



## SENATE SELECT COMMITTEE ON JOB SECURITY

### Hunter Workers Submission

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Hunter Workers submission should be considered in addition to, and supportive of submissions provided by the ACTU, Union NSW, and our affiliated Unions.

#### Key Points

- Housing is a key issue facing Hunter workers. The growing cost of housing, buying and renting, is pushing out low- and middle-income workers further away from the possibility of ever purchasing a home. This is compounded by the steady increase of casualised and insecure work, which limits the ability of workers to take out home loans due to unstable and unreliable incomes.
- Despite the close proximity to Sydney, paid leave deprived Hunter workers do not have access to vital COVID-19 support like the test and isolate payments. This puts all essential/frontline workers at risk as well as putting many casual/labour hire (etc) workers in a financially tough spot.
- Women are worst affected by insecure work, as they are disproportionately represented in casual and part time work, taking up insecure work at a rate disproportionate to men, and losing jobs faster than men because of this.
- Hunter workers report working casually for more than 10 years with an employer but still not being moved into permanent positions.
- Hunter workers report despite obtaining tertiary and graduate qualifications, it is still very difficult to obtain quality secure work, even after many years and with experience.
- Labour hire and other forms of insecure work can put workers in dangerous work conditions, as they may feel obliged to work while fatigued or not speak up about OH&S issues due to the risk they may lose future shifts punitively.
- Despite measures that allow casual workers to swap to part time work after a period of time, workers are still slipping through the cracks of eligibility.

## About Hunter Workers

Newcastle Trades Hall Council T/A Hunter Workers is the peak employee representative in the Greater Newcastle Region. Established in 1869, Hunter Workers is the oldest continuous region Trades and Labour Council. Hunter Workers represents the interests of all working people across the five (5) local council areas of Newcastle, Lake Macquarie, Cessnock, Maitland, and Port Stephens. Hunter Workers is affiliated by twenty-four (24) Unions with a combined membership of 64,000 Union members. Advancing the wage, working and social conditions, security and quality of employment is a core focus for Hunter Workers. Working with Unions, Industry leaders and Governments to ensure security, health and prosperity is shared with all working people across our Region.

LGA's Top seven major industries/ Employment/ Population<sup>1</sup>

<b>Newcastle:</b> <ul style="list-style-type: none"> <li>• Manufacturing,</li> <li>• Construction,</li> <li>• Financial &amp; Insurance Services,</li> <li>• Health Care &amp; Social Services,</li> <li>• Professional, Scientific &amp; Technical Services,</li> <li>• Elec, Gas, Water &amp; Waste Services,</li> <li>• Education &amp; Training.</li> </ul> Population – 167,000 Employed - 102,800	<b>Lake Macquarie:</b> <ul style="list-style-type: none"> <li>• Health Care &amp; Social Services,</li> <li>• Retail Trade,</li> <li>• Education &amp; Training,</li> <li>• Accommodation &amp; Food Services,</li> <li>• Manufacturing,</li> <li>• Other Services.</li> </ul> Population - 207,000 Employed – 61,000	<b>Cessnock:</b> <ul style="list-style-type: none"> <li>• Accommodation &amp; Food Services,</li> <li>• Retail Trade,</li> <li>• Health Care &amp; Social Services,</li> <li>• Manufacturing,</li> <li>• Construction,</li> <li>• Public Administration &amp; Safety.</li> </ul> Population - 61,000 Employed – 15,000
<b>Port Stephens:</b> <ul style="list-style-type: none"> <li>• Public Administration and Safety,</li> <li>• Manufacturing,</li> <li>• Construction,</li> <li>• Retail Trade,</li> <li>• Health Care &amp; Social Services,</li> <li>• Education &amp; Training</li> <li>• Transport, Postal &amp; Warehousing.</li> </ul> Population - 74,000 Employed – 27,000	<b>Maitland:</b> <ul style="list-style-type: none"> <li>• Construction,</li> <li>• Manufacturing,</li> <li>• Rental Hire &amp; Real Estate,</li> <li>• Mining,</li> <li>• Health Care &amp; Social Services,</li> <li>• Financial &amp; Insurance Services.</li> </ul> Population - 87,000 Employed – 28,000	

