, few workers expressed an outright hostility to collectivism. Instead, they usually gave more varied and mutable reasons for their decisions to reject membership of unions. Across the interviews, employees offered several distinct explanations for union decline. Sometimes, these were based on observations of other workers within the firm. More often, they were expressions of individual choices and behaviour. We document the most important themes below.

*Absence of a union presence.* As many studies show, including the main surveys conducted as part of *Australia at Work*, the chances of workers joining a union are lower when unions lack a workplace presence (Peetz 1998; see also Waddington and Whitson 1997). Tellingly, many workers argued that they had not joined a union simply because they had not been approached. “No, there’s not a union at the mine” [Male, 33, Mine storeman], explained one interviewee, “No one’s ever brought it up to me”, confessed another [Female, 45+, Bar attendant]. At times, this was tied to confusion about the merits of union membership:

*I’ve never been in a company where a union’s been active ... I’ve never even asked enough questions about it. I don’t know if I should or shouldn’t.* [Male, 32, Laser-cutter]

And another worker:

*I didn’t even really know that we could belong to a union if I wanted to, um, I think unless there’s a union that covers your particular, um, industry, you’re not aware that they are there.* [Female, 35-44, Micro-film technician]

But other interviewees had been union members in the past, and had only changed their behaviour to fit with the new working milieu: “if it’s a union place, I’ve been in a union” [Female, 585, Retail], was the general principle enunciated by one employee.

*Unions are for those who need protection.* For some secure non-members, union membership is sometimes associated with less skilled workers, and with the absence of individual market power. For workers who conceptualise unions in this way, their own economic health and value to the employer can be reasons for passing up union membership. When asked if she has ever been a member of a trade union, one interviewee responded: "...no, I haven't needed to" [Female, 28, Unemployed). Another put the same argument more fully:

*Like I say, seeing that everybody's on a fairly good wicket in terms of pay there's not really a great concern [about unions] [Male, 33, Storeman].*

According to this view, union membership offers protection for the weak; while the times are good such organisational devices are deemed unnecessary. Of course, this is *not* the only perspective of workers doing well at work; as we have seen, union members are usually more skilled and better paid than the non-union cohort. And, as we shall see later, skilled, better paid non-members are one group who express an interest in joining.

*Bad experiences with unions.* Many older Australian workers are past members of unions. Bad experiences are frequently raised to account for, even perhaps to rationalise, the failure to keep up membership. One employee (who was actually a union member) in the retail industry had observed the passivity of union officialdom:

*There was a big feeling within the store, with the floor level staff, that they just weren't doing anything, they weren't doing anything productive [Male, 22, swimming coach, formerly a retail employee].*

Another interviewee agreed that "union officials" didn't "know the stuff" that was essential "to be able to do what they do" [Female, 45-54, Public servant], and a third felt that the union "didn't seem to be able to do much for me" in a past dispute with management [Male, 33, mine storeman]. Others who were not union members also sometimes dissented from union campaigning strategies. They complained that "squawking" unions "made out the work we did was nothing better than being battery hens", thereby caricaturing workplace conditions and also undercutting the morale and the dignity of employees:

*They made it sound like our working conditions were just the absolute pits...It was just awful and it was very hard for people who have lived in the town for a long time to then come back into work every day. [Female, 47, Call centre team manager]*

*More broadly, a bad union image.* A few interviewees refer to the negative image of unions prevalent in the public sphere: "you're always hearing about the union thugs, and how they're always causing problems with businesses... problems that don't need to be caused" [Male, 19, Unemployed]. Another noted that "there has been a lot of press, hasn't there, that's been anti-union..." [Female, 45-54, Public servant]. Conceivably, this disapproving

view has influenced some workers to reject union membership. Certainly, it is an impediment to efforts at union recruitment.

Moreover, these public attacks on union activism sometimes struck a chord with our interviewees. Older workers had often lived through an earlier moment of industrial history when strikes were more frequent and economic life was routinely disrupted by militant and long-running disputation. One interviewee recalled “a slight abuse of power” among unions in earlier years [Male, 45-54, Printer]. Another was more fulsome:

*My attitudes to unions weren't that good then, because I'd see them strike over, for instance, the electricians went on strike because the friggin' take-away over the road... hamburgers weren't good enough. [I] saw the extreme of it... [Male, 35-44, Water treatment technician]*

Memories of allegedly misused union power may have contributed to the decline of union membership. However, this is merely a supposition – both interviewees cited above were actually union members at present.

*The financial cost of membership.* In the next section on unrepresented workers, we shall see that workers with a low income are significantly less likely to express interest in joining a union than higher paid non-members. Membership costs can especially be relevant to new entrants to the workforce. One worker (now a union member) recalled his first awareness of union fees:

*“...because they [fellow workers] said ‘oh, you join the union, you've got to pay blah, blah, blah’...I just went...‘Why the hell am I going to pay all that?’” [Male, 25-34, retail]*

Another employee who had recently finished a short-term contract and in straitened circumstances showed a similar uneasiness: “I support the unions when I can afford it”, he explained [Male, 41, Unemployed].

*Management opposition to unions.* As we shall see in the next section, evidence suggests that when management is strongly opposed to unions, then individual employees often find it difficult to broach union membership, or to call upon the union in pay negotiations. One pro-union interviewee put it this way, emphasising the personal intransigence and prickliness of his boss when explaining why he did not seek a collective, union-led agreement:

*He's [the boss] a blue-ribbon Liberal, anti-Labor, and anti-union and that sort of thing, and it's not even worth my while to get into an argument with him about it.... He's such a stubborn old, self-opinionated old so-and-so... [Male, 45-54, Printer]*

Small businesses were often most affected by these personal and political dynamics. A number of the qualitative interviews ( $n=25$ ) were conducted among union and non-union members in small businesses, with fewer than 20 employees. In large companies,

relationships with managers — even congenial ones — are mediated through impersonal structures. Established collective union identities and activity does not breach as many personal relations and is less likely to compromise the “thick” social context in which it is performed. In small businesses, the situation is different. In smaller workplaces relationships between bosses and workers are often more personal; workers often share social ties and personal trials with their bosses; they think of them as people, rather than as bearers of social and economic power.

Reflecting these circumstances, one manager described her small workplace as a “personal situation”, in which “everybody was approached on a personal level”. Precisely because of the intimacy and personal trust that prevailed, she was inclined to conceptualise the presence of a union as an intrusion, and a violation of that trust:

*“If it’s a union or any other body, then it becomes... you know, your rights and you... y’know, ‘that’s not the right thing to do, and this...’ and people sort of get on their bandwagon about things that... could possibly be more detrimental to the company.”*  
[Female, 35-44, Microfilm technician]

### Attitudes to unions in comparative perspective

The overall impression we get from the qualitative interviews, complaints about poor union experiences and troubles aside, is that Australian employees are not expressing a simple or direct antipathy towards unions. True, many respondents attribute their achievements at work to their own performance, seldom drawing on the past successes of unions in providing the basis for the relative comforts of working life as explanations. But this self-attribution is not directed *against* unions. On the contrary, as we shall see shortly, public sentiment towards unions is generally positive and stable. And when asked why they do not join unions, some employees offer more complex and contextual accounts than mere dislike or a preference to “go it alone”.

These findings are strengthened when we place the Australian situation in comparative perspective. Using the findings of the Work Orientations 2005 data, conducted in 43 countries as part of the International Social Survey Program, it is possible to compare Australian attitudes towards unions with those prevailing in other nation-states, Table 4.4. Upon close inspection, we find that Australians hold *comparatively positive* views on the role of unions protecting working conditions, not dissimilar to Europe’s social democracies and labour-troubled South Korea. To illustrate our point another way: Swedes - who are four times more likely to belong to a union than Australians - are no more likely to think that unions are good for working conditions, and are just slightly more likely to agree that unions are good for job security.<sup>5</sup>

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<sup>5</sup> Exact ISSP module questions are: Agree/Disagree (5 point scale): ‘Without trade unions the working conditions of employees would be much worse than they are’; ‘Trade unions are very important for the job security of employees.’

A relatively positive picture of unions, in the face of union decline, is not unique to Australia. One recent Dutch study concludes that declining membership in the Netherlands could not be put down to rising worker antipathy: “Our research on the Netherlands did not show large change in attitudes of workers towards the union(s) compared with 1960” (Visser 2002, p. 424).

**Table 4.4 Attitudes to unions in selected countries, 2005, per cent**

	<b>Agree: Without unions, working conditions worse</b>	<b>Agree: unions very important for job security</b>
Germany	73	66
South Korea	69	71
<b>Australia</b>	<b>65</b>	<b>55</b>
Sweden	64	58
Mexico	61	67
United Kingdom	61	51
Japan	60	75
United States	59	56
Canada	52	49
New Zealand	51	41

Source: International Social Survey Program (ISSP) Work Orientations module, 2005

The stable and generally favourable view of unions described above doesn't mean Australians have failed to notice the union movement's shifting fortunes. Declining membership and declining strike rates have been registered, and these changes appear to be reflected in the shrinking numbers of Australians seeing unions as holding too much power. This may be a simply a reflection of industrial reality, and not necessarily a preference for greater union voice. Table 4.5 reports attitudes to two similarly worded questions (one for 1967, 1979 and 1987; the other for 1996 and 2007) on union power. Over the four decades surveyed, we can see a general trend: perceptions of union power rise in the 1970s-1990s, and then fall again. Results for 2007 are similar to those of the contentious 1960s, when unions were beginning an upswing in activity. Today, only around one third believe unions have too much power; very different to the attitudes of the late 1970s, when both membership and industrial activity were at a peak.

**Table 4.5 Perceptions of union power, 1967, 1979, 1987, 1996, and 2007, per cent**

	<b>1967</b> (n=2054)	<b>1979</b> (n=2016)	<b>1987</b> (n=1802)	<b>1996</b> (n=1749)	<b>2007</b> (n=1834)
Too much power/ Agree	46	78	71	62	37
Depends/ Neither	14	1	16	19	30
Not too much/ Disagree	39	17	14	19	33
Don't know	-	4	-	-	-
Total	100	100	100	100	100

Source: Australian National Political Attitudes Survey 1967, 1979; Australian Election Study 1987, 1996, 2007.

If broad public sentiment towards unions has not changed, and in fact has recognised declining power, then what has driven the recent membership troubles of unions? This issue has been assayed in a number of substantial recent works. Across the major studies, contemporary union decline has been put down to three main factors: industrial change favouring sectors with low union densities; legislative change that has reduced union influence in industrial relations; and *stalled* change by union organisations in response to new challenges (see Peetz 1998). But as Margaret Levi (2003) makes clear, reviving union density is not simply a product of strong union organisation in the workplace; it also requires supportive institutions that encourage active and involved unionism.

The relevance of these broader forces is clearly evident in Australia. Changes to industrial structure and employment mean that Australians are less likely to work in previous union heartlands, especially large workplaces in government-owned utilities and the manufacturing sector. Moreover, during the last decade and a half there have been successive changes to workplace laws that have clearly reduced the institutional influence of organised labour. These, in turn, have prompted difficult changes to union organisation and movement strategy (see for example ACTU 1999; Peetz 1998).

International studies also disclose wider forces. Freeman and Rogers (1999) use survey evidence to show that employer resistance to unions is a likely factor in union membership troubles in the United States. Specifically, they argue that employers have an important influence both on how workers judge unions and on their likelihood of joining. Why do employer responses matter to workers? The perceived risk of joining a union changes if the employer demonstrates a preference not to deal with unions. Workers may perceive joining a union as a risk to their job security or to their standing with their boss and other workers. But more generally, employers preferring to deal directly with workers will instil a workplace culture that has a system of rewards, promotion and dispute resolution that inevitably limits union involvement.

These insights are also suggestive in an Australian context. One study reports on what appears to be “union avoidance” among employers. Employers in 2007 (83 per cent, up from 58 per cent in 1995) overwhelmingly preferred to deal with employees directly, and not with unions (see Considine and Buchanan 2007). These findings do not directly provide evidence of employer hostility, but confirm that employers either prefer to bypass unions or now see dealing with unions as irrelevant.

*Australia at Work* does not directly ask respondents about their perceptions of their employer’s view of unions. But the survey asks union delegates ( $n=123$ ) about their views of management, asking respondents to agree or disagree with the statement ‘Managers at my workplace make it difficult for me to carry out my delegate tasks’. In 2008, about one quarter of the delegates (23 per cent) agreed and 70 per cent disagreed. In the previous 2007 Survey, these figures were 31 and 60 per cent respectively. These results suggest more co-operative arrangements than the previous evidence about employer preferences

suggests. But we note that delegates are more likely to work in well-unionised workplaces where union activity is institutional; this evidence does not tell us much about employer responses to unions in poorly or non-unionised workplaces.

Whatever the forces that currently drive union decline, it is now clear that a significant section of the Australian workforce could be described as “unrepresented”: positively-disposed towards unions, yet not currently union members; seeking collective protection, but presently isolated as individual employees. Who are these workers? And what place do they have in the broader landscape of employees? This question is seldom posed in a public sphere obsessed with the fact of union decline. However, we believe that the *Australia at Work* data provides important insights into this substantial and mostly-overlooked group. In the next section of the report we analyse these ‘unrepresented’ workers in more detail.

### **Australia’s unrepresented workers - who are they?**

As we establish above, and as union organisers are keenly aware, approving of unions is very different from joining them. This has implications for our study here. Although expressing a preference to join a union in a survey is likely to yield meaningful information, but we recognise that expressing such a preference is clearly *not* the same as deciding to join, in the real-world context of a workplace. In fact, as we shall see, closer inspection of the characteristics of unrepresented workers provides just as many clues about why unrepresented workers have not joined as to why they might.

Numerous forces must fall into place to stimulate membership. Some of them we have already mentioned: laws must not hinder unions; management must either tolerate union activity or be strongly opposed by employees; and unions themselves need an active workplace presence. And still other factors are important too. As union organisers will say, a burning issue (management unfairness, change in employment conditions) is often required to spark interest in union membership and group action. Sometimes, this spark is not isolated to a minority of workplaces, but fuses a widely shared mood of injustice or anger about socio-economic circumstances, producing an ‘upsurge’ in the words of American sociologist Dan Clawson (2003). In these times, union organisation becomes more spontaneous, with rising worker commitment reducing the costs to unions involved in organising workers.

In quieter times, unions face uphill battles. Reduced worker commitment, for whatever reason, increases the costs of recruitment. Summarising this scenario, Waddington and Whitson (1997, p. 538) make the following observation about successful union strategies: “Deepening membership at organized workplaces is relatively cheap ... and how the overwhelming majority of new members are recruited. Extending membership into unorganized areas, however, is important for the long-term future.” The problem, as the authors say, is the cost outside established union workplaces and industries.

*Australia at Work* asks respondents whether they are union members or not, and whether they are satisfied with their union status. This divides our sample into four groups: willing union members, reluctant members (who would prefer to leave), satisfied non-members and a group that concerns us here: unrepresented workers who are not presently unionised but express a willingness to join. As a group, they represent not only the obvious target of future recruitment, but more optimistically, the potential for union movement renewal. According to *Australia at Work* in 2008, one in ten workers are unrepresented, see Table 4.6. If all those unrepresented workers joined a union tomorrow, union density would return to levels not seen since the 1990s.

**Table 4.6 Latent union membership, 2007 & 2008**

	2007 (n=6464)		2008 (n=5541)	
	%	N	%	N
Willing members	17.2	1,477,763	17.2	1,495,156
Reluctant members	1.3	109,139	1.4	124,015
Unrepresented workers	11.3	969,938	10.2	884,765
Satisfied non-members	62.3	5,371,560	65.1	5,670,982
Don't know	8.0	687,625	6.2	536,918
Total	100.0	8,616,024	100.0	8,711,835

Population: Employees only

Weight: Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

Importantly, unrepresented workers constitute a much larger group of workers than the group of reluctant members. The latter probably covers many workers in what used to be called “closed shops” in which union membership was promoted through a sustained union presence and sometimes, union control over hiring, overtime, shifts, and promotion. Of course, these reluctant members are also employed outside “closed shop” arrangements; their decision to register their preference to end their membership does not automatically mean their original decision to join was involuntary. The essential point to make here, though, is that reluctant union members are a small group of workers; at only 1.4 per cent of the overall workforce in the 2008 survey, they are becoming part of Australia’s industrial past.

Before moving on to look more closely at Australia’s unrepresented workers, we mention the other two groups listed in Table 4.6: the proportion of willing union members and non-members. Our data report a total union membership level of 19 per cent – consistent with the ABS estimates for 2007 used for weighting. But what about satisfied non-members? Clearly, they are the largest group, at 65 per cent of the workforce in 2008. Although these workers are not in unions, this does not mean they are necessarily hostile to unions, as our qualitative research has already indicated. Indeed, as Peetz (2006, p. 36) has pointed out, some non-union members in unionised workplaces recognise that they are “free-riders”.

We can now look more closely at the characteristics of unrepresented workers. To find out more, we could present some tables comparing the characteristics of unrepresented workers with those of satisfied union members and non-members by age, sex, income, various attitudes and so on. This would be useful, but a statistical tool allows us to discover which of the many factors measured in the *Australia at Work* survey are most important characteristics of these workers. This tool is called logistic regression. It allows us to separately compare the characteristics of unrepresented workers with (i) willing union members and (ii) satisfied non-members. Using these models, we can better establish the special characteristics of unrepresented workers compared with other groups. The full results of the two models are presented in Appendix B. Our discussion, however, relies on the much simpler but nonetheless instructive results presented in Table 4.7.

### *Comparing unrepresented workers to willing union members*

How do unrepresented workers compare to Australia's union members? Results from the regression model, presented in the first column of Table 4.6, provide a profile. First, our findings suggest that unrepresented workers are significantly *younger* than unionists. These workers joined the post-1980s workforce, growing up with deregulated labour markets (with few built-in mechanisms to promote membership) and in industries with weaker union presence (service sector jobs with a diversity of skilled jobs and incomes). Not surprisingly, they are significantly more likely to belong to a workplace with *no active union presence*, confirming the critical value of union presence in a workplace to recruitment.

Australia is widely considered a multicultural society. But we find something interesting when we look at the effect of coming from a non-English speaking background (NESB) on membership. NESB workers are almost *twice* as likely as those from an English speaking background to be counted among unrepresented workers. Because our model controls for other influences that may explain this finding (such as: that NESB workers are more likely to work in lower skill or income jobs, or work in newer industries without unions), this result is potentially quite significant. The "representation gap" in union membership, we suggest, may partly overlap with ethnic-cultural differences across Australian workplaces. The data does not allow for a detailed explanation of this finding, but it clearly deserves further research. Unions have taken steps in addressing the "Anglo-bias" of their organisations, employing organisers from NESB backgrounds who are better able to draw on workplace networks and create common union identities. Still, our results highlight the possibility that this still might not have gone far enough.

Are unrepresented workers more heavily concentrated in any major industries than union members? To see, we used the model to compare major industry groupings - all with large sample sizes. The groupings were: blue collar industries, basic service industries, advanced service industries, government, and the health and education industries. The industry coding is presented in Appendix Table B.2. These large groupings are good for data analysis purposes, but at this level of aggregation, are unlikely to identify "hotspot" industries (or jobs) that the union movement should target. The results suggest unrepresented workers

were not likely to be concentrated in any of these major groupings (compared to the base category of basic services). But other modelling based on individual industries (not reported here) did suggest some trends. For example, specific industries with significantly higher numbers of unrepresented workers included: wholesale trade, professional and scientific services, and the rental and real estate industries. Future data collection will allow us to see how reliable these results prove to be. But, as we shall see shortly, stronger industry trends become apparent when we make the comparison between unrepresented workers and satisfied non-members.

**Table 4.7 Unrepresented workers compared, 2008**

Compared with willing union members	Compared with satisfied non-members
Aged 16-29	Aged 16 to 20
Have a higher income	Have a higher income
Have no union present in the workplace	From a non-English speaking background
From a non-English speaking background	Have a post-school qualification
Express: higher job insecurity; see management as unfair	Work in a higher skilled job
	Be in a non-managerial position
	Express: lower trust in management; higher job insecurity; higher insecurity about safety; lower control over working hours; little opportunity to negotiate; see management as unfair
	Work in the following industry group: education and health

Notes: These are factors with significance  $p < 0.05$  from two logistic regression models comparing: in column 1, unrepresented workers to willing union members; and in column 2, unrepresented workers to satisfied non-members.

Source: Australia at Work W2

*Comparing unrepresented workers with satisfied non-members*

Compared with unionists, unrepresented workers are more likely to be younger, better off, less-Anglo and more insecure in their jobs. But how do these unrepresented workers compare to *other non-members*, those satisfied with non-membership?

We find that unrepresented workers are not just different to unionists; they are also distinct from other non-unionists. When this comparison is made, we can identify two broad groups of characteristics for unrepresented workers. The first implies characteristics of *labour market power*: skilled tasks, higher incomes and qualifications. The second suggests characteristics of *insecurity*, lacking voice and articulating fears about job loss or workplace safety. No doubt, some unrepresented workers will potentially have characteristics belonging to both groups, but it is useful to describe these patterns/motivations separately.

In fact, when compared to other non-members, unrepresented workers with *market power* look pretty similar to union members whose profile is reported in Table 4.1. We can speculate that unrepresented workers with these characteristics are motivated more by *voice* than insecurity. In the qualitative interviews, we encountered quite a few workers

who cited their strong standing in the labour market as a reason *not* to join a union; but, as we can see, the same standing can be a platform for greater collective voice.

