The Hidden Health and Safety Costs of Casual Employment

Report

Research Supported by Bartier Perry

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Background to the Project

This research project was funded by Bartier Perry as part of its commitment to the development of knowledge in the field of OHS. We are very grateful to Bartier Perry for the innovative idea of extending support to doctoral student, Maria McNamara in carrying out this literature review. We would like to place on record our appreciation of the respect for academic freedom allowed in writing it up. The views expressed are those of the author, and do not necessarily represent those of Bartier Perry.

Thanks go to Professor Michael Quinlan of the School of Organisation and Management, University of New South Wales, for his valuable time and substantial contribution to this report.

The report consists of a comprehensive review of the literature pertaining to the OHS outcomes of employing casual workers. The publications included in this review are journal articles from the relevant fields of medicine/health, industrial relations/management, psychology, safety science/accident prevention and the social sciences. An earlier review of the available literature by Quinlan, Mayhew & Bohle (2001) formed the starting point for this report. Also examined were relevant policy documents, agency and government reports and inquiries. A number of key findings are presented as well as a number of recommendations for employers of casual workers.

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Executive summary

In recent years there has been a substantial increase in what has been termed casual or temporary employment. Employers are drawn to the use of casual employment because it is thought to contribute to lower labour costs and improved flexibility. However, increasing evidence points to the finding that the growth of casual employment is not necessarily a path to productivity or cost-saving, and that there are in fact, a number of hidden costs in employing significant numbers of casual workers.

Numerous studies in recent years have noted a disparity in outcomes for temporary/casual and permanent workers performing the same tasks. Emerging evidence indicates that casual working arrangements and job insecurity are associated with adverse OHS outcomes such as increased fatalities, illnesses, occupational violence and psychological distress, decreased reporting propensity, fewer training and career opportunities, as well as inferior knowledge/compliance with OHS entitlements, standards and regulations (Aronsson, 1999, Park & Butler, 2001, Quinlan, Mayhew & Bohle, 2001). In addition, there is at least one test case (Secure Employment Test Case [2006] NSWIRComm 38) acknowledging that casual employment has adverse OHS outcomes.

Why are casual workers more at risk?

Quinlan, Mayhew & Bohle (2001) attribute the adverse OHS outcomes of casual workers to three factors;

- Economic or reward pressures
- Disorganization (inadequate supervision, training etc),
- Inadequacy in regulation or compliance practices.

Casual workers are more likely to be under greater pressure in terms of competition for work, retention of that work and pressure to earn a liveable income (Quinlan et al. 2001). Due to financial pressures, casual workers may be forced into taking on undesirable or high risk assignments off loaded by larger organisations (Quinlan et al. 2001).

Quinlan et al. (2001) maintain that increased casualisation results in disorganized work settings. Disorganisation refers to a workplace which may be characterized by;

- Ambiguity of rules, work practices and procedures,
- More complicated lines of management control,
- Inadequate training or supervision,
- Fragmented occupational health and safety management systems, and
Quinlan et al. (2001) maintain that a key problem is a lack of inclusive regulations that identify the **locus of legal responsibility** for proper safety management procedures. However, the problems associated with casual employment are beginning to be picked up in prosecutions with employers increasingly being held accountable for the OHS of casual workers.

Findings indicate that there is a growing awareness of the particular problems encountered by temporary workers but that, with some notable exceptions, measures aimed to address these issues have been focused on the labour hire industry rather than direct-hire temporary workers. This represents a significant gap in government agency responses to the OHS problems posed by casual work arrangements. As yet there is little evidence that OHS agencies in Australia have undertaken targeted enforcement strategies in relation to OHS breaches associated with the use of temporary or itinerant workers (other than those working for labour hire firms). However, regulatory agencies are likely to become more active in this area. Indeed agency activity has already begun with regard to labour hire.

Some employers have already made some efforts to address the issues involved in the engagement of temporary/casual workers. However, too many employers don’t seem to have given enough attention to processes such as the communication of OHS guidance materials, training, supervision and induction, incident reporting, and a range of other issues. New workplace legislation may remove some state based challenges for employers. However obligations under OHS legislation will remain. If employers fail to take these obligations seriously in regards to casual workers, the courts are likely to take a very dim view of this.

**Recommendations**

In order to minimise the risks posed by casual workers, it is advisable that employers;

- **Ensure that casual workers receive adequate training, induction and supervision;** Casual workers are often only provided with basic induction training. If their incorporation in the organisation’s internal OHS management systems is superficial and problematic, the use of casual workers can further contribute to disorganisation and adverse OHS outcomes (Quinlan, 2004a)

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...
Facilitate further worker participation and representation among casual workers; A number of Australian studies have found a positive relationship between worker representation and improved OHS management arrangements, concluding that the introduction of health and safety representatives (HSRs) led to major changes in attitude (Biggins & Holland, 1995).

All parties must be aware of the locus of OHS duties and responsibilities. (e.g. Labour hire agencies and host employers share a responsibility to provide a safe workplace and to provide their workers with relevant training - Victorian WorkCover Authority, 2006)

Conduct ongoing risk assessment and monitoring of casual and permanent worker activities. Employers should incorporate continuous risk assessment and monitoring of casual and permanent workers as it is essential to ensure that they adhere to OHS management systems (e.g. continuous communication and feedback loops) (NSW Mine Safety Review, 2005).

Focus on Psychosocial Issues; OHS agencies are increasingly addressing work organisation issues, also known as psychosocial issues. Employers need to address these in terms of potential litigation. Costs of psychological injury claims are significantly higher than other injuries because they tend to involve longer periods of time off work and higher medical, legal and other claim payments.

Ensure clarity in communication and reporting systems, work practices and procedures as well as facilitating knowledge and compliance with OHS Policies and Legislation; The use of agency workers and other casuals, creates more complicated lines of management control and fragmented occupational health and safety management systems leading to ambiguities, confusion and more adverse OHS outcomes (Quinlan et al. 2001).

Awareness of At-Risk Groups; Employers should be conscious of the fact that many casual workers are young and work part-time. These workers are especially at risk of adverse OHS outcomes. A current study of the inspectorate reveals a high level of concern regarding labour hire workers. Quinlan (pers. comm. May 2006) states that inspectors view labour hire as a particularly problematic area. Employers
should be mindful of the dangers and risks inherent in the employment of these groups.

The use of casual workers can cause a number of problems, many of which have been outlined in this report. It would be advisable for employers to consider the best interests of their organisation by becoming aware of the potential risks associated with the employment of casual workers. Subsequently employers should consider the costs involved in minimising these risks and factor these into the everyday running costs of their organisations. Employers need to make more considered judgements about where, when and to what extent to use casual workers, taking account of all the costs and benefits. It is possible, with consideration and planning to have the benefits of a casual workforce but at the same time, reduce the associated risks.
1.0 Introduction

In recent years there has been a substantial increase in what has been termed casual or temporary employment. Employers are drawn to the use of casual employment because it is thought to contribute to lower labour costs and improved flexibility. However, increasing evidence points to the finding that the growth of casual employment is not necessarily a path to productivity or cost-saving, and that there are in fact, a number of hidden costs in employing significant numbers of casual workers.

