

Workers will lose in power shift

The IR system is part of our amazing economic success, so why radically change it, asks ACTU secretary **Greg Combet**

FOR the Howard Government, industrial relations is the dog that ate its homework, the work it should have been doing preparing Australia for the 21st century.

John Howard wrongly claims that industrial relations is the most pressing economic issue facing the nation. He argues that the changes will create more jobs, lift productivity and boost wages. The fact is that this Government is using industrial relations to draw attention away from its failure to develop and modernise the economy. The Prime Minister gave a more honest assessment of the industrial relations plans when he said to the Coalition partyroom that they are "an article of faith for the Coalition parties".

Australia is in its 14th consecutive year of economic growth, a historically significant period of economic expansion, low inflation, productivity growth and low unemployment. Industrial disputes are at record lows. Decentralised collective workplace bargaining, underpinned by awards, has unleashed enormous productive potential.

The industrial relations system is

not holding back the economy. In fact, it is part of our success. There are far more important economic priorities: our skills shortage, decline in research and development, lack of infrastructure planning and flagging trade performance. The Government's workplace agenda does not address real economic priorities. It is a plan to deliver power to business and diminish the rights of every Australian employee. It is a plan reflecting long-standing Coalition prejudice.

The Government wants to remove unfair dismissal protection for those in businesses with 100 or fewer staff: 99 per cent of Australian companies. Where there are legitimate problems with the unfair dismissal system, they could and should be addressed. But to abolish this protection is unwarranted.

The Government is also proposing to fundamentally change the rules for agreement making and bargaining in every Australian workplace.

At present, workplace agreements — individual or collective — can't be used to reduce overall pay or employment conditions below the award safety net.

The Government plans to scrap this role for awards and instead rely on five minimum conditions: the minimum wage (presently just \$12.75 an hour), annual leave (two weeks of which may be cashed out), sick leave, hours of work and unpaid parental leave.

It will allow employers to remove most employment rights without compensation, such as redundancy pay, overtime, shift work rates, weekend and public holiday pay rates, rosters, work and family rights, and casual loading. Employees in a weak bargaining position will lose take-home pay.

The greatest threat to take-home pay will be individual contracts, what the Government innocently calls Australian Workplace Agreements. The inherent problem with AWAs is that individual employees don't have equal bargaining power with their employer. That is why collective bargaining is an internationally recognised right, providing a balance of power in the workplace and ensuring fair treatment.

In recent years, individual contracts have been used to undermine union representation and cut pay and em-

ployment conditions. All of this will get worse under the new laws. Where existing employees refuse an AWA and hold out for a collectively bargained agreement, it will be easy to punish them. It will be lawful to refuse to collectively bargain and to provide benefits only to those who sign AWAs. This tactic is being used right now by Workplace Relations Minister Kevin Andrews in his own department.

Many employers will use the new laws to drive down costs. It will take only one company in a particular market and others will follow to stay in business. Minimum wages will also fall in value. The Government has publicly said minimum wages should be at least \$50 a week lower than their present level. This is the obvious reason it is emasculating independent industrial tribunals and setting up the deceitfully titled Fair Pay Commission.

The Government has already announced that it will not consider any pay increase until at least September or October next year. This wage freeze will mean a real pay cut for 1.6 million award workers who would otherwise

have received an increase in April.

These changes are profoundly biased towards business. The Government says that business can be trusted to do the right thing. Tell that to the asbestos victims of James Hardie. Workers' rights are not charity to be granted at the discretion of business; they must be enforceable legal rights.

The Government's plans will not dent the optimism of the union movement. While opposing these changes, the ACTU is also looking to the future. We are considering collective bargaining rights in other advanced economies as potential models for future policy. In the US, Britain and Canada, employees have an enforceable democratic right to collectively bargain. If a majority of employees vote for collective bargaining, their employer must negotiate in good faith. The union campaign is designed to make the Government think again.

This is an edited extract from Greg Combet's address to the National Press Club yesterday.