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Thanks a lot. I want to pay my respects to the owners of the land, the Ngunnawal people and the elders past, present, and emerging. The ACTU executive meets next week. We meet at least three times a year and at that meeting will be considering what we do in terms of the referendum that will be held should be held next year around constitutional change because the union movement supports the Uluru Statement from the heart and the treaty truth telling. It's great to be here today and I want to thank the Australia Institute for putting on this conference and it's been a great reading, all of the commentary around it and all the contributions and listening to the panel that's just been here. And I'm sure the rest of today will be really fantastic too. And I can sort of see the big contribution it's making to the debate in our country.

And it's wonderful that we're having the type of debate that we are at the moment because, hey, it's been a long time, though, that we feel as though that we've been able to have these discussions and have some hope that that our country can be a better progressive country. The Australia Institute plays such a vital role in these debates and you know, for a long time really as busted myths, which are basically been used to justify, you know, growing inequality in our country.

You've kept alive for a long time the Case for National Anti-Corruption Commission, which so union movement also supports. And you put forward progressive ideas which are based of course, on extensive research. And the work's been so important for all of us who believe that we can do better as a country and that we, all of us who aspire to a fairer future as well, because let's face it, we don't have a balanced debate over economics in this country

We don't. Quite often I look at the now this wasn't in my speech, but I'm just going to say it like the talking heads that get rolled out sometimes to talk about the economy is as if the, you know, sages and you know, you know, truth tellers and everything's an absolute truth and it's exact science. And half the time, you know, the, you know, working for big business as well.

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But yet there there is the people that we're meant to to listen to. And for a long time that's really skewed the debate that's been had in our country. And for four decades. The ideas of neoliberalism, of course, have been dominant in policy and in economic debates. And as you all know, these ideas have asserted that the markets always good, governments always bad.

And I think that regulates business or gives workers rights or limits proper profit making in any way whatsoever is a danger to the economy. Last week I gave a speech just down the road at the Press Club, and at that one night I focused on the role of a different type of think tank. I don't even know if I can really call it that.

I don't think I will. The H.R. Nicholls Society and the 30 year war that I know in one of their supporters, Eric Abetz, words they've had against unions, union members and of course in shaping public opinion in our country in pursuit of that neoliberal project. When I set up that that think tank so long ago now nearly 40 years ago, they and even after that and you think about all the things that then it led to things like WorkChoices that proponents or members of that society, they knew the whole time that they were on the wrong end of the argument and that 40 years ago the ideas that they were putting forward just seemed to

be totally preposterous and wouldn't be supported. And even when WorkChoices was was put forward, it was said that they recognize that it was just deeply unpopular with Australians and those ideas were. But I sort of set their sights on the longer term, not the short term and the fact that they knew that they were going to have to invest to change public opinion because that had to fly in the face of people's rights and obviously also the facts as well and against people's interests.

And so it's so important that that we have other bodies and we build movements that counteract that. But also, you know, overwhelm it. Gareth Hutchins, Business Reporter at the ABC. I'm followed up after that speech and has written about this small group of men that set up the H.R. Nicholls Society, these four blokes in Toorak and what they wanted to achieve.

He outlined their role in changing Australia and I quote from that article they were influential, influential cheerleaders for financial deregulation, privatization and the destruction of union power. And it goes on to say, but you won't read much about them in the standard economic textbooks in Australia. And why? Because even though they've made a documented impact on Australia's political economy and the economy itself, they're the type of phenomena that are ignored by neo classical models.

So to achieve their aims is some small group of cheerleaders which were really just representing the interests of the rich and powerful big business in our country. They just couldn't come out and say, you know, inequality is great, let's aim for that in Australia. They needed an economic story too to cover their tracks really. And that's why they used neo liberal ideas to justify their profiteering and for working people.

The outcome of this 30 year war, which started 40, 40 years ago, has been really clear. Growing and structural inequality. Workers today are receiving the lowest share of our GDP since records were first kept back in 1959. So just let that digest. The lowest share of our GDP. We're experiencing the biggest drop in living standards ever recorded. Real wages didn't increase, as everyone knows, for a decade, and now they're going backwards.

During the jobs summit, Ross Garnaut gave a speech at the dinner that was held at that night and just really struck me the emphasis he was putting on to to all of us. And there was a lot of, you know,

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really, you know, business leaders there as well as obviously a whole lot of leaders right across our society just saying that you can't underestimate the damage to body politic when real wages go backwards, not just for one year, but at the moment.

