



Spotlight on Job Insecurity and Wages:

TASMANIA



Workers in insecure work have fewer rights, lower pay and limited ability to plan for the future. The ACTU's Spotlight Series dives deeper into insecure work in key states and regions of Australia.

**First up,
we cover Tasmania.**

Tasmania has more workers that are casual, and on lower wages than the rest of Australia:

Tasmania has the highest level of casual work (26.6% of all employees) of any state and is 4.7% higher than the national average.¹

Tasmanian workers earn 13% less than the Australian median weekly wage.²

Around one in three employed people in Tasmania are on insecure, non-standard work arrangements including casual, independent contractor or fixed term contracts.³

Over 20,000 workers in Tasmania work more than one job.⁴

Women working in Tasmania are more likely to be in part time work (58.4%) than the national average (46%), a major contributor to a growing gap in earnings between women and men.

Overview

Insecure work puts people's lives on hold. It puts tremendous financial and emotional strain on families struggling to make ends meet or balance work life commitments. It also makes planning and saving for the future often impossible.

It also hurts all of us. Workers in insecure work and on low pay can't support their community and local businesses 97% of Tasmanian businesses are small, making it vital that workers have the income and job security to support them.

Insecure work has also made it harder for communities to fight the pandemic. Workers lacking job security and fair pay will face greater barriers to take time off work to get tested and isolate or vaccinated if they are under serious financial stress and lack job security.⁵ This will be an acute challenge for Tasmania should Covid-19 re-enter the State.

As this report shows, it doesn't have to be this way. The Federal Government should change the laws to make it harder for employers to turn permanent work into insecure work. It should also invest in the care economy especially in Tasmania where the workforce is predominantly women who are overworked and underpaid, as was highlighted in Aged Care by its Royal Commission⁶

The Tasmania Government can also take action by setting fair pay and conditions in the Tasmanian State Service (TSS) providing pathways to permanency for the many state servants without job or income security and using their powers of procurement to require firms engage permanent employees if they are to bid for work. The Tasmanian Government should also introduce state laws to crack down on wage theft or unscrupulous labour hire companies.

1 ABS Characteristics of Employment, August 2020.

2 ibid

3 ABS Characteristics of Employment, August 2020. This does not include part time workers. Measuring % share of all employed people and not just employees.

4 ibid

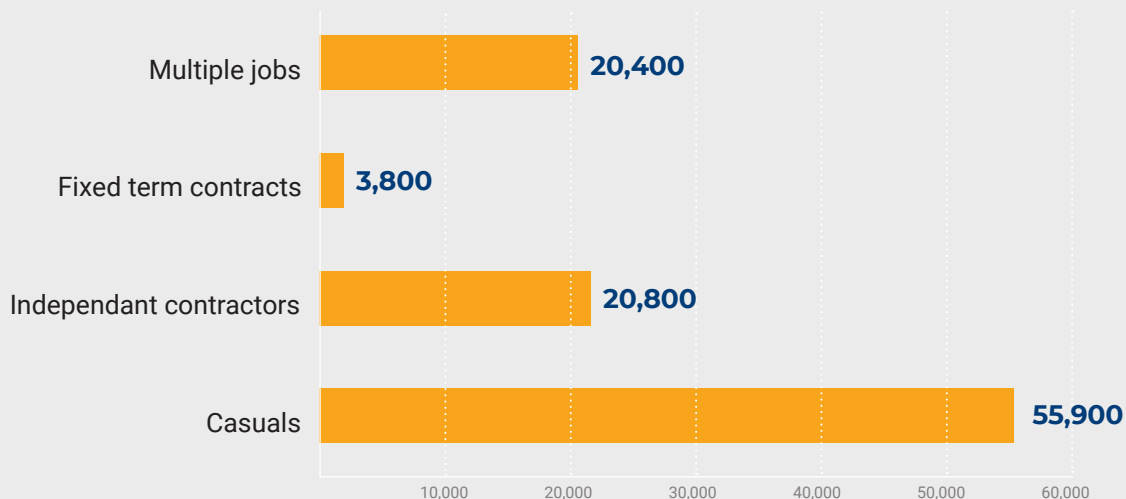
5 See e.g. Fiona Macdonald, Shelley Marshall and Gretchen Coombs (June 2021), Report on Vulnerable Workers in Victoria <https://www.rmit.edu.au/research/centres-collaborations/business-and-human-rights-centre/research-projects/vulnerable-work>

