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Check against delivery

I want to begin by acknowledging the traditional owners of the land we meet on today the Ngunnawal people and pay all my respect to their elders past and present.

It always was and it always will be Aboriginal land.

I want to welcome all the union members in the room. I want to thank you for the critical roles you have played over the last 14 months. Hard, important, often dangerous work that carried us all through this pandemic. Union members joining us today include nurses, aged care workers and disability support workers and I know that some of you have been recently vaccinated and others, like thousands of other frontline health workers, are still waiting.

I also want to acknowledge that tomorrow is International Workers' Memorial Day - a day when we pause and remember workers who have lost their lives at work.

By the time the Federal Treasurer stands on his feet on May 11<sup>th</sup> to give the 2021 Budget speech, most of the big ticket items will have been launched through the media.

There will of course be a few head-line grabbing announceables left over for the news to show respect on budget night.

The budget speech is the closest thing we have in Australia to the State of the Union address.

It is not only the numbers that count on the night – it is the political story telling that really matters – the words, the rhetoric, the myth making.

And the Coalition's economic story - their tried and true rhetoric - has been consistent and powerful over many decades.

They have weaponised Government debt.

They have made a virtue of cutting government spending.

They have promoted trickle-down economics.

And they have demonised the social safety net – remember the lifters and the leaners?

Their ability to control the meaning of the economy within a narrow, and partisan straitjacket has had real world consequences.

It has limited the imagination of political decision makers for a long, long time.

The Union Movement is not alone in having a different view of what the economy is, and what it should be.

We believe that the role of Government is to **shape** the economy to make people's lives better.

- To increase national prosperity and reduce inequality
- To legislate human rights and workers' rights
- To regulate the market to protect people, our communities and our environment
- To deliver a social safety net that ensures no-one is left behind
- To lead all of us in meeting the big challenges, be it a global pandemic or a warming climate

In the world view of the self-defined 'best economic managers' who have been in Government for 8 years, our views have been treated as wildly radical and absolutely undesirable.

But 2020 and the global pandemic has ripped a hole in the fabric of their mythmaking.

The foundations of the world view that the union movement holds were in fact essential to the choices made by Government that saved Australia during the pandemic.

The Federal Government, pressured by unions and others, delivered the largest EVER injection of money into the hands of working people in the form of JobKeeper, which ensured over 3.5million workers and sole traders kept an income.

It saved millions of jobs and tens of thousands of businesses.

We lifted almost half a million Australians out of poverty by increasing the level of JobSeeker payments.

For a tantalising moment, we made Childcare free and working families had a glimpse of a better life without the crippling cost of childcare.

We briefly housed the homeless.

We introduced paid pandemic leave and other supports to make all workplaces and our community safer against the virus.

These choices saved Australia from the worst ravages of this unprecedented health and economic crisis, and they also positioned us for a stronger recovery, when the pandemic receded.

If the Australian Government had made a different choice - as demanded by some political and business leaders – that we should just “live with the virus”, and experiment with “herd immunity,” we would have lost many thousands more lives.

And we would not be where we are now – with life starting to get back to normal, and our economy in recovery.

And the recovery we are seeing so far proves the Union Movement’s key argument during the pandemic - that looking after people looks after the economy.

The economy is said to be roaring back to life, with consumer spending up and unemployment down – and we can largely thank the Australian people, essential workers, the hard work of the states and our public health system for this recovery.

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**But this is a fragile recovery – a fragile moment for our country.**

The virus is still with us here in Australia.

And the global pandemic is still raging.

The biggest mistake we can make is to rest on our laurels, lose the urgency needed to defeat the virus and put the economy back into autopilot with coordinates set once again to trickle-down economics.

There are continued health and economic risks, made worse by the failure of the Federal Government to implement an effective national vaccination program.

And importantly, the post-pandemic recovery has not been a shared or inclusive one.

We remain vulnerable to some long-standing structural weaknesses in the economy that must be resolved to attain a lasting, stable and fair recovery.