A second set of group characteristics describe *insecurity* (over job tenure and safety), or lack of control (over contract negotiations or working hours). Many of these concerns meet the emotive conditions that spur unionisation, perhaps as a form of protection, involving workers who want safer and more secure jobs, and more say over pay and conditions, especially the hours they work. At the same time, workers suffering from the stresses of insecurity and lack of voice are also likely to work in jobs, workplaces and industries that have features of cyclical instability, underdeveloped workplace institutions and poor futures that retard union efforts. Indeed, we find that unrepresented workers have, on average, higher incomes than satisfied non-members. When this finding is put around the other way, we might see the problem of non-members differently: non-members have lower incomes, and (perceived) membership costs may still act as a potential barrier to joining, especially when the benefits of membership are seen as low, or commitment to unionism is not great.

When industry comparisons are made, we find one clear result: unrepresented workers are significantly more likely to work in health and education industries than non-unionists. This broad area, which includes teachers, nurses, and many other kinds of professional and semi-professional roles in the “care workforce”, appears to be a potential source of union growth, as these industries will continue to expand their relative employment share.

## Conclusion

This chapter builds on the material included about unions in *The Benchmark Report* in several key ways. First, it updates evidence about union membership. Second, it provides the initial results from 50 qualitative interviews on employee attitudes to unions and union membership. Combined with survey evidence from ISSP and AuSSA, we are able to present some early impressions of workers’ views of unions. In sum, unions are not discredited institutions, and the broader public has registered their declining power in the labour market. Interviewees offered a wide variety of general accounts for union weakness, and gave equally varied personal accounts for their decisions to join and not to join. A strong belief in individual capacity, settled and happy workplace relations, past disappointments with unions and lack of awareness and contact with unions emerge as competing top themes. Subtly, these accounts can be mapped to the reasons offered by industrial relations experts for union decline: cultural individualisation, workplace institutions that minimise the everyday role of unions, relative affluence, and the difficulties unions have in making contact with new workers in un-unionised workplaces.

Third, we have delved a little further into the characteristics of the group we call unrepresented workers: those non-members who express an interest in joining. These workers have a profile that distinguishes them from other workers, both union members and those uninterested in union membership. Being younger, working in non-union

workplaces and coming from a NESB background are three important social characteristics of this diverse constituency. Having a low wage appears to count against interest in unions, which suggests membership costs remain a perceived barrier.

## 5. Working Hours and Workload

There is robust evidence that shows Australia has a long working hours problem. Despite claims of a downward trend, since the ABS has been collecting usual hours data in 2001, average usual hours have remained between 44 and 45 hours per week (ABS 2008). Internationally, Australia has some of the longest hours among full-time employees in the OECD (van Wanrooy et al. 2008). One of the common factors linking Australia with other countries with long hours such as New Zealand, United Kingdom and the United States, is minimal regulation of working time. In Australia, the main way of regulating working time has been to provide penalty rates for over time or working at certain hours. The effectiveness of this approach is questionable as it can be seen to be rewarding irregular and long hours of work rather than deterring them. When enterprise bargaining was introduced in the early 1990s, many employers used this process to remove penalty rates and other working time conditions. Working-time arrangements were one of the most popular targets for employers in agreement negotiations (ACIRRT 1999, p.101). *Work Choices* then limited labour regulation to five basic statutory standards. The standard 38-hour could be averaged over the 52 weeks of the year and no provisions were made for penalty payments. Indeed, Australian Workplace Agreements and non-union collective agreements were used to escape any penalty rates prescribed in the awards (Davis 2007; Evesson et al. 2007). One of the ten National Employment Standards (NES) is labelled 'maximum weekly hours' prescribed to be 38 hours per week. However, there is a 'reasonable hours' clause that states that an employee can only reject an employers' request for extra hours if they are determined to be 'unreasonable', as specified by the standards – in effect providing no real standard or protection against long hours. There is currently no enforceable working time policy that protects Australian employees from their current long hours of work.

Table 5.1 displays employees and self-employed average usual hours in their main job. The results for all workers, without distinguishing between full-time and part-time employment illustrates how long hours are hidden in such aggregations. For example, a total average of 37 hours per week among all employees hides the long hours worked by people employed on a full-time basis.

There has been no significant change in average hours in the last year. Male and female employees working part-time are working similar hours on average – around 20 hours per week. Male and female full-time employees have fairly similar average hours – 45 and 43 hours per week, respectively. These hours are notably higher than the prescribed 'standard' of 38 hours per week.

Self-employed people work longer full-time hours than employees. Overall, the self-employed average full-time hours are 52, in 2008, compared to full-time employees' average of 44 hours. Among the self-employed working part-time hours, the men appear to work more than their employee counterparts whereas women tend to work fewer than

female employees. It is common for some people to choose to be self-employed in the hope of gaining more control over their hours of work. This may be the case for self-employed women who work part-time. There is also some variation in average hours among men and women who are self-employed: men are working longer part-time and full-time hours. In 2008 full-time self-employed men worked an average of 53 hours per week compared to 48 hours among women.

**Table 5.1 Average usual hours worked in main job by employment status, 2007 & 2008**

	2007						2008					
	Men		Women		Total		Men		Women		Total	
	%	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>
<i>Part-time</i>												
Employees	19	515	20	1659	20	2174	20	368	21	1356	21	1724
Self-employed	23	135	19	228	20	363	22	108	19	179	20	287
<i>Full-time</i>												
Employees	45	2742	42	1524	44	4266	45	2404	43	1386	44	3790
Self-employed	53	747	51	215	53	962	53	637	48	148	52	785
<i>All</i>												
Employees	41	3258	31	3183	36	6441	42	2772	32	2742	37	5514
Self-employed	49	882	35	443	44	1325	48	745	33	327	43	1072

Note: The part-time/full-time definition for self-employed uses usual hours in main job, where 35 hours or more is full-time.

Population: All employed persons

Weight: Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

Average full-time actual hours reached beyond 40 hours per week in the early 1990s (ABS 2008) and have since remained at these higher levels. If we ignore the occupational and health and safety impacts for one moment, we could consider the situation tenable if employees are happy to work these longer hours. However, Table 5.2 shows that dissatisfaction with hours of work is prevalent. In 2008, 23 per cent of all employed persons want fewer hours of work and 8 per cent want more hours. Obviously, preferences differ depending on current hours worked. Table 5.2 distinguishes between people who work less than 35 hours per week on a usual basis in all their jobs and those who work 35 hours or more. Here, we look at hours in all jobs as the question asking about hours preferences refers to total hours worked. Among all workers who work less than 35 hours per week, one in five have a preference for more hours, and only one in twenty would like to reduce their hours. These preferences do not differ among employees and the self-employed.

People working full-time hours are more dissatisfied with their hours. In 2008, only two-thirds of these workers are happy with their hours, with 30 per cent wanting fewer hours of work. The previous table showed that the self-employed are working much longer full-time hours, therefore it is no surprise that 43 per cent want to reduce their hours of work. Among full-time employees around one in four (29 per cent) would like fewer hours of work.

**Table 5.2 Work hour preferences by employment status and total usual hours, 2007 & 2008, per cent**

	<35 hours		≥35 hours		Total	
	2007	2008	2007	2008	2007	2008
<i>Employees</i>	(n=2029)	(n=1614)	(n=4410)	(n=3897)	(n=6439)	(n=5511)
Happy with hours	74.4	76.0	70.4	68.6	71.7	70.8
Want fewer hours	3.8	4.5	26.6	28.7	19.4	21.6
Want more hours	21.8	19.6	3.0	2.7	8.9	7.6
<i>Self-employed</i>	(n=323)	(n=259)	(n=1001)	(n=815)	(n=1324)	(n=1074)
Happy with hours	73.3	72.3	55.7	54.9	60.0	59.2
Want fewer hours	*7.4	7.8	41.5	42.9	33.3	34.2
Want more hours	19.2	19.9	2.8	2.1	6.7	6.5
<i>All</i>	(n=2352)	(n=1873)	(n=5411)	(n=4712)	(n=7763)	(n=6585)
Happy with hours	74.4	75.6	68.7	67.2	70.4	69.6
Want fewer hours	4.1	4.8	28.3	30.2	20.9	22.9
Want more hours	21.5	19.6	3.0	2.6	8.7	7.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

\* Estimate not reliable

Population: All employed persons

Weight: Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

There is very little change in preferences from 2007 to 2008. Previous research has shown that workers in older age groups are more likely to be unhappy with their hours of work and have a desire for fewer hours. Thus, it is expected that as the respondent sample ages; the preference for fewer hours will become greater.

For those who are unhappy with their hours, how many hours are they currently working and what would they like to change their hours to? We already know that men and women's working hours differ, with one important factor being the level of other non-work responsibilities. It is likely that for this reason their preferences will differ too. Table 5.3 displays the preferences of male and female employees working full-time and part-time hours and their usual and preferred hours of work. The most content group of workers are female employees working part-time – 78 per cent do not have a desire to change their hours. One in four male employees working part-time hours want more hours of work. Both male and female employees working part-time hours are happy to work 21 hours per week on average, and have a desire to work more hours when working an average of 18 hours per week. The desired hours of underemployed part-time workers are substantially higher, verging on full-time hours: men desire 31 hours on average and women 28 hours.

Men who work full-time hours and do not prefer a change are working 45 hours per week on average. Discontent arises among men working an average 50 hours per week and they prefer shorter full-time hours of around 36 hours per week. A very small proportion of men working full-time hours would like more hours of work, an increase of 44 hours per week on average to 51 hours. It is unusual for full-time employees working longer hours not to be working some unpaid hours; however, this is the case for the bulk of this group. Further, 70

per cent say they are paid for any extra hours they work. Thus, the desire for more hours appears to be financially driven on the whole.

**Table 5.3 Average total usual hours and preferences by total hours worked, 2008**

	Men				Women			
	%	Avg. usual	Avg. preferred	n	%	Avg. usual	Avg. preferred	n
<b>&lt;35 total hours</b>								
Happy with hours	69.9	21	-	244	77.9	21	-	983
Want fewer hours	*3.7	*22	*17	13	4.7	25	17	66
Want more hours	26.5	18	31	85	17.3	18	28	223
<b>≥35 total hours</b>								
Happy with hours	69.5	45	-	1679	67.0	42	-	962
Want fewer hours	27.8	50	36	681	30.4	46	32	472
Want more hours	2.7	44	51	67	2.6	39	41	36
Total	100.0	43	36	2769	100.0	33	30	2742

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Female employees working full-time hours have a lower threshold for tolerance of long hours of work compared to their male counterparts. Women who are working full-time hours and do not have a preference for change are working an average of 42 hours per week. Women who want fewer hours are working an average of 46 hours and have stated a preference of 32 hours per week on average. Thus, when the hours become too long, many women appear to desire longer part-time hours.

The qualitative interviews bore out how some employees come to be working long and unpaid hours.

*the most recent one that I had in retail was an assistant manager role, so that was a little bit different. It was a salary and it was full-time. With the salary I'm not a hundred per cent sure what it broke down to, I obviously looked at it as how much I earned by year. I think I was supposed to work thirty-eight hours a week; there wouldn't have been one single week where I worked thirty-eight hours. Some working weeks were massive hours, where I might work three fourteen hour days within that week, and others were just perhaps a couple of hours staying back three days in that week or something like that. It was very much an attitude of 'if it has to get done, it's gets done, it doesn't matter how long it takes. [ Male, 21, swimming coach, formerly retail employee]*

When the employee was asked whether they received compensation for the extra hours he replied, "you get paid more than everyone else, you're on a salary so you just do what you have to do".

## Workload and control over hours

The issue of long working hours and preferences raise the issues of choice and control. Do employees feel they are in control of their hours and are they making constrained choices about the number of hours they work? Some constraints on the choice to work long hours can be the reduced chance of promotion or rewards and lessened earnings capacity. In last year's survey respondents were asked whether they felt they had control over the hours they work. However, the question was not clear about the particular aspect of hours: whether it was the length or when they are worked. The results for this year show that slightly different results are generated for the different aspects of working hours control, Table 5.4. The main difference occurs for managerial employees who are more likely to disagree that they have control over the length of their hours (32 per cent in total), compared to when they work their hours (25 per cent disagree in total).

**Table 5.4 Employees' attitudes toward management, 2007 & 2008, per cent**

	Non-managerial (n=4825)	Managerial (n=711)	Total (n=5536)
<i>I have control over <u>when</u> I work my hours</i>			
Strongly agree	11.2	12.6	11.4
Agree	41.5	53.5	43.1
Neither agree nor disagree	7.7	9.0	7.9
Disagree	30.5	20.5	29.2
Strongly disagree	9.0	4.4	8.4
Can't choose	*0.1	0.0	*0.1
<i>I have control over the number of hours I work</i>			
Strongly agree	9.3	9.0	9.2
Agree	42.9	48.0	43.6
Neither agree nor disagree	7.5	10.9	7.9
Disagree	33.1	27.2	32.3
Strongly disagree	7.2	4.7	6.8
Can't choose	*0.1	*0.2	*0.1
<i>More and more is expected of me for the same amount of pay</i>			
Strongly agree	16.9	17.6	17.0
Agree	36.5	39.2	36.9
Neither agree nor disagree	9.9	14.7	10.6
Disagree	32.7	25.3	31.7
Strongly disagree	3.7	3.1	3.6
Can't choose	0.3	0.1	0.3
Total	100.0	100.0	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Overall, more than one-third of employees do not feel they are in control of when they work or the length of their hours. One in four employees do not feel they have control over both aspects of their hours, with another 10 per cent of employees who each do not feel

they are in control over when they work the hours or the number. Therefore, in total, nearly half (47 per cent) of employees who do not feel they are in control of either both or one aspect of their hours. Managerial employees are more likely to report control over their hours compared to non-managerial employees, Table 5.4. Two in every five non-managerial employee feel they cannot control when they work their hours or the length.

Control over hours can either be explicit through mechanisms such as rostering arrangements or implicit through expectations set by the employer. Respondents have again been asked to disagree or agree with the statement 'more and more is expected of me for the same amount of pay'. This statement aims to measure the degree of work intensity but is also touching on the issue of reward for effort and expectations on the jobs. Overall, 54 per cent of employees feel that more is expected of them for the same amount of pay, and attitudes do not differ across managerial roles. This finding has not changed from last year, where 53 per cent reported increasing workload. The feeling of work overload is likely to impact on an employees' personal well-being, as one participant described in the qualitative interviews:

*Well I'm just constantly exhausted. And I think that I'm concerned that there might come a time when I just can't continue the travelling, and I can't continue getting up and going to work. Because I'm just tired all the time.* [Female, 49, Accommodation support work]

## Young workers

People in the workforce aged under 21 years are more mobile, changing jobs more frequently and more likely to be in insecure forms of employment, with half employed on a casual basis. This instability is also reflected in the working hours of young workers. The majority (80 per cent) say their working hours vary. More than half (59 per cent) of young employees are employed on a part-time basis in their main job. However, there are still some young people who are working long hours – 16 per cent report working more than 40 hours a week in all jobs. Young people are more likely to be content with their hours, and this is due to the lower proportions who want to reduce their hours, but 15 per cent of young people would like more hours of work. Young people are more likely to be working on weekends, shift work and rostered on for evening work.

## Work and Family

Workload becomes an issue when we consider how it impacts on others areas of our lives, not just on our families, but on our ability to feel healthy and happy and to socialise and participate in the community. *Australia at Work* does not specifically measure the level of work and life conflict, this is performed by *The Australian Work and Life Index* (AWALI) that has measured the conflict between work and life in 2007 and 2008 (Skinner & Pocock 2008). *Australia at Work* provides an indication of the tensions between work and life by measuring hours worked, perceived levels of work intensity and workload and other responsibilities such as caring and study. We already know from the AWALI that over half of workers report that their work interferes with activities outside of work and that they feel

pressed for time. Men report higher levels of work-life conflict than women. But when working hours are controlled for women have higher levels of work-life conflict. It is mothers, in particular, that are affected by work-life conflict (Skinner & Pocock 2008).

Table 5.5 shows the average usual hours worked by employees in their main job, across the different labour market 'transitions'. The average hours of female employees who are working full-time do not vary across the different types of responsibilities they have. This may be because women who work full-time have made other care arrangements. It is only among employees who work part-time where the different responsibilities appear to impact on the hours worked. Men and women who work part-time and do not provide care or study are working the same hours on average – 23 per week. The largest divergence in hours is among men and women who work part-time and have caring responsibilities, men work 25 hours per week and women work 21 hours on average.

**Table 5.5 Employees' average usual hours in main job by non-work activities, 2008**

	Part-time				Full-time			
	Men		Women		Men		Women	
		<i>n</i>		<i>n</i>		<i>n</i>		<i>n</i>
Not studying and not caring	23	131	23	387	45	1049	43	702
Caring / Children	25	74	21	661	46	1086	43	443
Studying	15	139	16	203	44	150	42	156
Studying and Caring / Children	19	22	20	101	46	113	43	83
Total	20	366	21	1352	45	2398	43	1384

Note: Caring / Children is denoted as having children in the household under 16 years or providing the care for someone who is elderly, disabled or ill.

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

There are some significant differences in the working arrangements of men and women, across different 'transitions'. All female employees are less likely to work extra hours compared to their male counterparts, 27 per cent of women 'never' work extra hours compared to 19 per cent of men. However, the differences are starker depending on the presence of caring responsibilities. Female employees with caring responsibilities are twice as likely to never work extra hours compared to their male counterparts. More than one in four (28 per cent) of women with caring responsibilities never work extra hours compared to 14 per cent of men. And among those who provide care and study, 31 per cent of women never work extra hours compared to 13 per cent of men.

Some respondents in the in-depth interviews explained how work was sometimes expected to be the first priority over and above caring responsibilities, despite initial impressions that employers respected their family obligations:

*They ask you, you know, 'have you got kids?', 'are you married?', all these kind of these things. So it's alright to get you in there working for them, and getting you to do all these things for them, but as soon as you need help from them, 'look I need an hour*

*off to take my child to the orthodontist' or whatever it might be... and they're getting flack. You know, 'we'll have no one on the floor then, blah, blah, blah', and it just because a thing of that work is your first priority. Well really it's not. It is high priority, but your family life is important as well [Male, 22, Swimming coach].*

While Table 5.5 focused on the work hours and responsibilities of individuals, it is important to consider how the household is managing paid and unpaid work as a unit. While, the 'male breadwinner' model was the traditional household employment structure in the first part of the last century, the most common household in Australia today is the 'neo-traditional' composition (Drago et al. 2004). This is where, of a couple in a household, one person works full-time and the other works part-time.

To obtain a clearer picture of the 'joint strategy' that a couple within a household may use in managing paid and unpaid work, Table 5.6 displays the average combined household and individual hours devoted to paid work and a respondent's desire to change their own hours of work. Respondents were asked the employment status of their partner and how many hours they work each week on a usual basis. While reports of their partner's hours may not be precisely accurate it does give some indication of the number of hours the household contributes to paid work. Table 5.6 shows that households without children under the age of 16 do more paid work (at 81 hours per week on average) compared to those with children (at around 75 hours per week on average). If we look at the average share of paid hours of men and women in the two types of dual earner households, we can see that in those without children, the share of paid work is closer to being equal than it is among households with children. Confirming the knowledge that women often undertake part-time work where care is involved.

The differences in men and women's involvement in paid work, where children are present, are illustrated by single parents. Men who are single parents are working, on average, 11 more hours than their female counterparts; with men working longer full-time hours and women working less than 35 hours per week. However, it is important to note that it is women with children who are sole earners in their household who are most likely to be discontent with their hours of work. Two in every five female single parents and female breadwinners with children want to change their hours of work. Female single parents are the most likely to want more hours of work (18 per cent) but almost one in four (24 per cent) express a desire for shorter hours.

Male breadwinners with children are the group who are most likely to report being over-employed; 35 per cent want to reduce their hours of work. This group are working the longest hours on average, at 47 hours per week. It is interesting to note that men who have partners and children are working the longest hours. Men in dual earner households with children are working 46 hours per week on average. They, too, have a high proportion who want to reduce their hours of work — 32 per cent.

**Table 5.6 Aspects of employees' working hours by household employment status, 2008**

	Avg. usual hours	Avg. household hours	Want fewer hours (%)	Want more hours (%)	<i>n</i>
<i>Men</i>					
Single worker	38	38	13.6	11.1	811
Single parent	44	44	18.4	9.6	82
Breadwinner without children	44	44	26.4	2.6	137
Breadwinner with children	47	47	34.6	3.4	309
Dual earner without children	44	81	26.5	4.7	636
Dual earner with children	46	74	31.7	2.6	763
<i>Women</i>					
Single worker	34	34	15.2	11.3	739
Single parent	33	33	23.6	17.7	175
Breadwinner without children	32	32	12.9	11.9	72
Breadwinner with children	34	34	28.1	11.7	39
Dual earner without children	36	81	21.5	7.0	807
Dual earner with children	30	76	17.1	8.9	862

Note: Children are those present in the household under 16 years.

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Table 5.6 clearly illustrates that the household structure and gender roles have a strong influence on the number of hours worked and also the preference to change hours of work. While length of hours impacts the preference to reduce hours of work, so too, does the presence of children in the household.

