



4 March 2021

Alan Raine
Committee Secretary
Education and Employment Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: eec.sen@aph.gov.au

Dear Mr Raine

RE: Inquiry into the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 [provisions] – transcript corrections and questions on notice

The MCA appeared via telephone at the public Senate Hearing into the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 on 8 February 2021.

During the hearing, the MCA took five questions on notice.

Each of the five questions has been extracted from the Senate Hearing transcript. Each question, along with the MCA response, is outlined below.

1. What is the total number of the companies you have? What is the total net value of those companies in broad terms?

[Extract from transcript]:

Senator SHELDON: What's the total number of the companies you have? What is the total net value of those companies in broad terms?

Ms Constable: We can certainly get those for you. Our membership includes 81 companies and is growing. As I said, most of the large companies are our members. A full list of those members is on our website, and that is updated on a regular basis. We are just adding a few additional members to that list as we speak. We can provide you with the total value—not this afternoon, but I can get back to you.

MCA response

The MCA has 52 full members and 32 associate members with a combined market capitalisation of more than \$500 billion.

A full list of the MCA's members and associate members can be found at:

www.minerals.org.au/member-companies.

2. What is the percentage of labour hire in the coal industry?

[Extract from transcript]:

Senator SHELDON: What is the percentage of labour hire in the coal industry?

Ms Constable: I'll take that on notice in terms of the absolute number so that I make sure it is correct.

MCA response

There are no official data that provide a reliable measure of labour hire rates in the coal mining industry. The last time the Australian Bureau of Statistics (ABS) reported on rates of labour hire by industry classification (including mining) was in 2017; and sub-industry figures (including coal) have never been reported.

The MCA secretariat asked the ABS on 23 February 2021 whether data on the proportion of labour hire can be made available by industry, sub-industry and state. The MCA offered to pay for the production of these data.

The ABS confirmed to the MCA secretariat in writing on 24 and 25 February 2021 that the sample size for people paid by a labour hire firm in the *Characteristics of Employment* data series is too small to provide meaningful estimates by industry and/or state.

In 2019, the MCA commissioned Deloitte Access Economics to undertake a survey of its members, which revealed that labour hire workers (who may be permanent or casual) account for 10.7 per cent of the total minerals industry workforce. This was consistent with the latest available ABS figure for the broader resources sector (9.8 per cent). 38.7 per cent of the total minerals industry workforce were service contractors.¹

Deloitte Access Economics' full report is available at:

<https://minerals.org.au/news/economic-effects-changes-labour-hire-laws>

The MCA asked Deloitte Access Economics on 23 February 2021 to advise if the survey responses that informed its 2019 report can reliably indicate prevailing rates of labour hire and service contracting in the Australian coal industry. (Deloitte's survey did not ask MCA member companies to indicate in which state or states their operations are located.)

Deloitte Access Economics advised the MCA secretariat in writing on 1 March 2021 that its survey found that:

- The share of the coal operations workforce (full-time equivalent basis) who are labour hire workers is 14.2 per cent
- The share of the coal operations workforce (full-time equivalent basis) who are service contractors is 41.7 per cent.

3. What is the percentage of direct permanent employees in (a) coal mining and (b) mining?

[Extract from transcript]

Senator SHELTON: In coal and then generally in mining—so two figures—what would be the percentage of direct permanent employees?

Ms Constable: Ninety-five per cent of our workforce are full-time equivalent workforce relating to the minerals industry.

Senator WATT: Are you, though, saying that they might be direct employees of contracting companies? I suppose what we're focusing in on is the proportion of workers who are direct employees of the mining companies that own and operate the mines.

Ms Constable: I haven't got those absolute figures with me but I can get them to you.

MCA Response

The ABS does not estimate the share of workers in the mining industry and coal industry subdivision who are *both* permanent employees and not labour hire or service contractors.

¹ Australian Bureau of Statistics, *Characteristics of Employment, Australia, Aug 2016*, ABS cat. no. 6333.0, released 2 May 2017; Deloitte Access Economics, *Economic effects of changes to labour hire laws*, report prepared for the Minerals Council of Australia, MCA, 4 June 2019, p. 38.

