

Hon Kyle McGinn; Hon Dr Sally Talbot; Hon Michael Mischin; Hon Alison Xamon; Hon Matthew Swinbourn;
Hon Aaron Stonehouse; Hon Adele Farina

WORKFORCE CASUALISATION

Motion

HON KYLE MCGINN (Mining and Pastoral) [11.33 am] — without notice: I move —

That this house expresses concern at the increasing casualisation of Western Australia's workforce and the adverse effects of this on Western Australian people's security and certainty of employment.

Honourable members, it is with great concern that I move this motion in the house for debate today. To open, I want to recognise all Western Australian workers across all industries who find casualisation a reality in their day-to-day working lives. I know from personal experience the challenges and frustrations that insecure work brings to workers and their families.

What is casualisation? This is an incredibly hard question to answer. The figures available admit to the difficulties of identifying what the definition of a "casual" is. Some say it means a worker on work arrangements that reflect informality, uncertainty and irregularity. To put this in context, a person employed on a casual basis has no commitment to hours per week, an hourly rate with penalty rates, and a 20 per cent loading on that rate to cover the financial benefits that a permanent employee receives, such as annual leave and sick leave.

In my opinion, in many cases a casual arrangement is just an excuse for bad employers to exploit and take advantage of employees—basically dangling a carrot and controlling working lives with a string. As an example, I will use my personal experience on my first ship in the offshore sector and the carrot that I was fooled with by the employer.

When I started my employment I was advised by the employer that as a casual I would get 20 per cent loading on my wages, which at first I thought was unbelievable. They also suggested that if I wanted to make it in the industry, permanency would be a critical part of survival. I was told that in order for me to be considered for a permanent job I should request the company to hold my 20 per cent loading earnings in its account for 12 months. Each pay I would get my wage, but my loading would stay with the company. At the end of the 12-month period—during which time I assume the company earned interest from my funds, which would make me permanent—they would then make me permanent and pay out my 20 per cent loading.

When I got to the end of my 12 months, gee did I get a surprise. I was told that the vessel I was working on was finishing up and heading overseas. I knew that at the time the company still had a heap of other vessels that were undermanned and had new swings coming on from overseas, so there was an abundance of work for this company. Instead of being moved to another vessel, which is common practice, I was told that there was no vessel for me to go to and that I would not receive a permanent job. I was told, "Here is your 20 per cent loading." It was paid out in bulk, so the taxman took a big grab as well. I had done what I thought was the right thing by the company to get a permanent job, but it turned out to be a carrot that left my 20 per cent loading in the employer's account until the end of the 12 months, and then I was unemployed.

I do not believe that this or similar scenarios are rare; I think we are just not hearing about them. We are not being told because there are fears of ramifications and of not getting further work. I also believe people see it as, "Head down, bum up, until you get a permanent job", and during that period they just bear the brunt of it.

Imagine for a moment that you are under the control of another person. This person has the ability to dictate your family's income and the amount of food you can put on the table. These employers decide, on many occasions without ramifications, whether or not you receive that 5.00 pm text message advising you that you are working tomorrow. At 5.00 pm and sometimes even later every day you have to sit by the phone, waiting for that phone call or text message to tell you that you have or have not been rostered for the next day. One can only imagine the stress that comes with waiting by the phone every day, not knowing. Of course, it means that you cannot commit to any other work because you also have to be obligated to one employer if you want to continue to get shifts. It also means that you cannot plan anything with family or friends, or any other part of your life, until you receive that message at 5.00 pm and sometimes, I have heard from casual employees, as late as 8.00 pm.

During my time as an organiser with the Maritime Union of Australia, I was involved in numerous enterprise agreement negotiations within the north west region. It may or may not shock members, but the majority of these negotiations were not about pay rises; that was not employees' number one claim. The number one claim was permanency. To put this in context, I was organising in the north west, which had just had a massive boom; this was three years ago. I was genuinely shocked, but definitely pleased, when my members would say, "We want permanent jobs." The shock was that they were not permanent already, because the work was there, and very clearly there in abundance.

Workers' number one claim was permanency, and the most hard-fought claim that employers did not want to accept on these occasions was permanency. I certainly do not stand here in this place to say that there is no need for casuals;

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I take it on board that some employers have situations in which they may have short periods of increased work, such as shutdown operations in the mining sector, for example, but I do not agree with the notion that employers rely on casual employment for ongoing work. These are secured contracts; these are a guarantee of work.