## 6. Forms of Employment and Security at Work

A matter of considerable interest in recent times has been the rise of non-standard work. The growth of casual employment has received attention both here and internationally. According to the ABS,

*The proportion of male employees who are casual employees has almost doubled, increasing from 13 per cent in 1990 to 25 per cent in 2004. Over the same period, the proportion of female employees who are casual employees increased from 28 per cent to 31 per cent (ABS 2006).*

The existence of large numbers of workers engaged in 'non-standard' forms of employment has important implications for the quality of working life, especially employment security. The enforceable rights arising from employment vary dramatically depending on whether people are engaged on a 'permanent', 'casual', 'fixed-term', or 'self-employed' basis. Rights on termination of employment and leave are the clearest examples of this. Permanent employees, historically, have enjoyed recreation and sick leave as well as redundancy and unfair dismissal rights. Casual employees have not. Casuals have, however, enjoyed minimum rates of pay, standards concerning hours of work, workers' compensation and superannuation entitlements, rights not enjoyed by the self-employed. The latter have only been protected by commercial and not labour law. As we shall see, the situation is not as straight forward as it may appear.

### Defining forms of employment

It is important to outline the categories used in this chapter as the criteria used for distinguishing between different forms of employment are, ironically, both well established and saturated with ambiguity. The roots of this situation can be traced back to the peculiar status of labour as a commodity in market society. For the purpose of economic activity worker's potential for labour is treated as a service for sale. In this sense, people are trading either their capacity to perform labour, or the products (or services) arising from it. In the former case workers are held to be involved in an open-ended *contract of service* to their employer. In the latter they are held to be involved with *contracts for* the sale of particular *services*. The example of plumbing services helps illustrate this difference. An employee plumber works for a firm that fixes plumbing problems for customers. The firm controls his or her labour, employs him or her on a continual basis irrespective of whether any work is available, and the client engages the firm to fix their plumbing problems - not the worker directly. A contractor plumber, on the other hand, deals directly with the client and is engaged to undertake particular tasks. It is for this reason that the distinction between *contracts of* and *for* service is commonly regarded as involving a difference between *time served* and *task based* contracts.

Hugh Collins, in a 1990 article on the employee/contractor distinction, argued that the time served/task based work distinction is not clear cut in practice. Many contractors can be engaged on an open-ended, quasi-time-served basis. And many employees work to task.

Ron McCallum has reflected on this latter issue, especially as it concerns employees. He notes that the 'law has always treated professional occupations differently to others by placing higher duties upon them' (2000, p.30). Scott J in *Sim v Rotherham Metropolitan Borough Council* (1986) explained this matter very clearly in a case concerned with whether teachers could be compelled to take on extra work when colleagues were absent.

*... A teacher could not excuse a failure to be properly prepared for a class, or a failure to mark school work within a reasonable time after it had been done, by pointing out, correct though the observation might be, that he or she had not had time within school hours to do the work. It is, perhaps, one of the hallmarks of professional employment, as opposed to employment in non-professional capacities, that professionals are employed to provide a particular service and have a contractual obligation to do so properly. A worker in a car factory or shop may clock off at 5:30 or, perhaps work late on an overtime basis. An employed professional does not usually have an overtime option. He [sic] is employed to provide a particular service to proper professional standards. His contract may require his attendance in an office or other place of work for particular hours but his contractual obligations are not necessarily limited to work done within those hours (Sims Case 1986, p.851 cited in McCallum 2000, p.30).*

As McCallum puts it: such contracts 'focus upon the performance of particular tasks and not hours of work which may be required to complete the job...' (2000, p. 22).

Ambiguity also surrounds the notion of the 'casual employee' in Australia. Despite the meaning of the term implying work of a short-term nature, many have been with their current employer for a year or more. This has led to the great oxymoron: the 'permanent casual'. As Justice Moore of the Federal Court noted in 1996 in *Reed's* case: 'In Australian domestic law, the expressions, 'casual employee' and 'casual employment' are expressions with no fixed meaning'.

Given these considerations this chapter reports findings on the basis of augmented ABS categories:<sup>6</sup>

- *Permanent employees: managerial and professional compared with remaining occupational groups.* Building on Collins's (1990) and McCallum's (2000) insights managerial and professional employees are differentiated as they, more than other occupations, work to task – usually expressed as 'working until the job is done'. Other occupational groups have more commonality as they tend to work on a time served basis.
- *Casuals: long standing compared with those on short tenure.* Like permanent workers, casual workers are further disaggregated, however as these employees are mostly concentrated in a limited number of low-skilled occupations, disaggregating by

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<sup>6</sup> For a comprehensive outline of how ABS protocols and categories have been drawn on and why there are some differences between Australia at Work and ABS estimates refer to the section 'Forms of Employment: ABS and Australia at Work estimates' in Appendix A. For further discussion of the conceptual difficulties in capturing forms of employment refer to Appendix C.

occupation is not beneficial for analysis. Instead, casual workers are disaggregated by their tenure. A general consensus in the literature on this subject is that casuals who are employed for longer than one year exhibit different employment experiences to those employed for less than one year (see Campbell & Burgess 2001). For this reason, casual employees have been further divided into 'long-term casuals' (those having held their position for longer than one year) and 'short-term casuals' (those employed in their position for less than one year).

- *Fixed-term contract employees.* Employees on fixed-term contracts are not further disaggregated, as their experiences are more likely to be homogenous than the other forms of employment.
- *The self-employed: comparing those with and without employees.* Sole traders have significantly less managerial responsibility compared to those with employees. We have separated out these two groups to observe how, if at all, this difference is associated with different labour market outcomes and experiences. Further discussion of the self-employed is undertaken in Chapter 7, where they are examined by their reliance on contractual employment.

### Basic labour force characteristics

Table 6.1 examines the employed population by the detailed breakdown of forms of employment. The largest group in the population are permanent employees who are neither managers nor professionals, with 38 per cent of the working population engaged in this type of employment. This is followed by permanent managers and professionals, with 29 per cent of the working population falling into this category. While the majority of people are employed on a full-time basis<sup>7</sup> (69 per cent), for casuals this distribution is reversed, with 82 per cent of long-term casuals, and 77 per cent of short-term casuals, employed on a part-time basis.

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<sup>7</sup> Part-time / full-time status in this chapter has been derived from usual hours work in main job (<35 hours, or >35 hours), rather than self-reported status. Self-employed persons are not asked their part-time/full-time status, so it is necessary to derive it from usual hours worked. Casual employees are also often not employed on a full-time or part-time basis, their usual hours worked being more reflective of part-time or full-time employment.

**Table 6.1 Detailed form of employment by part-time and full-time hours, 2008, per cent**

	Total	Hours of Work		
	Column %	Part-time	Full-time	Total
Permanent (M&P) ( <i>n</i> =1,922)	29.2	15.2	84.8	100.0
Permanent (non-M&P) ( <i>n</i> =2,326)	38.4	21.8	78.2	100.0
Fixed-term contract ( <i>n</i> =358)	8.8	36.3	63.7	100.0
Long-term casual ( <i>n</i> =443)	5.8	81.9	18.1	100.0
Short-term casual ( <i>n</i> =488)	7.5	77.2	22.8	100.0
Self-employed with employees ( <i>n</i> =394)	3.9	19.0	80.4	100.0
Self-employed no employees ( <i>n</i> =689)	6.4	32.2	66.6	100.0
Total	100.0	30.7	69.2	100.0

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

While men comprise a larger component of the workforce (54 per cent), it is of interest to note the way in which the gender distribution differs between the forms of employment, Table 6.2. Men are more likely engaged in both the most secure modes of employment, dominating permanent employment and self-employment. Women, however, as employees, are more likely to be engaged in the more precarious forms of employment – as short-term casuals and on fixed-term contracts.

**Table 6.2 Detailed form of employment by sex, 2008, per cent**

	Male	Female	Total
Permanent (M&P) ( <i>n</i> =1,922)	57.7	42.3	100.0
Permanent (non-M&P) ( <i>n</i> =2,326)	56.6	43.4	100.0
Fixed-term contract ( <i>n</i> =358)	45.7	54.3	100.0
Long-term casual ( <i>n</i> =443)	34.4	65.6	100.0
Short-term casual ( <i>n</i> =488)	44.7	55.3	100.0
Self-employed with employees ( <i>n</i> =394)	64.5	35.5	100.0
Self-employed no employees ( <i>n</i> =689)	65.7	34.3	100.0
Total	54.4	45.6	100.0

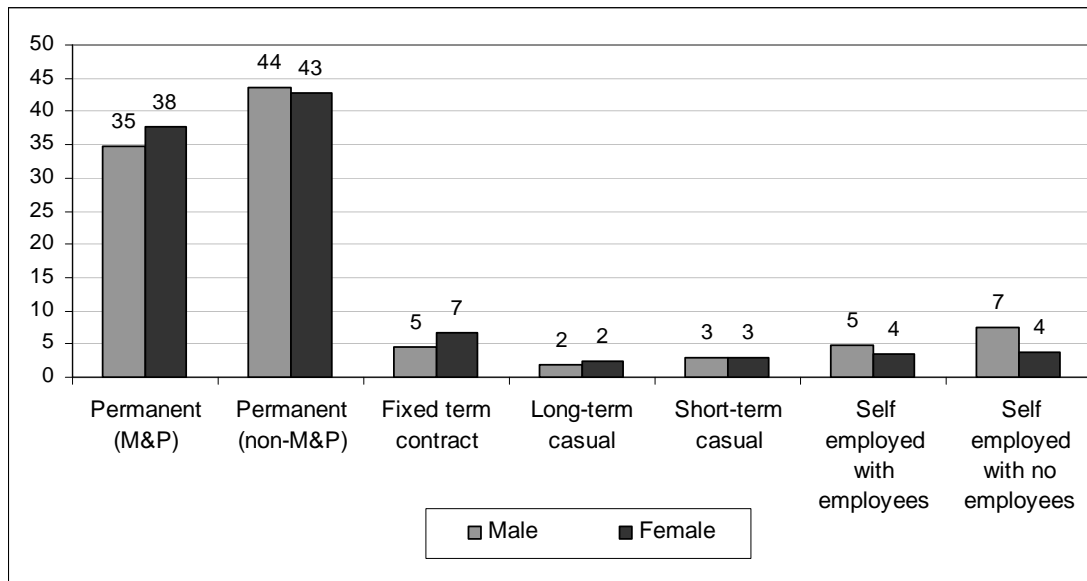
Population: All employed persons

Weight: Cross-sectional 08

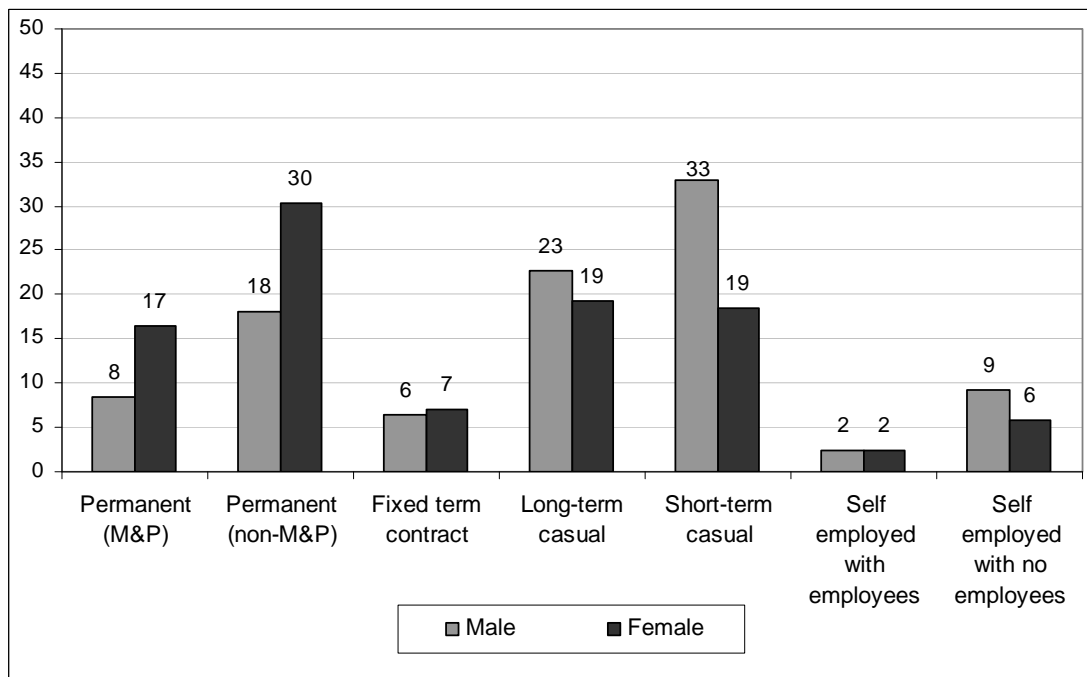
Source: Australia at Work W2

When form of employment is further disaggregated by both sex and part-time and full-time employment an interesting pattern emerges. Men and women working full-time are similarly distributed among all forms of employment, Figure 6.1a. The majority are employed as non-managerial and professional permanents (44 per cent of men and 43 per cent of women). However, there is a very different distribution pattern among men and women in part-time employment, Figure 6.1b. Over half (55 per cent) of the men are employed in short or long-term casual modes of employment. Women, on the other hand are most likely to be engaged in more secure part-time employment, with nearly half engaged in permanent employment (47 per cent).

**Figure 6.1a Full-time workers' detailed form of employment by sex, 2008, per cent**



**Figure 6.1b Part-time workers' detailed form of employment by sex, 2008, per cent**



Note: does not include self-employed who refused to give hours, and therefore could not be coded into part-time or full-time employment ( $n=11$ )

Population: All employed part-time persons

Weight: Cross-sectional 08

Source: Australia at Work W2

This provides evidence of the very different reasons that men and women engage in part-time employment. A working paper released by the Productivity Commission (Abhayaratna et al 2008), using data from the Household Income and Labour Dynamics of Australia (HILDA) survey found that men and women in the younger and older age brackets tended to present similar reasons for engaging in part-time employment, while prime age (25 to 44

years) men and women undertake part-time employment for very different reasons. Women in the prime age group overwhelmingly cite caring responsibilities as the main reason for engaging in part-time work, while men are more likely to cite education, personal preference and an inability to find full-time work. Hence for men in the prime age bracket it would appear that part-time work is transitory, which is reflected in the increased likelihood of holding more unstable forms of part-time employment.

Employees in high skill levels are most likely to be self-employed, on fixed-term contracts or permanent managerial and professionals. The permanent managers and professionals are all classified as belonging to higher skill levels, as skill level is defined by occupation, with managerial and professional occupations all classified as highly skilled. The majority of self-employed are classified as belonging to the high skill level (85 per cent of self-employed with employees, and 77 per cent of self-employed without employees). Four fifths (79 per cent) of employees on fixed-term contracts are also classified as highly skilled. Short-term casual and permanent non-managerial/professional forms of employment are more likely to be in low-skilled occupations. Three quarters (76 per cent) of short-term casual employees are in low-skilled jobs, followed by two thirds (65 per cent) of long-term casual employees and over half (58 per cent) of permanent non-managerial/professional employees.

## Earnings

The basic hourly rates of permanent managerial/professionals, and long-term casual employees are much higher than the average for the other three forms of employment, regardless of part-time/full-time status, Table 6.3.

**Table 6.3 Average earnings in main job by form of employment, 2008**

	Basic hourly rate	Yearly salary in MAIN job
<i>Part-time</i>		
Permanent (M&P) (n=320)	\$32	\$36,572
Permanent (non-M&P) (n=526)	\$19	\$23,273
Long-term casual (n=370)	\$30	\$23,272
Short-term casual (n=375)	\$23	\$18,467
Fixed-term contract (n=127)	\$19	\$15,529
Self-employed with employees (n=70)	-	\$40,880
Self-employed no employees (n=217)	-	\$34,004
<i>Full-time</i>		
Permanent (M&P) (n=1,602)	\$38	\$81,969
Permanent (non-M&P) (n=1,800)	\$23	\$50,361
Long-term casual (n=73)	\$34	\$58,389
Short-term casual (n=113)	\$25	\$51,400
Fixed-term contract (n=231)	\$23	\$43,144
Self-employed with employees (n=321)	-	\$87,549
Self-employed no employees (n=464)	-	\$66,297

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

Among all employed persons the self-employed without employees are receiving the highest yearly salaries on average (\$87,549 for full-time, and \$40,880 for part-time). This is followed by permanent managerial/professionals (\$81,969 for full-time, and \$36,572 for part-time). Long-term casuals receive a high basic hourly rate but this does not translate into a high yearly salary as it does for permanent managers and professionals. This may be a result of casual employees not receiving the same benefits as permanent employees, such as holiday and sick leave, with any time off work not being paid.

## Employers and forms of employment

As well as looking at supply side features with forms of employment, it is also important to look at the way in which employers use forms of employment. As the *Australia at Work* study is a survey of employees, there is only a limited amount of ways that the employer's perspective can be obtained. One of these ways is to look at workplace size. Table 6.4 illustrates that employers in large workplaces are more likely to take on permanent employees (45 per cent of permanent managers and professional, and 30 per cent of permanent non-manager and professionals are employed in workplaces with over 100 employees). These large workplaces are also likely to take employees on fixed-term contracts, which is reflective of the way in which large companies bring in technical expertise (as we saw earlier, the majority of fixed-term employees are in high skilled occupations). This is consistent with British research that found large workplaces are more likely to hire fixed-term contractors as the wide range of expertise needed by large firms means it is more cost-efficient to bring in technical expertise than to train existing employees (Uzzi & Barsness 1998). Small workplaces (those which employ less than 20 people) are more likely to be reliant on casual employees, with 51 per cent of short-term casual, and 48 per cent of long-term casuals employed in small workplaces.

**Table 6.4 Detailed form of employment by workplace size, 2008, per cent**

	Less than 20	20-100	More than 100	Total
Permanent (M&P) ( <i>n</i> =1,907)	22.3	32.3	45.4	100.0
Permanent (non-M&P) ( <i>n</i> =2,302)	35.5	34.3	30.3	100.0
Long-term casual ( <i>n</i> =434)	48.3	32.5	19.2	100.0
Fixed-term contract ( <i>n</i> =352)	26.1	38.0	35.9	100.0
Short-term casual ( <i>n</i> =470)	50.9	35.6	13.5	100.0
Self-employed with employees ( <i>n</i> =392)	89.2	8.4	*2.4	100.0
Self-employed no employees ( <i>n</i> =689)	-	-	-	-
Total	39.7	30.6	29.7	100.0

\* Estimate not reliable

Note: does not include people who refused workplace size (*n*=74)

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

Table 6.4 indicates how, at a basic operational level, workplaces engage labour. Small workplaces appear to be hiring casual labour that can be easily dismissed, and who do not have the added expense of providing paid sick and holiday leave. Large workplaces appear

to hire employees on a permanent basis. This is likely to be because they have structures in place to better handle problems of excess and under-performing staff.

### Job and labour market security

Of all employed people, it is the self-employed that are likely to have been in the same job for the longest period, Table 6.5. It is commonly known that small businesses are more likely to fail within their first few years of operation. However, the figures below indicate that when they are successful they are likely to be successful for a long period. Nearly half (42 per cent) of the self-employed with employees, and just over one third (36 per cent) of those without employees, have been in operation for more than ten years.

**Table 6.5 Detailed form of employment by tenure, 2008, per cent**

	1 year or less	2 to 4 years	5 to 10 years	More than 10 years	Total
Permanent (M&P) (n=1,922)	24.9	18.2	28.0	28.9	100.0
Permanent (non-M&P) (n=2,326)	35.0	20.3	23.8	20.9	100.0
Long-term casual (n=443)	-	52.3	31.6	16.1	100.0
Fixed-term contract (n=358)	57.0	20.4	14.9	7.8	100.0
Short-term casual (n=488)	100.0	-	-	-	100.0
Self-employed with employees (n=394)	19.1	11.2	26.5	43.0	100.0
Self-employed no employees (n=689)	26.6	16.8	20.6	36.1	100.0
Total	35.3	19.7	22.9	22.1	100.0

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

For employees there is a direct correlation between the degree of security as exhibited by form of employment, and the likelihood for employees to have been in their job for a long period. Over one-quarter (29 per cent) of permanent managerial and professional employees have been employed for more than ten years, compared to one-fifth (21 per cent) of permanent non-managerial/professional employees, followed by 16 per cent of long-term casual employees and 8 per cent of fixed-term contract employees.

Table 6.6 presents the perceived job and labour market security of employees. Job and labour market security is a complex and controversial subject matter that is not readily identifiable by looking at either employer or employee perceptions as these are not necessarily reflective of actual security. Yet looking at employee's perceived sense of security is valuable in itself. Feelings of job security (gauged by the statement '*There is a good chance I will lose my job or be retrenched within the next 12 months*') can be indicative of confidence in maintaining ongoing employment with the same employer. While feelings of labour market security (measured by the statement '*If I left this job it would be difficult for my employer to replace me*') can be beneficial in understanding employee's perceptions of the value of their skill set in the wider labour market.

