

## Billy serenades crowd at 'We Are Union' launch



**Power in a union:** English musician and activist Billy Bragg was the special guest attraction at the launch of the Victorian Trades Hall Council's 'We Are Union' state election campaign on 14 March. Photo: Mark Phillips/ACTU

# Public backs raising the minimum wage

by **MARK PHILLIPS**

ABOUT 60% of Australians are concerned about the emergence of a “working poor” in this country, and support an increase in the minimum wage.

An even higher number – 71% – say a decent minimum wage is a way of ensuring Australia remains a good place to live, according to a new national survey.

And even though Australia’s minimum wage of \$16.37 an hour or \$622.20 a week is relatively high by international

standards, a third of those surveyed say they could not afford to live off that amount.

The results are contained in a new national survey of 1035 people conducted by Essential Research for the ACTU.

As unions gear up for this year’s annual wage review, which will determine whether 1.5 million get a pay rise or not, the survey shows strong continuing support for Australia’s minimum wage despite a loud and organised employer campaign against it.

The ACTU has not yet settled on the

**71%** say a decent minimum wage makes Australia a good place to live

**59%** are concerned about the emergence of a working poor in Australia

**82%** think business chief executives officers are paid too much

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## International Women's Day 2014

# Finance sector's gender pay gap is a continuing scandal

*More than half of workers in the banking and finance industry are women. But on average, they earn \$623.60 a week less than men. This is a scandal that must be urgently addressed, writes ANZ employee **Lauren** (pictured).*



**T**HIS International Women's Day, I would like to see a real commitment from the banking and finance industry to lead the way in respecting the great women they employ by addressing the pay gap in their organisations.

Women represent 50.3% of banking and finance industry employees. In what is traditionally a male-dominated profession, more women than ever are choosing to build a career in banking and finance.

Women can be found in all aspects of the business but most likely at the bottom. In fact, the majority of women can be found at the bottom levels of each organisation.

More often than not it is a woman who serves you at your local branch or who you speak to on the phone.

Women are the ones who count your money, assist you to refinance your home loan, respond to your complaints, and assist you with internet banking queries.

They are skilled professionals with the necessary training and education to talk to you about different products, provide you with financial advice and they do it with a smile on their face.

These women are most likely managed by other women.

Women who had career aspirations of being leaders and inspiring teams.



Photo: Arsineh Houspian

Quite a lot of these wonderful women also work part-time and flexible hours so that they can fulfill their caring responsibilities. Some of their immediate managers even take advantage of flexible working arrangements but not many.

The CEOs and executives in the industry inform women employees that they do value us and the diversity and skills we bring. They tell us that they value the important roles we play in the organisation and at home.

They actively encourage flexible working arrangements and have implemented programs to encourage women to return from maternity leave and caring duties.

Some of them have hiring quotas, hiring panels of equal men and women, and some retrain their managers to be self-aware of their pre-conceived attitudes regarding flexible work.

But, if they truly valued women's contribution to the industry, surely

there would be more women in senior management roles?

Surely there would be senior managers in flexible working arrangements? Surely there wouldn't be a 31.4% gender pay gap? Why are women considered good enough to perform what is always referred to as lower level work but not for senior management roles in an industry where they outnumber men?

We have the same training, the same experience and the same aspirations.

Banking and finance industry leaders advise that they understand the importance of diversity but so far this is not translating to pay equity. This International Women's Day, I would like to see a real commitment from our industry to lead the way in respecting the great women they employ by addressing the pay gap.

Considering we make up the majority of their workforce, it's the least that they could do.

## GET IN TOUCH

Want to know more or get involved? Contact our newsdesk by email at [editor@workinglife.org.au](mailto:editor@workinglife.org.au) or phone (03) 9664 7266. Or get in touch by Facebook ([facebook.com/ThisWorkingLife](https://www.facebook.com/ThisWorkingLife)) or Twitter ([twitter/thisworkinglife](https://twitter.com/thisworkinglife)).

**Editor:** Mark Phillips. Responsibility for election comment is taken by Dave Oliver, Secretary of the Australian Council of Trade Unions, 365 Queen Street, Melbourne 3000.

