

[[Previous](#)] [[Major News - ACTU Mentions](#)] [[Next](#)]

Wednesday 14 June 2006

THE AGE

Time to crash, or crash through

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Publication: The Age (19,Wed 14 Jun 2006)

Edition: First

Keywords: **ACTU (2),Greg (1),Combet (1)**

The Opposition Leader has seized on an issue that he thinks he can run with, and be successful.

'HE'S rolled the dice,' is the way a senior Labor man describes Kim Beazley's pledge to scrap Australian Workplace Agreements, a central pillar of John Howard's industrial relations system.

Beazley has put up in lights the difference between Labor and the Government. But this comes with a bag of risks. He is being accused of flip-flopping, being economically irresponsible, and acting as cat's-paw of the unions.

Who wins the argument over AWAs will depend on how well he and John Howard make their cases.

Beazley is again on trial. But then, he is perpetually on trial. Mainly this is because of the general belief - among colleagues, commentators and the public - that he is unlikely to win next year's election.

Labor worries about Beazley's poor personal poll ratings and its weak prospects. But the consensus remains that the party has to make the best of its leader, an old political commodity but at least a known product. Given the doubts, it's not surprising that everything Beazley does is viewed through the leadership prism.

Beazley's bold play on AWAs can be seen as "crashing through" in the industrial relations debate, or as a capitulation to union pressure. In fact, it was both.

It wasn't a desperate gesture to preserve his leadership. There was no push on against him. He had been doing reasonably well recently, including in his budget reply. But there is no doubt about the union pressure, especially in NSW where John Robertson, secretary of Unions NSW, has been a trenchant critic, and discontent was expected to bubble at the weekend NSW ALP conference (instead there was rapturous applause at his announcement).

By acting when he did, Beazley left himself open to the charge he was dancing to the NSW unions' tune. The alternative - being put on the back foot - was worse.

It wasn't just NSW unions wanting a tough line on AWAs. The **ACTU** leadership, spearheading the campaign against the Government's IR changes, also felt strongly.

The IR campaign means Beazley and the union movement are in lockstep. Next year's election is clearly Beazley's last chance; it's only a mild exaggeration to say the same goes for the unions. If they can't wind back some of the draconian industrial law, they'll be hugely (further) weakened.

This alliance - shades of the Hawke-Keating Accord days - is both good and dangerous for Beazley. Inevitably, the unions want commitments and concessions from him; his challenge is to judge how far to accommodate them.

The AWA decision is a tiddler compared with the one Beazley must make about the future of the unitary industrial relations system under a Labor government (assuming the High Court upholds the legislation). The union movement is divided over this (Robertson a states righter, **ACTU** secretary **Greg Combet** on the other side). It would be a serious mistake for Beazley to capitulate to the states righters.

Apart from the union dimension, Beazley's promise to scrap AWAs underscores Labor's highlighting of cases where workers have been done down since the WorkChoices legislation greatly pared back the protections in these agreements.

Although the Opposition in 2001 and 2004 promised to abolish AWAs, Beazley last year softened the position. He said when Labor won power, there would be a million such contracts (there are now more than half a million) and, instead of scrapping them, envisaged strangling them by regulation.

The operation of AWAs under the new WorkChoices changed the debate. Labor had a field day with Spotlight AWAs, which disadvantaged workers.

Then evidence at a Senate Estimates Committee on Monday, May 29, showed how new AWAs generally were stripping away conditions. On the Wednesday of that week Beazley decided on his hard line. He told shadow minister Stephen Smith to speed up work on how a Labor IR system would still retain flexibility. Beazley determined he would unveil his revised position at the NSW party conference; in the meantime he would tell only a few senior colleagues. Senior union figures were advised late last week.

Any behind-the-hand sniping over the secrecy is secondary to the assault Beazley invited from the business lobbies.

But if he wants to elevate the IR campaign against the Government, this is inevitable. Business doesn't want the Howard reforms watered down. Beazley can't both run hard on IR and keep business happy. He will pay some price, though he will need to minimise the damage by convincing business that transitional arrangements will be satisfactory and Labor will retain adequate labour market flexibility.

Whether Beazley's decision on AWAs is seen as reasonable or irresponsible depends, first, on a policy judgement about how far deregulation should go, and second, on a political one about the tactic.

The policy issue is about the right balance between the economic benefits of a free market and enforcing fairness; the political question is whether the AWA line will resonate. Labor believes it will.

Labor research is limited but is said to show IR remains red hot. Reportedly, its focus group work indicates people think Howard has gone too far and the changes are unfair, attacking their living standards and job security.

Beazley will be on the receiving end of a ferocious Government attack over his AWA decision. Howard, who called a Kirribilli House news conference on Monday's public holiday to blast Beazley, knows the workplace changes have hurt the Coalition. How Beazley handles the Government onslaught will affect whether he has any chance at the election, just as his response to further demands from the unions will give an insight into the way he would deal with them if he became PM.

Caption :CARTOON BY SPOONER

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