



# **UNIONS NT SUBMISSION**

**to the**

# **SECURE JOBS, BETTER FUTURE INQUIRY**



**January 2012**

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## **Executive Summary**

1. Use of casualised, part-time, temporary, labour hire and contract employment is growing and is likely to continue to grow in the Northern Territory (NT) whilst significant skill shortages continue as a feature of the small NT labour market. This will remain until government, employers, industry and unions decide to maximise local employment and material content in NT economic development and related projects and activities.
2. Employment regulation in the NT is minimal, with insufficient monitoring of employment in the NT by both Commonwealth and NT governments. There is a reliance upon overseas workers as opposed to building a sustainable skilled worker base in the NT, with many workers not having adequate remuneration, long service and other leave, accrued entitlements, superannuation and workers' compensation protection or choose not to have union organised workplaces.
3. This situation is exacerbated by many private sector NT employers forcing workers into contrived contractor arrangements, particularly ABN status to deliberately avoid obligations for payroll tax, superannuation, workers compensation insurance, leave and penalty rate payments. This circumstance is a common feature of the NT building and construction, resources, transport, property services, hospitality, tourism, cleaning, nursing, pastoral, agricultural, horticultural and fishing sectors.
4. Under employment and a lack of effective engagement of indigenous Territorians in employment in both the private and public sectors occurs particularly in regional and remote areas. It is evident in the NT public sector just how much further we need to go to improve this situation for indigenous peoples. In a 2010/2011 'State of the Service report'<sup>1</sup> the NT public sector records 8.1% indigenous employment in a population cohort of 30% of the NT's population and within 19,000 NT public sector workers.
5. The resources sector, which predominantly exists in remote areas throughout the NT, relies upon highly paid fly-in-fly-out labour and does little to facilitate employment and training for either indigenous males or females who are grossly under-represented and do not appropriately share in the spoils of participating in the economy of the NT.
6. Unions, government, employers and industry currently rely upon interstate and overseas labour to meet skill shortages in the NT. Transformational change is required to alter the current labour market situation in the NT to adopt more effective strategies to address the provision of secure jobs for workers, with greater attention required to remuneration, tenure of employment, transfer of employment obligations between employers taking over contracts from previous employers, protection of employee entitlements and improved employment regulation particularly in the areas of occupational superannuation, recognition of service for long service leave purposes and workers compensation arrangements in the NT.
7. Attention to improved recruitment and retention of skilled workers is required to reverse more than a century of economic boom and bust experiences with reforms to reverse unsustainable staff turnover and chronic skill shortages which exist in the NT.
8. Vocational training of the existing workforce represents the overwhelming majority of vocational enrolments in our educational institutions with the small representation and completion rates for apprentices in both the public and private sectors occurs because pay rates are far superior for untrained and unqualified workers in both the public and private sector labour markets where employers poach and entice such workers with higher pay in an NT labour market where skills shortages are acute.

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<sup>1</sup>Office of the Commissioner for Public Employment 2010-2011 'State of the Service Report' p 69

## **Assumptions**

This submission is based upon evidence (and referenced herein) provided from various authors including academics, government, unions, community, public and private organisations and is supplemented by anecdotal feedback and experiences of employment situations and circumstances as reported by workers and their representatives to Unions NT. Using this multiple sources we make the following points:

- The Northern Territory's labour force size is such that economic development relies heavily upon interstate and international recruitment to effectively meet labour demands in both the short and long term;
- Labour force participation of indigenous persons and women needs to be maximised to meet future resource and construction related developments and other future industry based projects in the NT;
- Fly in Fly Out workers across both public and private industry sectors will continue to be sourced locally for regional and remote projects, interstate and from overseas to meet project development labour requirements;
- Funding of not-for-profit and non-government organisation sector jobs should be provided at least triennially as opposed to annual funding processes to ensure employment continuity;
- Growth in skilled worker requirements both on and offshore in the NT at least over the next decade will seriously impact upon accommodation, transport, infrastructure, business and community support, communication, health and education service demands<sup>2</sup>;
- Forms of precarious employment are attractive in some work and other situations including study, family and personal circumstances;
- The NT public sector maintains extensive use of temporary employment across its 21 of its 22 departments for flexibility and cost containment options using strategies such as the non-filling of vacancies and delayed appointments as strategies to effectively maintain and manage temporary employment across the sector. Levels of the use of temporary employment remain too high particularly in the Departments of Health, Children and Families, Education, Justice and Police Fire and Emergency Services.<sup>3</sup>
- The evidence will confirm that precarious and insecure forms of work including part time, casual, fixed term, labour hire and contract employment within the Northern Territory continues to grow in accord with other Australian jurisdictions and that strategies to retain such itinerant workers in regional and remote NT localities to sustain economic development need to be designed and implemented;
- Skilled labour shortages impact upon the capacity of NT businesses to deliver goods and services on time and on budget.

