



National Office Bulletin

RTBU Members' Newsletter 5/2005

Howard's IR Changes: *Information from ACTU*

In this edition of *your* RTBU National Office Bulletin:

➤ **IR changes announced**

On Thursday 26 May in Parliament, John Howard announced his government's proposed changes to Australia's industrial relations laws.

Millions of Australian workers are set to lose their access to award conditions, protections from unfair dismissal and an effective safety net of minimum wages as a result of the changes.

Lower minimum wages

The Government will abolish the AIRC's role in setting wages and establish a government-appointed Australian Fair Pay Commission to:

- Set a single adult minimum wage on a periodic basis.
- Adjust minimum junior, training and disability wages, award classification wages and casual loadings.
- Replace awards with five minimum conditions

Awards will no longer form the basis of the no disadvantage test for agreement making – for both individual and collective agreements.

The new test will be 5 legislated minimum conditions (no quantum has been specified):

1. The minimum wage rate (award workers will preserve their award wage rates at 2005 levels)
2. Annual leave
3. Personal leave
4. Parental leave (including maternity leave)
5. Maximum number of ordinary hours

No scrutiny of agreement making

The government will introduce "a *streamlined, simpler and less costly agreement making process*".

All collective agreements and AWAs will be approved on lodgement with the Office of the Employment Advocate.

Award stripping

A new Task Group will strip awards within 12 months (of its establishment) to:

- Remove – Jury service, Notice of termination, Long service leave, Superannuation.
- Review – awards and classification structures with the aim of "*rationalising these structures so they are relevant to a dynamic and flexible economy*".

AIRC powers taken away

Powers stripped to leave it with "*resolving legitimate disputes and further simplification of awards*".

The AIRC will have no role in wages setting or agreement making.

Unfair dismissal protection gone

Exempt businesses with up to 100 employees.

For businesses with more than 100 employees, probationary period increased to 6 months.

Unitary system

Howard will ask States to refer their powers at Premiers' meeting on 3 June.

Other changes

The Government confirmed its commitment to legislate in respect of:

- Secret ballots
- Right of entry
- Pattern bargaining

- Contractors
- The building industry
- Removing redundancy provisions from awards for small business

Key lines and responses for Unions

In the ACTU's press conference, Greg Combet said:

"Now that John Howard has control of the Senate he has dumped the battlers. The changes announced by the Government are an assault on the rights and living standards of Australian workers. The changes will benefit business at the expense of working families. They are a huge free kick for big business, and a kick in the guts for workers and their families.

The industrial relations changes are biased and extremely unfair. They will reduce living standards at a time when many people are just keeping their heads above water.

This is a bleak future for Australian workplaces and for working people. These changes will make our society more like the United States where millions of working poor struggle on low wages in jobs without hope.

Unions will fight these changes with determination and discipline. Unions will fight to protect the rights of Australians at work. And we want people to join with us.

The important thing at this stage is that everyone takes the time to find out how these proposed new industrial relations laws will affect them at work. People can visit the ACTU website to find out more – www.rightsatwork.com.au"

Millions of working Australians will be hurt by changes to unfair dismissal laws

Nearly 4 million employees working in small and medium sized businesses will lose protection from unfair dismissal under the proposals.

99 per cent of all private sector firms – over half a million businesses – employ fewer than 100 people. Only 1 per cent – or 6,200 firms – employ more than 100 people.

Changes to the no disadvantage test

This will kill awards. Employers will put employees onto agreements inferior to awards.

For the millions of Australians who rely on enterprise agreements, cutting the no disadvantage test is like taking conditions out of awards.

The conditions that will be cut in this way will include:

- Overtime pay rates
- Times during which ordinary hours can be worked
- Redundancy pay
- Higher rates of pay for shifts and weekend work
- Annual leave loading
- Casual loading
- Conversion of long term casuals to permanent
- Public holidays and pay for work on public holidays
- Any allowances, like being reimbursed for work expenses
- Long service leave
- Superannuation

Claim – Changes will not exclude unions

- Of course the Government won't ban unions, but it will make it much harder for employees to get help from unions and be represented by unions in negotiations.
- Employers will effectively have the right to decide whether employees can have represented by a union or not – it won't be the employee's choice.
- There is no question that the government prefers to see employees negotiating on their own with their employer, rather than with union assistance.

Claim – Real wages have increased under Howard

- Real wages have increased despite the best efforts of this government to keep them lower.
- The government has sought minimum wage rates \$44 a week lower than they are now (\$467 a week).
- And because they haven't got their way, they are changing the system of setting wage rates to make sure wages are lower in the future.
- Average wage rates may have increased by 14 per cent under Howard – but executive salaries increased by 112 per cent (more than double) just last year (top 100 CEOs according to *Financial Review*, Nov 2004).