

Australia: Labor government proceeds with pro-business industrial relations agenda

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Since the Australian federal election on November 24, the new Labor government has repeatedly made clear it will continue to fashion its industrial relations (IR) policy in accordance with the needs of big business.

To facilitate further collaboration and to formalise the direct participation of business in policy-making, Labor announced it will move as soon as January to set up a promised Business Advisory Group, headed by Labor's business adviser and corporate figure Sir Rod Eddington.

At the same time, Prime Minister Kevin Rudd rejected out-of-hand requests by unions for measures to stop working people being forced onto new individual contracts—Australian Workplace Agreements (AWAs)—after Labor won government. “I’ve got one answer to all of that. And it’s this: no,” Rudd declared in a radio interview on November 30.

Rudd’s remarks earned praise from Master Builders Association legal counsel Richard Calver. “It’s very good the government has rejected calls from the union movement for no more AWAs to be executed after January 1, 2008,” Calver said.

Calver also welcomed Deputy Prime Minister Julia Gillard’s commitment to consult with business on other aspects of Labor’s industrial relations policy, saying: “[S]he’s announced there will be an extensive consultative process, which will be very important if the changes are to be understood and properly implemented.”

Before the election, and in consultation with business and mining groups, Labor had already committed to dumping a former pledge to immediately “rip up AWAs”. Labor included a so-called transition period in its IR platform that will maintain all existing AWAs until December 2012.

Neither Rudd nor Gillard had any compunction about engineering the shift, even while acknowledging that the AWAs, which were at the heart of the Howard government’s hated WorkChoices laws, were used to slash longstanding working conditions for many workers.

Interviewed on ABC radio on December 10, Gillard said: “As early as this parliament is convened next year we will

present a transition bill which will end the ability of Australian employers to make Australian Workplace Agreements.”

Parliament, however, will not resume until February at least. Even if sections of Labor’s transition legislation are passed in the lower house where the government has a majority, they could still be blocked in the Senate, which will remain controlled by the Liberal-National Party Coalition until July.

Gillard’s refusal to introduce legislation backdated to January 1 will allow time for many more AWAs to be ratified. Just released figures show that 140,000 such agreements are currently awaiting ratification by the Australian Workplace Authority.

Just over 38,000 new AWAs were lodged by employers in November, with many of these hastily drawn up in anticipation of a Labor win. Even now, major companies such as telecommunications carrier Telstra, the Commonwealth Bank and resources company BHP Billiton are pulling out stops to push sections of their workforce to accept AWAs to beat any cutoff time.

Despite the companies’ obvious intent to circumvent pending legislation, Gillard refused to criticise them, let alone intervene to stop the trampling on the rights of workers. Asked in her ABC radio interview to comment on BHP Billiton’s push for AWAs at its Cannington silver and lead mine in northwest Queensland, Gillard retorted: “I’m not going to make statements about individual company policies.”

Significantly, BHP Billiton was one of the corporations that swung behind Labor before the election, praising its shift on industrial relations policy and welcoming Gillard’s “consultation process”.

Even after a line is finally drawn against further AWAs, Labor’s laws include the introduction of Individual Transition Agreements that will allow employers to slash working conditions for another two years until December 2009.

Gillard claimed that Individual Transition Agreements

would be subjected to a more stringent test than existed under the Howard government, and would ensure that workers were not “disadvantaged”. But Labor intends to retain until 2010 Howard’s Australian Workplace Authority, which was set up under WorkChoices to rubber stamp AWAs. It will also retain the authority’s head, Barbara Bennett, who became the public face of the Howard government’s multi-million dollar pre-election media blitz to justify its draconian IR laws.

Labor is also preparing legislation to allow employers to switch workers earning more than \$100,000 a year from AWAs to common law contracts that can exempt penalty rates and a raft of other award conditions.

In a further concession to business, Labor will delay the introduction of legislation on unfair dismissals. Even though Labor made Howard’s abolition of workers’ rights to challenge unfair dismissals a feature of its election campaign, Gillard announced that its proposed laws would not be drafted until the second half of 2008.

Labor’s own position on unfair dismissals does not even return to the limited conditions that existed before Howard’s “reforms”. Labor proposes to allow employers with less than 15 staff to freely sack workers with less than 12 months service, while those employing more than 15 people can sack employees with less than 6 months service. In both cases no appeal is permitted.

A Labor Party bulletin for small business issued during the election listed a myriad of other instances where employers could shed labour unchallenged, including a “business downturn”. The bulletin also declared: “Under-performing and redundant staff can be dismissed readily, as can disruptive staff. So can anyone referred to the police for suspected theft, fraud or inappropriate sexual behaviour.”

That is, merely being “referred to police” or “suspected” of a misdemeanour, without having been charged or convicted, is sufficient grounds for dismissal. At the same time, the term “disruptive staff” is broad enough to include anyone who acts on a genuine grievance about working conditions or safety.

Even these encroachments on workers’ rights have failed to satisfy a section of employers, who are demanding Labor go further. In response, Gillard has signalled further discussions with business. Speaking on the Ten Network’s “Meet the Press” on December 2, Gillard said: “We will get that (unfair dismissal legislation) into the parliament as soon as it can be done. Obviously we want to draft it in a consultative way—so that will take a number of months”.

Also to be retained for a further two years is the Howard government’s wage-fixing mechanism, the Fair Pay Commission (FPC), which is staffed with commissioners handpicked by the previous government. While Gillard

claimed she preferred the FPC to be “transparent,” Labor will not introduce laws compelling it to publish details of its deliberations.

Any exposure would reveal the FPC’s real brief—to hold down wages in order to provide corporations with a ready pool of cheap labour. The FPC’s last pay decision, handed down in July, awarded a miserable \$10.26 a week increase for 850,000 low-paid workers.

Gillard also insisted that Labor would not rescind its decision to retain Howard’s laws severely restricting the right of unions to enter workplaces. She confirmed that Labor would maintain the former government’s construction industry watchdog, the Australian Building and Construction Commission, with all its punitive powers to victimise building workers, until 2010.

Despite Labor’s open embrace of Howard’s measures and its retention of AWAs, the trade unions have made it plain they will not lead any campaign against the government. Speaking on the ABC television’s “Insiders” on December 9, Australian Council of Trade Unions (ACTU) secretary Jeff Lawrence declared: “We’ll continue to argue of course for our policy, but Labor has made its position very clear and I do believe that they have a mandate for that policy, and I’m sure they’ll proceed with it.”

In reality, widespread opposition to the Howard government’s assault on job security, working conditions and living standards was a major factor in its defeat. While opposing Howard’s IR laws, the perspective of the unions was always to restore their central role in policing the requirements of big business, as they did under the previous Labor governments of Hawke and Keating. While the unions would prefer that aspects of Labor’s policy be modified to enhance their position, they are totally committed to working hand-in-glove with the Rudd government to drive up productivity and profits.



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