

**“The State of the Unions”
Address by ACTU Secretary Dave Oliver to the National Press Club
Wednesday, 6 May 2015**

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Thank you for that warm welcome.

I wish to acknowledge the traditional custodians of the land on which we meet, and pay my respects to their elders past and present.

My appreciation also goes to the many colleagues from the union movement who are here today or watching this broadcast.

From the members of the CPSU who are in the midst of a tough bargaining round with the Commonwealth Government;

The CFMEU for the work they put in every day to making building and construction sites healthier and safer;

The Australian Workers Union for their reserve our gas campaign;

The AMWU for their tireless efforts to support Australian manufacturing;

The education unions campaigning to ensure access to education for all Australians at all levels; and to the many, many more unions who are out there fighting every day for a better life.

It is good to be here again at the National Press Club and I appreciate the opportunity to outline some key issues as we approach the triennial ACTU Congress later this month.

I'd also like to acknowledge the vital role played by the nation's media in our democracy, and particularly those of you in the Press Gallery in demanding accountability and transparency from our elected representatives.

Along with your union, the Media Entertainment and Arts Alliance, we at the ACTU share the concerns of many journalists, editors and publishers that the recent passage of data retention legislation tips that balance away from privacy in the name of national security.

Every day I am incredibly proud to serve at the head of our peak union body.

It is a humbling experience for a bloke who left school at 15 to begin an apprenticeship as a fitter to find himself almost four decades later representing more than 1.8 million Australian workers and their families.

Overwhelmingly, unions have been a force for good in this country.

But three years ago, when I was elected, it was clear the union movement needed to change.

We had to become more sophisticated and effective in both our growth strategies and campaigning, we had to confront some serious challenges, and we had to present an alternative model for economic growth.

In three weeks' time at the ACTU Congress I will be putting myself forward for another term, as will our president, my great friend and colleague Ged Kearney.

Over those three days we will be reflecting on where we have come from, and more importantly where we are heading.

We will be discussing the vital and ongoing role of Australian unions in building our economy and society, and our concerns about the direction the country is heading, particularly growing inequality.

We will be seeking endorsement for our comprehensive well-resourced campaign plan to build a better future for Australia based on workers' rights, improving living standards and a fair go for all.

Next week will also see the federal budget, which carries great significance not only for the prospects of the government but more importantly for its impact on the living standards of working families.

Today, I would like to give you a stocktake, and a glimpse of our vision for a better Australia – a State of the Unions address, if you like.

Each ACTU Congress is a showcase of how the union movement with the ACTU at its peak has been a powerful force for progressive change in this country.

Survey after survey confirms that most Australians believe that this country is better off with strong unions and that the type of Australia we have today, one that was built on the fair go and equality is largely due to the work of the labour movement.

Unions, organising in workplaces, campaigning in the community, and participating in the political process helped to build the social compact that underpins the minimum wage, job security, the welfare system, public health and education, and a range of public services.

But these foundations of a civilised and productive society have never been in more peril than they are today.

As the recent report “Paradise Lost” by the think tank Per Capita shows, living standards in Australia face the greatest threat in a generation, with weak wage growth, longer unpaid commuting times, the rise of insecure work and persistently high unemployment.

Workers are missing out on their share of the productivity pie with the wages share of national income at close to record lows.

Profits are up. Executive salaries are up. But wages are down.

Workers are concerned:

- When they hear business leaders and politicians decry that in Australia wages are too high.
- When they hear the same people saying that penalty rates – upon which millions of Australians rely as a core part of their income – should be scrapped.
- When they hear the same people saying again that people should be just grateful for any work at all, even it only pays \$2 an hour.

And it infuriates them to read – as the newspapers reported last week – that 55 millionaires paid no tax last year – not a cent, not even the Medicare levy.

Adding insult to injury, they have the audacity to claim back as deductions what they spend on paying for the advice that they get to minimise their tax bills in the first place.

It makes you wonder who the real lifters and leaners are here.

I have no doubt that the decline of living standards has been accelerated by the policies of the Abbott Government.

