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PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
OPENING OF THE FIRST NATIONAL CONFERENCE OF
OFFICIALS OF THE AUSTRALIAN WORKERS' UNION
SURFERS PARADISE - 14 JULY 1989**

Errol Hodder,
Friends.

The Australian Workers' Union holds a very special place in the history of trade unionism and the history of the Australian Labor Party.

More than a century ago, forty shearers joined together in the pursuit of better wages and working conditions and formed the Amalgamated Shearers' Union, the forerunner of the AWU. For more than a century your union has played a vital role in improving, through the processes of consultation and conciliation, the wages and working conditions of your members.

In 1891, when members of the shearers' unions were faced with the imminent collapse of their great strike, the historic decision was made to pursue their just cause through the ballot box.

And so, with the active support of working men and women throughout Australia, was founded one of the world's first labour parties - the Australian Labor Party.

It is as leader of that Party, as leader of a proudly Labor Government, and as a committed trade unionist, that I feel honoured to open the first national conference of officials of the Australian Workers' Union.

What the Amalgamated Shearers' Union set out to achieve in 1886 was the goal, through effective organisation, of better and more secure living standards and working conditions for members. That remains the primary challenge of the modern trade union movement.

But it is a proof of the complexity of the modern economy, of the magnitude of the challenges facing Australia and, not least, of the maturity and capacity of the Australian trade union movement, that we meet today to discuss issues of broader, of national, significance.

My friends,

We meet at a time when union/government co-operation is at a level unsurpassed in Australian history.

Over the last six years, the Accord years, the Australian labour movement has shown what can be achieved when governments and trade unions work together. It is with a sense of pride that I assert that together, we have produced economic achievements of fundamental and lasting importance, not only to trade union members, but to all Australians.

Nowhere is this better illustrated than in our record of job creation. New figures yesterday from the Bureau of Statistics confirmed the massive growth in jobs in the Australian economy. Nearly 1.5 million jobs have been created in the Australian economy since we took office - a rate of employment growth over twice the OECD average and over four times that of the previous Government.

This unprecedented employment growth has slashed the unemployment rate from double digit levels down to 6 per cent - the lowest it has been for seven and a half years.

Inflation has fallen from 11 per cent to around 7 per cent.

Economic growth has averaged around 4 1/4 per cent a year over the past six years.

These achievements have been the direct result of the trade union movement's willingness to accept real wage restraint.

It was a watershed decision taken by unionists in 1983. They could legitimately have pursued a strategy of increased wages for themselves but chose instead, through wage restraint, to expand dramatically the number of jobs in Australia and the overall competitiveness of the economy.

At the same time, as an integral part of the Accord, real wage restraint was accompanied by Government commitment to lifting the social wage.

As a result of that commitment, this Government has a social justice record second to none.

There have been major increases in Government assistance for low income families, real increases in pensions and benefits, reforms to the education system and the restoration and improvement of universal health coverage. Through all these means we have significantly eased the burden of restraint on those who are most in need in our community.

I recall the words of Bill Kelty at the 1987 ACTU Congress when he said that the benefits offered the less well off through the Government's Family Assistance Package represented gains in living standards that would have taken 50 years to achieve by traditional industrial means.

Underpinning all this, we have reformed the taxation system. We have progressively cut the levels of income tax, and we have ended the capital gains and fringe benefits rorts whereby the ordinary taxpayer assumed an unnecessarily large burden of the tax bill and whereby tax payment by the well off was more a matter of choice than obligation.

Not least of the achievements of the Accord was the wage/tax negotiations in the lead up to the April Statement which delivered a \$5.7 billion package of tax cuts and family assistance, while achieving continued restraint in the growth of labour costs for Australian industry.

As Paul Keating said at the time, that was a result that only a Labor Government could have delivered, working through the processes of the Accord.

Last week the first of these tax cuts flowed into the pay packets of Australian workers.

Even before these tax cuts, previous tax reforms, increased family assistance and our massive increase in jobs had lifted per capita real disposable income by more than 10% since 1982-83.

My friends,

We stand today on the threshold of further improvements in the remuneration and job satisfaction of Australian workers - improvements being progressively negotiated through the historic processes of award restructuring.

Through award restructuring, we are achieving productivity improvements that go to the essential question of Australia's economic competitiveness and, therefore, of our future prosperity. And we are doing so with consensus and cooperation across the parties, ensuring that decisions made are the right ones and the gains made are permanent ones.

