

# Automation, Job Loss and Insecure Work Report

July 2021



**About the Authors**

This report was researched and written by Tom Barnes, Rakesh Kumar and Dani Cotton at the Institute for Humanities and Social Sciences, Australian Catholic University (ACU) and prepared with the assistance of Lauren Kelly at the United Workers Union. Please send all correspondence to [lauren.kelly@unitedworkers.org.au](mailto:lauren.kelly@unitedworkers.org.au). The ACU researchers wish to thank the former workers of the Hume DC for their participation in this project. For more information, please see:

<https://www.acu.edu.au/research/our-research-institutes/institute-for-humanities-and-social-sciences/our-people/dr-tom-barnes>.

## Contents

1. Executive Summary
2. Impact of the Closure on Workers
  - a. History of Long-term Employment at the Hume DC
  - b. Redundancy Entitlements
  - c. Workers' Expectations About the Future
  - d. Workers' Labour Market Status After Closure
3. Labour Market Experiences After Retrenchment
  - a. Job-searching and Job-hopping
  - b. New Jobs, New Industries
4. Job Quality After Retrenchment
  - a. Changing Terms of Employment
  - b. Falling Wages
  - c. Falling Job Satisfaction
  - d. Rising Job Insecurity
5. Financial Insecurity After Retrenchment
  - a. Changing Financial Circumstances
6. Impacts of the Covid-19 Crisis
  - a. Impacts in the Workplace
7. Views about Trade Unions
8. Conclusion

## 1. Executive Summary

New technology, globalisation and corporate restructuring are transforming the world of work and making problems of insecure employment and under-employment worse. The Covid-19 crisis has deepened these trends due to the combined impacts of economic recession, job loss and household financial stress.<sup>1</sup> In Australia, nearly a million people were unemployed during the first three months of the crisis in 2020. Millions have drawn down personal savings, borrowed against mortgages, or accessed superannuation savings to make ends meet.

Life has been especially difficult for people whose livelihoods depended upon the worst-affected sectors of the economy such as hospitality or tourism. But circumstances have also become much harder for workers in industries like aged care, childcare, logistics, manufacturing and many other sectors where jobs have been shed and working hours drastically reduced. Greater uncertainty and falling financial security have forced workers to find additional jobs, such as shift work in supermarkets, agency work in ‘pop-up’ warehouses or gig work as delivery drivers. These experiences have been much worse for those excluded from government support, such as more than a million people on temporary migration visas who were excluded from the JobKeeper and JobSeeker programs.

The Morrison Government claims that 2021 will see a substantial economic recovery due to the gradual vaccine rollout and other measures to control the pandemic. In anticipation of a return to a ‘new normal’, emergency measures are being withdrawn including JobKeeper and the Coronavirus Supplement. Emergency mortgage relief from banks and restrictions on rental evictions have been

---

<sup>1</sup> K. Van Barneveld et al (2020) The Covid-19 Pandemic: Lessons on building more equal and sustainable societies, *Economic and Labour Relations Review*, 31(2): 133-57; A. Hodder (2020) New technology, work and employment in the era of Covid-19: reflecting on legacies of research, *New Technology, Work and Employment*, 35(3): 262-75.

ended. But even if jobs and working hours improve, it is likely that problems of insecure work and financial stress will keep getting worse.

Unions have a key role to play in the coming period as the economy begins its transition from the depths of recession. In this period, we can learn much from the experience of union members whose lives and livelihoods were transformed during the pandemic.

This report outlines the experience of workers who lost their jobs due to corporate restructuring and technological change shortly before the pandemic began—and who were forced to look for new jobs in the middle of the worst economic crisis in decades. Hundreds of workers lost their jobs when Woolworths, Australia's largest private employer, closed a major warehouse, the Hume Distribution Centre (Hume DC), in the northern Melbourne suburb of Broadmeadows. The Hume DC was previously the largest warehouse supplying Woolworths supermarkets in Victoria. In 2015, Woolworths announced its plan to close the Hume DC and relocate operations to a new site, the Melbourne South Regional Distribution Centre (MSRDC), in Melbourne's southeast. The Hume DC was finally closed at the end of 2019. Cumulatively, almost 700 jobs were affected.

When the Covid-19 crisis began in Australia in February 2020, many of these workers were still looking for new work. Barely a month later, thousands of businesses were shuttered as the country went into lockdown. This made it impossible for many workers to find work. Many others who had recently started new employment found themselves retrenched again.

The story of Hume DC workers laid-off by Woolworths provides an instructive case study about the combined impacts of corporate restructuring, economic recession and technology on workers in a dynamically changing industry. Prior to the pandemic, the rise of automation, robotics and ‘Industry 4.0’ innovations like the Internet of Things (IoT), Artificial Intelligence (AI) and Wearable devices and Self-Tracking Technologies (WSTTs), generated concern that new technology was displacing jobs and increasing unemployment.<sup>2</sup> The Covid-19 Recession has brought this concern into sharper relief.

Woolworths’ plans to replace the Hume DC were based upon more advanced robotic technology and automation at the MSRDC, as well as lower labour costs due to the employment of a smaller workforce. Opponents of the closure argued that the relocation was designed to undermine the United Workers Union (UWU), which played an important role representing workers at the site.

In response to the closure announcement, researchers at Australian Catholic University (ACU) began working with the UWU to conduct a 5-year study about the closure of the Hume DC and the impacts on workers, families and communities. Hundreds of workers participated in the study, which was comprised of 4 surveys and 2 rounds of face-to-face interviews. This report describes data from the final two surveys: a **pre-closure survey** of 160 workers conducted in August 2019 and a **post-closure survey** of 64 workers conducted, 12 months later, in August 2020. It outlines findings on retrenched workers’ labour markets status, employment conditions, financial security, and attitudes to trade unions. Critically, the report includes detailed information about changes to working lives and working conditions during the Covid-19 pandemic.

---

<sup>2</sup> United Workers Union (2020) Technology and Power: Understanding Issues of Insecure Work and Technological Change in Australian Workplaces, Submission to the NSW Inquiry on the Impact of Technological Change on the Future of Work and Workers, August, [Technology-and-Power-UWU-Submission.pdf \(unitedworkers.org.au\)](https://www.unitedworkers.org.au/Technology-and-Power-UWU-Submission.pdf), accessed 24 February, 2021.

**The report finds that:****Unemployment was extremely high among retrenched workers—a problem which was sharpened by the Covid-19 crisis**

- 28% of workers surveyed were unemployed in August 2020. This translates to an effective unemployment rate of 32% among retrenched workers.
- Unemployment was due to a lack of job opportunities, not because of a lack of effort by jobseekers. One third of unemployed workers had been through 2 jobs since leaving the Hume DC; a further quarter had been through 1 job. Nearly a third had applied for more than 30 jobs over the previous 12 months.
- Over a quarter of all retrenched workers lost another job because of the Covid-19 situation.
- Older workers and workers from a non-English speaking background were more likely to be unemployed.
- Over half (53%) of retrenched workers were in paid employment in August 2020. 6% were self-employed. 13% had withdrawn from the labour force (most temporarily).

