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# Workplace plans a sham: economist

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A prominent free-market economist has attacked the Federal Government's plan to scrap unfair dismissal laws for employers with fewer than 100 workers as pork-barrelling.

"What is all this about?" asked Mark Wooden after presenting a paper that criticised every plank of the Government's planned industrial relations changes to an economics conference in Melbourne.

"It must be pork-barrelling or it is just acquiescence to some employer interest. There is no economic sense in it," he said.

Professor Wooden is known for his support for deregulating the labour market, the Government's stated goal in the pending changes. The deputy director of the Melbourne Institute at the University of Melbourne said he believed much of the Government's plans were hastily drawn up after it discovered it had won power in the Senate.

He said the stripping of awards and the abolition of the no-disadvantage test, which individual contracts must be measured against, will make it far easier for employers to use individual agreements.

But he said such changes would be far more effective at destroying union power than at improving productivity in the workplace.

Professor Wooden said that by stripping the awards while promoting individual agreements the Government was reducing the choices workers had to determine how they were employed. "If the aim [of the industrial relations changes] is to provide employees with real choices, then I am on [ACTU secretary] **Greg Combet's** side - the right to bargain collectively needs to be protected," he said.

Professor Wooden said there was no evidence that scrapping unfair dismissal laws would increase employment, as the Government claims.

His paper at the conference questioned whether the creation of a single national industrial relations system would have any real efficiency benefits for employers.

He wrote that most businesses affected would be larger and wealthier firms

that have little problem negotiating the system as it stands.

He also questioned the creation of a fair pay commission to take over power to set minimum wages from the Industrial Relations Commission, saying the Federal Government was the most appropriate body to set wages in conjunction with tax and welfare policies.

Speaking after his address, Professor Wooden told the Herald it appeared the Government lacked the political will to take over the responsibility.

"The only people here who can turn the right levers are the Government, not some third party, no matter what you call it."

Mr Combet welcomed Professor Wooden's comments, saying his arguments were in line with a growing economic consensus.

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