

# Independent Inquiry into Insecure Work in Australia

## Written submission cover sheet

Please ensure this cover sheet is included or attached to submissions made in response to the Terms of Reference. Before submitting your submission please read the Inquiry's web site - <http://securejobs.org.au/independent-inquiry-into-insecure-work-in-australia/> - which has important details on the closing date; publication of submissions; confidential information; and privacy.

<b>PUBLICATION DETAILS</b>					
The Inquiry intends to publish submissions on its website, but reserves the right not to publish any submission, or part of a submission. If you wish to make a submission to the Inquiry, you must include your full name, address, and contact details. The 'name for publication' below will be used to label submissions. Generally this should be the same as the name of the individual, group or organisation making the submission.					
<b>Name for identifying submission on website</b>				CFMEU M&E Queensland District	
<b>CONFIDENTIAL INFORMATION</b>					
All submissions will be treated as non-confidential information and may be published on the website and in the inquiry's report along with your name, unless specifically requested. If you regard your submission as being confidential, clearly mark so below. If your submission is marked as confidential, it will not be published and your name will not be published online or in any reports of the Panel, although the Panel or the staff assisting the Panel may still contact you for the purposes of the Inquiry. You can read our privacy statement at <a href="http://securejobs.org.au/independent-inquiry-into-insecure-work-in-australia/privacy/">http://securejobs.org.au/independent-inquiry-into-insecure-work-in-australia/privacy/</a>					
<b>Do you wish for your submission to remain confidential?</b>				<b>Yes / <u>No</u></b>	
<b>CONTACT DETAILS – Jim Valery, Queensland District Secretary</b>					
The personal information you supply in your submission will be used for the purposes of conducting the Inquiry including the preparation of reports. You may be contacted by the Panel or the staff assisting the Panel for the purposes of the Inquiry. Unless your submission to the Inquiry is marked as confidential, it will be published on the website along with your name. In addition, unless your submission is marked as confidential, your name may be mentioned in references to your submission by the Panel including in any reports it publishes.					
<b>CONTACT PERSON – Jim Valery</b>					
<b>Organisation name (if relevant) – CFMEU M&amp;E Queensland District</b>					
<b>First name</b>		Jim		<b>Surname</b>	
				Valery	
<b>Phone</b>	(07) 3839 8588		<b>Mobile</b>		
				<b>Email</b>	j.valery@cfmeuqld.asn.au
<b>Street address</b>		Level 2, 61 Bowen Street			
<b>Suburb</b>	Spring Hill		<b>State</b>	Queensland	<b>Postcode</b>
					4000

# **CFMEU – Mining and Energy Division Queensland District**

**Submission to Independent Enquiry into Insecure Work in  
Australia**



***“Only decent work for all—that is work that is carried out in conditions of freedom, equity, security and human dignity—can provide the social foundations for the global economy. This is the concept of decent work.”***

***Juan Somavia, Director General, ILO***

## **Documents considered in Submission**

1. IBIS World Industry Report B1101 – Black Coal Mining in Australia
2. IBIS World Industry Report D3611 – Electricity Generation in Australia
3. IBIS World Industry Report D3612 – Electricity Transmission in Australia
4. IBIS World Industry Report D3613 – Electricity Distribution in Australia
5. IBIS World Industry Report D3620 – Gas Supply in Australia
6. Qld Government
  - Department of Infrastructure and Planning – Coal Plan 2030
  - Queensland Regionalisation Strategy
7. Fair Work Act 2009
8. Fair Work Regulations 2009
9. International Labour Organizations material including:
  - Labour Market Trends and Globalizations Impact on Them
  - Codes of Conducts for Multinationals
  - Core Labour Standards handbook
  - Global employment trends 2011
10. United Nations information including:
  - International Convention on Economic, Social and Cultural Rights
  - International Convention on Civil and Political Rights
11. Australian Governments
  - Australia to 2050: future challenges
  - Australian Social Inclusion Boards 'Breaking the Cycles of Disadvantage
  - Building community resilience brochure 2009
  - Australian Institute of Family Studies – Work and Families responsibilities through life
12. International Journal of Epidemiology – Socioeconomic influences 'Temporary employment and health: a review'
13. International Journal of Health Services, Vol 31 Number 2 – 2001
14. Australian Bureau of Statistics
  - Australian Social Trends December 2011
  - Employee Earnings and Hours, Australia, May 2010
15. The University of Adelaide – Myths of casual work exposed, August 2004

16. Scientific Electronic Library online - Working hours, work-life conflict and health in precarious and "permanent" employment
17. CFMEU M&E submissions for various EIS including Caval Ridge
18. Queensland Workers Compensation website available information
19. Register of Australian Mining 2011/12
20. Moranbah Action Groups submission for Caval Ridge change request
21. Federal Parliamentary Enquiry – open submission website
22. Workforce Turnover in FIFO Mining operations in Australia, The Centre for Social Responsibility in Mining, University of Queensland
23. *Work-Life Balance and Atypical Working Hours, By Monika Sarder, Senior Policy and Research Coordinator, The AusIMM The AusIMM Working Lifestyle Survey: Preliminary Analysis and Findings*, Prepared by the Centre for Social Responsibility in Mining, University of Queensland (February 2002)
24. *Berand Salt (KPMG) Redefining Regional Planning: Managing Change, Measuring Growth*, November 2011

### **CFMEU Mining and Energy – Queensland District**

The CFMEU M&E represent nearly 10 000 workers throughout Queensland. Our membership all work in Queensland however reside across Australia as well as many international countries. While our membership is predominately employed in or in conjunction (including service) with black coal mines, we also have membership in other areas of mining, the electricity industry, bulk port facilities (that largely load black coal) along with a number of other industries that involve occupations under our FEDFA eligibility.

The Queensland District of the CFMEU is very concerned with the current trends in Australian Workplaces. We will provide a range of commentary in areas we believe we have expertise in and supplementary comments into other industries that are intended to be read in conjunction with other submissions (Queensland Council of Unions, National and Federal office of the CFMEU and other unions).

