

Australia: Howard finds the right people for his new “Fair Pay Commission”

Terry Cook
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In Shakespeare’s epic tragedy *Macbeth*, the murderous king, welcomes two villains he has hired to commit a grisly murder with the greeting: “Thou are the best o’ the cut-throats ...” With this dark salutation *Macbeth* confirms that he has, indeed, chosen the right men for a particularly foul job.

Similarly, a review of the credentials of the appointees to the Howard government’s recently formed Fair Pay Commission (FPC) demonstrates that they, too, are the right people for a dirty task—to drive down the minimum wage for millions of low paid workers across Australia.

From the outset it is worth noting that the incomes of the five hand-picked, well-heeled commissioners are far removed from those of the ordinary working people whose wages they will determine.

First, there is FPC fulltime chairman and head, evangelical Anglican and conservative finance economist, Professor Ian Harper. A “sincere Christian”, the professor is an open advocate of the capitalist market system, which, he once declared, worked as “a servant of humanity in the interests of improving our material lot on this earth”.

The capitalist market system has certainly been kind to him. He is executive director of the Centre of Business and Public Policy at the Melbourne Business School, the principal of his own consulting company Harper Associates Australia, a senior consultant with CRA International and a financial services consultative to KPMG, Avon Australia and the Adelaide Bank. Prior to joining the business school, Harper was a Professor of Monetary and Financial Economics in the Faculty of Economics and Commerce at the University of Melbourne.

On accepting the FPC chair in March this year, Harper made clear that his “Christian values” would not inhibit him acting to suppress wage increases. “In setting the legal minimum wage the Fair Pay Commission must consider the level of minimum wages as a potential obstacle to unemployed persons finding paid work,” he said.

The “Christian values” Harper brings to his work on the FPC can be gleaned from a report he prepared in 2001 for

the Anglican Church entitled “The Distribution of Work and Wealth in Australia”. In this, he uses scripture to argue that poverty must be accepted as a permanent feature of society and cautions against anyone advocating the eradication of social inequality.

The report contains such gems as: “While Christians share an abiding concern for the poor, they also know that the ultimate eradication of poverty and injustice must await the return of Our Lord.” And: “Christians know that there is no prospect of paradise this side of the Second Coming; hence, we are rightfully circumspect about any political or economic promise of worldly utopia. We cannot expect to find perfect justice and peace in this life.”

For those who object to the vast profits now being ripped out of the working class by big business and harbour thoughts about the need for a more equitable distribution of wealth the report cautions, “Christian do not believe that owning wealth or even being wealthy is in itself morally wrong. Indeed, Scripture warns us about being envious of those who have more than we do. Envy or covetousness is sinful, just as greed is sinful.” It then warns: “There is a particular danger associated with talk of distributive justice.”

Harper also approvingly cites a “Christian scholar” who claims, “there is no one criterion universally applicable for resolving issues of distribution”. Both Christian gentlemen would undoubtedly be horrified by the basic Marxist principle: “from each according to his ability; to each according to his needs”.

Also bringing “Christian values” to the determination of pay levels is FPC part-time commissioner Patrick McClure. McClure, a graduate of the Australian Institute of Company Directors, has made a lucrative career for himself out of charity work. Since 1997 he has been CEO of one of the country’s largest Christian charity organisations, Mission Australia, overseeing an annual budget of \$212 million.

The charity’s fortunes grew under McClure’s leadership. In particular, it gained contracts to oversee job provision services after the Howard government closed its own job assistance agencies such as the Commonwealth Employment

Service (CES). Significantly, McClure is on the Howard government's Community Business Partnership Board.

McClure has also been drafted onto government welfare reform committees to provide a "caring face" while slashing welfare and social security rights. He was appointed chairman of the government's Independent Reference Group on Welfare Reform in 1999-2000 that laid the basis for fundamental attacks on welfare and social security provision.

McClure then served as deputy chair of Howard's Welfare to Work Consultative Committee, whose recommendations were legislated last November and came into force this month. The measures are designed to drive more than 200,000 benefit claimants, including people on single parent benefits and disability allowances, into cheap labour and work-for-the-dole schemes over the next three years. Under the new provisions, the unemployed could lose payments for eight weeks if they refuse a minimum wage job or commit any of a series of petty offences.

While happy to create conditions of extreme hardship for others, McClure decided long ago that a life of poverty was not for him. He quit the Franciscan order after ten years to follow a more materially-rewarding path. He still insists, however, that Saint Francis of Assisi, the order's Spartan founder, remains "one of my guiding lights".

Also well-equipped for the job of part-time FPC commissioner is right-wing economist, professor Judith Sloan. Sloan, who previously enjoyed a well-paying academic career, specialises in industrial relations. She is a strong advocate of ever-greater workplace "flexibility" and the removal of all restraints on employers, including on the right to hire and fire.

Sloan is currently director of Santos Ltd, a major gas and oil exploration company, and a part-time commissioner on the federal government's Productivity Commission. To bring in a little extra pocket money, she pens regular columns for the *Australian Financial Review* and the *Australian*.

Sloan's previous, and no doubt lucrative, positions include Chair of SGIC Ltd, Deputy Chair of the Australian Broadcasting Commission, and a director of Mayne Group Ltd, SGIO Insurance Ltd, and the South Australian Ports Corporation.

Her attitude to workers' rights is best judged by her remarks to a meeting of the H R Nicholls Society, a right-wing, anti-working class, industrial relations lobby club. Sloan railed against "prescriptive details" in awards "that should be left to the discretion of management" including "starting and finishing times; the time and duration of tea breaks; about ratios with part-timers to full-timers; about the details of shift arrangements; and so on".

Likewise, Sloan had no time for award clauses covering "promotion by rigid seniority; [that] require consultative committees and the like". The Howard government's new draconian industrial relations laws, which have abolished minimal unfair dismissal laws for millions of workers and which allow employers to dismantle previous award conditions such as shift and penalty rates and leave loadings, are measures Sloan has long advocated.

Another part-time FPC commissioner is multi-millionaire Mike O'Hagan, the owner of removal company MiniMovers with an annual turnover exceeding \$15 million and 240 employees. O'Hagan declared the FPC position "a great opportunity to add my worker and small business knowledge to the decisions that affect the lowest paid in Australia".

O'Hagan is another ardent supporter of the individual work contracts (Australian Workplace Agreements) that lie at the core of Howard's industrial relations laws, and has placed his entire workforce on them. According to one media report, MiniMovers employees can be required to work up to 70 hours a week. His Brisbane operation was reportedly praised by the Howard government as a model for individual employment contracts. Last year, O'Hagan's agreed to be one of Howard's "Australian Workplace Agreement ambassadors".

Of course, the FPC would not be complete without a union official of some sort to create the illusion that someone is there to represent the interests of workers. Filling the bill is former union bureaucrat Hugh Armstrong, a well-known virulent anti-socialist. Even a fellow union bureaucrat, Australian Services Union's Sally McManus, describes Armstrong as a "Cold War warrior completely out of touch with the modern workplace".

Armstrong cut his teeth as a former official in the right-wing Federated Clerks Union in the 1980s, and then as National Executive President of the ASU until 1995. He was a leading union official during the period of the Hawke/Keating Labor government that struck a series of Accords with the Australian Council of Trade Unions which resulted in the destruction of hundreds of thousands of jobs and many longstanding working conditions, creating fundamental changes in workplaces throughout the country. Undoubtedly, it was these impeccable anti-working class credentials that won Armstrong his place on the FPC.



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