

**NTEU** National Office



## **Submission to the**

## **Senate Standing Committee on Economics**

## **Inquiry into Economic Security for Women in Retirement**

The National Tertiary Education Union (NTEU) directly represents the professional and industrial interests of around 28,000 staff working in higher education, including staff in Australia's universities and research institutes and other allied organisations. On behalf of our members, we welcome the opportunity to provide a submission to the National Review.

Our coverage includes a diverse range of workers, amongst general and professional staff to academics, of whom we have exclusive coverage. These workers include world leading experts in their field, academics across all disciplines, researchers, technical and administrative staff, and university and institute trades and related staff.

At 57% of our total membership and as a similar proportion in the sector, NTEU has always had a significant interest in issues affecting women workers and allocates resources to pursuing these issues. We welcome the opportunity to make a submission to the *Senate Standing Committee on Economics Inquiry into Economic Security for women in retirement*.

The NTEU has long held concerns around the gender pay gap and the impact on women, but one of the most significant issues for women working in higher education is insecure employment and its impact on superannuation. University work forces are highly casualised, and that is a growing trend. Staff employed in non-secure modes of employment are not entitled to the same levels of employer paid superannuation as their permanent staff colleagues. This has a profound impact on their capacity for savings, particularly when many who are employed either as casual or contract staff are actually long term employees.

The NTEU's submission will highlight the intersection of superannuation, insecure work, the gender pay gap and career breaks on the economic security for women who work in higher education.

## **The superannuation gap**

According to UniSuper (the industry superannuation company for university staff), the retirement saving gap between men and women who have worked in universities is currently 37 per cent, with the average saving balance of UniSuper members at age 65 \$333,000 for women and \$529,000 for men (UniSuper, 2015). While this initially appears slightly better than the averages for the Australian population overall (where the gap is around 47 per cent), there are a number of issues hidden within the overall data. As with the general population, the gender difference in the super savings for women who work in higher education is multifactorial – including career breaks due to carer obligations (which can happen at different points in a career, such as with raising children, or caring for elderly relatives); lower income due to the ‘pooling’ effect of women in low – mid job level; earlier retirement; impact of divorce; combined with a longer life span, all result in women having to live on less in retirement.

There is another issue, however, that has a profound impact on savings capacity, and is likely to grow.

Permanent staff at universities are entitled to 17 per cent superannuation, a level that was hard fought for by the Union, and achieved in lieu of pay increases. However, we are yet to achieve the same for casual staff and those staff employed on contracts of less than 2-3 years (depending on the institution), who are only entitled to 9.5 per cent superannuation – once they earn more than \$450 per month, as per the Superannuation Guarantee legislation. Staff who do not earn more than this with a single employer are not entitled to superannuation at all. This is itself is an issue, as staff (particularly academic staff and women with carer responsibilities) may be working casually across a number of universities, and while they may earn more than \$450 per month in total, they may still not qualify for superannuation contributions with any employer.

It is obvious therefore that the savings capacity of those who are employed as casuals, or on contracts of less than 2-3 years, will be significantly less. The question is how profound is the impact of insecure work in universities, and who is most likely to be employed long term in insecure work?

## **The growth and gender bias of precarious employment in higher education**

*Experiences in paid and unpaid work determine economic security in later life. Over the life course, women are more likely to marry someone older, earn less money than men, take primary responsibility for unpaid caregiving and household chores, and have fragmented work histories. This combination of factors can leave women in poor financial circumstances in later life. (WGEA, 2014)*

It has been known for some time that university employment is highly precarious. Research (Percy et al. 2008; May et al. 2011) has shown that over half of all teaching in Australian universities is performed by staff employed on casual contracts. Staff employed in precarious work (particularly casual and sessional staff) do not have access to industrial entitlements such as sick leave, and while the casual leave loading would at first glance appear to compensate for the reduction of entitlements, university managements often underestimate the hours and do not recognise the true nature of work required, such as factoring in student consults and realistic timeframes for marking assessment tasks. In addition, the reality of precarious employment is that it is unreliable.