I have had big meetings with employers who literally argued that even though the work they had was secure for two years or even five years, they just could not make employees permanent. I recall one key company in this situation had fewer than 20 per cent permanent workers and the rest were casual. These were not casuals who had just walked onto the job and had done one or two swings; most of them had been busting their guts as casuals for the company for over two years. This company had gained a reputation through the hard work performed by the employees every day on the job in the port. Despite this, they were basically told that they were good enough to be casual but they were not good enough to be permanent. That is the message that employers are sending by using casuals day in and day out when there are secure contracts. The work was clearly available but still the company resisted. Its fallback position was a fixed-term contract. Employees were told that a fixed-term contract was permanency, minus redundancy and severance. However, after further meetings and discussions with members and through negotiation, it was clear that this was not permanency; it was simply another way of saying “casual”. The reason I say that it is another way of saying “casual” is that the clause stated that, firstly, the employer decides the length of the term and whether to renew; and, secondly, during any stage of the term the employer can terminate the employment for whatever reason. That was the employer’s idea of a fixed-term contract. How is that secure work when workers can be offered a fixed-term contract? I agree with the argument that if an employee is offered a six-month fixed-term contract and the employer decides to pull out, the employer has to pay the employee for those six months, because it was a guarantee of six months’ work. Since the enterprise agreement, the employer has picked up the majority share of the work in this port, and even after a massive increase in secured contracts that have been signed on the dotted line, it has not made one employee permanent; instead, it has brought in a flood of new employees who have been handed these fixed-term contracts on the basis of what I have just explained.

In a previous debate this week, members in this place made comments about millennials and the struggles that they have inherited. I have always been aware of, interested in and willing to learn more about the struggles many Australians have faced historically and often ask myself: do we have it harder today in the workforce than our forefathers did? I do not have the answer to that, but I believe we have lost ground in workers’ strength in the workplace due to the modern-day employer’s new greed for flexible, expendable casual and labour hire employees. With this come attacks on workers’ rights across the board, taking advantage of unorganised labour. Workers also have to deal with dramatic job losses, which we have been hit with due to the downturn in work. Instead of competing for work in a pool of 100, there are realities of competing with 1 000 other workers. This can often lead to workers feeling the need to impress and, more to the point, not upset their employer, as they are worried that they will not get the call to return to work again. I dare anyone to deny this is happening. I have seen it. I have been with a worker, and his wife and kids, who was cut off from available shifts for the sole reason that he raised a safety issue that could have been harmful to him and his workmates. Let me not forget to mention intimidation from employers, particularly in labour hire firms. Joining a union often brings with it a similar punishment.

I believe we have an obligation to improve people’s lives and recognise that permanent employment provides people and families with security, the ability to be approved for home loans, obviously the ability to plan leave and spend time with family and friends, and the seemingly undervalued ability to live. Workers should not feel that they are just a number, a slave to the economy or a big business, because all workers’ lives matter—casual or permanent. Safety risks come hand in hand with casual work, regardless of the definition of the day. I refer to my time in the Pilbara. Work was abundant. Employers could not find enough workers, yet there was still a lot of labour hire and casual employment being utilised. I would see and hear of workers who would work 14 days in a fortnight and who would continue working until the work slowed down. This created massive fatigue issues. That was blatantly ignored by employers at the time because they required the workers. Even with my strong stance on workplace safety, I must reflect on this, because, as bad as it sounds, can I blame that employee for doing those hours? They were not permanent employees. They were the flexible, disrespected casuals who were fighting over every dollar they could earn and the slim chance that they could get a permanent job. We must do better not just to increase Western Australian jobs, but to ensure that we are securing permanent jobs to give people security and ensure that they can set up shop permanently in town rather than chase work across this state.

I want to refer to a memo from Workplace Express issued on 5 July 2017 headed “FWC to insert casual conversion clause in all modern awards”. I will read a few statements from it —

A five-member FWC full bench —

That is the Fair Work Commission —

has ruled today that modern awards should enable casual employees to elect to convert to full-time or part-time employment, subject to certain rules and restrictions.

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“We have decided that it is necessary that modern awards contain a provision by which casual employees may elect to convert to full-time or part-time employment, subject to specified criteria and restrictions, in order that they meet the modern awards objective” ...

“We accept the proposition advanced by the ACTU that the unrestricted use of casual employment without the safeguard of a casual conversion clause may operate to undermine the fairness and relevance of the safety net.”

However, the decision stopped short of the ACTU’s claim ...

The ACTU wanted casual employees to have the right to elect to convert, having, in a limited number of awards, been deemed to be in full-time or part-time after a certain length of time unless they elected to remain employed as casual.

