

**What's at stake for Australian workers at this year's election**  
**Address by ACTU President Ged Kearney to the National Press Club, Canberra**  
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**\*\*\* CHECK AGAINST DELIVERY\*\*\***

Thank you for that warm welcome.

It is good to be here again at the National Press Club and I appreciate the opportunity to outline what the union movement regards as the key issues for Australian workers at this year's federal election.

Like everyone, I am relieved that the election date of 7 September has finally been called and the phony war is over.

I am particularly looking forward to seeing the federal Press Gallery put the Coalition under the microscope to undergo full scrutiny of their policies as the alternative government.

I am addressing you today as a proud leader of a modern movement that is almost two million strong.

Let's put that in some perspective: add together all the ticket holding members of the 18 clubs that make up our most popular national football code, the AFL, and it comes to less than 750,000.

Even if you added the NRL memberships to that number, you would still come up with fewer than the size of the union movement.

But the relevance of unions should not be measured by direct memberships alone.

Our members make up 20% of the workforce, but double that number – about 40% of employees - have their wages and conditions protected by a collective agreement negotiated on their behalf by unions.

And the 'wage premium' for workers under union-negotiated agreements is \$123 a week.

Another 16% of employees are on Award wages or the minimum wage, both advocated for by unions.

In total, that's almost 60% of Australians who look to unions to negotiate and protect their wages, conditions and rights at work, and deliver their annual pay rise.

Just this year, unions have launched major cases to lift the pay of apprentices and of workers aged under 21, as well as improve public holiday leave around the country.

Around Australia, workers – members or non-members – benefit daily from the legacy of unions.

There are many challenges in our workplaces and our communities that workers face every day, and look to unions for help.

About 40% of the workforce are in various forms of insecure work, as casuals, or in labour hire, or on sham contracts.

Not only do they miss out on the entitlements and rights most of us take for granted – sick leave, annual leave, and protection from unfair dismissal – but the inherent insecurity of their jobs means they cannot plan their lives with any certainty.

Modern families struggle to balance their work and non-work lives, and seek the time to care for their children but also for ageing parents.

Austerity drives by state governments have put the squeeze on public services that communities rely on.

And millions of workers face the ever-present threat of losing their job to offshoring or plant closures caused by fluctuations in the value of the Australian dollar, along with inadequate investment in the real drivers of productivity: skills, education, infrastructure, innovation, technology and better management systems.

This year, the ACTU has made a conscious decision to reinforce in the Australian community our historic and ongoing role to defend and fight for workers' rights.

You may have seen some of our television advertisements with the catchphrase "Join. For a better life".

We are asking people to join a union, because no-one can do it alone.

The power of a union, workers standing side by side to collectively fight for their rights, is enduring.

And that is why unions will be campaigning in force this federal election.

We can see the plans big business has for Australia – cuts to important entitlements and conditions, like penalty rates; more use of individual contracts that cut take-home pay and make it harder for modern working families to find time to care; swinging power back to employers and making it harder to be represented at work.

Unions do not have the bottomless financial resources of big business, but we have something more powerful - the strength of a movement of millions – and this election we will be talking to workers in their workplaces and in their communities about the choices they face at the ballot box:

- building a modern, globally focused economy that offers real jobs growth or leaving it to chance and the benevolence of big business;
- investment or cuts to public services;
- protecting or undermining work rights;
- dignity in retirement or reliance on charity.

We will also be using what limited resources we do have to launch a new series of television advertisements this weekend that make real exactly what is at stake at this election.

Political parties must tell us how they will help our economy move to a less carbon reliant, less mining reliant future – where good jobs will come from so called "patient capital" with long term investment such as building infrastructure and skills.

Where tax policy exists to spread the benefits of a strong economy and build strong social infrastructure while supporting business.

Political parties must stand up for the interests of ordinary Australians in the face of pressure from business to cut wages, reduce entitlements and erode job security.

The Your Rights At Work campaign proved that with the support of the Australian community, the union movement is an unstoppable force.

