

Response from NUS-USI to the consultation on Zero Hours Contracts

(National Union of Students - Union of
Students in Ireland)

Comments on the review

NUS-USI welcomes the publication of this consultation and we are pleased to provide our views on the issue.

NUS-USI has policy against zero hours contracts and we oppose the negative impact that zero hours contracts might have on someone's ability to make ends meet and plan and budget for the future.

The potential impact of zero hours contracts

Zero hours contracts can cause employees significant problems if employers do not meet employees' expectations as regards the number of hours of work they will be provided with.

Many people in Northern Ireland have faced extremely difficult times as regards employment and income in recent years, and the phenomenon of zero hours contracts could be exacerbating this problem.

Many people who would, in better economic times, have been able to find permanent work with set hours are likely to have missed out on being able to have this type of work agreement due to the economic climate. This means that many people will have had to accept a zero hours contract to pay the bills. Some companies

may potentially have used zero hours contracts rather than fixed term contracts as a way to avoid the rights afforded to employees by other contracts.

Zero hours contracts can have a very negative social impact on people's lives and their standard of living. Many people on zero hours contracts could be called in to work with very little notice and might feel obliged to take the work, and this can leave people with little opportunity to plan important appointments and know when they will have days off.

Zero hours contracts should ideally be scrapped, and if they are not scrapped they should be significantly reformed and regulated to help address and potential problems they might pose.

One option that may help eradicate any problems potentially caused by zero hours contracts is to ensure that the employee and employer negotiates and agrees a set minimum amount of hours that they work over the course of a year. This could help ensure that employees have an accurate view of the minimum pay that they will receive and it will also help staff budget as regards their own finances.

Importance of the role of trade unions

A key means of helping people address any problems caused by zero hours contracts is to encourage people to be a member of a trade union. It is important that government and workplaces facilitate and encourage people to join trade unions to protect their rights and to help deliver better pay and contract terms for employees.

Trade unions can help in ironing out problems people may be facing in relation to zero hours contracts and could potentially provide valuable assistance to people on zero hours contracts.

Comments regarding the consultation and questions

Zero hours contracts can also cause many problems if they put an exclusivity clause upon any staff that they apply to. This could limit employees' ability to augment their income and this is extremely worrying given that employees may not be given enough hours to ensure they can meet their financial commitments. NUS-USI believes that exclusivity clauses should be banned from these contracts to help ensure that employees have an option to work with other companies to augment their income.

In this consultation it is important to put workers first to ensure that they can be given more rights and a better deal by

employers. Obviously NUS-USI wants to see businesses, both SMEs and others be able to flourish and provide as many employment opportunities as possible; however, this can never be at the expense of workers. NUS-USI does not believe that ban on exclusivity clauses would stop employers from creating jobs, because if employers need more staff they will still have to create more posts. The situation that workers potentially face as regards zero hours contracts should be paramount concern within this review.

The Department providing focused guidance on exclusivity clauses would simply not be enough, it is extremely important that people cannot be subject to exclusivity clauses within zero hours contracts. Again, it was far better to scrap exclusivity clauses in these contracts than the Department providing something like a Code of Practice.

NUS-USI thinks that workers should have a guaranteed right to request a fixed-term contract if they have worked with an employer for six months on a zero hours or non-guaranteed hours contracts.

NUS-USI also believes that if a worker is on zero hours or on a non-guarantee hours contract then they should be able to negotiate the minimum number of hours that they will receive per year with the employer when they commence their contract, and also every year subsequently.

NUS-USI thinks that it would be very positive if a compensatory arrangement was created, similar to the system in Ireland which would guarantee a minimum payment for workers on zero hours contracts who expected working hours in a week but were not given them. Such a payment should be triggered if an employee was booked to work but an employer cancelled the work.

Workers on a zero hours contract should be able to have an annualised hours contract immediately when they commence their job to ensure that they had a guaranteed amount of hours every year.

In NUS-USI's view doing nothing as regards zero hours contracts is not an option. Government must act to deliver change on zero hours contracts to ensure that the needs of workers are met.

