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Press Club Speech

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Change the rules

For more secure jobs and fair pay

****Check against delivery****

I'd like to acknowledge the Ngunnawal people.

I'd also like to acknowledge that today is the International Day for the Elimination of Racial Discrimination which in Australia we call Harmony Day.

Australian workers are ruled by laws which have destroyed job security and left us struggling to pay the bills.

Once the promise of living in Australia was that each generation would pass on something better to the next. Better healthcare. Better education. Fairer pay.

The cornerstone to all this was a **belief** that working people should get a fair go, **and** that we would **all** share the wealth we helped create.

But the Turnbull Government and big business have ***no interest*** in this promise. **Instead, they're actively dismantling our job security**, or are **standing idle** while it disappears.

We in the union movement believe in the fair go – and we are prepared to fight for it.

So, today, let me outline what we believe needs to happen to turn around inequality - **because it's now** at a 70-year high¹

You've heard me **say before that Australia's workplace rules are broken. Australian workers need new rules, so we can restore the promise of fairness for us all.**

The fair go is based on two things: having a job you can count on, and fair pay.

Without these two pillars, inequality **deepens and it widens.**

And we can't allow this to happen.

¹ There are various measures of inequality. This claim is based on the fact that the share of total income going to the top 1 per cent of Australians has nearly doubled since the early 1980s, rising to 8.3 per cent on the latest count – the highest since the 1950s.
<https://www.smh.com.au/business/the-real-story-of-inequality-in-australia-20170729-gxlccg.html> and
<https://theconversation.com/factcheck-qanda-is-australia-the-most-unequal-it-has-been-in-75-years-47931>

It's not just unions who consider this to be a **problem for Australia**.

The Governor of the Reserve Bank - **Philip Lowe** – is worried about our extraordinarily low wage growth.²

He's worried about it because he can see that **the economy is** out of whack. Working people don't have money to spend and this is **creating a** problem for everyone.

He's raised this issue time and time again.

Yet the Turnbull government **refuses to take notice** of the country's senior central banker, just as they will not take note of history.

In the past, wealth **in this country was** more fairly shared. This did not happen by accident.

It happened because the trade union movement **insisted** on **rules** that put fairness and equality first.

- A living wage in 1907³

² <http://www.afr.com/news/economy/workers-must-demand-greater-share-of-pie-says-rba-governor-philip-low-20170619-gwtxht>

- Equal pay for women in 1974⁴
- The 38-hour week in 1983⁵
- Medicare in 1984⁶
- Universal superannuation in 1986⁷
- Paid parental leave in 2011⁸

We built the fair go. Working people built the fair go.

Australian unions won pay rises and jobs with rights, and the rules that made sure wealth was shared. This meant that each generation since World War Two had a higher standard of living **than the one before it.**

But successive coalition governments have tried to dismantle this idea and the society we built.

And years of coalition governments adopting the policies of unmitigated - oppressive - neo-liberalism, **pursuing failed** trickle-down

³ *Ex Parte H.V. McKay* (1907) 2 CAR 1at 3

⁴ *National Wage Case 1974* (ACAC) (1974) 157 CAR 293 See also Prime Minister Whitlam's Statement: <http://pmtranscripts.pmc.gov.au/release/transcript-3233>

⁵ *National Wage Case 1983* (ACAC) Print F2900; *National Wage Case 1986* (ACAC) Print G3600

⁶ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/%20Parliamentary_Library/Publications_Archive/archive/medicare. Medicare began operation on 1 January 1984

⁷ *National Wage Case 1986* (ACAC) Print G3600; *Re manufacturing Grocers' Employees Federation of Australia; Ex parte Australian Chamber of Manufacturers* (1986) 160 CLR 341

⁸ <https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/paid-parental-leave-scheme>

economics, have pushed us down a dangerous path - towards a different society - towards the heartache endured by the millions of working poor in the United States.

In Australia, we **do not want** and **we will not accept** the Americanisation of our working lives.

But coalition governments follow this path. Successive Coalition governments have plundered the rights of workers. **The hated WorkChoices legislation of 10 years ago was the purest form of the attack.**

Australians overwhelmingly rejected it, **because Australians** want a fair go at work.

Labor rebuilt **workplace** rights after WorkChoices, **which was no small task. But since then** the world has **changed; changed** in ways **no one could** have foreseen.

Workplace laws written before Uber and before the Global Financial Crisis are not able to do their job of ensuring a fair go for working people today.

The Global Financial Crisis was the most significant financial and economic upheaval since the Great Depression.

Amidst the crisis, greater wealth and power shifted to the top and is now concentrated in even fewer hands. Big business became much more powerful.