## At Work

# More 457 visa abuses as Government loosens rules



Union to the rescue: Dung Nguyen (right) with Transport Workers Union National Secretary Tony Sheldon. Photo: TWU

by **PATRICK LOW**

IMAGINE you're a professional cook, with a strong employment history in your home country of Vietnam. You've visited Australia, made friends, started to learn English. You're keen on living there full-time, perhaps through a work visa and a job in a local restaurant.

An advertisement by a migration agent offers help with visas. The agent has good news – Australia has a shortage of cooks and there's a visa called a '457' that can get you into the country to start work. The migration agent calls it "the King of all Visas". Even better, they know a full-time job in Australia, yours for the taking.

It's expensive, but it sounds exactly like what you're looking for. So you take a deep breath, pay the migration agent \$30,000 in fees and join thousands of other 457 visa holders on the road to a new life in Australia.

Too good to be true? For Vietnamese

cook Dung Nguyen this story was about to take a nasty turn.

For a start, the migration agent's dream Aussie job wasn't working as a professional cook. Instead it was forced labour as a cleaner and a painter, for just \$15 an hour.

But the costs and exploitation were real – \$20,000 for "help with the visa" plus another \$10,000 for "permanent residency fees". It was forced labour or deportation, with nothing to show for it but crippling debts.

"I thought I was doing the right thing by going through a migration agent," Mr Nguyen said. "\$20,000 for a work visa followed by an extra \$10,000 for permanent residency seemed a lot. But I thought it was worth it to make sure everything went smoothly and I had a good job.

"Then they didn't deliver what they said they would – sure I got a visa, but I wasn't earning enough to live and, when I asked for a pay rise, they fired me."

Mr Nguyen's story is typical for many overseas workers who face a combination of unscrupulous migration agents and second-rate employers who are only too happy to rort the visa system for cheap labour. Overseas workers can be unaware of their rights and less likely to object to illegal underpayments, unsafe working conditions or physical or sexual abuse.

But his story took a turn for the better when he contacted the Transport Workers Union. Through the union he was able to get most of his \$20,000 migration fee refunded – without also having to pay a \$5000 penalty fee the migration agent demanded for ending the agreement.

"My family took out a loan to help me start my life in Australia," Mr Nguyen said.

"If the TWU didn't help me out, I don't know what I'd do. I just don't want to see this happen to anyone else – I was lucky but I know there's many other people out there who aren't."

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# Public servants told: would you like a pay cut with that?

ALREADY staring down the barrel at 14,000 job losses, Commonwealth public servants are now being forced to trade-off a wage rise for cuts to their rights and entitlements.

The Abbott Government is rolling out the draconian new policy framework as part of upcoming enterprise bargaining talks for 160,000 government employees, prompting claims the war on workers' pay and conditions is now moving into the public sector.

Details of the new approach to bargaining which have been revealed to the Community and Public Sector Union include significant cuts to employment conditions and allowances; and all pay rises linked to trade-offs in conditions with wage increases from between 0% to a maximum of 2.5% depending on employees accepting reduced rights and entitlements.

Government agencies have also been told there will be strict limits on what they are allowed to negotiate.

Commonwealth public sector agree-



ments covering about 160,000 workers are set to expire on 30 June.

The hardline approach comes as government employees brace for more cuts in the May Budget on top of the already announced 14,000 job losses.

CPSU National Secretary Nadine Flood accused the Government was saying one thing to the employees and the union, while secretly crafting the new policy that will cut workers' rights with no genuine negotiations.

"The Coalition Government is telling us it is not ready to talk about bargaining, yet it appears it has all

but drafted the fine print on a highly-aggressive policy to cut real wages, conditions and rights.

"Under this Government's approach, public sector workers are facing a double whammy. Firstly thousands of jobs are being cut and the remaining staff are being flogged harder to get the work done. Secondly, no-one is going to get a pay rise that keeps up with inflation, unless they agree to have their rights and conditions cut.

"As we saw with SPC Ardmona and Toyota, this Government is more interested in having a political go at workers and unions than making fair and productive workplace agreements.

"Does the community really want their local Centrelink office or Customs checkpoint to become the next battleground in Prime Minister Abbott's war on wages and conditions?" Ms Flood asked.