1.1 What is a “casual” worker?

- According to the Australian Bureau of Statistics (ABS, 2006), a casual employee is someone who is not entitled to either paid holiday leave or sick leave while any other employee is permanent.

- “Casual” is an old phrase for temporary employment which has retained its usage in Australia and New Zealand. It refers to workers engaged on a short term (usually hourly or daily basis) with no continuity of service (ie each period of work is a distinct period of service even though the worker may spend months or years with the same employer) or expectation of permanent employment. In other countries, “Casual”, if used at all, refers to very short-term employment.

- In Australia casual workers are usually paid on an hourly basis and receive a loading (often around 15-20% of the normal weekly wage rate) in lieu of sick leave, annual leave and long service leave. However, casual workers are usually afforded less protection from unfair dismissal than employees with ongoing employment.

- Casual work can also be seen as a sub-category of Precarious or Contingent Work. Precarious or contingent employment is defined by its relationship to other jobs, in terms of greater insecurity (Quinlan, Mayhew, & Bohle, 2001). Included under the umbrella of these terms are; labour hire (or leased) workers, short-term fixed contract workers, self-employed subcontractors (including many mobile or home based workers), seasonal workers (such a those in hospitality, agriculture and food processing) and some micro-small business workers and more contentiously permanent part-time workers (Johnstone, Quinlan & Walters, 2005).

There is disagreement about whether the definition of casual work should be decided on the absence of paid leave, or whether more account needs to be taken of worker perceptions.
Nonetheless, statistics based on either of these definitions indicate that casual employment is substantial in Australia.

1.2 How does Australia compare when it comes to casual workers?
Casual/Temporary work in Australia has exhibited one of the highest growth rates amongst OECD countries (OECD, 1998). It has the second highest proportion of temporary or casual workers of any developed country behind only Spain (OECD, 1998).

The findings are consistent worldwide. Campbell and Burgess (2001) used unpublished OECD statistics to demonstrate the relative decline in permanent full-time work and the corresponding increase in temporary, casual or insecure forms of employment. These statistics indicate that the average percentage of the workforce in casual or temporary employment across Australia and 14 EU countries grew from 9.57% in 1983 to 13.75% in 1999, an overall increase of 43.68% in 16 years (Campbell and Burgess, 2001).

1.3 Is casualisation still increasing?
Most of the increase in casual employment occurred prior to 1998, with the proportion remaining relatively stable since then (ABS, 2006). More fragmented evidence indicates that employment by labour hire agencies has continued to increase.

1.4 Casualisation in Australia today;
Although the growth rate has stabilized, Australia still has a significant proportion of casual workers. The following figures serve to illustrate this.
- There are currently 2.3 million casual workers in Australia
- More than one in four (27.9%) of all Australian workers are casual workers.
- 23% of all male workers are casual workers (up from 13% in 1990) and 32% of all female workers are casual workers (up from 28% in 1990).
- Over the past decade, male casual employment has risen by 115% compared with an increase of 43% for females (ABS, 2006).

1.5 What industries and occupations are casuals concentrated in?
There is a percentage of casual employment in most industries, but some exhibit higher levels of casualisation than others. According to the ABS (2006), the industries with the highest percentages of casual workers were:
- Accommodation, cafes and restaurants industries (59%)
- Agriculture, forestry and fishing (49%),
- Retail trade (45%) and
- Cultural and recreational services (45%)
The highest proportion of casual workers was found in the lowest skilled occupation groups:
- Elementary clerical, sales and service workers (56%)
- Labourers and related workers (47%).

1.6 Has job tenure declined?
In Australia, most temporary workers are engaged on a daily basis even though this may entail regular employment over months, even years. 56.9% of casual employees in Australia have been in their current casual job for one year or more; 40% for more than two years; and almost 7% for over ten years. While casual employment has increased, the average tenure of current jobs in Australia has not declined, which is explained by the interaction of an increase in the average tenure of casual and non-casual employment with an increase in the share of casual employment (Secure Employment Test Case [2006] NSWIRComm 38). Some casual workers are in their job for very long periods of time. These workers may have tenure or continuity, but in legal terms they have no job security. Meanwhile, there is another proportion who change jobs a lot more frequently who have neither tenure, continuity or security.

1.7 What effects will WorkChoices have on the use of casual employment?
WorkChoices may have the following effects;

1. The WorkChoices legislation would appear to make it easier for employers to convert the status of an employee from permanent to casual or to change the status backwards and forwards. The stripping back of awards and minimum pay setting process is also likely to mean that the loadings paid to casual workers will be diminished making them an even cheaper option.

2. Flowing on from the last point; the new legislation may make it easier for employers to challenge or bypass federal or state awards and agreements (Secure Employment Test Case [2006] NSWIRComm 38).

3. The Workplace Relations Act/Prohibited agreement content (s356 Reg 8.5) puts terms and conditions on the engagement of contractors and labour hire workers which could also encourage greater use of labour hire workers.

(M. Quinlan, 2006, pers. comm., 15 April)

In making it generally easier for employers to restructure work arrangements, WorkChoices may encourage the use of more temporary workers. On the other hand, the reduced access to unfair dismissal protection may make some employers less reluctant to take on permanent workers (Quinlan, 2006). It is unclear as yet what the dominant effect of WorkChoices will
be but at the very least, it seems unlikely that there will be a significant shift away from the widespread use of casual employment by employers. In terms of job security, WorkChoices, reduces the gap between permanent and casual workers.

The impact of the Workplace Relations Act is not definite yet. Employers still have significant obligations under OHS legislation. In other jurisdictions regulatory agencies (e.g. Victorian WorkCover Authority) have responded to increased casualisation (especially labour hire) by producing detailed guidance material as well as enforcement and compliance campaigns. Changes as proposed by reforms to the NSW Occupational Health & Safety Act giving increased rights of entry of union officials to the workplace may also be beneficial in terms of OHS of casual workers.

1.8 Why do employers choose casual employment?
Given that casual loadings are paid in lieu of sick and recreation leave, why do employers choose to utilise casual employment?

- Lower direct labour costs (WorkChoices may affect the cost advantages in that casual employment may become even cheaper).
- Improved flexibility
- Avoidance of labour protection laws, unions, various budgeting constraints and the perception of wage inequity
- Arguments for improved productivity
2.0 Does the increased use of casual employment really save costs?

It is argued that when the adverse effects of casual employment are taken into account, the apparent advantages do not outweigh the costs, which include increased insecurity, intensification of work and longer working hours (Schaufeli, 2004, Lewchuk, De Wolff, Kind, & Polanyi, 2003). There is a growing body of international research linking casual employment to negative effects such as decreased job satisfaction, motivation, productivity, and performance, as well as increased turnover, stress, occupational injury and illness levels (Allan, 2000, Goldstein, 1980, Huselid, 1995, Janssen, 1999). These adverse outcomes are costly for organisations. Employers in industries characterised by a particularly high rate of casual workers should be encouraged to take the added risks of casual employment into account and take additional measures when designing OHS management systems.

2.1 Adverse OHS Implications of casual employment

It has been argued that factors such as increased competition, intensification and insecurity are issues for all workers. However, research indicates that casual workers are feeling more adverse outcomes from these pressures.

