

The industrial relations bill is a declaration of class war

FANS of television poker tournaments will be familiar with the sight of the gambler pushing all their chips to the centre of the table, declaring: "I'm all in."

In the parliamentary poker game this week that gambler is John Howard. With his "WorkChoices" industrial relations bill Howard has bet his prime ministership on seizing the power of the independent umpire and putting it entirely in the hands of business.

The change is massive — at 687 pages, literally as well as substantively. The change is extreme, giving workers just one choice when facing employers in negotiations over pay and conditions: take it or leave it.

Howard has gone "all in". The bill is proof that the marshmallow advertisements soft-soaping the changes with voters are as deceptive as they could possibly be.

Australian Workplace Agreements will now overwhelmingly become the terms under which people are em-

ployed, not awards or enterprise bargains. Before, there wasn't much incentive for employers to move employees on to AWAs because the overall value of the agreement made had to be at least that of the award.

Howard knows that employers will rush AWAs now that his legislation removes the "no disadvantage" test, which has hitherto stopped business undercutting overall award pay and conditions. Employers will now be able to say: "if you want a job here, forget penalty rates, forget leave loadings, forget redundancy pay and public holidays — all you'll get is the minimum wage, annual leave, 10 days sick leave, the 38-hour week and unpaid parental leave." The rest can be gone with a stroke of a pen — if you want the job.

Then there's security of employment. Howard says the new legislation only applies to people who want a job, not those already in jobs.

The labour market reforms are even more radical than we expected



MICHAEL COSTELLO

Within a couple of years at the outside you can be sure that penalty rates, shift allowances, public holidays and the like will disappear.

As for the minimum wage, which is supposed to underpin this system, we know that if, since 1997, Howard had had his submissions to the Australian Industrial Relations Commission accepted, the real minimum wage would have fallen. This would, of course, have put downward pressure on everyone's wages, not just those on the minimum. It looks as though the bill eliminates any requirement for the laughably named Fair Pay Commission to include considerations of fairness in its decisions.

If you think the unions will be able to ride to your rescue, forget it. If this legislation does one thing, it completely destroys the power of unions. Strikes will in practice be ineffectual, even in the unlikely circumstance that

Under this legislation the employer's power to dismiss at will is virtually untrammelled. Even those who are theoretically entitled to the unfair dismissal provisions won't really be protected because under the new law people can be dismissed for any operational, technological or restructuring reason, without redundancy pay unless their employment contract specifically provides for it.

If Howard is right and people already in jobs are better off, the legislation gives employers this powerful option: sack your staff and rehire on lesser wages and conditions.

they are lawful. For a strike that has any impact on an employer — and if it doesn't, it's not much use as a strike — can be declared illegal. The powers given to the minister and to the Office of the Employment Advocate are wide-ranging and arbitrary and will work in practical terms entirely against employees and unions and entirely in favour of employers.

The bizarre thing is that all of this is done in the name of deregulation. Yet the legislation's 687 pages are highly regulatory. It sets out what can and can't be included in agreements and terms that are in part prescriptive and detailed, and in part open-ended at the whim of the minister.

There's a terrific irony here. Bob Hawke got elected in 1983 on the theme of reconciliation by painting Malcolm Fraser, correctly at the time, as a deeply divisive figure. Howard has worked hard since he resumed the Liberal leadership in 1995 to cultivate the image of the moderate, reasonable man, whose aim is to create a

"relaxed and comfortable" society. It has paid big political dividends.

Yet more and more, his Government and leadership is based on creating division and conflict. All his instincts now flow from the arrogance of power. He is doing these things for one reason: because he can. This legislation is not about economics or productivity — it is about enshrining the power of the boss at the expense of working men and women. This bill is a declaration of class war — executive power acquired and used on behalf of the strong, against the weak.

We won't know until the 2007 election whether Howard has bet the house on a winning hand, or one more like that which led inter-war conservative prime minister Stanley Melbourne Bruce to lose not only the election but his own seat after a similar employer-biased tilt at industrial relations reform. But what we do know now is whose side Howard is really on. It isn't the battlers'.