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Opposition Leader Bill Shorten being interviewed by Barrie Cassidy.

BARRIE CASSIDY, PRESENTER: The Leader of the Opposition joins us in the studio to finally take some questions on his time as leader of the Australian Workers Union, and while he does, here's Tony Abbott on Friday saying what he believes is the crux of the allegations against him.

TONY ABBOTT, PRIME MINISTER: The Leader of the Opposition does have some serious explaining to do. What seems to have happened, and it seems to be a pattern of conduct on the part of a number of unions, particularly Mr Shorten's old union, the Australian Workers Union, what seems to have happened is that workers have been ripped off so that union bosses can benefit. ... It all looks like a very squalid, power-grubbing exercise by union officials inside the Labor Party, and it's not just Mr Shorten who's in trouble here, it's the whole labour movement which is in difficulties here because power inside the Labor Party seems to have been more important to these people than the actual benefits to workers.

BARRIE CASSIDY: Bill Shorten, good morning.

BILL SHORTEN, OPPOSITION LEADER: Good morning, Barrie.

BARRIE CASSIDY: As a trade union leader, did you ever rip off your workers to benefit the union? In other words, did you trade away terms and conditions in exchange for direct payments to the union?

BILL SHORTEN: No, never. I've spent my whole working life standing up for workers. Didn't matter if it was the two trapped miners at Beaconsfield or professional netballers or indeed factory workers or construction workers. I'll put my record up and the record of the Australian trade union movement up against Tony Abbott's any day of the week. Mr Abbott seems to think that people forget that he was the minister for WorkChoices. The whole time I was a union leader, we had to put up with John Howard and Tony Abbott attacking workers' conditions. I'm proud of being a moderate trade union official, working co-operatively between employees and employers. I'm interested in better wages for workers, better safety, job security, and, profitable companies, because I understand that if you get co-operation in the workplace, everyone wins.

BARRIE CASSIDY: It's not just Tony Abbott saying it; the Fairfax Saturday editorial, the Fairfax papers, say that based on the evidence before the Royal commission, you manipulated the system in pursuit of personal power.

BILL SHORTEN: What I've done as a union leader and what literally thousands of other union representatives do, is make sure that we have co-operation in the workplace. What I get is that where employees are well treated, employers do well. What I also understand is that where employers are able to make a dollar, make a profit, be competitive, compete with the rest of the world, then they can keep employing employees. See, when Tony Abbott got elected into Parliament and some of his team - it was the mid-'90s, they didn't even know

what enterprise bargaining was. I'm a modern - I was a modern trade union leader in that we knew that the old centralised system had ended. Hawke and Keating and Kelty had said that we needed to put the focus on enterprise. I'm proud of my record of negotiating agreements, representing people and making sure that both employers and employees could get the best out of going to work every day.

**BARRIE CASSIDY:** Well let's look at some of the detail as to why these allegations arise and why people are making those sort of judgments. And let's look at the case of Thiess John Holland. Now it goes back about 10 years or so. According to evidence, the company paid your union \$300,000 as part of the EastLink project. Why would they do that?

**BILL SHORTEN:** Well let's talk about the evidence. EastLink was the biggest construction project, biggest road ever built in Australia. I sat down and negotiated with ConnectEast and the builders to negotiate the best pay rates that civil construction workers had ever earned in Australia. What we did, though, is that we gave them some flexibility. And I know the detail may be a bit sort of long, but it's important because it's at the heart of this debate. In the building industry as opposed to civil construction, there were 26 fixed RDOs each year. Now on a civil road project where you've got multimillion-dollar road borers, tunnel borers, heavy equipment, I formed the view that you'd have 13 fixed RDOs and 13 floating RDOs, in other words, taken at a time which wasn't going to shut the whole \$2.5 billion, \$3 billion project down. Now, that was in return for the best construction rates we've seen. The job finished ahead of time, which saved the taxpayer money. The pay rates, the sort of average figure - and Tony Shepherd who's not normally a friend of Labor's, come out and said actually, the job - blokes were getting about \$150,000 a year 10 years ago and it changed the model of construction, civil projects in Victoria. Now what we've been attacked for is that Thiess John Holland paid for training of our delegates, paid for health and safety. This is not unusual in the construction industry. The real issue here is that somehow a company working with a union in the best interests of employees and the project is somehow suspicious. There's an almost a reverse class war analysis going on because I'm a modern bloke, trying to get co-operation, not confrontation, you know, people are saying that is the wrong way to go.