The workforce of today is vastly different to the workforce of ten years ago. Corporations have used their power to drive holes through our rights, converting once secure jobs into insecure work, cutting and holding down wages. **Technology has changed the workplace, and the business model of the so-called “gig economy” side-steps all workers rights.**

- Journalists, even those working for famous mastheads, are **often employed as freelancers⁹** with few rights
- Delivery drivers using apps have less rights than workers 100 years ago¹⁰
- Cleaners are told to get ABNs¹¹
- Tradies’ jobs are being farmed out to labour hire firms¹²

⁹ Templeman, T, “Freelance Journalism in the 21st Century: Challenges and Opportunities”, PhD Thesis (QUT), 2016

¹⁰ “Foodora, Deliveroo food delivery services face legal challenge over claims couriers are independent contractors, not employees”, ABC 23/11/2016; “Deliveroo faces legal action for underpaying bicycle delivery riders”, SMG 31/3/2017

¹¹ “Myer cleaners accuse retailer of underpayment, denying entitlements with 'sham contracting' practice”, ABC 22/10/2015; “Brazilian students allege 'slavery' working conditions in Australia”, SBS 31/1/2018; “Victorian state schools cleaners being underpaid, denied basic entitlements, union says”, ABC, 6/5/2017

- Over half the academics in many of our universities have no job security, and over 80% of university teaching staff are casual¹³
- Multinationals use contracting out to force wages down and side-step bargaining¹⁴

Productivity goes up but wages do not.¹⁵ Company profits¹⁶ and CEO salaries are soaring.¹⁷

Wages are flat lining.¹⁸

This is inequality.

Our workplace laws from 10 years ago are now *not strong enough* to balance the power of big business.

Workers' rights have stayed still whilst the power of big business has got greater and their models to make profit have adapted and expanded in ways we could not have imagined.

¹² IBISWorld Industry Report N7212, Temporary Staff Services in Australia (July 2015). Also, the CUB dispute was an example of this.

¹³ Andrews, S., Bare, L., Bentley, P., Goedegeburre, L., Pugsley, C., Rance, B., "Contingent academic employment in Australian Universities", LH Martin Institute, 2016.

¹⁴ Electrical Trades Union, "Esso's UGLy Greed"

¹⁵ For example from 2010-15 labour productivity grew at 1.7% p.a. but over the same period real wages grew by only 0.6% annually. *Per Capita* Submission to the Future of Work Inquiry pg 5.

¹⁶Business' total gross operating profits for all 4 quarters in 2017 was \$322 billion – 21% higher than the same number in 2016. [ABS Business Indicators, December 2017. ACTU Calculations](#)

¹⁷ <http://www.abc.net.au/news/2017-12-06/ceo-salaries-78-times-average-australian/9216156>

¹⁸ The following wage measures have grown less over 2017 than their average pace over the last 10 years: Average Annualised Wage Increases (Department of Employment WAD), Wage Price Index (ABS 6345), AWOTE (ABS 6302) Average Compensation Per Employee (ABS 5206 & 6401), Median Full Time Weekly Earnings (ABS 6310, 6333)

So our workplace laws *must be changed* to restore the fair go.

Here in this very room, same time last year, I explained how our broken workplace laws impacted on Australians.

But the Turnbull government **doesn't** listen. They turn their back on working Australians every single day.

Instead of recognising these broken workplace laws as a national emergency, it has *willfully ignored* the crisis.

I have never heard Malcolm Turnbull *even mention* insecure work or utter the word “casualisation”. Never. Not once. Instead his Ministers are sent out to deny there is a problem and the world hasn't changed.

But insecure work dominates the lives of working families in every city, in every region, in every country town.

Turnbull and his government of Liberals and Nationals ignore the fact that the rights of Australian workers are violated **every day**.

These are the top 10 ways our broken rights at work have failed Australian workers since I was last here. This is what has happened in just 12 months:

Number one:

Wage theft continues unabated.

Celebrity chefs, top restaurants, local restaurants, 7-11, Caltex, the Woolworths supply chain, the list increases daily, I could go on and on.

- Nearly *one third* of businesses who employ apprentices.¹⁹
- **One in three** temporary visa workers²⁰
- *Three million* workers have had \$5.6 Billion of superannuation stolen.²¹

As I said last year, wage theft has become a *business model* and this *business model* is rolling on as our workplace laws are too **weak** to stop it.

¹⁹ FWO Report March 2017 Fair Work Ombudsman, "[National Apprenticeship Campaign Report](https://www.fairwork.gov.au/about-us/news-and-media-releases/2017-media-releases/march-2017/20170331-apprentices-campaign-report-mr)", March 2017. Summary at: <https://www.fairwork.gov.au/about-us/news-and-media-releases/2017-media-releases/march-2017/20170331-apprentices-campaign-report-mr>

²⁰ A November 2017 Survey found that one in three international students and back-packers are paid half the minimum wage. <http://apo.org.au/system/files/120406/apo-nid120406-483146.pdf>

²¹ ISA submission to Senate Economic References Committee 2017. NB ATO was unable to provide an alternative estimate to the Committee. By August 2017 the ATO released figures that there was **\$17 billion in unpaid superannuation contributions over an eight year period**. <http://www.news.com.au/finance/money/costs/aussie-workers-ripped-off-by-17-billion-in-unpaid-superannuation-ato-reveals/news-story/b66e7135eea2a0e2ba0a84aec83a47fe>

Penalty rates have been cut.²²

SEVEN HUNDRED thousand retail and hospitality workers **have been hit by this** at a time of record low wage growth. And **penalty rates** will be cut again in 14 weeks, a cut that is **DOUBLE TO THREE** times the size of last year's cut and they are set to be cut again next year²³.

