

# Casualisation and Underemployment in Australia

*Varied job growth, don't hold your breath for wage growth*

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## Findings

**Casualisation is varied across industries.** While professional services leads in part-time work over five years, similar industries of financial services and administration have seen a decrease.

Thought the past year saw strong full-time job creation, male-dominated industries saw a strong increase in part-time work.

Industries like construction and manufacturing have seen significant investment over the past five years, primarily public investment, they have not recorded strong full-time job growth, or have led part-time job growth.

**Full-time job growth over the past twelve months has been encouraging but not consistent.** Full-time jobs have decreased since February.

Over the long-term, part-time work has experienced more stable growth and is the du jour choice for businesses expanding, alongside contracting.

**There remains excess capacity in the labour market.** The unemployment rate continues to hang around 6 per cent, while the underemployment rate is increasing. This is still a good market for business to be recruiting, they have the pick of the bunch.

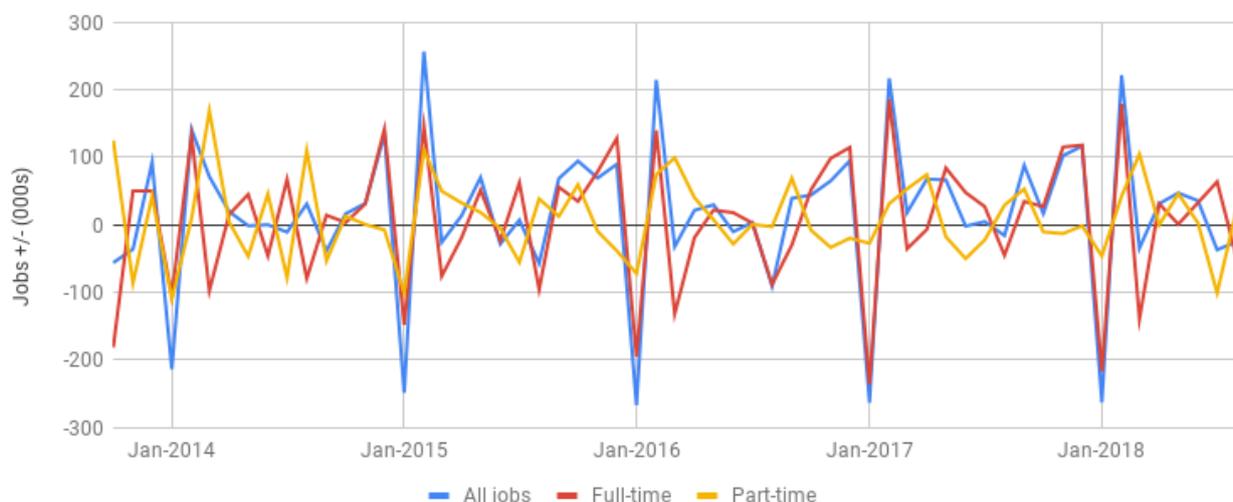
While workers need more hours and industries go through change, wage growth will remain low.

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Viewing longer and shorter term views of the labour market sheds light on business planning and shifts in the way we work. Considering job growth alongside underemployment and underutilisation it shows the what gaps exist and the extent of them.

Data is sourced from ABS 6202 and 6291.

## Monthly employment changes, September 2013 - August 2018



## Five year view

Industries with growth prospects and considered part of the future of the Australian economy have, over the past five years, shifted to a more casual workforce.

Over the past five years:

- Employment has increased by an average of 0.14 per cent each month, equivalent 17,582 jobs;
- The majority of these have been part-time jobs, 9,570.

Underemployment had a general upswing over this period, increasing by 144,300 people or an average of 0.66 per cent per month. Women were more likely to be underemployed but men have experienced faster growth in underemployment.

The underutilisation rate, though it has had peaks at 15 per cent and above, has remained steady at the September 2013 rate of 13.3 per cent. This has decreased for men from 11.6 per cent to 11.1 per cent, and increased from 15.3 per cent to 15.8 per cent for women.

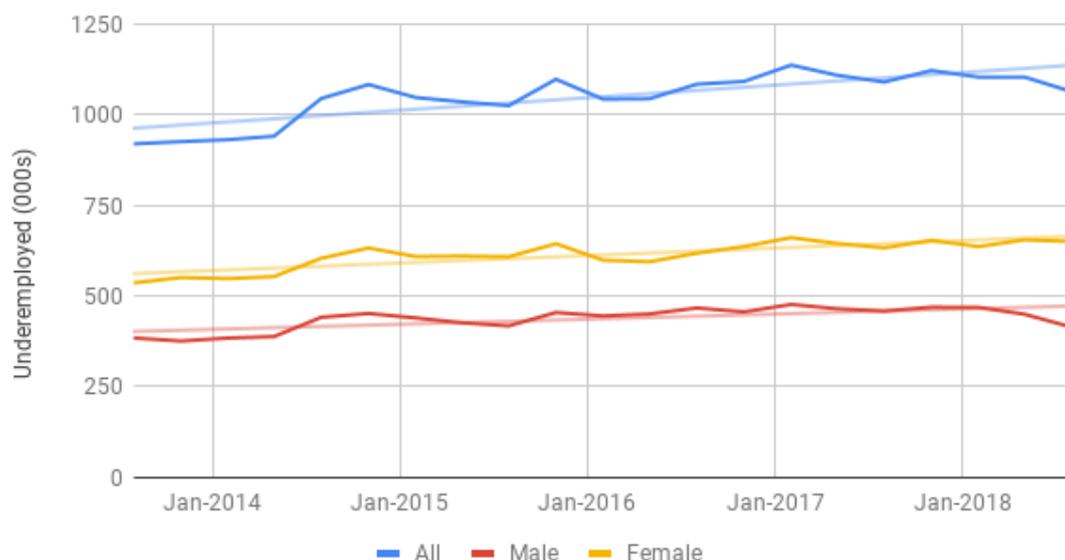
Meaning that the labour market has more capacity than is currently being used.