And that, of course, is why big business and the Tony Abbott-led Coalition are so determined to attack and weaken the union movement.

Because they know that if unions are taken out of the equation, there is nothing in the way to prevent them implementing a radical agenda that would permanently take away the rights of Australian workers and slash their wages and conditions.

Mr Abbott would do well to remember that when you attack unions, you are actually attacking working people.

### **The social and industrial compact**

From the beginning, Australia's society and economy has been built by a social compact that delivers strong basic public services, and provides support through life for the aged and the ill, funded through a progressive tax system.

Alongside the social compact, an industrial compact has grown over the years.

At its core is a safety net of minimum employment standards, embodied in Awards, a living wage, and an industrial tribunal or umpire to adjudicate on disputes.

From this compact we have protection from unfair dismissal, the 38 hour week, sick and annual leave, and the entitlement to penalty rates as compensation for working outside of the ordinary nine to five, Monday to Friday shift.

Unions have been essential parties in the evolution of this consensus and they have done so by reflecting the views and values of the workers they serve.

The structural reforms of the 1980s that modernised Australia's economy could not have happened without an Accord with the union movement.

The growth of billions in investment pools we now know as industry superannuation could never have happened without the union movement

Today we have an economic model that is uniquely Australian and for the main part, this has been respected by all sides of politics, underpinned by a shared recognition of the importance of combining economic growth that faces the challenges of the future with fairness at work and equity.

The greatest challenge to the industrial compact came from the Howard Government's WorkChoices laws introduced in 2005.

WorkChoices tipped the balance towards the employer and forced workers to negotiate as individuals, cutting pay and conditions.

The Australian public passed judgment on WorkChoices in 2007 – and rejected it.

Australians do not see economic progress and fairness at work as incompatible – they never have and never will.

## A progressive vision for a better life

The past five years has been a period of significant reforms for working people including initiatives such as:

- the abolition of WorkChoices and establishment of the Fair Work Act;
- the introduction of the paid parental leave scheme;
- stronger protection of workers' entitlements;
- the social and community sector's equal pay decision;
- the long-awaited increase to the Super Guarantee;
- a national bullying code;
- a national plan and agency to remove asbestos by 2030;
- tighter restraints on the heavily-rorted 457 visa system;
- and better family friendly work arrangements including the recently announced support for extended before and after school care.

These outcomes for working people have occurred at the same time as good economic management through the Global Financial Crisis saw Australia outperform the rest of the developed world and, most importantly, protected jobs.

And while dealing with this once in a 50 year event, Labor has still faced up to the need to move away from a highly pollution emitting economy.

History will judge the emissions trading scheme as one of the most courageous and necessary economic and environmental decisions ever made.

It has legislated to win a fair share of the super profits derived from the mineral wealth of Australia for the people who own it: you and me.

And Labor is now planning for the transition from a mining boom to other sectors of the economy as the future drivers of jobs and wealth.

You would never see anything like this from Tony Abbott – in fact he has worked relentlessly against each and every one of these initiatives.

And the Labor Government has created reforms that will leave a lasting legacy for economic prosperity and social justice: the National Disability Insurance Scheme, the National Broadband Network, and investment to ensure our school education system is world-class.

Unions are proud to have worked with the Labor Government in delivering many of the reforms of the past five years.

They are part of our historic mission to push a positive agenda for better lives at work, and outside of work.

We want to build on these reforms with the next government, and with business, not put them at risk.

Government working with business, unions and the social partners is the most effective way to get commitment to big changes – changes like those we faced in the 1980s.

There is no doubt that Tony Abbott, like John Howard before him, is not interested in a cooperative and constructive approach to building the future.

We welcome Kevin Rudd's approach with his competitive agenda.

This is one of the key choices facing voters at this election.

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Our campaigning for secure jobs and a better life has four elements:

- A better deal for casual and labour hire workers, and a national portable entitlements scheme;
- An enforceable right to request time to care – that recognises growing numbers of workers have a responsibility to care for children or ageing parents;
- Real investment in skills and training for a productive workforce;
- And strong and stable public services.