6 See Royal Commission into Aged Care Quality and Safety (2021), <https://agedcare.royalcommission.gov.au/>

Insecure Work in Tasmania

The level of permanent full-time employment with full access to paid leave entitlements has been declining over many decades in Australia. There are 80,500 workers in Tasmania who are now in non-standard employment in Tasmania.⁷ This is around 30% of all employed people in Tasmania.⁸

Figure 1: Insecure work in Tasmania⁹



Source: ABS Characteristics of Employment, August 2020

⁷ This excludes workers in permanent part-time work.

⁸ ABS Characteristics of Employment, August 2020. This does not include part time workers. It is based on % share of employed people

⁹ Please note, workers working multiple jobs will also be represented across various other forms of employment.

Casual Work in Tasmania.

55,900 Tasmanians or 26.6% of all employees are casual, 4.7% higher than the national average, and the highest of any state.

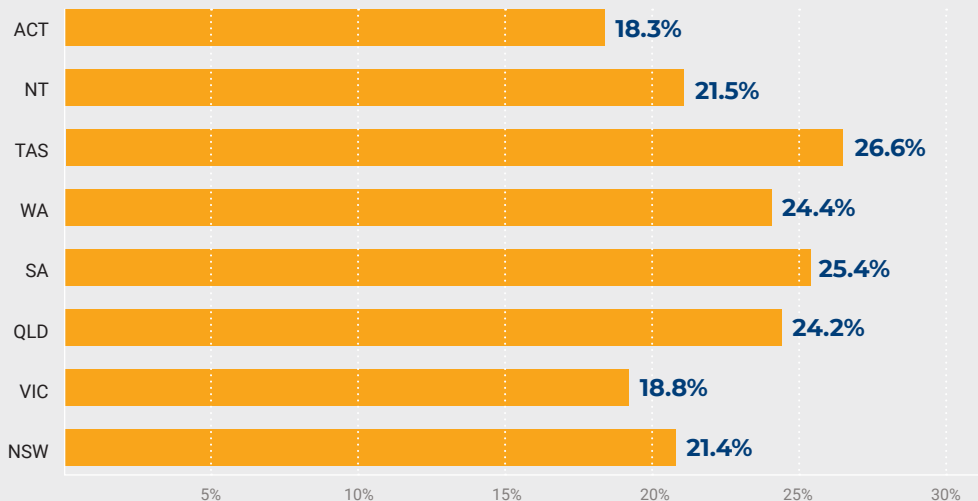
Casual workers do not get annual leave or paid leave and have no guarantee of more hours or work from shift to shift. This is despite their patterns of work usually resembling permanent employees: in most cases casual workers do regular hours each week and have been with their employer for more than a year.¹⁰

In exchange for having no leave entitlements and job security, casual workers are supposed to receive a “loading” of extra pay, usually 25% more. Yet less than half receive any loading and they still earn less than their permanent colleagues performing the same work.¹¹ Similarly, in Tasmanian casual workers actually earn 13% less per hour than workers on permanent arrangements.¹²

Workers lacking job security and fair pay will face barriers to getting tested, isolating or vaccination if they are under serious financial stress and lack job security. Tasmania’s record levels of casual work will present an acute challenge should Covid-19 reenter the State.

The Federal Government has recently made this situation worse for Tasmania. It passed laws earlier in 2021 that give employers far more power to define who is and who isn’t a casual employee. The courts are now limited to looking at the initial offer and acceptance of employment, rather than the practical reality of a working relationship.¹³ This is an added incentive for employers to give their staff the insecurity and low pay of casual work, even if they are working regular hours like a permanent employee.

Figure 2: Tasmania has the highest rate of casuals of any state



Source: ABS Characteristics of Employment, August 2020

All regions of Tasmania have casualisation rates higher than the national average, with South East Tasmania at 37.6% and the west and north west at 28.7%.