<sup>1</sup> <https://app.remplan.com.au/>

The Hunter is Australia's largest regional area, encompassing 11 Local Government Areas and the nations' seventh largest city, Newcastle. The Hunter economy has strong foundations in mining and agriculture, in addition to the service industry which includes healthcare, education and training.<sup>2</sup>

- The mining industry accounts for almost a quarter of the Hunter economy, and together with allied industries such as construction, transport and wholesale trade employs around 37,400 FTE (full time equivalent) workers.<sup>3</sup>
- The health sector is the region's largest service sector employer, employing around 51,200 FTE workers.
- Education and training employs around 27,100 FTE workers. The majority of these services are located in the lower Hunter e.g., the University of Newcastle.
- Retail employed around 39,100 FTE workers.
- The Hunter manufacturing sector employs around 31,400 FTE workers though is projected to decline consistent with Australia's ongoing structural shift and offshoring of the industry.

## Housing Shortage & Stress

Housing is currently a serious issue facing Hunter workers. In parts of the region, rental vacancy rates are the lowest in the state at 0.7% and rents have climbed as much as 30% in one year. City-siders and Sydney residents are leaving metropolitan areas and moved to the region in high numbers which has significantly increased pressure on the rental markets. This has caused rising house prices and left residents stuck in rentals that continue to increase in price.

According to research by Everybody's Home, COVID-essential workers (many of which are casual) in the Hunter Region must work on average half the week (for 19 hours) simply to cover the cost of rent.<sup>4</sup>

The housing shortage is pushing low- and middle-income workers further and further away from the possibility of ever owning a home. This is compounded by the steady increase of casualised and insecure work, which limits the ability of workers to take out home loans due to unstable and unreliable incomes.

Women in particular, are being harmed by housing stress and affordability, especially older women, as they are the fastest growing demographic to be at risk of homelessness. Additionally, women are more likely to have an insecure job, more likely to lose jobs in times of precarity (75% of all jobs lost May to July in NSW were held by women<sup>5</sup>), and more likely to be forced to take up insecure work after losing a secure job<sup>6</sup>.

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<sup>2</sup> Economics, D.A., 2013. Prospects and challenges for the Hunter region: A strategic economic study. *Retrieved from Newcastle.*

<sup>3</sup> ABS Labour Force Survey, four quarter average

<sup>4</sup> <https://everybodyshome.com.au/national-homelessness-week-rental-crisis-hits-covid-essential-workforce>

<sup>5</sup> <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

<sup>6</sup> Pennington, A., 2021. Women's casual job surge widens gender pay gap.

## COVID-19 impacts on the Hunter Region

COVID-19 outbreaks remain a significant risk to the Hunter region due to its close proximity to Sydney. Newcastle is arguably the highest at-risk city in the state, which we saw manifest over August as Sydney residents and workers spread the virus at worksites and homes around the region e.g., the recent Costco outbreak that saw infected Sydney workers travel to the Newcastle location to train staff.

Due to the high risk of COVID-19 spreading in the Hunter, it is egregiously disappointing that test and isolate payments have not been extended to the region. Such support payments would significantly mitigate risk and ensure workers have the appropriate support to follow test and isolation rules.

Because of the NSW government's inaction, paid-leave-deprived Hunter workers may be forced to choose between putting food on the table or a COVID test. This puts ALL essential/frontline workers at risk. At the height of the recent local outbreak, residents reported up to 7 days test result wait times.

To ensure the ongoing safety of Hunter workers, it is vital support is provided to workers without access to paid leave.

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## Insecure work in the Hunter

For the purpose of brevity, this submission will primarily focus on a selection of responses from our survey of workers in the Hunter. Please note some responses have been edited for legibility.