Employers and the Turnbull Government said cuts to penalty rates would lead to more jobs or more hours for underemployed workers, yet Macquarie and Wollongong University shows that those increases never happened.²⁴ More trickle-down economics lies.

Instead, growth in retail sales is slowing as workers have less money to spend.²⁵

²² [\[2017\] FWCFB 1001](#); [\[2017\] FWCFB 3001](#)

²³ [\[2017\] FWCFB 3001](#)

²⁴O'Brien, M., Markey R, Pol, E, (2018), "The Short Run Employment Impact of the Fair Work Commission Penalty Rates Decision", Paper presented to the 14th Western Economic Association International Conference, Newcastle 11/11/2018. The research found:

- A statistically significant decrease in the proportion of award dependent Retail workers working on Sundays in July of 2017;
- No statistically significant change in the proportion of award dependent hospitality workers working on Sundays in July of 2017;
- A statistically significant decrease in the Sunday hours worked by award dependent retail workers in July of 2017;
- No statistically significant change in Sunday hours worked by award dependent hospitality workers in July of 2017;
- No statistically significant change in weekly hours worked by award dependent retail workers in July of 2017; and
- No statistically significant change in weekly hours worked by award dependent hospitality workers in July of 2017.

See also press summary at <https://www.smh.com.au/politics/federal/penalty-rate-cut-fails-to-stimulate-jobs-survey-shows-20171214-h04csj.html>

²⁵Retail sales are slightly up over the January/December months and have generally been growing, just at a slower than average rate
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8501.0Main+Features1Jan%202018?OpenDocument>

Number two:

Insecure work is spreading.

The fact the Turnbull government would try and deny this is happening shows how out of touch they are.

Casual work has increased,²⁶ sham contracting continues unchecked, labour hire is growing²⁷, contracting out continues and the so-called gig economy is expanding.²⁸

Workers at Esso in Longford have been fighting for their jobs and their rights for 273 days now as this multinational giant who pays no tax²⁹ uses the contracting out model to wipe out job security and cut wages. Insecure work is spreading because the current laws allow it.

And a Fair Work Commission decision last year confirmed that workers are *not even allowed to negotiate* to stop their jobs being casualised³⁰.

²⁶ Employees without leave entitlements in 1982
https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/CasualEmployeesAustralia

. Note the AIG use a current figure of 20-21% but this is a proportion of the total workforce, not total employees.

²⁷ IBISWORLD Report N7212 shows consecutive growth in employment and industry from 2013/14-2016/17 which is projected to continue.

²⁸<http://mccrindle.com.au/BlogRetrieve.aspx?PostID=663868&A=SearchResult&SearchID=11224714&ObjectID=663868&ObjectType=55>

²⁹ Exxon have paid no tax in the last three ATO Tax Transparency reports.

Number three:

Enterprise bargaining is broken

Nearly one-quarter of working people **are** now dependent on substandard safety net awards, up eight per cent in eight years³¹.

There is no fairness in bargaining where employers can just cancel agreements and cut pay in the middle of bargaining – like at Murdoch University, Collie in WA, Port Kembla Coal Terminal and Streets Ice Cream. Or companies can just lockout workers as they did over the last 12 months at Myrtleford, Singleton, Villawood, Port Kembla, Brisbane, Echuca, Pathology workers across Victoria, Dandenong and Oaky North.

Number four:

Our minimum wage rules keep some full-time workers in poverty.

The 2017 minimum wage decision the Fair Work Commission, said:

³⁰ [\[2017\] FWC 5529](#), Confirmed on Appeal [\[2018\] FWCFB 8](#)

³¹ Fair Work Commission, [“Statistical Report – Annual Wage Review 2017-18”](#), at Table 7.1

“In previous Reviews, the Panel has accepted that if the low paid are forced to live in poverty then their needs are not being met and that those in full-time employment can reasonably expect a standard of living that exceeds poverty levels. While we have not departed from that position, we acknowledge that the increase we propose to award will not lift all award-reliant employees out of poverty.”³²

Number five:

Last year the Fair Work Commission ruled that although paid domestic violence leave was *desirable*, under the current rules this was not enough for them to grant it.³³

Number six:

The Fair Work Commission **just** denied equal pay increases to Early Childhood Educators³⁴ - **meaning** we are stuck, **again, in the same place we’ve been** for the last 30 years with laws that are just not

³² [2017] FWCFB 3500 at [98]

³³ [2017] FWCFB 3494

³⁴ [2018] FWCFB 177

capable of closing the gender pay gap for people who work in female-dominated industries. Yet Australia has one of the most gender segregated workforces in the developed world.³⁵

Number seven:

Temporary visa workers are being ripped off and abused, right in full sight of our government who is issuing these visas.