I believe in that 100 per cent. If the work is there and the employee is performing the hours, they should have the opportunity to make the decision for themselves and their family whether it be a casual position or a permanent position. I make it very clear that I am not standing here and saying that there is no need for casual employment. With my organising background, I have seen from employers across many industries’ blatant disrespect for and no appreciation of the hard yards put in by employees in search of a permanent role. There are downturns in industry and there is reduction in work. That is why there are redundancy provisions within permanent employment conditions. That is why companies have the option to reduce numbers. It is not about saying that casual employees are needed because they are more flexible and can be replaced in a transient way. It is tough out there now for casuals, with the high rate of unemployment, particularly in the heavy industries in the north west region, shutdown work et cetera. I feel that we in this place need to recognise this and show our concerns. I will continue over this term, and hopefully many more terms, to fight for casuals and their right to be permanent in their workplaces.

HON DR SALLY TALBOT (South West) [11.47 am]: I thank the member for that very passionate and moving account of a firsthand experience of the casualisation of the workforce. I express the appreciation of members on this side of the chamber to Hon Kyle McGinn for bringing this motion to the house. Indeed, his experience is shared by millions of workers around Australia and hundreds of thousands of workers in the state of Western Australia. I draw members’ attention to a report by the Australian Council of Trade Unions in 2012 that was not called “Lives On Hold” for nothing. Indeed, the subtitle is worth reflecting on, too. The title “Lives On Hold” reflects the type of experience that my honourable colleague just referred to—casualised non-permanent work is very bad for individual workers and their families. The subtitle of this report, “Unlocking the potential of Australia’s workforce”, draws attention to the fact that casualisation of the workforce and insecure work in general is very bad for communities and also for business. Nobody benefits from a workforce in which casualisation is the main ideological driver of employment practices.

Indeed, what we have just heard in that anecdotal account of the lived experience of insecure work is a marker of the trend in modern industrial practice. It is a trend that I believe Labor governments and all progressive policymakers in this country have a duty—an absolute obligation—to begin to reverse, because what we are seeing is the transfer of risk from an employer directly and 100 per cent onto the shoulders of the employee. It is such a travesty of the original principle of our economic system, however one wants to express it or however one’s philosophical understanding of what underpins our economic system translates into terminology. It is about bosses and workers; it is about the owners of capital and the providers of labour. There has always been some kind of fundamental equilibrium between those two providers or two key platforms on which our economic system stands. That is what is being trashed by this move towards the casualisation of the workforce. I believe it is incumbent on all progressive policymakers in this country to start reversing this trend.

I want to go back to the inquiry chaired by Hon Brian Howe, who has an impressive record in this area—he certainly knows what he is talking about. The report itself was endorsed by the Australian Council of Trade Unions. Indeed, that report has formed the basis for much industrial relations practice in the four or five years since it was published in 2012. This report, “Lives on Hold: Unlocking the Potential of Australia’s Workforce”, defines insecure work as —

- (i) unpredictable, fluctuating pay;
- (ii) inferior rights and entitlements, including limited or no access to paid leave;
- (iii) irregular and unpredictable working hours, or working hours that, although regular, are too long or too few and/or nonsocial or fragmented;
- (iv) lack of security and/or uncertainty over the length of the job; and
- (v) lack of voice at work on wages, conditions and work organisation.

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What have we got here? The estimate in this report is that up to 40 per cent of the workforce is now engaged in insecure work—40 per cent! That is approximately four million people Australia-wide. Members can do the sums on how many hundreds of thousands of people that is in Western Australia, even if there is a strict ratio in terms of population. I suspect it is probably a little more in Western Australia because of the nature of our resource-based economy. We have hundreds of thousands of workers in Western Australia who have no certainty about their pay. What does that mean when people try to plan for their family and for their future? We can go back to the original landmark judgement in Australian industrial relations history, which was the Harvester decision in 1907. In that, work was done around the concept of a wage that was fair and reasonable. Those were the two terms used. All the concepts around that and all the considerations that were brought into play to determine what a fair and reasonable wage is are now a little updated. It was predicated on how much a man needed to keep a wife and three children in —

Hon Matthew Swinbourn: Frugal comfort.

Hon Dr SALLY TALBOT: —frugal comfort. It is a wonderful phrase, is it not, Hon Matthew Swinbourn. Many of those concepts are now redundant in our modern society, but that fundamental idea that people need a fair and reasonable wage included the idea that people had to have a wage that was predictable. All things being equal, people knew what they would be earning for the next 12 months. That has gone for these hundreds of thousands of workers in Western Australia. I say the same thing about hours. Someone might work 40 hours this week, but they do not know how many hours they will be working next week if their employment is insecure. What does that mean for the local footy club that is looking for a coach for the junior footy team? How can someone make a commitment to provide music lessons for local primary school students after school if they do not know what their working hours are going to be next week? It is all that substrata of community involvement that disappears when there is a substantial number of people who cannot predict what their availability is going to be in the weeks and months to come. As Hon Kyle McGinn referred to, these workers have no idea how to plan for annual leave. They have no paid annual leave whatsoever. They have no sick leave. What happens to people who have children who fall ill when they are at school? These people have no overtime and no penalty rates. I am sure Harvester would have turned in his grave to hear this.