The CFMEU M&E will also provide commentary on regional communities, something we believe we possess some depth of knowledge in given our Districts historical interaction with regional communities, the place the majority of our membership live.

## **Insecure work Indicators as defined in inquiry reference material**

### **Definition**

For the purpose of this inquiry, insecure work is defined as that which provides workers with little social and economic security, and little control over their working lives. Indicators of insecure work are:

- 1) Unpredictable, fluctuating pay;
- 2) Inferior rights and entitlements, including limited or no access to paid leave;
- 3) Irregular and unpredictable working hours, or working hours that, although regular, are too long or too few and/or non-social or fragmented;
- 4) Lack of security and/or uncertainty over the length of the job; and
- 5) Lack of voice at work on wages, conditions and work organisation.

Insecure work can be experienced by all workers. Certain forms of employment are prone to insecure work, including casual work, fixed-term contracts, seasonal work, contracting and labour hire. These forms of employment will be of particular attention for the inquiry. Also of consideration will be the problems faced by workers employed part-time and workers in non-traditional workplaces, such as home-based outworkers.

### **Insecure work – a look at different types**

The types of insecure work seen in industries the CFMEU M&E are engaged in vary. The types most common include –

- Contracting employees
  - Contractor run operations (mining lease held by someone else)
  - Long term contractors (6 month+ contract)
  - Short term contract
- Supplementary labour (either directly employed or through contractor)
  - Casual employees
  - Labour Hire employees
  - Fixed term employees
  - Seasonal workers (won't provide commentary)
- Migration employment
  - Enterprise migration visa
  - 457 visa
  - Other visa's

Each style of insecure employment has their specific areas of concerns, and has generic issues relating to insecure employment generally. The CFMEU M&E believe it is too hard to determine, in all areas, whether one type of employment can suffer more than others however do agree that some styles of insecure employment have very limited usages and need restricting. To fully explore the different employment types, the CFMEU M&E believe it is important to look at each in more depth.

## **Contracting employees**

### **Contractor run operations (mining lease held by someone else)**

These employees are generally employed by a contractor running a coal mine on behalf of the lease owner, while seen to be employed full time with all associated conditions, still have their employment conditional on the contractual arrangements between the contractor and the lease holder.

While contracts are generally confidential, history shows us that the lease owner always has a clause that allows them to terminate the arrangement under specific conditions. Employment under this arrangement is reasonably secure though still creates a degree of uncertainty around contract negotiation as well as periods where rumours indicate the lease holder are looking at invoking their “get out” clause in the contract.

Negotiations for these employees are also restricted through having a third party involved. Benefits available to employees can be restricted due to the contractual arrangements the contractor has with the lease owner.

*Could include 4) and 5) of the insecure work indicators as defined within briefing paper*

### **Long term contractors (6 month+ contract)**

Those employed under these arrangements have the same concerns as the above category, though their concerns often become reality. The industry is not restricted to coal mining and we see long term contractors throughout all our industries and arguable throughout most industries.

During the 2008/09 global downturn over 3000 members (and potentially 5000+ workers) lost their employment. While employees are generally covered by agreement arrangements (restricted more so than above as often they are contracting for the above contractor – similar to sub-contracting) their long term employment is subject to market and global conditions of the current day.

*Could include 4) and 5) of the insecure work indicators as defined within briefing paper*

### **Short term contract (less than 6 months)**

Employees are generally working on unique circumstances like a Washplant/dragline refurbishment in open cut coal mining, a belt repair or longwall move in underground coal mining or an overhaul at an electricity generator(as examples)

Employees are generally a fixed term employee of a contractor, though some may well be permanent employees.

Could include 3), 4) and 5) of the insecure work indicators as defined within briefing paper

### **Supplementary labour (either directly employed or through contractor)**

#### **Casual Employees**

Casual employment is utilised in both good and bad ways throughout our membership base. There is a place for casual employment if companies utilise it for the right reasons. The CFMEU M&E know it is rife and abused in other industries however in the majority of our base it is used in an acceptable manner.

The main reason it isn't as common in our industries, and more specifically the black coal industry, is the use of Labour Hire. This is something we intend to touch on in the next section.

Casual Labour, as previously mentioned, can have a place if employees are engaged appropriately and for the correct reasons in Australian workplaces. We believe there needs to be tighter controls placed on the use of this type of employment to stop victimisation of workers who stand up for their rights.

Could include 1), 2), 3), 4) and 5) of the insecure work indicators as defined within briefing paper

#### **Labour Hire Employees**

The CFMEU M&E find this as a most unacceptable form of employment **IN ANY INDUSTRY**. This style of employment is an evil form of victimisation utilised throughout the mining industry as well as other industries.

If this enquiry achieves one thing only, we would hope it is publically exposing how hurtful Labour Hire employment can be. A form of employment where the worker is a throw away item where the company gets all the benefits available under casual employment but take on no responsibilities at all by outsourcing them to a third party.

Could include 1), 2), 3), 4) and 5) of the insecure work indicators as defined within briefing paper

#### **Fixed term Employees**

This style of employment is utilised to some degree in industries we have involvement in. In our experience this type of employment has been utilised, with good and bad examples. Similarly to casual, with the appropriate controls, the CFMEU M&E can see a place for this type of employment in Australian workplaces.

Could include 1), 2) and 5) of the insecure work indicators as defined within briefing paper

## **Migration employment**

### **Enterprise migration visa, sub class 457 or 456**

Employment through migration visas (of their various kinds) will continue to be a part of Australian employment but they must be managed with controls to benefit Australian workers.

- Skilled workers must be utilised to train Australian workers in the skills we are short in
- Adequate controls and regulating needs to occur in combination with approvals
- Regional communities and regions need to be considered
- Under employed and unemployed Australians must not be disadvantaged through migration employment
- Enhanced regulation needs to occur to provide controls required to utilise this form of employment appropriately.

Once determined appropriate, we then have to stop some of the poor practices that occur. Migration employees are vulnerable, often being here under an employer sponsorship. Some employers oppress migration workers and we must ensure all workers are not treated in circumstances less than acceptable.