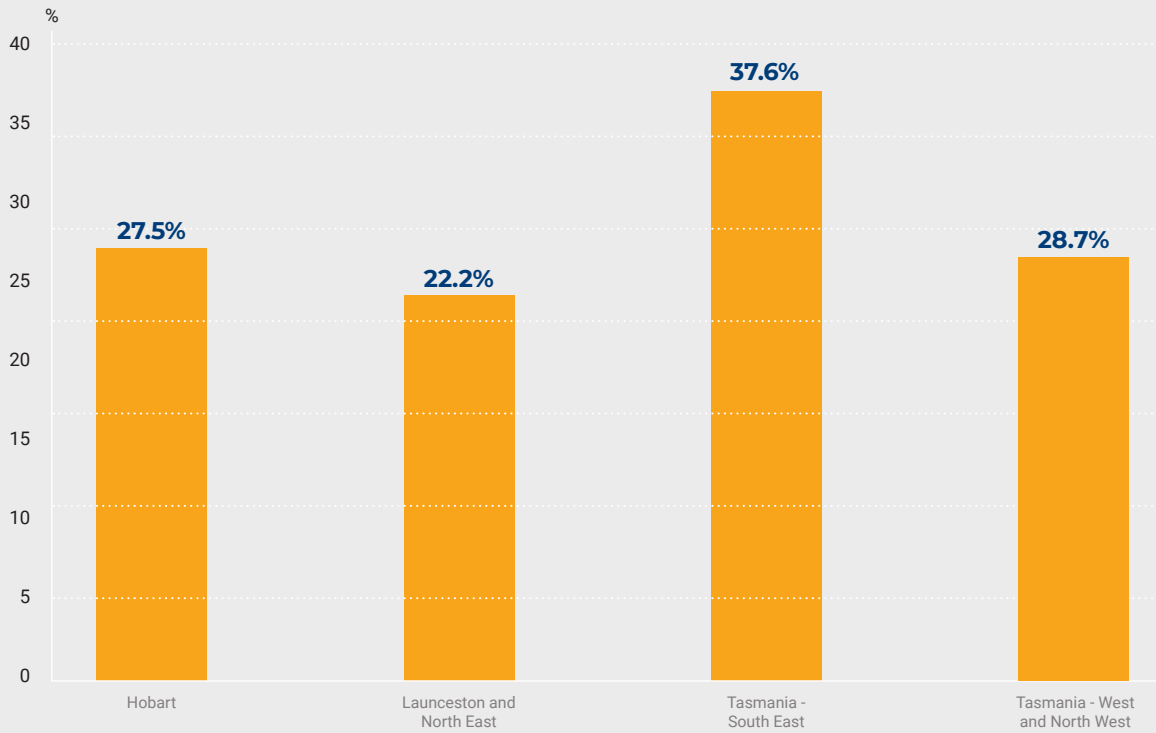
10 Peetz, David, “The truth about much ‘casual’ work: it’s really about permanent insecurity”, The Conversation, 11 December 2020. <https://theconversation.com/the-truth-about-much-casual-work-its-really-about-permanent-insecurity-151687>

