

ALCOA — ENTERPRISE BARGAINING AGREEMENT

Motion

HON ADELE FARINA (South West) [11.44 am] — without notice: I move —

That the Legislative Council of Western Australia calls on Alcoa to reconsider its actions to cancel the current EBA with the Australian Workers' Union, which will result in AWU workers having their pay cut by 52 per cent.

There are 1 600 Alcoa Australian Workers' Union workers engaged in an indefinite strike at Alcoa sites around our state. Today is day 37 of the strike. The AWU workers at Alcoa have been on strike without pay for more than five weeks. This is the start of week 6 of their strike. Workers are staffing picket lines at the Kwinana, Pinjarra and Wagerup Alcoa refineries and the two bauxite mines 24 hours a day, seven days a week regardless of the cold and wet weather conditions. This dispute is not about workers demanding more pay or new allowances; it is about protecting a key condition that they already enjoy in their current enterprise bargaining agreement.

I bring this motion before the house because members in this place need to be aware of this industrial action. It is the biggest industrial action in this state for some time. When I visited the picket lines in the south west region, I gave a commitment to the workers that I would do what I could to raise awareness of their fight. By way of background, the AWU has been in EBA negotiations with Alcoa for over 20 months. Bargaining commenced in December 2016 and throughout the negotiations Alcoa has sought to water down the workers' conditions. There is no question that the conditions contained in the current EBA are good and highly valued by the workers and the union. It is important to understand, however, that these valued working conditions have been built up over decades and that other working conditions were given up to secure the current working conditions. In March this year, after more than a year of bargaining, the parties appear to have reached a stalemate. The AWU issued notices of protected industrial action to advance its claims, having been granted a protected-action ballot order. On 12 March, Alcoa made an application for help to the Fair Work Commission Australia for interest-based bargaining, while also making an application to terminate the current EBA after the nominal expiry date.

In my opinion, the application by Alcoa to terminate the current EBA was a low act. I accept that it was completely legal, but I still think it was a low act. Alcoa clearly hoped that the threat of agreement termination would give it the upper hand in the negotiation process and would press the AWU into an EBA on Alcoa's terms. This tactic by Alcoa meant that if a new EBA was not agreed and the current EBA was terminated, workers would revert to the federal award. Under the federal award, workers' pay would be cut by a massive 52 per cent and a raft of other conditions would be reduced dramatically. The union and its members are being asked, effectively, to bargain down the barrel of a gun.

This dispute highlights everything that is broken with our federal industrial relations system. A system that allows Alcoa to threaten workers with the prospect of a 52 per cent pay cut and a reduction in other conditions is a system that needs fixing. Rather than providing the parties with equal bargaining power, the federal industrial relations system delivers all the bargaining power to the employer. By anyone's assessment, this is inequitable and unfair. Nevertheless, the AWU participated in good faith in the interest-based bargaining process. I understand that by the end of that process, at least 90 per cent of the agreement had been concluded and agreed by the parties. There was, however, a substantial sticking point of non-agreement and that was the issue of job security. The current agreement contains two clauses, one of which prescribes staffing levels per site. These were agreed staffing levels required to run the operations at that site. It also contained a clause that there would be no forced redundancies. Alcoa wanted both of those clauses removed from the agreement.

The Australian Workers' Union was willing, although reluctantly, to set aside the clause setting staffing levels, as long as the no-forced-redundancies clause was retained. That significant concession by the workers was an effort to get an agreement. There were other smaller outstanding issues that I will not have time to get into, and I understand that had the bargaining process continued they would have been sorted out. Job security was, and remains, a key sticking point. The union showed a willingness to give up other valued conditions to retain job security. At one point the AWU even offered a three-year pay freeze, along with other significant concessions, to protect the no-forced-redundancies clause. Those were all rejected by Alcoa.

Following the conclusion of the interest-based bargaining process, the AWU continued to try to get Alcoa back to the bargaining table to resolve the dispute. Alcoa has declined. The workers merely want what we all do—job security. They have been out on strike for 37 days now; that is 37 days without an income. Instead of continuing negotiations, Alcoa decided to put an enterprise bargaining agreement to the ballot. This was not the EBA that had been 90 per cent agreed through the interest-based bargaining process; it was an Alcoa EBA. It was drafted by Alcoa, on its terms. Contrary to statements by Alcoa that the proposed EBA was generous—it offered workers a \$3 000 a pay increase in the first year, and then only a one per cent pay increase in each of the following

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two years—in real terms, with the rising cost of living, that amounted to a pay cut. During the ballot period, Alcoa sent text messages to workers telling them there was no need to be concerned about the removal of the no-forced-redundancies clause, saying that before enforcing redundancies Alcoa would ask for voluntary redundancies, consider whether labour hire workers should be asked to leave, consider offering workers relocation to another Alcoa site, and also look at job share arrangements. Alcoa did not guarantee that these measures would be implemented before they forced redundancies; it merely said that they may be considered, so that was not much comfort to workers.

