

# Australian big business steps up campaign for more “flexible” industrial relations laws

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Corporate lobby groups and the media have stepped up their campaign for changes to Australia's industrial relations (IR) system. The demands for greater productivity and “flexibility” are centrally aimed at boosting profits by gutting the limited remaining workplace protections, including overtime penalty wage rates and unfair dismissal laws.

Opposition leader Tony Abbott was under fire from Tuesday when declared that he did not support the reintroduction of individual workplace agreements. Speaking on the ABC's “7.30” program, Abbott declared: “We don't support statutory individual contracts. We did once, we don't now. We're happy to look at building more flexibility into the [Labor government's] Fair Work Act.”

While well aware of the demands of big business for IR changes, Abbott is concerned that any return to individual workplace agreements will revive memories of the Howard government's draconian WorkChoices industrial relations legislation. Widespread popular hostility to WorkChoices was a major factor in the defeat of the Coalition at the 2007 election.

Abbott's remarks appeared to repudiate a statement he made three weeks earlier, in which he called for “more freedom” in workplaces, and a system in which “businesses and the workers of Australia come to arrangements that suit themselves.” This earlier statement had been hailed in business circles, and the *Australian* devoted an editorial to encouraging Abbott to go further. “Australia cannot afford IR to remain a ‘no go’ area if economic competitiveness and living standards are to be maintained,” the newspaper declared on September 2. “This is why Mr Abbott's intervention in the debate being led by industry groups and business leaders is welcome.”

Yesterday, however, the *Australian* responded to Abbott's rejection of individual contracts by complaining that his

“vision is short-term” and that the opposition “looks uncharacteristically timid.” It urged the Liberal-National coalition to ignore public hostility to the measures being demanded by big business, in the same way as the former Howard government dismissed the mass movement against Australia's participation in the illegal invasion of Iraq in 2003: “Mr Abbott should note that governments sometimes pursue unpopular policies because they are correct, involvement in Iraq and the introduction of the GST [goods and services tax] being prime examples.”

Abbott has been roundly denounced by several business groups. The Australian Mines and Metals Association (AMMA) accused the opposition leader of “thumbing his nose” at business. AMMA chief executive Steve Knott told the *Australian* that Abbott was in danger of “trashing” a core constituency of the Liberal Party, adding that the opposition's industrial relations policies were “not very inspiring to the business community both large and small.”

The Australian Chamber of Commerce and Industry accused Abbott of being “overly cautious.” Head of the Australian Industry Group, Heather Ridout, told the *Sydney Morning Herald* that she was disappointed in the opposition's position, and that Abbott had to “spend his political capital on something.” She added: “It's the political reality he's reflecting, but there's a lot of employer support for individual statutory agreements with proper protection.”

The corporate elite remains deeply dissatisfied with the existing parliamentary line-up, and is frustrated with the failure of both major parties to advance a sufficiently far-reaching restructuring agenda aimed at enhancing the international competitiveness of Australian capitalism.

The escalating global crisis has added greater urgency to efforts to forge a political instrument capable of carrying out a sweeping offensive against the living standards of the

working class. The Murdoch and financial press has highlighted the national economy's recent decline from 16th to 20th place on the World Economic Forum's annual "Global Competitiveness Index", with Australia ranking 116th out of 142 nations for "flexibility of wage determination" and 97th for hiring and firing regulations.

According to every opinion poll conducted in recent months, the minority Labor government would be wiped out in the event that an early election is triggered. Yet as far as big business and finance capital is concerned, Abbott has so far failed to establish himself as a credible alternative prime minister. He has focussed on populist campaigns against the government, primarily over the cost of living impact on ordinary people of the proposed carbon tax. The opposition leader has drawn the ire of the financial press over a series of issues, including his recent suggestion that a Liberal-National government would provide public subsidies to less competitive manufacturing businesses.

The deep fissures within the opposition coalition reflect these concerns.

Peter Reith, the former Howard government's workplace relations minister and unsuccessful candidate for the Liberal Party presidency this year, warned Abbott over his industrial relations stance. "I hear the employer organisations saying they're disappointed," he told the ABC on Wednesday, "and we all know that's what they say politely in the public arena, but behind closed doors I can tell you they are not happy at all."

He added: "I think some of the things that Tony has said in the last few weeks would put him on a better track than what he said yesterday and I'd encourage him to think about the consequences of this, because, yes, there is quite a bit at stake." Reith demanded that Liberal parliamentarians force Abbott to change his stance, saying that "it is important that people who have views express those and I don't think they should be shy about it."

South Australian MP Jamie Briggs has publicly rejected Abbott's comments ruling out individual contracts, declaring that business could not have "genuine flexibility" without them.

Abbott's supporters have accused his opponents within the Liberal caucus of trying to undermine him. One unnamed parliamentarian told the *Australian* that the industrial relations issue was "just a proxy for the leadership".

For their part, the Labor government and the trade unions

have maintained that there is no need to return to the former Howard government's despised WorkChoices system, or to reintroduce individual workplace agreements. The government's Fair Work Australia regime, crafted by Julia Gillard when she served as workplace relations minister prior to becoming prime minister last year, enshrined all the essential elements of WorkChoices, and strengthened anti-democratic provisions against the right to strike and authorising employer lockouts. Last June, the Australian Council of Trade Unions issued a report boasting that Fair Work Australia had delivered fewer strikes, lower "real unit labour costs", and rapidly growing corporate profits.

The Gillard government has urged business to take greater advantage of the "Individual Flexibility Arrangements" that the Fair Work legislation requires to be incorporated into modern awards and enterprise agreements.

At the same time, Labor has announced that it will soon convene an inquiry, conducted independently of the government, into its industrial laws and will make certain adjustments to Fair Work Australia as demanded by business. Treasurer Wayne Swan declared on September 7: "We're up for a productivity agenda. We understand its importance."

The *Business Spectator*'s Rob Burgess yesterday warned Abbott that he could be outflanked by a further right-wing, pro-business shift by the Gillard government. The Fair Work review, he explained, could "make it politically possible for Labor to add bucket loads of flexibility to the Act in ways that Tony Abbott only hinted at on Tuesday". And, he added, if the government "takes that ground first, Abbott and [opposition workplace relations spokesman Eric] Abetz will have nowhere to go."

*The author recommends:*

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