Hon Matthew Swinbourn: Justice Higgins, you mean.

Hon Dr SALLY TALBOT: Justice Higgins; it was the Harvester decision. In fact, it was McKay who was the legal person involved, but I thank Hon Matthew Swinbourn. They would probably turn in their graves to think that there was also provision for parental leave these days. Increasingly, that will become a consideration when we talk about insecure employment—no availability of parental leave, no long service leave, no protection from unfair dismissal and no access to training provisions or opportunities. Indeed, my research into this topic suggests that the very idea of have a career or a career path becomes redundant for people who have insecure employment. A person cannot talk about having a career or a career path when they do not know where they are going to be working or what they are going to be earning in six months' time. It is bad for people and it is bad for the local economy. What the report "Lives on Hold" draws attention to is that we actually have a new divide in the Australian workforce. The old divide was between blue-collar workers and white-collar workers. The new divide is between workers who might be defined as being core workers and workers who are somehow consigned to the periphery. This is basically between workers who have some kind of permanency attached to their employment and others who do not. I agree with Hon Kyle McGinn: we do not want to move away from the concept of a casualised workforce. There will always be a place for casual work and there will always be people for whom casual work is, at least in the short term or perhaps even the medium term, the answer to what they need to do. With no public debate about the merits of the system, we have slipped from a legitimate component of the workforce that is casual to a very large section of the workforce that is now classified as insecure. That is when their employment is, by definition, non-permanent. We now have this vast array of workers who are confined to the periphery. They cannot save, they cannot plan, they cannot upskill and they cannot have a career. Of course, within that component there are also burdens that are unfairly shared. It tends to be women and young people who are in that position. This is very, very bad for the Australian economy, it is very bad for Western Australian workers, and it is very, very bad for Western Australian families.

HON MICHAEL MISCHIN (North Metropolitan — Deputy Leader of the Opposition) [11.57 am]: I thank Hon Kyle McGinn for raising this issue with the house, which is one of some significance, particularly for the many workers who are finding insecurity in their lives and the lives of their families as a result of the process that he has described—the increasing casualisation of Western Australia's workforce. Of course, it is not something that is peculiar to Western Australia. There has been a trend over the last several years towards an increasing casualisation of the workforce. Hon Kyle McGinn said that it is difficult to define what that is, but in essence it involves the process by which employment shifts from a preponderance of full-time and permanent employment—although I think there has been very little permanency in the workforce for many years—and some level of security in the workforce, to casual and contract positions. He spoke very eloquently about his personal experience in that

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regard. Hon Dr Sally Talbot also referred to the effects on members of the community who find impermanency in their employment, informality in their employment and uncertainty in their futures—whether they will have a job from one day to the next and how much they will earn in the course of a week to cover their necessary survival expenses as well as the luxuries that we tend to take for granted.

There is, of course, a place for casual employment in any employment market. There are many people who prefer having only part-time and occasional work with the hopeful loadings that go with it. Many small businesses are unable to predict the amount of work that is being conducted so they rely on casual employees to carry on that business. But what is of concern is the increasing trend towards casualisation; I leave aside questions of progressive policymakers, Labor governments and the like. This matter affects all political parties that have an interest in ensuring the benefit of the community and, again, I leave aside questions about the rights of employees, employers and so forth. On a commonsense, compassionate and pragmatic level, we would like as many people who wish to work to the capacity at which they are able, to earn a living. We would like members of our community and their families to have certainty in their lives so that they can create wealth for themselves and live the lives that many of us take for granted. The increasing trend towards what Hon Kyle McGinn described as the process of preferring casual and part-time employees is distressing. Casualisation contributes to the country's underemployment rate rather than its unemployment rate and disguises the country's employment level. But it also has a bias towards the interests of employers who could and should be creating medium to long-term positions and filling them with the best workers available to expand their opportunities, wealth creation and businesses and should be contributing to the community in other ways. The casualisation of the workforce has an economic roll-on effect and means that people are less capable of predicting their future and of investing in homes and investing in not only staples, but also luxury goods. The distress that it causes them wondering where their next pay packet is going to come from and whether it will be enough for what they need to provide their family with the basics has a roll-on effect. If it is allowed to continue, it will result in long-term economic and social disadvantages for our community. The question is: what should be done about it?