Last year I spent many hours one night in the outer suburbs of Melbourne with organisers from the NUW who were visiting workers who pick vegetables for our supermarkets. These organisers **spent months trying to find out where these workers were living so they could meet them at their homes.**

The young men I visited were crowded into houses provided by their boss, and **charged an** outrageous rent while working 50 hours a week on less than the minimum wage. They also paid their boss for the privilege of being picked up every morning. This type of severe exploitation is happening in our cities and in our towns. Our government knows where these workers are as they issue the work

³⁵ Workplace Gender Equality Agency director Libby Lyons said this was the case in 2016. <http://www.afr.com/leadership/wgea-boss-vows-to-tackle-australias-highly-gender-segregated-workforce-20161212-gt958a>

visas, yet the union has to search for them at night because our laws don't allow workplace visits and they enable exploitation like this.

The Turnbull government is letting this abuse happen. Like all the politicised agencies of Michaelia Cash, the Fair Work Ombudsman is not stopping it.

Instead, they are pursuing unemployed seafarers from the MV Portland³⁶ who fought to stop their jobs being replaced by visa workers earning \$2 hour. Because they protested to try and save their jobs for another generation of seafarers, the Fair Work Ombudsman looks to impose crippling fines. Crippling fines for unemployed men, who fought to save jobs for the next generation.

Let me be clear, there are no crippling fines being imposed on those employers exploiting visa workers or celebrity chefs or developers in the construction industry who cut corners killing workers.

Number 8:

³⁶ <https://www.fairwork.gov.au/about-us/news-and-media-releases/2017-media-releases/april-2017/20170407-mua-asp-employees-mr>

The Fair Work Commission is being stacked. Last year the 14th new commission member was appointed³⁷ by the Coalition Government, too many of these appointees have backgrounds from the extreme end of big business. No wonder working people now call it the UnFair Work Commission.

Number 9:

The Turnbull government and Michaelia Cash, have set up **shamelessly politicised commissions**. The ROC and the ABCC **charge millions to the taxpayer** to relentlessly harass unions, pursuing working people for insignificant issues like flying Eureka flags and conduct televised police raids. Michaelia Cash is still hiding from journalists, hiding from everyone.

In September last year the head of the ABCC - Nigel Hadgkiss - was forced to resign when it was revealed he had breached the laws he was meant to uphold³⁸. **There were 35 deaths** on construction sites in 2016³⁹ - **but the ABCC spends its millions** prosecuting individual workers and their Unions. **They've even claimed** in a senate hearing a

³⁷ Platt (AMMA), Cirkovic (employer lawyer), Saunders (barrister), Binet (employer lawyer), Clancy (ACCI), Harper-Greenwell (VECCI), Hunt (Toll Holdings), Dean (employer lawyer), McKinnon (NFF), Colman (Corrs), Anderson (ACCI) Masson (resources sector), Beaumont (Fortescue Metals), Milhouse (employer lawyer).

³⁸ [2017] FCA 1166

³⁹ <https://www.safeworkaustralia.gov.au/statistics-and-research/statistics/fatalities/fatality-statistics-industry>

few weeks ago that they are unaware of a single breach of health and safety laws. 35 deaths. Unaware of any health and safety breaches.

Number 10:

Truck drivers are dying. There have been 185⁴⁰ truck related deaths over the last 12 months. Yet the government pulled the plug on the road safety remuneration tribunal that would have saved lives.

Stolen wages. Workers exploited. Jobs casualised. Commissions stacked and politicised. Wages cut. Equal pay denied. Bargaining failing. Poverty wages. Workers dying.

This is what Turnbull is ignoring. This is our national crisis.

It will get worse **if there is not change.**

Yet Prime Minister Turnbull rejects any move towards repairing our broken workplace laws.

These broken rules have created a crisis causing **record low wage growth**⁴¹ and the spread of insecure work. Our workplace laws are not able to deliver a fair go, **and are not able to stop rising inequality.**

⁴⁰ https://bitre.gov.au/publications/ongoing/fatal_heavy_vehicle_crashes_quarterly.aspx

If we want to look at how bad it can get, look at the US where you see:

- People who are in their 70s serving you in the fast food industry
- School teachers who need second jobs to survive
- Mattresses especially designed to fit in cars **to house** the working poor

Inequality has exploded in the United States - nearly doubling in just 40 years. And since 1980, inequality in Australia⁴² has also nearly doubled.

