

Australian unions seek to “balance the power of the powerful” in historic election

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On 18 May, Australians will cast their votes in an election that has workers’ rights at centre-stage. In what has been declared by the main opposition Labor Party as a “referendum on wages”, the proposed policies on workplace relations have not been more divergent in over a decade.

Emerging as a powerful campaigner in this election, the Australian trade union movement is calling on Australians to vote to [“change the rules”](#) in favour of workers, hoping that discontent with wage stagnation and inequality will result in a defeat of the governing Liberal-National coalition.

As unions mobilise to change the rules that govern workplace relations, many workers are already doing what they can within the current limitations to address to the growing crisis of wages and job insecurity in their own workplaces.

One fast-fashion warehouse worker, who chose to remain anonymous, told *Equal Times* : “We just want to bargain so that the people who work after us get a better workplace to work in and fairer wages.” Currently, however, collective bargaining and union organising is highly restricted in Australia.

In one of the most notable examples, for the past three years construction unions have been in the crosshairs of the controversial Australian Building and Construction Commission (ABCC). Under the guise of tackling corruption and “systematic criminality”, the ABCC has in fact secured far-reaching powers designed to reduce the power of the big construction unions, such as the ability to oblige construction workers to give evidence under threat of imprisonment.

[Legal experts](#) have denounced these laws for infringing upon the right of association, the right to strike, the right to privacy, the right to silence, and for reversing the onus of proof and applying in retrospect.

Beyond the construction industry, the current government also has legislated for a special enforcement body, the Registered Organisations Commission (ROC), which has powers to fine and sanction unions for alleged non-compliance with industrial relations laws.

[The ROC came under fire](#) when it ordered police to raid the Victorian headquarters of the Australian Workers’ Union (AWU), in what union leaders decried as an “abuse of power” aimed at denigrating the former AWU leader and now opposition leader, Bill Shorten. The raids, which concerned a donation made from the AWU to an advocacy group, GetUp !, did not uncover any evidence of wrong-doing.

In this context of growing political and legislative pressure on trade unions, Australian Council of Trade Unions (ACTU) Secretary Sally McManus told *Equal Times* : “You’ve got to make sure you

have labour laws that balance the power of the powerful, and we need to update our labour laws so that they are capable of restoring the 'fair go'".

The 'fair go' fading : Australia's neoliberal turn

The concept of the 'fair go' goes to the heart of Australia's traditional egalitarianism. Dr Jim Stanford, director of the Centre for Future Work, notes that this concept of the 'fair go', which in economic terms signifies class mobility and the share of income and wealth held by workers, "might have been true at one point, but it's certainly not true today".

Stanford argues that [Australia is experiencing a wages crisis](#) in which "there has been no growth in real wages for the last six years. This is a marked change from previous decades which have had relatively strong wage growth." And despite the wage plateau, [the productivity of Australian workers continues to grow](#), averaging between one and two per cent per year. Stanford notes that this has resulted in labour's share of income falling to 47 per cent of GDP - the lowest share in six decades. Meanwhile, corporate profits have soared by 43 per cent since the last election in 2016.

Stanford also notes that Australia's much-celebrated record of nearly three decades of uninterrupted economic growth is deceptive. He notes that Australia's high population growth of around 1.75 per cent - driven largely by a high immigration intake - together with a now-fading [boom in resource extraction and export](#), mean that GDP figures do not accurately reflect living standards.

And despite Australia's relatively low unemployment rate of just five per cent, there are growing indications that work is becoming more insecure as casual and part-time jobs, labour hire contracts, and 'gig economy' arrangements become widespread.

[Forty per cent of Australian workers](#) experience some form of insecure work, and the rate of underemployment - defined as workers who are working fewer hours than they would like to - has risen to over eight per cent.

"It's true that Australians have a lot to be thankful for," says Stanford, "but I think the growing inequality, the stagnation of income and the gap between the expectation of fairness and the reality explains why there is a lot of frustration bubbling away in Australia."

Elected in 2013 on the promise of 'jobs and growth', the incumbent Liberal-National coalition is promising a continuation of current macro-economic conditions that will in turn allow wages to rise in the future. Finance Minister Mathias Cormann has argued that wage rises must come "on the back of a strengthening economy", rather than from what he describes as a "government mandate of a particular wage level."

In place of immediate and significant rises in wages, the Liberal-National coalition is proposing a massive [\\$158 billion AUD income-tax cut program](#) over the coming decade. When announcing these tax cuts in a pre-election Budget speech, the Treasurer Josh Frydenberg acknowledged that "every one of us wants to see wages growing faster," but, he insisted, "the answer is a stronger and more competitive economy, with lower taxes and more jobs."

Insecurity at work

One worker, who talked to *Equal Times* anonymously, confirmed this backdrop of growing job insecurity. They work at a distribution centre for the 'fast-fashion' brand Lovisa, which is largely staffed by young students working on casual contracts.

