

***The Changing Australian Labour Market:
Developments During the Last Decade***

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Introduction

October 1991 marks a watershed period in Australian industrial relations for it was in this month that the full bench of the Australian Industrial Relations Commission (AIRC) enunciated the Enterprise Bargaining Principle (EBP), heralding in a new era of wage determination in Australia. Since the introduction of the EBP there have been a number of other significant developments in labour regulation aimed at generating more flexibility, increased employment and lower unemployment. The most obvious examples include the *Workplace Relations Act* 1996 and the comparable state legislative reforms.¹

As we approach the 10th anniversary of the EBP it seems appropriate that we look back over the last decade to see just how much the character of the labour market has changed. Using data from a range of ABS (Australian Bureau of Statistics) sources, the remainder of this paper describes some key labour market developments since 1991. Attention is restricted to a limited set of indicators, specifically: employment, participation and work patterns, wages, bargaining and trade union membership. In most instances the inter-decade reference period is financial year 1991/92 to 2000/01, with time-series data used to illustrate trends. In making comparisons between these two financial years it should be remembered that prevailing economic circumstances were different. Financial year 1991/92 marked the start

¹ The most notable development includes the introduction of the *Workplace Relations Act 1996* and the various pieces of state legislation (some of which predates the Workplace Relations Act).

of a recession, while 2000/01 saw a relatively good economic performance during the first half of the year slow to a near ‘technical recession’ during the second half of the year.²

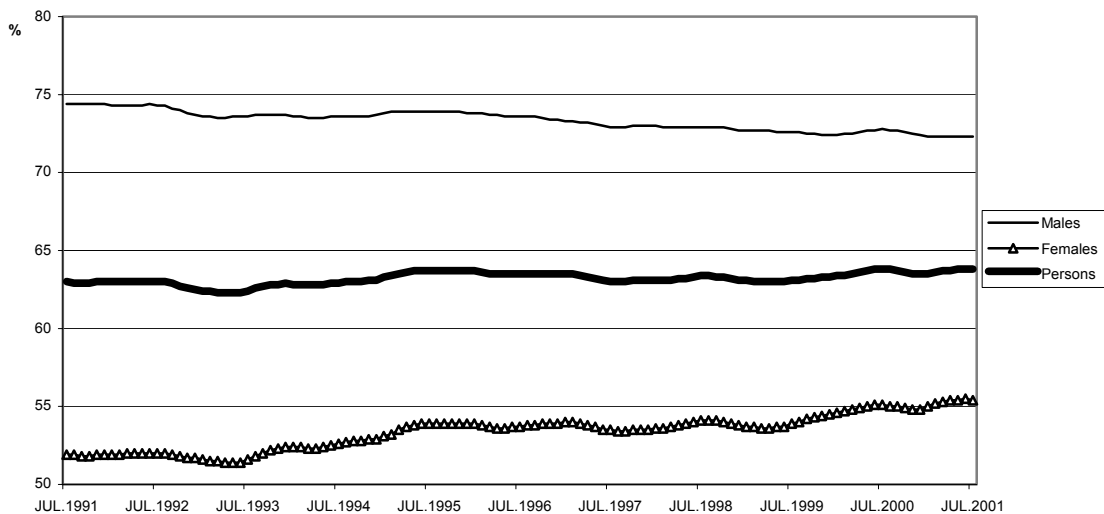
Whilst the paper provides a general review of the Australian labour market, throughout the discussion attention is regularly given to key differences in the labour market performance of males and females. The objective of the paper is descriptive only; no attempt is made to empirically evaluate the potential causes of the changes observed.

WORK PATTERNS

Participation in the labour force

In May, June and July 2001 the (trend series) labour force participation rate was equal to 63.8 per cent, the highest level recorded in 10 years (see Figure 1). The previous highest rate was 63.9 per cent during July-September 1990.

Figure 1, Participation Rate (Trend Series)



² Defined as two periods of negative GDP growth.

The male labour market participation rate has been consistently above the corresponding female rate, although trend data show that there has been some convergence in these patterns in recent times. Male participation rates have fallen from 74.4 per cent in July 1991 to 72.3 per cent by July 2001 (a fall of 2.1 percentage points). In contrast, female participation rates have steadily increased, from 51.9 per cent in July 1991 to 55.4 per cent by July 2001 (an increase of 3.5 per cent).

Employment

Estimates of employed persons indicate relatively strong employment growth since 1993, although the last year has seen a levelling off in this trend. Over the decade to July 2001 total (average annual) employment grew by 19.1 per cent; this was comprised of a 13.5 per cent growth in full-time jobs and a 37.7 per cent growth in part-time jobs (see Table 1). Males moved into 37.7 per cent of all new part-time jobs and 53.5 per cent of all new full-time jobs between 1991/92 and 2000/01. The majority (53.7 per cent) of all new jobs went to females.

The growth in part-time jobs was particularly pronounced in the male labour market (equal to 58.2 per cent) although this reflects, in part, the relatively low base from which male part-time employment has grown from. Between financial years 1991/92 and 2000/01 male part-time employment increased by 251,600 jobs to 683,900 (Figure 2); the corresponding increase in female part-time jobs was 415,400. By 2000/01 male part-time jobs accounted for 7.5 per cent of all jobs in Australia (Table 2).

Table 1: Employment Growth Rates, per cent

	1991/92 - 2000/01			1999/00 – 2000/01			2000/01 to July-01		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
Employed-FT	10.7	19.5	13.5	0.6	3.3	1.5	-1.1	-1.4	-1.2
Employed-PT	58.2	31.0	37.7	7.2	2.4	3.7	7.2	3.1	4.2
Total Employment	15.3	24.3	19.1	1.4	2.9	2.0	0.0	0.5	0.2

Notes: With the exception of July 2001, all other data are for annual average calculations for year ending 30 June.

