

Job Insecurity: Tackling a Crisis That Isn't

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Boosting job security (and wages)

“Job insecurity is at a crisis point in Australia”

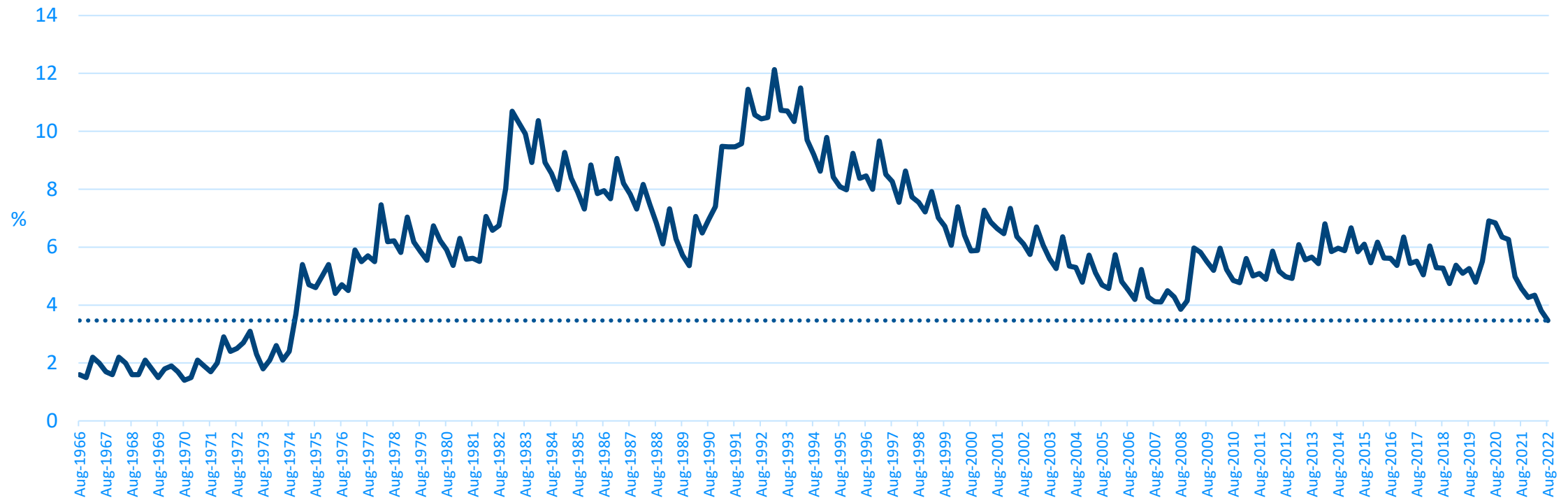
(Senator Tony Sheldon, Chair, Senate Select Committee on Job Security)

BUT WHAT IS JOB INSECURITY?