The rebound in employment and GDP has been narrowly based on an outburst of domestic consumer spending.

When lockdowns have lifted, those Australians who could afford to were excited to get back out into the real world and spend money again -- including shopping, dining out, domestic travel, and sports and recreation.

This has led to a strong bounce in retail spending, which has been running well above pre-pandemic levels.

But consumer spending alone cannot drive an all-round economic recovery.

The pent-up demand fuelling consumer spending will soon dissipate and critically, future progress in consumer spending will not occur unless Australians get a wage increase – and there is no sign of that happening.

Also of concern is the weakness in Government capital spending since the pandemic.

Despite all the photo opportunities in hard hats, the Commonwealths capital spending fell by 5% in real terms in 2020.

And promises that we are being led toward a new, diversified and resilient economy are not born out by the facts.

A recent Oxford University report shows Australia had one of the largest Covid recovery expenditure programs at 12% of GDP, but almost none of it was climate-aligned.

Australia is the worst performer on a list of the world's 50 largest economies for "green recovery" spending to kickstart economic growth after the Covid pandemic.

And last week we saw the Prime Minister on the global stage fail to commit to the urgent action and targets needed to slow down the damage of climate change.

The continuing decline of business investment in Australia has also worsened since the pandemic.



Capital spending by Australian corporations fell again last year – to its lowest level in post war history. This is despite all the assistance they got from government, and the highest profit share of our GDP ever.

For successful, long-run growth, Australia's economy needs to be firing on all cylinders.

We can't count on consumer exuberance to save the day forever.

We are certainly encouraged by the increase in total employment in recent months.

But there are many worrying signs about the fragility of our labour market.

Two-thirds of the net new jobs created have been part-time.

Almost 60% have been casual.

In fact, since May we have seen the largest surge in casual work in Australia's history.

Around 1.1 million Australians are looking for more hours.

And almost 800,000 are holding down more than one job to try to make ends meet.

The dominance of insecure work in the recovery of employment clearly sets us up for more problems down the road – whether it's future outbreaks of COVID, or other economic or health shocks.

Our government should be acting powerfully at this moment to shift our labour market toward more secure and stable jobs: with guaranteed entitlements (like paid sick leave, annual leave, superannuation), predictable hours, and living wages.

Instead, they have done the opposite: using the dregs of their IR legislation to entrench casual work.

The rebound in total employment numbers also hides the continuing weaknesses in some sectors and occupations.

The jobs recovery is not shared.

Firstly, employment in the critical industries of education, manufacturing and construction still report job numbers below pre-pandemic levels.

Secondly, employment has grown for managers and professionals who were able to continue doing their jobs at home right through the pandemic, but it has hit other occupations very hard — including community and personal service workers, technicians, trades and labourers.

We must especially acknowledge the acute employment challenges faced by young Australians. In any recession, they are the first fired and the last rehired.

And the COVID recession has been brutally unfair in this regard. Employment for people under 35 is still well below pre-pandemic levels.

We need powerful, targeted measures to get young people working again, and prevent the lifelong scarring of their career and incomes that will otherwise result.

[And, no, The Government's JobMaker program which has only delivered 609 of them - is not a real employment program)

The incidence of Australians holding more than 1 job to get by has also grown dramatically in recent months.

One-third of the new jobs created in the second half of 2020 were secondary jobs – which means that they are jobs held by someone working multiple positions. And the share of secondary jobs in total employment has never been higher.

Put simply people are not earning enough in their first job and are being forced out of economic necessity to take on a second or third job. This is the Americanisation of our labour market.

Another critical weakness in our labour market recovery is the continued stagnation of wages.

Even before the pandemic, wages had been growing at the slowest rate since the Great Depression.

And now they are growing even slower. The latest ABS data shows a 1.4% increase in hourly wages over the last year, the lowest on record.

There is no doubt we are in a wage crisis.

When even the Governor of the Reserve Bank of Australia thinks wages are too low, alarm bells should be ringing throughout the country.