Despite Alcoa's efforts to entice workers to support its proposed EBA, 80 per cent of Alcoa AWU workers voted no in the ballot, rejecting the Alcoa EBA. The workers now face the looming application for termination of the current EBA, which is scheduled to be heard on 17 September, in four days. If that is successful, the workers will have to revert to the federal award, will incur a 50 per cent pay cut, and other conditions will be dramatically reduced. I understand that Alcoa has finally indicated that it is prepared to return to the bargaining table, but it has also very clearly stated that it will not withdraw the agreement termination application. Alcoa continues to force the union and its members to negotiate with, effectively, a gun to their heads. Four days allowed for negotiation illustrates the level of Alcoa's commitment to negotiate an agreed outcome. The union and its members will not abandon the no-forced-redundancies clause. I make clear that this clause does not prohibit any redundancy by Alcoa; it allows reduction through voluntary reduction, natural attrition, and for redundancies due to major plant shutdowns. It is an existing condition previously agreed by Alcoa, and for which workers have over the years traded away other conditions. Alcoa made \$11.7 billion globally last year. Last year it made \$1.1 billion from bauxite mined in Australia. Alcoa has no justification for taking this action and stripping workers of hard-won conditions that provide job security.

I met with workers when I visited the pickets in the south west region. All the workers emphasised the importance of job security and their wish to protect not only their jobs, but also those of their children and future generations. They know how many workers are required to run the Alcoa sites. They know this move by Alcoa is not about providing Alcoa with the flexibility to keep Alcoa competitive. Alcoa is competitive and is returning excellent profits. Alcoa's motivation in removing the no-forced-redundancies clause from the agreement is about replacing current permanent employees with labour hire workers on lower pay and lower conditions. It is about the ease of firing workers who raise safety and other concerns. In the longer term it will also be at the expense of critically needed apprenticeships. Apprentices cannot be trained while there are labour hire workers on short-term contracts. Job security is the single biggest issue among workers today, and it is no different for Alcoa AWU workers. Alcoa jobs have sustained families and local businesses in my region for decades, and if the EBA is torn up that will put entire communities at risk.

I take this opportunity to thank the workers I spoke to on the picket line. They spent a lot of time telling me their stories. These incredible, brave and committed men and women are taking up the fight for job security for not only themselves, but also the next generation. They have endured 37 days at the picket line and significant income loss, and they are prepared to endure that for as long as it takes because they believe their fight is very, very important. It is a fight that we in this place need to take up, too. One in five Australians are in casual employment. For many that is not a choice; it is the only employment option available. The impact of growing job insecurity in Australia is of grave concern, with significant social ramifications that we are simply not equipped to deal with. On previous occasions I have spoken in this place about the social ramifications of the casualisation of the workforce. Among the many challenges faced by casual workers and those on short-term contracts with no job security is the inability to secure a mortgage to buy a home. We already have long waitlists for public and social housing; if we do not deal with the issue of job insecurity we can expect a massive blowout of those waitlists. We can also expect rising mental health problems as people struggle to cope with the insecurity of not having a permanent job or stable income.

Many of the workers I spoke to have been with Alcoa for more than 20 years—a good number more than 40 years; of course, some have been with Alcoa for a shorter time. Those long-term workers know their job, have a wealth of experience, and should be valued by Alcoa. Some of those workers told me that they feel incredibly let down by Alcoa. For years they had heard Alcoa talk about the “Alcoa family”, but they now feel that those were just hollow words. They thought they were valued by Alcoa, but they no longer feel valued. These workers have families, and in some cases they are the only or major breadwinner in the family. They have gone without pay for over five weeks now. They are hurting financially, and Alcoa does not appear to give a damn. Indeed, workers have been inundated by text messages from Alcoa telling them how much income they have lost, that they have lost their one per cent pay rise, and that they do not need to be on strike and to return to work. I do not know what Alcoa management was thinking when it sent those text messages, but they were certainly not appreciated by workers. Many felt the text messages sought to intimidate them back to work, and I have a couple of those text messages, which I would read into *Hansard* if time permitted but it does not.

