

TWU National Secretary speech to National Council

May 16, 2017

Brothers and sisters

Welcome delegates and councilors to our National Council.

As the backbone and strength of the Transport Workers' Union, it is great to be among you as friends with common values, convictions and a shared mission.

This conference has a rich and important history.

Since our Union's earliest days, it has been our crucible of democracy. We thrash out our debates and forge a common path. Decisions made in the next few days will guide the future of our union, and the fairness of our nation.

As leaders, your role is this has never been more important. Because much of the social glue that held Australia together for generations is melting away.

For generations we believed our children would enjoy greater prosperity, security and opportunity than us.

But this was predicated on quality, dependable jobs.

Of course, the jobs themselves were never the salvation. It was the steady and reliable income, the rights, dignity and voice in the workplace they supplied that mattered.

Decent work was how we fairly distributed the riches of a good society - providing families and communities the necessary ballast to navigate WA, Australia and the world.

It meant you could plan a holiday, confident you had the leave and savings to enjoy it.

You could take out a mortgage, pay off a house and build yourself a pillar of economic freedom.

You could support your family, and maybe a troubled brother, sister, aunt or uncle through a difficult period. You knew you had supportive workmates and a stable income.

Retirement came with the expectation of dignity.

That was the importance of solid, quality jobs.

But now those jobs are being devastated by a mutually reinforcing combination of corporate greed and new technology.

We haven't even paused for a moment to debate the role digital platforms should play in our society.

And yet, all of a sudden:

* jobs have become gigs on demand;

* Rights like holiday leave, sick leave, the 38-hour week and superannuation have been scattered to the wind. Instead they have been replaced by casual, part-time work with little or no contractor rights where employers have all the flexibility and the workforce take on all the risks of insecure jobs.

* We also now have productive industries that should be providing dependable tax revenue to government are siphoning off money to tax havens and through elaborate accounting. Ikea is a good example of this. Despite revenues of almost \$1 billion and profits of \$350 million in Australia in 2015-2016, the furniture giant paid just over \$10 million in tax. It gets around Australian tax by paying millions in franchise fees, licence fees and royalties to its European parent company, while Australian families lose out because less money goes to their schools, hospitals and roads.

These are not abstract concerns. The Reserve Bank of Australia has warned repeatedly of our poor wage growth. Meanwhile, our Federal Treasury makes GDP growth forecasts of 3% and above based on revenue income which simply won't arrive because of low incomes and tax-dodging companies.

We're in a wage recession – incomes have flat-lined since 2011, unemployment is at GFC peaks and the number of hours worked per person is falling.

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These developments deserve our urgent attention and protest.

These problems are being driven by the global economic environment, and unregulated technological advance.

This comes back to pressure on the workforce.

Companies are being created through flourishing criminality based on massive corporate theft and tax avoidance, that must be called out and exposed.

Friends, Australia is gripped by a new crime spree.

It's not break and enter.

It's not drunken brawls out the front of pubs.

It is the plague of billions of dollars in wages and superannuation which employers take from the pay-packets of their employees.

It is wage theft.

And it needs to be treated like any other form of theft.

By making it an offence, with jail sentences.

People like Pranay Alawala are the victims of this crime.

Pranay came to Australia in the hope of completing his master's degree and worked at 7-Eleven in Brisbane to help him with his living costs.

But he became a victim of corporate greed when the store owner underpaid him \$30,000.

"I worked day and night like a slave," Pranay said.

At the top of this crime is a \$1.5 billion empire owned by two rich Australian families, Withers and Barlow, who have been deducting franchisees 57% of their profits. Stealing from workers is not an unfortunate isolated incident in 7-Eleven, it is how the business has been set up.

7-Eleven is not an isolated case.

A Caltex service station attendant, Sohaib Irshad once had a gun held to his head when a thug robbed his Adelaide cash register. But earning \$13 an hour - half the legal minimum – the Adelaide University computing student knew all too well about being a victim of theft every day he went to work.

Our own Union has been in the midst of a battle against attempted wage theft with Aldi. The discount giant attempted to ram through an agreement that dishonestly classified truck drivers as store workers. They did they simply to pay drivers less.

Then there are transport companies like the one truck driver Stephen McCormack worked for who didn't need a sham agreement to hide the fact that they were stealing from his pay-check.

Time and again Stephen would question why his wages were short. In the end they sacked him.

Stephen and his wife Karen are struggling, trying to keep up payments on their house and keeping things normal for when their grandkids come around to visit. Finding another job has proved difficult and Karen is convinced his old employer has tipped off other Shepparton transport companies not to hire him.

Stephen is not alone. Wage theft is endemic in the transport industry, creating financial pressure on truck drivers that ultimately kills people by forcing drivers to speed, drive long hours and skip mandatory rest breaks just to put food on the table.

A report by Australia's National Transport Commission, *Remuneration and Safety in the Australian Heavy Vehicle Industry* in 2008, said that, "There is solid survey evidence linking payment levels and systems to crashes, speeding, driving while fatigued and drug use".

And it's not just theft of wages. A report by Industry Super Australia shows in 2013-2014 employers failed to pay \$5.6 billion in super payments. The report shows transport was identified as one of the worst industries for non-payment of super.

Tightening margins, and in many cases greed, across the economy have made wage and superannuation theft a business model.