And we are yet to see the full impact of the premature withdrawal of JobKeeper and the shameful return to below-poverty payments in the form of JobSeeker.

With stagnant wages, growing prices, and insecure jobs, it is little wonder that millions of Australian families struggle desperately to pay their bills.

The Melbourne Institute found that around one-quarter of Australians report being in financial stress: meaning they worry they cannot pay for essential goods and services. This proves that for many, the fear and insecurity caused by the pandemic has not gone away.

Meanwhile a lucky few actually got much richer as the pandemic raged.

Around the world, we saw the aggregate wealth of the world's billionaires growing by over \$5 trillion, up 65% in a single year. At the very moment when billions of people feared for their lives.

I doubt there has ever been a bigger contrast between the privilege of a fantastically powerful elite, and the diminishing life chances of the majority.

If you thought but this didn't happen in Australia you are sadly wrong. Even during the pandemic and unheard-of Government intervention, we continued to see a massive transfer of wealth from workers to profit.

While Australians struggled to get through the pandemic, Australia's richest 30 billionaires captured an EXTRA \$50 billion during the pandemic – boosting their combined wealth by 31%.

Which makes it even more striking that the Government is actively working against wage increases for workers – both in their submission to the Fair Work Commission's annual wage review, and by capping wage increases for their own workforce.

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Thanks to our success in almost eliminating community transmission of COVID-19, Australia has an opportunity to re-open and re-build our economy more expansively than most other countries could dream of.

But so far, that recovery is fragile and very unequal.

The Government has such a clear choice in the 2021 budget.

They can return to their fear-mongering about debt.

They can give more tax benefits to business and the already well off, and they can try again to convince us that all this largesse will somehow benefit the rest of us.

Or they can deliver their own promise that we are all in this together, and all Australians must share in the recovery.

The report we launch today outlines the Government investments and actions we believe will deliver a stronger, more balanced and inclusive recovery.

But first, I want to put the Government clearly on notice about two key issues – delivering a budget for women, and a commitment to tackle the wage crisis.

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Pause

Many of us are wondering whether we have witnessed a genuinely transformative moment for women over the last few months or whether once the headlines die down, so will any commitment to real change.

The 2021 budget will give us this answer.

It is a very short 7 months since the last budget, and criticism that it ignored women was completely dismissed by Government. “Women drive on roads you know” was the response.

The Prime Minister’s office claimed that no credible women agreed with those of us who criticised the ‘blokes’ budget.



It is a terrible indictment on our country and our politics that the issues of gender inequality had to rely on a young woman revealing the trauma of sexual assault in her workplace in our nation's Parliament for our society's broader treatment of women to be put on the table.

Like many other women, I have publicly thanked Brittany Higgins for her courage to speak out.

And since I stand here at the National Press Club – the club for our journalists – I want to acknowledge that the seriousness and consequences of these events would not have been fully exposed or realised without the determination and skill of many fine women journalists in positions of real authority in our media.

The issues at the heart of this young woman's experience are not hers alone, they don't belong in this moment alone, or in Parliament House alone.

Her story is my story, it's our story, our mothers' story, and our grandmothers' story.

Anybody who was shocked, or thought that there was too much outrage and not enough solutions, or who needs a briefing on the existence of the gender pay gap really is caught in a bubble, and a gendered one at that.

During the time that Brittany Higgins' story was dominating the media, a call came through to the ACTU from a woman asking to speak to me.

It took me a moment to place her name. More than 25 years ago, I had begun work as an organiser for the Textile Clothing and Footwear Union. In my first year as an organiser, I visited a textile mill in the northern suburbs of Melbourne (got whistled at and catcalled myself the first time I walked through the site to visit the members). The majority of workers were men and the small number of women were excited to see a union organiser who was a woman. One of them approached me and asked to speak to me privately. She told me a horrific story about a supervisor who was subjecting her and some of the other women to serious sexual harassment, assault and I suspected much worse. It was so hard for that woman to tell me her story. It was a story of considerable pain and trauma.

