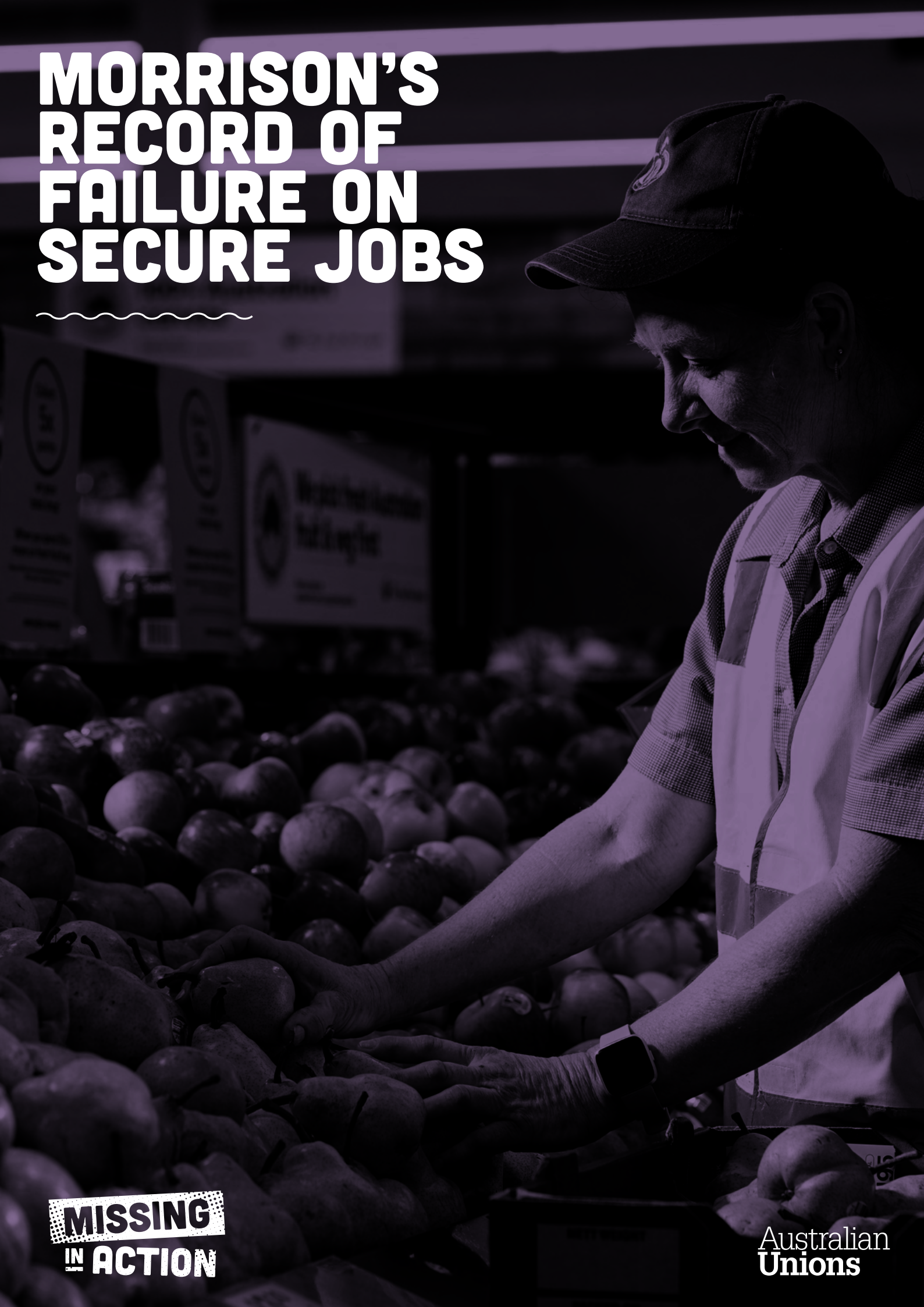


MORRISON'S RECORD OF FAILURE ON SECURE JOBS



**MISSING
IN ACTION**

Australian
Unions

”

**WHEN IT COMES
TO SECURE JOBS,
THE MORRISON
GOVERNMENT HAS
BEEN MISSING
IN ACTION.**

”

**MISSING
IN ACTION**

THE MORRISON MISSING IN ACTION SERIES.

When it comes to the issues that matter for working people, Scott Morrison is missing in action. From keeping people safe during the pandemic, to wage rises, respect for women, to secure jobs he has either done nothing, blamed others or made the problem worse. Reports in this series include:

- » Morrison Missing in Action for Working Women (March 2022)
- » Morrison Missing in Action on Secure Jobs (April 2022)

www.australianunions.org.au/morrison_missing

Authorised by Sally McManus, ACTU, 365 Queen St, Melbourne, 3000.

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1

INTRODUCTION

MISSING IN ACTION ON SECURE JOBS

Insecure work is putting the lives of a record number of Australians on hold. Government can help fix this, but the Morrison Government has either ignored the problem or made it worse.

More and more Australians are struggling to make ends meet. The rising cost of living is eating away at wages that have barely grown since the Coalition Government came to power back in 2013. Because price rises for petrol, rent, childcare, fresh food, and other essentials have far outstripped wages growth, the average Australian worker on \$68,000 has already lost over \$800.00 in the last year in real terms and is now losing another \$100 a month.

The situation is even worse for those in insecure work, which is at the heart of low wage growth in this country. As new research in section 2 of this report shows, casual workers are earning at least \$350 a week less than permanent employees, despite supposedly receiving a 25% loading for not getting paid leave entitlements or job security.¹

The report also provides a new estimate of the extent of insecure work in this country using the best data available. It finds that up to 4.15 million workers are in insecure work, or about 1 in 3 workers in this country.