Fig 2, Employment Trends

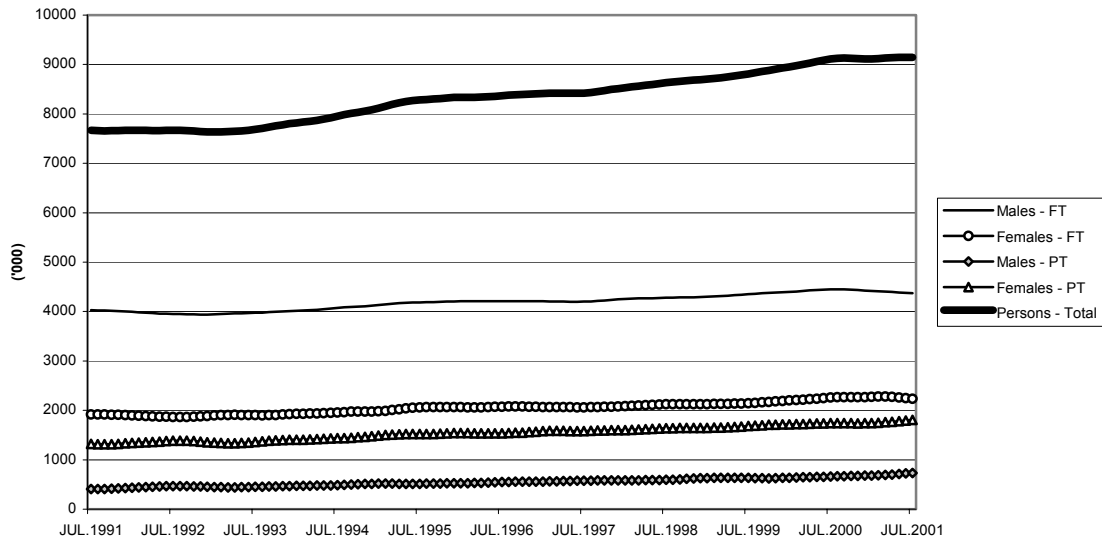


Table 2: Employment Shares, per cent

	Share of Total Employment (%)			Share of Group Total Employment (%)		
	1991/92	1995/96	2000/01	1991/92	1995/96	2000/01
Males						
FT	52.1	50.5	48.4	90.2	88.9	86.6
PT	5.6	6.3	7.5	9.8	11.1	13.4
Females						
FT	24.8	24.8	24.8	58.6	57.4	56.4
PT	17.5	18.4	19.2	41.4	42.6	43.6

Notes: see notes to Table 1.

Notwithstanding the strong growth in male part-time employment over the last 10 years, women are still significantly over-represented in this employment form. Average annual data for 2000/01 indicate that females held 71.9 per cent of part-time jobs, down from 75.6 per cent in 1991/92. In 1991/92 female part-time employment accounted for 17.5 per cent of all jobs; by 2000/01 the corresponding share had increased to 19.2 per cent (Table 2). Consistent with this trend, by 2000/01 the proportion of all employed women working in a part-time capacity had increased to 43.6 per cent. The balance, 56.4 per cent, were employed full-time.

Given the substantial change in male and female employment patterns, it is important to ask whether or not the shifts were evenly distributed within each gender group. Evidence provided in Figures 3 and 4 show that differences were apparent. In the male labour market part-time employment growth was primarily concentrated amongst older males (45-54 year olds). Amongst females the growth occurred amongst young women (aged 15-24) and older women (aged 45 plus).

Figure 3, Distribution of Male Part-Time Employment by Age
(Average Annual Levels, Original Series)

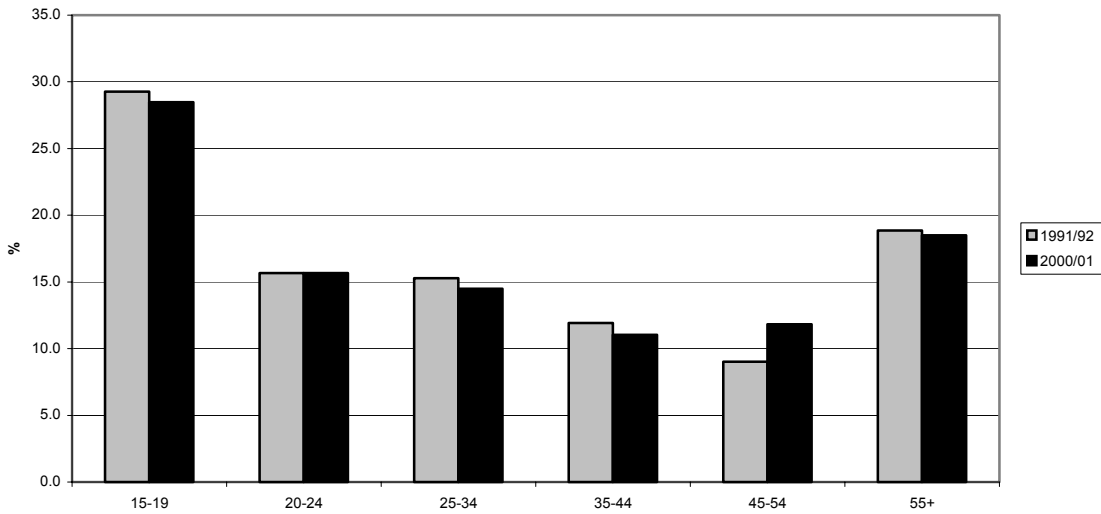
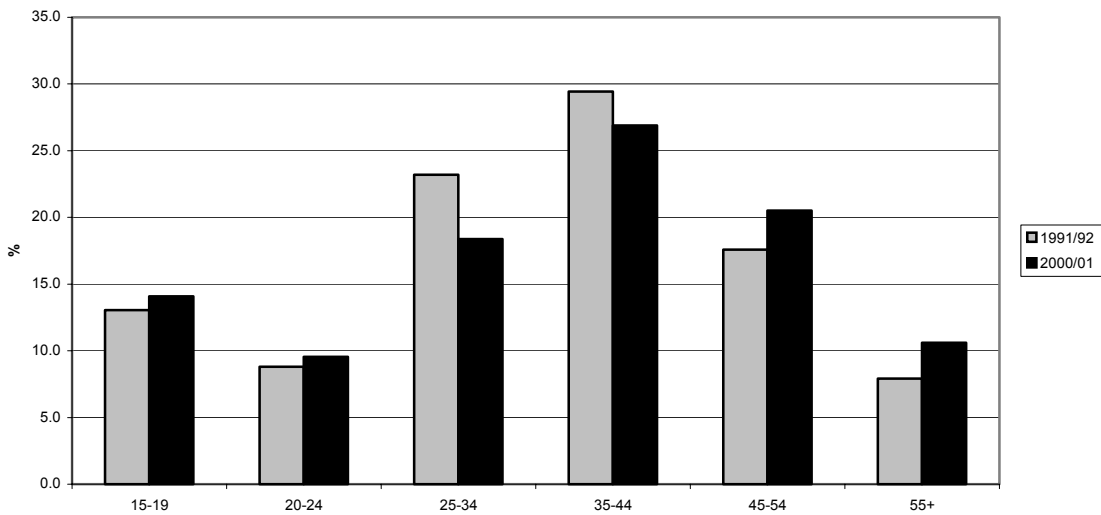
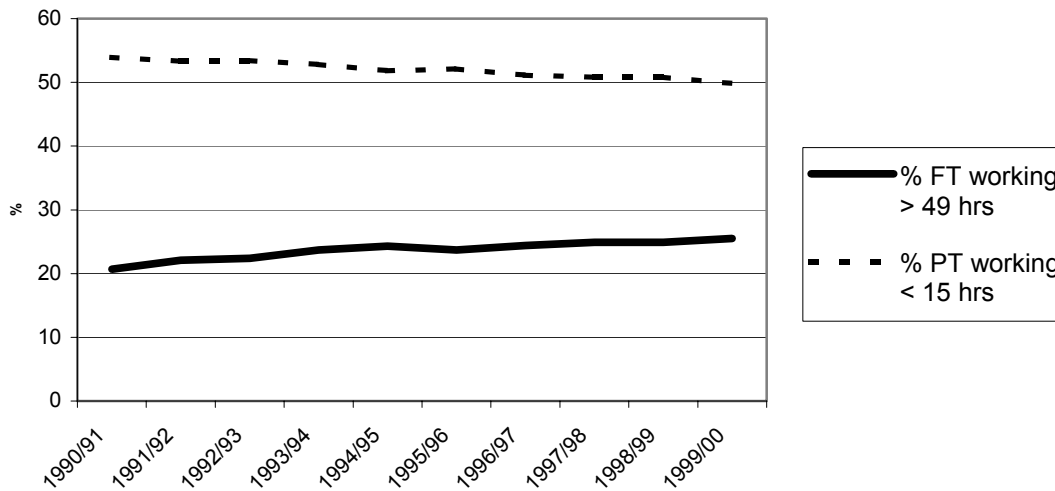


