

# Australian government pledges further pro-business industrial relations reform

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The Labor government of Prime Minister Julia Gillard earlier this month announced changes to its industrial relations Fair Work Act that are aimed at further undermining workplace protections and conditions. Workplace relations minister Bill Shorten announced on October 15 that the government would quickly legislate 17 of the 53 proposals issued in a report released in August by a government-commissioned panel.

The initial changes that will be made are those proposals that received the joint support of both the trade unions and business groups. Many of the measures involve “procedural matters”, but others are centrally aimed at undermining workplace protections. The union bureaucracy’s immediate agreement with these measures underscores its role in collaborating with the Labor government and big business against the interests of the working class.

Under the Labor government’s changes to the Fair Work Act, the time permitted for workers to file an “adverse action” claim has been cut from 60 days to 21 days. Adverse action includes discrimination against workers on the basis of race, gender, sexual preference, pregnancy, union membership or political opinion. It also covers disciplinary measures taken against workers participating in authorised industrial action.

The new amendments will also allow the Fair Work industrial tribunal, renamed the Fair Work Commission, to rule claims as unreasonable or vexatious and award large sums in costs to employers. This deterrent against workers making adverse action claims, like the reduced time in which a claim can be made, is aimed at preventing employers from being

held to account for discriminatory and abusive treatment of workers.

One of the significant changes to be made to the Fair Work laws will prohibit employers from including clauses in enterprise agreements that allow workers to opt out in favour of individual arrangements. This amendment is clearly aimed at bolstering the trade unions’ privileged position within the industrial relations setup as the enforcers of productivity speedups and corporate restructuring measures.

Shorten declared that the initial changes to the industrial relations laws were only a “first tranche”. The other measures proposed by the government’s review panel will be legislated later, almost certainly following the next election. The Labor Party will again seek to run an election campaign promoting its industrial relations system as “balanced” and “fair”, and warning that an opposition victory will see the return of the former Howard government’s despised WorkChoices regime. This bogus pitch conceals from the working class the draconian measures being prepared behind closed doors by the Labor government and the unions.

Other proposals issued by the government’s Fair Work review panel that are yet to be implemented include strengthening the right of employers to demand “flexibility” clauses in work contracts to remove core conditions such as penalty rates and shift allowances, and the prohibition of any form of industrial action in the event that employers refuse to begin negotiating the renewal of expired enterprise agreements. Also deferred was the removal of legal provisions obliging the purchasers of businesses to retain existing pay rates

and working conditions, lowering the number of public holidays requiring penalty rates, blocking the accrual of annual leave for workers absent and on compensation due to injury and the removal of the payment of annual leave loading on termination of employment.

Despite Shorten's pledge of further action, big business is far from satisfied. The Australian corporate elite had urged the government to utilise its review into the Fair Work laws to deliver a new wave of industrial relations "reform". The "reforms" demanded were aimed at establishing management "prerogative" over every aspect of the workplace, delivering increased levels of flexibility, the removal of all restrictions on outsourcing and other measures to increase the exploitation of labour. These were to be accompanied by even more draconian laws to block all industrial action and opposition by workers.

The media has demanded the implementation of this agenda with ever greater urgency as the global economic crisis has deepened with ongoing stagnation in the US and a continuing credit crunch and turmoil in Europe. This is now impacting ever more sharply on the Australian economy under conditions of the unravelling of the mining boom driven by collapsing commodity prices and falling demand due to the escalating slowdown in Asia and China.

Key business groups were infuriated with the review panel's central conclusion that the government's Fair Work laws were "working well". They regarded the 53 proposals as inadequate, but nevertheless demanded immediate implementation. Australian Industrial Group chief executive Innes Willox declared that the proposed changes "did not touch the sides on the most important issues", while Australian Chamber of Commerce chief executive Peter Anderson accused the government of failing to make changes "essential for the Australian economy and the preservation of productivity and competitive workplaces".

The *Australian's* editorial on October 16, "Why did Bill Shorten bother?" was scathing, condemning the government for missing an opportunity to legislate "more flexible labour market arrangements". It

complained that the government had postponed the review panel's proposals that aimed to strengthen employer's ability to dictate wages and conditions at new multi-billion-dollar "greenfield" projects. This is a key issue amid a rapid downturn in the mining industry, big business seeking to drive down the wages of construction and mine workers to remain "internationally competitive" with newly emerging mining centres in Asia and Africa.

Shorten has made clear his intention to deliver the demands issued by business—in close collaboration with the trade unions. A former union bureaucrat himself, Shorten is conscious of the crucial role played by these apparatuses in sabotaging workers' resistance to pro-business restructuring measures and enforcing layoffs, speedups and wage cuts.

Shortly before announcing the government's changes to the Fair Work laws, the minister declared that he wanted to see "new accords at workplaces". This was a reference to the 1983-1996 Hawke-Keating Labor government and its system of accords that were developed with the unions to smash working class resistance to the "free market" reforms that saw entire sections of industry destroyed and an unprecedented transfer of wealth to the top of society.

The new appeal for "accords" at the workplace level is aimed at delivering a similar windfall for business. Promoting this agenda, Shorten unveiled a plan to spend \$12 million to establish the Centre for Workplace Leadership, with both employer and union representatives. Toll Holdings chairman Ray Horsburgh was among several business executives who welcomed the new body. Horsburgh declared that "leadership"—that is, deeper collaboration between the employers and unions against the working class—"was the key to resolving and preventing disputes" and to driving up productivity across "enterprises and on the factory floor".



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