That's nearly half a million more workers in insecure work than when the Coalition Government came to power in late 2013. This number would be even higher, but as this report shows, employers sacked hundreds of thousands of workers in insecure work during the pandemic.

The Morrison Government claims that the scale of insecure work is overstated,² and in any event, most casuals "embrace" their working arrangements, according to Attorney-General Michaelia Cash.³

That's not the view of Australians: 88% of us think job security is a problem in this country.⁴ And it's not the view of people trapped in insecure work. A major new ACTU survey included in this report finds that 59.3% of workers in insecure work feel that their job security has worsened over the past 12 months. 75% of them say that the cost of living has gotten worse.

Three in ten insecure workers say that they can't afford housing or health, and one in four of them say they can't afford childcare or their utility bills.

When it comes to judging the performance of the Federal Government, insecure workers are scathing:

- » 83.4% are either dissatisfied or very dissatisfied with Federal Government efforts to reduce the cost of childcare.
- » 80.9% are dissatisfied or very dissatisfied with Federal Government efforts to make housing affordable.
- » 69.4% are dissatisfied or very dissatisfied with Federal Government efforts to increase wages.

Section 3 of this report then reviews the different types of insecure work in detail, finding that, among other things:

- » **A staggering 540,000 casuals lost their jobs, or 1 in 5 during the start of the pandemic, partly because Morrison refused to support them with JobKeeper.**
- » **More workers have been put on fixed term contracts than ever before.**
- » **Labour hire continues to expand and is used as a vehicle to undercut wages.**
- » **Insecure contracting and gig economy work continue to grow.**

On top of that, a record number of Australians are now working multiple jobs just to make ends meet.⁵

Insecure work takes many forms in Australia, but they all have three things in common:

Firstly, they all enable employers to transfer the risk and costs of doing business onto the shoulders of their workforce.

Secondly, those workers are getting less pay, fewer rights, and worse conditions. The overwhelming evidence shows that their health and personal life suffer as a result.

And thirdly, practical solutions to stopping insecure work exist, but have either been ignored or undermined by the Morrison Government.

**WHEN IT COMES TO
DELIVERING A JOB PEOPLE
CAN COUNT ON, MORRISON
HAS BEEN MISSING IN ACTION.**

1 ABS Characteristics of Employment, August 2021

2 Parliamentary Select Committee on Job Security (November 2021), Third Interim Report: Labour Hire and Contracting, Dissenting Report from Liberal and National Senators, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity/Fourth_Interim_Report/section?id=committees%2freportsen%2f024780%2f79161

3 The Australian (28 November 2021) "Michaelia Cash: most casual workers prefer to stay that way", <https://www.theaustralian.com.au/nation/michaelia-cash-most-casual-workers-prefer-to-stay-that-way/news-story/f4f6e98ce6b93be268c64bc1666ef088>

4 ABC (2 June 2021) "Job Security is a problem according to most Australians and casual work is a big reason why", <https://www.abc.net.au/news/2021-06-02/job-security-employment-fears-australia-talks-survey/100182212>

5 ABS Labour Account, December 2021.

**OVER 1 IN 5 CASUAL
WORKERS LOST THEIR
JOBS AT THE START OF
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BECAUSE THE MORRISON
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TO PROVIDE THEM WITH
JOBKEEPER.**



2

THE PROBLEM OF INSECURE WORK IN AUSTRALIA

AROUND 4.1 MILLION PEOPLE ARE NOW IN INSECURE WORK, OR CLOSE TO 1 IN 3 WORKERS.

2.1 THE SCALE OF THE PROBLEM

A new analysis for this report shows that about 4.1 million people are now in insecure work, or close to 1 in 3 workers.

That figure is nearly 500,000 larger than when the Coalition Government came into power in late 2013. And as section 3 of this report shows, this number would be even higher, but for employers sacking hundreds of thousands of workers in insecure work during the pandemic.

This estimate uses the best available data sources for three key dimensions of work insecurity: (i) a lack of leave entitlements, (ii) a lack of job security, and (iii) a lack of guaranteed hours. It does not include workers in permanent part time work, or genuinely independent contractors.

This estimate is most likely too low because data is unavailable or slightly out of date for areas such as gig economy work or labour hire, despite its rapid growth. Further, only a person's main job is counted, despite record numbers of secondary jobs that are mostly insecure. Nor does that estimate include any workers in permanent work threatened with employer tactics to cut pay and conditions, such as outsourcing or termination of enterprise agreements, discussed below in 3.6.4.⁶

Table 1: Number of people in insecure work in 2022

Type of insecurity	Number of workers	Contribution to overall estimate of insecure work. ⁷
Casual Work	2,563,800	2,563,800
Fixed Term	552,500	368,200 - 408,300
Underemployed	929,445	380,800
Labour Hire	440,000	308,000 – 330,000
Insecure Contractor	468,100	468,100
	Total	4,088,900 - 4,151,000
	As % of total work	31%

Using the same methodology, the ACTU estimates that 3.67 million workers were in insecure work when the Coalition came to power in late 2013.

⁶ For more detail on the estimation methods see Appendix Two: Estimating insecure work in Australia.

⁷ Most categories of insecure work overlap with each other. "Overall estimates" are constructed to avoid double counting.