Last year's Budget took a wrecking ball to the social wage and will stretch the incomes of working Australians even further to cover their costs for healthcare, education and other essentials.

The first Abbott-Hockey Budget was a massive breach of trust by the Coalition which confirmed that Tony Abbott and the Coalition are no friends of working people and their families.

No-one was spared: not the young, the sick, the unemployed, the disadvantaged or the old.

The Abbott Government has shown a callous disregard for Australian jobs through its lack of a co-ordinated industry policy, which has not only seen the impending closure of our auto and components industries, but has put in jeopardy our shipbuilding and Defence contracting industries.

Sadly, in my career as a union official, I have seen too many manufacturing operations shut their doors for the last time and I can tell you from experience that when you close a factory, you are not only shutting a workplace, you are shutting down a community.

I can tell you that the prevailing emotions are those of loss and anxiety – they are a far cry from Tony Abbott's comments that the closure of the Australian car making industry would "liberate" the tens of thousands of workers employed by it.

Unemployed Australians can only look on with frustration as this Abbott Government has given a green light for employers to use temporary migration to plug workforce gaps, rather than giving a chance to local workers.

It is an indictment that in 2015 – as we saw on *Four Corners* on Monday night – migrant workers who have come from all over the world expecting to come to the lucky country expecting a fair go find themselves ruthlessly exploited by unscrupulous employers and labour hire firms.

That is why we have campaigned against this type of exploitation for many years and currently have secured a senate inquiry into temporary work visas.

And we are determined to stop the rorts.

The large retailers like Coles and Woolworths cannot wash their hands of this because they are profiting from those practices.

With unemployment stubbornly stuck above 6%, inaction on jobs has been compounded by the government's obsession with cutting the Budget deficit and taking an axe to the public sector - the type of austerity policies that have mired parts of Europe in deep recession for many years.

The advance mail is that next week's Budget will contain a package of sweeteners for working families, including more childcare assistance.

But after last year's budget, it's a bit like putting a band-aid on an amputated limb.

This government should know by now that you can't treat the electorate as mugs.

As the Victorian and Queensland election results showed, voters will punish governments who arrogantly over-reach to undermine jobs, public services, healthcare, education and rights at work.

A similar lesson is likely for the Conservatives in tomorrow's UK general election after five years of, widening inequality, and severe cuts to health, education and public services.

The question is whether Tony Abbott and Joe Hockey have really listened to these electorates?

When we have a Prime Minister saying this year's budget will be dull I don't think so.

Now is not the time for dull now is the time for leadership, vision and growth.

It is not just the budget putting the living standards of workers and their families under great pressure.

Through the Productivity Commission inquiry into the workplace relations system, the government has created a vehicle for big employers to push for cuts to penalty rates, cuts to wages, wider use of individual contracts, and making it easier to sack people – all in the guise of “flexibility”.

We have always said the Productivity Commission review of the workplace system was a Trojan horse to bring back WorkChoices Mark II and the myriad of submissions to the inquiry by a range of employer and business groups has provided the proof.

This inquiry has given a platform to employers and business to attack the fundamentals of the industrial relations system that has for the most part successfully balanced the needs of workers and employers for a century.

For example, the Australian Chamber of Commerce and Industry wants to get rid of the Award system entirely in favour of a stripped back safety net with restrictions on enterprise bargaining.

This would mean millions of workers would no longer receive penalty rates for working outside of standard hours.

Clubs Australia wants to reduce penalty rates and make signing an individual agreement a condition of employment.

And the Institute of Public Affairs wants to abolish the minimum wage entirely.

Needless to say, employer groups are almost unanimous in wanting to weaken unfair dismissal laws.

If these business radicals get their way and abolish penalty rates it would be the biggest own goal in living history. Workers are consumers. Cutting their wages would suck billions of dollars out of the economy that would otherwise be spent in restaurants, cafes and shops around the country.

The Productivity Commission reviewing industrial relations and the role of unfair dismissal laws is undermining the foundations of fairness that workers count on every day in their working lives.

It is news to no-one that many employers also want to restrict the role of unions in representing workers.

Unions have been instrumental in fighting back against these attacks on our rights and living standards.