*Could include 1), 2), 3),4) and 5) of the insecure work indicators as defined within briefing paper*

## **Insecure work – The Scourge of Australians**

### **The extent of insecure work in Australia**

As at January the 18<sup>th</sup> 2012 (11.26am Canberra daylight savings time), the Australian Bureau of Statistics projected Australia's resident population to be **22 806 137**.

This projection is based on the estimated resident population at **30 June 2011** and assumes growth since then of:

- one birth every 1 minute and 47 seconds,
- one death every 3 minutes and 36 seconds ,
- a net gain of one international migration every 2 minutes and 49 seconds, leading to
- an overall total population increase of one person every 1 minute and 34 seconds.

These assumptions are consistent with figures released in Australian Demographic Statistics, June Quarter 2011 (cat. no. 3101.0).

Based on the same assumptions (as above) we can determine that the projected resident population for Australia at 11.59pm (Canberra daylight savings time) on the 30<sup>th</sup> of November 2011 was **22 805 379**



The Australian Bureau of Statistics November 2011 edition of Labour Force in conjunction with our assumed November 2011 Australian resident population gives us the following information –

Australian Population	22 805 379
Employed persons (seasonally adjusted)	11 457 100
<ul style="list-style-type: none"> <li>▪ Full time employment (35 hours+)</li> <li>▪ Part time employment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 8 026 300 (39 900 decrease from Oct)</li> <li>▪ 3 430 800 (increase of 33 600 from Oct)</li> </ul>
Unemployed persons (seasonally adjusted)	635 800
<ul style="list-style-type: none"> <li>▪ Looking for full time</li> <li>▪ Looking for part time</li> </ul>	<ul style="list-style-type: none"> <li>▪ 454 600 (7 100 decrease from Oct)</li> <li>▪ 181 300 (16 500 increase from Oct)</li> </ul>

Note – Employed persons are seen as people who receive at least one (1) hour pay per week, or perform more than one (1) hour of unpaid work on family business

It is hard to determine how many of the employed persons in Australia are employed under insecure arrangements based on the figures available at the Australian Bureau of Statistics, or how many people employed as part time would prefer greater hours than they are receiving.

The ILO's Global Employment Trends provides the following analysis from global statistics. Based on the research that shows Multi-national companies looking more at developing nations where possible, one must assume that Australia's figures are similar if not worse than the global average.

On the basis of available data, the current estimate of the number of workers in vulnerable employment in 2009 is 1.53 billion, which corresponds to a global vulnerable employment rate of 50.1 per cent. The incidence of vulnerable employment remained roughly flat between 2008 and 2009, versus a steady and substantial average decline in the years preceding the crisis.

ILO's Global Employment Trends

To further explore the amount of people employed in insecure positions, we will further explore specific work locations to provide further clarity into the depth of the current trend of insecure employment.

**Lease holder operated**

Mine	Production in Million Tonnes	Permanent employees	Total workforce	Insecure employees
Goonyella Riverside O/C	13.34 June – June 2010	1000 approx.	2650	1650
Peak Downs O/C	8.66 June – June 2010	850 approx.	1100	250
Norwich Park O/C	3.47 June – June 2010	320 approx.	400	80
Saraji O/C	6.8 June – June 2010	410 approx.	560	140
Oaky Creek U/G	10.12 Dec – Dec 2010	300 approx.	700	400

Note: Total workforce numbers and production figures as displayed in Registry of Australian Mining 2011/12. Permanent employees based on membership numbers, industry knowledge and assumption of 1 supervisory/administration employee for every 3 production employees, industry average is 1-4 so a conservative figure generated

The above table only represents owner operated mines and does not include contractor operated mines, which would see every employee at the operation arguably employed under insecure arrangements. The CFMEU M&E believe across industries we have knowledge in, over 50% of the workforce will be in some form of insecure work arrangement as per previously highlighted categories. We know it is an issue and we know most of these workers on insecure employment arrangements want permanent employment. This is backed up by research from Dr Barbara Pocock, a research fellow in Social Studies at the University of Adelaide

---

Two-thirds of casual workers do not like working casually while 58% feel they have no flexibility with their employment, according to new research conducted by the University of Adelaide.

The findings are contained in the report *"Only a casual..." How casual work affects employees, households and communities in Australia* by Dr Barbara Pocock, a Research Fellow in Social Sciences at the University of Adelaide.

For the qualitative study, 55 casual workers in a variety of occupations, industries and ages and across three states were interviewed.

Dr Pocock, who presented the report at the *Work Interrupted: Workplace, Family Community, Economy* conference in Melbourne this morning, says the findings challenge established myths about the nature of casual work.

"It is not true, based on this study that most casual workers choose to work casually. While some do, most do not," Dr Pocock says. "They want predictable pay and hours, paid holidays and sick leave and to be treated the same as ongoing workers.

"Only 25% of casual workers like being casual. Most commonly they are students, adults with caring responsibilities or semi-retired people - but not everyone in these categories likes being casual, so it's inaccurate to generalise about these groups."

The study showed that there are two critical conditions for a casual worker to be positive about their work conditions: another source of household income and an accommodating boss. Less than half of the respondents had these two conditions.

And while flexibility is considered important to casual workers, just as important are a lack of respect and exclusion in the workplace: exclusion from communication, training and promotion. Sick leave and holiday pay are also significant.

"Some casuals can take an unpaid holiday and sick leave when they want - but many cannot," Dr Pocock says. "For many, being sick is a real hazard that costs them pay and sometimes their job. Some casuals have few holidays, and many mention negative health effects from insecure pay and hours.

"Overall, the study found that casual work has effects beyond the individual - on children, partners, friendships, households, communities and productivity."