The OHS effects of casual employment, is an issue that has attracted substantial interest in recent years. A report by the Productivity Commission Inquiry into National Workers’ Compensation and Occupational Health and Safety Frameworks (2004) stated that the increase in casual employment has adversely affected OHS outcomes and has also reduced the likelihood of workers lodging claims. There is a growing body of research indicating that casual working arrangements and job insecurity are associated with adverse outcomes such as:

- Increased fatalities, Injuries and Illnesses
- Increased Exposure to Occupational violence and Psychological Distress
- Inferior knowledge/compliance with OHS entitlements, standards and regulations.
- Decreased Reporting Propensity
- Less or minimum safety training
- Reduced occupational training


Such associations linking casualisation to adverse OHS outcomes are a significant worry for all parties involved. In fact the finding that casual employment has adverse OHS implications also gained judiciary recognition as evidenced by the Secure Employment Test Case [2006] NSWIRComm 38. The evidence that temporary workers are at greater risk was a
point of considerable attention in the Secure Employment Test Case. The Bench ruled that temporary workers were at greater risk and agreed to a union claim to insert additional OHS provisions. Unions NSW managed to demonstrate that the regulation of casual employment by industrial awards is becoming less relevant to the actual experience of casual employment and that there are compelling reasons to establish this matter as a special case. Unions NSW contended that the structural changes in the labour market have led to a reduction in the level of security of employment with negative social and economic (including OHS) consequences for employees. They contended that employers are seeking to avoid their obligations to employees by using alternative forms of engaging labour. Unions NSW asserted that employers were going beyond the acceptable use of labour hire and casual employment in general. They sought an award provision that would allow an employee who was engaged on a casual basis for more than six months to elect to convert that employment to permanent employment. This application was granted.

A number of court decisions in relation to incidents involving labour-hire workers have made reference to the vulnerability of casual/temporary workers. For instance, in *WorkCover Authority of NSW (Inspector Robins) v Labour Co-operative Ltd (No1)*, Judge Hungerford noted that two days after the serious incident the host employer, CSR Timber Products, had engaged an OHS consultant to visit the Raymond Terrace site and undertake an investigation (cited in Johnstone, Quinlan and Walters, 2005). Commenting on the report, Judge Hungerford stated that the risks to safety identified included the use of casual labour and the inadequate induction and training of these workers (in terms of both time and content). Judge Hungerford also cited the report’s recommendations, including the recommendation that, if casual employees were to be used in future, they should be drawn from a permanent pool of appropriately trained personnel and supervised more closely (cited in Johnstone et al. 2005).

Quinlan, Mayhew, & Bohle (2001) carried out the first review of research on the OHS effects of temporary employment. They found that there is a growing body of research indicating that job insecurity and flexible working arrangements, with the exception of permanent part-time work, are associated with a significant deterioration in OHS outcomes. Quinlan et al. (2001) conclude from their review of the literature, that the overwhelming majority of available studies, undertaken in a range of countries (including Australia) with a range of regulatory regimes, indicate that labour hire and temporary workers experience worse OHS outcomes than their permanent counterparts. Quinlan et al.’s (2001) review focused on 93 studies, published since 1984, that systematically assessed the relationship between temporary work and OHS outcomes for individual workers.
The reviewed studies used a number of indices of OHS effects. Of the total number of studies, 34 studies used **objective health measures** such as **injury rates or cardiovascular disease**, 46 studies used **self-reported/subjective health measures**, 12 used **sickness absence rates**, 11 measured **knowledge of OHS and legal rights/responsibilities** and 5 studies looked at **OHS policies, procedures and training**. A substantial majority (76) of the 93 reviewed studies found an association between precarious employment and a negative indicator of OHS, 11 studies were inconclusive, while only 6 studies found either no or positive relationships with health outcomes.

Of the 93 reviewed studies, 35 discussed the impact of **economic or reward** pressures on precarious workers, 45 studies looked at **disorganization** (inadequate supervision, training etc), and 20 pointed to some **inadequacy in regulation or compliance practices**. Of the more than 25 studies each, on outsourcing and organizational restructuring/downsizing, well over 90% found a negative association with OHS. Quinlan et al.’s (2001) review continues to be updated and the findings continue to be substantiated (M. Quinlan, pers comm., May 2006). Quinlan et al.’s (2001) review and other studies have largely served to confirm and reinforce the findings that the growth of precarious or casual employment arrangements, has led to a deterioration of OHS outcomes.

In sum, Quinlan et al.’s (2001) review found that the findings in relation to outsourcing are virtually unanimous, while those in relation to downsizing/restructuring and temporary work are compelling. The evidence is less strong for small business and non conclusive for permanent part-time workers. The present review focuses on casual and outsourced work. Quinlan et al.’s (2001) findings in relation to these are elaborated on below;

### 2.1.1 Temporary work

This category includes employees under short-term contracts as well as casual workers engaged on a daily or even hourly basis. Quinlan et al. (2001) found a more mixed set of results for temporary employment but generally, the research indicated that it is associated with erosion of income, job insecurity, deficient benefits and on-the-job training, lack of promotional prospects, and exposure to hazardous work conditions (Benach, Benavides, Platt, Diez-Roux, & Muntaner, 2000, Virtanen, Kivimaki, Virtanen, Elovainio, & Vahtera, 2003). Persuasive evidence was found with 14 studies finding a negative association with OHS, 2 found no association while 8 were indeterminate. In relation to temporary work and OHS effects, studies tended to focus on injury measures as opposed to health indicators.
Many of the problems identified in relation to temporary workers have been found by government inquiries and reports undertaken in other countries. For example, a report undertaken for the Italian Ministry of Labour and Social Security (Synthesis, 1997) argued that the particular risks encountered by temporary workers (isolation, communication problems, training difficulties, disorganisation and inexperience) required a significant reworking of regulatory interventions and policies. Generally, temporary employment has been associated with erosion of income, job insecurity, deficient benefits and on-the-job training, lack of promotional prospects, and exposure to hazardous work conditions (Benach et al. 2000, Virtanen et al 2003, 2004).

2.1.2 Especially vulnerable temporary workers: Young workers
An especially vulnerable group of temporary workers are children and young workers employed in shops, fast food outlets and the like. Mayhew and Quinlan (2002) note that the shift to temporary and casual jobs is most marked amongst young workers given their concentration in the expanding services sector. These workers are frequently ignorant of their rights or reluctant to make a complaint. With the exception of government and healthcare there has been little research into the OHS risks confronting children and young workers in Australia. However, what evidence exists indicates the problem is not insubstantial. A number of existing studies on risks to young workers identify problems with inexperience and inadequate training but most fail to assess the effect of employment status.