They are forecast to go back for years and years and that that's never happened before. And you look at the damage in places like the US and you look at elsewhere, but this is much worse actually what's been predicted here. And it's not at a time where we're all suffering like we're, there's, there's a big recession or anything like that for everyone.

People are saying the fact that profits are going up, they're saying they know how hard they're working. Everyone went through the experience of the pandemic, all working people went through horrendous time. I want to acknowledge Ernie here and all of the health care workers who are totally, utterly burnt out and everything they put on on the line. And yet we still have business leaders saying what kind of pay rise this until productivity goes up?

No productivity. Labour productivity has gone up all productivity has gone up. Just let's talk about labour productivity has gone up. It's just that we're not seeing it. Actually, it went up 13% in the last ten years and nearly all those gains have been banked by, by capital. And people see what happens when we do see what CEOs have been paid and CEOs of Australia's top 100 companies, their average pay increases were 17% last year and we got to hear all the stuff about mythical wage price spirals, how they earn 134 times more than the average working Australia now.

And the profits of these companies, the top 100 of ballooned by more than 53% in the last year. So when real wages go backwards and people start suffering in the way that they are at the moment, they can see and feel that their contribution to society is not being recognized and just rank unfairness of it all. And that is for those who don't care about that.

Injustice is a danger. It's a danger in terms of our overall politics. And you look at what happens in other countries in terms of rise of populism and the far right. This is something that we all need to also consider, because the truth is, is the balance of power in our economy, it's swung too far in the interests of the biggest businesses and their monopsony power, as Andrew Leigh has commented on.

And actually I always say it did as well, I think it was last week or so. They've all pointed out what a problem it is in Australia and the significant impact it's having on our overall economy. I mean, wages are being kept down despite the fact that unemployment is where it's at, despite the fact we've talked about those profits, they can afford it, despite the fact that labour productivity has gone up.

So it's clear that this is actually a power issue that's going on. So to change this, we need to rebalance those power dynamics and that goes to amp up updating and making work again our bargaining laws. And they're just not working at the moment. They're not delivering pay increases. Don't have to listen to me. You just have to look at the facts that they are not moving.

I think even now the Fair Work Commission is tracking it in real time. Even, you know, the most recent enterprise agreements that have been struck now, 3% pay increases, 3%, that's more than double, you know, going backwards. And at a time when your Reserve Bank governor says oh yes, it'd be nice to see sort of, you know, three and a half per cent, no one's getting that, no one's getting that at the moment.

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It was based on an act. It was basically devised before the GFC and the massive expansion of the gig economy is just out of date. It's overly complicated. It locks too many workers out the bargaining process and only one in seven are now covered by current collective agreement. And I think our why does that matter? It's the engine room of wages growth.

If all you've got is Fair Work Commission every year putting up the annual hopefully putting up the annual wage and the only other bid to drive wages across the economy is bargaining. So when that fails, it fails for everyone, not just those people covered by it. I mean, obviously this is a focus for us, but it's not only focus.

We've got a vision of a better society for all Australians and that goes beyond those issues I've just talked about. We believe in a society where public services that support a decent quality, quality of life for everyone are well supported. We believe in a social safety net that allows people to chase their dreams and aspirations to fuel innovation and build an economy of the future, knowing that there'll always be a baseline of protection for them.

We think that that's what Australia is about. We believe in an economy that's productive and growing and geared towards, you know, grabbing the opportunities in the renewable sector and is setting us up for the future. But it's also got to be built on secure, well-paid jobs and supported by properly funding skills and training, allowing people to upgrade their skills to changes

We're going to need to as the economy changes. And we obviously really believe that this is all possible. The reason why we don't have it is because of conscious policy decisions over many years, you know, ten lost years of a coalition government. And it's really benefit a very small number of people. You know, in the end. And these policy decisions have violated, I think, the basic values and wishes of most Australians, but they've been sold as needed to reflect economic reality and the heart of these policy decisions about public revenue of course, is how we collect it, who we collect it from and what it is what the spending enables.

Large number of the crisis facing us to today are the result of chronic underfunding of essential services. That's what we see the poultry level of jobseeker, the withdrawal of funding of Taif for for, for so long the, you know, the, the allowing of our skill system to almost collapse, the lack of support for women workers. And as we were just talking about with childcare, of course, it's not just women and governments failure, you know, previous government's failure to meaningful action on climate change.

But, you know, the list could go on if we wanted to talk about crisis. I think the starkest example is the care economy and just how much is at breaking point. It's after decades, obviously, of underinvestment, also of privatization. You know, just look at aged care. The care economy is absolutely vital to our future. You know, often talk about jobs of the future and we're talking about new manufacturing jobs.