**Table 6.6 Form of employment by job and labour market security, 2008, per cent**

	<b>Disagree: There is a good chance I will lose my job or be retrenched within the next 12 months</b>	<b>Agree: If I left this job it would be difficult for my employer to replace me</b>
<i>Part-time</i>		
Permanent (M&P)	91.6	47.4
Permanent (non-M&P)	88.4	32.5
Long-term casual	86.9	41.0
Short-term casual	76.2	40.2
Fixed-term contract	72.4	30.5
Total	84.4	36.7
<i>Full-time</i>		
Permanent (M&P)	89.9	49.4
Permanent (non-M&P)	89.7	43.2
Long-term casual	89.0	41.4
Short-term casual	68.6	55.0
Fixed-term contract	69.7	41.5
Total	87.9	45.8

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Part-time permanent managerial/professionals employees are most likely to report feelings of job security, with 92 per cent disagreeing they will lose their job or be retrenched within the next 12 months. Those employed on fixed-term contracts or as casuals are less likely to feel secure in their employment. However, there is a noticeable difference between the degree to which long-term casuals and short-term casuals experience feelings of job security. For part-time employees, 87 per cent of long-term casuals report job security, compared to 76 per cent of short-term casuals. For full-time employees the difference is even greater, with 89 per cent of long-term casual employees displaying job security compared to only 69 per cent of short-term casuals.

Job security is not necessarily reflective of labour market security. This is observed in the different distribution pattern of employees agreeing that they would be difficult to replace if they left their job. Part-time permanent manager/professionals display the most labour market security (47 per cent agree it would difficult for their employer to replace them) while part-time employees on a fixed-term contract, and permanent non-manual/professionals display the least labour market security (31 and 33 per cent agree, respectively). However, among full-time workers, short-term casual employees have the highest likelihood of displaying strongest labour market security, with over half (55 per cent) agreeing that they would be difficult to replace. Hiring casual employees on a full-time basis is uncommon (only around 2 per cent of employees work on this basis). This could reflect the use of casual employment to bring in expertise for short but intense periods.

## Working Hours

There is a notable difference in the average usual hours worked by permanent part-time employees and other part-time employees, with the former working an average of five hours more each week than long-term casuals, short-term casuals, and those on fixed-term contracts, Table 6.7. Among part-time employees there is very little difference in the average usual hours worked and paid for each week across the different forms of employment. Overall, part-time employees regardless of their form of employment are less likely to work unpaid hours than full-time employees.

**Table 6.7 Average hours of work in main job by form of employment, 2008**

	Usual hours	Paid hours	Unpaid hours
<i>Part-time</i>			
Permanent (M&P) (n=320)	23	22	1
Permanent (non-M&P) (n=526)	23	23	0
Long-term casual (n=370)	18	17	1
Short-term casual (n=375)	18	17	0
Fixed-term contract (n=127)	17	16	0
Self-employed with employees (n=70)	23	-	-
Self-employed no employees (n=217)	19	-	-
<i>Full-time</i>			
Permanent (M&P) (n=1,602)	46	39	6
Permanent (non-M&P) (n=1,800)	43	41	2
Long-term casual (n=73)	43	38	5
Short-term casual (n=113)	44	41	2
Fixed-term contract (n=231)	47	44	1
Self-employed with employees (n=321)	54	-	-
Self-employed no employees (n=464)	50	-	-

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

The results regarding hours are more diverse for full-time employees. Permanent managers/professionals and long-term casuals work, on average, more unpaid hours than any other group. This is significant when job and labour market security, as well as yearly salary and hourly rates are taken into account. As mentioned earlier, permanent managers and professionals and long-term casuals both display high levels of job security, with around 90 per cent of both groups disagreeing that they are likely to be laid off in the coming 12 months. Among employees, these two groups also have the highest basic hourly rates. However, it appears that they are working longer unpaid hours in order to access greater pay and job security. Permanent non-managerial/professionals, short-term casuals and those on fixed-term contracts on the other hand, are working less unpaid hours in their main job. But it must be remembered that for this group their basic hourly rate, salary and (in the case of short-term casuals and those on fixed-term contracts) job security is lower.

Working hours among the self-employed are similar to permanent managers/professionals, though even more acute. Full-time self-employed, regardless of whether they have employees, are working the longest usual hours of all the groups. Those with employees are being compensated with the highest yearly salaries of all groups, while those without employees are not. As the self-employed are not asked about perceived employment prospects it is not possible to assess their level of job security. However, the relatively high proportions of self-employed with long tenures (10+ years) indicate that when a business succeeds, self-employed people are more likely to be secure in their job than any other group.

Workers' desire to change their hours of work varies considerably across forms of employment, as well as part-time and full-time status, Table 6.8. The majority of part-timers are satisfied with their hours (75 per cent), with permanent managers and professionals displaying the greatest level of satisfaction (82 per cent). Part-time short-term casuals are the least likely to be satisfied, with only 68 per cent stating they do not want to change their hours of work. This is due to a high degree of underemployment – 30 per cent of short-term casuals desire to work more hours. Permanent part-time employees in managerial and professional occupations are the group most satisfied with their hours, with 82 per cent having no desire to change their hours of work.

**Table 6.8 Hours preferences by form of employment, 2008, per cent**

	Same	Fewer	More	Total
<i>Part-time</i>				
Permanent (M&P) (n=319)	82.3	9.3	8.4	100.0
Permanent (non-M&P) (n=526)	78.6	5.4	16.0	100.0
Long-term casual (n=369)	74.0	*4.8	21.1	100.0
Fixed-term contract (n=127)	75.4	*3.7	21.0	100.0
Short-term casual (n=374)	67.8	*2.7	29.5	100.0
Self-employed with employees (n=70)	75.4	*17.3	*7.3	100.0
Self-employed no employees (n=216)	71.9	*5.3	22.8	100.0
Total (n=2,001)	75.1	5.4	19.5	100.0
<i>Full-time</i>				
Permanent (M&P) (n=1599)	61.7	37.7	*0.6	100.0
Permanent (non-M&P) (n=1800)	73.4	23.2	3.3	100.0
Long-term casual (n=73)	79.0	*18.4	*2.6	100.0
Fixed-term contract (n=231)	68.3	29.1	*2.6	100.0
Short-term casual (n=113)	79.9	*11.4	*8.7	100.0
Self-employed with employees (n=321)	50.0	49.4	*0.7	100.0
Self-employed no employees (n=464)	57.0	40.2	*2.8	100.0
Total (n=4,601)	67.2	30.5	2.3	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

People engaged in the labour market on a full-time basis are less happy with their hours than part-timers, with only 67 per cent not wanting to change their hours of work. Within this group, it is the self-employed and permanent managers/professionals who appear least happy with their hours. Around two-fifths of the self-employed without employees and permanent manager/professionals desire fewer hours (40 per cent, and 38 per cent, respectively). While half (49 per cent) of the self-employed with employees would prefer to work fewer hours. This is evidence once more that while these workers are receiving higher wages, and have greater job security, they are making sacrifices for this by working long and often unwanted hours.

The incidence of overtime across forms of employment is displayed in Table 6.9. Unsurprisingly there is a correlation between the two variables. Employees in more objectively secure forms of employment are far more likely to always work extra hours, regardless of whether they are working on a full-time or part-time basis. However, full-time employees are much more likely to be working extra hours than part-time employees. At one extreme, nearly a quarter (24 per cent) of full-time permanent managerial and professional employees state they always work overtime. At the other, nearly a quarter (23 per cent) of short-term casual full-time employees state they never work over time.

**Table 6.9 Form of employment by worked extra hours, 2008, per cent**

	Always	Often	Sometimes	Never	Total
<i>Part-time</i>					
Permanent (M&P) (n=320)	11.9	16.9	48.4	22.8	100.0
Permanent (non-M&P) (n=526)	4.4	10.5	51.5	33.7	100.0
Long-term casual (n=368)	3.1	18.9	44.1	33.9	100.0
Short-term casual (n=375)	1.6	9.9	45.3	43.2	100.0
Fixed-term contract (n=127)	1.6	10.6	46.5	41.3	100.0
Total (n=1716)	4.5	12.2	48.0	35.4	100.0
<i>Full-time</i>					
Permanent (M&P) (n=1598)	23.9	26.2	36.9	13.0	100.0
Permanent (non-M&P) (n=1797)	15.2	22.5	43.6	18.6	100.0
Long-term casual (n=73)	15.7	24.0	39.3	21.0	100.0
Short-term casual (n=113)	10.6	26.5	47.8	15.0	100.0
Fixed-term contract (n=239)	11.0	21.9	41.1	26.0	100.0
Total (n=3810)	18.7	24.3	40.6	16.4	100.0

Note: does not include the OMs without part-time/full-time status (n=11)

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

While previous tables have shown casuals have lower rates of pay, Table 6.10 presents the possible reasons why they are in such work. While around two thirds (67 per cent) of part-time and half (49 per cent) of full-time employees agree that they have control over when they work, for short-term casuals this increases to four fifths (80 per cent) for part-timers and three fifths (62 per cent) for full-timers. Short-term casuals are also more likely to

agree they have control over the number of hours they work, with 72 per cent of part-timers and 64 per cent of full-timers agreeing, compared to a part-time employee average of 65 per cent, and a full-time employee average of 47 per cent. Part-time short-term casuals also exhibit lower levels of work intensification than the employee average (41 per cent compared to an average of 46 per cent).

Fixed-term contract employees display similar characteristics to casuals in matters concerning the control and intensity of hours. Like short term casuals they also have the greatest control over the number of hours worked each week. Only 35 per cent of such employees working on a part-time basis, and 44 per cent on a full-time basis agree that more and more is expected of them for the same amount of pay.

**Table 6.10 Attitudes towards hours by form of employment and part-time/full-time status, 2008, per cent**

	Agree: I have control over WHEN I work my hours	Agree: I have control over the number of hours I work	Agree: More is expected of me for the same amount of pay
<i>Part-time</i>			
Permanent (M&P)	63.2	64.9	60.8
Permanent (non-M&P)	59.2	61.1	50.1
Long-term casual	66.1	56.1	49.9
Fixed-term contract	66.1	66.6	35.4
Short-term casual	79.6	72.4	41.4
Total	66.5	65.1	46.3
<i>Full-time</i>			
Permanent (M&P)	55.6	48.3	60.8
Permanent (non-M&P)	42.2	45.0	55.9
Long-term casual	53.3	46.2	55.5
Fixed-term contract	56.5	61.4	44.0
Short-term casual	62.2	64.2	58.2
Total	49.1	47.3	57.5

Population: All employees

Weight: Cross-sectional 08

Source: Australia at Work W2

## Conclusion

What are we to make of the data reported in this chapter? Traditionally, standard employment had formal (i.e. legal) and substantive dimensions. The legal dimension was manifest in a particular form of employment (ie permanent employee status) that provided clearly defined rights. The key rights concerned security of tenure (or entitlements if it was lost), and leave. Its substantive dimension typically involved 'decent' (or standard) hours and associated earnings. It has been apparent for some time that the traditional standard form of employment has been in decline. The clearest example of this has been the rise in casual employment. What has been less clearly appreciated has been the change, if not degradation, of substantive working conditions of permanent employees.

An issue which has received considerable attention has been long hours of work among full-time employees (Campbell et al 2009, forthcoming, pp. 13-14). As this chapter has shown this problem is particularly acute among managerial/professional permanent employees. In many ways these employees' working arrangements are more akin to the self-employed than their fellow permanent employees. Both managerial/professional employees and the self-employed work the longest hours. The key commonalities between the self-employed and managerial/professional permanent employees can be attributed to the fact that they work on a task completed, not time served, basis. Conversely, the forms of employment with limited security of tenure (that is, short term casuals and fixed-term contract employees) report having the greatest control over their work hours, with fewer reporting work intensification.

The implications of these findings for labour standards are significant. The challenge for policy is not just to patch up current working time and permanent working arrangements. Vigorous campaigns for shorter hours and 'decasualisation' as currently conceived are unlikely to be effective. Instead, discussion needs to focus on new standards concerning how employees 'work to task'. In particular, attention needs to be devoted to linking workers rights to adequate resources 'to get the job done' in a reasonable time. Changing labour market practices demand that new standards be devised to engage with the new realities determining the key problems in modern working life. The real challenge is to get beyond an apparent trade off where most workers appear to have to make the unhelpful choice of either security of hours in long run requiring less desired hours in the short run, or desired hours in the short run only being possible by sacrificing security in the longer term.

## 7. The Self-Employed at Work

Research on the working lives of the self-employed is limited. To date most of it has been concerned with how best to distinguish the self-employed (especially contractors) from employees. Despite the vast amount written on this subject, profound uncertainty remains as to how this demarcation is best made.

The seminal article on the self-employed is Hugh Collins's 1990 '*Independent Contractors and the Challenge of Vertical Disintegration to Employment Protection Laws*'. He argues that it is important to move beyond dichotomous thinking on this subject. Like many other aspects of life, the world does not fall neatly into categories of people working on contracts of and for service. Instead, he argues that when thinking about work and associated labour standards it is vital to grasp a more complex reality. The employment relationship involves risks; especially the risk that once employed labour will not be fully deployed in productive activity. For the employer, this risk can be managed in a variety of ways. The two most important of which involve allocating risk (ideally pushing as much of it onto the worker as possible) and bureaucratic control. The pre-occupation with demarcating 'employees' from 'contractors' is unhelpful because it "attempts to force into neat compartments what in fact comprises a myriad of patterns of allocation of risk, and the degrees and ranges of bureaucratic control" (Collins 1990, pp.368-9). Collins proposes a simple way of addressing the problem: where a worker is engaged by another there should be a presumption that there is an employment relationship. This presumption should be rebutted only where it can be conclusively shown the relationship involves the execution of particular task (i.e. not performed on a time-served basis) *and* there is little or no control in how the task is undertaken (Collins 1990, pp.376-380).<sup>8</sup>

The insights of Collins have not been broadly embraced, so the legal uncertainty surrounding this area of the labour law remains and continues to generate a steady literature. Compared with the labour law literature, material on the working life situation of the self-employed is very underdeveloped. While we do not have the time to provide detailed analysis of this segment of the workforce, it is worth reporting on a number of key features of it. Given one of the primary matters of interest to the *Australia at Work* project is the evolving nature of the labour contract, this part of the workforce will receive continuing attention in future reports of survey findings.

In the remainder of this chapter we make two simple, but important points. First, while the self-employed make up only a minority of the labour force at large, there are large concentrations of them in particular occupations and industries. Second, following Collins' insight, when analysing the self-employed it is useful to distinguish them on the basis of whether they work on a contract basis or not, and if they do, separate out those primarily relying on one client for most (i.e. 80 per cent) of their income.

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<sup>8</sup> For more recent Australian work, especially commentaries on the *Independent Contractor Act* see Riley & Stewart (2007).

**Table 7.1 Self-employed contractor status by occupation and industry, 2008, per cent**

<i>Occupation</i>	<b>Self- employed</b> <i>Column%</i>	<b>All employed</b>		<i>Total</i>
		<i>Employees</i>	<i>Self- employed</i>	
Managers ( <i>n</i> =977)	27.4	80.9	19.1	100.0
Professionals ( <i>n</i> =1906)	25.9	89.6	10.4	100.0
Technicians and Trades workers ( <i>n</i> =867)	19.9	84.5	15.5	100.0
Community and Personal Service workers ( <i>n</i> =563)	2.8	96.6	3.4	100.0
Clerical and Administrative workers ( <i>n</i> =1049)	9.0	94.6	5.4	100.0
Sales workers ( <i>n</i> =504)	2.6	96.8	3.2	100.0
Machinery Operators and Drivers ( <i>n</i> =327)	4.8	90.7	9.3	100.0
Labourers ( <i>n</i> =430)	7.4	89.0	11.0	100.0
Total ( <i>n</i> =6623)	100.0	89.7	10.3	100.0
<i>Industry</i>				
Agriculture, Forestry and Fishing ( <i>n</i> =181)	12.7	50.6	49.4	100.0
Mining ( <i>n</i> =94)	0.2	98.7	*1.3	100.0
Manufacturing ( <i>n</i> =616)	5.4	94.7	5.3	100.0
Electricity, Gas, Water and Waste Services ( <i>n</i> =112)	0.4	97.1	*2.9	100.0
Construction ( <i>n</i> =376)	16.0	67.3	32.7	100.0
Wholesale Trade ( <i>n</i> =173)	2.3	92.3	7.7	100.0
Retail Trade ( <i>n</i> =566)	5.1	94.3	5.7	100.0
Accommodation and Food Services ( <i>n</i> =225)	2.9	92.9	7.1	100.0
Transport, Postal and Warehousing ( <i>n</i> =291)	3.6	91.8	8.2	100.0
Information, Media and Telecommunications ( <i>n</i> =198)	2.8	90.8	9.2	100.0
Finance and Insurance Services ( <i>n</i> =262)	2.8	93.3	6.7	100.0
Rental, Hiring, and Real Estate Services ( <i>n</i> =93)	1.5	90.2	*9.8	100.0
Professional, Scientific and Technical Services ( <i>n</i> =619)	18.8	78.7	21.3	100.0
Administrative and Support Services ( <i>n</i> =184)	6.6	75.8	24.2	100.0
Public Administration and Safety ( <i>n</i> =642)	0.3	99.6	*0.4	100.0
Education and Training ( <i>n</i> =828)	3.1	97.1	2.9	100.0
Health Care and Social Assistance ( <i>n</i> =814)	5.4	95.3	4.7	100.0
Arts and Recreation Services ( <i>n</i> =116)	3.1	81.6	18.4	100.0
Other Services ( <i>n</i> =212)	6.9	77.1	22.9	100.0
Total ( <i>n</i> =6602)	100.0	89.7	10.3	100.0

\* Estimate not reliable

Population: Self-employed only

Weight: Cross-sectional 08

Source: Australia at Work W2

Table 7.1 displays the occupation and industry distribution of the self-employed. In occupational terms three-quarters of self-employed fall into just three categories: managers (27 per cent), professionals (26 per cent) and technical and trades level workers (20 per cent). Given that just under two in five owner managers have employees it is unsurprising that a quarter of them define occupation as being primarily managerial. The other two major occupational categories are considered medium to high skilled jobs. These self-employed workers are likely to be providing higher skilled work on the basis of

contracts for particular services — as opposed to open-ended contracts of service under the control of employers.

What is intriguing about the occupational data are that a notable proportion of self-employed workers are classified as performing what is generally considered to be relatively unskilled blue collar work. The tradition of own-drivers in road transport provides some explanation. The nature of such 'contract labour' has generated some debate about their independence (Vandenheuevel & Wooden 1995, 1996; Buchanan & Allen 2000). On the one hand such jobs are commonly assumed to have limited capacity for true independence from the control of another — this being the touchstone issue for contractor status. There may, however, be cases involving people performing home 'handyman' or gardening where movement from client to client may in fact be genuine.

Consideration of the industry distribution of the self-employed further confirms their concentration in particular labour market segments. Of the 19 major industries in the economy, three account for half of all the self-employed: professional, scientific and technical services (19 per cent), construction (16 per cent) and agriculture (13 per cent). Within these industries such workers account for very large proportion of the workforce. In agriculture the self-employed make up half (49 per cent) the workforce, in construction it is a third (33 per cent) and in professional, scientific and technical services it is one in five (21 per cent). While only 7 per cent of the self-employed work in the small administrative support sector, within the industry every fourth worker (24 per cent) is self-employed.

To help make sense of the self-employed, *Australia at Work* collects data on the business arrangements of this group of workers. These are summarised in Table 7.2. A key issue for accounting and constitutional law is whether these businesses are incorporated or not. Operation through corporate entities determines tax status. It also determines whether businesses are within the Federal system of labour law, as the Federal Government only has legislative competence for corporate entities. As noted in more detail in the Technical Report (Appendix A), incorporation also determines whether the self-employed are 'employees' of the businesses they own or operate as 'own account workers'. This has important implications for how they are categorised for aggregation and weighting purposes. Table 7.2 reveals that for every two self-employed workers in incorporated entities there are three with unincorporated status.

A matter of particular interest is whether the self-employed are operating purely on a commercial basis or whether they are 'disguised' employees — so-called dependent contractors. Over the years the ABS has, drawing guidance from the common law, devised a battery of data items to help classify workers appropriately.<sup>9</sup> In *Australia at Work* we have gathered data on two. One concerns their taxation arrangements, that is, do they complete a Business Activity Statement (BAS). The majority (80 per cent) of self-employed

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<sup>9</sup> Details of these data items are provided in two ABS publications: *Employment Arrangements and Superannuation*, Catalogue No. 6361.0 and *Forms of Employment*, Catalogue No. 6359.0.

complete a BAS. The other concerns their degree of dependence on one client if they operate on a contract basis. If they complete a BAS this points to them having contractor status; where they do not – this implies employee status.

