

Short-term and long-term casual workers: how different are they?

Rebecca Cassells and Alan Duncan

JobKeeper and short-term casuals

Short-term casual workers - those casuals who have been employed in their current job for less than 12 months - constitute around 1 million workers and make up 40% of Australia's casual workforce.

The JobKeeper wage subsidy package announced on the 30th March excludes short-term casuals from eligibility. **A worker that was employed on the 2nd March 2019 is therefore ineligible for the JobKeeper payment under the current criteria.**

Given this exclusion, it's important to understand who exactly these workers are and what arguments might exist for excluding them.

Why exclude short-term casuals?

Arguments for excluding short-term casuals include the greater likelihood of the JobSeeker payment providing adequate income replacement for lost earnings at \$550 per week. However, similar proportions of short and long-term casual workers earn under this amount (Table 1).

And many short-term casuals are earnings above \$550 per week (45%). Clearly many will be worse off if they don't have access to the JobKeeper payment.

Another argument for excluding these workers is to preference workers with a longer attachment to their employer. A 'first in best dressed' type of argument.

However, for many short-term casuals, it is no fault of their own that they have not had greater tenure with their employer. **Many are parents re-entering the workforce, and others have no choice but to move jobs frequently.**

Casual work in general can play an important role in providing the flexibility both employers and employees need.

A better option is to include all casual workers within JobKeeper eligibility and to give employers and employees discretion to be included in the JobKeeper program, which ultimately, both should have.

How much do short and long-term casuals earn?

Short-term casual workers earn on average \$670 per compared to \$700 for long-term casuals.

Comparing weekly earnings, very similar shares of short and long-term casuals span each earnings band.

Around 12% of short-term casuals and 13% of long-term casuals earn between \$550 and \$750 per week.

One-third of short-term casual workers earn more than \$750 per week and 36% of long-term casuals are earning at least this amount. A further 53% of short-term casuals earn less than \$550 per week. For long-term casuals, around 49% earn less than \$550 per week.

Table 1: Short and long term casuals and weekly earnings

	Number of casual workers, by weekly income band and job tenure with current employer			Share of casual workers, by weekly income band and job tenure with current employer		
	Less than 12 months tenure	12 months tenure or more	Total	Less than 12 months tenure	12 months tenure or more	Total
Weekly earned income (banded)	#	#	#	%	%	%
Zero	16,800	34,700	51,500	2%	2%	2%
Less than \$550	578,100	808,200	1,386,400	53%	49%	51%
At least \$550 and less than \$750	133,200	209,200	342,400	12%	13%	13%
\$750 or more	354,100	602,900	957,000	33%	36%	35%
Total	1,082,300	1,655,000	2,737,300	100%	100%	100%

Note: Due to the nature of casual work, some workers will not have worked in the preceding week related to earnings and will have recorded zero earnings in the reference week. Casual workers have been defined using the ABS definition, which is a worker with no paid leave, no paid sick leave. Short-term casuals are those that employed in their current job for less than 12 months. Long-term casuals are those that have been employed for greater than 12 months.

Source: Bankwest Curtin Economics Centre | Authors' calculations from Household Income and Labour Dynamics in Australia (HILDA) data (Wave 18).

How much income do casual workers add to their household?

Casual workers' jobs make an important contribution to household income and the standard of living it is able to achieve. Table 2 shows average weekly wage and salary earnings from short and long-term casual workers to be very similar, at around \$815 per week.

Table 2: Casual workers contributions to household wages and salaries

Tenure of casuals within household	Contribution to household earned income		Casual workers' earnings as a share of total household earned income
	All casual workers	Total household earned income	
	\$ per week	\$ per week	%
only short-term casuals	816.44	2,272.57	52%
only long-term casuals	815.27	2,197.92	55%

Note: Households with only short-term or long-term casuals also have other workers in these households. Households with both short and long-term casual workers have been excluded. Casual earnings as a % of total household earned income is constructed separately for each individual household, and averaged over the sample of households. Therefore the average will not be the same as the ratio of average casual worker's earnings to average household earned income.

Source: Bankwest Curtin Economics Centre | Authors' calculations from Household Income and Labour Dynamics in Australia (HILDA) data (Wave 18).