One solution may be to legislate in certain ways but the risk with that is we would be using a one-size-fits-all solution to the problems of several industries. It is my understanding that the major areas of casualisation and the greatest increase over the last several years has been in the hospital and healthcare industries. There has been a marked increase of casualisation in that field with part-time nurses and healthcare workers generally. The next largest one has been in the accommodation and hospitality industries. Of course, those industries are prone to the need for casual workers to fill in from time to time at restaurants, for example, as the peak patronage periods rise and fall. That involves working uncertain hours and the like. Casual employment is particularly useful to those who either already have full or part-time employment and want to fill in the gaps, those who are otherwise engaged, such as students, and those who are home based and wish to work only a few hours a week when it suits them. But the increase in that area is particularly disturbing if people rely on that as their sole source of income.

As I understand it, the construction industry is another area that has had a quite high casualised workforce over the last several years. Again, that may have something to do with the peaks and troughs in that industry. Of course, in Western Australia that can be traced back to things such as the cyclical experiences of our resource industries.

Legislation is not necessarily the answer because I do not think that it could be crafted in a sufficiently proper way, but plainly there has been a cultural shift and it seems that we will need to gather some incentives so that companies and employers generally with large, medium and small enterprises are encouraged to engage workers on a more certain basis to provide them with proper employment rather than underemployment. Likewise, it is not a question of being a progressive government. It is in the interests of all governments to try to reverse the current trend, and that means identifying the causes of that trend and pulling the correct economic and other levers to change the direction of that trend.

I thank Hon Kyle McGinn for raising this issue of significant importance. A robust economy leads to robust employment opportunities and hopefully that will occur. There are already signs that the Western Australian economy is coming out of the trough that it has been in for the last several years. That is no credit to the current government, although I am sure it will take the credit for it, because the economy began developing last year and is increasing. I hope that things will turn around in any event. It is an important policy area and I trust that Hon Kyle McGinn and others who are interested in it will contribute to the development of economic policy. The Liberal Party is anxious and keen to participate in that and support realistic measures to try to address that particular problem. Thanks again to Hon Kyle McGinn for his contribution to this issue.

HON ALISON XAMON (North Metropolitan) [12.06 pm]: I rise on behalf of the Greens to indicate our support for this motion and I thank Hon Kyle McGinn for bringing this important issue to the attention of the chamber. There is indeed a concern about the trend towards increased levels of casualisation of the workforce. Similar to other members who have already spoken, the Greens recognise that there will always be a place for casualisation in the workplace. It is an important way to ensure that we can offer employment to deal with the ordinary ebbs and

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flows of business opportunities. However, we share the concerns that we have moved to a greater rate of casualisation that does not reflect what we consider to be a normal or acceptable rate. The levels are quite concerning.

In April this year, Business Insider reported that job ads for casual roles on Seek have increased by 19 per cent year on year Australia-wide, with the rate being 30 per cent in Western Australia. Across South Australia and Western Australia, trades and services had the most casual job opportunities on Seek in March, so we are certainly heading in the wrong direction when we talk about precarious employment.

We know that casual work is now more pervasive than it was in the past, noting that most growth occurred prior to the late 1990s. Casual employment grew by a whopping 70 per cent between 1984 and 1998. Since that time and until recently, it has fluctuated around the 20 per cent mark. If we look at figures from employees only rather than all employed persons, the percentage of casuals as at August 2016 was 25 per cent. That number has remained static over the last 15 years. Independent contractors make up nine per cent of the workforce. Casual and independent contractors make up 30 per cent of the total workforce, which is a significant number of workers who operate under fairly precarious employment arrangements. Although there has consistently been more female than male casuals—this issue predominantly affects women—the growth in male casual employment, albeit of a much lower base, has greatly exceeded that of female casual employment. Between 1992 and 2013, male casual employment increased at an annual average rate of four per cent, which was twice that of females at two per cent. However, although the number of male casual employees is starting to approach that of females, the incidence of casual employment is still significantly higher among females. In 2013, 26.7 per cent of all female employees were in casual jobs compared with the corresponding figure of 21.2 per cent for males.

There are a lot more part-time than full-time casuals. The proportion has remained fairly stable over the past couple of decades at about 2.3 part-time casuals for every full-time casual. There are genuine concerns for casual workers compared with ongoing workers. As has been mentioned, casual workers tend to be significantly younger. In fact, 39.3 per cent of all casuals are aged under 25 years. They are more likely to have been in their current job for less than a year, and they are more likely to have no superannuation coverage, which is a huge concern. They are more likely to want to work more hours than are available and to work on weekends, and they are less likely to access overtime. They tend to have much greater variation in their earnings from one pay period to the next, and they are less likely to be employed in certain areas such as the public sector. Significant changes have been made around industrial protections for casual employees. I note with concern the difficulty that can arise for employees who want to transfer from casual employment into stable employment, and to demonstrate that work is ongoing, and, for all intents and purposes, that it can be offered to them. However, they do not have an automatic entitlement to transfer over to the permanent employment arrangement, which can create very real issues for casual employees.

