

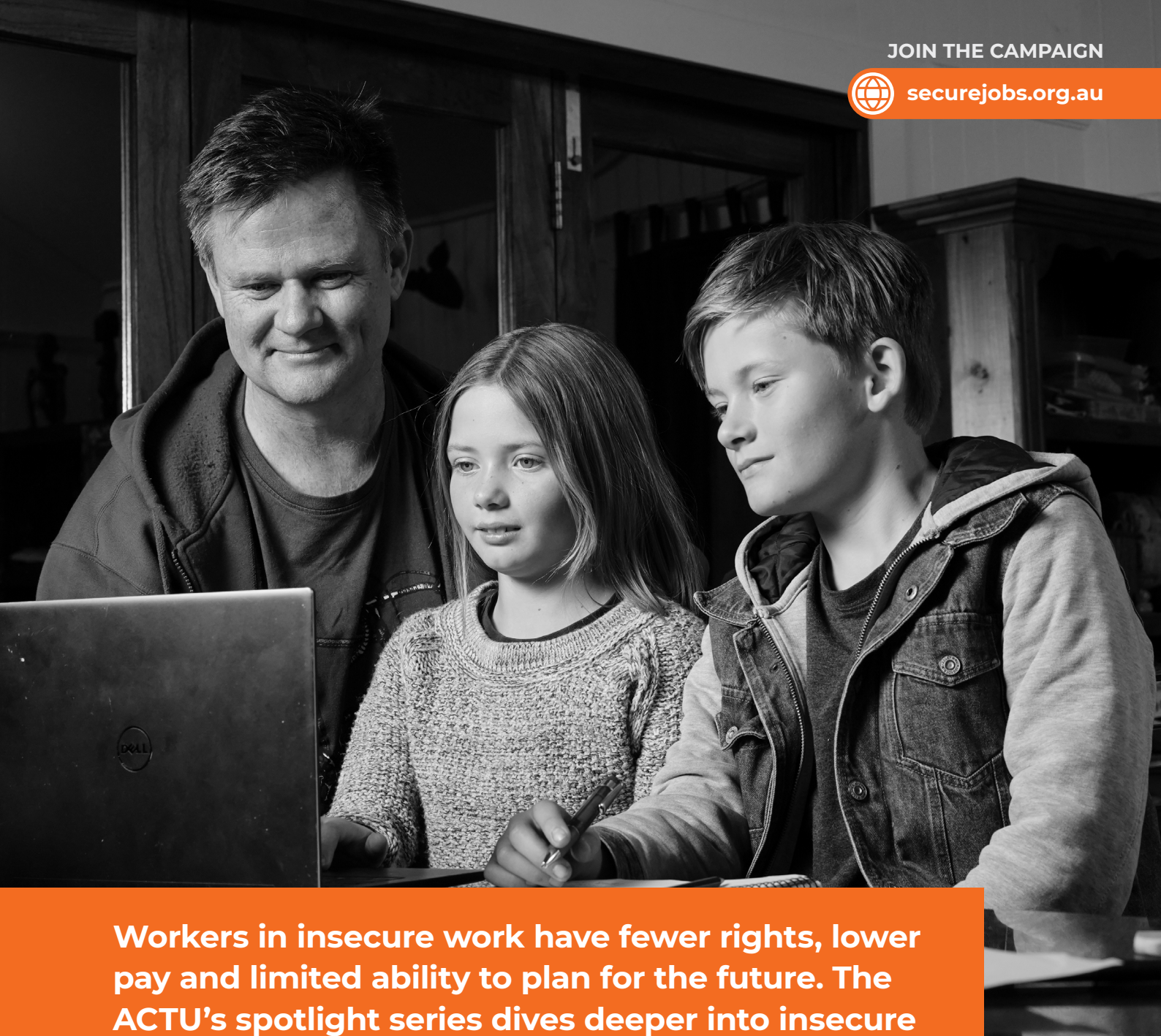


Spotlight on Job Insecurity and Wages:

CENTRAL

QUEENSLAND

October 2021



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 Central Queensland

This report has been pulled together by the Queensland Council of Unions (QCU), with support from the Australian Council of Trade Unions (ACTU).