Even the IMF has said that Australia is among countries with the *highest growth in income inequality in the world*.⁴³

American inequality has soared. Australian inequality has soared. What do we have in common? We have Governments committed to failed trickle-down economics, committed to making it worse with massive corporate tax cuts. Turnbull trots after Trump,

⁴¹ Current wage growth is 2.1%, near record-low. Only slightly up on 1.9% last year, which was record low. <http://www.abc.net.au/news/2017-08-16/wages-growth-remains-stuck-under-2pc/8812584>

⁴² The share of total income going to the top 1 per cent of Australians has nearly doubled since the early 1980s, rising to 8.3 per cent on the latest count – the highest since the 1950s. <https://www.smh.com.au/business/the-real-story-of-inequality-in-australia-20170729-gxlccg.html>

⁴³ <https://www.theguardian.com/business/2017/oct/12/imf-says-australia-has-one-of-the-fastest-rising-income-inequality-rates>

taking us down the same path, making inequality worse and entrenching the power of the few.

2017 saw the largest annual increase in the wealth of billionaires since the start of this century.⁴⁴ Over the past decade their wealth has more than doubled.⁴⁵ The top one percent of Australians own more wealth than the bottom 70 per cent of Australians combined.⁴⁶

Australia's income inequality compares poorly to other OECD countries. The latest OECD data shows that Australia's ranking is a **very unimpressive 22nd** out of 35.⁴⁷

Australian workers are not getting their fair share. This is not the country we want to be. *This is not who we are.*

Working families across our country are suffering. Struggling to pay the bills, and struggling to keep our heads above water. In the year to December 2017, essential living costs rose much faster than the headline consumer price index:

- Electricity increased 553% faster,

⁴⁴ <https://www.smh.com.au/business/the-economy/australia-sees-massive-leap-in-billionaires-20180121-p4yyof.html>

⁴⁵ Oxfam Report <https://www.oxfam.org.au/wp-content/uploads/2018/01/2018-Davos-fact-sheets.pdf> reported in the Guardian: <https://www.theguardian.com/australia-news/2018/jan/22/top-1-per-cent-of-australians-own-more-wealth-than-bottom-70-per-cent-combined>

⁴⁶ Ibid

⁴⁷ <https://data.oecd.org/inequality/income-inequality.htm>

- Housing rose 79% faster. Housing is unaffordable in our two biggest cities,
- Education increased 68% faster,
- Health increased 111% faster⁴⁸

Wages are flat lining.

It is outrageous that our PM either **doesn't** know or **doesn't** care that working families are struggling.

If the Governor of the Reserve Bank thinks it's a problem, if the head of the IMF thinks it's a problem, it is bizarre that the inept Turnbull government **refuses** to see that this is a problem.

You can't sell goods and services if working people don't have the money to spend. Australian workers can't spend money they do not have.

This crisis is making Australian workers **angry**.

Angry at the indifference of the Turnbull government which instructs us to **wait patiently** for the trickle-down to happen.

⁴⁸ ACTU Submission to Annual Wage Review 2017-18, at Table 7 (Based on ABS 6401)

Angry at CEOs whose pay and bonuses soar while families struggle to pay the bills

Angry at corporations which have no regard for our jobs or our living standards and only care for their short-term bottom line.

Corporations will exploit our broken workplace laws because they can.

And the money they make from squeezing workers doesn't even come back to us. Profits are for overseas shareholders and sit in off shore bank accounts.

They avoid paying their fair share of tax because they can.

And one thing is for sure. If conditions are allowed to get worse, working people will get angrier.

When Australians have had a chance to get behind workers who were fighting back against multinational greed, they have, in extraordinary numbers – CUB, Streets Ice-cream.

We know big business now has far too much power.

And that power is used to buy influence in politics and elsewhere, to outgun working people in lopsided negotiations - to push for more privatisation, fewer rights for workers, corporate tax cuts... **and** more rights and advantages for themselves.

We need change to restore the fair go.

These are the rules that must change.

Australians must have more job security.

Far too many workers in Australia today have no job security. ‘

They can't predict or plan their lives because they don't know from one day to the next what hours they will be working.

They are too frightened to take a day off when they are sick for fear of losing their job. They can't plan for tomorrow or save for the future.

Having a job you can count on is the very foundation of the Australian way of life and if we do not act now we will lose it - spending time with the children, going on holidays, being able to take paid leave if a child is sick, taking time off if a family member dies.

These will be a distant memory of an Australia lost if we do not take action now. But we can act. The rules *can be changed* so jobs with rights and security are restored.

Other countries limit the duration of temporary, non-standard employment and the circumstances in which it can be used. In the UK, temporary agency employees must receive the same rights as permanent employees after twelve weeks.⁴⁹ Yet in Australia casual and labour hire work with inferior rights and protections can continue forever. **Indefinitely.** This must change.

This is what Australian workers need: a permanent fix for the problems associated with casual work.

Casual work should be properly defined and workers given the right to opt for a secure job. Our current laws do not properly define casual work. As a result, workers can remain casual for years – the average tenure of a casual is around three years⁵⁰ - not because all those people want casual work, but because they are given no other option. Workers deserve the right to convert to permanent work if they want and to negotiate for job security protections.

