



While 'paid employment can be a route out of a state of disadvantage, it does not guarantee an absence of recurrent disadvantage as some jobs, particularly low-skilled jobs, are low-paid and hours of available work not assured.'

House of Representatives Committee 2019 report **Living on the Edge** citing findings from the Productivity Commission.ⁱ

How many people in Australia can be classified as the 'working poor'?

The ACOSS/UNSW Poverty in Australia 2018ⁱⁱ report found that in 2015-2016:

The majority of people living below the poverty line rely on government benefits as their main source of income and are either unemployed, have a disability or are retired and renting privately.

968,000 people or 38% of the 2.6 million people living in poverty (excluding self-employed people) came from households where wages were the main source of income.

At 38%, this is a significant increase in the level of poverty from wage-earning households, up from 32% in 2013-14.

More than half of these working households living below the poverty line were families with children (55% of households living below the 50% poverty line).

15% of all people who worked part-time were living in poverty.

How do people make ends meet?

In late 2018, more than 1 million Australians were having to work multiple jobs. In the last half of 2018, 30% of the new jobs created were going to those already working in another job.ⁱⁱⁱ Women and younger workers are more likely to hold multiple jobs. Around 17% of women aged 18 to 24 and 1 in 10 women aged between 25 and 34 have 2 or more jobs.^{iv}

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people living in poverty came from households where wages were the main source of income.

“As a casual, I’m at the bottom of the pecking order, and at times my shifts get cancelled because of a lack of work. One of the disadvantages of being casual. That’s why I have a second job.”^v



What are some reasons poverty is increasing for people who mainly rely on wages?

The minimum wage is worth less in real terms

- In 1996 the minimum wage was 61% of the median fulltime wage. In 2018, the minimum wage was just 49% of the median fulltime wage (a relative decline of 18%).^{vi}

Wage growth is low or stagnant, especially at the bottom

- In the 4 years to 2007–08, average weekly household income grew by \$220 in real terms. In the 10 years to 2017-18, it grew by only \$44.^{vii}
- The labour share of total GDP peaked in the mid-1970s about 58% and in 2017 and 2018, it fell below 47%. Nominal wages have been growing about 2% a year since 2015, or “barely half the traditional pace of growth experienced over the preceding 50 years”, a group of 120 experts stated in an open letter to the **Australian Financial Review**.^{viii}

There are less low-skilled entry-level jobs

- **Anglicare Australia** found only 14% of the job vacancies advertised in May 2018 were for low-skilled entry-level jobs. This is half that of the low-skilled job vacancies advertised since 2006. There were at least 4 jobseekers competing for each low-skill entry-level job vacancy - nearly 111,000 jobseekers and just 26,000 vacancies at that skill level.^{ix}

Part-time work is increasing

- Since the late 1970s, part-time work has increased from representing around 15% of all employees, doubling to 31% in 2018. Part-time work for men has increased almost fourfold in the past 40 years – from 5% to 18%.^x
- A report published by the **Brotherhood of St Laurence** in December 2018^{xi} found that young Australians are far more likely to work part-time than 40 years ago. More than a quarter of a million young people aged 20 to 24 who were not in full-time study had a job but only worked part-time.

Some people have less hours of work than they need to stay out of poverty

- More than 1 million Australians were under-employed (they had some work but wanted more) in July 2019. This was more than the number counted as officially unemployed – 713,000 or an unemployment rate of 5.2%.^{xii}
- Australia’s youth unemployment rate for 15 to 24 year olds remains stubbornly high at 11.2% and the underemployment rate for this age group exceeded 18% per cent.^{xiii}

644,000
15 to 24 year olds
were unemployed or
underemployed in
October 2018.