**There was a major decline in wage income among workers in new jobs**

- All but one retrenched worker in a new job experienced a fall in wages.
- Average take-home pay (after tax) fell by 59%, from \$2064 a fortnight in the pre-closure survey (August 2019) to just \$840 a fortnight after the closure (August 2020).
- Prior to the closure, nearly two thirds earned a net wage of \$2000 or more per fortnight. No-one earned this wage level after the closure. 90% earned less than \$1250 per fortnight. 61% earned less than \$1000.

**Problems of insecure work are getting worse**

- Only 1 in 5 workers in paid employment (21%) had a permanent job in August 2020. This compares to 43% at the Hume DC in the pre-closure survey (August 2019) and over half of workers in earlier surveys.
- Among *all* workers retrenched from the Hume DC, only 1 in 10 had a permanent job in August 2020 (11%).
- Among retrenched workers in new jobs, labour-hire was the new norm. 44% had a labour-hire/agency job in August 2020. This compares to a quarter of Hume DC workers in the pre-closure survey (August 2019) and around 10% in earlier surveys. On top of this, nearly a third of workers (32%) had a casual job.
- Half of workers in new employment felt insecure about their job. 31% said their new job was ‘not secure at all’.
- Two thirds of workers in a new job said they were less satisfied compared to their old job at the Hume DC. Nearly a third (31%) said they were ‘much less satisfied’. Fewer than 1 in 5 said they were ‘more satisfied’.
- 4 out of 5 casuals and labour-hire workers were less satisfied with their new job.

**Insufficient local opportunities combined with low labour market mobility to limit workers’ access to new jobs, including opportunities in other Melbourne warehouses (and including the MSRDC in southeast Melbourne).**

- The Hume DC was a major provider of long-term employment in a relatively job-poor region—a problem worsened significantly in the context of the Covid-19 pandemic.
- On average, workers had been employed at the Hume DC for 9 years.



- Most workers were long-term residents of Melbourne's northern suburbs. On average, workers had lived in their current homes for 9 years.
- Most workers had dependent children, especially school-age children, limiting the ability of workers to commute long distances or relocate for new jobs.
- A quarter of workers had at least one relative who also worked at the Hume DC, further emphasising the sense of family and local connection within the workforce.
- No participants in the post-closure survey worked in the new MSRDC, which is located over 70 km from the former Hume DC site. A typical worker from the Hume DC would need 3-4 hours daily commuting time by car to work at the new site.

### **Retrenchment meant lower financial security for most workers**

- Over half (53%) reported that their financial situation was worse in August 2020 than 12 months earlier. For over a third (35%), it was 'a lot worse'. 2 out of 5 workers felt financially insecure.
- Over half (55%) of unemployed workers felt financially insecure. Half said their financial situation was 'a lot worse' than a year ago.
- A permanent job was a strong antidote to financial insecurity. Nearly 9 in 10 workers with a new permanent job said they felt secure financially. In contrast, over half of labour-hire workers and a third of casuals felt insecure.

### **The Covid-19 crisis had a severe impact on working lives**

- Over a quarter of retrenched workers lost another job because of the pandemic situation.
- Over half of retrenched workers lost working hours due to the pandemic.
- Household income fell for nearly three-quarters during the pandemic.
- Over a third struggled to meet basic household payments, such as mortgages and rent.

- Most workers drew down personal savings (70%), took money from super (60%), and applied for government support (56%).
- 1 in 5 borrowed money from relatives or friends

**Attitudes to union membership remained strong**

- Over half of workers reported that the union had helped them in the lead-up to closure.
- Among retrenched workers in new jobs, over three-quarters reported that a union was present in their new workplace.
- Among retrenched workers in a new job, half were union members. Among non-members, 12% preferred to be a member and 29% were 'unsure'.

**Findings from this study are relevant to ongoing problems in warehousing**

- Factors such as new technology and rising e-commerce will continue to drive warehouse restructuring and retrenchment.
- Warehouse closures and relocations are an ongoing problem for workers nationally.
- Findings from this study can assist with the development of union responses to current and future challenges.

## 2. Impact of the Closure on Workers

### *A History of Long-term Employment at the Hume DC*

In June 2015, Woolworths announced its intention to close the Hume Distribution Centre (Hume DC) in the northern Melbourne suburb of Broadmeadows. The final closure did not take place until the end of 2019. This meant that the process of uncertainty and cumulative impact of redundancies took place over four years. Most workers were retrenched from mid-2019 until January 2020.

The company's rationale for closure was based on plans to open a new warehouse, the Melbourne South Region Distribution Centre (MSRDC), in Melbourne's southeast. The MSRDC, which came online in 2019, deploys more advanced robotic technology with automation and employs about 250 workers—roughly a third of the Hume DC's former workforce.<sup>3</sup> At the time of the closure announcement, however, many workers and many in the local community expressed scepticism about this rationale, pointing to the strong role of the union at the warehouse as an alternative reason for closing the Hume DC.

In total, around 680 jobs were affected by the closure. At the time of closure, the Hume DC was a major provider of jobs with strong union representation in a location with relatively high unemployment. Data from the Australian Census released shortly after Woolworths' closure announcement revealed that the unemployment rate for Broadmeadows was 15.9% compared to a

---

<sup>3</sup> S. Johanson and P. Hatch (2019). Pick, pack and stack: The robot warehouse has arrived. *Sydney Morning Herald*, 30 March, <https://www.smh.com.au/business/companies/pick-pack-and-stack-the-robot-warehouse-has-arrived-20190329-p518t4.html>, accessed 2 July 2020.

national average of 6.9%.<sup>4</sup> Broadmeadows has also experienced many other significant job losses in recent years, including the closure of Ford's motor vehicle assembly plant in October 2016 and the closure of many automotive industry suppliers. Local unemployment is a problem which worsened considerably in the context of the Covid-19 pandemic.

In this context of unemployment and disadvantage, the Hume DC had been a significant provider of local jobs for many years. On average, workers had been employed for 9 years at the time of the closure. The typical Hume DC worker was from a first-generation or second-generation immigrant family with a working-class background, dependent on manual labouring occupations, and with strong roots in the local community and family responsibilities. In brief:

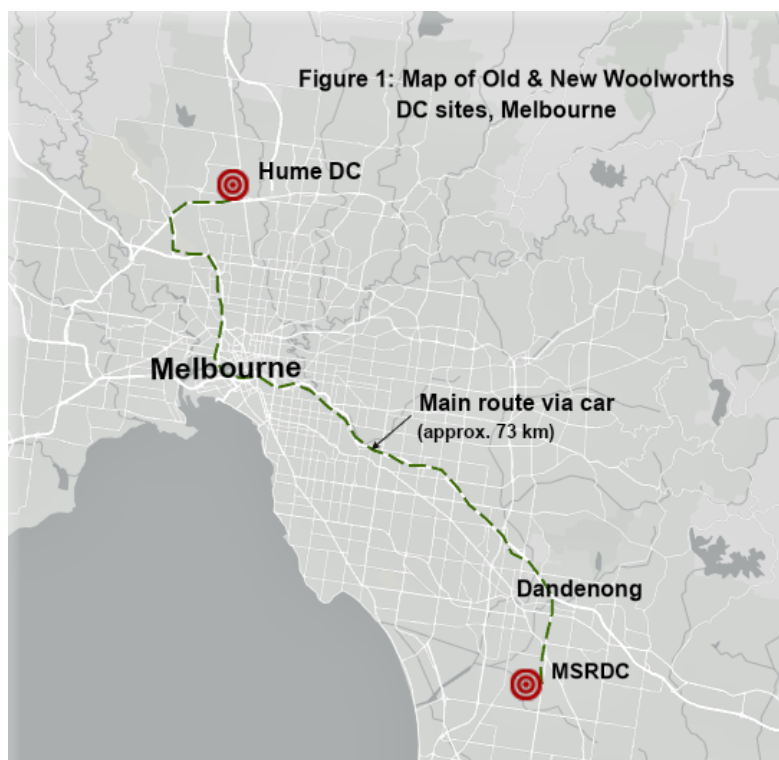
- The vast majority (85%) of workers were employed as a store-person/picker-packer. A further 13% were employed as a leading hand and 2% as a forklift driver.
- Prior to the closure, the average age was 39, ranging from 19 to 66 years old. A third of the workforce was aged 45 or older. Older workers find it harder to locate new jobs after retrenchment, often due to labour market discrimination.
- The majority were men (85%).
- Nearly half of the workforce was born overseas (46%), with a very wide variety of national origins including countries in Asia and the Pacific (16%), followed by Europe (13%), the Middle East (9%) and Africa (7%).
- Nearly a third of workers (31%) primarily spoke a language other than English at home.
- More than half of workers (56%) had studied until Year 12 as their highest level of education. A further 21% had studied until Year 10 or below, 18% had a university degree and 4% had a postgraduate university qualification.

---

<sup>4</sup> Australian Bureau of Statistics (2016). Census QuickStats – Broadmeadows, Victoria.  
[http://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/SSC20344](http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC20344), accessed 9 November, 2018.

Workers almost entirely lived in the northern suburbs of Melbourne, especially in the suburbs of Craigieburn, Roxburgh Park, Mickleham, Kalkallo, Donnybrook, Thomastown, Reservoir, Lalor and Epping. On average, workers had lived in their home for 9 years, ranging up to 39 years. Six months after closure, very few workers had moved to a different postcode area (n = 4).

These findings are important because they highlight problems of inadequate job opportunities and labour market immobility. Most workers were not well-positioned to commute significantly longer distances to a new workplace or to relocate their homes to secure a new job. In the pre-closure survey, nearly three-quarters (71%) of workers claimed they would have refused an offer to work in Woolworths' new MSRDC in southeast Melbourne, which is located over 70 km from the Hume DC. A typical former Hume DC worker living in Craigieburn or surrounding suburbs would need daily commuting time of 3-4 hours by car to work in the MSRDC, compared to an average of 50 minutes' daily commuting time when the Hume DC was operational (Figure 1). Predictably, none of the participants in the post-closure survey had taken a job in the MSRDC.



Lack of labour mobility was higher for workers with families. Over half had dependent children (2 on average). In addition, a quarter (25%) of workers had at least one relative who also worked at the Hume DC, including siblings, cousins, parents, children or siblings-in-law. 10% had more than one relative who worked at the Hume DC.

### *Redundancy Entitlements*

Workers had some entitlements prior to closure, including a package which subsidised the cost of new training or reskilling up to the value of \$3000. Workers who accessed this subsidy mostly used it to obtain or update a forklift driver license. However, only permanent employees were allowed to access this package.

The most important entitlement for workers was redundancy pay. The UWU played an important role negotiating improved redundancy pay for workers prior to the Hume DC's closure. Under the Enterprise Agreement (EA) at the time of the closure announcement, permanent employees were entitled to redundancy pay which was equivalent to four weeks' ordinary-time earnings for each year of continuous service up to a maximum of 40 weeks (or 10 years). With an average of 13 years' service by 2016, most permanents stood to benefit from this allocation.

However, Woolworths were not legally obliged to offer redundancy pay to casuals or agency workers. This put many casuals—especially long-term casuals—in a highly disadvantageous position. At the time of the closure announcement, the average length of service for casuals was 11 years—only slightly lower than the average for permanents.

The UWU focused strongly on this problem, both by pushing to convert casuals to permanent roles so they could access redundancy pay and by negotiating for better redundancy pay in a new EA. In the new EA, which began in 2017 and lasted until closure, the calculation for retrenched permanents' redundancy pay was increased from 4 to 5 weeks' ordinary time earnings for each year of continuous service. The payment cap was also more than doubled from 40 to 82 weeks which benefitted workers with service of more than 10 years. Permanents could also 'cash out' untaken paid leave and receive \$1250 wage bonuses every six months until closure.

Under the new EA, casuals could also access a 'casual closure payment' of \$1000 per year of service, up to a maximum of five years, and receive \$500 wage bonuses every six months until closure. In addition, casuals who converted to permanent roles had access to much better redundancy rights than previously. The new EA also enabled converted workers to backdate their employment history. This meant that years of service as a long-term casual would be included in the calculation of workers' redundancy pay following conversion to permanent employment. Finally, agency workers with two years' work experience were automatically entitled to convert to casual positions while the site remained open.

### *Workers' Expectations About the Future*

Prior to closure, workers reported their expectations about desirable new jobs. Nearly half (40%) of workers reported that it was 'not important' to remain in a similar occupation to their role in the Hume DC, although 24% felt this was 'fairly important' and 21% 'very important'. In contrast, most workers (83%) felt it was important, to different degrees, that a new job paid at least as much as their job in the Hume DC. For 43%, this outcome was 'very important' or 'essential'. Most workers (86%) also stated that it was important that a new job was 'close' to their home. For nearly half (46%), this was 'very important' or 'essential' (Table 1).

**Table 1: Future expectations (pre-closure): ‘How important is it that any new job...**

<i>Rating</i>	<i>pays as much/ more than you earn now?’ (%)</i>	<i>is in similar occupation to your current job?’ (%)</i>	<i>is close to your home?’ (%)</i>
Not important	15	49	13
Fairly important	40	24	40
Very important	37	21	38
Essential	6	4	8
Not sure	2	2	1

*Source: Pre-closure survey, August 2019*

### *Workers’ Labour Market Status After Closure*

The post-closure survey was conducted in August 2020, approximately 7 months after the last workers were retrenched from the Hume DC and 12 months after the pre-closure survey. This survey was conducted over the phone during Victoria’s ‘second wave’ Covid-19 pandemic and the resulting lockdown (July-October 2020). In brief:

- In the context of deep economic recession, unemployment was high among participants in the post-closure survey: 28% of participants described themselves as unemployed.
- Over half (53%) were in paid employment and 6% described themselves as self-employed. A further 13% had withdrawn from the labour force, either permanently (retired) or temporarily (such as those ‘taking a break from work’). This group also included an ‘other’ category of workers who were studying rather than doing paid work, off work due to work-related injuries, or temporarily withdrawn from the labour force due to caring responsibilities (Figure 2).
- Excluding those withdrawn from the labour force, the proportion of unemployed jobseekers corresponds to an effective unemployment rate of 32%.