1. Likelihood / fear of job loss
2. Cost of job loss
 - Loss of income when out of work
 - Probability of re-employment

Job insecurity crises in the past ... or what economists call recessions

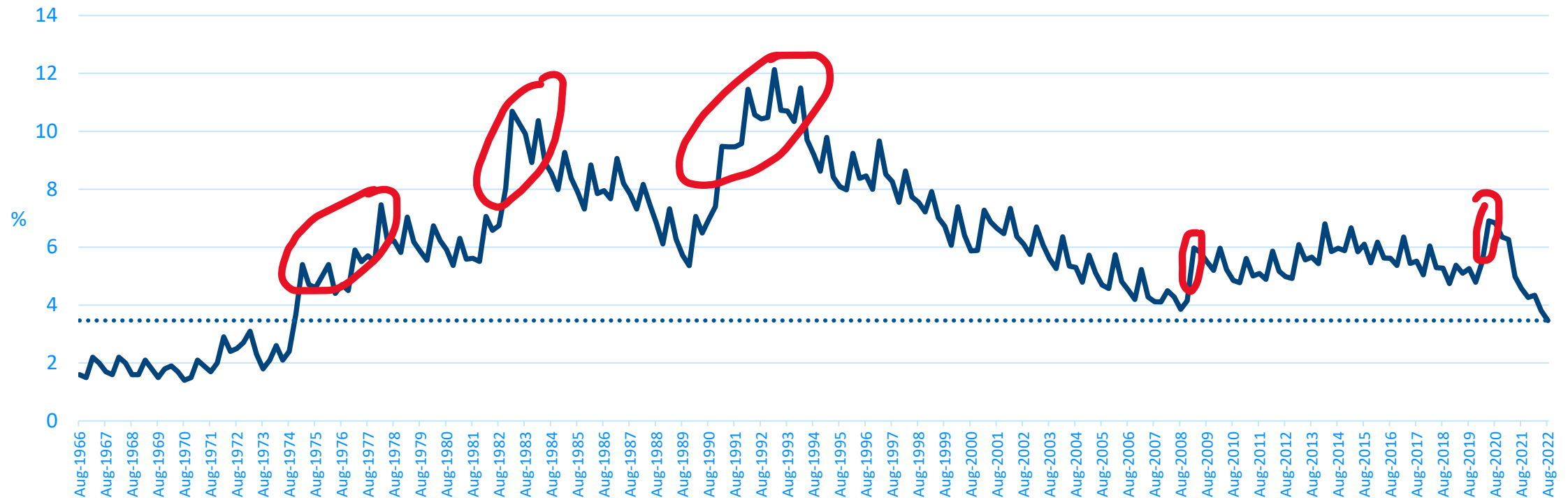
Unemployment rate, Australia (original), 1966-2022