**Table 7.2 Business arrangements of the self-employed, 2008, per cent**

<b>Business arrangements</b>	<b>% of self-employed</b>
<i>Incorporation</i>	
Incorporated/limited liability ( <i>n</i> =396)	31.7
Unincorporated/unlimited liability ( <i>n</i> =624)	61.9
Don't know/refused ( <i>n</i> =38)	6.5
<i>Taxation</i>	
Completes a Business or Income Activity Statement ( <i>n</i> =910)	79.8
Does not complete own tax statements ( <i>n</i> =135)	18.9
Don't know ( <i>n</i> =13)	1.3
<i>Contractor/Subcontractor</i>	
Contracted by another business ( <i>n</i> =689)	67.9
<i>One client provides 80% or more of income</i> ( <i>n</i> =202)	19.1
<i>Does not rely on one client for 80% of income</i> ( <i>n</i> =492)	46.5
<i>Don't know</i> ( <i>n</i> =14)	*1.3
Not contracted by another business( <i>n</i> =369)	32.1
<b>Total</b>	<b>100.0</b>

\* Estimate not reliable

Note: 25 missing cases who were not asked questions about self employment

Population: Self-employed only

Weight: Cross-sectional 08

Source: Australia at Work W2

Where a respondent states they are dependent on one client for 80 per cent or more of their income this points to them being quasi-employees. In *Australia at Work* around one fifth (19 per cent) of self-employed are reliant on one client for 80 per cent or more of their income - these are considered to be 'dependent contractors'. If they have a more diverse range of clients this implies they have independent contractor status. Around half (47 per cent) of self-employed are 'independent contractors' in this sense. A remaining one third (32 per cent) do not contract out to another business. In the remaining analysis, the self-employed will be considered according to these three groups.

Overall, the self-employed are more likely to be male and older than the employee population, Table 7.3. While around one third (34 per cent) of employees are under the age of 34, younger people make up a much smaller proportion of the self-employed (14 per cent). Men make up around two thirds (66 per cent) of all self-employed, with dependent contractors having a larger proportion of males (71 per cent) and those not contracting having a smaller proportion (59 per cent) of men relative to the other groups.

**Table 7.3 Self-employed contractor status by sex and age, 2008, per cent**

	<b>Not contracting</b> (n=368)	<b>Independent contractors</b> (n=486)	<b>Dependent contractors</b> (n=190)	<b>Total</b> (n=1044)	<b>All employees</b> (n=5541)
<b>Sex</b>					
Male	58.5	69.1	71.3	65.5	53.2
Female	41.5	30.9	28.7	34.5	46.8
Total	100.0	100.0	100.0	100.0	100.0
<b>Age</b>					
16-24	*3.1	*3.4	*2.5	3.1	16.6
25-34	8.6	11.1	15.6	11.0	17.3
35-44	32.7	36.8	30.3	34.1	30.3
45-54	36.3	35.2	35.0	35.6	26.3
55+	19.3	13.4	16.6	16.2	9.4
Total	100.0	100.0	100.0	100.0	100.0

\* Estimate not reliable

Note: 25 missing cases who were not asked questions about self employment and 14 who were not classified by contractor status

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

## Employment experiences

Self-employed people not contracting appear to have more stable job patterns than any other group, Table 7.4. Those not contracting are least likely to have changed jobs in the past previous year (15 per cent). Further, just over nearly half (46 per cent) have been in their job for over ten years, which is double the proportion of employees who have been in their jobs for the same amount of time (23 per cent). As noted in Chapter 6, it appears that although there may be a high rate of business failure for self-employed people in the initial years of its inception, if a business succeeds it appears to give self-employed people higher long term security than employees.

**Table 7.4 Change in working arrangements and tenure by employment type, 2007-08**

	<b>Not contracting</b> (n=368)	<b>Independent contractors</b> (n=486)	<b>Dependent contractors</b> (n=190)	<b>All employees</b> (n=5541)
<i>Change in working arrangements</i>				
Different job or business from 2007	14.8	17.8	22.0	25.5
Employed in same job for >1 and <5 years	19.0	20.7	29.4	31.6
Employed in same job for >5 and <10 years	20.6	20.7	18.5	20.5
Employed in same job for 10+ years	45.6	40.8	30.1	22.5
Total	100.0	100.0	100.0	100.0

Note: 39 cases without relevant self-employment details

Population: All employed persons

Weight: Cross-sectional 08

Source: Australia at Work W2

Change in employment income from the previous year does not vary much between the self-employed groups, Table 7.5. While 47 per cent of those not contracting, and independent contractors, received a pay increase from the previous year, there are marginally more dependent contractors that did (51 per cent). Comparatively, however, nearly two thirds of employees received a pay increase. Care should be exercised when interpreting the earnings data. The self-employed can allocate some of their living expenses to their companies as business expenses. 'Company cars' are a good example of this. Importantly those involved in couple relationships can also undertake a form of income splitting by characterising their spouse as an 'employee' of the business whether they work for the company or not. This can reduce expenses paid by the household, and may disguise increases in pay.

**Table 7.5 Change in pay from previous year by employment type, 2007–2008, per cent**

	<b>Not contracting</b> ( <i>n</i> =368)	<b>Independent contractors</b> ( <i>n</i> =486)	<b>Dependent contractors</b> ( <i>n</i> =190)	<b>All employees</b> ( <i>n</i> =4917)
Increase	46.7	47.2	50.6	64.3
No change	7.5	*10.1	9.0	6.8
Decrease	30.0	30.4	28.4	21.6
Don't know	15.8	*12.3	12.0	7.3
Total	100.0	100.0	100.0	100.0

\* Estimate not reliable

Note: Missing 39 cases without relevant self-employment details.

Population: Employed in both W1 & W2

Weight: Cross-sectional 08

Source: Australia at Work W2

## Working Hours, arrangements and preferences

Table 7.6, below, displays the average usual hours worked for self-employed workers by part-time and full-time status. As noted in Chapter 6, the full-time self-employed display longer working hours than employees, while for part-time self-employed the working hours are similar to employees. For both part-time and full-timers, independent contractors are working the longest hours out of the three groups (22 for part-time and 52 for full-time). While dependent contractors are working relatively fewer hours (18 for part-time and 49 for full-time).

**Table 7.6 Average usual hours worked by employment type, 2008**

	<b>Not contracting</b>		<b>Independent contractors</b>		<b>Dependent contractors</b>	
	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>
Part-time	19	102	22	121	18	54
Full-time	52	265	53	357	49	135

Note: Missing 39 cases without relevant self-employment details.

Population: Self-employed only

Weight: Cross-sectional 08

Source: Australia at Work W2

Table 7.7 presents working time arrangements of the self-employed groups, compared to all employees. Weekend work is more common for all groups of self-employed than for employees. It is particularly common for the non-contracting self-employed, with around one third (31 per cent) always working weekends. Employees have the largest proportion never working weekends, with just less than one third (31 per cent) stating they never do.

**Table 7.7 Working time arrangements by employment type, 2008, per cent**

	<b>Not contracting</b> (n=369)	<b>Independent contractors</b> (n=486)	<b>Dependent contractors</b> (n=190)	<b>All employees</b> (n=5541)
<i>Worked weekends (Saturdays and/or Sundays)</i>				
Always	30.8	15.6	16.3	14.6
Often	24.3	29.1	18.1	19.3
Sometimes	30.5	44.4	46.6	35.1
Never	14.4	10.8	18.9	31.0
<i>Worked on public holidays</i>				
Always	18.6	*9.2	9.4	6.4
Often	17.6	18.5	13.1	11.0
Sometimes	38.3	43.3	44.5	28.6
Never	25.5	29.0	33.0	54.0
<i>Worked evenings or nights (past 9pm)</i>				
Always	4.4	*4.3	9.8	7.3
Often	14.4	15.8	14.5	12.7
Sometimes	41.9	41.6	34.1	28.4
Never	39.3	38.3	41.6	51.9
Total	100.0	100.0	100.0	100.0

\* Estimate not reliable

Note: Missing 39 cases without relevant self-employment details.

Population: Self-employed only

Weight: Cross-sectional 08

Source: Australia at Work W2

Working on public holidays is most common among non-contracting self-employed, with one fifth (19 per cent) always working on public holidays; and least common among employees, with over half (54 per cent) never working on public holidays. Overall, evening and night work is the least common working arrangement among all employment types, with between two fifths and one half of all groups never working past 9pm.

Generally, self-employed persons working full-time are the least happy with their working hours, regardless of which sub-category they fall into – between one half and one third desire fewer hours of work, Table 7.8. These working hours preferences also show the disparity between attitudes of dependent and independent contractors - with dependent contractors displaying attitudes halfway between the more intensive self-employed not contracting, and employees. For full-time workers the self-employed have a very strong preference for working fewer hours, particularly independent contractors and those not contracting (47 per cent each). Dependent contractors are somewhat less likely to be wanting fewer hours, with only one third expressing the desire (35 per cent).

**Table 7.8 Working hours preferences by employment type, 2008, per cent**

	Not contracting (n=369)	Independent contractors (n=486)	Dependent contractors (n=190)	All employees (n=5541)
<i>Part-time</i>				
No, I am happy with my hours	76.3	70.9	67.3	75.3
Yes, I would like to work fewer hours	*8.4	*11.0	*3.7	5.1
Yes, I would like to work more hours	*15.3	*17.9	28.9	19.6
<i>Full-time</i>				
No, I am happy with my hours	51.6	52.1	60.4	68.7
Yes, I would like to work fewer hours	47.2	46.5	34.8	28.9
Yes, I would like to work more hours	*1.2	*1.4	*4.7	2.4
Total	100.0	100.0	100.0	100.0

\* Estimate not reliable

Note: Missing 39 cases without relevant self-employment details

Population: Self-employed only

Weight: Cross-sectional 08

Source: Australia at Work W2

For part-time self-employed persons, those not contracting are most likely to be satisfied with their working hours, with three quarters (76 per cent) compared to 71 per cent of independent contractors and 67 per cent of dependent contractors stating they are happy with their hours. Part-time dependent contractors are most likely to be looking for more hours, with more than one quarter (29 per cent) say they would like to work more hours. This could be evidence of the way in which dependent contractors are utilised, with employers contracting to task, and consequently depriving dependent contractors of hours worked. Alternatively, it could be that the way dependent contractors have been defined (those who are relying on one client for 80 per cent of their income) captures contractors who desire to expand their client base, which is reflected in the higher likelihood that they prefer more hours at work.

This brief account of some of the key working life characteristics of the self-employed highlights the importance of devoting greater attention to this form of employment. As has been known for some time these workers are not evenly distributed across industries and occupations. Instead they are highly concentrated in particular pockets of the labour market. This is clearly associated with well established ways of managing risk and systems of control for particular types of work. Reasons why it is these types of work that are associated with this form of employment deserves closer scrutiny. It may well be the most efficient way to manage uncertainty given the nature of production processes and product market settings. It is also possible that some work processes and labour market settings may be more amenable to employers and workers structuring arrangements in this way to reduce tax and other legal obligations.

The findings arising from disaggregating the self-employed three ways (i.e. non-contract workers, those with a diverse client contract base and those dependent on one client) lends strong support for Collins' (1990) argument that dichotomous thinking in this area is at best

unhelpful and at worst misleading . On several of the key variables examined, especially those concerning working hours and preferences, clear patterns were apparent. The closeness of dependent contractors to employees in some working conditions is apparent. This empirical support for Collins' core thesis also supports the policy implications arising from his analysis. That is, labour standards should be presumed to apply to all workers irrespective of their formal (or purported) legal status. In Australia this notion has received practical expression in provisions concerning 'unfair contracts' in the NSW *Industrial Relations Act*.<sup>10</sup> This held that an 'unfair contract' could be re-written if labour was involved. In Queensland industrial tribunals have the power to deem certain classes of work as involving 'employment' situations where widespread contriving of sham contractor or like arrangements is found to exist. Both these element of State labour law have rigorous conceptual and empirical underpinnings. It will be important to observe whether they are carried over in Australia's new integrated national system of labour law currently being settled.

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<sup>10</sup> Useful commentaries on unfair contracts law and S106 of the NSW *Industrial Relations Act* in particular can be found in Phillips & Tooma (2003) and Riley and Stewart (2005).

## 8. Earning and Spending and the Household

For many people, income received from work constitutes the bulk of household income. Therefore, changes in employment or working conditions can have a significant impact on not only an individual but also other people living in a household. In an attempt to provide a holistic picture of working life, this section examines the relationship between income received by the household, household composition (including who is in paid employment) and perceived standards of living.

The increasing cost of living is an issue that has escalated since *The Benchmark Report* was released. While interest rates have plateaued (and most recently started to decrease) the inflation rate had surged, increasing by 1.5 per cent to 4.5 per cent in the July 2008 quarter (ABS 2008). This represented the highest increase in 17 years. Data from the ABS has shown that workers have been hit particularly hard by the increase cost of living, with working consumers paying an average of 5.7 per cent more for household goods in June (O'Brien 2008). Research using the Household, Income and Labour Dynamics in Australia (HILDA) survey has shown that despite the 'golden age' of the economy in the first half of this decade, not all Australians benefited. Between 2001 and 2005, 40 per cent of Australians reported a drop in income (Lunn 2008).

Overall, survey respondents felt that they were 'coping' or 'living comfortably' on their current household income. However, perceptions of living standards have changed slightly in the last year, Table 8.1. The proportion of people who say they are 'coping' or 'finding it difficult to get by' has increased by four percentage points. Among employed people this represents an increase from 52 per cent to 56 per cent. It seems that perceptions of living standards reflect the current economic environment.

Two out of five employed people say they are just 'coping' on their household income, while a further 17 per cent are finding it difficult to get by. Another 43 per cent of workers feel they have a comfortable or very good standard of living. It is no surprise that unemployed people are more likely to be struggling on their current household income, 44 per cent said they were finding difficult or very difficult to get by. However, there are still one in five unemployed people who say they are living comfortably. The choice not to participate in the labour force can be the result of a variety of factors, such as giving up on finding a job, other responsibilities such as care for family, or no financial need to work. People not participating in the labour force are more likely to find it difficult to live on their current household income compared to those who are currently employed; 64 per cent are finding it difficult to get by or are just coping compared to 52 per cent of workers. Obviously, the ability to manage on your income will depend on the household situation, such as the presence of other earners or dependents. This is explored in the following table.

**Table 8.1 Perceived living standards by labour market status, 2007 & 2008, per cent**

	Employed	Unemployed	Not in the labour force	Total	N
<i>2007</i>	(n=7085)	(n=346)	(n=190)	(n=8341)	
Finding it very difficult to get by	4.8	21.8	13.0	7.1	899,144
Finding it difficult to get by	9.6	13.9	12.4	10.3	1,308,909
Coping	37.8	39.2	38.9	38.1	4,824,963
Living comfortably	39.9	20.5	28.6	37.0	4,687,132
Doing really well	7.4	*3.2	*5.8	6.9	878,132
Can't choose / refused	*0.5	*1.4	*1.2	0.6	81,708
Total	100.0	100.0	100.0	100.0	12,679,988
<i>2008</i>	(n=6624)	(n=189)	(n=273)	(n=7086)	
Finding it very difficult to get by	5.1	22.7	14.2	7.4	929,328
Finding it difficult to get by	11.8	21.7	14.7	12.7	1,590,109
Coping	39.5	30.4	39.2	39.2	4,914,954
Living comfortably	37.5	22.0	28.4	35.3	4,425,284
Doing really well	5.9	*2.3	*3.5	5.3	665,006
Can't choose / refused	0.2	*0.9	0.0	0.2	27,299
Total	100.0	100.0	100.0	100.0	12,551,980

\* Estimate not reliable

Population: All respondents

Weight: Cross-sectional 07; Cross-sectional 08

Source: Australia at Work W1 & W2

In Table 8.2 respondents have been grouped into whether they are working, whether they have a partner who is working, and the presence of children in the household under the age of 16 years. Households where no adult is working and working single parents are, by far, more likely to be finding it difficult to get by on their income. Half of the people who are not working and have children at home say they are finding it difficult to get by; along with more than one-third of single working parents and people who aren't employed. Households without children present are more likely to be 'living comfortably' or 'doing really well'. Dual earners without children are most likely to report this (52 per cent), as well as single workers (47 per cent). Whereas, households with children and working parents (such as breadwinners or dual earners) are more likely to say they are 'coping' (43 and 44 per cent, respectively).

**Table 8.2 Household employment status by perceived living standards, 2008, per cent**

	Finding it difficult	Coping	Comfortable/ doing really well	Total
Single worker ( <i>n</i> =1731)	15.0	37.8	47.2	100.0
Single parent working ( <i>n</i> =297)	36.8	42.4	20.8	100.0
Breadwinner no children ( <i>n</i> =334)	19.1	40.6	40.3	100.0
Breadwinner with children ( <i>n</i> =538)	27.4	43.1	29.5	100.0
Dual earner no children ( <i>n</i> =1773)	12.3	35.3	52.4	100.0
Dual earner with children ( <i>n</i> =2109)	17.7	44.2	38.1	100.0
Not working^ no children ( <i>n</i> =210)	34.0	32.3	33.7	100.0
Not working^ with children ( <i>n</i> =55)	49.0	*34.7	*16.3	100.0
Total ( <i>n</i> =7047)	20.1	39.2	40.6	100.0

\* Estimate not reliable ^ 'Not working' denotes couples and singles who are not employed.

Note: Children are those present in the household under 16 years.

Population: All respondents

Weight: Cross-sectional 08

Source: Australia at Work W2

Obviously the level of household income also has a role in people's perceptions of their living standards. Table 8.3 displays the respondent's report of total household income including all earnings from work (including the partner's earnings where applicable), government benefits and other sources of income. Regardless of the presence of children under 16 years in the household, more than two in five people with household incomes of less than \$37,000 per year say they are finding it difficult to get by. Slightly more people in this earnings group who have dependents are more likely to report difficulties; while a higher proportion of people without dependents are likely to report living comfortably, Table 8.3. This table shows that the income bands where people report they are living comfortably vary depending on the presence of dependent children. The majority of people from households earning more than \$78,000 a year and who don't have dependents say they are living comfortably. However, this is only true for people with dependents when their household brings in more than \$156,000 per year. Generally, households with children who are earning between \$36,400 and \$104,000 say they are just 'coping' on their income.

**Table 8.3 Household income by perceived living standards and presence of children in the household, 2008, per cent**

Household income	Finding it difficult	Coping	Comfortable/ doing really well	Total
<i>No children present in household</i>				
Less than \$37,000 (n=402)	43.7	36.1	20.2	100.0
\$36,400 <52,000 (n=439)	22.7	47.3	30.1	100.0
\$52,000 <78,000 (n=790)	17.3	44.8	37.9	100.0
\$78,000 <104,000 (n=770)	11.2	35.7	53.1	100.0
\$104,000 <156,000 (n=775)	6.3	27.3	66.4	100.0
\$156,000 or more (n=465)	*2.8	18.7	78.5	100.0
Total (n=3641)	17.3	35.5	47.2	100.0
<i>Children present in household</i>				
Less than \$37,000 (n=168)	47.9	38.7	*13.4	100.0
\$36,400 <52,000 (n=257)	38.4	51.4	10.2	100.0
\$52,000 <78,000 (n=601)	33.3	46.4	20.3	100.0
\$78,000 <104,000 (n=719)	19.0	47.7	33.3	100.0
\$104,000 <156,000 (n=711)	12.3	43.9	43.8	100.0
\$156,000 or more (n=424)	5.1	26.4	68.6	100.0
Total (n=2880)	23.6	43.3	33.1	100.0

Note: Children are those present in the household under 16 years.

\* Estimate not reliable

Population: All respondents

Weight: Cross-sectional 08

Source: Australia at Work W2

In recognition of the fact that it is often financial commitments and pressures that not only impact on the perceived standard of living but also decisions made about work, a question about debt obligations was added to the wave 2 survey. The results to the question:

'Thinking about your debt obligations such as credit cards and mortgage repayments, would you say that you make all your debt repayments on time... always, often sometimes, never' are displayed in Table 8.4. Overall, 14 per cent of respondents say they do not have any debts to repay and a further 64 per cent repay all their debts on time, leaving one in five people who cannot make all their debt repayments on time.

It is no surprise that there is a correlation between perceived living standards and ability to repay debts on time, Table 8.4. The proportion of people who cannot make their debt repayments on time doubles across the scale of people who say they are living comfortably (10 per cent), coping (22 per cent) or finding it difficult (41 per cent). Significantly, 19 per cent of those finding it difficult say they only 'sometimes' or 'never' make their debt repayments on time. People who are living comfortably are less likely to have debts (18 per cent compared to 14 per cent overall) and nearly three-quarters (72 per cent) can pay their debts off on time.

**Table 8.4 Debt obligations by perceived living standards, 2008, per cent**

<b>Make debt repayments on time...</b>	<b>Finding it difficult</b> (n=1268)	<b>Coping</b> (n=2794)	<b>Comfortable/ doing really well</b> (n=3009)	<b>Total</b> (n=7071)
Always	48.3	65.6	72.1	64.7
Often	21.4	15.6	6.7	13.2
Sometimes	16.3	6.0	2.6	6.7
Never	2.8	0.5*	0.2*	0.8
No debt repayments to make	11.1	12.1	18.0	14.3
Don't know / refused	0.1*	0.2*	0.4*	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Estimate not reliable

Population: All respondents

Weight: Cross-sectional 08

Source: Australia at Work W2

The level of household income and the presence of children under 16 are correlated with people's ability to make debts repayments such as mortgages and credit cards on time, Table 8.5. However, despite this, there are still people at much higher income levels who still do not make all their debt repayments on time. For example, 12 per cent of respondents in households with a total income exceeding \$156,000 per year still do not make all their debt repayments on time. Among households earning less than \$78,000 per year, more than one in four respondents say they cannot pay their debt on time. Households with children are at particular risk of not being able to pay off their debts. Among households with children under the age of 16, around one-third of those with incomes less than \$78,000 have trouble paying their debts on time, for those with an income between \$78,000 and \$156,000 it is one in five, and 13 per cent of those earning \$156,000 or more. Households with children are also much less likely not to have any debt repayments to make. Thus, it is these households who may be more likely to have mortgages or rely on credit for their expenditure. Around one-third (30 per cent) of the lowest earning households with no children do not have any debt repayments to make.

