Australian government moves to end the right to strike

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9 July 2002

The Australian government last week failed to gain the numbers in the Senate for sweeping changes to the Workplace Relations Act that would effectively abolish the right to strike. Even so, Workplace Relations Minister Tony Abbott promptly declared that the government would attempt to push the legislation through at future sittings, working in the meantime to strike deals with other political parties to secure its passage.

His proposed amendments would empower the Australian Industrial Relations Commission (AIRC) to impose a "cooling off" period and suspend "protected industrial action" in disputes over new work agreements. "Protected industrial action" refers to strikes and stoppages during the official negotiating period for work agreements—the only time that any form of industrial action is permitted under the 1996 legislation.

Where employers could demonstrate that industrial action could damage the interests of a third party not directly involved, the industrial court would have the power to order a return to work. As nearly all strikes, in one way or another, have an impact outside the immediate workplace, the changes could outlaw most industrial action.

Abbott's move to refashion the Act comes after months of frustrated attempts on his part to push major employers into escalating industrial disputes and pursuing legal action against unions in order to impose crippling fines and damages. The conflict is part of a long running dispute in business circles over tactics in relation to the trade unions.

Some sections of the corporate elite regard Abbott's sabre rattling as absurd, especially given that the unions have presided over historically low, and still falling, levels of strikes. Throughout the last two decades, the unions have, time and again, proved themselves willing to impose the demands of business. Many large employers regard the unions as useful tools to suppress strikes, discipline the workforce and impose cuts to jobs and working conditions.

Other companies, however, particularly small and medium sized businesses, want to dispense with the unions altogether. They regard unions, at best as a time-consuming and cumbersome means of implementing restructuring, and, at worst, as an unnecessary obstacle to their business agendas. It is these layers who have been criticising the Howard government for lagging in "labour market reform" and insisting that it take on the trade unions.

Abbott was finally forced to rethink his strategy following the abrupt end of last month's three-week long dispute at BHP's steel plant in Western Port, Victoria. The plant produces 40 percent of the steel used by Australia's four car manufacturers. As the strike began to impact on vehicle production, Abbott encouraged BHP and the car companies, Toyota, Mitsubishi, Holden and Ford, to take punitive legal action against the unions and workers involved.

He was furious when BHP suddenly decided to drop its legal action as part of a deal with unions to end the dispute. In return, the unions agreed to the "flexibility" demanded by the company in its maintenance section, including the increasing use of contractors. Once the dispute ended, legal action by the car companies was also off the agenda.

Explaining his tactical shift in the wake of the BHP settlement, Abbott said the government "had been overtly optimistic, that employers would use the provisions in the Act to take legal action against strikes. It was in retrospect a misapprehension."

He announced that his department was investigating ways to widen the government's powers to intervene into industrial disputes, take up legal action abandoned by companies and initiate legal proceedings itself, especially to back "small or medium sized firms". Abbott declared:

"(There) ought to be a role for a policeman or prosecutor."

These proposals are designed to appeal to sections of business that, even while working with the unions, are aware that these organisations cannot be relied upon indefinitely to police workers. Fearing the eruption of a movement of workers outside union control, they want to have other means in place to deal with unrest. This includes legislation allowing the government to step into industrial disputes and bear the legal costs involved in major confrontations.

On the eve of Abbott's amendments being debated in parliament, he and trade minister Mark Voile called a closed-door meeting with the Australian Industry Group, the Federal Chamber of Automotive Industries and the Federation of Automotive Products Manufactures.

The government's intention was to bring pressure to bear on major employers to publicly support its industrial relations initiative. While offering the incentive of relieving employers of the legal costs involved in challenging the unions, the government also waved the stick. It made it known that it was considering making car industry tariffs and subsidies conditional on industrial relations "reform" and productivity improvements.

Following the meeting, the June 25 *Australian Financial Review* carried a full-page paid advertisement by the three employer groups in the form of a memo addressed to all political parties. Praising Abbott's proposed changes to the Act as "a commonsense approach to industrial relations," the memo urged "all political parties to compromise to allow the government's proposals to be implemented". It proclaimed Abbott's proposals to be a "big step towards preventing a repeat of the recent crippling industrial disputes in an industry which is fiercely competitive and contributes so much to Australia".

Whether by coincidence or not, immediately following this public show of support, the government's Productivity Commission recommended the retention of the present 10 percent car tariff rate until 2010, to be followed by 5 percent protection for another five years.

Labor's industry spokesmen Robert McClelland and Craig Emerson, who were both present at the meeting with Abbott and the employer groups, have opposed Abbott's changes to the Act for now, but advanced an alternative proposal that would produce a similar outcome. Their plan would empower the AIRC "to require parties in disputes to bargain in good faith".

"Good faith," of course, will mean the lifting of industrial action so negotiations can proceed. Labor's proposal is designed to make it easier for the AIRC to move against workers who refuse to comply. Further industrial action could be declared illegal and the unions would use the threat of legal action by the employers to shut down strikes and seek backroom deals.

The only essential difference between Labor's scheme and Abbott's would be that the unions would retain their role as industrial policemen for big business.

In the face of Abbott's proposals, the unions themselves are attempting to ingratiate themselves even more closely with the employers. They have appealed for a national summit to ensure "stability" in the manufacturing industry, that is to develop the best means to suppress strikes while the companies continue their ongoing assault on working conditions.

Australian Manufacturing Workers Union national secretary Doug Cameron, who was at the centre of negotiating the agreement at BHP Steel, declared that a summit would develop an "industry approach to the sort of issues that have dogged the (manufacturing) industry for years".

Australian Council of Trade Unions secretary Greg Combet supported Cameron's call and made its purpose even more explicit: "In the wake of the BHP confrontation, it's time for all parties to engage in a calm and reasoned dialogue to make sure the industry can resolve further disputes without the rancor seen at Western Port".

None of this has anything to do with defending the interests either of union members or the working class as a whole.