## **Background**

The trade union movement, government, employers and industry need to not only recognise that insecure forms of employment exist in the Northern Territory as they do nationally, but that a more strategic and sustainable approach to meeting NT skilled labour demand both on and offshore, as well as more effectively addressing the issues of better and more flexible tenure, remuneration, employment regulation and the retention of those workers which is essential.

Issues that contribute to the prevalence and growth of insecure forms of employment within the Northern Territory include but are limited to:

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<sup>2</sup>. Northern Territory Government 2012 'NT Occupation Shortage List Review 2012' pp 1-7.

<sup>3</sup>NT Public Sector Consultative Council May 2011 'Temporary Employment Statistics' pp1-3.

- High costs of living for goods and services and transport related costs in urban, regional and remote areas of the NT are not included or aggregated with Consumer Price Index and the 'basket of goods' measurements historically adopted in Australia;
- Poor access to tradespeople, tertiary education, housing costs, retail shopping, social behaviour, access to health care services including availability and lack of bulk billing General Practitioners and unreasonable costs<sup>4</sup>;
- A two-speed economy delivers high remuneration in the resources sector (on and off shore) and generally less adequate employment arrangements and remuneration in the non-resources sectors;
- High annual turnover of labour in both the NT public and private sectors;
- Supplementation of incomes by the use of second and third jobs by many workers in retail, gaming, hospitality, security, events and casual emergency services employment to meet general high NT costs of living;
- Annual project funding by governments in the Non-Government Organisations (NGOs) and the Not-for-Profit sectors which impact upon career development and job continuity;
- Competition for skilled workers from the small and medium size business sectors which facilitates high staff turnover;
- Housing demand exceeding supply with extremely high rents and housing prices in a limited and costly market compared to other capital cities;
- Size of the NT population, the potential workforce and its relative youth (average age of 34 for the NT) compared to all other jurisdictions;
- Temperature and humidity related climatic factors for outdoor workers in particular in the Top End for at least 6 months of each year;
- Alcohol and other drug consumption rates well in excess of the Australian average amongst many NT workers;
- Lack of key infrastructure (sealed roads, public transport, housing and community based services);
- High costs, long waiting times and a lack of childcare places or parental/grandparent availability and support for many working families;
- Relatively poor attendance and educational achievement (literacy and numeracy) in the indigenous community specifically but in the non-indigenous community generally which similarly aligns to vocational and academic achievement levels of many workers;
- Inadequate regulation of some categories of employment to ensure the provision of occupational superannuation, workers' compensation (ABNs) coverage, overtime/penalty payments, paid leave arrangements for many workers;
- A volatile local labour market that is historically characterized by skill shortage and itinerancy (high turnover);
- Lack of training and recruitment of local workers to meet workforce skill demands particularly indigenous persons and women in urban, regional and remote localities as well as a lack of emphasis upon mentoring and residual skills development for less qualified and experienced workers;
- Reluctance of financial institutions to provide finance to temporary or contract employees and to single females.

It should be noted that (2008) Cunningham, T. and Brown, M. report on a survey of 11,000 applicants registered on Australia Post's mail redirection database who had either moved to, from or within the NT in the 12 months prior to the survey, or who had moved across other state border within the same period.

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<sup>4</sup>Cunningham, T. and Brown, M. 2008 School for Social and Policy Research Charles Darwin University 'Movers into the Northern Territory and their Future Intentions', Issue Number 2008006, p 1

The findings of the 2,145 completed and returned questionnaires indicated that 80% of workers surveyed intended to continue to reside in the Northern Territory beyond the next 5 years.<sup>5</sup>

Increasingly, moves to further expand project and time constrained or less secure forms of work in the NT labour market, which historically faces moderate to extreme skills shortages, continues with inadequate attention to the outcomes of casualisation and insecure forms of work and their personal, family and community consequences.

## **Introduction**

Unions NT welcomes the opportunity to provide a brief submission to the Australian Council of Trade Unions inquiry as part of the 'Secure Jobs Better Future' campaign. It is proposed that the submission will be elaborated upon and supplemented by witness appearances, some identified case studies and representations to the proposed inquiry hearing in Darwin on 23 February 2012.

Unions NT is the peak trade union body for the Northern Territory representing 14 affiliates and approximately 25,000 union members employed across the Northern Territory covering a geographical area of 1.6million sq kilometres. The submission covers employment in both the public and private sectors in the Northern Territory and represents both general and at times some specific on and offshore employment related concerns in the Northern Territory, the impact of various types of employment upon workers and the broader NT community and proposals to provide more secure jobs and better futures for Northern Territory workers.