⁴⁹ <http://www.acas.org.uk/index.aspx?articleid=4378>

⁵⁰ Markey, R., McIvor, J., O'Brien, M., "Supplementary Report: Casual and Part Time Employment in Australia", Macquarie University Centre for Workforce Futures, 2015.

All working people should have equal rights. Two classes of workers have emerged - those with access to rights and those without them. Sham contracting and the so-called “gig economy” are taking away:

- The minimum wage
- Sick leave
- Public holidays
- Health and safety protections and more

This is taking workers’ rights back 100 years.

Australian workers of the past made sacrifices so all - ALL - working people had these rights, not just some.

We need a complete overhaul of the use of labour hire. This is a significant piece of the insecure work puzzle. The labour hire business model is simply to rent out workers, usually at lower pay and with no job security. They operate with few checks.

Australia is now near the top of OECD country rankings for use of labour hire or agency work⁵¹.

Labour hire companies have also been involved in a litany of exploitative, illegal practices:

- Wage theft
- Coercion
- Substandard living conditions

And Turnbull knows all about this because those words are not mine, they are from a Senate Inquiry.⁵²

This has to be stopped.

There are other essential things Governments must do to create and protect jobs we can count on.

####The uncapped temporary working visa system has got to end.

⁵¹ Senate Education and Employment References Committee (2017), "Corporate Avoidance of the Fair Work Act", At Ch 5.

⁵² Senate Education and Employment References Committee (2016), "A National Disgrace: The Exploitation of Temporary Work Visa Holders" at Ch. 7

Our government is shipping in exploitation and **denying job opportunities to local workers**. Two groups of people are suffering because of this system: visa workers who are being exploited and local workers who cannot get entry level employment as employers opt for hyper-insecure workers who can have their visas cancelled if they **dare** ask for a fair go.

According to a 2016 Senate Report, there were 1.4 million temporary visa holders in Australia with full or partial work rights. That represents about one in 10 workers. That's right, one in 10 workers in the Australian labour force are on temporary visas⁵³ .⁵⁴.

Twenty years ago only a handful of workers had those visas.⁵⁵ Even excluding NZ citizens, there were about three quarters of a million temporary visa holders in Australia with work rights.⁵⁶

Our system should favour permanent migration with temporary visas only for genuine shortages and with strong protections against abuse.

⁵³ Australian labour force 13,166,800 as at Jan 2018 - <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6202.0Main%20Features1Jan%202018?opendocument&tabname=Summary&prodno=6202.0&issue=Jan%202018&num=&view=>

⁵⁴ Chapter 2 2016 Senate Committee Report

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/temporary_work_visa/Report

⁵⁵ For example in 1996-97, and looking at 457 visa grants only, there were 25,786 granted in that year. By 2014-15 that figure had risen to 96,084.

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/457Visa#_Table_1:Temporary

⁵⁶ March 2015 Ibid

It is reprehensible that in regional areas where there is high youth unemployment, employers can simply chose temporary visa holders. This is taking away opportunities for young people and removing the incentives for employers and governments to invest in training local workers. Alongside the appalling gutting and privatising our TAFE system, this is taking away the future for too many young people. Our TAFE system must be rebuilt and our visa system completely overhauled.

Governments are also the largest purchasers of goods and services.

They spend over \$450 billion each year.⁵⁷

Why is this money not spent to create good secure jobs and support **local businesses?**

Turnbull prioritises what is cheap rather than what is best. Money used to support secure jobs and local businesses is money kept in our country and benefits all of us.

⁵⁷ <http://budget.gov.au/2016-17/content/glossies/overview/html/overview-13.htm>

Many overseas suppliers are not bound by the same standards to which Australian businesses adhere, this means many local businesses with good practices that support permanent employment miss out.

The Commonwealth Procurement Rules must be re-written to ensure that local businesses that pay fairly and operate on a sustainable basis are not disadvantaged.

We also demand our government stops negotiating free trade agreements that sell out local jobs.

These trade agreements are not free, they are a complex set of rules negotiated by governments, pushed by big corporations.

The Turnbull government has signed up to the TPP which, on the back of the China Free Trade Agreement, allows companies to ship in their own workforces and ignore local workers.

For example, Gina Rinehart's Hancock Prospecting can enter into a business deal with a Chinese company and then build a mine with workers shipped in from overseas. We must not sign agreements that allow companies to sue us or force the privatisation of our services.

This is the selling of our jobs and our sovereignty to suit the greed of a few.

This MUST stop.

Working people in our country DESERVE much better job security.

With government leadership and new rules this is possible, we can make it so and reverse the damage insecure work has done to our lives and our society.

As I have said, the workers movement sees job security, alongside fair pay as the two key elements of the fair go.

Here's what GOVERNMENTS need to do so working people can win fair pay rises

AS I MENTIONED EARLIER, inequality is skyrocketing in this country.

**** It seems that the more wealth goes to business, the more business refuses to share ****

Wages are not keeping up with labour productivity increases⁵⁸ or with the growth in company profits. We are not getting our fair share.