We have already spoken in the chamber this week about the difficulties for those people who want to buy their first home. It is really difficult for a casual employee to secure a mortgage or to get a loan. In fact, it is difficult to get a loan even for a car. Casual employment can create very real problems in enabling people to access the sorts of measures that a lot of us take for granted. There is a real risk in a person having to live from week to week, especially if they have children or dependants who need their support. The lack of leave entitlements creates real hardships for people when they cannot access sick leave, carer's leave, bereavement leave and a lot of the other leave that people take for granted and have been hard fought for and considered necessary. I note that additional leave is now being considered such as leave to address issues of family and domestic violence, which is great because it is a very important area. However, casual employees are not necessarily entitled to those types of leave arrangements. For people with children, it can be really hard for them to access child care. One of the problems with child care is that a place must be paid for regardless of whether it is used week in and week out. If a person is in casual employment, not only will they not necessarily know when they will need the child care, but also they could be left with quite high childcare fees for two weeks in a row, with no employment coming in. I do not think that people necessarily understand just how expensive child care can be. It is a real problem.

We know that employment is a key social determinant for people's mental health and wellbeing. However, if there is precariousness around a person's employment, it will create very real stresses and distress in their life and potentially the lives of family members.

I share the concerns raised by members about the reluctance of people who are on precarious employment arrangements to raise concerns about safety at worksites. It is a very real issue. People in this situation know that if they raise concerns, they might be the first to be let go. It is a very real problem that all of us should be concerned about. There are also issues around raising concerns if an employee is being sexually harassed, for example, or bullied or subjected to any form of discriminatory conduct by the employer. In my previous experience working in the union movement, it was often the casual employees who were most at risk of a lot of adverse and, indeed, unlawful behaviour by unscrupulous employers. However, they were the ones most reluctant to raise concerns

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around this area. These are the sorts of risks that occur for casually employed people, apart from the fact that they find it difficult to get on with their life and forge a career, as mentioned by other members, and get their foot in the door when purchasing a home. There are genuine concerns about how these people can manage their rights and wellbeing in the workplace. We need to look at this issue. I disagree with the suggestion that potentially no changes to our laws could be made that would help enforce the capacity for people to apply for their casual employment to become a more permanent arrangement. It is important that we look at exactly these sorts of issues and try to reclaim some of the lost ground that has happened for so many people within our workforce. I am concerned that the increased casualisation of work is not a positive trend for the community.

HON MATTHEW SWINBOURN (East Metropolitan) [12.15 pm]: I also rise to support Hon Kyle McGinn's motion. Like the member, I have a wealth of personal and professional experiences to reflect upon about the pernicious nature of casual and contingent work. It is a persistent and, unfortunately, increasing problem in our community, particularly for those workers who are now affected by it in many industries. I would like to make clear that the points I will make are not about attacking the notion of casual work in its entirety. There are certainly legitimate circumstances in which the use of casual labour is permissible and appropriate, such as seasonal work, work of a short or occasional nature, and work to address unplanned needs of an indefinite nature. Those circumstances have always existed and workers have been available and willing to meet those needs. However, casual work in many circumstances is now becoming illegitimate. Casual work is being used to undermine job security and to take away and undercut entitlements. I am going to echo some of the comments made by previous members here when I say that it certainly takes away the privilege of annual leave. The capacity to take annual leave is an entitlement that was hard fought for and is well recognised by most people as being an important part of working life. In some circumstances, workers in the precarious situation that Hon Kyle McGinn talked about are waiting each day to find out whether they can work. Sometimes they are put in the rather ridiculous arrangement that is described as permanent-casual; a term that could not be any more of an oxymoron. I am not sure that those two concepts go together, but I have seen contracts written up for permanent-casual positions. People in those circumstances have regular, rostered and ongoing work patterns that are predictable and safe, but they do not get entitlements such as annual leave and personal leave, which makes up a component of paid sick leave and carer's leave. Those employees are denied those circumstances. Redundancy is also denied in many industries in which it would ordinarily be available when work disappears.

I was a casual employee for six years, but I am unsure what was casual about the job. I went to work on the same days every week and I worked the same hours, but it was a casual position. I worked as a milkman, which I will probably reflect on in my time here.

Hon Peter Collier: How old are you?

Hon MATTHEW SWINBOURN: Sorry, I was a commercial milkman. Let me just clarify: I did not run behind a truck or the horse and cart, which some older members might be more familiar with. I used to deliver the milk to Coles, delicatessens, hospitals, aged-care facilities and those sorts of places. In that time, I used to work as many hours as I could get away with. I was also studying at the time and barely living within my means, which were very modest, so I worked as much as I could. However, the hours were regular; I worked six days a week and I worked the same times each day. Sometimes the day finished later because the milk volume was greater, and sometimes it finished a little earlier, but it was fairly consistent. What I did not have during that period was annual leave and sick leave. However, I did get sick, and I needed to take time off when I married my wife. I had a couple of weeks off for my honeymoon, but I did not get any income because I had no annual leave.