Particular historical problems which contribute to insecure forms of employment exist in both the NT public and private sectors. There is an over-reliance in both sectors on recruiting staff who lack basic entry qualifications into occupational areas or there are no specific job advertisement/position description requirements for applicants to possess either relevant qualifications or job experience for the positions.

It must be noted though that an important area which the 2001 Deloitte Access Economics-Economic Brief<sup>6</sup> fails to report upon is the extent of contract and less secure forms of employment which exists for NT workers in both public and private sectors.

The Australian Education Union, the Australian Nursing Federation, the Community and Public Sector Union and United Voice advise that temporary employment contract situations are too prevalent in the NT public sector. Despite recent improvements in some departments and in some job classifications, (as advised by the ANFNT Branch January 2012) the prevalence of temporary contract employment is such that it invites staff morale concerns, excessive staff anxiety and turnover for many of their members.

The Australian Education Union reports that the extent of temporary contract employment for teachers remains a key concern for many of their members despite attempts by the Department of Education to convert temporary contract employees to permanent employment status. We believe these exercises need to be on a regular and consistent basis.

The Community and Public Sector Union advises that Public sector staffing number caps and staffing freezes occur within some NT Government departments and as Burgess, M. (2010)<sup>7</sup> advises all NT Public Servants *'that due to Global Financial Crisis and Goods and Services Tax revenue variances, NT government expenditure needs to maintained within forecast levels.* The letter from the Chief Executive of the Department of the Chief Minister is and was code for NT government department Chief Executive Officers to restrain staffing numbers, service provision and growth. Non replacement of staff and the issue of temporary and contract employment remains a key strategy in managing staffing numbers and related service cost restraint by many NT government departments. We believe proper auditing of capacity and organisational need is required.

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<sup>5</sup>Cunningham, T. and Brown, M. 2008 School for Social and Policy Research Charles Darwin University 'Movers into the Northern Territory and their Future Intentions', Issue Number 2008006, p 1-11.

<sup>6</sup>NTG Economic Brief- Labour Force December 2011 p3.

<sup>7</sup>Burgess, M. 2010 Letter to all NT Public Sector Staff.

## **Discussion**

The following four sections provide examples of the origins of some of the causes for insecure work that have developed in the NT. A range of issues contribute to the growth of insecure forms of employment in the NT and discussion of these matters is required in order for strategies to be developed and implemented to constrain these. In order to sustain future secure forms of employment, better skill development opportunities for NT workers, improved remuneration, support for growth in local public and privately provided infrastructure, manufacturing, transport and logistical support, supply, industry collaboration in procurement and export of NT goods, services, labour and intellectual capital we suggest strategies are required

### **NT Government Jobs Expos**

As in the previous decade, the NT government through its Department of Business and Employment (DBE) and its predecessor departments, continue to actively fund, seek and facilitate both interstate and international recruitment campaigns. Government Expos are used to try and meet project labour demands. The 2011 NT Gov Expos sought in excess of 10,000 new jobs over the next five years both on and offshore in the NT and sought the support of Unions NT, industry, employer associations, the small business sector and training providers.

During 2011, DBE efforts to source identified local industry skilled labour demands, included the conduct of Jobs Expos in all Australian jurisdictions, South Africa (Durban, Johannesburg), England (London and Manchester), Scotland (Edinburgh and Glasgow), Ireland (Dublin and Belfast) and Wales. *{NB: Unions NT notes that the NT Government has not held Expos either in our local international region or as yet with Indigenous communities.}*

Skilled labour shortages have been identified by NT industry, businesses (supported by the NT Training Advisory Council network) via a collaboratively developed and agreed NT Occupation Skills Shortage List Review 2012<sup>8</sup> process.

Skill classifications in demand for projected short and long term NT development projects<sup>9</sup> are mainly in the: -

- Resources sector (mining, petroleum and gas) in many occupational areas;
- Traditional construction trades areas: electrical, plumbing, maintenance, fitters, welders, automotive, building, glazing, steel fixers, scaffolders, dogman, block layers, tilers, cabinet makers, estimators and technical supports jobs;
- Occupational health and safety advisors;
- Information technology programmers and technicians;
- Teachers in the early childhood, primary and secondary years, vocational lecturers and special needs areas, counsellors, speech pathologists; Environmental health officers;
- Librarians, technicians;
- Social and Youth workers;
- Child care and Children's Support workers;
- Police and Correctional Service officers and Probation and Parole staff;
- Registered nurses, Medical officers, laboratory, optometrists, dentists, dental technicians, aboriginal health workers and specialists;
- Engineers, architects, surveyors and designers;
- Gaming and hospitality (pubs, clubs, casinos, restaurants);

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<sup>8</sup>Northern Territory Government 2012 'NT Occupation Shortage List Review 2012' pp 1-7

<sup>9</sup>Ibid pp 1-7.

