



# WORKCHOICES PROVES TO BE A FAIR GO FOR ALL

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One year after the introduction of industrial relations reform, the unions are sounding pretty hollow, maintains Peter Hendy.

This week's statement by trade union bosses on the first anniversary of Work Choices confirms that Australia is in the grip of one of the biggest con jobs in our history of political debate and public policy.

The con job is funded by union bosses spending tens of millions of dollars on television ads against Work Choices; funds raised partly by compulsory levies of \$5.50 a pop on ordinary working trade union members. This week's 40-page statement by union bosses contained more distortions, union-biased assumptions and downright mistakes. But shamelessly, union bosses proceed to tell the public that white is black and black is white. For them, there are not even areas of grey.

There might be 265,000 new jobs created in one year but union bosses insist the legislation is bad for jobs. Wages might be up but they say wages are being cut. Penalty rates and overtime continue to be paid by employers but they say these are being ripped away. Disputes are at a record low but they say the laws are divisive. Agreements are up but they say Work Choices produces conflict.

More women than ever are in the workforce but they say women are worse off. Unemployment is at a record low (4.6 per cent) but they say the low paid are losing out. The job security index is at a record high but they say workers are in fear of their jobs. Jobs are increasing in every sector and almost all parts of the country but they say it's only the resources boom that makes things look good.

One year into Work Choices and the union bosses are still claiming that the sky will fall in tomorrow. Some union bosses are even resorting to fear of the distant future, saying that Work Choices might not hurt while the economy is good, but when it turns bad, then watch out! Even this line of thinking is flawed. Sensible economic reform makes it less likely that bad times will hit, or hit as hard.

When our economy last reached rock bottom, in the recession of the early 1990s, one million people became unemployed. That's half a million more unemployed than we have today. The industrial relations regulation of the time, which unions still wish for, didn't stop this savage hit on working people. Unfair dismissal laws and heavy union regulation did not protect these jobs.

In fact, it was only after that searing experience that the Keating Labor government decided that Australia had to change its industrial relations laws, ushering in long overdue enterprise bargaining in 1993. The Howard Government then made further changes in 1996 (making enterprise bargaining work in non-union workplaces, and allowing individual workplace agreements) and then Work Choices in 2006, which is a continuum of these 1993 and 1996 reforms. In practice, Work Choices has not been the big bogey for working people that union bosses said it would be. Not only are there 265,000 new jobs in one year (even more than estimated by industry), but the rate of jobs growth is faster than at any other time in this decade. This suggests that a lot of these new jobs can be attributed to employers having more confidence in hiring people because of the easing of unfair dismissal laws and other changes.

It is not Work Choices that Australians should fear. It is the union fear campaign against these new laws. If the agenda of union bosses is implemented, Australians will have plenty to be concerned about, and our families and kids won't thank the unions for taking Australia backwards.

Vested interests such as union bosses are entitled to have their own view about industrial laws. But one year on the union bosses are going beyond telling us what they think. They are paying a lot of money to get into our heads and our emotions. They are trying to con us into accepting their view of the world. That's dangerous and reckless. Turning the public against economic reform such as Work Choices means putting jobs and prosperity at risk.

Ultimately we have to be realists, not union idealists.

The real world means that no other country owes us a living. Other countries and businesses want to snatch our markets, our jobs and our prosperity. If we step backwards to the old industrial relations system that union bosses want, we play into the hands of our competitors.

Will the union con job work? I don't believe so. Let me give you three reasons.

First, Australians are sensible enough to separate fear from fact. They are bright enough to make up their own minds because they trust their own experiences more than they trust what union bosses (or politicians) tell them. If they don't see the bad things that union bosses predicted happening, then the unions will run out of credibility.

Second, Australians believe in a fair go, and that means giving these new laws a fair go, especially when more than a quarter of a million new jobs have already been created.

Third, the unions have overblown their message. Instead of calling for some moderate changes to the laws, unions want the whole thing ripped up. Take workplace agreements, for example. They want them abolished even though one million workers have made AWAs since 1996 and it is the main basis for employment in growth industries such as mining. They want the unfair dismissal law exemption for small business removed completely. They want past powers of union bosses restored.

These union bosses think they can unscramble the egg of economic reform and do no damage in the process. That is dangerous thinking and it is wrong. As with the GST, Australia has done the hard slog with workplace reform. Work Choices might not be to everyone's liking but on this first anniversary, the claims unions were making one year ago are looking pretty hollow.

The Work Choices report card is so far quite good and the upside in jobs growth is a bonus.

Peter Hendy is Chief Executive of the Australian Chamber of Commerce and Industry.