11 Ibid.

12 ABS Characteristics of Employment August, 2020

13 Section 15A, Fair Work Act (2009).

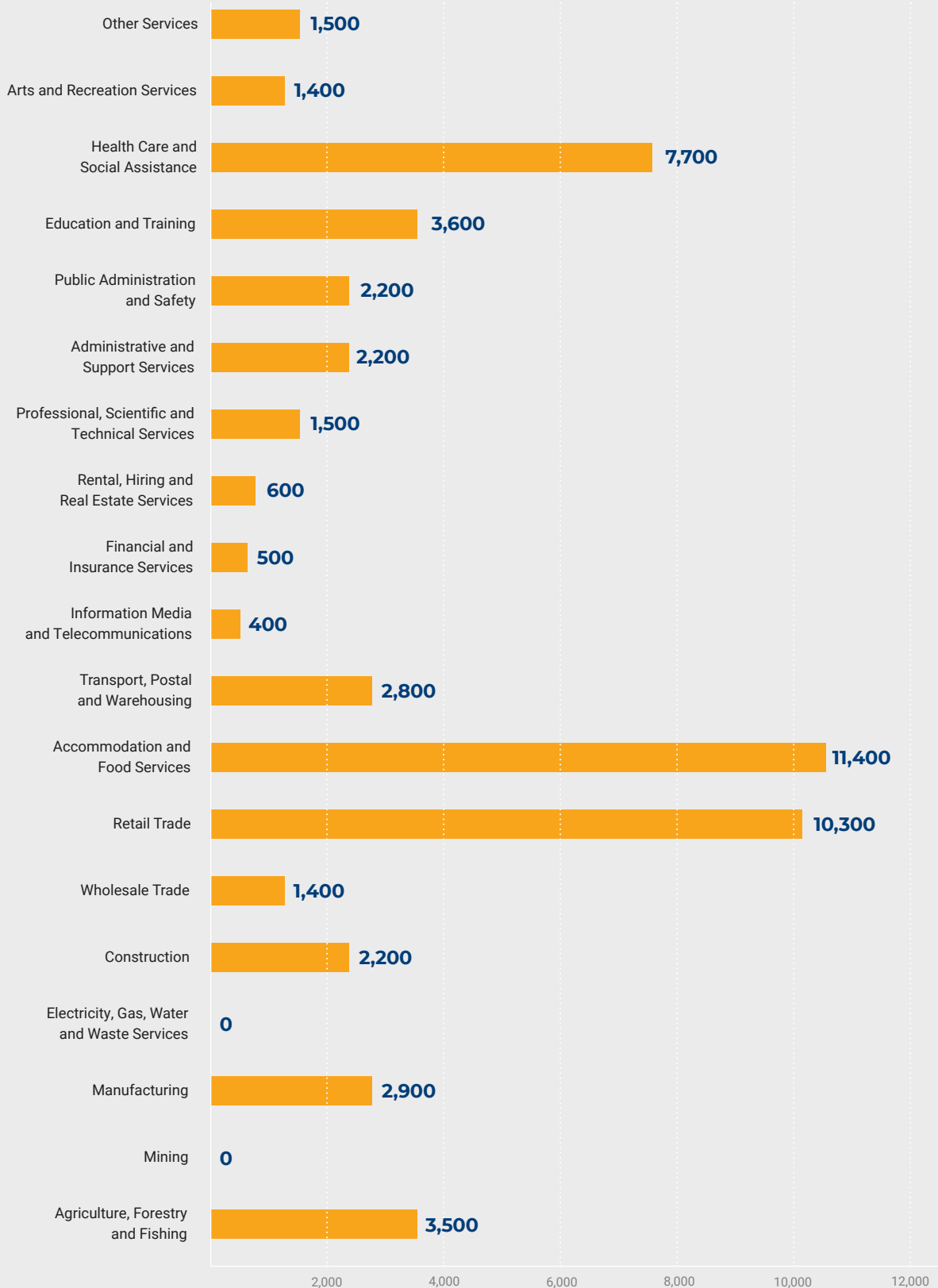
Figure 3: Casualisation rate by region in Tasmania



Source: ABS Characteristics of Employment, August 2020

The three sectors with the greatest number of casual workers in Tasmania are hospitality (accommodation and food services), retail trade and healthcare and social assistance.

Figure 4: Casual workers by Industry in Tasmania



Source: ABS Characteristics of Employment, August 2020

Other forms of job insecurity

Independent Contractors

There are 20,800 independent contractors in Tasmania who also do not have access to paid leave entitlements.¹⁴ A large proportion of the workers that fall into this category are not really “independent” but are economically dependent on a single employer and have limited discretion over when or how they work. In many cases these workers on “sham” contracting arrangements work alongside regular employees doing the same or similar tasks and even using tools, equipment and other inputs supplied by the same employer. Employers use sham contracting arrangements to deny workers the pay and entitlements they would receive if they were rightly called an employee.

Fixed Term contracts

There are 3,800 workers on fixed term contracts in Tasmania.¹⁵ Workers on fixed term contracts have limited job security, effectively losing their job once the term of their contract expires, even though employers may offer new contracts at their discretion. These rolling fixed term contracts are common in sectors such as higher education where about 1 in 5 workers are on these arrangements.

Australia is one of the few developed countries not to limit how often a fixed term contract can be renewed before an employer has to offer the worker permanent work.

Working Multiple Jobs

There are also 20,400 people working more than one job in Tasmania.¹⁶ Multiple job-holding is not only stressful and insecure for affected workers¹⁷; it also poses significant public health risks during a pandemic, because infected workers are more likely to transmit disease in multiple work locations. As the independent review in Tasmania’s 2020 Covid-19 outbreak found:

“one of the contributing factors in the North-West Outbreak was the movement of staff across the hospital, between hospitals, and in many cases, between a number of different and sometimes unrelated workplaces.”¹⁸

¹⁴ ABS Characteristics of Employment, August 2020

¹⁵ ABS Characteristics of Employment, August 2020

¹⁶ Many of the 20,400 multiple job holders will be working in casual or fixed term roles.