Mayhew and Quinlan’s (2002) study of young temporary workers in the fast food industry aimed to address this gap. Contrary to what was expected, young casual workers had a superior knowledge of risk assessment and control strategies and OHS legislation (Mayhew & Quinlan, 2002). However, these workers were exposed to low-level occupational violence (high, compared with other casual workers examined by the researchers), which was inadequately managed (Mayhew & Quinlan, 2002). Another issue was that these workers knowledge of workers’ compensation was minimal, comparing poorly with other surveyed casuals. Mayhew & Quinlan (2002) attributed the unexpected positive outcomes to a tightly controlled system with repeated on the job training (incorporating OHS). They concluded that stringent OHS management systems, as employed by the fast food chain, are a worthwhile expenditure for employers hiring large numbers of young temporary workers. They also noted that close monitoring by supervisors may be extremely useful in ensuring workers compliance with safe operating procedures (Mayhew & Quinlan, 2002). The researchers hypothesise that large firms with more disorganised work settings may have very different outcomes.
The fact that such stringent OHS management systems are not in place in other organisations is evidenced by the following;

Reporting the conviction of Pizza Haven for an incident under section 28(1) of the *Queensland Workplace Health and Safety Act 1995*, the February/March 2002 issue of Safety Zone stated:

“The Court was told a 15 year old made casual employee received cuts to several fingers on his left hand, while cleaning a dough-rolling machine. He had not, however, been trained to operate or clean the machine and was not supervised…The company had procedures in place for the cleaning of this machine, which… would have prevented the accident.”

2.1.3 Outsourcing/home-based work

This category includes self-employed contractors, leased labour, and home workers (including home-care providers). Of the 29 studies in this category, 23 found negative OHS outcomes while 6 were indeterminate. In relation to outsourcing and OHS outcomes, studies tended to focus on injury measures as opposed to health indicators (Quinlan et al. 2001).

The growing number of home based workers and the growth of complex multiemployer work sites place additional demands on inspectoral and compliance resources. The increase in small and home businesses has created new risks and hazards as well as logistical problems for OHS regulators in that they do not have the resources to inspect and enforce regulatory compliance in every workplace. A current study of the inspectorate reveals a high level of concern regarding labour hire workers. Professor Michael Quinlan states that inspectors view labour hire as a particularly problematic area (M. Quinlan, 2006, pers. comm.1 May). This issue has been picked up in recent agency activities.

Another issue is that the use of sub-contractors or leased workers is often seen by employers as a way of avoiding certain responsibilities. However, there is a clear pattern of prosecutions over a number of years that demonstrate that employers cannot delegate or avoid their duties in relation to OHS by simply outsourcing an activity (e.g. The NSW IRC decisions in *George Weston Foods* (1999), *Waste Recycling & Processing Services* of NSW (2000) and *Byrne Civil Engineering Constructions* (2001) – also see Johnstone et al. 2005). Even so, Quinlan’s (2004a) findings indicate that employers were often ignorant of this even in industries, like construction, where prosecutions had occurred. Quinlan’s (2004a) findings also indicate that
there was a presumption by employers that outsourcing commercial risk also outsourced legal obligations.

OHS legislation in all Australian jurisdictions makes unambiguous reference to the duty to provide employees with adequate induction and training and a similar obligation can be deduced at common law (Quinlan, 2004a). The role of providing such training is normally seen as that of the employer. However, where a worker is leased onto a work-site some confusion has arisen as to the respective responsibilities of the host employer and the labour leasing agency. The NSW IRC has made this point very clearly in the various *Drake* and *Warman* cases – especially the (1999) *Drake* decision in the Court of Appeal. It might be worth citing the exact words of the court. For example, in *Drake Personnel Limited v WorkCover Authority of New South Wales ((Inspector Ch’ng) (1999) 90 IR 432 at 455-56* the Industrial Relations Commission in Full Session stated that:

... an employer who sends its employees into another workplace over which they exercise limited control is, for that reason, under a particular positive obligation to ensure that those premises, or the work done, do not present a threat to the health, safety or welfare of those employees. … A labour hire company cannot escape liability merely because the client to whom an employee is hired out is also under a duty to ensure that persons working at their workplace are not exposed to risks to their health and safety or because of some alleged implied obligation to inform the labour hire company of the work to be performed. … This obligation would, in appropriate circumstances, require it to ensure that its employees are not instructed to, and do not, carry out work in a manner that is unsafe. In the present case, it seems to us that this would require, at the very least, that the appellant give an express instruction to the client and its employee that it be notified before the employee is instructed to work on a different machine.’

(cited in Johnston & Quinlan, 2005)
3.0 What are the most dangerous industries and occupations?

The top five most dangerous industries as measured by the national compensation incidence rates (the number of new compensation cases each year per 1000 employees) in 2001 - 2002 are:

- Transport and storage (33)
- Mining (30.6),
- Construction (30),
- Manufacturing (29.1) and
- Agriculture, forestry and fishing (27).

Meanwhile the most dangerous occupations are:

- Labourers and related workers (45.3),
- Intermediate production and transport workers (34.8) and
- Tradespeople and related workers (31.2) (NOHSC, 2003).

3.1 Do the ‘dangerous’ industries and occupations correspond to the highly casualised ones?

Roughly half of workers in the Agriculture, forestry and fishing industry are casual. So the high incidence of compensation cases in this industry does correlate with a high incidence of casualisation.

Approximately 22% of workers in the Transport and Storage industry (especially in warehousing and short haul transport e.g. taxis), 14% in Mining (particularly labour hire workers), 24% in Construction, and 16% in the Manufacturing industry are casual workers. Although these industries do not contain as many casual workers as other industries, there are still substantial numbers of casuals employed in hazardous industries to warrant attention given their vulnerable status.

An interesting trend is that there has been a shift in employment to the services sector rather than in traditionally more hazardous industries (Toohy, Borthwick & Archer, 2005). Also interesting is that the services sector is the biggest employer of casual workers with 59% of employees in the Accommodation, cafes and restaurants industry employed on a casual basis. There is an overall decline in reported industrial injuries. However, there is less work life balance for some, more fatigue and stress and less support for OHS (Toohy, Borthwick & Archer, 2005). Such trends in OHS outcomes may reflect the shift in employment patterns across different industries. Industry specific factors may play an important role in
determining OHS outcomes. Another influential factor is that male and female casual workers are concentrated in different industries and jobs. For instance, males dominate in road transport and building while female workers are more concentrated in retail, hospitality and call centres (Quinlan et al. 2001).

Hospitality is an industry with its’ own unique risks and hazards. High exposure to psychosocial risk factors and a high level of ‘emotional labour’ inherent in many jobs where the worker is required to deal with the public can significantly add to the risk of errors, potentially leading to accidents and injuries (European Agency for Safety and Health at Work, 2002). The burgeoning services industry represents an area where employers need to be mindful of the risks especially in relation to casual workers. This is reflected in the following:

The Division of Workplace Health and Safety target audit of accommodation and hotels in 1998 stated that these were selected;

“….. due to the risks and the high percentage of part-time casual workers employed in these industries and the perceived tendency of casual workers to under-report injuries (OHS Performance Overviews, Selected Industries, Worksafe Australia, 1994).”.
4.0 Why does casual employment result in poorer OHS outcomes?

Although more research is needed to clarify what kind of risks employers are facing when engaging casual workers, a number of factors have been identified as linking casual employment to adverse OHS outcomes. Such issues should be the subject of further government policy interventions or be considered in litigation. In a number of incidences, reference has been made to cases which highlight these issues.

