



Spotlight on
Job Insecurity and Wages:

FAR NORTH

QUEENSLAND



Workers in insecure work have fewer rights lower pay and limited ability to plan for the future. The ACTU's spotlight series dives deeper into insecure work in key States and regions of Australia.

This time it's Far North Queensland

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Far North Queensland has more workers in casual employment and lower paid than the rest of Australia.

For Cairns 28.4% of employees are casual.¹ In Townsville, the figure is 30.6%. Both are higher than both Queensland 23.6% and Australia 21.9%.² Together that is 59,600 workers, or about 1 in 3.

Casual work has expanded recently in Far North Queensland, while dropping in Queensland overall.

Across Queensland, 40% of workers in casual employment are under the age of 25, and 54.4% of them are women.

For the Cairns region the median total income was \$45,813 compared with \$49,804 for Australia, 8.0% below Australia's income (2018).³ The median income for Townsville was \$52,933, reflecting less workers are concentrated in lower paid industries such as accommodation and food services.

There are 81,800 workers in Far North Queensland who are now in non-standard employment more than 4 in 10 workers.⁴

The top industries in Far North Queensland typically have a high prevalence of insecure work including accommodation and food services, retail, health care and social assistance, and agriculture, forestry and fishing.

Overview

Insecure work puts people's lives on hold. It puts tremendous financial and emotional strain on families struggling to make ends meet or balance work life commitments. It also makes planning and saving for the future often impossible.

It also hurts all of us. Workers in insecure work and on low pay can't support their community and local businesses. About 97% of all businesses in Far North Queensland are small, making it vital that workers have the income and job security to support them.

Insecure work has also made it harder for communities to fight the pandemic. Workers lacking job security and fair pay will face greater barriers to take time off work to get tested and isolate or vaccinated if they are under serious financial stress and lack job security. Many of them are the same frontline workers keeping the country running, but at higher risk of contracting the virus. This will be an acute challenge for Far North Queensland, should Covid-19, and especially the Delta variant take hold in the region.

As this report shows, it doesn't have to be this way. The Federal Government should change the laws to make it harder for employers to turn permanent work into insecure work.

A note about data

This report predominantly relies on data collected by the Australian Bureau of Statistics. Far North Queensland covers ABS statistical areas (SA4) for Cairns (306) and Townsville (318) and part of "Outback Queensland" (315). However, data for "Outback Queensland" is not used given that the small sample sizes make it less reliable.

1. Using the ABS definition of employees "without paid leave entitlements".

2. ABS Detailed Labour Force August 2020

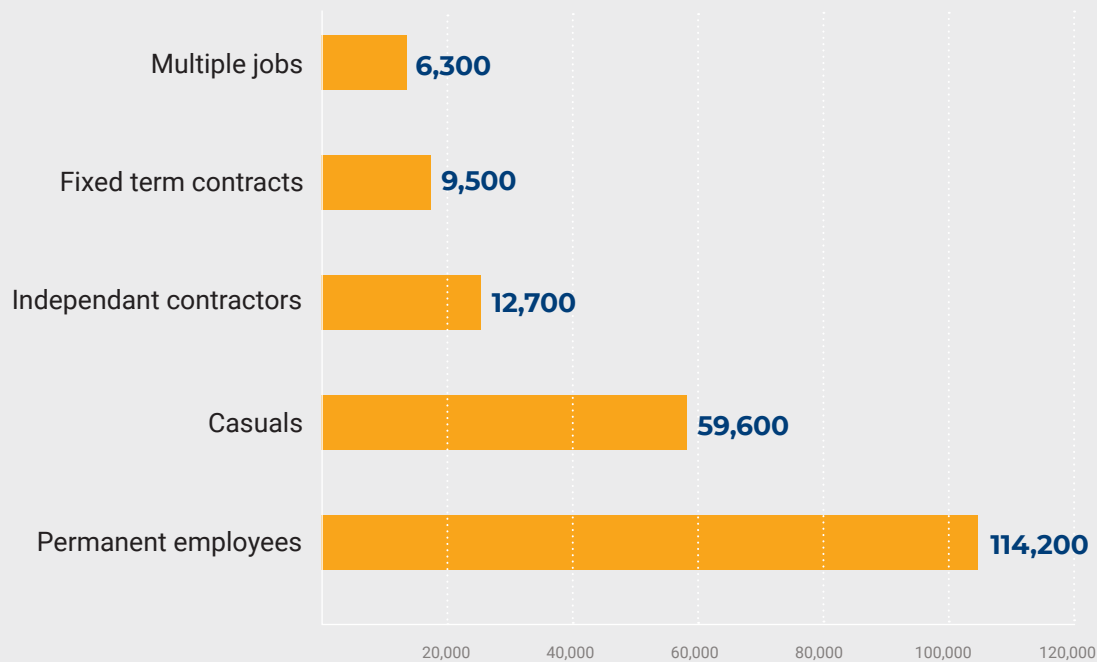
3. ABS <https://dbr.abs.gov.au/region.html?lyr=sa4&rgn=318> SA region code 318, accessed 6 September 2021, excluding government pensions and allowances