2.2 WHAT WORKERS IN INSECURE WORK THINK

To better understand the pressures facing people in insecure work, we asked them. Australian Unions conducted a major survey of community attitudes, interviewing over 3,800 respondents on a range of questions, including work, financial stress and the performance of the Federal Government across a range of issues.⁸

A majority of all workers felt that Job Security and the Cost of Living had gotten worse over the past 12 months. For workers in insecure work, 75% felt that the cost of living had worsened. They were also far more likely than permanent workers to say that job insecurity had worsened (59.3% to 47.4%)

Table 2: Is this issue better or worse in the past twelve months?

	Permanent worker		Insecure worker	
	% better	% worse	% better	% worse
Job Security	24.1%	47.4%	16.9%	59.3%
Cost of Living	12.7%	71.9%	9.1%	75.0%

When asked if purchasing key items over the next twelve months would cause them financial stress, respondents in insecure work were on average 7.5% more likely to say they would, than permanent workers. Similarly permanent workers were on average 11.5% more likely to say they could afford such items without financial stress.

Table 3: Can you afford the following in the next 12 months without facing financial stress?

	Permanent worker		Insecure worker	
	Yes	No	Yes	No
Food and groceries	68.5%	14.1%	58.6%	23.1%
Utilities	62.3%	17.9%	52.6%	25.8%
Housing	56.4%	22.8%	44.6%	30.4%
Fuel and Transport	60.5%	19.1%	49.7%	25.0%
Health	56.3%	20.8%	43.9%	31.8%
Personal Debt	57.1%	17.6%	45.9%	24.8%
Childcare	39.9%	21.6%	25.5%	25.5%

Workers in insecure work feel trapped. Two thirds of them report that it has become harder for people like them to find a secure job. Less than one in ten disagreed with that statement.

The biggest challenges for workers in insecure work, as compared to workers in permanent jobs, included feeling secure in their own jobs, earning enough to pay their bills and then their health.

⁸ The ACTU's Insights Survey has completed two waves of research – a random sample of 3,000 adults in early November 2021 and then a second wave of 800 respondents in the middle of February. Results presented here combine the two waves to strengthen the findings. The sample is broadly representative of the Australian population in terms of age, gender and location, but has not been weighted. Over 800 workers in "insecure work" - defined as casual, gig or fixed term work - answered the survey. All other respondents in paid employment were defined as "permanent".

Table 4: Do you agree or disagree with the following statements?

	Permanent worker		Insecure worker	
	Agree	Disagree	Agree	Disagree
My household is better off financially now than at the same time last year	44.1%	23.6%	35.6%	32.5%
It has become harder for people like me to find a good permanent job	47.0%	24.2%	66.3%	9.9%
I earn enough to pay my bills	70.9%	9.9%	54.0%	23.8%
I feel secure in my job	66.0%	12.3%	38.9%	34.6%
My health is good	72.2%	8.7%	61.5%	15.3%

When assessing the performance of the Federal Government in addressing key cost of living issues, workers in insecure work were scathing. Topping the list is childcare costs, where 83.4% of insecure workers were dissatisfied, an issue that also had the starkest net difference with workers in permanent jobs (43.95%). Housing affordability (80.9%) and increasing wages (69.4%) were the second and third top issues where workers were dissatisfied with the Government's efforts.

Table 5: Insecure worker views of Government Performance

	Permanent worker		Insecure worker	
	% satisfied	% dissatisfied	% satisfied	% dissatisfied
Reducing the cost of childcare	9.9%	68.7%	10.7%	69.4%
Addressing housing affordability	16.8%	46.9%	12.8%	51.4%
Increasing wages	21.1%	49.7%	13.3%	60.0%
Ensuring the quality of Australia's health system	22.9%	49.1%	12.5%	60.3%
Preventing wage theft	6.2%	79.0%	5.0%	80.9%
Improving job security	20.5%	57.2%	2.8%	83.4%

Workers were asked to pick their top issues out of a list of 28. Unsurprisingly, reducing the cost of living was the top issue for both insecure and permanent workers.

Table 6: Top issues for permanent and insecure workers

PRIORITIES	Permanent Workers	Insecure Workers
<i>% selecting in top 5</i>		
Reducing the cost of living	46%	47%
Addressing housing affordability	32%	38%
Increasing wages	31%	33%
Acting on climate change and protecting the environment	29%	35%
Ensuring the quality of Australia's health system	25%	24%

2.3 IMPACT OF WORK INSECURITY ON PEOPLE'S LIVES

While there might be debate about how to measure insecure work, one thing is completely settled: insecure work is bad for people on every measure. Over the past three decades a large and growing pile of evidence and research has found that job insecurity causes a wide range of negative impacts on people. People in insecure work are more likely to:

- » Face a higher incidence and frequency of injuries, including fatalities.¹⁰
- » Have poorer physical health.¹¹
- » Have poor access to employment rights and less willingness to raise health and safety concerns.¹²
- » Have employers that steal their superannuation, particularly if low paid.¹³
- » Have poor wellbeing and higher levels of anxiety.¹⁴
- » Be subject to climate-related health and safety risks.¹⁵
- » Have higher levels of stress, feelings of powerlessness and lower levels of autonomy in their lives.¹⁶
- » Be unable to budget and pay bills.¹⁷
- » Face declining mental health because of the unaffordability of housing,¹⁸ and,
- » Be unable to commit to family or social events, or form longer term relationships due to work-related uncertainty.¹⁹

The ACTU's Work Shouldn't Hurt survey published in October 2021 also showed that:

- » 67 per cent of injured or sick workers in insecure jobs have not taken time off work 'because they feared it would negatively impact their job';
- » 60 per cent have not taken time off 'because they had no paid leave available'; and
- » only a quarter (25 per cent) 'felt that they had adequate support to return to work after an injury', compared with 61 per cent of permanent employees.