Source: Australian Bureau of Statistics

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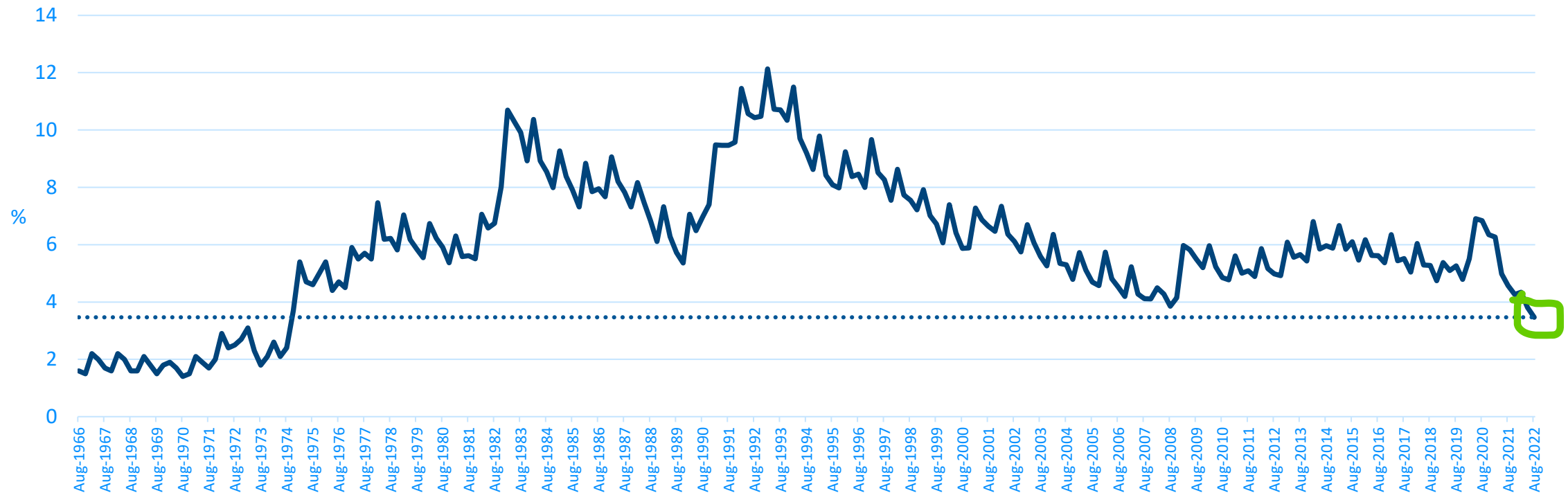
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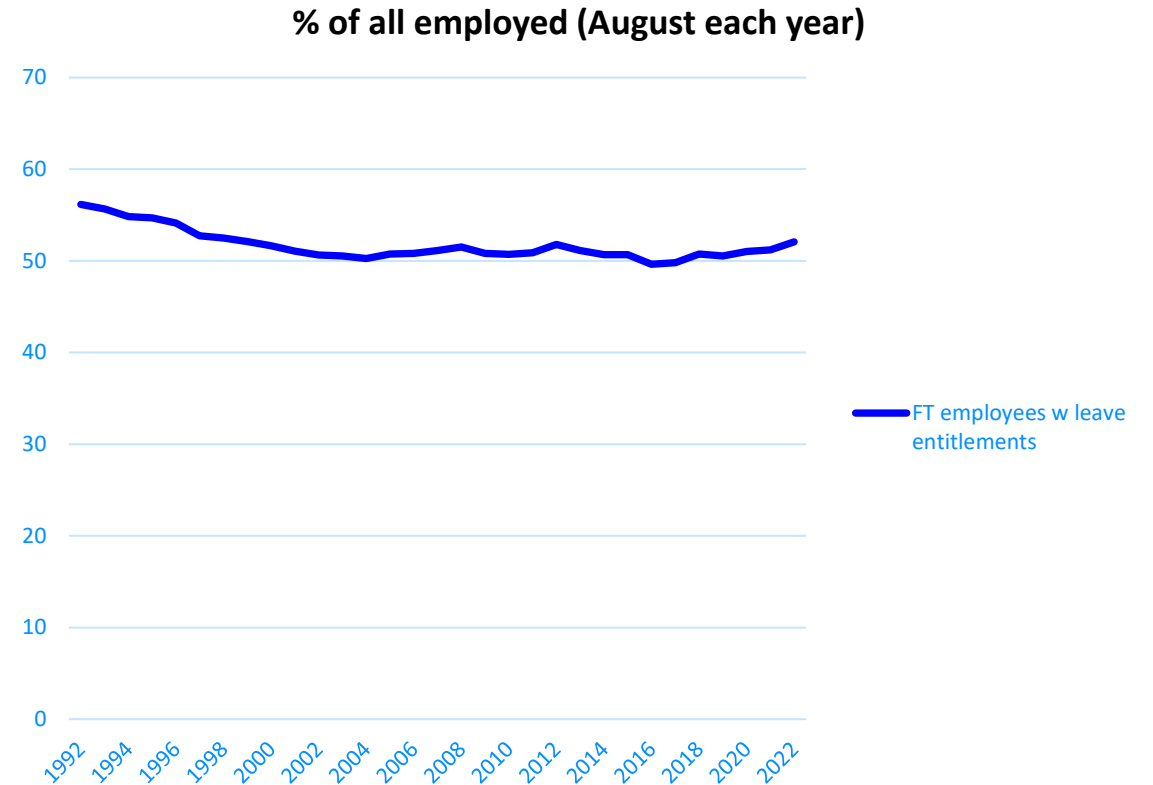
Unemployment rate, Australia (original), 1966-2022



Source: Australian Bureau of Statistics

But isn't permanent employment in decline?

