



SALLY McMANUS, SECRETARY

SPEECH TO :

JOHN CURTIN RESEARCH CENTRE GALA DINNER

THURSDAY 4 OCTOBER, 2018

I'd like to open by acknowledging the traditional owners of the land on which we meet tonight- the Wurundjeri of the Kulin nation.

Tonight I want to talk to you about the reforms our nation needs to once again be the land of the fair go.

The rules we need to change to give every worker in Australia more job security and the tools they need to negotiate a fair deal together.

And how we rebalance our system to ensure working people in this country can get a fair day's pay for a fair day's work.

Australia is still trapped in the policies of trickle-down extremists of the Abbott/Turnbull/Morrison government. These are people who have made our country less fair, more unequal, than it has been in 70 years.

They have concentrated so much power into the hands of the wealthy that a recent global study conducted by Deloitte found Australia had slipped down to 15th on the index of social progress. On socio-economic and political equality we ranked 46th, 13 places behind New Zealand.

Every day another financial scandal is uncovered by the banking royal commission, another set of company executives is given huge bonuses for cutting staff numbers, another investigation reveals shocking and terrible greed and negligence in our aged care facilities.

And in all of this the Abbott/Turnbull/Morrison government, along with their big business allies, has denied inequality is a problem. And they claim that insecure work is also not a problem. And they will do anything to avoid talking about our wages crisis where the real wages of most working people are going backwards.

So they attack workers who organise into their unions, constantly attempt to demonise unions, they try to deunionise the public sector through consultants and labour hire and even when the courts see sense and rule that a person told what their shifts will be two years in advance is not a casual - they consider legislating away even more workers' rights to make our jobs even more insecure.

When it comes to “vulnerable employment”, a measure of some of the people in insecure work, the global social progress index has us at 34th. Twenty-three places worse than the United States of America.

The country that we have always held up as the example to avoid when it comes to insecure work and the creation of a working poor, is now doing better than us on one of the key indicators of insecure work.

We see this play out every day in our working lives as more insecure work, more casualisation, more outsourcing. We see it in more short-term contracts, more labour hire, more temporary visa workers in our regions and fewer people with jobs they can count on.

Working people in Australia do not have the bargaining power or the rights they need to drive up wages to match our productivity or the cost of living. The deregulation of the labour market has weakened the power of workers to organise and to negotiate. The IMF has pointed to this problem underpinning the sluggish global recovery for workers' wages since the GFC and sadly there is no greater example where this holds true than in Australia

Our pay hasn't kept up with the cost of living. A recent independent survey we commissioned found 80% of Australians said that they hadn't had a pay increase that kept up with the cost of living or hadn't had any pay increase at all in the last 12 months.

But it doesn't have to be like this.

Because it isn't like this where working people are able to organise and have strong and effective rights.

And I'm not just talking about places like Germany who were 9th on the index for vulnerable employment. Twenty-five places above us.

I'm talking about sectors of our own economy where we have maintained good levels of unionisation and workers have been able to negotiate good outcomes.

Take for example nurse patient ratios in public hospitals.

Here in Victoria, where more than 80,000 nurses are members of their union, we have legislated ratios of nurses to patients in public hospitals and we have legislated staff ratios in publicly-owned aged care facilities. Why?

Because it's in the workers' interest and in the public interest. Nurses organised in their union and took action to win it. And the benefits don't just flow to the workers who enjoy more safer workplaces and realistic workloads, the benefits flow to the patients, their families and the community as a whole.

Working people achieving improved legislative and regulatory outcomes through their unions is a public benefit as well as a direct benefit to job security and pay packets.

People understand this broader benefit. That a society where people have more job security and fair wages means happier, more prosperous communities as well as better services, better products and more productivity.

While the Liberal Party continues to see working people as a cost to be minimised and their unions as something to be vilified, it is impossible to work with them to achieve the positive outcomes that benefit working people and the communities in which they live.

It is why we have so often turned to the Labor Party to enact legislation that ensures working people have the rights they need to balance out the power of big business and achieve more secure work and better pay.

And no, we haven't always agreed about it because at times the ideas on how to achieve these outcomes are contested.

But we remember that the party of John Curtin is the party of full employment. The party of John Curtin has the track record on reform that benefits the workers of Australia. It is the party that once proudly said "Full employment is a fundamental aim of the Commonwealth Government."

Labor may not always get it right but at least it's focused on the right goals.

We must keep that focus.

It requires us to acknowledge that big business moves quickly to try to get around and under any standards we put in place that challenge their power or their wealth. With all the best intentions in the world we could not have foreseen what the post-GFC world would look like and now we must step beyond the current Fair Work Act to ensure workers' rights keep up with the challenges of today.

So when we reimagine our industrial framework we need to include the capacity to develop new rights that keep pace with our changing society, and new ways of preventing those who would undermine the intent of providing workers with secure work and fair pay.

As we go into the final stretch before the next election now is the time to outline a bold vision for how we change the rules and deliver more secure work and fairer pay, not just for groups of workers, but for our whole community.

We need to extend basic rights to all workers.