“ I worked for roughly 6 years as a skill hire trying to balance raising a family, paying a mortgage & generally trying to gain permanent employment. In total I have been working as a casual in & out of government departments for over 14 years now but there is this thing in the back of my mind... 14 years is a long time to be in a government department & still not permanent. ”

Adam Howison

“ I work at the Civic Theatre Newcastle as a casual in the box office and I also look after merchandise sales. The theatre is part of Newcastle Council and I have been there for 15 years. During the first lockdown we were given no support from Council whatsoever as casuals, it was basically just sorry, see you later. No JobKeeper as Councils were not eligible. Now the same thing is happening again. <sup>7</sup> ”

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<sup>7</sup> Note survey response was collected 25/7/21

Shows are being cancelled or postponed so shifts are getting less and less and so far, no support. 15 years as a casual I hear you say? Yes, and no offer of a permanent position. I love my job and the people I work with but the organisation itself is sadly lacking in any support for people in my position. Plus being 58 years of age other employment prospects are hard to come by. Believe me, I have tried. ”

Leanne Mueller

- Many of the survey respondents spoke of their difficulties to obtain permanent work despite working with their employer for long periods of time (for some more than 10 years) and/or obtaining tertiary and graduate qualifications.
- For these respondents, their inability to gain secure employment resulted in instability that seriously limited their ability to purchase a house, start or support a family, and plan for life.
- Several respondents, in particular older women, found after losing their jobs they struggled to gain secure employment. This is consistent with research by the Centre of Future Work finding women are disproportionately returning to part time and casual work compared to men.<sup>8</sup>

“ I have been a part time casual teacher for last five years. It is so frustrating to hear that word 'Casual' because education is not 'casual' work. Most of the time it feels like being a casual worker is like being a 'football' to kick whenever they like.

Normally, permanent employees are excited for public holidays, term break or even non-teaching weeks, but I hate them because I am a 'football' who can be kicked out during those times. I have to find ways and means to feed my family during such breaks and pay my bills.

Please understand how it feels like to have a Master's degree and loads of experience yet at the end of the day I am called a 'casual'. I hate casualisation and want the government to understand how hard it is to survive in such challenging times. How long should we suffer.... ”

Anonymous member of NSWTF

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<sup>8</sup> Pennington, A., 2021. Women's casual job surge widens gender pay gap.

- Gaining a permanent public school teaching position in the Hunter is extremely sought after.
- Although there is currently a casual teacher shortage in the area and across the state, the desire for permanency and competition for positions is great.
- According to the recent Gallop independent inquiry into teaching, the casual teacher shortage is more to do with falling salaries, rising workloads, and the increasing complexities of the job.
- Casual teachers are employed day to day by schools and are in extremely precarious work situations. The pandemic has and will exasperate the precariousness of their work.
- Casual teachers most of the time do not have access to sick leave, extended leave or even maternity leave provisions despite undertaking similar work and being a key part of the teaching profession.
- Casual employees are also subject to an incremental salary barrier regardless of experience and expertise. Casual teachers live week by week and are particularly vulnerable to changing circumstances at the school and societal level.

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I graduated University with an Honours Degree in teaching in 2016 and I spent 3 years searching for work after the completion of my degree. Due to not being able to secure permanent work, and solely working casual or temporary, I was unable to secure a loan for a car, I was unable to purchase a home and had no certainty on my financial position. Due to the volatility of securing a casual job I could not ensure my financial commitments and had to move back home with my parents at the age of 25.

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Anonymous member of IEU

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I find that these [labour hire] employees feel under pressure to take any shifts that are offered to them, regardless of their fitness for work on the day. We work shifts starting all around the clock and fatigue is a major issue. They need more certainty so that they can work in a safer, less fatiguing environment. They need to be employed as permanent employees by the company utilising their services, so they have certainty and do not turn up in a fatigued condition just to please some "Employer Group".

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Anonymous member of RBTU

- Labour hire and independent contractor jobs (e.g., gig economy, food delivery workers) are more risk at work compared to permanent employees. As outlined by the respondent above, employees feel more pressured to accept work even when they are not fit for such work, potentially endangering themselves and others.
- As outlined in other submissions, workers risk being replaced by the company for another labour hire group if they speak up about OH&S issues, leaving workers scared to speak up for fear of losing their job.