- Predictably, older workers were more likely to be withdrawn from the labour force— however, they were also more likely to be unemployed. For example, 13% of workers aged 45 or older were withdrawn from the labour force but over a third (35%) were unemployed.
- Workers who primarily spoke a language other than English at home were more likely to be unemployed (35%) than workers who primarily spoke English (27%).

### 3. Labour Market Experiences After Retrenchment

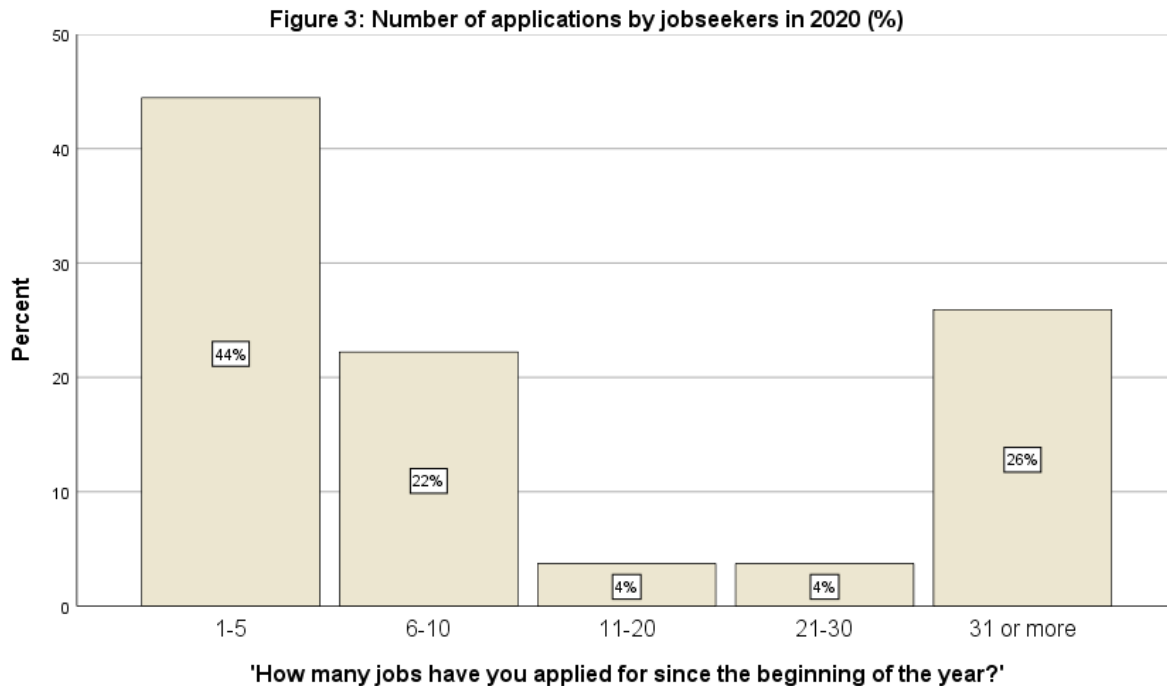
#### *Job Searching and Job Hopping*

While unemployment was high among participants in the post-closure survey, this cannot be attributed to a lack of effort or a lack of desire to work among retrenched workers. Among workers who were unemployed in August 2020...

- a third (33%) had been through 2 jobs since leaving the Hume DC. Almost a quarter (23%) had been through one job.
- Only a minority (33%) of unemployed jobseekers had not undertaken any paid work since leaving the Hume DC.

Among workers in paid work in August 2020, a large minority (37%) had also worked in more than one job since leaving the Hume DC. Among workers who were withdrawn from the labour force in August 2020, 25% had been through one paid job post-retrenchment.

Over a quarter of workers (26%) had applied for over 30 jobs since their retrenchment from the Hume DC. 44% had applied for between 1 and 5 jobs in this period while 22% had applied for 6-10 jobs (Figure 3).



Findings were similar even if we look only at workers who were unemployed at the time of the post-closure survey. Nearly a third of these workers (29%) had applied for more than 30 jobs in this period; 41% had applied for 1-5 jobs and 24% for 6-10 jobs. This highlights the efforts of these workers to find new jobs since their retrenchment from the Hume DC.

*New Jobs, New Industries*

Former Hume DC workers acquired industry experiences and skills which are highly transferable within warehousing and related industries. Understandably, therefore, most workers wanted to pursue new jobs in warehousing. Nearly three-quarters (74%) of workers in paid employment stated that the knowledge and skills they had acquired at the Hume DC were relevant to their current roles. Almost half (49%) stated that they were 'very relevant'. Among jobseekers in the post-closure survey, a large majority (76%) were interested primarily in alternative warehouse jobs.

Other sectors of interest included healthcare (12%) and transport (4%). However, two thirds (66%) of workers in paid employment held a job as a warehouse store-person. Major employers included Coles, Linfox, Toll, as well as Woolworths MLDC in Laverton. A further 8% of workers in new jobs were employed as a forklift driver.

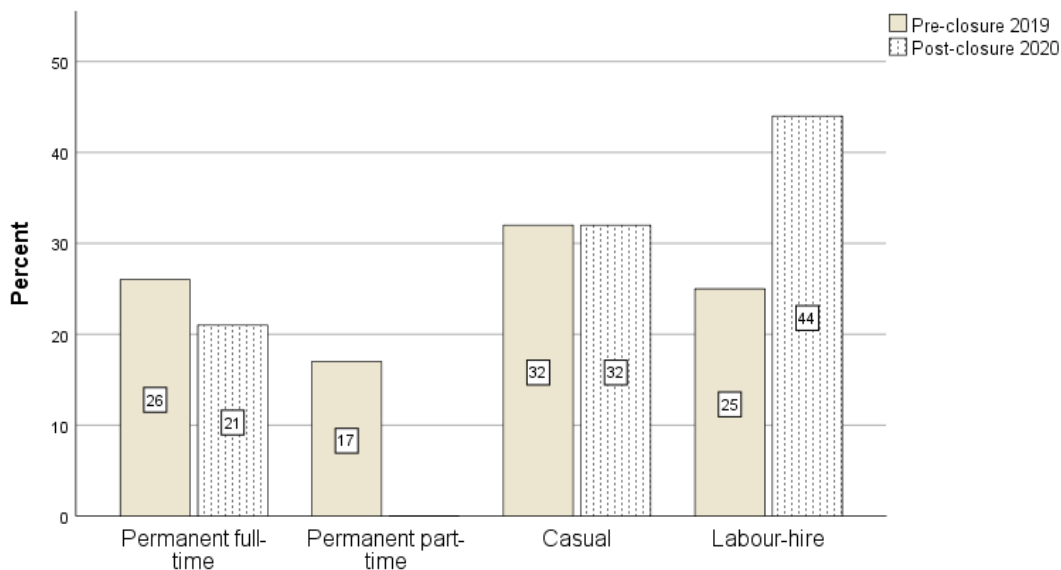
## 4. Job Quality After Retrenchment

### *Changing Terms of Employment*

The employment situation of workers who found new jobs after the Hume DC's closure represents a major decline in permanent employment and the displacement of permanent jobs by labour-hire or agency-based work. In brief:

- In August 2019—before the closure—permanent employees represented 43% of all workers at the Hume DC.
- Twelve months later, only 21% of re-employed workers were in permanent employment.
- This represents just 11% of all retrenched workers in the post-closure survey, or roughly 1 in 10 workers retrenched from the Hume DC.
- In contrast, labour-hire workers, who represented a quarter (25%) of all workers prior to the closure, comprised 44% of the total in the post-closure survey (Figure 4).

