

Australian employers demand changes to industrial relations laws

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Amid growing alarm in ruling circles about the impact of the global economic turmoil on Australian business, employer groups are demanding that the Labor government refashion its already draconian workplace relations regime to give big business free rein to impose sweeping cuts to jobs and working conditions.

Over the past two years, the trade unions have ruthlessly policed the Fair Work Act, which outlaws most industrial action. They have boasted of driving down the level of strikes to new historic lows, cutting real labour costs, and helping to return corporate profits back to record levels since the global financial crash of 2008. But this is no longer enough for the employers who want unlimited labour market “flexibility.”

Major companies, such as Qantas, the car manufacturers, steel makers and retail chains, are starting to unveil drastic downsizing and outsourcing operations to cope with a soaring Australian dollar and slumping domestic economy. Even in the booming mining sector, corporate giants are demanding “reforms” to prevent any stoppages and to drive up output.

Big business pressure is mounting on both the minority Labor government and the Liberal-National Party opposition to re-fashion their industrial relations policies accordingly. Former Prime Minister John Howard called last month for the reintroduction of statutory individual work contracts and the dismantling of token unfair dismissal protections.

Individual work contracts were at the centre of Howard’s hated Work Choices laws, which became a major factor in Labor’s 2007 election victory. Labor abolished Work Choices but retained all its essential aspects, including the clauses banning all industrial action except during “bargaining periods” for new

enterprise agreements. Gillard’s Fair Work laws also permit employers to impose common law individual work contracts.

Some of the other changes being demanded by business were outlined in a statement featured last month in the *Australian* by Australian Industry Group chief executive Heather Ridout. Declaring that manufacturing, retail and tourism “are under stress,” Ridout called for the removal of all restrictions on the use of contracting out and corporate takeovers to slash jobs and conditions.

Specifically, Ridout demanded the abolition of provisions requiring contractors and “on hire” workers to receive similar pay and conditions to regular workers. She also demanded the removal of “transfer of business” clauses that oblige purchasers of businesses to retain the previous pay rates and conditions for employees not retrenched.

The Australian Mining and Metals Association (AMMA) has launched a \$500,000 fighting fund to challenge any Fair Work Australia (FWA) tribunal rulings it considers “adverse” to the interests of its members. Notably, the AMMA played a leading role in the multi-million dollar public campaign against the resources tax proposed by former Prime Minister Kevin Rudd, which helped trigger the extra-parliamentary coup that removed him in June 2010 to make way for Prime Minister Julia Gillard.

Among the so-called adverse judgements that have infuriated employers was a decision by the FWA full bench in June to uphold a ruling allowing the Transport Workers Union (TWU) to apply for a postal ballot on industrial action by its members at waste management company JJ Richards. The company had sought to block the ballot by simply refusing to enter into a bargaining period for a new enterprise agreement.

As this dispute indicates, the employers are seeking an unfettered power to refuse to bargain over work agreements, thus potentially outlawing all industrial action. The AMMA has signalled it will probably finance a legal challenge, with the backing of the AIG and the Australian Council of Commerce and Industry (ACCI).

Employer groups are also demanding that the Liberal-National Party Opposition end its silence on “workplace reform.” Opposition leader Tony Abbott, conscious that widespread hostility to Work Choices helped rout the Howard government at the 2007 election, has conspicuously pledged not to return to that legislation.

Howard’s intervention this month was aimed at forcing a shift within the Liberal Party. Former workplace relations minister Peter Reith, who unsuccessfully challenged for the party presidency in June, has announced plans for a free-market think tank to drive a “more hardline” industrial relations policy. His proposal is backed by key corporate figures including former mining chief Hugh Morgan and Michael Chaney, chairman of Woodside Petroleum.

In response to this campaign, the Australian Council of Trade Unions (ACTU) has rushed to the defence of the FWA laws, highlighting the unions’ performance in cutting industrial disputes, along with labour costs, and boosting productivity and corporate profits. In a June 30 report on the first two years of the legislation, the ACTU said working days lost to industrial disputes had fallen to 3.4 days per 1,000 employees; compared to 4.5 days in the same period before the Fair Work Act.

The ACTU’s scorecard also boasted that real unit labour costs had fallen by 1.6 percent in 2010 alone and “productivity sits steady at 1.8 percent.” Average full-time earnings had only increased by 3.8 percent over 12 months, “the slowest growth in over four years.” The report emphasised that “businesses continue to do well,” with total profits growing “twice as fast as total wages.” As a result, it concluded, “the profits share of national income rose from 27 percent to 28.2 percent, near the all time high it reached prior to the financial crisis.”

As this record makes clear, the unions have nothing to do with protecting workers’ rights and conditions. They function as industrial policemen for the Labor government and employers—a role that is enshrined in

the Fair Work laws. Nevertheless, the corporate elite is insisting on an even greater assault on the working class.

No doubt, the unions, together with the Labor government, will step up their efforts to deliver the far-reaching agenda required by the employers. This makes it imperative for working people, if they are to defend any basic rights and conditions, to make a conscious political break from the Labor Party and the trade union apparatus. New organisations of struggle must be established, and a new mass party built, guided by the fight for a socialist program to completely reorganise economic and social life on the basis of human need, not corporate profit.

The Socialist Equality Party is holding weekend conferences in Sydney and Melbourne this month on “The Failure of Capitalism and the Fight for Socialism Today” to discuss these urgent issues of political perspective and leadership. We urge *World Socialist Web Site* readers to register in advance and attend.



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