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These workers are fighting to retain a current condition they fought hard to win, and for which other conditions were surrendered. The good reputation that Alcoa has always enjoyed in the south west has taken a battering, and it will need to work damn hard to repair it. The dispute impacts not only Alcoa AWU workers; other workers at Alcoa have had to pick up additional shifts and perform different jobs with very little training, potentially putting their safety at risk. Just yesterday I received photographs of an incident at the Pinjarra refinery stacking area. It is extraordinary that there were no fatalities from that incident, and I only hope that no-one was seriously injured. The dispute is also hurting the local economy. Local businesses are feeling the financial squeeze of 1 600 well-paid workers having dramatically reined in their spending over the last five weeks because they have not received any pay.

Local businesses are hurting financially due to this dispute, and they need an immediate resolution to avoid further financial losses. Mining and Alcoa are important to our state. They create jobs, but they also have a social obligation to make sure that those jobs are permanent jobs, because that is what we understood them to be. When Alcoa chooses to replace those permanent jobs with labour hire—contracted short-term workers, it is breaching that social contract and we have a right to review it. I really think it is time for Alcoa to do the right thing. It needs to return to the bargaining table, it needs to withdraw the application to terminate the current enterprise bargaining agreement and it needs to agree that the no–forced redundancy clause remains in the EBA.

HON KYLE MCGINN (Mining and Pastoral) [12 noon]: I would like to start by thanking Hon Adele Farina for bringing such a great private members' business motion to this chamber. It is very important that we debate and talk about this issue.

Firstly, I would like to give a bit of a history lesson on Alcoa, because, to be honest, Alcoa has never been good on a lot of the things that Hon Adele Farina talked about such as loyalty, family, service and full-time employment. In 2015, we saw a very similar dispute to this one, but I say from the get-go that this is not a good story; this is a sad story. Alcoa had a vessel that ran cargo from Kwinana in Western Australia to Portland, Victoria. It was domestic shipping; it was not going overseas. It was an Australian ship that had been running for 27 years with Australians on board. There had not been one industrial dispute in 27 years. Alcoa turned around and said that it was not making enough money, which was a lie, because it was making money, and got rid of the Australian crew. It said to the Australians on board that they would be replaced with foreign labour. That ship was running between Portland and Kwinana—domestic shipping. We would think that the federal government would see that as an insult to Australian labour and do something, but the minister at the time, Michaela Cash, who I am led to believe is a Western Australian, did absolutely nothing. There was an image of her with her hands beside her head, which did nothing, but was good for a flyer to show that she did not stand up for Australian workers. She stood back and allowed Alcoa to move forward and employ workers under a special-purpose visa. I do not know what is special about travelling domestically between Portland and Kwinana, because in my mind it is Australian work. Forty-six workers were told that they were losing their jobs. The Maritime Union of Australia stood by those 46 workers and they went on strike to hold that ship down in Portland to make sure they could hang onto Australian jobs. They had a sit-in on the vessel for 62 days, making sure that they got out there amongst the community of Portland, Victoria and across Australia so people were aware that Australian jobs were going to disappear to people who could be potentially paid as little as \$2 an hour. Alcoa did not budge. It kept saying that it could not afford it and that there were big issues. We are talking about 46 jobs on a ship that had done 27 years with no industrial disputes. In the dead of the night, at 1.00 am, Alcoa got on board the ship with 30 security guards and dragged the Australian crew down the gangway and dumped them on the wharf. Alcoa used thugs to physically take Australian workers off ships and frogmarched foreign labour up the gangway to replace Australian labour. What an absolute disgrace by Alcoa!

That is what we are seeing today. There are 1 600 workers out of work right now, standing up for their rights, full-time employment and conditions in an enterprise agreement that they have fought hard for for many years. But Alcoa's industrial relations policy is that it will do what it wants when it wants, and the federal government will not do anything about it. It is a disgrace to see that job security is worth that little to Alcoa. It has now been 37 days with 1 600 workers on picket lines. I have been to the Kwinana picket line and met with its members, and they are strong and united. Hon Adele Farina is 100 per cent correct. There are intimidation tactics happening through text messages saying, "Come on in; it is safe. Don't worry about fighting for your rights and maintaining your enterprise agreement, because whilst we are negotiating, we have the barrel of that gun right on your head telling you that the enterprise agreement is going to be taken away."

We have seen this more recently over the last three to four years in the industrial relations space. People who drink Carlton and United Breweries' drinks would be aware of the Carlton and United Breweries dispute in Victoria. We saw employment go, when it sacked 55 workers and offered them jobs with labour hire on a reduced rate with completely different conditions. They were on strike for well over 100 days. They got back in the gate because they stuck together and had their union backing right behind them. It is important to understand that these 1 600 workers are not the only people being affected. Hon Adele Farina is correct: there are families out there now