One of the reasons why Australia has avoided going down the same path of inequality as many other developed economies has been because we still have a strong union movement.

But don't just take my word for it.

As a recent paper by none other than the International Monetary Fund explained, inequality has risen at the same time as union density has fallen in developed countries.

The research shows that without strong unions, workers have less bargaining power to increase wages or re-distribute income relative to the owners of capital and top earners.

Conservative columnist Nicholas Kristof, writing earlier this year in the *New York Times*, is another who has come around to recognise that strong unions are essential to a stable and sustainable society, where the benefits of economic growth are dispersed fairly.

After writing many articles over the years that disdained unions, Kristof has admitted: he “was wrong”.

He went on to cite the role of unions in pushing for a higher national minimum wage and universal childcare, as well as holding big companies accountable and striving against inequality.

As we saw vividly in the London and UK riots of 2011 – and we have seen subsequently in other parts of Europe, such as Greece – inequality and social exclusion are a combustible mix just waiting for someone to light the match.

The challenges for Australia are how to avoid the same wide disparities of income and wealth, and to develop a vision for jobs in the face of technological and economic change.

Inequality, and the role of unions in countering it, will be a major focus of the ACTU Congress this month, and we are delighted that one of the world's leading and most original thinkers on this issue, the former US Secretary of Labor, Robert Reich, will be delivering an address to the Congress.

As I travel around Australia talking with workers, their number one concern is growing inequality and their fear that they are seeing an Americanisation of our society, with a large underbelly of working poor

Where the average family struggles to afford to send their kids to university, their health depends on the depth of their pockets, and buying their own home is less of a dream and more of a fantasy.

In Australia, an active and popular union movement continues to be the main obstacle to the Coalition's agenda to strip away workers' rights and reduce their pay and conditions.

That's why we have the other commission – the Heydon Royal Commission.

The Coalition now realises its great mistake back with WorkChoices was to attack working people's rights, wages and conditions, without taking unions out of the picture first.

So immediately upon being elected this time, they put into action a plan to weaken, distract, neuter – and if possible – sideline our movement.

So far, this royal commission has wasted tens of millions of taxpayers' money, including \$17 million on lawyers' fees, on this political exercise – money that would have been better spent on health, education, childcare and pensions, which are all still in the firing line of Joe Hockey.

And we will be watching for next week's Budget announcements to see how much more taxpayer money will be wasted on this political witch hunt.

When it announced the terms of reference, the government said the sword would cut both ways but this Royal Commission has not investigated how major construction companies, including major publicly-listed companies have subcontracted to dubious individuals.

It has not investigated:

- Sham contracting;
- Unsafe workplaces;
- The exploitation of temporary foreign workers;
- Or the underpayment of wages in the black market economy.

All it has done is focus on the activities of trade unions.

We shouldn't be surprised by this: every conservative government since Billy McMahon has called a royal commission into unions. It's standard operating practice for the Coalition.

But governments come and go, I'm very confident that long after the Heydon Royal Commission is over, unions will continue to represent working people, campaign to improve living standards and engage with communities around Australia. Despite their attempts; Union is not a dirty word.

So I've got news for those who would seek to demean or tear down the union movement: we're still here and we're not going anywhere.

When I was elected in May 2012, Labor was in office and the energies of the peak union body had been focussed on engaging with the government around a range of legislation and policies.

During the first Labor term, the ACTU had moved from leading a campaigning movement to playing a transactional role, and in the second term, individual unions ran their own successful campaigns, such as the TWU's Safe Rates for truck drivers, United Voice's Big Steps for childcare workers, the community worker union's campaign for equal pay and many more.

The union movement is at its best when campaigning as one for change around issues that resonate with working people, and there was no better example than the Your Rights at Work campaign.

So it has always been my belief that as a movement, we have to come together again under one umbrella as a high-profile independent campaigning movement with the ACTU at its peak.

A movement that is able to mobilise 100,000 people at short notice, as we did in the national day of action on March 4, where people took part in rallies in 17 cities and regional centres on a weekday – That's how strong the anger is at the Coalition Government and its policies.