- Rural industry (veterinary, pastoral, agricultural scientists, horticultural and aqua culture, fishing) sectors;
- Human resource and workplace relations advisors;
- Accountants, Auditors;
- Urban and regional planners;
- Bakers, Pastry cooks, Butchers, Chefs, Hairdressers.

## NT Public Sector (NTPS) temporary employment

The Community and Public Sector Union's (CPSU) 2010/11 'What Women Want' survey is particularly informative about matters affecting working women employed in the NT Public Sector. The Australian Public Sector in the NT has a much smaller cohort of women workers which is reflected, but not as significant as for NTPS employees within the CPSU 2010/1 Survey Report.<sup>10</sup>

Amongst the CPSU survey report findings, the data verifies that most NTPS women employees work in clerical administrative levels from Level AO1-4 or in professional levels. Educational attainment levels are below Year 12 for 38% of respondents with 31% achieving degrees or higher.<sup>11</sup> Years of service in the NTPS identify that 57% of women in the NTPS work between 1 and 6 years which again is reflected in high staff turnover statistics for the NTPS historically.<sup>12</sup> The longest hours are similarly worked by staff at those levels and in the context of the Burgess 2010 letter to all NTPS staff,<sup>13</sup> it is not surprising that the survey reveals that up to 50% of AO1-AO4 level workers that act in higher designated positions do so for longer than 12 months<sup>14</sup> with vacant positions not being readvertised promptly for filling as an effective agency strategy to constrain both staffing numbers and service related expenditure. During the survey period this evidence validates the effectiveness of the staffing cap or staffing number freeze sought by the NT Government at that time.

In May 2011, the Northern Territory Public Sector Consultative Council considered a paper on Temporary Employment Statistics<sup>15</sup>. Concerns about the extensive use of temporary employment were raised by public sector unions both inside and outside of the enterprise bargaining periods with government and the then Commissioner for Public Employment who had also raised such concerns in writing with department Chief Executives.<sup>16</sup>

An audit of the use of temporary contracts in the first half of 2011 found that there had been an overall NT public sector wide decrease of 42 temporary contracts between April 2010 and March 2011. Most agencies had used persons in higher duties arrangements and deferred filling of vacancies as well as reducing the use of temporary contracts with the notable exception of the Departments of Education (140), Justice (39) and Police Fire and Emergency Services (22).<sup>17</sup>

On a comparative basis between August 2010 and March 2011 there were 4,460 temporary contracts across 21 of the 22 departments (August 2010) and 4,418 temporary contracts across the same departments in (March 2011). The data showed a variety of reasons such, but not limited to, positions being reviewed, recruitment action pending and recruitment action occurring.<sup>18</sup>

**Table 39:** Employment Status of NTPS Staff 2001-201<sup>19</sup> indicates that in 2011: 70.8% permanent employees, with 29% temporary and casual employees and 12.5% part-time staff in the NTPS. It should be noted that the Aboriginal Areas Protection Authority (AAPA) is not covered under the Public Sector Employment and Management Act nor does that agency employ its staff under the Act.

<sup>10</sup>Community and Public Sector Union 2010/2011 Survey Report 'What Women Want' pp 1-73.

<sup>11</sup>Ibid p 15

<sup>12</sup>Opcitpp 12-13.

<sup>13</sup>Burgess, M. 2010 Letter to all NT Public Sector Staff

<sup>14</sup>Opcitpp 12-31

<sup>15</sup>Northern Territory Government 2012 'NT Occupation Shortage List Review 2012' pp 1-7

<sup>16</sup>NT Public Sector Consultative Council May 2011 'Temporary Employment Statistics' pp1-3

<sup>17</sup>Ibid pp 1-3

<sup>18</sup>Opcitpp 1-3

<sup>19</sup>Office of the Commissioner for Public Employment 2010-2011 'State of the Service Report' pp. 74-75

AAPA staff are employed under the Sacred Sites Act so regulations such as Employment Instructions and employment related frameworks that apply to over 19,000 NTPS employees do not apply to AAPA employees.<sup>20</sup>

Incomes for females and males in the NTPS are concentrated in the \$20,000 to \$50,000 range with the most obvious salary differences being higher male salaries and participation in the \$50,000 and above salaryrange.<sup>21</sup>