The Reserve Bank Governor thinks workers should just ask for pay increases and Scott Morrison thinks they will trickle-down, but neither approach will work. History and simple logic tells us otherwise.

Companies have to deliver for their shareholders. This is their imperative, their reason for existence. So why do they give pay increases? There are three reasons:

1. To keep or attract small classes of workers with highly sought-after skills, or;
2. When the law requires pay increases, or;
3. When their workforce has enough collective power to negotiate them.

The reason why wages are flat-lining is because working people's rights at work are broken – the law isn't requiring sufficient pay

⁵⁸ For example from 2010-1 labour productivity grew at 1.7% p.a. but over the same period real wages grew by only 0.6% annually. *Per Capita* Submission to the Future of Work Inquiry pg 5.

increases and our laws are not giving working people enough power to negotiate them.

As I said last year and last week - Australia needs a pay rise.

The rules need to change so working people can win them, this means:

Awards need to play their role lifting wages and they need to be kept up to date for the modern economy.

When we moved to an enterprise bargaining system, we imagined that the vast majority of Australian workers would be covered by enterprise agreements, Awards would only be a safety-net for a small number of workers.

In response our award system has been stripped back to the bare minimum. But, enterprise bargaining is failing, and more and more people are depending on hollowed out awards⁵⁹.

Awards must meet the needs of working people and do the job of protecting their living standards.

⁵⁹ Fair Work Commission, "Statistical Report – Annual Wage Review 2017-18", at Table 7.1

This will also ensure business can compete fairly and those employers who have agreements with their workforces are not unfairly undercut by those who do not.

And of course we must restore and protect penalty rates.

We need to restore the living wage.

Minimum wages are a part of our award system. We were the first country in the world to win a living wage - the concept that no worker or their family should live in poverty - over 110 years ago.

Over the years this concept has been eroded by successive conservative governments.

Now our minimum wage is so low it leaves people in poverty. The minimum wage has risen only 3.5% in real terms over the last decade.⁶⁰

This is why last week we asked for a \$50 a week increase. This increase will not lift people out of poverty, but it is a step towards

⁶⁰ [2017] FWCFB 3500 at 480

reaching a target of 60% of the median wage that will achieve this goal.

Finally, critically, our bargaining system is broken.

Enterprise bargaining is so restrictive, so excessively regulated, it is smothering wage growth. The economy cannot grow unless wages grow. Working people must have greater freedom to negotiate and our laws must assist them even up the power imbalance so they can negotiate fair pay increases.

Our bargaining system must allow working people to negotiate with whoever the real decision maker is, that is, whoever has the power to set the price of labour.

For example, it is ridiculous to think that a voluntary management committee in the community sector are the real decision makers, governments lock in funding for labour in contracts with them. The same is true for contractors at the bottom of a supply chain for a supermarket. Workers need to ability to bargaining with whoever has the power to say yes.

Our economy has been changing and bargaining hasn't kept up. We need a bargaining system where working people have much more freedom to bargain.

A system that allows working people to negotiate across a sector or industry should they choose to do so. Employers should compete on things such as quality and innovation; not on who can pay their workers the least.

We need to get rid of the complex web of rules and regulations that give far too much power to employers in bargaining. Workers should be free to bargain collectively and reach a negotiated agreement with employers without restrictions. That's what fairness is about. Right now workers have a very limited capacity to negotiate agreements to protect job security, to seek jobs for young people or for effective protections against outsourcing.

CEOs are free to bargain for whatever they want, multinationals are free to bargain complex and enforceable rights for themselves in free trade agreements, yet workers have no right to bargain for a whole range of issues that matter to them – like their own job security. This is unfair. We should have the same rights, we demand equal and fair rights.

Under our current system, the few tools - the **very few tools** - workers have to **fight** for **fairness** have been stolen or excessively, relentlessly curtailed, restricted and regulated. We are holding a toothpick, whilst employers have jackhammers.

Employers can cancel agreements cutting pay during negotiations, lock-out workers indefinitely, and manipulate the complex legal system to their advantage.

Let me give you some insight. I've sat at bargaining tables for over 20 years and I've seen a dramatic shift in how power is used by employers.

When employers know it is hard for workers to go on strike. When they know their workers can be individually fined and that they can sue them for damages.

When they know the FWO or ABCC will back them in. When they know they can access a stacked Fair Work Commission and an expensive, slow and complex court system to manipulate to process to their advantage. When they know they can tell their workers they can get the current agreement cancelled if workers won't agree to cuts, when they use casual workers, labour hire, who can't fight in the same way because they don't have the same security - this has a major impact

on bargaining. It impacts both the psychology and the reality. Working people all across the country have been asking for pay increases as Philip Lowe suggested they do. **They are** not getting them because the bargaining system is broken.

The rules that are meant to even up the power imbalance are now doing the opposite.

So the rules have got to change.