Both short and long-term casual workers contribute a substantial share of wages and salaries to household earnings overall (Table 2). Households where only short-term casuals reside contribute more than half (52%) of all income from wages and salaries. Households where only long-term casual workers reside contribute 55%.

Casual workers – who are they?

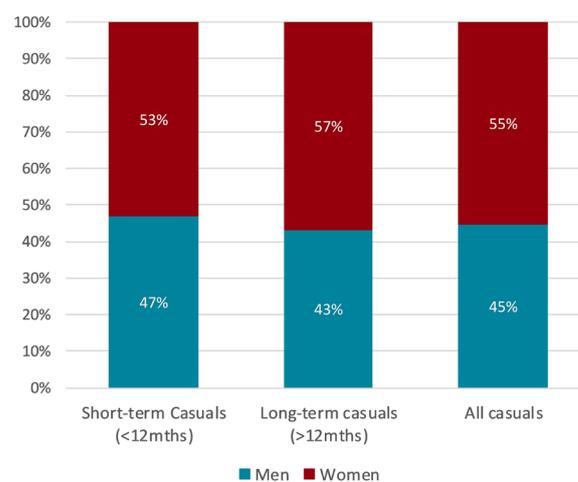
There are many similarities in the profiles of short and long-term casuals, but a number of key differences too.

The key finding is that casual workers vary substantially in their characteristics, making it hard to generalise about what a short-term or long-term casual worker looks like.

Casual workers span industries, occupations, age groups and genders. Women make up a greater share of the casual workforce overall (55%), and the long-term casual workforce (57%). A higher proportion of short-term casuals are men – 47% compared to 43% of long-term casuals.

The average age of short-term casuals is 29 years and for long-term casuals 35 years.

Casual workers by gender



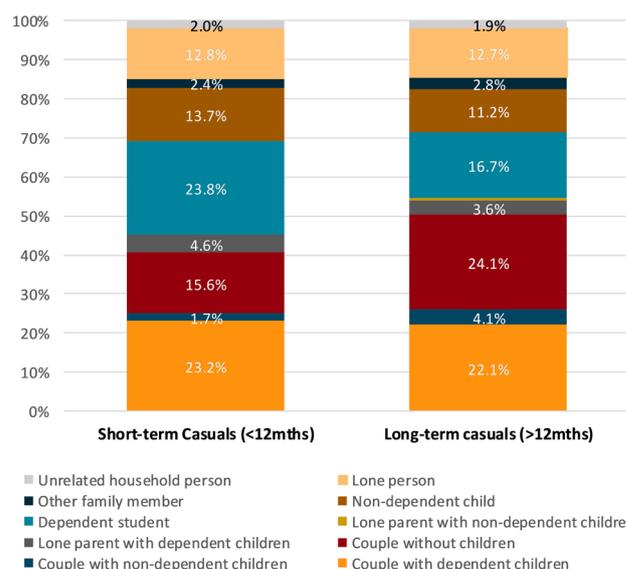
Source: BANKWEST CURTIN ECONOMICS CENTRE | Authors' calculations from HILDA Wave 18

The relationship profile of short and long-term casual workers is reasonably similar, with the exception of dependent students and couples without children. A greater share of long-term casuals are made up of couples without children (24.1%) and a greater share of short-term casuals are dependent students (23.8%).

A slightly higher proportion of short-term casual workers are parents with dependent children – 27.8% compared to 25.7%.

Lone parents constitute a slightly higher share of short-term casual workers than long-term casuals (4.6% compared to 3.6%). A similar share of short and long-term casuals are lone persons – around 13%.

