

Australia: some plain truths about the fight against Howard's IR laws

By Socialist Equality Party (Australia)
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Socialist Equality Party supporters will be distributing copies of this statement at the "Last Weekend" rally on August 7 in Sydney. It can be downloaded in PDF leaflet form.

Opposition to new industrial relations (IR) legislation, which saw up to 250,000 people join marches and demonstrations on June 30-July 1, has caused considerable disarray in the Howard government.

With opinion polls indicating 60 percent opposition to the IR "reforms", Howard and his ministers have been in daily damage control hosing down warnings that the laws will permit employers to scrap basic rights that workers have taken for granted for decades—such as meal breaks, public holidays, four weeks annual leave and long-service leave.

Following two decades in which the trade unions have worked hand in glove with employers and governments, delivering record low levels of industrial action, the size and breadth of the anti-government demonstrations caused a visible shock, not just to the government but to the union officials who convened them.

Few workers have any faith in the unions after repeated sellouts and betrayals, while the rate of union membership has plummeted from about 50 percent to less than 20 percent. Nevertheless, the union-organised demonstrations won a groundswell of support because of the widespread recognition among working people that the IR laws represent a turning point.

The past 20 years have seen the systematic erosion of job security, long-standing working conditions, essential protections and living standards. As Costello and others have bluntly stated, many employees have been forced to give up meal breaks, penalty rates and other vital conditions. Furthermore, more than a quarter of all jobs have been casualised or made part-time or temporary—one of the highest rates in the world.

As a result, millions of workers and their families are living constantly on the edge, knowing that the loss of a job, overtime payments or sick leave entitlements could quickly spell financial disaster. Now they fear that whatever elementary safety nets remain, such as minimum wages, industrial awards and compulsory arbitration courts, will be abolished, clearing the way for virtually limitless attacks.

The seriousness of the situation, and the far-reaching character of the Howard government's planned attack, means that some plain truths must be confronted. Notwithstanding the considerable resources they have put into the campaign, the fact remains that the trade union leaders and the officials of the Australian Council of Trade Unions (ACTU) together with the leaders of the Australian Labor Party (ALP) have no fundamental differences with the agenda of the Howard government.

Their opposition to the IR laws is not based on the devastating impact they will have on the lives and working conditions of ordinary working people. Rather, their chief concern is that the legislation aims at doing away with the industrial relations system which has played such a central role in sustaining the trade union bureaucracy since "conciliation and arbitration" of industrial disputes was enshrined in the constitution in 1901.

To believe that the union leaders have decided to launch a genuine struggle against the Howard government is to deny the historical record. The attack on wages and working conditions did not start yesterday. It was initiated more than 20 years ago by the Hawke-Keating Labor government.

Under the ACTU's Prices and Incomes Accord with the Labor governments from 1983 to 1996, unions forced workers to "trade off" basic conditions such as the eight-hour day, imposed mass sackings and "outsourcing", and introduced "enterprise bargaining" to break down solidarity and pit workers against each other, workplace by workplace. Those who resisted, such as builders labourers, meat workers and airline pilots, saw their unions busted and their strikes broken.

The role of the ACTU and the union leadership did not change under Howard. When his government's first budget and Workplace Relations Act provoked massive opposition in 1996, the ACTU stifled the movement and joined the witch-hunt of workers who stormed parliament house. Terrified by the confrontation in Canberra, the union leaders called off the campaign and backed amendments moved by the Australian Democrats that gave Howard the go ahead for individual employment contracts (Australian Workplace Agreements or AWAs)—the forerunner to the proposed new system.

Again, in 1998, the ACTU worked to prevent the eruption of anger over the mass sackings on the waterfront from becoming a full-scale confrontation with the Howard government by engineering a settlement in the courts that gave Patricks and other waterfront employers all the job losses and speed-up they demanded.

Today, the chief concern of the unions is to prevent the eruption of a struggle against the government. Alarmed by the large turnout on June 30 and July 1, they are running a public relations campaign, urging a protest and then acceptance of the new laws. Thus the theme of the August 7 "Last Weekend" called by Unions NSW in Sydney is to invite workers to "spend some time with your family—before John Howard takes it away."