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who are doing it tough, but they are doing it tough because they are hardworking Australian families that understand the importance of maintaining the pay and conditions that they have fought for for many years and that their forefathers fought for before them. That is what I love about Australia; that is what I love about Australian unions. They stand up and are accountable when they have to be, because if they were not, who would be? We saw with the MV *Portland* that the federal government did nothing. We saw Andrew Hastie show his support for the picket line and then go back to the federal government and do absolutely nothing. He moved a motion that was worth nothing. The federal government will not turn around and change the rules that need to be changed to ensure that employers cannot just get rid of enterprise agreements. Alcoa probably has 15 different lawyers at the negotiating table and is spending millions of dollars to make sure it can squeeze every penny out of the workers at every opportunity. How is it fair that by the same token, it threatens to remove workers' rights and conditions? Not only are workers sitting there saying they want a better this and to maintain that, but there is also still a chance that they will lose the lot. It is completely ridiculous.

When I was at the picket line at Kwinana and I had a chat with the workers there, I said I had heard at the well-attended rally at Solidarity Park the week before that some people had been working at Alcoa for 40 years. One worker behind me said, "I have been there for 42 years", and I said, "Okay, 42 years!" That is amazing retention. That is huge job security. There are so many people who have been there for 20 years and 15 years. We do not see that anymore. We are starting to see casualisation and labour hire take over our industries. We have heard of the gig economy. We need to protect employment where there is ongoing employment. Alcoa wants to take away the right for employees to refuse forced redundancies while there is still employment. Employees should be entitled to that. I completely understand that if a plant closes and the business is to disappear out of Australia, there may be an argument that the workforce needs to be reduced, but no way will we allow an industry to turn around and say it will get rid of a couple of hundred full timers and replace them with subcontractors on a different agreement, pay them less and give them no job security. As Hon Adele Farina said, if, for example, someone is raising a few too many safety issues, they may not get another contract. That labour hire worker is not employed directly by Alcoa; they are employed through the labour hire firm. All Alcoa needs to do is say not to send that bloke back and that it will just take another one. That person is not entitled to an unfair dismissal claim. They are not directly employed by Alcoa. Those rights in the Fair Work Act are gone. We need to be very serious. Changing the rules is a broad campaign and I believe that we need to change the rules in industrial relations right now. The generations coming up through the ranks are facing attacks like no others. I am sure that back in the day the attacks were hard and fast, but they are getting to the point now whereby these corporations have billions of dollars. It is so unfair that an employer can sit there with that pot of cash whilst an employee has to sit back and negotiate their agreements on little to nothing—on the smell of an oily rag.

I want to say that I am very proud of every single one of those workers who is standing up for their rights right now at Alcoa. I want to say to Alcoa, "Shame! You should be ashamed of yourself and you should be back at that negotiating table." Alcoa should take that gun away so that workers can start negotiating real rights to ensure that this enterprise agreement is maintained with their conditions. There is no reason that they should be standing there with the threat of losing their enterprise agreement. How would that be acceptable in any industry?

We talk about bullying and intimidation. I remind members again that 30 security guards at one o'clock in the morning boarded the MV *Portland* in Victoria and dragged Australian workers down the gangway and dumped them. I can tell members that Australian seafarers and community members in Portland still today, three years later, stand there with Maritime Union of Australia flags every time a flag of convenience ship flies through that heads with \$2-an-hour workers on it. We want Australians back on those ships. Alcoa needs to start pulling its weight and show social responsibility, and get in line with Australian industrial relations standards. I thank Hon Adele Farina for bringing the motion to the floor.

HON DR STEVE THOMAS (South West) [12.10 pm]: I would also like to thank Hon Adele Farina for moving this motion, because it is about time we had a debate in which we differentiated the left and right of politics. We have been far too central for far too long, so I am going to take the opportunity to establish some right-wing credentials and tread where angels, perhaps, fear to tread in this debate.

I always enjoy Hon Kyle McGinn's contributions, but I am going to disagree with him today. We need to look a little bit into what this debate and the enterprise bargaining agreement debate is about. I agree with most of what Hon Adele Farina said. I think she was quite open and honest. I have been told it is a 1.5 per cent increase not one per cent, so we might want to check that figure. The information I have been given is that the increase is 1.5 per cent yearly. Obviously, it is from somewhere else, so I cannot absolutely attest to the veracity of that figure, but I will look it up.

Let me tell members what this debate is about. Both Hon Adele Farina and Hon Kyle McGinn identified it pretty accurately. From my perspective, this debate is about the capacity for a company, a business or an employer to decide what his or her workforce looks like and manage it appropriately. I have always been astounded that an

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EBA tells an employer for years in advance how many people they have to employ. I will give members some prime examples of this in a minute. This debate is 90 per cent agreed to. The workers and the union in particular—because, in my view, this is not about the workers at Alcoa; it is about the union push at Alcoa —

Several members interjected.