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For almost 4 years I've been employed by a major retail chain. Over that period, I have worked most weeks. Recently I received a letter from my work notifying myself of the recent changes to the Fair Work Act 2009, in relation to conversion of casual employment to part-time work, the result of which the company was not willing to offer a part-time position. They cited I had “not worked a regular pattern of hours over a 6-month period”. Because my workplace can be erratic and unpredictable with the number of hours us casuals can be rostered, it seems problematic. The fact that I've been employed for and consistently rostered to work for the last 46 months does not provide enough evidence as to a conversion to a part-time contract is concerning.

Not having the stability of guaranteed hours every week can be stressful, especially being in my early twenties having to balance tertiary study, rent and bills. Being casually employed, I'm usually afraid to call-in sick to a shift. There's been times in the past that I've had no choice but to show to work ill, just so I can earn money to pay my rent for that week.

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Anonymous

- Despite casual loading intended to make up for loss of entitlements, casual employees are paid less over time on average compared to permanent employees, and only one third of casuals reported receiving any casual loading.<sup>9</sup>
- This incentivises employers to keep employees in casual employment, despite casual employment initially intended for forms of work that are short term, seasonal or genuinely fluctuating.

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<sup>9</sup> ACTU, 2018. Myth of the Casual Wage Premium report



“ I have 2 degrees, interior architecture and an honours of fine arts. But for the last 5 years since graduating, I have only gotten work over 30+ odd jobs... I have had to leave or been let go from countless jobs due to being underpaid, not paid, not given enough hours OR expecting me to run the entire business, contract work calling me the night before 10–15-hour days, have had to write invoices, chase employers for payment - in some cases worked entire days unpaid still to this day, have had invoices paid 2 months after working. I’ve worked jobs that were nightshift, morning shift and 9-5. I've travelled hours to get to work and worked contracts, part-time, casual, full-time contracts. I spent the last 5 years outside of these paid 'day jobs' doing unpaid internships or voluntarily running art galleries to gain experience and network.

Anonymous

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## Recommendations

1. Introduce a national portable annual/personal/carers leave entitlements scheme that covers all workers in all forms of precarious employment.
2. Ensure workers without paid leave entitlements are provided with test and isolate support payments for the duration of the COVID-19 pandemic.
3. Increase the current 25% casual loading.
4. Establish guaranteed rights to casual conversion after six months of continuous employment.
5. Extend casual conversion right to contract and labour hire workers.
6. Limit casual employment to situations that are truly ‘casual’. Addressing short peaks in production demand.
7. National regulation and licensing of labour hire industry including requirement for host employers’ registration. Establish a tripartite statutory authority to oversee, report and make recommendations.
8. Include 10 days domestic violence in the NES.
9. Implementation of longer-term Government funding contracts for social, community and disability services to improve the certainty of employment and the opportunity for employers to implement training and career pathway plans for employees.



10. Adopt locally made Manufacturing procurement policies that maximises local content manufacturing and employment, that ensures greatest local/ regional jobs creation and retention, youth employment and training, career pathways through TAFE, long term industry planning and investment.
11. Establish Hunter Manufacturing Centres of Excellence to capture, build on, future proof and provide greater investment confidence in public transport rolling stock, aerospace, science and medicine and energy Hunter Manufacturing Centres of Excellence will build on existing expert manufacturing and create supporting industry development connected to significant transport pathways of rail, road, and port infrastructure.

## Conclusion

The COVID 19 pandemic has future highlighted the many issues created by insecure work and employment practices in all aspects of Australian society. The senate inquiry into Job Security is an opportunity to see the silver lining in the cloud of the COVID crisis and begin implementing real and lasting change to the lives of working people and our communities across the Hunter.

Security of employment, leave entitlements, Government support payments and stimulus were central to community confidence in moving through the crisis. It is this confidence that will ensure broader economic and social recovery.

Hunter Workers strongly encourages the Select Senate Committee to seriously consider all the evidence available that has demonstrated the strong connection between precarious employment and the safety of women, children and families, noting:

- Secure employment provides families broader range of opportunity,
- The benefits of secure work to mental health, emotional wellbeing, increased confidence and self-esteem,
- Skill development and training opportunities,
- Greater social and community engagement,