**Table 8.5 Employees' debt obligations by household income and presence of children, 2008, per cent**

Household income	Do not repay debts on time	Repay debts on time	No debt to repay	Total
<i>No children present in household</i>				
Less than \$37,000 (n=400)	23.0	47.5	29.5	100.0
\$36,400 <52,000 (n=440)	23.4	55.3	21.3	100.0
\$52,000 <78,000 (n=789)	23.0	60.4	16.5	100.0
\$78,000 <104,000 (n=769)	18.1	65.8	16.1	100.0
\$104,000 <156,000 (n=776)	13.4	72.2	14.3	100.0
\$156,000 or more (n=464)	10.2	75.3	14.5	100.0
<i>Children present in household</i>				
Less than \$37,000 (n=167)	31.1	57.4	11.5	100.0
\$36,400 <52,000 (n=258)	34.4	60.5	*5.1	100.0
\$52,000 <78,000 (n=601)	32.3	63.1	4.6	100.0
\$78,000 <104,000 (n=718)	20.7	74.5	4.9	100.0
\$104,000 <156,000 (n=711)	20.0	76.5	3.4	100.0
\$156,000 or more (n=424)	13.3	84.5	*2.1	100.0
<i>All employees</i>				
Less than \$37,000 (n=567)	25.5	50.6	23.9	100.0
\$36,400 <52,000 (n=698)	27.5	57.3	15.2	100.0
\$52,000 <78,000 (n=1390)	27.1	61.6	11.3	100.0
\$78,000 <104,000 (n=1487)	19.3	70.0	10.7	100.0
\$104,000 <156,000 (n=1487)	16.5	74.2	9.3	100.0
\$156,000 or more (n=888)	11.6	79.5	9.0	100.0
Total (n=6517)	21.2	66.2	12.6	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

Over a decade ago Juliet Schor (1992) brought the issue of long working hours to the attention of many in her book *The Overworked American*, in which she linked the issue of long working hours to individual's consumption patterns and the obsession of many in today's society with 'keeping up with the Jones'. Schor described the 'work-spend cycle' where the ability to buy on credit fed a desire for more 'things', which then led to longer working hours to obtain more income. To understand this 'work' and 'spend' nexus, Table 8.6 examines the results to the question on debt repayments in relation to various aspects of employees' working time and working time control. Employees who say they would like to change their hours of work are more likely to have debts that they cannot pay on time. Of those who are content with their hours, 19 per cent cannot pay their pay their debts on time, compared to 22 per cent of employees who want fewer hours of work and 27 per cent of employees who would like more hours of work. It is more than likely that of these one in four employees who cannot pay their debts on time and would like more hours, want to earn more money. Thus, it is possible that for some people who are working long hours and have more debt than they can repay, that the 'work-spend cycle' may be true. But on the

other hand, there are people who are underemployed and are in need of the extra hours and income to meet their expenditure requirements.

**Table 8.6 Employees' debt obligations by aspects of working time, 2008, per cent**

	Do not repay debts on time	Repay debts on time	No debt to repay	Total
<i>Working hour preferences</i>				
Happy to work same hours (n=3873)	18.8	68.2	13.1	100.0
Would like fewer hours (n=1235)	22.1	72.9	5.0	100.0
Would like more hours (n=413)	26.9	49.2	23.9	100.0
<i>I have control over when I work my hours</i>				
Strongly agree (n=591)	16.1	71.9	12.0	100.0
Agree (n=2327)	19.4	67.3	13.3	100.0
Neither (n=430)	20.3	66.3	13.4	100.0
Disagree (n=1660)	21.8	66.6	11.6	100.0
Strongly disagree (n=507)	23.5	68.3	8.2	100.0
<i>I have control over the number of hours</i>				
Strongly agree (n=474)	15.0	71.1	13.9	100.0
Agree (n=2367)	19.5	67.6	12.9	100.0
Neither (n=434)	19.2	69.6	11.2	100.0
Disagree (n=1837)	22.0	66.4	11.5	100.0
Strongly disagree (n=402)	23.0	67.2	9.8	100.0
<i>Unpaid hours</i>				
0 (n=3408)	20.1	64.7	15.2	100.0
1-5 (n=929)	19.3	70.2	10.5	100.0
6-10 (n=561)	20.5	75.0	4.6	100.0
11-20 (n=444)	19.8	77.1	*3.1	100.0
More than 20 (n=126)	26.1	67.2	*6.6	100.0
Total (n=5522)	20.1	67.7	12.2	100.0

\* Estimate not reliable

Population: Employees only

Weight: Cross-sectional 08

Source: Australia at Work W2

There appears to be some relationship between control over hours and ability to make debt repayments on time. There is a linear relationship between whether people strongly agree or disagree with the statements about control over hours and the proportion who say they cannot pay their debt on time. For example, for those who 'strongly agree' they have control over when they work their hours, only 16 per cent cannot pay their debts on time compared to 24 per cent of those who 'strongly disagree'. Similarly, those who don't feel they have control over the length of their hours are more likely to have debts they can't pay. Almost one in four (23 per cent) of those who 'strongly disagree' that they are in control of the number of hours they work also say they don't pay their debts on time, compared to 15 per cent who strongly believe they are in control of the length of their hours. Again, there are likely to be two explanations here: those who are trapped in the 'long hours' and excessive spending trap and those who are underemployed who cannot meet all their expenses.

Unpaid hours are another way to measure the extent of the long hours problem. Long hours are very common among salaried workers who are required to work to task rather than time and therefore not directly compensated for their extended hours of work. It is interesting to note in Table 8.6 that employees working excessive unpaid hours (of more than 20) are more likely to have debt they cannot pay off in time (26 per cent compared to 20 per cent overall).

When examining the figures regarding debt repayments and working hours practices and preferences it is important to note that this is only one, albeit stark, indicator of people being caught up in the 'work-spend' cycle. Schor (1992) and other researchers have noted the problem extends to a much larger group of people caught up in what she refers to as a 'culture of competitive consumption' and its allied long hours work regime (see also Frank 1999; Hamilton 2002). The indicators of this were provided in Chapter 5, which reports long full-time working hours in Australia and the pervasive preference to reduce hours of work.

One participant described the links between decisions about work hours, family commitments and debt commitments:

*Nightshift I've found I've got more time for my daughter, which was fantastic. But the other thing was money-wise, pay-wise. You can't have it both ways, you either sacrifice family for money or vice versa, money for family. So I thought 'I'm going to have to stick this through a couple of years'. My transition I suppose is money at the moment, trying to pay off the mortgage. The mortgage is killing us at the moment.*

[Male, 32, laser-cutter]

As economic uncertainty appears set to deepen it is clear that a significant proportion of workers are under pressure, and a higher proportion is just coping to get by. It is impossible to ignore how work and the household are intertwined and the consequences for this on people's living standards – not just in terms of how much money they have to spend but also the pressures they feel at work to achieve financial goals.

## 9. Conclusion

The *Australia at Work* project has been undertaken to provide up-to-date information on employees' perspectives on working life. In doing so, the research aims to answer to primary research questions:

1. How, if at all, has the lived reality of the labour contract for Australian workers changed since March 2006?
2. How, if at all, has Australian working life changed since March 2006?

While these questions have been addressed to some extent within this report, they will receive the further attention they deserve through the ongoing research process. This report shows that as expected, no dramatic changes have occurred in the last two years. The labour market rarely experience major change within such a short period of time. While there have been dramatic political and economic developments in the two years, these have yet to register in working life. The research findings outlined in this report reveal that there a number of underlying realities at work that continue to evolve and deserve closer reflection.

### **The Labour contract: the significance of employees' perceptions**

The lived reality of the labour contract for employees is something that is only available from this study. As Chapter 3 revealed, there are major challenges in capturing these understandings on the basis of categories used in labour law and by the Australian Bureau of Statistics (ABS). Further research will be devoted to refining these categories to capture how workers perceive workplace bargaining and understand the basis of their enforceable rights at work.

That said, employee accounts of how their pay and conditions are set are important for understanding what people think is shaping movements in earnings and enforceable employment conditions. The findings here are illuminating. At a time when the union movement and the Federal government have made the promotion of enterprise bargaining the centrepiece of labour law reform, less than one worker in six reports this is how their wages are currently set. Given data collected from employers we know this is an underestimate. In contrast, compared to ABS estimates more than twice as many people believe award and over-award arrangements are the central basis for determining their pay and conditions. Awards remain relevant for a sizeable proportion of employees who will, in future, be excluded: among employees earning over \$100,000 p.a. 28 per cent report 'awards play a role' in setting their pay and conditions.

### **Latent tensions in working life and beyond**

Our research reveals that on a number of indicators working Australians remain, to quote last year's report, 'a happy bunch'. Around two in three employees report managers

consult them, can be trusted to tell things the way they are, and treat them fairly. However, data on a range of other issues indicates a number of latent problems.

*(a) Working time and preferences.* Working hours continue to be problematic for Australian workers. Around one-third (30 per cent) of all workers want either fewer or more hours of work. Employees' desire to change their hours becomes more common the further people stray from 'standard' hours. Full-time employees content with their hours, work on average 45 hours or less per week; while those who want to reduce their hours, work more than 45 hours per week. Part-timers who want to work more hours have a preference of 30 hours per week on average. Finally, employees continue to report greater pressures within the hours they work, with more than half the workforce reporting that more and more is expected of them for the same amount of pay.

*(b) Labour market transitions.* The source of these preferences is, in some cases, closely associated with workers' other roles in life. Chapter 2 reported the various 'transitions' of working Australians. Around half have care responsibilities and/or children to support (47 per cent for both males and females). Around one in six combines work and study. Indeed, among young workers aged under 21 only a third are not studying. The non-work responsibilities that lie within the household tend to reduce women's participation in paid work. In comparison, men with children devote more time to work. Working couples with children devote a total of around 75 hours to paid work each week, while those without children contribute more than 80 hours. In thinking about working life issues it is impractical to conceive of those in paid employment in isolation from their broader commitments.

*(c) The squeeze on living standards.* The need for closer consideration of workers' living standards was starkly identified in last year's report which noted that 52 per cent of working Australians were either finding it difficult to get by or just coping on their household income. In 2008 this proportion has risen to 56 per cent (these data were collected before the October financial crisis). What is striking is that the problem is particularly acute among households with children and only one person in paid employment. In single parent households a staggering 79 per cent of workers reported they were either having difficulty getting by or just coping. In traditional 'breadwinner' households, comprised of couples with only one person in paid employment, 71 per cent reported such an experience. Even among dual earning households with children, 62 per cent also report this. It is only when households are earning over \$100,000 per annum that there is a greater chance that working Australians would report they are either comfortable or doing well.

It is well-established that many Australians maintain their standard of living by relying on debt, commonly, mortgages and credit cards. More than 85 per cent of employees report having debt to repay, with one in five not being able to repay their debt on time. There is

some evidence of the links between working hour pressures and ability to pay debt on time. Further research is needed on the nexus between 'working and spending'.

### **Redefining 'standard' employment**

The chapters on forms of employment and the self-employed identified the trade-offs made between security of employment and control over workload. The limitations of using simple categories to conceptualise the complex realities of working life were also highlighted. The downside of secure permanent employment is work intensification and longer hours. On the other hand, a greater number of casual employees stated they had control over their hours, but feel less secure in their jobs. It appears that it is increasingly difficult to achieve both standard employment rights and standard working time arrangements. But stepping out of employee status and becoming self-employed offers no solution. The self-employed work the longest hours and have the highest levels of dissatisfaction with them. Half of the self-employed with employees want to reduce their time on the job.

Using refined disaggregations of non-standard employment provides further evidence of the need to move beyond binary thinking about the core categories used for understanding forms of employment. Many long-serving casuals have characteristics close to that of permanents, in relation to perceived job security and reports of work intensification. While many managerial/professional permanent employees have similar characteristics to the self-employed, particularly in their working time practices and preference. There is no clear demarcation between 'casual' and 'permanent' employees, or 'employees' and the 'self-employed'. This is not an argument for ignoring such categories, for there are still very significant legal differences in the enforceable rights of workers falling into different forms of employment. However, these rigid legal conceptualisations are inadequate for understanding the lived employment realities of many workers. Labour standards need to be more encompassing in their reach and not limited to these simplistic categorisations.

### **Unions at work: where are the future union members?**

A matter of importance for industrial relations research and policy is the level of union membership. Aggregate numbers commonly used to track change in levels of unionisation overlook the churn in membership. Among employees who were with the same employer in 2007 and 2008, 3 per cent joined a union. Among those who changed employer, 5 per cent left and 6 per cent joined. Among those not employed in 2007 but working in 2008, 10 per cent are now union members. The net impact of this churn on membership is hard to predict because of the different membership rates of different groups.

Among those with the same employer 23 per cent are union members, among those changing employer and previously not employed it was around 10 per cent. What the study confirmed, however, is that there just under one million workers who are unrepresented and interested in joining. Compared to unionists this group is, among other things, younger, better off, from a non-English speaking background and more likely to be working in growth areas of the economy. Australian's attitudes to unions are similar to those in countries with

much high rates of unionisation, such as Sweden. Clearly the policy environment and not just individual choice has a major influence on union density.

## Policy implications

We are at a critical juncture for Australian labour law, with the Rudd Government's *Forward with Fairness* legislation soon to be released. A large scale empirical study such as this does not offer answers to the question: what is to be done? It does, however, highlight the issues that policy needs to address. Three issues in particular stand out as requiring attention.

*Ensure awards are relevant and effectual.* Currently, much of the focus of the Federal Government and unions is on union collective bargaining at the enterprise level. However, employees' awareness of this process is limited. Roughly speaking, for every worker reporting they are on an enterprise agreement, there is another one saying they have an individual contract, and two reporting award arrangements. More importantly, awards remain centrally important for most employees. Over half the workforce report awards play a role in shaping their wages and conditions. This includes many earning in excess of \$100,000 per annum. While supporting bargaining activity at the workplace level is important, it needs to be reinforced by other initiatives. Effective maintenance of awards will be central to achieving this outcome.

*The scope and reach of working time standards.* The chapters on working time, forms of employment and the self-employed highlight profound weaknesses in the current approach to managing extended hours and intensity of work. It is clear current approaches are not grappling effectively with today's problems. Consideration of the volume of work, the level of responsibility and the associated resources is needed. Currently, the labour standards regime is not engaging with these modern realities. A system capable of doing this will not limit the range of matters potentially subject to labour standards.

The issue of working time highlights the problems in limiting the reach of labour standards to particular groups of workers. The award system governs more than just wages. We have shown that it is higher-paid employees, soon to be removed from awards, who are the most susceptible to the issues surrounding long hours of work. Additionally, there are many self-employed and contracted workers for whom the working time problem is intensified. A system of labour law capable of engaging with these realities will need to:

- Move beyond the unhelpful binary thinking that has separated, often arbitrarily, 'permanents' and 'casuals', 'employees' and the 'self-employed'.
- Remove limits to the reach of labour standards defined arbitrarily on the basis of income thresholds and categories of employment.

As the labour market evolves, so should our system of labour law. Setting arbitrary limits as to *what* and *who* is 'in' and 'out' of the system of labour standards will merely allow those

with most power in the labour market to shape the nature of working life in ways that suit them and not necessarily in the interest of those working for them.

*Linking working life policy with other realms of policy.* Data on perceived living standards and debt raise serious challenges. While better labour standards can help with these issues, interventions in this realm of policy alone will not be adequate. In the short run, close links with other policy domains, especially child care and social inclusion will be important. In the longer term, however, it will only be when greater attention is devoted to managing norms of consumption and debt that longer term solutions to current pressures will be found. Innovative working life policies, that are integrated into inclusive policies aimed at improving social and economic life more generally, will be important.

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## Appendix A Technical Report

This paper details the methodology used for Wave 2 (2008) of the *Australia at Work* longitudinal survey study. Details of the procedures employed at Wave 1 (2007) of the study are provided in the *Australia at Work: The Benchmark Report* technical report. This report provides a brief description of the original sample and then provides detailed discussion of the sample maintenance strategy, survey design, response rates and the method employed to weight the data.

### Sample Design and characteristics

The scope of the survey in Wave 1 (2007) included all people aged between 16 and 58 who were in the labour force in March 2006, (that is, they were either employed or looking for work at this time). The survey was sampled according to proportional quotas for age by sex, and geographical region. The sample achieved in 2007 is displayed in Appendix Table A.1

**Appendix Table A.1 Age and sex of respondents by location sample counts, 2007**

	Males				Female				Total
	16–24	25–44	45–58	missing	16–24	25–44	45–58	missing	
Sydney	102	353	350	8	109	499	280	18	1719
Balance of NSW	70	175	212	1	70	231	230	7	996
Melbourne	82	378	237	1	122	286	107	5	1218
Balance of Vic	56	149	112	1	53	125	173	1	670
Brisbane	70	217	121	2	79	154	60	2	705
Balance of QLD	70	264	98	0	71	131	101	2	737
Adelaide	50	117	110	0	44	115	49	0	485
Balance of SA	22	54	42	0	20	57	59	1	255
Perth	68	185	75	0	62	82	71	0	543
Balance of WA	30	70	38	0	30	50	32	0	250
Hobart	11	35	18	1	10	22	22	0	119
Balance of Tas	15	44	23	0	14	29	29	0	154
NT	25	53	36	0	25	45	28	1	213
ACT	25	128	34	0	20	44	28	0	279
<i>Total</i>	<i>696</i>	<i>2222</i>	<i>1506</i>	<i>14</i>	<i>729</i>	<i>1870</i>	<i>1269</i>	<i>37</i>	<i>8343</i>

Source: Australia at Work W1

The sampling method, and use of retrospective questions in the survey, made it possible to analyse the experiences of those who were 15 year olds in 2006. However, in 2008 it means that data analysis is limited to the labour market experiences of 17 year olds.

A further consequence of the chosen sampling scope is that the survey is not representative of new labour force entrants, either those entering the labour market for the first time, or those who are re-entering after taking extended breaks (for example full-time carers, or those who have been ill).

## Sample maintenance

One key to the success of a longitudinal study is the maintenance of the sample. Several measures were undertaken to ensure *Australia at Work* respondents were able to be contacted and that they were engaged with the study so that they would agree to participate again.

In August 2007, on the completion of the wave 1 interviews participants were sent a 'welcome pack' consisting of:

- Welcome letter
- Participation Information Statement (approved by the University of Sydney's Human Research Ethics Committee)
- Change of contact details card with reply paid envelope
- Fridge magnet with contact information.

In December 2007 *Australia at Work* participants were sent a newsletter detailing information about the study including a summary of the findings, information about the first report and timelines for subsequent phases of the research.<sup>11</sup> Attached to the newsletter was the *Australia at Work* Benefits Card. This card enabled holders to receive discounts at a variety of consumer outlets. All respondents who provided a mailing address were sent a copy of the newsletter and the *Australia at Work* benefits card, while those who had only provided an email address were sent an electronic copy of the newsletter with details on how to obtain a benefits card.

SurveyTalk, the contracted fieldwork company, also contacted respondents by phone during the year when the survey was not being conducted. The phone call was brief and provided the respondent a chance to update any of their contact details. Most respondents received one phone call during the year.

An *Australia at Work* website ([www.australiaatwork.org.au](http://www.australiaatwork.org.au)) has been established to engage both participants and users of the research. The website details information regarding the study and the researchers, as well as information aimed specifically at the participants. Participants can go to the website to update their contact details using a log-in username and password that was provided in their initial welcome letter.

## Survey instrument

The survey instrument was modified slightly between 2007 and 2008. Retrospective questions pertaining to employment experiences in the previous year (which had been asked in 2007 to collect information relating to labour market experience in 2006) were removed. In addition, respondents were no longer asked about their tenure in current job, as it was possible to identify this from responses to the previous year's survey. Questions regarding penalty rates were found to be unreliable and therefore removed.

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<sup>11</sup> A copy of the newsletter can be downloaded from the Australia at Work website: [www.australiaatwork.org.au](http://www.australiaatwork.org.au)

Due to the importance of accurate industry and occupation information, survey respondents who remained in the same job as the previous year were asked to clarify their occupation and industry. Finally, additional questions were also asked of respondents relating to their caring obligations and ability to meet debt repayments.

The redrafted survey was piloted in February 2008 on 25 labour market participants who were not members of the original sample.

### **Data collection and timeframe**

The contracting out of the data collection component of the *Australia at Work* survey went through a competitive tendering process in 2006, and was awarded to Sydney-based SurveyTalk for the duration of the five year study. Interviewers were trained in the survey administration by SurveyTalk and given more detailed training by a principal investigator from the *Australia at Work* team in the technical content of the survey.

The wave two enumeration began in March and was finished in late July. Computer-assisted telephone interviewing (CATI) was used to collect these data, with the average interview length being 17 minutes.

### **Missing data**

Measures were taken to ensure respondents would feel able, and comfortable, to answer all questions in the *Australia at Work* survey. For data that is traditionally difficult to collect, such as income, respondents were given a variety of ways with which to provide wage and salary details. This included weekly income, hourly rates, and annual salaries. Respondents who were uncomfortable with providing precise data were also given the option of providing their income in brackets. Consequently, when income is reported in *Working Lives: Statistics and Stories*, there are some instances when not all respondents are reported on.