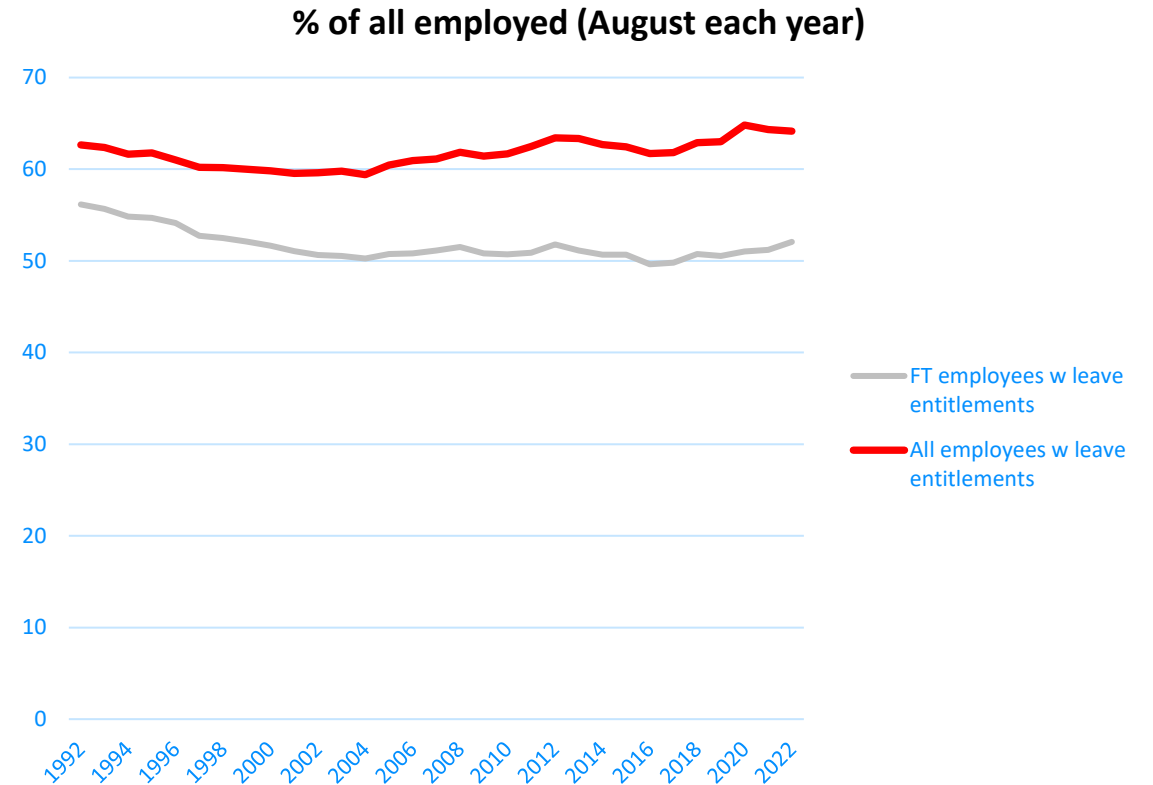
- FT permanent share declining.



Source: Australian Bureau of Statistics.

But isn't permanent employment in decline?

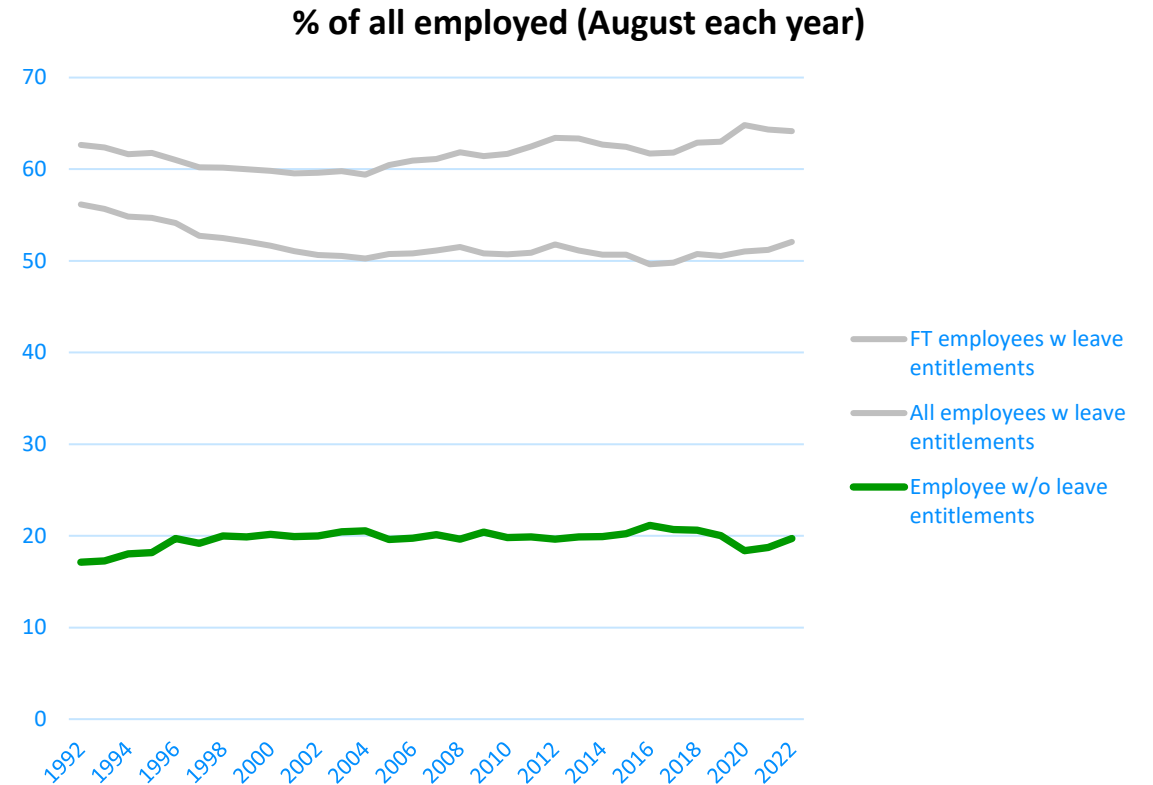
- FT permanent share declining.
- But now add PT permanents.



