



## Work: Taking a More Casual Approach

Opinion Piece by Peter Anderson, Director of Workplace Policy, ACCI - AFR - 25th February 2004

The world of work has changed significantly over the past generation. Employment regulation needs to be flexible to allow businesses to respond to clients, consumers and competitors. Employees are more skilled, more mobile, and one size does not fit all.

Preferences over how, where and when to work differ markedly. One staff member might want to maximise earnings, while another will maximise time off for family, for parenting, for personal study or simply for leisure.

These are just the opening shots in the battle over workplace flexibility, economics editor Alan Mitchell writes. Peter Anderson says the casual workforce is a key ingredient.

While the traditional concept of a full-time job remains a large part of our labour market, we have developed new ways of working part-time work, casual work, job sharing, multiple jobs, fixed-term work, self employment and independent contracting.

Casual employment has grown since the mid-1980s from about 15 per cent of the workforce to about 27 per cent in 2004. Although the growth has been steady over this period, the rate of growth in the past five years has slowed. The highest growth rate occurred in the late 1980s.

A generation ago, casual or part-time employment was regarded as a lesser form of employment, something to be discouraged, or something that threatened full-time jobs.

We have now moved beyond some of those old assumptions that were based on the male-dominated, Monday-to-Friday full-time job. In 2004, casual work has its own legitimacy to employers and employees who choose it or need it.

Flexible work arrangements also help us meet important social and industrial goals like high rates of return from work for mothers after maternity leave; increasing participation rates in the labour market among young people and students; making our businesses more efficient and competitive; and helping to better balance work and family.

Casuals are paid by the hour at a loaded rate usually between 20 per cent and 30 per cent higher than full-time or part-time staff. They do not receive such accruing rights as annual leave and sick leave. A casual wage, and the loaded casual rate, can be a very useful component of the family budget, especially in lower-income households.

Not surprisingly, most casual employees work in service industries such as the retail, hospitality and clerical sectors and in industries with peaks and troughs like agriculture and tourism. Forty-five per cent of casual employment is among the young

and students not looking for a long-term labour-market commitment. More than 70 per cent of casual employees want to remain in casual work.

The growth of casual employment over the past 15 years has not been at the expense of full-time jobs. Staff seeking casual work are not usually in the market for a full week's work. A recent analysis of the Australian labour market by Kevin Doogen of the University of Bristol concluded that there had been a dramatic rise in the long-term workforce in Australia, at the same time that we have had increased casual employment.

Although federal law and industrial tribunal decisions have removed some restrictions on casual employment, there is still plenty of employment regulation that applies to casual workers.

In some industries, a casual employee is allowed to choose to convert his or her employment to permanent part-time, with the employer carrying the onus to oppose conversion if it wants to. Where conversion rights exist, they have been rarely used. For example, more than 98 per cent of casual employees in the manufacturing industry have chosen to maintain their status as casuales. This suggests that most casual arrangements are truly consensual, and staff prefer to maximise their incomes and not lose the casual loading.

Casual work is not an end in itself, nor a panacea to avoid good employment practices.

No form of employment is an easy fix, nor beyond scrutiny. All forms of employment have productive value. All employees, including casual staff, should be given appropriate training, reward and career development.

Some employers wrongly believe that employing a person as a casual and paying the higher hourly rate avoids all or most employment regulation that applies to permanent staff. This is not so as employers in the unfair-dismissal jurisdiction have discovered. Courts are also prepared to go behind employment descriptions if they believe the substance of the relationship means it is not really casual employment.