



Industry groups renew assault on workplace rights

Lobby groups representing big business have stepped up their campaign against the Fair Work Act in an effort to water down employees' workplace protections and bargaining rights. The AIG, VECCI and BHP Billiton have all signalled a desire to wind back the Fair Work Act.

The Fair Work Act, introduced by Labor after the failure of the Coalition's infamous WorkChoices policy, is the legislation that protects employees from unfair dismissal and unfair workplace practices, and which protects minimum wage and conditions entitlements.

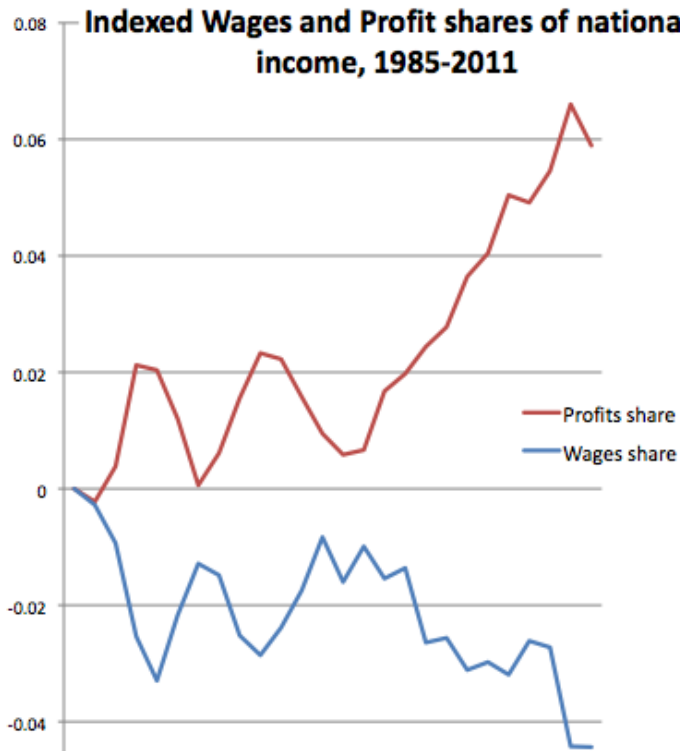
It is the legal basis through which unions protect their members and negotiate for fair pay and conditions.

The Industry lobbies' argument is that the protections enjoyed by employees under the act impede productivity, which is a measure of economic output for input. The former chair of BHP Billiton opined that the Fair Work Act's protection of minimum entitlements "could undermine the future living standards of Australians."

Economists, however, have noted that there is no evidence that the Fair Work Act is having any impact on productivity. Productivity growth is currently relatively stable at 1.8%, and has been for around ten years: long before the introduction of the Act.

ASU Victorian Private Sector Branch Secretary Ingrid Stitt noted the irony of BHP bosses attacking award wage earners in order to 'protect living standards', but

warned that this illogical argument would be only the first of many attempts by industry groups to revisit industrial relations reform. (See "Message from Branch Secretary", p2.)



Source: Australian Bureau of Statistics 5204.0 Australian System of National Accounts

"Businesses continue to do well under the Fair Work Act. Total profits have grown twice as fast as total wages since the Act came into effect. Indeed, wage earners' share of our national wealth has consistently deteriorated over the years."

"That Australia's wealthiest businesses would attack the lowest paid workers under the guise of concern for material living standards absolutely smacks of opportunism and self interest".





Message from Branch Secretary Ingrid Stitt

The employer lobby groups have returned to a favourite policy theme this month, arguing for industrial relations reform. Hardly newsworthy in and of itself, except that this time, the employer groups are justifying the attack with a fresh enthusiasm for 'productivity improvements'.

Now, lets be clear. Productivity growth is often a good thing. Productivity is basically a measure of bang for buck in the economy; how much output (goods and services) you're getting for the input of investment, wages, capital and land. And we want productivity growth because it is generally held to be a sustainable way of increasing our standard of living, which is obviously something working people support.