Figure 4, Distribution of Female Part-Time Employment, By Age
(Average Annual Levels, Original Series)



The strong growth in part-time employment, together with data showing an increase in very long hours suggests another question: how evenly is paid work distributed? Figure 5 sheds some light on this question. Over the last 10 years the share of full-time employees working more than 49 hours per week has been steadily increased from 20.7 per cent to 25.5 per cent. At the same time, the share of part-time workers working 15 hours or less per week has declined, from 53.9 per cent to 49.8 per cent. Figures 6 and 7 illustrate some important differences for males and females, respectively. Consistent with the data on part-time employment growth, the hours of work data for men shows a decline in standard hours (35-39) and an increase in part-time hours across all points in the distribution. Females, similarly, have experienced a decline in standard hours and a rise in part-time employment, particularly in the 21 to 34 hours per week brackets.

Figure 5, Trends in Hours of Work



Source: ABS 4102, 2001

Figure 6, Distribution of Hours of Work, Men

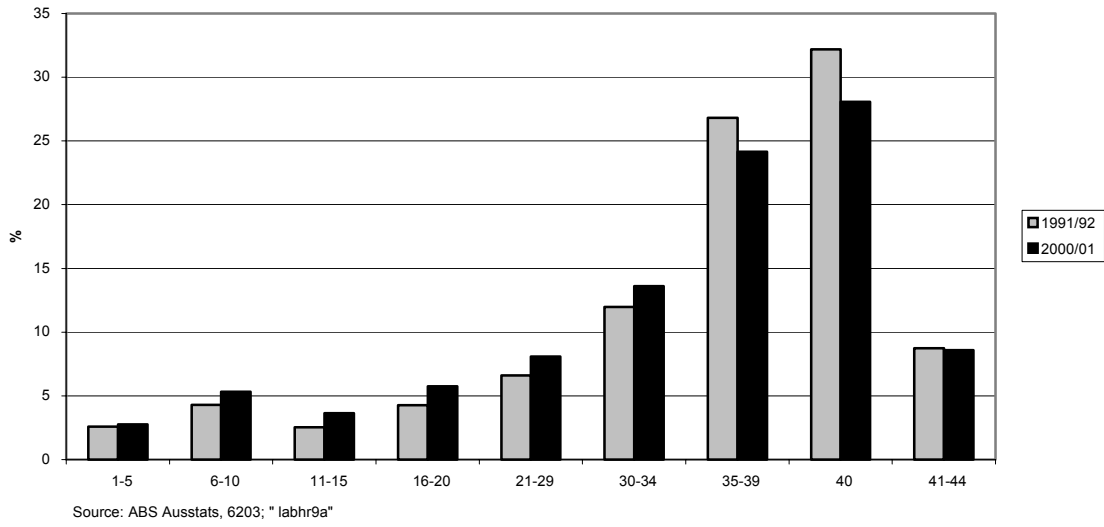
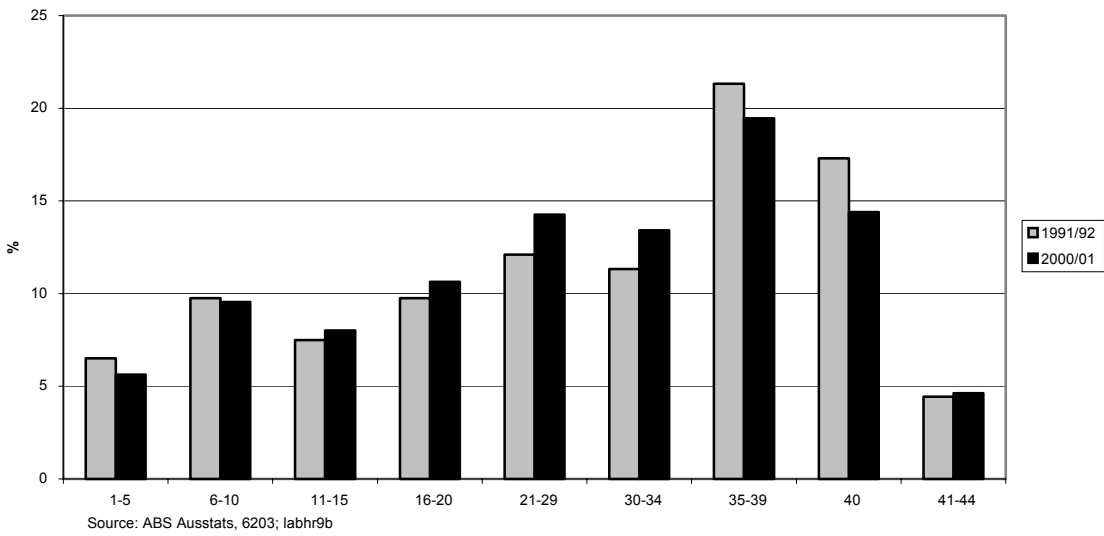


