

Australia: Ex-Labor minister urges sweeping attack on workers' conditions

Terry Cook
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The previous Labor government's longtime resources minister, Martin Ferguson, has joined a barrage of big business calls for the current Liberal-National government to move much faster to establish a draconian industrial relations regime to slash wages and dismantle hard-won working conditions.

Ferguson, who was also Australian Council of Trade Unions Congress (ACTU) president from 1990 to 1996, quit parliament last year after 17 years on Labor's front bench. He now works openly for the corporate elite as chairman of the Australian Petroleum Production and Exploration Association's advisory board, championing the interests of the oil and gas conglomerates.

No doubt, his services are amply rewarded. The Labor and trade union veteran sits on the board of BG Group, a British-based energy multinational and global LNG gas and coal seam gas supplier. He is also group executive of natural resources for Kerry Stokes' Seven Group Holdings, a major Australian media and business empire.

Ferguson told a Committee for Economic Development of Australia (CEDA) conference last month that "high labour costs and low productivity are an unsustainable mix." Ferguson declared that "elements of the Fair Work Act must be looked at" and urged Prime Minister Tony Abbott's government to "keep an open mind for further reform in this area." He chided Abbott for being too "timid."

The Fair Work Act, introduced by the Labor government, outlaws most industrial action and facilitates the cutting of workers' rights and entitlements. Driven by a deteriorating world economy and ruthless global competition, however, business is now demanding the removal of all limits on the exploitation of workers. This includes the scrapping of

weekend and overtime penalty rates, unrestricted employer powers to sack workers and open slather on imposing contract labour.

The Abbott government has already initiated a sweeping "review" of the Fair Work laws, with the stated aim of boosting "workplace flexibility." Employment Minister Eric Abetz has also announced new laws designed to pressure workers into trading off penalty rates and other conditions.

Echoing the concerns in corporate circles that the government is moving too slowly with labour market "reform," Ferguson demanded immediate "reform that makes it easier for business to invest with certainty."

His "reform" agenda, as presented to the CEDA conference, features a reduction in the "scope of measures that can be included in enterprise (work) agreements" and the "matters over which legally protected industrial action can be taken." This would mean banning certain conditions from labour agreements and further restricting the right to strike.

Ferguson also demanded an extension in the life span of workplace agreements, which currently run for three to four years, in order to lock down costs and give employers "certainty." He complained about restrictions "over the use of contractors and other productivity enhancing measures."

Hailing the LNG export industry as "one of Australia's most important," with the potential for further projects worth \$180 billion over the next 20 years," Ferguson declared "if Australia is to secure the next wave of development, then we must adapt to the macroeconomic changes afoot."

That required the slashing of construction costs by ending the supposed "ratcheting up of wages and conditions" on new projects. Ferguson referred to a McKinsey report last year claiming that Australian

costs of delivering LNG to Japan were “up to 30 percent higher than competing projects in Canada and Mozambique.”

Ferguson threw his weight behind the Abbott government’s plan to reintroduce the Australian Building and Construction Commission (ABCC), armed with extraordinary coercive powers to interrogate workers, launch prosecutions, compel witnesses to testify, enforce judgments and pursue damages from unions and workers for “illegal” industrial stoppages.

The ABCC, Ferguson claimed, was a “mechanism that holds both sides to account and which can help deliver projects on-time and on-budget.” It is a cynical fraud to say that the hated industrial watchdog, initially established by the previous Howard Coalition government, would hold the giant construction companies “to account.” Its only purpose is to intimidate, harass and punish building workers.

The former Labor government retained the ABCC from 2007 until March 2012, when it was used extensively to attack and penalise construction workers for fighting to defend conditions. It was then replaced by Labor’s own Fair Work Building Industry Inspectorate, with similar powers.

Legislation for the reintroduction of the ABCC, with beefed-up powers, including greater coercive powers and increased fines of up to \$34,000 for breaches by individual workers, is currently being nominally opposed by Labor and the Greens in the Senate.

Ferguson’s speech produced condemnations from Labor and union bureaucrats, anxious that his remarks revealed too much about the real sympathies and role of their entire apparatus, which has long functioned as a political and industrial policing agency against the working class. Opposition workplace relations spokesman Brendan O’Connor said Ferguson had “joined the other side.”

Ferguson has not changed sides. He remains faithful to the interests of big business that he always served, both as a senior union official and a Labor minister. As ACTU president, Ferguson carried out numerous betrayals of workers’ struggles, notably the 1992 fight by APPM paper workers in Burnie, Tasmania to defend jobs and working conditions.

The conditions imposed at APPM, including the abolition of above-award conditions, unlimited use of

contractors, and multi-skilling, became a benchmark enforced throughout whole sections of industry. Fully backed by the Keating Labor government, the APPM defeat cleared the path for the imposition of enterprise bargaining, taking to a new level the Labor government’s protracted assault on workers’ wages and conditions via its Accord with the ACTU.

In March 2013, after quitting the Labor ministry, Ferguson accused the Gillard government of indulging in “class war rhetoric,” particularly against the mining companies. The charge was completely false—Ferguson himself had brokered a deal with the mining giants to scrap a proposed super-profits tax. What is now clear that Ferguson and his ilk fully subscribe to a “class war”—against the working people.

For all their hypocritical efforts to distance themselves from Ferguson, his old Labor and union colleagues are fully aware that Ferguson is continuing to pursue the trade union-policed pro-market agenda of the Hawke-Keating and Rudd-Gillard Labor governments. It is just that he is now doing so blatantly from within the wealthy inner circle of the corporate elite.



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