

Victorian ALP State Conference
Plenary Address by ACTU President Ged Kearney
“Insecure work: A choice for the labour movement”
Sunday 21 April 2013

*** CHECK AGAINST DELIVERY ***

I'd like to begin by acknowledging the traditional owners of the land on which we're meeting, and paying my respects to their elders past and present.

It's great to join you this morning for State Conference's discussion of how Victorian Labor can take up the challenge of delivering decent, secure jobs.

I am particularly looking forward to the contributions from delegates about the need for Labor to highlight the growth of insecure work in our discussions with the community in the lead up to the next Federal & State elections.

I'd like to congratulate Daniel Andrews and his team for Victorian Labor's plan for secure local jobs – a policy announcement that demonstrates Daniel's commitment to creating decent jobs for Victoria, and highlights the real choice facing Victorians over the next 18 months.

Delegates, I believe there is no more pressing issue in today's economy than the growth of insecure work.

Today, millions of Australians have little or no choice when and how they work, no economic security, and little control over their working lives.

For too many people in this country, their jobs deliver unpredictable and fluctuating pay, inferior rights and entitlements, limited or no access to paid leave, a lack of certainty over job tenure and a lack of any power or say at work.

Whether they're employed in casual, fixed-term, contract or labour hire jobs, their working lives are defined by insecurity and a complete sense of powerlessness.

Many of you will be well aware of the problem.

I want to organise my remarks to you around three themes.

- Why and how is insecure work growing?
- What can be done about it?
- Why it's so important that we, the labour movement, **come together** and take up this challenge.

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Insecure work is not a new problem – in fact it has been growing over the past 30 years. However until recently it has been something of a sleeper issue in Australia's public discussion of the workplace and the economy.

In spite of that lack of profile, the lack of job security many people are experiencing is seen as a serious issue in the community.

In her recent Quarterly Essay, *Great Expectations* Laura Tingle argued that the public has an unrealistic expectation of what governments can deliver.

This is partly because over the past 30 years governments – including our beloved Hawke-Keating Government – have tended to oversell the political and economic benefits of the changes they've implemented and failed to entirely anticipate the consequences of reform.

While our politicians have proven capable of dismantling the protection-based and inward-looking world of 20th century Australia, we are entitled to question whether they have been equally capable of helping us understand the implications of change.

Or achieving a new settlement or social compact in our policy framework to account for the world that we live in.

Nor should we **understate** the scale or quality of change over the past 50 years that governments have had to respond to:

- The technological and communications revolutions have allowed international communication via the internet at a speed previously inconceivable, effectively shrinking the world we live in.
- The transfer of manufacturing from North America and Europe to developing countries, and the internationalisation of banking and finance, have reshaped national economies and shifted power away from nation-states towards global corporations
- The gender revolution, significant changes in living patterns, and the rapid ageing of populations in developed countries have reshaped our social structures.

These changes have had significant implications for the way people live and work, and represent a significant challenge to the values of fairness and equality that we hold dear and aspire to in our Party.

But it's equally true that the policy choices of our government's have also had enormous effects and, at times, unforeseen consequences.

The rapid growth over the last 30 years of a core-and-periphery model of the labour market that is changing the nature of working life is perhaps the most significant of these.

In October 2011 unions commissioned the Independent Inquiry into Insecure Work – a six month national inquiry chaired by former Deputy Prime Minister Brian Howe.

The Inquiry held hearings all around the country and took hundreds of submissions from workers, employers, unions and researchers – in fact they received over 550 submissions.

Again and again the Inquiry heard stories from workers who, because of the precarious nature of their employment –

- Were unable to plan ahead or make time to be with their families.
- Find it impossible to get a car loan or a home loan, or
- Were too afraid to speak out at work about issues like health and safety.

And the Inquiry pinpointed exactly how insecure work is growing:

- Casual employment has been transformed and entrenched in our economy as a tool to minimise costs rather than to deal with temporary or intermittent variations in the patterns of work.

Over half of all casuals are “permanent casuals” who have been employed in their current job for over a year and over 15% of casuals have been in their job for more than five years.

- Fixed-term employment is being used heavily by employers to avoid the costs associated with standard employment conditions like leave and the notice of termination – particularly in the public sector.

Just think of the number of teachers employed today on rolling fixed-term contracts.

- The growth of the “workforce management industry” and the use of labour hire have created new avenues for cutting costs and transforming permanent jobs into casual positions.

- Independent contracting is being misused to mask employment relationships.

ABS data suggests that around 40% of independent contractors have no authority over their own work, and sham contracting is far too common in some industries such as construction.