We have built the foundations for a campaign to be reckoned with at the next federal election: we have identified 32 marginal seats around Australia for targeting at the election, and are in the process of recruiting over 20 fulltime organisers who will co-ordinate on-the-ground activities similar to those that were so effective in key marginals in Victoria and Queensland during recent state elections.

As we head towards Congress in three weeks, the enthusiasm and unity from our affiliates is a great sign of things to come.

But none of this should shield us from the challenges the union movement faces.

When I first became active in my union in the early-1980s, the world was a different place.

Union density was above 50%, and many workplaces were closed shops.

The typical union member was a white, blue-collar male in large workplaces, and our economy was shielded from overseas competition by high tariff walls and import quota restrictions.'

If we were to take a snapshot of the typical union member today, she would be as likely to be a young, university-educated, child care worker.

So much has changed in the last 30 years, and the pace of change only seems to increase exponentially.

Today, we are in the midst of a technological revolution – the digital revolution. And I doubt there would be a person in this room who has not felt its disruptive impact.

Take your own industry - the internet has fundamentally changed the nature of the media and of journalism.

With the growth of a multitude of online media start-ups, the business models that underpinned media outlets for well over a century have been jeopardised and thousands of journalists' and printers' jobs have been destroyed.

For those of you who are still in the industry, the digital revolution has led to an increased intensification of work, a blurring of the boundaries between work and home life, and an expectation that you must do more with less and that all journalists must be multi-skilled on a range of platforms.

Journalism is not alone.

Across the economy and society, the digital revolution is a disruptive influence on traditional ways of doing business, on the relationship between consumers and companies, and crucially on job security and workplace protections.

Business leaders talk enthusiastically of the opportunities from the digital revolution, but rarely of the downsides for workers.

And while there is certainly merit in the idea that for those workers whose skills are in demand there has never been a better time to be in the workforce, it is also just as true that for those who lack unique skills or training, or are in a job that can be easily automated, there has never been a more challenging time.

Think about the impact of Uber and Air BnB on the transport and hospitality industries and the many thousands of jobs they support.

And websites like freelancer.com, which provides an online platform for freelance workers to bid against each other for contracts.

The digital economy is causing an acceleration of the shifting of risk in the workplace from companies to individuals; the old notions of the employer-employee relationship are being shaken up as increasingly, workers are no longer direct employees, but contract their services as individuals.

The idea of freelancing – being your own boss – may have some attractions, but when you think about it more deeply, this has implications for job security and the entitlements that come with a secure job – entitlements to a safe and healthy working environment, to paid leave, to reasonable hours and overtime, to superannuation and worker's compensation.

All organisations are facing challenges about how they adapt to this new environment, and unions are no different.

With predictions that almost 50% of jobs in the US could eventually be replaced by smart technology, Australia will surely go the same way, and we as unions need to be in front of this issue.

Over the past two decades in Australia, we have witnessed the rise of insecure work, particularly casualisation and labour hire, to the point where it now makes up about 40% of the workforce.

We face a profound challenge as to how we organise and represent workers in the coming decades.

How can workplace laws and entitlements be enforced for contractors who are part of this “liquid workforce” scattered around the globe that multinational companies simply engage online?

Because for all its benefits, technology unguided and unplanned will not solve income inequality or worker exploitation. These workers need to be protected and there must be laws that recognise the changing nature of work.

We need International framework agreements that engage governments, multinational companies and unions that will protect these workers and provide them with rights at work no matter where they sit in the supply chain or where they are on the globe.

How do we reach the vast workforce that exists online, but not physically together?

When I first entered the workforce in the late-1970s, if you needed information about your rates of pay or conditions, you would contact your union for advice and help.

Today, it is all in your pocket and with a couple of taps on your phone you can be online and download whatever you need from the web.

What will new membership models look like?

It is folklore how the once great Kodak Company missed the opportunity to commercialise the world's first digital camera in the 1970s, deciding to stick with film. I was there the day they closed the Kodak factory in Melbourne's northern suburbs a decade ago I saw the price of not innovating.

And I know the union movement will not have a "Kodak moment" because unions are out there innovating but more needs to be done.

