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CHECK AGAINST DELIVERY

AUSTRALIA

PRIME MINISTER

INDUSTRIAL LEGISLATION

SPEECH BY THE PRIME MINISTER, THE RT. HON. WILLIAM McMAHON

IN THE HOUSE OF REPRESENTATIVES, CANBERRA

MAY 10, 1972.

Mr Speaker, as my colleague the Minister for Labour and National Service said when introducing this Bill, it contains the most significant amendments to the Act since 1947. I think it is timely to remind the House and indeed the community of the long history of significant legislation that Liberal-Country Party Governments have passed over the years since coalition came to power in 1949. Just as the Bill now before the House has two broad reasons - concern for the community and concern for the individual worker - so has all of the legislation introduced by successive Liberal-Country Party Governments since 1949. It was Liberal-Country Governments which really made workable the secret ballot legislation which had been introduced by our predecessors.

The legislation that we brought down in the early fifties put into the hands of rank and file unionists the opportunity of ensuring good Government in their organisations. By legislation, they have been able to ask for elections to be conducted by independent officials. They have been able to have the Court enquire into irregularities in ballots. It is a Liberal-Country Party Government which ensures a viable sanctions process under the Conciliation and Arbitration Act.

Whilst over the years we have stood firm on the principle that there must be sanctions or fines to deal with industrial lawlessness, we have been realistic enough to make changes in that process as the need to do so has arisen. We have approached the question of sanctions or fines with resolution but we have sought to provide under the Act every opportunity for parties to resolve their differences by the traditional processes of conciliation and arbitration. We have sought to give every opportunity to a union to resile from strike action and so avoid a penalty being imposed on it. However, as the Minister pointed out in his second reading speech, if that opportunity is not taken then a union must face the consequences under the Law. It has been said that the sanctions process has fallen into disrepute. At one point of time there might have been some truth in that statement. However, that is no longer the case. We are determined to ensure that if fines are imposed under the so-called penal clauses of the Act those fines will be collected. That is a firm statement of intention by this Government.

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Mr. Speaker - one must, of course, refer to the historic amendments to the Act of 1956. These were introduced by the Minister for Labour and National Service of that time, the late Harold Holt. As Honourable Members know, the real thrust of those amendments was to separate the administrative and judicial functions of the old Court of Conciliation and Arbitration. This meant that the administrative function of the prevention and settlement of disputes became the responsibility of the new body, the Commonwealth Conciliation and Arbitration Commission,whilst the judicial functions have been the responsibility of the Commonwealth Industrial Court. Those amendments removed a lot of the legalisms of the system as it had existed. They resulted in the new commission adopting a more flexible approach to its responsible task of prevention and settlement of disputes. I, for one, believe that over the years, the Commission has carried out its very onerous role in a responsible and painstaking manner. It has served the community well. I think perhaps the community does not always realise the very great value to the community of our system of conciliation and arbitration. Save for that which operates in New Zealand, there is no other system comparable with it.

One of the great benefits of it has been that, by and large, this country has not had inflicted upon it the very long drawn out disputes that characterise industrial relations in a number of other countries in the world. Relatively speaking,strikes in this country are of short duration. This is largely because parties are able to take their differences to the appropriate tribunal and indeed that tribunal has power to step in of its own volition when disputes occur. It would be a mistake, however, to see our system of conciliation and arbitration as an institution merely existing to serve the interests of management and labour - the parties to industrial disputes.

Employers and unions simply cannot be permitted to resolve their differences without regard to the effect on those groups who are not themselves directly involved. The Government has a significant role because it has a responsibility for the management of an increasingly sophisticated economy. Government is itself perhaps the most important party in industrial relations. It represents the community. This has always been recognized by the Conciliation and Arbitration Act in a variety of ways. It has long given government the right to intervene in certain prodeedings: It envisages Ministers notifying disputes. It has long contained provision for the "public interest" to be taken into account in the prevention and settlement of industrial disputes.

We are proposing in the Bill now before the House to enhance the protection of the public interest. It is the factor uppermost in our minds whenever we have come to consider alterations to the Conciliation and Arbitration Act. It is what the community is entitled to expect of government.

I have sketched very briefly some of the principal changes that have been made to the Act over the years, but it is not only the Conciliation and Arbitration Act itself that we have given a great deal of attention to over the years. Honourable Members will recall that when this country was faced with perhaps one of the most serious periods of disturbance on the Australian waterfront we were not slow to act.

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We concluded at that time that strong legislation was needed and we introduced it in 1965. That legislation had a most salutary effect on the Waterside Workers' Federation as indeed it was intended to have.

Now, Mr Speaker, that leads me to speak of the importance attached to this current bill as part of our total fight against inflation in this country.

We are concerned to ensure that the parties to industrial disputes settle their differences within the arbitration system where the public interest factor is an all important one. We have included in the bill, for example, a provision that the Commission must have full regard to the economic consequences of what it might decided. We have included in the bill provisions widening the particular matters which are reserved for determination by a Full Bench of the Commission .