Figure 7, Distribution of Hours of Work, Women



Casual Employment

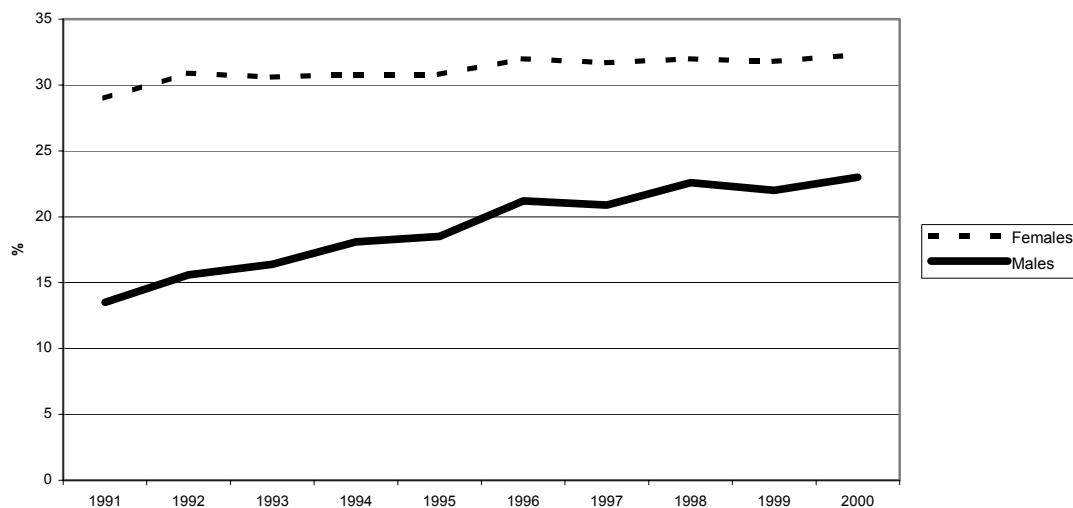
Turning now to the issue of casual employment, or ‘employment without leave entitlements’ (the new official label by the Australian Bureau of Statistics). Trends in casual employment have been well documented and show a rapid growth in this form of employment over the last decade.³ Between August 1988 and 1998 total employment of workers without leave entitlements within Australia increased by 68 per cent (115 per cent for men and 43 per cent for women) (ABS 6203, July 1999). By August 2000 workers without leave entitlements comprised 27.3 per cent of all employees, an increase of 7 percentage points since August 1991 (Table 3). A disaggregated gender analysis of these trends is presented in Figure 8.

Table 3: Casual Employment

	With Leave Entitlements			Without Leave Entitlements			Casual as % Total Employees	
	FT	PT	Total	FT	PT	Total	Aug-00	Aug-91
		(‘000)			(‘000)		%	%
Men	3,077.9	124.7	3,202.5	4612	492.8	954	23.0	13.5
Women	1,726.0	669.8	2,395.8	186.1	957.2	1,143	32.3	29.0
Persons	4,803.9	794.5	5,598.3	647.3	1,450.0	2,097	27.3	20.3

Source: ABS unpublished data from Employee Earnings, Benefits and Trade Union Membership (Cat No. 6310), August 2000 (casual employees, main job).

Figure 8, Employees Without Leave Entitlements (% of total employees)



Source: ABS 4102

Work without leave entitlements is most prevalent in the part-time labour market, accounting for 80 per cent of all male part-time jobs and 59 per cent of all female part-time

³ See the June 2001 issue of the Australian Bulletin of Labour for a special issue on casual employment.

jobs. By August 2000 part-time employment without leave entitlements, as a proportion of total employment, was equal to 18.8 per cent. Permanent full-time employment accounted for 62.4 per cent of total employment; 5.5 percentage points lower than the corresponding share in 1994 (see Table 4).

Table 4: Distribution of Permanent and Casual Employment, 1994 to 2000 (Main Job)

	1994	1995	1996	1997	1998	1999	2000
Permanent FT % Total	67.9	67.2	65.2	64.8	63.4	63.4	62.4
Permanent PT % Total	8.4	8.8	8.7	9.5	9.7	10.1	10.3
Casual FT % Total	6.8	7.0	7.9	7.7	8.5	7.9	8.4
Casual PT % Total	17.0	17.0	18.2	18.0	18.3	18.6	18.8

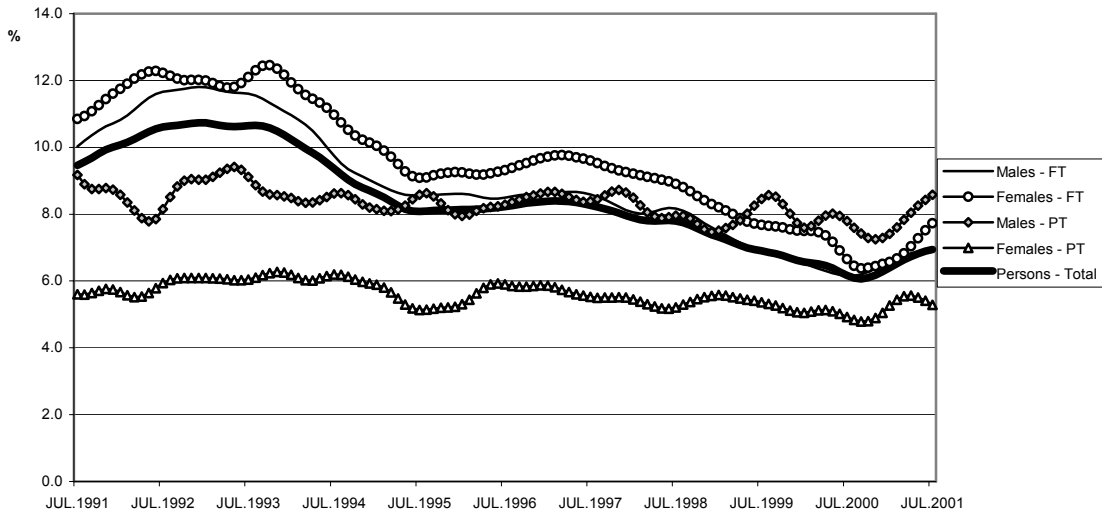
Source: ABS 6310, *Earnings, Benefits and Union Members*, August 1999 & Table 3 above.

The literature on employment trends suggests that labour market deregulation (Fajertag, 1999) together with a preference (demand) for flexible forms of employment, underpins the recent shift in preference for part-time workers. This is particularly the case during the current climate of economic uncertainty (Hepworth and Murphy, 2001) and reflects the flexibility and cost-savings associated with part-time casual employment (Campbell and Brosnan, 1999).

Unemployment

Over the past 12 months, unemployment has been increasing, reversing the trend of steadily falling unemployment which has been apparent since March 1993 (Figure 9). By July 2001 around 6.9 per cent (trend series and seasonally adjusted) of the labour force were unemployed and actively looking for work. This compares with an annual average rate of 6.4 per cent for 2000/01; in 1991/92 the corresponding rate was 10.0 per cent.

Figure 9, Unemployment Trends



The trend data in Figure 9 show that that, throughout most of the last 10 years, the full-time unemployment rate for both males and females was generally above the aggregate national unemployment rate. Since April 1999 the male full-time unemployment rate has converged on the aggregate measure, while the female full-time unemployment rate continues to be above this standard. Over the last 10 years the part-time unemployment rate has been relatively stable, averaging around 5.6 per cent for females and 8.3 per cent for males.

