



Jobs and Rights Charter for Working Australians

Australian Unions



Working for a
better life.

ACTU



Working for a better life.

The Global Financial Crisis that began in the US housing market, spread to Wall Street and brought down some of the world's largest financial institutions, poses the biggest threat to the jobs and living standards of Australian working families in several generations.

It is estimated that globally more than 50 million workers will lose their jobs this year, while another 200 million will join the 1.4 billion already subsisting on less than \$US2 a day.

Around the world, there is anger at the flawed thinking and corporate greed that was at the root of this crisis. Working people are the unwitting victims of an economic collapse they did not cause. Heaping on the indignity, they did not share equally in the economic boom either.

The shockwaves of the GFC have taken longer to reach Australia than it has many other parts of the world, and the impact to date has been less than that experienced in the United States and parts of Europe. But for working Australians and their families, the situation will get worse before it gets better. Unemployment has risen from 4.3% a year ago to 5.8% and is forecast to peak as high as 8.5% next year – more than 900,000 Australians out of work.

The sad truth is that the victims of this downturn will be ordinary Australian workers, who through no fault of their own find themselves fighting to preserve their jobs, their incomes, their homes and their livelihoods.

As the crisis worsens, working Australians are turning to unions for help to protect their jobs, their conditions, and their living standards.

Australian unions have risen to this challenge.

Unions have been at the forefront of the push to protect jobs since the earliest signs that Australia would not be immune from the GFC. We have contributed to the successful stimulus measures, proposed innovative ways of preserving jobs while retraining and reskilling the workforce, and are leading the call for a fair go for Australian jobs and industries in the billions of dollars of taxpayer funds to be spent on stimulus projects.

The labour movement has a fundamental role to play in seeing workers through the crisis and in coming up with solutions and a vision for a better economic system. It is time for a charter of jobs and rights for working Australians.

This document provides many of these solutions. It has been drawn from the policies endorsed at the 2009 ACTU Congress, stories gathered from the working people we represent, and research commissioned for the recent ACTU Jobs Summit: Pathways to Recovery.

We hope the forecasters are correct when they say that Australia's economy is better placed than most to withstand the worst effects of the downturn. But we should not delude ourselves about the impact on working people. This will test our organisation, our resolve and our imagination. As ever, unions will be there for all Australians, working for a better life.



Sharan Burrow, ACTU President



Jeff Lawrence, ACTU Secretary

July 2009



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Sharan Burrow,
ACTU President



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Facts

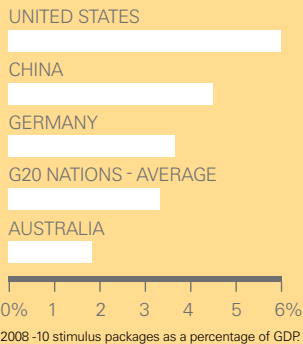
900,000 Australians are forecast to be unemployed by mid-2010

Over the next 12 months up to 5,000 people a week will lose their job

Women, young workers and people in the mining, manufacturing, construction and finance industries are among the worst affected

Up to one million new jobs can be created if Australia invests now in new clean energy jobs and climate change solutions

Australia's stimulus package is modest by world standards:



"We've done our all for this company and the repayment we got from this company was we got sacked. Not just me, 14 other blokes with us... I'm 56. It's going to be virtually impossible for me to find other employment."

Frank Bonnici, ex-employee of transport engineering firm, Tieman.

Securing jobs

Securing the jobs and livelihoods of working Australians is our top national priority in both the tough times and the good.

The true benchmarks of economic recovery are not so-called 'green shoots' on the stock market but sustainable jobs growth in the real economy. Decisive action taken by the Federal Government since late last year has slowed the rate of job losses from the global recession, but more action is needed.

Australian jobs and local industry must be given a fair share of the \$77 billion of taxpayers' money that is being spent on economic stimulus and other policy interventions. It is only right that this money is spent wisely and in a way which maximizes good jobs for working Australians, promotes skills development and higher productivity so that we can successfully position our economy for the global recovery.

Urgent action on industry, climate change and skills is also needed to secure the long-term future of mature local industries and to foster the growth and development of emerging industries. The current global recession provides a major threat to investment in these critical sectors, but also an opportunity to restructure and better position Australian industries in the growth sectors of the future.