Get the full story:  
[workinglife.org.au](http://workinglife.org.au)

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Mr Nyugen was able to get help when he needed it. But other overseas workers are unaware of their rights and are routinely ripped off by employers looking to cut corners on wages or safety.

Last October, the ABC reported that Eddie Kang, CEO of Singapore Oil, charged foreign students up to \$45,000 for Australian visas and jobs. The ABC found he then failed to deliver visas, jobs or refunds, leaving the students out of pocket and unemployed.

This month, the *7.30 Report* found that Australian smallgoods firm Primo Meats had replaced its Australian workforce with young Taiwanese, employed through a labour hire company and sent to work without skills or an understanding of their rights or legal pay. The ABC reported that some workers were then subject to sexual harassment, unsafe workplaces and unlawful pay and conditions.

But far from cracking down on visa abuse and worker exploitation, the Federal Coalition Government plans to

make the problem worse.

On 12 March, the Government confirmed that employers would no longer be penalised if they breach the law on how many foreign workers they bring in. An employers approved for, say, five skilled staff from overseas can now bring in an unlimited number of labourers, without fear of government action.

Prior to the federal election the TWU joined unions across Australia by launching a campaign to highlight the misuse of our skilled migration programs. The *Aussie Work, Aussie Rights* campaign called on all election candidates to pledge their support for meaningful changes to the Australia's skilled migration system.

By election day, over 260 candidates from a wide range of political parties had signed the pledge. Of these candidates, 64 were elected, showing their willingness to stand up for the rights of Australian employees and help prevent the abuse and exploitation of 457 visa workers.

But post-election, business groups have begun calling for even fewer regulations on overseas workers. They include

billionaire mining heiress Gina Rinehart, who once suggested importing unskilled African labourers to work in the mines for \$2 a day.

More concessions on 457 visa rules would be a backward step – it would see more people like Mr Nyugen fall victim to migration scams, and hard-fought rights undermined by sleazy employers looking to cut wages and safety.

It's up to all of us to make sure this doesn't happen, by supporting the *Aussie Work, Aussie Rights* campaign.

Together we can take action against dishonest employers exploiting overseas workers.

And we can take the fight direct to Canberra, forcing the Abbott Government to back down on further cuts to 457 visa laws. And together we can protect Australian jobs, Australian wages and the rights of all workers to an Aussie fair go.

## TAKE ACTION

Join the campaign at:

[aussieworkaussierights.org.au](http://aussieworkaussierights.org.au)

## At Work

# 'We need to turn up the volume', unions are told

by MARK PHILLIPS

DON'T be distracted by the royal commission or swayed from your job of campaigning on the issues that matter for working Australians. That's the message from ACTU Secretary Dave Oliver.

In a rousing speech to open the 2014 Australian Unions Organising Conference in Melbourne on 26 February, Mr Oliver reminded union leaders and officials that the movement had thrived for more than a century despite everything that was thrown at it.

He said the Abbott royal commission into unions would drain resources and occupy attention, but it was a sideshow to the union movement's role campaigning for an agenda for rights at work, better pay and conditions, safer workplaces and a more equal Australia.

"Australian unions fought for the minimum wage when it was established more than a century ago and today 1.5 million workers rely on the annual wage case run by unions," he told the conference of more than 500.

"That's why it's more important than ever that unions are out there protecting the pay and conditions that make up a decent wage. Unions will not stand by and allow the Australian way of life to be eroded – heading down a path towards a class of those who are permanently working poor.

"Whatever is thrown at us, fighting for jobs, fighting for a decent standard of living and a better life must remain the primary focus of Australian unions. Australian workers expect no less of us."

Mr Oliver said the royal commission should be seen in context as part of a political strategy by the Coalition which had the objective of damaging unions.

He said the Coalition hoped that if unions were weakened, it would make it easier to then attack wages and conditions.

"The Coalition now realises its mistake [with WorkChoices] was to attack working people's rights, wages and conditions first, without taking the unions



Photo: Mark Phillips/ACTU

out of the picture first," he said. "They are determined to ensure that we can never do to them again what we did in 2007.

"The Liberal-National Party Coalition has spent the past six years fine-tuning their plan to use every means necessary to weaken, distract, neuter – and if possible – wipe out our movement. And now we are seeing that plan being put into action."