¹⁷ *ibid*

¹⁸ Page 87, Greg Melick (November 2020) Independent Review of the Response to the North-West Tasmania COVID-19 Outbreak: http://www.dpac.tas.gov.au/_data/assets/pdf_file/0004/564853/North-West_Outbreak_Report_Final_10_May_2021.pdf

Insecure work by regions in Tasmania



Hobart

27.5%

of employees are casual in Hobart (27,700 casual workers). This is 5.6 percentage points above the national average

17,200

workers in Hobart are underemployed

9,700

workers are independent contractors

1,400

Fixed term contractors

25,700

workers are not entitled to paid sick leave

8,200

are forced to work multiple jobs



Launceston and Northeast

22.2%

are casuals in Launceston and North East (12,800 casual workers). This is 0.3 percentage points above the national average.

9,400

workers are underemployed in Launceston and North East

6,500

workers are independent contractors

1,200

Fixed term contractors

12,000

workers are not entitled to paid sick leave

6,800

are forced to work multiple jobs



Tasmania - Southeast

37.6%

of employees are casual in Southeast Tasmania (3,500 casual workers). This is 15.7 percentage points above the national average

1,000

workers in Southeast Tasmania are underemployed

1,200

workers are independent contractors

3,200

workers are not entitled to paid sick leave



Tasmania - West and Northwest

28.7%

of employees are casual in Tasmania's west and northwest (12,100). This is 6.8 percentage points above the national average.

6,800

workers are underemployed in Tasmania's west and northwest

3,400

workers are independent contractors

1,200

are fixed term contractors

11,400

workers are not entitled to paid sick leave

4,600

are forced to work multiple jobs

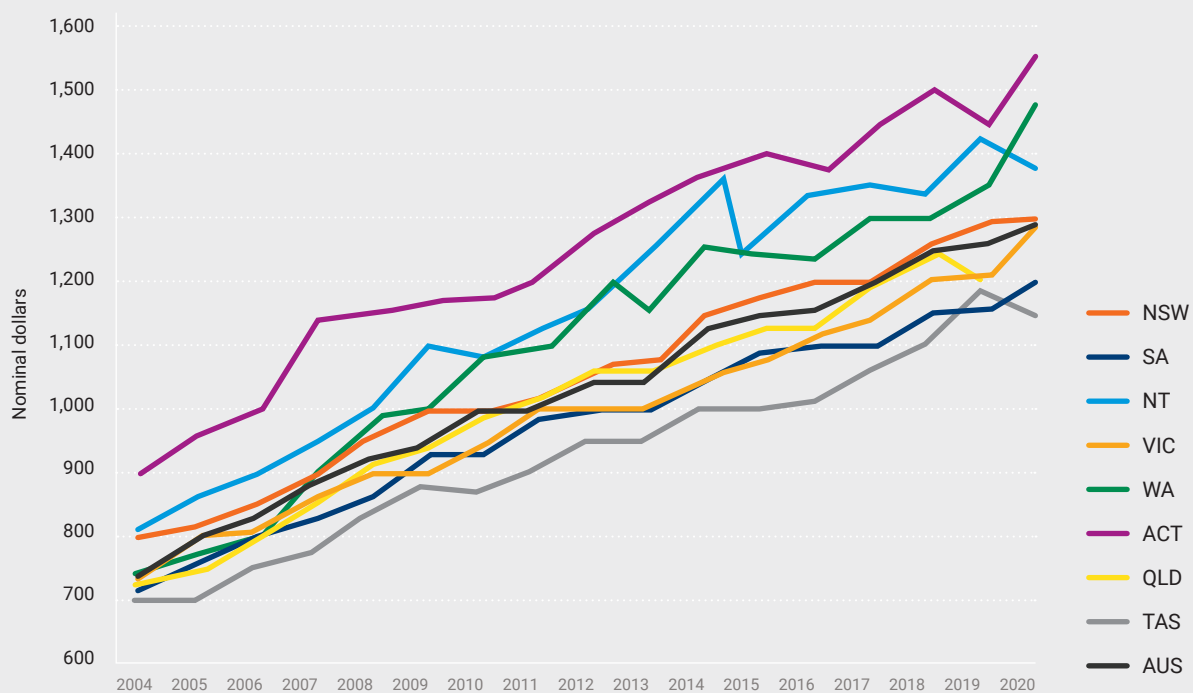
Tasmanians needs a Pay Rise

The high incidence of insecure work in Tasmania is also linked to lower levels of pay. In summary:

- For all Tasmanian workers, the median weekly wage is 13 percentage points below that for all Australian workers.¹⁹
- For full time Tasmanian workers this gap is 10%.²⁰
- Both casual and non casual median weekly wages for Tasmanian workers are below those respectively for all Australian workers.²¹
- Labour hire workers Tasmania have lower median hourly earnings than any other state

Tasmanian workers that have paid leave entitlement (employees not in casual work) are paid about \$150 per week less than the Australian median.

Figure 5: Median weekly earnings, with paid leave entitlements, nominal dollars.



Source: ABS 6333 Characteristics of Employment Table 1b.1

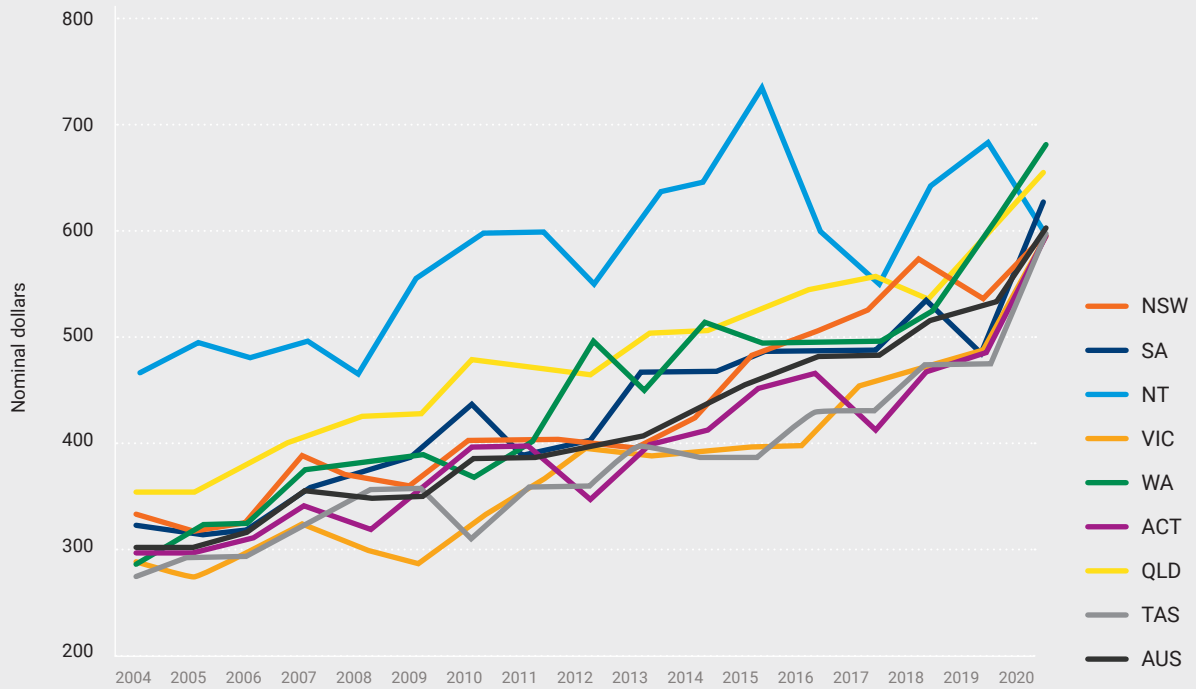
The median weekly earnings for casual workers (those without paid leave entitlements) are considerably lower than for non-casual workers, due to casuals working fewer hours and more likely to be in relatively lower paid jobs. Tasmanian casual workers are only paid \$30 less per week than Australian casuals, because casual workers nationally tend to be in the lowest paid jobs, with pay usually set by national awards.

19 ABS 6333.0 Characteristics of Employment, Australia, August 2020, Table 1a.1

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Figure 6: Median weekly earnings, without paid entitlements, nominal dollars.