The factors linking casual employment to adverse OHS outcomes and poorer organisational results have been characterized as being:

1. Greater Insecurity
2. Economic and Reward Pressures
3. Low levels of Social Support
4. Imbalance of Demands and Control
5. Disorganized work processes or settings & Lack of Induction and Training,
6. Regulatory failure

4.1 Job insecurity

Job insecurity involves both the threat of job loss, and uncertainty regarding future employment (D’Souza et al. 2003). Job insecurity and income insecurity are major concerns for casual workers. Workers engaged in casual employment may be seen to face higher levels of uncertainty over access to employment, work terms and conditions, work schedules, work locations, work colleagues and supervisors, and even the tasks or assignments completed compared with workers in standard employment relationships (Lewchuk et al. 2003).

A number of studies focus on job insecurity as a predictor of workplace safety while, quite a few recent analyses have found that job insecurity can have pervasive negative implications for both the worker and the organisation (e.g. Sverke, Hellgren, & Naswall, 2002, Probst & Lawler, 2006, D’Souza et al.2003, Benach et al. 2000). These studies have found that job insecurity may be associated with;

- Lower job satisfaction,
- Reduced job performance and involvement
- Increased incidents of physical and psychological ill health
- Job stress (leading to time pressure and role ambiguity)
- Lower organisational commitment
- Increased work and job withdrawal
- High levels of exposure to risks and hazards and more negative job safety outcomes
4.2 Economic and reward pressures

Financially, casual workers have been found to have less favourable outcomes than their permanent peers.

- Even with casual loading casual workers are paid 21% less than permanent workers. The mean hourly earnings for casual workers are $15 (inclusive of casual loading), while the equivalent for permanent workers is $19 (not including sick pay, holiday pay, carers allowance and long service leave).
- Statistics show that 37% of all casual workers want more hours of work because they need the income.
- 61% of casual workers experience variations in their weekly earnings compared to just 18% of permanent workers.
- In addition, casual workers find it harder to get loans or mortgages. Only 35% of casual workers own their own home compared to 60% of permanent workers.

ABS (2005)

Casual workers are more likely to be under greater pressure in terms of competition for work, retention of that work and pressure to earn a liveable income (Quinlan et al. 2001). Outsourcing and contract systems encourage underbidding which may lead to work intensification e.g. working long hours because of low pay or overbooking of work. Zeytinoglu and Crook (1997) found that employers are increasingly reducing work hours into shorter and shorter segments of part-time or casual work, introducing split shifts, and eliminating breaks. Thus, increasing stress and hazardous behaviour such as “corner cutting” and rushing through jobs. Due to Economic and Reward Pressures casual workers may be pressured into taking on undesirable or high risk assignments off loaded by larger organisations (Quinlan et al. 2001).

4.3 Demand–Control imbalance

There is a growing body of medical and psychological research that has linked work organisation to health outcomes using Karasek’s (1979) Job Demand-Control (JD-C) model and the concept of “job strain” or some variation of these. The JD-C model argues that jobs characterized by low levels of control over how work is done and high expenditure of psychosocial effort completing assigned tasks expose workers to “job strain”. The control dimension concerns the workers feelings of control in terms of creativity, repetitiveness as well as freedom and responsibility to decide what to do and when to do it (Lindstrom, 2005). Meanwhile, the other dimension looks as the demands placed on the worker in terms of work
pace, intensity, skills required to be able to do the work and the ability to keep up with colleagues (Lindstrom, 2005). Short term outcomes of “job strain” include lower job satisfaction, exhaustion and depression. While longer term outcomes include; stress related illness, including cardiovascular disease (Lewchuk et al. 2003).

There is a large body of research that shows that low levels of control are positively related to outcomes such as distress, disease, high absenteeism, and increased turnover (Parkes & Sparkes, 1998, Zetinoglu, 2004). Bohle, Quinlan, Kennedy & Williamson (2004) maintain that casual workers are likely to have less control than permanent workers over working hours, due to their weak labour market position and tenuous employment. Bohle et al. (2004) found that for casual employees, the combination of high work intensity, variable and unpredictable working hours, and consequent work-life conflict, resulted in dietary, exercise and sleeping problems. The negative effects of unpredictability were exacerbated by a lack of control over hours. In contrast, more securely employed workers reported much more regular hours and did not experience the same degree of disruption to their work-life balance and subsequent negative effects. The permanent workers in the study reported that, although they sometimes worked long hours, they had a satisfactory level of control.

4.5 Social support
Lewchuk et al (2003) maintain that casual workers receive lower levels of social support than their permanent peers. When individuals are faced with a stressful situation their initial response depends on whether or not they believe they have the skills, abilities, and resources to deal with the situation. They are more likely to respond well to these situations if they have good social support from workmates, family and friends. In fact, Karasek and Theorell (1990) found that social support is one of the most important stress reducing factors in the workplace.

4.6 Disorganized work processes or settings
Quinlan et al (2001) state that the presence of precarious workers is conducive to potentially hazardous forms of “work disorganisation’, a term they have taken from Dwyer (1991).

‘Disorganisation’ refers to a workplace which may be characterized by;

- Ambiguity of rules, work practices and procedures,
- More complicated lines of management control,
- Inadequate training or supervision,
- Fragmented occupational health and safety management systems, and
- The inability of outsourced workers to organize or protect themselves.

Quinlan et al. (2001)
These are all factors placing casual workers in more vulnerable positions. The presence of casual workers commonly results in multi-employer work sites, with a more fragmented work process (Quinlan et al. 2001).

Examples of disorganisation are plentiful; For instance, a case of inadequate supervision may be seen in WorkSafe Victoria’s Recent Prosecutions report of the conviction and fining ($50,000 plus costs) of Casual Living Australia Pty Ltd following an incident where a 15 year old inexperienced casual labourer received severe head injuries after falling 3.6m from a loading bay:

“The magistrate concluded that the defendant was aware of the danger and that a rudimentary barrier could have been constructed before casual labourers were employed. He said there had been no act of bravado by the injured worker – that he was oblivious to the danger of working close to the edge and that an experienced person should have supervised the activity. The magistrate said that, sadly, the incident had interfered with the life of a young boy.”

(WorkSafe Victoria, 2001)

4.7 Weakening or failure of conventional regulatory regimes

Quinlan et al.’s (2001) review of the evidence also suggests that the casualisation of employment has undermined the ability of conventional preventative and workers compensation and rehabilitation regulatory regimes to fulfill their objectives. These objectives include the identification, prevention and treatment of adverse health outcomes associated with casual work arrangements. Quinlan et al. (2001) maintains that the key problem is a lack of inclusive regulations that identify the **locus of legal responsibility** for proper safety management procedures.

Some workers (e.g. self employed contractors, home based workers) fall outside regulatory protection (e.g. relating to maximum hours, minimum wage). Other workers are unaware of their rights and entitlements or fear that claims or assertion of these rights will threaten their jobs (Quinlan et al. 2001). With the exception of subcontractors, Australian OHS statutes make no direct reference to contingent work arrangements in general duty or other provisions.

While the general duty provisions were seen as covering precarious employment, the failure to refer to such employment meant that employers and other duty holders tended to believe
that they had less responsibility for these workers or to ignore problems arising from their presence (Quinlan, 2004). These responsibilities may refer to training, induction, and appropriate supervision etc.

