



BUSINESS COALITION FORMED TO DRIVE WORKPLACE REFORM MESSAGE

On 8 August ACCI, together with 18 other business organisations, launched the “Business Coalition for Workplace Reform” to conduct a national information campaign about workplace relations. The apolitical campaign is designed to convince all parties of the need to keep workplace reforms.

For nearly two decades Australia has been on a journey of economic and workplace reform. It hasn't been easy - nothing worthwhile ever is. Federal governments of both persuasions have introduced and developed workplace reforms that were designed to make the Australian economy more efficient and competitive and to improve employment opportunities.

We are now starting to see the benefits of those reforms as we move into a newer and more competitive economy. Real wages have risen by 20% since the mid 1990s, 2 million jobs have been created, in the last year alone our economy has grown by 4%, and unemployment, whichever way you measure it, has dropped to its lowest level in 33 years.

In other words, these reforms are directly and indirectly benefiting Australians - more jobs, greater productivity, more taxation revenue, and more government services which drive more economic growth.

THE RESPONSIBILITY OF BUSINESS

The trade union movement last year developed a policy to roll back workplace reform, and unfortunately the federal Labor Party has released an industrial relations policy which picks up many of the key aspects of the proposed union rollback.

The business community, large and small, has a major stake in this issue and has been very concerned for some time at the prospect of a rollback of workplace reform.

The importance of these issues, when coupled with saturation union and government advertising about workplace policy, has led ACCI to the conclusion that it needed to protect the interests of its members by organising other business organisations from around the country to inject a business voice into this debate and conduct a national information campaign about the importance of workplace reform to employers and the

community.

Union advertising has given the impression that these reforms have allowed unscrupulous employers to force their staff into accepting unreasonable conditions. Worse still, business has even been likened to the “shooter” in a shooting “gallery” – picking off their defenceless targets one by one. We would be derelict in our duty to a balanced debate if we let these false claims go unchallenged.

Before workplace reform in Australia there were too many inflexible workplace rules and regulations that had built up over the years which made it increasingly difficult for businesses, both large and small, to employ more people, to stay efficient and to compete internationally. These rules and regulations stopped good workers being rewarded and kept unemployment higher than it should have been.

We believe the community shares our concerns about the costs of doing a U-Turn on workplace reform. Those concerns are well grounded - independent research by Econtech, a reputable economic consultancy, shows that if we reverse workplace reform, over the next four years 316,000 jobs will be at risk, business investment will be \$11 billion lower, and Australia's standard of living will drop as our international competitiveness falls from 8th to 14th.

That's why on 8 August ACCI together with 18 other business organisations launched the ‘Business Coalition for Workplace Reform’ to conduct the national information campaign about workplace relations.

THE INFORMATION CAMPAIGN

The campaign is not just about the most recent changes (WorkChoices). We are supporting the retention of most of the major workplace reforms since 1993. Those reforms moved progressively (not radically)

from a centralised system of setting wages and working conditions towards a more enterprise and workplace-based system. There were 3 major steps in that reform effort – in 1993 (the Keating Government), in 1996 (the Howard Government) and 2006 (the Howard Government). The major reform direction in each of these years was towards an enterprise focus.

The information campaign complements work done by ACCI over many years in support of a more flexible system of workplace arrangements for employers and employees.

The workplace reforms that small and large businesses need to keep are inbuilt in the way businesses now operate. Not only are they working, but to change back would add to business red tape and be as difficult as unscrambling an egg.

The information campaign is issues-based and apolitical. It is a business message to all politicians. The views being expressed in our advertising reflects the message that large and small business representatives have publicly and privately expressed to politicians from all parties over many months. This is not about votes or partisan politics. The campaign is designed to convince all parties of the need to keep workplace reform and to create public support for that to occur. With public support, it makes it easier for the ALP and other parties to improve on their industrial relations policies.

It is about supporting good public policy and ensuring that the hard fought economic and workplace reforms of recent times are not compromised and lost. Our only objective is to ensure that good public policy prevails which provides greater choice and flexibility to continue increased productivity, investment and more jobs.

Ours is a message to all politicians, and it is one relevant to them this side of an election and on the other side of the election, whatever the outcome.

We are also very confident that the public wants to hear the business side of the debate, and will be receptive to it.

GETTING THE BUSINESS MESSAGE OUT

The information campaign makes appropriate use of a number of advertising mediums but there is a heavy presence on television advertising. This campaign will be focused on facts and issues.

The advertisements are informative and present people with the facts about the benefits of keeping workplace reform and the costs of going backwards.

The advertisements are based on official data, and on independent economic research and modeling by Econtech which is conservative in its conclusions. The advertisements don't claim that all of the good economic times are caused solely by workplace reform. It is never possible to de-link all of the things that contribute to a strong economy. However, we are in no doubt that workplace reforms have a big bearing on economic performance.

INDEPENDENT ECONOMIC REPORT

The Econtech research, commissioned by ACCI, assesses the economic benefits of workplace reform since 1993 under both an ALP and Coalition government, and answers the question about what the costs would be if those reforms were all reversed. It also says that if some but not all of those reforms were reversed then there would still be economic costs.