Figure 4: Change in employment type, pre- & post-closure, 2019-2020 (%)



Note: Figure excludes a category of 'Other' which accounted for 0 and 3 percent in 2019 and 2020 respectively

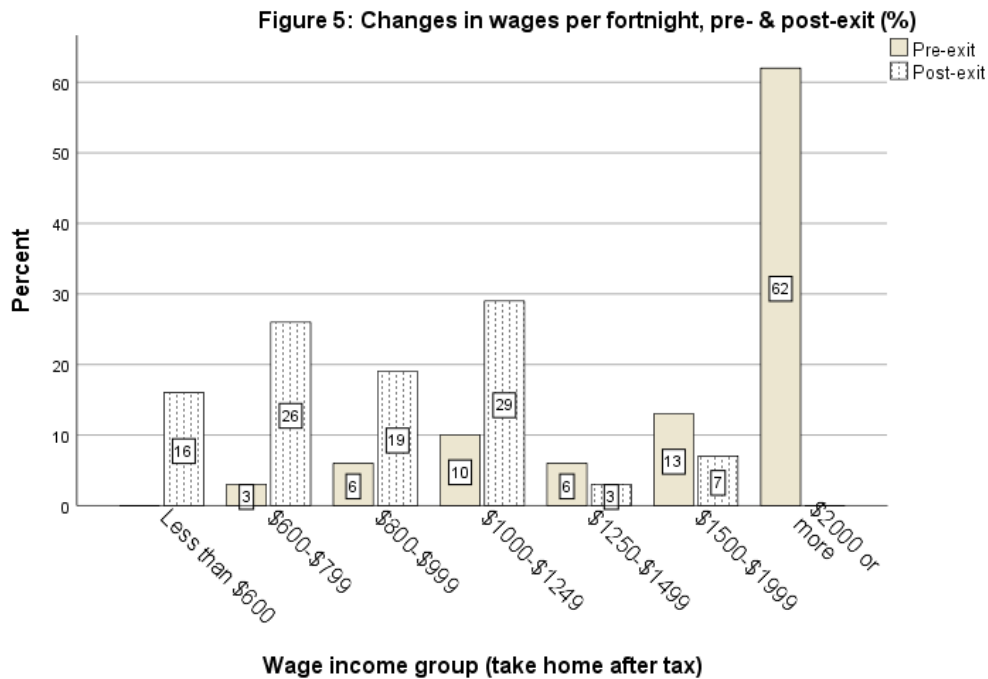
*Falling Wages*

Wages fell drastically for workers in new jobs. *In brief:*

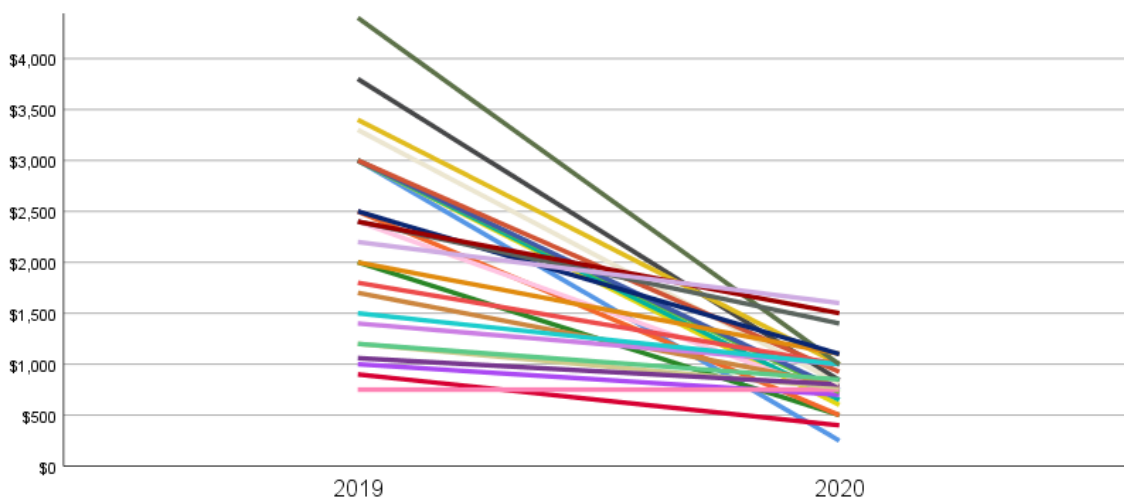
- Average take-home pay per fortnight (after tax) in the pre-closure survey was \$2064.
- In contrast, average take-home pay per fortnight fell to \$840 in the post-closure survey—a 59% decline.

This decline is reflected in the change in wage distribution from the pre-closure survey to the post-closure survey. Whereas nearly two thirds (62%) of workers earned a net wage of \$2000 or more per fortnight in August 2019, no workers in new employment earned a wage of \$2000 or more 12 months later. In the post-closure survey, 90% of employed workers earned less than \$1250 per fortnight and 61% earned less than \$1000 (Figure 5).

All but one worker in the post-closure survey had experienced a drop in wage income since leaving the Hume DC (Figure 6). A similar result also occurred for workers re-employed in warehouse jobs, for whom average take-home pay per fortnight fell from \$2344 to \$882—a 62% decline.



**Figure 6: Decline in wages per fortnight, pre- & post-exit (%)**



While almost all workers with new jobs experienced a major fall in wages, this decline was particularly large for older workers. The average wage of workers aged 45 or older at the time of the post-closure survey fell by two-thirds: just \$743 a fortnight compared to \$2250 previously. Older workers were much more likely to be in agency jobs following closure (Table 2).

**Table 2: Employment conditions by age group, August 2020**

Age group	Average wage Hume DC \$ <sup>1</sup>	Average wage current job (post-closure) \$	Permanent (%) <sup>2</sup>	Casual (%) <sup>2</sup>	Labour-hire (%) <sup>2</sup>
<45	2058	867	22	35	39
≥45	2250	743	20	20	60
All	2064	840	20	31	43