Mr Oliver said if the Coalition strategy was successful, Australia would rapidly go down a path of wider inequality.

"There is one thing standing between Tony Abbott and the economic inequality and division of the US and that is us.

"I can assure everyone here that we will not lie down. We will stand, we will unite, and we will fight."

ACTU President Ged Kearney said there was already a growing sense of unease with the direction the Abbott Government was taking Australia.

"Workers I meet fear that the values that make up modern Australia – fairness, decency, equality – are at risk from a

free market ideology that has been embraced by the government," she told the conference.

"This goes well beyond, in Joe Hockey's words, 'the end of the age of entitlement', or in Tony Abbott's words 'an end to the handout mentality'.

"It goes to the very heart of the type of society we have."

Ms Kearney said the community was looking for alternative leadership, and only unions could fill that void.

"We must articulate an alternate agenda, a vision for the role of government and society for the 21st century that remains true to the Australian values of fairness and equality," she said.

"As unions, we need to turn up the volume. We cannot rely on politicians.

"We need to begin changing the agenda in this country and changing the conversation. We must challenge the big business, free market narrative, and show the way for other Australians who feel the same way."

*"I can assure everyone here that we will not lie down. We will stand, we will unite, and we will fight."*  
- ACTU Secretary  
Dave Oliver

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amount it will claim in this year’s case. The application by the ACTU is due with the Fair Work Commission towards the end of this month.

Last year, low-paid workers were awarded a little over half the extra \$30 a week that had been sought by the ACTU.

Employer groups are already setting the scene for a tough fight in this year’s case.

In recent years, the previous Labor Government did not oppose the union movement’s claim, but did not nominate a number itself.

There is no guarantee the Coalition Government will do the same, as the Howard Government actively intervened in the wage review to back a lower amount than that claimed by the unions.

But whatever position the Government adopts, the new survey shows that there is strong community support for a higher minimum wage.

Only 15% of those surveyed disagreed with the statement: “The Government should support a higher minimum wage to ensure all Australians have a decent standard of living”.

Seventy-one per cent agreed that a decent minimum wage is a way of ensuring Australia remains a good place to live, while only 17% agreed with the central argument by employers, that

Australia’s minimum wage is too high and is preventing business from hiring people.

Only 20% agreed with Gina Rinehart’s opinion that Australians are paid too much.

By contrast, 82% said CEOs and executives were paid too much.

There is a high level of concern at the emergence of a working poor in Australia (59%) and strong support for the minimum wage to be increased to close the gap between the rich and the poor (53%).

In total, 62% of those surveyed supported an increase in the minimum wage.

ACTU President Ged Kearney said the research showed that the community understands why the minimum wage is important and why an American style ‘working-poor’ cannot be allowed to emerge in Australia.

“Working people are concerned that they are getting less and less of the economic pie despite dedicating 40 hours a week – often more – to work and contributing significantly to their employers success.

“Balancing the family budget such as mortgage, bills, petrol and childcare costs all in the face of rising unemployment and job losses in the news every day is making people anxious.”

Ms Kearney said the current push by the Abbott Government and conservative forces who want to see wages drop in Australia was not resonating with the public.

“People are not stupid. They know that lower wages will hurt them and will change Australia. They have seen what has happened in America with the emergence of ‘working poor’ and they are genuinely worried that this could happen here,” Ms Kearney said.

“They don’t want a situation like in the US where people work two jobs in order to cover their costs. People appreciate what we have here and feel proud that we are a high wage, high productivity nation. They don’t agree that worker’s pay should be cut or that the minimum wage is too high.”

A clue to the position the Abbott Government will take in this year’s wage review comes from the terms of employment for the new ‘Green Army’, and environmental work-for-the-dole program for young unemployed people that is due to start later this year.

According to media reports, participants in the program will be paid less than half the minimum wage for up to 30 hours of work a week. They will also be exempt from Commonwealth workplace laws, including the Work Health and Safety Act, the Fair Work Act and the Safety, Rehabilitation and Compensation Act.

This prompted Greens MP Adam Bandt to comment: “Only Tony Abbott could create a ‘workforce’ where the workers aren’t legally workers and have no workplace rights.”