Australian unions call for:

- **Guidelines for government spending** to ensure taxpayers' money maximises the creation of Australian jobs and strengthens local industry. Within the terms of our international obligations new national interest expenditure principles would require businesses tendering for publicly funded contracts to provide workers with fair pay, decent and secure employment conditions, safe workplaces, respect for their rights as well as opportunities for apprentices, ongoing skills development for employees, and openings for disadvantaged jobseekers. The guidelines should also curb the outsourcing of jobs overseas.
- **Strategic support for industries** including those mature sectors of the Australian economy facing unprecedented challenges in the global recession such as steel, textiles, pharmaceuticals and automotive. Action is also needed in fast-growing and high-skilled sectors such as renewable energy, biotechnologies, and telecommunications.
- **Investment in new, clean energy sectors** while protecting existing jobs in trade-exposed, emissions-intensive industries. Australia stands to gain a sizable share of the emerging global market in clean energy and climate change solutions but only if we act fast to establish the Carbon Pollution Reduction Scheme (CPRS) and implement the Mandatory Renewable Energy Target (MRET).
- **Rebuilding national infrastructure** through the establishment of a National Infrastructure Funding Corporation to use funds drawn from the Future Fund and pooled superannuation funds to invest in infrastructure contracts. Six national infrastructure priorities should be adopted: public transport; social infrastructure; investment in solar power, geothermal and carbon capture technologies; water saving and efficiency projects; digital infrastructure, including the National Broadband Network and smart grid; asbestos removal.
- **Expanding vocational education and training** in areas of high need, including clean energy skills development, along with increased access to VET places for groups that are marginalised. This should include the immediate allocation of Productivity Places to up-skill existing workers and a comprehensive workforce development plan to make existing and new jobs environmentally sustainable.

Supporting families

The current tough economic times are exposing many working families to enormous hardship. In the last year, about 115,000 full-time workers have lost their jobs. Thousands more have had their hours of work cut back. Despite years of the resources boom under the former Liberal Government, household debt reached record levels and most families do not have enough savings to tide them over if they lose their job.

Labour market deregulation has increased the precariousness of people's employment, particularly through casualisation. These people do not enjoy the same job and income security as other workers. Regardless of the economic climate, the labour market should deliver secure employment and incomes to all workers. The existing national social safety net for income protection and employment security is insufficient and inadequate.

Australian unions call for:

- **Action to improve job and income security for working families** and to reduce the incidence of casual and contract labour. Regardless of the economic climate, the labour market should deliver secure employment and incomes for all workers, including contractors. Australia must examine new systems of income protection and employment security, comparable to international innovation in countries such as Denmark, Sweden and Germany ('Flexicurity'). Employment insurance schemes and mechanisms to support lifetime learning should be considered along with the potential to blend government help, private support and training funds so workers can keep their jobs and acquire new skills during downturns in production.
- **Better support for financially distressed families**, including temporary relaxation of access to preserved superannuation to meet mortgage repayments, requirements for the banks to do more to prevent housing foreclosures, temporarily easing the asset and income tests for unemployment benefits to help laid off workers until they find new work as well as improved access to job finding services.
- **Workers to be fully informed** and consulted by employers about the pressures on their business caused by the global recession and allow workers to have a say when considering laying off staff, down days, shorter hours, reducing pay, and other responses to the downturn. Employers should also commit to returning staff to normal work arrangements and full employment conditions when the immediate economic crisis is over.
- **Urgent protection of employee entitlements** including improvements to the safety net General Employee Entitlement and Redundancy Scheme (GEERS) as well as a crackdown on rogue employers who fail to meet their obligations to properly preserve entitlements. Unions also call for a major review of workers' entitlements and corporate law reform to prevent employers treating their workers' entitlements effectively as an unsecured interest free loan. There should be higher penalties for employers and directors who fail to meet their obligations with regard to employee entitlements.

Facts

115,000 full time jobs have been lost in the last 12 months with 10,000 lost in the finance sector alone.

Australia has one of the highest rates of casual workers in the world. More than one in four workers are casual – they have no access to paid leave or redundancy pay.

The current average duration of unemployment has risen from 26 weeks at the start of the year to 33 weeks – more than eight months.

For an average worker earning \$1000 a week, losing your job means having to make ends meet on an unemployment benefit of just \$230 a week.