4. ABS Detailed Labour Force August 2020,

Insecure Work in Far North Queensland

The number of permanent full-time jobs has been declining over many decades in Australia. There are 81,800 workers in Far North Queensland who are now in non-standard employment.⁵ This is around 41.7% of all employed people in the region.⁶

Figure 1: Types of work in Cairns & Townsville



Source: ABS Characteristics of Employment, August 2020

5. ABS Detailed Labour Force August 2020

6. To avoid double counting the number of multiple job holders are not included in this figure.

Casual Work in Far North Queensland

For Cairns 28.4% of employees are casual. In Townsville, the figure is 30.6%. Both are higher than Queensland (23.6%) and Australia (21.9%).⁷ Together that is 59,600 workers, close to 1 in 3. Many workers in casual positions in this region are obliged to move around to follow the work based on tourism, and other seasonal work.

Casual workers do not get annual leave or paid leave and have no guarantee of more hours or work from shift to shift. This is despite their patterns of work usually resembling permanent employees: in most cases casual workers do regular hours each week and have been with their employer for more than a year.⁸

In exchange for having no leave entitlements and job security, casual workers are supposed to receive a "loading" of extra pay, usually 25% more. Yet less than half receive any loading and they still earn less than their permanent colleagues performing the same work.⁹

It is younger workers and women that are most likely to find themselves in casual work. Across Queensland, 40% of workers in casual employment are under the age of 25, and 54.4% of them are women.

Workers lacking job security and fair pay will face barriers to getting tested, isolating or vaccination if they are under serious financial stress and lack job security. Far North Queensland's high rates of casual work will present an acute challenge should Covid-19 re-enter the region.

The Federal Government has recently made this situation worse for Queenslanders in the Far North. It passed laws earlier in 2021 that give employers far more power to define who is and who isn't a casual employee. The courts are now limited to looking at the initial offer and acceptance of employment, rather than the practical reality of a working relationship.¹⁰ This is an added incentive for employers to give their staff the insecurity and low pay of casual work, even if they are working regular hours like a permanent employee.

Table 1 shows that the percent of casual workers (without paid leave entitlements) is higher for Far North Queensland than for the whole of Queensland or for Australia at August 2020.¹¹

Table 1: Casual workers in Cairns by number and rate

	August 2020	August 2020
	Employees without paid leave entitlements, 1000s	Per cent of employees without paid leave entitlements
Queensland	474.5	23.6
Australia	2283.1	21.9
Cairns plus Townsville	59.6	29.5
Cairns	29.7	28.4
Townsville	29.9	30.6
Queensland - outback	4.2	32.1

Source: ABS CoE, Tablebuilder, August 2020 released December 2020, and ACTU calculations

7. ABS Detailed Labour Force August 2020

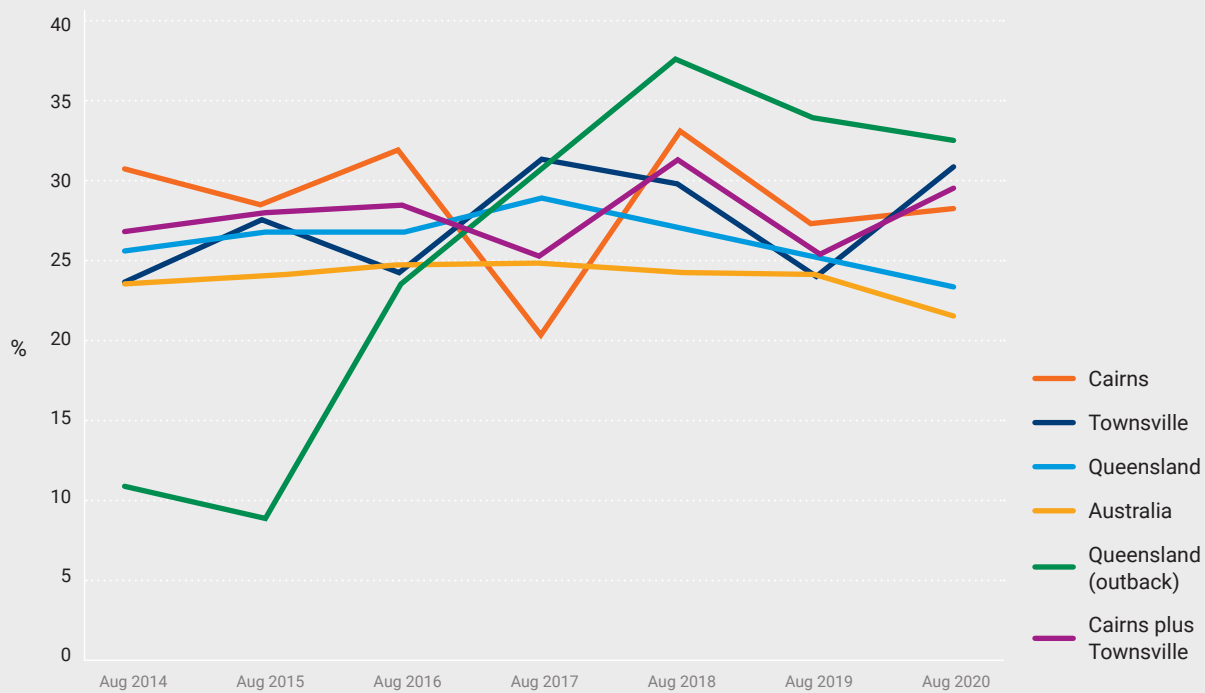
8. Peetz, David, "The truth about much 'casual' work: it's really about permanent insecurity", The Conversation, 11 December 2020. <https://theconversation.com/the-truth-about-much-casual-work-its-really-about-permanent-insecurity-151687>