**BARRIE CASSIDY:** Again, the money that the company paid directly to the union, you're saying that was for health and safety and for training. Why is that in their interests to do that? Why wouldn't the union pick up the bill for that?

**BILL SHORTEN:** Well we do this every day, you're quite right. But when John Howard came into power in 1996, he reversed all the efforts of the ACTU and previous governments to build more co-operative workplace. What really matters in a workplace, what helps an employer if you've got a unionised workforce is if your shop stewards know the rules of the game, if your safety reps are taught to be able to examine situations to make sure the workplace is more safety. Better informed delegates, better workplace safety saves companies money. Unions are very good at safety. We are good at teaching delegates how to resolve disputes. So I think this is - what's happening is - and perhaps it's a perverse compliment, that Tony Abbott's commissioned a Royal commission and they're sort of having a look at all my preparliamentary work experience, but I think sometimes some of the critics say, "Oh, this is all bad for myself and for Labor." You know, I think it demonstrates why the Labor Party's got a better vision for the future 'cause we're not into dividing the joint, we're not into dividing worker versus employer. The almost hysterical attacks this week in Parliament on a range of issues show the Government is not happy unless they have got a model of industrial relations which says that unless workers and unions are at the throat of

companies and vice versa, that something's wrong. That couldn't be a worse description of the future for Australian workplaces.

BARRIE CASSIDY: Alright. Well let's look at what happened with Winslow Constructions, and this goes back to 2005, and they paid the union dues - this is the evidence - they paid union dues of some 105 members of your union at a cost of \$38,000. What do you know about that?

BILL SHORTEN: Well, first of all, when I look at and hear all this detail, this is why I've asked the Royal commission to bring the hearing forward. I can't go to every bit of evidence and every document which I don't have in my possession. So what I've done is I've asked the Royal commission I want to come and present and you ask all the questions you want. What I've also asked the Royal commission now is that please provide me with all the documents you have. There are tens of thousands of documents.

BARRIE CASSIDY: But you can't remember whether this was done?

BILL SHORTEN: It'd be foolish of me to try and say categorically on every individual transaction, what's happened? Is it X or is it Y? But what I can say unequivocally, unequivocally is as a union leader, I always wanted engaged members. As a union leader, I always did my absolute best from when I got up to when I went to bed every day working out how do I get better conditions for workers? And again, when we talk about some of the examples in construction, which is what you've just raised, there seems to be some suspicion in some elements of parts of the media and also the Government that somehow when a company works with a pragmatic modern union that this is a bad thing. I don't agree with that.

BARRIE CASSIDY: You must though recall whether at any point companies paid union fees.

BILL SHORTEN: Well, certainly companies would collect payroll deduction - people pay their union fees and the company takes it out their pay and pays it. My preference is always that employees ...

BARRIE CASSIDY: No, but we're not talking about that, we're talking here about the companies actually picking up the bill.

BILL SHORTEN: No, I'm coming to that. So I'm just saying what my preference is. My preference is that employees pay their union dues, but what I also get is that I'd rather someone be in the union than not in the union. When we get further into the detail of particular transactions, it would be foolish of me to simply say with - yes or no to every question. What I need is the same documentation that the Royal commission has. But again, what I reiterate is that I'm proud of my record as a union leader. When I started work at the AWU, it wasn't going so well.

BARRIE CASSIDY: No, but you do accept though that at some point companies would've paid the union fees.

BILL SHORTEN: It's entirely possible, but what I don't know is - was it the practice of the union as its preferred model, and furthermore, I don't have at my hands all of the detail of all of the claims being put to me. But I am 100 per cent relaxed about my record.

BARRIE CASSIDY: Ben Davis, who's now running the union in Victoria, says that that sort of practice is - it profoundly weakens power in the workplace. Do you concede that? Do you agree with him on that?