More than a third of Australians (38%) do not believe they could survive on their savings for more than a month if they lost their job.



"We've lost all our entitlements, what we've worked for all our life. And we're all very angry about it and upset and it's going to affect us at home as well... Me and my husband work here. We actually have a four year old child as well in kinder and with the both of us out of work we have to for the first time in our whole life go to try to find other work or in the worst case, go on the dole."

Maryann Tominovic,
ex-employee of Melba Industries

Facts

The wages of more than a million low paid Australians have dropped in real terms by an average of \$30 a week under the former Liberal Government's WorkChoices laws.

The average weekly full-time earnings of women are 20% less than men.

There are an estimated 8,000 Australians who die as a result of a work-related injury or illness each year – more than 4 times higher than the road toll.

After 30 years of campaigning by Australian unions, all mothers will soon gain 18 weeks financial support on the birth of a child through a new national paid maternity scheme.

There are 900,000 construction workers across Australia who do not have the same rights in their workplace as all other Australian workers.



"There's people here that are sad, they are down, they turn up to work but they look like zombies because they haven't got any more feelings any more. They've gone through all the stages but the end stage at the end this month, they are redundant, they are out of work."

Mark O'Brien, ex-employee of Melba Industries

Protecting rights

The previous recession in the early 1990s saw a tragic decline in employment and a dramatic increase in casual and contract jobs with fewer rights and basic conditions.

Labour market deregulation under the previous Liberal Government which culminated in WorkChoices and the discriminatory laws introduced for construction workers, also saw a major attack on Australian workers' rights.

It is not acceptable for ordinary working Australians to bear the brunt of an economic downturn they did not cause. And it is not acceptable for employers to use the current downturn to further erode workers' basic rights or to use it as an excuse to prevent the restoration of rights lost under WorkChoices.

Australian unions call for:

- **Equal laws for all workers.** There should be no discriminatory workplace laws for construction workers and the use of coercive powers in the building and construction industry must be abolished.
- **Healthy and safe workplaces.** All Australians should have the right to go to work and come home safely. Yet 8,000 Australians die and almost 700,000 Australians suffer serious injury, illness or disease each year as a consequence of their employment. New national health and safety laws must deliver the highest possible standard of protection for all workers, and must not leave any worker worse off.
- **Implementation and improvements to fairer industrial relations laws** and workers' rights. It is essential that no workers are disadvantaged in the creation of a national IR system and the modernisation of awards. Unions will also work to ensure that: the new Fair Work institutions provide an effective procedure to resolve workplace grievances and disputes; rules governing the making of agreements do not restrict workers' rights and interests; procedures for workers to democratically endorse industrial action are practical to the needs of the workplace; and that employees are able to receive, at work, information and representation from unions without unnecessary hurdles.
- **Raising minimum wages for low paid workers.** With more than 1.3 million low paid working Australians suffering a significant real wage cut under Liberal Government's pay commission, and a wage freeze in 2009, the minimum wage should be progressively raised to \$600 a week. Unions will also campaign for social wage improvements to lift the living standards of low-income working families.
- **Equal pay for women.** Priority should be given to establishing a specialist Pay Equity Unit and Pay Equity Commissioner within Fair Work Australia to monitor and investigate pay equity. There needs to be reform of anti-discrimination legislation to promote equal remuneration.
- **Improvements for working parents and carers** such as the inclusion of superannuation in paid parental leave, two weeks paternity leave, and a right for all carers to request flexible work arrangements. Unions also want to see an increase in the amount of paid personal/carers leave and the introduction of palliative care leave as a minimum standard.
- **Employers to recognise unions** play a legitimate and constructive role in advancing and protecting the interests of working Australians. Employers should abide by the intent and spirit of the new Fair Work laws, and not restrict the legitimate activities of unions or union members in the workplace.

Facts

Sustaining growth

There can be no return to the unethical business practices and lack of regulation that led to the Global Financial Crisis. To secure the jobs of this generation of Australians and the next we need to put our economy on the path of more sustainable growth.

This means tougher regulation on businesses to discourage speculation for short-term returns as opposed to investment for long-term growth. There must be an end to the outrageous executive bonuses that fuelled unsustainable business models and the sale of risky financial products. Policies which favoured high income earners and big business such as labour market deregulation have undermined the security of our jobs, lowered the share of national wealth that working people enjoy and increased social inequality – they need to be turned around.