10 Quinlan, M and Underhill E, Submission to the Select Committee on Job Security, available at: Job Security Inquiry. <https://www.aph.gov.au/DocumentStore.ashx?id=1868130c-7d8a-4411-815e-7ff33bb23b8&subId=703936>; See also, Safe Work Australia HYPERLINK https://www.safeworkaustralia.gov.au/system/files/documents/1702/australian_work-related_injury_experience_by_sex_and_age_2009-10.pdf

11 Ibid.

12 Ibid.

13 Senate Economics References Committee, Superbad: Wage theft and non-compliance of the superannuation guarantee, May 2017, p 49; Industry Super Australia, 2021, Super Scandalous: How to fix the \$5b scourge of unpaid super.

14 Shoss, M.K. Job Insecurity: An Integrative Review and Agenda for Future Research. *Journal of Management* (1 February 2017)


15 Newman, F & Humphrys E, (2019) Construction Workers in a Climate Precarious World. *Critical Sociology*

16 Chesters J & Cuervo H, (24 February 2019) Adjusting to new employment landscapes: Consequences of precarious employment for young Australians, *The Economic and Labour Relations Review*. <https://journals.sagepub.com/doi/full/10.1177/1035304619832740>

17 Ibid.

18 Bentley R et al, (December 2016), Does employment security modify the effect of housing affordability on mental health, *Population Health*. <https://www.sciencedirect.com/science/article/pii/S2352827316300660>

19 Chesters J & Cuervo H, Ibid.



**WE'VE HAD COAL MINERS
WORK FOR 10 YEARS,
WORKING FULL ROSTERS
JUST LIKE A PERMANENT
ALL YEAR ROUND. THEY DON'T
GET LEAVE, THEY CAN'T
GET A MORTGAGE, AND THEY
GET PAID 30 OR 40 PER CENT
LESS THAN THE PEOPLE
THEY WORK WITH.**

3

INSECURE WORK BY EVERY OTHER NAME

THREE IN TEN INSECURE WORKERS SAY THAT THEY CAN'T AFFORD HOUSING OR HEALTH, AND ONE IN FOUR OF THEM SAY THEY CAN'T AFFORD CHILDCARE.

3.1 CASUAL WORK

2,563,800 people are in casual employment.²⁰

A casual worker has no guarantee that they will get work in the future, and no rights to paid leave – should they get sick.

In exchange for having no sick leave, annual leave, public holidays, or job security, casual workers are supposed to receive a "loading" of extra pay, usually 25% more. Yet less than half receive any loading – with many being the victim of wage theft.²¹ Even where they do receive this loading, they are still earning less than their permanent work colleagues. New ACTU analysis shows that casual workers take home on average over \$350 less per week, when compared with either equivalent full time or part time permanent colleagues.

Table 7: Weekly pay of permanent vs casual employees

	Permanent	Casual	Difference
Full time	\$1,500.00	\$1,144.60	\$355.40
Part time	\$762.00	\$400.00	\$362.00

Table 8: Hourly pay of permanent vs casual employees

	Permanent	Casual	Difference
Full time	\$40.60	\$27.30	\$13.30
Part time	\$26.90	\$22.00	\$4.90

Source: ABS Characteristics of Employment, August 2021

Casual workers are supposed to be engaged for intermittent or temporary work. But many casuals do the same patterns of work that permanent employees do, most casual workers work regular hours each week,²² and nearly 900,000 casual employees work full-time hours.²³

There is also nothing temporary about casual employment. Recent research shows that most casual employees were still not in permanent employment five years after first being surveyed.²⁴

It is younger workers and women that are most likely to find themselves in casual work. Across Australia, 40% of workers in casual employment are under the age of 25, and 54% of casual workers are women.²⁵

Casual work in Australia originally surged from around 1% of the workforce in the early 1980s to about 24% in 1996. 1 in 4 employees have generally been casual since then. This extreme level of casual work is almost uniquely Australian. Casual work doesn't exist in many countries.

²⁰ ABS Labour Force Detailed, February 2022.

²¹ Peetz, D (27 November 2020), "What do the data on casuals really mean?", Griffith University https://www.griffith.edu.au/_data/assets/pdf_file/0024/1212675/What-do-the-data-on-casuals-really-mean-v5.pdf

²² Peetz, David, "The truth about much 'casual' work: it's really about permanent insecurity", The Conversation, 11 December 2020. <https://theconversation.com/the-truth-about-much-casual-work-its-really-about-permanent-insecurity-151687>

²³ ABS Labour Force Detailed, February 2022

²⁴ Household, Income and Labour Dynamics in Australia (HILDA) Survey (2021).

²⁵ ABS Labour Force, Detailed, November 2021.

Casual work and the pandemic:

Casual workers have been the “shock absorbers” of the pandemic. Casual work recorded an all-time high of 2,693,200 workers in May 2019 or 1 in 4 workers in the workforce. Yet by May 2020 this number had crashed to 2,084,300.²⁶ Over 1 in 5 casual workers lost their jobs at the start of the pandemic – mostly women and younger workers – and mainly because the Morrison Government refused to provide them with JobKeeper. An estimated 1.1 million workers did not get access to JobKeeper because they either had less than 12 months of service as a casual, were temporary overseas migrants or worked for ineligible employers such as local government or a university.²⁷

Workers lacking job security and decent pay also faced barriers to getting tested, isolating or getting vaccinated; especially if they are under serious financial stress. Casual workers were far more likely to have to take unpaid time off work if sick, or needing to test or isolate.²⁸