And of course, we heard Daniel mention yesterday the precarious nature of jobs in our services, finance and IT sectors due to offshoring.

We heard this morning about the dangers of the conservative agenda for a “big society” – code for small government that no longer guarantees a floor of social protection for the vulnerable – instead of a well-resourced and professional public sector, resulting in jobs and service cuts.

An agenda that results in jobs and service cuts.

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An open economy in an internationally competitive environment like Australia’s will never be able to compete by driving down labour costs.

Instead we need to focus on innovation, productivity and improving the skills of our workforce – not confusing “productivity” with “profitability”.

While simply refining labour market regulation won’t limit the growth of insecure work, there are still things we can do to deliver a better deal.

Ultimately, that means real, universal protections in labour law for all workers.

The tired debate about the workplace that pits “Harvester man” against a narrow notion of flexibility is broken and needs to be replaced with new ideas that accept that while a job for life is no longer with us, that doesn’t mean workers have to give up any security or dignity.

What reforms might meet this test? At a federal level, some of the key ideas are obvious:

- The way we regulate the labour market can be strengthened to deliver stronger universal rights, entitlements and protections for all workers;

- We can look to a better deal for casual employees & contractors who want more permanent work;
- The ACTU will be leading the drive for a national portable entitlements scheme aimed at reducing job and income insecurity.

I believe there is a unique opportunity open to Daniel Andrews & Victorian Labor to be innovative and creative in thinking about how these principles can be applied at a State level.

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I want to close today by reminding you of the urgency of this task for the ALP.

For a long time now, unions have known that the growth of insecure work is a threat to working people and their right to organise.

We know that the casualisation of the workforce; the abuse of fixed-term contracts and the misuse of independent contractors has, at its heart, been about disempowering workers and undermining their ability to organise.

But I ask you to think for a moment about what it means for the Labor Party in political terms.

One thing that is becoming increasingly clear is that the more insecure someone's working life is, the less likely they are to identify with traditional political identities.

In the EU the experience of austerity has driven a growing, politically disengaged, and economically disconnected, class to express their frustrations through new political movements like Syriza and the 5 Star Movement.

Not the old parties or right or left.

We're yet to witness anything similar in Australia, but perhaps that's merely because we've avoided the worst of the economic crisis?

Labor has always seen itself as a community-based party engaged with people where they live and work.

The relationship between the ALP and our affiliated unions is at the heart of our vision for a Labor Party that speaks for, and seeks government on behalf of, working people.

The recent attacks by conservative governments in NSW and Queensland on working people's engagement in organised politics through their trade unions is only a taste of what's to come under a Tony Abbott-led Coalition Government nationally.

Faced with that prospect, the ALP has some important decisions it must make.

The industrial and political wings of our movement can come together, campaign around this issue and deliver real dignity to some of the most vulnerable people in our society.

In doing so, we can once again reconnect with working people at home and at work, and speak to their lives.

This is a challenge the union movement is united around – regardless of the election result on September 14.

But for the ALP, it is ultimately a choice.

Labor can choose to join us in that battle, and as Daniel Andrews indicated yesterday, Victorian Labor is clear in its resolve to do so.

But there is an alternative. That alternative is to turn inward, and play a divisive, futile blame game.

Make no mistake – that’s what our opponents want. They would love nothing more than to see the energies of the labour movement diverted away from organising and representing working people by a messy fight about the relationship between organised labour and political Labor.

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I want to close by sharing with you one particular story from the Howe Inquiry – it’s the story of Mrs Fan, a textile worker in Sydney.

Mrs Fan came to Australia 7 years ago from Vietnam. She is an older woman, and struggled to get any work in a factory as a result of her age.

So Mrs Fan became an outworker, making dresses at home that might sell in retail outlets for between \$700 and \$1,000.

There were at least three middle-men in the production supply chain who all took their cut before Mrs Fan got paid, leaving her earning piece rates as low as \$7 per dress.

When Mrs Fan’s union – the TCFUA – found her they sat down with the boss and negotiated a better contract, which led to her being paid \$13 per garment.

But even this is well below the Award rate that workers in factory-based production would be being paid as a minimum.

Sometimes, the principle contractor or one of their suppliers might decide to hurry up an order, leaving Mrs Fan with little time to complete her work.

When this happened, Mrs Fan would be forced to work overnight to get the job done.

So the Inquiry asked her – how do you stay aware all night when you have to work overnight? Coffee? Drugs?

And Mrs Fan answered – **“I have no choice. Fear keeps me awake.”**

Workers like Mrs Fan need action from us now.

And I think I know which of those choices Mrs Fan would take if she had any say in Labor’s direction.

Thank you for your time.