Hon Dr STEVE THOMAS: Hang on! We will get to this. What is this about? This is about an employer who wants to be able to say, “In changed circumstances, I need to manage that workforce” and it is absolutely critical that it does so. When an EBA lasts for a number of years and circumstances change, the EBA states that X number of employees will be on site. I am astounded that that got into EBAs. I have to assume that when those things were put up, the left of politics was there to enable it to happen. I will give members a prime example. Let us talk briefly about the coal industry in the south west, which also had an equivalent EBA. It is a very good example to use because there are a lot of similarities. I appreciate Hon Adele Farina saying that wages might go down by 52 per cent, which is great, because it means that Alcoa is actually paying twice the award rate, so that is fantastic. I think that is great. What a good employer. In the coal industry, there were two companies. One was putting out about 2.5 million tonnes of coal a year with 350 employees and the other was putting out 5.5 million tonnes of coal a year with 200-odd employees. The reason one company was going broke putting out 2.5 million tonnes a year with 350 employees was that it could not fix its workforce because it was written in the EBA that it could not change the number of employees. That is astounding. I accept right now, and I am sure the company would have to acknowledge, that the price of alumina varies significantly. Right now, it is pretty good, and those companies are making significant dollars. I think the profit was a bit over \$1 billion last year. However, there have been plenty of occasions when alumina prices have been remarkably tight and during some of those times, those companies have lost money.

Hon Kyle McGinn: It was just under \$1 billion.

Hon Dr STEVE THOMAS: Yes; it was very good in the last year.

Members might remember a few years ago—I am sure Hon Adele Farina does—all the traffic that used to go up Coalfields Highway. Why was it was going up Coalfields Highway? Worsley Alumina was undertaking a multibillion-dollar expansion because the price of alumina was very good. It could afford a multibillion-dollar expansion when it kicked off. A year or two later, guess what happened? The fluctuation—the boom-and-bust cycle of minerals that we all face in Western Australia—turned. At that point, Alcoa’s proposal on the table for a multibillion-dollar expansion of its business—a multibillion-dollar investment with hundreds of jobs ultimately and thousands of jobs in construction—did not go ahead because alumina went back on its cycle. That expansion never occurred. We are talking about the early 2000s, when the price of alumina was very good, to the middle-to-late 2000s, when decisions were made not to progress with those projects because the cycle had turned. It has been very tight for a number of years and it is currently very good. If a company signs an EBA at this point that dictates how it will run its workforce to the point that it does not have flexibility, it puts its business at risk. The good news about both Alcoa and Worsley, I think, is that they are too big to fall off the end. We are not talking about their potential closure because, in my view, the cost of shutdown and maintenance and care and maintenance is probably beyond any short-term losses, and that would apply for losses over a number of years. This industry has suffered its own set of setbacks, as every other mining industry in Western Australia has done. I absolutely understand the union movement’s abhorrence of a process that allows employers that level of control over the workforce—be it the AWU, the CMFEU—did I get that right this time?

Several members interjected.

Hon Dr STEVE THOMAS: CFMEU; thank you—and the AMWU. They absolutely want to keep the maximum number of workers in place. It is not as though they do not have a vested interest in doing so; I understand that. I absolutely understand that it empowers the unions. This is a battle for control over industry and the unions are absolutely on the front line. How is union membership going across the country?

Several members interjected.

Hon Dr STEVE THOMAS: Next members will be saying that it is a Luddite solution.

Several members interjected.

The PRESIDENT: Order! You may not like what you are hearing, but the member has the right to have his say and you will listen to it silently. The first two speakers were listened to without any disruption. Hon Dr Steve Thomas has the call.

Hon Dr STEVE THOMAS: Thank you, Madam President. This issue is about whether a company can manage its workforce and its costs for the long term not the short term. The coal industry is a prime example. The company that was using 350 workers to pull out half as much coal went through exactly the same process. The Black Coal Mining Industry Award halved the wages from where they had been in the lead-up to the process. It is the same

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case repeating itself in the union movement's fight for relevance in the twenty-first century. That is where we are at the moment. In that circumstance, the workers, prompted by the unions, eventually had to make a decision, and I think they made the wrong one. The workers in that industry decided to take significant pay cuts and keep on as many workers as they possibly could. Instead of having the number of workers it needed and them being paid very well, an oversupplied workplace took, in this case, pay cuts of 40-something per cent. I think that is a problem because, at the end of that process, we will end up with a remarkably disgruntled workforce that turns up to work unhappy and underpaid and they will not be appreciative of the jobs they have. Call me far right, which is a fairly accurate description of precisely where I am; I take that as a compliment not a criticism. I think that is precisely where we should all be. Members know what they say —

Several members interjected.

