

Friday, 25 August 2017

It's Official: Australia is 'on the move' employment-wise

Analysis of long-running trends in the Australian labour market shows the rising Australian population this century has led to rising indicators across the board. Australian employment is up, both full-time and part-time, but there is still capacity in the Australian labour market. Australia's 'workforce'* is driven up by increased employment as well as increased unemployment and under-employment.

Much is made of monthly 'unemployment' figures and increasingly 'under-employment' figures. Little real analysis is presented in simple terms to explain what these numbers mean, and how they relate to the daily lives of Australians.

For instance the 'workforce' is defined as the total number of people who are employed or looking for work. This means the 'workforce' can increase because there are more jobs or because more people start looking for work (e.g. at the beginning of the year when the new graduates start their search for employment). Conversely the 'workforce' can go down because there are fewer jobs; or because people give up looking for work.

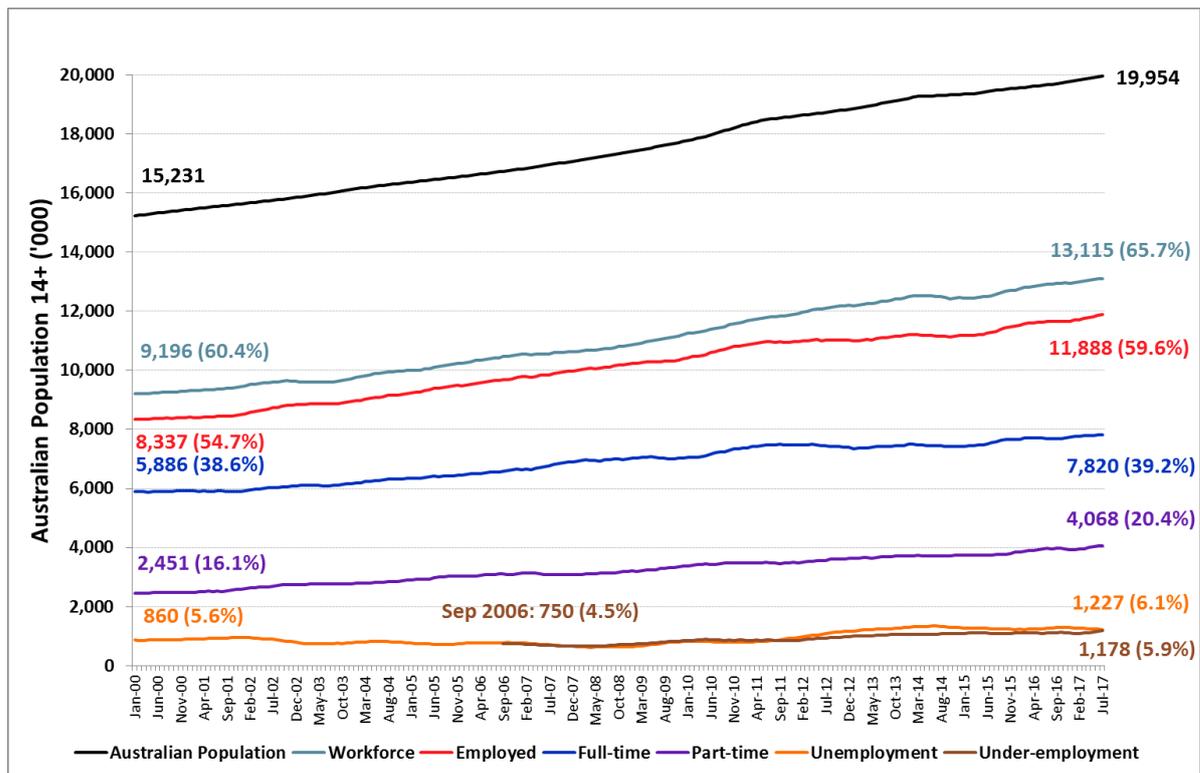
'Unemployment' is defined as the percentage of the 'workforce' who are looking for work. These measures of 'workforce' and 'unemployment' tend to mask the real issue of jobs and Australia's real employment levels. Roy Morgan has set out to provide the simplest perspective of employment in Australia this century – and the picture is generally positive.