Source: Australian Bureau of Statistics.

But isn't permanent employment in decline?

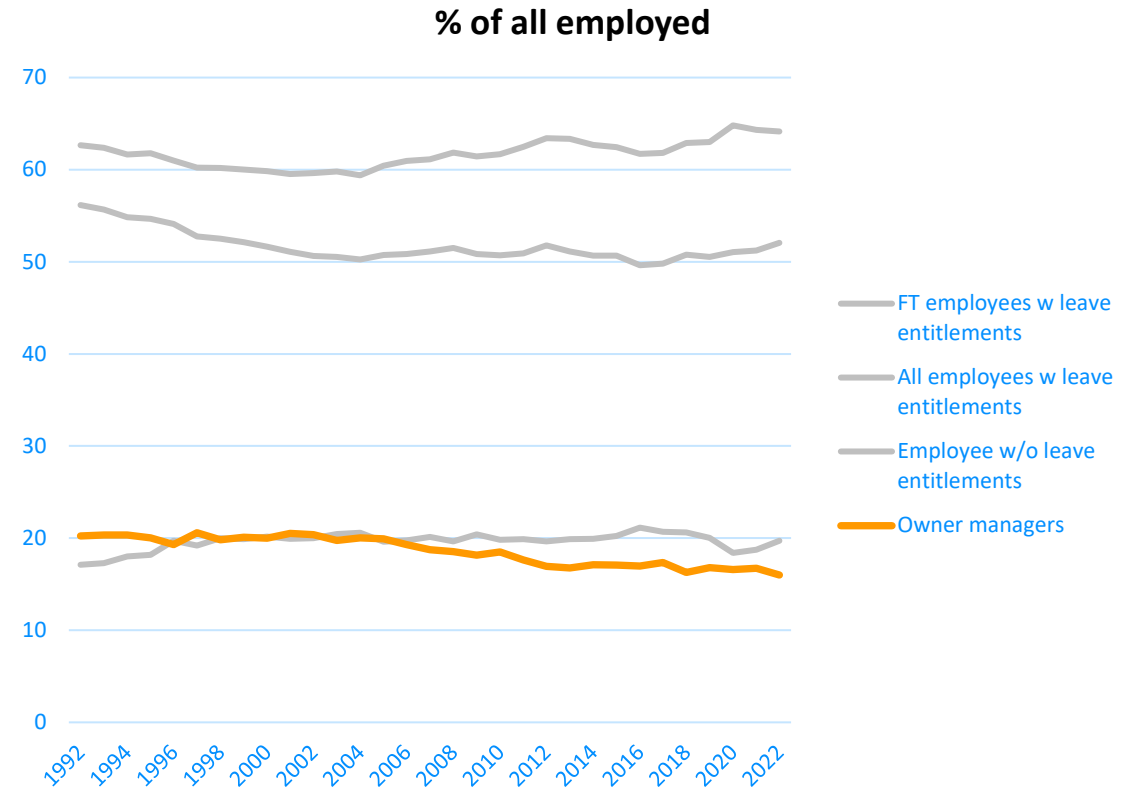
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- But now add PT permanents.
- But what about casualisation?



Source: Australian Bureau of Statistics.