As *Australia at Work* is an analysis of employee perceptions, the instances where respondents do not know or do not have the required information can be informative. For example, Appendix Table A.2 displays missing data of key variables by employment status and shows that from the sample, 55 employed people do not know what hours they are paid to work. From an industrial relations perspective, this particular lack of information raises questions that are worth further exploration. For example, for these 55 people, is there a blurring of distinction between paid hours of work and unpaid overtime?

**Appendix Table A.2 Missing data by employment status, 2008, count**

	Employed	Self-employed	Not Employed	All
Sex	-	-	-	0
Age	5	1	1	7
Yearly salary	51	23	na	74
Usual hours	22	8	na	30
Paid hours	55	na	na	55
Agreement type	9	na	na	9
Pay setting	7	na	na	7
Workplace size	3	-	na	3
Industry	20	2	na	22
Occupation	0	1	na	1

Source: Australia at Work W2

### Attrition

Overall, a total of  $n=7,086$  interviews were completed in Wave 2, resulting in an attrition rate of 15.0 per cent. Appendix Table A.3 provides the details of the attrition. While the majority of the attrition can be attributed to not being able to contact respondents (8 per cent of the original sample were not contacted in Wave 2), a slightly smaller proportion also refused to participate in the survey (6 per cent). A further 100 respondents in wave 1 requested that they not be contacted in wave 2, accounting for a sample loss of 1 per cent.

**Appendix Table A.3 Final outcome for wave 1 respondents, 2008**

	<i>n</i>	per cent
Completed interview	7,086	85.0
Refused to complete interview	427	5.1
Refused participation in wave 1	100	1.2
Away for the duration of the survey	54	0.6
Deceased	7	0.0
No contact	667	8.0
Total	8341	100.0

Population: Wave 1 respondents

Source: Australia at Work W2

Appendix Table A.4a, A.4b and A.4c provide details of the characteristics of the respondents who did not participate in the second wave of the survey, with the 2007 and 2008 samples provided as comparisons. In looking at the last two columns, it is evident that regardless of the attrition, distribution by sex, age, educational attainment and location in 2008 remain consistent with 2007. The attrition rate of men was slightly higher than that of women. As expected in any longitudinal survey high proportions of young people, in comparison to their relative proportion in the total sample, were either non-contactable or refused to participate. Drop out rates were also more likely to occur among those with lower educational qualifications. Nearly half (49 per cent) of the attrition was among those with a qualification lower than year 12, yet this population only accounted for around one

third (31 per cent) of the original sample. Attrition among regional areas was generally in keeping with the original distribution.

**Appendix Table A.4a Attrition by demographic characteristics, 2007 & 2008**

	Refused <sup>^</sup>		Not contactable*		Total Attrition		Remaining sample 2008		Original sample 2007	
	%	N	%	N	%	N	%	N	%	N
<i>Sex</i>										
Male	53.3	281	58.0	422	56.0	703	52.7	3733	53.2	4436
Female	46.7	246	42.0	306	44.0	552	47.3	3353	46.8	3905
<i>Age</i>										
16 - 19	13.3	70	12.8	93	13.0	163	6.0	424	7.0	587
20 - 24	10.6	56	19.1	139	15.5	195	9.1	642	10.0	837
25 - 34	19.0	100	26.6	194	23.4	294	16.2	1145	17.3	1439
35 - 44	25.6	135	24.7	180	25.1	315	32.9	2333	31.7	2648
45 - 54	23.5	124	13.5	98	17.7	222	26.9	1909	25.5	2131
55+	5.3	28	2.5	18	3.7	46	8.4	596	7.7	642
Refused	2.7	14	0.8	6	1.6	20	0.5	37	0.7	57
<i>Highest education</i>										
Did not go to school	0.2	1	0.1	1	0.2	2	0.0	3	0.1	5
<Year 11	18.2	96	16.2	118	17.1	214	12.6	890	13.2	1104
Year 11	8.5	42	7.3	53	7.8	95	6.3	448	6.5	546
Year 12	21.6	114	24.0	175	23.0	289	17.7	1251	18.5	1540
Dip. or cert.	17.6	93	18.4	134	18.1	227	21.3	1506	20.8	1733
Trade qual	5.7	30	5.1	37	5.3	67	7.4	523	7.1	590
Degree	17.1	90	21.2	154	19.4	244	23.0	1629	22.5	1873
Post-grad degree	10.1	53	7.6	55	8.6	108	11.7	829	11.2	937
Refused	0.9	5	0.1	1	0.5	6	0.1	7	0.2	13
<i>Location</i>										
Sydney	22.4	118	19.6	143	20.8	261	20.6	1458	20.6	1719
NSW regional	11.0	58	10.6	77	10.8	135	12.2	861	11.9	996
Melbourne	17.1	90	13.9	101	15.2	191	14.5	1026	14.6	1217
Vic regional	8.2	43	7.1	52	7.6	95	8.1	575	8.0	670
Brisbane	9.5	50	8.9	65	9.2	115	8.3	588	8.4	703
QLD regional	8.0	42	9.2	67	8.7	109	8.9	628	8.8	737
Adelaide	6.1	32	4.1	30	4.9	62	6.0	424	5.8	486
SA regional	2.8	15	3.4	25	3.2	40	3.0	215	3.1	255
Perth	5.7	30	8.9	65	7.6	95	6.3	448	6.5	543
WA regional	3.0	16	4.7	34	4.0	50	2.8	200	3.0	250
Hobart	0.6	3	1.0	7	0.8	10	1.5	109	1.4	119
Tas Regional	1.5	8	4.5	33	3.3	41	2.4	172	2.6	213
NT	2.8	15	2.2	16	2.5	31	3.5	248	3.3	279
ACT	1.3	7	1.8	13	1.6	20	1.9	134	1.8	154
Total	100.0	527	100.0	728	100.0	1255	100.0	7086	100.0	8341

<sup>^</sup> Includes those who refused to participate in both waves 1 and 2.

\* Includes all those who did not refuse the study outright including respondents away for the duration of the study and the deceased.

Source: Australia at Work W2

Various household and family attributes of respondents were related to the likelihood of participation in Wave 2 of the study. A higher proportion of single people, relative to their representation in either the 2007 or 2008 sample refused to participate (33 per cent), while a larger proportion were not contactable (39 per cent). This is probably reflective of a large proportion of single people belonging in a younger age group. For perhaps a similar reason, respondents with no children were less likely than those with children to participate in Wave 2.

**Appendix Table A.4b Attrition by family characteristics, 2007 and 2008**

	Refused <sup>^</sup>		Not contactable <sup>*</sup>		Total Attrition		Remaining sample 2008		Original sample 2007	
	%	N	%	N	%	N	%	N	%	N
<i>Marital status</i>										
Married	48.6	256	34.3	250	40.3	506	56.9	4033	54.4	4539
Living with someone in a relationship	11.2	59	14.0	102	12.8	161	10.1	718	10.5	879
In a relationship but not living with them	5.7	30	12.0	87	9.3	117	5.6	396	6.2	513
Single	33.0	174	39.1	285	36.6	459	27.1	1918	28.5	2377
Refused	1.5	8	0.5	4	1.0	12	0.3	21	0.4	33
<i>Household status</i>										
Single worker	31.7	167	38.0	277	35.4	444	25.0	1770	26.5	2214
Single parent working	3.2	17	5.9	43	4.8	60	4.4	315	4.5	375
Breadwinner no kids	4.4	23	3.8	28	4.1	51	4.1	289	4.1	340
Breadwinner kids	8.5	45	8.4	61	8.4	106	7.9	560	8.0	666
Dual earner no kids	23.9	126	17.0	124	19.9	250	23.9	1692	23.3	1942
Dual earner kids	21.4	113	17.9	130	19.4	243	30.2	2142	28.6	2385
Single not working no kids	3.4	18	6.0	44	4.9	62	2.8	198	3.1	260
Single parent not working	0.4	2	1.1	8	0.8	10	0.4	31	0.5	41
Couple not working no kids	0.6	3	0.5	4	0.6	7	0.2	13	0.2	20
Couple not working kids	0.0	0	0.3	2	0.2	2	0.4	27	0.3	29
Refused	2.5	13	1.0	7	1.6	20	0.7	49	0.8	69
<i>Dependent children</i>										
Yes	40.6	214	37.0	269	38.5	483	51.6	3654	49.6	4137
No	58.4	308	62.6	456	60.9	764	48.3	3423	50.2	4187
Refused	0.9	5	0.4	3	0.6	8	0.1	9	0.2	17
Total	100.0	527	100.0	728	100.0	1255	100.0	7086	100.0	8341

<sup>^</sup> Refused includes those who refused to participate in both waves 1 and 2.

<sup>\*</sup> Not contactable includes all those who did not refuse the study outright including respondents away for the duration of the study and the deceased.

Population: All respondents

Source: *Australia at Work W2*

It is of interest to note the attrition by employment characteristics of respondents in 2007. Respondents were more likely to have left the survey if they were - self-employed, unemployed, in the private sector, or were never a union member. However, this has not greatly altered the sample characteristics proportionally between 2007 and 2008.

**Appendix Table A.4c Attrition by employment characteristics, 2007 & 2008**

	Refused <sup>^</sup>		Not contactable <sup>*</sup>		Total Attrition		Remaining sample 2008		Original sample 2007	
	%	N	%	N	%	N	%	N	%	N
<i>Labour force status 2007</i>										
Employed	92.8	489	89.3	650	90.8	1139	94.1	6666	93.6	7805
Unemployed	4.6	24	7.7	56	6.4	80	3.8	266	4.1	346
Not in the labour force	2.7	14	3.0	22	2.9	36	2.2	154	2.3	190
<i>Self employment status</i>										
Employee	80.2	392	84.5	549	82.6	941	83.8	5586	83.6	6527
Self-employed	19.8	97	15.5	101	17.4	198	16.2	1080	16.4	1278
<i>Sector</i>										
Private	76.5	374	75.5	491	75.9	865	67.3	4485	68.5	5350
Public	18.4	90	19.1	124	18.8	214	25.5	1703	24.6	1917
Not for profit	4.9	24	3.4	22	4.0	46	6.3	423	6.0	469
Don't know	0.2	1	2.0	13	1.2	14	0.8	53	0.9	67
Refused	0.0	0	0.0	0	0.0	0	0.0	2	0.0	2
<i>Union membership</i>										
Yes, currently a member	26.0	102	21.1	116	23.2	218	30.8	1721	29.7	1939
No, no longer a member	16.6	65	14.4	79	15.3	144	19.5	1088	18.9	1232
No, never a member	53.8	211	61.7	339	58.4	550	48.8	2726	50.2	3276
Don't know / unsure	3.6	14	2.7	15	3.1	29	0.9	51	1.2	80
Total	100.0	527	100.0	728	100.0	1255	100.0	7086	100.0	8341

<sup>^</sup> Includes those who refused to participate in both waves 1 and 2.

<sup>\*</sup> Includes all those who did not refuse the study outright including respondents away for the duration of the study and the deceased.

Population: All respondents

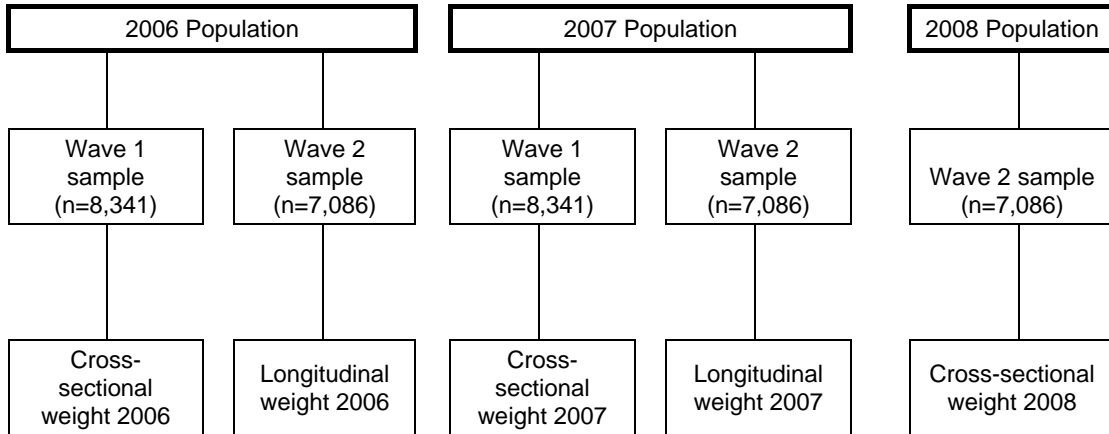
Source: Australia at Work W2

## Weighting

For analysis of the first wave of *Australia at Work*, data were weighted according to characteristics of the sample as it would have been in 2006, and consequently weighted to 2006 ABS Labour Force Survey data. Reporting in *Australia at Work: The Benchmark Report* was therefore reflective of the 2006 labour force population and their experiences in 2007.

Cross-sectional weights have been developed for 2006, 2007 and 2008 to provide estimates of the population in each given reference year. Longitudinal weights are derived to provide estimates of the Australian labour force in previous years using the current sample. This enables us to provide reliable estimates of the 2006 labour force and their labour market outcomes in 2008, see figure A.1.

**Appendix Figure A.1: Illustration of cross-sectional and longitudinal weights**



The 2006, 2007 and 2008 *Australia at Work* weights are based on June the ABS Labour Force estimates for each year. June was chosen as it falls in the middle of the *Australia at Work* enumeration. Weights have been allocated by labour force status, sex and location (state, as well as capital city/balance of state). Employed persons are further grouped by employment status (employee and other).<sup>12</sup>

Due to a sample bias towards union members, employees are also weighted by union membership. These data are taken from the ABS Employee Earnings, Benefits and Trade Union Membership (EEBTUM, cat. no. 6310.0) Labour Force supplementary survey. Data for 2006 is weighted against the August 2006 EEBTUM trade union membership numbers, while data for 2007 and 2008 is weighted against the August 2007 trade union membership numbers. The EEBTUM was last collected in August 2008 with an anticipated release date in early 2009. Data collected in 2008 will be re-weighted according to the August 2008 EEBTUM data in subsequent years.

To derive these unionisation estimates the EEBTUM data was used to extrapolate union and non-union membership proportions across the employee population. These proportions were then applied to known population employee estimates from the LFS to derive weights that accounted for union membership.

The weights for employees are presented in Table A.5a, while the weights for unemployed and NILF are presented in Table A.5b, below.

<sup>12</sup> 'Other' includes: employers, own account workers and contributing family workers.

**Appendix Table A.5a Population weights for Australia at Work employed persons wave 2, 2008**

<b>Males</b>	<b>Union member</b>			<b>Not a union member</b>			<b>Self-employed</b>		
	<i>16-24</i>	<i>25-44</i>	<i>45-58</i>	<i>16-24</i>	<i>16-24</i>	<i>25-44</i>	<i>45-58</i>	<i>25-44</i>	<i>45-58</i>
Sydney Metro	3059.979	1287.436	815.853	2579.232	3175.026	1924.506	767.883	1011.500	554.232
NSW Regional	1087.763	1652.111	972.360	2236.825	2445.543	1932.654	2069.200	2351.161	791.056
Mel Metro	1518.520	1313.837	1023.060	2886.892	1913.836	1952.157	546.340	939.671	713.061
VIC Regional	948.526	1154.781	963.283	2036.578	1948.994	2013.154	1590.450	1144.305	1254.745
Bri Metro	1732.766	856.844	896.619	1902.225	1349.068	1792.496	679.475	535.362	576.489
QLD Regional	2526.348	963.610	2031.680	2764.362	2613.684	4542.352	1702.800	1064.561	2223.175
Ade Metro	876.708	1257.843	679.847	2065.165	1458.310	1163.940	809.667	601.372	507.379
SA Regional	-	1071.239	2147.680	1920.156	1407.485	2198.398	550.700	1345.467	2479.925
Perth Metro	986.487	1048.230	1370.900	1639.389	1953.005	3119.724	903.367	676.036	1415.794
WA Regional	786.183	983.840	1246.133	1394.269	1616.315	2498.170	-	951.567	732.750
Hobart	593.284	539.901	772.627	1695.508	1329.375	2250.910	-	893.400	2097.000
Tasmania Regional	951.901	418.138	599.654	772.945	886.291	1432.606	877.900	466.613	768.850
NT	-	375.997	397.531	482.023	792.387	673.080	145.933	608.360	844.267
ACT	1812.763	258.524	376.384	733.446	527.925	1031.550	107.400	229.153	1184.767
<b>Females</b>									
Sydney Metro	977.941	617.257	702.099	2257.033	1367.107	1643.801	-	748.888	1090.583
NSW Regional	1327.710	910.666	702.255	2057.686	1404.949	1304.395	1799.800	896.438	693.917
Mel Metro	1185.382	823.998	1727.105	1787.302	2135.451	2612.396	765.700	845.129	1644.982
VIC Regional	3101.021	864.010	706.991	1424.864	2265.053	1073.351	832.080	832.080	738.626
Bri Metro	809.499	945.380	1715.922	1702.052	1670.050	2059.065	353.520	660.304	986.250
QLD Regional	1220.427	1519.367	1135.453	2825.711	3283.434	3078.464	3074.500	2080.909	4142.700
Ade Metro	1007.709	610.338	1103.867	1760.707	1120.106	1385.909	-	846.267	965.243
SA Regional	733.540	895.587	937.582	1530.431	1407.384	1431.209	-	2327.000	805.871
Perth Metro	1217.246	1453.259	1780.565	1750.099	2892.715	1862.370	1264.600	2200.014	4733.567
WA Regional	254.698	1010.710	1034.143	1317.859	1769.993	1437.697	-	1209.557	6399.300
Hobart	246.928	623.846	494.743	2412.048	2469.270	1509.705	-	423.800	823.300
Tasmania Regional	370.146	658.554	581.891	1375.932	881.121	1056.933	-	815.033	593.800
NT	-	640.836	368.811	553.944	810.011	815.631	-	766.800	1236.400
ACT	221.912	506.705	779.374	1250.580	889.596	1252.181	-	408.033	707.133

As the original sample only included those who were labour force participants in 2006 the sample size of the unemployed and those not in the labour force (NILF) are considerably smaller in 2008 (NILF n=273, unemployed n=189). For an illustration of these flows, refer to Figure 2.1 in main report.

A complication of weighting according to detailed criteria is the possibility that some cells will not be populated, either with the *Australia at Work* sample, or with ABS estimates. Consequently in creating weights for the unemployed and those not in the labour force, it has been necessary to use less stringent criteria in deriving some cell weights for the unemployed and NILF. The sample has been weighted according to age, sex, and capital city/balance of state. The weights are presented in Table A.5b, below.

**Appendix Table A.5b Population weights for Australia at Work not employed persons wave 2, 2008**

Males	Not in the labour force			Unemployed		
	16-24	25-44	45-58	16-24	16-24	25-44
Metro*	9780.611	6634.105	8659.565	2606.878	1899.015	1470.733
Regional	4791.550	5865.525	11174.667	2501.500	2666.325	1901.856
Females						
Metro*	9462.771	10038.938	11213.536	1570.296	2239.196	1539.593
Regional	5537.318	10280.237	8764.172	2303.220	3997.556	1782.282

\* Includes ACT, does not include Darwin

A further effect of the zero sized sample cells in the weighting is that the aggregated weighted population of the *Australia at Work* sample does not sum entirely to the aggregated ABS population. For example, the *Australia at Work* sample for 2006 includes no self-employed females aged between 15 and 24 in the Northern Territory. Likewise, ABS data have no self-employed females aged between 15 and 24 in the Northern Territory. However, in some cases while the *Australia at Work* sample cell is zero, the equivalent Labour Force estimate is not. Consequently, while the *Australia at Work* sample does not include any self-employed females aged between 15 and 24 in the Victorian regional area, the ABS estimates that there are 1,896 self-employed females aged between 15 and 24 in this area. Accordingly, the aggregate of the *Australia at Work* weighted sample does not correspond entirely with equivalent ABS labour force figures. The aggregated ABS figures are compared to the aggregate weighted *Australia at Work* figures in Table A.6.

**Appendix Table A.6 ABS population estimates and *Australia at Work* weighted population estimates, 2008**

	ABS June LFS	Australia at Work	Difference N	Difference %
2006 <sup>^</sup>	10,033,523	10,020,112	13,411	0.13
2007	12,681,430	12,680,968	462	0.00
2008	12,562,771	12,551,980	10,791	0.08
2006-2008 <sup>^</sup>	10,033,523	10,005,746	27,777	0.28
2007-2008	12,681,430	12,662,494	18,936	0.15

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

Population: 2006: all persons aged 15 – 56 in the labour force, 2007: all persons aged 16 -57 who were in the labour force in 2006; 2008: all persons aged 17 – 58 who were in the labour force in 2006

Source: Australia at Work W2; ABS June *Labour Force Survey* 2006, 2007, 2008 (cat. no. 6202.0)

### Forms of employment: ABS and Australia at Work estimates

While *Australia at Work* remains consistent with broad ABS labour force estimates,<sup>13</sup> when data are disaggregated to a finer level in some cases *Australia at Work* estimates are inconsistent with ABS data. These differences arise from the inherent difficulty of capturing information on particular dimensions of the employed workforce.

