

Workchoices: A year in review

Richard Marles, Assistant Secretary, Australian Council of Trade Unions

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Thank you chair and thank you again CEDA for having me here this afternoon. Prior to the commencement of the work choices legislation, the government accused the ACTU of engaging in one big scare campaign and indeed, they have continued to make that accusation ever since. Well is that all we have done? I think twelve months on, we can test that by looking at what has happened to work choices over the last year.

On day two of work choices coming into being, Triangle Cables, a small company in Victoria, sacked ten of its workers. Ten workers who had been involved in union activity or had various work cover issues and they were sacked on the basis of Triangle Cables, claiming that they were a company of less than one hundred people and just to be sure, they were also sacked on basis of operational reasons as well.

And then we had the example of the [Carra Abattoirs] *0:52, where twenty nine workers were sacked and then rehired soon after on 30% less wages. And again, in that case, on that case, the basis for those dismissals was claimed to be operational reasons and indeed the federal government's own office of workplace services founds that those sackings, were absolutely lawful in the context of the work choices laws.

Indeed, the federal governments own evidence to the budget estimates process, last year, as Tim said, which was a description of the first month of the operation of the work choices legislation, found that every single AWA that had been concluded under the work choices legislation removed at least one award condition. 63% cut penalty rates, 64% cut annual leave loading, 52% cut shift work loading, 48% cut monetary allowances, 36% cut declared public holidays and I could go on and on. Of course having given those stats out, they realised how toxic they were and refused to give out any more stats since.

Last year, when speaking before you, I said, that really one of the key objects of this legislation, when it all boils down to it, is to put employers in a position where they can ask their workers to do more work, more hours for less money. Well when we talk about hours to start with, there are articles being carried by all the newspapers in our country this morning, talking about a new set of ABS stats, which have just come out, which has shown the rate of unpaid hours has increased, unpaid overtime has increased, over the last three years. Indeed, the number of people working overtime, who are not now being paid at the overtime loading, is 48% of people who are working that overtime.

Those same stats show that over the last three years, there has indeed been an increase in flexibility, an increase in flexibility for managers. Managers are now enjoying an unprecedented ability to determine the hours that they are working and when they are going to work them. But if you are an ordinary working person over that same three year period, those stats are showing that you actually have a decrease in the flexibility, in term of when your hours, when you work your hours and the number of hours that you are working.

Now Joe Hockey was on the radio this morning, say that those stats have got absolutely nothing to do with work choices. But do they? In that same senates estimates that was given a year ago, 51% of those AWA's in that initial period of work choices, cut overtime loading. If that has been extrapolated over the thirteen months of the operation of work choices, that would equate to 160,000 Australian's loosing the right to overtime loadings in the first thirteen months of the work choices scheme. And when it come to pay, our claims have also been born out. Full time earnings relative to the cost of living. In other terms, real full time earnings have fallen by 0.6% in the last twelve months. In the private sector 1.1% fall. Minimum wages, 0.9% and indeed, AWA's are now being concluded, on average with pay scales that are ninety cents and hours worse, than what people are getting under collective agreements.

So given all of that, is it fair to say, that work choices has been a failure? Well in a sense, I think, the shocking truth actually is, that given what the government is actually trying to achieve, they have actually succeeded in doing it. As a result of work choices, flexibility for employers has increased. As a result of work choices, flexibility for working people has decreased. As a result of work choices, unpaid hours of work have increased and pay for working people has decreased. As I said last year, what this legislation is going, it sweating productivity out of the economy.

But work choices has made absolutely no contribution to our country and don't Australian's know it. I mean the polls speak for themselves and to be sure, Kevin Rudds' ascension to the leadership of the labour party has certainly given us a huge boost in terms of the polls. But the single biggest issue, right now which is changing the way people are voting or thinking about the way in which they are going to vote, is industrial relations. And that of course, has driven the most tortured and extraordinary back flip on the part of the government, in the last two weeks.

On the 17th May, as has been referred to by both our previous speakers, the term work choices was banned by the government. I should say as an aside here, that when work choices was first implemented, our media boffins told us that we shouldn't be using the term for fear of confirming the government's brand. I have got to say, that since the 17th May, I have been using work choices with a new found sense of liberation.

On the 18th May, Joe Hockey made this comment. If you think it is appropriate for me to eat humble pie, I am happy to munch into it. And on the 22nd May, he made the statement, that we all absolutely know. We got it wrong, he said.

The new fairness test is absolutely window dressing. At the end of the day, there is one fundamental when it comes down to the industrial laws and it is this. Do you have a set of industrial relations laws which are going to be based, where the cornerstone is going to be the right to collectively bargain or are you going to have an industrial relations system with a legislative scheme of individual contacts. In our case, Australian workplace agreements, who's primary aim is to undermine that right to collectively bargain.

Because collectively bargaining or the right to collective bargaining is the principle means by which working people can gain dignity and fair wages and conditions in the workplace. And I would say that a legislative scheme of individual contracts is the principle way by which, in our economy, there is a capacity for exploitation.

Now Labour stands for collective bargaining, but with one thousand working people being forced onto AWA's every day as a result of the work choices legislation, then you can forget about the fairness test, the government is clear and steady in the thrust of what their industrial legislation is all about.

At the end of the day though, the starkness of what the work choices legislation is, can be seen when, can be seen in the context of the other policy parameters of the federal government. Last year, when talking to you, I said that really there are two choices in terms of our economy. One is, are we as a country in a global economy, going to make and do things that are the best in the world for which we can then charge a premium?

Or are we going to make or do the same things that everyone else does, but we will do it for a cut rate price? In other words, are we going to be a high skills, high tech, high wage economy or a low tech, deskilled, low wage economy. Are we going to take the high road or are we going to take the low road?

The fact is that work choices, is actual this government's major piece of micro economic reforms since it has been there in the last eleven years. It will have a much greater impact on our economy than and our country, that for example, the GST. And it would not demonstrate more clearly, which road this government is trying to take us down, because at the end of the day, what work choices represents, is lower wages. And when you think about that in the context of the other policy parameters of this government.

When you think about it in the context of education. Where in '95/96 at the beginning of this government, 2% of GDP was spent on education in this country. Now as we stand here in '07/08, that figure is down to 1.6% and that takes into account the big pork barrelling spend that has occurred in the last month. And that marks us out in the context of education, as a country that places no priority on it, relative to other countries in the OECD. When you think about in terms of productivity, which perhaps is the true measure of the governments economic performance, productivity which in the mid nineties stood at 3.2%. At the turn of the century, stood at 2.2% and in the last budget we have the stunning admission, that in the twelve months since work choices can into being, productivity is down to 0% and when you think that private sector, research and development has essentially hemorrhaged under this government, it is very clear, that there is an articulated and clear strategy on the part of this government, that will take us down the low road.

So in the first year of work choices, what we can say is this. The government has succeeded in placing us firmly on the road towards a poor education, no tech, low wage, cut rate economy. But in the second year of work choices, the Australian people are actually going to be given a choice and they are going to be given a choice about whether or not they want to keep going down that road or whether they want to make a fresh start. A fresh start about going down a different path, a fresh down about going down the high road, towards a more productive, a healthier, a fairer economy. An economy, which given, I think the values which I believe underpin our country and an economy that would actually be a truly Australian economy.

Thank you for having me.

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