Australia should be a country where all workers have basic entitlements like paid leave, overtime, penalty rates, long service leave, notice of termination and redundancy pay. Not a lot to ask.

Secure, decent jobs should be the standard, not the exception.

We need a strong, high-quality vocational education and training system that invests in the capability of workers, not only at the start of their career but across their lifetime.

The current system is largely broken.

It is not driven by a strategic vision of economic growth and priority skills nor by community needs.

It is largely driven by a hotch-potch training industry seeking to milk the training subsidy system.

The union movement calls on the next Government to initiate a root and branch review of the vocational education and training system – examining everything from the vital role of the public provider TAFE to the effectiveness of the current entitlement funding system.

This is a matter that requires vision, political commitment and an ability to work with all stakeholders, including the States and Territories, to put our national interests above sectional interest.

This includes a better deal for apprentices, so young Australians have the opportunity to learn a trade and contribute to our economy, rather than see employers resort to short-term immigration to fill gaps.

And it means the government assisting industries when they face structural change, and having an industry policy, both sectoral and regional, that looks beyond the end of the mining boom.

Underpinning everything must be reliable public services, delivered by a skilled, professional and stable public sector workforce, funded by ensuring that the big end of town pays their fair share of tax.

I should note here that Tony Abbott's rhetoric about "small government" is nothing but code for massive public sector cuts, privatisation of public services and greater reliance on overstretched charities and volunteerism.

Social protections aren't just a handout.

They are vital for social cohesion.

Civil unrest and inequality in many parts of the world are a direct result of the lack of social infrastructure and services - the economics of austerity.

Let me make it clear to all political parties, that we will fight alongside our public sector affiliates to prevent unnecessary cuts to services.

There should and must be a better choice than that between cuts or more cuts.

And a broad and fair tax base is essential to provide that social protection.

I said earlier a fair tax system is a progressive tax system.

Calls to lower company tax and raise the GST are typical of business wanting to cost shift onto those who can least afford it.

Even business says it results in inequalities but to say we can fix that resultant inequality by using the tax transfer system is inefficient and cumbersome.

We would be much better placed to address the tax inequities that exist for small to medium businesses caused by large multinationals shifting profits offshore.

Tax base erosion and profit shifting has become an issue of global importance and is expected to be one the major agenda items of this year's G20.

The Australian government took steps to address this in the last budget by cracking down on thin capitalisation.

We support this and hope that any outcomes recommended by the global movement is taken up with gusto by future Australian governments.

And the latest rhetoric from conservative sources saying trade not governments creates jobs is not true. We need both. Trade is good of course.

But it is governments that set the conditions not only under which trade can flourish for many but also under which the benefits of trade are spread across the whole of society.

Trade can be a source of growth but it must exist in conjunction with decent labour standards, minimum wage, social protections, financial regulation, and a fair tax system.

And let's not forget it was the government that created jobs during the GFC with a stimulus spend that had benefits that are now globally legendary.

And that it was unfettered, unregulated trade practices that caused it.

Our vision will continue to build a prosperous nation, where all Australians can share the benefits.

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The reforms of the past half-decade have been achieved in conjunction with ongoing economic growth.

I am tired of being asked to refute the outrageous claims of business groups, which simply bear no relation to the facts, about the so-called negative impact of our IR laws on the economy.

And I'm not going to waste my breath today.

Suffice to say, on every measure – whether employment, inflation, economic growth, productivity or days lost to industrial disputes – we are doing well.

No amount of spin can change those facts.

The problem with the productivity debate in Australia today is that it has been hijacked by a narrow business lobby fixated on more changes to our workplace laws.

A debate where “productivity” is confused with “profitability”.

We understand that productivity growth is a path to increasing our national income post-mining boom.

But the way to lift productivity in Australia is not through cutting workers’ pay and conditions.

The labour share of national income has already fallen by about 9% since 2000.

The “wages breakout” that conservative commentators keep warning us about never arrived.

Instead, we now have a “wages underhang”, where wages have failed to keep pace with productivity growth.

Australia will never be able to compete globally on labour costs – and nor should it.