9. Ibid.

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

11. ABS CoE, Tablebuilder, August 2020 released December 2020

Figure 1: Share of employees without paid leave entitlements, per cent



Source: ABS Detailed Labour Force August 2020, SA4 from TableBuilder

Figure 2: Distribution of employment across industries, four quarter average May 2021, per cent of total employment in each region

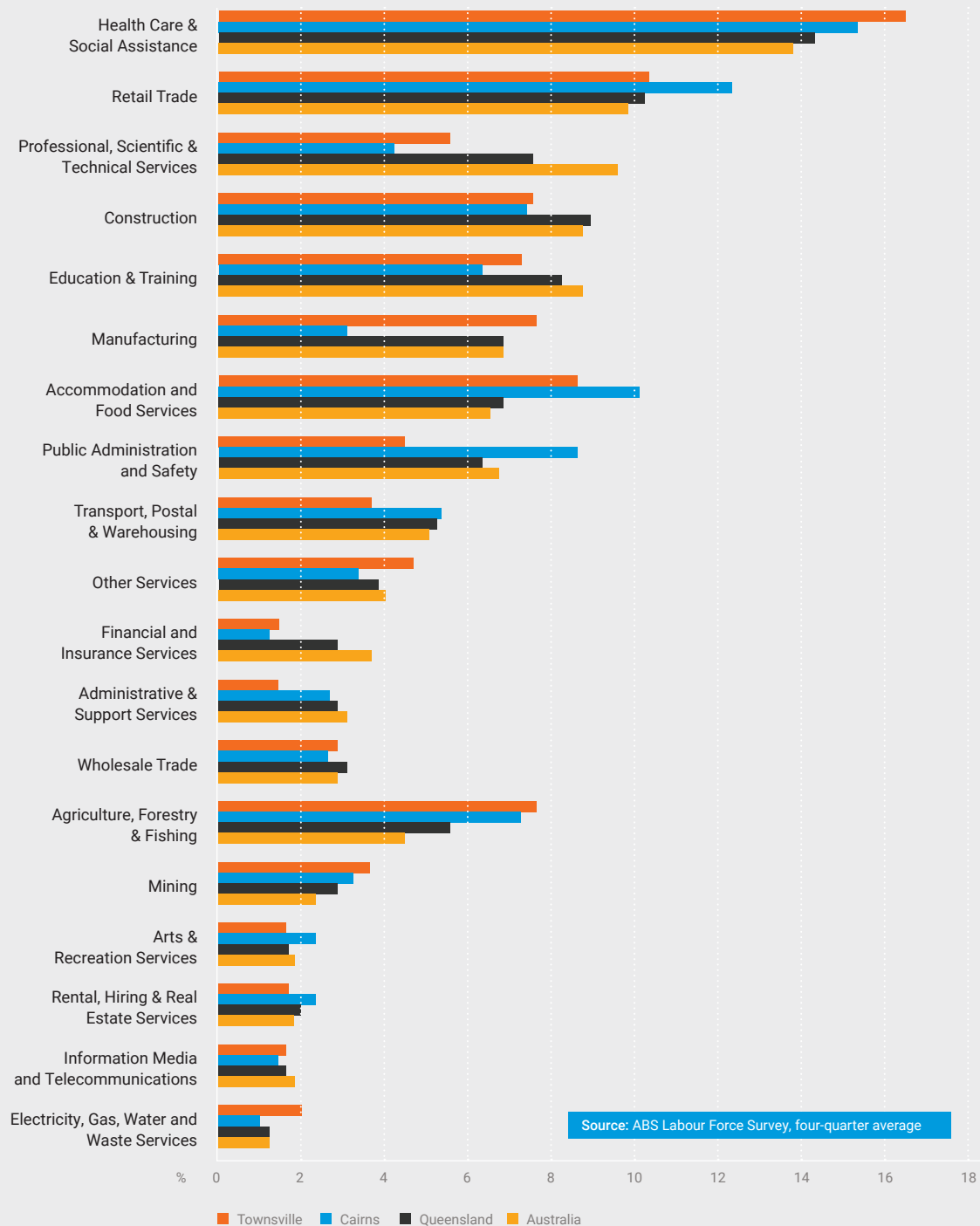


Figure 2 shows that employment is more concentrated in the lower paid and casual work intensive industries like accommodation and food services and retail trade in Far North Queensland than they are for the whole of Queensland or Australia. There are also higher concentrations of workers in health care and social assistance and agriculture, forestry and fishing.

12. ABS Labour Force Survey, four-quarter average <https://lmip.gov.au/default.aspx?LMIP/Downloads/ABSLabourForceRegion>

Insecure Work by Region



Cairns

28.4%

of employees
are casual

8.2%

of workers
in the Cairns
region are
underemployed.

10,000

workers
are independent
contractors

2,500

are on fixed
term contracts

29,700

workers are
not entitled to
paid leave

2,800

are working
multiple jobs.



Townsville

30.6%

of employees
are casual

6.9%

of workers in
the Townsville
region are
underemployed.

2,700

workers
are independent
contractors

7,000

are on fixed
term contracts

29,900

workers are
not entitled to
paid leave

3,500

are working
multiple jobs.

Other forms of job insecurity.

Independent Contractors

There are 12,700 independent contractors in Far North Queensland who also do not have access to paid leave entitlements.¹³ This is a sharp decline from 20,800 prior to the pandemic (August 2019). A large proportion of the workers that fall into this category are not really “independent” but are economically dependent on a single employer 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 pay and entitlements they would receive if they were rightly called an employee.

Fixed Term contracts

There are at least 9,500 workers on fixed term contracts in Far North Queensland.¹⁴ Workers on fixed term contracts have limited job security, effectively losing their job once the term of their contract expires, even though employers may offer new contracts at their discretion. These rolling fixed term contracts are common in sectors such as higher education where about 1 in 5 workers are on these arrangements.

