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Wage slaves and unions face an uphill struggle

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Life will get a lot tougher for some when the Liberals gain Senate control, says workplace editor Paul Robinson.

In the rumour-fuelled prelude to Federal Government control of the Senate in August, business and unions are focusing on the nationalisation of Australia's system of workplace regulation.

Victoria gifted its industrial system to Canberra in 1996, but other state Labor governments and even a ginger group of small "I" liberals in NSW, Queensland and Western Australia have been railing against such reform as the evil of centralism.

The talk has been of High Court challenges by the states to preserve their award proscriptive workplace systems in the face of federal plans to use the corporations power to go national.

The corporations power allows the Commonwealth to make laws in relation to corporations and, together with the external affairs powers, gives Canberra the ability to enter areas traditionally the prerogative of the states.

Underscoring Canberra's efficiency gambit is a determination to reduce the nagging restraint of awards on business productivity and of union influence in the workplace. The talk is that matters allowed to be included in awards will soon fall from 20 to fewer than 12, but not as dramatic as the five basic conditions that 350,000 workers operated under in Victoria up until January this year.

For 20-odd years, Prime Minister John Howard has dreamt of a workplace system that generates agreements based on direct negotiation between employees and management - with minimum interference from unions or industrial tribunals.

His industrial obsession was highlighted this week when he assumed personal control of industrial reform to be thrashed out with the states at a meeting of the Australian Council of Australian Governments in two weeks.

He wants business to regulate its workplaces via awards stripped of all but the bare essentials or by individual contracts, known as Australian Workplace Agreements. Since they were introduced in 1996, AWAs have made slow progress, with fewer than 500,000 effective contracts in operation. Business has complained about red tape, and will be rewarded with new laws encouraging them to put their money

where their industrial mouth resides.

Perhaps sensing Howard's objectives, a series of industrial spotfires have emerged to serve as a clear signpost as to what the future shop floor may look like.

The first inkling of the brave new small-business approach occurred earlier this year when a mushroom farmer in Merbein, near Mildura, decided to shift his staff, who had been employed on non-union collective agreements, onto Australian Workplace Agreements. However, the Office of the Employment Advocate, which is responsible for ensuring that workers are not disadvantaged by AWAs, stepped in after union pressure, and cancelled the contracts on learning that the employees had been forced to sign.

Nevertheless, a new aggressive way forward was spelt out at Merbein. Staff had two options: sign or be sacked. Workers who refused to endorse the AWAs estimated their pay packets could have been cut by up to \$125 a week.

But there have been other examples.

Earlier this month, a Dandenong automotive company called Kemalex indicated an intention to transform its base award rate, assembly line migrant workforce, into contractors. While their wages would rise from about \$12.60 an hour to \$17.50 an hour, the new contractors would have to pay for their own annual leave, superannuation, sick leave, public holidays, insurance and tax.

The company's managing director, Richard Colebatch, is a leading figure in employer politics in Adelaide.

Steel workers at Signode Strappings Weston, near Newcastle, this week are also in a battle over individual contracts imposed by the company. The Australian Workers Union claims that under contracts, the maximum pay rise for the NSW workers would on average be \$7.87 a week worse off than their Victorian counterparts regulated by collective agreement.

And up to 40 workers who maintain RAAF Hornet jet fighters at the Williamstown air base near Newcastle last week asked for a union-negotiated agreement to replace individual contracts imposed by Boeing Australia. The contracts paid them up to \$2 an hour less than similar workers doing the same job at the same skill level.

Howard and Treasurer Peter Costello added fuel to the AWA fire this week when both diluted previous guarantees that workers would not be worse off under contracts. Howard said on national television that reforms to help employers process AWAs were long overdue, and would offer more flexibility and greater productivity.

Asked about the previous "no disadvantage test" that employers must now meet in switching from awards to AWAs, Howard said as he recalled it, he had never guaranteed people's wage rates: "What I can guarantee is that this package will not cut wages."

Costello was sticking to the script on Monday, refusing to guarantee that workers would not be worse off under the package of reforms that will file through Parliament in three months: "I can give you this assurance. The Australian economy will be stronger . . . overall wages will be higher and . . . more people will be in work."

Australian Workers Union national secretary Bill Shorten, himself a political aspirant, said the cases of Merbein, Kemalex, Boeing and Signode highlighted pressures workers would be under when the Government took over the Senate. All produced contracts that were "unfair, discriminatory and in breach of the principle of equal pay for equal work . . . Howard's new laws will make it easy for companies like this to impose individual contracts that cut wages and conditions, and that is why the PM has refused to guarantee that no worker will be worse off under his industrial laws," he said.

ALP industrial spokesman Stephen Smith said Workplace Relations Minister Kevin Andrews had refused to guarantee that workers would not be worse off under the looming changes: "We see the Prime Minister refuse to give the guarantee over the weekend. Yesterday we saw Treasurer Costello refuse to give that guarantee. The reason they won't give that guarantee is because they know their approach will see individual . . . employees worse off. Their wages will be reduced, their entitlements will be stripped and their safety nets removed."

While time will tell if new, easier to process, AWAs will capture the imagination of business, companies that employ fewer than 20 workers will be free of unfair dismissal laws that regulate larger workforces by August. Unions will also be required to hold secret ballots before strike action, and the determination of the minimum wage is set for an overhaul.

The Industrial Relations Commission has decided base wage rates for more than 100 years, but this Government is set to appoint a panel of additional economic experts to set the rate based on a system that operated recently in Britain. The building industry is also set for a torrid time, with tough new laws being prepared to police the rough and tumble sector.

All in all, the Government is set to put the stamp of individuality firmly on what was once a collectively based workplace system.

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