

Unions working together in Australia and New Zealand
Speech to Biennial Conference of the New Zealand Council of Trade Unions
ACTU President Ged Kearney

Wellington, Thursday 18 August 2011

***** CHECK AGAINST DELIVERY *****

Thank you for the invitation to speak at the Biennial Conference of the New Zealand Council of Trade Unions.

This is a great pleasure as it is my first opportunity to directly address our Kiwi brothers and sisters since I was elected President of the Australian Council of Trade Unions a little over a year ago – even if you have decided to welcome me with the coldest weather Wellington has seen for decades.

I bring with you greetings from our Secretary Jeff Lawrence, our Executive, and your counterpart unions in Australia. Helen Kelly and Peter Conway are familiar faces and great friends of Australian unions, and we value the close relationship between our two great movements.

I bring you solidarity. Australians shared the painful burden of the terrible earthquakes that decimated Christchurch late last year and in February, just as Kiwis shared our burden in the floods that ripped through Queensland last summer. Australian emergency services workers were alongside New Zealanders to sift through the debris and find survivors in Christchurch. And Australian workers will be there to help rebuild that great city.

The Australian union movement also shared the horror at the Pike River mining disaster, the worst industrial incident in either of our two nations for many years. Not only because two Australians were among the 29 men who died in the explosions, but because one death at work is one death too many.

Pike River was an unnecessary reminder that every day, ordinary workers and solid union members, go to work in dangerous jobs to generate profits and economic prosperity. And their families should be able to wave them goodbye in the comfort that they will return home safely.

It is no overstatement to say that few countries are as close as Australia and New Zealand. We share a common culture, a love of sport, and an easygoing nature. We are blessed that both our nations are prosperous and stable.

We share history. Both our nations were among the first to allow women to vote, and among the first to introduce the modern welfare state. And our industrial relations systems, while not identical, have common threads. Both recognise the value of collective bargaining, the entitlement of all workers to a basic set of standards, including the minimum wage, and the role of unions in representing and advancing the interests of working people.

We share beliefs. Beliefs in a fair go, in a shared sense of community responsibility where no-one should be left behind, and in basic rights.

The Australian workplace system

At the start of last month, we marked the second anniversary of the Fair Work era of Australian industrial relations.

It is almost four years since the Australian union movement, united as never before, combined to topple the decade-long Liberal Government of John Howard. The end of WorkChoices was the culmination of an unprecedented campaign for all working Australians to restore rights at work.

Restoring rights at work meant an end to Australian Workplace Agreement individual contracts; unfair dismissal protections for all workers; a stronger safety net; good faith collective bargaining; and, the return of an independent umpire to resolve disputes.

Australian unions support the structure of the industrial relations system established by the Fair Work Act.

Despite the clamour of some business lobby groups, neither Australian workers nor many employers want to undergo another disruptive overhaul of the industrial relations system.

The Act is delivering real benefits for Australian workers. More are now covered by collective agreements than ever before: 43% of the workforce. And we know that the union wage premium is that the typical worker covered by a collective agreement earns 67% more than the Award.

This year, the real value of minimum wages was restored to pre-WorkChoices levels for the first time – proof that the new system of fixing minimum wages is fairer.

Six million workers now have protection from unfair dismissal, but the system is not being abused.

Workers now have the right to request family-flexible working arrangements and 18 weeks paid parental leave is now available to all working parents. A landmark pay equity test case is currently underway in the social and community services sector under new equal remuneration provisions in the Act.

Rights to representation by unions have been strengthened, as have the General Protections under the Fair Work Act.

Since the Fair Work Act came into operation, the Australian economy has grown strongly, showing that workplace rights and a robust economy are not incompatible.

Half a million new jobs have been created in the past two years; wage growth of 3.7% in the past year has been solid, without any signs of an inflationary wages breakout; and productivity growth has been steady at 1.8%.

Business can't complain about profits, which have grown by 21% under the Fair Work Act – the national wages bill. Indeed, even after the hiccup of the GFC, the profits share of national income is at record levels.

Nor can it be claimed that there has been some kind of breakout of industrial disputes: working days lost have fallen since the new Act took effect.

But we should be under no illusions that these gains are always at risk.

As I'm sure they are here too, employers and the conservative side of politics in Australia are unrelenting in their attacks on workplace rights, to undermine conditions and entitlements that unions spent decades winning on behalf of working people.

The latest target of the Australian business lobby is the retail sector, where workers are among the lowest paid and least protected. They want to cut minimum entry wages by 10%, abolish protection from unfair dismissal, and remove or reduce penalty rates for working nights and weekends.