While it was estimated by May (2011) that on a head count, casual staff comprise over 60 per cent of all academic staff, and it appears that this proportion is increasing, the research to date has focused largely on teaching and research staff, with less attention paid to general, professional and technical staff.

The NTEU's own analysis of casual and insecure work, based on the Department of Education's own data, found that in 2012, only just over half (52.1%) of all employees (when measured on full time equivalent basis) of Australian university staff had continuing employment.

Almost a third (31.7%) were on limited term contracts and 15.9% were employed on a casual basis. In other words, about one in two university employees did not have secure employment.

Since the introduction of the student demand driven model in 2012 the scale of casualisation has continued to worsen.



The proportion of staff with precarious employment conditions is even higher when you look at certain categories of employees.

- **Research** - The use of competitive fixed term research grants means that 79.8% of research only staff were employed on limited term contracts and 8.2% were employed as casuals,
- **Casual Teaching Academics** - In relation to teaching only staff, 80.3% were casuals and 10.2% were on limited term contracts. The predominance of casual employment amongst teaching only academic staff in absolute terms means that over half of all the undergraduate teaching offered by Australian universities is now delivered by casual employees.

However, the calculations presented in the above graph use Full Time Equivalent (FTE) rather than the number of employees (head count). While the officially published data on continuing and limited-term employment at Australian universities is published in terms of head count as well as on an FTE basis, university data on casual employees is published only on an FTE basis. This, to a large extent hides the levels of real casual numbers, and the gender bias that occurs with precarious modes of employment.

In order to overcome this, the NTEU has examined the annual employer reports from the Workplace Gender Equity Agency (WGEA) for universities<sup>1</sup>. The Workplace Gender Equality Act 2012 requires non-public sector employers with 100 or more staff to submit a report to the WGEA, between 1 April and 31 May each year, for the preceding 12 month period. Universities are included in this cohort of employers, and as such must provide information, in actual numbers (headcount) on their total workforce – this includes their full-time, part-time, casual and temporary staff, by gender and broad categories (e.g. manager level, professional, clerical and administrative, technical etc), against a range of gender equality indicators.

With this now the fourth year of reporting, there are a number of trends emerging in the data. Importantly, it is clear that the levels of insecure employment in universities are spread across all areas – that is, insecure employment (casual and fixed term contract) is the primary mode of employment in professional (academic), technical and administrative areas. What is more is that the data shows that insecure work is highly gendered.

To illustrate, the University of Melbourne's 2015 WGEA report shows that only 58 per cent of all staff have access to employer paid parental leave. This entitlement is notable as it is one that NTEU is yet to win for casual and short term contract staff in most of our agreements, and thus reveals the levels of non-permanent staffing. The WGEA reports break these levels of insecure employment down further, into the different work categories.

Leaving aside the management category (of which there are no insecure employment categories reported by the University), the non-management areas are divided into professional (largely academic), technical and trades and clerical and administrative (general and academic support staff).

Of the professional staff (mostly academic and research) 37 per cent are reported as casuals. Adding the numbers of full time contract or part time contract increases the levels of professional staff in non secure employment to 69 per cent.

Of the technical and trades workforce, 64 per cent are casual. Although the actual numbers are smaller overall, in adding the full time contract and part time contract numbers, the percentage of insecure workers are actually 88.5 per cent.