The PRESIDENT: Order, members! You obviously did not listen to what I said to you before.

Hon Dr STEVE THOMAS: Thank you, Madam President. I am a great believer in that old adage that if you are not a little bit left wing when you are young, you do not have a heart, and if you are not a little bit right wing when you are older, you do not have a brain. That is my philosophy, in a nutshell. I think that is where we are. We are back in a debate about whether a company—an employer—can manage its workforce for the best efficiency. We have already agreed. The Australian Workers' Union Western Australian branch president, Andy Hacking, who apparently works for Alcoa —

The PRESIDENT: In Kwinana.

Hon Dr STEVE THOMAS: In Kwinana—thank you, Madam President.

He said that the workers were not striking over an extra \$2 000 on their salaries, because many of them were losing \$4 000 to \$6 000 by being on strike. That is probably true. This is not an argument about wages; it is about who is in charge of the workplace, and it should not be the unions.

HON MARTIN PRITCHARD (North Metropolitan) [12.20 pm]: I have actually prepared some notes, but I cannot help but comment on the previous speaker. It appears that the Liberal Party does not want intervention in the form of awards or other regulations, or any negotiations through enterprise bargaining. The best way for the workforce to be looked after in this modern day is for the employer to make all the decisions. Probably because I have been around for a while, that brings me back to the first wave, the second wave and WorkChoices. They did not work. It is a ridiculous concept. Under those concepts, there was no balance of power in the negotiations. The workforce is not a commodity that can be thrown away when it is not needed and attracted back when needed, and treated like slaves. They are not slaves.

Hon Dr Steve Thomas: Is that an acknowledgement that there is a power struggle?

Hon MARTIN PRITCHARD: Certainly—it is an acknowledgement that negotiations are about trying to achieve a balance of power and outcomes for both sides.

Again, I had made some notes, but I have been taken off on a tangent, so I will keep on that tangent. Alcoa has been in this country since the beginning of the last century. It commenced enterprise bargaining approximately 25 or 30 years ago. It was under different names, but it was all basically enterprise bargaining. Every two to three years, the company would sit down with the union and the workforce and negotiate a new enterprise agreement, using the old agreement as the basis of negotiations. It would be wrong to say that the only winner in enterprise bargaining is the workforce. Certainly, the workers are winners, and I acknowledge that the wages and conditions of Alcoa workers are very good. Alcoa has participated in those negotiations in the past and provided those good conditions and wages. However, Alcoa has also received benefits from those negotiations. To suggest that a major company like Alcoa would just succumb to the force of the union movement and its members and not get anything out of those negotiations is completely ridiculous. Over those negotiations, the company has managed to achieve outcomes that it has seen as worthwhile.

In relation to this last round of negotiations, I take a slightly different view from that of some of my colleagues. I do not think it is the intention of Alcoa to abolish the agreement through the loopholes in the federal system that need to be remedied. I do not think the company would say that all its 1 600 employees will take a 50 per cent wage cut. That is not what the company is going to do. However, it does allow the company to use the new base and hive off different areas of the workforce and bring pressure to bear on them. For instance, the company might decide that it does not want its own workforce working on the Huntly mine. Keep in mind that the awards are minimums, so the company may very well continue to pay the rest of its workforce in its refineries and smelters a higher rate, and then concentrate on the mining area. This is a disgraceful act.

I always try to take things back to something a little bit more manageable. If I had been sitting down with my employer negotiating a new contract every year for 30 years, and then all of a sudden, in the thirty-first year, the

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employer turned round and said, “I think we’ll take you back to the wages and conditions of 30 years ago”, that would be a breach of faith. That is what I am accusing Alcoa of—a breach of faith in the way that things have been achieved over the past 30 years, particularly under enterprise bargaining. If the Liberal Party wants to re-embrace WorkChoices or individual contracts, I would have to go back to the union movement and start my fight all over again. Those fights have been won and I do not think we need to re-engage in that area.

I have gone completely off script. I encourage Alcoa to sit down with its workforce. This is not setting new conditions that cannot be achieved. The company has had these EBA conditions for many years. These are minimum staffing levels; there is a clause about forced redundancies; and the company does have attrition. It has ways of managing its workforce. It has done this for 30 years, and it has been able to achieve success through all the cycles. These conditions may be inconvenient, but they are not life-threatening for Alcoa. They are things that Alcoa can live with. The company should remove the threat of the abolition of the agreement. That is the part I find disgusting. How they negotiate, how hard they negotiate, and whether they want to concede these conditions, I will leave to the people sitting at the table to negotiate. Having this outside path that guarantees success into the future, without it really being able to be argued on its merits, making it more or less a rubber stamp, is disgusting, and I think Alcoa should be better than that.

