

## Ron McCallum Debate 2025 – Opening Remarks

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### Abstract

*The following is from an address prepared for the 15th Annual Ron McCallum Debate 2025, held at the Wesley Conference Centre, Sydney, on Thursday, 6th November 2025, on the theme 'Now or Never? How Can We Make Workplace Relations Fairer and More Productive?'*

### Key words

*Workplace Relations, Industrial Relations, Fair Work Act, fairness, productivity, law reform*

The topic of this debate speaks to a fundamental truth: we can have an industrial relations system that is both fair and productive. Fairness and productivity are not counterposed they complementary – indeed they are fundamentally interdependent.

Workplaces that are fair, safe, and where workers have a say, are productive and collaborative workplaces. And it is important to state this because there is a strong sentiment among some in Australia that we have to make a choice between fairness and productivity. Productivity is presented to workers as working harder, for longer, for less.

In reality, this isn't productivity – it is a short-termist pursuit of profits. So, it is important that we have forums like this to talk about what productivity is, how we achieve it, and how we ensure that its benefits are fairly shared. And there are two myths about productivity and fairness I wanted to dispel.

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I know I only have 5 minutes (Michael), so I will be as productive as possible. The first is the idea that productivity increases will inevitably lead to shared prosperity. And we all know how this argument goes – workers have to prioritise lifting productivity at the expense of hard-won wages and conditions if they ever want living standards to rise.

Recent evidence has shown that productivity growth does not automatically flow to workers living standards. Productivity increases only boost living standards if the benefits are shared with workers; and unfortunately for many decades a disproportionate share of productivity increases have been taken in profits.

As Dr. Jim Stanford has shown in his recent paper, since the year 2000, productivity has grown four times as fast as real wages in Australia. Average earnings are now \$18,000 per year lower than they would be, if they had fully kept pace with productivity.

The ‘productivity debt’ accumulated due to the gap between wages and productivity since 2000 is as much as \$200,000 per worker. This is because over that period we have had laws weighted against workers. An industrial system that closed off bargaining options and was filled with loopholes that big business became well practiced in taking advantage of.

The second mythology is that improving workers’ rights damages productivity – a claim we heard often over the past three years as the Albanese Labor Government sought to close off those loopholes and expand bargaining options for workers.

While we hear this line repeatedly, the truth is that leading academic experts have demonstrated time and again that changes to the industrial system to help workers bargain do not damage productivity.

In fact, it can be of benefit to productivity by building more secure, collaborative workplaces where skills and training is prioritised, the real drivers of productivity, and workers have a genuine stake in the outcome of their work.

So what does damage productivity? Well, how about:

- Low corporate investment in research and development and innovation;
- Low investment in skills and training to make sure workers are supported to get the most out of new technologies;
- A lack of competition, so that companies don’t need to innovate to win market position;

- An over-reliance on a small number of sectors – namely mining and banking – in an economy with low industrial diversity;
- A lack of managerial capability and understanding of how to develop a collaborative workplace that enables workers to bring their best selves to work; and
- A lack of investment in the social services, health and education, that are the foundations of the economy and ensure workers are healthy and capable of working to their best.

In short, addressing productivity decline means asking tough questions some in the corporate world don't want to answer: such as, why did investment in corporate R&D collapse at the same time that dividend payments to shareholders increased? Or why have employers completely walked away from the task of worker training with investment in on the job training at its lowest point in a generation?

The union movement has a plan for productivity that we took to the Economic Reform Roundtable that is based on building on our strengths as a country. It included measures to:

- Invest in lifelong learning for working people;
- Ensure AI and technology adoption benefit everyone;
- Continue to implement measures that diversify our economy;
- Tackle the gendered segmentation of our workforce that holds back economic growth;
- Support a fast and fair Net Zero Energy transition;
- Support measures that maximise worker involvement and upskill management;
- Make tax fair to address intergenerational inequality; and
- Invest in the foundations of our economy.

Our movement has a long-term vision of sustained productivity growth that builds on Australia's strengths and ensures prosperity is shared. And it is a recognition that our greatest economic strength and advantage is the knowledge, experience, skills, and dedication of the working people who sustain our economy, who deliver our services, who provide our much needed care, and whose stake in the economy needs to be recognised and fairly remunerated if we are to seize the opportunities of the future.

**Declaration of interests**

Nil.

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