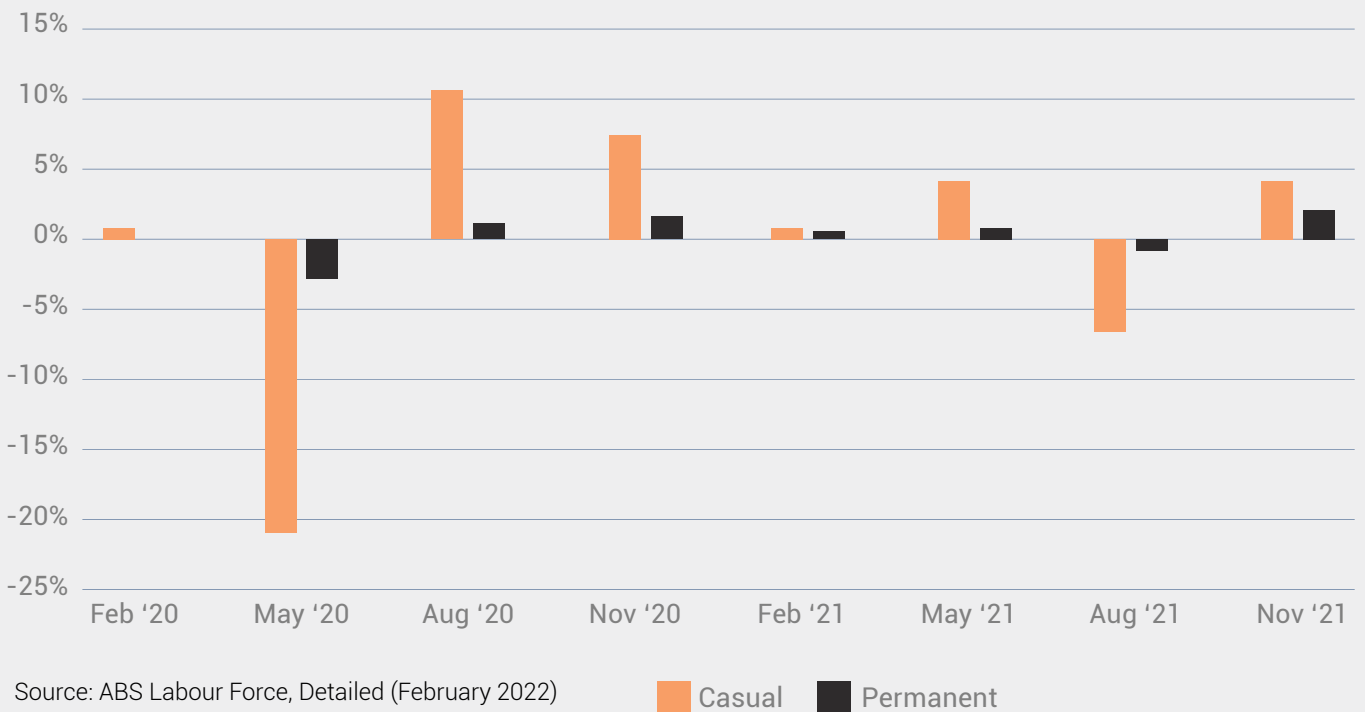
WHY MORRISON IS MISSING

Rather than tackle the scourge of casual employment, the Morrison Government made this situation worse. With the support of Pauline Hanson's One Nation, the Morrison Government passed laws earlier in 2021 that let employers decide who is a casual employee, rather than looking at the practical reality of the working relationship.²⁹ Employers are now even more encouraged to give their staff the insecurity and low pay of casual work, even if they are working regular hours like a permanent employee.

SOLUTION

INTRODUCE A COMMON SENSE AND FAIR DEFINITION OF WHO A CASUAL WORKER IS.

Figure 1: Changes in employment during the pandemic



26 ABS Labour Force Details, February 2022

27 Parliamentary Select Committee on Job Security, (February 2022) The Job Insecurity Report, Para 6.51.

28 The Conversation, (1 February 2022), “Things look worse for casual workers than at any time during the pandemic”.

29 Section 15A, Fair Work Act (2009).

3.2 INSECURE CONTRACTING

At least 468,100 people are on insecure contracting arrangements

This group are called “independent contractors”, but a huge proportion of them are dependent on a single company and have limited discretion over when or how they work. In many cases these workers on “sham” contracting arrangements work alongside regular employees doing the same or similar tasks and even using tools, equipment and other inputs supplied by the same employer. Employers use sham contracting arrangements to deny workers the rights, pay, and conditions they would receive if they were called an employee.

Estimating the number of workers on these insecure contracting arrangements is a challenge. The ACTU adopts a conservative approach in this report. There are about 1.4 million people who work for themselves, and who do not have any employees. Of them a little over one million are unincorporated. 468,100 of them have no right to subcontract out their work to anybody else, which is a fair proxy for workers in “employee-like” relationships but labelled as “contractors”.³⁰

Nearly one third of independent contractors are engaged in the construction industry. The CFMMEU has calculated that between 26% and 46% of so-called independent contractors in their industry are engaged on sham contracts.³¹

WHY MORRISON IS MISSING

It is too easy for an employer to call one of their workers an “independent contractor” to deny the rights, pay, and conditions that an employee should receive. Recent High Court decisions have made it harder for workers, in most circumstances, to challenge these arrangements.³² Scott Morrison has done absolutely nothing about this situation.

SOLUTION

CLOSE THE LEGAL LOOPHOLES TO PUT AN END TO SHAM CONTRACTING.

INSECURE WORK AND CARE

A recent SDA survey of nearly 6,500 workers in retail, fast food and warehousing shows that unpredictable hours and pay are playing havoc with workers with caring responsibilities, the majority of who are women. This impacts on their mental health, limits opportunities to provide care, and prevents families spending time together.

