



HEALTHIER COMPANIES MEAN SAFER JOBS

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The propaganda campaign by the union movement against Australia's new industrial relations laws has hit a new low with the Australian Council of Trade Unions claiming that the new laws are bad because they allow companies to dismiss employees for operational reasons.

These opinions were made in the context of a report released on July 7 by the independent government regulator, the Office of Workplace Services, into the dismissal of employees at the Cowra meatworks in March. Union television ads have sought to exploit the Cowra situation for political purposes.

According to the OWS report, the sole or dominant reason for those dismissals was the financial viability of the company and its decision to amalgamate pig and beef lines.

Despite this perfectly respectable conclusion, it has not stopped unions claiming that Work Choices created hardship for these employees - just as they have blamed any and every recent hardship or problem in Australian workplaces on Work Choices.

Commonsense tells us that when a business is failing it is better to act early and salvage some jobs than stand back and let them all go down the drain. Redundancies are unpleasant for both the business owners and the affected staff. Past experience tells us that dismissing some workers for operational reasons saves the jobs of others.

Union officials and some academics have whipped themselves into a lather about the new Work Choices law, which allows employers to dismiss workers for operational reasons.

However, it is necessary if our economy is to operate efficiently and productively, because only efficient and productive businesses can create jobs and pay good wages.

The impression given by union critics is that this is a new and controversial law that needs changing. Far from being new, it reflects a law that has been in industrial awards for more than 20 years and in the general law for decades before that. In 1984, the Australian Industrial Relations Commission created a national award standard on termination and redundancy that expressly included the right of employers to dismiss employees for economic, technical, structural or similar reasons.

The Work Choices law says it is unlawful for an employer to dismiss an employee if the reason is to reduce the wage or conditions that an employee is entitled to. This, too, is almost identical to the law which preceded Work Choices. The independent regulator in the Cowra case said this did not occur.

The old industrial laws and the new Work Choices law both allow an employer in financial difficulties to dismiss employees for genuine operational reasons, but not for unlawful purposes. The operational reasons and unlawful purposes are almost identical under both laws.

Making employees redundant for operational reasons is tough on employees who have done nothing more than become

the victim of circumstance. But neither is insolvency fair for a small business owner who loses a life's work, personal assets and home when the business is wrecked by economic circumstance beyond his or her control.

Fortunately, the Work Choices law has more positive goals. It makes enterprise bargaining and workplace agreements easier, leading to more productive and competitive workplaces. If this is achieved, then jobs will be more secure. Fewer workers will be made redundant, and those made redundant will have a better chance of getting a new job.

The Australian meat industry faces stiff local and international competition. A large business closing down in a regional town is a blow to that community. Many past jobs have been lost in the meat industry because of bad work practices or excessive costs. Those businesses need laws that help them compete and survive. Enterprise bargaining and workplace agreements are their best bet and these are central to the Work Choices system.

Employers dismissing staff for operational reasons always need to act within the law. But they should not wait until it is too late. They should negotiate workplace agreements with staff or unions that will give the business the best chance to compete and pay good wages.

Work Choices can deliver a big social dividend in the form of fewer business failures, lower unemployment and fewer redundancies. It is another step in a goal we should all share - making sure our labour market can give a job to everyone who wants one. Uninformed union criticism of Work Choices neither saves nor creates jobs.