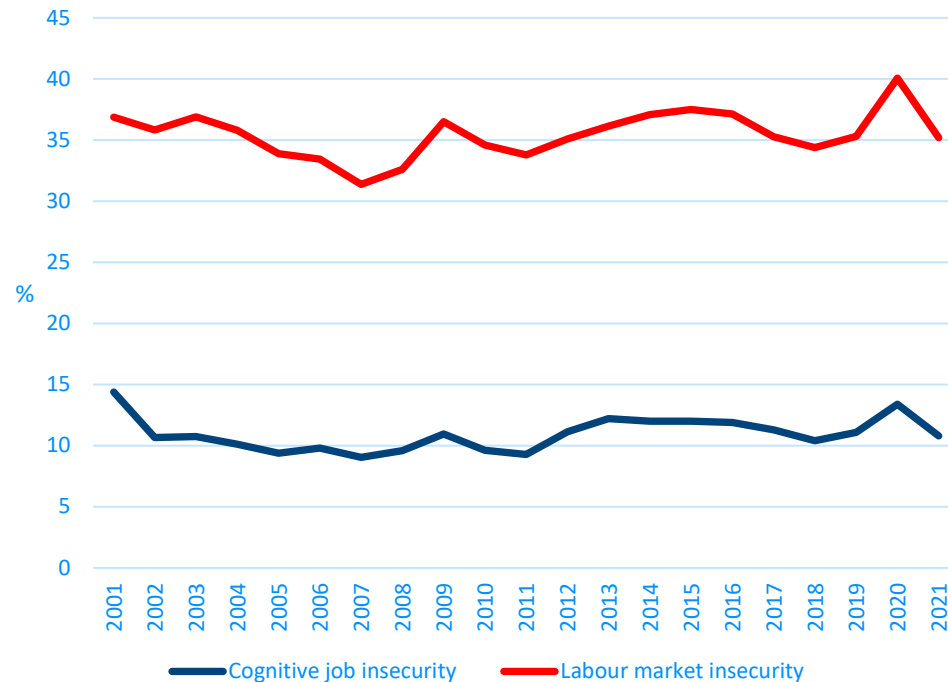
But isn't permanent employment in decline?

- FT permanent share declining.
- But now add PT permanents.
- But what about casualisation?
- But what about gig workers / contractors?
 - Large fraction of owner managers are contractors.
 - Digital platform workers = 0.6% of employed in 202 (HILDA Survey)



Source: Australian Bureau of Statistics.

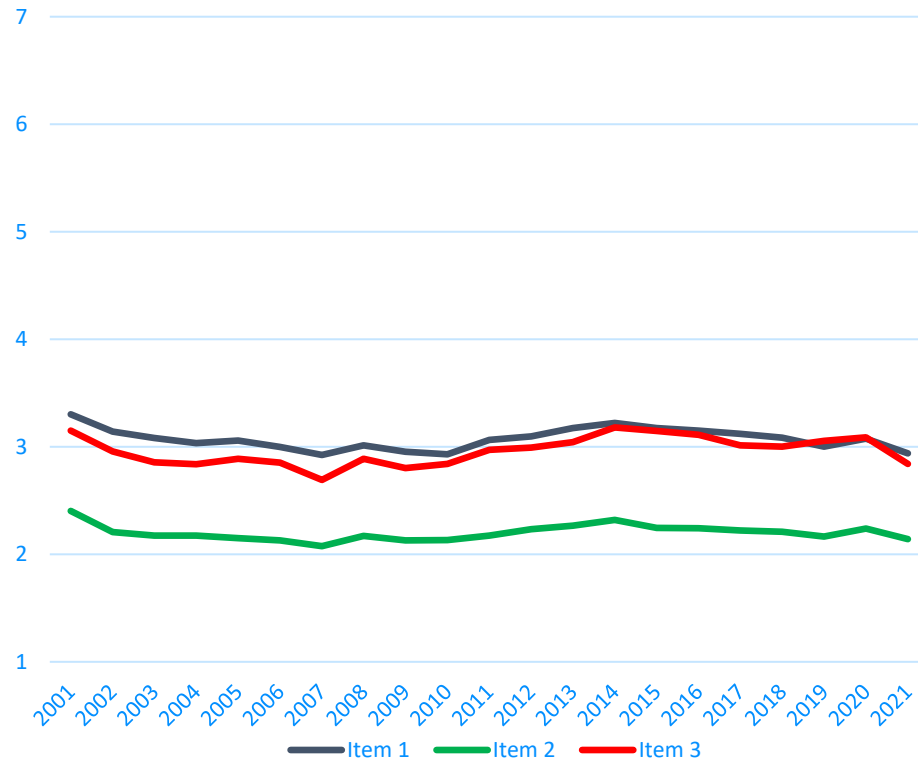
Subjective job insecurity (I)