But when employers talk about this measure of bang for buck, they prefer to focus on cutting employees' bucks,

rather than improving the economy's bang. When they talk about 'reforming' Industrial Relations, they're talking about making it easier for employers to pay employees less, or to employ fewer employees to do the same work.

Flexibility is term bandied around often but what does it really mean? Is it more flexible to be forced onto an individual contract? Are workplaces more flexible if employees' earning capacity is reduced via shorter shifts? Is the economy more productive if the Fair Work Act is less prescriptive? We only have to look at the Worchoices experiment to understand who pays the price when protections are removed.

The Fair Work Act hasn't given employees everything we wanted, but it has certainly been fairer than the alternative. Productivity has been

stable at 1.8% since before the Fair Work Act was introduced. If inputs are increasing relative to outputs, it's not because of wages (which have actually decreased as a share of national output while the employers' profit share has steadily risen - see graph, page 1).

There are lots of good ways to improve our standard of living, and unions are focussed on doing just that. But removing legal protections and cutting the wages of workers are pretty strange places to start.

As unionists, we must strive for a more productive debate on productivity. I look forward to your help.

In unity,

Ingrid Stitt, Branch Secretary

Jetstar members vote on IA

Members at Jetstar have recently received a protected action ballot from the Australian Electoral Commission, gauging support for a variety of actions to take against the airline.

ASU members' national negotiating team has been negotiating with Jetstar for months, but still the airline's offer is substandard. At 3%, the pay offer would put members behind inflation, and claims around conversion to full time and classification structures have been ignored by Jetstar despite healthy profits.

Members have persuaded Jetstar to drop some of its more extreme claims, including changes to overtime rates, and the creation of a lower-paid CSA position, but management are still pursuing changes to clauses around meal breaks and maximum part-time hours.

Given the astounding success of Jetstar in recent years, the company's reluctance to value its staff is frustrating for ASU members. At the time Organise goes to press, ASU members were voting on a range of industrial action options in pursuit of their very reasonable claims.



No wage growth without proven productivity - the case at SMCT

A complex round of bargaining at Southern Metropolitan Cemeteries Trust (SMCT) is aiming to resolve two clerical agreements, with the aim of maintaining the best possible conditions for staff. The need for resolution has arisen from a merger of the Cheltenham & Regional Cemeteries Trust and the Trustees of the Necropolis Springvale.

But bargaining has been further complicated by the fact that, despite being a not-for-profit and receiving no government funding, the trust falls under public-sector legislation requiring cost-justification of all employment decisions from 0%. In practice, this means *any* improvements on award conditions have to be argued in terms of their likely impact on productivity; harsher regulation than applies even to government projects.

Bargaining continues at SMCT and it is hoped that the ASU and the Trust will find a way through this complexity. The ASU will also work with public sector unions to find a solution to this unfair policy.

What is unity worth?

Former Ansett members reckon at least \$727.5 million

At the tenth anniversary of Ansett Australia being put into administration, the administration of the airline's assets has finally completed. Another \$5.3 million in dividends, resulting from the sale of the Ansett spare parts business and its building at Tullamarine, has been distributed to the airline's 15,000 former employees.

These latest and final payments take the total value of returns to employees to 96c for every dollar owed. \$727.5million in dividends have finally been distributed.

Ansett Australia was placed in administration on September 12 2001. The news reached members at the same time as news of the terrorist attacks in New York began to surface, sending shudders through the global airline industry. In the ensuing chaos, ASU members showed a steely



Thousands of members and supporters rally to save Ansett from a fire sale in 2001.

resolve and unbelievable collective strength, defying attempts by the original administrator to subject assets to a fire sale and eventually securing a long-term sale strategy under KordaMentha. ASU members also negotiated a \$382 million advance on the assets to be paid to employees by the Federal Government via the GEERS scheme.

The long-term strategy, while stressful and indeed painful for many members, ensured that former staff have now received 96% of the payments owing to them after the collapse. By sticking together in the union, Ansett staff protected their most vulnerable members from severe financial hardship, and successfully lay claim to what was owed. Even administrators KordaMentha noted that ASU members had worked "like people trying to do the best for members of their family".