I don't pretend to have all the answers but at our Congress this month, I want to lead a discussion about what our movement will look like in the future, and how we adapt to this digital revolution.

Amid all this digital disruption, what is needed in this country is a real vision for where the jobs of the future are going to come from – a vision that is sadly lacking from this government.

The greatest mining boom in our history has drawn to a close, our manufacturing sector has dropped below one million workers for the first time since the Second World War and there have been savage cuts to the public sector so the question is how are we going to create opportunities for decent jobs?

To start, next week's Budget should restore funding to a raft of programs which have suffered cuts or closure by this government, including:

- Industry Innovation Precincts;
- Industry participation plans and supplier advocates;
- Reversing the cuts to the CSIRO;
- Backing the apprenticeship and vocational education and training systems, alongside universities;
- More resources into the public service to actually crack down on multinational tax dodgers and unscrupulous labour hire firms.

This needs to be a budget that creates jobs. Stubbornly high unemployment at and above 6% over the last 10 months places the nation at risk of entrenched long term structural unemployment.

We cannot cut our way to growth.

The last budget destroyed confidence in the economy which the reserve bank has recognised with yesterday's historic rate cut.

Glenn Stevens spoke about the weakness in the economy and the need to boost confidence.

Now the government needs to do its bit by using this budget to do exactly that. Not have individuals take out more personal debt as Joe Hockey suggested.

That means investing in infrastructure, skills and the public sector to create jobs and boost growth.

In the longer term, it requires government to get together with unions and business to devise a real plan.

Co-operation: now that's a radical idea.

Unions believe we need to take a high road to prosperity: that economic growth and fairness at work are not mutually exclusive.

And that there will always be a need for government to invest in job creation and maintain a social safety net.

Our economy is facing tough times ahead from job losses, industry change, slower growth, and the end of the mining boom.

Now is not the time to put the brakes on spending and risk tipping us into recession.

Just a week ago, the president of the Business Council, Catherine Livingstone stood in the same spot where I am now, and said: "It's time for Governments, business and unions to come together to talk about productivity."

Well, I couldn't agree more.

But the conversation won't get very far if all the business community wants to talk about is "flexibility" - cutting wages, cutting penalty rates, making it easier to sack people, widening the use of individual contracts and reducing people's rights at work.

So it's very disappointing when someone like Kate Carnell from the Australian Chamber of Commerce and Industry also stands here at the Press Club and spends all her time talking about wage costs and penalty rates. That is the low road.

And I know that business can be better than this.

We want the high road where the government leads the way by investing in transport, infrastructure, skills and knowledge, and encouraging innovation - all while continuing to provide a safety net to support those who cannot always support themselves.

It is also one where unions will continue to have a significant role in ensuring that working people are rewarded for delivering economic and productivity growth, so that our society is not hollowed out with the very wealthy at one end and an underclass of working poor at the other.

I think everyone in this room today would agree that the 1980s and early-1990s were a golden age for economic and social reform in Australia.

The Hawke and Keating governments, in partnership with the union movement through The Accord, reshaped and modernised our economy, made Australia globally competitive, and established some of the pillars of our social contract, such as Medicare and universal superannuation.

And it still remains the case that the key to achieving lasting economic change is collaboration between governments, unions and employers.

It was encouraging to hear Catherine Livingstone acknowledging the importance of innovation to drive productivity, so I say to her today, you name the place and we'll be happy to talk to you about productivity - but it has to be a sensible discussion.

It has to be about building a better future and that's why in three weeks' time, at the ACTU Congress I will be putting forward a plan to build a well-resourced campaign at the heart of which is our Charter for a better future:

- Rights in the workplace, including a decent safety net of wages and conditions;
- Education that is the highest quality for all Australians;
- Universal health care;
- Public services that are owned and run by and for the community;
- A secure retirement through superannuation and a decent pension;
- And a fair go for all with everyone able to get the support they need and with everyone contributing their fair share of tax including multinationals.

The last time Australian workers were confronted by a hostile government with no vision for the future the union movement came together, we pooled our resources and we made a difference.

In three weeks' time, we will do it again.

Thank you