For example, in prosecuting Namoi Cotton Co-op following the death of a young casual worker in a bale press, WorkCover NSW told the presiding Judge that the worker had received only paper based induction before being shown how to use the press by another seasonal worker with little operational experience and no formal training in safe operating procedures. There was an absence both of adequate supervision and a safe system of work. (See Inspector Webb v Namoi Cotton Co-op [2003] NSWIRComm 2; cited in Occupational Health News, 2003).
5.0 More hidden costs of casual employment

The association between casual employment and adverse OHS outcomes is not a simple relationship. The growth of casual employment has many implications for employers in terms of hidden costs. There are untold repercussions in terms of outcomes such as Absenteeism, Presenteeism, and Psychosocial Outcomes such as Stress and Insecurity.

5.1 Absenteeism and “presenteeism”

- Sick leave costs Australian businesses $2.56 billion a year.
- In any week of the year around 4% of the workforce is absent from work for at least one day, costing the Australian industry $7 billion, or roughly $1000 per employed person per year.

(NSW Office of Industrial Relations, 2004)

Job insecurity and especially the fear that absence from work or even refusal to do overtime might increase the likelihood of redundancy, means that some workers may avoid taking time off even when ill.

The impact of absenteeism on business is often underestimated, and involves more than the direct financial costs associated with the absent worker. Absenteeism may be voluntary or involuntary (due to illness), voluntary absence may be to care for a sick relative, or it may also be a reflection of a workplace with an entrenched sick leave culture or due to boredom, low job satisfaction or lack of employee support.

Casual workers receive no paid sick leave, annual leave, carers leave or public holidays. Thus being sick is a real problem or hazard for the majority of casual workers. Pocock, Prosser and Bridge (2004) state that paid sick leave is a significant explanation for the majority preference for permanent work. Casual workers evaluate how sick they are in relation to the income they lose if they are ill. Often casual workers will go to work sick. This “presenteeism” or attendance pressure represents an untold cost, for the individual worker, their long-term health and that of their co-workers (Pocock et al. 2004, Saksvik, 1996). The term “presenteeism” was coined by Professor Cary Cooper (see Lewis & Cooper, 1996). It refers to two quite different employee behaviours.

1. It can mean putting in excessive work hours as an expression of commitment, or a way of coping with nagging job insecurity.
2. It also describes workers who feel they must show up for work even if they are too sick, stressed, or distracted to be productive.

The cost of presenteeism is a hidden cost because the worker is on the job but is not accomplishing as much. Many workers come to work when they don’t feel well, suffering from ailments that **impair their performance and productivity**. In addition, sick workers often **infect others**, leading to further presenteeism and absenteeism. Hemp (2004) labels presenteeism an almost invisible but significant drain on productivity. The phenomenon costs U.S. companies much more than absenteeism does. Yet it’s much harder to identify. In 1999, the Employers Health Coalition of Tampa, Florida, analysed 17 diseases and found that lost productivity from presenteeism was 7.5 times greater than productivity loss from absenteeism.

A study by AdvancePCS, a provider of health improvement services, in the US, found that:

- Lost productivity was significantly greater from days at work while sick (72%) compared to missed days due to illness (28%).
- Of the total annual lost productivity costs of $250 billion, the estimated presenteeism cost is $180 billion
  

### 5.2 Psychosocial issues

Landsbergis (2003) argues that changes in work systems and employment relationships may lead to not just increased occupational injuries and accidents, but also to **psychological and behavioural disorders** (e.g. stress, burnout, depression, excessive alcohol use, smoking) **musculoskeletal disorders, as well as cardiovascular disease**. Indeed, psychological injury claims are a significant driver of workers’ compensation premiums. In 2003 – 2004, Australian Government claims for psychological injuries accounted for 7% of total workers’ compensation claims, though nearly 27% of total claim costs (Comcare, 2005). Costs of psychological injury claims are significantly higher than other injuries because they tend to involve longer periods of time off work and higher medical, legal and other claim payments. Research has shown that the nature of casual employment is conducive to the manifestation of psychosocial outcomes such as stress, insecurity and lack of control (Lewchuk et al. 2003, D’Souza et al. 2003).
5.2.1 Stress

Lewchuk et al. (2003) posit that stress among casual workers may be the result of “employment strain” in their jobs due to uncertainty of employment, earnings, scheduling, location of employment and tasks, and the instability of the household. The demands of managing such employment uncertainty, such as time spent looking for work, travelling between jobs, and conflicts from multiple job holding are a significant source of stress and strain (Lewchuk et al 2003). Workers in casual employment are often likely to have to adapt to new co-workers and supervisors on a regular basis, and face continuous evaluation of their attitude and performance as a condition of being offered more work (in competition with other work mates). This constant adaptation and evaluation is difficult to maintain and may result in stress. If certain types of casual employment are more conducive to stressful outcomes, then employers need to take account of this. Another issue is the stress placed on permanent workers by the presence of casual workers who haven’t received proper training for instance, causing an increase in the permanent worker’s existing workload or else putting them at increased risk (See page 29 – Impact on other workers)

5.2.2 What is stress?

Stress can be said to be experienced when the demands of the work environment exceed the employees ability to cope with (or control) them. This mode of definition focuses attention on the work-related causes and the control measures required. Stressful work would be characterized by high psychological demand, low job control, low organisational support and high job uncertainty (Gimeno, Benavides, Amick, Benach & Martinez 2004, Lewchuk, et al. 2003). (See earlier section on Demand-Control Imbalance page 22). Stress is a significant problem in Australia and worldwide as evidenced by the following figures:

- From 1990 to 1994 stress claims in the NSW public sector quadrupled from 340 to 1,366 (ABS, 2000)
- The cost of these claims increased almost sevenfold from $5.6 million to $35.7 million (ABS, 2000).
- Work-related stress is the second most common work-related health problem, after back pain, affecting 28% of workers in the European Union (European Agency for Safety and Health at Work, 2002).

5.2.3 The consequences of stress

Stress can have many well-known and detrimental effects on quality of life and work: it may influence overall well-being, social relations and family life. Chronic stress can be indirectly
linked to mental and physical ill health and eventually to death. It can also increase the risk of heart disease and depression as well as weakening the immune system and thus our resilience to illness (Peter & Siegrist, 2000). Over long-term periods individuals may develop stress related health problems such as cardiovascular diseases, cancer, digestive problems, reduced resistance to infectious diseases and premature ageing (Seyle, 1976). It is not only felt at the individual level. The effects of stress may manifest themselves at the organisational level in issues such as workplace tension and conflict, absenteeism, increased turnover and early retirement, lower productivity and lower quality in service or products (Buchanan and Koch-Schulte, 2000). These in turn will lead to higher recruitment, training and other costs (Cooper, Dewe and O’Driscoll, 2001, Denton et al. 1999, Lowenberg and Conrad 1998). Thus, it can be argued that employers have a heavy financial as well as moral and legal obligations to their workers and other stakeholders to protect workers’ welfare and shield them from damaging influences (Faulkner & Patiar, 1997).