The fact that ALP leader Kim Beazley is being paraded as an opponent of the new laws speaks volumes about the real position of the ACTU and trade union leaders. Beazley has refused to guarantee that a Labor government would repeal the IR legislation if returned to office. Furthermore, in a direct pitch for business support, he has dropped Labor's pledge at the past three elections to abolish the Howard government's AWAs.

ACTU secretary Greg Combet summed up the position of the entire trade union leadership recently. Insisting that the unions were not "stuck in the mud", he set out an alternative route to "IR reform". "If you're going to make an important change like that, arguably on the basis of improved efficiency in regulation throughout the economy, then really you need to sit down with the major players in the industrial relations field—the state government, who have industrial relations systems, the union movement, and the business community, with the Commonwealth—and nut out how that can be done."

In other words, while millions of ordinary working people oppose Howard's legislation out of concern for their jobs, working conditions and basic democratic rights, the trade union bureaucracy has another agenda—to maintain its position within the present industrial relations framework.

The origins of the existing system lie in the conditions which first saw the working class emerge as a social and political force. Profoundly shaken by the mass maritime and shearers' strikes of the 1890s, the emerging Australian capitalist class sought to rule in collaboration with the trade unions. Under the constitutional provision for conciliation and arbitration, unions were guaranteed a monopoly to negotiate "awards" governing wages and conditions as part of a nationally-regulated economy.

A growing caste of union officials arose, organically committed to the private profit system and confining workers to the perspective securing better terms and conditions for the sale of their labour power through the state-run arbitration system. They agitated for high tariff barriers to prevent "foreign" competition and the "White Australia" policy to ensure a "protected" labour market.

While individual trade union leaders claimed at times to be "socialists", in practice all sections of the union apparatus pursued an agenda of national reform—a perspective which reached its heyday in the period of economic expansion after World War II.

However, the globalisation of production over the last two decades and the unrelenting drive for cost-cutting—the response by the major corporations to the end of the postwar boom—has shattered this nationalist perspective.

In order to be "internationally competitive," big business has demanded of successive governments that they continually remove regulations governing the labour market. This process transformed the role of the union apparatuses. In the past, the position of the union bureaucracy depended, to some degree, on the reforms and concessions won by the working class. No longer. Today the unions have become the chief instruments for extracting concessions from workers in an effort to make industries "globally competitive".

At the same time, they largely retained their position with the state and federal Industrial Relations Commissions (IRCs), whose judges are often former union officials. Despite the collapse of union membership, no less than 85 percent of workers are still covered by union-supervised awards, rather than non-union AWAs. AWAs cannot "disadvantage" workers compared to the relevant industrial award while IRCs set minimum and award wage levels and IRC-enforced "unfair dismissal" laws make it difficult for employers to openly victimise workers.

Powerful corporate interests, as well as global investors, are demanding that the Howard government end this hybrid system, and deliver on its repeated promises of drastic "IR reform". These demands are being driven by far-reaching changes in the world economy.

Addressing the National Press Club recently, Hugh Morgan, president of the Business Council of Australia, which represents the country's 100 largest corporations, noted that in 2004-05 Australia fell from 10th to 14th on the World Economic Forum's Growth Competitiveness Index. "In recent years, Australia's productivity has begun to slow dramatically," he declared. "The government's recently-announced changes to workplace relations will go a long way to making sure the productivity gap between Australia and its competitors is narrowed."

Setting out his agenda in a speech to the Sydney Institute on July 11, Howard emphasised that "workplace reform" was a never-ending process. Despite recent increases, Australia was "still a long way shy of the world's most productive economies." "In a global economy that increasingly values specialisation and flexibility, perseverance with workplace reform is essential if we are to narrow this productivity gap further and respond to challenges such as the rise of China and India as

great economic powers."

The content of the proposed laws makes clear that the "new burst of productivity growth" and the "culture of enterprise" is to be achieved through the removal of what remains of the legal protections afforded by the previous system.

First, they will abolish "unfair dismissal" rules for two-thirds of the workforce, those working in firms with less than 100 employees. This will enable employers to coerce workers into accepting sub-standard wages and conditions on pain of instant dismissal. By declaring that there is no "magic" about the figure 100, Treasurer Costello has already made it plain that this is just a first step to scrapping the rules for all workers.