Through the Accord, wage fixing in Australia has progressed from a rigid system that merely followed price movements, to a system that is a catalyst to labour market reform and productivity improvement.

What is significant - and what is completely different from the Liberals' proposals to abandon the system of centralised wage fixing - is that the flexibility of this process is going hand in hand with an institutional structure that protects the industrially weak while still producing a responsible aggregate wages outcome.

Award restructuring provides an unprecedented opportunity for workplace reform - reform which is essential if Australia is to enter the 21st century with an internationally competitive economy and if we are to protect our living standards for future generations.

At its simplest, award restructuring leads to two main gains: the first is the removal of obsolete job classifications and the broadbanding of jobs under an appropriate single classification; the second is the establishment of skill-based career paths.

Already in some key industries, the parties have reached agreement on award restructuring proposals. The Industrial Relations Commission has approved new work structures for Telecom and the domestic airlines, and is considering a new structure for Qantas engineers. Negotiations are well advanced in the metal and steel industries.

The increases in productivity flowing from award restructuring will in some cases be immediate, and in other cases take longer. But in all cases they will be enduring. And in all cases they are being achieved, not through confrontationist tactics in which everyone is the loser, but through sensible and constructive negotiations in which everyone, in the industry and in the economy more generally, is the winner.

My friends,

When the founders of your union resolved to advance their goals through political as well as industrial means, one of their main aims was to secure legislative reform.

Soon after coming to office, my Government established the Hancock Review into Australia's Industrial Relations Law and Systems. Keith Hancock's brief was a wide one: to advise us on how to modernise the law governing industrial relations.

The outcome of that Review and of the extensive consultations that followed, was the Industrial Relations Act 1988 - the most far reaching revision of Australia's federal industrial relations system ever undertaken.

The Industrial Relations Act has provided a more effective framework for preventing and settling industrial disputes. It places special emphasis on settling disputes at the workplace level, and provides scope for greater flexibility in working arrangements and remuneration.

Of particular importance for you, the Act substantially clears the way towards union amalgamations.

Indeed an amalgamation between two big unions, such as the AWU and the Federated Ironworkers', with all the benefits that entails, would have been almost impossible before this Act. Under the new Act, as long as the Industrial Relations Commission rules that a "community of interest" exists, a simple majority of votes cast in favour will approve the amalgamation.

Let me take this opportunity to commend you for your initiative and vision in working towards this amalgamation and to offer you my best wishes for its success. It is a move which is clearly in the interests of all relevant unionists and is therefore firmly in the mainstream of your long tradition of service to Australian working men and women.

My friends,

I have spoken today about some of the new challenges facing the AWU and the trade union movement generally.

The basic challenge of course has not changed since your union was founded. It remains the challenge of effective organisation so as to secure better living standards for your members. But the way that challenge is now pursued has been revolutionised.

From sectional organisations concerned solely with the interests of union members, trade unions now have responsibilities extending to the well being of all Australians.

Trade unionists once sought political representation, through the political wing of the labour movement; now they are vital partners with the Labor Party in government.

From once seeking an equitable sharing of prosperity, trade unionists are now also intimately involved in, and committed to, creating the framework within which further prosperity is generated.

Only the ideologically obsessed fanatics of the Right see this as a threat to good economic management.

Regrettably, such fanatics hold increasing sway within the mainstream conservative parties.

Their blinkered dogma, their overwhelming preference for confrontation over consultation, their refusal to accept the legitimate and constructive role of the trade union movement in resolving issues across the spectrum of the Australian economy - indeed their determination to break up the system of centralised wage fixing, to weaken union structures and to banish trade unions from effective participation in decision making - all these pose grave threats to the achievements I have outlined today.

And what an irony it is that one of the first struggles this union fought in the 1880s and 1890s is still, in modern clothes, very much on the agenda today.

The conservatives then talked about "freedom of contract" - a pretty phrase that concealed an ugly intention to give an employer the right to exclude the union from wage negotiations with their employees.

Things haven't changed much. There are still those who wish very earnestly to push unionism aside, and so to exploit those individual employees too weak to defend themselves.

So I wish you well in this Conference, secure in the knowledge that your discussions today, covering issues such as amalgamation and award restructuring, will be in the best traditions of Australian unionism - by which I mean that they will benefit not only your immediate members but, ultimately, all Australians.