The 2010/11 State of the Service Report notably indicates that most agencies that were respondents to that report' (i) experience problems recruiting appropriately skilled people (15 of 21) (ii) Identify loss of corporate knowledge due to retirement (12 agencies) and (iii) experience skill shortages that impact upon agency capability.<sup>22</sup>

An astounding indication of a serious lack of attention to skills development in comparison to both capacity and practice in the NTPS is that only 173 apprentices (less than 1% of the NTPS workforce) from an overall workforce of approximately 19,000 staff indicated 50% males and 50% females were in training across Certificate II, III and IV levels in the NTPS as reported in the State of the Service Report in October 2011.<sup>23</sup>

### **NT Emergency Response (NTER)**

Federal government intervention in the NT since June 2006 has occurred in a number of areas. The NTER and the NT Government's 'Closing the Gap on Indigenous Disadvantage Strategy' has contributed to significant NT public sector employment growth of 12.8% from 2008 to June 2010.<sup>24</sup>

Not all employment related activity by the Commonwealth that has arisen during the intervention period has formed part of NTER activity. E.g. the wind back of the Community Employment Development Project (CDEP) and the Strategic Housing Initiatives Project (SIHIP) did not form part of the NTER but has occurred during the same period with the NT government converting many, but not all CDEP jobs to permanent and/or temporary NT government funded jobs and additional trade and non-trade based jobs have been created to support the SIHIP project.

The NTER has provided examples of additional funds, dedicated support projects and jobs to the NT from the Commonwealth. Many of those additional jobs have been funded as new permanent jobs e.g. 700 indigenous land and sea ranger positions as well as project specific temporary jobs to sustain the NTER implementation.

The Commonwealth's Strategic Housing Initiative Program (SIHIP) since 2005/06 has also resulted in the provision of extensive new and refurbished existing housing stock in many NT communities with the creation of additional temporary project specific jobs to assist NT government efforts to meet huge housing demands in regional and remote localities throughout the NT.

It should also be acknowledged that the Commonwealth and NT governments have created many permanent additional jobs during the NTER period some of which were NTER related and others that have not been and are not NTER related.

In may NT remote communities not all reforms have been part of the NTEG. I.e: -

- Income management of certain Centrelink benefit recipients,
- increased community policing,

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<sup>20</sup>Ibid p 16

<sup>21</sup>Opcit p 87

<sup>22</sup>Opcitpp 40

<sup>23</sup>Ibid pp 46-47

<sup>24</sup>Opcit p 70

- a focus on domestic violence/child abuse,
- anti-social behaviour programs and services,
- provision of education services and increased requirements upon parents to ensure school attendance of their children
- improved health screening and access to such services,
- alcohol management plans in many communities,
- child protection and children's and family support services,
- alcohol management plans.

The consequences of some of the Commonwealth's NTER activity, whilst not being directly related to aspects of the NTER program, have resulted in significant and sustained relocation of many indigenous persons from remote to regional areas. Extensive unmet demand for housing and some relocations as a consequence of alcohol restrictions in many communities have occurred. Some other people have relocated as part of periodic non-NTER related people movements away from remote communities, for access to better medical, child support, education and other services by those people opting to relocate from small remote to larger and better resourced regional or urban locations for service delivery and other personal circumstances reasons.

### **NT Private sector**

There has been little evidence available for NT private sector employment on which to provide informed comment upon. Anecdotal feedback has come from affiliates, some training advisory council and industry representatives as well as specific comment provided as part of this submission's development, from United Voice.

Significant project, fixed term, casual, part-time, labour hire and contract employment exists in the NT private sector in the building, construction, resources and related support sectors, transport, gaming, hospitality, health, education, indigenous services sector, retail, entertainment, Non-Government Organisations and the Not for Profit sectors.

United Voice has particular experience in several of these sectors and notes in a submission to Unions NT that precarious work comes under several guises and particularly such employment occurs under many government funded schemes and projects. The union also comments upon under-employment where many workers are employed in several different low paying (and some not so low paying) jobs to supplement their incomes and to make ends meet.

Gardiner, M 2011 notes<sup>25</sup> that a variety of contract areas, particularly in the services sector are by definition precarious. The jobs are linked directly to the employer's contract and when the employer loses that contract another employer takes over the job. Such circumstances lead to dislocation of the workforce by being moved, either internally within their existing structure to new workplaces to continue employment or by a 'change of shirt' role where the incoming company employs the existing workforce.

There are numerous difficulties to the employee in both of these scenarios due to the nature of the business and their conditions of employment. If a worker chooses to stay with the existing company they may keep their entitlements but have their hours reduced and lose some of those benefits. Whereas a person who chooses to take up a role with the new company may lose their existing entitlements like sick leave, long service leave etc.

