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## PRIME MINISTER

**STATEMENT BY THE PRIME MINISTER, THE HON P.J. KEATING, MP**

**JOBSBACK II - A THING OF THE PAST**

22 Feb 1995

The statement yesterday by the Shadow Minister for Industrial Relations effectively re-launched the failed Coalition industrial relations policy, Jobsback.

The new "evolutionary" policy has ostensibly lost the more nasty elements which made Jobsback so unpopular in 1993. On the face of it, one could interpret this as flattery: Mr Howard and Mr Reith appear to be admitting that Labor's policy of measured change in the labour market is right. But in truth the "admission" comes as a disguise for their traditional nasties.

We are told that the three dollar per hour youth wage has been dropped, and current employees will only be on individual contracts if they choose. In other respects Jobsback is essentially intact.

The only difference is the camouflage. The old wolves in wolves' clothing have reverted to being wolves in sheep's clothing.

It is, of course, another step in the re-packaging of John Howard as an ideological cuddly, another ingredient in the making of a Coalition policy blancmange.

Mr Reith appears to be selling the new policy on the basis that Australian workers who do not choose individual contracts will be protected in the future under current awards. Awards which under the Howard/Reith system will apparently be frozen in time.

Mr Reith either fails to understand or deliberately fails to address two fundamental problems with his policy.

First, contrary to Mr Reith's apparent assumption, the labour market is not a pool - it is a river. There is a constant turnover of jobs. Each month 130,000 new positions are filled. The people chosen to fill them - new entrants and re-entrants to the labour market, those changing jobs - will be fair game under the Howard/Reith system.

Employers will naturally take on those new workers under the cheapest individual contract.

Presumably Mr Howard and Mr Reith are not oblivious to these facts. Presumably they know that in the last year over 1 1/2 million new job openings were filled. And because they also know that those wanting the award will not be preferred, they must know that under their system in time all employees will be subtly coerced into individual contracts.

That means not a free labour market, but one based essentially on the Master and Servant provisions of the English Common Law. It does not mean a level playing field in the labour market: rather, it means a return to the inequality and authoritarianism of the past.

Under the Howard/Reith policy the safety net of minimum conditions will be much reduced. Among the conditions up for grabs will be overtime rates, shift allowances and holiday loadings.

The essential difference between the new Jobsback and the old can be illustrated by the case of Mr Howard's driver. Under the old Jobsback his driver stood to lose the extra \$100 a week he earns in overtime. Under the new Jobsback he can keep it - he can stay on the award. It is the driver who replaces the present one who stands to lose; because he will be employed on an individual contract - a contract he will have to negotiate from a position of profound weakness. In short, he can take it or leave it.

Under the Howard/Reith plan, the paid overtime and penalty rates on which so many Australians rely to make ends meet will increasingly become a thing of the past.

Which is precisely how the new Jobsback might be described. It is a thing of the past. It is the old Jobsback in a cheap disguise.

And what is the justification for these draconian plans? Low profits? No. Low employment growth? No. Low productivity growth? No. Industrial discord? Hardly. Mr Howard and Mr Reith have no case. What they have instead is the same ideological obsession they have always had.

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