



AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

Opinion Piece by ACCI Chief Executive Peter Hendy for The Australian on Workplace Relations Reform - 7 July 2005

Pros Beat Con Jobs

By Peter Hendy, ACCI Chief Executive

THE public campaign by unions against workplace relations reform has made Australians think about jobs, wages and working conditions. That's a good thing, but the good in the union campaign stops right there.

It's a huge union con job. Workplace changes in 1993 and 1996 set up a decade of jobs and prosperity for businesses and working people in Australia. Similar changes in this decade are needed if we are to achieve the same result and set ourselves up for the future.

The Government's proposals are not radical. They are no more than logical next steps towards an enterprise-based system commenced by Labor in 1993 and the Coalition in 1996.

It has been eight years since the last set of significant changes to our work laws. This is too long. Our laws have not kept pace. With changing social and economic needs, employers face new demands to create jobs and must meet massive new competitive challenges from economies on our doorstep. Our labour productivity has recently slipped (it fell 1.5 per cent in the year to March 2005), and the costs of giving an unemployed person a job are well and truly up.

The big lie peddled by unions is that proposed workplace changes are a win for employers and a loss for working people, as if it is an "us or them" game. It isn't. The class war ended years ago, but unions still hanker for it.

The proof of the pudding is in the eating. In the past 10 years business, working people and the economy all gained by workplace reform. It is not about winners at the expense of losers, it is about creating more winners.

Unions are rallying against change because union officials don't like a system where they have less power to set wages and working conditions than actual employees and employers. They prefer one size fits all, the old system of backroom deals in union offices.

Unions think that if they can stop these changes then they will have a chance of winding back the clock under a future government and returning to the days of backroom privileges.

Change is always challenging, and it is easiest to sell fear and misinformation. The problem is that fear makes us retreat, not move forward. It avoids vision and good policy. We can't

afford that blindness. Government and industry must make out the case for these changes, and explain the benefits. All of them are logical.

Take the minimum wage proposal. The Government wants to retain safety net minimum wages but to change the process for review from a court-case system to an inquiry system. That is a sensible change -- we should be conducting an inquiry to get the right result, not a court case where ambit claims, set pieces and the best advocate on the day wins out.

The current union campaign is also shamelessly misleading.

Here are three examples:

First, unions are saying that because long-service leave (for a minority of employees) is being removed from federal awards then workers will lose their long-service leave. Misleading. Long-service leave is being removed because it is regulated by state laws. In fact, some state laws give workers more long-service leave than federal awards do, which is actually a concern for employers with the package.

Second, unions are claiming that employers want the right to force workers to take less than four weeks' annual leave. False. Laws and agreements (including union agreements) already exist that allow workers to choose to cash out portions of leave. That existing flexibility should be retained.

Third, a union television advertisement alleges that a female worker with family responsibilities could be sacked for not agreeing to a roster change. Wrong. There is a law against the dismissal of workers for family responsibilities. That law will remain. In fact, it is a tougher law on employers than unfair dismissal laws -- if a claim is made, employers are deemed guilty unless they prove otherwise -- whereas under unfair dismissal laws employees have to prove their case or they fail.

None of this means that the Government's reforms are perfect. They fall short of what industry wants, and leave employers in Australia with more regulation than employers in any other country in our Asian region, including New Zealand. Yet they are another step in the right direction.

Neither governments nor union scare campaigns create good jobs and careers. Real employers and employees do. An enterprise-based system of workplace relations, where governments set a safety net, but where unions and employer bodies have less control over employers and employees, is what we need. It has already proven to be a better system. The proposed workplace changes will benefit workers and business. That's the way it should be.