Secure hours, and accessible childcare are key solutions.

³⁰ ABS Characteristics of Employment, August 2021

³¹ CFMEU Construction & General (March 2011), Race to the Bottom: Sham Contracting in Australia's Construction Industry, page 2.

³² CFMEU v Personnel Contracting Pty Ltd [2022] HCA 1, ZG Operations & Ors v Jamsek & Ors [2022] HCA 2

3.3 GIG ECONOMY WORK

250,000 people are estimated to be in gig work

By claiming that its workers aren't employees, powerful on-demand platform companies such as Uber and Deliveroo have been able to grow rapidly off the back of some of Australia's lowest paid and least protected workers.

On demand delivery work is insecure and underpaid. A survey of workers in the gig economy conducted in 2020 by the Transport Workers Union (TWU) shows that food delivery riders are paid just over \$10 an hour after costs, and rideshare drivers earn just over \$12 an hour.³³ They have no paid leave entitlements, no superannuation and no job security. The survey also shows that they face high levels of harassment and assault, and that platforms often cut their rates without notice or consultation.

Delivery work is also deadly. Five delivery drivers died on the job in late 2020, because of the extreme pressures placed on the workers.³⁴

Women doing gig work are also being paid up to 37% less than men on average. Men also earn \$2.67 more per hour than women for doing exactly the same work.³⁵

These workers do not have the protection of labour law, or even proper coverage under work health and safety and workers compensation law.

Data on the exact number of gig workers is not collected, but is estimated to be at least 250,000 workers, in a rapidly growing industry: The gig economy has had a 9-fold increase since 2015 to now reach \$6.3 billion in sales.³⁶ While the industry faced an initial slump during the early days of the pandemic, it then rapidly expanded off more than 4 million customers using food delivery. Uber, now both a rideshare and delivery company, recently claimed that it now has nearly 120,000 people working on its platforms. If true, that would make them the second largest employer in Australia.³⁷

Uber have aggressively resisted any attempts to have them treat their workers with respect and acknowledge that these workers should have the same rights and protections as other workers.

WHY MORRISON IS MISSING

A recent parliamentary inquiry into Job Security highlighted the problems with gig work and outlined some practical measures to address them. Scott Morrison's Government opposed all the findings and recommendations.³⁸

SOLUTION

CHANGE THE LAWS TO GRANT NEW RIGHTS FOR GIG ECONOMY WORKERS.

33 TWU, (4 February 2021), Why we need regulation in the Gig Economy. <https://www.twu.com.au/on-demand/why-we-need-regulation-in-the-gig-economy/>

34 News.com.au (28 February 2022), "Deadly pressure": Union pushes for inquest into delivery driver deaths."

35 The Guardian (28 March 2022), "Report into the gig economy finds women are earning 37% less than men".

36 Actuaries Institute (December 2020) The Rise of the Gig Economy and its Impact on the Australian Workforce, available at actuaries.asn.au/Library/Opinion/2020/GPGIGECONOMYWEBtest.pdf

37 The Job Insecurity Report, Ibid, para 2.67.

38 The Job Insecurity Report, Dissenting Report by Liberal and National Senators, Ibid.

3.4 FIXED TERM CONTRACTS

552,500 people are on fixed term contracts

There are now 552,500 employees on fixed term contracts, an increase of nearly 50,000 since 2015 and the highest number ever.³⁹

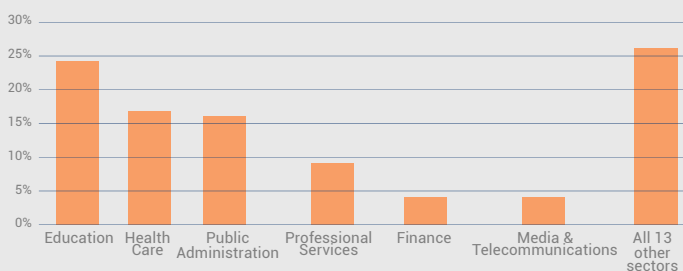
A fixed term employment contract is supposed to just be for completing a specific task or for a defined period of time. However, some employers are addicted to continually rolling over the fixed term contracts of their workforce, denying these workers the security that comes with permanent employment. Take Jenny Smith, a contract research assistant at the University of Tasmania who had been on 12 different fixed term contracts and none longer than 12 months.⁴⁰

This makes it impossible for these workers to have any security about their income or future plans. As Dr Yaegan Doran, a casual academic recently said:

*"As a casual and fixed-term worker at university for 10 years now, I have battled ... I just don't know whether I'm going to have work in another three months ... These personal impacts are constant and are really intrinsic to everything we do at every single stage."*⁴¹

To make matters worse, contracts typically finish in December. While many workers are enjoying summer holidays, workers on fixed term contracts are worrying about how to pay the next bill.

Figure 2: Share of fixed term contracts by industry



Source: ABS Characteristics of Employment (August 2021)

Fixed term contracts are highly concentrated in four sectors: education and training, health care and social assistance, public administration and safety, and professional services. No other industry has more than a 4% share. Women are far more likely to be in fixed term employment (308,600) than men (246,900).⁴² And a much greater proportion of fixed term contracts are in the public sector (9.9% of public sector jobs) compared with the private sector (2.1%).⁴³

During the pandemic, two new trends in the use of fixed term contracts have emerged. Firstly, there has been a strong increase in their use in public administration and safety. Secondly, there has been a decline in their use in education and training as the sector has been forced to shed, crippled by a lack of support during the pandemic.

Higher education is addicted to insecure work. Two in three workers in the sector are either casual or on fixed term contracts, up from 60% in 2000. After Scott Morrison refused to provide JobKeeper support during the pandemic, an estimated 35,000 workers in the sector lost their jobs, many on these insecure arrangements.