However, it is in administration and clerical areas (which have been under researched) that the University has the highest levels of insecure employment. According to the WGEA

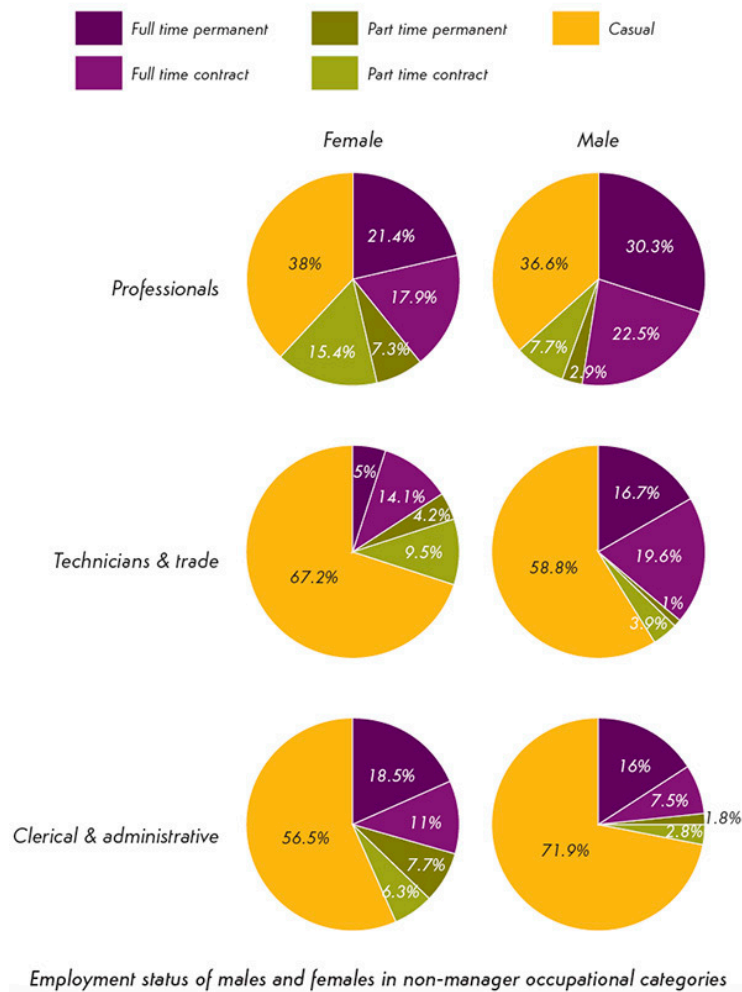
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<sup>1</sup> While the public reports have been forwarded to the NTEU by the institution as per the WGEA legislation, the reports for the 2014-2015 reporting period are yet to be published on the WGEA website.

report's workplace profile, there are 2778 clerical and admin staff at Melbourne. Of these, 61 per cent are casuals. Adding to this the non secure contract categories, and the result is that 76 per cent are insecurely employed (that's 2120 staff, out of 2778).

The following graphs give a visual break down of the data by different work categories, employment and gender for the University of Melbourne. In all the non management areas of casual employment, the significant majority are women.

#### University of Melbourne 2014-15 WGEA Employer Reporting Data – Employee (non manager)



Source: data drawn from 2014-15 public report form submitted by University of Melbourne to the Workplace Gender Equality Agency (unpublished)

The gender bias of casual employment is continuing unabated, and what's more, that insecure employment is now the norm in all non-management areas at the University of Melbourne, and noting that this well-resourced institution does not have the same funding constraints as smaller or regional institutions.

The WGEA employer reports for other institutions showing even greater levels of insecure employment. For example, at RMIT, over half of their non management staff (6,326 out of 10,016) are casuals and the majority of these are women (not counting part-time and full-time contract staff, where the majority of whom are also women). Even adding RMIT's 493 managers, it's still more than half the workforce that don't have access to employer paid parental leave.

At the University of Sydney, there are 2,672 casual professional staff, and another 1,524 contract staff. This represents 74.5 per cent of the total professional workforce. In clerical and administrative, the levels of insecure work are also high – there are 2,098 casual staff, and 768 contract staff. Together, these staff form 65 per cent of the total clerical and administrative workforce. In both the professional and administrative categories, it is women who are the majority in insecure employment. University of Sydney's high levels of casualisation are reflected in their self reported figure on staff with access to primary carer's leave – at 33 per cent of the workforce, the vast majority of staff do not have access to this basic entitlement.