At the same time, we must find a new place for Australia in the world economy. Building on our existing strengths and competitive advantages, Australia must pursue a model based on higher skills and higher productivity. We must strengthen local industries, invest in the skills of our workforce and promote cooperative business practices that generate productivity gains. In doing so, we also need to address the serious problem of climate change. We need to make sure our jobs are secure, not just for us, but for the earth itself.

Australian unions call for:

- **Tighter regulation of business** and financial practices with governments playing a more active role towards a stable, diverse and sustainable economy. An economy driven not by speculation and risk-taking, but by stewardship and investment that achieves secure employment, fair wages and rights for working people and delivers rising living standards for the community.
- **A charter of responsible lending** to ensure that the lending practices by banks and other financial institutions do not lead to an increased burden of debt for workers and their families and protects the economy from the instability of high levels of personal debt.
- **New rules to control global finance** and reform the global governance system to achieve greater accountability and economic stability. This would include transparency measures along with counter-cyclical capital requirements, prohibition of off-balance sheet transactions, the abolition of tax havens and the replacement of private credit rating agencies with independent public bodies.
- **Curbs on executive pay and bonuses** to prevent inappropriate risk-taking with an absolute cap on the base earnings of an executive of a multiple of 10 times the average weekly earnings paid to full-time employees of the enterprise. Unions also seek stringent requirements on performance bonuses so that they can only be paid when a company has out-performed its peers over a period of at least five years, and the executive personally contributed to sustainable business growth over a long term. Tax deductibility for any component of remuneration over \$1 million per year should be removed.
- **A fairer tax system for all Australians.** The Henry Tax Review must reject pressure from business lobbies for further cuts to company tax rates. Instead there should be a focus on providing sufficient revenue for public investment and services, promoting employment and redistributing income more equitably through the removal of loopholes, distortions, and other inefficiencies in the tax system which enable high income earners to avoid paying their fair share.

Company profits as a share of national income remain at close to record highs of 28%, while wages' share has steadily declined to a 44 year low.

From 2003-4 to 2005-6, the median amount of debt among indebted households rose from \$37,700 to \$50,500, a real increase of 34%.

Between 1990 and 2005, the average cash remuneration of a CEO of a Top 50 listed Australian company rose by 564% to \$3.4 million

Over the same period, top CEO pay ballooned from a multiple of 18 times average full-time earnings to a multiple of 63.

Tax rates for high income earners in Australia are among the lowest of the advanced economies and our overall tax revenue of 30.6% of GDP ranks Australia 23 out of 30 OECD nations.



"As a woman of 60, I did not expect to end my working life this way... The National Australia Bank has recently announced its profits of over \$2 billion. Can you tell me that that should involve now getting rid of frontline staff or any staff in the National Australia Bank? The banks are hiding behind the global financial crisis."

Susan Walsh, ex-National Australia Bank employee



Jobs and Rights Charter for Working Australians

Securing jobs

- Spending guidelines for government to create Australian jobs and strengthen local industry
- Strategically supporting industries facing unprecedented challenges and to position Australia for recovery
- Investing in new, clean energy sectors while protecting existing jobs in trade-exposed, emissions-intensive industries
- Rebuilding national infrastructure to increase economic capacity and address social need
- Expanding vocational education and training to lift skills and productivity

Supporting families

- Strengthening job and income security for working families
- Increasing support for financially distressed families
- Requiring employers to inform, consult and give adequate notice to employees over business pressures and changes
- Urgently improving protection of employee entitlements

Protecting rights

- Ensuring equal laws apply to all workers and removing coercive powers in the construction industry
- Legislating for the best possible standards in workplace health and safety
- Implementing and improving fairer industrial relations laws that fully respect workers' rights
- Achieving equal pay and better opportunities for women
- Raising minimum wages for low paid workers
- Improving workplace rights and conditions for working parents and carers

Sustaining growth

- Supporting new rules to control global finance and achieve greater economic stability
- Tightening business regulations to limit risk-taking and promote long term investment
- Reducing personal debt and financial risk through a charter of responsible lending for banks and credit providers
- Curbing excessive executive pay and bonuses
- Building a fairer tax system for all Australians

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