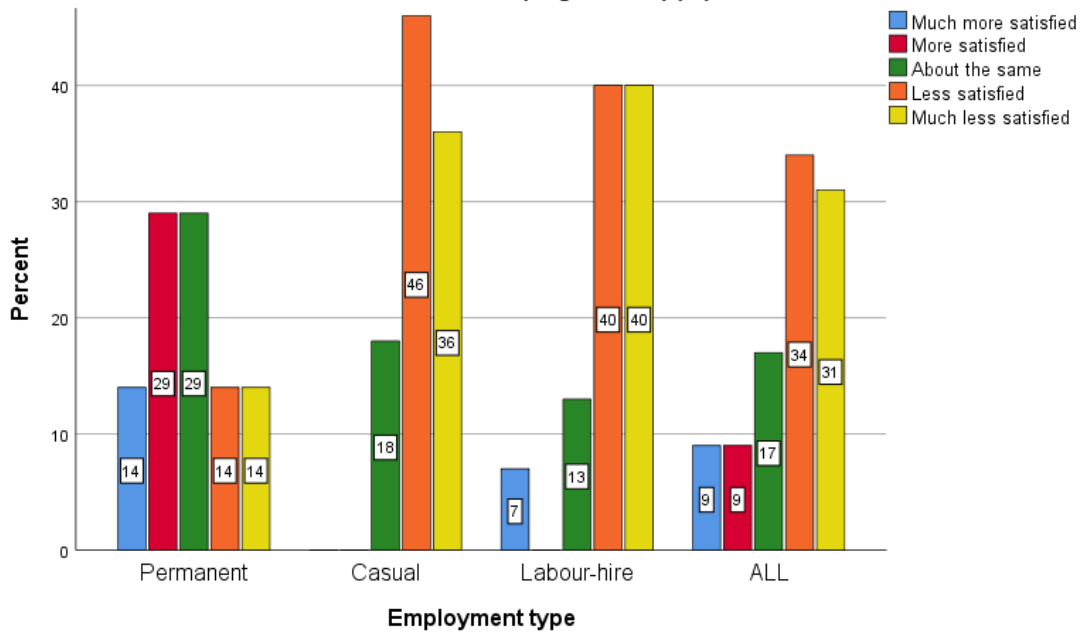
<sup>1</sup>fortnightly after tax    <sup>2</sup>'self-employment' & 'other' categories excluded

*Falling Job Satisfaction*

Overall, workers in new jobs were much less satisfied in comparison to their previous jobs at the Hume DC. *In brief:*

- Nearly two-thirds (65%) of re-employed workers in the post-closure survey reported that they were less satisfied in their current jobs.
- Nearly a third (31%) reported that they were 'much less satisfied'. Only 18% of workers reported that they were more satisfied in their current jobs.
- Changes contrasted markedly for workers with different terms of employment. While just over a quarter (28%) of permanent workers reported that they were less satisfied, the corresponding figures for casuals and labour-hire workers were 82% and 80% respectively (Figure 7).

Figure 7: 'How much more or less satisfied are you with this job compared to your previous job at the Hume DC?' (August 2020) (%)

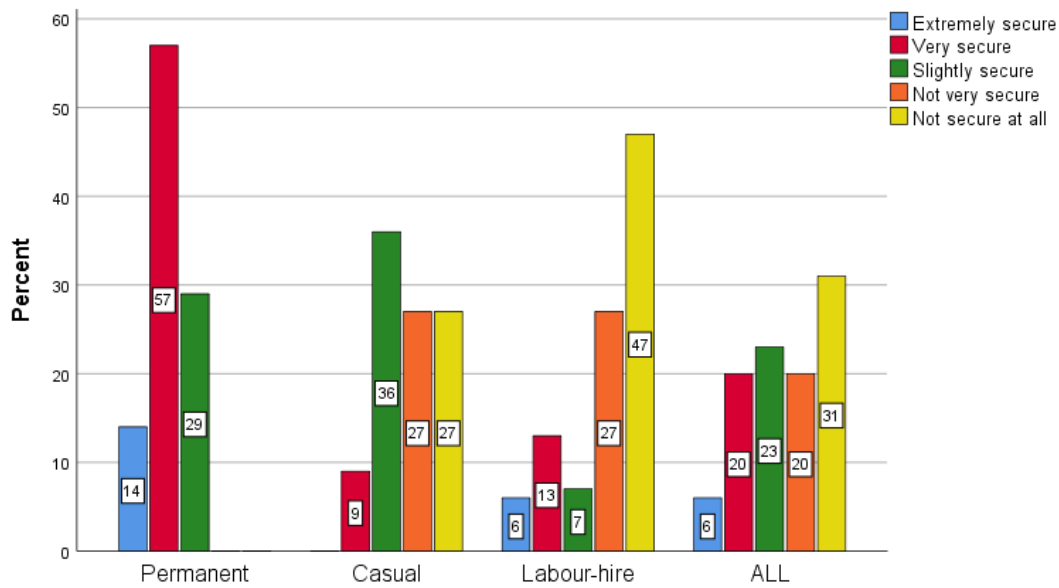


*Rising Job Insecurity*

Over half (51%) of workers in new jobs felt insecure about their current employment. Nearly a third (31%) reported that their job was ‘not secure at all’. Predictably, these negative findings were greater for workers in non-permanent jobs. For example, nearly three-quarters (74%) of labour-hire workers reported a lack of employment security. Nearly half (47%) of labour-hire workers said their job was ‘not secure at all’ (Figure 8).



Figure 8: 'How secure do you feel about this job?' (August 2020) (%)

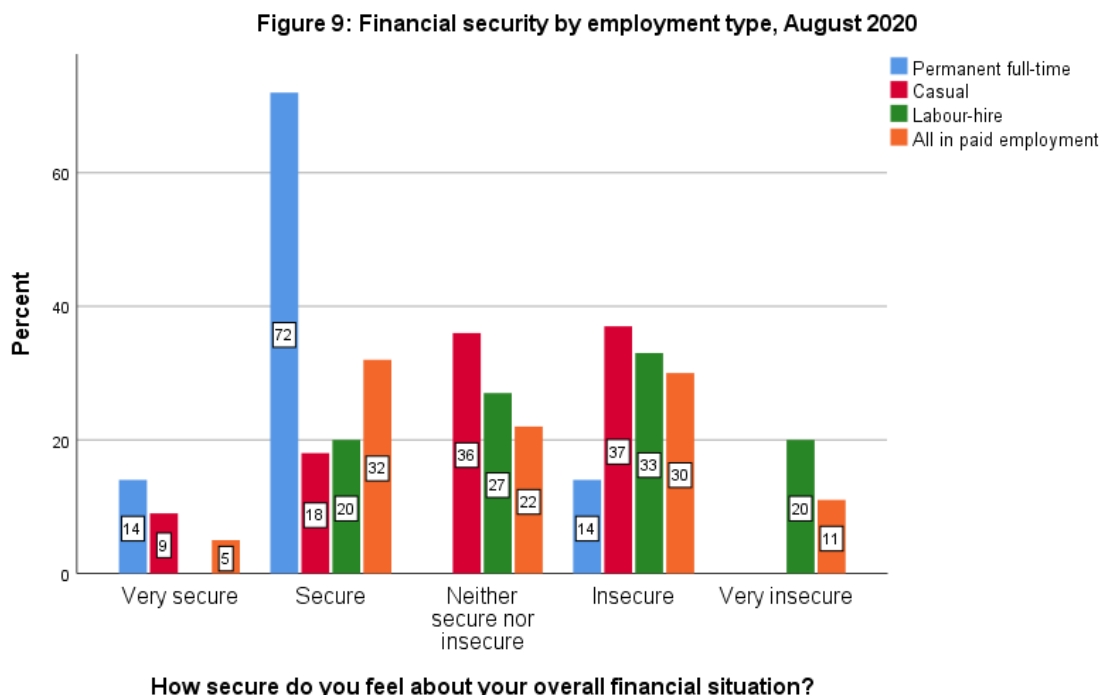


## 5. Financial Insecurity After Retrenchment

Workers' sense of financial security fell dramatically after retrenchment—a situation which was magnified by the Covid-19 crisis. *Key findings from the post-closure survey include:*

- 43% reported a feeling of financial insecurity, including 14% who reported feeling 'very insecure' financially. By contrast, 38% reported feeling secure and 19% 'neither secure nor insecure'.
- Understandably, unemployed jobseekers were much more likely to report feelings of financial insecurity than those in paid work. Over half (55%) of unemployed jobseekers reported a feeling of financial insecurity compared to 41% among workers in paid work; 22% felt 'very insecure' financially.
- Permanent employment was a clear antidote to feelings of financial insecurity: 86% of workers with a permanent job reported that they felt secure financially.