The Liberal Party is debating internally the industrial relations policy it will take to the next election, but we know, from public statements, that it will seek to reduce unfair dismissal protection, to reintroduce individual contracts, to put barriers in the way of collective bargaining, and to undermine the integrity of the Award system and the National Employment Standards.

On both sides of the Tasman, our movements must be ever-vigilant to protect rights at work and fight back against the agenda of business and big employers.

Insecure work campaign

For all the improvements under the Fair Work Act, unions still believe it can be made more effective and practical for working Australians.

We are confident that legislation will be passed this year that will abolish the Australian Building and Construction Commission. This will achieve a major goal for us.

An even bigger issue is insecure work.

Over the past decade one of the biggest trends in the Australian workplace has been the move away from secure jobs.

Today, nearly half of all Australian workers are engaged as casuals, fixed term workers, contractors or labour hire workers.

These types of work have now increased to such an extent that they're almost the norm.

In Australia today we are faced with the remarkable statistic that one in four employees is a casual employee.

This is over 2 million workers. Casualisation is a global phenomenon, but this is one of the highest casualisation rates among the OECD countries. And all the research I have seen suggests it is a higher level than here in New Zealand.

In hospitality, 65% of all employees are casual. In agriculture, 44% of all employees are casual. Forty per cent of all employees in the retail industry are casuals.

One in ten Australian workers are now independent contractors. Many are economically dependent on a single client and many others are just plain 'sham' contractors – employees in all but name and entitlements.

For other workers, job insecurity comes in the form of successive fixed term contracts. While this is still a relatively small proportion of the workforce, it is a big problem in industries such as education and training, and the public sector.

But this is about more than just statistics.

It's about what this means for Australian workers and their families.

Some would have us believe that the dramatic increase in insecure types of employment reflects what workers want.

There's no doubt that some workers do like to be casual. Others like the freedom and flexibility that comes with working as an independent contractor.

But I don't need to tell you that not all of the 2 million casual workers in Australia today want to be casual.

The fact is that many insecure workers – whether casuals, contractors, fixed-term or labour hire workers - would prefer more secure and better quality jobs. This backed up by the statistics.

And there is simply no evidence that casual work and contracting work provides any benefits in terms of better work-life outcomes compared to permanent workers.

It means no entitlement to sick leave or annual leave, no paid public holidays. It means no job security, no matter how long you've worked for the same employer.

It means little – if any - control over working hours. It means not getting enough work to get by, or being required to work at short notice and not wanting to refuse shifts because this risks your access to more shifts in the future.

For many workers, insecure work also means lower pay than permanent employees.

Many insecure workers find it hard to predict their income, to pay bills and make ends meet.

They find it much more difficult to borrow money, maintain a mortgage and organise their family needs. Many worry about saving enough to ensure they have a decent living standard in retirement.

This is at the same time as workers are being asked to absorb more and more financial, social and economic risks.

The reality is that insecure work in its many forms has proliferated because these types of work are, at least in the short term, cheaper and easier for employers.

And because our industrial relations system has let this happen.

Campaigning for secure work

Some will tell us that this is just the way the Australian labour market is. That this is the future of work. A flexible workplace on the employer's terms.

I'm sorry but I just don't accept that. I don't accept that is it our future to be marginalised and voiceless in the workplace.

Nor do I accept that this is too big to change.

Australian unions have identified insecure work as our national campaigning priority over the next few years.

Insecure work is not just about the changing nature of employment in Australia and the changing nature of employment contracts.

It's about the quality of that work.

And it's about what this all means for workers, for their families and for our communities.

There's no doubt that reversing the trend of casualisation and other types of insecure work in Australia is a daunting task.

But through campaigning strongly on this issue, we can make a big difference for working people.

There will be no single silver bullet solution; no one-size-fits-all. We have our own policy proposals, but want to draw on ideas from the community, and from other nations. Our industrial staff have looked at whether New Zealand's Holidays Act could be adapted to Australia, for instance.

All the unions are on board for a movement-wide campaign that we intend to launch next month.

The ACTU campaign will have a number of components and actions: awareness raising, education and enforcement about existing rights, industrial and bargaining, community work to find solutions to the financial pressures caused by insecure work, and political/legislative solutions to improve workplace laws where rights are inadequate.

The ACTU's role will be to identify policy solutions to insecure work, to co-ordinate campaigning across the union movement, and to assist unions where they are already campaigning on issues of insecure employment.