Although it was probably some time ago, for my personal circumstances I found that that insecure, precarious and uncertain arrangement was not very satisfactory—and neither was it necessary. I would have been more than happy to have been in a permanent situation, earning money and getting my leave.

My professional experience is perhaps even more extensive than my personal experience. I have had the pleasure of working for a number of unions, which have covered a wide variety of industries. In my experience, the industries in which casualisation is most common are the hospitality, cleaning, aged care and security industries. My most recent experience is in the construction industry, in which it is becoming more prevalent. The prevalence is connected to labour hire. Workers who are engaged through labour hire firms on a casual basis do not even have a direct relationship with the people they work for to build projects. They are hired by faceless organisations because it is now principally done through the internet and over the telephone. Those workers' conditions are becoming more and more precarious, and sometimes they are working next to workers doing exactly the same jobs but for which they are paid less and have no security whatsoever.

Overwhelmingly, casualisation affects vulnerable workers: the young, the millennials; low-skilled workers; female workers, as Hon Alison Xamon pointed out; and recent immigrants. We have seen the controversy with 7-Eleven; those workers are not employed on a permanent full-time basis. They are employed casually in an operation that

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is run 24 hours a day, seven days a week. The company knows its needs but still chooses to employ its workers on a casual basis. It is not a necessity; it is a choice that is made. People from non-English speaking backgrounds are also heavily affected by this.

What is the effect on these workers? The most obvious one that has been mentioned here is the insecurity associated with working casually, such as workers not knowing whether they have another shift, not knowing whether they will have enough money at the end of the week to pay the bills because they have not had enough work, and not knowing whether, if they speak up in the workplace, the employer will ever offer them work again. It is quite right and proper for workers to speak up about any number of things in the workplace. A mature, developed employer that has an adult relationship with its employees should never be afraid of an employee speaking up about any number of issues. However, we see that the worker who speaks up is the worker who does not have a job the next time the call goes out—that has happened a lot. In our society, we have developed laws that prohibit such behaviour so instead of discrimination and victimisation being overt, it is now covert. Employees are never given a reason for why they did not get another job. They know that the week before they made a complaint about safety or how another worker was being treated and then they just did not get any further work. A reason is never given and the connection between the two can never be proven in a court of law. Everybody knows, but it is not what you know but what you can prove in court, and often you cannot prove that sort of thing. Those workers deal with that insecurity.

Casual employees are also denied access to employee protections such as unfair dismissal provisions. In many instances, casual employees are excluded from protection from unfair dismissal and even when there is some protection, it is often highly qualified and, as I said, they are vulnerable to exploitation.

What might be the motivation for an employer to illegitimately use casual work arrangements? One motivation is cost saving—that is, moving the burden from themselves onto the workers. People might say that casual workers get a loaded rate. I note that in Western Australia, under our industrial relations system, the loaded rate is 20 per cent, but under the federal system it is 25 per cent. The rate for casual workers in our state system is lower than the rest of the country. That compensation is not adequate because it does not account for the non-tangible benefits that are lost.

Casualisation also rewards poor management. Employers do not have to take responsibility for the way they structure rosters to productively use workers. With casualisation, they think they do not have to worry about tomorrow because they can just call up Joe or Josephine to get them to come into work, so it encourages poor management. It also shifts risks onto the community and the government because, among a range of other things, we have a group of workers who are at risk of default on their bills or of not having enough money and needing to go to agencies that provide support.

I have a number of other things I would like to say, but I am going to run out of time. I commend this motion to the house and I think we must all consider how we might address this situation. It is not good enough to have just economic growth. We need to make sure that the quality of that growth and the quality of the experience of people in that growth is worthwhile to all. With the casualisation of work, a segment of our community is missing out on the true benefits.

HON AARON STONEHOUSE (South Metropolitan) [12.25 pm]: I thank Hon Kyle McGinn for putting this motion forward because it is an interesting topic. I would like to address some of the points that have been raised throughout the debate. There will always be an underlying demand for casual work. There is an attitude among young people towards casual work, hospitality work and the like, that they like to have that flexibility. They do not necessarily want to be locked in. One of the reasons that we have seen an increase in casual work has a bit to do with automation. With less demand for low-skilled or unskilled labour due to automation, employers do not need to have people on full-time hours. They can have them there merely during peak times, with automation picking up a lot of the slack. Businesses need flexibility. There is a business cycle quite often of boom and bust, which we have seen here in this state. If businesses are locked in with long-term permanent employees, when they go through those busts, they sometimes need to downscale and cut employee positions. It may not be nice, but if they do not do that, a lot of those businesses will go under and when the boom time comes again, those businesses will be gone. Businesses need a certain level of flexibility.