---

The University of Adelaide media release – Myths of casual work exposed Monday the 2<sup>nd</sup> of August 2004

---

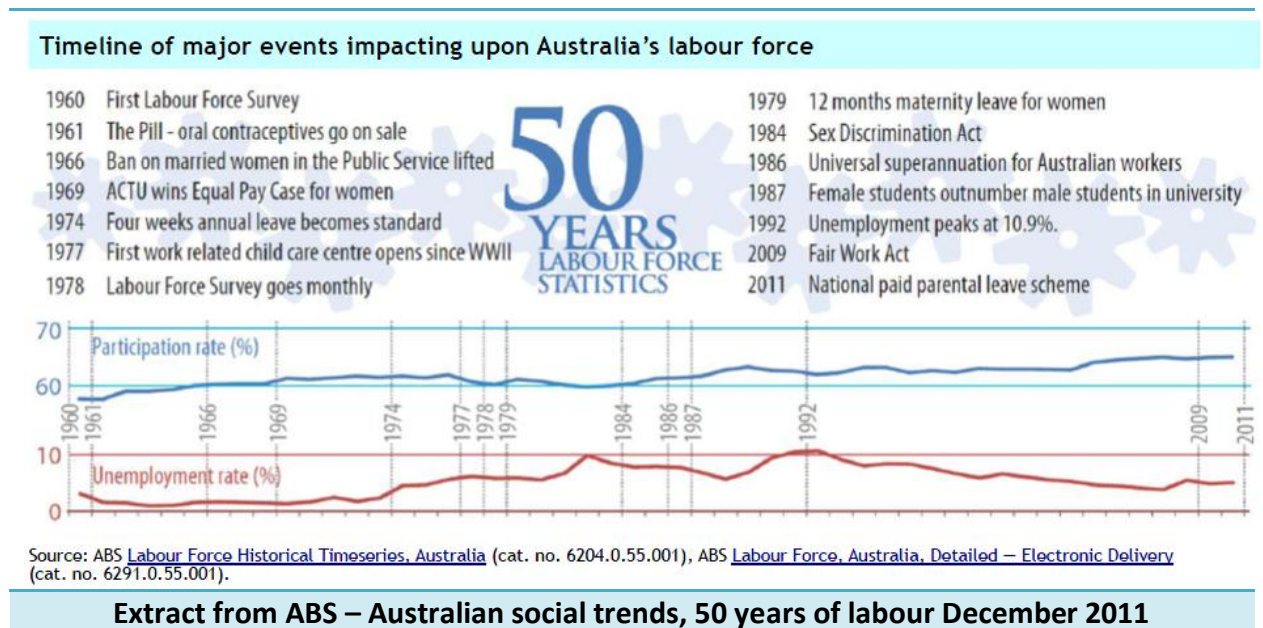
### **Insecure work – why we need to act**

The CFMEU M&E say that with no action, insecure employment practices have the potential to continuing causing injurious consequences. We say continue as we believe many of these consequences have already started to impact Australia. There are a number of areas these injurious consequences are being felt, the CFMEU M&E will limit our comments to the following areas –

- Where has the current trends come from
- Employee welfare and family considerations
- Regional communities
- Business requirements of the 21<sup>st</sup> Century
- Australia and the coming decades

#### **1. Where has the current trends come from**

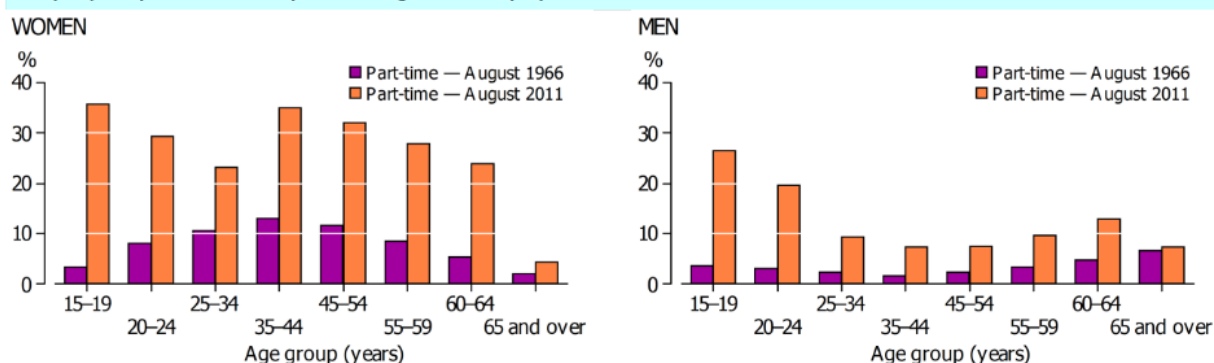
The Australian workplace has changed throughout the years, with many improvements won on behalf of workers by individual unions and/or peak bodies like the ACTU or QCU. While the following picture is not an exhausted list, it does provide an insight into some changes but also fails to pick up many of the poor changes that have occurred.



One classic example of a poor example not being highlighted is the legislation that led to a career change for John Howard (Workchoices) and another significant area not addressed is the move away from fulltime employment to the current situation where various types of insecure employment have become the norm in today's industries.

The Australian Bureau of Statistics '50 years of Labour' provides a somewhat romantic view of why there have been changes to more flexible (company preferred word for insecure) work practices and a far higher % of part time working being undertaken. The changes are put down to more family friendly hours at work and better options to allow today's worker enjoy quality family time.

### Employed persons as a percentage of the population



Source: ABS [Labour Force Historical Timeseries, Australia](#) (cat. no. 6204.0.55.001), ABS [Labour Force, Australia, Detailed – Electronic Delivery](#) (cat. no. 6291.0.55.001).

### Extract from ABS – Australian social trends, 50 years of labour December 2011

The CFMEU M&E say that the current trend of insecure practices did not come from requests or preferences from Australian Workers. We acknowledge that the practices suit some people and have a place in today's Australian workplace. We say that some of the major reasons we are now seeing significant insecure employment practices comes down to globalisation and pressure from Multi-Nationals and the loss of Australia's manufacturing and other industries to provide us with a degree of self-sufficiency.

