

Labour hire fact sheet

What is labour hire?

Labour hire is work performed by staff engaged by recruitment agencies rather than public servants. It is sometimes referred to as “agency staff”, or “contingent labour”. In this fact sheet, the term “labour hire” is used to refer to all three.

As labour hire staff are not public sector employees their wages and conditions of employment are different to that of public servants, and in many cases are inferior. Labour hire staff have no job security and fewer workplace rights than public servants.

The PSA believes ALL workers employed in the NSW public service must have the same workplace rights and entitlements and be employed under the *Government Sector Employment Act 2013 (GSE)* or equivalent legislation.

Labour hire is different to temporary employment under the GSE Act (or equivalent), as these staff are employed by the NSW public sector and entitled to the same pay and conditions as other permanent public sector workers. Staff employed on a casual basis are also public servants. However, these workers also face insecurity in their employment, and should be employed on a permanent basis.

Why is labour hire a problem in the NSW public sector?

The use of labour hire to provide essential public services has **doubled in five years**. In the 2010-11 financial year, nearly \$500 million was spent on labour hire which equated to 6,816 full-time permanent public servants paid at the 2010-2011 NSW public sector median salary of \$72,220. In 2015-16 this rose to more than \$1.1 billion, which is the equivalent 13,620 full-time permanent public servants, paid at the 2016 NSW public sector median salary of \$81,649.

Since the election of the Coalition Government in 2011, 20,000 permanent public servants have lost their jobs due to continual restructuring, downsizing and so-called efficiency dividends. The services these public servants provided to the community were in many cases axed or, in other cases, agencies moved to employ temporary, insecure workers to do the same work for lower pay. There are other examples of highly paid labour hire workers being engaged in areas such as IT and infrastructure development because of the loss of experience and expertise from the public sector as a result of government decisions.

Having such a massive number of workers in insecure employment providing essential public services is bad for the both NSW public and for staff. Corporate knowledge and skills are lost when there is a constant turnover of labour hire staff, and workplace conditions are undermined. Despite thousands of public servants losing their jobs, there is no obligation on public sector agencies to consider permanent public servants from other agencies before contacting a recruitment agency.

Insecure work assists in de-unionising the workforce, while artificially priming the workforce for further restructuring, downsizing and privatisation.

Both the concept and delivery of public service to the community is being actively eroded. The rhetoric is all about running a business rather than providing a service.

It is not only the PSA who is concerned about the growth of labour hire in the NSW public sector. In April 2017, the NSW Auditor-General released a report which was highly critical of the NSW Government's over-reliance on labour hire workers employed by recruitment agencies. It was also reported that the Government had been overcharged \$1.3 million by recruitment agencies in the same year.



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The Auditor-General reviewed the use of labour hire in Education, Transport and Industry, concluding that none of them were “able to demonstrate that contingent labour is the best resourcing strategy to meet their agencies’ business needs or delivers value for money”.

The PSA agrees with the Auditor-General that public sector vacancies should be filled permanently in the first instance. The full report can be read [HERE](#).

Another problem with labour hire work is that of workplace health and safety. WHS issues include:

- » labour hire workers not being informed about the relevant safety requirements for the work
- » labour hire workers are given the “unsafe work” that an employer does not want to do, so as to minimise risks
- » labour hire workers do not feel confident to raise safety concerns due to the precarious nature of their employment.

What can we do?

The PSA is standing up for its members and a strong, dynamic public service. The PSA has written to the secretaries of all public sector agencies reminding them of their obligations as employers and demanding public services are provided by permanent public servants.

We will also continue to argue existing legislation, policies and guidelines need to change to ensure stability and security of employment in the public sector. As well as there being a need of greater accountability of public sector agencies in their employment practices.

The PSA will pursue these issues with the Public Service Commission and through Joint Consultative Committees. In the event that agencies continue with their excessive use of labour hire, the PSA will exercise all available options. This could include seeking the assistance of the Industrial Relations Commission of NSW.

We all can play a part in helping to create permanent, fair and secure public sector employment and services. You can do this by:

- » letting the PSA know where public sector work is performed by insecure workers – this includes:
 - » when labour hire workers are hired and placed against permanent, temporary or casual roles
 - » when labour hire workers are hired to carry out project work
 - » when labour hire workers are hired to manage surges in work
 - » when agencies continue to use labour hire when restructures are underway and permanent jobs are deleted
 - » when labour hire is used for a year or more instead of filling a role on a permanent basis.
- » talking to labour hire workers about the importance of the work they are performing and why it should be permanent work
- » encouraging all workers, both public servants and labour hire employees to join the PSA.

Please email information you have on Labour Hire to psa@psa.asn.au, with LABOUR HIRE IN THE NSW PUBLIC SERVICE in the header.