As a chamber, we have to consider the effect this company is going to have on our constituents. We are talking about 1 500 or 1 600 families in the Mandurah area. If it was the intention of Alcoa to reduce their wages by 50 per cent, because the real-life situation is that families have geared their lives to that income—they thought Alcoa would be there into the future—people would have to leave because they would not be able to live on the new rates of pay. The only alternative to achieve similar conditions would be fly in, fly out work. I do not like FIFO; it is a scourge on the communities that we are meant to look after, because it just takes people away from their families for unacceptable periods.

As I said, that is not the script that I had, but in the last few minutes I have, I want to talk about the people on the picket lines. They are committed to this. Often people think that this is being driven by the union, but actually the union members are doing this. I have also visited the picket lines. Those people know what is at stake. They feel the effects of this more than the union officials—it is their lives that we are dealing with.

They are very staunch in this regard, but being without pay for five weeks or so, even though they are on good rates of pay, is difficult when these people have young families, have bought houses and have to worry about their mortgages. Today is R U OK? Day and I want to send out a big “Are you okay?” to all those families affected by this. Maybe Alcoa should go out on the picket line and ask those people “Are you okay?” because it is affecting their lives in a major way. It is unacceptable and we in this chamber should see it as unacceptable.

HON ALISON XAMON (North Metropolitan) [12.30 pm]: I rise on behalf of the Greens to indicate our full support for the motion as presented by Hon Adele Farina and to thank her for bringing such an important motion to the attention of this chamber. It is a very timely one because, as has already been said by a number of speakers, a lot of workers and their families are being directly affected by this dispute right now. I have no doubt that they are hurting and will be hurting even more unless this is resolved.

As has already been said, the whole nature of this dispute in the first place has not really been about the wages. It has been about the issue of job security. It arose primarily because of the proposed loss of employment clauses within the enterprise bargaining agreement. This is really about a desperate desire to preserve jobs. There is a reason for that. As has already been articulated, when people are working under precarious employment, it is extraordinarily detrimental to not only those families, but also the affected communities. It impacts on families very directly and their capacity to plan for the future and get mortgages and feel confident that they can provide for their children going into the future. We know that casual employees are less likely to gain access to training, for example. It also impacts on superannuation and it puts people in a position in which they need to potentially work from week to week. It is simply no way to exist in the long term. It is appalling that Alcoa, with all its money and power, is abusing the very, very broken enterprise bargaining agreement process to try to force workers into this position.

Continuity of employment matters. People living in these communities need continuity of employment. This is about supporting local jobs over contractors. We should remember that this is what this dispute is about. However, it has now also become about a living wage. I want to put on the record, unequivocally, that there should be no bouquets going to Alcoa because, to quote the member opposite, it is paying double the award. No, no, no. It shows how irretrievably broken our award system has become under our federal industrial relations laws. That is what has happened. We no longer have an award system that remotely resembles what would be considered a reasonable baseline from which any worker is expected to live.

Extract from Hansard

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The whole erosion of our industrial relations laws, federally, started with the WorkChoices system. They are disgraceful, unjust and unfair laws. I am really sorry that when we finally got Fair Work—the Greens were very vocal about it at the time—we did not see the worst of those laws wound back. The Fair Work system is appalling and continues to advantage employers at the expense of employees over and over again. The system is well and truly designed to assist the big end of town, and we are seeing the way that impacts on workers and what happens to them.

Let us be very clear. Alcoa is making a lot of money pulling out bauxite and alumina, and the community expects it to do the right thing by the workers and by those communities, but it is simply not doing that. I note the comments by Hon Kyle McGinn. We are talking about workers who have shown loyalty to that company for up to 42 years of their life. For them to be treated this way is absolutely disgraceful. We see this time and again: people commit their lives to a company and do the right thing, only to have the company act on a whim, take advantage of appalling, disgraceful and unjust laws and turn around and throw it back in their face. We have a broken federal industrial relations system. We need to change the rules. I really hope that if we see a change of federal government, a Labor government would not suddenly get all namby-pamby and decide not to go the whole hog. It would need to make sure that we are finally doing the right thing by workers. We have a very, very broken system.

My colleague Hon Tim Clifford is very familiar with the actions of Alcoa, having subcontracted to them at both Wagerup and Kwinana, so we have had some discussions about the practices. They are not particularly great, and Alcoa is showing that it is not a particularly good corporate citizen now. On behalf of the Greens, I offer my solidarity to those workers. I am really hoping that they get a just outcome to the dispute right now. From standing on many picket lines and speaking to many people who go through this process, I know that it is really, really tough. The uncertainty of what will happen in the future and the huge financial hit they are taking while they are on those picket lines are really tough. I certainly hope that those families are okay. I am calling on Alcoa to do the right thing. I absolutely support the motion in front of us. I am really hoping that we get some just resolution to this soon.