- In contrast, over half (53%) of workers in labour-hire jobs and over a third (37%) of workers in casual jobs reported that they felt insecure financially.
- The highest level of financial insecurity—a feeling of ‘very insecure’—was concentrated entirely among workers in labour-hire jobs (Figure 9).



There was also a close connection between feelings of job insecurity and feelings of financial insecurity. Nearly two-thirds (64%) of workers who felt secure about their current jobs in August 2020 also felt secure financially. In contrast, 61% of workers who felt insecure in their current jobs also felt insecure financially.

This connection was not absolute, however; a minority of workers who expressed a degree of job security also expressed a feeling of financial insecurity (18%) while a minority of workers who expressed job insecurity also expressed a feeling of financial security (11%). These findings stress the importance of job security in improving workers’ overall financial security *and* the importance of

non-workplace factors such as the financial rewards accumulated (or denied) during workers' previous careers, including home ownership and superannuation savings.<sup>5</sup>

Among workers paying off a mortgage, the majority retained significant mortgage debt: 90% owed 25% or more of their residual mortgage to lenders. Over half (57%) owed 50% or more. This is important because the capacity to service mortgage debt, and to benefit from participation in the asset economy, is strongly tied to the income-earning capacity of secure employment.

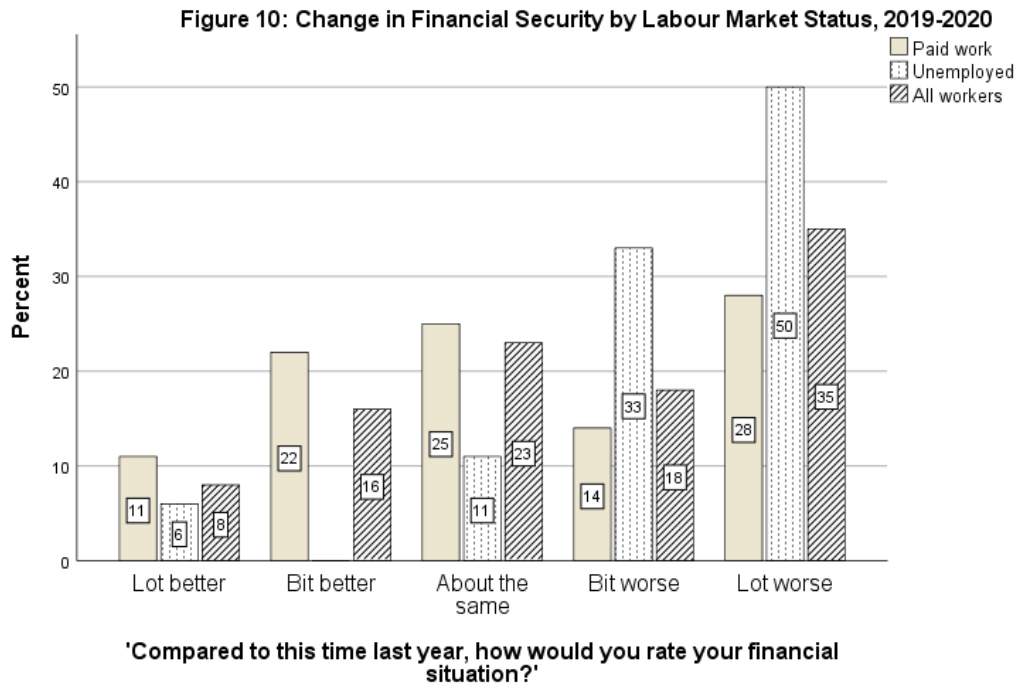
### *Changing Financial Circumstances*

As well as collecting data on workers' sense (or lack) of financial security, the post-closure survey collected data on the extent to which workers felt that their financial security had changed over the previous 12 months—a time period capturing the closure of the Hume DC. *In brief:*

- Over half (53%) reported that their financial situation was worse in August 2020 than in August 2019. Over a third (35%) reported that their financial situation was 'a lot worse'. Nearly a quarter (23%) reported that it was 'about the same' as 12 months earlier.
- Changing financial security was determined by a range of factors, including workers' labour market status. Workers who were unemployed at the time of the post-closure survey overwhelmingly reported deteriorating financial circumstances (83%). Half (50%) described their financial situation as 'a lot worse'. However, while unemployed jobseekers described the most severe decline in their financial security, the financial situation of around 2 in every 5 workers in current employment had also worsened (Figure 10).

---

<sup>5</sup> T. Barnes (2020) 'Pathways to Precarity: Work, financial insecurity and wage dependency among Australia's retrenched auto workers,' *Journal of Sociology*, online first: <https://doi.org/10.1177/1440783320925151>, accessed 24 February, 2021.



Most workers in permanent full-time jobs (72%) stated that their financial situation was either the same or better, while the remainder reported deteriorating financial security. In contrast, 60% of labour-hire workers described their financial situation as worse. A third (33%) described it as ‘a lot worse’.

## 6. Impacts of the Covid-19 Crisis

Because the post-closure survey took place during the lockdown in response to Victoria’s Covid-19 ‘second wave’ (July-October 2020), it also collected data about the direct impacts of the crisis on workers’ personal and working circumstances. The main results are summarised in Table 3 below.

*In brief, these results show that:*

- Over a quarter of workers had lost at least one job during the pandemic.
- Nearly 1 in 5 had at least one other member of their household lose a job.

- Over half lost working hours.
- Household income of nearly three-quarters of workers fell during this period.
- Over a third struggled to meet basic household payments, such as regular mortgage repayments or rent.
- Most workers had drawn down personal savings, taken money from their superannuation savings, and applied for government income support.
- Nearly 1 in 5 had borrowed money from relatives and friends.

Additional comments on the impact of the Covid-19 Crisis pandemic. These are verbatim comments taken from participants in the post-closure survey in August 2020.

- ‘I’m out of work and receiving Centrelink payments. It feels so isolating due to the pandemic. It makes me feel sick. I don’t know what to do with myself. I really hate it.’
- ‘[The Covid-19 crisis] makes it so hard to get another job. I’ve got to hang in there.’
- ‘The crisis has affected my mental health. I have an anxiety disorder. It’s had such a big impact.’