If the workplace reforms since 1993 were wound back, Econtech finds that by 2011:

- a person on average wages with an average mortgage will be \$4,063 worse off per year;
- GDP will be \$57 billion or 4.8 percent lower, which is equivalent to \$2,700 per person;
- business investment will be \$11 billion lower, a fall of 5.6 percent;
- employment will be cut by 2.9 percent, with 316,000 jobs lost;
- the cost of living (CPI) will be 1.3 percentage points higher; and
- due to the higher rate of inflation, interest rates will be 1.4 percent higher by 2011, with repayments on the average mortgage \$273 higher per month.

Trade-exposed industries would be the hardest hit by the rollback of reform, with output of agriculture falling by 7 per cent, mining falling by 8 per cent and manufacturing by 11 per cent.

Separate calculations drawn from data in the report show that winding back workplace reforms will cause Australia's ranking against world GDP per person to fall from 8th to 14th.

These findings are consistent with separate economic modeling done on workplace reform in the building industry, commissioned by both the construction

industry, and by the independent workplace regulator (the Australian Building and Construction Commission).

CONCERNS WITH ALP WORKPLACE POLICY

The 2007 ALP industrial relations policy has not been well received by businesses large and small because it would be a very significant rollback of workplace reform. The Econtech research released during the campaign shows just how serious it is for the economy to reverse workplace reforms.

The ALP policy is not just tearing up almost all elements of WorkChoices. It is a reversal of other workplace reforms in the preceding decade. For example, Australian Workplace Agreements, which the ALP will abolish, have been around since 1996 – not just the 15 months since WorkChoices. Unfair dismissal laws will be re-imposed on all businesses employing less than 100 employees. Compulsory arbitration of national employment standards will be returned.

It is true that there are some aspects of the reforms since 1993 that the ALP will retain in some form, such as support for enterprise bargaining, a national IR system, non union collective agreements, a ban on strike pay and secret ballots before strikes.

However, there are also matters in the 2007 ALP policy which go back before 1993, such as new economy-wide legislated employment standards for all employment contracts, compulsory good faith bargaining with unions, forms of pattern bargaining, higher economy-wide legislated redundancy standards and 2 years maternity leave plus new employee rights over working arrangements until children are school age.

KEEPING WORKPLACE REFORM

Key workplace reform policies that business wants retained are:

- retention of Australian Workplace Agreements;
 - retention of exemptions for small business from unfair dismissal laws;
 - retention of limits on compulsory arbitration of new employment standards;
 - retention of limits on right to strike;
 - retention of limits on union entry into non union businesses;
 - retention of limits on bans on pattern bargaining;
 - retention of rights for management to manage businesses subject only to a simple safety net of minimum standards;
 - retention of youth wages;
 - retention of controls on the Australian Industrial Relations Commission;
 - permanent retention of the current workplace regulator and workplace laws in the building industry; and
 - retention of restrictions on unions to interfere with rights of people working as independent contractors.
- Key workplace policies business does not want to be implemented are:
- forced collective bargaining with unions or employees;
 - abolition of Australian Workplace Agreements;
 - union rights to certain pattern bargaining;
 - expanded mandatory employment standards and higher labour costs;
 - rights for unions to strike over a wider range of matters;
 - recommencement of compulsory arbitration;
 - a new national centralised workplace arbitration body and regulator;
 - reintroduction of unfair dismissal laws on small and medium businesses;
 - any weakening of secondary boycott laws in the Trade Practices Act;
 - any weakening on restrictions on union right of entry;
 - abolition of the workplace regulator in the building industry (whether by 2010 or otherwise) and weakening of workplace laws in that industry; and
 - capacity for unions to use a new bargaining system to restrict the rights of independent contractors.

SMALL BUSINESS IMPACTS

Most small and medium businesses are not unionised. Small and medium businesses are concerned about unions getting new rights to come into their business and force them to collectively bargain with unions or employees for wages or conditions higher than legal requirements.

Small and medium businesses are also concerned about having unfair dismissal laws re-imposed on them, which would be bad for confidence and jobs.

Small and medium businesses are concerned about any new employment obligations set by unions or tribunals that would increase costs or create difficulties in managing rosters and working arrangements and meeting customer demands.

Small and medium businesses are concerned about being prevented from negotiating on a one to one basis with staff through AWAs.

LARGE BUSINESS IMPACTS

Large businesses are big employers and big investors. They need certainty, need to be able to compete internationally, need to lift productivity, and need to control labour costs. They are concerned about the abolition of AWAs, concerned about union power to intervene in direct employment arrangements, concerned about unions using or abusing any expanded rights to strike, concerned about any weakening of remedies against unlawful industrial action or boycotts, concerned about changes to wages or employment conditions during the life of projects, and concerned about the prospect of pattern bargaining reducing productivity and re-creating inefficient work practices.

CONCLUSION

These are very important issues for members of ACCI and the Australian economy.

ACCI is proud of the fact that we can add the small and large business voice into the debate, and balance the misleading union message. It is an important investment in the future.

This is also a crucial advocacy service for our members, and if successful it will help shape economically responsible workplace policies from all political parties in the years ahead.