The ABS does estimate by industry whether or not an employee receives paid leave entitlements, which is the generally accepted proxy measure of permanent employment. According to the most recent ABS data, 84 per cent of mining workers are permanent employees and 96 per cent are employed full-time.²

As noted in the MCA's response to question 2, the ABS has not provided industry-level data on rates of labour hire since 2017; and Deloitte Access Economics has advised the MCA secretariat that based on its 2019 survey of MCA members, the shares of labour hire workers and service contractors in the Australian coal industry are 14.2 per cent and 41.7 per cent, respectively.

4. Provide the average and median wage for casuals; and the average and median wage for full-time employees in the mining sector.

[Extract from transcript]

Senator ROBERTS: Let's go to some of your figures on the second page of your submission—the first page after the executive summary. You mentioned there a figure for average earnings in resources of \$144,000 a year, 58 per cent higher than the average for all industries. Then, two paragraphs down, you say:

... the median weekly earnings for casual employees in the mining sector was \$1,999 ...

That equates to about \$104,000 a year. You say that is:

... 45 per cent higher than the median for full-time employees across all industries ...

You're comparing an average with a median. You're comparing the mining average with the industry average and the mining median for casuals with the median for full-time employees outside mining. Can we have a comparison of apples and apples, please: average for casuals, median for casuals, average for full-time and median for full-time. Could you send that to us, please?

Ms Constable: I can certainly send that to you.

MCA response

Average total earnings (including bonuses) for full-time workers in mining were \$143,000 a year in 2020, 55 per cent higher than the average for all industries.³

Median weekly earnings for full and part-time workers in mining (including both permanent and casual employees) were \$2,325 in 2020, double the median for all industries (\$1,150).⁴

Median weekly earnings for permanent mining employees was \$2,365 in 2020.⁵

Casual employees in mining had median weekly earnings of \$2,109 in 2020, which was

- More than triple the median for casual employees across all industries (\$624)
- 62 per cent higher than the median for *permanent* employees across all industries (\$1,300)
- 47 per cent higher than the median for *full-time* employees across all industries (\$1,433)
- 42 per cent higher than the median for *full-time permanent* employees across all industries (\$1,486).⁶

The gap in median weekly pay between permanent and casual employees is smaller in mining (12 per cent) than in all other industries. Across the economy overall the gap is 108 per cent.⁷

² Australian Bureau of Statistics, [Labour Force, Australia, Detailed, January 2021](#), released 25 February 2021; [Characteristics of Employment, Australia, August 2020](#), released 11 December 2020.

³ Australian Bureau of Statistics, [Average Weekly Earnings, Australia, November 2020](#), released 25 February 2021.

⁴ Australian Bureau of Statistics, [Characteristics of Employment, Australia, August 2020](#), released 11 December 2020.

⁵ *ibid.*

⁶ *ibid.*

⁷ *ibid.*

Only 1 per cent of non-managerial workers in mining depend on an award for their wages and conditions.⁸

- 5. Can you guarantee on behalf of your membership that, if that legislation were to pass, there'll be no loss of income—that no worker will have loss of income in the areas that you represent and, for the membership you represent, no worker will be worse off?**

Senator SHELDON: Ms Constable, you mentioned that you support all the changes that the government has put forward in the omnibus bill. A number of those changes will affect wages, take-home pay, penalties and overtime. Can you guarantee on behalf of your membership that, if that legislation were to pass, there'll be no loss of income—that no worker will have loss of income in the areas that you represent and, for the membership you represent, no worker will be worse off?

The modest reforms contained in the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 will help businesses be more productive and competitive and therefore better able to retain existing jobs and create new ones. Anyone who keeps or secures a job will be better off. With regard to individuals, no politician, business person or unionist can ever guarantee that a policy or regulatory change will not leave someone worse off in some respect.

Yours sincerely

**TANIA CONSTABLE PSM
CHIEF EXECUTIVE OFFICER**

⁸ Deloitte Access Economics, [Economic effects of changes to labour hire laws](#), report prepared for the Minerals Council of Australia, MCA, 4 June 2019, p. 35.