

Australian government passes IR laws attacking casual workers, but business demands much more

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The Liberal-National Coalition government pushed its industrial relations legislation through the Senate yesterday, but it had to drop key aspects of the bill that had been demanded by big business in order to win the votes of crossbench MPs.

While the laws contain attacks on the rights and conditions of casual workers, and have been hailed as a victory by the Coalition, their passage will do nothing to stem a deepening crisis of the government.

The legislation has been greeted with intense dissatisfaction from different quarters of the establishment.

The corporate elite, and its mouthpieces in the financial press, have decried the fact that key changes to workplace relations, aimed at facilitating stepped-up pro-business restructuring, were dropped from the final version of the bill.

The trade unions participated in working groups alongside government ministers and corporate representatives to design the laws. But they have bemoaned the breakdown of those talks and fear that an opportunity for their further entrenchment in a government-employer assault on the working class has been lost. As always, the unions are seeking to camouflage their sordid interests with weasel-words about the impact of the legislation on workers.

All in all, the industrial legislation, which the government presented as the centrepiece of a broader economic program involving sweeping tax cuts for the corporations and the rich, deregulation and labour market “reform,” has become a debacle.

For months, the laws were stalled because the government could not cobble together a majority to pass them in the Senate. The government acted yesterday, amid mounting expressions of frustration from big business that one of its key policies had become a dead duck.

The Coalition clearly hoped that pushing the bill through would assuage the corporate elite, and turn the tide on what is becoming a breakdown of the government, expressed in media-fuelled hysteria over untested allegations of sexual misconduct, and its inability to implement legislation.

To pass the bill, the government secured the votes of Pauline Hanson, leader of the xenophobic One Nation Party, along with

her colleague Malcolm Roberts, and Stirling Griff of the Centre Alliance.

With the various changes required to win the support of these right-wing populists, virtually all that remains of the original bill are provisions over the legal definition and rights of casual workers.

The impetus for the focus on casuals was a federal court ruling last year which found that employees on “regular, certain, continuing, constant and predictable” hours were owed full-time entitlements.

This sparked panic from business that the longstanding practice of employing workers on a casual basis, when they were effectively working full-time, could be over. Concerns were especially raised that corporations could be liable for back pay of workers entitled to permanency under the federal court definition, with estimates that the bill could run as high as \$8 billion.

The legislation nullifies those possibilities, defining casuals as workers who were not given “firm, advance commitment” of permanent employment. Back pay is ruled out. The bill stipulates that casuals should be provided the opportunity to transfer to full-time work after 12 months of continuous employment, but the provision is meaningless because it gives bosses the right to refuse such requests on vaguely defined “reasonable grounds.” Small businesses are entirely exempt.

These policies are aimed at entrenching a sweeping assault on full-time jobs, accelerated by the pandemic, and the growing use of casual labour. Hundreds of thousands of permanent positions have been eliminated at the airlines, the universities, in the warehousing sector, and more broadly over the past year. A December 2020 report from the Australian Bureau of Statistics showed that more than 100 percent of Australia’s net employment increase from July to August came from self-employed workers, indicating a dramatic increase of the precarious “gig-economy.”

Accompanying measures, aimed at providing business with even-greater “workplace flexibility,” were scrapped.

These included provisions for part-time employees to work overtime, without higher pay rates; two-year workplace pay

deals that did not meet the “better off overall” test, which supposedly mandates agreements improving the wages and conditions of workers, and eight-year agreements for greenfield projects, which could be struck between unions and employers without any consultation with workers. This last plank was part of a broader push to “simplify” and “streamline” enterprise agreements and awards, allowing for deals slashing pay, conditions and jobs to be rushed through.

The government also axed an amendment that would have dressed up these regressive changes with a supposed crackdown on wage theft, including potential criminal penalties for liable employers.

A joint statement from the Australian Chamber of Commerce and Industry, the Australian Industry Group, the Master Builders Association, the Business Council of Australia and the Australian Mines and Metals Association praised “much needed certainty” on casual employment. But it urged the government to “not abandon the rest of the bill” and stressed that “further efforts need to be made over the months ahead to secure support.”

The financial press was less restrained. The *Australian* labelled the changes to the bill as a “stunning defeat” of the government. An article in the *Australian Financial Review* declared that “Almost a year of negotiation and hard work has amounted to little, with the government’s industrial relations omnibus bill gutted in the Senate and a cloud cast over the potential for future reform.”

An accompanying editorial proclaimed that the “IR debacle is a lesson in how to waste a crisis.” It bemoaned the changes to the bill, stating that they missed the opportunity to transition from pro-business stimulus measures, such as the JobKeeper wage subsidiary, to a “supply-side reform program” that would “drive up productivity” and abolish an industrial relations framework that “institutionalises conflict.”

All of these are code words for a stepped-up offensive against the working class, aimed at boosting corporate profits amid a downturn in the real economy and fears of a possible financial crisis, triggered by the huge speculative bubble that has been created by massive infusions of government money into the stock markets over the past year.

Labor and the unions back this entire agenda, but both have issued cynical condemnations of the legislation for leaving workers worse off.

The hypocrisy involved is immense. Labor governments, beginning in the 1980s, presided over deregulation of the economy, the destruction of hundreds of thousands of manufacturing jobs, and the creation of an industrial relations framework that bans virtually all collective action by workers, resulting in stagnant wages, worsening conditions, and a deepening social crisis.

For decades, the unions have collaborated with governments and the employers as the enforcers of this program. They took this role to new levels last year. Australian Council of Trade

Unions (ACTU) Secretary Sally McManus declared, after the pandemic struck, that the unions would give businesses “everything they want.” The ACTU and its affiliates stripped millions of workers of overtime and other entitlements, on the pretext of the coronavirus crisis, and have overseen the mass job destruction.

The ACTU participated in the secret working groups to design the legislation. The talks did not break down as the result of the great intransigence of the unions, as McManus now suggests. The real issue was divisions within the corporate elite, over how fully they required the services of the unions.

While some sections of business view the unions as essential partners in enforcing their attacks on workers, others have expressed frustration over needing to deal with, and divert financial resources to, a corrupt bureaucracy that presides over organisations with dwindling memberships and even less credibility.

As the talks faltered, McManus did her best to revive them. In October, when the working groups ended without reaching full agreement, McManus begged the government to continue negotiations. Later that month, she sought to reassure the government and the corporations of the unions’ readiness to collaborate. McManus publicly revealed that the ACTU had already struck a deal with the Business Council of Australia for the abolition of the “better off overall test” in exchange for fast-tracked union enterprise agreements.

Amid ongoing divisions amongst the business representatives and frustration that the talks were dragging on, McManus’ overtures were rebuffed. She then discovered a great commitment to the “better off overall test” and expressed profound shock that moves were afoot for its abolition.

The responses to the bill are a straw in the wind of what is to come. The corporate elite is demanding nothing less than a return to the 1930s, as capitalist governments everywhere seek to force the working class to pay for the global crisis, and exploit it to strip away the few rights and conditions that have not already been overturned.

The hypocritical posturing of Labor and the ACTU reflects the fear in ruling circles that this agenda will provoke mounting opposition, including the emergence of working-class struggles outside the straitjacket of the unions.



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