We're talking about renewable sector. But in the next five years, 30% of all jobs created in this country are expected to be in the care economy. So now the largest, you know, sector is now in our workforce, but yet it's at breaking point and no area of the labour force sees workers leave in such massive numbers. They are overwhelmingly women, of course, and underpaid, undervalued, overworked and often unfortunately forced to work in unsafe working conditions.

We just do not invest in this workforce, in their skills and in their careers. Privatization, the lack of public investment. These are the two contributing factors to race the race to the bottom on wages

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and conditions which have just undermined the sector. It's making it more difficult for the skilled people that passionate people are dedicated people, you know, young people who might be looking at where they want to have a career, to work in it, to deliver the high quality support that we deserve that Australia deserves.

But it just can't happen of course, without greater government investment. According to the OECD, we spend 16.7% of our GDP on social spending, public social spending compared to the average of 20% among developed countries. Of course, Aged Care Royal Commission discovered the sector was underfunded by about 10 billion per year. You know, it wasn't inevitable, the shortfall just didn't just happen.

It was result, as we all know, of conscious policy decisions. These choices are often sold with an idea that low taxation inevitably, inevitably leads to greater economic growth and higher incomes. Well, so much for that. Despite these myths, the reality is, is most other OECD countries have a greater share of tax to GDP than Australia does. In fact, the general pattern across the OECD is for higher income countries such as we're talking about.

Nordic countries have relatively higher taxes and those countries of course are more equal. They're happier about better social and health outcomes. And the economic performance of these countries has not suffered taxes, enables spending on social services and support and generate economic activity, which of course feeds back into higher incomes. It's worth knowing. The recent OECD figures demonstrate that lower taxing, lower spending countries like Australia have the largest public debts and pay more on interest servicing those debts.

The main point is what we spend on social goods is a choice we make as a society. A choice about what we value and what we believe is worth investing in. On aged care, we spend just under the OECD average of 1.5% of GDP, compared to more than 2% spent in countries like the UK, Finland, Belgium and even more than the 3% in the Netherlands, Denmark and Sweden.

On early childhood education and care, our government spends less and half per child than countries like France, Sweden and Denmark. This shows that social spending and secure, well-paid jobs are not at odds with each other. They are mutually reinforcing. There might even more precariously more vulnerable to exploitation than we already are. Just think about how important Medicare is to every aspect of our lives, and just imagine what the last few years would have been like without Medicare.

It's also the case that more secure and well-paid jobs also create more sources of revenue. If real wages had grown by the same rate as productivity over the last decade, the average worker would have earned an extra \$10,000 per year and quick mass tells us sets around 28 billion would have been raised each year. Resources that could have tackled the crisis in care or provided cost of living relief have instead disappeared, of course, into shareholder dividends and CEO bonuses.

can't go back and fix the past, but we can take immediate action to do better in the future by tackling our revenue challenges as a matter in a manner that's fair and sustainable. Let me just quickly outline three areas. I will get a lot of airplay today, probably already have. First is the stage three tax cuts. Surprise, surprise.

But let me make our position clear. As a union movement, we've always opposed the stage three tax cuts that deliver 240 billion over the next decade to high income earners. Richard Dennis and his team have helpfully done the math. As we know, people earning 180,000, most likely a man will get

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an extra \$9,000 a year for low income workers like aged care, disability carers and minimum wage employees will get a grand total of zero.

And it's actually worse than that. When lower middle income tax offsets effectively end next year, middle income earners like teachers, nurses and midwives will pay an extra \$1,500 in tax. Teachers, nurses and midwives all professions with a higher proportion of women workers, workers who are overworked, underpaid, who love their jobs but are now close to or past breaking point.

Stage straight tax cuts are grossly unfair that absolutely nothing to do with growing the economy. Now part of the old trickle down theory which has been shown up for what the dangerous farce it is, the recent study by David Hope and Julianne Lindbergh of the King's College of London analysed all instances of major tax reductions for the wealthiest 18 OECD countries from 1965 to 2015.

And the results were emphatic in their words. We find tax cuts for the rich lead to high income inequality in the both short and the medium term. In contrast, such reforms do not have any significant effect on economic growth or unemployment. But if you want to see the realities of such major tax cuts to the wealthy in real time, you know, I know you've been talking about it. Just look at what happened in Britain and it's a cautionary tale of the effects of massive tax cuts for the rich during a period of high inflation. We should not make this same mistake in opposition. The Labor Party supported the stage three tax cuts in 2018 when the world was a very different place. There's no COVID, no lockdowns.

