

## **Opinion piece on “insecure work”**

**Innes Willox, Chief Executive Australian Industry Group**

The bogus scourge of “job insecurity” is being used by the union movement, the Greens and an array of misguided interest groups and academics to pursue further workplace restrictions on businesses. In reality, there is no such problem but they are not letting facts get in the way of their objectives.

Let’s take the campaigners’ assertion that 40 per cent of the workforce are in “insecure work”. This claim has been repeated so many times that even some reputable commentators have started to refer to this as a fact. It is not.

Earlier this year the Australian Bureau of Statistics (ABS) released its *Forms of Employment, Australia* report which showed that there were 11.35 million people in the workforce. Of these, over 7 million (more than 62%) had leave entitlements; that is, they were permanent employees. There were 2.2 million casuals (19%), 1 million independent contractors (9%) and another 1 million “other business operators” (9%).

If every independent contractor and every “other business operator” is included, the figure comes to 38% but the notion that these people are all in “insecure work” is absurd. The 1 million independent contractors are the carpenters, plumbers, electricians and truck drivers that we all know. The vast majority of these have absolutely no desire to be employees. According to the ABS definition, the additional 1 million “other business operators” spend most of their time managing their businesses and/or their employees. On any assessment, the 40% figure quoted by the unions is a gross misrepresentation.

A second old chestnut that can be easily debunked is that Australia’s workforce is increasingly being casualised. The level of casual employment in Australia today is about the same as it was 5 years ago and 10 years ago. In fact according to the ABS there has been a steady decrease over the past five years. In 2007, it was 21%, in 2009 it was 20%, and now it is 19%. Casual employment peaked in 2007 and is lower today than it was seven years ago.

A third erroneous claim is that casuals want to be employed on a permanent basis. “Casual conversion” clauses, which give employees the right to request to convert to permanent employment with only reasonable refusal allowed, have existed in numerous industrial awards since 2000. However, despite this, employer after employer report that whenever they give their employees the option to convert to permanent employment almost none (less than one per cent) want to. Casuals do not want to lose their flexibility or their casual loading.

A fourth erroneous assertion is that it's employers who are somehow forcing their employees to become casuals. While it is true that many employers need a mix of casual and permanent employees to maximise flexibility, in a large proportion of cases it is the employees who want to be casuals because they like the flexibility and the 25 per cent loading. Many people prefer casual employment as it allows them to participate in the workforce and balance family responsibilities or study commitments.

The ACTU is using the "insecure work" campaign to argue for more restrictions on employers. Last year they proposed that Fair Work Australia be given the power to make "Secure Employment Orders" to force businesses to employ staff on a permanent basis. The proposal was adopted by the recent union inquiry into insecure work and this week the proposal was incorporated in an Australian Greens Bill.

The unions called their inquiry the "independent inquiry into insecure work". With respect to Brian Howe and the others involved, this is a very creative title when the unions commissioned the inquiry, selected those who conducted the inquiry, and the final report was presented to the unions. The unions bombarded the inquiry with submissions and statements. Employer groups chose not to participate because the inquiry was established by the unions with the aim of imposing restrictions on employers.

The concept of "Secure Employment Orders" must be rejected. Australia's future success depends upon the maintenance of flexible workplaces. In the real world the only true job security for workers comes from ensuring that businesses remain profitable and competitive.

There is no "insecure work" problem in Australia. The problem is the campaign by unions to convince the public that there is a problem so that they can impose a raft of new restrictions on employers. Could the fact that very few casuals and contractors are union members be a key motivator for the campaign?