Our movement needs to stop being polite. And so do governments.

If an employee or contractor puts his hand in the till, he loses his job. But he also faces police, courts, criminal proceedings.

But when a boss steals from a workers, guess what?

It's quaintly referred to as 'underpayment'. And they reach a settlement with the Fair Work Ombudsman to repay the money.

How is this a disincentive to steal from your workforce?

This is actually an incentive to see what you can get away with.

Worst comes to worst, you'll simply be asked to pay back what you owe to those who complain and pocket the rest.

Well, friends, today I can tell you that the Transport Workers Union has decided this state of affairs is unacceptable.

We are demanding governments of all political persuasions to stand up and hold the privileged to account.

We will be seeking support at Labor Party conferences around the country to support making wage and superannuation theft a criminal offence, carrying a jail term.

We will ask the Labor Party to amend legislation so that thieving bosses, and the equity funds and economic employers behind them, feel the same fear before the law that any other thief does.

Malcolm Turnbull needs to be called out on his vow to make unions as accountable as employers. We support firm action against rogue elements in our ranks and businesses. Officials face jail terms under the Registered Organisations Act, therefore employers should also be held accountable with jail terms if they steal from the pay-packets of their employees.

That's justice.

For decades, financial markets have rewarded companies that cut their labour costs through outsourcing, restructuring and casualisation.

Of course there are finite limits to this. And the cuts are now so profound that further savings are only possible when companies such as 7-Eleven and transport companies and others descend into illegality.

However we are now at the point where fund managers and investors need to reshape their view of sharp declines in labour costs.

They need to start seeing such declines as a red flag, not a green light.

In the last few months, the ABC's 730 program broadcast an expose on Aerocare.

Aerocare is a perfect microcosm of how corporate power has warped our economy.

This company exists only to allow large corporate interests such as airports and major airlines to engage in union busting, offloading employee responsibility to another entity.

And what an entity it is.

Aerocare employees have found themselves forced to sleep at work in makeshift camp beds, on cold hard concrete, near the baggage carousel or in airport carparks.

These workers are paid so little and work such haphazard split shifts, that they can't afford public transport, fuel or tolls to return home between shifts.

They are guaranteed just 60 hours work a month, with no weekly guarantee.

Aerocare workers earn between \$1200 and \$1400 a month, depending on their classification. This puts these workers below the poverty line of \$1704 for a single person and \$3580 for a couple with two children.

John, an Aerocare baggage handler, says the low wages and split shifts nearly cost him his marriage.

One pay-check shows him forced to stay at the airport for almost 80 hours over a two-week period, but he was paid for just 50 hours work because of split shifts.

Aerocare workers are not only forced onto these appalling conditions, but if they try to speak out or challenge them they will get sacked – either directly or through loss of hours.

Aerocare is a major player in aviation having grown by 300% in the last four years. This represents thousands of people forced into poverty under the Federal Government's watch.

And Aerocare are not the only company feeding off the community in this way.

Its model is now being followed by others in the aviation industry.

The Emirates Group is trying to steal some of Aerocare's thunder in the race to the bottom by having its ground handling firm Dnata establish an entirely separate company with similar conditions to Aerocare. This is undermining the Emirates Group's own agreements genuinely reached and already covering thousands of employees in their workforce.

This is happening because employers are being allowed to game the system and rot our industrial relations laws.

Aerocare's agreement was recently voted on by employees intimidated by an internal voting system that was neither open nor transparent. The company even admitted in a letter to unions that there would be "no scrutineers" of the voting process.

The new Emirates Group company, Airport Services Handling Australia, tried to get approval for an enterprise agreement that was voted on by just two employees. It withdrew this agreement just last Friday, indicating they knew only too well what they were doing was wrong, if not illegal.

Now the company intends to fast-track another bogus, substandard agreement.

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Brothers and sisters, we know we have our work cut out for us in addressing these issues.

But trade unionists are always compelled to respond to difficult challenges.

In the months and years ahead, our Union will look to find new ways of harnessing technology to improve fairness, not undermine it.

It's true we have traditionally relied on longstanding assumptions about how work is organised.

Our challenge is that these assumptions can no longer be made safely.

But we should be clear sighted: the advance of technology can and should be higher living standards and a better work/life balance across the entire population.

Modernity should always push toward greater fairness.

If it isn't, then it isn't working.

And we must challenge it.

We must push back against every word of corporate propaganda.

We must push back against nonsense positions like Australia's best interests are served by cutting corporate taxes. Or cutting workers wages. Or keeping workers casual and on part-time wages where they struggle to pay full time bills. Or forcing people onto dodgy, unfair contractor arrangements.

A different future is possible.

One where the powerful are held to account for wage theft.

Where companies like Uber who make \$36 million in revenue, don't just pay paltry sums like \$403,000 in tax.

Where companies that are socially responsible are rewarded by the market and enjoy greater investment.

Australia enjoys a proud history of identifying industrial injustice and taking bold steps to redress it.

We saw this over 150 years ago when stonemasons fought for an 8-hour day and we saw it three decades ago when transport workers began to demand dignity in retirement and kick-start what is today our superannuation system. We see it in the fight for Safe Rates and for Government accountability for bus services and decent wages.

Our movement has proved it can right wrongs and effect change that benefits all of society.

So I am asking each and everyone of you: are you prepare to wage that fight?