

Howard aims to create his own dystopia

The PM is making the workplace less able to compete with the world.



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ICAN feel another massive political advertising campaign coming on to shore up support for the Government's plan — announced after the election — to exempt businesses employing up to 100 people from unfair dismissal laws.

On Tuesday, *The Australian Financial Review* released an opinion poll by Ipsos Mackay Public Affairs of 1003 people taken on June 14 and 15. It showed that just over a third of respondents were in favour of the exemption. The survey was conducted a week before the ACTU began its \$8 million advertising campaign.

The ACTU advertising suggests the legislation, if passed, will allow employers to coerce workers onto individual contracts that remove workers' rights to accrued benefits and allow employers to sack workers whose family responsibilities interfere with their work performance.

Minister for Workplace Relations Kevin Andrews said the advertisements were wrong. He said the new legislation would retain the existing Workplace Relations Act's existing protection against unlawful terminations, including on grounds of family responsibilities and preventing coercion into signing individual Australian Workplace Agreements.

But the minister has been caught out trying to coerce public servants in his own department to sign agreements. On the same day that Andrews said that this was illegal, several departmental officers gave the press and the ACTU a piece of paper from the department, with a tick already in place in the box stating that "I acknowledge my commitment to sign a workplace agreement".

Secretary of the ACTU Greg Combet said on Tuesday: "What a hypocrite this fellow is. To be criticising ACTU ads, when at the same time, Kevin Andrews has got people under pressure to sign individual contracts in his own department. Our TV advertisements depict workplace reality. The Government for some time, with its own employees in the Commonwealth public service, has placed people under pressure to sign individual contracts. In fact, the policy of Kevin Andrews' department at the moment is that all new employees must sign an individual contract."

Andrews has refused to comment on the grounds that the administration of his department has nothing to do with him.

Clearly, the Government has a lot of catching up to do if it is going to sell the new policy to the electorate. On past form, it won't hesitate to run a publicly funded advertising campaign.

In 2001, it spent \$148 million on the "unchain my heart" campaign to sell the GST. The political miasma the campaign created was sufficient to induce enough Democrat senators to pass the necessary legislation.

The next blatant use of taxpayer money to massively finance party political advertising was the \$21 million "strengthening Medicare" campaign that was designed to

offset the Government's greatest political weakness in the 2004 election — public perceptions that the Coalition's policy on health insurance and commitment to Medicare as a universal system was inferior to Labor's.

It is difficult to see what sort of ad campaign can succeed in getting majority support for the Government's legislative program, whose ultimate aim seems to be to destroy trade unions and reintroduce a 21st-century equivalent of the 19th-century master-and-servant act. The new legislation apparently provides that 90 per cent of the workforce will have no recourse to protection from unfair dismissal, except through lengthy and expensive common law proceedings.

Trade unions are unpopular and their coverage has shrunk to only 20 per cent of the workforce. But the influence of trade unions and the arbitration system extends well beyond the minority of workers who are members of trade unions or are directly covered by awards.

The issue boils down to power. The Government is trying to sell its IR policy on the principle of freedom of contract without the stultifying interference of third parties. But as British historian and socialist sympathiser R. H. Tawney wrote in the 1920s: "What is freedom for the carp is death for the minnow."

The Howard Government's aim is total victory in the class war that has been largely quiescent since industrial warfare was replaced by arbitration as part of the Australian settlement established by Australia's early prime minister and founding father, Alfred Deakin. Deakin realised that powerful trade unions were intrinsic to industrial democracy.

For Howard, victory is predicated on the belief that trade unions are no longer relevant to post-industrial society. But trade unions still play a role in ensuring that higher productivity is translated into higher wages so that firms compete on the basis of technical innovation, not on cutting wages.

In the new era of flexibility, we are closer to Howard's free-market utopia of flexible wages, prices and organisational structures. This is leading to widening income differentials and insecurity, and will create social, and eventually economic, dystopia.

Paradoxically, Howard's reforms, if implemented, will simply compound insecurity as all employers face the prospect of having to compete by cutting wages and conditions or risk being undercut by less scrupulous competitors.

Knowingly or unknowingly, Howard is trying to unleash a "race to the bottom" that will worsen Australia's balance of payments by making us even more uncompetitive in international high-value-added industries.