It took us time to organise to have this male supervisor held to account and he finally lost his job.

When we spoke last month, she remembered how important it was that she was believed. And how important it was that the union, through its members, could make that vital change at that one workplace.

That's 25 years ago.

Please, forgive our anger and our outrage at suggestions we have not talked enough about solutions.

We have been at picket lines, rallies, political conferences, International women's day marches and now corporate breakfasts, we have been on strike, campaigned, organised and made speeches, we have researched, argued and submitted endless reports and submissions to Governments, inquiries, Industrial Relations Commissions.

In short, we have fought for decades all these issues that appear to be a surprise to so many in the current Government.

And where are we after all these years of talking solutions?

The Gender Pay gap in Australia is still far too wide.

Across all jobs, part-time as well as full-time, women make 31% less per week than men.

We rank 44<sup>th</sup> on a global scale of delivering pay equity.

Our labor market is deeply gender segregated, and the industries and occupations dominated by women largely depend on awards, and have lower protections and lower wages.

Many of these workers carried us through the pandemic – at the frontline in healthcare, aged care and retail.

Paid work done predominately by women is undervalued, and we know women still bear most of the unpaid caring and domestic work.

Women are still grossly overrepresented in insecure work with 57% of women workers experiencing job insecurity – that's before Covid hit.

Women are more likely than men to be on lower hours, and in casual and temporary positions.

Women have less sick leave than men, less long service leave, less superannuation and less control over their rosters and hours.

Women are still held back by the failure of Government to deliver free high quality early childhood education and care.

Insecure work is insecure in more ways than just financial.

If a woman employed in the most powerful building in Australia felt powerless to report an assault, imagine what faces women workers in low paid, insecure and casualised environments.

The link between insecure work, poor health and safety regulations and sexual harassment is proven.

Sexual harassment is about power – and those without power are subject to the threat of an unsafe workplace.

It's not just your gender.

If you are an Aboriginal and Torres Strait Islander, young, LGBTQI, have a disability, are a migrant or from linguistically and culturally diverse background – this increases your likelihood of being harassed and subject to violence at work.

This is what structural inequality means.

And a Government that refuses to recognise existing inequalities for women will make bad policy decisions.

That's part of what makes structural inequality - **structured inequality**.

**Let's look at the Government's decision on the withdrawal of super.**

That decision reduced women's chances of a decent retirement, and increased the number of women who will retire into poverty. Over 300,000 women completely emptied their super accounts.

Women were already behind the 8 ball.

They started with less super thanks to the pay gap, and they will be over-represented in the cohort whose futures are less financially secure.

Women over 55 are already the fastest growing group of people who find themselves homeless.

This is structured...designed.... inequality.

And in two weeks' time, when the Treasurer is on his feet, Australian women will see what the Government *chooses* to do about this inequality.

We will see if they have a gender lens, or still have gender blinkers.

I can announce today that in Sydney tomorrow, I will be standing alongside a group of women from across the political spectrum including business, to launch our combined view of the budget measures the Government needs to introduce to meet the test of a budget that delivers for women.

A better budget for women is not just a better budget for women – it's better economic management, it's better for men, it's better for everyone.

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The Government has another critical choice on Budget night.

On May 11<sup>th</sup>, we will be told the Treasury's forecast for wage growth. We don't expect a good number. (Remember also that in 8 years in Government they have got wage forecasts wrong over 30 times).

The Coalition have been in power for 8 years.

They have overseen the longest and most painful decline in wage growth of any government since the Great Depression.

Low wage growth is not an accident.

Here are the five things you **would** do in Government if you wanted to drive down wages, and shift prosperity sharply away from working people and into the hands of the already rich and powerful:

1. You would demonise and even criminalise workers trying to organise and bargain for better wages and conditions.
2. You would make it easier for employers to casualise jobs.
3. You would keep the minimum wage well below a liveable wage, even for a full-time worker.



