

Underemployed Workers, Australia, September 2005

Source: ABS 6265.0

DEFINITION OF UNDEREMPLOYMENT

The ABS definition of the underemployed is 'employed people who want, and are available for, more hours of work than they currently have'. This is consistent with the International Labour Organisation (ILO) definition of time-related underemployment.

According to the ILO definition adopted in 1998, time-related underemployment exists when the hours of work of an employed person are below a threshold, and are insufficient in relation to an alternative employment situation in which the person is willing and available to engage. More specifically, people in time-related underemployment comprise all employed people (as defined) who satisfy the following three criteria:

- availability to work additional hours, within a specified subsequent period
- willingness to work additional hours - the ILO recommends that those who have actively sought to work additional hours should be distinguished from those who have not
- worked less than a threshold (determined according to national circumstances) relating to working time - the ABS underemployment framework uses a threshold (35 hours in the reference week) based on the boundary between full-time and part-time work.

UNDEREMPLOYED WORKERS SURVEY

The Underemployed Workers Survey is the primary ABS data source on underemployment. It provides a wide range of information about underemployed workers, including information on the number of hours usually worked, number of preferred hours, steps taken to find work with more hours, and difficulties finding work with more hours. Summary information on underemployed workers is also collected in the Labour Force Survey (LFS) on a quarterly basis.

SUMMARY OF FINDINGS

OVERVIEW

There were 10,025,000 employed people aged 15 years and over in September 2005. Of these:

- 612,000 (6.2%) usually worked part time and would have preferred to work more hours
- 566,600 (5.9%) were underemployed workers, comprising:
 - 516,800 who usually worked part time but would prefer more hours and were available to start work with more hours either in the reference week, or in the four weeks subsequent to the interview
 - 49,800 who usually worked full time but worked part-time hours in the reference week due to economic reasons (being stood down, on short time, or having insufficient work). The majority (78%) of these were men.

PART-TIME WORKERS WHO WOULD PREFER MORE HOURS

In September 2005, there were 2,839,900 part-time workers. Of these, 22% (612,000) would have preferred to work more hours and this was higher for men (26%) than for women (20%). A similar pattern occurred in previous years.

Of the part-time workers who would prefer to work more hours, the majority (55%) would prefer to work full time. For men, the proportion who preferred to work full time was 67% compared to 49% for women.

UNDEREMPLOYED PART-TIME WORKERS

Underemployed part-time workers are people who usually work less than 35 hours, would prefer to work more hours and are available to work more hours. Of the 516,800 underemployed part-time workers, 53% (275,400) had looked for work with more hours at some time during the four weeks up to the end of the reference week.

Women made up 66% of underemployed part-time workers, compared with 62% in September 2004. Of those underemployed part-time workers who were women, only half (169,700) were looking for more hours in the reference week or within four weeks.

The median duration of the current period of insufficient work for underemployed part-time workers was 26 weeks. For women aged 45-54 years who were underemployed part-time workers, the median duration of insufficient work was 40 weeks. See the Glossary for the definition of **median duration of insufficient work**.

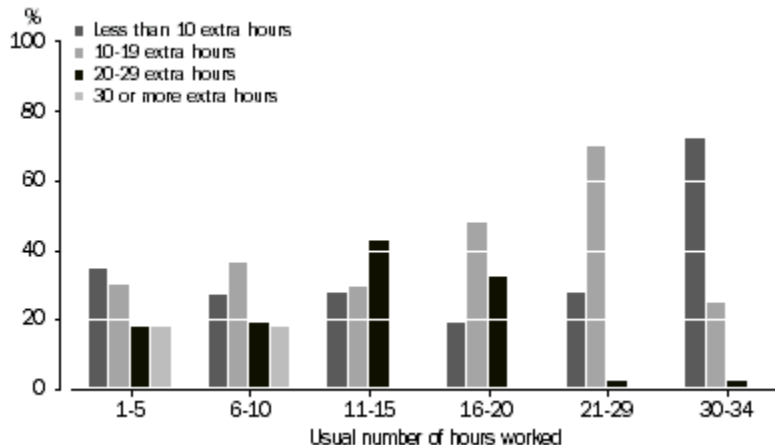
Of underemployed part-time workers:

- 42% would prefer to work 10-19 extra hours per week
- 32% would prefer to work less than 10 extra hours per week
- 20% would prefer to work 20-29 extra hours per week; and
- 6% would prefer to work an additional 30 hours or more per week.

The mean preferred number of extra hours each week, for underemployed part-time workers, was 14.4 hours. Men would prefer to work an average of 16.3 extra hours compared with an average of 13.3 extra hours for women. The mean preferred number of extra hours was highest for people aged 25-34 years (16.3 hours) and lowest for people aged 15-19 years (12.9 hours).

The number of additional hours preferred by part-time workers varied with the number of hours they usually worked. Generally, those usually working few hours wanted a greater number of additional hours than others. However, many did not want to work full-time hours, for example, 82% of those working 1-5 hours a week wanted fewer than 30 additional hours.

UNDEREMPLOYED PART-TIME WORKERS, Preferred number of extra hours



Underemployed part-time workers who looked for work with more hours were asked to report their main difficulty in finding work with more hours. The most commonly reported main difficulty in September 2005 was 'no vacancies in line of work' (19%). A further 10% reported 'unsuitable hours' as their main difficulty, and another 9% reported 'lacked necessary skills or education'.

The most common steps taken to find work with more hours were 'contacted prospective employers' (64%), 'looked in newspapers' (62%) and 'asked current employer for more work' (54%). The proportion of people searching internet sites to find work with more hours increased from 26% in September 2002 to 42% in September 2005. This is the largest increase in frequency of all the steps taken to find work with more hours.

Most common steps taken by underemployed part-time workers to find work with more hours - September 2002 to 2005

	September 2002		September 2003		September 2004		September 2005	
	'000	%	'000	%	'000	%	'000	%
Contacted prospective employers	192.8	66	185.7	65	185.9	64	174.8	64
Looked in newspapers	168.3	57	165.6	58	170.0	58	171.8	62
Asked current employer for more work	155.1	53	168.1	59	162.3	56	147.5	54
Searched internet sites	75.7	26	81.5	29	92.4	32	116.1	42
Contacted friends or relatives	70.1	24	80.0	28	87.1	30	84.6	31
Answered a newspaper advertisement for a job	61.2	21	64.6	23	64.7	22	71.4	26
Registered with Centrelink	70.0	24	67.4	24	67.7	23	65.5	24

