

Relative Advantages: Casual Employment and Casualisation in Australia and New Zealand

Iain Campbell
Peter Brosnan

The employment systems of Australia and New Zealand have much in common. Amongst the many parallels is a parallel experience of casual work. In both countries a category of 'casual' has long been permitted under labour regulation, and in both countries this has led in practice to both 'irregular' and 'regular' casuals. At least up until the recent period, labour regulation in both countries sought to limit casual employment in similar ways through quantitative restrictions and through prescription of a 'casual loading' on the hourly rate of pay. Yet, in spite of these strong parallels, casual employment seems less significant in New Zealand as a proportion of the total workforce and it seems to lack the same pace of growth as in Australia. This paper asks why there should be this difference. It sketches out an answer that focuses on employer calculations and choices (within the framework of labour regulation, including custom and practice). We suggest that the relative advantages of casual employment to employers are narrower and less imposing in New Zealand. This is partly because of compression at the bottom, as a result of the fact that all employees can claim access to basic rights and benefits under a statutory 'minimum code'. But also crucial is compression from the top. Permanent workers in New Zealand have fewer benefits than permanent workers in Australia, and their situation was markedly worsened as a result of the radical program of labour market deregulation in the 1990s. As a result of this narrowing of the shortfall in rights and benefits, employers have less incentive to replace permanent workers with casual workers.

Iain Campbell
Senior Research Fellow
Centre for Applied Social Research
RMIT University

EMAIL: Iain.Campbell@rmit.edu.au

Peter Brosnan
Professor Emeritus
Griffith University

EMAIL: Petebrosnan@optusnet.com.au
P.brosnan@griffith.edu.au