It will encompass many campaigns already being run by unions, from piece workers to safe rates, to justice for hotel cleaners or guaranteed minimum starts for retail workers. We will link all of these together with unified messages and outcomes we can claim as a win for the entire movement.

This is a very exciting campaign for Australian unions.

Working together

Our nations are the two economic powerhouses of the Pacific region. We are also the two leading democracies in this part of the world. I don't mean that as a boast. Because with these advantages comes responsibility.

We have a responsibility to spread our own nation's wealth, through fair trade with our Pacific neighbours.

Unions are not opposed to trade liberalisation, but our support is not unconditional. Trade must first and foremost be a tool for raising living standards and creating decent job opportunities.

As prosperous, developed nations with well-established social, economic and employment protections, workers in Australia and New Zealand both face the threat of globalisation. In the borderless modern economy, multinationals will seek to extract maximum profits by going where costs are lowest, including labour.

We must resist this destructive race to the bottom by arguing for fair trade, not free trade. And we must not allow pay and conditions to be traded-off in our own workplaces so we can "compete" with developing companies. We must be smarter and we must be innovative.

But if our movements work collectively together, we can ensure that not only do workers in both our nations have good jobs, but they get them at decent wages. It's a win for everyone.

Fiji

We are the region's economic powerhouses. And we are the region's democratic leaders. We are fortunate to have stable democracies, where worker and human rights are valued and respected.

As such, our two nations must seek to uphold the principles of democracy throughout our region. In the Pacific and Oceania region, the democratic record is patchy.

Our current concern is Fiji. Just last month, the leadership of the Fiji Trades Union Congress attended our Executive and gave a chilling description of the erosion of democracy in their country. Our Executive resolved unanimously to support a major campaign for trade union and worker rights in Fiji.

Australian unions hold grave concerns about the recent developments in Fiji. The draconian Essential National Industries (Employment) Decree is but the latest in a series of outrageous attacks on worker and trade union rights.

The regime intimidates and harasses unionist, church leaders, and ordinary citizens, and implements strict press censorship. It has abrogated the Fiji Constitution and violated international law.

Australian unions are co-ordinating two rallies outside the Fijian diplomatic missions in Canberra and Sydney on 2 September – the day Daniel Urai and his fellow union organiser are due to appear in court.

But it is clear this will only be the start of a long campaign to restore democracy in Fiji.

We must be prepared to consider all options, including further sanctions.

And collectively, we must make the case to Australian and New Zealand companies that operate in Fiji – such as our airlines – that it is not acceptable to do business with a regime that has blood on its hands.

Conclusion

With your General Election on 26 November fast approaching, I note that Kiwi workers are struggling with the same concerns as working families in Australia: the cost of living, job security, cuts to public services and privatisation.

I look forward to hearing more about how NZ unions intend campaign this year, but in the last couple of minutes available to me, I'd like to share a couple of insights from the 2010 Australian election.

It is true to say that the outcome of the 2010 election with a minority Labor Government now in place, has led to deep soul-searching by not only the Australian Labor Party, but by the labour movement as a whole.

While we managed to secure a fragile, bipartisan consensus about rights at work - let's be honest: the 2010 election campaign by the ACTU and the Australian union movement was not perfect.

It failed to generate the massive enthusiasm or engagement from our membership base of 2007; it did not reconnect with the community, and the importance of our union issues in shifting votes slid down the scale.

Some of this can be sheeted home to disappointment with the Labor Government, a sense – rightly or wrongly - among much of the labour movement that it was not representing their values, and had failed to deliver on the investment working Australians made in Labor.

But we were also determined to examine our own performance, and late last year appointed an independent panel of four to conduct a thorough review.

This has been a positive process. What it has reinforced is that campaigns cannot begin just a few months out from an election.

They must be comprehensively planned years ahead. They must be adequately resourced with a dedicated campaign infrastructure, and they must have buy-in from unions from the outset. The issues must be heartfelt by activists, union members and the broader community.

But the most valuable lesson that was reinforced by our review of 2010 was that the union movement must always have an energetic and independent agenda that speaks for the needs and concerns of our members, not what suits any political party. And it must be a positive agenda that moves our issues forward, not simply defends old ground.

Of course, Australian unions have always done this, but even more so in the current political environment, where we must deal with not only Labor in government, but three idiosyncratic independents and the Greens.

We do not pick fights with Labor for the sake of picking fights, but we will hold Labor as much to account as much as any other political party.

Thank you for your attention, and best wishes with the rest of your conference.

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