- Cognitive insecurity: *% chance of job loss in next 12 months.*
- Labour market insecurity: *100 minus % chance that, in event of job loss, next job would be at least as good as current job.*

Source: HILDA Survey.

Subjective job insecurity (II)



Source: HILDA Survey.

- Item 1: *I have a secure future in my job* (reversed).
- Item 2: *The company I work for will still be in business 5 years from now* (reversed).
- Item 3: *I worry about the future of my job.*

[2021 data available December.]

The Jobs + Skills Summit: Job security not up for discussion

It is all in the existing commitments

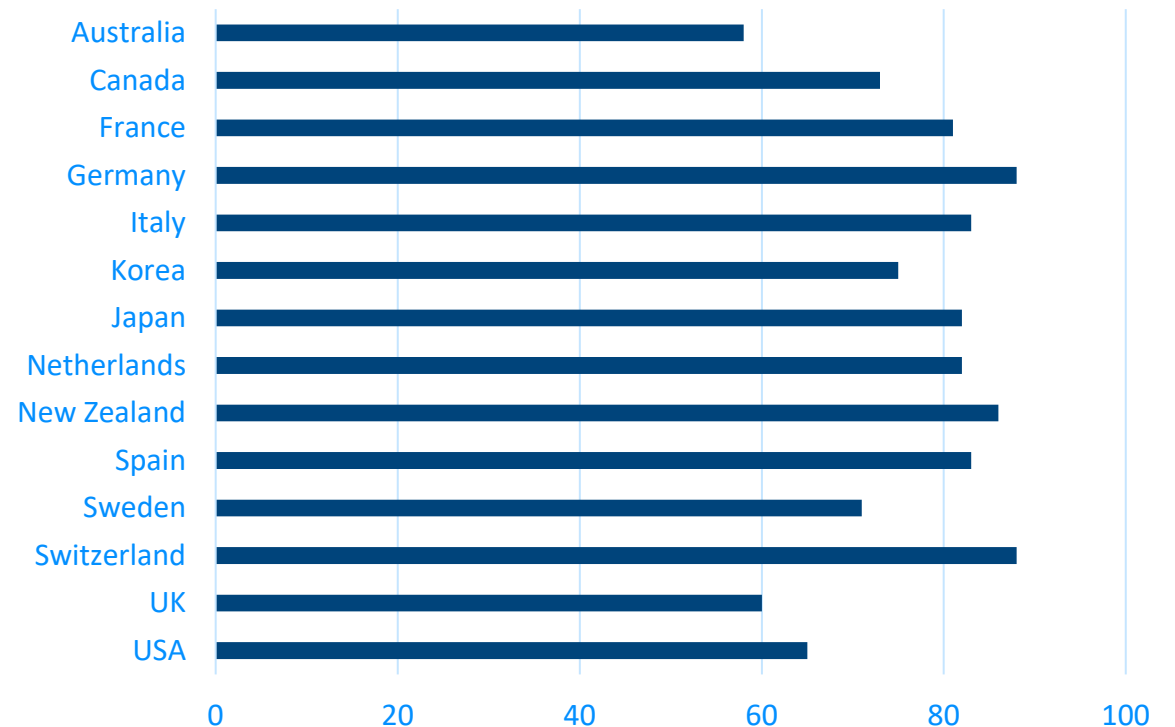
- Better definition (an objective test) of casual employment
- Same job, same pay
- Limit the use of fixed-term contracts
- Extend powers of FWC to include “employee-like” forms of work

What was not changing: The high cost of job loss

- Low flat rate unemployment benefit
- No unemployment insurance

Net income replacement rate (%) in unemployment, 2020

(average wage earner unemployed 2 months, couple w
2 kids, partner earning 67% of AWE)



Source: OECD.stat

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