WHY MORRISON IS MISSING

Nearly 100 countries around the world place legal limits on when fixed term contracts can be used and limits on renewing them.⁴⁴ Australia isn't one of them. Morrison has also refused to act on the proliferation of fixed term contracts.

SOLUTION

CHANGE THE LAWS TO LIMIT THE USE OF FIXED TERM CONTRACTS AND MOVE WORKERS ONTO PERMANENT JOBS.

39 ABS Characteristics of Employment, August 2021.

40 NTEU, (3 April 2017). "Jenny's story highlights the perils of insecure work". <https://www.nteu.org.au/article/Jenny%E2%80%99s-story-highlights-the-perils-of-insecure-work-19521>

41 Parliamentary Select Committee on Job Security (October 2021), Second Interim Report: Insecurity in Publicly Funded Jobs, para 8.25

42 ABS Characteristics of Employment, August 2021

43 ABS Characteristics of Employment, August 2021.

44 ILO (2016), Non-Standard Employment Around the World, p.270 .

3.5 LABOUR HIRE

An estimated 440,000 workers are in labour hire

Using workers provided by a labour hire operator allows an employer to give workers less pay and job security.

Accurate data on the extent of Labour Hire is difficult to come by. The labour hire industry itself estimates that it employs about 360,000 to 430,000 workers. The Australian Bureau of Statistics (ABS) suggest that the best measure shows that it has increased from 584,312 in 2011-12 to 797,710 in 2018-19.⁴⁵ As a percentage of total jobs in the economy, that's an increase from 3% to 4%.

Labour hire has proliferated across a range of sectors, particularly in agriculture, the outsourcing of government services and in Australia's highly profitable mining sector.

In Agriculture, the United Workers Union (UWU) surveyed over 1000 workers finding high levels of exploitation by contractors: 63% of workers reported being underpaid and 33% had been threatened by their contractors for raising concerns over pay and conditions.⁴⁶

Nearly all workers in mining had permanent work in 1996, now it is less than half. The rest are on casual or labour hire arrangements earning 30% to 40% less than permanent workers employed directly by mine operators,⁴⁷ despite the industry making at least \$35 billion in profits in 2020.⁴⁸ The average employee in the coal industry is estimated to have earned company revenue of \$1.361 million in 2020-21.⁴⁹

This has created a two-tier workforce: with labour hire workers trapped in insecure work for years with no access to the pay and protections of the people they work with each day.

It's not just individual workers who are worse off – use of labour hire hurts local communities that rely on mining. A report by the McKell Institute in 2020 showed that outsourcing a large portion of coal mining jobs to lower paid labour hire comes at a substantial cost to economic activity in Central Queensland – some half a billion dollars a year across Central Queensland.⁵⁰

WHY MORRISON IS MISSING

Two people working alongside each other doing the same job should get the same rate of pay. It's a basic principle of fairness, and the law in most developed countries.⁵¹ Scott Morrison disagrees. His Government recently opposed a "Same Job Same Pay" Bill that would prevent pay discrimination against labour hire workers calling it "unfair and unworkable" and also called the issue of pay discrimination a "lie".⁵²

SOLUTION

**CHANGE THE LAW TO ENSURE
"SAME JOB, SAME PAY".**

45 The Job Insecurity Report, Ibid, para 2.50

46 United Workers Union (3 August 2020) Submission to the National Agricultural Labour Advisory Committee page 9

47 Coal Mining (Long Service Leave Funding) Corporation data provided to Attorney General's working groups on industrial relations, 2020

48 IbisWorld (June 2021) Industry Data Table p.45 <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021

49 IbisWorld (June 2021) Key Ratios Table p.45 <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021

50 McKell Institute (March 2020). Wage-cutting strategies in the Mining Industry: The cost to workers and communities. <https://mckellinstitute.org.au/research/reports/wage-cutting-strategies-in-the-mining-industry/>

51 The EU's Temporary Agency Worker Directive effectively outlaws pay discrimination against temporary agency (or "labour hire") workers in its member states.

52 The Job Insecurity Report (February 2022). Ibid. Dissenting Report of Liberal and National Senators

**NEARLY 100 COUNTRIES
AROUND THE WORLD
PLACE LEGAL LIMITS
ON WHEN FIXED TERM
CONTRACTS CAN BE
USED AND LIMITS ON
RENEWING THEM.
AUSTRALIA ISN'T
ONE OF THEM.**



3.6 EMERGING STRAINS OF INSECURE WORK

Like emerging variants of a virus, employers continually look for new ways to transfer their risks and costs of doing business on to their workforce, especially in response to worker and union efforts to bargain and win job security.

This part touches on four of them.

3.6.1 "Minimum hours" part time working

A growing trend in both aged care and disability care is for employers to offer staff a minimum guaranteed set of hours each week or fortnight, and then "flex up" hours if demand allows. This approach allows businesses to shift risk and cost onto staff, many who are already underpaid and overworked in these sectors. They are effectively treated like casual employees but without the 25% loading to compensate them for the insecurity. Part-time contracts are now the dominant form of work in these sectors with most staff on less than 25 hours a week, and at least 30% of staff wanting more hours.⁵³

3.6.1 Termination of agreements

Employers have also increasingly threatened staff with tearing up their Enterprise Agreement if the workforce doesn't agree to inferior terms and conditions during bargaining. If a workplace agreement is terminated, the workforce would fall back on the Award, which is nearly always a cut in pay and conditions, and massively strengthens the bargaining power of employers. Qantas recently used this tactic, threatening its flight attendants with a pay cut of up to 37% for some workers.⁵⁴