5.2.4 Impact of the presence of casual workers on other organisational members

It is important to note also that some of the negative effects associated with casual employment may extend to workers who are more securely employed. If casuals are exposed to more hazards and having more accidents then this has a negative effect not only on the casual worker, but also on others in the workplace. The presence of precarious workers may exert pressures that impact on the working conditions of other workers. e.g. increasing demands on permanent workers to absorb a greater volume of work or take on additional tasks and supervision due to reductions in the full-time workforce (Aronsson, Gustafsson, & Dallner, 2000). This would reduce apparent differences between precarious and permanent workers employed in the same workplace, thus spreading the adverse effects of casualisation to the permanent workforce. More secure workers suffer effects such as increased workload and stress because they are forced to compensate for colleagues who haven’t received training. This may increase the risk of workplace accidents and reduce outputs or quality of outputs. Additionally there is a time and financial cost for extra supervision and training of temporary staff.
6.0 Conclusions and recommendations

A significant conclusion that may be reached from surveying the literature on the area is that the apparent benefits associated with a more flexible workforce are not always what they seem. This review highlights a costly hazard in contemporary workplaces; that is the casual workforce. Awareness and knowledge of the risks posed by the casual component of the labour force will enable employers to formulate more effective preventative measures thereby mitigating the heavy financial burden of adverse OHS outcomes for casual workers. With a substantial proportion of the labour force employed on a casual basis, organisations should find that it pays to make targeted investments in their health care. Relatively small investments in screening, treatment and education will make a return on the investment by reducing adverse OHS outcomes in the workplace.

Research shows a correlation between promoting the health and safety of employees and successful business performance. The former National Occupational Health and Safety Commission produced a series of best practice case studies across a range of industries demonstrating this link. Highlighting the long-term OHS and subsequent costs, instead of the short-term benefits, motivates employers and managers to adopt effective OHS management systems for all categories of worker.

Apart from

- Avoidance of legal penalties and fines, and
- Reduced insurance costs,

A focus on Successful OHS Management will ensure;

- Reduced absenteeism
- Reduced turnover
- Improved skills and job satisfaction levels
- Increased participation in decision making
- Greater quality of working life
- Greater productivity

(Toohey, Borthwick, & Archer, 2005)

Findings indicate that there is a growing awareness of the particular problems encountered by temporary workers. However, with some notable exceptions, measures aimed to address these issues have been focused on the labour hire industry rather than direct-hire temporary workers. As yet there is little evidence that OHS agencies in Australia have undertaken
targeted enforcement strategies in relation to OHS breaches associated with the use of
temporary or itinerant workers (other than those working for labour hire firms). This
represents a significant gap in government agency responses to the OHS problems posed by
casual work arrangements.

Despite the rapid expansion of agency workers in the last two decades, directly hired
temporary workers remain the largest category of precarious employee in Australia, Spain and
Sweden (Quinlan, 2004). The neglect of direct-hire temporary work in terms of information
strategies or education initiatives appears to be a worrying oversight on the part of agencies.
Quinlan (2004) highlights employers growing use of employees that they have directly hired
on a casual or short-term fixed contract basis as an area warranting attention. Only one
jurisdiction (Victoria) has produced a generic guide for casual workers, covering both direct
and labour-hire workers. This guide specifically warns employers of the misconception that
they have less responsibility for casual workers. It sets out a series of steps that they should
take when employing casual workers, including: ensuring adequate job specification, risk
assessment and control, providing induction, training, and supervision, managing workplace
change, and encouraging their participation in designated workgroups. This detailed advice is
atypical, although moves are being made in other jurisdictions to bridge the gap.

On a more positive note, OHS agencies are increasingly starting to target different industries
(e.g. mining) particularly in relation to labour hire companies. It is likely that these
interventions will, in the future, extend to direct hire casuals in all industries. Employers may
also expect to encounter more targeted enforcement activity including prosecutions.
7.0 Recommendations

In order to minimise the risks posed by casual workers, it is advisable that employers address issues of disorganisation in the workplace.

7.1 Ensure that casual workers receive adequate training, induction and supervision

Research indicates that temporary workers report less occupational training (Aronsson, Gustafsson, & Dallner, 2002) or minimal occupational training (Feldman et al. 1994), lack of safety training (Morris 1999, Sedes, 1993), and lack of knowledge of occupational health and safety at work (Aronsson, 1999, Quinlan et al. 2001). This inequality is a potential contributory factor to the observed differences in health and well-being between casual and permanent workers (McDonough, 2000, Quinlan et al. 2001). Temporary workers are usually only provided with basic induction training. If their integration in the organisation’s internal OHS management systems is superficial and problematic, the engagement of temporary hired labour can further diminish OHS and risk management processes in the workplace (Quinlan, 2004b).

It is imperative that OHS arrangements for induction, training and supervision are not undermined by the use of casual labour. In relation to the induction and training of casual workers, the timing of such processes needs to be considered carefully. For instance, it would not be appropriate if an induction process meant that contingent workers fall through the cracks because they are not at work when induction, training etc take place. Another relevant point is that the majority of casual workers are part-time. This has implications in terms of actually being present during times allocated for training and induction. Part-time status also makes it difficult for them to take part in OHS committees. Thus the issues that they may raise don’t get vetted in OHS committees.

Turnover is another issue to consider in relation to casual workers. In general training systems aren’t geared to take account of the high turnover of many casual workers. It appears that the shorter the contract the greater the risk. There are recent cases where workers were injured within a short time (e.g. a day or two) of commencing a job and where it appeared that, as the worker had been only employed on short-duration basis, too little attention had been given to proper induction and training. This has implications for organisations within which there is a high turnover of workers.
Where casual workers take on supervisory roles, it is important that there are systems in place to ensure that they are adequately trained e.g. where a supervisor has to fill out a safety incident report. Another issue which is quite important is whether or not casual workers are able to take part in induction training during paid time. If not, this constitutes a real disincentive for them to take part. The failure to take account of these issues is representative of inefficiencies in management systems.

7.2 Facilitate adequate worker participation and representation among casual workers.

There is growing recognition that there is a relationship between objective indicators of improved OHS performance (such as injury rates or hazard exposures) in work-places where structures of worker participation and representation are in place (union presence, joint safety committees or worker/union safety representatives) (Johnston et al. 2005). A number of Australian studies have also found a positive relationship between worker representation and improved OHS management arrangements, concluding the introduction of health and safety representatives (HSRs) led to major changes in attitude (Biggins & Holland, 1995). In general, studies find that participatory workplace arrangements lead to improved OHS management practices and compliance with regulatory standards. For example, Shannon, Walters, Lewchuk, Richardson, Moran, Haines, & Verma (1996) suggest that “empowerment of the workforce” including the presence of unions and shop stewards, union support for joint health and safety committees and general worker participation in decision-making) was one of a number of organisational factors consistently related to lower injury rates.

While direct hire temporary workers are entitled to participate in OHS committees and HSR elections, evidence suggests that they are usually under-represented (Quinlan, 2004a). Johnston, (2005) points out that the principal mechanisms establishing worker participation under OHS legislation in Australia and other Industrialised countries take little or no account of changing work arrangements. Instead they presume an identifiable and relatively stable group of employees working for a single employer at the same worksite, or in very regular contact. Such statutes are not applicable to a substantial proportion of the workforce.