As noted in Chapter 6, collecting reliable information on form of employment or legal mode of engagement is often difficult. For most labour market statistics, interest in the precise form of employment is of secondary importance. The monthly Labour Force Survey (LFS) is primarily concerned with the level and degree of economic activity contributed by the population. The primary matters of interest for the LFS are:

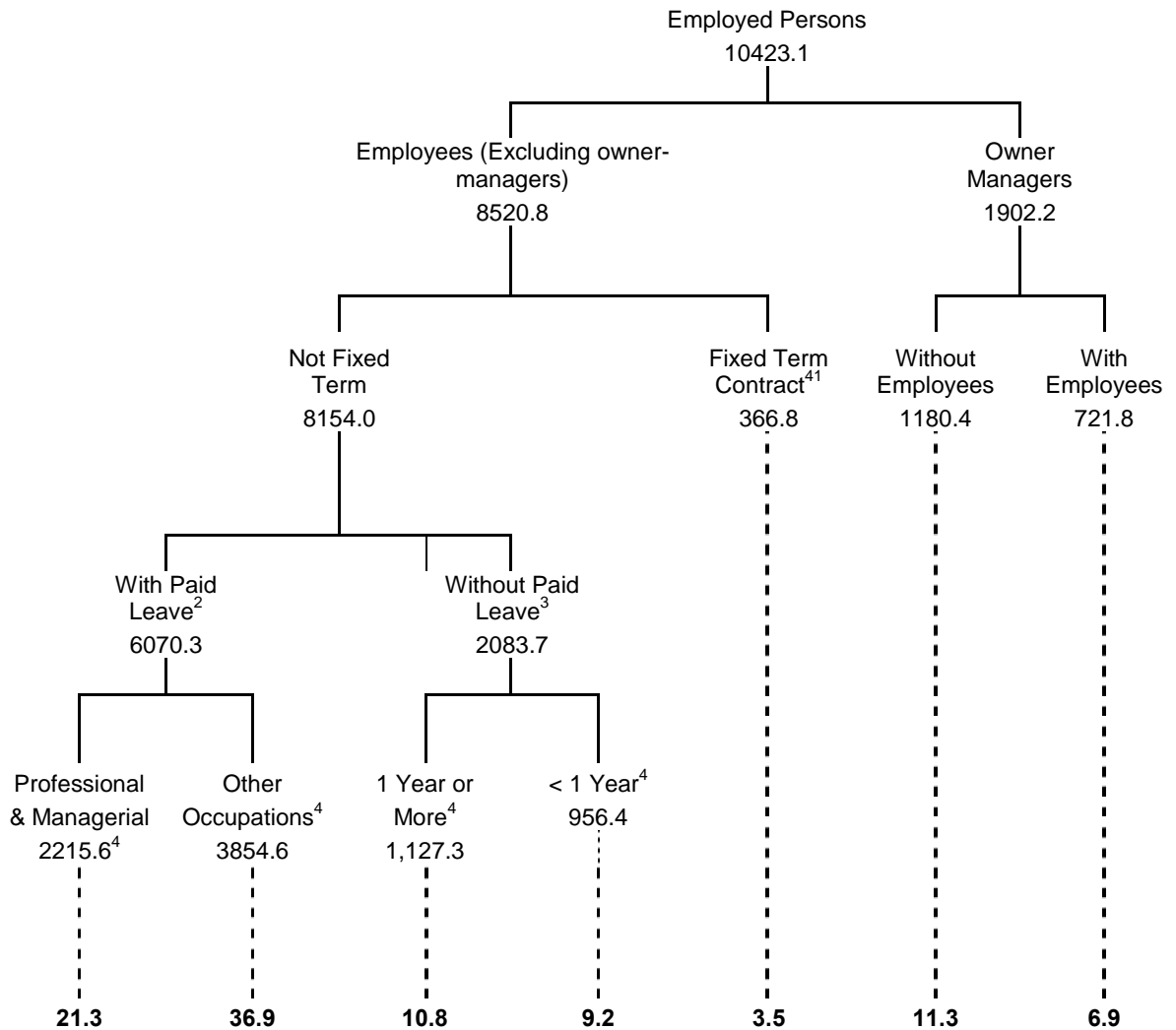
- Whether people are in the labour market or not
- If they are, are they employed or not, and
- If they are employed, how many hour do they work and in what industries and occupations?

To the extent that the Labour Force Survey distinguishes between various forms of employment the categorisations it separates out are: employers, own-account workers and employees. The fact that many self-employed workers operate through incorporated entities has meant that in the LFS framework they are classified as employees, even though they are more accurately characterised as own-account workers.

In recognition of problems such as these, the ABS has, over the last ten years, devoted special attention to more accurately capturing details on the proportion of workers falling into various forms of employment through the *Forms of Employment Survey* (FOES) (Cat. no. 6359.0). The data from the 2007 FOES was used to derive estimates of the number of workers falling within various forms of employment. This way of classifying the labour force is relatively new and not commonly used in statistical studies of the workforce. A summary of ABS' latest estimates is provided in Figure A.1.

<sup>13</sup> There are only slight variations in occupation and industry, as shown in Tables 2.3 and 2.4

**Appendix Figure A.2: Forms of employment Australia, November 2007 ('000)**



Source: ABS *Forms of Employment, Australia*, November 2007, Cat No 6359.0

Notes:

<sup>1</sup> This is probably an underestimate. ABS notes there are 506,100 employees (or 4.9 percent of employed persons) in employment arrangements that were based on a completion date or event.

<sup>2</sup> Nearly all (97.1% of these employees) did not consider these jobs to be casual.

<sup>3</sup> Most (86.5% of these employees) considered their jobs to be casual.

<sup>4</sup> It is difficult to generate these estimates from the ABS publication. This is because occupational and tenure disaggregations are only reported separately for employees on the basis of whether they got leave or not. This means fixed term contract employees are lumped in with those who are not on fixed term arrangements. Estimates of the numerical scale of these disaggregations were derived as follows:

- (a) the proportions of the professional/managerial vs non-professional/managerial 'permanents' were generated using occupational information from the sub-population of all employees with leave whether they were on fixed term contracts or not. Similarly, long term vs short term casuals were derived using data on tenure with all employees without leave whether they were on fixed term contracts or not.
- (b) The estimates of actual numbers have been generated by applying the proportions arising from the process outlined in (a) above to the employment counts that exclude fixed term contract employees.

It is important to note that amongst 'casuals' there are 92,000 fixed contract employees and amongst 'permanents' there are 274,800 fixed term contract employees. Given these relatively small numbers of fixed term contract employees we believe these estimates will be very accurate.

As is clear from this figure, of Australia's 10.4 million employed workers aged 15 years and over in November 2007:

- Just over six million workers (or 59 per cent) are employees with leave entitlements
- Just on two million (or 20 per cent) are employees without leave entitlements; most (86.5 per cent) of whom do describe themselves as 'casual'
- Just over a 350,000 (12.7 per cent) are employees on fixed-term contracts, but an additional 4.9 per cent have employment relationships that are based on a completion date or event
- Just under two million (or 18.3 per cent) are owner managers, 62.1 per cent of whom have no employees.

When looking at forms of employment it would be ideal to weight the sample according to FOES. However, relevant FOES data (collected on an annual basis) are not as readily available as that from the LFS (collected monthly). Importantly, the FOES does not gather information on trade union membership. This means that weighting on the basis of age, gender, labour force status, employment status and union membership is not possible using FOES.

Therefore to derive weights that provide estimates that incorporate all the characteristics for which we want to adjust the sample, we have used the Labour Force Survey which includes owner managers of incorporated enterprises (OMIE) in the 'employee' category. The *Australia at Work* survey, however, did not separate owner managers of incorporated enterprises from owner managers of unincorporated enterprises. This means our self-employed category over-represents the self-employed and our employee category slightly under-represents employees according to the categorisation used in the Labour Force Survey.

**Appendix Table A.7 Forms of employment according to Chapter 6 definitions: ABS estimates and *Australia at Work* weighted population estimates, 2008\***

	ABS November FOES, 2007	Australia at Work, 2008
Permanent – Managerial and professionals	21.2	29.2
Permanent – Non-managerial and professionals	37.8	38.4
Fixed-term contract	3.5	8.8
Casuals – employed for more than one year	10.8	5.8
Casuals – employed for less than one year	9.2	7.5
Self-employed – with employees	7.0	3.9
Self-employed – without employees	11.3	6.4

\* Note: The sample frame for these estimates differs, and this may be reflected in the final estimates – the ABS estimates are based on a sample frame of all persons 15 years and older, while the *Australia at Work* 2008 sample frame includes only 17 to 58 year olds. The different reference period may also be reflected in final the estimates.

Source: *Australia at Work* W2, ABS *Forms of Employment Survey, 2007* (cat. no. 6359.0)

Consequently, *Australia at Work* sample estimates of workers' forms of employment differ from the various forms of employment as estimated in the FOES. A summary of these differences is provided in Table A.7. Appendix C provides further discussion of the conceptual differences.

**Appendix Table A.8 ABS population estimates and Australia at Work weighted population estimates, 2008**

	Employees		Self-employed	
	ABS FOES	<i>Australia at Work</i>	ABS FOES	<i>Australia at Work</i>
<i>Sex</i>				
Male	52.0	53.2	68.4	65.2
Female	48.0	46.8	31.6	34.8
<i>Occupation</i>				
Managers	9.4	13.3	29.4	27.4
Professionals	21.2	25.6	17.8	25.9
Technicians and trades workers	14.1	12.5	20.9	19.9
Community and personal service	9.4	9.2	3.8	2.8
Clerical and administrative workers	16.3	17.9	9.9	9.0
Sales workers	10.6	9.1	5.1	2.6
Machinery operators and drivers	7.4	5.4	5.4	4.8
Labourers	11.5	6.9	7.7	7.4
Unclassifiable	-	-	-	0.1
<i>Organisational form</i>				
Owner manager of unincorporated entity	-	-	64.5	61.3
Owner manager of incorporated entity	-	-	35.4	38.7

Note: \* The sample frame for these estimates differs, and this may be reflected in the final estimates – the ABS estimates are based on a sample frame of all persons 15 years and older, while the *Australia at Work* 2008 sample frame includes only 17 to 58 year olds. The different reference period may also be reflected in final the estimates.

Population: See note above

Source: *Australia at Work W2*, ABS November *Forms of Employment Survey*, 2007 (cat. no. 6359.0)

The *Australia at Work* estimates of owner managers in absolute and relative terms are different to those reported by the ABS. However, there is a very close correspondence concerning the proportion of workers within the 'employee' and 'self-employed' categories falling within different gender and occupational categories (see Table A.8). The close correspondence on the basis of these core disaggregations means it is with confidence that the proportions between different forms of employment are reported. In Chapter 6, therefore, estimates are only reported in terms of the proportion, not absolute number, of workers within various categories. The estimates of the absolute number of workers involved, however, should be based on the ABS estimates.

## Appendix B Unrepresented Workers Regression Modelling

Table B.1 Regression model of unrepresented workers, 2008

Data expressed as odds ratios	Unrepresented workers versus unionised workers <i>n</i> =1900	Unrepresented workers versus satisfied non-members <i>n</i> =3286
<b>Demographics</b>		
Female	0.812	1.052
<i>Age (ref: 55 and over)</i>		
16-20	3.212**	2.028*
21-24	2.197*	1.281
25-29	2.181**	1.252
30-44	1.533	1.268
45-54	0.972	1.161
Income from main job	1.000**	1.000**
NESB	1.801**	1.458*
Post school qualifications	1.285	1.307*
<b>Employment Characteristics</b>		
Full time	0.982	1.124
Higher skill job (levels 1 and 2)	1.197	1.433**
Manager	1.650	0.531**
Private sector	1.213	0.792
Instrument AWA (ref: all others)	0.666	0.556
<b>Workplace Characteristics</b>		
Workplace Size (20 or more)	1.171	1.188
Union presence at work site	0.233**	0.992
<b>Subjective Indicators</b>		
Agree: Good chance of losing job in the next 12 months	1.946**	1.737**
Disagree: Confident not going to be get sick	0.968	1.531**
Disagree: Control when I work my hours	1.083	1.361**
Disagree: Managers can be trusted to tell things the way they are	0.809	1.357*
Disagree: Managers treat workers fairly	1.540*	1.550**
No Opportunity to Negotiate with managers	0.793	1.598**
<b>Industry Grouping (ref: Basic Services)</b>		
Blue Collar	1.159	1.269
Advanced Services	1.151	0.888
Government	0.847	1.130
Education and Health	0.817	1.532*
-2 log likelihood ratio	1720.736	2331.594
Nagelkerke pseudo R-square	0.252	0.146

\* $p < 0.05$ ; \*\*  $p < 0.01$ 

Population: Employees only

Source: Australia at Work W2

**Table B.2 Variable description for two regression models in Table B.1, 2008**

<b>Variable description</b>	
Female	Male coded 0, Female coded 1
Age	Dummy variables for each of the following age groups: 16-20 yrs, 21-24 yrs, 25-29 yrs, 30-44 yrs, 45-54 yrs
Income from main job	Income from main job (in dollars per annum). Missing data excluded.
NESB	Do you speak a language other than English <i>at home</i> ? NESB coded 1 (includes Italian, Greek, Cantonese, Arabic, Vietnamese, Mandarin, other), English only =0.
Post school qualifications	Diploma/certificate, trade quals, degree or post-graduate degree = 1, high school =0.
Full time	Full-time =1 (typically, 35+ hours), Else=0
Higher skill job (levels 1 and 2)	ANZSCO skill level 1 and 2 =1, Else =0
Manager	ANZSCO 1-digit Manager=1, Else =0
Private sector	Private sector employer =1, Else =0
Instrument AWA (ref: all others)	Self-reported instrument type is AWA =1, Else=0
Workplace Size (20 or more)	Number of employees at worksite greater than 19 employees =1 , Else =0
Union presence at work site	Union is represented at my workplace =1, Else =0
Agree: Good chance of losing job in the next 12 months	Strongly agree or agree: 'There is a good chance that I will lose my job or be retrenched within the next 12 months' =1, Else =0
Disagree: Confident not going to be get sick	Strongly agree or agree: 'I am confident that I'm not going to get injured or sick as a result of my work' =1, Else =0
Disagree: Control when I work my hours	Strongly disagree or disagree: 'I have control over <i>when</i> I work my hours' =1, Else =0
Disagree: Managers can be trusted to tell things the way they are	Strongly disagree or disagree: 'Managers can be trusted to tell things the way they are' =1, Else =0
Disagree: Managers treat workers fairly	Strongly disagree or disagree: 'I feel that employees are treated fairly at my workplace' = 1, Else =0
No Opportunity to Negotiate with managers	'Do you have the opportunity to negotiate your pay directly with your employer?' No=1; Else =0
Blue Collar	Dummy variable of ANZSIC 1 digit [Agriculture, Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste Services; Construction; Wholesale Trade; Retail Trade; Transport, Postal and Warehousing =1, Else=0]
Advanced Services	Dummy variable of ANZSIC 1 digit [Information, Media and Telecommunications; Finance and Insurance Services; Professional, Scientific and Technical Services=1, Else=0]
Government	Dummy variable of ANZSIC 1 digit [Public Administration and Safety =1, Else=0]
Education and Health	Dummy variable of ANZSIC 1 digit [Education and Training; Health Care and Social Assistance=1, Else=0]

Source: Australia at Work W2

## Appendix C Forms of Employment

This appendix summarises some of the key difficulties associated with collecting data on forms of employment, particularly the complexity of capturing casual employees and the self-employed. The critical issue centres on the inherent difficulties of aligning the statistical, legal, and social definitions of these two particular forms of employment. A brief overview is given around the conventions adopted to overcome these problems in *Australia at Work*.<sup>14</sup>

Collecting reliable statistical data on forms of employment has been a major challenge for academic and government researchers for many years. The common understanding of 'non-standard employment' is based on the substance of arrangements between employers and employees. Traditionally, when someone was described as 'casual' it referred to transient associations between a worker and an employer (Jordan 2001). Because of the roots of casual employment it is widely accepted that it makes little sense that such workers should get paid leave and rights on termination of employment. But as matters have evolved, definitional convention has increasingly run the other way. Employers seeking to avoid their obligations can deem workers 'casuals' or 'contractors' thereby evading labour standards. This may be done to avoid paying tax and superannuation obligations, particularly in the case of 'sham' contractors. In these cases, employers define workers' forms of employment on the basis of leave and termination rights, rather than the substantive nature of relations between the parties.

The ambiguity surrounding the connection (or more accurately, disconnection) between substantive and formal arrangements has made the collection of reliable statistics on forms of employment difficult. Traditionally the ABS has defined casual workers on the basis of leave entitlements. This was based on the assumption that the substantive relations between the parties and associated employment rights coincided. This has led to two problems: Firstly, many owner managers of incorporated entities do not get leave and are therefore often defined as 'casual' employees; Secondly, many long serving employees with regular hours of work are classified either as casuals or self-employed when they may be more accurately depicted as permanent employees (though deprived of leave entitlements).

Formalities associated with the intersection of labour and business association law often make it difficult to categorise the 'self-employed', and these categorisations are often widely divergent from the social and statistical conceptualisations of self-employment. Many self-employed people (about one in three) operate through incorporated businesses. This, technically, makes them 'employees' of a corporate entity - their own business. Such workers are 'employees' known as 'owner managers of incorporated entities' (OMIE). In analysing forms of employment and particularly the self-employed we need to separate out

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<sup>14</sup> For more detailed analysis of these issues please refer to: Jordan (2001); O'Donnell (2004); Murtough & Waite (2000); and Campbell & Burgess (2001).

OMIE's from 'common' employees so that they are categorised with the 'self-employed'. These problems have been recognised by the ABS for quite some time, and the *Forms of Employment Survey* (cat. no. 6359.0) now collects information that endeavours to address them.

The *Australia at Work* study has incorporated these insights and adopted the following conventions:

1. The self-employed have been distinguished from employees even if they are technically 'employees' of incorporated entities
2. Casuals have been defined on the basis of having access to neither paid sick, nor paid holiday leave entitlements.

## Appendix D Qualitative Interview Guide

Life-history interviews are semi-structured. Interviewers aim to follow the experiences, dispositions and interests of their informants. As a result, the questions below are offered as points of beginning and possible conversation; they may or may not be asked of particular individuals. As precise questions will emerge out of conversation, they are organised only as themes. No effort has been made to formulate them precisely in the schedule below.

Interviews were separated into two Modules. Module 1 was concerned with the labour contract and Module 2 dealt with issues surrounding union membership. These Modules were integrated into the basic interview guide as follows.

### 1. Work history

What are the principal jobs that you have held, from your first job to your most recent one?  
[PROMPT FOR: hours, time in job, reasons for changing career/job/location/level of responsibility]

### 2. The Labour Contract

a) In your view, how are your wages and conditions determined?

b) MODULE 1: Suggestions: How often do you get a pay rise? How does that happen? Do you get involved? What sort of contract do you have? How do you find out information about your pay and conditions? Do you have a union delegate?

How you did get on your [AGREEMENT TYPE]? Tell me about a little more that: did you just sign it, or was there some negotiation? Did you ask for help from someone, perhaps a delegate or union rep? How much do you know about your [AGREEMENT TYPE]? Would you prefer to be on another kind of agreement? If so, which one?

c) Overall, would you prefer to be on an individual agreement - just yourself - or on a collective agreement, perhaps with a union involved?

d) How important are any of following in determining your eventual pay and conditions  
[Read out all at once]:

The employer?

Unions?

Your individual skills and capacities?

*Work Choices* or government laws?

Taxes and welfare benefits?

[SUPPLEMENTARY] All in all, what do you think of your wages and conditions at work?

### 3. Working life transitions

When it comes to the big transitions in your career or work, have any of the following been important?

More education & training?

Starting a family?

A period of unemployment?

Or maybe, thoughts of retirement?

[Coming to Australia?]

Have any of these experiences changed your attitudes to working?

### 4. New working arrangements/working life

a) How have your wages and working conditions shifted in the recent past?

[PROMPT FOR: hours, pay, responsibility, conflict on the job, a new contract]

If any changes:

What impact has this [change] had on your working life?

What impact has this [change] had on your broader life?

b) Do you find it hard to find a balance between work and life?

c) Has the changing nature of your workplace changed your views of work, co-workers, or employers? [PROMPT: How important are workmates or colleagues to you?]

[SUPPLEMENTARY] All in all, reflecting on your working life since you entered the workforce, what do you think has changed most about working life?

### 5. Working Hopes

a) What motivates you to work? [PROMPT FOR: personal fulfilment, getting skills, money, making friendships, a work ethic, mobility (different kinds)]

b) What is the biggest risk you face in your working life?

c) If you could change one thing about your work, what would it be? Is this change possible?

## 6. MODULE 2 : Unions in small businesses

### For UNIONISED small business workers:

How would you describe your relationship with your boss? Managers?

How do you sort out grievances or problems at work?

Is your union ever involved?

What led you to join a union? Are others in the union in your workplace?

Does the union ever negotiate on your behalf? Is that just wages and conditions, or more than that, such as disputes and grievances (etc)?

All in all, why do you think workers don't tend to join unions these days?

### For NON-UNIONISED small business workers:

How would you describe your relationship with your boss? Managers?

How do you sort out grievances or problems at work?

Is a union ever involved? Why not?

Have you ever thought about joining a union? Are others in the union in your workplace? (Why/why not?)

Would a union be a help in your workplace or not?

All in all, why do you think workers don't tend to join unions these days?



**For Further Information**

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