Source: ABS 6333 Characteristics of Employment Table 1b.1

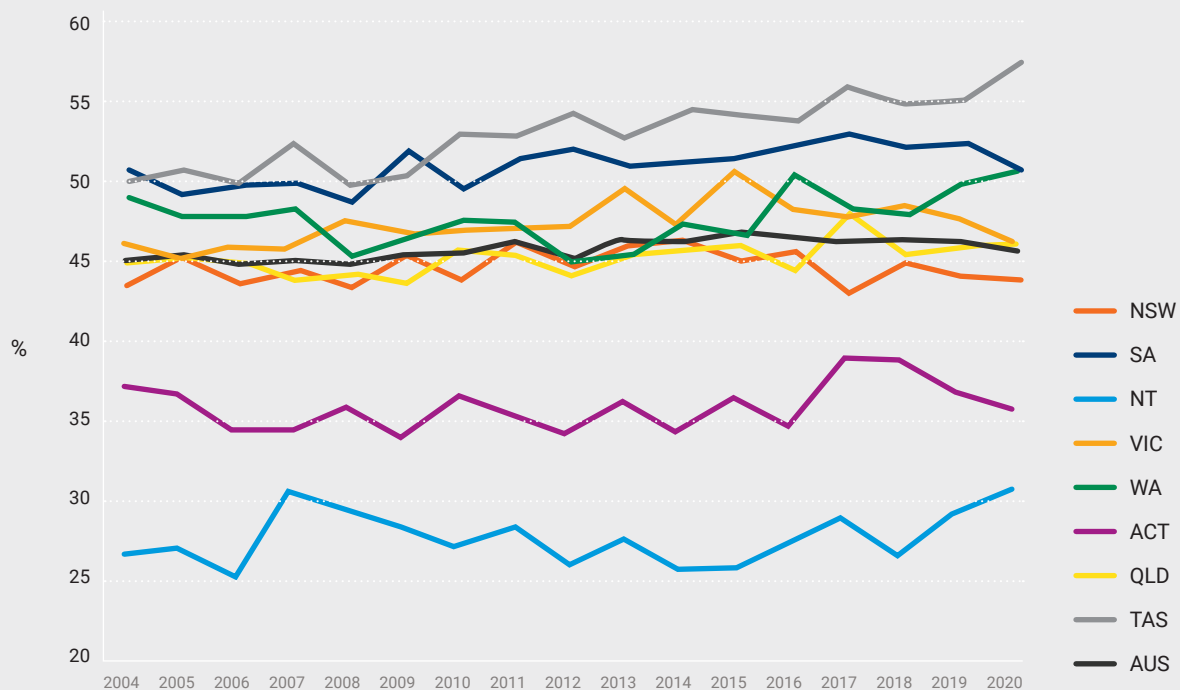
The Gender Pay Gap in Tasmania: two stories.

The official gender pay gap in Tasmania is 8.4%, one of the smallest pay gaps in Australia and less than the national pay gap of 14.2%. The gap tends to be lower in Tasmania because more workers are either award-reliant (and therefore on lower pay) or in the public service (where pay gaps between men and women tend to be smaller) than elsewhere in Australia.

Even then, this only measures the difference in average weekly wages between women and men in full time work. But most working women in Tasmania (58.6%) are working part time and not full time – a steadily growing trend. This is the highest level in the country and 12.6% above the national average of 46%. By comparison, only 26% of Tasmanian working men are in part time work.

Including part time workers in the Gender Pay Gap calculations (calculating total median weekly earnings instead of just full time median weekly earnings), sees the gap in Tasmania blow out to 23.5%. That's a record high since this data series started back in 2004, reflecting the continuing trend of greater numbers of women working part time.

Figure 7: Proportion of women employees who are working part time, per cent.



Source: ABS 6333 Characteristics of Employment Table 1a.3, ACTU calculations

Labour hire rates of pay

Tasmanian workers registered with labour hire and those of them paid by labour hire firms are the lowest paid of any state. Tasmania is one of the few states that has so far failed to license labour hire providers, to prevent unscrupulous practices such as underpayment of wages.²² The Federal Government has also refused to guarantee that labour hire workers doing the same job alongside a directly employed workers should get the same pay as them.

²² Queensland, ACT, Victoria, South Australia have all introduced Labour Hire Licensing Regimes. Western Australia is committed to introducing one.