Australia's 'working age population'** has increased from just over 15.2 million at the turn of the century to 20 million in July 2017 – an increase of over 4.7 million Australians (+31.0%) – and other indicators have also increased even faster.

- Australian 'workforce': 13.1 million Australians (up 3.9 million; up 42.6%);
- Overall Australian employment: 11.9 million (up 3.6 million; up 42.6%);
- Australian full-time employment: 7.8 million (up 1.9 million; up 32.9%);
- Australian part-time employment: 4.1 million (up 1.6 million; up 66.0%);
- Australian unemployment: 1.2 million (up 0.4 million; up 42.7%);
- Australian under-employment: 1.2 million (up 0.4 million since 2006; up 57.1%).

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Roy Morgan Employment Estimates (12 Monthly Moving Average)



Source: Roy Morgan Single Source (January 1999 – July 2017). **Sample:** Approximately 50,000 per year. **Base:** Australians 14+.

Employment indicators as expressed as a percentage of the Australian population

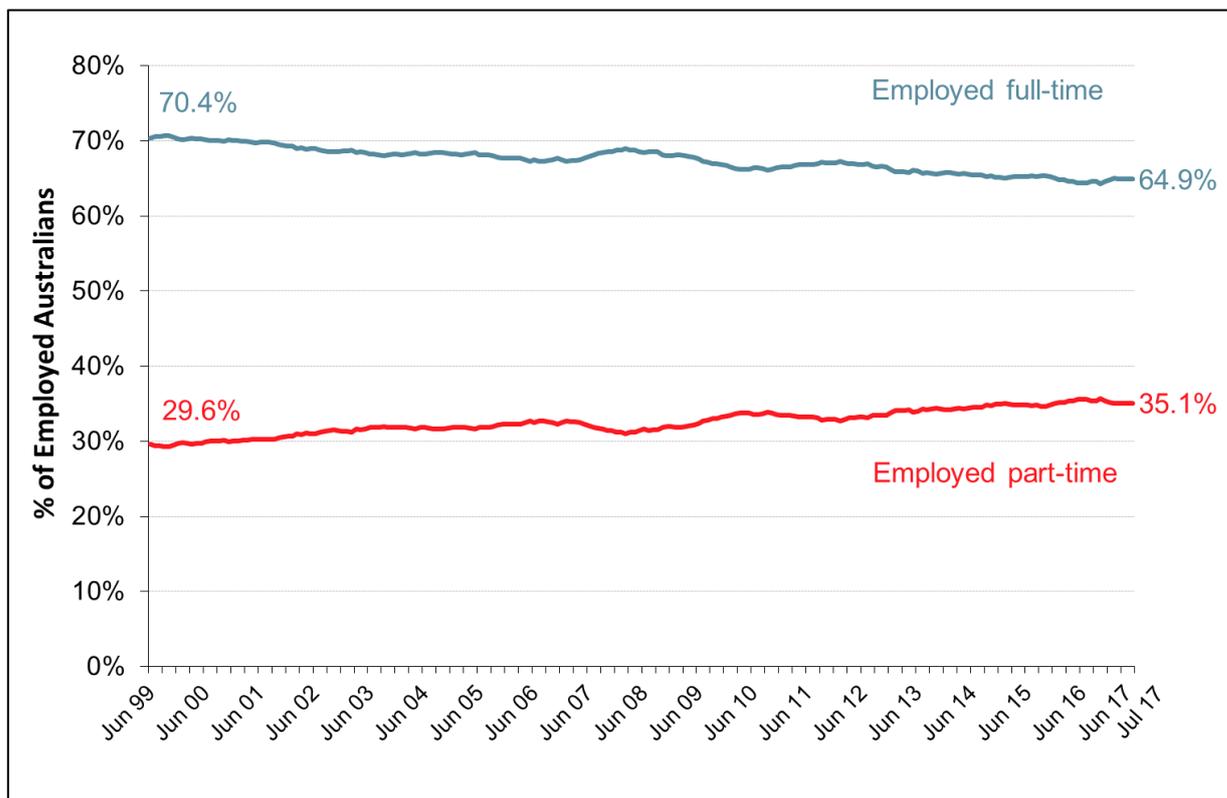
- Australian 'workforce' of 13.1 million Australians is 65.7% of working age Australians – up 5.3% since 2000;
- Overall Australian employment of 11.9 million Australians is 59.6% of working age Australians – up 4.9% since 2000;
- Australian full-time employment of 7.8 million Australians is 39.2% of working age Australians – up 0.6% since 2000;
- Australian part-time employment of 4.1 million Australians is 20.4% of working age Australians – up 4.3% since 2000;
- Australian unemployment of 1.23 million Australians is 6.1% of working age Australians – up 0.5% since 2000;
- Australian under-employment of 1.18 million Australians is 5.9% of working age Australians – up 1.4% since 2005.