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<sup>25</sup> Gardiner, M. 2011 United Voice Submission to Precarious Employment Inquiry pp 1-2.

Where union coverage has previously existed the protection of these arrangements has occurred due to Greenfields Agreements. However, Gardiner, M. (2011) notes that where no such union involvement has resulted,existed workers lose entitlements as they take up work with the new employer.<sup>26</sup>

In relation to casual employment Gardiner, M. (2011)<sup>27</sup> also notes that a “large percentage of casually employed hospitality workers are used in ways that will not meet the conditions of casual employment . They are rostered on to full time hours yet employed casually so that they do not accrue any benefits and can be dismissed at short notice . . . There are situations which we have documented in remote localities where accommodation forms part of the employment conditions. One notoriously bad employer used contrived discrepancies in till takings to summarily dismiss employees and to remove them from accommodation on the premises whenever disputes arose out of conditions of service and employment. The employer predominantly employed overseas tourists who invariably left the NT and Australia before cases against the employer could be satisfactorily established.”

United Voice has also found that many hospitality employers, particularly in pubs, clubs and nightclubs used ‘cash-in-hand’ payments to backpackers that they employed as casuals. This practice also exists in the contract cleaning area where overseas students were used to work ‘cash-in-hand’ as casuals so that they did not void their student visas.<sup>28</sup>

Gardiner, M. (2011) also comments that the Community Development Employment Program (CDEP) is often misused to provide social welfare as opposed to real work for people in many communities. The introduction of restrictions imposed by the basics card including the quarantining of half of the welfare money may include money earned in CDEP also being quarantined.<sup>29</sup>

Finally, the United Voice submission observes that “whilst the NT has amongst the lowest unemployment rates in Australia, there is still a large range of under-employment where workers have several part-time or casual jobs. . . . this predominantly occurs for low paid workers with second and subsequent casual jobs existing in the hospitality, cleaning, childcare, retail, community services and security industries. For example Gardiner, M. (2011) notes that it is not uncommon for a childcare worker to work during the day for a not for profit childcare centre but work casually in the retail sector at night to ‘make ends meet’.<sup>30</sup>

The high costs of living in the NT provide a patchwork or two-speed economy where there are some jobs and industries with high remuneration, good working conditions and increasing salaries with little trickle down to workers throughout other parts of the economy. The consequences of these differences are high prices in the accommodation rental market and the areas of fuel and other goods and services which are not reflected for many workers in terms of growth in wages.<sup>31</sup>

The AMWU provides an example from the resources sector of the balance of direct labour hire versus permanent employment at the Groote Eylandt Mining Company ( GEMCO) BHP Billiton mining operation where until recently over 400 labour hire employees significantly outnumbered the permanent workforce of 300 employees. More recently after union activity this balance has been restored to the point that 50% of the workforce is directly employed and the other 50% is labour hire employed.

Workers who are employed in the resources sector on labour hire arrangements have no security of employment, no leave entitlements and are often paid considerable less than those direct hire employees that they work alongside.

The AMWU report this scenario as typical for the resources industry in the NT. The proportion of labour hire employees to permanent employees would also be higher in non union organised workplaces.

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<sup>26</sup>Gardiner, M. 2011 United Voice Submission to Precarious Employment Inquiry pp 1

<sup>27</sup>Ibid p1

<sup>28</sup>Ibid p1

<sup>29</sup>Opcit p2

<sup>30</sup>Ibid p1

<sup>31</sup>Opcit p2

## Analysis

This submission relies upon reports, statistics, correspondence, surveys and findings provided by Deloitte Access Economics, the NT Government, the NT Public Service Consultative Council the Office of the Public Service Commissioner, correspondence from the Chief Executive of the Department of the Chief Minister, findings from an NT Working Women's Centre study, survey findings reported by researchers from the School for Social and Policy Research at Charles Darwin University and from the Community and Public Sector Union, a discussion paper provided by the United Voice and feedback from the Australian Nursing Federation.

