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11 March 2019

Committee Secretary
Senate Education and Employment Committees
Parliament House
PO Box 6100
CANBERRA ACT 2600

Dear Committee Secretary

RE INQUIRY INTO FAIR WORK AMENDMENT (RIGHT TO REQUEST CASUAL CONVERSION) BILL 2019 [PROVISIONS]

Isaac Regional Council (IRC) welcomes the opportunity to provide a submission to the Education and Employment Legislation Committee in response to the *Fair Work Amendment (Right to Request Casual Conversion) Bill 2019 [Provisions]*.

About the Isaac Region

The Isaac region encompasses an area of 58,862 square kilometres from prime agricultural land to the resource rich Bowen and Galilee Basins housing the largest coal mining deposits in Australia. The area also includes a coastal strip that brings with it tourism opportunities.

Our region is home to 20,990 residents and approximately 12,075 non-resident workers who travel here primarily for work in the mining industry.

The Isaac produces more than half (54%) of Queensland's saleable coal, generating more than \$1.5 Billion in royalties, and we are proud to be a region which is feeding, powering and building communities.

The Isaac economy is largely driven by the resources sector which contributes \$11.131 billion (or 79.3%) to the regions total output¹ with the gross annual value of agricultural commodities more than half a billion dollars.

Isaac region also boasts a burgeoning renewable energy sector with 9 solar farms approved (and one pending). In addition, approval has been granted for one of Australia's largest wind farms at Clarke Creek.

The impact of Casualisation on the Isaac Region

The Isaac region was built on the back of the mining industry. Casualisation of the workforce is a key issue across a range of industries and is a practice very predominant in the resource sector.

¹ REMPLAN Economy, accessed 7 January 2019

Casualisation of the workforce in the Isaac Region impacts not only those employed on a casual basis, but has a detrimental ripple effect on the sustainability of established communities and businesses within our region.

Workforce casualisation effectively strips individuals and families of their security. It affects the ability of individuals and families to secure loans from financial institutions, which ability has been further eroded in light of the substantial recommendations handed down from the Banking Royal Commission.

A causal effect of casualisation of the workforce can be understood in the funding methodologies of local government. Local Government funding methodologies are based on permanent residential population and unemployment rates. Permanent employment provides the stimulus for increased permanent residential population in regional areas. If casualisation of the workforce across the Isaac Region continues, the impact on government grant funding will continue to decrease. By way of example, the 2018 Bowen Basin Population Report saw our permanent residential population decrease by 260 and our non-resident population grow by 1,495.

Population trends have a direct impact on the funding which provide revenue under government funding methodologies for the provision of essential services, including schools, teachers, doctors and nurses in Isaac regions. Permanent workforce opportunities lead to increased permanent residential population and the sustainability of our established communities.

The Fair Work Amendment (Right to Request Casual Conversion) Bill 2019 [Provisions]

Isaac Regional Council supports the proposed *Fair Work Amendment (Right to Request Casual Conversion) Bill 2019 [Provisions]* (the "Amendment Bill") to ensure that all employees in the national system have access to a right to request casual conversion.

It is acknowledged that the Fair Work Commission has inserted a casual conversion clause into 85 modern awards which entitle eligible casual employees to request to convert to full-time or part-time employment which took effect on 1 October 2018, with another 27 modern awards already containing casual conversion clauses specifically tailored to particular industries.

Further, it is noted that of the 122 modern awards, 113 currently contain a casual conversion term, the remaining 9 modern awards would be covered by the Fair Work Amendment Bill. Additionally, around two-thirds of existing current enterprise agreements (across all industries) do not currently have a casual conversion clause.²

Isaac Regional Council support the Amendment Bill in order to fill the gap which exists to ensure that employees in the national system who do not have access to a safety net right to request conversion are covered, as follows:

- Employees who are covered by a modern award that does not contain a right to request casual conversion;
- Employees to whom an enterprise agreement applies who are either:
 - Covered by a modern award that does not contain a right to request casual conversion; or
 - Not covered by a modern award at all; and
- Employees who are award and agreement free.

² Department of Jobs and Small Business, Workplace Agreements Database (Sept 2018)

Notwithstanding Isaac Regional Council's support for the Amendment Bill, Council would be supportive of minor amendments, if considered necessary, to eliminate any potential unintended outcomes, to enable the passage of the Bill.

In summary

Isaac Regional Council reiterates its strong support for the *Fair Work Amendment (Right to Request Casual Conversion) Bill 2019 [Provisions]* and appreciates the opportunity to provide a submission to the inquiry and would welcome the opportunity to provide further assistance if required.

Yours faithfully

CR ANNE BAKER
Mayor