Overview

Insecure work puts people's lives on hold. Uncertainty over hours, lower pay and no job security puts tremendous financial and emotional strain on families struggling to make ends meet and balance work-life commitments. It also makes planning and saving for the future often impossible.

As this report shows, insecure work is at crisis levels in Central Queensland. Nearly 4 in 10 workers (38.7%) are in casual work – with no guarantee of hours, no sick leave or annual leave and no job security.¹ That's the second highest level of any region in Australia, and well above both the Australian average of 21.9% and Queensland at 23.6%.² If all forms of insecure work are included, then up to 1 in 2 workers in Central Queensland no longer have a permanent job.

Why is this the case in Central Queensland? Agriculture, health care and retail are big employers in the region and typically engage a lot of casual workers. But it has also been employers in key areas such as mining and manufacturing – some of the biggest in the region – that have been deliberately replacing permanent jobs with insecure ones. This report profiles the following sectors in more detail finding that:

In Mining: 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,³ despite the industry making at least \$35 billion in profits last year.⁴

In Manufacturing: The major types of insecure work experienced in the region are casualisation, labour hire and workers trapped in rolling fixed term contracts. As with mining, the growing use of labour hire arrangements means that labour hire workers face worse pay and conditions than directly employed workers.

In Aged Care: Most Aged Care workers in Central Queensland are underpaid and overworked. More than half report needing more hours to get by, and nearly are 1 in 6 workers are forced to work multiple jobs because of low pay and low hours.

In Meat Processing: The meat processing industry is highly reliant on insecure forms of work. This includes its business model of employing temporary migrant workers who are typically engaged via labour hire companies on the minimum wage and pressed not to speak out about poor working conditions.

These insecure work practices hurt all Central Queenslanders, especially as workers in insecure work and on low pay can't support their community and local businesses.

Insecure work has also made it harder for communities to fight the pandemic. Workers lacking job security and fair pay 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 Central Queensland, should Covid-19, and especially the Delta variant take hold in the region.

A note about data

This report relies mainly on data collected by the Australian Bureau of Statistics. Central Queensland covers the ABS "statistical area 4" (308) and includes the towns of Gladstone and Rockhampton.



1. ABS Characteristics of Employment, August 2021, Tablebuilder, employees in main job, ACTU calculations

2. The Australian Bureau of Statistics divides the country up into 107 statistical areas (called "SA4s"). Only the SA4 covering the town of Shepparton in Victoria has a higher rate of casual employment at 38.9%.

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

4. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.45, estimated from Industry Data Table

Insecure work has become deeply embedded in Central Queensland because employers can get away with it. But 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.

This includes:

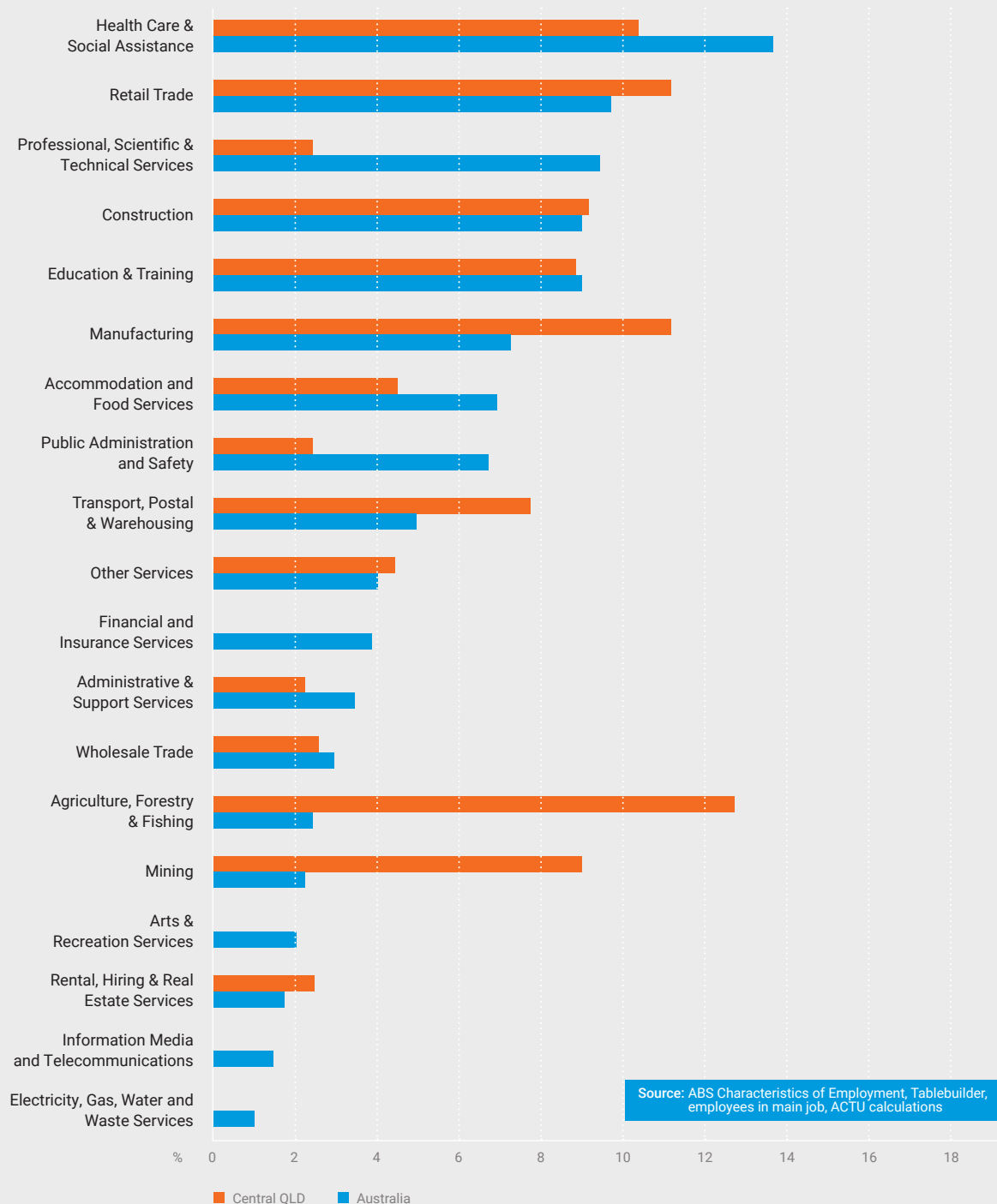
- Passing a law ensuring "Same Job Same Pay": workers doing the same job should get the same pay regardless of whether they are on the books of a labour hire company or directly employed.
- Tearing up Scott Morrison's new laws that make it even easier for an employer to call someone a casual, even if they've done regular hours for years.
- Ensure that workers in aged care, and all caring professions get fair pay and hours, and that employers are required to maintain staffing levels to ensure quality care.
- Limit the use of fixed term contracts, like nearly all other developed countries do.



Employment in Central Queensland.

Central Queensland stands out for having a much greater share of workers in mining, manufacturing and agriculture, forestry and fishing than the rest of Australia. Other key employers are health care and social assistance, retail, construction and education and training.

Figure 1: Shares of industry employment in total employment, Central Queensland, ranked by share of employment in industry for Australia, August 2020, per cent



This report dives deeper into the following four industries.

Mining in Central Queensland

Across the coal mining industry, permanent, full-time mining jobs directly employed by mine operators have been widely replaced with lower-paid casual work, employed through labour hire companies.

This change in the employment model preferred by mining companies has come at an enormous cost to Central Queensland communities, particularly in the coal communities around the Bowen Basin.

The rise of labour hire in coal mining

The role of labour hire in the coal industry has grown dramatically as the proportion of workers directly employed by mine operators has fallen. As an indication, the recent Queensland Coal Board of Inquiry heard evidence that in 2017, just 45% of the Queensland open cut workforce and 48% of the underground workforce were directly employed. This compares with 65% in 2002 and 94% in 1996.⁵ Additionally, data collected by the Coal Long Service Leave Corporation scheme shows over 30% of the whole coal workforce are casuals.⁶

The reality for labour hire workers

While labour hire was once considered a stepping stone to permanency, it is almost impossible for coal miners to get a 'permanent shirt' any more. Labour hire coal miners are usually employed as casuals, meaning they have no job security and can't take any paid annual leave.