Many students and young people work on zero hours contracts and it is crucial that they gain the support and assistance from government that they need to ensure that they have as much stability in their job as possible.

The flexibility that some workers have as regards being able to turn down work that they have been offered can be helpful to them if they have family or caring commitments or need to focus on their studies. Ideally NUS-USI would like to see

the employees who wish to be able to retain the ability to be flexible about the hours they work, however certainty and guarantees need to be provided by employers.

Government must understand that the key priority of this review should be staff, not the employer, and staff should be able to choose flexibility and also have the chance of certainty about guaranteed hours or the potential for a permanent contract after six months work.

It is vital that government address the issue of zero hours contracts, and there must not be a situation where nothing is done. NUS-USI believes that delivering legislation to help people currently on zero hours contracts is not likely to undermine the work of businesses or individual choice, and it is vital the measures to assist employees are put in place.

It is important that if government takes forward its legislation it provides template contracts and clauses for companies to ensure that a standardised approach is taken and that best practice is delivered.

Greater transparency around zero hours contracts is also essential however this again is not enough as regards addressing zero hour contracts.

Employers should provide full and standardised information in relation to their contract and hours before people sign

their contract, to ensure that they can make a fully informed decision. This should happen for every employee on a zero hours contract, and people should be able to request information on contracts at any time.

Many people have to balance many different commitments and this

Zero hours contracts can also have very negative implications as regards sick pay, holidays and pensions. Many people have little or no benefits in these areas and this can leave them in extremely difficult situations and can mean they have little support or stability if they cannot work due to illness.

Sick pay, holidays and pensions are elements that many people take for granted, and it is deeply unfair that some people on zero hours contracts do not receive benefits like this, and this must be addressed within this review.

There are also significant concerns around zero hours contracts in that people may have circumstances, like caring responsibilities or study work which mean that they need to have flexibility and may have to turn down work. Some employers may reduce or stop allocating that person working hours in the future, and NUS-USI believe that this would be extremely unfair. We want this review to address this issue to ensure that employees who need

flexibility can have flexibility without them possibly losing out on working hours.

Zero hours contracts can have significant equality matters associated with them because very often, many of those who are employed through them have caring responsibilities, therefore there may be equality matters for parents and carers and negative impacts upon them which can be caused by zero hours contracts that the review should examine.

Zero hours contracts can pose problems for people in relation to accessing benefits because the ever changing nature of working hours and zero hours contracts could mean that there is significant bureaucracy involved in them being able to access the benefits that they are entitled to. Potential problems like this should also be addressed within the review.

Conclusion

It is absolutely crucial that DEL acts to examine and address zero hours contracts because they must not be allowed to operate in the way that they presently do into the future. Zero hours contracts can cause very significant problems therefore they must be tackled by government.

People who work in zero hours contracts should be able to negotiate the number of hours they will receive per year before

they sign any contract. There should also be the option for anyone who has worked in a zero hours contract for more than six months to be able to choose a fixed term contract. This should be an automatic right for anyone that this applies to.

While working hours flexibility is helpful to many, and they should be able to continue to have that flexibility, the nature of zero hours contracts can leave other people with significant instability and can leave them without sick pay, holiday pay, pensions and other key benefits that people that have different contracts may have, and this must be addressed.

Government must examine the way in which zero hours contracts could potential impact people on an equality basis and they must also look into how zero hours contracts could potentially cause problems for people who are wishing to claim the benefits that they are entitled to.

Employees who are on zero hours contracts should be encouraged to join trade unions as they could deliver significant support as regards ensuring fairness. The potential role of trade unions in addressing zero hours contracts should be included in government's plans around the review of these contracts.

A key consideration is that many people may feel like they have to accept a zero hours contract due to the difficult economic situation that existed in Northern

Ireland and elsewhere in recent times. Government must be prepared to ensure that companies give employers fair contracts and safeguards during difficult economic times and this must be also be a key consideration within this review.

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