Australia has some of the harshest and most unfair laws when it comes to basic human rights of working people in the developed world.

Our Government must comply with International Labor Organisation standards.

There is now a long history of ILO criticisms of our industrial laws for being inconsistent with conventions Australia has signed⁶¹. We are

⁶¹ ILO, Freedom of Association: Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO, 5th ed, 2006 at [1005]; ILO, Direct Request of the Committee of Experts on the Application of Standards and Recommendations, adopted 2013, published 103 rd ILO session (2014); Freedom of Association – Digest of Decisions and Principles of the Freedom of Association Committee of the Governing Body of the ILO, 5th (revised) edition, 2006, at [556]-[559]; Committee of Experts on the Application of Standards and Recommendations (2011), Report III (Part 1A), at p500

now ranked alongside the Republic of Congo and our rights to bargain collectively are way out of step with the rest of the developed world.⁶²

Our rules must change so working people have the tools that work so we can negotiate our fair share.

And governments must recognise that fairness should extend to all workers which is why we need a system where pay is fair for working women. Which is why we need a minimum 10 days' paid family and domestic violence leave. Which is why we need action to fix our broken equal pay rules and the option to temporarily reduce hours so working people can care for their loved ones. Which is why the racist community development program which takes away workers' rights for indigenous people in regional Australia must be abolished.

And critically working people must be able to enforce their rights.

John Howard's WorkChoices abolished our unique and effective system of conciliation and arbitration and sidelined the industrial umpire. The Fair Work Act restored the umpire, but with limited power

⁶² <https://www.ituc-csi.org/IMG/pdf/ituc-violationmap-2017-en.pdf>

and the Abbott/Abetz/Turnbull/Cash Government have been stacking it with their business mates ever since.

The weakness of our industrial umpire is part of the reason why we see this escalation in wage theft.

It should be quick and easy for working people to enforce their rights. We need to put Fairness back into the Fair Work Commission.

Working people should be able to access a fair system to get back stolen wages and stolen superannuation. When an employer breaks an agreement or an award right or acts unfairly, we need an umpire who can enforce the rules.

The Fair Work Commission's independence must be restored and it must be given the power to stop employers who rip off or treat their workers unfairly. Now, more than ever, we need an effective and fair independent umpire to hold the power of big business in check.

Wage theft is rampant because workers' representatives have very limited rights to inspect pay records or access workers who are vulnerable to being ripped off.

This has removed thousands of worker representatives whose job was to stop wage theft from doing their job.

These two issues combined mean that some employers are breaking our laws because they know they can get away with it. This is not just affecting working people, but it is hurting all the good employers who are following the law. Who is defending and protecting good employers from competitors who are illegally undercutting them?

Finally, we need governments to support working people, to back them in, instead of backing in multinationals and big business.

This means supporting their own people joining and participating in their unions.

As I've outlined, working people being able to band together to increase their bargaining power is essential to combatting inequality. The Turnbull government's use of taxpayer's money to harass working people with the ABCC and the Registered Organisations Commission **MUST** stop.

We will not be able to tackle inequality without governments supporting workers to band together to balance out the power of big business.

These are the rules we must change so working people have secure jobs and fair wages.

We ask everyone who believes in the fair go, to get on board and join us. Political parties, employers, businesses big and small, community and religious organisations. retirees, students.

Everyone who believes working people should share in our national wealth – the wealth **we built together**. All those who do not want to live in a country with high inequality.

All those who don't want to be the generation who hands on **less** to their children, **who leaves them a legacy of** insecure jobs and low wages.

The billionaire class is not going to limit its' greed. It needs limits imposed; and it is us, the people of Australia, who must do this.

But governments will not act of their own accord. We must build a movement that demands they act otherwise big business will always have it their way.

This is why working people must join their union.

Working people sticking together is how we counter-balance the power of big business because there is strength in numbers.

Because rules alone will never be enough, we also need to stick together with the people we work with as our living standards have only ever been improved with strong unions and unions are only as strong as their members.

So,

If you want to be part of a movement for change,

If you believe the wealthy should pay their fair share of tax,

If you want a job you can count on,

If you want a pay rise,

If you want the rules to change,

Join your union.

Together we can do what generations of working people have done in the past.

Let us all remember that at one time nearly all jobs were insecure.

There was no weekend, no equal pay for women, no sick pay, no holiday pay and no minimum wage.

Working people did not accept injustice as “inevitable”.

We fought unjust laws. We built our unions and built campaigns to change the rules.

And change the rules we did.

Now it is up to this generation of working people. Other generations have shown us the way. It will not be easy. It was never easy.

But I believe in the power of working people.

And I believe in the working people of Australia.

Time and time again generations of Australian workers have come together, stood up against injustice, inequality and greed.

This federal Government - and many in big business - will do everything they can to stop us, to demonise us, they want to make this task as hard as possible.

Because they fear the power of working people banding together.

Because when Australians work together, they are mighty and unbreakable.

Be mighty.

Be unbreakable.

Join your union.