The evidence from reports, studies, surveys and findings from various identified academic, organisational and government reports into the NT labour market which form part of this submission indicate:

- Growth of NT employment for the period December 2010 to December 2011 at the full time (3.7%) and part time (6.7%) levels<sup>32</sup>;
- Calls by NT Government 2010 for caps on departmental staffing and service delivery costs<sup>33</sup> despite improved NT economic performance during 2011<sup>34</sup>;
- Growth of NT unemployment rate of 2.2% for the period December 2010 to December 2012<sup>35</sup>;
- Growth of NT participation rate of 4.2% for the period December 2010 to December 2012<sup>36</sup>;
- Growth in the NT labour force for the period December 2010 to December 2011 of 6.6%<sup>37</sup> with growth in temporary employment contracts and females experiencing three plus continuing temporary contracts<sup>38</sup>;
- NT to be the second fastestgrowing economy in Australia over the next 5 years<sup>39</sup>;
- The majority of people (Cunningham and Brown 2008)<sup>40</sup> were satisfied with the time they spent in the NT. However, many respondents (20%) only intended to remain in the NT for less than 5 years or were unsure of their future plans<sup>41</sup>. Of this 20%, 45% of respondents were males and 53% were females with 49% of respondents aged 25-34 years and 51% aged between 35-44 years. The remaining respondents were aged 45 and over;
- Factors such as financial incentives, health services and housing subsidies were most important for those people who were unsure of their future intentions of remaining in the NT<sup>42</sup>;
- People were particularly dissatisfied with access to tradespeople, tertiary education, housing costs, retail shopping and social behaviour<sup>43</sup>
- People were less satisfied with access to health care services than they were with the quality of health care. Satisfaction with disability services and services for older people was much higher for older than for younger respondents.<sup>44</sup>

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<sup>32</sup>NTG Economic Brief 2011-NT Labour Force Statistics, December p3

<sup>33</sup>Burgess, M. 2010 Letter to All NT Public Sector staff

<sup>34</sup>Acting NT Chief Minister-Media Release 23 January 2012 'Territory Economy Surges into SecondPlace'

<sup>35</sup>NTG Economic Brief 2011-NT Labour Force Statistics, December p3

<sup>36</sup>Ibid p3

<sup>37</sup>Opcit p3

<sup>38</sup>NT Working Women's Centre 2010 'Forms of Bullying experienced at work in the last 12 months' Tables p 8

<sup>39</sup>Acting NT Chief Minister-Media Release 23 January 2012 'Territory Economy Surges into Second Place'

<sup>40</sup>Cunningham, T. and Brown, M. 2008 School for Social and Policy Research Charles Darwin University 'Movers into the Northern Territory and their Future Intentions', Issue Number 2008006, pp 1-11.Ibid p1

<sup>41</sup>Ibid p1

<sup>42</sup>Cunningham, T. and Brown, M. 2008 School for Social and Policy Research Charles Darwin University 'Movers into the Northern Territory and their Future Intentions', Issue Number 2008006, p7

<sup>43</sup>Ibid p 1.

<sup>44</sup>Opcitpp 1-11

- NT public sector employment as Full Time Equivalent positions for the period March 2010 to March 2011 grew from 18,151 to 18,574 positions<sup>45</sup> with 4,436 resignations in 2010-11<sup>46</sup>
- NTPS employment numbers (October 2011) of 19,053 persons of which only 173 apprentices with 50% males and 50% females were in training across Certificate II, III and IV levels in the NTPS as reported in the State of the Service Report in October 2011.<sup>47</sup>
- NTPS staff separation rates are highest in the Health Worker (32%), Physical (26%), Professional (25%) and Administrative classifications (23%) and recruitment rates are strongest in Health worker (37%), Teaching (30), Physical (30%) and Professional (30%) classifications<sup>48</sup>
- In the period 2010-2012 the NT Government has achieved as part of its jobs strategy<sup>49</sup> (i) more than 24,000 Territorians involved in vocational training, (ii) More than 3,000 indigenous Territorians commencing employment in the past 3 years and (iii) Labour force participation rates that continue to exceed national participation rates;
- In the period 2015-2016 it is anticipated in the NT that the demand for workers generally is to increase by 20,000 people;<sup>50</sup> with 5,500 workers required for construction projects whilst in this period the working age population 15 years old + is expected to grow by 13,000 people;
- NTG industry workforce plans have been developed for the transport and logistics, construction and oil and gas (post construction) sectors. Various sectors are also in the process of finalising such plans e.g. Early Childhood, Tourism with other priority areas such as community services, manufacturing and vocational education and training sectors being priority areas for action.<sup>51</sup>
- Workforce plans focus on skill develop needs as opposed to forms of attractive and secure, sustainable forms of employment;
- Indigenous labour force participation rates in the NT in 2010 were 43.6% compared to non-indigenous participation rates of 80%.<sup>52</sup>
- In 2010-2011 1,877 visa nominations and sponsorships were certified in the NT indicating ongoing demand for skilled migrant workers to meet future local labour shortfalls<sup>53</sup>;
- Women acting in temporary positions for 6-12 months mainly experienced workplace bullying with particular concern for women in professional classifications and with less than Year 12 qualifications.<sup>54</sup>

<sup>45</sup> NT Public Sector Consultative Council May 2011 'Temporary Employment Statistics' pp1-3.