And while wages were stagnant, then workers were not facing the absolute cost of living crisis that we're confronting at the moment. As the poll at the Australian Institute did on Monday demonstrates, Australians overwhelmingly agree those tax cuts are a wrong move. Good policy is having an open and honest national conversation about problems we face and providing the leadership to the best solutions requires an adaption to the changing circumstances and it means evolving the voices of the Australian community in all of its diversity and for better services and cost of living relief for those who actually need it, not for those who do not.

of the massive tax driven giveaway to the wealthiest, there are two major steps areas with resources could be better spent. Number one, direct investment into addressing the underlying social sources of inflation and relieving cost of living, crisis facing working people, and to investing to provide the support for our care economy, workers need to have a decent, well-paid, secure jobs that reflect their contribution and the dedication they've put into their roles.

These are just two better ways that the 240 billion could be spent. And secondly, we need a windfall profit tax. What we've seen over the course of this year is extraordinary increase in the windfall profits of the energy sector the same time as people, and this is no coincidence, are facing crippling increases in energy prices. This is just many examples of the mass expansion of profits.

There's many examples, but let me give you one. Woodside Energy. It's seen its revenue grow by 44% in the first half of this year, enabling it to post after tax profit of 1.6 billion international. And I know you've heard it, but a range of governments have introduced at least temporary windfall tax Spain, Hungary, Romania, Italy, Greece and even the conservatives in Britain have done so.

And those radicals, the IMF and the International Energy Agency, they've called for them to put these taxes can right range up to 90% of profits. Australia as we like and way behind this is part of a long term trend where we failed to take advantage of massive profits being made by giant

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companies of our national resources. A recent EI MF analysis shows Norway's average tax rate on a barrel of oil produces 80% back home.

A tax regime is so full of loopholes and holes that the same oil and gas companies pay no tax at all. We should be using this bonanza in profits to invest in our common future, to raise revenue, but also as a tool to lower prices for consumers. But instead, it's been taken away from us by major corporations who are not reinvesting in the common good.

And this is at least the third major area I wanted to discuss. We need to take serious action to stem multinational tax evasion. Time and again, we've seen multinational companies devise ways to avoid paying their fair share of tax. Some of the worst examples of tax avoidance in Australia come from multinationals who also posted record profits. Exxon half yearly profits this year 23.3 billion.

Chevron was 17.8 billion. Woodside's profits 1.6 billion. CEOs of Chevron and Exxon got paid tens of millions of dollars per year in cash and bonuses. Yet despite this extreme profit, they still managed to avoid being taxed. The most recent ATO tax transparency report showed that neither Exxon nor Chevron pay a cent of corporate tax in their revenues from their Australian operations, not a cent.

Woodside managed to get its tax bill down to just 8% of its taxable income, let alone the 2% of its revenue. Just to make this clear, I paid more tax on the beer I drank. I did drink a few at the Parramatta Eels Grand Final on Sunday, then Exxon and Chevron paid combined. How can we possibly have a fair playing field for workers and small business when those giant corporations are regularly able to get away with this?

And all too often we see that the companies that prioritize taxable aid and they're also experts in treating workers appallingly. Apple recently bragged of made making 168 billion in profit last year, same time it was making these megabucks. They tried to force an agreement that would have cut the real wages of its Australian workers and make them work up to 60 hours without overtime.

Mega multinationals use this busted bargaining system to try and drive wages downward, doing everything it can to minimize tax. So whatever unions argue for, workers get a better deal for Australia to make it a little fairer. We get exactly the same response from some quarters. We're accused of being irresponsible and of damaging the economy. But the truth is it is the workers who have driven up prices.

It's not workers who refuse to pay our fair share of tax. It isn't workers who have exploited every loophole in our bargaining system until it's unworkable. And it isn't workers who've awarded ourselves bonuses time and time again. While real wages are declining. We're here today to talk about tax. But tax isn't about what government decides to collect, and spend isn't just about what they decide to collect to spend money on.

It's about our values. As a community and as a nation, we determine what's worth investing in and what's not. Australians have been very clear. We value fairness, we value working together, we value investing in services to make our lives better. We value a future where we pass on a better society to the generation that follow us. And at the moment that's not happening.

We have a genuine opportunity with a new government to ensure our values are encoded in the laws and policies of our country as this conference shows, I know you'll talk about we've got the evidence, we've got the arguments and we've got the vision. Thank you very much. If only for a couple of minutes.