We have to acknowledge that we have created incentives for employees to prefer casual work. We have created a system of leave entitlements and such that are nice for permanent employees but create an incentive for employers to look for casual work. Members might think that that is abhorrent but we have created those incentives. If we legislate to mandate permanent employment, as Hon Michael Mischin alluded to, there will be unintended consequences. If an employer is told that a low-skilled casual worker must be taken on as permanent and paid leave entitlements and so on, that will likely lead to further unemployment. Employers will look at automation instead of paying out those entitlements. What do members think will happen if we raise the cost of

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labour? That is my question to members opposite. In the most respectful terms possible, if we drive up the cost of labour and mandate that employers must pay entitlements for what would otherwise be casual work —

Hon Matthew Swinbourn: Labour costs have been kept steady as a total cost for some time now. Labour costs are not being driven up by these sorts of things and wages are stagnant at the moment.

Hon AARON STONEHOUSE: They can be, but if we tell employers that they have to give these entitlements to casual workers, who may be working a full week of work now, we drive up the cost of labour in the long term.

Hon Kyle McGinn: Isn't that what the 20 per cent loading is supposed to be addressing?

Hon AARON STONEHOUSE: It is, but —

Hon Kyle McGinn: That's meant to cover the entitlements, so what's the difference, if that's the case.

Hon AARON STONEHOUSE: There are other issues there but that is a good point.

The point that I am getting at is that if we push for more and more entitlements and higher wages, we drive up the cost of labour. Technology is getting better and we are getting automation. We will start forcing people out of the labour market eventually. We might find out later today that we will be seeing an increase in payroll tax. That is my basic question: as we drive up the cost of labour, what do we expect will happen? Hon Matthew Swinbourn said that we are encouraging poor management. If we drive up the cost of labour until a business cannot stay competitive, what will happen to that business? That business will probably go under. In the long run, driving up the costs of labour will cost jobs in the long run. That is the only point that I wanted to make.

HON ADELE FARINA (South West) [12.30 pm]: I note that I have very little time so I am going to have to focus very carefully on what I want to say. We are not saying that all casual work is bad, because a sector of the community benefits greatly from being able to engage in casual work. However, 40 per cent of the workforce is now casualised and most of those people prefer to be in full-time employment if they can get it; they are simply not able to get it. Casualised employment is a huge issue in the south west, particularly in coastal towns that rely heavily on tourism and where a lot of employment is in retail, accommodation, cafes, restaurants and that sort of thing. In those towns not only is that having a huge impact on individuals who are constantly stressed and vulnerable as they wait from week to week to find out how many hours they have in the following week and whether they are going to be earning enough money to pay for their living expenses, but also it is creating longer term social problems. I know many couples, both of whom can secure only casual employment. They struggle to secure private rental accommodation because they have only casual employment. When they do secure private rental accommodation they struggle from week to week to pay the rent because their hours of work fluctuate and, therefore, their income fluctuates greatly. They share the same dream we all do—to own a home. Yet that is an impossible dream for them, because as casual workers on fluctuating incomes, they cannot secure a loan from the banks to buy a home. Even if they did, they would struggle to maintain a mortgage because they do not have a reliable source of income. They also have very little capacity to get out of that situation because full-time employment is simply not available; casual employment is all they are going to get. Their conditions are constantly undercut, and because they have such poor bargaining positions within the workforce, they are not able and are too scared to negotiate better terms and conditions because some employment is better than no employment.

The biggest impact of the casualisation of the workforce is on housing because these people are on the public housing waiting list. They often struggle from week to week to secure their rent payments and they know that at any point in time that could default on their rental payments so they are on waiting lists for public housing. When these people reach retirement age, if they have not been able to purchase a home—most of them will not have been able to because they have been in long-term casual employment—they will be on the public housing waiting list, looking for housing. In the meantime, they are on the street. People seem to think that hopelessness is a product of a lack of employment. The reality is that 40 per cent of homeless people are engaged in underemployment. They are working, but they are in casualised employment; they are not getting enough hours and they are homeless because they cannot pay the rent and cannot secure a loan from a bank to buy housing.

If we do not start to address this problem, the social ramifications down the track for the community are going to be absolutely huge. If we think we have homelessness problems now, we should look 10 or 20 years down the track. The community will not be able to sustain the level of homelessness that it will be confronted with.

Motion lapsed, pursuant to standing orders.