It is important to remember that the official unemployment rate understates the true number of workers wishing to work (Watts, 2000). An element of unemployment is 'hidden'; where hidden unemployment includes unemployed individuals who have given up looking for work and/or jobs with suitable hours (also known as discouraged job seekers) and others with marginal attachment to the workforce (eg. students and care-givers). When hidden unemployment is taken into consideration the adjusted unemployment rate is significantly higher. For example, available statistics for 1997 show, for males, an official unemployment rate of 9.8 per cent and an adjusted rate of 12.2 per cent. For females the corresponding rates were 9.8 per cent (official) and 17.2 per cent (adjusted) (Watts, 2000, p.26). Official unemployment statistics thus significantly under-estimate true levels of unemployment, particularly amongst females. Over the last decade hidden unemployment accounted for, on

average, 16 per cent of total male unemployment (official plus hidden). For females, the share of hidden unemployment as a proportion of total unemployment was much higher, equal to an average of 36 per cent. The ABS has acknowledged the limitations of the official measure and is planning to release additional indicators on unemployment.

Table 5: Hidden Unemployment, by Gender, 1991-1999

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Males									
Official ('000)	478.6	554.7	562.6	494.1	441.5	442.9	446.1	423.0	352.7
Hidden ('000)	92.5	114.7	117.3	100.2	78.9	78.5	80.8	72.7	60.1
Hidden % Total	16.2	17.1	17.2	16.9	15.2	15.1	15.3	14.7	14.6
Females									
Official ('000)	309.2	342.4	351.0	334.7	297.9	307.7	313.4	297.7	257.8
Hidden ('000)	175.9	222.0	230.2	198.8	158.3	158.7	163.5	146.5	120.4
Hidden % Total	36.3	39.3	39.6	37.3	34.7	34.0	34.3	33.0	31.8

Notes: the official measures provide an annual average rate and are based on data from ABS Cat. 6302 (original series). Estimates on hidden unemployment are available from <http://e1.newcastle.edu.au/coffee/indicators/indicators.cfm>.

In addition to hidden unemployment there is also the issue of under-employment. Under-employment may be defined as a situation where individuals are employed, but their skills and productive ability is not being fully utilised. Examples include workers employed in jobs not commensurate with their skills (Watts, 2000) and persons employed part-time but wishing to work more hours. Data for May 2000 indicates that around one third (31.6 per cent) of all male part-time employees would like to work more hours; the corresponding incidence for female part-time employees is lower, equal to 20.3 per cent (ABS 6291.0.40.001, May 2000)

EARNINGS AND BARGAINING

Movement in Earnings

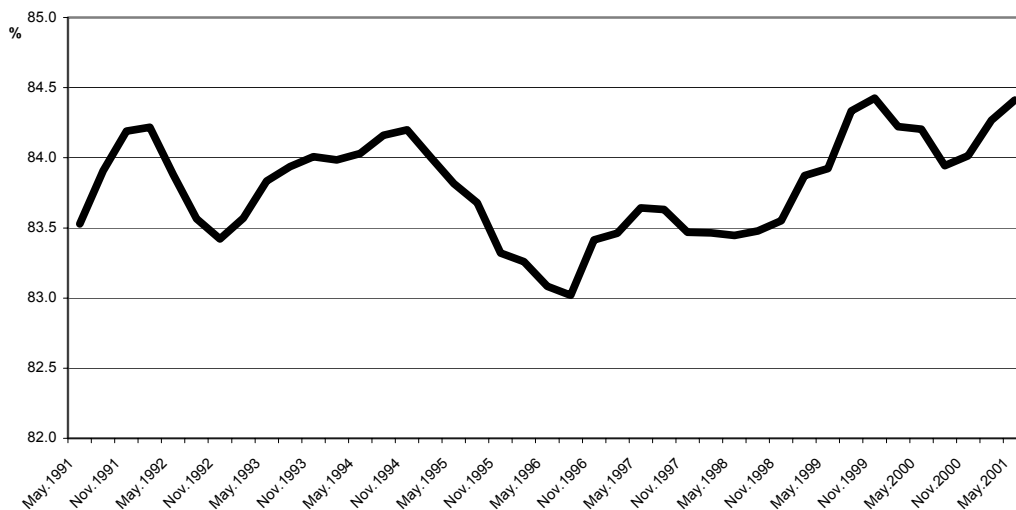
Data on earnings are available from a myriad of sources including the Australian Bureau of Statistics (ABS), government departments and private surveys. The ABS surveys provide the most reliable information on community wide movements in nominal earnings. In the

discussion below three key series are referred to: the ABS quarterly employer survey *Average Weekly Earnings States and Australia* (Cat. 6302); the bi-annual *Employee Earnings and Hours* survey (Cat. 6306); and the ABS *Wage Cost Index* (WCI) (Cat. 6345.0). The index measures changes in wage costs for a fixed ‘basket’ of wage and salary earner jobs (analogous to the Consumer Price Index, CPI) and is, thus, unaffected by compositional changes in the labour market (e.g. age), promotions or changes in the quality or quantity of work performed.

*Average Weekly Ordinary Time Earnings (AWOTE)*⁴

Recent estimates from the *Average Weekly Earnings Survey* indicate that as of May 2001 full-time average weekly ordinary time earnings (AWOTE), nationally, were equal to \$857.53 for males and \$723.85 for females. Compared with earnings at May 2000, male average annual ordinary time earnings increased by 5.1 per cent, while female earnings grew by 5.3 per cent. Notwithstanding relatively strong growth in female earnings there remains a substantial gender wage gap, equal to 15.6 per cent (Figure 10). Since 1991 there has been a one percentage point narrowing in this gap.

Figure 10: AWOTE, Adults, Employed Full-Time, Gender Wage Ratio, Australia
(Four Quarter Moving Average)



Source: ABS Cat. No. 6302.

⁴ Unless otherwise stated, all earnings statistics from on ABS Cat. No. 6302 (*Average Weekly Earnings*) are based on a four quarter moving average. This calculation is designed to smooth fluctuations in the series.

Data from the *Employee Earnings and Hours* survey are used to shed further light on the gender wage gap. Based on data for adult full-time non-managerial employees (52.8 per cent of all employees in May 2000) Table 6 shows that the gender wage gap falls to 8.2 per cent when the comparison is based on total ordinary earnings. It is equivalent to 9.8 per cent using total (ordinary plus overtime) hourly earnings, rising to 15.5 per cent when the comparison is based on total weekly earnings. The latter reflects the fact that male adult full-time non-managerial hours (paid for) are, on average, more than equivalent hours recorded for females; equal to 40.8 and 38.2 hours, respectively.⁵ Between 1992 and 2000 there has been a 1.1 percentage point deterioration in the average hourly ordinary time earnings gender wage gap in the adult full-time non-managerial labour market.

Table 6: Average Weekly Total Earnings and Hourly Wage, Adult Full-Time, Non-Managerial Employees, May 2000.