Regarding industries, both professional, scientific and technical services (1.18 per cent) and healthcare (1.04 per cent) have seen above 1 per cent average monthly job growth for part-time work. For both of these industries, this is higher than the rate at which full-time work has grown. Both of these industries are expected to grow over the next decade, or longer, and become even larger parts of the economy; which suggests that future-oriented industries are focused on a less stable and more optional workforce.

Healthcare saw the largest average monthly increase in overall employment full-time jobs (0.94 per cent).

Wholesale trade (-0.63 per cent), utilities (-0.55 per cent) and mining (-0.52 per cent) saw the largest declines in full-time work, each of those industries saw employment decrease overall.

Monthly underemployment, September 2013 - August 2018



## 12 month view

The macro view of the labour market in the last twelve months has shown positive signs.

Over the past twelve months the rate of job creation has been higher at an average of 18,838 jobs or 0.15 per cent per month.

- Primarily this has been in full-time jobs (14,571 jobs); however,
- Both full-time and part-time work have seen positive growth, 0.17 per cent and 0.11 per cent respectively.

Underemployment has fallen in the past twelve months, with 58,100 people less people considered underemployed. This has been helped along by the higher than average job creation, especially full-time jobs.

Underutilisation has broadly gone down over the past year, decreasing by 0.84 per cent each quarter. Due to a large increase in the female underutilisation rate at the beginning of the year, there has been a slight overall increase in underutilisation of women. This is likely attributable to the January and February redundancy season.

In the previous twelve months, utilities (10.42 per cent), manufacturing (4.41 per cent), information and communication (3.36 per cent) and five other industries each had part-time work increase by an average of more than 1 per cent per month. These industries are traditionally male fields, and fits in line with the overall increase in part-time work for men which has increased by an average of 0.23 per cent per month.

Meanwhile, mining (4.17 per cent), public administration (3.02 per cent), financial services (2.55 per cent) and two other industries had full-time work increase by an average of over 1 per cent per month.

Overall employment grew most strongly in mining (3.89 per cent), manufacturing (2.81 per cent) and education (2.56 per cent).

When this is compared to the five year view it suggests that some industries did not undertake adequate workforce planning and failed to see their labour needs into the future, like mining.

Casualisation and underemployment in the labour market is varied, and has a distinct impact on wages. While there is excess capacity in the labour market, which is indicated by industry-based part-time increases and longer-term underemployment figures, wages will struggle to rise.

### Disclosure:

This labour market snapshot was prepared in September 2018 and released in October 2018. Every effort has been made to ensure the data and evidence analysed is accurate at the time of completion, including checked by external experts.

The author, Conrad Liveris, is a corporate adviser on workplaces and risk. Considered one of Australia's leading employment and workplace experts, he works closely with decision-makers across sectors on a range of HR, management and economic issues.

## Appendix

### 1. Five year job growth

#### Full-time jobs

Healthcare	0.94%
ICT	0.69%
Edu	0.67%
Prof servs	0.59%
Construction	0.57%
Agri	0.51%
Property	0.40%
Transport	0.27%
Public Admin	0.26%
Accommo/Food	0.26%
Fin Servs	0.25%
Admin	0.17%
Manufacturing	0.15%
Arts	0.14%
Retail	-0.18%
Other	-0.18%
Mining	-0.52%
Utilities	-0.55%
Wholesale trade	-0.63%

#### Part-time jobs

Prof servs	1.18%
Healthcare	1.04%
Construction	0.91%
Transport	0.79%
Arts	0.75%
Accommo/Food	0.69%
Edu	0.58%
Other	0.54%
Retail	0.30%
Agri	0.16%
Manufacturing	0.04%
Fin Servs	-0.25%
Admin	-0.30%
Public Admin	-0.58%
ICT	-0.72%
Property	-0.94%
Wholesale trade	-1.51%
Utilities	-2.26%
Mining	-2.67%

### 2. 12-month job growth

#### Full-time jobs

Mining	4.17%
Public Admin	3.02%
Fin Servs	2.55%
Manufacturing	2.45%
Prof servs	1.15%
ICT	0.55%
Healthcare	0.32%
Wholesale trade	0.03%
Agri	0.00%
Construction	-0.14%
Edu	-0.34%
Arts	-0.49%
Admin	-0.88%
Utilities	-1.12%
Property	-1.41%
Transport	-1.88%
Accommo/Food	-1.94%
Other	-3.54%
Retail	-3.99%

#### Part-time jobs

Utilities	10.42%
Manufacturing	4.41%
ICT	3.36%
Transport	3.11%
Public Admin	3.09%
Construction	2.87%
Prof servs	2.64%
Wholesale trade	2.31%
Fin Servs	0.07%
Property	-0.12%
Accommo/Food	-0.15%
Edu	-0.17%
Healthcare	-0.60%
Admin	-0.70%
Arts	-1.04%
Retail	-1.33%
Agri	-2.05%
Other	-3.31%
Mining	-4.26%