**Statements about the minimum wage**

**Question:** Do you agree or disagree with the following statements?

(The current minimum wage is \$16.37 an hour or \$622.20 for a standard 38-hour week.)

	Total agree	Total disagree
<b>The Government should support a higher minimum wage to ensure all Australians have a decent standard of living.</b>	58%	15%
<b>I could afford to live on the adult minimum wage of \$16.37 an hour or \$622.20 for a 38-hour week.</b>	34%	41%
<b>A decent minimum wage is a way of ensuring Australia remains a good place to live.</b>	71%	6%
<b>The minimum wage needs to be increased to close the gap between the low paid and the rest of the workforce - between the rich and the poor.</b>	53%	18%
<b>Australia’s minimum wage is too high and is preventing business from hiring people.</b>	17%	52%
<b>Gina Rinehart is correct in her view that Australians are paid too much.</b>	20%	54%
<b>CEOs and executives are paid too much.</b>	82%	4%
<b>I support an increase in the minimum wage.</b>	62%	11%
<b>I am concerned about the emergence of an ‘American style’ “working poor” in Australia</b>	59%	12%

This table summarises the results of questions on the minimum wage in a weekly omnibus poll conducted by Essential Research with data provided by Your Source. The survey was conducted online from the 21-24 February and is based on 1035 respondents. Note that due to rounding, not all results total 100% and subtotals may also vary.



## World News

# Rana Plaza: it's time for the big clothing brands to pay up



by **ANDREW CASEY**  
Asia-Pacific Editor  
for LabourStart

THE one-year anniversary of the mass industrial homicide of Bangladeshi garment workers is fast approaching.

More than 1100, mainly female, garment workers were killed when the Rana Plaza complex collapsed on 24 April 2013.

This month, the first round of independent and transparent factory inspection reports were completed and released. The results were so stark that some factories had to be shut down immediately – and thousands of low-paid garment workers lost their jobs – because of serious safety problems, including structural flaws in buildings.

The big global unions IndustriALL Global Union, UNI Global Union and the Clean Clothes Campaign are leading a worldwide push to get the big brands to compensate workers and fund major workplace safety improvements.

“The magnitude of the horror has galvanised global unions, activists and NGOs as well as many ordinary people angered by this preventable industrial mass homicide,” Michele O’Neil, the National Secretary of the Textile, Clothing and Footwear Union of Australia, told *Working Life*.

The high-profile Australian unionist is on the executive of the 50 million member IndustriALL Global Union, where she is the co-chair of its textile and garment sector. The Australian textile union has played a prominent part in the ongoing campaign to improve safety in Bangladesh garment factories and win compensation for the affected families.

“The extent of media coverage – in the old media, the new media and social media – has put enormous pressure on the big brands and their retailers,” Ms O’Neil says. “But we can’t let them off the hook.”

There have been some successes but the



**Futile search:** rescuers scour the Rana Plaza wreckage for survivors after the building collapsed on 24 April last year. Photo: IndustriALL/Abir Abdullah

pressure is still on to get garment retailers from across the globe to help raise \$40 million to pay for victims’ medical bills and lost wages.

The initial inspections of Bangladesh garment factories organised after the collapse of the Rana Plaza complex have found safety problems including overloaded ceilings, exposed cables and locked fire escapes.

On the first anniversary of the tragedy, the Rana Plaza Donors Trust Fund will be formally launched. Bangladesh unions, government, manufacturers, the IndustriALL and the Clean Clothes Campaign, as well as four key brands set up the trust fund.

Already several big name brands have signed up to the fund as crunch time approaches. Individuals and organisations are donating to the fund which was set up with the help of the International Labour Organisation.

But so far Australian firms are refusing to put money into the compensation fund.

Almost all Australian companies that use Bangladesh garment factories have now signed the Bangladesh Fire and Building Safety Accord, a legally binding agreement under which about 1500

factories will be inspected, with companies paying for safety improvements.

Two major Australian companies, Just Group and Best and Less, have refused to sign this Accord.

“They are trying to mislead people, trying to mislead a public shocked by the horror of these deaths, by signing up to a sham alliance which is led by the anti-union, anti-worker Walmart group,” Michele O’Neil explains.