We believe this is particularly important because these are matters that ought not to be considered on a piecemeal basis. They demand a co-ordinated approach by the Commission. They demand that every opportunity is given to government and to the widest possible range of interested parties to put their views to the Commission when matters of this nature are being determined by the Commission.

As part of our total planning in our fight against inflation, we are also strengthening provisions of the Act to deal with irresponsibilities of trade union power. We are convinced that certain powerful elements in the trade union movement have exercised their strength on too many occasions in a totally irresponsible fashion.

Unfair and undue pressure has been placed upon employers by the use of the strike weapon. This has resulted in excessive rises in wages and salaries relative to national productivity.

We have long held that it is important to the community that there be a strong trade union movement. We do not wish to see a weak trade union movement but, by the same token, we have to see a balance of power between employers and unions in the settlement of industrial disputes.

Over the last twelve months, consumer prices have risen by 7 per cent - a marked acceleration on the rate of 2½ per cent to 3½ per cent which Australia experienced throughout most of the 1960's. I believe it is recognised by most economists that this increase in inflationary pressures has been largely due to excessive rises in wages and salaries to which I have already referred.

Inflation is a pernicious economic and social evil. The losers in the inflationary struggle are people often least able to afford it - retired people, small savers, the unemployed, and less organised groups of workers.

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It is for these reasons that the Government has been seriously concerned about inflation, and has taken action on several fronts to deal with the problem.

First, we have recognised the importance of greater competition in the economy. The Attorney-General will be making a statement to Parliament shortly outlining proposals for some important changes to trade practices legislation.

We have also indicated our intention to carry out a systematic review of the tariff structure.

Second, we have taken an active part in promoting higher productivity in Australia - through the assistance we have given to inter-firm comparisons, productivity groups, and productivity promotion.

Third - and here we come closer to the crux of the problem - we are intervening actively in Arbitration Commission hearings whenever these have general economic significance. And we are seeking to ensure that restraint is exercised within the areas of the Government's own responsibility - the Public Service and the various Commonwealth statutory bodies. It is within this total context that the extensive amendments proposed by this bill must be seen.

And this is not the only piece of legislation that we have brought forward in this Session to deal with the problem of industrial unrest that has dogged this country in recent times.

Parliament has just recently passed an amendment to the Public Service Arbitration Act which is specifically designed to deal with industrial situations arising in the area of Commonwealth employment.

We have strengthened that Act by making available to management and the unions the traditional means of conciliation and arbitration to resolve industrial situations as they arise. I am sure this is a provisions which has been widely welcomed.

There is absolutely no reason why organisations with members in Commonwealth employment should need to engage in industrial disturbance. The Public Service Arbitration Act as it has now been amended, will ensure that Constitutional means are available if and when industrial situations emerge in the Commonwealth area of employment.

I spoke earlier of the extent to which this Government over the years has strengthened the Act to ensure every opportunity for democratic control in organisations registered under the Conciliation and Arbitration Act. There is a wide range of provisions included in this Act to extend further those opportunities.

We firmly believe that unions and employer bodies should not be the playthings of those who sit upon executives. A heavy responsibility rests upon executives to see that the affairs of those organisations are conducted scrupulously and with respect to the views of the members.

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The members should have the widest possible opportunity for expressing their views and for seeing to it that their organisations are properly controlled. Surely no-one can disagree with any of this. Surely no-one can disagree with the provisions of the bill which are designed to achieve this.

If the Opposition is going to argue against these provisions, then all any reasonable person can say is that they are merely the spokesmen of those union bosses who must have something to fear by these provisions being brought into law.

There has been much said in recent months about the amalgamation of organisations - in particular the amalgamation of unions. We recognise that amalgamation of unions is a characteristic of industrialised societies.

We recognise that there can be benefits to the members of organisations in combining their resources to undertake more effectively their responsibilities. We believe, however, that because amalgamation of organisations is such an important step that it should be clearly authorised by the membership of the organisations which propose to amalgamate. We do not wish to see amalgamations take place unless the widest possible opportunity is given to members to voice their opinion about an amalgamation proposal.

We do not want to see organisations grow so large that the members of them see themselves to be so minute in the total scheme of things that they lose all real contact with the officials whose task it is to run the affairs of the organisation.

The bill now before the House does not simply consist of a whole range of unconnected proposals for change in the Conciliation and Arbitration Act. It is, as I have pointed out, a cohesive document. It is designed to ensure that the interests of the community are not lost sight of when parties sit down to settle disputes. It is designed to ensure that the organisations involved in the settlement of disputes faithfully reflect the views of their members.

There is a single philosophy running through the whole of it. That philosophy may be summed up as one which aims to protect the community and the individual in the total area of industrial relations.

And that is vital to our success and prosperity as a nation.