A final example from the University of Queensland (also in the Go8 category) shows that these figures are not isolated. There are 1,919 professional casual staff (1,033 women), with a further 2,940 contract professional staff (and 1563 of these women as well). When combined, these staff are 73 per cent of the professional staff at the university. Looking at clerical and administrative staff, there are 833 casual and contract staff (633 of these women), which is 53 per cent of the total administrative and clerical workforce.

These few examples, from relatively better resourced institutions, show the levels of insecure employment, and how this impacts on access to those entitlements that many university managements use when promoting their gender equity credentials. It remains that while insecure work continues to flourish unabated in our universities, the majority of staff employed in this manner are women.

It does need to be reiterated that many staff find themselves in long term precarious employment. The NTEU conducted an online survey of almost 7,000 university staff in April 2015 (*State of the Uni* 2015). Of the respondents who were casual or sessionally employed academic staff, about two thirds (65.1 per cent) had been employed on a regular basis at their current university for three or more years. As the data in the following Table shows, the proportion of female employees in this situation at 67.7 per cent is considerably higher than males at 61.4 per cent.

How long have you been casually or sessionally employed on a regular basis at this university?	ALL	MALE	FEMALE
1 Year	5.6%	5.1%	6.2%
1 to 3 years	29.3%	33.5%	26.3%
3 to 6 years	32.7%	30.7%	34.0%
More than 6	32.4%	30.7%	33.6%
Total	100.0%	100.0%	100.0%

*Source: NTEU State of Uni Survey 2015.*

The Union intends to further investigate the emerging issue of long term insecure employment for general and professional staff, but clearly, evidence is that the growth of long term precarious gendered employment will impact negatively on women's economic security, particularly when it is conflated with the other pressures women face, such as the gender pay gap.

## **Conclusion**

The clear over representation of women in precarious employment, combined with the unabated and growing use of insecure modes of employment by university managements, will not see the superannuation pay gap decrease, only worsen. As university managements seek to cut back on expenditure (of which staff salaries are the major component at many universities) to increase their budget bottom lines, the option to convert more staffing positions to casual and short term contracts is highly attractive – especially as these positions cost significantly less, including in terms of the employer's superannuation contributions.

While the general perception of the public may be that university staff are well paid, the reality is just the opposite for a growing majority of (mostly women) staff working in universities. What is more is that the situation we see in our universities is reflected more broadly, in other industry sectors, both private and public, where permanent positions are being replaced by insecure modes of employment that have a gender bias towards women, and other factors – such as the gender pay gap, career breaks and a shorter working life, as well as the fact that women live longer, while impacting now, will be magnified into the future. Clearly, if not addressed, these multiple factors such will have a huge detrimental impact – both socially and economically – for not only individual women, but for our social welfare support networks and for any government dealing with expenditure around an ageing population.



## **Recommendations**

The NTEU will continue to advocate for improved superannuation for casual and short term contract staff. However, that does not address all issues impacting on women and their economic security. As such, the NTEU makes the following recommendations:

- Extend low super income contribution beyond 2017 to address regressive tax concessions on superannuation;
- Boost women's superannuation through a 2 per cent increase in mandatory employer contributions;
- Provide additional government support for women's retirement incomes at the beginning of women's working lives;
- Recognise the value of women's caring work and maximise the capacity to balance family and working life;
- Revise the government's paid parental leave to allow more women access (by amending the work test to extent the 8 week gap between 2 consecutive days of work to 14 weeks) and allow for superannuation to be included as part of the paid parental leave scheme;
- Re-examine government policy initiatives that drive financially unsustainable and/or unplanned growth in universities, resulting in managements replacing permanent staff positions with precarious ones; and
- Better link the levels of precarious employment in institution to quality assessment processes by regulatory bodies.

The NTEU also supports and endorses the recommendations made by the ACTU in its submission to this Inquiry.

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**29 October 2015**

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