Labour hire coal miners earn 30% to 40% less than permanent employees directly employed by mine operators,⁷ whose pay and conditions have been built up over years of collective bargaining. 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.

Insecure work benefits employers and costs the community

The use of labour hire allows mining companies to cut costs – even though they are already hugely profitable. Wages were only 10% of mining company revenue in 2020-21, and the share has tended to fall over the five years to 2021 in this increasingly capital-intensive industry.⁸ Mining industry earnings grew 14.2% in the year 2019-20.⁹ Profits for the industry are estimated to be at least \$35 billion in 2020-21, of which a large proportion is from the Bowen Basin.¹⁰ The average employee in the coal industry is estimated to have earned company revenue of \$1.361 million in 2020-21.¹¹



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.



TONY MAHER
CFMEU Mining & Energy Division General President

5. Queensland Coal Mining Board of Inquiry, Report Part 2 May 2021

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

7. Ibid.

8. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.27

9. <https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release> EBITDA

10. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.45, estimated from Industry Data Table

11. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.45 Key Ratios Table

BHP has a coal market share of 15.8% and BHP's revenue was estimated at \$6.42 billion in 2020-21.¹² Glencore has a coal market share of 13% Glencore's revenue was estimated at \$5.28 in 2020-21.¹³ Yancoal has a coal market share of 6% and Yancoal's revenue was estimated at \$2.43 billion in 2020-21.¹⁴ All of these companies insist that use of labour hire is necessary to 'reduce costs'.

It's not just individual workers who are worse off – use of labour hire affects the entire Central Queensland economy. A recent report by the McKell Institute last year 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 between the 'Central Queensland' and 'Mackay-Isaac-Whitsunday' regions.¹⁵

Manufacturing in Central Queensland

Manufacturing is one of the largest employers in Central Queensland. Gladstone, the largest population centre, is home to many heavy industries employing people in manufacturing. These include LNG (on Curtis Island), large alumina refineries, multiple coal-fired power stations, and the largest port in Central Queensland. There is significant employment in maintenance and mine servicing in regional parts of Central Queensland.

Insecure work is a big issue in the manufacturing. The major types of insecure work experienced in the region are casualisation, labour hire and workers trapped in rolling fixed term contracts.

These insecure work issues are rife because our laws allow it. In circumstances where Unions are able to use the law to control it, there have been varying degrees of success.

For example, workers at some of the larger employers have fought hard for 'no worse off' provisions in their agreements covering outsourcing and labour hire. So when a labour hire workforce is used for shutdowns and major overhauls these workers are not worse off than directly employed staff.

But these fixes do not protect enough workers from issues arising from insecure work. For every employer that takes this approach, there are countless others that do not.

BHP Operations Services

Labour hire has become so endemic in Mining and manufacturing that BHP has even set up its own in-house labour hire workforce called Operations Services (OS) to undercut the wages and conditions of its permanent employees across its Central Queensland coal mines.

Operations Services workers 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.

Directly employed BHP workers are consulted on any potential change to rosters, BHP OS workers can have their roster changed without consultation or any right of reply. Directly employed BHP workers are engaged at a specific mine site, BHP OS workers can have their place of work shifted without consultation or right of reply. Now this could be intra-state (considering Queensland this could be a 600km change of employment location), but it can also be inter-state to either NSW or WA. There is no security in this employment.

12. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.34

13. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.36

14. <https://my.ibisworld.com/au/en/industry/b0600/about> June 2021, p.37

15. 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/>

Other disparities between direct-hire and OS employees at Blackwater Coal Mine:

	Direct Hire Conditions	OS Conditions	Difference
Bonus	Guaranteed \$15,000 p.a.	No guaranteed bonus	OS potentially another \$15,000 worse off
Christmas	Optional to work & triple time if you do	Can be directed to work and no extra pay	OS employees hundreds of dollars worse off at Christmas
Tool allowance	\$737 p.a.	\$0 p.a.	OS another \$737 worse off
Wage increases	Guaranteed annual increases	No guaranteed annual increases	OS employees worse off again
Accident pay	Yes	No	OS employees worse off again

Aged care in Central Queensland.

The aged care industry is a significant source of employment for Central Queensland workers – particularly women – providing critical social and medical support to older Australians. An effective aged care system also ensures that workers, again mainly women, can join the workforce rather than care for older relatives.