“Best and Less and the Just Group have joined a watered-down agreement called the Alliance for Bangladesh Worker Safety. They know their Alliance isn’t legally binding.

“We must maintain the pressure – by supporting, for example, continuing protests outside Just Group stores.”

The creation of the Bangladesh compensation fund and the creation of the legally enforceable Fire and Building Safety Accord – all of which give a voice to workers and their unions – are important wins for the global campaign.

“But,” Ms O’Neil warned, “it is not enough. And it won’t be enough while garment workers in Bangladesh, in Cambodia or other countries cannot earn a living wage.”

## Life

# I am a unionist and I am a refugee



Photo: flickr/Bill Doyle

by **ANDREW CASEY**

**S**trolling through the crowd at the #LightTheDark rally in Sydney on 23 February, I could identify different groups of faith communities, schools, suburbs – all coming out to say they were shocked at the murder – yes, murder – of Reza Barati in an Australian-run asylum centre.

I was looking for people I knew. To stand with them. To say I belong to a community which has strong values and welcomes the stranger to Australia.

In particular, I wanted to see union faces. I wanted to stand beside a union banner saying ‘Refugees are Welcome’.

Sure, I saw a few people I knew from my union activity, but it seemed to me they were not there as union people. They were there as individuals with conscience – or standing as part of some other group.

The union voice wasn’t up front speaking loudly from the platform alongside the Baptists, the Catholics, the Jews, the Muslims, Get Up!, the Asylum Seekers Centre, etc., etc.

And it wasn’t down there – identifiably – in the crowd waving candles (if you were there with a union banner, sorry I missed you).

Now I know in Sydney a small group has been established called Unions for Refugees. Do we have anything similar in other states?

Unions NSW has given its imprimatur

to this group; but Unions for Refugees has a big job ahead of it. The group knows it. Its role is to go out and educate union people of the positive values refugees bring to our nation.

Working families, especially in Sydney’s western suburbs, consistently show concern about this latest wave of refugees. You can read all about it. In both public polls and, the less than secret, private political polls.

Unfortunately, I’m not surprised polls show former migrants, former refugees, among the most hostile Australians to this wave of refugees.

**“ Our union leaders must repeat, again and again, that our historic role demands today we help this new wave of refugees – especially in their workplaces.”**

I know this response. Personally.

I am a refugee. I lived in a refugee camp. My family paid smugglers to navigate the dangerous borders of Stalinist Hungary – after the failure of the 1956 Hungarian revolution.

My father was a Social Democrat; a union member, and minor union official.

The secret police had a file on our family because we were close to Social Democrats who had ‘disappeared’ for many, many years.

When we arrived at a port in Australia

there were union people – from the former Federated Ironworkers Association, now part of The Australian Workers’ Union – ready with an open hand to help this latest wave of refugees.

Dad – who was a sparkie – proudly held a NSW Electrical Trades Union membership card.

My parents speak fondly of how 1950s Australia was an easy, friendly place to escape to – a democratic society far removed from intolerant Europe.

Today, if you talk to my now 90-year-old parents, they see this new wave of refugees in very hostile terms. It is not the same they argue – and most of their friends, who arrived in the same refugee wave, nod in agreement.

Unions must go talk to their members; talk to those whose parents, and grandparents, came here in boats (rarely planes) as migrants or refugees.

We must underline a core union value – to fight discrimination in all its forms.

Our union leaders must repeat, again and again, that our historic role demands today we help this new wave of refugees – especially in their workplaces.

We should support refugees looking to find good jobs; and stand with them against any form of discrimination – from their bosses; or their workmates.

Successful workplace integration will diminish, in all our communities, the fear of the other.

We need to honestly assess and measure attitudes to refugees amongst

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Opinion

# Could your savings again be in the eye of the Storm?

*The Abbott Government wants to wind back greater protection for consumers from dodgy financial advice. This could again see the savings of working Australians gouged by hidden commissions, writes Peter Collins.*

**W**ORKING Australians have every reason to be worried about the Federal Government’s proposal to wind back reforms to financial advice.

The reforms, called the Future of Financial Advice (FOFA) laws, arose out of the inquiry into the collapsed Storm Financial group.

This collapse saw hundreds of people lose their life savings – hundreds of millions of dollars in total.