**Table 3: Has any of the following happened since the Covid-19 pandemic began? (%)**

<i>Overall income in your household fell</i>	71
<i>Spent extra money from personal savings on day-to-day expenses</i>	70
<i>Took money from your superannuation to get by</i>	60
<i>Applied for income support from the government</i>	56
<i>Had to accept fewer working hours</i>	54
<i>Spent extra money from redundancy payment on day-to-day expenses</i>	43
<i>Struggled to meet household payments, e.g. mortgage or rent</i>	37
<i>Lost your job</i>	27
<i>Someone else in household lost their job</i>	19
<i>Borrowed money from relatives or friends</i>	19
<i>Applied for mortgage relief from a financial institution</i>	8
<i>Sold assets to get by, e.g. car or property</i>	6

Source: Post-closure survey, August 2020

### *Impacts in the Workplace*

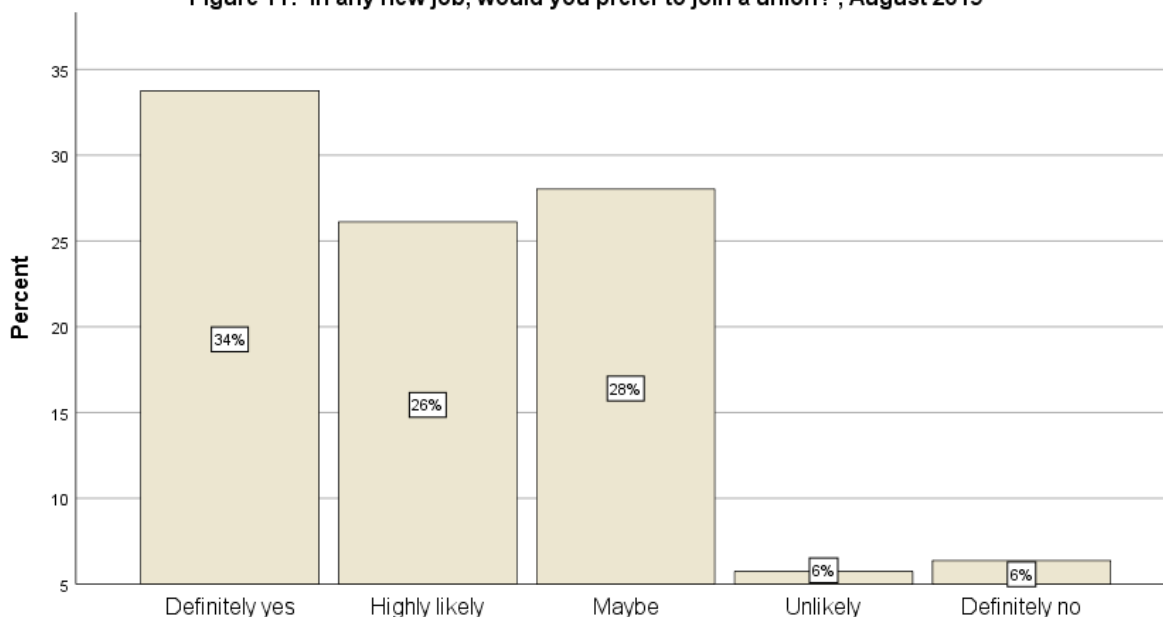
Most workers in the post-closure survey (77%) reported that the circumstances of the pandemic had made their work more difficult or stressful. Over a third (38%) reported that there had been conflict between workers and management because of the pandemic.

One of the most significant impacts of the pandemic was on working hours. Over half (54%) of workers reported that their working hours had fallen during the pandemic. This finding overlaps with the under-employment reported by many workers in the post-closure survey. Nearly half (46%) of workers with a job in August 2020 desired more working hours. The desire for more working hours was much greater for part-time workers (75%), for casuals (64%) and for labour-hire workers (47%).

## **7. Views About Trade Unions**

Prior to the closure of the Hume DC, workers expressed enthusiasm about remaining union members in new jobs. Over half (60%) reported that they would 'definitely' or 'highly likely' want to be a union member in the future. Only 12% reported that they would not be a member or that membership was 'unlikely' (Figure 11).

Figure 11: 'In any new job, would you prefer to join a union?', August 2019



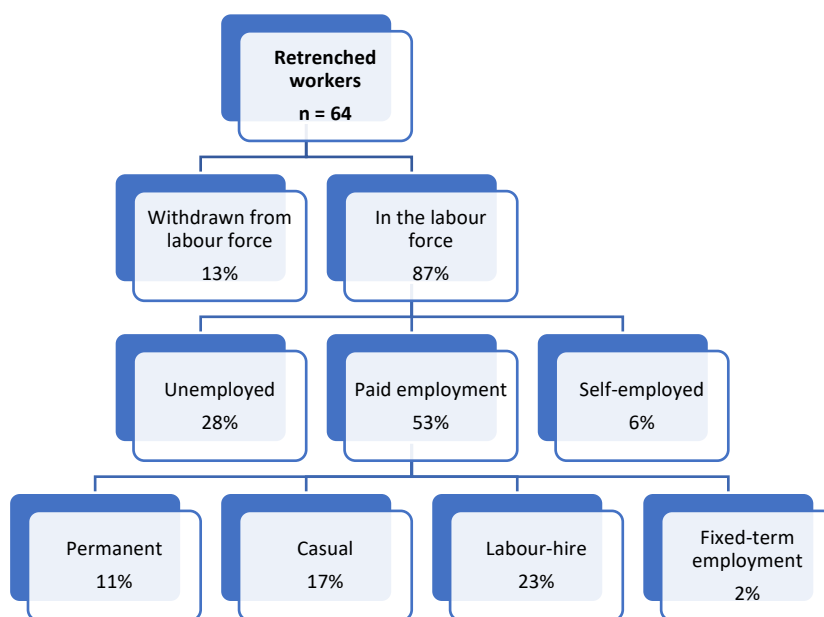
Among workers in paid employment at the time of the post-closure survey, over three quarters (77%) reported that there was a union presence in their workplace. A further 17% reported that there was no union presence and 6% were unsure whether there was a union presence.

Among workers in paid employment at the time of the post-closure survey, over half (51%) were members of a union. 6% were non-members who preferred to be a union member, 29% were non-members who preferred not to join, and 14% were non-members who were 'unsure' about joining.

## 8. Conclusion

Figure 12 summarises the labour market outcomes for all participants in the post-closure survey. Although the sample is not to be interpreted as statistically representative, it is large enough to provide a strong indication of working life outcomes.

**Figure 12: Summary of Work & Labour Market Outcomes, August 2020**



In the context of corporate restructuring, technological change and rising e-commerce, warehouse closures, relocations and job losses continue to be important issues on a national scale. Key examples include the potential for the opening and expansion of new semi-automated sites like the MSRDC and the implications for Woolworths' workforce across the Melbourne region or



Woolworths' plans to open new DCs in southwest Sydney (Moorebank) and its implications for workers in existing sites in Sydney's west (such as Minchinbury or Yennora). Coles' plans for new DCs in Sydney's west (Wetherill Park) raise similar questions about the impacts on workers in existing sites such as Smeaton Grange or Eastern Creek. Site restructuring, closure and relocation remain significant issues for workers at a range of other companies in the warehouse logistics sector. Findings from this study are highly relevant to these future challenges.