Unfortunately, insecure work in the Central Queensland aged care sector is rife – making it harder to attract and retain skilled workers. Significant proportions of the aged care workforce are in some form of insecure work, with surveys showing more than 50% needed more hours at work¹⁶ and 1 in 6 were working multiple jobs.¹⁷

Working Hours Insecurity

For many aged care workers in Central Queensland working hours insecurity is a day-to-day reality. A vast majority of workers in aged care are female. Insecurity of working hours is widespread in which employers only guarantee a minimum number of hours each week, often very few, with any extra work offered solely at the employers' discretion. For many workers in aged care in the Gladstone or Rockhampton areas this can mean as few as 5-8 hours of work each week are guaranteed, while the remaining hours are offered or taken away by the employer with no notice. You might never have set shifts week to week and you never know what your income will be, if any. It means workers are at the mercy of employers' last-minute requests to work or to cover shifts because they can't afford to say no or get on an employer's bad side. This makes it very difficult to:

- Qualify for a rental property
- Seek a mortgage
- Secure and afford childcare
- Manage and meet other caring responsibilities
- Plan family or social activities
- Afford and take holidays
- Find funds for an emergency
- Have working conditions where fatigue, burnout and stress are minimised and OHS issues avoided in circumstances where no staff ratios are specified.

16. <https://anmj.org.au/anmf-reveals-impacts-of-job-insecurity-in-aged-care-at-senate-inquiry/>

17. <https://www.rmit.edu.au/news/all-news/2020/jul/insecure-work>

Working hours insecurity means that your job dictates your entire schedule at a moment's notice and you have no stability, yet this is the lived experience of a large proportion of workers in aged care every day in Central Queensland.

Inadequate Pay

Aged care workers in Central Queensland receive pay that is far from adequate. Most aged care workers are studying for or hold TAFE or university qualifications¹⁸ and doing physically and mentally demanding jobs. Yet many aged care workers earn little more than the minimum wages meaning they are unable to afford basic necessities and forced to work multiple jobs to get by.

The recent Royal Commission into Aged Care Quality and Safety found that aged care workers needed significant increases in pay, but the Morrison Government has refused to implement this recommendation. Unions are now fighting for equal pay for aged care workers in the Fair Work Commission.

Inadequate pay not only creates job insecurity because it makes workers more likely to leave the sector to seek better pay but also represents a significant risk of spreading COVID-19 from workers to aged care residents. It also leaves workers less likely to be in a financial position to drive employers to improve poor working conditions and sources of other types of insecurity – such as unreliable hours.



"I have walked away from work crying."

My name is Tracy White. I have been working for 15 years as an Assistant in Nursing at a retirement village here in Central Queensland.

I love my job caring for residents. It can be really hard sometimes, because you get close to them and then they pass away.

For the amount of money residents pay to stay in aged care they should be treated like royalty, but they aren't. We just don't have the time to care for them properly.

A resident shouldn't have to wait for us to be able to go to the toilet or have a shower.

When I am on a night shift there are just 4 of us to look after 65 residents. Many of them have high care needs.

It's really stressful because you want to do more to help someone but there's always another person waiting for care. The residents are often very lonely and only have you to talk to. They often say to me: *"Tracy, you look really tired. You should rest."* I have to tell them I can't.

There have been many times where I have walked away from work crying.

Since July this year 10 staff have resigned. Part of the problem is also the low pay. One colleague just took a job working in Woolworths on the check out because the pay was better.

I'm a proud union delegate in my workplace. From talking to other delegates I know that it is the same story all through aged care in Central Queensland. We had the Royal Commission recently, but nothing has changed. We need more staff and better pay in aged care.

18. <https://www.health.gov.au/resources/publications/2020-aged-care-workforce-census>

Overwork

Except for the small number of Queensland Government-run facilities, aged care facilities in Queensland have had no minimum staff to resident ratios. As a result many for-profit facilities are often operating with the bare minimum number of staff to keep costs down. This leads to overwork that can cause exhaustion, stress and burnout and makes skilled workers less likely to stay in the industry over the long-term. It also means that staff don't have the time to give residents the care they need and deserve.

