

Congress MOTION

Title: Worker Representation on Boards (Our Economic Future)

Text:

BACKGROUND

Congress notes that Australia vastly underperforms other developed economies when it comes to collaboration in the workplace between management and employees.

Countries that have a culture of collaboration have superior economic and industry performance, stronger innovation outcomes and happier workforces.

Such collaboration is often demonstrated through employee representation on company boards. Germany and Sweden are excellent examples where employees are represented at the company board level.

Overseas, employee voices are also present in public policy setting institutions and committees. Such input provides a broader scope of insight and oversight in company performance and public policy setting.

Australia's Industry Superannuation industry, which is governed through the representative trustee model of employee and employer representatives, is an excellent example of where employee interests at the board level can heighten the performance of institutions. Industry superannuation funds outperform retail funds while offering lower fees and returning all profits to members.

This approach should be expanded with a view to building fairness in the economy and encouraging an innovative, collaborative culture in the economy.

The power of ordinary working Australians has been diminished to such an extent that the economy is suffering as wages, consumption and aggregate demand all decline. The RBA Governor recently called for workers to ask for higher pay rises – however this fails to realise the lack of agency employees have in a business. It also suggests that pay rises can only occur in an industrial relations climate of conflict, rather than collaboration.

The Banking Royal Commission – as well as other corporate scandals – has shown that a narrow focus by boards on profits and near term shareholder return at the expense of broader social and ethical considerations can be toxic to the culture of business. Such a culture hurts customers, the enterprise itself as well as the broader economy. Employee board representation can help address this.

Overseas experience shows that employee representation on boards will allow for a culture of honesty, transparency and joint ownership in the future of the enterprise – this should lead to higher wages outcomes and better company performance in a mutually beneficial exchange. Importantly it will allow for employee interests to be tabled at a board level in a non-confrontational manner.

As the nature of work changes, a greater diversity of voices in the boardroom and in our institutions is more vital than ever.

RESOLUTION:

Congress calls on a future Federal Labor Government to implement a policy of installing employees on company and government-managed boards.

Congress calls on the Australian Labor Party to amend the National Platform at the 2018 National Conference to allow for the appointment of employees to company and government-managed boards. Such a policy will give consideration to global models currently in operation.

Congress calls on a future Federal Labor Government to immediately appoint a representative from a union to the Reserve Bank of Australia as an important first step in this process.

Mover: Julia Angrisano

Union: FSU

Seconder: Daniel Walton

Union: AWU

CARRIED.