<sup>46</sup> Office of the Commissioner for Public Employment 2010-2011 'State of the Service Report' p92.

<sup>47</sup> Ibid pp 46-47 and 70.

<sup>48</sup> Opcitpp 90-91.

<sup>49</sup> Northern Territory Government January 2012 'Northern Territory Employment Strategy-Discussion Starter 2012-2015, p 4.

<sup>50</sup> Ibid p4

<sup>51</sup> Opcitp 5

<sup>52</sup> Ibid p 4

<sup>53</sup> Opcit p4

<sup>54</sup> NT Working Women's Centre 2010 'Forms of Bullying experienced at work in the last 12 months' Tables pp5-7.

## Conclusion

From the combined experience of union officials in the NT, we are aware that short term contracts are suitable for some individuals. Some individuals, as reported by the Cunningham and Brown 2008<sup>55</sup>, have longer term plans in which they do not intend living and working permanently in the NT as they intend on relocating elsewhere for family, health or climatic reasons within the next 5 years.

The Cunningham and Brown July 2008<sup>56</sup> report showed that only 20% of respondents intended to spend less than five years resident in the NT.

The vast majority of individuals do seek a regular known income and better regulated hours of work in terms on which they can plan their work, domestic and social lives. This means they seek the fullest amount of certainty and safeguards (such as access to superannuation, workers compensation, leave, redundancy entitlements) that are attached to full time permanent employment but very rarely to casual, labour hour, temporary or contract employment.

Major proposed economic development activity both on and offshore over the next decade in the Northern Territory requires more strategic attention by government, unions, employers and industry to ensure more sustainable skills development and labour market supply that maximises local workforce participation and enhanced local manufacturing and procurement outcomes.

Whilst some moves away from annual to triennial, five and ten year program funding is occurring in a limited fashion, (e.g. St Johns Ambulance and many indigenous service providers and sporting/recreational organisations). This more secure funding is resulting in more secure forms of employment for many workers that do not possess job certainty at present. NT unions in collaboration with some employers, government and other funding sources are continuously and jointly identifying opportunities to secure improved funding outcomes. We are aware that in some cases the obstacle to longer term funding is with financial and reporting compliance.

Campaigning at the workplace level with the objective to secure a more sustainable outcome of improved employment tenure arrangements and related regulation is generally appreciated by organised workplaces.

It is crucial for NT unions to continue to grow our membership and coverage in both the public and private sectors amongst the 18-34 year age group as it is this cohort which will sustain union membership and influence in securing better and more secure jobs and forms of employment.

Community and union alliances focussing upon work, employment and related funding matters, improved wages, leave, redundancy and other conditions, housing, drug and alcohol treatment, return to country services, individual identification verification services, transport services, mental and community health service issues are being formed with organisations including between unions, the peak trade union body, the NT Working Women's Centre, indigenous health and housing services, legal services, Lands Councils, indigenous community councils, municipal and shire local government associations, childcare groups, the NT Council of Social Services, other Non-Government Organisations and support service organisations such as Anglicare, St Vincent De Pauls, Larrakia Association, Danilla Dilba Health Service, Katherine West Health Board, Miwatj Health Service and Mission Australia.

These alliance partnerships enable NT unions to collaborate on employment and funding related issues of mutual interest.

The task for NT and other Australian unions is to work with members, other affiliates, government, employers, industry and other key stakeholders to improve job security and regulation of employment for existing and future Territory workers.

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<sup>55</sup> Cunningham, T. and Brown, M. 2008 School for Social and Policy Research Charles Darwin University 'Movers into the Northern Territory and their Future Intentions', Issue Number 2008006, p 1

<sup>56</sup> Ibid p1

- Funding of key not for profit and non-government organisation sector jobs needs to continue to shift from annual to triennial and longer project funding periods to ensure more secure employment continuity for workers;
- Improved employment regulation including providing all non-permanent workers with paid recreation and long service leave, access to paid public holidays, occupational superannuation benefits and workers' compensation coverage is sought by precariously employed workers;
- The NT will continue to actively recruit skilled workers from interstate and overseas to meet labour demands for projects where local skilled labour cannot be sourced;
- Cunningham and Brown (2008) suggest several avenues for policy that will encourage people to live longer in the NT.

Unions NT believes that the submission highlights some examples of the extent of insecure employment amongst workers. NT unions must continue to play an active role in defending and enhancing access to more permanent and secure forms of work in all sectors. Better statistical evidence within the NT private sector could assist unions to more effectively address our concerns however, it is not available.

Adam Lampe  
**Secretary**  
Unions NT  
January 2012

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