Meat processing industry

Central Queensland is home to a significant beef and meat processing industry. The industry in Australia suffers significantly from precarious employment. Due to problems of livestock availability, many processing establishments utilise a form of daily hire employment. This means that meatworkers can be stood down without pay on any given day, at the election of the employer. Such stand downs might only be for a day or so for unexpected shortages, such as a delay in cattle deliveries. But there are times when extended periods of rain or flood can see meatworks shut down for weeks or even months. Competition with the live export trade can also lead to difficulty sourcing cattle in some regions.

Meat processing establishments normally rely extensively on exploitation of migrant labour, for both skilled and unskilled roles. Skilled workers are brought in on medium-term visas. Many of these workers hope to achieve permanent residence status for themselves and their families. As a result, these workers are under pressure to remain compliant, because their visa status depends upon their employer continuing to sponsor them.

Temporary migrants with relatively short-term visas are normally used to fill out unskilled roles at many meatworks: these include those on "backpacker" visas, student visas, and now, members of the Pacific Islander visa program. These workers, usually on award minimum wages, are typically hired through labour hire companies. In practice, the meat industry favours hiring non-English speaking workers, who are less likely to understand their rights. Labour hire workers can be easily dismissed, and know that they will not be offered work if they speak out. Recently arrived refugees are often well represented in meatworks also – again, a demographic that is usually concerned about its future visa status and avoiding "trouble" with perceived authority in their new country.

The Teys Bros abattoir at Rockhampton normally makes extensive use of migrant labour, both 'backpacker' labour and new refugee communities. Teys at Rockhampton has in the past used labour hire companies to undercut enterprise agreement rates, but having now achieved the collective bargaining outcomes it wants, it now employs many migrants directly.

The industry also has high levels of workplace injury, especially in establishments without a strong union presence. Almost all work in the industry is heavy and repetitive. Maintaining the pace of production processes often overrides safety considerations amongst management and supervisory staff, putting workers at risk of injury. If workers are injured, opportunities for redeployment are few, and often find themselves unable to work in the industry again.

Insecure Work in Central Queensland

The number of permanent full-time jobs has been declining over many decades in Australia. There are now 58,100 workers in Central Queensland who are in “non-standard employment” or about half of all workers.¹⁹