Under NSW OHS legislation (section 17 of the Occupational Health and Safety Act 2000) HSRs and OHS committees represent a defined workgroup. In establishing these workgroups, the Code of Practice for OHS Consultation (section 5.2) reproduces clause 23 of the NSW Occupational Health and Safety Regulation 2001 and requires that the diversity of employees and their work must be taken into account when determining the composition of
workgroups (Quinlan, 2004a). Among a range of factors identified is “the representation of part-time, seasonal or short-term employees” (other areas nominated are contractors, labour hire, hours of work, geographic location, gender, ethnicity, age, type of work, and nature of hazards). The NSW code of practice provides a guide to addressing a number of critical issues concerning the use of temporary workers. However, it’s not clear to what extent employers have been made aware of this via publicity or inspectoral activities (Quinlan, 2004a).

The NSW Risk Assessment Regulation under the OHS Regulation 2001 requires employers to take account of temporary workers, agency workers and other casual working arrangements in consultation processes regarding any OHS matter that affects them - this includes the risk management process - (see Chapters 2 and 3 of the OHS Regulation 2001). Involving employees in risk management can be done through the consultative arrangements that have been agreed to at the workplace (e.g. health and safety committee, health and safety representative or through other agreed arrangements). Obligations for risk management remain the responsibility of the employer regardless of any delegation or contracting arrangements that may be made in carrying out the risk management process (Quinlan, 2004a).

Quinlan (2004a) lists the benefits of worker consultation and participation regarding the control and elimination of occupational hazards as being:

- Compliance with the law
- Getting the whole team involved in the process
- Gaining many different points of view
- Encouraging safe thinking.

7.3 Ensure clarity in; communication systems, as well as locus and extent of OHS duties and responsibilities

The use of agency workers and other casuals creates more complicated lines of management control and fragmented occupational health and safety management systems (Quinlan et al., 2001). One particular problem is a lack of upward reporting channels for OHS risks in the workplace. Ambiguity of rules, work practices and procedures, as well as a lack of knowledge and compliance with procedures are also factors associated with increased casualisation. Employers should incorporate continuous risk assessment and monitoring of casual and permanent workers is essential to ensure that they adhere to OHS management
systems (e.g. continuous communication and feedback loops) (NSW Mine Safety Review, 2005).

Quinlan et al. (2004a) maintain that a key problem is the lack of inclusive regulations that identify the **locus of legal responsibility** for proper safety management procedures. The Victorian Government responded recently to a parliamentary inquiry into labour hire in Victoria by stating that all parties must understand that they are responsible for safety. They stated that labour hire agencies and host employers share the responsibility to provide a safe working environment and to provide workers with relevant training, and that all parties to labour hire arrangements should be aware of their rights and responsibilities to each other (Victorian WorkCover Authority, 2006). Employers should avoid the use of casual labour as a means of avoiding OHS duties and responsibilities. A number of prosecutions have been made, particularly in relation to labour hire, where the employer has been found negligent regarding OHS responsibilities (some of these were discussed earlier).

Communication systems within the organisation should encourage the development of a safety culture. OHS issues should be discussed openly and workers should be encouraged to report hazards, or incidents without fear of reprisal. Underhill (2005) investigated constraints upon labour hire employees exercising voice at the workplace and found that a substantial proportion of focus group attendees indicated their jobs were at risk if they should voice their concerns regarding working conditions or safety at the workplace. This fear of reprisal is highly conducive to adverse OHS conditions. It is important that reporting procedures are in place and that workers are encouraged to report concerns without fear of losing their jobs.

OHS should be seen by all parties as a priority and this should be apparent in all communication within the organisation both formal and informal. An example of an inadequate safety culture may be seen in relation to the mining industry. Union/employee groups stated that a culture had developed among one third of the industry (the contract workers), who are fearful of raising safety concerns. This culture is characterised by; long working hours; top down safety management and a failure to properly consult; and using risk assessments to justify unsafe practices (NSW Mine Safety Review, 2005).

**7.4 Focus on psychosocial factors**

Another potential hazard is the psychosocial work environment. Empirical research on casual employment and OHS outcomes has largely focused on injuries and has tended to neglect the less observable outcomes of these workers (such as stress, social isolation, depression, heart
disease, insecurity). However increasing evidence exists to suggest that casual workers are vulnerable to adverse psychosocial outcomes (e.g. Employment Strain, Lewchuk et al., 2003).

Lindstrom (2005) found that certain psychosocial work factors are associated with higher levels of self-reported psychological ill health. This finding has implications for prevention as it would appear that measures to improve psychosocial work conditions might affect the prevalence of poor psychological health (Lindstrom, 2005). This point may be looked at in terms of the Demand-Control model (see page 22). By ensuring that casual workers are able to meet these demands (e.g. they’ve received adequate training, have sufficient time to complete tasks etc) may help avoid ‘employment strain’ or otherwise adverse psychosocial outcomes such as stress, burnout etc. Karasek and Theorell (1990) found that social support is one of the most important stress reducing factors in the workplace. Ensuring that casual workers are integrated in the workplace may be beneficial in terms of psychosocial outcomes. This may be done through ensuring that they are involved in OHS committees and other participative mechanisms.

OHS agencies are increasingly addressing work organisation issues, also known as psychosocial issues. Employers need to address these in terms of potential litigation. Agencies are taking more action in this area and are regarding psychosocial issues as a high priority. Costs of psychological injury claims are significantly higher than other injuries because they tend to involve longer periods of time off work and higher medical, legal and other claim payments. This is illustrated by the fact that in 2003 – 2004, Australian Government claims for psychological injuries accounted for 7% of total workers’ compensation claims, though nearly 27% of total claim costs (Comcare, 2005). Employers will face costly workers compensation claims as well as common law litigation in relation to these issues.

7.5 Conclusion

Findings indicate that there is a growing awareness of the particular problems encountered by temporary workers but that, with some notable exceptions, measures aimed to address these issues have been focused on the labour hire industry rather than direct-hire temporary workers. This represents a significant gap in government agency responses to the OHS problems posed by casual work arrangements. As yet there is little evidence that OHS agencies in Australia have undertaken targeted enforcement strategies in relation to OHS breaches associated with the use of temporary or itinerant workers (other than those working for labour hire firms) (Johnstone & Quinlan, 2005).
Some employers have already made some efforts to address the issues involved in the engagement of temporary/casual workers. However, too many employers don’t seem to have given enough attention to processes such as the communication of OHS guidance materials, training, supervision and induction, incident reporting, and a range of other issues. New workplace legislation may remove some state based challenges for employers. However obligations under OHS legislation will remain. If employers fail to take these obligations seriously in regards to casual workers, the courts are likely to take a very dim view of this.

The use of casual workers can cause a number of problems, many of which have been outlined in this report. It would be advisable for employers to consider the best interests of their organisation by becoming aware of the potential risks associated with the employment of casual workers. Subsequently employers should consider the costs involved in minimising these risks and factor these into the everyday running costs of their organisations. Employers need to make more considered judgements about where, when and to what extent to use casual workers, taking account of all the costs and benefits. It is possible, with consideration and planning to have the benefits of a casual workforce but at the same time, reduce the associated risks.
References


Safety Zone, February/March 2002:15.


WorkCover Authority of NSW (Inspector Robins) v Labour Co-operative Ltd (No1), Judge Hungerford, CSR Timber Product.