Increasing rate of part-time employment changes shape of Aussie economy

Honing in on employed Australians shows the big change we've seen very consistently since the turn of the century – interrupted only briefly by the GFC of 2007-09 which had an impact on the Australian labour market despite Australia dodging the generally accepted definition of a recession.

Over a third of employed Australians, 35.1%, are now employed part-time – up 5.5ppts since 1999 (29.6%) while full-time employment as a proportion of the employed has dropped to 64.9% - near the record low in post-War Australia of a year ago.

Employed Workers: Full-time v Part-time



Source: Roy Morgan Single Source (January 1999 – July 2017). **Sample:** Approximately 50,000 per year. **Base:** Employed Australians.

At the current rate of change more than 40% of employed Australians will be working part-time in the late 2020s. In the last year levels have stabilised however there is no sign the long-term trend will end any-time soon with the rise of the ‘experience’ economy driving disruptive new business models that rely extensively on a casual part-time workforce like Internet-age taxi service Uber and food delivery services Foodora and Deliveroo – the casualisation of the ‘workforce’ looks set to continue.

Michele Levine, CEO, Roy Morgan Research says the changing nature of the Australian economy is driving the trend towards higher part-time employment at the expense of more traditional full-time positions:

“Overall Australian employment has increased 42.6% since the turn of the century, mirroring the increase in the Australian ‘workforce’(also +42.6%) and faster than the rate of increase of Australia’s working age population at large – up 31%.

“It’s true that part-time employment has increased by a massive 66%, but it’s certainly worth understanding that full-time employment is also increasing at a faster rate than the population – up a respectable 32.9% since 2000.

“The downside of these huge increases is that there are now more Australians than ever before that are either unemployed – 1.2 million (up 42.7%) or under-employed – 1.2 million (up 57.1% since 2005). The increasing rate of under-employment is not a surprise given it’s well known that increasing part-time employment inevitably leads to an increasing number of people who have some work but would like to work more – the under-employed. Unfortunately not all those Australians working part-time jobs enjoy the employment flexibility that the likes of Uber offer to their contractors.

“The rise of the ‘sharing’ economy doesn’t only impact on things – it also impacts on employment trends with many Australians now involved in part-time employment effectively sharing their jobs with thousands of others – the app-driven car ride service Uber is a perfect example of thousands of people effectively sharing the same job and working at their own convenience.

“The challenge for policy-makers in the years ahead will be to balance the competing needs of those who benefit from the changing economy and desire the flexible employment opportunities that abound, and those that would rather find solid employment in a rapidly changing world.

“Over the next few weeks Roy Morgan will explore the changing shape of Australia’s ‘workforce’ as it relates to age, the role of baby boomers who have stayed in the ‘workforce’ longer, and the emergence of millennials as the new players; gender, and the extent to which the change can be attributed to women increasingly taking their place in the ‘workforce’, education, immigration and geography, State by State and country v city.”

**The workforce is defined as the total number of people who are employed or looking for work. **Working age Australians are defined here as Australians aged 14+. There is no accepted definition of a working age Australian as laws are different in separate Australian jurisdictions. In a majority of States there is no lower bound on when someone can work whilst in Queensland the minimum age is 13 and in Victoria and Western Australia it is 15. Source: Fair Work Australia: “What age can I start work?”*

<https://www.fairwork.gov.au/find-help-for/young-workers-and-students/what-age-can-i-start-work>

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
50,000	±0.4	±0.4	±0.3	±0.2