Nineteenth Century concepts of employer and employee are no longer relevant in a world increasingly defined as a “gig” economy. We must remove the incentives for corporations to outsource and structure their workforce as contractors by ensuring that the basic rights extend to all workers.

People need to be able to negotiate fairly with the real bosses – those who have the capacity to say yes. Our narrow, restrictive system of single-enterprise bargaining has failed in so many industries because business owners are encouraged to undercut one another to compete on wage costs. To compete in a race to the bottom.

The enterprise-only bargaining system is failing. More and more people are falling out of it and the pay increases it delivers do not reflect productivity increases. There are 750,000 fewer workers under enterprise agreements now today than when the Abbott/Turnbull/Morrison government first came to power.

Even the Australian Economic Review has found that where there is no sector or industry level bargaining, bosses revert to cutting wages rather than innovation, productivity, service and product improvement to boost their bottom line.

It is in the national interest to foster innovation, to strive for productivity and to improve the quality of our products and services. It is therefore in the national interest, as the OECD has found, to take wages out of competition between similar organisations so this can become the focus.

While enterprise bargaining did assist for some time achieving productivity improvements, these productivity improvements have been exhausted at the enterprise level. Now bargaining has become an almost ritualised period of conflict over wages or from the perspective of workers, fights to resist the pressure to further cut wages and job security. There is now little talk about productivity or innovation as this cannot be seen outside the narrow focus on wages and wage competition.

Workers must be able to negotiate across sectors and industries to establish a solid basis for more secure, fairly paid work. This will allow

business owners and working people to come together to improve productivity, quality and innovate new products and services.

Enterprise bargaining itself has also become inefficient, taking up significant time and resources for employers as well as workers representatives. This is compounded by excessive, unnecessary and sometimes confusing rules that simply get in the way of the parties reaching agreement. This needs to change. Instead, the bargaining system needs an independent umpire that can assist parties reach agreement, make bargaining more efficient and resolve situations when groups cannot see past their own conflict to the point of common ground.

This umpire should also ensure a living wage, instead of an economic minimum wage, and ensure that our award system of industry minimums remains relevant and does not become out of touch with industry or community standards.

And that strong independent umpire must be charged with the responsibility to drive out the inequities in our industries that exist based only on gender. A feminised industry should no longer mean a low-paid industry.

Penalty rates must be restored.

There was a time when our system was the world leader and Australian's had the highest living standards in the world. But no more.

Our current system is out of balance. It is seriously out of balance.

It favours the boss who steals wages. It should not be a costly, lengthy process for working people to get back wages that have been stolen from them. Employers should also have the expectation that there is a good chance they will get caught.

A quick, low-cost, easy-to-access jurisdiction that allows working people to have their issues redressed without the expense and time wasting of going to the federal court is vital if we are to stop the wage thieves.

Stolen superannuation, discrimination and harassment are workplace issues that should be covered by the industrial relations framework. That these vital protections for working people's dignity at work and in retirement have been squeezed into more high cost, lawyer-driven jurisdictions is just another way that working people are denied their rights.

These are reasons why we need a strong independent umpire that is empowered to resolve disputes and enforce rights quickly and easily.

Given the context of a Liberal government that is overseeing a decline in our social progress, declines in our wages and declines in our living standards some may call this a bold agenda. But this agenda is simply what is necessary to turn around inequality that is at a 70-year extreme.

But we know that our out-of-balance system is not working. Not working for the vast majority of Australians.

We cannot wait for more secure jobs and fairer pay to trickle down from above. Let's face it, we have been waiting for some time. It simply will not happen.

We must organise and change the rules.

The Labor Party, the party of John Curtin, has stood with working people as we organised to implement bold visions before.

Medicare, superannuation, pensions, the PBS and of course the very idea of full employment. Together we said that it is the responsibility and purpose of government to bring about secure work and fair pay for all. We believe that is the responsibility of Government to balance the unequal power that exists between employers and working people to ensure fairness.

It will not be easy to change the rules for working people. But none of the great reforms that enhanced the living standards of working people were ever easily achieved.

The very powerful in our country have a very strong vested interest in stopping it happening. We got an insight into how far they will go just one month ago when two billionaire media barons talked about getting rid of a Prime Minister. They both talked about the importance of protecting their extreme wealth and the fact a new government may change the rules to favour working people.

And some will try to convince working people that their own experience isn't real, that it's just confined to them or it's somehow their own fault, or the fault of their neighbour who comes from another country or who is unemployed or is a single parent.

We know none of this is true. These are all stories told to hide the truth.

We have an imbalance of wealth and power in our country. The imbalance is leading to insecure work and low wage growth. This imbalance has led to growing inequality. This imbalance has put the "fair go" on the endangered list.

Governments can do something about this power imbalance. They can give working people the rights and support they need to win their fair share. They can change the rules, so jobs are more secure. They can change the rules so we have the rights we need for the economy of today, not the economy Australia had in the 1970s or the 1990s. The world has changed, we need to change with it.



They can change the rules so working people get a fair go again.

This is the historic mission of both the trade union movement and the party we gave birth to.