4. You would put strict caps on public sector wages – and outsource or privatise many public sector jobs.
5. You would turn a blind eye to sham contracting, wage theft, and other strategies by employers to pay even less than the minimum wage. And you would neglect migrant workers, international students, and other desperate workers who face particular risks of exploitation.

The Coalition in Government have done all 5.

This is the real economic legacy of their budgets and their decision making.

Low wage growth, in short, is another part of STRUCTURED, deliberate inequality.

AND – it is **way past time** our Government and their budget speeches were held to account on this most fundamental part of the great promise of Australia – a fair go.

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**In two weeks, we will see the Morrison Government's plan.**

The choices they make will impact millions of Australians, and chart the next stages of our course out of the pandemic.

Last year, at the height of the pandemic, the ACTU called for a National Economic Reconstruction Plan.

Today, we have launched a detailed analysis of the recovery and the ongoing economic challenges.

And again, we offer a plan for a people-led recovery, a plan to create secure good quality jobs, a plan for a stronger, balanced and more inclusive recovery.

Key elements of our plan include:

- Addressing the record breaking low wages we have seen under this Government. The Government must support increasing the minimum wage, remove public sector wage caps, strengthen collective bargaining so every worker can benefit from bargaining, and lift income support for the unemployed above the poverty line.
- The Commonwealth must continue wage subsidies for workers and sectors who still need it.

- The government must ramp up its own economic activity in the real economy: including a permanent expansion in vital public and community services, and a genuine and sustained program to improve public infrastructure.
- This must include major investments to resolve the Aged Care crisis. The Federal Government recently signalled it was considering new funding that would only amount to a quarter of what the Royal Commission has called for. Our elders need much more than that. And new funding must be linked to better staffing and quality care. The model of low pay, insecure jobs, and understaffing has to end.
- The commitment to infrastructure must include a renewed emphasis on affordable and public and community housing developments.
- We also need an ambitious strategy to support investment, both public and private, in the key strategic industries of tomorrow and rebuild Australia's advanced economic capacities.

- Investing in the energy transition that is accelerating around the world is another vital component of national reconstruction. The Government's continued attempts to deny climate change, and delay the coming energy transition is not helping the workers of today or the workers of tomorrow. Moving ahead now with a strong sustainable jobs plan, including comprehensive supports for affected workers, is the best way to ensure workers, their families and their communities get the benefits from the coming transition, not just bear the costs.
- The government must rein in the surge of insecure and casual work which has dominated the employment recovery so far. The government's new legislation on casual work, which allows employers to lock in casual employment and retrospectively strips workers of entitlements must be abandoned. It should be replaced with a definition that reflects genuine conditions of casual work.

- The Government can no longer pay lip service to concern about gender inequality and violence. This budget must deliver measures to support women's workforce participation, wage equality, safety and key services and be central to the government's plan for continuing economic recovery. These must include the resources required for free, universal quality Early Childhood Education and Care, an expanded 26 week Paid Parental Leave scheme available to be shared between parents, 10 days paid family and domestic violence leave in the National employment standards, the urgent implementation of the full 55 recommendations in the Respect@Work report including those that put obligations on employers to prevent harassment and the restoration and expansion of funding for domestic, family and sexual assault services.

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## **Conclusion**

We have survived the worst devastation of the pandemic by investing in people's health and their jobs.

Australia showed that that if you do this – if you look after people first - people will look after the economy.

JobKeeper helped people keep their jobs, this meant they were able to look after local businesses. We have had in effect, a grass roots, people lead recovery.

This budget is absolutely critical to the future of this recovery.

We cannot afford to continue to gamble that consumer confidence, prosperity and higher living standards will trickle down with more handouts to big business.

We must not have a recovery for some, for the already well off, for those fewer and fewer Australians who have secure well paid jobs.

The budget must outline a plan to arrest low wages, insecure jobs, gender inequality and the massive shift of the nation's prosperity into the hands of a few.

This is not just a matter of justice, a better society for all – it's good economic management.