At the time, some had predicted that employees would only see around 40c for each dollar owed to them. The ASU congratulates members, past and present, for seeing this through to a conclusion we are all proud of.

Receiving the last of the payments is a relief for Ansett's former employees, many of whom are still ASU members working in the industry.

Former Ansett member Linda Costantini expressed mixed feelings. "I'm happy for the chapter to be closed, but of course sad that our wonderful company is no longer part of Australian aviation".

"The ASU played a very important role in getting former employees' payments. Had the company been liquidated in 2001 we would have seen very little of what was owed to us. Korda / Mentha's appointment was fundamental to the Union's plan to realise maximum return and keep AN alive, and I'm delighted with the outcome Korda / Mentha were able to realise for all staff. Obviously this was why the Union insisted on their appointment - they were trying to protect us."

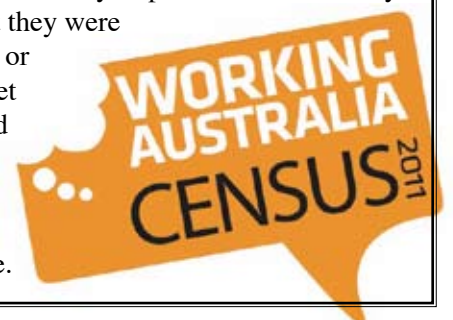
What we think

Results from the Working Australia census were recently released, and the ASU was well represented, with ASU members making up almost 10% of the national sample.

The results give us an insight into some issues that are common across our union and the workforce at large. It is hoped that the census will be repeated every four years, so that long term trends can also be drawn.

Some key findings include:

- **Union members have better working conditions**, and are more likely to be satisfied with their working conditions Around 70% of union members said they were satisfied with their current conditions at work, compared to only around 61% of the general public. 91.2% said the union was important to them.
- **Many Australians are working extra unpaid hours to compensate for excessive workloads and insufficient resources** 61.3% said they regularly worked additional hours, 47% of whom did so without compensation.
- **We're concerned about making ends meet** People who took the census said that housing affordability and the cost of living were very important issues. Nearly a quarter said that they were finding it difficult or very difficult to get by. Almost a third of young workers were struggling on their current household income.



Update: Qantas' international expansion

After urgent discussions with Qantas regarding its planned expansion into Asia and announcement of 1000 job cuts in Australia, the ASU can confirm that members in Load Control at Melbourne Airport will be affected in this first round of cuts.

As of April next year Melbourne Load Control will close its doors which will result in 45 Victorian jobs being lost. The average length of service for members in this area of Qantas is 30 years with many having in excess 35 – 40 years with the company.

Whilst this is alarming news for the members in this area the ASU has over many years vigorously fought for good redundancy and redeployment provisions in Qantas' EBA's.

We will be ensuring that all options are pursued to find people suitable alternative employment within the company for those individuals wishing to stay, including facilitating job swaps with people in other areas of Qantas and exploring options of members transferring interstate if they so choose.

Redundancies are always hard, but particularly so in a workplace where members have invested many years with a company.

Whilst there are circumstances in which our union cannot prevent redundancy, the continuous effort of members in fighting for comprehensive EBAs can minimise the associated trauma. Members at Qantas have successfully negotiated an EBA containing provisions to mitigate redundancies where possible, and providing for good redeployment options and redundancy packages. Our EBA has also ensured that the company has had to consult closely with members about such matters.

The ASU will fight for every job and continue to negotiate with Qantas for the best possible outcome for members in load control and any other staff affected across Qantas.

Sigma claims a hard pill to swallow

Bargaining has begun at Sigma Pharmaceuticals, and judging from the gaping chasm between the claims of members and the company it may take some time to resolve.



The company has asked for substantial changes to the employment conditions, including decreasing staff's RDO entitlements and increasing weekly hours.

ASU members are seeking to maintain existing conditions, but improve parental leave provisions and clarify some clauses which have caused disputes in the past. Members are also seeking an annual wage increase for the work they do building the success of the company.

Members will be asked to submit their views in relation to Sigma's claims in the near future.

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