	1992			2000		
	Total Weekly Earnings	Hourly Earnings		Total Weekly Earnings	Hourly Earnings	
Ordinary Time		Total	Ordinary Time		Total	
GWR	85.8	92.9	90.8	84.5	91.8	90.2
GWG	14.2	7.1	9.2	15.5	8.2	9.8

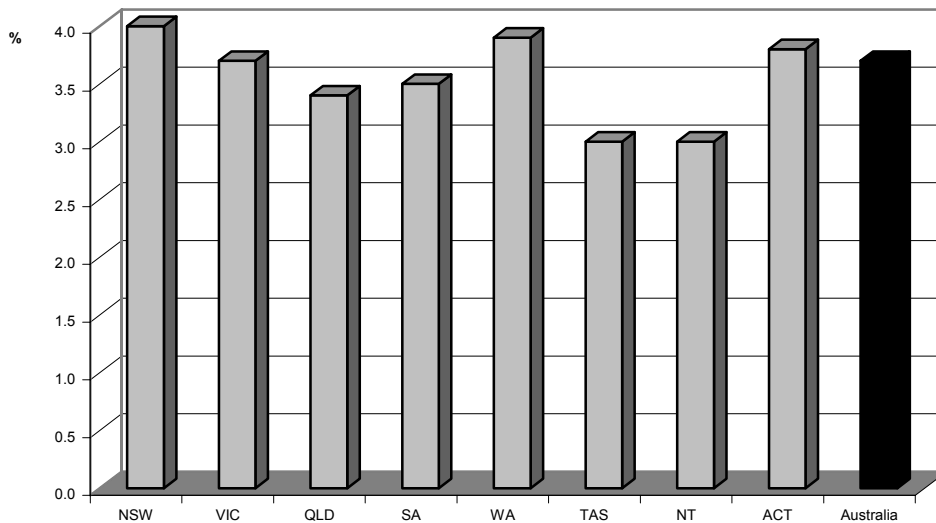
Source: ABS 6306. GWR: gender wage ratio. GWG: gender wage gap.

Wage Cost Index (WCI)

One weakness with the earnings data is that they do not capture underlying changes in the cost of labour; i.e. changes associated with promotions, age increments etc. The ABS Wage Cost Index, first introduced in December 1997 (with a base of September quarter 1997=100), overcomes this problem. Figure 11 below measures the change in the average annual hourly wages (excluding bonuses) between financial years 1999/00 and 2000/01 using this index. Nationally hourly earnings in Australia increased by 3.7 per cent.

Figure 11: Wage Cost Index, Ordinary Time Hourly Rates of Pay, Excluding Bonuses, (Average Annual Index Numbers, Change June 2000 to June 2001)

⁵ The ABS does not collect information on hours of work for managerial employees, hence the absence of comparable indicators on gender wage relativities amongst managerial employees.



Source: ABS 634508a

Relative to the AWOTE measure, growth in the WCI has been fairly moderate and within the Reserve Bank of Australia target band for wage movements (equal to between 3.5 and 4.5 per cent per annum). The differences across the two series reflect, amongst other things, the inclusion of part-timers in the WCI measure (part-timers are not included in the AWOTE data). Such differences are important as emerging evidence demonstrates significant differences in the way in which part-time and full-time wages are determined. Table 5 below shows that, nationally, around 40 per cent of part-timers are dependent on safety-net adjustments (SNAs) awarded through National (or Living) Wage Cases. Only 15.3 per cent of all full-time employees are solely dependent on SNAs for their wage adjustments.

Table 7: Coverage of Agreements (% employees), May 2000

	Awards only	Collective Agreements(a)	Individual Agreements(b)	Total
Full-time employees	15.3	37.8	47.0	100.0
Part-time employees	39.9	34.6	25.5	100.0
All employees	23.2	36.8	40.0	100.0

Notes:

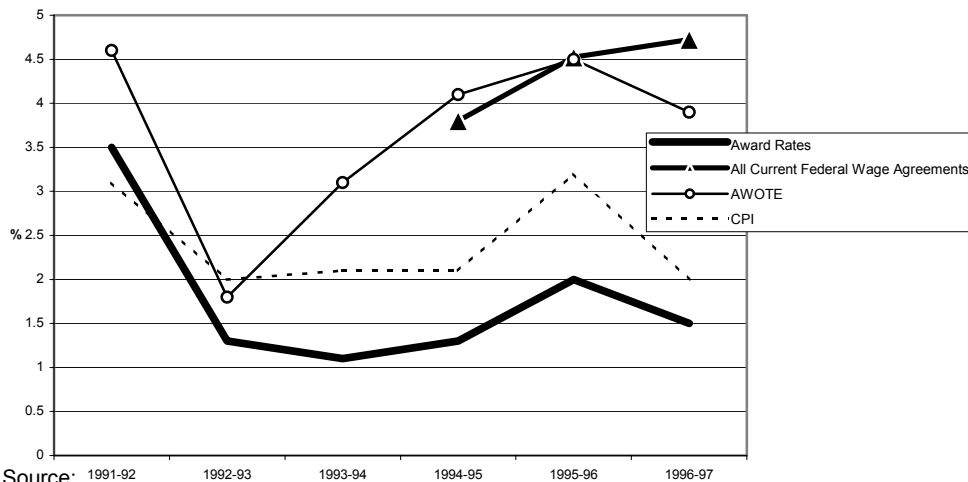
(a) includes registered and unregistered collective agreements.

(b) includes registered and unregistered individual agreements.

Source: ABS Cat. No. 6306, Table 24

Lower wage movements as measured by the WCI may reflect, in part, the lower rates of wage adjustments awarded in the part-time labour market. Figure 12 below, which covers a period for which data were available on movements in award rates, shows that wage increases in the award sector have been significantly lower than movements in other bargaining streams.⁶ More recent data suggests that, in the year to May 2001, earnings generally increased at a rate of 3 per cent per annum, with wages and salaries in certified agreements growing at an even faster rate (AIRC 2001).

Figure 12: Wage Adjustments, 1991-1997



Source: 1991-92 Award Rates ABS Cat. No. 6312
 Federal Agreements: 1994-95 estimate from 1994 Workplace Bargaining Survey; remaining estimates from DEWRSB Workplace Agreements Database
 AWOTE: ABS Cat. No. 6301 and 6302; CPI: ABS Cat. No. 6401.

The lower rate of wage movement in the award stream reflects the pre-eminence given to agreements in determining wages within Australia. Awards have been relegated to a safety-net role. It is frequently argued that if rates of pay within the award stream were to rise by amounts equal to, or higher than, those in the bargaining stream there would be little incentive for employees in the award stream to enter into an individual or collective agreement (DEWRSB, 2001, p.98).

Consistent with a shift away from a highly centralised system of wage determination, data on the distribution of earnings shows that earnings inequality has continued to grow during the 1990s (Table 8). In 1991 low paid adults employed full-time (10th percentile) earned 69 per

⁶ The ARPI (Award Rates of Pay Index) was discontinued after 1997.

cent of those in the middle of the earnings distribution (50th percentile); by 1998 the ratio had declined 4 percentage points to 65 per cent. The pattern of rising wage inequality was particularly pronounced in the male labour market.