Australia is one of the few developed countries not to limit how often a fixed term contract can be renewed before an employer has to offer the worker permanent work.

Working Multiple Jobs

There were also 6,300 people working more than one job in Cairns and Townsville in August 2020, a sharp fall from 10,300 in the previous year.¹⁵ Multiple job-holding is not only stressful and insecure for affected workers¹⁶; it also poses significant public health risks during a pandemic, because infected workers are more likely to transmit disease in multiple work locations.

¹³ ABS Characteristics of Employment, August 2020

¹⁴ ABS Characteristics of Employment, August 2020. There are 4,200 in Queensland outback, some of whom would be located in Far North Queensland

¹⁵ Many of the 20,400 multiple job holders will be working in casual or fixed term roles.

¹⁶ *ibid*

Unemployment and underemployment

- The unemployment rate in Cairns and Townsville together has been higher on average over the year to July 2021 than nationally, seasonally adjusted, with an average of 5.6 percent compared with 4.6 percent for Australia.¹⁷
- The average rate of unemployment for the year to July 2021 was 5.7 per cent for Cairns and 5.4 percent for Townsville, both above the Australian average of 4.6 percent.¹⁸
- There were 14,400 unemployed on average for the year to July 2021 for the Cairns and Townsville areas together.¹⁹
- There were 15,300 underemployed workers – employees who want more hours than they are able to get - in Cairns and Townsville at August 2020.²⁰ That is 8.2% in Cairns and 6.9% in Townsville. The national rate then had spiked at 14.1% given the impact of lockdowns in other parts of the country reducing working hours.

17 <https://lmip.gov.au/default.aspx?LMIP/Downloads/ABSLabourForceRegion> Population by labour force status July 2021 and ACTU calculations (Outback Queensland was much higher with an average of 11.4 percent unemployed), seasonally adjusted

18 <https://lmip.gov.au/default.aspx?LMIP/Downloads/ABSLabourForceRegion> Population by labour force status July 2021 and ACTU calculations (Outback Queensland was much higher with an average of 11.4 percent unemployed), seasonally adjusted

19 ABS Detailed Labour Force August 2020, SA4 from TableBuilder

20 ABS CoE, TableBuilder