“I would give up casual for full-time, no questions asked. Tried to get credit as a casual; need to be working three times as long, try to get a mortgage; need more deposit, get sick and don’t get paid! Take two weeks off work and lose out, cause you still have to pay your bills.”^{xiv}



Increase in insecure or precarious work

- The prevalence of non-standard employment (which includes people on fixed-term contracts, casual employment, labour hire employment and permanent part-time employment) increased for men from 31% in 2008 to 37% in 2017, while increasing from 57% to 61% for women.^{xv}
 - A **Future of Work** report published in 2018 showed for the first time, less than half of all working Australians were in full-time work with leave entitlements^{xvi}.
- Bankwest Curtin Economics Centre** used 3 indicators - job insecurity, lack of control and working conditions to construct their Index of Precarious Work published in April 2018. They found^{xvii}:
- 11.6% of the Australian workforce are independent contractors, equivalent to around 1.27 million workers.
 - Since 2009, precarious employment has increased for both genders, but more rapidly for men than women. Women are still much more likely to be in precarious work.
 - Higher-skilled occupations such as professionals and managers have more stable employment, while traditionally male-held positions such as labourers and machinery operators and drivers are in the most precarious job circumstances.
 - The accommodation and food services sector records the highest index value of precarious employment, which has also been increasing over time.

How does Australia compare?

- In 2015, the **OECD** concluded that about 40% of all employment in Australia is 'non-standard' - meaning work that does not conform to the norm of full-time, regular employment with a single employer over a long time span. Non-standard work can include work that is temporary, part-time, on-call, or arranged through an agency or subcontractor.
- Australia's rate of non-standard work was the 3rd highest rate among the 36 OECD countries, behind the Netherlands and Switzerland.

People are more likely to be poor or in the struggling bottom 40% of society if they have non-standard work, especially if they live in a household with other non-standard or non-employed workers.^{xviii}

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 14 August 2019.
For more, see our Resources on our website at www.anti-povertyweek.org.au

ⁱR McLachlan et al, Deep and Persistent Disadvantage in Australia, Productivity Commission Staff Working Paper, Canberra, 2013, p. 135.

ⁱⁱDavidson, P., Saunders, P., Bradbury, B. and Wong, M., *Poverty in Australia 2018*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. 2018.

ⁱⁱⁱGreg Jericho, *More people than ever need a second job to help pay the bills*, The Guardian, 18 March 2019.

^{iv}Bankwest Curtin Economics Centre, *The Future of Work in Australia*, 2018. Note some people are working multiple jobs as a choice not simply as a result of few too hours.

^vRachel, casual food and beverage attendant, Melbourne cited in ACTU *Insecure work, anxious lives: the growing crisis of insecure work in Australia*, 2011. See also ACTU, *Australia's insecure work crisis: Fixing it for the future*, 2018.

^{vi}ACOSS *Minimum Wage Submission*, 2019.

^{vii}ABS *2017-18 Survey of Income and Housing*, July 2019.

^{viii}The New Daily, *This isn't going to fix itself: Economists demand end to slow wages growth*, 19 March 2019.

^{ix}*Jobs Availability Snapshot 2018*, Anglicare Australia, October 2018.

^xBankwest Curtin Economics Centre, *The Future of Work in Australia*, 2018. Note some people may choose to work part-time, for others it is all the hours they can get.

^{xi}Brotherhood of St Laurence, *Part-time purgatory: young and underemployed in Australia*, December 2018.

^{xii}ABS 6202.0 - *Labour Force, Australia*, July 2019, released 15/8/19.

^{xiii}Brotherhood of St Laurence, *Part-time purgatory: young and underemployed in Australia*, December 2018.

^{xiv}Andrew, casual storeman, Perth WA, cited in ACTU *Insecure work, anxious lives: the growing crisis of insecure work in Australia*, 2011.

^{xv}Household, Income and Labour Dynamics in Australia (HILDA) Statistical Report 2019.

^{xvi}*The Dimensions of Insecure Work*, Carney, T. and Stanford, J., Centre for Future Work, 2018.

^{xvii}Bankwest Curtin Economics Centre, *The Future of Work in Australia, 2018*. Index constructed from the Household Income and Labour Dynamics in Australia survey data.

^{xviii}OECD, *In It Together: Why Less Inequality Benefits All*, May 2015 and ABC Tripe J Hack, *Low wages are forcing Australians into insecure work, multiple jobs* ACTU, 22 March 2019.