Instead we need to focus on innovation and improving the skills of our workforce, investment in technology and – dare I say it – better quality management.

We meet regularly with business and government, and have had constructive talks about these issues.

Our door is always open, but we will not make progress on a national productivity agenda until we can have a mature discussion that moves beyond industrial relations laws and cutting people’s pay and entitlements.

### **The threat to rights at work**

The Liberal Party’s workplace manifesto for this year’s election is a deliberately benign and innocent looking document at first glance, but the party’s fervour for labour market deregulation simmers beneath the surface.

Even if it didn’t, the Liberal Party’s financial masters, the business community, would always insist that workplace “reform” remains at the top of the party’s agenda.

Employers’ big ticket item is to cut penalty rates – which is also an article of faith for Tony Abbott.

Only a few months after he became Opposition Leader, Tony Abbott and his deputy both said they wanted to scrap penalty rates.

The business wish-list to last year’s review of the Modern Award system, contained two dozen different submissions arguing that penalty rates should be reduced or scrapped completely in the retail, hospitality and tourism industries.

That would have meant more than 330,000 of our lowest paid workers would have been out of pocket by anything up to \$105 for a six-hour shift on a Sunday.

If this bid had succeeded it would only have been a matter time before employers in other industries tried to follow, and strip penalty rates from the rest of the 1.5 million workers who rely on awards.

These are real people with real mortgages and real living cost pressures.

Today, among us in the audience, I am pleased to welcome three hardworking people for whom penalty rates are essential to provide a decent standard of living.

Jamie Cummins works in licensed clubs part-time and needs weekend rates to be able to live out of home and pay rent and bills.

Fe Anave Miles is a cleaner. She came from the Philippines 11 years ago. She works 20 hours a week all on shift penalties, and is the only income earner in her household.

And Trevor Bennet, a security guard - the very nature of his work requires him to be present at hours outside the normal 9-5, Monday-Friday routine.

There is enormous support for penalty rates in the community.

As our polling shows, eight out of 10 Australians believe that people who are required to work outside of normal hours should receive a higher hourly rate of pay.

Penalty rates do not just play an important role in compensating employees for working unsociable hours. They support consumer demand and economic activity.

Penalty rates result in billions of dollars extra being circulated in our economy each year.

That is money that is spent in the shops and cafes of every main street in every suburb and town in Australia.

Rip those billions of dollars out of the economy, and you take tens of thousands of jobs with it.

Australians understand this.

Our polling shows that they do not believe business when it says abolishing penalty rates would create more jobs.

They know by a rate of almost two to one, that the main result of abolishing penalty rates would be to increase company profits, not employ more workers.

In our poll, 57% of people said abolishing penalty rate would be bad for the economy because workers would have less to spend.

Let's work together to find other ways to help small business than ripping money out of the pockets of their loyal workers.

But it is not just penalty rates that are at risk.

Tony Abbott has said that one of the first things he would do if elected would be to order a Productivity Commission inquiry into the Fair Work Act.

The Business Council's report last week also calls for Australia's allegedly "high" minimum wage to be reviewed by the Productivity Commission.

And you can bet that other employer groups will dust off their old submissions to abolish penalty rates and cut minimum wages.

That is why Tony Abbott should be up-front with the Australian people and release the terms of reference for his Productivity Commission inquiry before the election – so we know exactly what is at risk.

Will unfair dismissal be taken off the table, for instance?



Ideologues like Peter Reith are barracking for the business lobby to take control of the inquiry – and the Business Council has been happy to take up his invitation

### **More power to employers**

The Coalition and big business are all about “flexibility”.

The centrepiece of their policy is the increased use of Individual Flexibility Arrangements – or individual contracts by any other name.

Australian workers know that individual contracts tip the balance in favour of employers, and result in the erosion of pay and conditions.

Once again, Tony Abbott owes the Australian voting public the decent thing of explaining exactly what he means by removing restrictions on IFAs in enterprise agreements.

Will he follow the business wish list and make individual contracts mandatory in all collective agreements and awards?