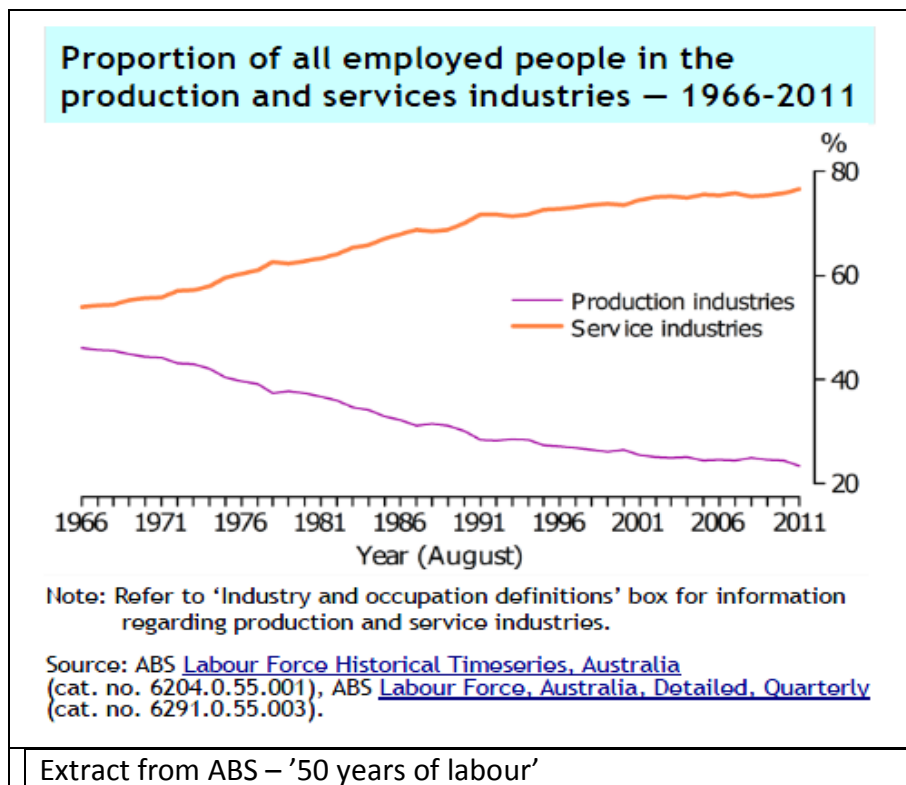
The following two extracts give us an idea of the way Australian Industries have changed.

### Change in Industries

In the 1960s, Australia was evolving from a nation of largely primary industries – of sheep, cattle and wheat – to one of manufacturing. By the late 1960s refrigerators, washing machines, vacuum cleaners and cars had become increasingly available to Australians. This is reflected in the industries which employed most people in August 1966; Manufacturing (26%) and Wholesale and retail trade (21%).

In August 2011, manufacturing was a relatively much smaller component of the economy than it was in the past (accounting for just 8% of employed people). The Health care and social assistance industry was the largest industry (employing 12%), followed by Retail trade (11%) and Construction (9%), while Agriculture and Mining only accounted for 3% and 2% respectively of all employed people. The growth in some service industries also reflected a changing Australia; some 77% more people worked in the child care industry compared with just 10 years ago.

### Extract from ABS – “50 years of labour”



This is not an Australian only phenomenon. In the International Labour Organization's 'Global Market Trends and Globalizations Impact on Them' we see the trend has been occurring since the 1970's. The report (figures are from 1970 – 1994 as this was the last year data was available from all countries) tells us that top ten (10) developed economies have become very dominated by the service sector. Major Job losses occurred in manufacturing, agriculture to name but a few industries.

During the same period of years (1970 – 1994) we have seen developing countries continually return unemployment rates in the 1.5 – 3% range, far lower rates than we see in developed nations. This has arguably continued and we can look firmly at globalisation and multi-nationals for this trend.

---

**Unemployment and the loss of jobs in developed countries is quite commonly associated with globalization. The main arguments that the impact of globalization is negative are as follows:**

- **Multinationals have exported jobs from developed countries to developing countries through foreign investments and outward production in special economic zones.**
- **Through trade liberalization, governments have encouraged the replacement of domestically produced goods with goods produced abroad.**
- **The increased application of technology, especially in globally operating companies, can reduce the use of and dependence on labour.**

**These arguments can be found f.ex. in [International Federation of Chemical, Energy, Mining and Factory Workers \(ICEM\), Globalization and Social Policy](#). See also [ICFTU: The Global Market: Trade Unionism's Greatest Challenge](#).**

---

**Extract from ILO – Labour Market Trends and Globalizations Impact on Them**

---

The CFMEU M&E argue that this practice has continued and a recent report from the International Labour Organization provides some depth to the argument. The CFMEU M&E further believe the practise being undertaken by the Multi-nationals is aimed at promoting insecure work arrangements.

During the 'Workchoices' election, we saw Multi-national mining companies try and influence the Labor Party with commentary on the catastrophic affects the industry would see if AWA's were not retained. The CFMEU M&E see individual contracts as a further extension of insecure work. Multi-national companies, in the opinion of the CFMEU M&E, believe they had the peak flexibility they could get through insecure employment and as such turned their attention to individual work arrangements. After the introduction of the Fair Work Act, and the limits to individual contracts we are again seeing companies try to get further benefit through insecure work arrangements and specifically labour hire, contracting out arrangements and shortly migration employment (at least this is what we have seen in our areas of engagement)

## **2. Employee welfare and family considerations**

There is plenteously research available that look into work and the benefit it provides workers and their families. Whether it is an injured worker, an unemployed worker, an insecure worker or a permanent worker, it is impossible to leave the impacts of work at the gate after the bell announces that work is finished for the day. Having to take work home has sadly intensified with the new push for insecure work arrangements.

Professor Julian Lmarinen, an expert in ageing and the quality of working life in Europe explains that "the relationship between work and health is an important one. People in work are generally healthier than those who are not".