BILL SHORTEN: Well, what I believe is that the more engaged union members are in their union, the better outcomes you get for members. But what I also recognise is that if you look at the record that I had when I started at the AWU to when I left the AWU, we were in much better shape. We had more active members. I spent a lot of time training our delegates. One of the untold stories of the union is that I put over 100 delegates through TAFE training in health and safety and also in terms of human resource management. I know that under my leadership, union conditions for members raised and we also were able to help companies ensure that they were profitable and that people had job security and that they were safer.

BARRIE CASSIDY: But you know what's implied by that is that you trade away perhaps a wage increase so that their union fees are paid and then that in turn increases your power base.

BILL SHORTEN: That is not true. And I've never, ever - and I go back to the answer I gave to you at the start of this interview - never, ever not put the interests of members first and I've got a record of working in the union that does it. And again, I'd say the underlying assumption in all of this, the argument that somehow the hypothesis you advance is true is where you've got companies working with unions. Modern Australian trade unionism and the unionist that I am doesn't rely on a class war view that somehow that the interests of employees and managers are in two separate spheres and they're irreconcilable. I believe that when people can go to work and be happy, satisfied, engaged, where the employer is getting employees who feel their interests are aligned with the employer, you get productivity. This is the future of Australian workplaces. It is a future which I know I helped work on when I was at the union and I am entirely confident. And all the people who've worked with me and all of the members who've worked directly with me, they know this. Anyone who knows me knows how absolutely committed I am to putting the interests of workers first, and when I hear Tony Abbott say that somehow he's got a better record on workers - do you know no Liberal government's ever supported a serious increase in the minimum wage?

BARRIE CASSIDY: What is your view then of the way the Royal commission is going about its business?

BILL SHORTEN: Well, I always said that the Royal commission, set up by Tony Abbott to investigate unions, would be an opportunity for people to settle scores. I always expected that my record would be examined. I offer myself as the alternative Prime Minister of Australia. I look forward to the opportunity to talk about why I should be Prime Minister based upon the good things I've done for workers and working constructively with employers. But I was really disappointed yesterday to see in the newspapers that for whatever reason, my former wife has been dragged into some sort of smear campaign. She is a decent person. I think it ...

BARRIE CASSIDY: The Royal commission approached her, right?

BILL SHORTEN: That's what the reports say.

BARRIE CASSIDY: For what purpose, do you know?

BILL SHORTEN: Well I think it's disgusting.

BARRIE CASSIDY: Do you know why they approached her?

BILL SHORTEN: Well, they obviously were chasing down some smear, but what I would say is it is disgusting, it is unethical and I don't think there's been too many precedents in Australian politics. She's a decent person and she does not deserve to be dragged into this because of who she was once married to.

BARRIE CASSIDY: It's the Royal commission, though, doing its job, isn't it?

BILL SHORTEN: Well, I think Australians'll be the judge of that. I think Australians'll be the judge of it. And Barrie, have you ever heard of the like being done before?

BARRIE CASSIDY: It is becoming habit-forming though for Labor leaders to be hauled before Royal commissions - you're the third.

BILL SHORTEN: It's almost a rite of passage now in a Liberal government. The Liberal - and I'm not trying to make light of it. I am happy to discuss my record, let me be really clear about that, 'cause I do believe in co-operative workplaces. And doesn't matter if it was at Beaconsfield or professional netballers or factories or shearing sheds or oil rigs, my record stacks up, and if Tony Abbott wants to have a debate about workplace relations and whether or not he as the current Prime Minister or me as the alternative Prime Minister has a better record of standing up for workers, bring it on.

BARRIE CASSIDY: On the citizenship issue now and the - what is your view on the principle of whether or not citizenship can be stripped away with or without a conviction?

BILL SHORTEN: What we are dealing with here is a debate about how do we handle Australians who've gone overseas to become terrorists, to support terrorism who are dual nationals? I want to say a couple of basic principles as I answer your question. One, the Labor Party does not support and we are deadly against dual citizens who are terrorists keeping their citizenship. Let me be really - let me repeat that. Under the current Citizenship Act, Section 35, if an Australian dual citizen takes up arms against Australia in service of an enemy country, they can lose their citizenship. I support the principle of extending this to terrorist organisations who mightn't be foreign countries, but they have the same taking up arms against Australia.