Will he make it easier for employers to introduce them, and harder for workers to get out of them?

Will he weaken the “Better off Overall Test” and allow individual agreements to go below the Award, by trading wages for non-monetary benefits?

A related area of concern is that the Coalition will swing power in the workplace back in favour of employers.

When employers complain about the “ease” of taking industrial action they are really saying they do not want to bargain in good faith with their workers

They want to enshrine in law the contemptuous behaviour of companies like Cochlear and Qantas, who refuse to negotiate with their workers

They want the freedom to negotiate with themselves on greenfields agreements, rather than with a union.

The fourth aim of the Coalition and big business will be to make it harder for all workers to be represented by a union, to have someone speak up for them when they want to cut their pay and conditions, change their hours or make their jobs less secure

This is why the Coalition tries to demonise unions and their members by attacking our strong support in the Australian community and propose unreasonable and excessive restrictions on the way we operate.

Business fought against recent improvements to the Fair Work Act to allow workers to meet with a union in their lunchroom.

They would prefer the WorkChoices era, where employers would be able to block workers from talking to their union at work – a basic right.

The Coalition would reintroduce the coercive powers of the Australian Building and Construction Commission in a direct assault on building workers’ civil rights, and use a national funding code to bribe employers to become union-busters by withholding funding or contracts from companies that have “union-friendly” clauses in their agreements.

And it would establish a new court that could overturn Fair Work Commission decisions.

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The real threat to Australian workers comes from what Tony Abbott's policy doesn't say.

Rather than a comprehensive policy, His industrial relations document is really just a series of vague sketches – a couple of scribbles on a page like one of those old Mr Squiggle drawings, with the details to be filled in later.

This is deliberate.

Mr Abbott wants to avoid workplace relations as an issue until he has the election out of the way.

But in every case I have described, business and employers are pushing hard for the Coalition to implement policies far more severe than the sketchy outlines in its policy statement.

The evidence is on the public record.

## **Conclusion**

Ladies and gentlemen, I have outlined to you in some detail the threat to workplace rights, wages and conditions from a Coalition government.

But the risks for Australian workers extend beyond the workplace.

Major questions hang over the Coalition's support for Australian jobs.

I am not just talking about the Liberals' contempt for manufacturing, which Sophie Mirabella seems content to let wither through measures such as cutting half a billion dollars from industry assistance to car manufacturers.

Will the Coalition match Labor's commitment of an extra \$200 million in funding to stimulate demand for Australian cars?

The Coalition has been silent in the face of serial, endemic roting of the 457 visa program.

The Liberals' obsession with government debt and austerity is also a danger especially in light of their \$70 billion worth of cuts – probably starting with health and education.

We are in the sixth year of a global economic crisis.

My predecessor as ACTU President, Sharan Burrow has just left Australia in her role as General Secretary of the International Trade Union Confederation with a warning that we are facing a period of prolonged global economic stagnation and massive unemployment.

Australia has fared better than most – in large part because government has used public spending and services to help support growth.

Slashing what we spend on supporting jobs and business will increase the risk of a deep recession in Australia.

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The honest truth is I would much rather be speaking to you today about a positive agenda for the future of Australian workplaces.

Unions are tired of having to constantly revisit the same battles again and again.

But make no mistake, when there is a threat to rights at work, wages and conditions, we will not take a backward step.

We have the resources and the resolve to defend these things from any political party that plans to weaken them.

Ladies and gentlemen, there is much at stake at this election and beyond.

It is a choice between co-operation or conflict.

On polling day, the simple question for Australian workers will be: who will stand up for the interests of working Australians in the face of pressure from business to cut wages and conditions and to erode job security?

Who will best support Australian jobs and Australian industries?

Who will put the needs of families ahead of company profits?

Who is prepared to invest in public services, infrastructure and skills, rather than pursue a mindless ideology of austerity and free markets?

Those are the things that Australian unions stand for and will be campaigning about.

So to the workers of Australia who also share these basic aspirations, I have one simple, short, five word message:

Join. For a better life.

Thank you.

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