7,000

Multiple
Job holders

9,600

Fixed
term contracts

12,900

Independent
contractors

35,600

Casual
employees

8,700

Underemployed

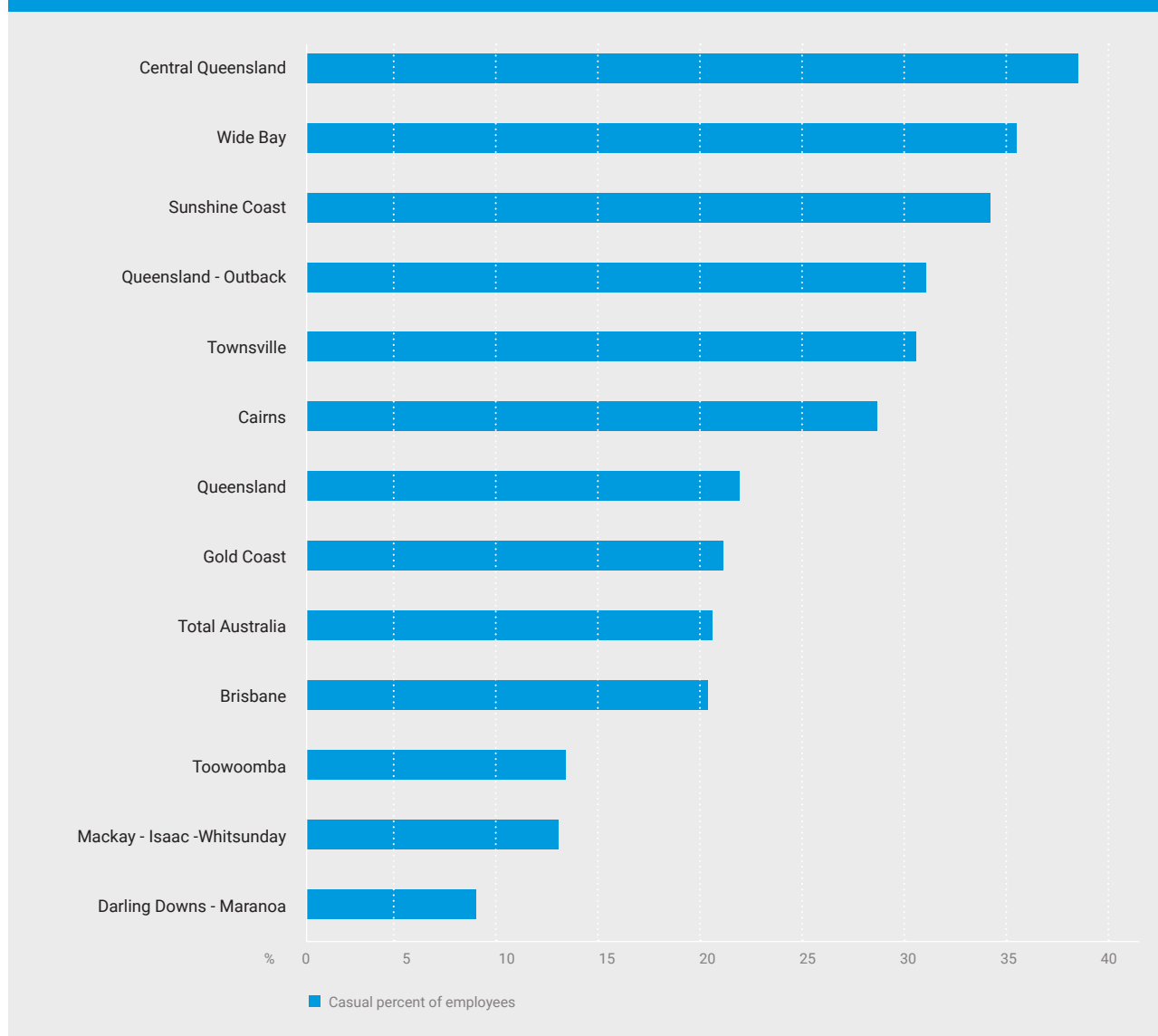
114,200

Total employed
persons

Casual Work in Central Queensland

Central Queensland has the highest share of casual employees (38.7%) in all of Queensland and the second highest share of any region in Australia overall.²⁰

Figure 1: Proportion of casual employees (employees without paid leave entitlements) in Queensland by region (SA4)



19. ABS Detailed Labour Force August 2020

20. Ibid. Only the town of Shepparton in Victoria has a higher share at 38.9%.

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 frequently resembling permanent employees: in most cases casual workers work regular hours each week and have been with their employer for more than a year.²¹

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.²²

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 casual workers are women.

Workers lacking job security and decent pay face barriers to getting tested, isolating or getting vaccination especially if they are under serious financial stress and lack job security. Central 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 Central Queenslanders. It passed laws earlier in 2021 that give employers far more power to define who is 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.²³ 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.

Other forms of job insecurity.

Independent Contractors

There are 12,900 independent contractors in Central Queensland who also do not have access to paid leave entitlements.²⁴ 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 conditions they would receive if they were rightly called an employee.

Fixed Term contracts

There are at least 7000 workers on fixed term contracts in Central Queensland.²⁵ 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.

21. 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>

22. Ibid.

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

24. ABS Characteristics of Employment, August 2020

25. ABS Characteristics of Employment, August 2020

Working Multiple Jobs

There were also 7,000 people working more than one job in Central Queensland in August 2020.²⁶ Nationally, more workers are working more than one job than ever before.²⁷ Multiple job-holding is not only stressful and insecure for affected workers²⁸; it also poses significant public health risks during a pandemic, because infected workers are more likely to transmit disease in multiple work locations.

Underemployment of part-time workers.

Finally, as discussed above, many workers are now being placed on part time contracts that only guarantee a low number of minimum hours of work. Especially in aged care, this can mean as few as 5-8 hours of work each week are guaranteed, which might be “flexed-up” at the discretion of the employer. This practice is converting part time work – which has traditionally been thought of as permanent and insecure, into insecure and unreliable work.

26. Many of the multiple job holders will be working in casual or fixed term roles.

27. ACTU (2021), Breaking Point: the rise of people working more than one job.

28. *ibid*