Casual workers by relationship in household



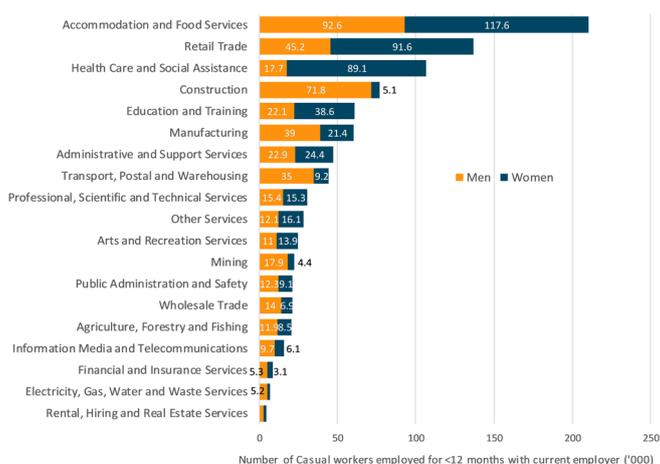
Source: BANKWEST CURTIN ECONOMICS CENTRE | Authors' calculations from HILDA Wave 18

Industry breakdowns

Of the 1 million short-term casuals, the majority are employed within the Accommodation and Food Services, Retail Trade, Health Care and Social Assistance and Construction sectors. These sectors collectively account for 49% of all short-term casual workers.

Education and Training, Manufacturing, Administrative and Support Services as well as Transport, Postal and Warehousing all have a considerable number of short-term casual workers employed.

Short-term casual workers by Industry and gender



Note: Short-term casual workers have been estimated using the number of workers without any sick leave entitlements that have been in continuous employment with their current employer/business for less than 12 months.

Source: BANKWEST CURTIN ECONOMICS CENTRE | ABS Characteristics of Employment 2019

Short-term casual workers' tenure with current employer

Due to the nature of casual work, tenure with employers is often shorter, allowing greater flexibility of labour that employers and employees often require.

The distribution of short-term casual workers' tenure with their current employer is shown below in Table 3. Over 460,000 short-term casual workers have been with their current employer for 6 months or more. And around 750,000 workers have been with their current employer for 3 months or more.

Table 3: Short-term casual workers, by gender and length of tenure

	Number of short-term casual workers ('000s)			Share of short-term casual workers (%)		
	Men	Women	All workers	Men	Women	All workers
Tenure with current employer						
Less than 3 months	148,600	157,000	305,600	28.6%	29.1%	28.8%
3 months and less than 6 months	153,000	138,900	291,900	29.4%	25.7%	27.5%
6 months and less than 1 year	218,800	243,700	462,500	42.0%	45.2%	43.6%
Total	520,400	539,600	1,060,000	100%	100%	100%

Note: Casual workers have been defined using the ABS definition, which is a worker with no paid leave, no paid sick leave. Short-term casuals are those that employed in their current job for less than 12 months.

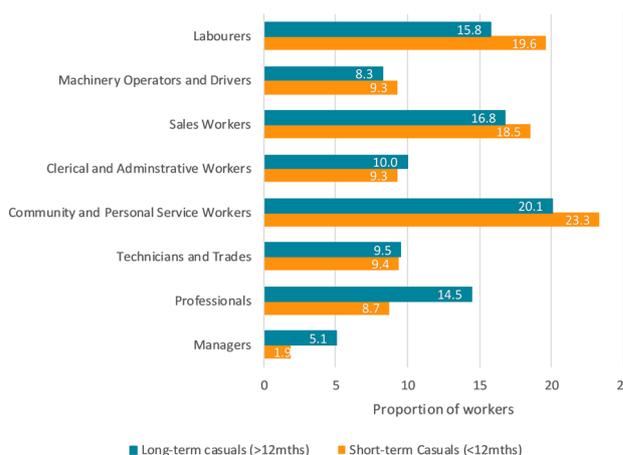
Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Characteristics of Employment 2019, via ABS Tablebuilder.

Occupation breakdowns

Casual workers are more likely to be labourers, community and personal service workers and sales workers. However these occupations represent a higher share among short-term casual workers.

Machinery operators and drivers, clerical workers and technicians and trades workers account for similar shares of the short and long-term casual workforce. Longer-term casuals are more likely to be Managers and Professional workers.

Casual workers by occupation



Source: BANKWEST CURTIN ECONOMICS CENTRE | Authors' calculations from HILDA Wave 18

This represents around 70% of the short-term casual workforce. The gender split shows similar proportions of men and women in each category, however women are slightly more likely to be employed with their current employer for 6 months or more (45.2% compared to 42.0%.

Men are more likely than women to have been employed with their current employer for between 3 and 6 months.