Those on 'permanent part-time' contracts have a 'flexible' minimum work week of between five and

38 hours, meaning that overtime wages – a legal requirement of Australian workplace law – are simply not paid on any work above 38 hours per week. Already on low wages, the Lovisa warehouse worker asks: “How can you run your families and pay your bills?” on a salary that sits on just one to two dollars above the minimum wage.

Unhappy with their workplace conditions, Lovisa distribution staff signed a petition requesting the negotiation of an enterprise bargaining agreement (EBA) between workers and Lovisa. “Everyone has signed that they want to bargain for wages and good working conditions,” the Lovisa worker states, but the company, instead of entering into good-faith bargaining, suddenly hired up to 20 new casual staff members, thereby nullifying the requirement in Australian workplace law that a majority of workers agree to the negotiation of an EBA. This intake of new casual workers was not strike-breaking, but bargain-breaking, as they were not given any shifts for a number of weeks.

So the staff turned to the National Union of Workers (NUW) for support. Now, the warehouse workers are taking Lovisa to the workplace relations ombudsmen, the Fair Work Commission, to argue in favour of a bargaining process.

“Change the government, change the rules”

To address flat-lining wages, wealth inequality, the gender pay-gap, and precarious work, the ACTU is campaigning to update laws and regulations that govern minimum wages, wage bargaining, strike action, workplace organising, worker savings schemes, workplace health and safety, and labour contracts.

To tackle the growing rate of insecure work, McManus told *Equal Times* that she wants to see employers prevented from forcing workers into long-term casual contracts that deny employees ordinary benefits like unfair dismissal protections and long-service leave.

McManus also insists that when third-party agencies employ people to work in a ‘host’ company, those contracted workers must be paid the same as ordinary workers to encourage in-house employment and foster job security. For ‘gig economy’ employees, McManus wants to see new laws that allow workers to legally challenge the ‘self-employed’ status that their employers define them as.

To prevent the growth of a class of ‘working poor’, the ACTU is proposing to “restore a living wage for minimum wage workers” for up to two million Australians. Arguing that “no one should be working full-time and living in poverty,” McManus says that no worker should earn an income that falls below the level of ‘relative poverty’, defined by the OECD as being 60 per cent of median earnings.

Australia’s minimum wage has been lagging behind this rate for over a decade, and currently sits at around [54 per cent of the median wage](#).

Beyond the minimum wage, McManus told *Equal Times* that Australian workers should be able to negotiate their conditions and wages across whole industries, rather than merely with their employer as current law stipulates. McManus noted that “sector-wide bargaining is normal in other parts of the world, and we want to make it normal in Australia as well.”

Similarly, Australian law is equally restrictive on the right of workers to withdraw their labour. Australian law currently permits strike action only when workers are engaged in a formal bargaining process with their employer. Should workers choose to strike outside of specified times and conditions, they can expect fines of tens of thousands of dollars. Put simply, “withdrawing your labour in Australia could cost you your house,” McManus warns.

Stanford [argues](#) that “there is a clear correlation between the diminishment of industrial action and slow wage growth,” pointing to the Centre of Future Work’s historical research that shows the relative frequency of industrial action has [declined by 97 per cent](#) from the 1970s to the present decade. In [Stanford’s study](#), he concludes that “in order to correct stagnant wages and a falling labour share of national output, workers must be able to impose a collective cost of disagreement on their employers as part of normal, healthy collective bargaining.”

The Labor pitch : revive social democracy

The main contender for government power, the Australian Labor Party, has seconded most of the ACTU’s proposals. And as a former union leader, Shorten has offered the strongest social-democratic vision from the Labor Party in over a decade.

Shorten has promised to empower the wage arbitrator – the Fair Work Commission – to set higher wages for the lowest paid workers. He has also promised to reverse cuts to weekend wages and overtime pay, known as Penalty Rates, and he has committed to enforcing stricter rules on third-party labour-hire contracts and the employment of ‘permanent casual’ workers. In a bold move, Shorten has also committed to use Commonwealth funds to boost the low wages of childcare workers and early educators.

Doubts remain, however, about how far a Labor government would go in allowing sector-wide bargaining. While Shorten has responded positively to calls for sector-wide bargaining in low-paid sectors such as cleaning, childcare and disability care, he has publicly stated : “I’m not convinced that we need to have everyone going into industry bargaining.”

Likewise, it is uncertain whether a Labor government would act to better protect the right to strike in Australia. It has indicated that should workers be allowed to bargain across certain sectors such as childcare, then the right to take industrial action in those sectors would follow. But it remains unclear as to how far the Labor Party would go in extending sector-wide strike action outside of low-paid areas of the economy.

Should the Labor Party waiver in its commitments on wages, job security, and bargaining, McManus vows to “hold them to account. We want to see them deliver promises made during the election campaign.” Asked whether there is reason to be optimistic for fairer workplaces in the future, the Lovisa warehouse worker said : “If we are united and fight for it, then definitely the changes will come.”

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