

Industrial relations in an election year

'If you have a federal Labor government, there will be no impediment to the re-regulation of the labour market around Australia...', John Howard



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New leader Mark Latham effectively kicked-off the Australian Labor Party election campaign with his keynote speech to their recent national conference. Within twenty-four hours Prime Minister Howard was attacking it strongly. His harshest criticism dealt with industrial relations and labour market policy. Latham would adopt 'a very pro-union industrial relations policy', the unions would 'want their say back' and Latham is 'going to deliver the goods', said Howard. Clearly, the government wants to make this a major battleground for the coming poll.

But is it a valid criticism? Is Coalition policy really so conceptually different from Labor's? Would Latham really be re-regulating or simply adjusting regulations? Do the changes Howard has made really constitute deregulation or, as argued previously in this column, merely an alternative form of regulation?

The Prime Minister's attack results from just four sentences in Latham's speech that touch on the subject. They are: 'My government will abolish AWAs [that is, individual workplace agreements] and restore the role of the Industrial Relations Commission. I don't believe in a dog-eat-dog industrial relations system. Workers worry about individual contracts and the casualisation of their jobs. I want co-operation and productivity in Australian workplaces'. In fact, three of these are 'motherhood statements'. Only the first states a specific policy intention. None mentions trade unions.

Stripped of its hyperbole, the Prime Minister's assault simply identifies a different approach to agreement making in Australian workplaces. Latham wants a collective approach with more protection for individual employees. Howard prefers to see each employee negotiate directly with the organisation which employs her. He describes this as 'encouraging individual effort' and as the basis for 'a lot of the productivity growth that underpinned our employment growth'. The trouble with this analysis is that Australians work under six separate industrial jurisdictions, of which only the federal embraces the Prime Minister's preferred model. Far more workers are employed under state systems which more closely resemble the Latham approach. Only a tiny proportion is covered by the PM's AWAs. It follows that we cannot rationally point to the industrial relations system as the explanation for a particular level of employment growth.

More importantly, the assumption of deregulation under the Coalition is highly dubious. In a recent paper, Anthony Forsyth of the Australian National University's law faculty and national president of the Labour Law Association, took a microscope to the Howard government's industrial relations record. He argues that its 'highly interventionist approach to regulation is in stark contrast to the Coalition's policy rhetoric'. Far

from an alleged hands-off style, the government has substituted new forms of regulation to achieve its ends, he says. The industrial relations system has, in fact, become increasingly regulated.

Forsyth identifies four key areas to illustrate his contention. First, the government has pursued 'a frenetic legislative program', despite promising to end 'the legislation fixation' in labour relations. Second, it has intervened continually in the mechanics of agreement making. Examples are the setting up of the Office of the Employment Advocate, highly prescriptive controls on bargaining in the Australian Public Service and the massive pressure applied to Australian universities in a failed attempt to force adoption of AWAs. Third, proposed legislation to set up an Australian Building and Construction Commission has the expressed intention of creating a 'super regulator' to strictly control numerous aspects of labour relations in that industry. Fourth, and most notably, the Government has legislatively attacked and emasculated the Australian Industrial Relations Commission [AIRC]. When the Government has scorned the role of 'third parties' in industrial relations, the trade unions and the AIRC have been its targets. Both played pivotal roles in Australia's labour relations system over almost the whole of the 20th century. Both have been markedly weakened and sidelined significantly under the current government. Labor appears keen to restore their role, at least partially.

In his conclusions, Forsyth challenges directly the government's proclaimed commitment to deregulation which puts 'people and businesses first, with the system and its institutions second'. On the contrary, he says, the government has used extensive regulation to achieve its ideological objectives. Specifically, they are to undermine collective agreement making in favour of individual bargaining and to reduce the power and influence of trade unions.

This column has pointed out on many occasions over the past few years that the government's preferred form of workplace agreement — AWAs — has been an abject failure. Despite huge boosting by the government and some industry groups over more than seven years, the take-up rate has been pitiful. Even with strong pressure for their adoption in the massive federal public service workforce, barely two in every hundred Australian employees are covered by them. This reveals the understandable suspicion with which most workers regard them. But it also shows the vast bulk of employers want nothing to do with AWAs either. In those circumstances, the government's continued fixation with them looks odd. If effectiveness were truly our yardstick, we might have expected government and opposition to be united in a pragmatic desire for something better. But then, this is an election year. ■

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