HON PIERRE YANG (South Metropolitan) [12.36 pm]: I want to make a contribution to this topic. From the outset, I thank Hon Adele Farina for moving this motion in the house. We are having a discussion on a live issue unfolding right in front of us. People have been on strike for 37 days out in the open. I had a chance to visit the workers at the Kwinana refinery site a couple of weeks ago. They are doing it very, very tough. On the day of my visit, it was bright and sunny. But since then, we have had bad weather for quite a long time. It is not easy to be out in the open and try to stand firm and fight for our rights. I have been in the Army Reserve so I know how hard it is to operate in the elements and try to deal with that day in and day out. I certainly have not operated in the field for 37 days—that is, 37 days without pay. The financial stress and strain on their families and themselves is enormous. These workers are not fighting for only themselves; they are fighting for Australian jobs and they are fighting for our children's future.

On the last Thursday sitting day, we talked about the trend of automation and its impact on families and Australia's working population. I dare say that increasing automation and casualisation is having a negative impact on the Australian jobs situation. More and more people are being asked to work without any job security. Alcoa is one of the companies that have had a pretty good track record. As we heard, someone has worked for this one company for 42 years. We do not get that these days. Let us not forget that Alcoa being a successful company is based on not only its entrepreneurial skills and good strategic policies, but also because the workers and the management work together to achieve that outcome. If we take the workers out of the equation, I do not think that the management can achieve those billions of dollars of profit across the globe. That is achieved through the combination of the workers' hard work and the management's skills or whatever we call that. It is a combined effort to achieve that outcome. If Alcoa now turns around and says to the workers that they need to go because it wants them to go, Alcoa will not achieve the same profitability that it has been achieving over the past many, many years. When I visited the site, I was walked around by the president of the Australian Workers' Union WA branch, Andy Hacking—a great man who has his workers and their best interests at heart. I think by that stage they had been on the site for about three weeks and he probably had had very little sleep during that time. He was instrumental in setting up the site and in managing the roster for the people who were on the picket line. He has been working tirelessly day in, day out, trying to fight for the interests of not only his workers, but also the entire working population in Australia, including our children's rights in the future. Can members imagine our children having no job security in the twenty-first century? These are the rights that our ancestors fought together to achieve in the last 100 years or so and now they are gradually being chipped away and taken away from us, and that means that our children's generation will suffer from this time forward. They will suffer if we give in on job security. Let us not forget that these workers are not asking for a fat pay rise; they are asking only for job security. If we let that go, I do not think we are doing the right thing by our children and future generations.

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We have all heard the saying a fair day's pay for a fair day's work or a fair day's work for a fair day's pay. I think that is very true. But if we take job security out of the equation, we may get only one fair day's pay for one fair day's work but no work the next day. That will be detrimental to other workers. It is important that we support the workers on the picket lines who are trying to fight for their rights and other workers' rights. I call on Alcoa to come to the negotiation table and negotiate in good faith to try to reach an agreement with the Australian Workers' Union, and also the workers concerned. It is critically important that we achieve that outcome. We are fooling ourselves if we think that Australia has been built on business entrepreneurship by itself—it has not. We have achieved an egalitarian society that is the envy of the world because we work together. Businesses and workers have worked together to achieve a relatively fair system. I certainly do not want to see workers earn a minimum wage of \$8 an hour as they do in some other countries I shall not name. Workers earn \$8 an hour in some other countries. In many developing countries, it is far less than that. It is important that we do not forget that it took a long road to achieve what we have, and we cannot let it go. I call on Alcoa and its management to come to the negotiation table and to negotiate in good faith to achieve a resolution of the current stalemate.

HON COLIN TINCKNELL (South West) [12.43 pm]: I will make a short contribution now; I might make a statement later on tonight. I want to support the workers of Alcoa. I have been down to the picket line. It was great to see you city guys go down to the south west to visit the picket lines in Kwinana and Pinjarra. I have been speaking to those workers. One thing that really worries me is that both the union and the company have come to the negotiations with a very, very strong position. I have been involved in negotiations for 20 years and I know that that is the worst place to start from. They need to listen to each other and negotiate, not come in with strong positions and not budge.

I also want to make the point that tearing up democratically and collectively agreed conditions as a negotiation tactic is not something to be encouraged. This will have a negative impact on families and workers in their community. In my last 15 seconds, social licence is an important thing to a company like Alcoa. Right now it is doing massive damage to its social licence in that area. It has been there for a long, long time and it will pay a price for this if it does not get it right.

Motion lapsed, pursuant to standing orders.