Since the courts allowed employers to use this tactic in 2015, employer applications to tear up workplace agreements tripled to about 300 a year.⁵⁵ There has also been a surge in termination applications just ahead of the Federal Election where a change of Government may see this damaging loophole in the law finally closed.⁵⁶

3.6.3 Outsourcing & "insourcing"

Employer outsourcing of key functions is an old tactic to reduce the pay and conditions of staff. A new emerging tactic is for an employer to set up a new company and then transfer staff over to it on inferior terms and conditions. People working for BHP's Operation Services wear BHP shirts but earn \$30,000 to \$50,000 less than directly employed workers with no right to annual pay rises and far worse conditions in a range of areas including leave, redundancy entitlements and accident pay.⁵⁷

3.6.4 Multiple Job holding

While the Morrison Government claims that people have jobs, the problem is that they now need more than one of them to get by. More Australians than ever – 867,000, or 6.4% of all workers – are now working multiple jobs.⁵⁸ This is a growing trend. Since March 2012 the number of multiple job holders has grown by 40% but job growth itself has only been 16%. But even working many jobs, these people are still earning less than workers holding one job.⁵⁹

53 Parliamentary Select Committee on Job Security, Third Interim Report https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity/Second_Interim_Report/section?id=committees%2freportsen%2f024764%2f77506

54 Australian Financial Review, (25 February 2022), "Vote to determine fate of Qantas' push to terminate pay deal".

55 The Aurizon cases: 2015 (FWC) and 2016 (Federal Court).

56 The Guardian, 22 January 2022, "Employers 'rushing' to terminate enterprise agreements, Australian unions say", <https://www.theguardian.com/australia-news/2022/jan/22/employers-rushing-to-terminate-enterprise-agreements-australian-unions-say>

57 Australian Unions (2021), Spotlight on Insecure Work in Central Queensland, page 7.

58 ABS Labour Account, December 2021.

59 Breaking Point Ibid.

CONCLUSION

At the heart of our low wage and cost of living crisis is insecure work. As this report shows, it is putting the lives of millions of Australians on hold.

A handful of practical measures can turn insecure jobs, into jobs that people can count on.

THESE INCLUDE:

- » **For Casual work: Introduce a common sense and fair definition of who a casual worker is.**
- » **For Insecure Contracting: Close the legal loopholes to put an end to sham contracting.**
- » **For Gig work: Change the laws to grant new rights for gig economy workers.**
- » **For Fixed Term Contracts: Change the laws to limit the use of fixed term contracts and move workers on to permanent jobs after that.**
- » **For Labour Hire workers: Change the law to ensure "Same Job Same Pay".**
- » **For Emerging strains of insecure work: Close the legal loopholes that let companies terminate workplace agreements.**

**BUT FOR EVERY ONE OF THEM,
MORRISON IS MISSING IN ACTION.**

APPENDIX ONE: ESTIMATES OF INSECURE WORK

The ACTU estimate of insecure work is based on the best data available, typically from the Australian Bureau of Statistics, however there are some limitations discussed below.

Insecure work is defined as any job that is without paid leave entitlements, has no guarantee of work, or has inadequate or uncertain hours. This includes work arrangements that are casual, fixed term, labour hire, insecure contractor or underemployed. This does not include permanent part time work with adequate hours, or genuine independent contracting which are included in definitions of "non-standard forms of work".

Many of these categories of work are overlapping. For example, you can be both in casual work and underemployed. In each case we ensure that no double counting takes place in the total estimate.

The ACTU estimate is a conservative one for the following reasons:

- Firstly, we are only counting a person's main job. We recognise however that many workers may have a poorly paid permanent job as their main job, and also then pick up an insecure second or third job just to get by.
- Secondly, current and accurate data does not exist for key and emerging areas of insecure work, especially gig economy work and labour hire.
- Thirdly, even workers in technically "permanent" jobs are facing significant levels of insecurity, as per discussion in part 3.6 above.

The estimate relies on two main ABS data sources - the Labour Force Detailed (February 2022) and Characteristics of Employment (August 2021). Labour Force data is preferred where it is available. ABS Characteristics of Employment results are used for estimates of fixed term and insecure contracting.

Casual employment: To estimate the extent of casual work in Australia, the ACTU uses the ABS proxy measure of employees "without paid leave entitlements". The source is ABS Labour Force Detailed (February 2022).

Fixed term contract: 35.8% of employees on fixed term contracts are already casual (without leave entitlements) and 6.9% are underemployed. Our low estimate assumes casuals and underemployed within this group are exclusive categories. The high estimate assumes they are fully inclusive.

Underemployed: Figures for underemployment are taken from ABS Labour Force Detailed (February 2022). 59% of underemployed workers are already casual workers (without leave entitlements) and so not included in the total number of workers in insecure work.

"Insecure" Contractor: To estimate the number of "insecure" contractors in Australia, the ACTU only counted independent contractors that said they were "not able to subcontract out their own work" (ABS Characteristics of Employment). This includes 45.5% of contractors and the best proxy available for using contracting to disguise "employee-like" relationships. Contractors are not counted as employees for ABS purposes.

Labour Hire: In estimating the size of labour hire, the ACTU is using the ABS Jobs in Australia data for the category "Labour Supply Services (labour hire)" which is only current to 2018-19. We have increased this figure by the same percentage that the overall labour market has grown by since then. This produces the figure of 440,000 which is close to industry estimates. We have assumed that 30% of workers on labour hire arrangements are already in a form of insecure work (based on labour market averages not including labour hire) and have excluded them from our total count.

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