Sonja C. Kassenboehmer and John P. Haisken-DeNew provide more depth to the relationship between being employed and a person's health. Their study and report called 'You're fired! The Casual Negative Effect of Employment on Life Satisfaction' gives us the following views after a study

---

Economists have been keenly interested in determining the effect of labour market status (especially unemployment) on life satisfaction. The previous literature such as Winkelmann and Winkelmann (1998) has sought to quantify the nonpecuniary costs of unemployment due to reduced well-being. The paper is particularly innovative in that subjective information is used to identify model outcomes in an otherwise completely objective model. The paper concludes that the non-pecuniary effect of unemployment is much larger than the effect from the associated loss of income. This is primarily due to loss of social contact, reduced self-esteem and identity in society (Goldsmith et al., 1996). The higher the pressure of the social norm for an individual to work, the higher the psychological pressure to regain employment (Akerlof, 1980).

---

Extract from 'You're fired! The Casual Negative Effect of Employment on Life Satisfaction'

---

Further research occurred through Marianna Virtanen, Mika Kivimäki, Matti Joensuu, Pekka Virtanen, Marko Elovainio and Jussi Vahtera as published in the International Journal of Epidemiology as below

---

#### KEY MESSAGES

- The modern flexible economy is characterised by the increasing use of temporary employment arrangements.
- Although studies have begun to accumulate, no agreement exists whether temporary employment is a health risk.
- The present review indicates an association between temporary employment and psychological morbidity.
- The health risk may depend on instability of temporary employment, unemployment rate and proportion of temporary employees within the country.
- Additional research to clarify the role of employment instability, hazard accumulation and health-related selection is recommended.

---

#### Extract from International Journal of Epidemiology

---

The CFMEU believe the research available on injured workers and unemployed workers provides a logical link that employees in an insecure work arrangement not of their choosing would also suffer similar health related issues. We further believe that this can increase when a person has a family to support, or assist supporting.

Employees should always be considered and when employment arrangements have the ability to impact on health of an employee as well as creating issues to Australian workers they have to be appropriately addressed in the makeup of Australian workplaces.

We again want to make it known we are not against certain appropriately regulated types of employment we have highlighted as insecure, but we are opposed to the current practice being pushed by Multi-nationals in an attempt to improve their already record profits.



### 3. Regional Communities

The effects insecure work has on regional communities can be quite profound. A community is a place where many different people CHOOSE to live and interact together. When they choose to live in a regional community, they do so with the knowledge they won't receive all the opportunities families in larger metropolitan centres and areas in and surrounding state capitals receive. The families (and other community members) make the choice to live there because they have friends and family already there but predominately they make the choice to keep their family together as a family unit rather than have to put up with 'seasonal single' living.

Insecure work practices don't afford a family the real choice to move to regional Queensland (or Australia) and become a part of the community due to the lack of security and uncertainty over the length of time the position will remain. These concerns tend to lead to a family opting to remain in their current dwellings (at current location) and have the worker commute to and from work and deal with all the associated issues of this forced lifestyle.

The result for the community is stagnant (and at times negative) growth out of sync with industry in the area. Workers who through, their own decision, a lack real accommodation options in the regional communities or a lack of a real choice because of the insecure nature of their employment are then housed in accommodation centre's (single person camps). This cycle and all the issues with it are seen to be important enough for a Federal Parliamentary Enquiry into the matter. Issues the CFMEU M&E believe are relevant for this Independent Inquiry include –

#### **a) Inadequate community infrastructure due to work camps**

As previously outlined, workers with insecure employment do not have a real opportunity to make a decision to relocate closer to work to allow their family to remain residing together. In regional mining communities (though spreading now to Gladstone and other areas) employees who, through choice or forced, commute to work place an unsustainable pressure on small regional communities infrastructure. Employees commuting, with the majority being employees with insecure employment, will generally stay in the camp for a 'tour' and then commute back home. A 'tour' is their rostered shifts, with rosters being generally equal time, 7 on, 7 off or 4 on, 4 off etc.

---

*'Non-resident workers do not meet the ABS criteria for a 'usual resident' of the area where they work, and so are not included in the area's official resident population estimate. Nevertheless, the non-resident worker population creates additional demand for goods, services and infrastructure while living in the area, which must be planned for and provided by both government and the private sector (Cook, 1996).*

---

OESR, Bowen Basin Population Report 2010

A community's infrastructure, both hard and social, is generally reliant on their population as determined by the census figures. These figures are important to Federal Government funding to States but also when looking at police, nurse, ambulance, doctor (etc) number for a community. The size and services provided for in the local hospital or health centre are also determined by these figures.

## Service demand is different for residents and non-residents ... mining selected local services

### Residents only

- Water supply
- Waste water treatment
- Universities
- Nursing Homes
- Government high schools
- Kindergartens
- Grain receiver depots
- Saleyards
- Primary schools
- Childcare centres
- TAFE

### Residents & non-residents (low impact)

- Cinemas
- space – general
- Open space – active
- Open space – passive
- Post offices
- Local government
- Gyms
- Museums/Art galleries
- Churches
- Courthouses
- Restaurants/Cafe
- Supermarkets

### Residents & non-residents (equal impact)

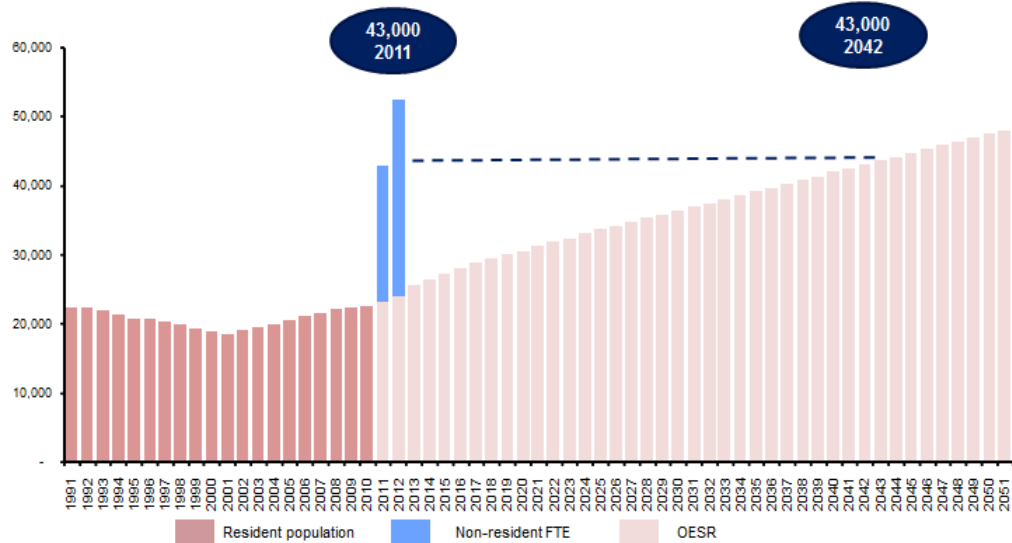
- Airport
- General practitioners
- Nurses
- Police officers
- Hospital beds
- Pharmacists
- Paramedics
- Land fill sites
- Main roads
- Hotel/Motel beds
- Non-resident beds
- Caravan parks
- Rented accommodation
- Fire and emergency officers