While the FoFA laws won’t necessarily prevent future collapses, winding back the laws will increase the chance that they will occur again.

The most fundamental objection to the Government’s proposed changes is the removal of the express legal requirement that financial planners act in the best interests of their clients – which astonishingly was never spelt out before the former Government’s reforms.

There are very few industries in which you would see practices that are as unfair and detrimental to consumers as those that FOFA set out to address.

These include:

**ONGOING** commissions paid to financial advisers that eat away at people’s retirement savings, often without them even knowing about it.

**FINANCIAL** advisers recommending products to clients that they were receiving a commission for, without having to consider if those products were in the client’s best interest.

These hidden, trailing commissions and conflicted remunerations gouge staggering amounts out of the retirement savings of ordinary Australians.



Photo: flickr/Ken Teegardin

Independent actuaries, Rice Warner, have estimated that the FOFA reforms would result in over \$140 billion more in the private savings of Australians over a 20 year period.

The FOFA legislation passed through the previous Parliament after intense negotiations and compromises, and became law only months before the election of the Abbott Government.

Under the legislation, commissions were banned for new clients of financial advisers, replaced with one-off fees that

would reflect the scale and type of advice provided.

Provision was made for existing clients of financial advisers to opt in to the arrangement, in writing, every two years, ensuring that fees would only be ongoing if the client knew about them and agreed to them.

The FOFA reforms also introduced the best interests duty, a simple requirement that financial advisers must always act in their client’s best interest. It’s difficult to

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believe this most basic of principles was never there at all.

The reforms barely had a chance to work before the winding back started.

Just before Christmas last year, the Government announced it would introduce a raft of changes to the FOFA laws that would bring back commissions, remove the opt-in requirement and water down the best interests duty.

Last month, Industry Super Australia told an inquiry by the Australian Securities and Investments Commission that the wind-back of the laws would increase the risk of another Storm Financial type scandal.

Evidence given to the inquiry was that under the Government’s proposals, commissions would be allowed to be paid to advisers, call centre staff and bank tellers for promoting products including super, complex products and even leveraged products when providing advice face-to-face, across-the-counter, or over the phone.

For example, you might go into your bank branch to deposit a cheque, and the bank teller could be paid a commission if they convince you to sign up to a product, like insurance.

This will potentially push people into buying products that are not necessarily in their interest which could harm them financially. The door will be open for banks to pay cash bonuses to salaried financial planners based on sales.

The Government’s proposed changes could also potentially cause legal chaos. Advice obtained by Industry Super Australia from law firm Arnold Bloch Leibler states that the financial advice industry would be open to significant potential future litigation under the proposed changes.

The Government says the laws are about reducing red tape and saving compliance costs for the industry. But as Fairfax senior business writer and columnist Adele Ferguson pointed out recently, “the reforms could well end up costing us far more than the \$190 million a year saved in compliance costs”.

**“The reforms barely had a chance to work before the winding back started.”**

Industry SuperFunds have played a leadership role in advocating for fair laws for financial advice because it is in our members’ interests, leads to better outcomes for our economy and should lessen the risk of financial collapse in the future. Industry SuperFunds have never paid commissions to financial advisers.

That’s why Industry Super Australia believes that the retirement savings of working Australians are too important to be put at risk by this retrograde legislation.

*Peter Collins is Chair of Industry Super Australia*

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our members – to understand the hostility.

Union activists are our greatest resource; they know, and can identify, the best ways to change the angry mood which right-wing, populist, media play up so successfully – and put on a feedback loop into our communities.

Unions should actively promote our wins on behalf of refugee members and their families; promote our victories integrating refugees in our workplaces, overcoming discrimination. We should talk openly, and regularly, about how we support refugee members.

And tell the real, personal, stories of refugees, their families; ordinary people struggling to build new lives in Australia.

To get the message out we should:  
**USE our own media,**  
**USE social media,**  
**USE refugee and immigrant community media,**  
**AS well as mainstream media.**

Then, once we have measured changes in attitudes amongst our base, we can tell politicians – especially the Labor Party – they need to end this war on defenceless people.

