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Hypocritical champions of competition

Author: Lindsay Tanner. Lindsay Tanner is Labor's shadow minister for finance.

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Kim Beazley's recent commitment to abolish Australian workplace agreements (AWAs) was met with a chorus of condemnation from the business lobby. Key organisations such as the Business Council of Australia and the Australian Chamber of Commerce and Industry attacked the decision as a giant leap backwards into a world of collectivist regulation and economic inefficiency.

As always, such pronouncements were portrayed as the objective contributions of independent experts, not the self-interested pleading of special interests. When the **Australian Council of Trade Unions** talks about wages, it's a sectional interest group arguing its constituents' case. When the business lobby talks about profits, it's a noble defender of economic rigour and the national interest.

While the business lobby is outraged by Labor's commitment to prevent individual cleaners from bidding each other's already miserly wages downwards, its interest in market competition in areas much closer to home is decidedly limp.

There is no shortage of major economic reform issues in Australia, but the BCA or the ACCI deal only with those that suit them. Where are they on broadcasting deregulation? On competition for Qantas on the Pacific route? On genuine competition in telecommunications? On the AWB's single desk? On regulatory protection for pharmacies? On the restrictive practices of medical specialists? On the four pillars regime (which rules out mergers of the four big banks)? On comprehensive reform of injury compensation?

On all these issues, pro-competition commentators have been vocal for years. While the BCA and the ACCI have general policies in favour of competition in areas such as telecommunications and aviation, they rarely do anything serious to pursue them.

These issues aren't simple, but you'd expect such dedicated free-market warriors to be out there fighting hard for competition.

Australia's poor performance in high-speed broadband is a national disgrace, and a serious problem for many businesses. What is the business lobby doing about it?

The new centre-left government in Italy has just announced a wave of competition reforms. Non-prescription drugs will now be sold outside pharmacies, lawyers will be banned from imposing minimum fees, limits on the number of bakeries in each suburb will be removed and sales of second-hand cars will no longer have to be notarised. None of these was possible during the five years of centre-right government dominated by cosseted business interests. Does all this sound familiar?

Unregulated AWAs will take Australia into a US-style world with an army of service workers who barely earn enough to survive. For the vast majority of Australian workers, AWAs simply mean less fairness, not more productivity. They entail a transfer of economic rewards from the weak to the strong.

As its name suggests, the Australian Labor Party is built on labour market regulation. It's at the heart of our DNA. The business lobby expects us to put our low-income heartland to the sword, but it hasn't got the guts to challenge well-heeled vested interests in its own backyard.

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