*Berand Salt (KPMG)- Redefining Regional Planning: Managing Change, Measuring Growth, November 2011*

The OESR report above provides us with data showing the issue is real, though a recent study conducted by KPMG provides us with more detailed information as of year ending November 2011.

This report provides clarity of the real infrastructure issues facing the Isaac Regional Council (and many others throughout Queensland and Western Australia) due to the current trend of commuting workforces, arguably largely attributed to the insecure work practices and social irresponsibility being promoted by mining Multi-national companies.

## Isaac Regional Council is dealing with a population base that is 30 years ahead of its time



• Actual and projected permanent and EFT population in Isaac Regional Council between 1991 and 2051

**Berand Salt (KPMG)- Redefining Regional Planning: Managing Change, Measuring Growth, November 2011**

Permanent community population in communities within the Isaac Regional Council areas have been seeing an average of 2% growth while the non-permanent or commuting population has been increasing at a substantially higher % with a 43% increase being projected for the year 2012, as per the KPMG report. The extra requirements place extra pressures on community residents not only through diminished service but also through rate increases as councils try and keep up with the demand, demand not subject to Federal of State funding as seen in the OESR, Bowen Basin Population Report 2010 extract.

### Most of the services required in 2011 relate to “touch points” between non-resident workers and the local community

Services	Supply	Ratio	Extra
General practitioners	6	850	44
Nurses	50	150	235
Police officers	23	450	72
Hospital beds	66	250	105
Pharmacists	9	2,000	12
Paramedic officers	11	1,800	13
Post offices	7	2,500	6
Land fill sites	5	4,500	4
Hotel/Motel beds	1,163	20	971
Cinema screens	0	11,000	3

## **b) Family associated issues due to lifestyle forced upon them through insecure employment**

A commuting lifestyle is not something all families want to or can sustain. Insecure work forces many families to have to live as a commuting family, with the working partner away for 6 months of the year. While having extended family support can help to ease the burden of raising children while the working partner is not at home, not every family have this resource and even if they do it still does not fill all the voids left through commuting.

---

*"Many feel that the main problem with FIFO is that it separates families for long periods, making relationships unmanageable (Brereton, Beach & Cliff, 2003)."*

Workforce Turnover in FIFO Mining operations in Australia, The Centre for Social Responsibility in Mining, University of Queensland

---

There are further associated issues that include –

- I. This submission has already looked at the benefits for workers who are injured having return to work plans that include being at work. Another important factor is the support of families and friends during your recovery process. A commuting worker cannot have access to work and family and friends in a meaningful manner and any attempt to provide return to work with reduced hours merely provides the injured worker with more time to miss their family.
- II. A workers village and or camp lifestyle has a tendency to lead to higher alcohol intake and a higher presence of drugs than the worker would experience in their normal home life.
- III. A higher tendency for domestic arguments due to living apart for higher periods of time. Comments such as "I feel like a stranger going back to my own home", "We fight over simple things like who is going to look after the kids. My partner wants to go out and leave the kids with me a lot, and I want to spend time with them but also want to relax after a long tour" and "He thinks when he comes home we have to drop our normal lifestyle and be there and spend time with him but we have routines"
- IV. Dietary issues and the lack of ability to be involved in a sporting pursuit can lead to an unhealthier lifestyle.

## **4. Business requirements of the 21<sup>st</sup> Century**

There is no doubt that the requirements for the 21<sup>st</sup> century have changed from that in the 1990's, 1980's and previous years. What we need to determine though is what business requirements are and what business wants are.

The CFMEU M&E produced a you tube in support of the previously proposed Mining Tax (<http://www.youtube.com/watch?v=H4PcQfz0MfU>) which provides a satirical view of some of the historical 'requirements' companies have had and why certain changes couldn't be made. While produced in a satirical manner, the points made are still accurate. Sometimes companies tell stories about what they really require in an effort to increase their profits.

Insecure jobs can force families into commuting lifestyles, and research available (including extract below) shows us that the turnover rate for commuting workers is far higher than that of workers based in a community.

---

*The Australian Institute of Mining and Metallurgy (AusIMM) conducted a membership survey in 2001, which obtained responses from a broad cross section of mining industry professionals working in regional and remote operations, mainly geologists, mining engineers and metallurgists. Around one third of the respondents indicated that there were employed in a long distance commuting arrangement (typically a FIFO operation). Of this group, 17.5 per cent had changed jobs in the last year, compared with 10.9 per cent of respondents in town-based jobs (Venables et al., 2002:5).*

*These employees engaged in long distance commuting were more likely to report that their working lifestyle put pressure on personal relationships and that their lives lacked a balance between work, health and relaxation*

---

*Venables et al.,2002*

---

The turnover rate for people forced into insecure employment is extremely high, with people moving into different roles and even industries as more secure employment becomes available. This higher turnover, whether due to commuting or an employee looking at a more secure career provides training costs for a company and arguably costs that could be lower with different employment practices.