Table 8: Earnings Distribution Ratios (%), Full-Time Adult Employees, 1985 to 1998

	1991	1993	1994	1995	1996	1998	<i>%-Point Change</i> 1991-1998
Males							
P10/P50	67	65	65	65	64	62	-5
P90/P50	166	169	167	169	170	175	9
Females							
P10/P50	74	73	73	72	71	70	-4
P90/P50	154	155	154	154	153	155	1
Persons							
P10/P50	69	68	68	68	66	65	-4
P90/P50	168	166	165	167	168	172	4

Source: ABS Cat No. 4102, p.145. (Includes Managerial + Non-Managerial Adults).

Safety Net Adjustments

The ability to secure wage increases via bargaining varies across occupations, industries and workplaces and is influenced by factors such as unionisation, industry concentration and bargaining infrastructure. The high rate of dependency on award rates amongst part-time employees, combined with high growth rates in part-time employment, suggests that the safety net adjustment (SNA) process remains an important vehicle for constraining rising wage inequality within the labour market.

On 2 May 2001 the Australian Industrial Relations Commission (AIRC) handed down a decision on the “Safety Net Review – Wages May 2001” case (Print PR002001). Under the decision the rates of pay for full-time employees (38 hour week) in awards were increased as follows: \$13.00 per week up to and including \$490.00 per week; \$15.00 per week for award rates above \$490.00 per week and up to and including \$590.00 per week; and \$17.00 per week in award rates above \$590.00 per week. The federal minimum wage was increased \$13.00 to \$413.40.

The form of adjustment awarded reflects the AIRC concern with wage relativities and an effort to ensure that wage differentials at middle and upper levels of the award remain 'fair'. Previous evidence shows that when relativities become too misaligned worker effort and industrial unrest are, in turn, affected (Preston, 2001).

Earnings of Part-Timers

Data shown above indicates that part-timers are more likely to be within the award stream than the bargaining stream and, are therefore, more likely to experience slower wage growth. To examine whether or not part-time earnings have suffered as a result of a shift away from highly centralised (multi-employer) bargaining data on the *ordinary* (ie. excluding overtime) hourly earnings of part-time and full-time employees are presented in Table 9. The data are all published data from ABS *Employee Hours and Earnings*, Cat. No. 6306. Calculations for full-time employees are restricted to total (adult plus junior) non-managerial employees. ABS published data on part-time earnings groups adults and juniors together and makes no distinction made between managerial and non-managerial employees.^{7,8}

Table 9: *Average Hourly Ordinary Time Earnings, Full-Time/Part-Time Earnings Ratios, 1991-2000*

	1991	1992	1995	1998	2000	%-point change 1991-2000
M-PT/M-FT	96.5	92.9	87.5	84.4	83.4	-13.0
F-PT/M-FT	93.1	93.4	88.3	85.2	85.4	-7.7
F-FT/M-FT	89.5	92.2	92.5	90.8	92.0	2.5
F-PT/F-FT	104.0	101.3	95.5	93.8	92.8	-11.2
F-PT/M-PT	96.5	100.6	100.9	100.9	102.3	5.9
PT/FT	96.8	96.3	90.3	88.0	88.5	-8.3

Source: ABS 6306. Notes: M=Males, F=Females; FT=full-time non-managerial employees; PT=non-managerial+managerial employees. Note: the Employee Earnings and Hours survey does not collect hours information for managerial employees. Part-time hourly earnings are thus derived using information on non-managerial hours, only.

⁷ Non-Managerial employees are defined by the ABS as those who are not in charge of a significant number of employees or do not have significant responsibilities in the conduct or operations of the organisation and are, usually, eligible for overtime pay. Non-managerial employees include supervisors and non-managerial professionals. Working proprietors and working directors of own incorporated businesses are excluded. As at May 2000, managerial part-time workers comprised 3.7 per cent of all part-time employees.

⁸ For some years there is some exception to this generalisation. May data for 1992 and 1995, for example, provide information on *total* (not ordinary) time earnings of adult non-managerial part-time workers, thus allowing comparison against comparable total hourly time earnings of adult non-managerial full-time workers.

The data show that by 2000 the average hourly ordinary time earnings of part-timers represented 88.5 per cent of comparable full-time earnings; a fall of 8.3 per cent since May 1991.⁹ Deterioration in the part-time earnings differential was most pronounced within the male part-time labour market. Between 1991 and 2000 the male part-time/full-time earnings ratio widened by 13.0 percentage points to 83.4 per cent. The ratio of female part-time earning to male full-time earnings (ie. using the same base rate comparison) deteriorated by 7.2 percentage points over the same period. The marked change in the male part-time labour market as compared to the female part-time labour market presumably reflects the significant growth in male part-time casual employment over the 1990s. Whitehouse (2001) shows that between 1990 and 1998 the part-time casual/full-time permanent non-managerial total hourly earnings ratio deteriorated from 92 per cent to 83 per cent; a change of 9 percentage points (Table 10).

Table 10: *Casual/Permanent Earnings Ratios, 1990-1998*

	1990	1998	%-Point Change 1990-1998
PT-casual/FT-permanent	92%	83%	-9
FT-casual/FT-permanent	95%	93%	-2
Total-casual/FT-permanent	93%	87%	-6

Source: Whitehouse (2001), Table 3, based on unpublished ABS data from Cat. No. 6306.

Within the part-time workforce there was a 5.9 percentage point convergence in the gender pay gap over the 1990s, such that by 2001 the female-PT/male-PT earnings ratio was equal to 102.3 per cent (ie. females had a wage advantage of 2.3 percentage points) (Table 9).

⁹ Over the same period (May 1991 to May 2000) average hourly *total* earnings (which includes overtime payments) of part-timers relative to full-timers declined 9.1 percentage points to 86.5 per cent. The following table replicates Table 9 above, using average hourly total earnings.

	1991	1992	1995	1998	2000	%-point change 1991-2000
M-PT/M-FT	93.9	91.1	85.5	82.9	82.7	-11.2
F-PT/M-FT	90.7	91.0	85.6	83.4	83.6	-7.1
F-FT/M-FT	87.5	90.2	90.4	89.1	90.6	3.1
F-PT/F-FT	103.6	100.9	94.7	93.6	92.3	-11.3
F-PT/M-PT	96.6	99.9	100.1	100.6	101.1	4.5
PT/FT	95.6	94.5	88.6	84.8	86.5	-9.1

Notes: see notes to table 9.

However, the fall in the relative returns in part-time employment as a whole, combined with the large number of women in part-time work, effectively discounts any relative gains made by women employed part-time. Whitehouse (2001) arrives at a similar conclusion. Between 1990 and 1998 the overall hourly gender pay ratio remained unchanged at 88 per cent.