**TAKE ACTION**

Join Unions for Refugees at:  
[facebook.com/unions4refugees](http://facebook.com/unions4refugees)

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Authorised by Dave Oliver, ACTU Secretary, level 6, 365 Quern St Melbourne VIC 3000.



**Ask Us**

# Hiring on a 457 visa does not give employers carte blanche

**IVY asks\***: I want to know which union covers bakers. I was a student and got a diploma in baking, then my employer sponsored me as 457 worker.

The manager is indirectly threatening to dismiss most of the workers at the bakery chain. During Easter we start at 4pm and finish after 4am. I am rostered on for 21 days in a row and we are forced to do 12 hour days. I don't get paid for public holidays.

Most of the workers are on 457 visas like me. They have employed bakers who were baking students and cooks looking for sponsorship to get permanent residency and put on as drivers. They were paid the amount the Department of Immigration [DIM] stated but doing deliveries.

There are many safety issues: the floors are very slippery, I have tried so many types of shoes but the floors are slippery. I can't stay home if I am sick, they never employ casuals but force the 457 visa workers to come to work if sick. We can't take breaks [and] if you do take a break you get looked at very badly from my manager. I have to eat while I am working.

When I was signing my contract for my job my boss asked me if I belong to a union. He said "I don't want any union representatives working into my workplace". If they find out I joined a union I will be sacked. I have a certificate 4 in food and beverage and I was looking for another job and a restaurant owner said I can't pay those wages that DIM has quoted and if you pay me \$50,000, I will sponsor you. I know people that have paid and are still paying to get sponsored. I have not taken any annual leave they say we can apply for it but none allowed to take during Christmas and Easter it says on the roster.

There are so many things wrong with the scenario you've described it's difficult to know where to start.

Firstly, let's talk about your visa. Your boss is not allowed to pay you less than they



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would have to legally pay an Australian worker doing a similar job just because you are on a 457 visa. This means that if you work on a public holiday you are entitled to be paid the same penalty rates your employer would have to pay to anyone else doing your job. End of story.

Hiring someone on a 457 visa does not give employers carte blanche to undercut the entitlements as set down in the Award or Agreement covering your work. Similarly to ask for a bribe to put you on a 457 visa is unethical.

You are all entitled to be safe at work – if the floors are slippery you should have shoes which prevent you from injuring yourself or slip mats. Your boss has a duty of care towards you all – this means that it's their responsibility to ensure the workplace is as safe as possible and steps are taken to prevent accidents like falls.

You say you're working three weeks straight, often as long as 12 hours at a time without a break. I can't begin to imagine how exhausted you must all be. Meal

breaks and having time away from the workplace aren't just important because they make working more pleasant. Fatigue is a very serious occupational health and safety issue which can lead to burn out, stress, depression, heart disease and high blood pressure just to mention a few health issues.

And this is without factoring in the fact that workplace accidents are more likely to occur when you're overly tired – and not only do those of you in the kitchen work with heat and knives, some of you are on the road driving a delivery van!

It doesn't surprise me at all that your boss doesn't want union representatives working for him – he knows he's breaking all manner of workplace laws and he doesn't want anyone to find out; and the best way for any group of workers to make sure their employer treats them as they are meant to be treated is by becoming union members.

Good bosses who do the right thing have no reason to be worried if their staff join a union – why should they? They're doing nothing wrong.

People like the person you work for, though, have very good reason to be wary as they can get into serious trouble for expecting you all to work for them under such sub-standard conditions.

Even the fact they're trying to actively prevent you from becoming a union member by threatening you with the sack if you join is breaking the law. I know I sound angry, but what's happening to you is wrong, not only legally, but morally wrong, and your employer knows it is.

At Australian Unions, we can give you some general advice about your situation as well as get the ball rolling to get help you and your colleagues become members. Perhaps you'd like us to speak to an organiser about perhaps setting up a meeting away from the workplace so you and your friends can find out more about your rights and what becoming unionised would mean for you all?

Take care Ivy.

## GOT A PROBLEM AT WORK?

You've come to the right place. Share your workplace issues with our other readers and get free advice from the Australian Unions helpline if you have a problem with your pay, entitlements, health and safety or anything else at work.

Phone **1300 4 UNION (1300 486 466)**.

\* Ivy's question has been slightly edited to

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