Second, the legislative package will remove the "no disadvantage" test for AWAs, leaving only four minimum conditions that employers cannot force workers to give up. Penalty rates, overtime payments and shift allowances—which many workers currently rely upon—can be scrapped, along with meal breaks, long service entitlements and public holidays. Annual leave can be reduced to just two weeks.

Third, the state and federal IRCs will lose their jurisdictions over minimum and award wages and conditions, leaving them as bare industrial courts, allocated the task of halting individual disputes. The federal IRC will be replaced as the national wage fixer by a business-dominated "Fair Pay Commission," charged with setting pay according to corporate profitability.

The new laws will not merely amend the existing industrial relations system but totally rewrite it. They will not be grounded on the "conciliation and arbitration" powers in the constitution, but rather the "corporations power".

This change in the structure of the state apparatus itself has led to divisions among employers and within the Liberal-National Coalition. Various vested interests, in particular less competitive nationally-based firms, have a significant stake in the maintenance of the old relations with the unions and the state apparatus.

Several employer groups have made plain their preference for continuing to use the unions as industrial policemen. Led by major players such as Multiplex, Victorian construction companies have struck mutually beneficial agreements with the building unions to preempt the new laws, despite condemnation by the national Master Builders Association. In retaliation, the Howard government has threatened to withhold official tenders from firms that sidestep the new legislation.

Some businesses want to retain the tried and tested state systems, in which ALP and union bureaucrats have combined to produce record low levels of industrial disputes. Interviewed on ABC television, Queensland Premier Peter Beattie and Australian Workers Union national secretary Bill Shorten underlined their value in suppressing strikes. Beattie boasted that Queensland had the lowest strike rate and Shorten agreed that "the state systems have a way of defusing tough industrial disputes before they become too ugly".

Howard's blueprint also cuts across the traditional "states' rights" constituencies of the Liberal Party, which have opposed centralised federal power as a threat to sectional business interests. This was reflected in Howard's embarrassment at a Liberal Party Federal Council meeting, where he was defeated by a West Australian-sponsored motion to retain the state structures. These shared concerns will be the basis for a High Court challenge by the state Labor governments to the IR laws—not opposition to the driving down of wages and conditions.

These conflicts make clear the purpose of the ACTU campaign. It is not aimed at the independent mobilisation of the working class but seeks to pressure opponents of Howard within the political establishment, including such openly right-wing political figures such as Queensland National Barnaby Joyce and Family First Senator Steve Fielding.

Consider what a genuine struggle against the Howard government would involve. It would rapidly move from the IR legislation as such to

encompass a range of issues, including jobs, health and education. It would see a challenge to all the policies of the Howard government, including its participation in the invasion and occupation of Iraq. Moreover, it would rapidly come into conflict with the Labor Party, which has collaborated with the Howard government at every turn, and raise the need for the construction of a new political leadership of the working class. That is why it is totally opposed by the entire trade union leadership.

As Howard's speech of July 11 underlines, a new "enterprise culture" embodies an endless assault on the working class. Workers in Australia are being pitted against their fellow workers in China and India and worldwide in a fratricidal race to the bottom. Instead of the immense developments in technology being used to eliminate poverty and inequality and generate higher living standards for all, working people must sacrifice every past gain to compete with each other around the clock.

This means that the first plank in an alternative program must be a conscious drive for the international unity of the working class. Given the global character of capitalism, such a struggle is inseparable from the fight against the private profit system.

Power over production and workplace conditions must be taken out of the hands of the ruling elite and placed under genuine democratic, social control. This direct challenge to the entire profit system cannot and will not arise from within the framework of the moribund and reactionary trade union and ALP apparatus. It necessitates the building of a mass, independent political movement of the working class armed with a program that articulates the needs of workers, rather than the interests of the financial oligarchy—in short, a socialist program based on human need not profit.

This alternative socialist perspective will not develop spontaneously, no matter how large or militant the movement against the Howard government. It requires a clear-sighted, historically-informed analysis and the clarification of essential political questions. That is the axis of the *World Socialist Web Site*. We urge all workers and young people to become regular readers of the site and to seriously consider joining the Socialist Equality Party.



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