In regards to the topic of the submission, knowing that insecure employment leads to a higher turnover of staff for companies the question must be asked as to in what circumstances and under what conditions are insecure work practices a 'requirement' of business practices of the 21<sup>st</sup> century.

We note the following article from the International Convention of Economic, Social and Cultural Rights (<http://actrav.ilo.org/actrav-english/telearn/global/ilo/law/covesc.htm>) in assisting us with views and positions.

---

## Article 7

The States to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

- (a) Remuneration which provides all workers, as a minimum, with:
  - (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;
  - (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;
- (b) Safe and healthy working conditions;
- (c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;
- (d) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays.

International Convention on Economic, Social and Cultural Rights  
(<http://actrav.ilo.org/actrav-english/telearn/global/ilo/law/covesc.htm>)

The CFMEU M&E acknowledge that there will be a requirement for some style of insecure employment. We say that this style of employment should only be for supplementary Labour to fill unique shortfalls. In industries we have an involvement in we believe the above article from the relevant United Nations Convention is failing to be adhered to. We note that labour hire employees and contractors are not being provided for the basic condition of equal pay for equal work. We further note that casual, labour hire and often migration visa workers are not being provided with paid holidays or remuneration for public holidays.

## 5. Australia and the coming decades

Australia is on the cusp of an extraordinary growth period on the back of the natural resources boom (mining and gas among other areas) and we have the opportunity to ensure the Australian economy derives the best possible benefits from this boom.

Ensuring that Australians (who wish to be) are fully employed during this period of growth needs to be of paramount importance. The CFMEU M&E would argue that article 7 from the above extract should provide that the employment should be of a secure manner.

The natural resources boom (and associated service jobs) has been quoted at providing anywhere from 30 000 – 100 000 new employment opportunities. Migration visa options have been touted long

and loud by the resources companies but as a country we must initially ensure that the benefits of this boom are directly appreciated by Australian workers.

The Federal Governments 'Australia to 2050: future challenges' provide a view of areas that will confront us into the next decades.

---

Decisions taken in the near term will impact on the wellbeing of future generations. Productivity-enhancing reforms, particularly through nation building infrastructure and improving the skills base, will grow the economy, improve living standards, and partly offset the fiscal pressures of ageing. With an ageing population, productivity growth is the key driver of future growth prospects. Reforms that reduce barriers to participation will also lift growth and reduce future pressures.

---

Extract from Executive Summary - Australia to 2050: future challenges

---

Decisions taken in the near future will have long lasting effects on the wellbeing of future generations so we must get it right. This boom must be seen as an opportunity to benefit Australia and Australians and not just a way to increase the coffers of Multi-national resource companies. We need to use this as a way to fully employ our population and remove the current reliance on insecure employment.

The above extract talks about how nation building infrastructure and improving the skills base will grow the economy, improve living standards offset the fiscal pressures of an aging Australia. Another way to assist is to improve opportunities for Australians to become fully employed in secure employment.

### **CFMEU M&E Recommendations**

- 
1. Taking fiscal pressure off the welfare system by moving from a country heavily reliant on insecure work practices (and thus generally associated social security costs due to remuneration **received** by employees) to one of fully employed and full employment in secure positions.  
This will also assist with workers being able to receive increased levels of superannuation to enable them a more dignified life as they progress into their retirement years, and thus again provide fiscal budgetary relief
  2. Appropriately regulating and enforcing requirements to train local and other Australians with any and all migration visa position. The ability to access migration visa options by a company should also include consideration to whether they are fully utilising current employees who crave a permanent and secure role.
-

- 
3. Putting a Sovereign Wealth Fund in place to ensure Australia continues to enjoy the resources we have utilised. Paul Cleary's book 'Too Much Luck' provides an insightful look and pens the term generational theft. This is an appropriate description of what the boom will be without putting appropriate structures in place to ensure the longevity of the boom.
  4. As discussed earlier, developed countries like Australia have become more of a service economy and this is something we must address to prevent the boom leaving us with a skilled workforce who all have insecure jobs due to the downsizing of our job market due to a shrinking economy. Multi-national companies will not think twice about pulling out of operations if there is a shift in the market price of their commodities so we must ensure we have strong manufacturing, agricultural and various other industries. The most astute share market investor does not put all their money into the one company, under the same principles Australia must not put our future into but a few industries.
  5. Queensland and I am sure other states and even Australia, has a Regionalisation Policy. Mining community and region growth is the key to supporting a successful regionalisation of population strategy and without being able to get Central Queensland's biggest private sector employees in the mining industry to support secure employment, regional employment and development and community growth, this policy is severely hampered.

---

***While people often move to regional Queensland for a well-paying job, they choose to stay for the lifestyle and opportunities our regions can provide. That is why this plan focuses on regional economic development underpinned by liveability.***

***We are aiming to achieve a vision for our regions as great places to live, work and visit, which capitalise on their unique strengths, creating strong, resilient and prosperous centres.***

---

***Extract from forward of Queensland Regionalisation Strategy - signed off by***

***The Honourable Anna Bligh MP***

***Premier and Minister for Reconstruction***

***The Honourable Tim Mulherin MP***

***Minister for Agriculture, Food and Regional Economies***

***The Honourable Paul Lucas MP***

***Attorney-General, Minister for Local Government and Special Minister of State***

---



6. Average working hours could be reduced with an increase in secure work

---

***Australia has long full-time working hours by international standards. In 2006 in Australia, full-time employed men worked an average of 45.9 hours per week, compared to many OECD countries with averages of less than 43 hours per week (for example, Denmark, France, Germany, Ireland, the Netherlands, Sweden).***

---

**Extract from Work and family responsibilities through life**

---

7. Labour Hire should be abolished as it offers no advantages to business that is different from a casual employee. If there is seen to be a reason for small business to have access, the meaning of a small business is already determined in the Fair Work Act.

Labour hire use by big business is merely a way to avoid direct employment responsibilities.

8. Looking to use of insecure employment types and look at putting some real and enforceable restrictions around them. There is no use Australia playing a role in the United Nations if we want to choose which convention issues to abide by.