Trade Union Membership & Industrial Disputes

Trade union membership has declined steadily over the 1990s, from 39.6 per cent in 1992 to 24.7 per cent by August 2000 (a fall of 14.9 percentage points). Although the membership rates of men are higher than women, it is apparent that the shares are converging. In 2000 the membership rate for women was equal to 23 per cent, and 26 per cent for men. Many structural changes, such as the strong growth in casual and part-time employment, can explain the changing union membership rates observed here. In 2000, for example, the union membership rate amongst ‘employees without leave entitlements’ was 8.9 per cent. Amongst all permanent employees the corresponding rate was 31 per cent. Other structural factors affecting membership rates include: a decline in public sector employment, growth of industries where union density is low, reductions in firm size, union amalgamation policy and recent legislative changes (Petz 1998).

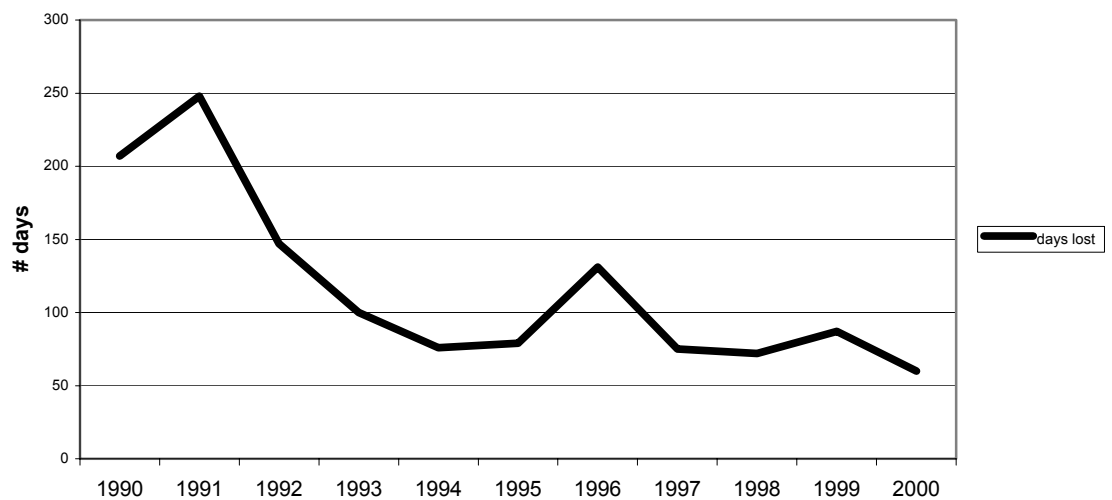
Table 10: *Trade Union Membership (%), 1992 and 1999*

	1992	1994	1996	1998	2000	%-point change 1992-2000
Sex						
Males	43.4	37.9	33.5	30	26.3	-17.1
Females	34.8	31.3	28.1	25.8	22.8	-12.0
Persons	39.6	35.0	31.1	28.1	24.7	-14.9
Sector						
Public	67.1	62.3	55.4	52.9	47.4	-19.7
Private	29.4	26.0	24.0	21.4	19.1	-10.3
Leave Entitlements						
With	46	41.3	37.4	34.2	30.6	-15.4
Without	17.2	14.7	13.1	11.6	8.9	-8.3
FT & PT employees						
FT	44.3	39.1	34.5	31.2	27.9	-16.4
PT	25.2	22.9	21.6	20.2	17.1	-8.1

Source: ABS 6310.0

The following figure on industrial disputes shows that over the 1990s there has been a significant fall in the number of days lost as a result of industrial disputes. Reduced bargaining strength brought about by observed labour market trends (eg. growth in casual employment) and declining trade union membership undoubtedly contribute towards this outcome. In 1999 the number of working days lost increased 24 per cent on the 1998 figure, while the number of employees involved increased by 32 per cent (ABS 6322.0, 2000). Final ABS data on industrial disputation in 2001 may show an increased level of industrial disputation associated with the political cycle and the emerging crisis in the health care sector.

Figure 13, Working Days Lost Due to Industrial Disputes
(per 1000 employees)



Summary and Conclusion

The last decade has seen a number of significant changes within the Australian labour market. Most noticeable amongst them is the shift towards part-time casual employment and a concomitant deterioration in full-time permanent employment. In the early 1990s the latter accounted for 67.9 per cent of all jobs in Australia; by 2000 only 62.4 per cent of jobs could be defined as such.

Employment growth has been stronger for women than men, with women shifting into 53.7 per cent of all new jobs, the majority of which were part-time. Male part-time employment has also grown strongly, increasing by 58.2 per cent between financial years 1991/92 and 2000/01. Growth in male part-time employment was primarily concentrated amongst older workers (those aged 45-54 years), with contracts tending to exclude 'leave entitlements' (ie. contracts were typically casual). As at August 2000, 80 per cent of all male part-time jobs were casual; the corresponding share for females was 59 per cent.

Such developments have had a significant impact on the distribution of earnings and little impact on unemployment trends. As of July 2001 6.9 per cent of the labour force were unemployed, not including the hidden unemployed. Inclusion of the latter significantly increases the measured incidence of unemployment in Australia, particularly for women. Currently around 32 per cent of all female unemployed persons are not included within the official ABS measure of unemployment.

Turning to indicators of inequality, the data show that earnings inequality is particularly marked within the male labour market. By 1998 low paid male adults earned 62 per cent of male adult median earnings; a fall of 5 percentage points since 1991. Low paid females earned 70 per cent of female adult median earnings. The observed changes may be directly linked to changes in arrangements for wage setting within Australia, and an explicit policy of below average adjustments within the award stream. Part-timers have been particularly affected by the shift away from centralised wage setting. In 1991 the part-time/full-time wage ratio was equal to 96.8 per cent; by 2000 it had fallen to 88.5 per cent. Policies with respect to award wage determination, strong employment growth in the male part-time casual labour market and a significant decline in levels of trade union membership have all contributed to a significant deterioration (13 percentage points) in the relative earnings of males employed part-time since 1991. By 2000 the male part-time/full-time average hourly ordinary time wage ratio was equal to 83.4 per cent.

The gender wage gap in the part-time labour market has significantly converged over the decade, but the change brings little comfort since it is a direct result of deteriorating male

part-time earnings. Female part-time earnings have also declined relative to full-time earnings.

In conclusion, it would seem that legislative and other IR reforms have done little to improve the rate of joblessness in Australia and have, instead, contributed to increased incidence of employment without leave (holiday, sick and long-serve) entitlements; 27 per cent of the workforce is now casual. The shift would appear to be principally demand driven, reflecting economic uncertainty, an employer preference for flexibility, and cost-savings associated with casual part-time contracts. This has, in turn, contributed to rising wage inequality. The implications of these observed changes are serious and are increasingly the focus of attention within the academic community (eg. Fincher and Saunders, 2001). It is time for greater public debate of these changes too.

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