BARRIE CASSIDY: But should they be convicted?, is the question.

BILL SHORTEN: But now - yes, and that's where we get to the issue. And so the issue is: what is the best way to deal with these people? Now the Government has been talking about dealing with this by unseen legislation for a year and a half, for a year and a half. Labor has asked to see the legislation because what Labor doesn't want is to have legislation put forward which will be struck down as illegal or unconstitutional. Like you, like the panellists, I have been greatly disturbed to see the Prime Minister blithely sort of ignore the rule of law,

the role of courts. What is the point, Mr Abbott, of introducing a law which is designed to fail? So we are interested in national security legislation, but we're not interested in incompetent national security legislation.

BARRIE CASSIDY: Can you now draw a line in the sand though and say that citizens should not have their citizenship stripped away from them unless they're convicted of something?

BILL SHORTEN: There is no doubt in my mind that a law which simply says there's no role for the courts does not stack up constitutionally.

BARRIE CASSIDY: So that's a yes to that?

BILL SHORTEN: How do you have a law which eliminates the role of courts? But again, what Tony Abbott wants us to do, you and me and everyone else, poor, old Malcolm Turnbull, waving the flag, or whatever Liberal ministers still believe in the rule of law in the Government, is he wants us to engage in a shadow fight. I think Tony Abbott is debasing our democracy with his childish, tantrum-like name-calling. Do you know what he said in Parliament during the week? He said because Labor would not simply agree with his legislation, no matter how incompetent or unworkable, that we're rolling out the red carpet to terrorists. Tony Abbott does not have a monopoly on love of this country or patriotism. Tony Abbott doesn't have the right to attack his critics as being soft on terrorism merely because we don't want incompetent laws which don't stack up which we haven't seen. The Prime Minister of this country's in charge of national security. How can we trust him with national security if he's more interested in playing political games on proposing laws that we haven't seen which may well, according to all the leaks and debate and the disharmony, the National Security - Independent Security Monitor, the Solicitor-General, Liberal cabinet ministers. Tony Abbott is getting us to have a political fight and take our eyes off the prize, which is prevent terrorists from receiving their full punishment.

BARRIE CASSIDY: Just one final question 'cause we are out of time. But on the - you're opposing the Government's changes on the pension - on the assets test on pensions. If you were to win the next election, will you reinstate the old thresholds?

BILL SHORTEN: Oh, Tony - sorry, Barrie. He's right on my mind, Mr Abbott. What I would say through you to Tony Abbott is this: Labor hasn't given up fighting your pension changes. People said to us what will we do about pension cuts last year that they proposed in the 2014 budget? My answer now is the same as I gave then when Tony Abbott tried his first round of attacks on pensioners. If you want to knock off modest income pensioners with relatively low-levels of assets and still keep your multimillion-dollar income superannuants who are - from paying no tax at all, you've got to come through Labor. So, yours is a hypothetical question, Barrie. I believe that we will defeat the Government's rotten anti-pension legislation.

BARRIE CASSIDY: It can't be a hypothetical question for long. At some point you've got to decide whether you're gonna reinstate the thresholds or you won't.

BILL SHORTEN: Let's be straight. When we talk about the position of the budget by the time of the next election, you and I know that this whole government's budget, their whole fiscal strategy is based on an exercise of not being around by the next budget without having

had an election. What I can promise pensioners of Australia and Tony Abbott is we will pick the pensioners over Tony Abbott any day of the week.

BARRIE CASSIDY: But you can't say that you'll restore the old thresholds?

BILL SHORTEN: Well we don't believe we've lost yet. And what sort of Opposition Leader would I be if I come into your show and say, "Oh, just because Tony Abbott says something, we should give in." He says just do what he wants on his legislation which we haven't seen. We say, "No, we want to see it." We agree with the objective. Tony Abbott says you've got to rip off a million pensioners in the next 10 years because of the budget. We say we're committed to making sure that the economy's strong, we just don't see why pensioners with incomes of \$10,000 or \$20,000 should be the ones who have to pay for Tony Abbott's broken promises.

BARRIE CASSIDY: Alright, we are out of time. Thanks for coming in this morning.

BILL SHORTEN: Thanks, Barrie.